

Progress In Developing Integrated And Sustainable Human Settlements

National Council Of
Provinces
By
Minister M.T. Kubayi (MP)

8th March 2022



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

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Presentation Outline

1. The Rationale For Integrated Human Settlements
2. Strategic Focus For Human Settlements
3. Policy and Legislative Mandate
4. Interventions to address policy implementation challenges
5. Interventions in Entities to address policy implementation challenges
6. Human Settlements Priorities - Medium Term Strategic Framework 2019-2024
7. Macro Planning Framework
8. Progress On MTSF Targets
9. Macro Funding Framework
10. Monitoring and Oversight
11. Recommendations

1. Rationale For Integrated Human Settlements

1. To address the entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency resulting to increased poverty and inequality by:
 - a) Creating opportunities for liveable, inclusive and resilient towns and cities;
 - b) Improving participation of the disadvantaged in the residential property market; and
 - c) Increasing the asset creation potential of the state's investments in human settlements

2.1. Current Policy and Legislative Priorities

1. Series of new policy instruments, legislative frameworks and strategies have been introduced since the promulgation of the Housing Act in 1997;
2. Current Act not aligned to these changes for effective programme and policy implementation
3. The sector has changed significantly with a diversified National Housing Code and the Housing Act remains unchanged.
4. The macro-planning environment also demonstrates significant changes as the state relooked the manner in which it developed targets and assigned responsibilities;
5. The Housing Act remains misaligned to housing programmes, policies and legislation frameworks presents implementation shortcomings and misconceptions of the meaning of human settlements.

2.2. Short To Medium Term Policy Review and Consolidation Action Plan

1. Consolidation into draft policy is currently underway;
2. Consolidated draft policy will be subjected to SEIAS, Executive Authority, & MinMec,
3. Policy Foundation for Human Settlements Act is approved by Cabinet
4. Projected that a draft Human Settlements Development Bill is completed for consultation during the current financial year;
5. Subject a draft bill to required approval processes – Executive Authority, Intergovernmental, MinMec, Clusters and Cabinet and Public Comments
6. Introduction of bill to Parliamentary at beginning of 2023

3. Actions Undertaken To Address Spatial Inefficiencies

- For the realisation of integrated and sustainable human settlements, 136 Priority Human Settlements and Housing Development Areas were declared in 2019 with the objective to direct development and investments to areas closer to economic opportunities.
- The review of the funding model also commenced and resulted to the introduction of a funding instrument dedicated for the upgrading of informal settlements.

Interventions to address policy implementation challenges

- Work is underway to consolidate our grants to be more flexible and reduce housing delivery times
- The structure of the HSDG has been reconfigured to allow for delivery of Bulk infrastructure for up to 30% of the grant especially in rural provinces – this is conditional
- In financial year 2022/23 we will start implementing front-loading in two provinces, NC and EC, which will allow us to significantly increase the scale of housing delivery in a short space of time through Infrastructure Grant and development
- We have partnered with the Infrastructure Fund to accelerate the delivery of large social housing projects
- The Department will intervene directly in municipalities for capacity building around

Human Settlements delivery

Interventions to address policy implementation challenges

- The FLISP programme has been expanded to include the rural areas permission to occupy (PTO) Government Employee Housing Scheme, housing loans supported by the Employer-Assisted Housing Scheme and Cooperatives or Community-based Schemes such as Stokvels
- Residential Rent Relief Policy, was put together to assist those affected by the COVID-19 pandemic to meet their rental obligation and this relief fund will now prioritize military veterans and the elderly
- The intervention in disaster has been reconfigured to include new expedite repairs through a voucher system and also allow the provinces and metros to utilize available funds from HSDG and ISUP to intervene in dealing with the damage

Interventions in Entities to address policy implementation challenges

- HDA
 - With the New Board in place, the appointment of the executives is underway which will soon bring stability to the entity
 - We are restructuring the HDA to be a developer of choice in the human settlements sector
- SHRA
 - The new board is in the process of appointing executives
 - Restructuring also underway to enable SHRA to lead the development of Social Housing
 - SHRA to lead the delivery of PPP models in Social Housing (crowding-in private sector)
- NHFC
 - Appointment of board on its final stages
 - Work underway to convert the NHFC into Human Settlements Bank
 - The bank will be positioned to crowd-in funding for Human Settlement projects

