

## GAUTENG PROVINCIAL LEGISLATURE

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# ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

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Monday, 14 March 2022

### ANNOUNCEMENTS

none

### TABLINGS

none

### COMMITTEE REPORTS

1. The Chairperson of the Co-operative Governance, Traditional Affairs and Human Settlements Portfolio Committee, Hon. K P Diale, tabled the Committee's Oversight Report on the Detail of Vote 08 (Human Settlements) of the Gauteng Provincial Adjustment Appropriation Bill [G004-2021] for the 2021/2022 financial year, as attached:



# GAUTENG

## LEGISLATURE

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**Portfolio Committee on CoGTA and Human Settlements Portfolio Committee  
Oversight Report on the Provincial Adjustment Appropriation Bill - 2021 for the  
Gauteng Department of Human Settlements**

Committee Details		Department Details	
Name of Committee	CoGTA and Human Settlements Portfolio Committee	Name of Department	Department of Human Settlements
Which Financial Year	2021/22 FY	Dept. Budget Vote Nr.	
		Vote 8	MEC Lebogang Maile
Committee Approvals			
	Name	Signed	Date
Hon. Chairperson	Hon. Kedibone Diale-Tlabela		09 March 2022
Adoption and Tabling			
Date of Final Adoption by Committee		Scheduled date of House Tabling	
09 March 2022		15 March 2022	

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## ACRONYMS

Abbreviation	Full Wording
APP	Annual Performance Plan
ARA	Affordable Rental Accommodation
BCM	Budget Cycle Model
CoE	Compensation of Employees
COVAC	Committee's Oversight Accountability Framework
CRUs	Communal Rental Units
EPRE	Estimates of Provincial Expenditure
FY	Financial Year
GDHS	Gauteng Department of Human Settlements
GPG	Gauteng Provincial Government
IRDP	Integrated Residential Development Programme
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MHD	Mixed Housing Development
MTEF	Medium Term Expenditure Framework
MYHDP	Multi Year Housing Development Plan
NHBRC	National Home Builders Registration Council
PEBA	Programme Evaluation and Budget Analysis
PFMA	Public Finance Management Act
PWD	People with Disabilities
RLRP	Rapid Land Release Programme
SMS	Senior Management Service
SOM	Sector Oversight Model

**15 March 2022,**

I, Kedibone Diale-Tlabela Chairperson CoGTA and Human Settlements Portfolio Committee tables the Committee Oversight Report on the Provincial Adjustment Appropriation Bill for the 2021/22 FY of the Gauteng Department of Human Settlements as follows:

## **1. EXECUTIVE SUMMARY**

The report seeks to provide clarity on the Gauteng Department of Human Settlements on the Provincial Adjustment Appropriation Bill - 2021 that was tabled on the 02 March 2022.

The Gauteng Department of Human as of 31<sup>st</sup> December 2021 (end of 3<sup>rd</sup> quarter), total expenditure for the department amounted to R3 430 billion or 57% of the total budget of R5.9 billion, which has been increased by R73 millions of approved roll-overs. It is worth noting that even though there are targets that have decreased, the budget of the department still increased. The Portfolio Committee noted with concern that the Department has not been spending its budget as per the PFMA guidelines with only 57% spent at the end of the 3<sup>rd</sup> quarter as opposed to the 75% expenditure. It is not clear whether there was a necessity for the R73 million additional funding.

The Portfolio Committee noted that the Department also adjusted its Annual Performance Plan (APP) in the quarter under review. there are new performance indicators, this is a cause for concern as these are introduced later in the financial year and are more likely to be not achieved. Some of the performance indicators have been decreased while others have been increased. With the increased targets, it is not clear how the department will ensure that going forward they will achieve these targets as they been struggling to achieve them in the past. The budget of the department has also increased, this is regardless of the department not spending its budget.

## **2. INTRODUCTION**

The CoGTA and Human Settlements Portfolio Committee exercises oversight through its assessment of the financial and non-financial performance of the Gauteng Department of Human Settlements for the 2021/22 financial year and whether the allocated budget is in line with the planned performance targets as outlined in the Departmental Annual Performance Plan (APP).

