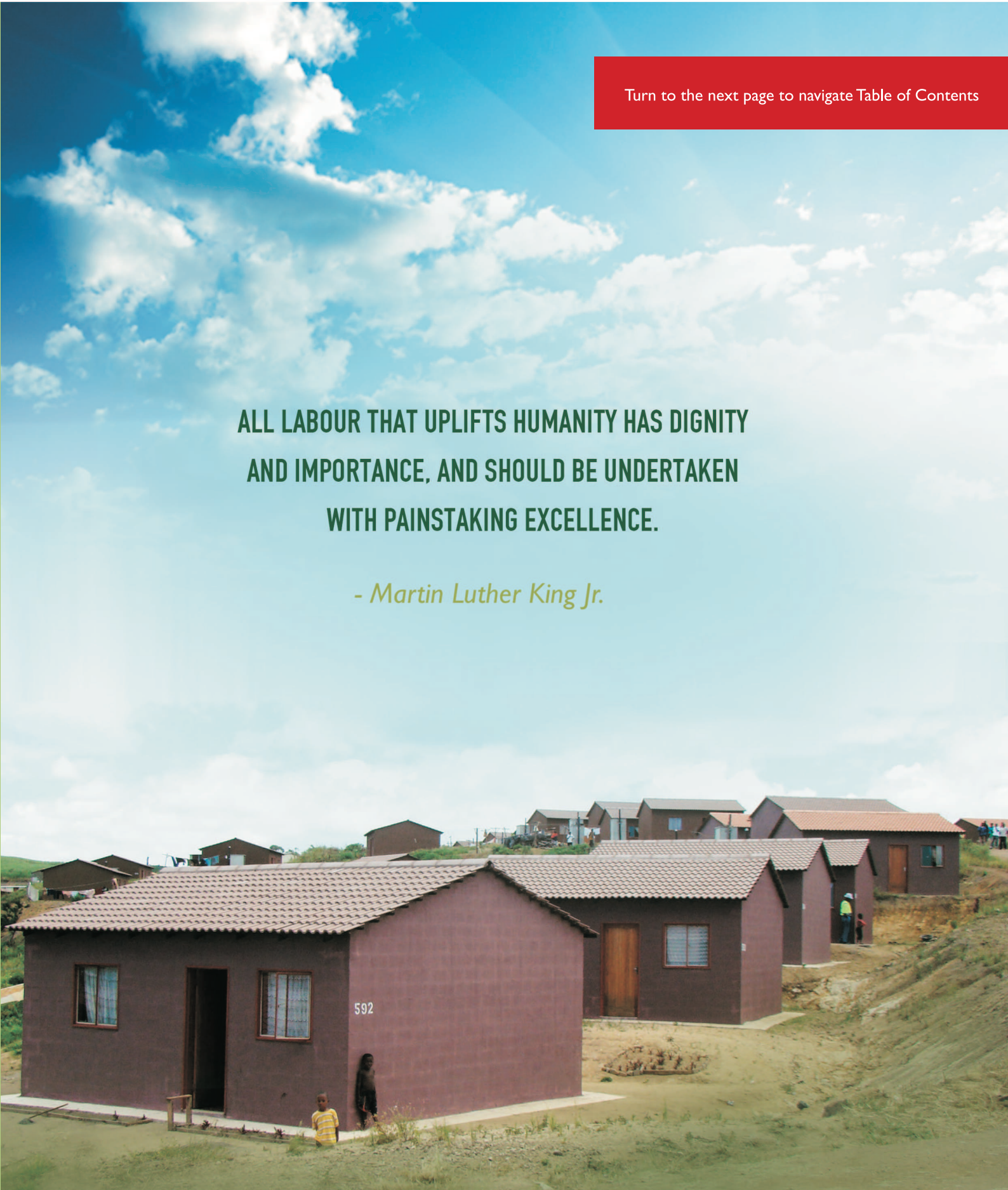




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ALL LABOUR THAT UPLIFTS HUMANITY HAS DIGNITY  
AND IMPORTANCE, AND SHOULD BE UNDERTAKEN  
WITH PAINSTAKING EXCELLENCE.

*- Martin Luther King Jr.*



# TABLE OF CONTENTS

Click on any page number here to navigate to that page.

To return to the Table of Contents from anywhere in the document, click on the page number at the bottom of any page.

FOREWORD

PG 5

SIGN OFF

PG 7

GLOSSARY

PG 8

PART A

PG 12

1.1	VISION	PG 12
1.2	MISSION	PG 12
1.3	VALUES	PG 12
1.4	STRATEGIC GOALS	PG 13
1.5	PRIORITIES	PG 14
1.6	PRINCIPLES OF SUSTAINABLE HUMAN SETTLEMENTS	PG 15
	1.6.1 National Principles	PG 16
	1.6.2 Provincial Principles	PG 19
1.7	ALIGNMENT OF MANDATES	PG 19
	1.7.1 Negotiated Service Delivery Agreement [NSDA: Outcome 8]	PG 19
	1.7.2 Provincial Growth and Development Plan (PGDP)	PG 21
1.8	PLANNING PROCESS	PG 24
1.9	PROVINCIAL PRIORITIES FOR 2013/14	PG 24
1.10	NOTES ON THE PRESENTATION OF CORE BUSINESS FOR 2013/14	PG 25
2.	LEGISLATIVE AND POLICY MANDATES	PG 25
2.1	Legislative Mandates	PG 25
2.2	Policy Mandates	PG 26
3.	SITUATION ANALYSIS	PG 28
3.1	POPULATION PROFILE AND DEMOGRAPHIC CHARACTERISTICS	PG 28
3.2	SOCIO-ECONOMIC PROFILE	PG 33
3.3	PROVINCIAL SERVICE DELIVERY ENVIRONMENT	PG 38
	3.3.1 HOUSING NEEDS AND DELIVERY	PG 38
	3.3.2 FUNDING MODEL	PG 43
	3.3.3 INFRASTRUCTURE DELIVERY	PG 44
	3.3.4 SKILLS CAPACITY	PG 46
	3.3.5 CHALLENGES	PG 46
3.4	PROVINCIAL ORGANISATIONAL ENVIRONMENT	PG 48
3.5	OUTLOOK FOR THE 2013/14 FINANCIAL YEAR	PG 56

# TABLE OF CONTENTS

Click on any page number here to navigate to that page.

To return to the Table of Contents from anywhere in the document, click on the page number at the bottom of any page.

## PART B PROGRAMME 1

**PG 64**

1.1	PROGRAMME 1: ADMINISTRATION	PG 64
1.2	2013/14 PRIORITIES: PROGRAMME 1	PG 65
1.3	PROGRESS ANALYSIS	PG 66
1.4	OUTLOOK FOR 2013/14	PG 66
1.5	CHALLENGES	PG 69
2	PROVINCIAL STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR ADMINISTRATION – 2013/14	PG 70
2.1	STRATEGIC OBJECTIVES ANNUAL TARGETS	PG 70
2.2	PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS	PG 71
3	RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS AND BUDGETS	PG 73
4	PERFORMANCE AND EXPENDITURE TRENDS	PG 75
5	RISK MANAGEMENT	PG 76

## PART B PROGRAMME 2

**PG 78**

2.1	PROGRAMME PURPOSE AND STRUCTURE	PG 78
2.2	2013/14 PRIORITIES	PG 79
2.3	PROGRESS ANALYSIS	PG 79
2.4	OUTLOOK FOR 2013/14	PG 83
2.5	CHALLENGES	PG 86
3.	PROVINCIAL STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR HOUSING NEEDS, RESEARCH AND PLANNING	PG 86
3.2	PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS	PG 86
3.3	QUARTERLY AND ANNUAL TARGETS FOR HOUSING NEEDS, RESEARCH & PLANNING – 2013/14	PG 87 PG 89
4	RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS	PG 90
5	PERFORMANCE AND EXPENDITURE TRENDS	PG 92
6	RISK MANAGEMENT – PROGRAMME 2	PG 93

Click on any page number here to navigate to that page.

To return to the Table of Contents from anywhere in the document, click on the page number at the bottom of any page.

## PART B PROGRAMME 3

PG 96

3.1	PROGRAMME PURPOSE AND STRUCTURE	PG 96
3.2	2013/14 PRIORITIES	PG 97
3.3	PROGRESS ANALYSIS	PG 97
3.4	OUTLOOK FOR 2013/14	PG 99
3.5	CHALLENGES	PG 103
4.	PROVINCIAL STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR HOUSING DEVELOPMENT	PG 104
4.1	PROVINCIAL PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS (INCLUDING ALL PROGRAMMES INCLUSIVE OF OUTCOME 8)	PG 105
4.2	PROVINCIAL QUARTERLY AND ANNUAL TARGETS (INCLUDING ALL PROGRAMMES INCLUSIVE OF OUTCOME 8)	PG 107
4.3	PROVINCIAL PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS: OUTCOME 8 ONLY	PG 109
5	RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS AND BUDGETS – 2013/14	PG 110
6	PERFORMANCE AND EXPENDITURE TRENDS	PG 112
7	RISK MANAGEMENT	PG 113
8	DISTRICT PROFILES AND KEY AREAS OF FOCUS	PG 115

## PART B PROGRAMME 4

PG 150

4.1	PROGRAMME PURPOSE AND STRUCTURE	PG 150
4.2	2013/14 PRIORITIES	PG 150
4.3	PROGRESS ANALYSIS	PG 151
4.4	CHALLENGES	PG 153
5	PROVINCIAL STRATEGIC OBJECTIVES, INDICATORS AND TARGETS FOR HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT	PG 153
5.1	STRATEGIC OBJECTIVE ANNUAL TARGETS	PG 154
5.2	PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS	PG 154
5.3	QUARTERLY AND ANNUAL TARGETS FOR HOUSING ASSET MANAGEMENT	PG 155
6	RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS AND BUDGETS – 2013/14	PG 155
7	PERFORMANCE AND EXPENDITURE TRENDS	PG 158
8	RISK MANAGEMENT	PG 158

# TABLE OF CONTENTS

Click on any page number here to navigate to that page.

To return to the Table of Contents from anywhere in the document, click on the page number at the bottom of any page.

## PART C

PG 160

1	CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN	PG 160
1.2	MEDIUM TERM REVENUE	PG 161
2.	CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS	PG 164
2.1	INTERDEPARTMENTAL LINKAGES	PG 164
2.2	LOCAL GOVERNMENT LINKAGES	PG 164
2.3	PUBLIC ENTITIES	PG 164
2.4	PUBLIC, PRIVATE PARTNERSHIPS, OUTSOURCING	PG 164
3.	INSTITUTIONAL INFORMATION	PG 165
3.1	IT SYSTEMS	PG 165
3.2	PERFORMANCE MANAGEMENT SYSTEM	PG 166
3.3	FINANCIAL MANAGEMENT	PG 166
3.4	RISK MANAGEMENT AND FRAUD PREVENTION	PG 166
3.5	PERSONNEL COSTS	PG 167

## PART D

PG 176

6.1.1	ALIGNMENT TO THE MANDATE	PG 176
6.1.2	LEGISLATION AND POLICY MANDATES	PG 178
6.1.3	FUNDING MODEL AND OPTIONS	PG 181
6.1.4	LAND, URBANIZATION AND SPATIAL MANAGEMENT	PG 186
6.1.5	SKILLS AND CAPACITY	PG 188
6.1.6	INFRASTRUCTURE DEVELOPMENT AND ACCELERATE UPGRADING OF INFORMAL SETTLEMENTS	PG 189
7.0	CONCLUSION	PG 192
7.1	RISK MANAGEMENT PLAN	PG 192
7.2	PROGRAMME/PROJECT PLANNING AND IMPLEMENTATION	PG 194

## ANNEXURE A

PG 195

CHANGES TO THE 2010/11-2014/15 STRATEGIC PLAN	PG 195
-----------------------------------------------	--------

## ANNEXURE B

PG 197

PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING	PG 197
PROGRAMME 3: HOUSING DEVELOPMENT	PG 200
PROGRAMME 4: HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT	PG 201





## human settlements

Department:  
Human Settlements  
**PROVINCE OF KWAZULU-NATAL**



Honourable Mr R R Pillay, MPL

Member of the Executive Council for

Department of Human Settlements and Public Works

## FOREWORD

We are pleased to present the 2013/14 Annual Performance Plan, incorporating the Multi Year Development Plan. As part of the strategic review process, my team embarked on a vigorous introspection process late last year. This was to ascertain blockages and challenges that impact directly on the Department's ability to create an enabling environment based on a coordinated, integrated and inter-sectoral approach to support human settlement infrastructure development.

The review process focused on critical service delivery issues including the development of a Provincial pipeline planning capacity and delivery management system, improving skills capacity, strengthening stakeholder relations, improving performance trends as well as revisiting the Department's vision, mission, goals and core competencies.

The vision of this Department, i.e. creating sustainable settlements, is reflective of the two main objectives of the Habitat Declaration on Sustainable Human Settlements, namely the right to basic shelter as a human right and the need for settlements to be socially, environmentally and economically sustainable. The vision emphasizes the policy objective of the Comprehensive Plan on Human Settlements of 2004 that delivery should be more demand-driven and that housing and other instruments should respond to the needs of people in their specific situations.

In order to achieve this vision; our Province is committed to integrated and sustainable human settlements through the provision of comprehensive housing opportunities. This aligns with the National outcomes based approach towards Sustainable Human Settlements and Improved Quality of Life as well as the Millennium Development Goals with specific

reference to Goal Number 7, namely Ensure Environmental Sustainability (Eradication of Slums). Central to this is the implementation of the Upgrading of Informal Settlements, increasing the provision of well-located rental accommodation, mobilisation of well-located public land for low income and affordable housing, as well as the provision of the Finance Linked Individual Subsidy Programme (FLISP) to address affordability challenges in the gap market.

In order to ensure the acceleration of delivery of housing opportunities, the Department intends among others to up-scale the provision and implementation of serviced sites. In this regard the Department will roll out 5 000 serviced sites over the next three years, with the first 1 500 being made available to the public within the 2013/14 financial year. The priority areas will be: eThekweni, Msunduzi, Hibiscus Coast, Umhlatuze, Newcastle, Ladysmith, KwaDukuza, Umdoni and Kokstad. This is directly aligned to National Outcome 8 Output 1, the accelerated delivery of housing opportunities, and Output 2, improved access to basic services.

The strategic review has introduced a business re-engineering and performance enhancement dimension. In 2013/14, this will translate into the Department placing greater emphasis on challenges that may impact delivery targets. To proactively address this issue, the Infrastructure Crack Team administered by Provincial Treasury was appointed in 2012/13. Over the 2013/14 MTEF the Infrastructure Crack Team is expected to continue to provide required technical capacity to the department. This team allows project managers to track, monitor and report on complex projects. This will also help in identifying and avoiding sources of blockage before they occur, as well as expediting administrative processes.

All our programmes continue to indicate clear contributions to the achievement of Provincial priorities. The Department is committed to promoting sustainable integrated development. To this end, we will continue to strengthen district capacity to support project delivery and ensure that there is increased participation in the development of Integrated Development Plans at Municipal level. We will facilitate the integration of housing sector plans with Municipal Infrastructure Investment Plans (MIIP). Concerted efforts are underway to ensure that the Department aligns to key strategic interventions including the Provincial Growth and Development Plan.

Another Departmental priority is to inculcate a sense of ownership and personal responsibility among beneficiaries, owners and tenants. This relates directly to National Output 4 of an improved property market. By ensuring security of tenure, title deed transfers and servicing the gap market, as well as the rights of landlords the Department creates conditions to support a viable and regulated property market. Much of this is achieved through Property Management, via the sale and transfer of housing properties to beneficiaries.

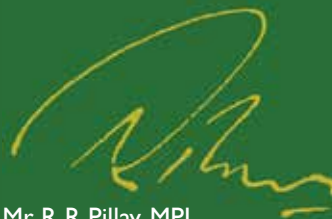
The optimal and sustainable use of resources is aligned with National Output 3, being more efficient land utilisation. Land is a key resource, and strategies for optimal land use include densification of human settlements. The Department continues to align its projects with COGTA's small town regeneration programme. Twenty three projects with an estimated 14 500 units have been identified (in pipeline) within various municipalities for densification. For the Informal Settlements Upgrade Programme, a densification strategy guided by municipal planning and design criteria is being followed.

There have been a host of success stories in Human Settlements. As part of building institutional capacity in the municipalities; the Department has placed tremendous focus on the accreditation.

Accreditation seeks to achieve two fundamental objectives namely, co-ordinated development and accelerated delivery. The accreditation of municipalities ultimately implies that by locating the decision making authority where implementation of housing programmes are being undertaken, i.e. at a local level, municipalities can co-ordinate key decisions relating to broader sustainability of human settlements. After a rigorous adjudication process by an independent panel, the following municipalities achieved accreditation: Newcastle, eMnambithi, Mhlathuze, KwaDukuza, Msunduzi and Hibiscus Coast.

The expectation is that by capacitating and accrediting these municipalities, the full potential of creating sustainable human settlements and their contributions to eradicating the backlogs can be realized. It is further envisaged that by finalising the process of accrediting these municipalities, the Department promotes the achievement of the objectives of Outcome 8 in line with the Negotiated Service Delivery Agreement.

In conclusion, I wish to confirm that we are committed to focussed attention and effective monitoring will be undertaken to ensure that the performance targets as set out in this Annual Performance Plan are achieved.



Mr R R Pillay, MPL  
MEC for Department of Public Works and Human Settlements  
KwaZulu-Natal Department of Human Settlements

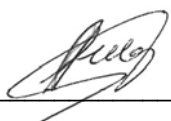
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“The department remains committed to promoting sustainable integrated development.”

## OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance Plan was developed by the management of the **Department of Human Settlements in KwaZulu-Natal** during a strategic planning session in 2<sup>nd</sup> quarter of 2012/13. It takes into account all the relevant policies, reviews and changes, legislation and other mandates for which the **KwaZulu-Natal Provincial Department of Human Settlements** is responsible. It accurately reflects the strategic outcome oriented goals and objectives which the **KwaZulu-Natal Department of Human Settlements** will endeavour to achieve over the period **2013/14 – 2015/16**.

Ms Shirmala Pillay  
Chief Financial Officer

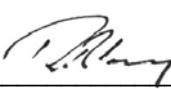
Signature:  \_\_\_\_\_

Mr G. Apelen-Narkedien  
Accounting Officer

Signature:  \_\_\_\_\_

APPROVED BY:

Mr R R Pillay  
Executive Authority

Signature:  \_\_\_\_\_  
12/02/13



# GLOSSARY OF TERMS

<b>AR</b>	Annual Report
<b>APP</b>	Annual Performance Plan
<b>ASGISA</b>	Accelerated and Shared Growth Initiatives for South Africa
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>BEE</b>	Black Economic Empowerment
<b>BNG</b>	Breaking New Ground NDOH policy on sustainable human settlements
<b>CETA</b>	Construction Education and Training Authority
<b>CG</b>	Conditional Grant
<b>CIP</b>	Comprehensive Infrastructure Plans
<b>COGTA</b>	Cooperative Governance and Traditional Affairs
<b>CoP</b>	Community of Practice
<b>CIDB</b>	Construction Industry Development Board
<b>CRU</b>	Community Residential Units
<b>DBSA</b>	Development Bank of Southern Africa
<b>DFI</b>	Development Finance Institutions
<b>DLA</b>	Department of Land Affairs
<b>DHS</b>	Department of Human Settlements
<b>DORA</b>	Division of Revenue Act
<b>EPRE</b>	Estimates of Provincial Revenue and Expenditure
<b>FLISP</b>	Finance Linked Individual Subsidy Programme
<b>HDA</b>	Housing Development Agency
<b>HDP</b>	Housing Development Plans
<b>HSDG</b>	Human Settlement Development Grant
<b>HH</b>	Households
<b>IDP</b>	Integrated Development Plans
<b>IGRFA</b>	Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
<b>ISRDP</b>	Integrated Sustainable Development Strategy
<b>IRDP</b>	Integrated Residential Development Programme
<b>KZNDOH</b>	KZN Department of Human Settlements
<b>KZN</b>	KwaZulu-Natal Province
<b>FET</b>	Further Education and Training institution
<b>IDP</b>	Integrated Development Plan
<b>IRDS</b>	Integrated Rural Development Strategy
<b>ITB</b>	Ingonyama Trust Board

# GLOSSARY OF TERMS

<b>MBASA</b>	Master Builders Association of South Africa
<b>MDG</b>	Millennium Development Goals
<b>MI</b>	Mortgage Insurance
<b>MIG</b>	Municipal Infrastructure Grant
<b>MHDP</b>	Municipal Housing Development Plans
<b>MTEF</b>	Medium Term Strategic Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>MYHD</b>	Multi Year Housing Development Plan
<b>NDHS</b>	National Department of Human Settlements
<b>NHBRC</b>	National Homebuilders Registration Council
<b>NHFC</b>	National Housing Finance Corporation
<b>NPM</b>	New Public Management
<b>NSDA</b>	Negotiated Service Delivery Agreement
<b>NSDP</b>	National Spatial Development Plan
<b>NURCHA</b>	National Urban Reconstruction & Housing Association
<b>NUSP</b>	National Upgrading Support Programme
<b>OSS</b>	Operation Sukuma Sakhe
<b>PC</b>	Planning Commission
<b>PGDS</b>	Provincial Growth and Development Plan
<b>PHDP</b>	Provincial Housing Development Plan
<b>PSEDS</b>	Provincial Spatial Economic Development Strategy
<b>PHP</b>	Peoples Housing Process as defined within the Housing Code
<b>RDP</b>	Reconstruction and Development Programme
<b>RHLF</b>	Rural Housing Loan Fund
<b>PSEDS</b>	Provincial Spatial Economic Development Strategy
<b>SABS</b>	South African Bureau of Standards
<b>SHA</b>	Social Housing Associations
<b>SHF</b>	Social Housing Foundation
<b>SHI</b>	Social Housing Institution
<b>SHRA</b>	Social Housing Regulatory Authority to be established in terms of the Social Housing Act
<b>SHSS</b>	Sustainable Human Settlement Strategy
<b>SOE</b>	State Owned Enterprises
<b>SLA</b>	Service Level Agreement
<b>UISP</b>	Upgrading Informal Settlements Programme



# PART A



“Belief in the vision is the great building block  
of any successful endeavour”

# ANNUAL PERFORMANCE PLAN: PART A

## STRATEGIC OVERVIEW

### 1.1 VISION

Creating sustainable settlements

### 1.2 MISSION

To create an enabling environment based on a coordinated, integrated and inter-sectoral approach to support human settlement infrastructure development.

### 1.3 VALUES

The department subscribes to the Principles of Batho Pele and embraces the following key values:

- Commitment to performance;
- Trust and honesty;
- Transparency and consultation;
- Integrity

“To deny people their human rights is to challenge their very humanity”

– Nelson Mandela

Table 1: Strategic Goals

Strategic Goal	Goal Statement	Rationale	Expected Outcomes
1. Overhaul Provincial Human Settlement Services.	Transform the Provincial human settlements system to improve equity, availability, efficiency, quality and effective management to enhance service delivery and improve sustainable human settlements in the province.	Fully fledged, proficient administrative core ensuring the attainment of the strategic objectives of the Department and administrative support.	<ul style="list-style-type: none"> <li>Improved access, equity, efficiency, effectiveness and utilisation of human settlements.</li> <li>Improved Human Resource Management including reconfiguration of organisational structures, appropriate placement of staff [appropriate skills mix and competencies], strengthened performance management and decreased vacancy rates.</li> <li>Improved Financial &amp; SCM efficiency and accountability to improve return on investment and value for money, budget aligned with service delivery priorities and needs.</li> <li>Improved governance including regulatory framework, and policies and delegations to facilitate implementation of the Strategic Plan.</li> <li>Decentralised delegations, controls and accountability.</li> <li>Improved information systems, data quality and information management, and improved performance monitoring and reporting.</li> <li>Strengthened infrastructure to improve service delivery.</li> </ul>
2. Improve the efficiency and quality of human settlements services.	Provide an enabling environment and supportive and integrative structure allowing for the successful development of human settlement	Improved compliance with legislative/ policy requirements and Core Standards for quality service delivery in order to improve delivery outcomes.	<ul style="list-style-type: none"> <li>Accreditation of municipalities in line with the identified priorities of Outcome 8.</li> <li>Improved sector/stakeholder capacity.</li> <li>Improved human settlements outcomes and upgrading of households in informal houses.</li> <li>Improved performance towards achieving the MDG targets.</li> </ul>
3. Paradigm shift: subsuming integrated development, intersectoral approaches and well-coordinated project management	Achieving the best possible human settlements outcomes within the funding envelope and available resources.	Efficient and well-functioning sustainable human settlements with the potential to respond to emergency housing disasters and informal settlement needs in the Province.	<ul style="list-style-type: none"> <li>Improved human settlements outcomes and upgrading of households in informal houses.</li> </ul>



# ANNUAL PERFORMANCE PLAN: PART A

## 1.5 PRIORITIES

- Eradication of slums in KwaZulu-Natal.
- Strengthening governance and service delivery.
- Ensuring job creation through housing delivery.
- Accelerating housing delivery in rural areas.
- Accelerate the hostels upgrade and redevelopment programme.
- Creating rental/social housing opportunities.
- Building capacity of housing stakeholders (especially municipalities).
- Promotion of home-ownership.
- Provision of housing for vulnerable groups.
- Provision of incremental housing.
- Implementation of the Financial Services Market programme.

The key functions mentioned below play a fundamental role in the realization of the priorities of the Department :

- To promote the provision of housing development;
- To promote the provision of affordable housing and essential services;
- To manage, control and maintain the immovable assets of the department;
- To administer and manage housing subsidies of targeted groups;
- To research, establish, monitor and implement policies within the National Housing Policy Framework;
- To formulate a Provincial Housing Development Plan for the province;
- To facilitate and create housing institutions;
- To provide legal advice on land and environmental issue;
- To administer and co-ordinate the Community Residential Unit (CRU) programme;
- To administer the clearance of slums in KwaZulu-Natal; and
- To capacitate housing stakeholders.

# ANNUAL PERFORMANCE PLAN: PART A

## 1.6 PRINCIPLES OF SUSTAINABLE HUMAN SETTLEMENTS

### 1.6.1 NATIONAL PRINCIPLES<sup>1</sup>

The pertinent national principles relating to human settlements are the three national policy and strategy directives, namely:

#### a) The 2010-2012 State of the Nation Addresses

In the 2010 State of the Nation Address, sustainable human settlements should be associated with:

- “Development of suitably located and affordable housing (shelter) and decent human settlements”
- An understanding that human settlements is not just about building houses
- Transforming our cities and towns (moving towards efficiency, inclusion and sustainability)
- Building cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreation facilities (community development and optimal access/ inclusion).”
- This has been reinforced in the 2011 address where it is further emphasised that “Since we are building a developmental and not a welfare state, the social grants will be linked to economic activity and community development, to enable short-term beneficiaries to become self-supporting in the long run.
- “The construction industry is a known driver for work opportunities. There are 1.2 million households living in the country’s 2 700 informal settlements. By the year 2014, 400 000 of the said households should have security of tenure and access to basic services”
- “We will also improve the delivery of rental accommodation as some people coming to urban areas do not intend to settle permanently”.
- In 2012, more emphasis is placed on infrastructure development, and strategic projects aligned to the National Development Plan, which was approved in the latter part of 2012.

#### b) The 2004 Comprehensive Plan for Sustainable Human Settlements

In the Comprehensive Plan (so known as Breaking New Ground), objectives for sustainable human settlements and quality housing conditions include:

- Accelerating the delivery of housing as a key strategy for poverty alleviation;
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment;
- Leveraging growth in the economy;
- Combating crime, promoting social cohesion and improving quality of life for the poor,
- Utilising housing as an instrument for restructuring the spatial legacy of apartheid.

<sup>1</sup> The Sustainable Human Settlement Strategy for KwaZulu-Natal

# ANNUAL PERFORMANCE PLAN: PART A

The Comprehensive Plan sees a fundamental shift from a supply-driven approach to a demand-driven one. This clearly reflects increasingly complex demands in different market segments (i.e. informal settlements, informal backyard accommodation, RDP houses, old townships, inner-city, gap-market for income groups between R3 500 and R12 500 and rural areas) and requires more differentiated instruments than previously available in order to address the needs of the most needy in an innovated and effective manner.

## c) The National Development Plan 2030

The plan identifies critical actions that impact on human settlement development. These include:

- Public infrastructure investment financed through government funds and public private partnerships focused on transport, energy and water;
- New spatial norms and standards, densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps” ;
- An inclusive and integrated rural development and improved infrastructure;
- Shifting the housing responsibility to the local planning level;
- Building capacity to support infrastructure development

## 1.6.2 PROVINCIAL PRINCIPLES

Key provincial policy and strategy directives that drive the creation of human settlements within the Province are:

### a) The Provincial Spatial Economic Development Strategy (PSEDS) and Plan

The Provincial Spatial Economic Development Strategy (PSEDS) and Plan outlines the economic and spatial policy directions for the Province. Of critical importance are the principle objectives of halving poverty and unemployment in the province by 2014.

In the PSEDS a hierarchy of nodes and corridors connecting these nodes has been identified as a spatial structure of the province. Based on an analysis of opportunities and needs across the province priority nodes and corridors for interventions have been identified. In these areas interventions are expected to have the greatest impact on utilizing opportunities and addressing needs and in doing so achieving the objectives of reducing poverty and unemployment.

# ANNUAL PERFORMANCE PLAN: PART A

## b) Provincial Growth and Development Plan<sup>2</sup> (PGDP)

Figure 1: Strategic Objectives



Source: Provincial Growth and Development Plan

In terms of the PGDP it is envisaged that by 2030 the Province of KwaZulu-Natal will be a prosperous Province by maximizing its strategic position, human and natural resources in order to alleviate poverty, inequality, unemployment and the current disease burden. In doing so it is anticipated that the Province will have a skilled labour force, will attract domestic and foreign investors, and ensure that basic services are provided to all citizens of the Province.

The above figure is reflective of the 7 goals and 30 objectives that are anticipated to achieve the growth and developmental goals of the Province. Of significant importance to this Department is the fact that in terms of the Provincial Growth and Development Plan it has been acknowledged that sustainable human settlements require more than just the provision of a house.

<sup>2</sup> The Provincial Growth and Development Plan.

# ANNUAL PERFORMANCE PLAN: PART A

The need for more effective planning to include pertinent issues such as the designing of a safe environment, infrastructure that would serve as drivers for economic activity, delivery of services, social facilities and proper maintenance capacity is deemed to be essential. As such it has been determined that polycentric planning to achieve sustainable human settlements is imperative.

The Department is therefore expected to contribute to the achievement of the 2030 Vision in the following manner:

Figure 2: PGDP Strategic Goal 3: Human and Community Development



Large scale development projects identified as catalytic projects within the PGDP which directly stimulate and provide for much higher levels of developments include:

- The Cornubia Housing Project
- The Vulindlela Housing Project
- Housing development within the iSimangaliso Wetland Park

### c) **The Integrated Rural Development Strategy (IRDS)**

The Integrated Rural Development Strategy (IRDS) seeks to eliminate rural poverty and food insecurity by maximising the use and management of natural resources to create vibrant, equitable and sustainable rural communities. This is to be achieved through:

- Agrarian transformation;
- Improved economic infrastructure; and
- Improved social infrastructure.

## d) Operation Sukume Sakhe (OSS)

Operation Sukume Sakhe is intended to ensure that services within the Province are provided in a fully integrated and sustainable manner, with focus being placed on the most needy and vulnerable groups. The programs work through the coordination of community workers to assist poor households to access services. Whilst focus was initially made on the poorest of the wards, OSS has now been extended to all areas.

## 1.7 ALIGNMENT OF MANDATES

The KwaZulu-Natal Department of Human Settlements Housing derives its mandate from various pieces of legislation. Some of the legislation is specific to the housing sector; other pieces of legislation directly impact on the housing industry, while other pieces of legislation are impacting indirectly on the housing industry.

The Bill of Rights in the South African Constitution, 1996 enshrines the right of everyone to have access to adequate housing and makes it incumbent upon the State to take reasonable legislative and other measures within its available resources to achieve the progressive realization of this right. In response to this Constitutional imperative, Government has in terms of the Housing Act, 1997 (Act No 107 of 1997) introduced a variety of programmes which provide the poor households access to adequate housing. This has been further addressed in the Provincial Housing Act (KwaZulu-Natal Housing Act, 1998 (Act No. 12 of 1998 as amended). Relevant legislation is listed in Section 2, below.

The limited resources available from the fiscus however necessitate the provision of housing, security and comfort to all over time. Hence areas of prioritization have been identified in terms of the National Development Plan, National Service Delivery Agreement and Provincial Growth and Development Plan.

### 1.7.1 NEGOTIATED SERVICE DELIVERY AGREEMENT (NSDA): OUTCOME 8

Of significant importance to this Department is the Outcome Based Approach to service delivery, which was adopted at the Cabinet Lekgotla in January 2010. In this regard, Outcome 8, namely Sustainable Human Settlements and Improved Quality of Household Life, is applicable to this Department, resulted in Provincial level targets being set to provide for integration and sustainability towards the achievement of the output relating to the accelerated delivery of housing opportunities and more efficient land utilization. In accordance with the activities relating to this output, this Department continues to strive to ensure that the targets set are being achieved.



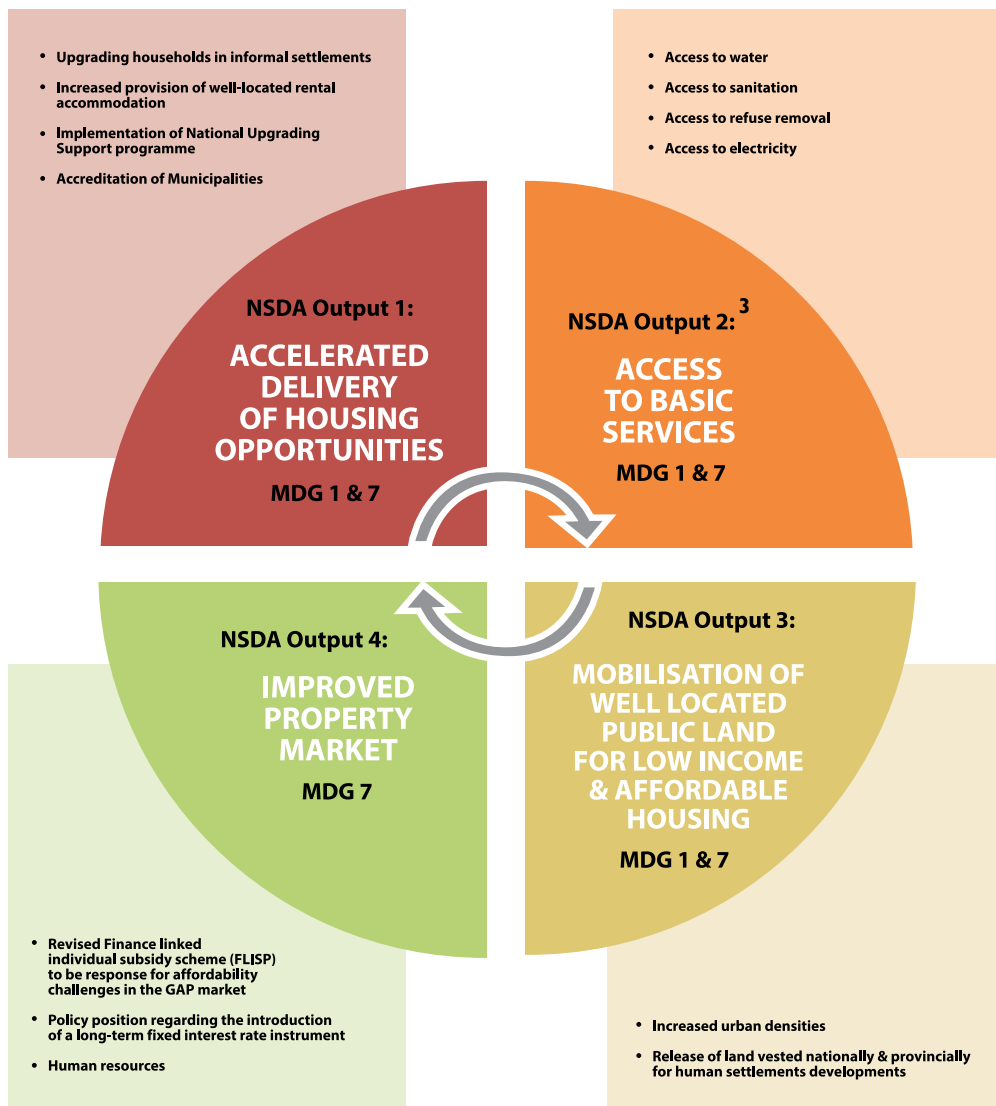
# ANNUAL PERFORMANCE PLAN: PART A

Likewise, an alignment of projects with the national targets relating to informal settlements, affordable rental units and supply of affordable housing finance has also been undertaken to ensure that this Department effectively contributes to its mandate.

Deliverable	National Target	National Target for Province
Informal Settlement Upgrade	400,000	76,200
Affordable Rental	80,000	15,240
Supply of affordable Housing finance	600,000	114,300
Access to state land	6250ha, at 60 units/ha	1220ha, 60 units/ha

In addition, as illustrated hereunder are the Department's Programme interventions that support the NSDA and reflects the alignment to the Millenium Development Goals ( MDG's)

Figure 3: Interventions in support of the NSDA and MDC'S



<sup>3</sup> It must however be noted that Output 2 is the competency of COGTA

# ANNUAL PERFORMANCE PLAN: PART A

## 1.7.2 PROVINCIAL GROWTH AND DEVELOPMENT PLAN (PGDP)

Strategic Interventions for alignment of the PGDP include:

### **Establishing a joint provincial forum to address integrated development planning**

It is intended that this forum will ensure better co-ordination and responsiveness from all government departments in order to ensure that basic services as well as social facilities are provided for the betterment of community life and such sustainability of human settlements.

This Department's participation in the joint provincial forum has resulted in the unblocking of some of its critical projects that are intended to contribute to the eradication of slums, more especially within the iLembe District.

### **Slums Clearance – Transform into social housing programmes**

The shortage of suitable land is recognized as one of the key challenges facing this Programme. However solutions to this as well as to provide a broader range of housing options to people of low income that live close to areas of employment need to be addressed. Innovative ideas, inclusive of partnerships with the private sector to cater for individuals that cannot afford houses in urban areas therefore need to be considered. The Social Housing Programme is also seen as a vehicle to address the informal settlements.

The Social Housing Regulatory Authority has finalised the Provincial Social Housing Strategic Plan Policy that will drive and guide the implementation of the Social Housing Programme, which will also provide a road map for the department in terms of delivering rental accommodation. In this regard, the Policy has identified "Leader Town" based on the following criteria:

The following criteria were used to determine the selection of Leader Towns: towns potential for economic growth:

- Whether towns were located near the Priority Development Nodes and Corridors identified by the Provincial Spatial Economic Development Strategy (PSEDS)
- Whether towns were identified in the PSEDS as an area of high economic potential
- Whether towns were identified in the Provincial Growth and Development Strategy and Plan as a Priority Intervention Area
- The potential land and projects identified for inclusion in the five year project and land pipeline for social housing and CRU pipeline
- Alignment with the initial priority areas identified by the KwaZulu-Natal DoHS based on its own research and internal processes.

# ANNUAL PERFORMANCE PLAN: PART A

The initial list of prioritised Leader Towns included:

- Umzimkhulu
- Emnambithi
- Newcastle
- Umtshezi
- Umvoti
- Kokstad
- Hibiscus Coast
- Msunduzi
- eThekweni Metro
- Kwa-Dukuza
- Umhlatuze.

The identification and prioritization of projects within these towns is therefore expected to promote the objectives of the PDGP.

## **Densification of settlement patterns**

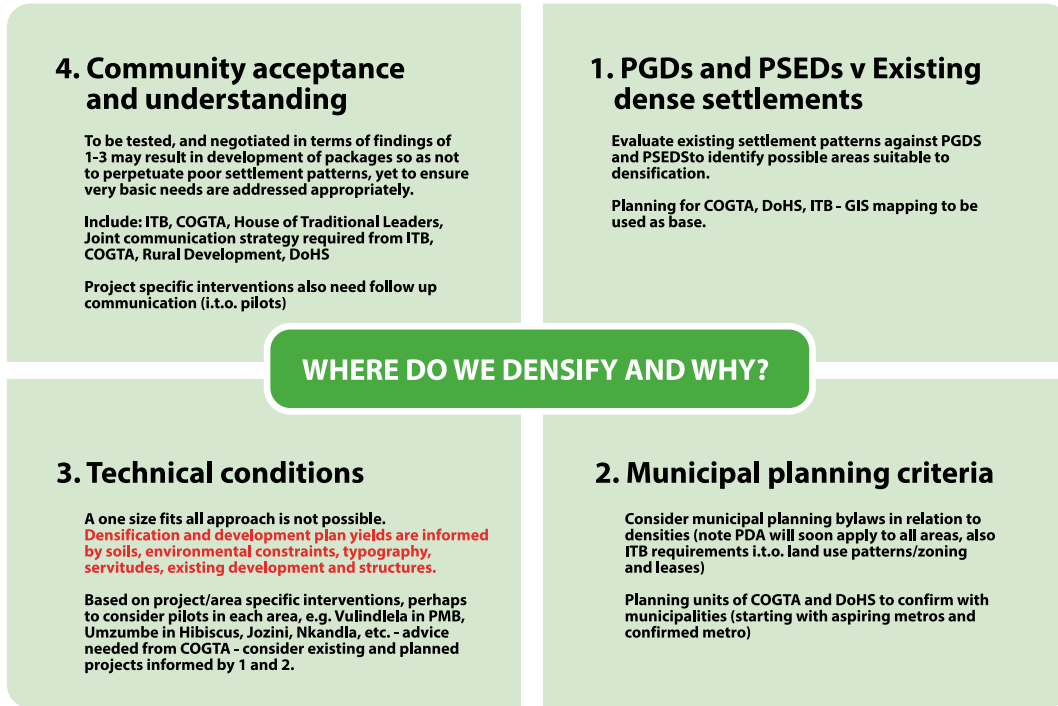
It has been determined that the dispersed nature of settlement patterns in rural areas requires proper planning in order to promote amongst others economic activity inclusive of agriculture, and hence sustainability. Effective planning is deemed to be critical for the viable settlements patterns to be established in the rural areas.

Current rural projects where there is no planning or development approvals in place are being evaluated on a case by case basis to verify the sustainability of densification. The department continues to align its projects with COGTA's small town regeneration programme. 23 projects for an estimated 14,500 units have been identified (in pipeline) within various municipalities for densification. For the Informal Settlement Upgrade Programme, a densification strategy being followed is guided by municipal planning and design criteria.

A revised approach to rural planning is also being pursued to guide a proactive planning approach to facilitating sustainable human settlements in rural areas. The model seeks to assist the assessment of densification approaches. The model as reflected hereunder further demonstrates this Department's alignment to the interventions of the PGDP.

# ANNUAL PERFORMANCE PLAN: PART A

Figure 4: Departmental Model on Densification



In addition to this, the Department will continue to work closely with key stakeholders to promote sustainable proactive planning in all areas that would optimize the use of resources and support the realisation of integrated communities, over time, as envisaged in the National Development Plan 2030.



# ANNUAL PERFORMANCE PLAN: PART A

Table 2: Alignment of Departmental interventions with the PDGP

	GOALS - OBJECTIVES - INTERVENTIONS	APP INDICATORS RELATING TO THE INTERVENTION
3	HUMAN AND COMMUNITY DEVELOPMENT	
3.4	Sustainable Human Settlements	
a	Establishment of a joint provincial forum addressing integrated development planning	1. Human Settlements Summit Conducted (Topics include NDP, PGDS, and Intergovernmental Relation) 2. No. of human Settlement projects approved based on the National and Provincial Priorities, and based on PGDP
b	Densification of settlement patterns	1. No. of Municipalities capacitated and supported with regard to human settlement development planning 2. Number of projects aligned with small town regeneration programme 3. No. of human Settlement projects approved based on the National and Provincial Priorities, and based on PGDP 4. Implementation of Departmental Densification Model 5. Confirmation of project pipeline
c	Slums clearance – transform into social housing programmes	1. Implementation of the Rental Strategic Plan
d	Develop provincial strategy and plan to address housing Gap Market	1. Implementation of the 3 pilot projects

## 1.8 PLANNING PROCESS

With guidance and leadership from the MEC for Human Settlements and the Acting Head of Department, the Department conducted a Provincial planning workshop in the 2nd quarter of 2012/13 to review performance and determine strategic priorities for the 2013/14 Annual Performance Plan. Delegates included Senior and Deputy Managers, Head Office Managers and District and Management.

## 1.9 PROVINCIAL PRIORITIES FOR 2013/14

Provincial priorities for 2013/14 are clearly noted in Part B of the APP as part of the introduction to each Programme.

# ANNUAL PERFORMANCE PLAN: PART A

## 1.10 NOTES ON THE PRESENTATION OF CORE BUSINESS FOR 2013/14

The format for the Annual Performance Plan has been determined by the National Department of Human Settlements. The format is in line with Treasury requirements. Core performance indicators [per Budget Programme] have been determined by the National Department of Human Settlements in consultation with National Treasury referred to as “Performance Indicators” in Part B of the APP. These indicators are monitored quarterly and formal reports submitted to Provincial and National Treasury and the National Department of Human Settlements “Provincial Quarterly Performance Report”.

Provinces have the responsibility to add performance indicators and targets, in addition to Treasury indicators, in order to actively monitor and report on progress and outcomes. Provincial indicators and targets are reflected in Part B of the APP under “Provincial Strategies, Objectives, Indicators and Targets”. Quarterly targets indicated in the same section will provide measures against which to monitor progress on a quarterly basis.

Other core and sub-set indicators are included in the Monitoring & Evaluation Framework to regulate quarterly reporting. Operational Plans incorporate sub-set indicators and targets to ensure comprehensive reporting against priorities.