Interventions in Entities to address policy implementation

- **NHBRC**
 - Capacity drainage led to the entity remaining with one permanent executive
 - The new council has begun the process of appointing executives to help stabilise the organization
- **CSOS**
 - A new board has brought stability to the Entity
 - The entity will assist us to consolidate the regulatory aspect of the human settlements delivery system
- **PPRA**
 - The new Act came into effect on 01 February 2022 and with it a new board
 - The Entity is now empowered through the Act to implement transformation initiatives in sector that remains largely untransformed

4. Human Settlements MTSF Priorities For 2019 – 2024

Outcome	Intervention	2024 Targets	
Spatial transformation through multi- programme integration in priority development areas	Invest in 94 priority development areas (PDA's)	94 PSHDA's invested in and integrated programmes completed	
	Rezone 100% of land acquired in 2014 - 2019 that falls within the PDAs for human settlement development	100% of acquired land during 2014-2019 falling within the PDAs rezoned	
Adequate housing and improved quality living environments.	Deliver housing units through subsidy mechanism	450 000 housing units through subsidy mechanism delivered	
	Approve applications and purchase units for the Finance Linked Individual Subsidy Programme (FLISP)	20 000 households that received financial assistance and purchased units through FLISP	
	Deliver serviced sites.	300 000 serviced sites delivered	
	Deliver social housing/ rental housing units in PDAs	18 000 rental housing units delivered in PDAs	
	Deliver community residential units (CRU in PDAs	5 000 community residential units (CRU in PDAs	
	Upgrade informal settlements to Phase 3	1 500 informal settlements upgraded to Phase 3 of the Informal Settlements Upgrading Programme	
Security of Tenure	Eradicate backlog and issuing of new title deeds	Pre- 1994: 45 535	2019-2024): 300 000
		Post-1994: 500 845	
		Post- 2014: 346 842	

4.1. Principles Underpinning The Achievement Of Integrated Human Settlements

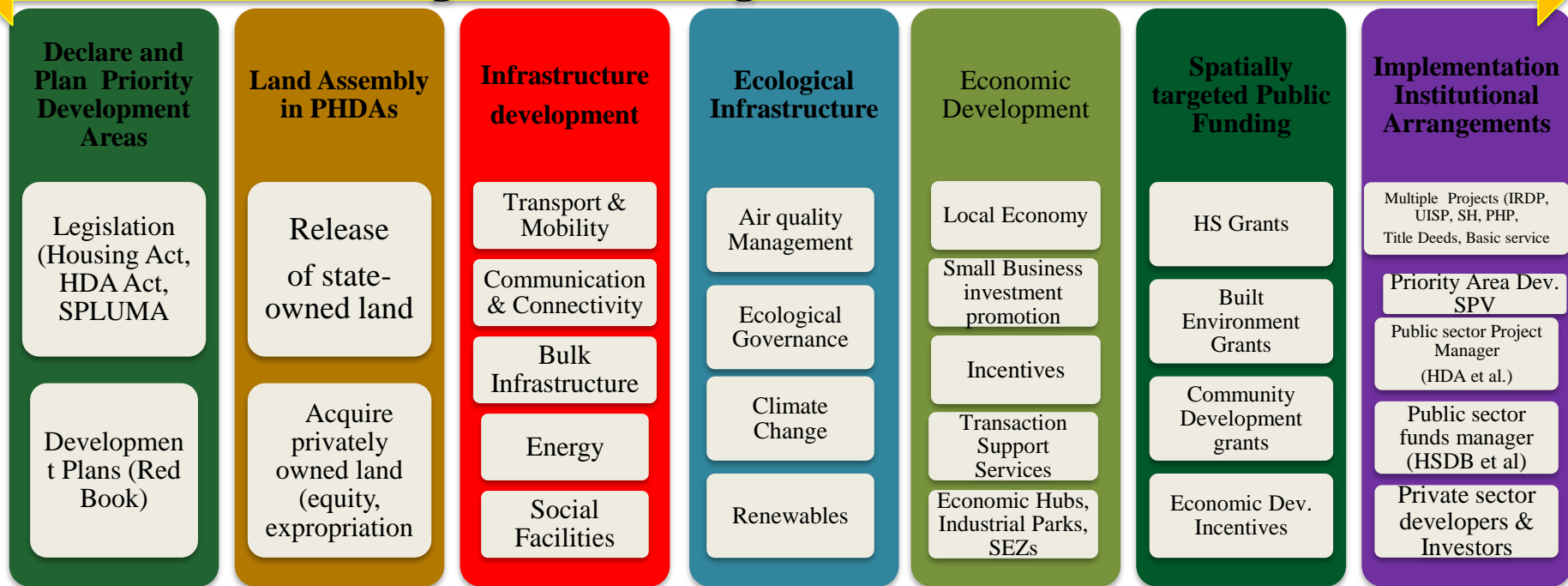
- 1) Digitization of the beneficiary list to ensure transparency and credibility
- 2) Coordinated investments with other sector departments, municipalities and state entities to the identified Priority Human Settlements and Housing Development Areas – in line with the District Development Model.
- 3) Coordinated development of infrastructure and ensuring sequencing of budgets and implementation plans with other sector departments and other stakeholders.
- 4) Implementing a multi-sector response on public –private partnerships to improve social, economic integration.