The Committee's assessment of the Budget Vote 8 utilised the Sector Oversight Model (SOM) to verify whether the proposed inputs (resources) translate to outputs (annual targets) in order to realize the required outcomes thus ensuring that the funds apportioned to the Gauteng Department of Human Settlements are used efficiently.

### **3. PROCESS FOLLOWED**

- The Speaker introduced the Provincial Adjustment Appropriation Bill - 2021 FY in terms of Rule 192 (2) read with Rule 219 (1) (2) of the Gauteng Provincial Legislature Standing Rules, to the Portfolio Committee of COGTA and Human Settlements for consideration and reporting.
- On 04 March 2022, the Portfolio Committee Researcher presented the analysis on the Provincial Adjustment Appropriation Bill for the 2021/22 FY.
- In the same meeting, the Department presented the revised Annual Performance Plans and how it informs the adjustment budget.
- On the 09 March 2022, the Portfolio Committee deliberated and adopted the draft report on the Provincial Adjustment Budget Allocation.

### **4. OVERALL ALLOCATION ADJUSTMENTS**

The Gauteng Department of Human as of 31<sup>st</sup> December 2021 (end of 3<sup>rd</sup> quarter), total expenditure for the department amounted to R3 430 billion or 57% of the total budget of R5.9 billion, which has been increased by R73 millions of approved roll-overs. It is worth noting that even though there are targets that have decreased, the budget of the department still increased. The Portfolio Committee noted with concern that the Department has not been spending its budget as per the PFMA guidelines with only 57% spent at the end of the 3<sup>rd</sup> quarter as opposed to the 75% expenditure. It is not clear whether there was a necessity for the R73 million additional funding.

### **5. COMMITTEE CONCERNS**

#### **Financials:**

1. The Portfolio Committee noted an increase of R73 million from the Provincial Treasury rollover.
2. Lack of reporting on how much has been allocated to the new indicators.
3. The Portfolio Committee noted the increase of R61.7 million approved rollover of funds on Infrastructure.

## **6. PROPOSED COMMITTEE RECOMMENDATIONS**

The Department should provide responses to the Portfolio Committee by 29<sup>th</sup> **April 2022**:

### **Financials:**

1. The Department should ensure funds are spent entirely with proper planning to avoid rollover.
2. The Department should indicate how much has been allocated to the new indicators.
3. Ensure that the amount allocated to Infrastructure is spent to avoid money send back to Treasury before end of the financial year.

## **7. ACKNOWLEDGEMENTS**

The CoGTA and Human Settlements Portfolio Committee wishes to thank the MEC for CoGTA and Human Settlements, Mr. L Maile, the Head of Department, Ms. P Mbanjwa and her team.

The Chairperson further wishes to acknowledge and express her gratitude to the Honourable Members of the Portfolio Committee on CoGTA and Human Settlements Ms B Mncube; Mr P Malema; Mr. G Schneemann; Mr M Cirola; Mr S Msimanga; Mr B. Dhlamini; Ms K Tong; Mr M Ledwaba; Mr D Adams; and Ms A. De Lange.

Furthermore, the Portfolio Committee would like to express appreciation for the contribution of the following support staff members: Group Committee Coordinator Ms. Z Pantshwa-Mbalo; Senior Researcher Ms. S Nenweli, Committee Researcher Ms. A Gwebani, Senior Committee Coordinator Ms. J. Moteke; Committee Administrator, Ms N. Nzimakwe; Service Officer, Ms C. Mnethwa; Hansard Recorder, Mr. N Mbonani; Senior Information officer, Mr Lebogang Ncume and; Media Officer; Ms. P. Bulasigobo for their dedication and commitment.

## **8. ADOPTION**

In terms of Rule 117 (2)(c) read with Rule 164, the Portfolio Committee on CoGTA Human Settlements Portfolio Committee presents the Oversight Report on the Provincial Adjustment Appropriation Bill - 2021 for the Department Human Settlements for the 2021/22 financial year for adoption; taking into account the proposed recommendations made in this report.