## 2. LEGISLATIVE AND POLICY MANDATES

### 2.1 LEGISLATIVE MANDATES

- Constitution of the Republic of South Africa, 1996 (Act. No. 108 of 1996);
- Housing Act, 1997 (Act No. 107 of 1997);
- Consumers Protection Measures Act, 1998 (Act. No. 95 of 1998) as amended by Act No. 27 of 1999);
- Rental Housing Act, 1999 (Act. No 50 of 1999);
- Sectional Titles Act, 1986 (Act. No. 95 of 1986, as amended by Acts Nos. 24 & 29 of 2003);
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act 19 of 1998;
- Home Loan and Mortgage Disclosure Act of 2000;
- Disestablishment of South African Trust Limited Act of 2002;
- Constitutional Court judgment of 2000, on the enforceability of social and economic rights;
- KwaZulu-Natal Housing Act, 1998 (Act No. 12 of 1998 as amended);
- Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988) as amended by Act No. 20 of 1998;



# ANNUAL PERFORMANCE PLAN: PART A

- National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977);
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- Housing Consumers Protection Measures Act, 2007, Act 17 of 2007
- Social Housing Act 2998, Act 16 of 2008;
- Housing Development Agency Act, 2008, Act 23 of 2008;
- Public Finance Management Act, 1999 (Act No. 1 of 1999);
- Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- National Environmental Management Act, 1998 (Act No. 107 of 1998) as amended by Act No. 8 of 2004;
- Communal Land Rights Act, 2004 (Act No. 11 of 2004);
- Communal Property Associations Act, 1996 (Act No. 28 of 1996);
- Deeds Registries Act, 1937 (Act No. 47 of 1937);
- Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997);
- Land Administration Act, 1995 (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act, 1994 (Act No. 7 of 1994);
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- Corruption Act, 1994 (Act No. 94 of 2004) as amended / repealed;
- Expropriation Act, 1951 as repealed by Act No. 63 of 1975;
- National Heritage Resources Act, 1999 (Act No. 25 of 1999);
- Standards Act, 1993 (Act No. 29 of 1993);
- State Land Disposal Act, 1961 (Act No. 48 of 1961);
- Public Finance Management Act, 1999 (Act 1 of 1999);
- Treasury Regulations; and
- Intergovernmental Relations Framework Act, 13 of 2005.

## 2.2 POLICY MANDATES

- National Development Plan 2030
- Provincial Growth and Development Plan
- KZN Human Settlement Strategy;
- Informal Settlement Strategy;
- KZN Rental Housing Strategy;
- Housing Code;
- Expanded Public Works Programme;
- Eradication of Slums in KwaZulu-Natal;

# ANNUAL PERFORMANCE PLAN: PART A

- Strengthening Governance and Service Delivery;
- Ensuring Job creation through Housing Delivery;
- Accelerating Housing delivery in rural areas;
- Accelerate the hostels upgrade and redevelopment programme;
- Creating rental / social housing opportunities;
- Building Capacity of Housing Stakeholders (especially Municipalities);
- Promotion of Homeownership;
- Provision of housing for vulnerable groups;
- Ensuring the provision of incremental housing; and
- Implementation of Financial Services Market Programme.

“Public housing is more than just a place to live,  
public housing programs should provide opportunities to  
residents and their families.”

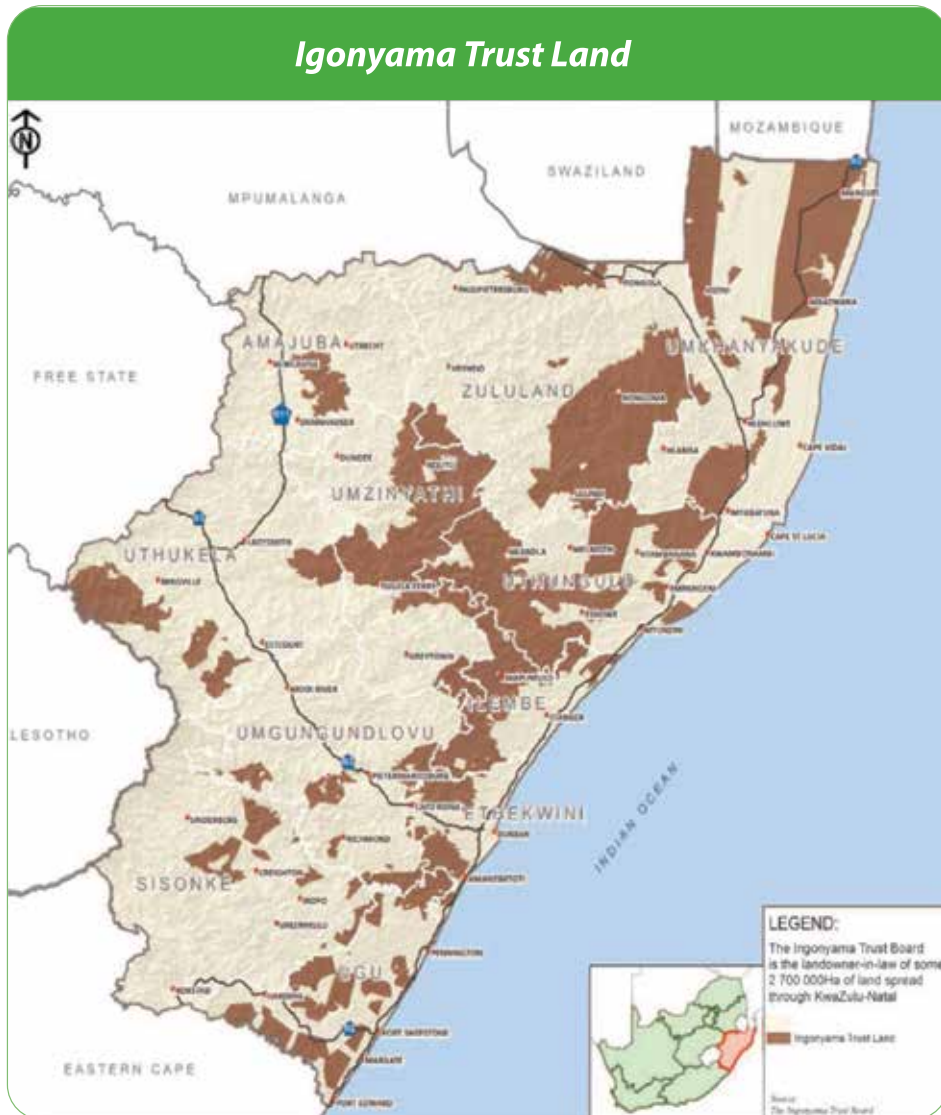
- Carolyn McCarthy



# ANNUAL PERFORMANCE PLAN: PART A

The Municipalities of Nkandla in Uthungulu and Msinga in Umzinyathi are specifically targeted as a Cabinet priority. The Ingonyama Trust Board, appointed as the custodian of traditional land, holds an estimated 40% of the land of the Province as reflected hereunder:

Map 2: Ingonyama Trust Land



In order to address the rural housing needs of the Province, the Department continues to forge improved relations with the Ingonyama Trust Board in order to provide for the rapid functional tenure for beneficiaries of rural housing.

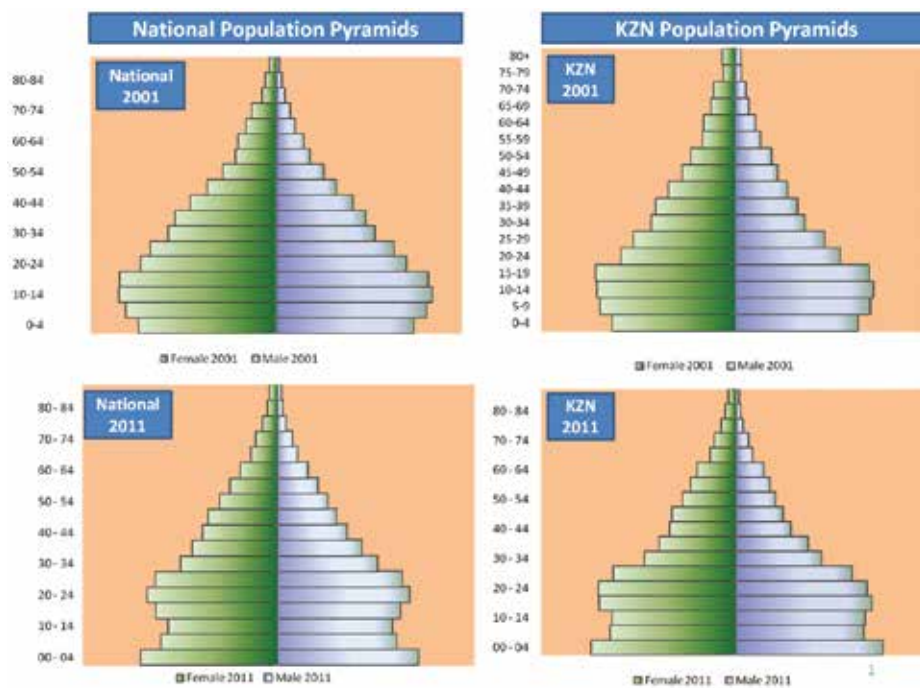
## Population

KwaZulu-Natal is the second most populous province in South Africa, with an estimated 10, 267, 300 people. In 1996, KwaZulu-Natal recorded the largest population size of 8,6 million followed by Gauteng

# ANNUAL PERFORMANCE PLAN: PART A

with population size of 7,6 million. In Census 2011, Gauteng is the province that houses the largest percentage of the population, with 23,7% of the population. The percentage of the population living in KwaZulu-Natal has decreased slightly to 19,8% in 2011 from 21,1% in 1996. Even with this decrease in the population percentage, KwaZulu-Natal is still home to the second largest population percentage in the country. 40% of the country's population is found in 8 Municipalities of which eThekweni is the 3rd largest municipality with a population of 3,442,361 (7%).

Figure 5: Population Pyramids



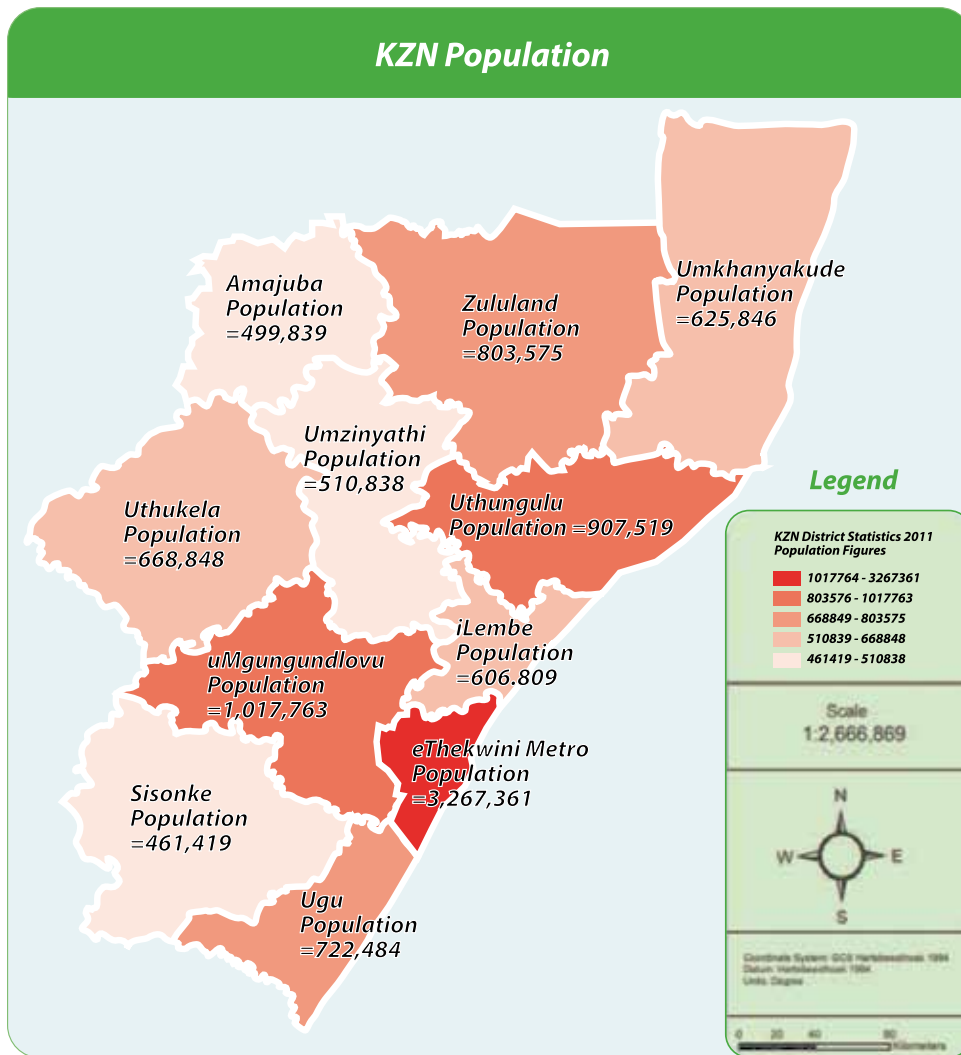
Source: Statistics South Africa

The financial implications of this populated Province clearly impacts on its budget allocations. In this regard, the budget of the province is based upon population numbers and not upon need and demand. This means that the province will have to strategically reprioritise in order to achieve within the funding envelope. The new population data implies that population figures need to be reflected as a denominator to re-determine baselines and strategies. StatsSA estimate that 54% of the total Provincial population lives in rural areas, and an estimated 10% of the urban population in under-developed informal settlements.

# ANNUAL PERFORMANCE PLAN: PART A

Urbanisation, especially relevant to the economic hubs, increased the population in informal settlements. This impacts on departmental business instrument targets. Urbanisation affects informal settlements within urban areas (addressed via the Informal Settlement Upgrading Programme). The fact that the population is predominately rural puts considerable pressure on provision of social services and infrastructure.

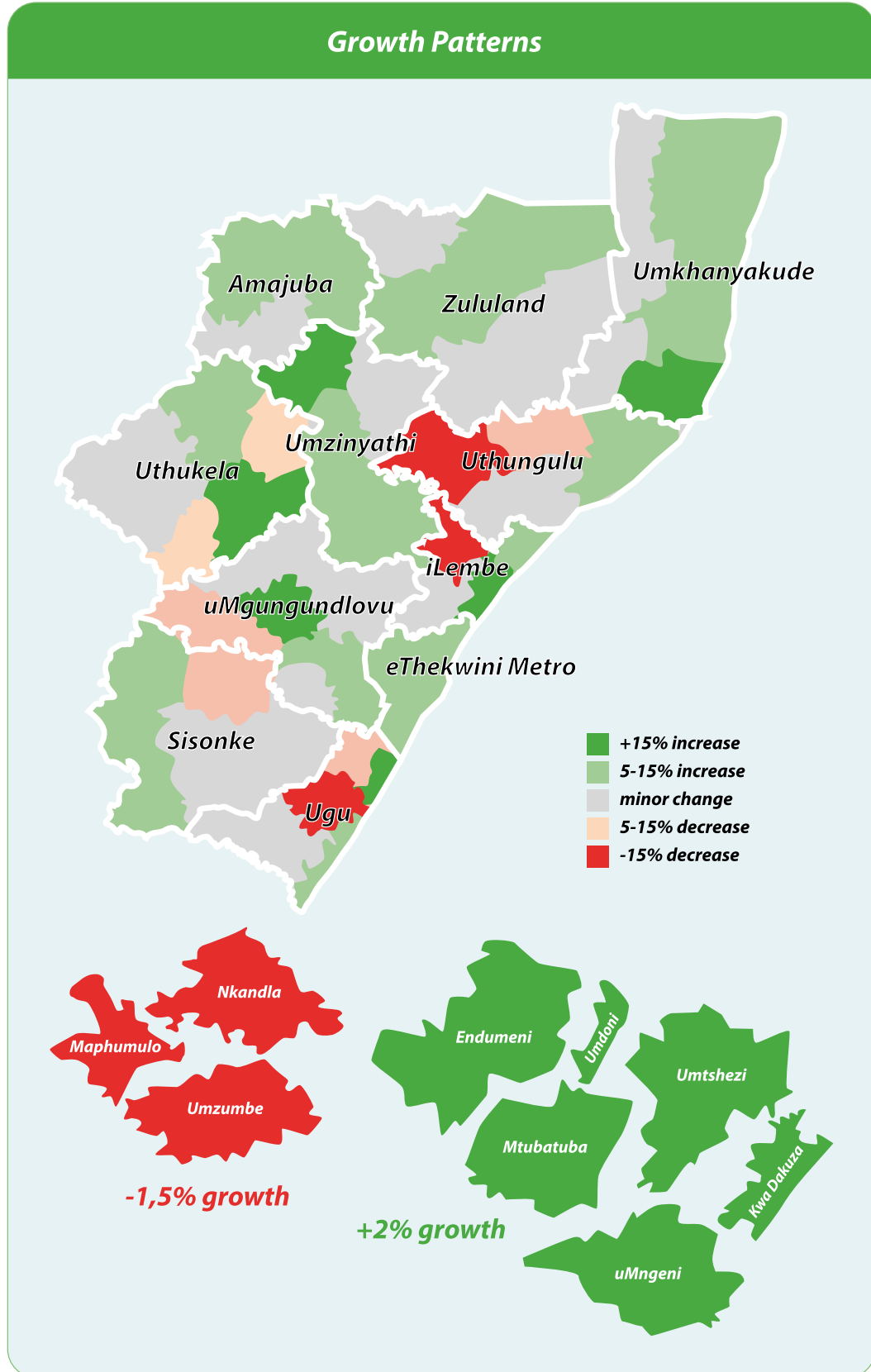
Map 3: KZN Population per District





# ANNUAL PERFORMANCE PLAN: PART A

Map 4: Growth Patterns



Source: Statistics South Africa

# ANNUAL PERFORMANCE PLAN: PART A

Whilst the overall population grew by 7,1% between 2001 and 2011, a negative growth of 1,5% was experienced within the Nkandla, Umzumbe and Maphumalo municipal areas, while an increased growth of 2% was experienced within the Endumeni, Umdoni, KwaDukuza, Umtshezi, Mtubatuba and uMngeni areas. Overall 25 municipalities' population growth rate decreased. However, the migration of people to the economic hubs increases the challenges of provision of housing in densely populated areas, as it constantly increases denominator (or the need). In addition, this places pressure on the supply of bulk services, which in turn impacts on the delivery of housing projects.

## 3.2 SOCIO-ECONOMIC PROFILE

Census 2011 found that the Province recorded the same average rate as the national economy of 4,0% from 2001 to 2011. For the period 1996 to 2011, the relative ranking of the contribution to the economy, KwaZulu-Natal remains the 2nd Province that has contributed 15,7%, with agriculture, forestry and fishing industry dominating the economy by 26,8 %.

### **Unemployment**

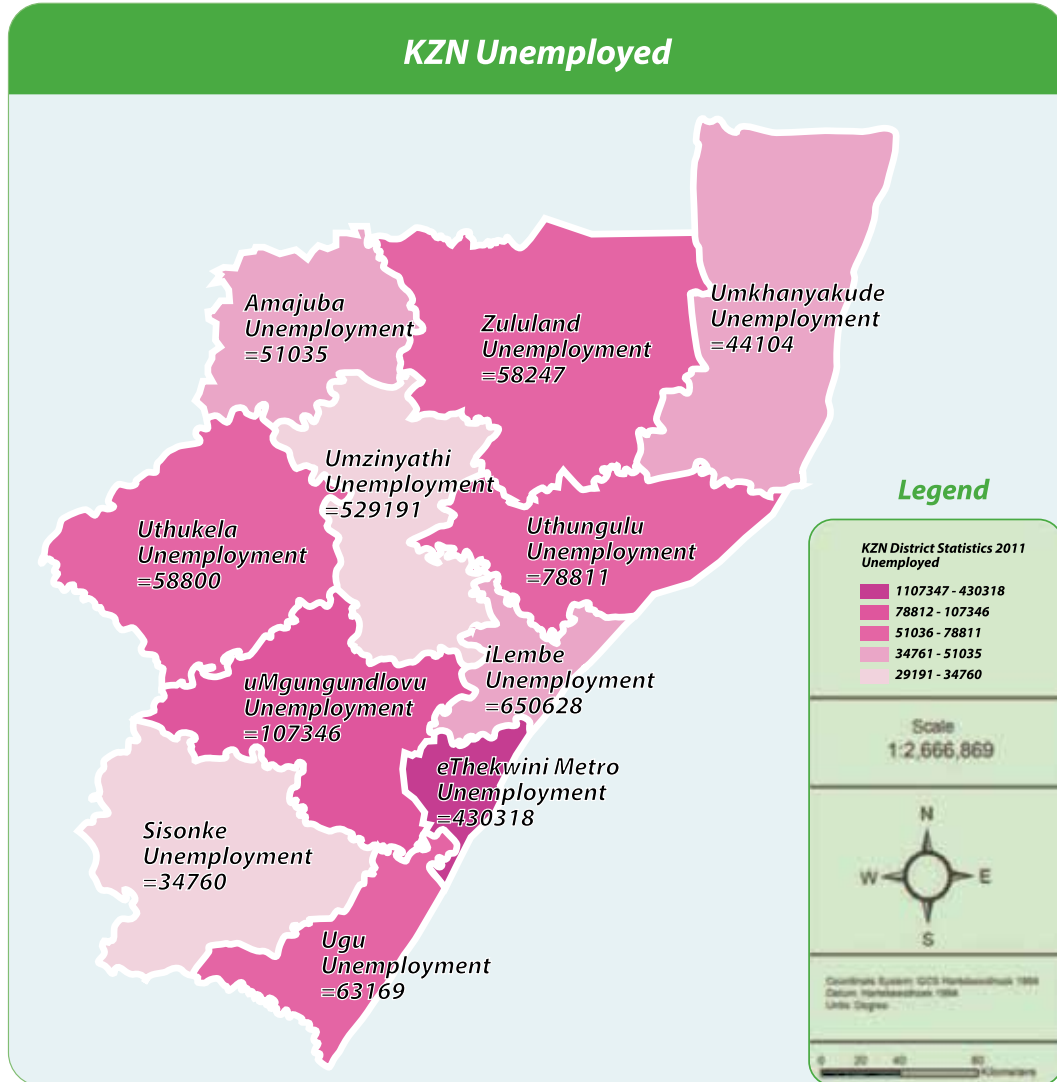
Provincially, the unemployment rate shows a decline [by 0.6 of a percentage point] since 2010. Unemployment is highest among the youth [15-34 years] and lowest among 55-64 year olds showing a distinctive increase for those with an education level less than matric. The unemployment rate for women remains higher than the Provincial average although it is lower than the national average. Additionally, most women are to be found in more rural areas than their male counter parts.

“People who are homeless are not social inadequates.  
They are people without homes.”

– Sheila McKechnie

# ANNUAL PERFORMANCE PLAN: PART A

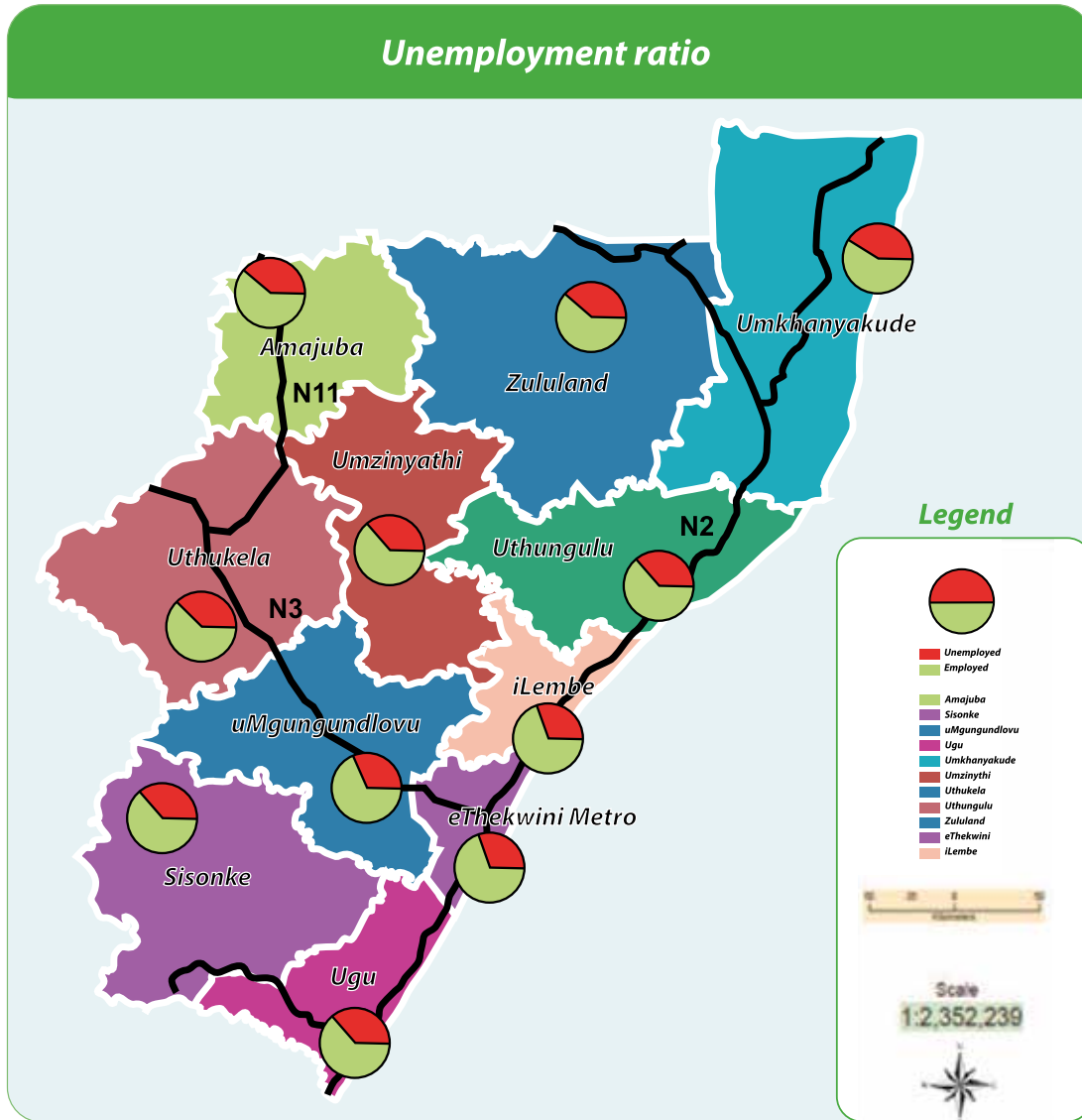
Map 5: Unemployment per District



The above map, illustrates the unemployment levels per district as per Census 2011. eThekweni Municipality being the most densely populated has the highest unemployment level of 43% within the Province. Likewise, uMgungundlovu which has the 2nd largest population within the Province has the 2nd largest unemployment rate.

# ANNUAL PERFORMANCE PLAN: PART A

Map 6: Unemployment Ratio



Moreover if one has to look at the unemployment ratio to employment figures it should be noticeable that the number of the employed is positively higher than the unemployed figures. The figure above shows per district the relationship between unemployed and employed. Map shows pie charts per district displaying the correlations between the two where red represent the proportions of unemployed population while green represent the proportions of employed population in each district. It must be noted that the six most deprived municipalities within the Province, namely Sisonke, Ugu, Umkhanyakude, Uthukela, Umzinyathi and Zululand have the highest ratios in relation to their population in comparison to the remaining districts.

The Provincial sex structure indicates that women live mostly in the rural areas in comparison to men who are more readily found in urban areas. This is supported by urban migration findings where men

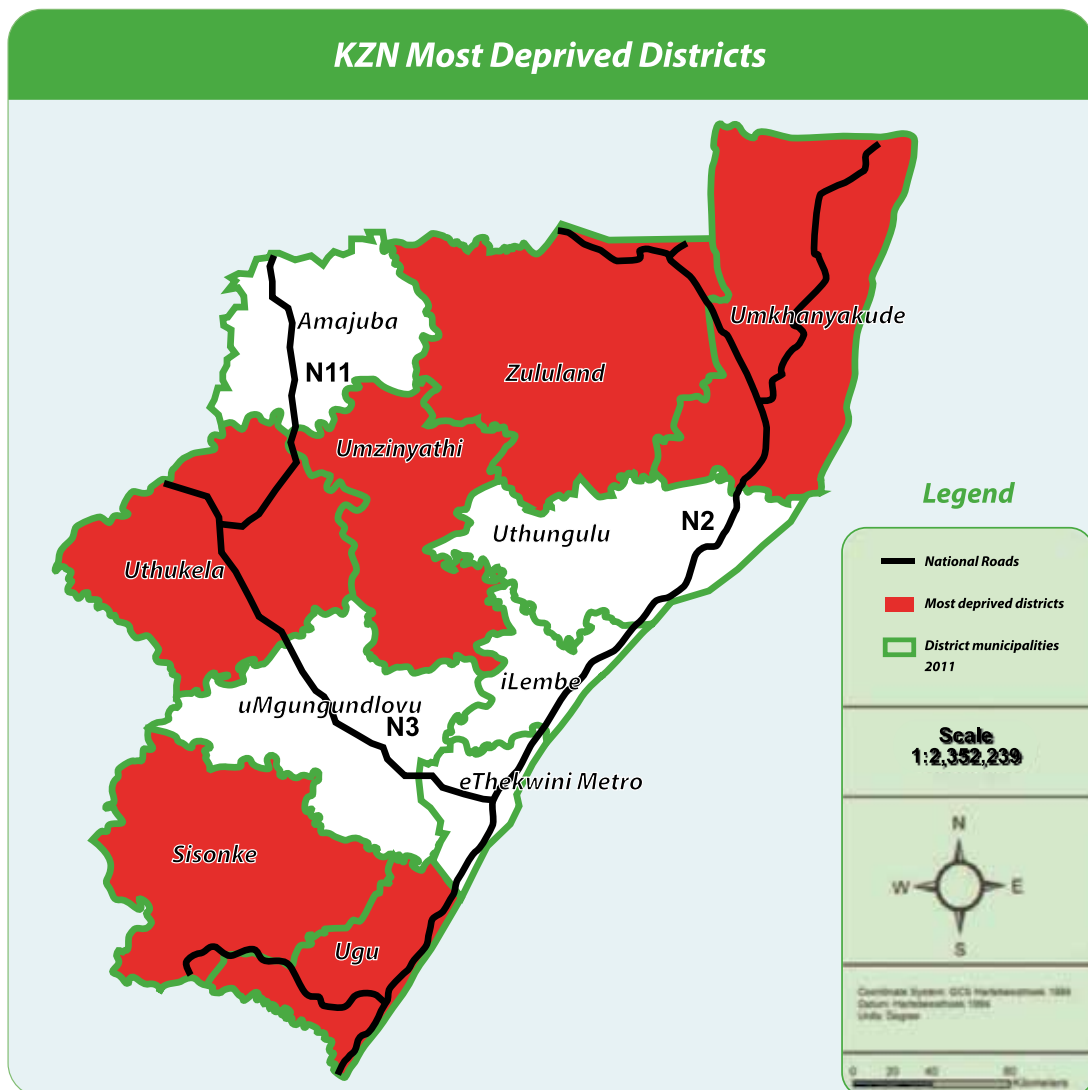
# ANNUAL PERFORMANCE PLAN: PART A

migrate to urban areas to find work leaving women headed, and even child headed households. Focused attention therefore needs to be placed on capacity building initiatives to skill such vulnerable groups. The aforementioned factors assist with the prioritisation of housing projects. Additionally, it is also important to note that Umzinyathi is high in terms of deprivation and woman populace, hence the need to effect more effective rural strategies.

## Poverty

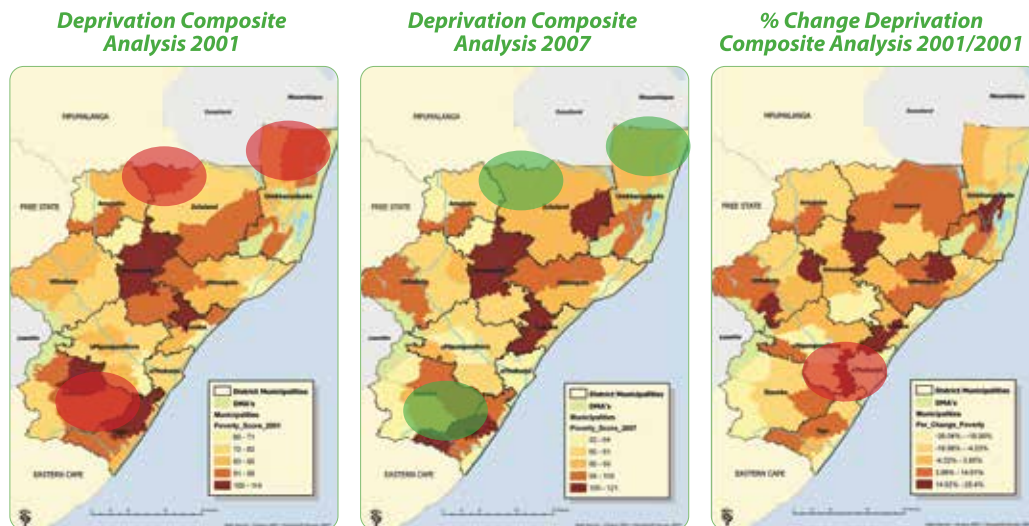
The Province is one of three provinces with the ten most deprived districts in South Africa where 63% - 82% of households live on less than R800 per month. The map below shows the six districts in KZN that make up the 10 most deprived districts in South Africa. However, integrated intersectoral strategies have a strong impact in the multiple deprivation index as reflected in the figure hereunder on the Trends in the Composite Deprivation Index of KZN 2001-2007.

Map 7: KwaZulu-Natal's most deprived districts



# ANNUAL PERFORMANCE PLAN: PART A

Figure 6: Trends in the Composite Deprivation Index of KZN 2001 - 2007



*EThekweni Metropolitan showed the significant decline in Deprivation Composite Analysis, an estimated (19% decline) as compares to other s, and Uthukela District municipality showing an increase in Deprivation Composite Analysis s by an estimated 9.6% .*

The deprivation index measures unemployment, education, living environment, health, and income & material deprivation. The above maps indicate improvement in certain areas which have previously prioritised by the Province, such as Umkhayakhude, Zululand, Amajuba, Sisonke and eThekweni. However, Umzinyathi as well Uthukela remains a concern which requires further prioritisation.

This has significant implications for service delivery. The Operation Sukuma Sakhe [OSS] poverty eradication programme in KZN is addressing poverty through intensified and renewed strategies that directly focus on individuals and households at community level – with the following objectives:

- Coordinated interventions at household level for eradication of poverty and increasing life expectancy.
- Community development targeting communities as a whole with primary focus on vulnerable groups e.g. women and youth.
- Rural development and ensuring food security.
- Integration and cooperative governance for improved service delivery.

# ANNUAL PERFORMANCE PLAN: PART A

## 3.3 PROVINCIAL SERVICE DELIVERY ENVIRONMENT

### 3.3.1 HOUSING NEEDS AND DELIVERY

Table 3: Housing Needs

District Municipality	Traditional structure made of traditional materials	House/flat/ room in back yard	Informal dwelling/ shack in back yard	Informal dwelling/ shack NOT in back yard	Total	Delivery as at December 2012
Ethekwini	40 188	17 435	37 981	111 307	206 911	138 941
Ugu	53 132	3 698	2 107	5 816	64 753	19 249
uMgungundlovu	58 189	4 615	6 399	11 988	81 191	42 729
Uthukela	47 353	4 070	1 063	931	53 417	28 437
Umzinyathi	48 563	1 293	718	1 958	52 532	7 438
Amajuba	7 949	2 237	2 286	2 813	15 285	13 792
Zululand	39 485	3 933	1 131	774	45 323	16 828
uMkhanyakude	32 811	1 737	1 141	958	36 647	19 581
uThungulu	54 380	3 209	2 521	2 235	62 345	8 930
iLembe	40 417	2 696	5 569	7 657	56 339	28 166
Sisonke	60 829	2 253	1 741	2 458	67 281	13 316
Kwazulu-Natal	483 296	47 176	62 658	148 889	742 019	337 407

Whilst there has been a significant improvement in the proportions of households living in formal dwellings within the Province from 55,2 % in 1996 to 71,6% in 2011, the housing needs remain a challenge. 65% of households living in rural areas require housing. Key strategies that will influence the alleviation of these backlog figures include, the Sustainable Human Settlement Strategy (SHSS) and the Informal Settlement Eradication Strategy and the Social Rental Strategy. These strategies together with the Provincial Growth and Development Plan are anticipated address housing matters in an integrated, holistic and coordinated manner.

**“Dignity is not negotiable.  
Dignity is the honor of the family.”**

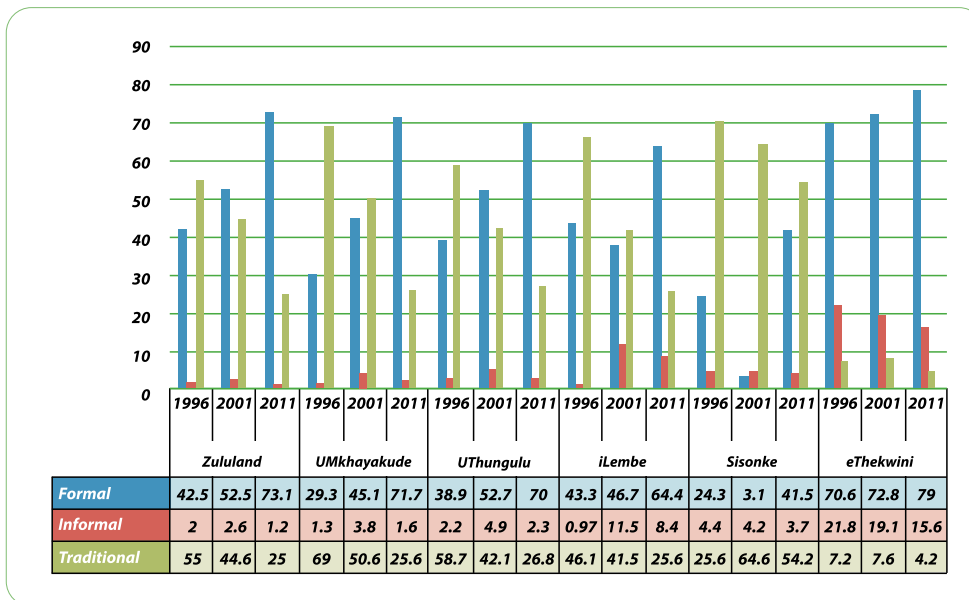
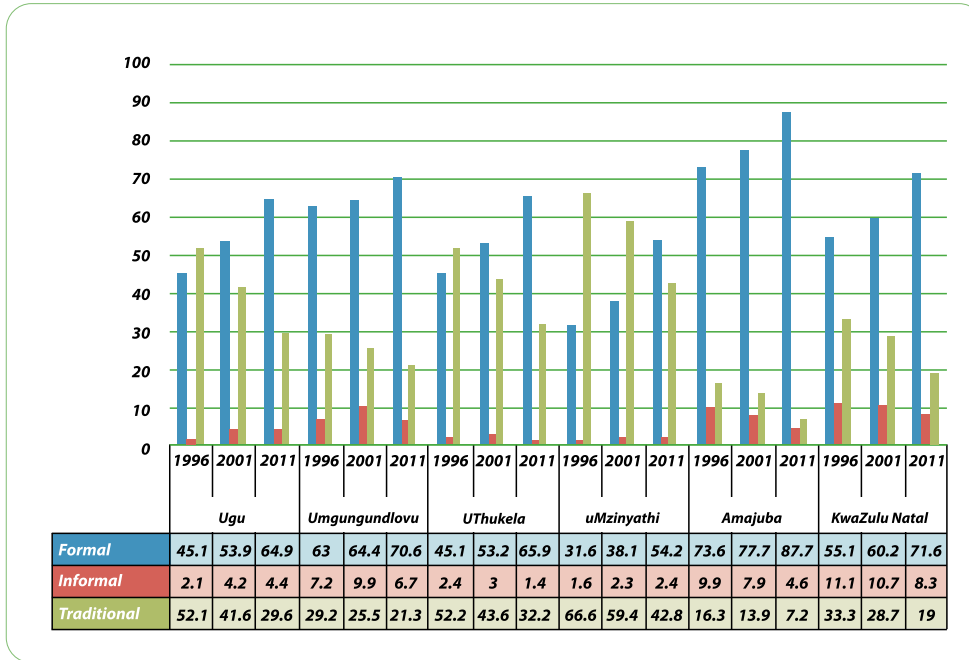
– Vartan Gregorian



# ANNUAL PERFORMANCE PLAN: PART A

## Trends in Type of Main Dwelling per District

Graph 1: Type of Main Dwelling

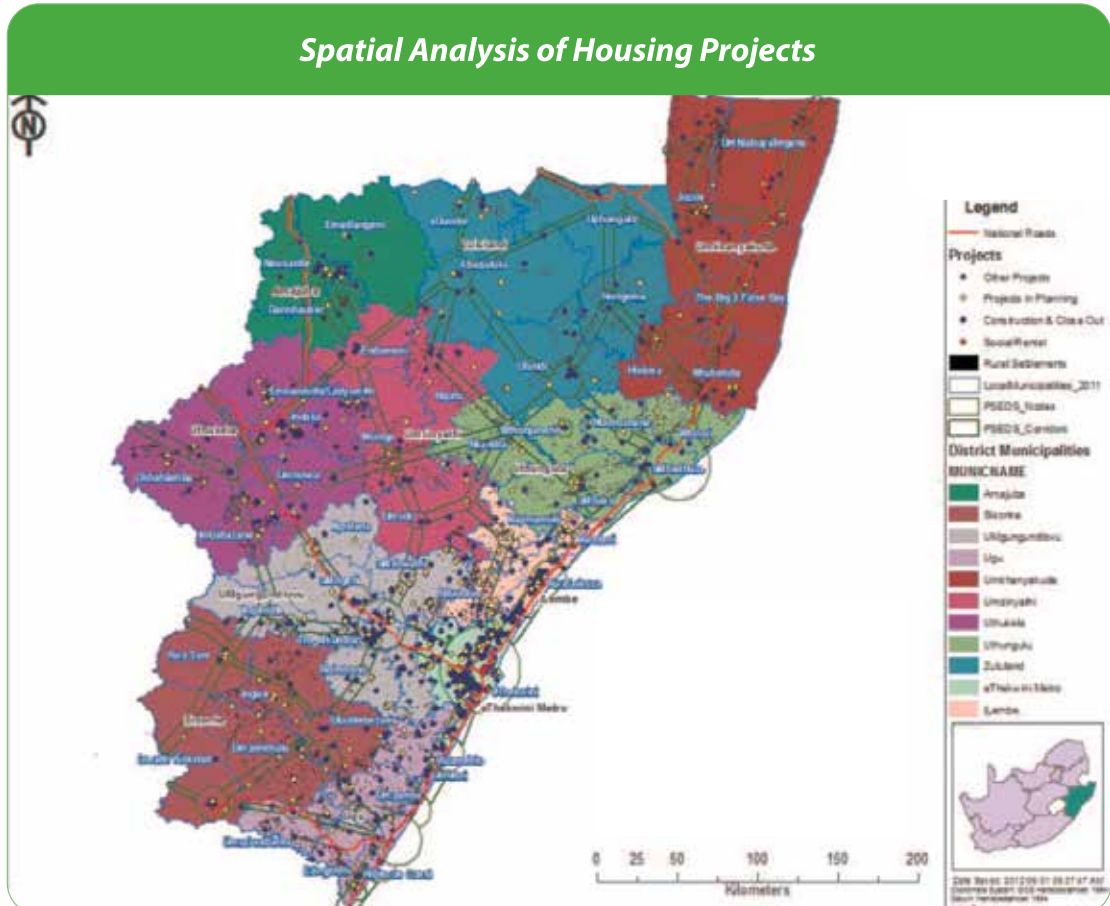


Source: Census 2011 Municipal Report - KwaZulu-Natal / Statistics South Africa

The above figure demonstrates that there is a significant increase in the proportion of households where residents live in formal dwellings and decline in the proportion of households where residents live in traditional and informal dwellings.

## Spatial analysis of housing projects

Map 8: Locality of housing projects in relation to the PSEDS nodes and corridors.



The above map provides an indicative illustration of the locality of housing projects in relation to the PSEDS nodes and corridors.

Whilst this Department has made great strides towards the alignment of projects with the PSEDS, the implementation of Provincial Growth and Development Plan is anticipated to create sustainable human settlements in order to achieve the Province's 2030 Vision of being an economically, sustainable and socially viable Province that is a gateway to Africa and the world. A more comprehensive district profile is provided under Part B, Programme 3 of the APP.

The eradication of informal Settlements remains a challenge facing this Province. The scale of informal settlements in KwaZulu Natal is further aggravated by the hilly topography and the underlying challenges relating to the land legal issues. In terms of the Departmental strategy to address the eradication of informal settlements there is an estimated 306,076<sup>4</sup> households residing in informal settlements located

<sup>4</sup> Informal Settlement Eradication Strategy for KwaZulu-Natal

# ANNUAL PERFORMANCE PLAN: PART A

within the 51 municipalities in KwaZulu-Natal. 95% of these households are located within 11 Municipalities with 78% located within eThekweni Municipality as reflected hereunder:

Table 4: Synopsis of Informal Settlements in Province of KwaZulu-Natal

LOCAL AUTHORITY / MUNICIPALITY	CUMULATED % OF BACKLOG	NUMBER OF INFORMAL SETTLEMENTS
Durban: Ethekweni Municipality	78%	494
KZ225: Msunduzi	83%	67
KZ252: Newcastle	85%	10
KZ282: uMhlathuze	87%	4
KZ263: Abaqulusi (Vryheid)	89%	8
KZ292: KwaDukuza	91%	6
KZ216: Hibiscus Coast	92%	4
KZ291: Mandeni (Ndongakasuka)	93%	8
KZ212: Umdoni	94%	10
KZ232: Emnambithi / Ladysmith	95%	4
KZ5A4: Greater Kokstad	95%	8
KZ222: uMngeni	96%	6
KZ266: uLundi	96%	1
KZ227: Richmond	97%	3
KZ272: Jozini	97%	2
		<b>635</b>

Source: Informal Settlement Eradication Strategy for KwaZulu-Natal

Estimates of the existing number of units provided by the 17 municipalities indicate that while 281,560 informal households have been estimated for these municipalities, planned projects to address the informal settlements aim to deliver a substantial number of housing units.

Drivers that facilitate the establishment and growth of informal settlements include amongst others:

- Better access to economic opportunities such as in the Ethekweni, Msunduzi, Umdoni areas,
- Improved transportation routes,
- Access to schooling , e.g. Umdoni municipal area

Furthermore in instances where the majority of the municipalities that have the largest number of informal settlements, such as eThekweni, Msunduzi, Newcastle, KwaDukuza and uMhlathuze, comprehensive informal settlement strategies have already been developed.

# ANNUAL PERFORMANCE PLAN: PART A

In the cases of the eThekweni and Msunduzi strategies support key principles such as:

- Preliminary classification of existing settlements to select the best development response for each;
- The provision of interim basic services to projects which cannot be upgraded in the short term;
- Favoring upgrading and only reverting to relocation of communities as a last resort; and
- Densification to maximise the delivery of housing opportunities in well located land.

The implementation of the Informal Settlement Eradication Strategy for the Province is however expected to forge the way for more effective eradication of informal settlements and is further expected to ensure that is undertaken in an integrated and holistic manner.