5. Macro Planning Framework For Human Settlements

- 1) The planning framework for human settlements considers intergovernmental coordination as the cardinal principle underpinning the success of human settlements, also taking into consideration the concurrency of the function.
- 2) As such, the declaration of Priority Human Settlements and Housing Development Areas served as a reform for the government planning system-thus influencing Local government planning processes through the growth plans-SDF's and Provincial plans.
- 3) The commitment to invest in the declared PSHDA's by all stakeholders, would result into well planned, budgeted settlements with the required infrastructure, social services such as schools, health care facilities as well as social amenities.

5.1. Priority Human Settlements and Housing Development Areas Implementation Approach

Programme Management & Governance



Community participation and Stakeholder mobilization

Monitoring and evaluation

6. Progress In Implementing The MTSF Targets



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Gazette 43316: Declaration Of PSHDA's

Province	Number Of PSHDA's	Number Of District Municipalities With PSHDA's	Number Of Metropolitan Municipalities With PSHDA's	Number Of Local Municipalities With PSHDA's
Eastern Cape	12	4	2	6
Free State	10	3	1	5
Gauteng	26	2	3	4
Kwa Zulu Natal	22	9	1	9
Limpopo	11	5	-	8
Mpumlanga	16	3	-	10
North West	14	4	-	9
Northern Cape	6	4	-	5
Western Cape	19	4	1	11

Land Acquisition - Preparation and Release

1. Cabinet approved – 14 105 ha(167 portions) held by the DPWI was approved for release for human settlements development through the issuing of Powers of Attorney to the Housing Development Agency
2. Progress:
 - Released in 2021/22 = 2491, 043 (next 3 slides)
 - To be released in 2022/23 = 7168,0267

Province	No of Properties	Extent
EC	3	532,7631
FS	1	258,3351
KZN	8	5160,653
LP	1	50
MP	1	21,4133
NC	3	0,6819
WC	16	1144,1803
Total	33	7168,0267

Current Progress on MTSF 2019/24 Targets, Outputs and Outcomes

Outcome	Indicator	2019 Baseline	2024 Targets	Actual Progress (Outputs)	%
Spatial Transformation Through Multi-Programme Integration In Priority Development Areas (Urban Focus)	Number of PDA's invested in	New indicator	94	102 HSDG 42 ISUPG	
	% of acquired and during 2014-2019 rezoned falling within the PDAs	New indicator	100% of acquired land rezoned (<u>19 962.2 ha</u>)	2.7% (519.5063)	2.6%
Adequate Housing And Improved Quality Living Environments	Number of BNG Houses delivered	448 022	300 000	146 550	49%
	Number of households that received financial assistance and purchased units through FLISP	9 762	20 000	11 136	56%
	Number of Serviced sites delivered	256 923	300 000	118 564	40%

Current Progress on MTSF 2019/24 Targets, Outputs and Outcomes

Outcome	Indicator	2019 Baseline	2024 Targets	Actual Progress (Outputs)	%
Adequate housing and improved quality living environments	No. of rental housing units delivered in PDA's		18 000	6 689	37%
	No. of Community Residential Units (CRU)	7 088	5 000	1 190 new 68 upgraded	24%
	No. of informal Settlements formalised/ upgraded to Phase 3 of the Informal Settlements Upgrading Programme	New indicator	1 500	-	-

Number Of Informal Settlements Upgraded Provincial & Metropolitan Municipal Projects

PROVINCE	UISP PHASE			PROJECTS
	1	2	3	
Western Cape	-	8	50	58
Eastern Cape	-	114	-	114
Northern Cape	1	14	19	34
KwaZulu Natal	-	50	-	50
Limpopo	0	11	11	22
Mpumalanga	1	12	37	50
Gauteng	37	36	0	73
Free State	-	15	18	33
North West	-	65	6	71
TOTAL	39	325	141	505