Of significant importance to this Department during the forthcoming years is the roll out of the Sustainable Human Settlement Strategy for the Province. The core objectives of this Strategy include:

1. Strong spatial planning so as to ensure that there is uniform planning and development norms and standards which also informs location of investments.
2. Well located land for human settlements
3. Adequate Shelter
4. Efficient Property Market which also ensures that the rights of the poor are protected
5. Supporting rural development so as to ensure that the public and private goods and services are accessible to rural citizens

In addition, support objectives as listed hereunder is also deemed to be essential to enable sustainable human settlements as well as to address some of the core challenges that are hindering effective delivery such as:

- Durable and effective Institutional arrangements to select and prioritise sustainable human settlement projects, and to commit and expend resources,
- A full range of funding instruments to efficiently and effectively provide for development and maintenance of sustainable human settlements, and
- Effective citizen participation;

The Sustainable Human Settlements Strategy for KwaZulu-Natal is multi-sectoral in nature and is informed by a range of other provincial strategies such as the Premier's Flagship Programme, the Provincial Spatial Economic Development Strategy, and the Integrated Rural Development Strategy.

# ANNUAL PERFORMANCE PLAN: PART A

## 3.3.2 FUNDING MODEL

The Department has experienced a cut in the budget for the Human Settlement Development Grant (HSDG) from National Department of Human Settlements due to the data update from the 2011 Census. The allocation decreases significantly in the two outer years of the MTEF as a result of the review of the current allocation formula of the HSDG. The 2011 Census data has shown significant shifts in the need for housing toward larger urban areas. The current formula for the grant does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. Pending this review, the full amount of this grant has been allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The balance of the allocations for the two outer years remains unallocated in the interim until the formula review is finalised.

The Department's internal financial allocation formula was approved in 2009 in order to ensure that there was a more structured approach towards the development of sustainable housing and human settlements. The objective of this formula was to provide the municipalities and provincial department with a tool to assist towards planning for medium to long term based on an informed basis and focusing on outer years.

The allocation formula comprised two major elements, namely housing need allocation (60%) and development potential allocation split (40%) and took into account crucial aspects such as the share of the housing backlog weight, share of the population in the municipality, share of poverty index in the municipality and share of development corridor and nodes.

The department, however, had undergone several changes which necessitated a review of the original methodology. This included the need to realign itself with the mandate of delivery in sustainable human settlements in an outcomes based approach. Outcome 8 targets required an analysis of the formula to confirm that the KZN allocation formula was aligned to these targets. Other challenges experienced with the allocation system include amongst others:

- Focus mainly on allocation/reservation of conditional grant for municipalities with limited application of prioritising programmes, other than 2001 census data,
- Does not provide a basis for a holistic approach to the split of the grant (e.g. some areas are more prone to urban housing – yet the assessment of projects as at 2010 indicates a 70% bias toward rural initiatives),
- Amendment in terms of rural allocation in terms of outcome 8 projections (indicate only 36% distribution) whereas actual need in the areas is at least 50% in terms of the demographics of the Province,

# ANNUAL PERFORMANCE PLAN: PART A

- Does not incorporate special provisions such as Sukuma Sakhe; Outcome 8; Housing for professionals; or proposed township regeneration initiatives, and
- Urban-rural bias in terms of provincial demographics versus urban bias informal settlement upgrade targets

In order to address this, this Province has reviewed its allocation formula and it is intended that a revised methodology be adopted where:

- both National and Provincial Departments would agree on a basic methodology, prioritising broad Outcome 8 targets at a provincial level, thus enabling flexibility in respect of allocation between subsidy instruments categorised within the deliverables and allocation per districts,
- the allocation will be finalised at a central Provincial level to ensure strategic targets can be met, in accordance with Government priorities, informed by actual needs,
- the allocations will be informed by the PGDS, Provincial Priorities including poorest 9 wards, and Sukuma Sakhe.

In doing so, it is anticipated that the allocation review will ensure that there is more effective alignment with National Human Settlement Priorities; will allow for Provincial priorities within the National focus areas, including the Provincial Growth and Development Strategy (PGDS) and Plan, Integrated Rural Development Framework and Sukuma Sakhe initiatives and ensure that a flexible approach guided by needs and state of readiness of projects, rather than confinement to Regional Boundaries and backlog figures is achieved.

### 3.3.3 INFRASTRUCTURE DELIVERY

Table 5: Trends in key Provincial service volumes

Indicator	2009/10 Actual	2010/11 Actual	2011/12 Actual	Estimated Performance
1. Total Number of Houses	23,639	21,189	22,112	25,000
2. Total Number of beneficiaries approved	21,382	21,447	38,554	28,519
3. Total Number of Sites serviced	3,806	4,028	5,426	7,000
4. Total Number of Transfers	5,902	2,634	5,251	3,500

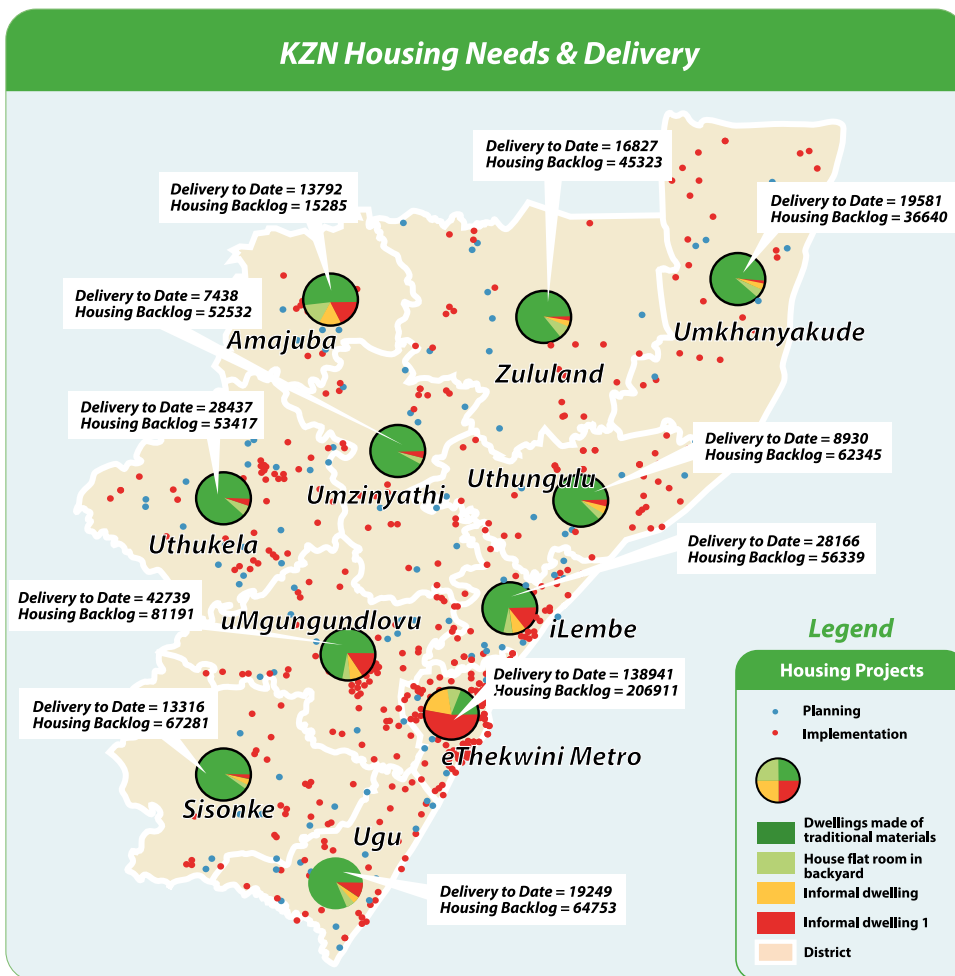
Source: Annual Reports

# ANNUAL PERFORMANCE PLAN: PART A

Table 6: Trends in key Provincial service volumes

Indicator	Data Source	Performance (2010 to date)	Target 2013/14
<b>GOAL 7: Ensure Environmental Sustainability</b>			
<b>TARGET: Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020</b>			
I. Total Number of Houses	HSS	12,197	8,570

Map 9: KwaZulu-Natal Housing Needs and Delivery



There has been a significant improvement in housing delivery; however the efforts are undermined by an increase in population that is in need of housing which therefore keeps the backlog figures on the rise while delivery is being made. The map figure illustrates the existing housing backlogs and also what has been delivered to date, with Informal dwelling/shack in backyard and not in backyard being reflected as orange and red respectively. The map also shows the projects planned for each district as to illustrate the initiatives to reduce housing backlogs.



# ANNUAL PERFORMANCE PLAN: PART A

## 3.3.4 SKILLS CAPACITY

The Department is still faced with major technical and capacity constraints. It has adopted a twofold approach, whereby it is addressing the matter by embarking on the filling of critical technical and support posts by utilizing Operational Capacity funds to support this endeavour. In addition, the Department is also utilizing the Infrastructure Crack Team from Provincial Treasury to additional expertise. Capacity Building Programmes for the recent accreditation of the metro and 6 municipalities are also anticipated to improve skills and resource capacity over the forthcoming years and it is intended that these municipalities will ultimately be capacitated to provide housing functions in their respective areas thereby improving service delivery.

The department will continue to focus on conducting capacity building workshops with relevant stakeholders such as the municipalities and other relevant community structures such as Amakhosi, Izinduna, Ward committees and CBO's. Housing Consumer Education programmes will also be undertaken to ensure that beneficiaries are capacitated on how to maintain and improve on houses through structural improvement and social improvement such as planting trees and vegetable gardens .

Training programmes to skilled the most vulnerable groups such as the youth and women in order to make them employable in housing projects as well as implement a programme for the emerging contractors is also intended to ensure that the skills shortages experienced in the housing sector is addressed.

## 3.3.5 CHALLENGES

Critical challenges affecting the effective and efficient delivery of human settlements include amongst others:

- The lack of bulk infrastructure across the province and especially in the rural areas. The province has the largest basic infrastructure backlogs. This has a huge bearing on the ability of the department to roll out the delivery of houses.
- The lack of affordable well located land for low income housing has resulted in the housing programme largely extending existing areas, often at the urban periphery and achieving limited integration.
- Urbanization has been one of the most significant demographic and settlement trends over the past few decades. According to the Provincial Spatial Economic Development Strategy

# ANNUAL PERFORMANCE PLAN: PART A

- (PSEDS) 50% of the present population in KZN is urban but this is expected to increase significantly. Consideration therefore needs to be made for the provision for settlements of various types, both urban and rural situations.
- **Densification and sprawl**, encouraged by increased mobility. Cross and Harwin (2008, 9, 12) report that this trend has been occurring in rural areas with the emergence of settlements with densities of 200 – 400 persons/sq km; in peri-urban areas around secondary cities and small towns with densities of 400+ /sq km; as well as around metropolitan centres with densities of 400+/sq km. The majority of KZN's rural population lives already in dense rural settlements and the trend seem to continue. While these densities are sufficiently high to make small scale farming difficult, they are too low for efficient public transport, or cost-effective infrastructure and service delivery; and the thresholds are too low to support all but the most basic economic activities. In addition, many of the low income housing projects developed during the past 20 years are poorly located on the periphery of towns or in rural areas with no economic base. Consequently, the prevailing settlement pattern does not provide an effective spatial framework for economic and social development in KZN and as a result public investment is not being used optimally.
  - **A lack of integration** (both horizontal and vertical) and co-ordination of government interventions exists, particularly at the level of implementation, to steer settlement development towards a sustainable pattern. In the PSEDS, nodes and corridors for focused investment have been identified. They need to guide spatial decisions as KZN has not yet adopted a PSDF that would guide municipal Spatial Development Frameworks (SDF's). These are intended to serve as the indicative land use planning instrument that focuses on the spatial aspects of development but have not been implemented consistently across the Province. In the absence of SDF's, there is a potential for conflicts around local development priorities and investment focus.
  - The situation is exacerbated by **capacity** challenges so severe that even well directed policies and procedures are not being implemented effectively. The capacity issues relating to government delivery are deep and structural, but differentiated across the province.
  - In the **low income, affordable and gap housing bands demand far outstrips supply**, with no short term prospects for a turnaround, given financial, capacity, land, affordability and other constraints. Low-income demand is estimated at 742, 019 units, 258,723 of them in urban and 483,296 in rural area.

# ANNUAL PERFORMANCE PLAN: PART A

- Most housing developments for all income groups have continued the **low density settlement typology** of one house per plot. The low density of South African cities is unsustainable at all levels:
  - Is contributes substantially to the high carbon footprint of the country;
  - Municipalities face extremely high costs of installing and maintaining infrastructure systems;
  - Densities are too low for efficient public transport systems;
  - Individual residents spend much time and money on transportation; and
  - Informal settlements in urban areas are probably the largest challenge. The BNG policy states that “Informal settlements must be integrated into the broader urban fabric to overcome spatial, social and economic exclusion.” (BNG 2004:12). Achieving the goal will require a policy shift towards a range of short- and long-term responses, from interim relief to incremental upgrades to planning and management of informal settlements through sustained, long-term upgrading programmes.
- **Availability of land** continues to be key challenge as the sustainability of human settlements depends predominately on their location and accessibility.
- **Formal ownership (title deed)** as the bedrock of housing delivery is problematic and out of step with market conditions. Whilst backyard rental and sub-rental in existing houses are significant housing providers with further potential for expansion at limited cost, there is currently no enabling framework for this to occur and instead there are impediments in place.

## 3.4 PROVINCIAL ORGANISATIONAL ENVIRONMENT

The Department commenced with an organisational review in 2011/12 which is expected to be finalised in 2012/13. This process is being informed by core business and business processes in the Department in order to ensure appropriate human resources for Human Settlements.

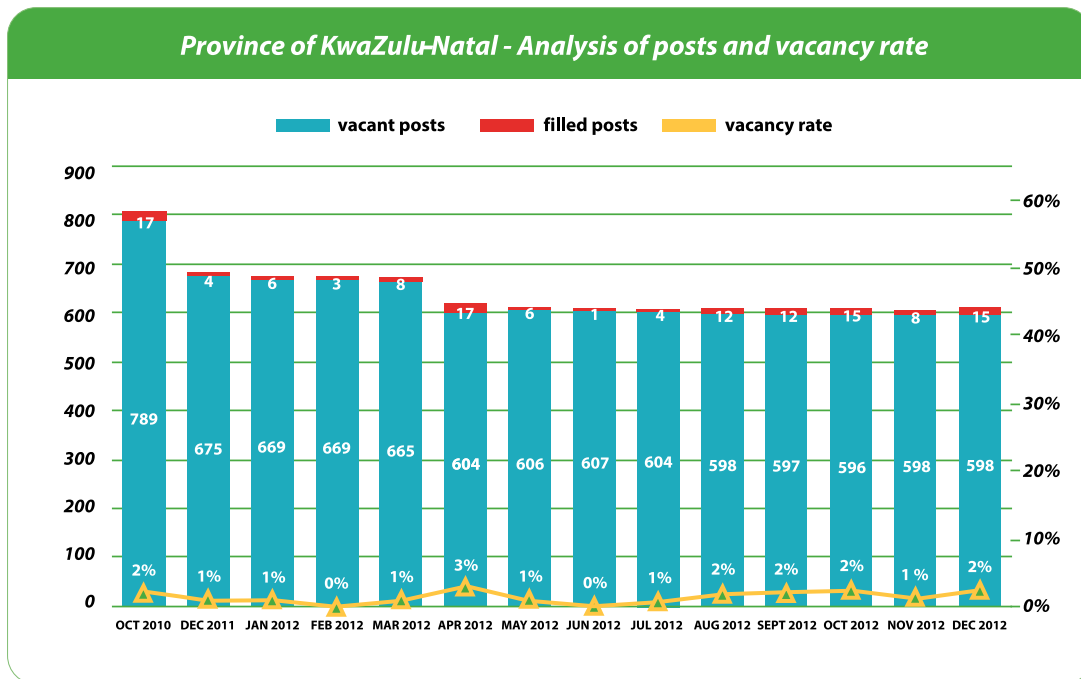
In 2010/11 there were 789 employees in the Department compared with 596 in 2011/12. Inequities in allocation and placement of human resources [especially critical skills] are still evident and require innovative and pro-active strategies to re-dress inequities.

# ANNUAL PERFORMANCE PLAN: PART A

## Vacancy Rates

Vacancy rates are generally used as standard predictor of human resource gaps, needs and subsequent prioritisation for filling of posts. In terms of Cabinet resolution no. 7 dated 22 September 2009, all departments were tasked with ensuring that all unfunded vacant posts and all vacant posts older than 2 years were abolished on the Persal system. In addition to this, departments were requested by the Committee of Head of Departments [CoHoD] to effectively monitor the filling of funded vacant posts in terms of Output 2 of Outcome 12 to ensure a vacancy rate of 5%. The Department has achieved a 2% vacancy rate as at December 2012 as reflected hereunder:

Graph 2: Vacancy Rates between 2010/11 and 2011/12



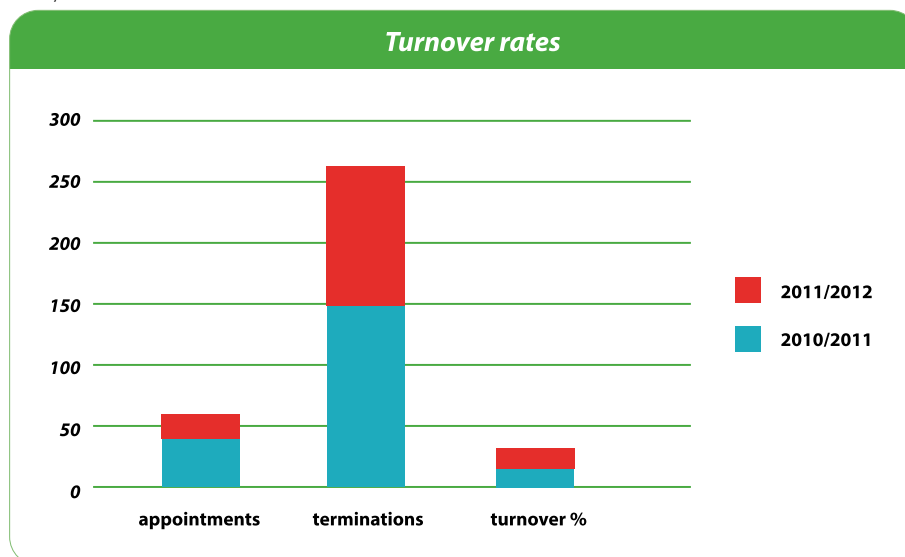
Source: Persal Management Report as at December 2012

## Turnover Rates

Turnover rates are defined as the ratio of workers that had to be replaced in a given time period to the average number of workers. Turnover rates have significant implications for continuity and quality of service delivery.

# ANNUAL PERFORMANCE PLAN: PART A

Graph 3: Turnover Rates



Category	2010/11	2011/12
Appointed	38	20
Terminations	155	113
Turnover %	14.46%	11.49%

## Transformation Profile

In June 2003, National Cabinet approved the revised minimum national affirmative action targets as follows:

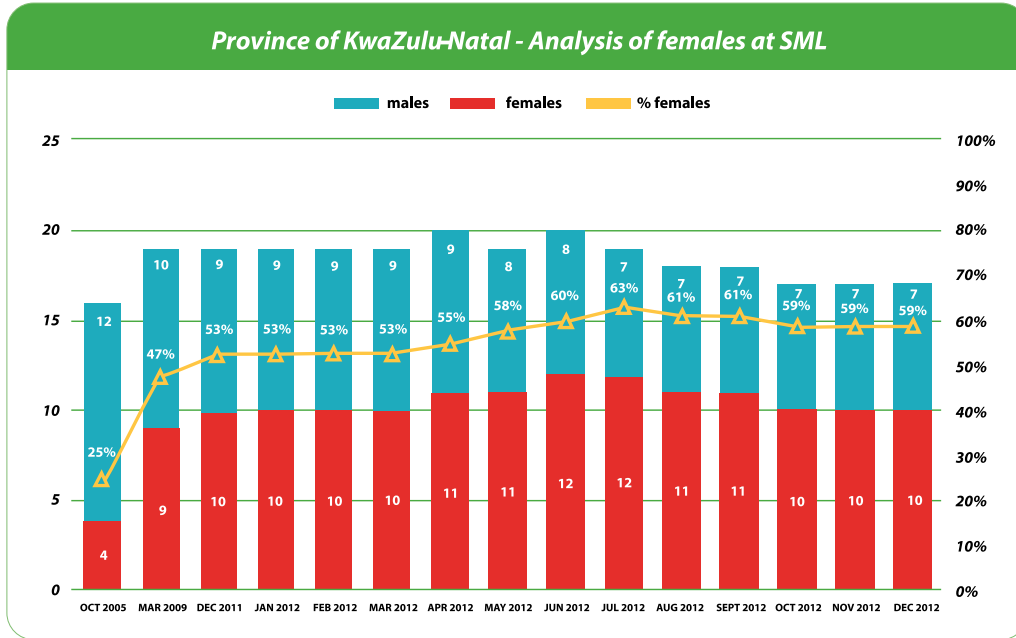
- Black employees at Senior Management level: 75%;
- Women at Senior Management level: 30%; and
- People with disabilities at all levels: 2%

In March 2006, National Cabinet approved a 50% equity target for women at senior management level. The Premier of KwaZulu-Natal subsequently issued a directive to all Provincial Departments that the 50% female employees at SMS level and 2% employees with disabilities are to be achieved by 31 January 2013.

Reflected hereunder is the graph depicting female employees at SMS level. As at December 2012, the Department has exceeded the mandatory percentage by 9% (percentage is 59%)

# ANNUAL PERFORMANCE PLAN: PART A

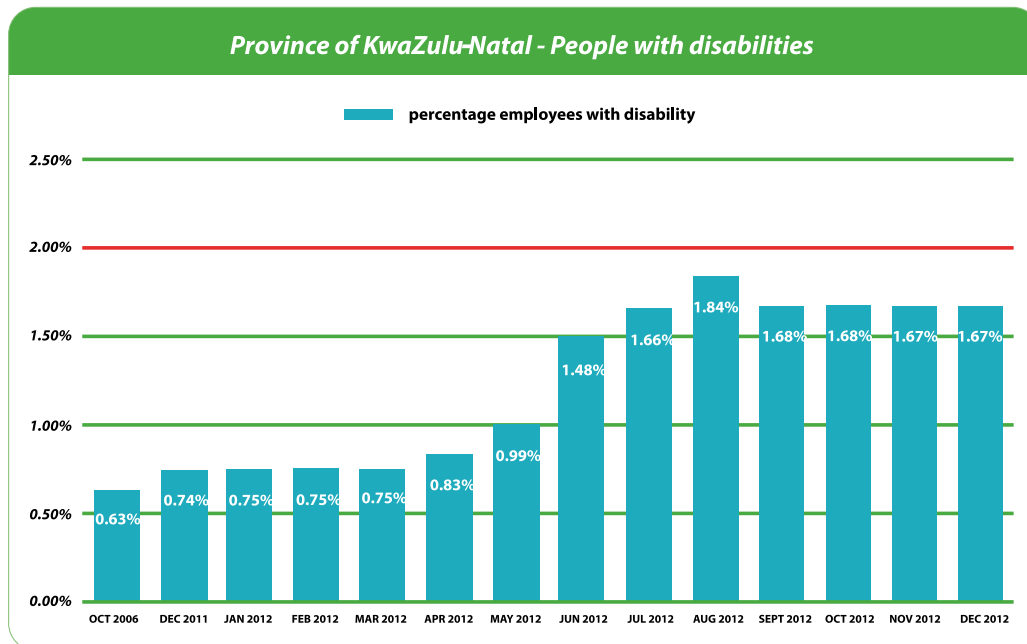
Graph 4: Transformation percentage between 2005-2012: Female Employees at Senior Management Level



Source: Persal Management Report as at December 2012

The percentage of people with disabilities employed within the Department as at December 2012 is 1.67% as reflected hereunder:

Graph 5: Transformation percentage between 2005 to 2012: People with disabilities

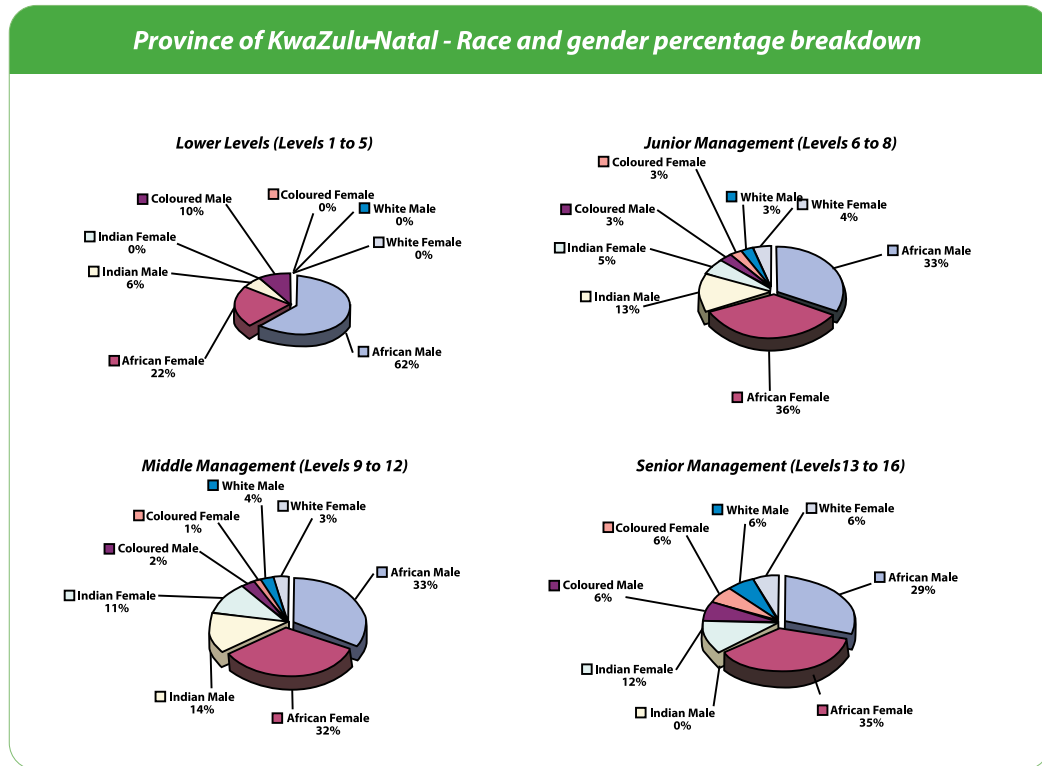


Source: Persal Management Report as at December 2012

# ANNUAL PERFORMANCE PLAN: PART A

The pie charts reflected hereunder depict per salary level the race and gender percentage breakdown.

Figure 7: Salary level race and gender percentage breakdown



## Health Risk Assessment

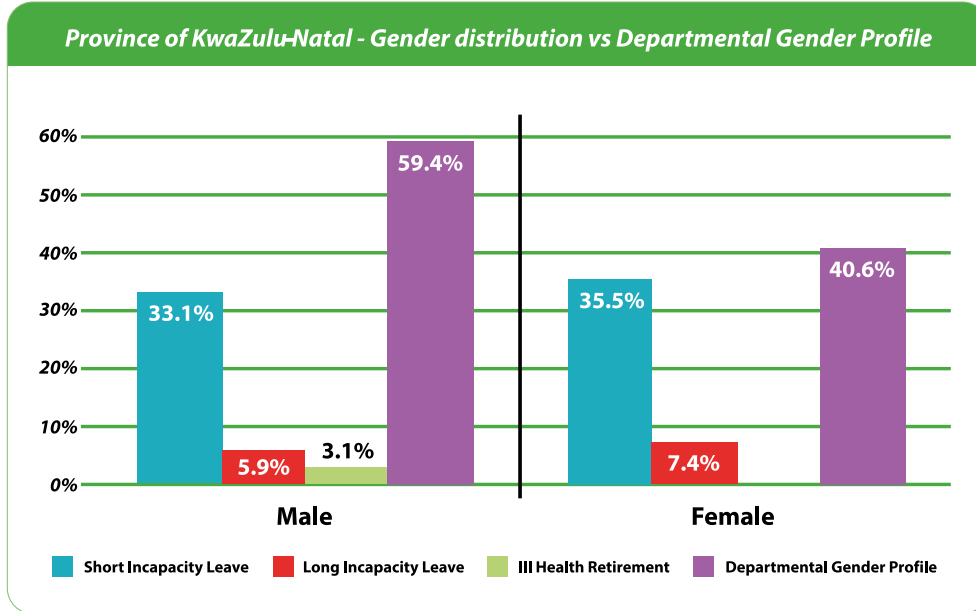
The Department of Human Settlements employs 596 employees, comprising of 354 male and 242 female employees respectively. As from 1 November 2006 to 31 December 2012, Thandile received 1 231 applications from the Department. As at December 2012, 117 of the male employees submitted 711 applications (61.3%) for short periods of temporary incapacity leave. This is noted to be more than the 449 applications (38.7%) submitted by 86 of the female employees. For the same period, 21 of the male employees in the Department submitted 27 applications (47.4%) for long periods of temporary incapacity leave, and 18 female employees submitted 30 applications (52.6%) for long periods of temporary incapacity leave. The 14 applications for ill health retirement were all submitted by 11 males. Males were thus responsible for 100% of applications for ill health retirement.

The most prominent age category for which applications were received for applications of short periods of temporary incapacity leave is the 40 – 49 age category (52.9%). The most prominent age category for which applications were received for applications of long periods of temporary incapacity leave is the 50 – 59 age category (35.1%). The most prominent age category for which applications were received for ill health retirement is the 50 – 59 age category (78.6%).



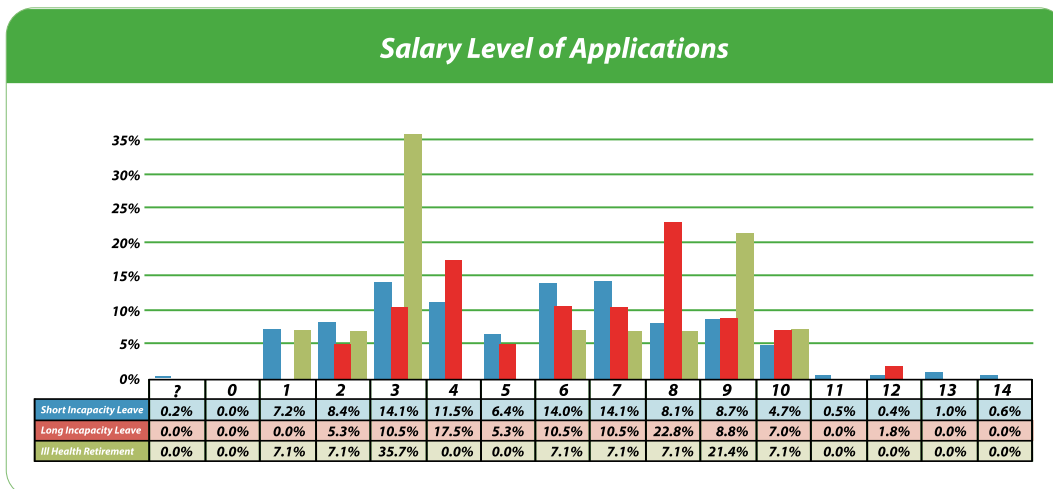
# ANNUAL PERFORMANCE PLAN: PART A

Graph 6: Human Settlements: Gender distribution of applicants versus Departmental gender profile



The gender profile of the Department indicates that male employees are more prominent in the Department (59.4%), as seen above. However, it is noted that more females applied for short periods of temporary incapacity leave than males, when converted to a percentage of the employment profile, as seen above where 35.5% of all females in the Department applied for short periods of temporary incapacity leave, as opposed to 33.1% of all males in Department. It must also be noted that more female employees applied for long periods of temporary incapacity leave, with 7.4%, if compared to males, with 5.9%. For ill health retirement, it is noted that 3.1% of males submitted applications. No applications for ill health retirement were received from female employees.

Graph 7: Salary level of applications received



# ANNUAL PERFORMANCE PLAN: PART A

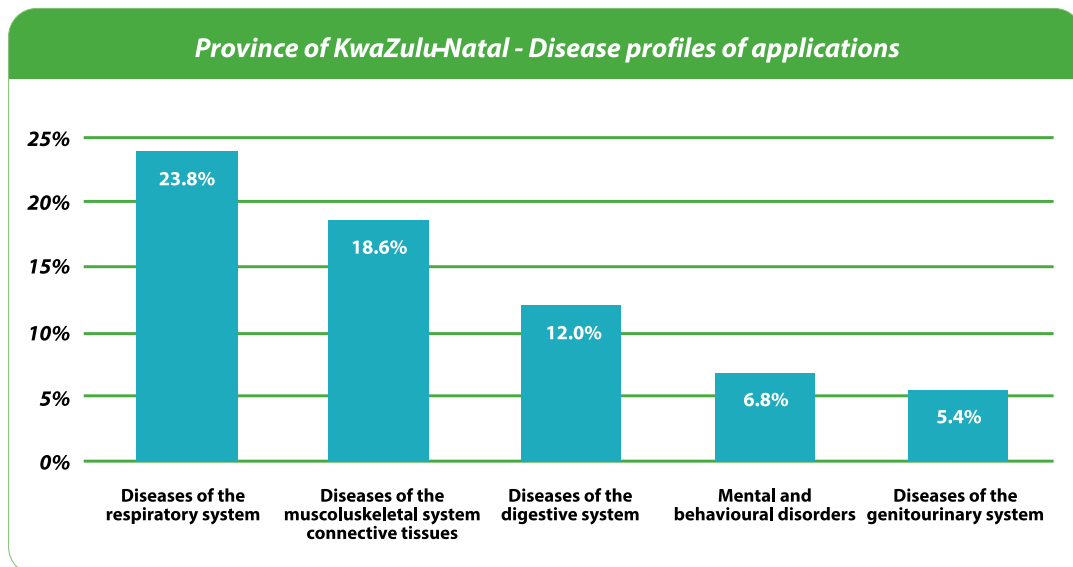
Most applications for long periods of temporary incapacity leave were received from employees remunerated according to salary level 8 (22.8%), followed by salary level 4 (17.5%). The most prominent salary levels for the Province for which applications for long periods of temporary incapacity leave were received, were from salary level 7 (18.9%) followed by salary level 8 (14.8%).

The applications received for ill health retirement were received from employees remunerated according to salary level 3 (35.7%), followed by salary level 9 (21.4%). The most prominent salary levels for the Province from which applications for ill health retirement were received, were salary level 7 (18.9%) followed by salary level 6 (13%).

## Disease Profile

The disease profile of the Department as depicted in Figure 4 shows that applications finalised for short periods of temporary incapacity leave between 1 November 2006 and 31 December 2012 frequently related to diseases of the respiratory system (23.8%), followed by diseases of the musculoskeletal and connective tissues (18.6%), in keeping with the provincial disease profile of applications finalised for short periods of temporary incapacity leave, with respiratory conditions responsible for 26.3% of applications project to date.

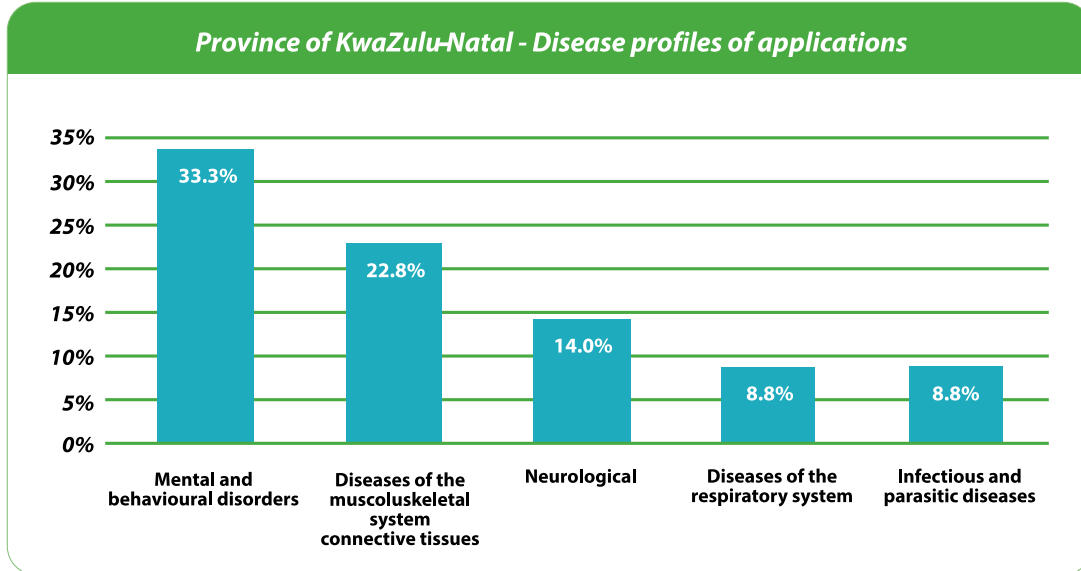
Graph 8: Disease profile of applications finalised for Short Periods of Temporary Incapacity Leave



Applications finalised for long periods of temporary incapacity leave between 1 November 2006 and 31 December 2012 frequently related to mental and behavioural disorders (33.3%) followed by diseases of the musculoskeletal and connective tissues (22.8%), as per Figure 5. This is in keeping with the provincial disease profile of applications finalised for long periods of temporary incapacity leave depicting mental and behavioural disorders responsible for 25.5% of applications project to date.

# ANNUAL PERFORMANCE PLAN: PART A

Graph 9: Disease profile of applications finalised for Long Periods of Temporary Incapacity Leave



Applications finalised for ill health retirement between 1 November 2006 and 31 December 2012 frequently related to diseases of the musculoskeletal and connective tissues (50%) followed by neurological disorders (14.3%). Applications for ill health retirement also frequently related to diseases of the circulatory system, diseases of the eyes and adnexa, diseases of the mouth, oral etc, diseases of the respiratory system and mental and behavioural disorders (7.1% each). This is in keeping with the provincial disease profile of applications finalised for ill health retirement, with musculoskeletal conditions responsible for 24.3% of applications.

## HIV Status

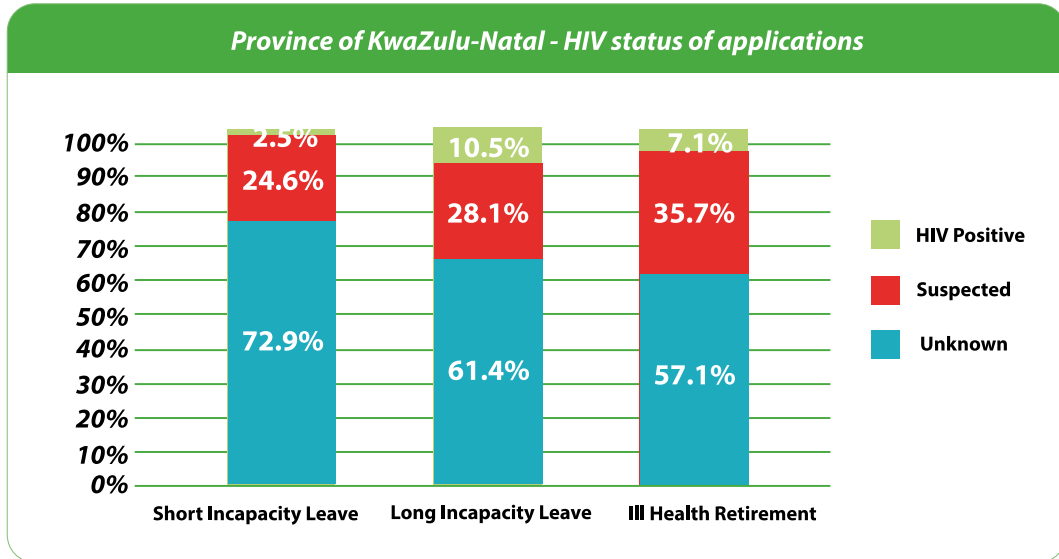
Figure 6 below shows that, for the project to date, in 2.5% of applications finalised for short periods of temporary incapacity leave, 10.1% of applications for long periods of temporary incapacity leave and 7.1% of ill health retirement applications, employees declared their positive HIV status.

Of the applications finalised for the Department, 24.6% of applications for short periods of temporary incapacity leave, 28.1% of applications for long periods of temporary incapacity leave and 35.7% of ill health retirement applications, revealed a reason to suspect a positive HIV status.

In 72.9% of applications finalised for short periods of temporary incapacity leave, 61.4% of applications for long periods of temporary incapacity leave and 57.1% of applications for ill health retirement, the HIV status of employees was considered unknown.

# ANNUAL PERFORMANCE PLAN: PART A

Graph 10: HIV Status of applications finalised



## 3.5 OUTLOOK FOR THE 2013/14 FINANCIAL YEAR

It has been acknowledged that the development of sustainable human settlements requires more than just the provision of a house. The need for more effective planning to include pertinent issues such as the designing of a safe environment, infrastructure that would serve as drivers for economic activity, delivery of services, social facilities and proper maintenance capacity is deemed to be essential.

Alignment with the Provincial Growth and Development Plan and National Development Plan will be key drivers in human settlement development approaches. This will include evaluating performance against the outcomes based approach, inter-sectorial arrangements, more assertive human settlement development planning across the province, and capacitation of stakeholders.

### Transformation of Human Settlements Services

Transformation of human settlements services is paramount in order to respond to the increasing demands for human settlements services, particularly in response to the need to upgrade housing in informal settlements.

### Fiscal and Economic Management of the Department

Quality assurance of infrastructure management will be strengthened, with attention to improved working relationship with Implementing Agents [IAs], Municipalities and the Ingayoma Development Board [IDB].

Subscription to National Treasury contracts and implementation of periodic contracts produces price stability, and the Department will continue to pursue the strategic sourcing agenda in 2013/14.

# ANNUAL PERFORMANCE PLAN: PART A

The Department continues to strive towards an unqualified audit opinion, and strategies are in place to improve financial management and accountability.

## **Creating and increasing economic participation and creating jobs**

Job creation will continue with skilling occurring at construction sites to ensure that local labour can be used by construction companies where possible. Additionally, an innovative new strategy has been developed by the department whereby IAs will mentor and employ youth [subsidised by the department]. The Department's tender documentation and contract conditions will be reviewed to include safeguards for job creation and payment of sector determined salaries.

## **Continued focus on National and Provincial Priorities**

Financial allocation will make provision for implementation of core priorities as indicated in Part B of the APP. In this regard, the Department will continue to focus on strategies to fast track delivery on the relevant Key Outputs identified in the Negotiated Service Delivery Agreement [which is consistent with the MDGs]. Focussed attention will also be placed on the following Programmes:

- **Social Rental Housing**

The operationalization of the KwaZulu-Natal Rental Housing Strategic Plan 2012-2017 is envisaged to make great strides towards the provision of a conducive environment for the social rental housing opportunities. It is intended that this Plan will facilitate the achievement of the rental targets as determined in Outcome 8. Of significant importance is the strengthening of institutional arrangements as well as strengthening relationships with key stakeholders such as delivery agents, municipalities and the private sector in order to meet delivery targets. Focus will be placed on the six accredited municipalities, namely, Mhlathuze, Newcastle, KwaDukuza, Hibiscus Coast, Ladysmith and uMsunduzi within the province, where land parcels have been identified in well located area for social housing development. In order to upscale deliver, the "booster team" will be established. In order to promote the principles of consultation and participation, this Department also intends hosting a Summit on the Social Rental Housing.

- **Community Rental Unit (CRU)**

CRU is a programme that compliments social housing and is intended to improve the living conditions at hostels by converting hostels into family units given the fact that hostels residents are living in squalid conditions. The CRU Programme is also part forms part of the Social Rental Strategy. Projects within the Newcastle, eThekweni, KwaDukuza areas will be prioritized. In addition, the Ndumo Regeneration programme which is one of the Premiers' initiatives will also be addressed under this Programme.

# ANNUAL PERFORMANCE PLAN: PART A

- **Rectification of Pre-1994 of Residential**

This programme is currently underway in eThekweni. Approval of funding and a Memorandum of Agreement has also been concluded with the Umdoni Municipality for projects.

- **Informal Settlements Upgrade Programme**

The identification of well-located affordable land for the implementation of the informal settlements upgrade is essential for the effective implementation of this Programme. It is intended that focused attention be placed on the reduction of the informal settlements in the 22 wards mainly located in the eThekweni Metro and the six accredited municipalities. The Department and Housing Development Agency is to also develop a strategy on more effective land utilization. The amendment of the KZN Slums Act, to ensure that it is aligned with the Constitution will also facilitate effective implementation to address informal settlements within the Province.

- **Rural Housing Development**

The department being located in a largely rural province is focusing on the rural areas as part of the informal settlements upgrade mainly due to the type of dwelling that are found in the rural areas, giving rise to the disaster challenges especially during the storms and rainy seasons. By virtue of being built houses using poor materials rural households are in the same predicament that the people living in the informal settlements find themselves. Focus will shift towards supporting integrated and sustainable rural planning and development in partnership with stakeholders.

“We must use time wisely and forever realize that the time is always ripe to do right.”

– Nelson Mandela

# ANNUAL PERFORMANCE PLAN: PART A

## OVERVIEW OF THE 2013/14 BUDGET AND MTE ESTIMATES

### EXPENDITURE ESTIMATES

Table 7: Expenditure Estimates

Programme R'000	Audited Outcomes			Main Appropri- ation	Adjusted Appropri- ation	Revised Estimate	Medium Term Expenditure Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Administration (1)	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
Housing Needs, Research and Planning	18 061	18 822	20 898	42 993	34 516	34 516	32 820	34 592	35 678
Housing Development Implementation	2 089 465	2 646 521	2 710 206	2 840 405	2 988 007	2 988 007	3 150 218	1 617 239	1 579 067
Housing Property Management	285 316	315 551	193 707	293 820	227 176	218 276	231 185	213 975	246 231
<b>Sub-total</b>	2 492 647	3 089 237	3 042 495	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177
<b>Direct charges against the National Revenue Fund</b>									
<b>Total</b>									
<b>Unauthorised expenditure (1st charge)</b>		(9 303)	(9 303)						
<b>Change to 2011/12 budget estimate</b>	2 492 647	3 079 934	3 033 192	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177

Source: BAS



## ANNUAL PERFORMANCE PLAN: PART A

Economic Classification	Audited Outcomes			Main Ap- ropriation	Adjusted Appro- priation	Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
								2012/13	
<b>Current payments</b>	298 569	265 272	298 039	463 181	355 781	331 153	368 684	384 249	414 327
Compensation of employees	157 750	174 805	188 020	256 592	234 652	217 986	250 555	265 325	280 178
<b>Goods and services</b>	140 819	90 275	110 019	206 589	121 129	113 167	118 151	118 924	134 149
Communication	7 192	5 213	5 549	6 573	5 383	5 323	7 052	7 717	7 829
Computer Services	4 456	7 055	6 849	9 333	10 009	13 848	8 658	9 266	9 531
Consultants, Contractors and special services	42 263	15 139	7 066	105 613	18 971	8 194	23 146	22 776	29 082
Inventory	2 709	3 107	6 795	6 983	6 556	3 848	7 198	7 240	7 228
Operating leases	16 156	18 571	19 588	20 094	20 109	18 176	20 224	21 309	21 384
Rental and Hiring	-	-	-	-	80	80	100	100	100
Travel and subsistence	7 292	5 544	7 420	15 672	13 468	12 863	12 845	13 687	16 989
Other including Assets < 5000, agency and outsourced services, training and development, property payments, operating expenditure and venues and facilities	60 751	35 646	56 752	42 321	46 553	50 835	38 928	36 829	42 006
Interest and rent on land	-	-	-	-	-	-	-	-	-
Maintenance , repair and running costs	Included under Contractors and Inventory to avoid double counting								

Source: BAS

# ANNUAL PERFORMANCE PLAN: PART A

Economic Classification	Audited Outcomes			Main Ap-propriation	Adjusted Ap-propriation	Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
								2012/13	
<b>Transfers and subsidies to</b>	2 147 153	2 784 369	2 729 402	2 819 229	2 965 937	2 998 635	3 219 685	3 400 588	3 713 609
Provinces and municipalities	210 060	353 589	105 050	393 711	178 341	202 533	168 376	240 682	161 843
Departmental agencies and accounts					144 477	144 477	220 408	100 000	100 000
Universities and technikons									
Non-profit institutions									
Households	1 937 093	2 430 780	2 624 352	2 425 518	2 643 119	2 651 625	2 710 455	1 226 512	1 264 364
<b>Payments for capital assets</b>	46 860	30 293	15 054	18 525	55 868	47 762	82 731	60 962	74 643
Buildings and other fixed structures	43 816	27 477	11 099	10 000	47 578	27 578	75 464	54 214	68 494
Machinery and equipment	3 009	2 537	3 955	8 525	8 290	20 184	7267	6 748	6 149
Software and other intangible assets	35	279							
Land and sub-soil assets									
Payment for financial assets	65	9 303			234	270			
Total economic classification									
Unauthorised expenditure (1st charge) not available for spending		(9 303)	(9 303)						
<b>South African BAS</b>	2 492 647	3 079 934	3 033 192	3 300 935	3 377 820	3 377 820	3 550 676	2 012 405	2 015 177



# PART B

## PROGRAMME 1

“It is a law of life that problems arise when conditions are there for their solution.”