PROVINCE	UISP PHASE			PROJECTS
	1	2	3	
City of Cape Town	19	12	18	49
Buffalo City	-	13	37	50
Nelson Mandela Bay	7	2	12	21
eThekweni	7	217	13	230
City of Ekurhuleni	0	68	39	107
City of Johannesburg	0	14	31	45
City of Tshwane	2	5	15	22
Mangaung	-	-	21	21
TOTAL	28	331	186	545

In 2021/22 financial year there are 1068 projects in Phases 1 - 3 being funded through ISUPG

Current Progress on MTSF 2019/24 Targets, Outputs and Outcomes

Outcome	Indicator	2019 Baseline	2024 Targets	Actual Progress (Outputs)	%
Eradicate backlog and issuing of title deeds	Number of title deeds registered	Pre-1994: 45 535	Pre-1994: 45 535	8 410	18%
		Post-1994: 500 845	Post-1994: 500 845	46 028	9%
		Post-2014: 346 842	Post-2014: 346 842	3 495	1%
		New title deeds: 101 180	New title deeds: 300 000	12 417	4%

7. Macro Funding Framework Including Status Quo Analysis



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7. Macro Funding Framework For Human Settlements

- 1) The Human Settlements Housing and Human Settlements funding framework currently in place is determined by the Constitution, Legislation, Policy and Approved Programmes
- 2) Parliament based on the relevant prescripts appropriates funds to the Human Settlements Department. This is done based on the Appropriations Act and Division of Revenue Act.
- 3) The Minister as Executive Authority and Director-General as Accounting Officer have accountability, responsibility and oversight for the following scheduled grants and these include the Human Settlements Development Grant (HSDG), the Urban Settlements Development Grant (USDG), a Provincial and Metropolitan Municipal Informal Settlements Upgrading Partnership Grant (ISUPG), Provincial Emergency Housing Grant (PEHG) and Municipal Emergency Housing Grant (MEHG)

6. Macro Planning Framework For Human Settlements

- 4) The Department also receives allocations to support the work of the various entities, and this includes the Consolidated Capital Grant (CCG), which funds the Social Rental Housing Programme and administered by the Social Housing Regulatory Authority.
- 5) Parliament on a quarterly basis receives reports from the Department and this includes an in-depth analysis of the performance of the various grants.

8. Promoting Accountability And Oversight Of Provinces and Municipalities



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Monitoring and Oversight Framework

1. Guided by the Constitutional , the Public Finance Management Act, Chapter 5 of the National Treasury Regulations and other legislative frameworks, an Accounting Officer of an institution must establish “*procedures for quarterly reporting to the executive authority, to facilitate effective performance monitoring, evaluation and corrective action.*”
2. The directives seeks to ensure that departments account for state resources utilized and report on expenditure outcomes achieved.
3. Therefore, monitoring the use of resources contributes to good governance and enable state institutioos to take corrective measures in areas where gaps are identified.

Monitoring and Oversight Framework

3. **The Housing Act (Act No. 107 of 1997)** places the responsibility on the Minister of Human Settlements, through the three spheres of Government, to *monitor and produce meaningful, qualitative and quantitative information* on the implementation, progress, outcomes and impact of national human settlements policies, programmes and projects as well as the human settlements sector as a whole inter alia:

ii. Section 3(2)(c) of the Act then states that...for the purposes of subsection (1) the Minister must" ... , inter alia,

"Monitor the performance of the national government and, in co-operation with every MEC, the performance of provincial and local governments against human settlements delivery goals and budgetary goals"

Monitoring and Oversight Framework

- iii. Section 4(i) of the Housing Act states that the Minister may:
- "evaluate the performance of the human settlements sector against set goals and equitableness and effectiveness requirements."***
- **Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework for the human settlements sector 2019/24** sets the basis for monitoring and evaluation in the sector; establishes principles to guide the sector to monitor and evaluate national human settlements policies, programmes and projects; and provides monitoring and evaluation human settlements practitioners with the tools to undertake their tasks.