– Walter Sisulu



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

### 1.1 PROGRAMME 1: ADMINISTRATION

The purpose of the Administration Programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information.

This Programme further undertakes:

- To provide overall strategic leadership, coordination and management of strategies towards the achievement of sustainable human settlements for all people in the Province of KwaZulu-Natal.
- To ensure that administration of the Department is in line with good governance practices.
- To formulate and/or review policies and strategies in line with legal prescripts and national and provincial priorities.

The Sub-Programme within this Programme includes Corporate Services and comprises the following strategic support services:

- Office of the Head of Department
- Office of the Chief Financial Officer
- Financial Management
- Human Resource Management
- Monitoring and Evaluation
- Intergovernmental Relations
- Legal Services
- Supply Chain Management
- Asset Management
- Risk Management and Advisory Services

Programme performance measures, not specifically identified as priority in the APP, are included in the Operational Plan and monitored quarterly to ensure effective performance monitoring. Specific outputs and outcomes will be included in the Annual Report.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

In order to provide a supportive and enabling environment to address the strategic objectives of the Department, the components within this Programme, play a fundamental role with issues relating to amongst others, effective and sound financial management, risk management, management of human resources, and administrative support.

Of significant importance to this Programme is the Outcome Based Approach to service delivery, as was adopted by all Departments in line with the Negotiated Service Delivery Agreements entered into with the President of the Republic of South Africa and various Ministers. In this regard Outcome 12, namely: an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship, is applicable to this Programme. Outcome 12 covers the following key strategic areas:

- Service Delivery Quality and Access
- Human Resource Management and Development
- Business process, systems, decision rights and accountability
- Corruption tackled effectively
- Nation Building and National Identity
- Citizen Participation; and
- Social Cohesion

### 1.2 2013/14 PRIORITIES: PROGRAMME 1

The following key priority areas have been identified within this programme in order to reinforce and facilitate the efficient functioning of the department, in line with the effective allocation and management of the resources and in compliance with all prescripts: In line with the departmental strategic review session undertaken and taking cognizance of The Cabinet Lekgotla Resolutions, as well as Outcome 12. The following priorities have thus been identified:

1. Implementation of the Departmental Human Resource Plan aligned with the strategic priorities
2. Effective monitoring of development trends
3. Improved management practices
4. Effective Data and Information Management systems and processes
5. Turn- around strategy for Information Technology (MSP)

# ANNUAL PERFORMANCE PLAN PART B PROGRAMME 1

## 1.3 PROGRESS ANALYSIS

### **Strategic Planning**

Great strides have been made with the integration of provincial and district planning processes:

- Alignment of Conditional Grant Business Plan
- Quarterly performance reviews will accentuate linkage between expenditure and service delivery.

### **Data Management**

Data quality [BAS, Persal, HSS] is still a challenge and interventions have been intensified to address challenges. Quarterly reviews, in collaboration with Monitoring & Evaluation, will further improve data quality.

### **Monitoring & Evaluation [M&E]**

The Monitoring & Evaluation Policy is being developed to be used as framework for integrated reporting and aligned with service delivery priorities incorporated in the Annual Performance Plan. Performance of all services or programmes, not specifically prioritized in the APP is included in the Operational Plan and will be monitored quarterly. Overall performance outcomes will be incorporated in the 2013/14 Annual Report.

### **Financial Management**

The Finance Turn-Around Strategy is still being implemented with active monitoring of expenditure trends. Expenditure is actively monitored and significant progress has been made linking budget with service delivery.

## 1.4 OUTLOOK FOR 2013/14

Head Office, as Strategic Enabler, provides strategic leadership and support to facilitate the development of an effective Human Settlements System. Administration comprises a multitude of support functions (both administrative and non-engineering) which are critical for the development of effective policies and guidelines and the establishment of processes and systems in support of effective and efficient service delivery. It also provides oversight to ensure compliance to prescripts.

Priorities for the forthcoming MTEF are based on performance reviews and encompass essential components to ensure realisation of the Department's strategic vision for the forthcoming planning cycle.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

This does not exclude other administrative services which are essential for the smooth functioning of the Department. All performance indicators, included in the Operational Plan and Monitoring & Evaluation Framework, will be monitored quarterly to enrich analytical reports on progress towards identified targets.

Where the Department is dependent on national planning processes i.e. densification of rural settlements and Policy on the Rental Strategy; etc. intermediate processes will be put in place to avoid duplication and/or delays. Once national processes are complete the Department will align accordingly.

Alignment of Provincial macro plans with core national plans is paramount, although specific needs (current status of Provincial Human Settlements delivery versus housing needs demands) determine the immediate way forward.

### **Financial Management**

To maintain monitoring of expenditure, daily expenditure reports are available to management. The implementation of a Financial Turn-Around Strategy with the aim to align expenditure with cash flows and projected service delivery indicators, particularly for programme 3 and 4.

The alignment of budgets with service delivery needs will be achieved through on-going consultation to ensure more effective utilisation of scarce resources. Vigorous monitoring systems will be put in place as part of the oversight role, while staff development and support will be on the forefront of this year's agenda.

### **Risk Management**

Investigative mechanisms and processes to address fraud and corruption in the Department have been improved, aimed at rooting out corruption in the Department. This will be on-going in the forthcoming planning cycle. The Department commenced with the development of the concept document for a database to improve case management and reporting.

### **Supply Chain Management**

Strengthen Supply Chain Management systems and processes to improve return on investment and value for money. Supply Chain Management will ensure that all goods and services procured for a period of 6 months and above have service level agreements or contracts signed between the service providers and the department in order to protect the interest of the department.

Bid committee members have been reviewed and Supply Chain Management will ensure that all new members are fully trained to enable them to perform their functions efficiently and effectively.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

One of the biggest challenges facing Supply Chain Management is the disposal of computer equipment; the resolution of Cop 17 does not allow departments to dump computers in the dumping sites as this affects the global warming negatively. This process used to speed up the disposal process. This has led to officials having multiple computers as new computers are allocated before the old ones have been removed. SCM has had engagements with the department of Environmental Affairs which will now be responsible for assisting the department with this process going forward.

### **Human Resources Management**

Human Resources Management, essential to ensure effective service delivery was identified as one of the core challenges during strategic planning workshops. In this regard HRMS will review and align the Departmental Human Resource Plan (HRP) with the district based service delivery platform. Focussed attention will also be placed on the business process management value chain which will be aligned to output 3 of outcome 12 for the Human Resource Management component. Service Delivery Improvement Plan initiatives and participation on the Batho Pele Revitalization projects e.g. Public Service Week will also undertake. Special focus will be on appropriate allocation and placement of employees, skills mix necessary to deliver on the package of services, staff development and performance management.

Also, the implementation of organisation structure and the matching and placement of employees based on appropriate staffing norms at operational level to improve service delivery in support of the Departments commitment to render efficient and effective human settlement services. Conduct skills audit assessments at service delivery level to determine appropriate placement and development of existing staff. Oversee the establishment of appropriate learning opportunities for management and staff in line with training and development needs.

Alignment of training and development with due consideration of the current financial constraints by prioritising training for core competencies and utilising internal expertise in order to ensure the availability of requisite capacities to deliver human settlements in the human settlement sector. A Certificate Programme in Project Management will be conducted by the University of KwaZulu-Natal during the forthcoming year. The Programme will be piloted within the Inland Region and is envisaged to provide for fully trained employees in the field of Project Management. In order to increase the supply and availability of professionals, the department has been awarding bursaries in line with its scarce and critical skills. All bursary graduates have been appointed on a five year contract using OPSCAP Funding. The Department has been partnering with Service Providers in order for the graduates to be mentored by professionals so that they can attain professional status. The Department will also be commencing with an Artisan Development Programme which seeks to address the technical skills shortages experienced by the Department.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

The Persal CleanUp Initiative to verify and update Persal data will ensure accurate personnel information to inform Human Resource Planning. This will also focus on the implementation of Safety, Health, Risk and Quality (SHERQ) management PILLAR to ensure that all pillars of the Employee Wellness Programme are fully operational.

### **Information Systems Management**

Implement an Information Turn-Around Strategy including Information Technology (systems), service delivery indicators, data & management thereof, and Monitoring & Evaluation.

Effective planning, performance monitoring and utilisation of reliable quality data are essential to monitor progress towards performance targets and service delivery outcomes. Results-based monitoring will be paramount in the forthcoming planning cycle.

Inadequate IT systems have serious implications for service delivery especially with relation to data quality and utilisation of information for results-based monitoring and planning. Vertical and/or fragmented systems continue to impact negatively on data quality and utilisation.

Implement the Master Systems Plan to ensure integrated information systems and processes in order to reduce duplication and increased cost to ensure effective utilisation of existing resources.

Implement a data quality strategy to improve data completeness, quality and improve performance monitoring. The strategy will focus on improving the current reporting processes and assess the possibility of a web-based reporting system and will include all aspects of data flow and reporting.

### 1.5 CHALLENGES

- Lack of integration of services between planning and service delivery.
- Inadequate feedback which jeopardises ownership and accountability in service delivery
- Lack of clear communication channels
- No linkage between the budget and the strategic plan
- No linkage between budget and the Annual Procurement Plan
- No reconciliation between the Asset Register (Hardcat) to BAS
- Lack of storage space for items waiting for disposal

## 2 PROVINCIAL STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR ADMINISTRATION – 2013/14

### 2.1 STRATEGIC OBJECTIVES ANNUAL TARGETS

#### STRATEGIC GOAL 1: OVERHAUL PROVINCIAL HUMAN SETTLEMENTS

Table 1: Provincial Strategic Objectives and Annual Targets

Strategic Objective	Audited/Actual Performance			Estimated Performance 2012/13	Medium Term Target		
	2009/2010	2010/2011	2011/2012		2013/2014	2014/2015	2015/2016
To provide strategic leadership to the housing delivery programmes (% of houses delivered in respect of targets set annually)	-	-	-	85% [22 112/25 886]	97% [26 940/27 845]	100% [27 382]	100% [18 175]
Reconciliation between service delivery indicators and Conditional Grant. (% of Conditional grant spent versus allocation)				99% R2 801 011	100% R2 772 232	100% R1 685 764	100% R1 675 237

“Don’t try to drive the homeless into places we find suitable.  
Help them survive in places they find suitable.”

– Daniel Quinn

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

### 2.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

Table 8: Provincial Performance Indicators and Annual Targets for Administration

Performance Indicators	Data Source	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Tabled Annual Performance Plan [APP]	APP sign-off documents	2009/10 APP tabled	2010/11 APP tabled	2011/12 APP tabled	2012/13 APP submitted	2013/14 APP tabled	2014/15 APP tabled	2015/16 APP tabled
Reduction of the vacancy rate	Persal	New indicator	New indicator	New indicator	54% vacancy rate <sup>5</sup> [711/1307]	5%	5%	5%
Persal data verified	Persal	New indicator	New indicator	New indicator	80%	100%	100%	100%
Approved organizational structure	HRMS	New indicator	New indicator	New indicator	Approved organogram	Implementation	-	-
Reviewed/updated Master system Plan in Place		New indicator	New indicator	New indicator	Not achieved	TOR & Contract, and tender	Draft MSP	Finalised MSP
Updated/reviewed Disaster Recovery Plan in place		New indicator	New indicator	New indicator	Not achieved	TOR & Contract, and tender	Draft Disaster Recovery Plan	Implementation Disaster Recovery Plan
Updated and or reviewed Network security policy in place		New indicator	New indicator	New indicator	Not achieved	Draft Network security policy	Implementation of Network security policy	Review
Updated and or reviewed IT user policies in place		New indicator	New indicator	New indicator	Not achieved	IT user policies in Place	Implementation of IT user policies	Review
Human Settlements Summit conducted		New indicator	New indicator	New indicator	-	-	-	-

<sup>5</sup> Footnote – Vacancy rate is in terms of approved organizational structure and not in terms of PERSAL

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

### QUARTERLY AND ANNUAL TARGETS - 2013/14

Table 9: Quarterly and Annual Targets for 2013/14

Performance Indicators	Targets 2013/14	Quarterly Targets			
		Q1	Q2	Q3	Q4
Annual Indicators					
1. Tabled Annual Performance Plan [APP]	Tabled APP	APP tabled			
2. Reduction of the vacancy rate	5% reduction			52% [775/1307]	
3. Peral data verified	Verified data		100% Phase I		
4. Approved organizational structure	Approved & reviewed	I			
5. Reviewed/ updated Master system Plan in Place	TOR & Contract, and tender	TOR & Contract, and tender			
6. Updated/reviewed Disaster Recovery Plan in place	Draft Disaster Recovery Plan security policy		Draft Disaster Recovery Plan security policy		
7. Updated and or reviewed Network security policy in place	Draft Network security policy			Draft Network security policy	
8. Updated and or reviewed IT user policies in place	IT user policies in Place				IT user policies in Place
9. Human Settlements Summit conducted		I			

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

### 3 RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS AND BUDGETS

Table 10: Expenditure estimates: Administration

Sub-Programme R' thousand	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
	2012/13								
Corporate Services	99 805	108 343	117 684	123 717	128 121	137 021	136 453	146 599	154 201
<b>Sub-Total</b>									
<b>Unauthorised expenditure (1st charge) not available for spending</b>		9 303	9 303						
<b>Total</b>	<b>99 805</b>	<b>117 646</b>	<b>126 987</b>	<b>123 717</b>	<b>128 121</b>	<b>137 021</b>	<b>136 453</b>	<b>146 599</b>	<b>154 201</b>

Source: BAS

Table 11: Summary of Provincial Expenditure Estimates by Economic Classification

Sub-Programme R' thousand	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
	2012/13								
<b>Current payments</b>	<b>96 704</b>	<b>96 025</b>	<b>105 579</b>	<b>120 622</b>	<b>122 242</b>	<b>118 908</b>	<b>132 790</b>	<b>142 874</b>	<b>150 421</b>
Compensation of employees	47 614	54 634	57 118	70 762	70 382	67 048	80 268	84 650	90 547
<b>Goods and services</b>	<b>49 090</b>	<b>41 391</b>	<b>48 461</b>	<b>49 860</b>	<b>51 860</b>	<b>51 860</b>	<b>52 522</b>	<b>58 224</b>	<b>59 874</b>
Communication	5 321	3 885	3 958	4 280	3 564	3 564	4 450	4 900	5 010
Computer Services		144							
Consultants, Contractors and special services	3 256	2 308	4 330	1 192	2 358	2 805	3 108	3 627	3 820
Inventory	1 100	902	1 153	1 319	1 762	1 762	1 942	2 163	2 294
Operating leases	15 908	18 219	19 292	19 623	19 768	17 833	19 733	20 790	20 858

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

Sub-Programme R' thousand	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
	2 209	1 733	2 354				2 429	3 203	3 203
-	-	-	-	-	-	-	-	-	
Maintenance, repair and running costs	Included under Contractors and inventory to prevent double counting								
Financial transactions in assets and liabilities									
Other including Assets <5000, training and development, property payments, operating expenditure and venues and facilities	2 1296	14 200	17 374	21 017	21 205	22 693	19 989	22 844	23 739
<b>Transfers and subsidies to</b>	<b>943</b>	<b>872</b>	<b>565</b>	<b>610</b>	<b>990</b>	<b>1 524</b>	<b>785</b>	<b>829</b>	<b>860</b>
Provinces and municipalities	87	57	62	110	230	230	250	265	280
Universities and technikons									
Non-profit institutions									
Households	856	815	503	500	760	1 294	535	564	580
<b>Payments for capital assets</b>	<b>2 133</b>	<b>2 143</b>	<b>2 237</b>	<b>2 485</b>	<b>4 665</b>	<b>16 365</b>	<b>2 878</b>	<b>2 896</b>	<b>2 920</b>
Machinery and equipment	2 133	1 864	2 237	2 485	4 665	16 365	2 878	2 896	2 920
Software and other intangible assets		279							
<b>Payment for financial assets</b>	<b>25</b>	<b>9 303</b>	<b>9 303</b>		<b>224</b>	<b>224</b>			
<b>Unauthorised expenditure (1st charge) not available for spending</b>									
<b>Total</b>	<b>99 805</b>	<b>108 343</b>	<b>117 684</b>	<b>123 717</b>	<b>128 121</b>	<b>137 021</b>	<b>136 453</b>	<b>146 599</b>	<b>154 201</b>

Source: BAS

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 1

### 4 PERFORMANCE AND EXPENDITURE TRENDS

The overall increase from 2009/10 to 2011/12 was attributable to inflationary increases. The increase from the 2012/13 Main to Adjusted Appropriation was to cater for the payment of the previous financial year's commitments with regard to the purchase of motor vehicles, as well as operational costs related to motor vehicles. The high 2012/13 Revised Estimate relates to the replacement of motor vehicles, as well as purchasing new motor vehicles for districts, as the department has decentralised its offices.

The increase over the 2013/14 MTEF onwards to cater for wage agreements, inflationary increases and filling of critical budgeted posts, which explains the increase against *Compensation of employees and Goods and services*.

The increase against *Compensation of employees* from 2011/12 to the 2012/13 Adjusted Appropriation was from provision made for the filling of vacant posts within the programme. The decrease from the 2012/13 Adjusted Appropriation to Revised Estimate is attributed to delays in the filling of vacant posts, pending the finalisation of the organisational structure.

The increase from the 2012/13 Main to Adjusted Appropriation against *Goods and services* relates to higher than budgeted fleet maintenance costs due to additional motor vehicles purchased. The department has also made provision for costs associated with the decentralisation of core functions to districts.

*Machinery and equipment* fluctuates over the seven-year period due to the cyclical nature of items purchased within this category. The increase from the 2012/13 Adjusted Appropriation to Revised Estimate caters for the replacement of motor vehicles, as well as purchasing of new motor vehicles for districts as the department has decentralised its offices, as explained previously.

During 2010/11, the department purchased a Human Resource Connect system for the Human Resource component against *Software and other intangible assets*. The purpose of this system is to act as a link between PERSAL and the new Integrated Financial Management System (IFMS) which is being implemented over the next five years to replace PERSAL, BAS and HARDCAT.

The amount under *Payments for financial assets* relates to the write-off of staff debts in terms of the departmental write-off policy in 2009/10 and 2012/13.



# ANNUAL PERFORMANCE PLAN PART B

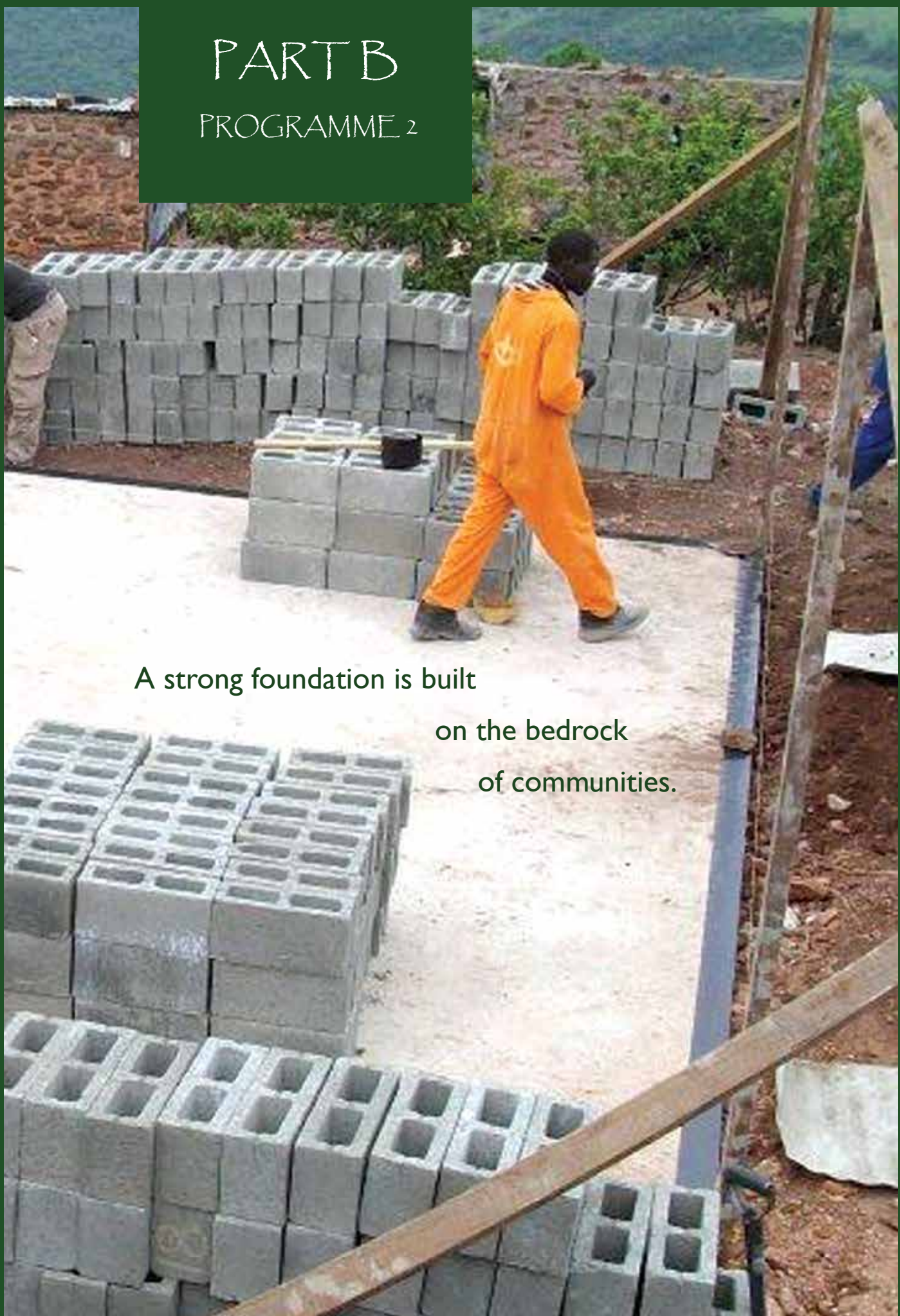
## PROGRAMME 1

### 5 RISK MANAGEMENT

Potential Risks	Mitigating Factors
1. Limited budget versus service delivery demands and unplanned/ unfunded mandates [Medium].	<ul style="list-style-type: none"> <li>• Alignment of budget with service delivery demands</li> <li>• Improved expenditure review at service delivery level</li> </ul>
2. Inadequate management competencies and accountability [High].	<ul style="list-style-type: none"> <li>• Management development programmes.</li> </ul>
3. High attrition/ vacancy rates, absenteeism, and high number of staff on extended incapacity leave. Delays in filling of critical posts due to bottlenecks in system [High].	<ul style="list-style-type: none"> <li>• Align HR Plans with identified priorities [provincial and district].</li> </ul>
4. Poor quality of data and information management [High].	<ul style="list-style-type: none"> <li>• Implement a comprehensive Information Management Turn-Around Strategy.</li> <li>• Implement IT Strategy.</li> </ul>
5. Eradication of Informal Settlements	<ul style="list-style-type: none"> <li>• Amend the KZN Slums Act to be in line with the Constitution</li> <li>• Amend the section that is in conflict with the Constitution</li> </ul>
6. Asset Management - Movable assets: Appropriateness	<ul style="list-style-type: none"> <li>• Workshop and conduct awareness on the asset management policies and procedures</li> <li>• Improve internal communication on exits</li> <li>• Asset/SCM manager to develop a process flow</li> <li>• Monitor the implementation of the process flow system</li> <li>• Supervisors to monitor the manner in which notification on exits is given to relevant managers ( IT, SCM, HR)</li> </ul>
7. Financial Management - Access to Finance: Adequacy	<ul style="list-style-type: none"> <li>• Implement the revised FLISP National Policy</li> </ul>
8. Financial Management – Budget Process: Utilisation	<ul style="list-style-type: none"> <li>• Develop and implement a process flow to monitor budget</li> </ul>
9. Financial Management- Transfer Payment Utilisation	<ul style="list-style-type: none"> <li>• Develop capacity building processes for municipalities</li> <li>• Engage with Intergovernmental Relations (IGR)- Service Level Agreement</li> <li>• Capacity Building – Training and capacity plan for municipalities</li> <li>• Develop mechanism to manage finances</li> </ul>
10. Governance – Legislation Compliance	<ul style="list-style-type: none"> <li>• Develop process plan, detailing consequence of non-compliance</li> </ul>
11. Human Resource Management	<ul style="list-style-type: none"> <li>• Fast-tracking of filling of vacant posts</li> <li>• Workshop the Health and Safety policy to all staff</li> <li>• Ensure that leave is effectively managed on PERSAL</li> <li>• Management of monitoring of policies</li> </ul>
12. People-Interdepartmental Communication: Effectiveness	<ul style="list-style-type: none"> <li>• Develop, approve and implement the Communication Strategy</li> </ul>
13. Supply Chain Management Processes - Effectiveness	<ul style="list-style-type: none"> <li>• Ongoing monitoring and review of the existing policies</li> </ul>

# PART B

## PROGRAMME 2



A strong foundation is built  
on the bedrock  
of communities.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 2.1 PROGRAMME PURPOSE AND STRUCTURE

The main purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, education of stakeholders in housing sector planning, alignment of housing budget, with the current and future housing needs and the capacitation of housing stakeholders for housing delivery through mentorship and training.

In order to effectively achieve the above, this Programme has three sub-components, namely:

1. Policy (Product Development)
2. Planning (Integrated Planning)
3. Research

Key activities undertaken by this Programme include:

- Research and quantify the housing needs in the province with the aim of developing appropriate interventions;
- Research and identify appropriate technologies in the housing delivery process;
- Develop policies and guidelines to facilitate implementation of the sustainable human settlement programme;
- Ensure that all stakeholders are capacitated and involved in the continuous appraisal of housing delivery, systems and their improvement;
- Facilitate and integrate sustainable human settlement planning with other sectors;
- Educate stakeholders in sustainable human settlement planning and implementation;
- Align the housing budget through the application of the allocation formula and needs register; and
- Capacitate stakeholders for housing delivery through mentorship and training.

Programme performance measures, not specifically identified as priority in the APP, are included in the Operational Plan and monitored quarterly to ensure effective performance monitoring. Specific outputs and outcomes will be included in the Annual Report.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

This Programme has evolved to become a fundamental driver for the promotion and implementation of planning principles underlying the creation of sustainable human settlements. Pivotal to the effective functioning of this Programme is the continued strengthening of capacity within the Integrated Planning Sub-Programme in order to ensure that housing delivery is undertaken within essential frameworks relating to integrated planning. Of significant importance to this Programme are key strategies including but not limited to:

- The Provincial Spatial Economic Development Strategy
- The Provincial Growth and Development Strategy
- The Provincial Growth and Development Plan
- The Sustainable Human Settlement Strategy (SHSS)
- The Informal Settlement Eradication Strategy and
- The Social Rental Strategy

These strategies are to address housing matters in an integrated, holistic and co-ordinated manner.

### 2.2 2013/14 PRIORITIES

1. Confirm Project pipeline in line with national and provincial priorities
2. Strengthen governance and service delivery
3. Improved integration and co-ordination of planning of sustainable human settlements in line with Provincial 2030 Vision
4. Improved capacitation of housing consumers

### 2.3 PROGRESS ANALYSIS

## PRODUCT DEVELOPMENT

This is a critical unit responsible for the research and development component of the department. It informs both the planning and the implementation frameworks by testing some of the critical areas of untested and untapped terrain. Policy development will be informed by and tested through implementation to ensure practical policy development and continued improvement to fast track delivery. The critical focus areas of this unit are to ensure the practicality of the legislative, regulatory and policy environment to enable effective and sustainable delivery.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

The unit developed new guidelines to steer allocation of the conditional grant in terms of the outcomes based approach of government, and in particular in the context of human settlement developments. Guidelines were also finalised for the involvement of cooperatives in partnership with stakeholders and to guide the roles and responsibilities of the Department and engagement with Department of Economic Development. In this financial year, this will also facilitate the involvement and monitoring of women and youth organisations in human settlement development initiatives through the utilisation of cooperatives. Guidelines were also drafted to ensure a more equitable application of costs relating to the demolition of buildings where required to facilitate development and a case for the review of the variation amounts pertaining to rental housing typologies was submitted to the National Department for consideration. This will assist the department in addressing additional costs incurred as a result of steep terrain and poor soil conditions experienced in the province that impact adversely on the feasibility of multi-storey developments in relation to affordable rental.

Challenges with Community Residential Units and Enhanced People's Housing Projects had been identified and have been communicated to the National Policy unit to influence policy frameworks of these instruments during this financial year.

An assessment of agri-village projects in relation to human settlement developments was undertaken to identify challenges and to guide future implementation to enhance sustainability. Research was also undertaken on progress to agri-village projects. Best practices on densification in urban, peri-urban and rural environments were also undertaken to assess possible strategies that would facilitate implementation where possible to improve planning for and access to basic services such as water, sanitation, energy and other services.

The Provincial Department, through this unit, was an initiator of substantial policy reviews relating to the current norms and standards to be aligned to the revised building regulations, thereby facilitating an improved product with greater environmental and energy efficiencies. It included improved designs for wheelchair bound individuals, as well as greater consideration for higher grade services to accommodate densification initiatives in Integrated Residential Programmes.

### INTEGRATED PLANNING

The Integrated Planning Sub-Programme has made significant progress towards the alignment of PSEDS in so far as ensuring that the priority intervention areas, nodes and corridors (PSEDS), Rural settlements (RD&LR data) have been mapped. Engagements with municipalities are also being undertaken to prioritise the alignment thereof as well as to ensure that the GIS spatial referencing of projects are finalised.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

A key principle of this sub-programme will be to ensure that where rural development occurs, it is done in an orderly and cost effective manner by concentrating on those areas that meet the requirements of the PGDP as well as where existing clustering of homesteads is found. This will in turn assist municipalities and other organs of state to plan for the roll out of services and amenities that constitute to ensuring sustainability and improve access to government services.

In line with the Outcome 8 target of upgrading informal settlements, the KZN Informal Upgrade Strategy is being rolled out in those municipalities that are affected by such settlements. This programme is being undertaken in conjunction with the National Support Programme. Interaction with municipalities will continue through the process of “district and family” of municipalities engagement whereby technical assistance will be provided for the reviewing of their Integrated Development Plans (IDP) and Housing Sector Plans (HSP). These plans are seen as vital to the successful forward planning for sustainable human settlements as well as providing more certainty on the allocation or reservation of subsidies throughout the province.

Focused attention will however be made on the verification of project status (IDP, HSP), identifying bankable projects, reviewing of District plans, improving functionality of the housing forums and improved interactions with Implementing Agents (IAs).

### MUNICIPAL SUPPORT AND CONSUMER EDUCATION

As part of building institutional capacity of the municipalities, this Sub-Programme has place tremendous focus on the accreditation programme as envisaged in the new comprehensive plan “Breaking New Ground” for housing delivery. Accreditation seeks to achieve two fundamental objectives namely, co-ordinated development and accelerated delivery. The accreditation of municipalities ultimately implies that by locating the decision making authority where implementation of housing programmes are being undertaken, i.e. at a local level, municipalities can co-ordinate essential decisions relating to broader sustainability of human settlements. Of significant importance to this approach are the principles relating to inter-governmental relations as well as integrated planning. In addition, the advantages relating to creating certainty on funding allocations and devolving of delivery decision making to local municipalities is anticipated to accelerate housing delivery.

The Municipal Support and Consumer Education has thus identified the following municipalities on the basis of their status as “Aspiring Metros”:

- Msunduzi
- eMnambithi
- Newcastle
- Mhlathuze
- KwaDukuza
- Hibiscus Coast

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

These six municipalities were identified in terms of the Provincial Spatial Economic Development Strategy (PSEDS) as they fell within the jurisdiction of the areas identified for economic development. They were further targeted to promote social housing (rental) opportunities. The Province also considered its Informal Settlement Upgrade Strategy wherein these municipalities fell within the seventeen (17) municipalities prioritized for informal settlement upgrade interventions.

These priority municipalities have undergone capacitation of Human Settlements functions to administer National and Provincial programmes. In October 2011 these municipalities were assessed by an independent panel to undertake Human Settlements functions.

The outcomes of the assessment were as follows:

- Newcastle level 2
- eMnambithi Level 2
- Mhlathuze Level 2
- KwaDukuza level 2
- Msunduzi Level 1
- Hibiscus Coast level 1

On the 10th August 2012 they were officially awarded with the Compliance Certificates. The department is now at a stage of entering into agreements (Implementation Protocol) with these municipalities.

It is therefore envisaged that by capacitating and accrediting these municipalities, the full potential of creating sustainable human settlements and their contributions to eradicating the backlogs will be realized. It is further envisaged that by finalising the process of accrediting these municipalities, this Sub-Programme will promote the achievement of the objectives of Outcome 8 in line with the Negotiated Service Delivery Agreement.

In addition to the Accreditation Programme, this Sub-Programme has further continued with the training of the Amakhosi and Councilors as well as training for women and youth. The Housing Consumer Education Programme has also played a dominant role during the 2012/13 financial year.

In doing so, the Sub-Programme has continued to meet its key objective of capacitating the built in environment. Challenges were however experienced with the development of a framework for the project management unit regarding the Emerging Contractors Programme. This is to be pursued in the forthcoming year.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 2.4 OUTLOOK FOR 2013/14

In keeping with the principles of the Provincial Growth and Development Plan which essentially views economic growth as the fundamental driver of social and human development, the Integrated Planning Sub-Programme will play a vital role with ensuring that the “2030 Provincial Vision” is promoted by contributing towards the key strategic provincial goal of Human and Community Development. The effective alignment of the interventions of the Provincial Growth and Development Plan with comprehensive housing plans is therefore essential to address well-co-ordinated and integrated development planning, densification of settlement patterns, and the transformation of slums clearance into social housing programmes.

Emanating from the Provincial Growth and Development Plan is also the Small Town Regeneration Programme which aims to provide for competitiveness to attract investment and retain current investors. Within the Province 25 nodal areas have been identified as priority small towns within the Province. The Department will therefore provide extra focus on the development of human settlement initiatives in support of this programme and perform an instrumental role with its key stakeholders to ensure that the HSP review process is in support of and aligned to the Small Towns Regeneration Programme, thereby ensuring that there is alignment with the provincial priorities and housing delivery. This programme is seen as a catalyst for the sustainable development of small towns that have experienced an economic decline thereby depriving its inhabitants of decent and functional services. It will also contribute to lessening the pressure on scarce land resources in urban and metropolitan areas. The planning of these areas is seen as vital to the spreading of economic opportunities throughout the province and giving true meaning to “a better life for all”.

The roll out of specific projects to assist the department in project identification and planning as well as populating the project pipe line includes the following:

#### RAPID UPFRONT ASSESSMENT OF INFORMAL SETTLEMENTS

Through this project the KZN Informal Settlement Upgrade Strategy will be operationalized whereby all identified projects will be subjected to a rapid upfront assessment to determine the ultimate upgrading process to be unfolded. This assessment will take into consideration location, potential dangers, reason for existence, number of families/inhabitants, availability of bulks and land for potential relocation/transit camps and ultimate project vision.

This project will be rolled out in collaboration with the National Upgrading Support Programme as the intention is not to duplicate that work.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### PROJECT PACKAGING

Here the intention is to contract professionals to assist the department with the packaging of projects that have been identified through the municipal IDP and Housing Chapter of the IDP processes. These projects will be earmarked for the commencement in the 2014/15 MTEF period and will be subject to a desktop feasibility assessment process. Here the following issues will be considered; availability of bulk infrastructure, social issues, alignment to NDP and PGDP, geotechnical assessments, planning process to be followed, environmental issues and land legal issues.

It is expected that this project will confirm the provincial project pipe line to commence in the 2014/15 financial year. This project will also enhance the project implementation process as well as ensuring alignment to the concept of creating sustainable human settlements.

### FLOOD RISK ASSESSMENT

A professional team will be appointed to assist the department to spatially map, through a computer modelling process, all areas of the province that are at potential risk to flooding. Included in this process is the effects of global warming and climate change and its effects on potential flooding risk.

The results of this project will provide a spatial series of maps and GIS information indicating areas of potential risk and will be made available to all municipalities and other departments for inclusion in their forward planning for all development.

Where families have been identified to be residing in such potential risk areas, processes will be put in place to rectify the situation based upon availability of funds and the severity of potential risk.

### PROFESSIONAL PLANNING OFFICERS ON CONTRACT

Professional Planning officers have been contracted for a 5 year period at a deputy manager level. These Planning Officers are based at District level in order to bring the departmental project planning services to the district and family of municipalities. Their duties will include ensuring that aspects of human settlement development is included into their respective IDP's, providing technical assistance in the Housing Chapters of the IDP process, project identification and packaging to Stage I Project presentation at the departmental Housing Evaluation & Advisory Committee (HEAC), Stage I project management, project cash flow management and project progress reporting to name but a few. The Planning Officers will team up with the Project Facilitators as part of the on-going departmental package of assistance to districts.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### GIS

Professional GIS staff have been appointed on a 5 year contract, and are responsible for setting up and running the departmental GIS unit. Their responsibilities include the spatial referencing of all human settlement projects as well as indicating the various stages that projects undergo. Additional spatial information includes that of various departments and the PGDP data that assists as a management tool for the identification and implementation of human settlement projects.

The GIS unit has also entered into co-operative agreements with parastatals whereby the sharing of spatial data is concluded. The unit also plays a major role in providing internal business units with spatial data especially around that of land aspect and that of property management.

The Product Development will continue its focus on reviews relating to the current norms and standards so as to ensure that additional costs for extraordinary development conditions are accommodated. This will also require revision of current policies and procedures to be realigned with National amendments. In addition, research will also be undertaken to assess community perceptions on issues such as rental and ownership, formal and informal tenure, as well as willingness to accept different densification models in urban and rural areas to inform departmental strategies accordingly.

The Municipal Support and Consumer Education will continue to focus mainly on the provision of capacity to all stakeholders with particular emphasis on municipalities and other relevant community structures such as Amakhosi, Izinduna, Ward committees and Community Based Organisations. The key target will be the coordination of human settlement capacity building training for Amakhosi and Councilors in collaboration with COGTA, Ingonyama Trust Board (ITB) and South African Local Government Association SALGA to ensure economies of scale and scope and proper alignment which is very critical to effect sustainable development. Furthermore, the Department will enter into partnership with these stakeholders to ensure the smooth implementation of the programme.

The key focus area in the capacity support for Amakhosi will be on the process to address the apartheid spatial planning process prevalent in the province of KwaZulu-Natal especially the rural areas. The unit will engage all Amakhosi to review the sites allocation process to improve densification and access to services by rural communities. The unit will continue to provide capacity support to communities that are beneficiaries of government houses to ensure that they maintain and improve on them through structural improvement and social improvement such as planting trees and vegetable gardens. The planting of trees as a support to the green economy will be done in partnership with department of Agriculture, Environmental Affairs and Rural Development will still be addressed.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

Attention will also be placed on the capacitation of the recently accredited municipalities.

### 2.5 CHALLENGES

Among the challenges of the Municipal Support and Consumer Education Sub-Programme, is the poor attendance of Councillors and Amakhosi in some of the planned training. This adversely affects the achievement of the targets and the objectives of the programme. In terms of the Housing Consumer Education Programme, internal departmental capacity constraints and lack of dedicated officials for Human Settlements in the municipalities still poses a challenge. The Sub-Programme does however anticipate placing more capacity in the districts in terms of the paradigm shift to decentralisation.

Within the Integrated Planning Sub-Programme, there is a general lack of capacity to manage the human settlement process at municipal level. The non-review of Housing Chapters of the IDP's have also poses a serious challenge in so far as the effective integration of planning and sustainability of housing development being undertaken. The lack of a credible and accurate housing needs database (reliant on Census 2001 and Community Survey of 2007) have also impacted negatively on effective planning. The non-alignment to Outcome 8 targets still impacts on the achievement of deliverables. Targets are still skewed towards rural housing development. In addition, a lack of alignment of bulk infrastructure funding also impacts adversely on housing delivery.

### 3. PROVINCIAL STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR HOUSING NEEDS, RESEARCH AND PLANNING

#### STRATEGIC GOAL 2: IMPROVE EFFICIENCY AND QUALITY OF HUMAN SETTLEMENTS SERVICES

### 3.1 STRATEGIC OBJECTIVE ANNUAL TARGETS

Table 12: Strategic Objective Annual Targets

Strategic Objective	Audited/Actual Performance			Estimated Performance	Medium Term Target		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Accelerate the provision of housing opportunities (number of units in the housing pipeline).	-	-	-	97 756	78 654	72 471	52 495

Note:

1. The number of units is an estimated yield which will be verified in the Pre-Feasibility stage of each project.
2. Some projects could extend over two financial years depending when its approval was forthcoming.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 3.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

Table 13: Performance Indicators for Housing Needs, Research and Planning

Indicator	Data Source	Type	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
			2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Integrated Planning:									
No. of planned human settlement developments approved based on the National and Provincial Priorities	Project pipe line		0	0	0	New indicator	5	9	14
No. of Municipalities capacitated and supported with regard to human settlement development planning		Process	New Indicator	New Indicator	New Indicator	New indicator	6	8	10
Framework for the identification of flood plains developed		Process	New Indicator	New Indicator	New Indicator	Tender advertised, TOR developed	Provincial Flood Plain Assessment finalized	Framework developed	Implementation and review
Confirmed project pipeline based on IDPs	IDPs, Housing Sector Plans	Process	New Indicator	New Indicator	New Indicator	Confirmed Project Pipeline	Pipeline budget developed and cash flows assigned	Implement and review.	Implement and review
Number of projects aligned with small town regeneration programme		Output	New Indicator	New Indicator	New Indicator	New indicator	1	Determine by project team lead by COGTA	Determine by project team lead by COGTA
No. of housing projects packaged	HEAC project database	Input	-	0	0	New indicator	30	30	30

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

Indicator	Data Source	Type	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
			2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Product Development (Policy and Research)									
No. of research projects approved <sup>6</sup>		Input	New Indicator	5	5	5	5	5	5
Number of research papers completed		Input	7	8	3	5	5	5	5
Number of policies and/or guidelines approved		Input	4	9	6	6	6	6	6
Municipal Support and Consumer Education									
Number of housing consumers trained		Input	9,388	15,893	7,667	6 000	6 000	6 000	6 000
Number of Amakhosi trained		Input	0	0	38	160	160	160	160
Number of Councilors trained		Input	New Indicator	69	160	160	160	160	160
Number of municipalities capacitated on accreditation		Input	New Indicator	6	6	6	7	7	7

<sup>6</sup> Refers to the number of research projects noted by the MEC

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 3.3 QUARTERLY AND ANNUAL TARGETS FOR HOUSING NEEDS, RESEARCH & PLANNING – 2013/14

Table 14: Quarterly and Annual Targets for Housing Needs, Research, and Planning 2013/14

Performance Indicators	Annual Targets 2013/14	Quarterly Targets			
		Q1	Q2	Q3	Q4
<b>Quarterly Targets</b>					
1. No. of planned human settlement developments approved based on the National and Provincial Priorities	5	-	-	-	5
2. No. of Municipalities capacitated and supported with regard to human settlement development planning	6	1	2	2	1
3. No. of housing projects packaged	30	7	8	7	8
4. No. of projects approved (research)	5	1	1	2	1
5. Number of research papers completed	5	0	2	2	1
6. Number of policies and/or guidelines developed	6	1	2	2	1
7. Number of housing consumer trained	6 000	1 500	1 500	1 500	1 500
8. Number of Councillors trained	160	40	40	40	40
9. Number of Amakhosi trained	160	40	40	40	40
<b>Annual Targets</b>					
10. Framework for the identification of flood plains	Provincial Flood Plain Assessment finalized				Provincial Flood Plain Assessment finalized
11. Confirmed project pipeline	Pipeline budget developed and cash flows assigned		Pipeline budget developed and cash flows assigned		
12. Number of projects aligned with small town regeneration programme	1				1
13. Number of municipalities capacitated on accreditation	7				7

- The indicators will be monitored through the Provincial Quarterly Performance Report [Treasury and National Department of Human Settlements] and District Quarterly Progress Reports submitted by all components and districts to Monitoring and Evaluation.
- Additional operational indicators [process, input and output] are included in Operational Plans and will also be monitored quarterly.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 4 RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS

Table 15: Housing Needs, Research and Planning

Sub-Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
R' thousands									
Administration	1 120	1 067	1 149	2 130	1 733	1 733	1 818	1 967	2 075
Policy	3 008	2 918	3 166	4 866	3 814	3 814	4 622	4 880	5 145
Planning	8 130	11 415	12 395	29 655	21 482	21 482	16 221	16 951	17 384
Research	5 803	3 422	4 188	6 342	7 487	7 487	10 159	10 794	11 074
<b>Total economic classification</b>	<b>18 061</b>	<b>18 822</b>	<b>20 898</b>	<b>42 993</b>	<b>34 516</b>	<b>34 516</b>	<b>32 820</b>	<b>34 592</b>	<b>35 678</b>
<b>Current payments</b>	<b>17 196</b>	<b>18 154</b>	<b>19 520</b>	<b>41 063</b>	<b>31 776</b>	<b>31 244</b>	<b>30 210</b>	<b>32 197</b>	<b>33 683</b>
Compensation of employees	10 222	10 624	11 327	28 288	17 620	13 188	17 797	18 883	19 997
<b>Goods and services</b>	<b>6 974</b>	<b>7 530</b>	<b>8 193</b>	<b>12 775</b>	<b>14 156</b>	<b>18 056</b>	<b>12 413</b>	<b>13 314</b>	<b>13 686</b>
Communication	233	178	206	206	162	167	280	300	315
Computer Services	3 895	6 493	6 265	8 881	8 826	12 665	7 642	8 197	8 450
Consultants, Contractors and special services	26	26	213	25	70	73	75	78	82
Inventory	90	50	78	127	149	197	161	173	185
Operating leases	64	48	66	35	70	72	75	80	85
Travel and subsistence	846	601	710	1 396	2 295	2 328	1 298	1 334	1 343
Interest and rent on land	-	-	-	-	-	-	-	-	-
Maintenance , repair and running costs	-	-	-	-	-	-	-	-	-

Source: BAS

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

Sub-Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimates			
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16	
R' thousands										
Other including Assets<5000, training and development, property payments, operating expenditure and venues and facilities	1 820	134	655	2 105	2 584	2 554	2 882	3 152	3 226	
Transfers and subsidies to	146				15	47				
Provinces and municipalities										
Departmental agencies and accounts										
Universities and technikons										
Non-profit institutions										
Households	146				15	47				
<b>Payments for capital assets</b>	<b>719</b>	<b>668</b>	<b>1 378</b>	<b>1 930</b>	<b>2 725</b>	<b>3 225</b>	<b>2 610</b>	<b>2 395</b>	<b>1 995</b>	
Buildings and other fixed structures										
Machinery and equipment	719	668	1 378	1 930	2 725	3 225	2 610	2 395	1 995	
Software and other intangible assets										
<b>Payment for financial assets</b>										
<b>Total economic classification</b>	<b>18 061</b>	<b>18 822</b>	<b>20 898</b>	<b>42 993</b>	<b>34 516</b>	<b>34 516</b>	<b>32 820</b>	<b>34 592</b>	<b>35 678</b>	

Source: BAS



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 5 PERFORMANCE AND EXPENDITURE TRENDS

The decrease in the sub-programme: Administration from 2009/10 to 2010/11 was due to decreased travelling and subsistence costs in that year resulting from cost-cutting. The decrease from the 2012/13 Main to Adjusted Appropriation is the result of delays in the filling of budgeted vacant posts emanating from a lack of suitably qualified candidates, as well as the ongoing restructuring within the department. The increase over the 2013/14 MTEF is mainly to cater for the filling of budgeted vacant posts within this sub-programme, while bearing in mind the moratorium on the filling of non-critical posts.

There is a steady increase in the sub-programme: Planning in 2009/10 to 2011/12. The increase from 2011/12 to the 2012/13 Main Appropriation was due to the department budgeting for project facilitator posts in this programme, which were initially budgeted for under Programme 3: Housing Development. The decrease from the 2012/13 Main to the Adjusted Appropriation was due to the decision taken that the posts should return to Programme 3 where they were previously budgeted for, as most activities of these posts relate to this programme. The decrease from the 2012/13 Revised Estimate to 2013/14 is due to provision for arrear payments in respect of SITA services, which were not received on time during 2011/12 and provision was made to settle outstanding payments during 2012/13.

With regard to **Compensation of employees**, provision has been made over the MTEF for the filling of vacant posts (while bearing in mind the moratorium), as well as for anticipated inflationary increases. The decrease from the 2012/13 Main to Adjusted Appropriation and Revised Estimate was due to the non-filling of budgeted vacant posts, pending the finalisation of the organogram.

**Goods and services** grows consistently between 2009/10 and 2011/12. The increase from the 2012/13 Main to Adjusted Appropriation and Revised Estimate was due to arrear payments, which will be made for SITA services. The budget declines over the MTEF compared to the 2012/13 Revised Estimate, as the payment for SITA services is expected to normalise without any further arrear payments.

The fluctuating trend against **Machinery and equipment** over the seven-year period relates to cost-cutting (specifically in 2009/10 and 2010/11), and the fact that the department purchases machinery and equipment on a cyclical basis.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 2

### 6 RISK MANAGEMENT – PROGRAMME 2

Potential Risks	Mitigating Factors
1. Lack of housing developers & contractors in housing	<ul style="list-style-type: none"> <li>• Enforce that the Implementing Agents to contract Emerging Developer/Contractors</li> <li>• Vigorously enforce Black Emerging Developer Training</li> </ul>
2. Lack of understanding of policies, roles and responsibilities by the different stakeholders	<ul style="list-style-type: none"> <li>• Accelerate training for all stakeholders</li> <li>• Web site to be enhanced</li> <li>• Situational analysis needs to be conducted to identify areas where training needs to be intensified.</li> <li>• Subject covered by learners to be included in database to identify new areas of training for learners</li> <li>• Conduct training for emerging developers on an ongoing basis.</li> </ul>
3. Lack of capacity at local municipalities and local level	<ul style="list-style-type: none"> <li>• Expedite the establishment of dedicated housing component within the municipal structure and</li> <li>• Dedicated staff to undertake housing development in the remaining 44 municipalities</li> <li>• Conduct housing indabas at all municipalities</li> <li>• Attend all housing forum meetings to assist municipalities to identify needs and provide hands on training</li> </ul>
4. Insufficient Capacity in planning sub-directorate	<ul style="list-style-type: none"> <li>• Filling of existing posts</li> </ul>

“The cause of homelessness is lack of housing.”

– Jonathan Kozol



PART B  
PROGRAMME 3

“There is nothing so  
rewarding as vision in action”

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### 3.1 PROGRAMME PURPOSE AND STRUCTURE

The purpose of the Programme is to promote the effective and efficient delivery of sustainable human settlements within the Province in line with National and Provincial priorities together with the strategic objectives of the department.

In addition to the implementation of housing projects at district level, this Programme also comprises two sub-components, namely:

- The Subsidy Administration
- The Contracts and Land Legal Administration

The objectives of these components are:

- **Subsidy Administration:** To provide and implement an efficient and effective Subsidy Administration service as well as provide housing opportunities to various market segments of the society.
- **Contracts and Land Legal:** To facilitate the process of land acquisition for housing and to administer housing contracts for all approved projects.

The bulk of the programme funding is allocated from the Human Settlement Development Conditional Grant, which comprises financial, incremental, social and rental as well as rural interventions under which various Housing Programmes are classified for housing delivery.

The housing subsidy instruments implemented within this Programme include:

- Individual
- Project linked,
- Institutional,
- Consolidation, and
- Rural

Performance of all Programme 3 services/programmes, not specifically prioritised in the APP, are included in the Operational Plan and monitored quarterly. Overall performance outcomes will be incorporated in the 2013/14 Annual Report.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### 3.2 2013/14 PRIORITIES

1. Improved service delivery and financial performance trends
2. Improved quality of housing products
3. Acceleration of the achievement of the Outcome 8 deliverables
4. Institutionalization and achievement of Operation Sukuma Sakhe's objectives
5. Implementation of Housing Programmes in line with National and Provincial priorities

### 3.3 PROGRESS ANALYSIS

The Programme is administrated through the Project Management Chief Directorate, and is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro through various subsidy mechanisms in terms of national and provincial policies.

The implementation of Outcome 8 targets is one of the key deliverables / outputs for the performance of this programme. The programme has a number of projects at various stages of implementation within each municipality. The programme is also expected to achieve certain key strategic objectives of the department through the implementation of projects using various subsidy instruments. With most areas of the province being rural in nature and in line with rural development as one of the key priorities of government, there are many rural housing projects being implemented in the province.

The increasing demand for housing and the backlog in the delivery of housing in the province has made the department, through this programme, review the approach to be adopted in the delivery of housing in the province. The approach of delivering large scale versus small scale projects has been approved for implementation and this is seen as a way of making a huge impact in the delivery of housing in the province. The big priority projects such as Cornubia in eThekweni, Driefontein in KwaDukuza, Blaaubosch in Newcastle, Vulindlela in Umsunduzi and Inyoni in Mandeni are set to deliver an average of 15 000 units each when they are completed. This approach will go a long way in addressing the backlogs and at the same time contribute towards achieving the Outcome 8 targets for 2014.

The new approach for delivery by this programme is also to strengthen working relationship with the Housing Development Agency (HDA) and the municipalities in identifying and acquiring well located suitable land for human settlements, most notably municipalities with accreditation. This will assist in preventing potential delays on the implementation of projects due to unresolved land issues. Many old projects were affected by land issues and became stalled or blocked which has had a negative impact on the performance of this programme.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

The programme is also responsible for the provision of housing on the Finance-Linked Individual Subsidy category which caters for the gap market where the subsidy is linked to a mortgage bond. Currently, the National Housing Finance Corporation has been mandated nationally to implement pilot projects in all provinces to fast track the implementation of this programme under the revised policy effective 1 April 2012. KZN has identified 3 pilot projects, namely, Woodmead (250 units) and Rocky Park (350 units) in the Ilembe District, and Merlewood (177 units) in the Ugu District. The non-credit linked individual subsidy programme catering for the low income category is performing due to the secondary market of the old housing stock that has become a niche market.

The Sukuma Sakhe Programme which is aimed at fast tracking service delivery by government to the citizens of this province and is co-ordinated by the Office of the Premier is implemented through this programme within the department. The most deprived families are identified in various districts and urgent interventions are undertaken to provide affected people with houses that restore dignity to the families. This programme ensures that government responds quickly to the demands of people regarding housing and other service delivery issues. The Department has created a database of Service Providers to undertake the current emergency/disaster/Operation Sukume Sakhe projects and, in addition will be available to immediately undertake any future emergency contracts in these programmes.

In line with National and Provincial Priorities, a substantial increase in the overall housing delivery within the rural housing subsidy instrument has been experienced, particularly in those areas that have previously been excluded. Through the assistance of NHBRC the department has been able to identify poorly built houses in different municipalities and relevant disciplinary actions are currently being taken against service providers and staff responsible for this.

In line with the new Outcome 8 mandate, the Informal Settlements Upgrade / Slums Clearance initiatives has shown a positive move by government to deal with eradication of slums by 2014. Many projects on Informal Settlements Upgrade projects have been approved and are currently being implemented at various stages. The success in the packaging of five big priority provincial projects within various municipalities have shown a positive trend towards Integrated Sustainable Human Settlements that will ensure increased volume in housing delivery and job creation, as well as have significant impact on eradication of the housing backlogs currently experienced in the province.

In contrast, an underperformance has been experienced on property transfers, which was largely attributed to lengthy delays in town planning and land legal issues, specifically in the more urban context where these issues are more prevalent. Delays in approvals from other key stake holder departments have also delayed the implementation of civils construction.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

The Emergency Housing Programme which seeks to provide assistance in a wide range of emergency situations relating to exceptional housing needs also resulted in a marked increase in the provision of housing. This was as a result of the needs determined through Operation Sukume Sakhe that identifies the most deprived households through the war on poverty profiling exercise undertaken in the most deprived wards of the province.

The challenge of acquiring suitable and well located land has motivated the department to seek partnerships with the department of Rural Development and Land Reform (The DRD&LR) and the Housing Development Agency (the HDA). The Implementation Protocol Agreement signed by the Department and the DRD&LR serves as a vehicle for the acquisition of suitable land. However funding constraints have hampered this relationship from being aggressively pursued and outputs realized. However some progress has been made in some of the land acquisition areas, e.g. the department, eThekweni Municipality and the Housing Development Agency have finalised negotiations for the conclusion of an Implementation Protocol that will establish institutional arrangements for the identification, purchase and holding of land by the HDA for the creation of sustainable human settlements.

### 3.4 OUTLOOK FOR 2013/14

In consolidating the Business Plan for 2013/14 and MTEF delivery targets, the guiding principles include : the achievement of Outcome 8 targets; National Priority Projects such as Cornubia Integrated Residential Development Project in Ethekeeni; Strategic Infrastructure Programme (SIP) which is a National Programme; Integration of Operation Sukuma Sakhe into the normal departmental budgeting process which promotes integrated approach to human settlements delivery thereby demonstrating the creation of sustainable human settlements in the province; implementation of the Provincial Growth and Development Plan; and responding to emergencies resulting from the disasters that are being experienced in the province.

The department will continue with the implementation of the Cornubia Integrated Residential Project as the National Priority Project in the 2013/14 financial year which is expected to contribute towards achieving Outcome 8 targets and ensuring sustainable human settlements.

The storm and fire disasters that occur throughout the year in the province require that a substantial amount be set aside to assist families who become victims of these disasters by providing them with urgent intervention towards emergency housing assistance. The department is making a provision of more than R50 million during 2013/14 for disasters which estimated at yielding 1 221 units to be delivered.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In line with the Department's strategic objectives as well as the government's Outcome Based Approach to service delivery, the Programme aims to ensure that the strategic outputs and measures of Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life are addressed by targeting its Informal Settlements Upgrade Subsidy Instrument towards the eradication of slums. This will make significant progress towards realising the achievement of the Informal Settlement Upgrading national target of 76 200 housing units by 2014. These targets are based on the assumption that key challenges would however be addressed. These include inter alia, suitable and well located land acquisition and transfer of state land to municipalities for human settlements development. The provision of affordable rental housing stock will be another key focus area towards achievement of Outcome 8 targets.

A conservative target of 1000 beneficiary approvals have however been made for the Individual subsidy Instrument and are predominately for individuals in the income category (R0 - R3 500 pm) who do not qualify for credit at all, and who are not bound by the Credit Act. Therefore, properties in former townships are now trading effectively within the low income Individual Subsidy quantum.

As a result, the FLISP policy has been revised, the most significant revision being the inclusion of individuals earning up to R15 000 pm and the National Housing Finance Corporation (NHFC) being appointed the driver of pilot projects in provinces.

In support of national agreement priorities as per Cabinet Lekgotla resolutions, as well as the departmental strategic objective of accelerating rural development, the programme will continue to effect strategies to promote more effective and sustainable rural development by projecting 21 535 housing units over the medium term period towards rural development.

The implementation of the People's Housing Process which provides for community/beneficiary involvement in the construction of their houses will result in the house construction of 2 678 over the medium-term period. As part of a National initiative, the Enhanced People's Housing Process methodology is being piloted within the Province; in partnership with the Habitat for Humanity in the eThekweni area in order ascertain the Programme's effectiveness and improvement measures so that this programme can be rolled out for implementation nationally.

The Emergency Housing Programme seeks to address the needs of households who for reasons beyond their control, find themselves in an emergency housing situation such as the fact that their existing shelter has been destroyed or damaged, or that their prevailing situation poses an immediate threat to their life, health and safety. Due to the Province being continuously prone natural disasters/adverse weather conditions that destroy and/or damage houses, rendering households homeless and destitute, provision

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

has been made on a progress basis to ensure that under these emergency circumstances the access to housing is provided.

Other priority programmes inclusive of Operation Sukuma Sakhe are also fully integrated into these targets in order to ensure that the Department is in a position to deliver on its mandate as well as implement measures that promote sustainable human settlements and contribute towards the war on poverty campaign by government. One of the focus areas on Operation Sukuma Sakhe will be to ensure that the most destitute families are prioritized for housing assistance and that War Rooms are instrumental in this regard.

During the 2013/14 financial year the department will complete all projects that were initiated as pilots under the Social and Economic Amenities Programme. This was funded by the department alone but moving forward the department will facilitate partnerships with other sector departments and municipalities together with private sector to implement this programme. During 2013/14 financial year all 16 pilot projects which are currently between 80 – 95% complete will be completed and the new approach of partnership will be followed from 2014/15 financial year in the implementation of this programme.

With regard to the Social Housing Programme it must be noted that 'Breaking New Ground' defined a new path in government's involvement in facilitating access to housing in the country. It critically emphasized:

- That low and moderate- income household has greater choice of tenure types including access to decent rental housing opportunities
- That to achieve the importance of greater densification and economic and racial integration
- That the quality of housing provided meet the concept of human settlements

The government policy on rental housing (2006) highlighted three programme areas for the direct involvement of the spheres of government:

### SOCIAL RENTAL HOUSING

Social Rental Housing is a rental housing developed and managed mainly by Social Housing Institutions for households with monthly incomes between R1 500 - R7 500. The Social Housing Institution needs to be accredited by Social Housing Regulatory Authority (SHRA) in order to qualify for the Capital Restructuring Grant (CRG). The financing comprises Institutional Subsidy, CRG and loan that the housing institution need to access to cover the development cost. KZN Human Settlements have been delivering

## ANNUAL PERFORMANCE PLAN PART B PROGRAMME 3

Social Rental Housing on an ad hoc basis. Historically, social housing was only delivered at eThekweni and Msunduzi. The delivery agents of social housing were limited to Msunduzi Housing Association, First Metro Housing Company and Sohco. There has been a strong call from Cabinet Lekgotla and the KZN: Human Settlements Portfolio Committee to extend the delivery of rental housing to rural municipalities. Rural municipalities are experiencing problems in terms of attracting professionals given the fact that there is no decent quality rental accommodation.

As a way forward, the department commissioned Social Housing Regulatory Authority (SHRA) to develop a five year Rental Strategic Plan 2012-2017. The purpose was to identify the demand and supply in rental housing and projects that are “ready to go projects” as well as potential projects in six accredited municipalities: uMhlatuze, Newcastle, KwaDukuza, Hibiscus Coast, Ladysmith and uMsunduzi within the province. These municipalities have initiated and identified the Restructuring Zones. Restructuring Zones are “**ring fenced parcels of land**” in a well located area for social housing development. In order to upscale deliver, the “booster team” is in the process of being established. The booster team will assist in packaging, assisting municipalities and monitoring projects. Within eThekweni two projects are under construction, Lakehaven phase 2 that will yield 272 units at a total value of R79 852 221 and Avoca Heights with 520 units at a total value of R151 688 000. Both projects are managed by First Metro Housing Company. The rental strategy has created a road map for the department in terms of delivering rental accommodation and more potential projects have been identified creating a viable and sustainable pipeline of social housing projects which can be implemented in 13/14, subject to the funding being given by Treasury. The KZN Social Rental Strategy will be launched by the MEC, during this in this financial year.

The department is in the process of preparing for Social Rental Housing Summit that will be held early in 13/14 financial year.

### COMMUNITY RESIDENTIAL UNIT (CRU)

CRU is a programme that compliments social housing. It can either be a development of new or improvement of existing rental stock owned by the government. It is created for households within the income band R 800 - R3 500. The project is either developed or managed by the department or the municipality. The programme also aims at improving the living conditions at hostels by converting hostels into family units given the fact that hostels residents are living in squalor conditions. The CRU forms part of the Social Rental Strategy that has been developed by SHRA.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

The Rental Strategy also looks at delivering CRUs in rural municipalities. Such an approach rather created an opportunity to upscale the rental. The department initiated an Integrated Development at KwaDukuza that has 350 CRU units. The project is known as Rocky Park. The project is made up of low cost units, rental CRU and middle income units. The department transferred R120m to eThekweni to convert 9 hostels into CRUs Umlazi T/17, Glebelands, Jacobs, KwaMashu, KwaDabeka, Dalton, S.J. Smith, Klaarwater and KwaMakhutha. However the funding has proved to be insufficient and the department has agreed to advance further funding of R95m to complete outstanding work. Donnelly Road and Bayview were identified by the municipality as CRU projects but they are still at planning stage.

The department projected to deliver 779 CRUs during 13/14 financial year. In order to meet the targets, SHRA has identified 'ready to go CRU projects'. These projects are at Newcastle, eThekweni, KwaDukuza. The Ndumo Regeneration programme is one of the Premiers' initiatives where all sector departments are participating in terms of developing Ndumo. The department is awaiting the housing needs of each department in order to undertake the scope of works and the funding required for the construction of CRUs Ndumo.

### 3.5 CHALLENGES

Some of the challenges faced by this programme include inter alia:

- Limitations on the availability of well located, suitable, serviceable affordable land
- Integration and planning challenges including the reversal of the impact of apartheid planning;
- Lack of capacity within some municipalities and key stakeholder departments;
- Lack of capacity and required skills in the housing industry in general terms; including Emerging Contractors;
- Statutory requirements that impact on project packaging and planning;
- Socio-political impact on beneficiary allocation /identification;
- Lack of available bulk services/limit funding to support housing delivery programmes;
- Alignment of planning with Operation Sukuma Sakhe over the medium term
- And the Integrated Rural Development Strategy over the long term; and
- Lack of alignment of budget and programmes from the relevant sector departments in order create - sustainable human settlements
- Few housing institutions capable to manage and deliver social housing.
- Weather changes resulting in strong rains that causes slow pace in the construction of houses, especially in areas with bad terrain
- Labour issues that often delay or block the implementation of projects which have been projected to deliver completed housing units and services within the financial year.

# ANNUAL PERFORMANCE PLAN PART B PROGRAMME 3

## 4. PROVINCIAL STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR HOUSING DEVELOPMENT

**STRATEGIC GOAL 2: Paradigm shift subsuming integrated development, intersectoral approaches and well-coordinated project management**

Strategic Objective	Audited/Actual Performance			Estimated Performance	Medium Term Target		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
To reduce the provincial Housing Backlog (census 2011 figure [742 019] less houses built)	-	-	-	716 079	687 677	688 697	652 346



4.1 PROVINCIAL PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS (INCLUDING ALL PROGRAMMES INCLUSIVE OF OUTCOME 8

ANNUAL PERFORMANCE PLAN PART B  
PROGRAMME 3

Table 16: Performance Indicators for Housing Development in terms of Subsidy Instrument

Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
<b>Individual Non Credit Linked Subsidies</b> Number of beneficiaries approved	1 139	893	1 530	1 000	1 000	1 540	1 800
Number of houses completed	721	645	951	1 013	700	950	1 100
<b>Social and Economic Amenities:</b> Number of Projects Completed	0	0	0	0	16	10	10
<b>Finance Linked Individual Subsidy Programme:</b> Number of Houses completed	New Indicator	0	0	50	800	1 000	1 000
<b>Project Linked:</b> Number of beneficiaries approved	7 670	1 790	5 894	3 826	2 550	8 043	1 230
Number of Sites Serviced	3 806	3 898	0	1 905	440	500	150
Number of houses completed	7 152	6 560	1 954	1 842	990	2 765	3 399
<b>Informal Settlements Upgrade :</b> Number of Sites Serviced <sup>7</sup>	Included in the above	Included in the above	3 835	5 648	7 269	6 872	9 542
Number of Houses completed	Included in the above	Included in the above	5 620	834	10 957	6 016	8 351
<b>Integrated Residential Development Programme:</b> Number of Sites Serviced <sup>8</sup>	Included under PLS	Included under PLS	1 063	330	1 914	770	378
Number of Houses completed	Included under PLS	Included under PLS	294	147	1 361	770	412
<b>Provision of institutional Subsidies (inclusive of vulnerable groups)</b> Number of units completed	417	0	255	0	12	12	14
<b>Affordable Social Housing:</b> Number of Units completed	Included in the above	198	0	2 081	315	3 063	2 280

<sup>7</sup> Number of households connected to basic services as part of the Informal Settlements Upgrading Programme

<sup>8</sup> Number of new sites connected to basic water and sanitation services as part the Integrated Residential Development Programme



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Performance Indicators	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
<b>Peoples Housing Process:</b> Number of houses completed	2 818	95	945	1 530	1 518	560	600
<b>Disaster Management Rehabilitation (inclusive of Sukuma Sakhe)</b> Number of houses completed	1 658	2 215	2 052	2 560	1 221	150	418
<b>Rectification:</b> Number of Units rectified	1 036	0	188	36	1 662	1 193	3 168
<b>Community Residential Units:</b> Number of Units Completed	684	82	0	1 886	779	3 457	2 890
<b>Rural Housing (Inclusive of Farm Worker Programme):</b> Number of beneficiaries approved	12 534	4 327	29 065	25 288	20 440	11 835	2 890
Number of houses completed	12 377	13 106	11 921	14 943	8 481	5 662	7 392
All subsidy instruments: Number of properties transferred	5 902	2 634	5 251	3 500	13 158	16 651	19 525
Number of beneficiaries approved	21 382	21 447	38 556	28 519	39 663	34 066	19 542
Number of sites completed	3 806	4 028	5 426	7 883	10 018	8 382	11 187
Number of houses completed (Excluding Rectification) <sup>9</sup>	23 639	21 189	22 112	25 000	27 382	16 627	21 922
<b>Access to land and densification:</b> Number of Hectares procured	New indicator	1 472	5 782	2 000	1 850 hectares	2 100 hectares	2 100 hectares

<sup>9</sup> Number of new housing units completed in the Province across all housing programmes being utilized by the province

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### 4.2 PROVINCIAL QUARTERLY AND ANNUAL TARGETS (INCLUDING ALL PROGRAMMES INCLUSIVE OF OUTCOME 8)

Table 17: Quarterly and Annual Targets 2013/14

Performance Indicators	Annual Targets 2013/14	Quarterly Targets			
		Q1	Q2	Q3	Q4
<b>Quarterly Targets</b>					
<b>Individual Non Credit Linked:</b>					
No. of beneficiaries approved	1 000	250	250	250	250
No. of houses completed	700	168	168	168	196
<b>Implementation of FLISP:</b>					
Number of Houses completed	800	200	200	200	200
<b>Project Linked:</b>					
No of beneficiaries approved	2 550	-	200	200	2 150
No. of Sites serviced	440	40	140	130	130
No of houses completed	990	-	150	330	510
<b>Integrated Development Programme:</b>					
No. of Sites serviced <sup>10</sup>	1 914	560	662	391	301
No of houses completed	1 361	342	352	345	322
<b>Informal Settlement Upgrade:</b>					
No. of Sites serviced <sup>11</sup>	7 269	1 515	1 733	2 112	1 909
No of houses completed	10 957	2 511	3 110	2 757	2 579
<b>Peoples Housing Process</b>					
No of houses completed	1 518	465	377	490	186
<b>Disaster Management (inclusive of Sukuma Sakhe)</b>					
No. of houses built	1 221	276	309	307	329
<b>Rectification:</b>					
Number of units rectified (1994-2002 stock)	1 662	450	425	300	487
<b>Provision of Institutional Subsidies (inclusive of vulnerable groups)</b>					
Number of units completed	12	3	3	3	3
<b>Affordable Social Housing:</b>					
Number of Units completed	315	56	81	90	88
<b>Community Residential Units</b>					
Number of units completed	779	117	212	228	222
<b>Rural Housing:</b>					
No of beneficiaries approved	20 440	1 345	7 145	6 795	5 155
No of houses completed	8 481	2 501	2 333	1 852	1 795

<sup>10</sup> Number of new sites connected to basic water and sanitation services as part the Integrated Residential Development Programme

<sup>11</sup> Number of households connected to basic services as part of the Informal Settlements Upgrading Programme



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Performance Indicators	Annual Targets 2013/14	Quarterly Targets			
		Q1	Q2	Q3	Q4
All subsidy Instruments (Including Outcome 8)					
Number of properties transferred	13 158	1 321	2 179	2 809	6 849
Number of beneficiaries approved	39 663	4 575	11 415	11 365	12 308
Number of sites completed	10 018	2 250	2 670	2 743	2 365
Number of houses completed (Excl. Rectification) <sup>12</sup>	27 382	4 095	6 860	5 130	11 297
Acquisition of Private Land					
No. of hectares acquired	1 850	200	620	850	180
Annual Targets					
Number of social and economic amenities completed	16	4	4	4	4

<sup>12</sup> Number of new housing units completed in the Province across all housing programmes being utilized by the province

“Community is a sign that love is possible in a materialistic world where people so often either ignore or fight each other. It is a sign that we don’t need a lot of money to be happy-in fact, the opposite.”

— Jean Vanier



## 4.3 PROVINCIAL PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS: OUTCOME 8 ONLY

Table 18: Provincial Annual Targets for Housing Development: Outcome 8

Strategic Objective	Performance Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
		2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Eradication of Informal Settlements – Outcome 8 Objectives	<b>Project Linked Programme:</b> Number of Houses completed	New Indicator	Included under ISU Programme	1 954	1 740	990	2 765	3 399
	<b>Informal Settlements Upgrade:</b> Number of Houses completed	New Indicator	6 765	3 666	1 732	10 957	6 016	8 351
	<b>Integrated Development Programme:</b> Number of Houses completed	New Indicator	New Indicator	294	187	1 914	770	378
	<b>Peoples Housing Process:</b> Number of houses completed	New Indicator	0	225	2 730	1 518	560	600
	<b>Institutional Subsidies:</b> Number of Houses Completed	New Indicator	0	0	23	0	0	0
	<b>Affordable Social Housing:</b> Number of Units completed	New Indicator	180	0	2 058	315	3 063	2 280
	<b>Implementation of FLISP:</b> Number of Houses completed	New indicator	0	0	100	800	1 000	1 000
	<b>Community Residential Units</b> Number of Units completed	684	82	0	1 886	779	3 457	2 870
	<b>Access to land and densification:</b> Number of Hectares procured	New indicator	1 472	5 782	2 000	1 850 hectares	2 100 hectares	2 100 hectares

ANNUAL PERFORMANCE PLAN PART B  
PROGRAMME 3

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Table 19: Provincial Quarterly Targets: Outcome 8

Performance Indicators	Annual Targets 2013/14	Quarterly Targets			
		Q1	Q2	Q3	Q4
Quarterly Targets					
Project Linked Programme: Number of Houses completed	990	0	150	330	510
Informal Settlements Upgrade: Number of Houses completed	10 957	2 511	3 110	2 757	2 579
Integrated Development Programme: Number of Houses completed	1 914	560	662	391	301
Peoples Housing Process: Number of Houses Completed	1 518	465	377	490	186
Affordable Social Housing: Number of Units completed	315	56	81	90	88
Implementation of FLISP: Number of Houses completed	800	200	200	200	200
Community Residential Units Number of Units completed	779	117	212	228	222
Access to land and densification: Number of Hectares procured	1 850	200	620	850	180

### 5 RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS AND BUDGETS - 2013/14

Table 20: Expenditure Estimates for Housing Development

Sub-Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	R' thousands	2009/10	2010/11				2011/12	2012/13	2013/14
Administration	57 023	54 346	55 873	57 896	66 373	66 373	72 785	76 181	79 122
Financial Interventions	469 317	491 660	647 717	528 844	629 267	629 267	551 893	315 119	346 041
Incremental Interventions	746 834	993 336	961 162	1 085 350	890 181	890 181	1 038 096	514 040	433 074
Social and Rental Interventions	147 637	189 992	142 563	269 680	359 020	359 020	375 030	198 228	168 612
Rural Interventions	668 654	917 187	902 891	898 635	1 043 166	1 043 166	1 112 414	513 671	552 218
Total	2 089 465	2 646 521	2 710 206	2 840 405	2 988 007	2 988 007	3 150 218	1 617 239	1 579 067

Source: BAS

Table 2.1: Summary of provincial Expenditure estimates by Economic Classification

	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15
<b>Current payments</b>	<b>69 834</b>	<b>61 803</b>	<b>67 457</b>	<b>198 547</b>	<b>103 828</b>	<b>96 194</b>	<b>115 039</b>	<b>120 078</b>	<b>139 162</b>
Compensation of employees	42 579	49 382	59 416	87 858	81 980	81 980	91 232	96 797	102 508
<b>Goods and services</b>	<b>27 255</b>	<b>12 229</b>	<b>8 041</b>	<b>110 689</b>	<b>21 848</b>	<b>14 214</b>	<b>23 807</b>	<b>23 281</b>	<b>36 654</b>
Communication	1 243	846	1 011	1 645	1 282	1 217	1 828	1 966	1 983
Computer Services	291	341	498	296	743	743	777	814	821
Consultants, Contractors and special services	6 555	4 508	747	96 379	7 249	195	5 814	7 768	13 931
Inventory	202	98	160	350	391	394	280	594	592
Operating leases	92	266	164	358	358	358	357	377	381
<b>Travel and subsistence</b>	<b>3 473</b>	<b>2 585</b>	<b>3 688</b>	<b>109 511</b>	<b>7 065</b>	<b>6 427</b>	<b>7 150</b>	<b>7 353</b>	<b>10 390</b>
Interest and rent on land		192							
Maintenance , repair and running costs									
Other including Assets<5000, training and development, property payments, operating expenditure and venues and facilities	15 399	3 393	1 773	710	4 760	4 880	7 601	4 409	8 556
Transfers and subsidies to	1 975 725	2 557 241	2 631 424	2 627 918	2 873 449	2 881 389	3 018 954	1 469 882	1 412 849
Provinces and municipalities	43 000	128 007		203 250	95 000	95 000	100 000	157 800	69 200
Departmental agencies and accounts					144 477	144 477	220 408	100 000	100 000
Universities and Technikons									
Non-profit institutions									
Households	1 932 725	2 429 234	2 631 424	2 424 668	2 633 972	2 641 912	2 698 546	1 212 082	1 243 649
<b>Payments for capital assets</b>	<b>43 906</b>	<b>27 477</b>	<b>11 325</b>	<b>13 940</b>	<b>10 730</b>	<b>10 424</b>	<b>16 225</b>	<b>27 279</b>	<b>27 056</b>
Buildings and other fixed structures	43 816	27 477	11 022	10 000	10 000	10 000	15 000	26 014	26 014
Machinery and equipment	90	-	303	3 940	730	424	1 225	1 265	1 042
Software and other intangible assets									
<b>Payment for financial assets</b>									
<b>Total economic classification</b>	<b>2 089 465</b>	<b>2 646 521</b>	<b>2 710 206</b>	<b>2 840 405</b>	<b>2 988 007</b>	<b>2 988 007</b>	<b>3 150 218</b>	<b>1 617 239</b>	<b>1 579 067</b>

Source: BAS

ANNUAL PERFORMANCE PLAN PART B  
PROGRAMME 3

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### 6 PERFORMANCE AND EXPENDITURE TRENDS

The increase from 2009/10 to 2011/12 against Financial Interventions related to accelerated expenditure on the purchase of land for housing projects, mainly in the eThekweni Metro and Ilembe District. The increase from the 2012/13 Main to Adjusted Appropriation was due to provision for the purchase of land for housing projects, mainly in Msunduzi and KwaDukuza Municipalities. The increase in 2013/14 is largely due to the acceleration of housing programmes, such as FLISP. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG.

The increase in the Incremental Interventions sub-programme from 2009/10 to 2010/11 was mainly as a result of the increase in the HSDG, as most projects that are implemented fall within this intervention. The decrease from the 2012/13 Main to Adjusted Appropriation is due to delays in the process of some projects within the eThekweni Metro as a result of delays in the SCM processes within the Metro, e.g. Cornubia housing project. The increase in 2013/14 is to cater for the fast-tracking of certain housing projects, such as Vulindlela, as previously explained. The decrease in the two outer years relates to the reduced allocation with respect to the HSDG.

The decrease against the sub-programme: Social and Rental Intervention from 2010/11 to 2011/12 was due to challenges experienced in the implementation of the CRU programme in the latter financial year. The increase from the 2012/13 Main to Adjusted Appropriation related to the re-allocation of funds returned by Thubelisha Homes for the Ingwavuma Ministerial projects for social housing projects. The budget allocated over the 2013/14 MTEF relates to the CRU programme, which will be transferred to municipalities for the upgrade and erection of hostel units. The decrease over the MTEF relates to the non-allocation to SHRA due to baseline cuts.

The increase in the sub-programme: Rural Intervention between 2009/10 and 2011/12 was due to an increase in the HSDG, resulting from the demand for rural housing in KZN. The large increase from the 2012/13 Main to Adjusted Appropriation was to cater for accelerated service delivery in the rural housing projects, which was not adequately budgeted for, and aligning the allocations with the revised cashflow of the department. Despite the reduced baseline, the other contributing factor to the decrease from 2013/14 to 2014/15 is that some of the rural projects reached completion stage, e.g. Ekudubekeni, Bhukumthetho, Dubeni and Mabhungu rural housing.

The decrease against Goods and services from 2009/10 to 2011/12 was due to cost-cutting, whereby project launches were substantially decreased. The decrease from the 2012/13 Main to Adjusted Appropriation is due to provision made for the implementation of the PMU, which was later put on hold during the year as

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

the Infrastructure Crack Team administered by Provincial Treasury was appointed. The reduction over the 2013/14 MTEF is due to the fact that the Infrastructure Crack Team is expected to continue to provide the required technical capacity to the department. The slightly high amount in 2013/14 compared to 2014/15 is due to the additional funding received with respect to the EPWP Integrated Grant for Provinces in that year only.

**Transfers and subsidies to:** Households, which shows an increasing trend from 2009/10 to 2012/13, caters for the bulk of the HSDG and the full allocation of the Housing Disaster Relief grant. The bulk of the HSDG is allocated against this category, as housing units are transferred to beneficiaries upon completion. The increase in 2013/14 also takes into account additional funding allocated to the HSDG for the informal settlements upgrade in rapidly urbanising mining towns, as previously explained.

### 7 RISK MANAGEMENT

Priorities	Challenges/Risks	Mitigation measures
Improve the quality of housing delivery, including systems, procedures and the products.	Infrastructure	The department has enhanced its IGR capability to engage effectively with the other spheres of government, especially the municipalities whose function is the delivery of infrastructure to areas where the human settlements are developed.
	Environment Impact Assessment	The department has improved the relationship with the different stakeholder to ensure effective resolutions of the environmental impact issues that may retard the implementation progress. A SLA with the Department of Environment Affairs has been developed to deal with the standards of performance to the extent that this process is fast tracked.
	Accreditation and capacitation of municipalities	We will capacitate the accredited municipalities in order to promote effective integration and coordination between the district families of municipalities to improve planning and service delivery. The capacitation of accredited municipalities will see the opportunity of regionalization and promotion of strategic district focus where resources are pooled together to achieve the economies of scope and scale to promote the development of communities in a much more structured and efficient manner that we are currently experiencing. We see this strategy dovetailing closely with the work currently being done by the planning commission through the Provincial Spatial Economic Development Strategy as we as the Provincial Growth and Development Strategy.
	Sub Standard Houses	Un-scheduled site visits will also be undertaken by the Risk Management Unit. The establishment of the PMU will also play a pivotal role as increased technical resources will be available to closely monitor the quality of the housing product Project and home enrollments with NHBRC also be undertaken Inspections by departmental inspectors and NHBRC inspectors to ensure that quality houses are produced

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Priorities	Challenges/Risks	Mitigation measures
Eradication of slums in KwaZulu-Natal by 2014	KZN Slums Act not aligned with the Constitution	Amendment to the section that is conflict with the Constitution is to be finalized.
	Socio-political impact on beneficiary allocation/identification	List of potential beneficiaries to be adopted by municipality's council i.e. Council resolution. Finalise housing needs database.
	Informal Settlements Upgrade	The key deliverables on this output will be the identification of well-located affordable land for the implementation of the informal settlements upgrade. The key focus area will be the reduction of the informal settlements in the 22 municipalities mainly located in the eThekweni Metro and the six accredited municipalities. Department and Housing Development Agency to develop a strategy on more effective land utilization
	Disaster Management	The department will focus its efforts on the eradication of the housing disaster rehabilitation programme. This is impacted upon by the funding that comes after adjustment from national Treasury and in most cases it is not adequate to cover the total cost of the disaster. In this regard the department will do an audit of the outstanding disaster rehabilitation and develop an action plan to address the backlog and to allocate funding in the MTEF for the eradication of the backlogs.
	Land Mobilization	To achieve the Informal Settlements Upgrade the department will prioritize the mobilization of well-located and appropriate land for human settlements in areas that a located closer to services and economic activities. We also need to prioritize the redress of the Apartheid settlements, which put communities in the periphery of the urban areas. This will also require the negotiation of the rural resettlement patterns to ensure that people are located in rural areas who cannot access services because the settlement patterns. Department and Housing Development Agency to develop a strategy on more effective land utilization
Accelerate housing delivery in rural areas	Rural Housing Development	The department being located in a largely rural province is focusing on the rural areas as part of the informal settlements upgrade mainly due to the type of dwelling that are found in the rural areas, giving rise to the disaster challenges especially during the storms and rainy seasons. By virtue of being built houses using poor materials rural household are in the same predicament that the people living in the informal settlements find themselves.
Accelerate hostels redevelopment and Community Residential Units (CRU) programme	Hostel Upgrade and Community Residential Units	The department will prioritize the development of the strategy for hostel upgrade and the establishment of the CRU units to enhance the access to proper low cost rental housing in a sustainable manner to ensure long term viability.
	Review and management of housing Assets	The department will prioritize the process of cleaning up the housing asset register and provide certainty and clarity to the state liability as far as the assets and the value are fully accounted for and fully documented.
Create rental and social housing opportunities	Developing new restructuring zones to promote social housing	The department is currently developing a social housing strategy that will unlock the development of the new social housing initiatives in the municipalities where they were not accredited with that function.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### 8 DISTRICT PROFILES AND KEY AREAS OF FOCUS

The Province of KwaZulu-Natal is the second most populous province in South Africa, with an estimated 10 267 300 people. It is divided into 52 Municipalities, one Metropol and 10 Districts, with human settlement service boundaries aligned to the municipal boundaries.

In terms of the Provincial Growth and Development Strategy, the Province is characterized by large-scale poverty where it is estimated that that 50% of the all rural households within KwaZulu-Natal live in poverty while the largest portion thereof do not have access to acceptable levels of sanitation. A substantial amount of the Province's landscape is characterized by dispersed rural settlements in terrains where infrastructure service delivery is extremely challenging. In addition, the rural settlements are also prone to variable economic conditions, service delivery and climate variability. More sustainable methods within a sustainable livelihoods approach is therefore deemed vital for the growth and development of these rural communities.

The Province is one of three provinces with the ten most deprived districts in South Africa. Six of the ten most deprived districts are within the Province, namely:

- uMkhanyakude
- Zululand
- uMzinyathi
- uThukela
- Sisonke
- Ugu

Provincially, the unemployment rate shows a decline [by 0.6 of a percentage point] since 2010. Unemployment is however the highest among the youth [15-34 years] and lowest among 55-64 year olds showing a distinctive increase for those with an education level less than matric. The unemployment rate for women remains higher than the Provincial average although it is lower than the national average.

eThekweni Municipality being the most populace has the highest unemployment level of 43% within the Province. Likewise, uMgungundlovu which has the 2nd largest population within the Province has the 2nd largest unemployment rate.

In order to address issues relating to extreme poverty, unemployment, health, spatial equality, etc. the Provincial Growth and Development plan together with the Provincial Spatial Economic Development



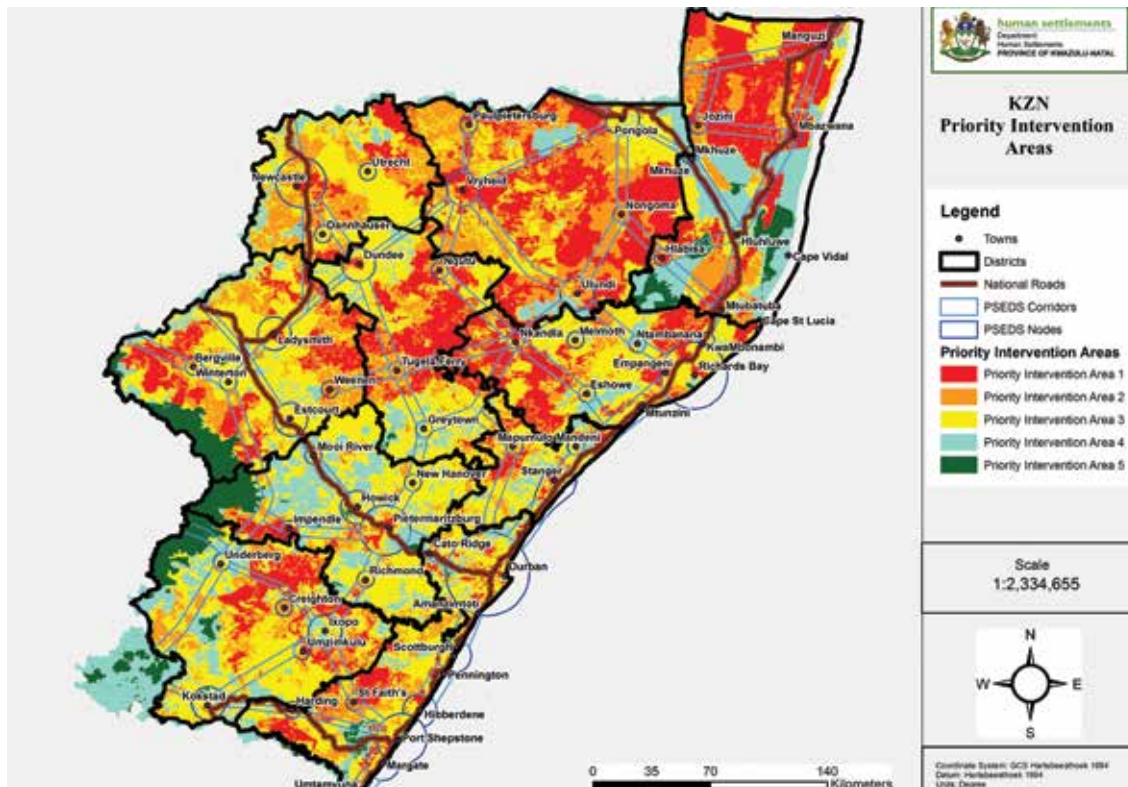
# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Strategy is intended to ensure that the Province of KwaZulu-Natal meets its 2030 Vision of being a “prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the world”<sup>12</sup>, by the optimal utilization of human and environmental resources, maximizing opportunities through more effective spatial equity and sustainability in development. These strategic vehicles are intended to ensure that this is undertaken in a targeted and spatially co-ordinated manner and that specific interventions need to be undertaken within key geographical areas of need and potential against the social, economic and environmental backdrop of the Province.