Monitoring and Oversight Framework

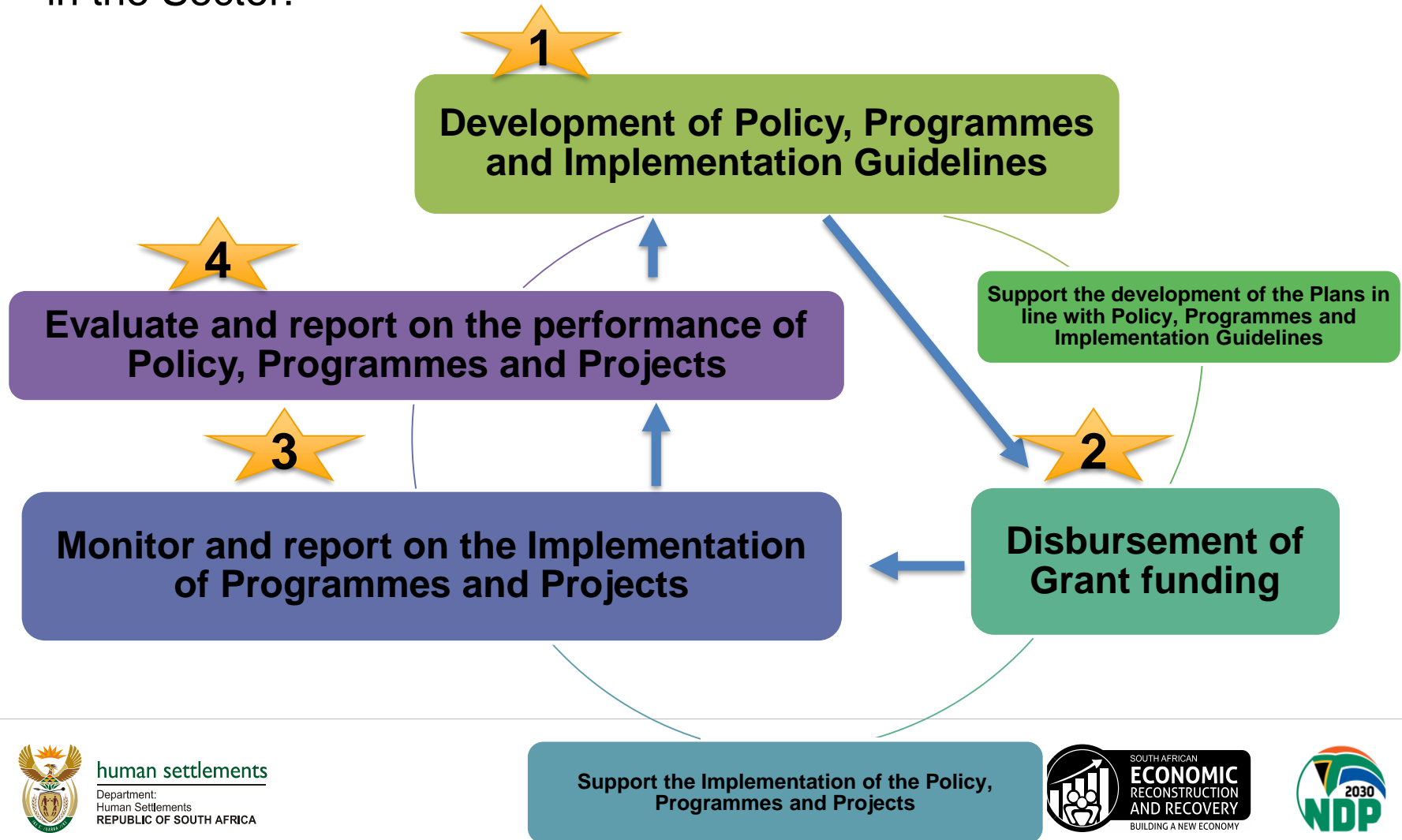
- Considering the concurrency of the Human Settlements function, a number of accountability fora's have been established to monitor performance across the sector and these include:
 - a) Quarterly performance reviews conducted with provinces, entities and metros to determine progress made in implementing policy priorities outlines in the MTSF.
 - b) Projects verification visits conducted to validate progress reported , this includes the review of expenditure reported against the progress on the ground.
 - c) Strategic dialogues conducted with provinces, metros and entities as a form of intervention to address implementation challenges.

Monitoring and Oversight Framework

- The department has a system (used to collect and store information gathered), i.e. the **Housing Subsidy System (HSS)** - programme management system that enables the monitoring of compliance related to contracts, projects, claims and beneficiary approvals based on the various housing programmes contained in the National Housing Code

Monitoring and Oversight Framework

- The National Department of Human Settlements plays four major roles in the Sector:



Monitoring and Oversight Framework

- In order to keep track with policy and programme relevance, the department conducts evaluations which findings and recommendations are used guide decision making either for programme adjustment or for the review of policies.

Ndza Khensa



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