As such, in order to address sustainable development in a co-ordinated and holistic manner, the Provincial Spatial Economic Development Strategy, in taking into account that environmental sensitivity, economic potential, social need and urban accessibility impact directly on sustainable development, has mapped a hierarchy of key provincial nodes that contribute strategically to the provincial, regional and local economies as well as priority areas that the Province needs to concentrate on and provide for the co-ordination of public interventions as reflected hereunder:

### KZN Province



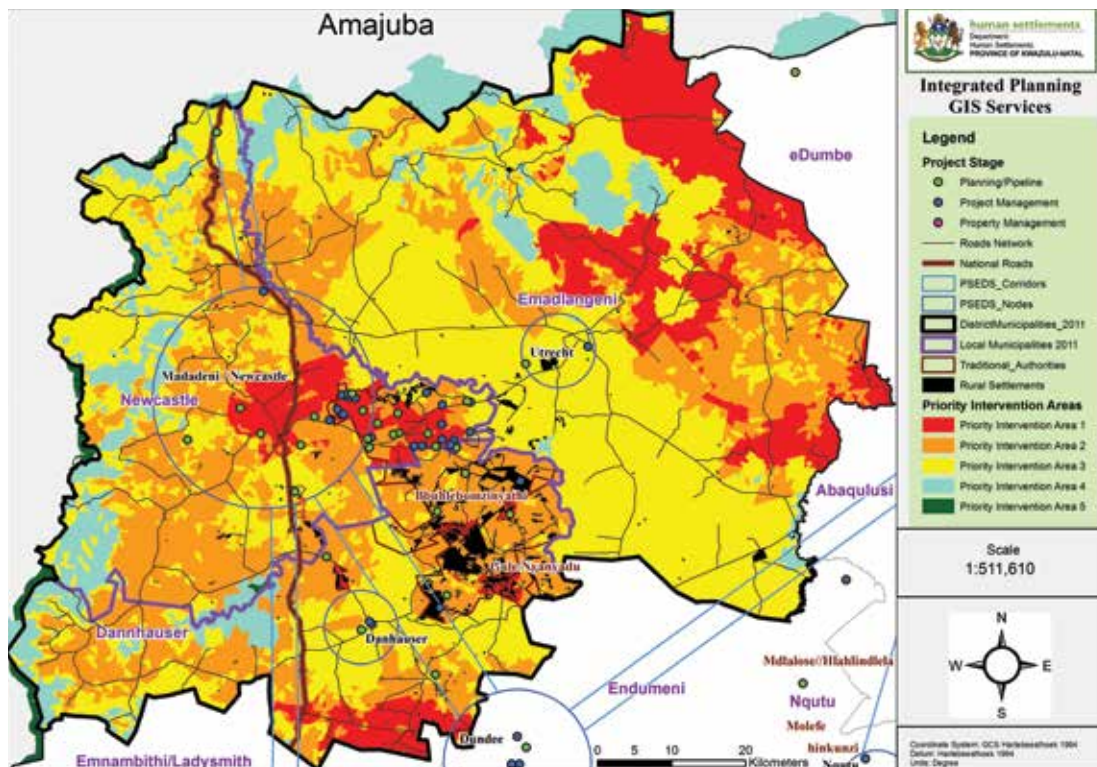
<sup>12</sup> KwaZulu-Natal Provincial Growth and Development Plan, February 2012

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

District profiles reflecting the strategic corridors (primary, secondary and provincial priority corridors), nodal interventions as well as the key priority areas together with housing delivery and planned initiatives are reflected hereunder. It must however be noted that the housing delivery targets reflected in the district profiles are indicative and is therefore subject to amongst others, funding, timeous achievement of planning milestones, appropriate capacity, provision of suitable land, availability of bulk funding, etc.

### Amajuba District



In terms of Census 2011, this District has a population of 489 317. Its population growth from 2001 to 2011 is 0,66%. 61.7% of its population is within the 15-64 age structure, with a dependency ratio being 62.2 per 100. The total number of unemployed is 51 035, with 50,3% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 46,1 %
- Weekly refuse removal is 57,4 %
- Piped water inside dwelling is 43,1 %
- Electricity with lighting 83,8%

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

There has been an overall increase in access to basic services to this district since 2001, with the highest increase of piped water being within this district.

The total number of households within this district increased to 110 963 with the average household size being reduced from 4,7 in 2001 to 4,4 in 2011. 47,6% of households are female headed. In addition, 87,7 % have formal housing. Latest housing backlogs figures indicate that 15,285 households require housing of which 7,949 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, Newcastle has an estimated number of 10 informal settlements.

Amajuba has a secondary corridor i.e. Greytown-Msinga-Madadeni (Battlefield Route) which has the potential for agricultural development. It has also been identified as one of the provincial priority corridors. A secondary node (i.e. an urban centre with good existing economic development and the potential for growth and services the regional economy) has been identified for Newcastle which is also characterized by Priority Intervention 1, 2 and 3 areas which require urgent short-term concentration and co-ordination of interventions.

In terms of the housing delivery initiatives, it is clearly evident that a concentrated effort has been placed on undertaking delivery within this nodal and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 27 projects that are various stages of the housing delivery cycle. This is inclusive of 10 projects that are currently being assessed for the major risks to ascertain feasibility for further housing development within the district. For the said MTEF period, an estimated 2 513 housing units are expected to be provided to this District of which 388 units comprises rural housing and 880 units for the Informal Settlement Upgrade programme. Of significant importance to this District is the Department's Rental Housing Strategic Plan where 4 Social Housing Pipeline projects have been identified that have a possible yield of 1 227 units. In addition, a further 2 pipeline projects which collectively have an estimated yield of 1 537 for the Community Residential Programme is expected to significantly contribute to Outcome 8.

A concerted effort will be placed on initiating housing delivery within the Emadlangeni area. In this regard, 4 projects have been identified to ascertain feasibility against the Planning activities.

**“The best way to predict the future is to create it”**

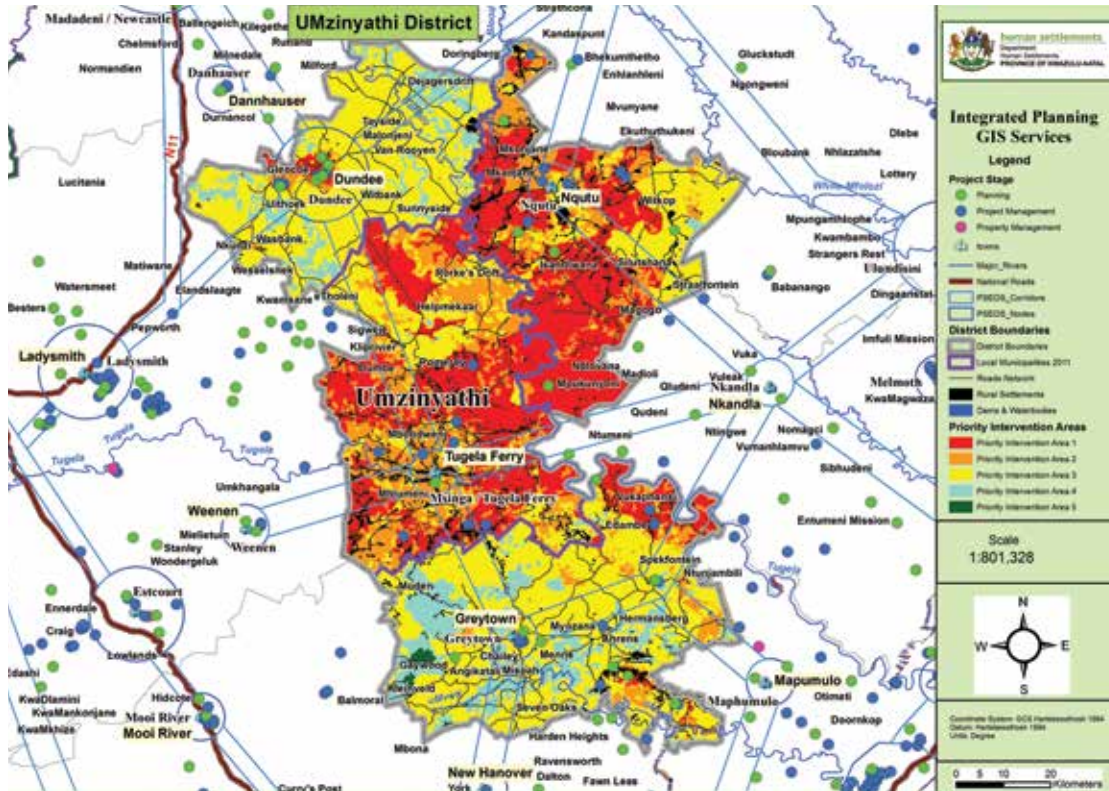
– Abraham Lincoln



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### Umzinyathi



In terms of Census 2011, this District has a population of 510 838. Its population growth from 2001 to 2011 is 0,62%. 54,6% of its population is within the 15-64 age structure, with a dependency ratio being 83,1 per 100 (15-64). The total number of unemployed is 29 191 with 45,6% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 18,9 %
- Weekly refuse removal is 20,2 %
- Piped water inside dwelling is 17,5 %
- Electricity with lighting 48,9%

There has been an overall limited increase access to basic services to this district since 2001.

The total number of households within this district increased to 113 469 with the average household size being reduced from 4,8 in 2001 to 4,4 in 2011. 59% of households are female headed. In addition, 54,2 % have formal housing. Latest housing backlogs figures indicate that 52 532 households require housing of which 48 563 pertain to rural housing.

## ANNUAL PERFORMANCE PLAN PART B PROGRAMME 3

uMzinyathi has a secondary corridor i.e. Greytown/Msinga/Madadeni (Battlefield Route) which has the potential for agricultural development. It has also been identified as one of the provincial priority corridors. In addition, it has two other secondary corridors with agricultural potential, namely Weenen/Nkandla/Eshowe and Nkandla/Nqutu/Vryheid which serve areas of high poverty levels with good economic development potential within one or two sectors. In addition, Dundee, Nqutu, Tugela Ferry and Greytown are nodal areas which are the economic hub for the district. The district is also characterized by priority intervention areas 1 and 2 within Msinga and Nqutu local areas whilst Endumeni and Umvoti have predominately priority intervention areas 3 and 4.

In terms of the housing delivery initiatives, it is clearly evident that a concentrated effort has been placed on undertaking delivery within the corridor and priority areas.

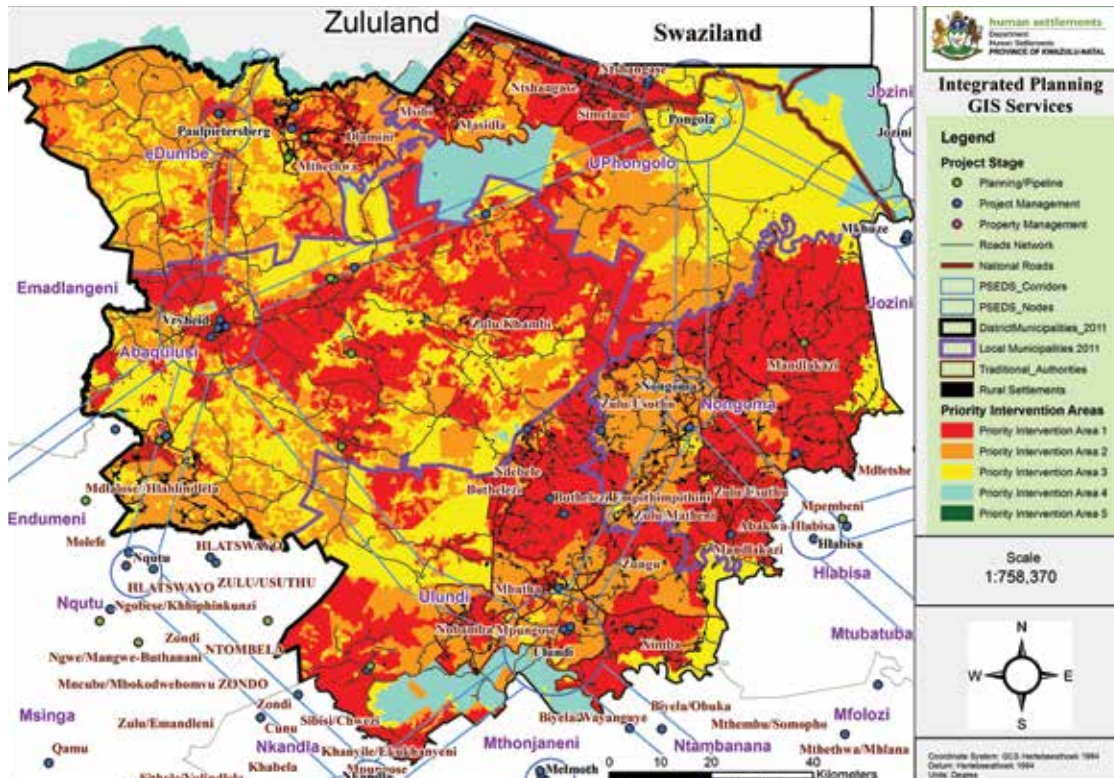
For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 45 projects that are various stages of the housing delivery cycle. This is inclusive of 28 projects that are currently being assessed for the major risks to ascertain feasibility for further housing development within the district. An estimated 6 609 housing units are expected to be provided to this District for the 3 year period of which 3 075 units comprises rural housing and 640 units for the Informal Settlement Upgrade programme. Projects have also been identified to contribute to Rental housing as well as the Emergency Housing. In terms of the latest deprivation index for the Province, uMzinyathi remains a concern and as such the Department needs to focus more intensely on service delivery within this District as well as on Operation Sukuma Sakhe (OSS) poverty eradication programmes.

Specific project challenges are being experienced and are being addressed on a project by project basis.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### Zululand



PART B.3

In terms of Census 2011, this District has a population of 803 575. Its population growth from 2001 to 2011 is 0,30%. 55,8% of its population is within the 15-64 age structure, with a dependency ratio being 79,2 per 100 (15-64). The total number of unemployed is 58 247 with 45,4% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 19,1 %
- Weekly refuse removal is 22,4 %
- Piped water inside dwelling is 22,3 %
- Electricity with lighting 69,8%

There has been an overall limited increase access to basic services to this district since 2001, with the most prominent being for electricity which increased from 39,4% in 2001 to 69,8% in 2011.

The total number of households within this district increased from 141 192 in 2001 to 157 748 in 2011 with the average household size being reduced from 5,3 in 2001 to 4,9 in 2011. 54,2 of households are female headed.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In addition, formal housing increased from 52,5% in 2001 to 73,1 % in 2011. Latest housing backlogs figures indicate that 45 323 households require housing of which 39 485 pertain to rural housing.

Zululand has the following secondary corridors:

- uMhlatuze/ULundi/Vryheid,
- Msunduzi/Nkandla/ULundi,
- ULundi/Nongoma/Pongola,
- Nkandla/Nqutu/Vryheid, and
- Mtubatuba/Nongoma

which therefore focuses on areas of high poverty levels with good economic development potential within one or two sectors such as agriculture, tourism, etc.

In addition, an existing corridor referred to as Pongola/Mkuze (Lembombo SDI/Maputo) is also identified as one of the provincial priority corridors. Nodal areas of economic activity include ULundi, Vryheid and uPongola which service the sub-regional economy. The district is also characterized by predominately priority intervention areas 1, 2 and 3. It is also clearly evident that rural settlements are widely dispersed therefore making the provision of rural housing to be quite challenging.

In terms of the housing delivery initiatives, it is clearly evident that a concentrated effort has been placed on undertaking delivery within the corridors and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, an estimated 34 projects at various stages of the housing delivery cycle will be managed. This is inclusive of 16 projects that are currently at the planning stage. During the said period, an estimated 5 432 housing units are expected to be provided to this District of which 2 380 units comprises rural housing and 1 514 units for the Informal Settlement Upgrade programme. Projects have also been identified to contribute to the Community Residential Programme as well as the Emergency Housing.

A major challenge experienced within this District is the provision of bulk services, e.g. within ULundi the bulk sewer network does not have enough sufficient capacity to accommodate new development, thereby impacting on the housing development within this area. A similar problem also exists within the eDumbe Municipality. Municipal capacity issues also pose a challenge in some areas.







# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

The district also has significant cultural history and some natural resources for example St Lucia wetlands that is a world heritage site and has one of the 2nd biggest dams in the Southern Africa, Jozini Dam. The majority of the population is involved in agriculture and tourism.

In addition, formal housing increased from 45,1% in 2001 to 71,7 % in 2011. Latest housing backlogs figures indicate that 36 647 households require housing of which 32,811 pertain to rural housing.

uMkhanyakude has the following secondary corridors which are also provincial priority corridors:

- Hluhluwe/Mbazwana/Manguzi (Lebombo/Pongola SDI) – potential for tourism activity
- Manguzi/Swaziland (Lebombo/Pongola SDI) - potential for agriculture activity
- Josini/Mbazana (Lebombo/Pongola SDI) - potential for agriculture activity
- Hluhluwe/Mkuze (Lebombo/Pongola SDI)- - potential for agriculture activity

Mtubatuba/Nongoma is a further secondary corridor. Nodal areas of economic activity include Jozini, Hlabisa and Mtubatuba.

In terms of the housing delivery initiatives, a concentrated effort has been placed on undertaking delivery where possible within the corridors and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are a significant number of housing projects that are various stages of the housing delivery cycle within this district. This is inclusive of 5 projects that are currently at the planning stage. During the said period, an estimated 4 735 housing units are expected to be provided to this District of which 3 750 units comprises rural housing and 770 units for the Informal Settlement Upgrade programme. Projects to contribute to the Community Residential Programme as well as the Emergency Housing are also to be undertaken.

“Whatever good things we build end up building us.”

– Jim Rohn



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In addition, formal housing increased from 52,7% in 2001 to 70,0 % in 2011. Latest housing backlogs figures indicate that 62 345 households require housing of which 54 380 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 4 informal settlements within the uMhlathuze area.

uThungulu has the following corridors:

- Primary Corridor for eThekweni- uMhlathuze (implying that it is an urban centre with very high existing economic growth and potential for expansion and provides for services to the national and provincial economy;
  
- Secondary corridor for
  - Weenen/ Nkandla/Eshowe
  - Nkandla/Nqutu/Vryheid
  - Msunduzi/Nkandla/ULundi
  - uMhlathuze/ULundi/Vryheid (provincial priority corridor)

which are areas of high poverty levels with good economic development potential within one or two sectors such as agriculture, tourism, etc.

Richards Bay has been classified as a secondary node, i.e. an urban centre with good existing economic development and the potential for growth and services the regional economy. The district is dominated by a large industry in Richards Bay where manufacturing is the most prominent output. Given the fact that Richards Bay is South Africa's largest port, transport & communication is the second largest contributor to GDP in uThungulu. Areas such as Nkandla and uMlalazi do however require urgent interventions.

In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 42 projects that are various stages of the housing delivery cycle. This is inclusive of 21 projects that are currently at the planning stage. A substantial number of projects have also been identified for feasibility where emphasis will be placed on undertaking risk assessments to determine project feasibility. During the said period, an estimated 2 954 housing units are expected to be provided to this District of which 2 654 units comprises rural housing. Projects to contribute to the Emergency Housing as well as the Informal Settlement Upgrade Programme are also to be undertaken.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In terms of the Department's Rental Housing Strategy, uMhlathuze has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence. Economic growth has been found to be significant and consistent in this area. As such, in terms of the Department's strategic plan, 2 Community Residential Unit pipeline projects have been identified that has an estimated yield of 4 647 units. This, together with a further 2 Social Housing Projects with a possible yield of 1 775 units is expected to provide a significant boost to the housing needs of this area.

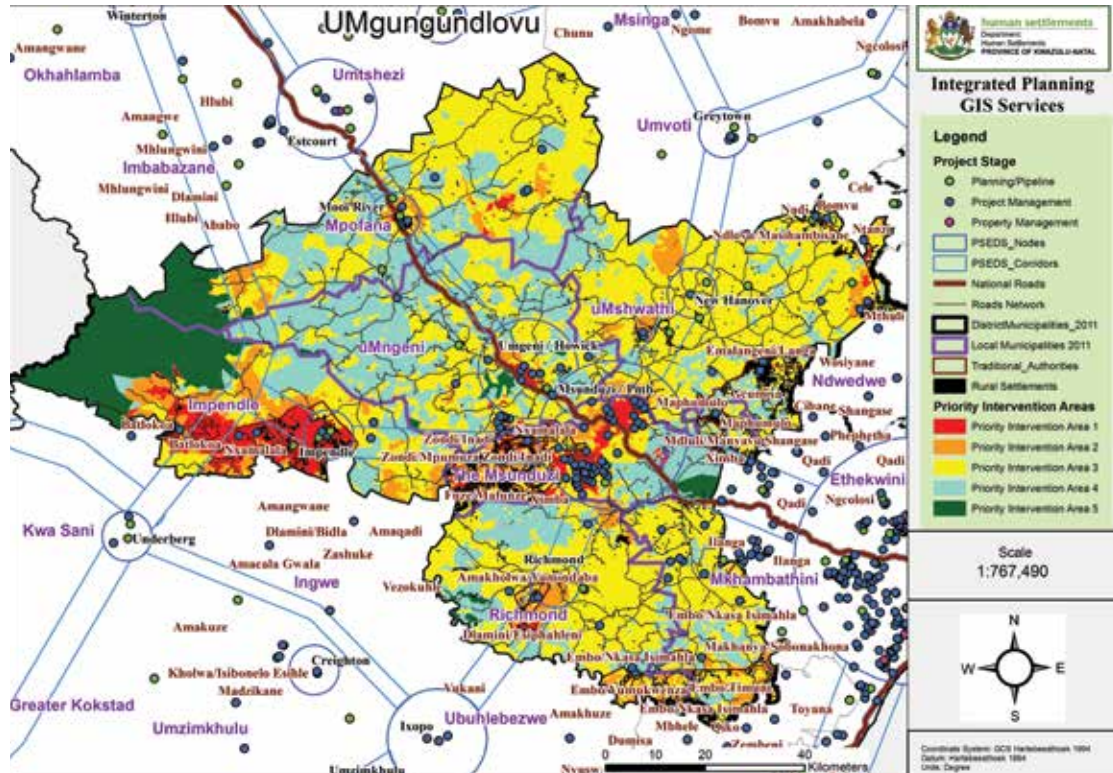
uMhlathuze is also one of the municipality's that has receiving received its Level 2 accreditation, and hence attention will also be provided capacitating it so that its full potential of addressing housing delivery can be realized.

A key challenge faced within the uMlalazi area is the provision of bulk services, and more particularly with the provision of water services which is impacting on housing delivery with the area and more especially with strategic interventions such as the Slums clearance/Informal settlements upgrade. The district is unable to supply the required water to the project areas as needed, hence the inability to develop the area is restricted.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### uMgungundlovu



The uMgungundlovu District Municipality is situated in the central portion of the Province of KwaZulu-Natal and consists of 7 Local Municipalities namely:

- Mpofana
- uMngeni
- uMshwathi
- Impendle
- Msunduzi
- Richmond
- Mkhambathini

Of these the Msunduzi municipality is highly urbanized and contributes significantly to the GGP of the district.

In terms of Census 2011, this District has a population of 1 017 763, which is the 2nd most populous district in the Province. Its population growth from 2001 to 2011 is 0,88%. 66,47% of its population is within the 15-64 age structure, whilst 28,3% is <15. The dependency ratio is 50,7 per 100 (15-64) and the total number of unemployed is 107 346 with 39,5% being within the 15-34 year age structure.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Access to basic services is as follows:

- Flush toilet connected to sewerage is 42,02 %
- Weekly refuse removal is 44,3 %
- Piped water inside dwelling is 42,7 %
- Electricity with lighting 86,1%

The total number of households within this district increased from 217 558 in 2001 to 272 666 in 2011 with the average household size being reduced from 3,9 in 2001 to 3,5 in 2011. 45,9% of households are female headed.

In addition, formal housing increased from 64,4% in 2001 to 70,6 % in 2011. Latest housing backlogs figures indicate that 81 191 households require housing of which 58 189 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 76 informal settlements within the district and includes municipal areas such as Msunduzi, uMngeni and Richmond.

uMgungundlovu has the following corridors:

- Primary Corridor for eThekweni/Msunduzi/uMngeni (implying that it is an urban centre with very high existing economic growth and potential for expansion and provides for services to the national and provincial economy:
- Secondary corridor for:
  - Kokstad/Umzimkhulu/Msunduzi (extends to New Hanover)
  - Msunduzi/Impendle

which are areas of high poverty levels with good economic development potential within one or two sectors such as agriculture, tourism, etc.

Msunduzi has been classified as a secondary node, i.e. an urban centre with good existing economic development and the potential for growth and services the regional economy.

Other tertiary and quaternary nodal areas include: Richmond, Mooi River, Impendle, uMngeni and New Hanover. Priority Intervention Area I is sparsely dispersed within the areas of Msunduzi, Impendle, Richmond and Umngeni.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors, nodal areas and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 53 projects (inclusive of rectification) that are various stages of the housing delivery cycle. A further 20 projects have been identified for feasibility where emphasis will be placed on undertaking risk assessments to determine project feasibility.

An estimated 10 980 housing units are expected to be provided to this District over the said MTEF period of which 3 634 units comprises rural housing. Projects to contribute to the Emergency Housing as well as the Informal Settlement Upgrade Programme and Integrated Residential Housing Programme are also to be undertaken.

In terms of the Department's Rental Housing Strategy, the Msunduzi municipality has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence. Economic growth has been found to be significant and consistent in this area. As such, in terms of the Department's strategic plan, 8 Community Residential Unit pipeline projects have been identified that has an estimated yield of 5 790 units. This, together with a further 7 Social Housing Projects with a possible yield of 3 260 units is expected to provide a significant boost to the housing needs of this area. Msunduzi is also one of the municipality's that has receiving received its Level I accreditation, and hence attention will also be provided with capacitating it so that its full potential of creating sustainable human settlements and its contributions to eradicating the backlogs will be realized.

Challenges experienced within this district that affect housing delivery include:

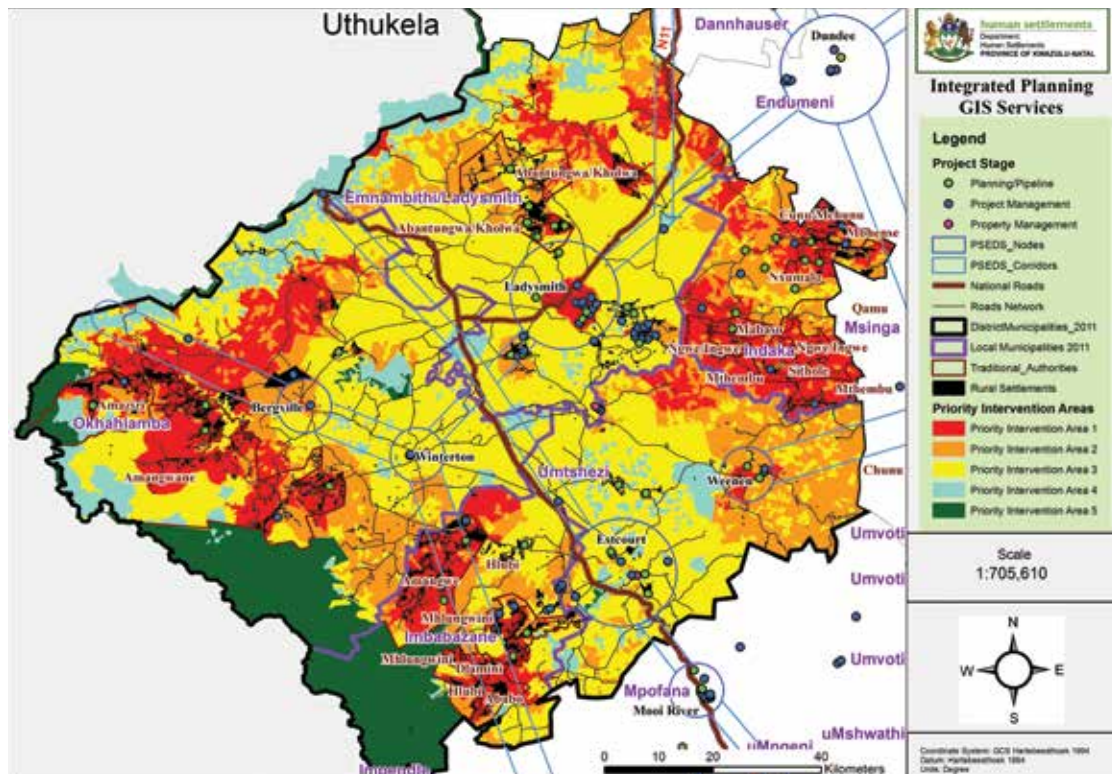
- Lack of or access to bulk services impacting on delivery, specifically on slums clearance and in-situ upgrade interventions,
- Limited appropriate capacity within municipalities,
- Clarity in respect of development typologies on rural, state and private land parcels,
- Delays encountered in obtaining Record of Decision on projects and / or meeting conditions of decision, and
- Limited availability of 'well-located' land parcels to support the development of integrated residential initiatives within the larger towns (gap and middle income).

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Projects that impact quite extensively on housing delivery within this district include the Vulindlela Rural Housing Project (25 000 units), the Jika-Joe – Slum Clearance Project, Ambleton Phase 3 Housing Project and the Slangspruit Rectification Project.

### uThukela



The uThukela District Municipality consists of 5 Local Municipalities, namely:

- Okhahlamba
- Umtshezi
- Indaka
- Imbabazane
- Emnambithi-Ladysmith

The uThukela district municipality is predominantly rural in character with a dispersed rural settlement, with about 35% of land classified as either “tribal” or peri-urban. Rural dense villages with a population of over 5 000 people are mostly found within the traditional areas of the Indaka and Imbabazane local municipalities. Both these municipalities are characterized by very steep mountainous areas with limited opportunities for agricultural activities and creating difficulties in the provision of infrastructure.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In terms of Census 2011, this District has a population of 668 848. Its population growth from 2001 to 2011 is 0,17%. 58,5% of its population is within the 15-64 age structure, whilst 36,8% is <15. The dependency ratio is 70,9 per 100 (15-64) and the total number of unemployed is 58 800 with 49,3% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 31,9 %
- Weekly refuse removal is 33,1 %
- Piped water inside dwelling is 28,7 %
- Electricity with lighting 74,5%

The total number of households within this district increased from 134 982 in 2001 to 147 286 in 2011 with the average household size being reduced from 4,7 in 2001 to 4,4 in 2011. 52,6% of households are female headed.

In addition, formal housing increased from 53,2% in 2001 to 65,9 % in 2011. Latest housing backlogs figures indicate that 53 417 households require housing of which 47 353 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 4 informal settlements within the Emnambithi/Ladysmith local municipal area.

uThukela has the following secondary corridors:

- uKhahlamba – potential for tourism activity
- Weenen/Nkandla/Eshowe – potential for agriculture activity

which are areas of high poverty levels with good economic development potential within one or two sectors such as agriculture, tourism, etc.

Other tertiary and quaternary nodal areas include: Ladysmith, Weenen, Estcourt, Winterton and Bergville. Priority Intervention Areas are reflected throughout the district.

In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors, nodal areas and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 27 projects (inclusive of

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

rectification) that are various stages of the housing delivery cycle. A further 16 projects have been identified for feasibility where emphasis will be placed on undertaking risk assessments to determine project feasibility.

An estimated 3 964 housing units are expected to be provided to this District over the said MTEF period of which 783 units comprises rural housing. Projects to contribute to the Emergency Housing Programme, Rectification Programme, as well as the Informal Settlement Upgrade Programme are also to be undertaken.

In terms of the Department's Rental Housing Strategy, the Emnambithi/Ladysmith municipality has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence. Economic growth has been found to be significant and consistent in this area.

As such, in terms of the Department's strategic plan, 3 Community Residential Unit pipeline projects have been identified that has an estimated yield of 750 units. This, together with a further 3 Social Housing Projects with a possible yield of 655 units is expected to provide a significant boost to the housing needs of this area. Emnambithi/Ladysmith is also one of the municipality's that has received its Level 2 accreditation, and hence attention will also be provided with capacitating it so that its full potential of creating sustainable human settlements and its contributions to eradicating the backlogs will be realized.

In terms of the latest deprivation index for the Province, uThukela remains a concern and as such the Department needs to focus more intensely on service delivery within this District as well as on Operation Sukuma Sakhe (OSS) poverty eradication programmes.

Challenges experienced within this district that affect housing delivery include:

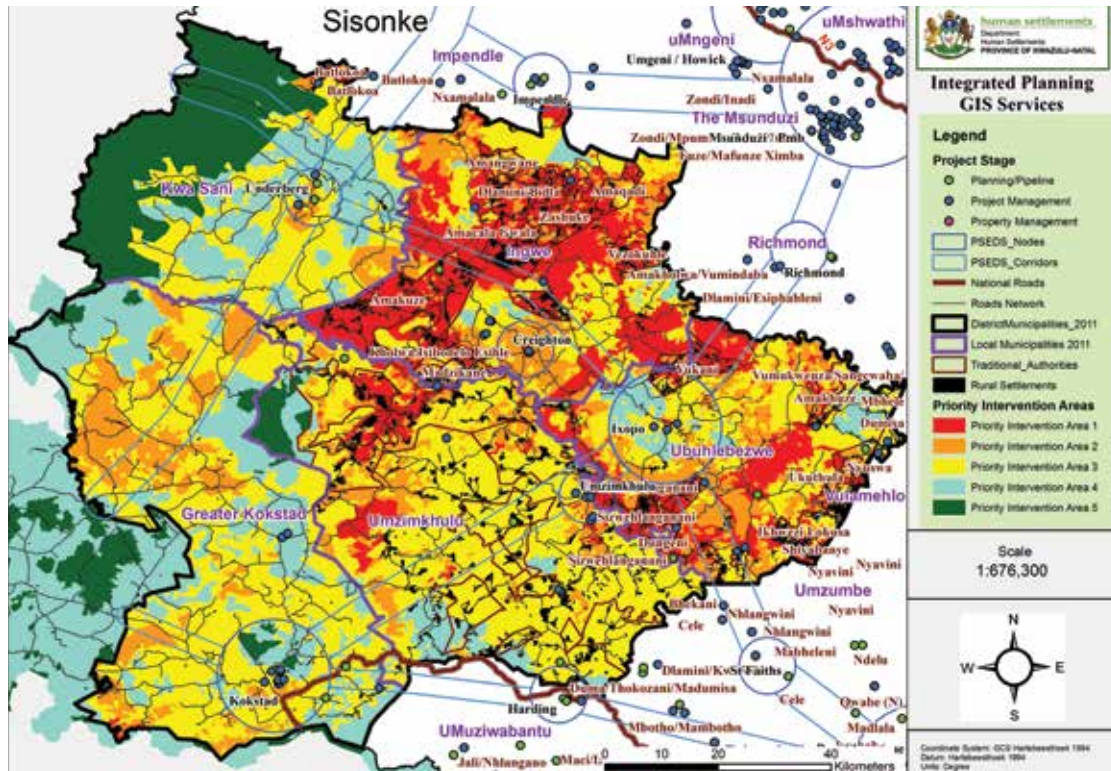
- Lack of or access to bulk services impacting on delivery, specifically on slums clearance and in-situ upgrade interventions,
- Limited appropriate capacity within municipalities,
- Clarity in respect of development typologies on rural, state and private land parcels,
- Delays encountered in obtaining Record of Decision on projects and / or meeting conditions of decision,
- Limited availability of 'well-located' land parcels to support the development of integrated residential initiatives within the larger towns (gap and middle income).

Projects such as the eMnambithi Rectification Projects as well as the eMnambithi/Ladysmith Mixed-use Housing Project is anticipated to contribute quite extensively to housing delivery within this district.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### Sisonke



Sisonke comprises the following municipalities:

- The Greater Kokstad Municipality,
- KwaSani Municipality,
- Ubuhlebezwe Municipality,
- uMzimkhulu Municipality, and
- Ingwe Municipality

The Sisonke District Municipality is generally rural in character with the settlements patterns being spatially disintegrated and non-functional in nature. The spatial arrangement and low density in each settlement makes it difficult and costly to services these areas. The major towns within the District (Kokstad, Ixopo, Underberg and Creighton) have higher settlement densities and a higher concentration of services and activities. Sisonke has the smallest population of the Province, approximately two thirds of which live in Ubuhlebezwe and Ingwe areas.

In terms of Census 2011, this District has a population of 461 419. Its population growth from 2001 to 2011 is 0,20%. 57,2% of its population is within the 15-64 age structure, whilst 37,9% is <15.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

The dependency ratio is 74,9 per 100 (15-64) and the total number of unemployed is 34 760 with 44,4% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 17,6 %
- Weekly refuse removal is 20,7 %
- Piped water inside dwelling is 14,7 %
- Electricity with lighting 62,4%

The total number of households within this district increased from 102 349 in 2001 to 112 282 in 2011 with the average household size being reduced from 4,2 in 2001 to 3,8 in 2011. 55,2% of households are female headed.

In addition, formal housing increased from 31,0% in 2001 to 41,5 % in 2011. Latest housing backlogs figures indicate that 67 281 households require housing of which 60 829 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 8 informal settlements within the Greater Kokstad local municipal area.

Sisonke has the following secondary corridors:

- Port Shepstone/St Faiths/Ixopo
- Kokstad/uMzimkhulu/Msunduzi
- uKhahlamba

which are areas of high poverty levels with good economic development potential within one or two sectors such as agriculture, tourism, etc. The tertiary and quaternary nodal areas include Ixopo, Underberg, Creighton and Kokstad. Priority Intervention Areas are reflected throughout the district, with Priority Intervention area I being most prominent in Ingwe and uZimkhulu.

In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors, nodal areas and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 23 projects (inclusive of rectification) that are various stages of the housing delivery cycle. A further 14 projects have been identified for feasibility where emphasis will be placed on undertaking risk assessments to determine project feasibility. An estimated 2 518 housing units are expected to be provided to this District over the said MTEF period of which 960 units comprises rural housing. Projects to contribute to the Emergency Housing as well as

## ANNUAL PERFORMANCE PLAN PART B PROGRAMME 3

the Informal Settlement Upgrade Programme are also to be undertaken. Anticipated contributions to Outcome 8 is 1 355 units (inclusive of all subsidy instruments and interventions) over the 3 year period. In terms of the Department's Rental Housing Strategy, the Greater Kokstad municipality has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence.

Economic growth has been found to be significant and consistent in this area. As such, in terms of the Department's strategic plan, 1 Community Residential Unit pipeline project has been identified that has an estimated yield of 1 330 units.

Challenges affecting housing delivery within this district include:

- Lack of or access to bulk services , specifically on slums clearance and in-situ upgrade interventions,
- Limited appropriate capacity within municipalities,
- Clarity in respect of development typologies on rural, state and private land parcels,
- Delays encountered in obtaining Record of Decision on projects and / or meeting conditions of decision,
- Limited availability of 'well-located' land parcels to support the development of integrated residential initiatives within the larger towns (gap and middle income).

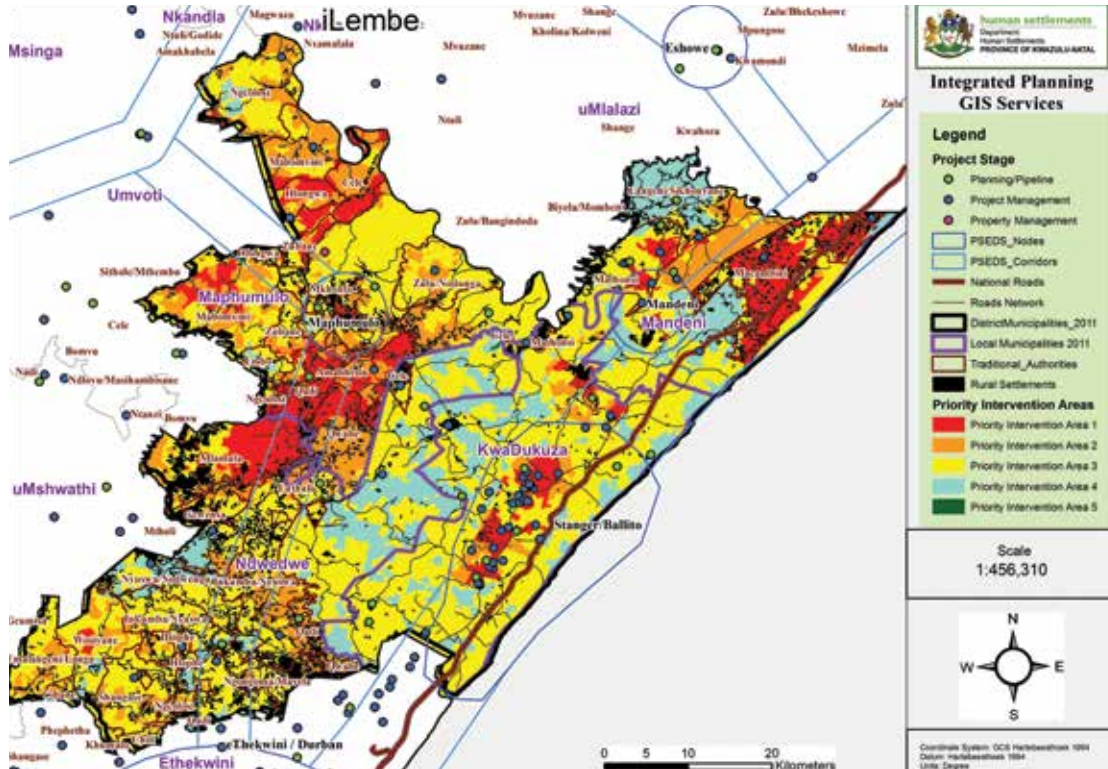
Housing projects such as the Makhoba Housing Project (1400units), the Shayamoya Phase 3 (700 units) housing project and the R56 Project - which is an Integrated Residential Housing Development Project are expected to contribute to housing delivery within this district.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

### iLembe



The ILembe District encompasses four local municipal council areas, namely:

- eNdongakusuka
- Ndwedwe
- Maphumulo
- KwaDukuza

Geographically, the ILembe District is the smallest of the ten District Councils of KwaZulu-Natal. ILembe District is well positioned to capitalise on various opportunities stretching from local to international business since it is on the primary economic development corridor in the province. Ownership of land is vested with various sectors ranging from government, municipal, private and ITB land. The State and the Ingonyama Trust own the majority of the land within Municipality of Maphumulo, the lower reaches of Ndwedwe (69%) and coastal and inland reaches of Mandeni (49 %).

The District is made up of 45 Traditional Authority areas where settlement is controlled by Traditional Authorities according to a traditional land tenure system. These TA areas cover approximately 63% of the total area where a sporadic settlement pattern is noted throughout the region especially in rural areas.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

Areas of urbanization in the district comprise of KwaDukuza and Mandeni. Land uses within these areas are typically urban mixed uses with high levels of infrastructural and service development and an adequate provision of social facilities and services to support the resident populations.

In terms of Census 2011, this District has a population of 606 809. Its population growth from 2001 to 2011 is 0,80%. 61,3% of its population is within the 15-64 age structure, whilst 33,89% is <15. The dependency ratio is 63,2 per 100 (15-64) and the total number of unemployed is 50 628 with 37,2% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 22,5 %
- Weekly refuse removal is 34,4 %
- Piped water inside dwelling is 23,7 %
- Electricity with lighting 71,4%

The total number of households within this district increased from 120 390 in 2001 to 157 692 in 2011 with the average household size being reduced from 4,3 in 2001 to 3,8 in 2011. 45,8% of households are female headed.

In addition, formal housing increased from 46,7% in 2001 to 64,4 % in 2011. Latest housing backlogs figures indicate that 56 339 households require housing of which 40 417 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 14 informal settlements within the KwaDukuza and Mandeni local municipal areas.

iLembe has the eThekweni/uMhlatuze Primary Corridor, focusing primarily on development opportunities being presented as part of the La Mercy/DTP Development and creating opportunities for linking and strengthening the first and second economy and is located between two of Africa's busiest ports namely Durban and Richards Bay. The recent development of King Shaka International Airport and the Dube Trade Port found a few kilometres from the southern border of iLembe has enlarged what was already a prime investment destination. It is therefore well positioned not only to local but also international markets. In addition, iLembe has the secondary agriculture activity corridor, namely Maphumalo/Ndwedwe/Dube. Despite its strategic location, iLembe faces numerous economic challenges such as the high levels of poverty in the rural inland areas, which constricts with rapid development along its coastal regions. ILembe's key economic drivers are agriculture, manufacturing, tourism and services, with its tertiary and quaternary nodal areas being Stanger/Ballito, Maphumalo, Mandeni, and Ndwedwe. The District has been

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

proactive in developing Enterprise iLembe, a broad based institution aimed at facilitating local economic development, in response to its challenges of high rates of unemployment and correspondingly high levels of poverty. The most poverty stricken areas are generally the inland rural areas concentrated within the Maphumulo and Ndwedwe Municipalities.

In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors, nodal areas and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 34 projects that are various stages of the housing delivery cycle. A further 19 projects have been identified for feasibility where emphasis will be placed on undertaking risk assessments to determine project feasibility. An estimated 4 118 housing units are expected to be provided to this District over the MTEF period of which 1 528 units comprises rural housing.

Projects to contribute to the Emergency Housing as well as the Informal Settlement Upgrade Programme are also to be undertaken.

In terms of the Department's Rental Housing Strategy, the KwaDukuza municipality has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence. Economic growth has been found to be significant and consistent in this area. As such, in terms of the Department's strategic plan, 1 Community Residential Unit and 1 Social Housing pipeline project have been identified that has an estimated yield of 870 units per project. The KwaDukuza Municipality has also received its Level 2 accreditation, and hence attention by providing it with capacitation it is envisaged that it would harvest its full potential of creating sustainable human settlements and its contributions to eradicating the backlogs will be realized.

Challenges experienced within this District that impact on housing delivery include amongst others:

- Lack of funding for bulk Infrastructure, water and sanitation has delayed projects that require a higher level of service. Most dense informal settlements within KwaDukuza Municipality are not conducive to a ventilated pit latrine (VIP) and require full waterborne sewer. However, District Municipality's MIG allocation for bulk infrastructure is insufficient to meet the demands of the housing projects that require full water borne sewer.

As a mitigation measure, a Bulk Infrastructure Task Team has been set up, comprising the KwaDukuza Local Municipality, Ilembe District, COGTA, Department of Water Affairs, KZN Dept of Human Settlements and the respective project consultants, to determine



# ANNUAL PERFORMANCE PLAN PART B PROGRAMME 3

requirements for bulk infrastructure and funding requirements and source funding.

The Task Team has since been successful in ensuring that bulk funding will be made available to start at least 5 informal settlement upgrades, which comprise 6 000 sites.

- Acquisition of land, most portions in informal settlements are in private ownership. Funding commitments for land acquisition have been a challenge over the years and significantly delayed progress on projects.

However, in the last and this financial year, 2012/13 the Department made available approximately R 100m for land acquisition for various projects in KwaDukuza, all of which will contribute to the targets of Outcome 8. The intervention of the Department has unblocked numerous informal settlement upgrades.

There are currently 2 Premier's priority projects within the Ilembe District viz:

- **Inyoni Integrated Residential Development**

This is an Integrated Residential Development within the Mandeni Municipality. The project will accommodate 3 050 households, of which 2 741 are low income households and the remaining are middle income households. The project is currently in construction, with 80% services installed in Phase 1, comprising 256 sites and 22 sites under house construction.

- **Driefontein Phase 1 and 2**

This is an Integrated Residential Development within KwaDukuza Municipality and is aimed at accommodating approximately 17 000 households of different income groups and will offer different housing typologies. Currently only Phase 1 has been approved, which will accommodate 1 500 low income households. The project is in the planning stage. Planning was delayed due to lack of commitment for bulk infrastructure. This has since been resolved with the Ilembe District confirming that both bulk water and infrastructure will be available in 2013. Hence, the project will be on full waterborne sewer.

With regard to Phase 2, which will accommodate approximately 15 000 households, the land is still to be acquired and bulk funding is still outstanding. The Department is in the process of evaluating applications for land purchase and negotiations are underway for bulk infrastructure.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In terms of Census 2011, this District has a population of 722 484. Its population growth from 2001 to 2011 is 0,26%. 60,1% of its population is within the 15-64 age structure, whilst 33,3% is <15. The dependency ratio is 66,4 per 100 (15-64) and the total number of unemployed is 63,169 with 45,1% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 18,2 %
- Weekly refuse removal is 24,6 %
- Piped water inside dwelling is 24,6 %
- Electricity with lighting 71,9%

The total number of households within this district increased from 150 611 in 2001 to 179 440 in 2011 with the average household size being reduced from 4,4 in 2001 to 3,9 in 2011. 50,5% of households are female headed.

In addition, formal housing increased from 53,9% in 2001 to 64,9 % in 2011. Latest housing backlogs figures indicate that 64 753 households require housing of which 53 132 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 14 informal settlements within the Hibiscus Coast and Umdoni local municipal areas.

Ugu has the eThekweni/Ugu primary corridor that provides for multi-sectorial development which has potential for industrial, tourism, agriculture and the tertiary services sector. In addition, the Port Shepstone/St Faiths/Ixopo is secondary corridor is also one of the provincial priority corridors that provides for agricultural development and developing a direct link between the Southern Drakensberg and the Coastal areas in order to expand the basket of tourist destinations and spending options. The major economic activities are centred on tourism and agriculture with some manufacturing centred around Port Shepstone, which is a secondary node of the Province and a primary node of the district. Ugu's tertiary and quaternary nodal areas include Scottburgh, Hibberdene, Margate, Port Edward, St Faiths and Harding.

In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors, nodal areas and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there are an estimated 28 projects that are various stages of the housing delivery cycle. An estimated 7 628 housing units are expected to be provided to this District over the said MTEF period of which 5 028 units comprises rural housing. Projects to contribute to the Emergency Housing as well as the Informal Settlement Upgrade Programme are also to be undertaken.

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In terms of the Department's Rental Housing Strategy, the Hibiscus Coast municipality has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence. Economic growth has been found to be significant and consistent in this area. As such, in terms of the Department's strategic plan, 2 Social Housing pipeline projects have thus been identified that has an estimated yield of 600 units per project.

The Hibiscus Coast Municipality has also received its Level I accreditation, and hence attention by providing it with capacitation it is envisaged that it would harvest its full potential of creating sustainable human settlements and its contributions to eradicating the backlogs will be realized.

The District is currently facing challenges with the eradication of informal settlements. These settlements are situated mostly within the urban areas such as Port Shepstone/ Margate within Hibiscus Coast Municipality and Umzinto/Scottsburg within Umdoni Municipality. Although there are projects at various stages in the delivery cycle to cater for these areas, challenges with bulk infrastructure and the availability of suitable land is hampering the progress. Initial studies on all the informal settlements have indicated a greater need for land that can be used for housing developments. There is a need to ensure that municipalities are provided with support in terms of the provision of basic services in the district. Most areas have poor roads and infrastructure therefore making life difficult for the residents. The provision of bulk and internal services needs to be accelerated to ensure that communities can have improved lives. The district was also identified as one of the poorest in the country and great emphasis needs to be made to address the poverty levels within the rural areas.



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

the Provinces population. The dependency ratio is 42,8 per 100 (15-64), eThekwini Municipality being the most populace has the highest unemployment level of 43% within the Province, i.e. the total number of unemployed is 430 318, with 39,0% being within the 15-34 year age structure.

Access to basic services is as follows:

- Flush toilet connected to sewerage is 63,4 %
- Weekly refuse removal is 86,1 %
- Piped water inside dwelling is 60,2 %
- Electricity with lighting 89,9%

The total number of households within this district increased from 786 746 in 2001 to 956 713 in 2011 with the average household size being reduced from 3,7 in 2001 to 3,4 in 2011. 40,0% of households are female headed.

In addition, formal housing increased from 72,8% in 2001 to 79,0% in 2011. Latest housing backlogs figures indicate that 206 911 households require housing of which 40,188 pertain to rural housing. In terms of the Informal Settlement Eradication Strategy for KwaZulu-Natal, as a baseline there are 494 informal settlements within the municipal area.

eThekwini has been identified as a primary node within the Province, implying that it is an urban centre with very high existing economic growth and the potential for expansion. In addition, it is has been identified as having primary corridors, i.e. corridor's with very high economic growth potential within all sectors which serves areas of high poverty densities. These corridors include: eThekwini/Umhlatuze, eThekwini/Msunduzi/Umgeni and eThekwini/Ugu. The 4 major economic sectors include: manufacturing, financial & business services, community Services as well as wholesale and Retail. The municipality has made a concerted effort to promote local economic development along economic corridors and in economic nodes in order to achieve economic growth and job creation. In terms of the housing delivery initiatives, a concerted effort has been placed on undertaking delivery where possible within the corridors, nodal areas and priority areas.

For the 2013/14 MTEF, i.e. April 2013-March 2016, there is an estimated 75 projects that are various stages of the housing delivery cycle. For the said MTEF period, an estimated 15 368 housing units are expected to be provided to this metro and includes contributions to amongst others, the Emergency Housing, Informal Settlement Upgrade Programme as well as Rural Housing Programme. Contributions to Outcome 8 for the 3 year period is estimated at 16 142 units (inclusive of all subsidy instruments and interventions).



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

In terms of the Department's Rental Housing Strategy, the metro has further been prioritized as one of the lead towns where there is the greatest demand for rental housing in terms of amongst others migration patterns, rental tenure prevalence. Economic growth has been found to be significant and consistent in this area. As such, in terms of the Department's strategic plan, 5 Community Residential Unit pipeline projects have been identified that has an estimated yield of 835 units. This, together with a further 4 Social Housing Projects with a possible yield of 1 250 units is expected to provide a significant boost to the housing needs of this area. eThekweni also one of the municipality's that has received its Level 2 accreditation, and hence attention will also be provided with capacitating it so that its full potential of creating sustainable human settlements and its contributions to eradicating the backlogs will be realized.

A significant project to this area is the Cornubia housing project which is a joint venture initiative between eThekweni Municipality and Tongaat-Hulett and is set to be the largest sustainable integrated human settlement initiative for Ethekewini and the KwaZulu-Natal Province. The 1300ha multi-billion Rand project will be a mixed-use, mixed income development incorporating industrial, commercial and residential sites and open spaces. The mixed income portion will provide an opportunity to boost the bonded market. It is envisaged that the product mix will incorporate an array of high density commercial and institutional uses with high density residential development at the core of the site. The estimated project yield is 24 700 residential units, 15 000 of which will be fully subsidised. The first phase of the project obtained environmental and planning approvals at the end of 2011, and construction on both eThekweni's subsidized housing and Tongaat Hulett's industrial developments have already commenced. Key benefits of the development include:

- The development will border the surrounding Ottawa suburb, an already established middle income residential development,
- It is in very close proximity to the central business district of Phoenix, Ottawa Verulam, offering shopping, banking, medical, administrative facilities as well the potential for employment;
- The project's close proximity to the new King Shaka International airport increases the potential of employment opportunities for the resident community,
- Bus Rapid Transport (B.R.T) Routes planned to link Umhlanga and Phoenix to Dube Tradeport,
- Private sector investment,
- Large impact on Rates Base for City



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 3

A further project, namely the Lungisisa Indlela Village (LIV): Cottonlands is a priority project that was conceived as an alternative to institutional care for orphaned and vulnerable children, particularly in the context of the HIV/Aids pandemic. The developer, Lungisisa Indlela Preparing the Way for a Better Life (Pty) Ltd, also known as Lungisisa Indlela Village (LIV) is a faith based organisation that aims to provide holistic residential care for vulnerable children. The project will ultimately accommodate 768 children and 96 house mothers in 12 circular clusters of 8 units per cluster, each with a communal play area. Each unit will have 6 vulnerable children with a house mother and two biological children. Currently, 88% services are installed and 53 houses are completed and handed over, with a further 40 sites under construction. The homes are being registered with the Department of Social Development (DSD).

“You win by working hard, making tough decisions and building coalitions.”

— Jim Engler





# PART B

## PROGRAMME 3

“Coming together is a beginning; keeping together is progress; working together is success.”

— Henry Ford



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

### 4.1 PROGRAMME PURPOSE AND STRUCTURE

The purpose of this programme is to co-ordinate the maintenance of the departmental rental housing stock, the refurbishment of the old hostels and the conversion thereof to community residential units, the erection of new community residential units, the rectification of units built prior to 1994 and the transfer of rental housing stock to qualifying beneficiaries in terms of the extended enhanced discount benefit scheme (EEDBS).

In addition, the Rental Tribunal is responsible for the regulation of good relationships between the tenants and the landlords.

This Programme comprises the two sub-components, namely:

- The Housing Assets Management, Property Management and
- The Rental Housing Tribunal

Performance of all Programme 4 services/programmes, not specifically prioritised in the APP, are included in the Operational Plan and monitored quarterly. Overall performance outcomes will be incorporated in the 2013/14 Annual Report.

### 4.2 2013/14 PRIORITIES

1. Service Delivery Improvement Plan to address delivery and performance trends
2. Turnaround Strategy to address the Rectification (Pre-1994) Programme and Extended Discount Benefit Scheme
3. Strategy to address capacity issues

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

### 4.3 PROGRESS ANALYSIS

#### MAINTENANCE

The maintenance of the rental housing stock and the vacant land of the department is one of the key focus areas of Property Management. Whilst the rental stock is being suitably maintained, it is the intention to deplete the rental stock by intensifying the transfers of properties to qualifying beneficiaries in terms of the Enhanced Extended Discount Benefit Scheme (EEDBS). The challenge in undertaking day-to-day maintenance and in meeting the non-financial and financial targets is that the rectification programme in the community area of Shallcross and Austerville is anticipated to commence in 2013 and this will reduce the number of maintenance repairs to be undertaken. A further challenge would be that once rectification has commenced, the EEDBS needs to be implemented simultaneously, failing which the Department will still be responsible for the day-to-day maintenance of newly rectified units. The rectification of residential properties erected pre-1994 has commenced and is expected to gain momentum in early 2013. In the long term, it is the intention of the department to only hold a key portfolio of properties, thereby reducing the rates, services charges and cost of maintenance.

#### ENHANCED EXTENDED DISCOUNT BENEFIT SCHEME

The Department has in its ownership residential properties (houses and flats) that were erected prior to 1994. The introduction of the Enhanced Extended Discount Benefit Scheme, (EEDBS) was intended to transfer these properties to qualifying beneficiaries but the processes involved are quite cumbersome and it is taking too long to have all the properties transferred. This sub-programme faces many challenges inter-alia:

- The poor economic climate precludes some beneficiaries from paying their portions of the transfer costs, outstanding water and electricity accounts before rates clearance certificates can be issued;
- Beneficiaries who partially qualify for subsidization still need to raise bonds in order to take ownership of the properties: The new credit regulation by the commercial banks makes it difficult for beneficiaries to qualify for bonds;
- Some Municipalities lack internal capacity to manage transfers in terms of the EEDBS and it is the intention to fund these municipalities to outsource the implementation of the EEDBS process.

# ANNUAL PERFORMANCE PLAN PART B PROGRAMME 4

- The Ex-Own Affairs housing stock that is still held by the Department together with all the other old housing stock that is held by various municipalities (including ex-R293 stock) qualify to be transferred to qualifying beneficiaries. However, these properties are generally characterized as being in a very poor condition in terms of their state of repair. Most of them were originally poorly built and despite maintenance repairs being done, refurbishment needs to be done before they are transferred in terms of the EEDBS.

## RECTIFICATION OF RESIDENTIAL PROPERTIES ERECTED PRE-1994

The programme is currently underway in eThekweni (Lamontville- 1840 units) with approximately 536 units being envisaged to be rectified in the current year. Approval of funding and Memorandum of Agreements has been concluded with eThekweni Municipality and Umdoni Municipality for projects.

The projects reflected hereunder are either in the planning stage or awaiting approval of funding and projected for the 2013/2014 financial year and beyond.

- Shallcross- 510 units
- Austerville- 1 148 units
- Estcourt: Umtshezi Municipality-of 8 units Emawozeni: Newcastle Municipality- 148 units
- Dundee- 800 units
- Bhekezu, Vryheid- 73 units
- Ex-R293 and ex-own affairs: eThekweni Municipality- 24 487 units

## RENTAL HOUSING TRIBUNAL

The Rental Housing Tribunal Component regulates good relationships between tenants and the landlords by implementing pre-emptive and pro-active measures. The responsibilities undertaken by this Sub-Programme include:

- Administer all disputes between landlords and tenants in residential properties in the KwaZulu-Natal Province;
- Market and promote the Rental Housing Tribunal and its activities to the public and stakeholders;
- Provide efficient, effective and economic administrative support functions to the KwaZulu-Natal Rental Housing Tribunal established in terms of section 4 of the Rental Housing Act (Act 50 of 1994);

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

- Facilitate the full participation of Municipalities in the implementation of the Rental Housing Act;
- Identify and develop specific programmes aimed at enhancing service delivery capacity of the Social Housing Institutions; and
- Educate tenants and landlords with regards to their rights and obligations with particular emphasis to the Social Housing Environment.

There is still an increase in the number of complaints lodged by tenants against Social Housing Institutions and as such a joint-intervention between the Rental Housing Tribunal and the Social Housing component has been established to educate both tenants and Social Housing Institutions about their rights and obligations in terms of the Rental Housing Act as well as to ensure that the lease agreements entered into between tenants and Social Housing Institutions are in line with the provisions of the Rental Housing Act.

#### 4.4 CHALLENGES

- Development of an effective costing model [linking budget with service delivery].
- Review of the service delivery platform to ensure equity in access to services.
- Human resource constraints especially relevant to Quantity Surveyors and Civil Engineers [for rendering of services].

#### 5 PROVINCIAL STRATEGIC OBJECTIVES, INDICATORS AND TARGETS FOR HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT

STRATEGIC GOAL 3: PARADIGM SHIFT SUBSUMING INTEGRATED DEVELOPMENT, INTER-SECTORAL APPROACHES AND WELL-COORDINATED PROJECT MANAGEMENT

“To serve, not to be served.”

– Dr. Ethel Percy Andrus



# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

### 5.1 STRATEGIC OBJECTIVE ANNUAL TARGETS

Table 22: Provincial Strategic Objectives and Annual Targets

Strategic Objective	Audited/Actual Performance			Estimated Performance	Medium Term Target		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Promote security of tenure (number of EEBDS houses remaining to be transferred)	-	-	-	10 304 <sup>13</sup>	996	1 605	1 605

### 5.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS

Table 23: Performance Indicators for Housing Asset Management, Property Management for 2013/14

Performance Indicators	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Rental Tribunal: No. of cases resolved	1 448	800	981	1 380	1 380	1 380	1 380
Number of units maintained	5 920	5 249	4 246	3 500	3 000	3 000	3 000
Number of units Rectified and or Upgraded for Pre -1994	New indicator	1 361	0	1 500	884	2 000	2 000
Number of rental units sold to beneficiaries		1 857	2 500	2 500	996	1 605	1 605
Number of rental units transferred				2 500	996	1 605	1 605
Number of rental units devolved to Municipalities in terms of Section 15 of the Housing Act, 1997				-	62	62	62
Number of Debtors reduced per financial year				-	1 605	1 605	1 605

<sup>13</sup> Departmental Properties based on Asset Register

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

### 5.3 QUARTERLY AND ANNUAL TARGETS FOR HOUSING ASSET MANAGEMENT

Table 24: Quarterly and Annual Targets for Housing Asset Management, Property Management for 2013/14

Performance Indicators	Annual Targets 2013/14	Quarterly Targets			
		Q1	Q2	Q3	Q4
<b>Quarterly Targets</b>					
1. Rental Tribunal : No. of cases resolved	1 380	345	345	345	345
2. No. of Units Rectified and or upgraded for Pre-1944	884	213	219	227	225
<b>3. Sale and transfer of Housing Properties</b>					
Number of rental units sold to beneficiaries	996	249	249	249	249
Number of rental units transferred	996	249	249	249	249
<b>4. Devolution of Housing Properties</b>					
Number of rental units devolved to municipalities in terms of section 15 of the Housing Act, 1997	62	15	15	15	17
<b>5. Housing Properties maintenance</b>					
Number of debtors reduced per financial year	1 605	400	400	400	405
Number of units maintained	3 000	750	750	750	750

Source: BAS

### 6 RECONCILING PERFORMANCE TARGETS WITH EXPENDITURE TRENDS AND BUDGETS - 2013/14

Table 25: Expenditure Estimates for Housing Asset Management, Property Management

Sub-Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15
R' thousands									
Administration	64 333	62 693	75 808	75 803	71 399	62 499	70 190	69 269	70 939
Sale and Transfer of Housing Properties	31 340	97 563	1 105	7 076	7 076	7 076	8 331	8 309	8 309
Housing Properties Maintenance	189 643	155 295	116 794	210 941	148 701	148 701	152 664	136 397	166 983
<b>Total</b>	<b>285 316</b>	<b>315 551</b>	<b>193 707</b>	<b>293 820</b>	<b>227 176</b>	<b>218 276</b>	<b>231 1853</b>	<b>213 975</b>	<b>246 231</b>

Source: BAS

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

Table 26: Summary of provincial Expenditure estimates by Economic Classification

	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
<b>Current payments</b>	<b>114 835</b>	<b>89 290</b>	<b>96 180</b>	<b>102 949</b>	<b>97 935</b>	<b>84 807</b>	<b>90 645</b>	<b>89 100</b>	<b>91 061</b>
Compensation of employees	57 335	30 135	60 159	69 684	64 670	55 770	61 258	64 995	67 126
<b>Goods and services</b>	<b>57 500</b>	<b>29 125</b>	<b>36 021</b>	<b>33 265</b>	<b>33 265</b>	<b>29 037</b>	<b>29 409</b>	<b>24 105</b>	<b>23 935</b>
Communication	395	304	374	442	375	375	494	551	521
Computer Services	27	77	86	156	440	440	239	255	260
Consultants, Contractors and special services	32 441	8 432	1 823	8 042	9 241	5 077	11 105	11 249	11 249
Inventory	1 317	2 057	5 404	5 187	4 254	1 495	4 400	4 310	4 157
Operating leases	92	38	66	78	71	71	83	88	88
Travel and subsistence	764	625	668	896	905	905	1 097	1 100	1 103
Interest and rent on land									
Maintenance , repair and running costs									
Other including Assets<5000, training and development, property payments, operating expenditure and venues and facilities	22 221	17 592	27 600	18 464	18 464	18 472	7 851	7 855	7 870
<b>Transfers and subsidies to</b>	<b>170 339</b>	<b>226 256</b>	<b>97 413</b>	<b>190 701</b>	<b>91 483</b>	<b>115 675</b>	<b>79 500</b>	<b>96 483</b>	<b>112 498</b>
Provinces and municipalities	166 973	225 525	85 616	190 351	83 111	107 303	68 126	82 617	92 363

Source: BAS

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates			
	2010/11		2011/12				2013/14	2014/15	2015/16	
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16	
Departmental agencies and accounts										
Universities and Technikons										
Non-profit institutions										
Households	3 366	731	11 797	350	8 372	8 372	11 374	13 866	20 135	
<b>Payments for capital assets</b>	<b>102</b>	<b>5</b>	<b>114</b>	<b>170</b>	<b>37 748</b>	<b>17 748</b>	<b>61 018</b>	<b>28 392</b>	<b>42 372</b>	
Buildings and other fixed structures			77		37 578	17 578	60 464	28 200	42 480	
Machinery and equipment	67	5	37	170	170	162	554	192	192	
Software and other intangible assets	35									
<b>Payment for financial assets</b>	<b>40</b>				<b>10</b>	<b>46</b>				
<b>Total economic classification</b>	<b>285 316</b>	<b>315 551</b>	<b>193 707</b>	<b>293 820</b>	<b>227 176</b>	<b>218 276</b>	<b>231 185</b>	<b>213 975</b>	<b>246 231</b>	

Source: BAS

“Our dignity is not in what we do, but what we understand.”

– George Santayana

# ANNUAL PERFORMANCE PLAN PART B

## PROGRAMME 4

### 7 PERFORMANCE AND EXPENDITURE TRENDS

The increase against the sub-programme: Sale and Transfer of Housing Properties from 2009/10 to 2010/11 was a result of a once-off transfer to the eThekweni Metro, for the rehabilitation of former R293 houses, on behalf of the department (this also explains the increase against *Transfers and subsidies to: Provinces and municipalities*). The substantial decrease from 2010/11 to 2011/12 was a result of a delay in the rectification of housing properties, as the NHBRC is doing an assessment of properties to determine exactly what rectification is to be done to what properties. The allocation remains constant in the two outer years, and the department anticipates reducing the allocation for this sub-programme moving forward, as there are a number of properties that would need to be rectified and then be transferred to beneficiaries in terms of the EEDBS.

There is a fluctuating trend against the sub-programme: Housing Properties Maintenance. In 2009/10, the department transferred funds to the eThekweni Metro in respect of the maintenance of R293 towns and hostels, as well as making a once-off payment to the Msunduzi Municipality for the payment of arrear rates and taxes. This once-off payment explains the decrease from 2009/10 to 2010/11. The decrease from the 2012/13 Main to Adjusted Appropriation was as a result of the delay in the implementation of the rectification programme for the pre-1994 housing stock. The process to appoint service providers to implement rectification is, however, underway in areas where assessments have been finalised. The fluctuating trend over the MTEF relates to the rectification of pre-1994 housing stock owned by the department while, in the meantime, transferring some of the properties to individuals (beneficiaries) or municipalities.

The decrease from 2009/10 to 2010/11 against *Goods and services* was due to poor spending on the EEDBS programme due to delays in the rehabilitation of housing stock. The decrease from 2012/13 to 2013/14 is as a result of the anticipated reduction in maintenance of properties, as these properties will be transferred to municipalities and individual beneficiaries. The decrease in the 2012/13 Revised Estimate is due to the budget for EEDBS, which is classified under this category and expected to be transferred to the eThekweni Metro. The budget will be shifted accordingly.

### 8 RISK MANAGEMENT

Potential Risks	Mitigating Factors
1. Lack of effective assets register	Department will appoint a service provider to attend to the clean-up and updating of the assets register
2. Municipalities inability to write off debt impacting on transfer of title to beneficiaries	Innovative methods need to be devised and implemented by municipalities to secure debt
3. Absence of Human Resource Plan	Development of Human Resource Plan to address the changing scope of work
4. Lack of functional structure to address business needs	Structure to be reviewed

# PART C

“Make measurable progress in reasonable time.”

— Jim Rohn

# ANNUAL PERFORMANCE PLAN PART C

## 1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

### NEW PROJECTS, UPGRADES AND REHABILITATION

The table hereunder reflects a summary of the infrastructure payments and estimates by infrastructure category. Included in the above, are Programmes relating to the Social and Economic Facilities, Rectification of Pre-1994 Stock, Maintenance of Housing Properties, the EEDBS Programme as well as the CRU Programme and will continue over the 13/14 MTEF.

It is further anticipated that following the Housing Summit to be undertaken in 2013, the Department will provide for a provincial structure to monitor and encourage total industry performance throughout the province, and hence ensure that there is total integration of capital investment.

Table 26: Summary of infrastructure payments and estimates

R'000	Audited Outcome			Main	Adjusted	Revised Estimate	Medium-term Estimates		
	Audited 2009/10	Audited 2010/11	2011/12	Appropriation			2013/14	2014/15	2015/16
			2012/13						
<b>New and replacement assets</b>	<b>43 816</b>	<b>27 477</b>	<b>11 099</b>	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>	<b>15 000</b>	<b>26 014</b>	<b>26 014</b>
<b>Existing infrastructure assets</b>	<b>67 230</b>	<b>34 000</b>	<b>48 816</b>	<b>190 941</b>	<b>61 279</b>	<b>41 279</b>	<b>77 864</b>	<b>40 600</b>	<b>54 880</b>
Maintenance and repair	67 230	34 000	48 816	190 941	23 701	23 701	17 400	12 400	12 400
Upgrading and additions									
Rehabilitation and refurbishment				0	37578	17 578	60 464	28 200	42 480
<b>Infrastructure transfer</b>	<b>43 000</b>	<b>188 000</b>	<b>60 000</b>	<b>263 240</b>	<b>155 000</b>	<b>179 192</b>	<b>152 000</b>	<b>225 917</b>	<b>141 667</b>
Current	0	60 000	60 000	60 000	60 000	84 192	52 000	68 117	72 467
Capital	43 000	128 000	0	203 240	95 000	95 000	100 000	157 800	69 200
<i>Capital infrastructure</i>	<i>86 816</i>	<i>155 477</i>	<i>11 099</i>	<i>213 240</i>	<i>142 578</i>	<i>122 578</i>	<i>175 464</i>	<i>212 014</i>	<i>137 694</i>
<i>Current infrastructure</i>	<i>67 230</i>	<i>94 000</i>	<i>108 816</i>	<i>250 941</i>	<i>83 701</i>	<i>107 893</i>	<i>69 400</i>	<i>80 517</i>	<i>84 867</i>
<b>Total</b>	<b>154 046</b>	<b>249 477</b>	<b>119 915</b>	<b>464 181</b>	<b>226 279</b>	<b>230 471</b>	<b>244 864</b>	<b>292 531</b>	<b>222 561</b>

Source: BAS



# ANNUAL PERFORMANCE PLAN PART C

## 1.2 MEDIUM TERM REVENUE

Table 27: Summary of revenue

R'000	Audited Outcome			Main Appropriation	Adjusted	Revised Estimate	Medium-term Estimates		
	Audited 2009/10	Audited 2010/11	2011/12				2012/13	2013/14	2014/15
Provincial Allocation	243 265	267 030	283 444	300 409	300 409	300 409	312 248	326 641	339 940
Conditional grants	2 330 448	2 768 502	2 801 547	2 915 297	2 915 297	2 915 297	3 238 428	1 685 764	1 675 237
Integrated Housing & Human Settlement Dev Grant	2 180 448	2 634 109	2 769 871	2 915 297	2 915 297	2 915 297	3 235 428	1 685 764	1 675 237
Housing Disaster Management grant	150 000	133 800	31 140						
EPWP Incentive grant		593	536				3000		
<b>Total Receipts</b>	<b>2 573 713</b>	<b>3 035 532</b>	<b>3 084 991</b>	<b>3 215 706</b>	<b>3 215 706</b>	<b>3 215 706</b>	<b>3 550 676</b>	<b>2 012 405</b>	<b>2 015 177</b>
Provincial roll-overs		77 024			27 637	27 637			
Provincial cash resources				85 229	134 477	134 477			
<b>Total receipts</b>	<b>2 573 713</b>	<b>3 112 556</b>	<b>3 084 991</b>	<b>3 300 935</b>	<b>3 377 820</b>	<b>3 377 820</b>	<b>3 550 676</b>	<b>2 012 405</b>	<b>2 015 177</b>

Source: BAS

### Departmental Revenue collection

As evident from the table below, the main source of departmental receipts is *transactions in financial assets and liabilities*, which comprises receipts collected from previous years' staff debtors in respect of breached bursary contracts, as well as refunds of subsidies from banks and conveyancers on close-out of projects. This category is difficult to project due to its uncertain nature, hence the fluctuating trend over the seven-year period.

Table 2.8: Revenue Collection

R'000	Audited Outcome			Main	Adjusted	Revised Estimate	Medium-term Estimates		
	Audited 2009/10	Audited 2010/11	2011/12				2013/14	2014/15	2015/16
				Appropriation	2012/13				
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
Sale of goods and services other than capital asset	324	387	474	412	412	417	434	477	534
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	90	46	-20	103	103	69	30	30	30
Sale of capital assets	412	302	160			530	300	300	300
Financial transaction in asset and liabilities	5 729	7 382	268 554	735	735	13 449	775	853	938
<b>Total</b>	<b>6 555</b>	<b>8 117</b>	<b>269 168</b>	<b>1 250</b>	<b>1 250</b>	<b>14 465</b>	<b>1 539</b>	<b>1 660</b>	<b>1 802</b>

Source: BAS

### Conditional Grants

The Department receives conditional grant funding from the National Department of Human Settlements, being the Human Settlements Development Grant (HSDG), which it utilises to increase investment in the provincial housing delivery process through the construction of houses, and the refurbishment, upgrading and maintenance of existing housing stock.

# ANNUAL PERFORMANCE PLAN PART C

From 2012/13 to 2013/14 a steady increase was experienced, largely as a result of additional funding being allocated for the informal settlements upgrade in rapidly urbanising mining towns to support the implementation of the Strategic Infrastructure Projects (SIPs) as identified by the Presidential Infrastructure Co-ordinating Committee (PICC). The growth was also offset to some extent by the baseline cuts in the budget for the grant due to the data update resulting from the 2011 Census. The allocation decreases significantly in the two outer years of the MTEF as a result of the review of the current allocation formula of the HSDG. The 2011 Census data has shown significant shifts in the need for housing toward larger urban areas. The current formula for the grant does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. Pending this review, the full amount of this grant has been allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The balance of the allocations for the two outer years remains unallocated in the interim until the formula review is finalised. Table 5 provides a summary of the conditional grant outputs.

The department was also allocated an amount of R3 million in 2013/14 in respect of the EPWP Integrated Grant for Provinces, which aims to create temporary work opportunities and a transfer of skills to the unemployed. There are no allocations against this grant in 2014/15 and 2015/16, at this stage.

## Donor funding

Reflected hereunder is the donor funds spent by the department over the period 2009/10 to 2015/16.

Table 29: Details of payments and estimates of donor funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Estimate	Medium-term Estimates		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15
<b>Donor funding</b>	<b>2 074</b>	<b>618</b>	-	-	-	-	-	-	-
Flanders: Groutville Project	2 074	-	-	-	-	-	-	-	-
Phase II Rollout Project	-	618	-	-	-	-	-	-	-
<b>Total</b>	<b>2 074</b>	<b>618</b>	-	-	-	-	-	-	-

Source: BAS

The department spent R2.074 million in 2009/10 for the provision of care homes for orphans and vulnerable children in the KwaDukuza Municipality. This was funded by the Flemish government (Flanders). The department spent R618 000 on Phase II Roll-out Project (also part of the Flanders funding) in 2010/11. The department was advised by the Flemish government that the donor funding contract, which expired on 30 November 2010, would not be extended, and no roll-over of funds would be granted. No donor funding is expected over the 2013/14 MTEF.

# ANNUAL PERFORMANCE PLAN PART C

## 2. CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

### 2.1 INTERDEPARTMENTAL LINKAGES

The Department participates in provincial Cabinet Clusters, MEXCO, Multi-sectoral IDP Forums, Provincial Disaster Management Task Team as well as the related committees and structures.

### 2.2 LOCAL GOVERNMENT LINKAGES

The Department had embarked on the facilitation of the KwaZulu-Natal Sustainable Human Settlements Strategy to ensure that there is planning synergy amongst all departments and municipalities. The intention is that all departments build onto the needs identified and prioritised in MHSPs of municipalities to ensure that all settlements are developed in a sustainable manner. For this to be achieved, substantial co-ordination between spheres of government, and among provincial departments is required. With the implementation of the KwaZulu-Natal Sustainable Human Settlements Strategy, it is envisaged that all settlements will offer the full range of services to its inhabitants and will be in this way sustainable.

### 2.3 PUBLIC ENTITIES

The Department does not have any public entities.

### 2.4 PUBLIC, PRIVATE PARTNERSHIPS, OUTSOURCING

MOU with Banking Association of SA.

The National Minister of Human Settlements has entered into a MoU with the Banking Association of SA and the 4 major Banks within the context of the Financial Sector Charter; where the financial institutions have committed R42 billion to home loan finance in medium income sector. The Province has since entered into MOU agreements with ABSA, Standard Bank and FNB.

# ANNUAL PERFORMANCE PLAN PART C

## 3. INSTITUTIONAL INFORMATION

### 3.1 IT SYSTEMS

The department utilises four major IT systems in the day to day management of the departmental activities. These systems are:

#### **Housing Subsidy System (HSS)**

The HSS is the national information management system used to manage the implementation of the housing programme in the country. The HSS provides customised housing subsidy management systems with the required tools for:

- Strategic planning
- Budgeting
- Project expenditure management
- Subsidy administration

#### **Basic Accounting System (BAS)**

The National Treasury has implemented BAS to provide a simple to use system to manage the finances of the government. The department implemented this system in October 2003 when the FMS system was phased out by the National Treasury. The BAS system incorporates the management of banking, budgets, creditor payments, debtor management (staff) and receipting.

#### **Debtor System**

The Debtors System was designed to manage the renting and suspensive sale of properties owned by the Housing Fund. The Debtors Systems incorporates a rental debtor's module and a property register.

#### **PERSAL**

The PERSAL system is used to manage the department's personnel and the payment of salaries to the staff members.

#### **Hardcat**

The provincial treasury has implemented Hardcat for the management of the department's assets.

# ANNUAL PERFORMANCE PLAN PART C

## 3.2 PERFORMANCE MANAGEMENT SYSTEM

A Monitoring and Evaluation framework has been approved for implementation. The Performance Management and Development system is also being implemented for all salary levels.

## 3.3 FINANCIAL MANAGEMENT

### **Implementation of the PFMA**

- The Risk Management Plan exists and in the process of being updated,
- Financial, HR, and SCM delegations exist and are continuously being updated.
- The revised organisational structure is in the process of being approved.

### **Cash-flow management**

A project cash flow review meeting, chaired by the Head of Department has been established to, amongst other functions, monitor expenditure against cash flows on a weekly basis.

The department has however managed to contain expenditure within tolerable range despite the fact that the demand for housing far exceeds the financial resources available.

### **Movable asset management**

The Hardcat system is being utilised for the management of moveable assets.

### **Budgeting, forecasting and financial performance reporting**

The Department has a Budget unit responsible for facilitating budgeting, forecasting and monthly/quarterly reporting as required of the PFMA.

## 3.4 RISK MANAGEMENT AND FRAUD PREVENTION

The Department has a Risk and Management Advisory Services unit currently under the Office of the Head of Department. This unit works closely with the shared Provincial Internal Audit Unit.

A Fraud and prevention plan exists for the department for the eradication of fraud and is reviewed.

# ANNUAL PERFORMANCE PLAN PART C

## 3.5 PERSONNEL COSTS

Table 30: Personnel numbers and costs per programme

Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
1. Administration	255	247	227	231	271	271	271
2. Housing Needs, Research and Planning	24	36	32	26	42	42	42
3. Housing development	159	154	174	191	242	242	242
4. Housing Asset Management, Property Management	420	420	307	312	306	306	306
<b>Total</b>	<b>858</b>	<b>857</b>	<b>740</b>	<b>770</b>	<b>861</b>	<b>861</b>	<b>861</b>
Total personnel cost (R thousand)	157 750	147 805	188 020	217 986	250 555	265 325	208 178
Unit cost (R thousand)	184	204	254	283	291	306	325

Source: BAS

The department has engaged in a restructuring process, which entailed revising the structure of the department. The structure is anticipated to be completed and implemented by 31 March 2013. The number of contract workers rises substantially from 2012/13 due to the appointment of Adult Basic Education and Training (ABET) educators. The ABET educators educate officials in the department who meet the necessary criteria. This is a provincial programme aimed at addressing illiteracy.

“The best way to find yourself is to lose yourself in the service of others.”

— Mahatma Gandhi



Table 3.1: KwaZulu-Natal summary of provincial outputs for 2013/2014

Sub-Programme	2013/14						2014/15			2015/16		
	Planned Number of Sites (Current year)	Planned Number of Houses (Current Year)	Rectification/repairs	Other	Outcome 8 Indicator	Total Annual Budget	Budget	Targets for Sites	Targets for Units	Budget	Targets for Sites	Targets for Units
	<b>I. Financial Intervention</b>											
I.1a Individual housing subsidies (R0 - R3 500) credit linked	0	0			0	R 0	R 0	0	0	R 0	0	0
I.1b Individual housing subsidies (R0 - R3 500) Non - Credit Linked	0	700			0	R 60 000	R 90 000	0	950	R 100 000	0	1 100
I.2 Housing finance linked Individual subsidies (FLISP)- (R3 501 - R7 000)	0	800			0	R 100 000	R 84 212	0	1 000	R 0	0	0
I.3 Enhanced Extended Discount Benefit Scheme (EEDBS)				996	0	R 8 331	R 5 616	0	114	R 5 677	0	114
I.4 State Asset Maintenance Programme	0	0			0	R 30 200	R 26 900	0	0	R 26 900	0	0
I.5a Rectified RDP stock 1994-2002	0		1 662		0	R 101 768	R 130 741	600	1 770	R 106 772	917	1 470
I.5b Rectification of Housing Stock(pre 1994)	0		884		0	R 122 464	R 109 497	0	0	R 109 497	0	0
I.6 Social and Economic Facilities				0	0	R 15 000	R 10 000	0	0	R 10 000	0	0
I.7 Accredited Municipalities (level 1 & 2);				0	0	R 53 611	R 47 321	0	0	R 54 272	0	0
I.8 Operational Capital Budget				0	0	R 37 593	R 26 232	0	0	R 30 691	0	0
I.9 Blocked projects	0	0			0	R 0	R 0	0	0	R 0	0	0
I.10 NHBRC enrolment (related to grant)				23 683	6	R 24 367	R 11 500	0	226	R 0	0	250
I.11a Land parcels procured (IHAFSD)				0	0	R 153 368	R 155 658	0	0	R 155 658	0	0
I.12 Housing chapters of IDPs				0	0	R 0	R 0	0	0	R 0	0	0
<b>Sub-total: Financial Intervention</b>	<b>0</b>	<b>1 500</b>	<b>2 546</b>	<b>24 679</b>	<b>6</b>	<b>R 706 702</b>	<b>R 687 677</b>	<b>600</b>	<b>4 060</b>	<b>R 599 467</b>	<b>917</b>	<b>2 934</b>
<b>2. Incremental Housing Programmes</b>												

# ANNUAL PERFORMANCE PLAN PART C

Sub-Programme	2013/14						2014/15			2015/16		
	Planned Number of Sites (Current year)	Planned Number of Houses (Current Year)	Rectification/repairs	Other	Outcome 8 Indicator	Total Annual Budget	Budget	Targets for Sites	Targets for Units	Budget	Targets for Sites	Targets for Units
2.1 Project Linked Subsidies(current commitments approved up to 31/03/07)	440	990			5	R 86 453	R 176 729	420	3,110	R 164 746	420	2 277
2.2a Integrated Residential Development Programme :Phase 1:Planning and Services	0	0			0	R 9 249	R 0	0	0	R 0	0	0
2.2b Integrated Residential Development Programme :Phase 1:Planning and Services INFORMAL SETTLEMENTS	1 794	0			5	R 48 076	R 40 000	500	500	R 41 000	550	550
2.2c Integrated Residential Development Programme :Phase 2:Top Structure Construction	120	142			1	R 13 904	R 0	0	0	R 0	0	0
2.2d Integrated Residential Development Programme :Phase 2:Top Structure Construction INFORMAL SETTLEMENTS	0	1 219			1	R 76 181	R 0	0	0	R 0	0	0
2.2e Integrated Residential development Programme :Phase 4:Top Structure Construction (INFORMAL SETTLEMENTS)	0	0			0	R 0	R 0	0	0	R 0	0	0
2.3a People's Housing process	0	100			0	R 4 858	R 8 200	0	200	R 8 400	0	200
2.3b People's Housing Process INFORMAL SETTLEMENTS	120	1 418			3	R 96 500	R 0	0	0	R 6 480	300	0
2.4 Informal Settlement Upgrading	7 269	10 957			0	R 930 535	R 29 541	115	480	R 29 936	400	360
2.5a Consolidation Subsidies (Excluding Blocked Projects)	0	0			0	R 0	R 0	0	0	R 0	0	0

## ANNUAL PERFORMANCE PLAN PART C

Sub-Programme	2013/14						2014/15			2015/16		
	Planned Number of Sites (Current year)	Planned Number of Houses (Current Year)	Rectification/repairs	Other	Outcome 8 Indicator	Total Annual Budget	Budget	Targets for Sites	Targets for Units	Budget	Targets for Sites	Targets for Units
2.5b Consolidation Subsidies (Blocked Projects)	0	0			0	R 0	R 0	0	0	R 0	0	0
2.6 Emergency Housing Assistance	0	1 221			0	R 82 129	R 14 150	0	150	R 39 406	0	230
<b>Sub-total: Incremental Housing Programmes</b>	<b>9 743</b>	<b>16 047</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>R 1 347 885</b>	<b>R 268 620</b>	<b>1 035</b>	<b>4 440</b>	<b>R 289 968</b>	<b>1 670</b>	<b>3 617</b>
<b>3. Social &amp; Rental Housing</b>												
3.1 Institutional Subsidies	0	315			3	R 139 208	R 36 111	0	0	R 21 168	0	0
3.2a Social Housing operational support	0	0			0	R 0	R 0	0	0	R 0	0	0
3.2b Social Housing: Capital Grants for rental housing (Funded by NDoH)	0	0			0	R 0	R 0	0	0	R 0	0	0
3.3a Community residential units (CRU) Converted/Upgraded	0	338			0	R 100 222	R 0	0	0	R 0	0	0
3.3b Community residential units (CRU) Constructed	0	441			0	R 135 600	R 166 100	0	63	R 36 780	0	62
<b>Sub-total: Social &amp; Rental Housing</b>	<b>0</b>	<b>1 094</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>R 375 030</b>	<b>R 202 211</b>	<b>0</b>	<b>63</b>	<b>R 57 948</b>	<b>0</b>	<b>62</b>
<b>4. Rural Housing</b>												
4.1 Farm Worker Housing Assistance	0	0			0	R 0	R 8 156	350	0	R 11 635	350	60
4.2 Rural Housing: Communal land rights	0	8 481			0	R 783 511	R 341 873	114	5 435	R 438 543	200	4 725
<b>Sub-total: Rural Housing</b>	<b>0</b>	<b>8 481</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>R 783 511</b>	<b>R 350 029</b>	<b>464</b>	<b>5 435</b>	<b>R 450 178</b>	<b>550</b>	<b>4 785</b>
<b>TOTAL</b>	<b>9 743</b>	<b>27 122</b>	<b>2 546</b>	<b>24 679</b>	<b>24</b>	<b>R 3 213 128</b>	<b>R 1 508 537</b>	<b>2 099</b>	<b>13 998</b>	<b>R 1 397 561</b>	<b>3 137</b>	<b>11 398</b>
5. PRIORITY PROJECTS	275	260			3	R 22 300	R 0	0	40 000	R 40 000	500	0
6. PROVINCIAL SPECIFIC PROGRAMMES	0	0			0	R 0	R 0	0	0	R 0	0	0
<b>GRAND TOTAL</b>	<b>10 018</b>	<b>27 382</b>	<b>2 564</b>	<b>24 679</b>	<b>27</b>	<b>R 3 235 428</b>	<b>R 1 508 537</b>	<b>2 099</b>	<b>17 998</b>	<b>R 1 401 561</b>	<b>3 637</b>	<b>0</b>

Source: Human Settlement Development  
Grant Business Plan

# PART D

“Progress lies not in enhancing what is, but in advancing toward what will be.”

— Kahlil Gibran



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### INTRODUCTION

The KwaZulu-Natal Department of Human Settlement's mission is to create an enabling environment based on a coordinated, integrated and inter-sectoral approach to support human settlement infrastructure development and in doing so will ensure that the Province's citizens live in sustainable and efficient Human Settlements that have been established in line with principles of basic needs and human rights. Citizens are able to engage constructively with government and other service providers to access the full range of services and benefits.

The vision reflects the two main objectives of the Habitat Declaration on Sustainable Human Settlements, namely the right to basic shelter as a human right and the need of settlements to be socially, environmentally and economically sustainable. The vision emphasizes the policy objective of the Comprehensive Plan on Human Settlements of 2004 that delivery should be more demand-driven and that housing and other instruments should respond to the needs of people in their specific situations.

In order achieve the above vision, this Province is committed to the provision of integrated and sustainable human settlements through the provision of comprehensive housing opportunities in alignment to the National outcomes based approach towards Sustainable Human Settlements and Improved Quality of Life as well as the Millennium Development Goals with specific reference to Goal Number 7, i.e. Ensure Environmental Sustainability (Eradication of Slums). Of critical relevance to this is the implementation of the Upgrading of Informal Settlements, increasing the provision of well-located rental accommodation, mobilisation of well located public land for low income and affordable housing, as well as the provision of the Finance Linked Individual Subsidy scheme to address affordability challenges in the GAP market.

The strategic thrust of this Department is therefore to ensure that the targets as reflected hereunder in the Negotiated Service Delivery are achieved.

Deliverable	National Target	National Target for Province
Informal Settlement Upgrade	400 000	76 200
Affordable Rental	80 000	15 240
Supply of affordable Housing finance	600 000	114 300
Access to state land	6250ha, at 60 units/ha	1220ha, 60 units/ha

In addition, the Department is also guided by other strategic polices and plans inclusive of the National Development Plan and the Provincial Growth and Development Plan as reflected under Part A of the Annual Performance Plan.

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Whilst the Department has undertaken to ensure that there is a strategic alignment of its core deliverables to the outcome based methodology of improving service delivery, key challenges faced by the Department that impact on its performances are inclusive but not limited to the following:

- **Urbanisation** has been one of the most significant demographic and settlement trends over the past few decades. According to the Provincial Spatial Economic Development Strategy, KZN had approximately 10.5 million citizens, (50% of which is urban) and this is expected to increase to 11.0 million by 2018 with the proportions changing significantly, in that there will be 8 million urban citizens and 3 million rural citizens. The provision of settlements to accommodate this is therefore essential.
- **Many of the urban low income housing projects developed during the past 20 years have been poorly located at the peripheries of towns.**
- **The densities in many rural areas have become problematic.** There is now a significant incidence of rural settlements with increased densities (of about half that of the densities of urban areas). The densities of these settlements are too high to make small scale farming viable, and they are too low for efficient public transport, infrastructure and service delivery.
- **Availability of land is problematic more especially as the sustainability of settlements depends strongly on their location and accessibility.** Well-located land is generally expensive and is subject to competition for other use.
- **Informal settlements in urban areas are probably the largest challenge.** The province has a target to eradicate slums in KZN by 2014. This will require a range of short- and long-term responses, including interim relief, incremental upgrades, planning and management of informal settlements, greenfields, and sustained, long-term upgrading programs.
- **Development of services and social facilities is often not aligned to housing projects.** This results in projects being delayed or citizens of new settlements not having access to services and amenities.
- **Infrastructure services.** There is a lack of co-ordination for the provision of engineering services has often delayed the implementation of subsidised housing projects.
- **Formal property markets are not working sufficiently for the low income, affordable and gap housing income groups.** One reason is that formal transfer processes are



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

expensive and time consuming. Poor households often rely on the informal property market.

- **There is insufficient coordination within government for the effective implementation of strategies related to human settlement improvements.** The insufficiency seems to lie not in policy and strategy, but in the coordination of activities that ought to follow after strategy has been formulated.
- **Capacity issues both internal and external**

Notwithstanding the above, the Department is committed to ensuring that it addresses the basic needs of the deprived individuals of this Province in order to improve their quality of life.

As part of its a multi-year strategy, the Province has adopted a multi-sectorial approach, in its recognition that in order to meet the objectives as set out in the Comprehensive Plan for the Development of Sustainable Human Settlements and Outcome 8 objectives for the Province, a more integrated and co-ordinated approach from all relevant stakeholders is needed. Provincial strategies such as the Premier's Flagship Programme, the Provincial Spatial Economic Development Strategy, the Provincial Growth and Development Plan and the Integrated Rural Development Strategy also play a pivotal role to this Department's service delivery initiatives.

Three critical strategies that are of significance importance during the forthcoming years are the Sustainable Human Settlement Strategy (SHSS) and the Informal Settlement Eradication Strategy and the KwaZulu-Natal Rental Housing Strategic Plan. These strategies are anticipated address housing matters in an integrated, holistic and co-ordinated manner.

The core objectives of SHSS include:

- Strong spatial planning
- Well located land for human settlements
- Adequate shelter
- Efficient Property Market
- Supporting rural development

Attention will be given to rural development which will be closely aligned to the nodes and corridors of the Provincial Spatial Economic Development Strategy (PSEDS) as well as the priority intervention areas of the Provincial Growth and Development Plan. It is proposed that the current unsustainable sparse



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

settlement pattern be transformed to areas of densification where a host of community facilities can be provided on an incremental basis. Of course, this transformation will be targeted at those areas where there already exists some form of clustering of settlements. Through this process, municipalities would be in a position to better plan and execute the provision of infrastructure and services to these rural communities. Economic development is seen as a corner stone of this programme whereby a meaningful and lasting upliftment of communities can be achieved.

The roll out of the Informal Settlement Upgrade Strategy (ISU), whilst necessitating a mind-set change insofar that currently the thinking is that the only solution is to build RDP houses, will go a long way to ensure stability as a confirmation of existence in such informal settlements can be the first step in the upgrading process. The roll out of basic services is also seen as part of the first step towards a final solution.



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### 6.1.1 ALIGNMENT TO THE MANDATE

Table 32: Provincial alignment to National objectives

Objectives	Methods Employed by the Province to Achieve Objectives
i) Transparent, accountable and equitable <b>administration</b> that upholds the practice of Good Governance.	The Department will continue to actively participate in the Provincial IDP processes as hosted by COGTA in order to ensure that housing sector issues are fully integrated with all other development processes. Assistance is provided to municipalities with the development and review of housing chapters of IDPs. In order to enhance service delivery, the Department has also reengineered its processes to ensure that its Integrated Planning Sub-programme will be identifying all pipeline and managing the project planning processes. In this regard, it is anticipated that the principles of the Provincial Growth and Development Plan and the Provincial Spatial Economic Development Strategy will be undertaken in a more structured and integrated manner.
	The engagements with relevant stakeholders such as the National Home Builders Registration Council, service providers etc will be strengthened in order to ensure that quality houses are produced. In addition, this Department will continue to strengthen its relationship with the Ingonyama Trust Board in order to resolve tenure issues. Continued engagements with COGTA will also be undertaken in order to address the provision of bulk services which is a key challenge facing the Department.
	The utilisation of Provincial Treasury's Crack Team to address technical capacity constraints is anticipated to also improve quality related issues.
	Policy Information Sessions and alternative technology promotion sessions are conducted quarterly. These sessions are used to share information on existing and newly developed policies and research findings; whilst also providing a forum to obtain inputs into policy development, evaluation and research initiatives.
	Official policy communiqué is also distributed at least one per quarter to update stakeholders on Provincial and National policies. These, together with detailed reports and submissions are placed on the Department's website.
	The implementation of the approved monitoring and evaluation system to provide for quality and timeous reports on housing delivery on a monthly and quarterly basis is expected to address some of the significant challenges currently faced by the Department with regard to quality and meaningful information.
ii) Transparent, accountable and equitable administration that upholds the practice of Good Governance.	The Department has established decentralised offices within districts to ensure that an effective and efficient service is rendered at district level. It is anticipated that the re-engineering of the internal structures in so far as taking the services closer to the communities, will ensure that service deliver is expedited. The Department will continue to strive to enhance and support the district level structures so as to improve service delivery. In addition, performance based monitoring is to be undertaken at a district level so as to ensure that there is improved accountability.

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Objectives	Methods Employed by the Province to Achieve Objectives
iii) Coordination between sector departments and spheres of Government.	The IGR component of the Department manages the inter-governmental relations between the department of Human Settlements, department of Environmental affairs, COGTA and implementing agents in supporting municipalities in their planning functions. Engagements with key stakeholder departments such as the Department Environmental affairs, Rural Development and COGTA will be strengthened to unblock EIA, bulks services etc in order facilitate the development of sustainable human settlements.
	The establishment of District Fora will also continue to play a fundamental role in ensuring that human settlement issues are deliberated upon and resolutions taken in order to resolve challenges experienced with both existing and planned projects.
	Ongoing consultation with the Ingonyama Development Board also ensures that land related issues pertaining to the acceleration of rural housing are achieved and this Department will continue to forge relations thereof.
iv) Achieving a convergence of government mandates across sectors.	Participation of the department in all the OSS management structures in all levels will continue in order to ensure that the plight of the most vulnerable are addressed efficiently and that the co-ordination with various sector Departments are enhanced.
	In order to address the social housing targets, the Department in addition to strengthening its current relationship with The National Housing Finance Cooperation, will also via its Memorandum of Agreement with the Social Housing Regulatory Authority promote the development of social housing in the Province.
	The Department will continue to monitor and provide support to its newly accredited municipalities that are intended to ultimately improve housing delivery within the Province.
v) Achieving a convergence of government mandates across sectors.	FLISP – The Minister of Human Settlements acting through MINMEC has approved a number of recommendations as part of a Revised Implementation Strategy for the improved administration and implementation of FLISP, including a recommendation for NHFC to administer FLISP pilot projects in each province.
	The KZN Provincial Department of Human Settlements and NHFC have thus entered into an Implementation Protocol Agreement in order for NHFC to administer and implement 4 FLISP pilot projects in the Province in line with the recommendations as approved by MINMEC.

“Every life deserves a certain amount of dignity, no matter how poor or damaged the shell that carries it.”

– Rick Bragg

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### 6.1.2 LEGISLATION AND POLICY MANDATES

Table 32: Legislation and Policy Mandates

Legislation/Policy	Implications of legislation
The Constitution of the Republic of South Africa (Act No. 108 of 1996)	<p><b>Section 26:</b> Guarantees the right to have access to housing, and takes steps to achieve the progressive realisation of this right.</p> <p><b>Schedule 4 &amp; 5 A:</b> Identifies housing delivery as a concurrent competence of the provincial and national spheres of government</p> <p><b>Section 195:</b> Public administration must be governed by the democratic values and principles enshrined in the Constitution</p> <p><b>Section 195 (1b):</b> Efficient, economic and effective use of resources must be promoted</p> <p><b>Section 195 (1d):</b> Services must be provided impartially, fairly, equitably and without bias</p> <p><b>Section 195 (1h):</b> Good human resource management and career development practices, to maximise human potential must be cultivated</p>
National Housing Act (No. 107 of 1997)	Provides for the facilitation of a sustainable housing development process.
Intergovernmental Relation Framework Act (No. 13 of 2005)	Establishes a framework for National, Provincial and Local Government to promote and facilitate intergovernmental relations and to provide a mechanism and procedure to facilitate the settlement of intergovernmental disputes.
Prevention of Illegal Eviction and Unlawful Occupation of Land Act (No 19, 1998, amended)	To provide for the prohibition of unlawful eviction; to provide for procedures for the eviction of unlawful occupiers.
National Spatial Development Perspective	<p>The NSDP deals with the reconfiguration of the apartheid spatial relations and implements spatial priorities and provides a framework for the development of national space economy. The four principles of the NSDP are as follows:</p> <ul style="list-style-type: none"> <li>• Rapid economic growth that is sustained and inclusive in order to achieve</li> <li>• Poverty alleviation;</li> <li>• Fixed investment should be focused in localities of economic growth or economic potential;</li> <li>• Programmes and projects to address poverty and provision of basic services in areas where low economic potential exists;</li> <li>• Future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link with main centres.</li> </ul>
Public Finance Management Act (No. 01 of 1999, amended)	Provides for the effective and efficient administration of State funds Promotes transparency and efficiency.

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Legislation/Policy	Implications of legislation
Comprehensive Plan for the Creation of sustainable Human Settlements Breaking New Ground (BNG)	<p>The objectives for sustainable human settlements and quality housing conditions include:</p> <ul style="list-style-type: none"> <li>• Accelerating the delivery of housing as a key strategy for poverty alleviation.</li> <li>• Ensuring property can be accessed by all as an asset for wealth creation and empowerment.</li> <li>• Leveraging growth in the economy.</li> <li>• Combating crime, promoting social cohesion and improving quality of life for the poor.</li> <li>• Utilising housing as an instrument for restructuring the spatial legacy of apartheid.</li> <li>• A fundamental principle of the Comprehensive Plan is a shift from a supply-driven approach to a demand-driven one.</li> </ul>
Millennium Development Goals	Sets out the targets for the eradication of informal settlements.
Housing Development Agency Act (No. 23 of 2008)	Facilitates the fast tracking of land acquisition and housing development services for the purpose of creating sustainable human settlements and to ensure a centrally coordinated planning and budgeting of infrastructure required for housing development.
Provincial Spatial Economic Development Strategy and Provincial Growth & Development Plan	Indicates the desired development patterns for the province to contribute towards redressing past spatial imbalances in development. Espouses a polycentric model anchored by nodes and corridors of different sizes together with priority intervention areas that have high basic needs but importantly, high economic development potential.
KwaZulu-Natal Housing Act, 1998 (Act No. 12 of 1998 as amended)	The Act enables the promotion, facilitation and financing of housing facilities in the Province of KwaZulu-Natal.
Social Housing Act, 2008, Act 16 of 2008	The Act provides for the establishment and promotion of a sustainable social housing environment; defines the functions of national, provincial and local governments in respect of social housing; and establishes the Social Housing Regulatory Authority in order to regulate all social housing institutions obtaining or having obtained public funds;

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Legislation/Policy	Implications of legislation
Rental Housing Act, 1999 (Act. No 50 of 1999)	<p>This Act defines the responsibility of government in respect of rental housing property to:</p> <ul style="list-style-type: none"> <li>• Create mechanisms to promote the provision of rental housing property;</li> <li>• Promote access to adequate housing through creating mechanisms to ensure the proper functioning of the rental housing market;</li> <li>• Make provision for the establishment of Rental Housing Tribunals;</li> <li>• Define the functions, powers and duties of such Tribunals;</li> <li>• Lay down general principles governing conflict resolution in the rental housing sector;</li> <li>• Provide for the facilitation of sound relations between tenants and landlords and for this purpose to lay down general requirements relating to leases;</li> <li>• Repeal the Rent Control Act, 1976.</li> </ul> <p>The Act establishes the Rental Tribunal to regulate and promote sound relations between landlords and tenants. More importantly the Act seeks to define the government's responsibilities with regard to rental housing. There is clear requirement to stimulate the rental housing market.</p>
Housing Consumers Protection Measures Act, 1998 (Act. No. 95 of 1998) as amended by Act No. 27 of 1999) : Act 95 of 1998	The Act makes provision for the protection of housing consumers, and to provide for the establishment and functions of the National Home Builders Registration Council.
Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988) as amended by Act No. 20 of 1998 ,Act No. 65 of 1988	The Act regulates the alienation of certain interests in housing development schemes for retired persons.
Act No. 20 of 1998	The Act amends the Housing Development Schemes for Retired Persons Act, 1988, so as to amend the definition of "housing development scheme", to provide that land subject to a housing interest may be occupied only by a retired person or the spouse of a retired person, and to repeal section 10 of the Act.
National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	The Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities, and for the prescribing of building standards.
Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)	The Act provides for the establishment of the Construction Industry Development Board (CIDB) to implement an integrated strategy for the reconstruction, growth and development of the construction industry. The CIDB Act mandates the Board to establish and maintain a National Register of Contractors and a National Register of Projects. The KwaZulu-Natal Department of Housing will be required to appoint CIDB Registered contractors on all their housing delivery projects, except where the contractors in particular are registered with the NHBC. All projects above R200 000 (R0.2 million) will also have to be registered with the CIDB. The implementation of the CIDB Register of Contractors and the Register of Projects is the 30th August 2005.



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### 6.1.3 FUNDING MODEL AND OPTIONS

The Department has experienced a cut in the budget for the Human Settlement Development Grant (HSDG) from National Department of Human Settlements due to the data update from the 2011 Census. The allocation decreases significantly in the two outer years of the MTEF as a result of the review of the current allocation formula of the HSDG. The 2011 Census data has shown significant shifts in the need for housing toward larger urban areas. The current formula for the grant does not sufficiently respond to these shifts, which therefore necessitates a review of the formula. Pending this review, the full amount of this grant has been allocated to the department in 2013/14, and only half the allocations will be allocated to provinces in 2014/15 and 2015/16. The balance of the allocations for the two outer years remains unallocated in the interim until the formula review is finalised.

The KZN financial allocation formula was approved in 2009 in order to ensure that there was a more structured approach towards the development of sustainable housing and human settlements. The objective of this formula was to provide the municipalities and provincial department with a tool to assist towards planning for medium to long term based on an informed basis and focusing on outer years. The allocation formula comprised two major elements, namely housing need allocation (60%) and development potential allocation split (40%) and took into account crucial aspects such as the share of the housing backlog weight, share of the population in the municipality, share of poverty index in the municipality and share of development corridor and nodes.

The department, however, had undergone several changes which necessitated a review of the original methodology. This included the need to realign itself with the mandate of delivery in sustainable human settlements in an outcomes based approach. Outcome 8 targets required an analysis of the formula to confirm that the KZN allocation formula was aligned to these targets. Other challenges experienced with the allocation system include amongst others:

- Focus mainly on allocation/reservation of conditional grant for municipalities with limited application of prioritising programmes, other than 2001 census data,
- Does not provide a basis for a holistic approach to the split of the grant (e.g. some areas are more prone to urban housing – yet the assessment of projects as at 2010 indicates a 70% bias toward rural initiatives),
- Amendment in terms of rural allocation in terms of Outcome 8 projections (indicate only 36% distribution whereas actual need in the areas is at least 50% in terms of the demographics of the Province,
- Does not incorporate special provisions such as Sukuma Sakhe; Outcome 8; Housing for professionals; or proposed township regeneration initiatives, and



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

- Urban-rural bias in terms of provincial demographics vs urban bias informal settlement upgrade targets

In order to address this, this Province has reviewed its allocation formula and it is intended that a revised methodology be adopted where:

- both National and Provincial Departments would agree on a basic methodology, prioritising broad Outcome 8 targets at a provincial level, thus enabling flexibility in respect of allocation between subsidy instruments categorised within the deliverables and allocation per districts,
- the allocation will be finalised at a central Provincial level to ensure strategic targets can be met, in accordance with Government priorities, informed by actual needs,
- that the allocations will be informed by the PGDS, Provincial Priorities including poorest 9 wards, and Sukuma Sakhe.

In doing so, it is anticipated that the allocation review will ensure that there is effective alignment with National Human Settlement Priorities; will allow for Provincial priorities within the National focus areas, including the Provincial Growth and development Strategy (PGDS) and Plan, Integrated Rural Development Framework and Provincial Growth and Development Strategy, and Sukuma Sakhe initiative and ensure that a flexible approach guided by needs and state of readiness of projects, rather than confinement to Regional Boundaries and backlog figures is achieved.

Table 33: Scale of rental programmes

Objectives	Methods Employed by the Province to Achieve Objectives
3.1 Upscale development of Affordable Rental Housing Stock	

i) Gearing the development of affordable rental housing to scale.

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of rental units built	315	10 954	609	2 175	975

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Challenges	Mitigation measures
Lack of human capacity. Currently there is only one official.	The new organogram has taken into consideration the establishment of a directorate that will fully focus and roll out rental housing
Limited restructuring zones	6 municipalities have been accredited and restructuring zones have been identified. The rental strategy has been finalised also to steer delivery.
Few housing institutions capable to manage and deliver social housing.	The department is in the process of negotiating with housing institutions in other provinces that are interested in expanding their business in KZN

### ii) Community Residential Units programme

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of community residential units constructed	779	3 457	2 870	2 500	2 500

Challenges	Mitigation measures
Lack of human capacity	The new organogram will address this issue
Limited understanding of the programme by municipalities	Series of workshop have been initiated especially for the aspiring municipalities to be accredited.
More rental stock is required in rural for professionals but they are above the income band	The department is in the process of developing a policy that will enable those who are above the accepted income band to benefit from rental housing

### iii) State asset maintenance

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of community residential units maintained	3 000	3 000	3 000	3 000	3 000

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Challenges	Mitigation measures
Huge deficits in rental payments arising from adverse socio-economic conditions versus the high cost of maintenance services and rates paid by the DOHS	Rightsizing of tenants to other housing initiatives that are affordable.
Culture of non-payment and lack of responsibility from tenants regarding the upkeep of buildings and structures and the responsible use of water and electricity services.	Road shows and education programmes for tenants on responsible housekeeping and obligations of tenant/landlord
Social problems such as sale of drug dealing, prostitution and crime	Interaction with COGTA and other Departments such as SAPS, Social Welfare and Health, SANDF, NGO's and the business sector.

Objectives	Methods Employed by the Province to Achieve Objectives
3.2 Facilitating the Supply of Affordable Housing Finance	

### Housing Finance linked individual subsidies (R 3 501-R 7 000)

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of houses completed	800	1 000	1 000	1 000	1 000

Challenges	Mitigation measures
<p>NDoHS approved FLISP in October 2005 to avail FLISP to Qualifying Beneficiaries who wished to obtain mortgage finance from a Lender to acquire ownership of existing improved residential property or to obtain vacant serviced residential stands which are linked to house building contracts with homebuilders registered with NHBRC.</p> <p>Since 2005 the implementation, administration and up-take of FLISP has been hindered by a number of operational and institutional impediments which prompted a reconsideration of the administration of FLISP in an effort to improve its implementation.</p>	<p>Hence, the MINMEC resolutions of the revised implementation strategy with NHFC, effective 1 April 2012. As mentioned previously, the KZN Provincial Department of Human Settlements and NHFC have thus entered into an Implementation Protocol Agreement in order for NHFC to administer and implement 4 FLISP pilot projects in the Province in line with the recommendations as approved by MINMEC. The 4 (four) identified pilot projects are Woodmead, an Integrated Residential Development project in Ethekwini with approximately 250 FLISP subsidies; Rocky Park, an Integrated Residential Development project in Ilembe with approximately 350 FLISP subsidies; Merlewood, an Integrated Residential Development project in Ugu with approximately 177 FLISP subsidies, and the "Individual FLISP pilot project" for all individual applications as submitted by the financial institutions from all areas in KZN, and not forming part of the above-named 3 (three) FLISP pilot projects.</p> <p>KZN has also developed and the MEC has approved a Non FLISP Policy for persons earning R 3 500 – R 15 000, with the same policy prescripts as the FLISP excepting that the financial institutions are not involved – rather people access their savings.</p>

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### Individual housing subsidy (R0-R3500) non credit linked

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of houses completed	700	950	1 100	800	800

Challenges	Mitigation measures
All operational challenges to date with back-logs and lack of internal capacity for inspections have been alleviated. However, an ongoing challenge is that of the risk element of fraud in applications. In addition, the individual subsidy is open to abuse where families are gaining more than one subsidy per household, for the same house. An added challenge is that of conveyancing and transfer fees being excessive when considering the low income households, but is allowable in terms of tariff.	Applications are scrutinised and any irregular applications are forwarded immediately to Internal Controls and / or SIU. When effecting procedural checks, personnel ensure that surnames and domicilliums are different and so too, the property being purchased. If necessary, additional information is requested of the applicant. Policy has approved this methodology of controls.

### Enhanced Extended Discount Benefit Scheme

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of residential properties transferred to beneficiaries through the EEDBS	1 605	1 605	1 605	1 000	1 000

Challenges	Mitigation measures
Rates clearance certificates can only be obtained provided that beneficiaries are up to date with accounts held with the municipality in respect of service charges (electricity, water, rates).	Municipalities to review bylaws and perhaps issue rates clearance certificates subject to beneficiaries entering into acknowledgement of debt.
There are in certain instances where beneficiaries are still required to pay outstanding settlement figures after application of EEDBS. The new credit regulation by the commercial banks makes it difficult for beneficiaries to qualify for bonds.	Policy to be reviewed to consider write-offs in such instances.
A major portion of the old housing stock is in a poor and inhabitable condition and requires to be rehabilitated in terms of the provisions of the policy on Rectification of residential properties erected pre-1994, before EEDBS can be implemented	Urgent roll-out of the rectification programme in all affected areas.
Some Municipalities lack internal capacity to manage transfers in terms of the EEDBS	To fund the municipalities to outsource the mplementation of the EEDBS process

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

OBJECTIVES: METHODS EMPLOYED BY THE PROVINCE TO ACHIEVE OBJECTIVES

### 6.1.4 LAND, URBANIZATION AND SPATIAL MANAGEMENT

Province should demonstrate a spatial form which facilitates a compact urban form, facilitation of higher densities, mixed land use development and integrating land use environments with access to places of opportunity.

Table 34: Land, Urbanisation and Spatial Management

Objectives	Methods Employed by the Province to Achieve Objectives
6.1 Acquiring hectares of well located State land	
i) Land Audit	The department has developed a register of land vested in the Provincial Government in terms of General Power of Attorney 540/1997. The department has engaged with the National Department of Public Works to reconcile the asset register of the provincial state land.
ii) Land	The department provides a budget to fund the acquisition of land for human settlements. An implementation protocol has been signed with the Housing Development Agency (the HDA). The HDA will provide the required capacity to identify, evaluate, undertake feasibility of the land for development, and the acquisition of the land.
iii) Land parcels procured (other funding)	The department has an Implementation Protocol with the Department of Rural Development and Land Reform (RD&LR), which provides for funding from RD&LR for private land acquisition for human settlements.
iv) Land parcels devolved to municipalities	The department has targeted the devolution of 1220 hectares of state land to municipalities. The devolution/disposal will be by deed of transfer or Land Availability Agreement to Municipalities to undertake human settlement development.
v) Private partner initiatives	N/A

vi) Land parcels procured (IHAHSD Grant)

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of land parcels acquired for human settlement development	1 850	2 100	2 100	2 100	2 100

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### vii) Land parcels devolved to municipalities

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of properties devolved to municipalities	62	62	62	-	-

Objectives	Methods Employed by the Province to Achieve Objectives
<b>6.2 Urbanisation and spatial management</b>	
i) <b>Efficient</b> response to rapid urbanization.	Through the development of identified rural nodes through the provision of a host of community facilities and economic opportunities, it is expected that the need or desire to migrate towards urban areas will slow down. The ISU programme will also go a long way to formalize these areas into vibrant and productive areas that can become extensions to suburbs rather than aberrations.
ii) <b>Integration:</b> Spatial, social and economic integration initiatives to address previous social exclusion, by promoting a mix of race and classes through social cohesion.	The development of all areas will give serious consideration to the greater variety of shelter choice. The notion that only RDP type houses can be delivered will be changed especially in areas where the pressure on land availability is greatest. The move to higher densities, where appropriate, will be implemented through a process where we build communities rather than houses. Well located land will greatly assist in breaking down the “apartheid” style of planning that, unfortunately, has continued even to today.
iii) <b>Access:</b> Providing access to economic opportunities and job creation.	Economic development and job creation cannot be seen as part time employment and skills transfer during the course of the construction process. A lot more has to be done and through the roll out of LED projects aligned to the opportunities that exist within respective communities, long lasting empowerment can be achieved. It therefore becomes imperative that human settlement projects cannot be viewed in isolation and must involve other role players to provide a total package.
iv) <b>Safety:</b> Initiatives towards safe and healthy living conditions, in settlements.	The provision of basic services and consideration for human safety is factored in, in the planning process, especially at community engagement level. Recycling type projects can assist in this regard together with massive educational programmes. Local municipalities have a huge role to play in ensuring health living environments.
v) <b>Choice:</b> Mixed Housing development through promoting processes such as densification and urban renewal.	A greater emphasis is being placed upon the ability of an individual to exercise his or her choice in terms of adequate shelter. The stereo typing of row upon row of the exact same product will give way to a combination of housing typologies from single unit to multi-storey rental. The IRDP programme will cater for this.
vi) <b>Choice:</b> Provision of variety of tenure options and housing typologies.	Social housing with rental or rent-to-buy schemes will be developed together with other forms of urban living.

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Objectives	Methods Employed by the Province to Achieve Objectives
<b>6.2 Urbanisation and spatial management</b>	
vii) <b>Balance:</b> Balance between places where we live-work-play through provision of community and recreational facilities.	The new image or vision is to build communities and no longer just houses. This means that a lot more role player service delivery agents are needed to commit their respective budgets to deserving projects. At the end of this, these communities need to become self-contained with a range of facilities and opportunities being available within the immediate vicinity thereby reducing travel time to and from employment opportunities.
viii) <b>Emergency housing:</b> Meeting of special housing needs.	<ul style="list-style-type: none"> <li>• This Province is notably prone to natural disasters and the Department has therefore put in mechanisms to rapidly response to individuals in distress. Housing provisions by way of either voucher for repairs, or formal structures is provided to the unfortunate.</li> <li>• The Department participates in the Provincial Disaster Management Forum in order to ensure that emergency needs are effectively co-ordinated and addressed.</li> <li>• The Provincial Operation Sukuma Sakhe is also aimed at meeting the housing needs of destitute expeditiously as well as this Province's endeavour to fight poverty in a sustainable manner.</li> </ul>
ix) <b>Diversity:</b> Celebration of cultural identity and diversity.	Greater emphasis needs to be given to community identity and such inhabitant's ability to influence design and shape of development.
x) <b>Sustainability:</b> Sustainable resource use in a manner that generates positive private investment response from public investments using an incremental approach.	The greatest aspect to attract investment to any area is stability. Stability only comes through the local community having a meaningful stake in their future. Thorough Economic Development analysis of opportunities must be concluded to begin to awaken potential and opportunities. There exists enough good will from business and industry to want to get involved and to assist.

### 6.1.5 SKILLS AND CAPACITY

The Department is still faced with major technical and capacity constraints. The Department has adopted a twofold approach, whereby it is addressing the matter by embarking on the filling of critical technical and support posts by utilizing Operational Capacity funds to support this endeavour. In addition, it is currently utilising Provincial Treasury's crack team services to provide technical support function in order to facilitate the achievement of this Department's objectives. Technical assistance to address housing delivery blockages and provide support to the municipalities are amongst the initiatives that are to be undertaken by this unit.

Capacity Building Programmes for the recent accreditation of the metro and 6 municipalities are also anticipated to improve skills and resource capacity over the forthcoming years and it is intended that these municipalities will ultimately be capacitated to provide housing functions in their respective areas thereby improving service delivery.



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

The department will continue to focus on conducting capacity building workshops with relevant stakeholders such as the municipalities and other relevant community structures such as Amakhosi, Izinduna, Ward committees and CBO's. Housing Consumer Education programmes will also be undertaken to ensure that beneficiaries are capacitated on how to maintain and improve on houses through structural improvement and social improvement such as planting trees and vegetable gardens.

Training programmes to skill the most vulnerable groups such as the youth and women in order to make them employable in housing projects as well as implement a programme for the emerging contractors is also intended to ensure that the skills shortages experienced in the housing sector is addressed.

### 6.1.6 INFRASTRUCTURE DEVELOPMENT AND ACCELERATE UPGRADING OF INFORMAL SETTLEMENTS

Table 35: Infrastructure Development and Upgrading of Informal Settlements

Objectives	Methods Employed by the Province to Achieve Objectives
<b>6.1 ICT infrastructure: Mapping Infrastructure</b>	
i) Geographic Information Systems (GIS)	All known informal settlements have been spatially referenced and mapped. The ISU strategy is currently being implemented where by a rapid upfront analysis of each and every informal settlement will be undertaken to determine its category for upgrading
<b>6.2 Rural Development</b>	
ii) Alternative sanitation	Currently, VIP's are being rolled out as the sanitation solution of choice. Where environmental concerns negate this, other systems will be implemented.
iii) Projects/ settlements provided with sustainable water and sewer solutions	As an initial intervention, emergency services will be provided and dependant on the categorisation of each informal settlement, other options will be considered.
iv) Rural housing: communal land rights	Engagement is occurring with ITB on an on-going basis to consider the option of longer leases that would make it easier to obtain bond finance.
v) Houses built with sustainable building technology	1% of the grant allocation is to be set aside for the provision of show houses.
<b>6.2 Rectification Programme</b>	
vi) Rectification of RDP stock	Details reflected below.
vii) Rectification of other housing stock	Details reflected below
<b>6.4 Accelerate the Upgrading of Informal Settlements (400,000 HH) and Formalisation</b>	
viii) Informal Settlement Upgrading and formalisation	Refer to Human Settlement Development Grant for the 2013/14 financial year
ix) Integrated Residential Development phase 1 and 2	Refer to Human Settlement Development Grant for the 2013/14 financial year

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

6.4 Accelerate the Upgrading of Informal Settlements (400,000 HH) and Formalisation	
x) Integrated residential development programme phase 4: top structure construction	Refer to Human Settlement Development Grant for the 2013/14 financial year
xi) Enhanced Peoples Housing process	Refer to Human Settlement Development Grant for the 2013/14 financial year
xii) Social Housing Capital Grants for rental Housing	Refer to Human Settlement Development Grant for the 2013/14 financial year
xiii) Project linked subsidies	Refer to Human Settlement Development Grant for the 2013/14 financial year

### Rural housing: communal land rights

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of housing units completed for rural housing	8 481	5 662	7 392	10 997	9 316

Objectives	Methods Employed by the Province to Achieve Objectives
<p>Rural densification, no clear policy and guidelines, reluctance of people and Traditional Authority to relocate from site.</p> <p>One house per Umuzi policy, which restricts the provision of a subsidy to one house per homestead and therefore limits the number of subsidies and provides for social challenges</p> <p>Inaccessibility, difficult terrain delays construction.</p> <p>Challenges with allocation, houses are not always allocated to the most needy, vulnerable and aged.</p>	<p>Province has developed a densification model and will roll-out Rural densification through Pilot projects. Rural densification may not be strictly applicable to all Rural projects but will be applicable on a project by project basis.</p> <p>Provincial Policy has been refined. Constitution provides for housing on a progressive basis, thus the needs of the most needy will be prioritised.</p> <p>Also need for workshops / facilitation with community IA's need to identify sites that cannot be accessed prior to signing up of beneficiaries, so not to create expectations.</p>

### Rectification of RDP Stock (1994-2002)

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of RDP houses rectified	1 662	1 193	3 168	-	-

Objectives	Methods Employed by the Province to Achieve Objectives
NHBRC assessment process can be long and time-consuming .	Reduced Time frames to be effected with NHBRC.

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Objectives	Methods Employed by the Province to Achieve Objectives
Additional costs in terms of relocation, demolition Transit camps, etc	Additional monies are approved

### vi) Rectification of other housing stock (pre-1994)

Performance Measure	Five-year Target				
	2013/14	2014/15	2015/16	2016/17	2017/18
Number of other housing stock rectified	884	2 000	2 000		

Objectives	Methods Employed by the Province to Achieve Objectives
The current subsidy quantum is insufficient to cover the cost to demolish and rebuild like for like.	A review of the subsidy quantum in line with market prices is necessary
The policy is not in line with the policy relating to the removal and disposal of asbestos roofs and more than 80% of affected units have asbestos roofs. The subsidy quantum is insufficient to cover the costs associated with the removal and disposal of asbestos roofs.	A review of the subsidy quantum in line with policy on removal and disposal of asbestos roofs is necessary
The policy does not unpack the subsidy quantum in terms of costs in relation to milestones when implementing rectification projects	

“The future depends on what you do today.”

– Mahatma Gandhi



# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

### 7.0 CONCLUSION

### 7.1 RISK MANAGEMENT PLAN

Strategic Objective	Challenges/Risks	Mitigation measures
Improve the quality of housing delivery, including systems, procedures and the products.	Infrastructure	The department has enhanced its IGR capability to engage effectively with the other spheres of government, especially the municipalities whose function is the delivery of infrastructure to areas where the human settlements are developed.
	Environment Impact Assessment	The department has improved the relationship with the different stakeholder to ensure effective resolutions of the environmental impact issues that may retard the implementation progress. A SLA with the Department of Environment Affairs has been developed to deal with the standards of performance to the extent that this process is fast tracked.
	Accreditation and capacitation of municipalities	We will capacitate the accredited municipalities in order to promote effective integration and coordination between the district families of municipalities to improve planning and service delivery. The capacitation of accredited municipalities will see the opportunity of regionalization and promotion of strategic district focus where resources are pooled together to achieve the economies of scope and scale to promote the development of communities in a much more structured and efficient manner that we are currently experiencing. We see this strategy dovetailing closely with the work currently being done by the planning commission through the Provincial Spatial Economic Development Strategy as well as the Provincial Growth and Development Plan.
	Sub Standard Houses	<ul style="list-style-type: none"> <li>• Un-scheduled site visits will also be undertaken by the Risk Management Unit.</li> <li>• The establishment of the PMU will also play a pivotal role as increased technical resources will be available to closely monitor the quality of the housing product.</li> <li>• Project and home enrollments with NHBRC will also be undertaken.</li> <li>• Inspections by departmental inspectors and NHBRC inspectors to ensure that quality houses are produced.</li> </ul>

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Strategic Objective	Challenges/Risks	Mitigation measures
Eradication of slums in KwaZulu-Natal by 2014	KZN Slums Act not aligned with the Constitution	Amendment to the section that is conflict with the Constitution is to be finalized.
	Socio-political impact on beneficiary allocation / identification	<ul style="list-style-type: none"> <li>List of potential beneficiaries to be adopted by municipality's council i.e. Council resolution.</li> <li>Finalise housing needs database.</li> </ul>
	Informal Settlements Upgrade	<ul style="list-style-type: none"> <li>The key deliverables on this output will be the identification of well-located affordable land for the implementation of the informal settlements upgrade. The key focus area will be the reduction of the informal settlements in the 22 municipalities. Informal Settlements are mainly located in the eThekweni Metro and the six accredited municipalities.</li> <li>Department and Housing Development Agency to develop a strategy on more effective land utilization</li> </ul>
	Disaster Management	<ul style="list-style-type: none"> <li>The department will focus its efforts on the eradication of the housing disaster rehabilitation programme. This is impacted upon by the funding that comes after adjustment from national Treasury and in most cases it is not adequate to cover the total cost of the disaster. In this regard the department will do an audit of the outstanding disaster rehabilitation and develop an action plan to address the backlog and to allocate funding in the MTEF for the eradication of the backlogs.</li> </ul>
	Land Mobilization	<ul style="list-style-type: none"> <li>To achieve the Informal Settlements Upgrade the department will prioritize the mobilization of well-located and appropriate land for human settlements in areas that a located closer to services and economic activities. We also need to prioritize the redress of the Apartheid settlements, which put communities in the periphery of the urban areas. This will also require the negotiation of the rural resettlement patterns to ensure that people are located in rural areas who cannot access services because the settlement patterns.</li> <li>Department and Housing Development Agency to develop a strategy on more effective land utilization</li> </ul>

# ANNUAL PERFORMANCE PLAN PART D

## FIVE YEAR HORIZON

Strategic Objective	Challenges/Risks	Mitigation measures
Accelerate housing delivery in rural areas	Rural Housing Development	The department being located in a largely rural province is focusing on the rural areas as part of the informal settlements upgrade mainly due to the type of dwelling that are found in the rural areas, giving rise to the disaster challenges especially during the storms and rainy seasons. By virtue of being built houses using poor materials rural household are in the same predicament that the people living in the informal settlements find themselves. Various development options will be explored and aligned with the National Development Plan and Integrated Rural Development Plan.
Accelerate hostels redevelopment and Community Residential Units (CRU) programme	Hostel Upgrade and Community Residential Units	The department will implement the developed strategy for hostel upgrade and the establishment of the CRU units to enhance the access to proper low cost rental housing in a sustainable manner to ensure long term viability.
	Review and management of housing Assets	The department will finalise the process of cleaning up the housing asset register and provide certainty and clarity to the state liability as far as the assets and the value are fully accounted for and fully documented.
Create rental and social housing opportunities	Developing new restructuring zones to promote social housing	The department has developed a rental housing strategy that will unlock the development of the new social housing initiatives residential units throughout the province.

### 7.2 PROGRAMME/PROJECT PLANNING AND IMPLEMENTATION

Kindly consult the Business Plan submitted by the Department together with the comprehensive Project List.

“Service to others in their time of need is a privilege and an honor.”

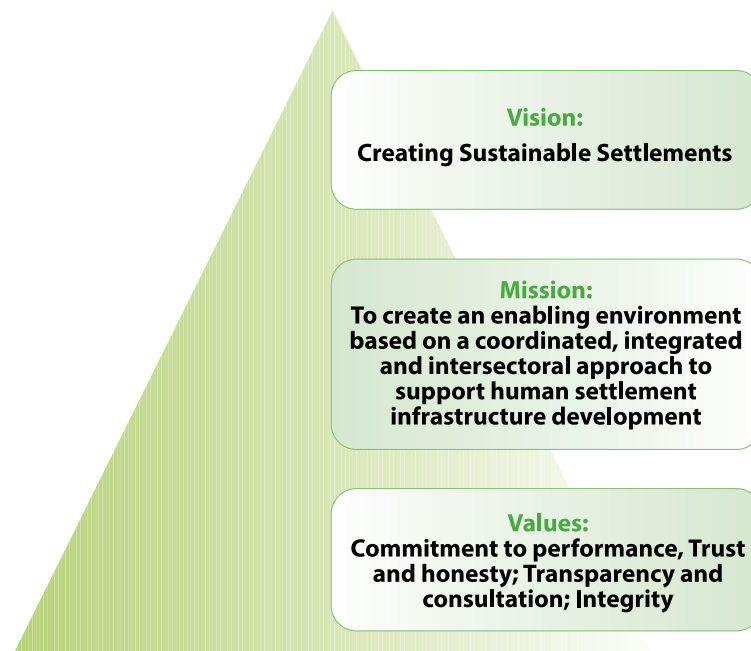
— Harley King



## CHANGES TO THE 2010/11-2014/15 STRATEGIC PLAN

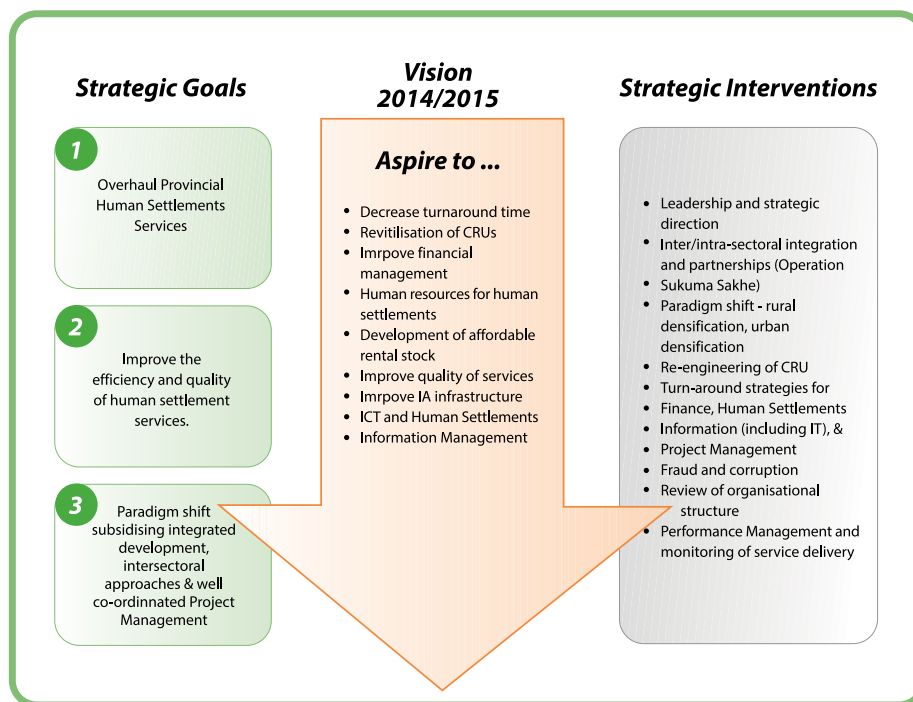
With guidance and leadership from the MEC for Human Settlements and the Acting Head of Department, the Department conducted a Provincial planning workshop in the 2nd quarter of 2012/13 to review performance and determine strategic priorities for the 2013/14 Annual Performance Plan. Delegates included Senior and Deputy Managers, Head Office Managers and District Management.

Emanating from the review changes to the Vision, Mission, Values and Strategic goals were accordingly undertaken and reflected hereunder:





# ANNEXURE A



The strategic objectives per Programme are as follows:

No.	Programme	Strategic Objective
1	Administration	To provide strategic leadership to the housing delivery programmes
2	Housing Needs, Research and Planning	Accelerate the provision of housing opportunities (number of units in the housing pipeline).
3	Housing Development	To reduce the provincial Housing Backlog (census 2011 figure less houses built)
4	Housing Assets Management, Property Management	Promote security of tenure (number of EEBDS houses remaining to be transferred)



## INDICATOR DEFINITIONS

## PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

Indicator title	Number of acts passed / or policy guidelines approved
Short definition	To amend the Housing Development Act of 1999 to be in accordance with the legislative framework developed by the National Department of Human Settlements/To develop policy guidelines in line with legislative and policy mandates to enhance/facilitate housing delivery
Purpose/importance	To enhance the housing delivery instrument in line with the national and provincial strategic priorities
Source/collection of data	Consultation with relevant stakeholders
Method of calculation	Number of Bills finalised
Data limitations	Ineffective participation from relevant stakeholders
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To provide guidance regarding compliance with the implementation of housing strategic programmes and projects
Linkages to other plans	NDoHS
Indicator responsibility	Director: Policy and Research



## ANNEXURE B

Indicator title	A Multi Year Housing Development Plan /Annual Performance Plan
Purpose/importance	To deliver integrated sustainable human settlements based on sound planning which will enable predictability on future human settlement developments and assist to measure non-financial targets
Source/collection of data	Consultation with internal stakeholders
Method of calculation	Annually
Data limitations	All Spatial Development and Human Settlement plans not yet credible
Type of indicator	Process indicator
Calculation type	None-accumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Reliable and sound data on financial targets
Linkages to other plans	NDoHS
Indicator responsibility	Director: Planning and Strategic Support
Indicator title	No. of planned human settlement (housing) developments based on IDPs and National and Provincial priorities approved
Short definition	To ensure that all viable project applications received are approved timeously and conforms to Nationally / Provincially approved housing programmes
Purpose/importance	Contributes to the delivery of human settlements and ultimately expenditure of DORA allocations
Source/collection of data	Minutes of Human Settlements Evaluation and Approval Committee
Method of calculation	Departmental Business Plan / Municipal Human Settlement Plans
Data limitations	The lack of credible Human Settlement Plans
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Human Settlement Development and budget expenditure
Linkages to other plans	NDoHS indicator, Departmental Business Plan
Indicator responsibility	Director: Integrated Planning

## ANNEXURE B

Indicator title	Number of municipalities capacitated and supported with regard to human settlement (housing) development planning
Short definition	Tailor made training programmes based on specific needs at municipal level to strengthen human settlement planning abilities
Purpose/importance	To deliver integrated sustainable human settlements based on sound planning which will enable predictability on future housing developments
Source/collection of data	Operational plan
Method of calculation	Attendance register of training courses
Data limitations	None
Type of indicator	Process indicator
Calculation type	Non accumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Capacitated municipalities in terms of HSPs, SDFs and IDPs
Linkages to other plans	NDoHS
Indicator responsibility	Director: Integrated Planning
Indicator title	Number of research papers completed
Short definition	To provide information on international best practices in the housing sector in a manner that will impact intensively in the attainment of strategic priorities
Purpose/importance	To assist the Department to ensure the realization of developing integrated and sustainable human settlements in the housing delivery chain
Source/collection of data	Copy of completed research paper
Method of calculation	Cumulative
Data limitations	Lack of participation of relevant stakeholders
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Formulation of the departmental housing policy/ policy guidelines envisaged to enable effective implementation of housing policy and the relevant legislative frameworks
Linkages to other plans	NDoHS
Indicator responsibility	Director: Policy and Research

# ANNEXURE B

## PROGRAMME 3: HOUSING DEVELOPMENT

Indicator title	Total no. of new housing units completed in the province across all housing programmes being utilized by the Province
Short definition	To track the provision of new permanent houses provided per programme per municipality
Purpose/importance	To measure the impact of the provision of new housing against the housing demand
Source/collection of data	Form 4 signed
Method of calculation	Total houses delivered on all projects the Province
Data limitations	Dependent on accurate reporting on PMU database
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Linkages to other plans	NDoHS indicator, Departmental Business Plan
Desired performance	100% of target achieved
Indicator responsibility	Chief Director: Human Settlement Project Management

Indicator title	Total no. of houses connected to basic services as part of the Informal Settlements Upgrading Programme
Short definition	Provision of access to basic services through a phased approach to development within informal conditions
Purpose/importance	Increased access to basic services
Source/collection of data	Form 4 signed
Method of calculation	Percentage of progress on civil works converted to a number
Data limitations	Depends on accurate reporting on PMU database
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Linkages to other plans	NDoHS indicator
Desired performance	100% of target achieved
Indicator responsibility	Chief Director: Human Settlements Project Management

## ANNEXURE B

Indicator title	Total no. of emergency housing and other housing opportunities provided
Short definition	Total number of households assisted in term of EHP, CRU upgrades and rectification of stock
Purpose/importance	Provision of housing opportunities in terms of the programmes mentioned above
Source/collection of data	Form 4 signed
Method of calculation	Total of all EHP, CRU upgrades and rectification projects
Data limitations	Depends on accurate reporting on PMU database
Type of indicator	Output indicator
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Linkages to other plans	Departmental Business Plan
Desired performance	100% of target achieved
Indicator responsibility	Chief Director: Human Settlement Management

### PROGRAMME 4: HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT

Indicator title	Number of rental units sold to beneficiaries
Short definition	Number of departmental rental units sold to qualifying tenants through the EEDBS
Purpose/importance	To promote home ownership
Source/collection of data	Deed of sale on file
Method of calculation	Cumulative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	100% of target achieved
Linkage to other plans	NDoHS indicator
Indicator responsibility	Director: Property Management

## ANNEXURE B

Indicator title	Number of Departmental rental units
Short definition	Number of Departmental rental units transferred to qualifying tenants
Purpose/importance	To promote home ownership
Source/collection of data	Copies of deeds search reports listing details of the owner, size of property, date of purchase, date of transfer
Method of calculation	Cumulative
Data limitations	Dependent on data received timeously to process transfers
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Linkages to other plans	NDoHS indicator
Desired performance	100% of target
Indicator responsibility	Director: Property Management

Indicator title	Number of debtors reduced per financial year
Short definition	Reduction of the number of debtors in the department's book through EEDBS
Purpose/importance	To promote home ownership
Source/collection of data	National Debtor System
Method of calculation	Cumulative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Linkages to other plans	NDoHS indicator
Desired performance	100% of target
Indicator responsibility	Director: Property Management







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**human settlements**

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Human Settlements  
**PROVINCE OF KWAZULU-NATAL**