No.0431 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Monday, 04 December 2023

**ANNOUNCEMENTS**

none

**TABLINGS**

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Human Settlements Portfolio Committee, Hon. A A Ndlovana, tabled the Committee’s Oversight Report on the Second Quarterly Performance Report of the Department of Human Settlements incl. Entity for the 2023/2024 financial year, as attached:**

**COMMITTEES QUARTER OVERSIGHT REPORT ON DEPARTMENT / ENTITY PERFORMANCE**

**Portfolio Committee on Human Settlements Oversight Report on the 2nd Quarterly Report of the Gauteng Department of Human Settlements for the 2023/24 Financial Year**

| **Committee Details** | **Department / Entity Details** |
| --- | --- |
| **Name of Committee** | **Human Settlements Portfolio Committee** | **Name of Department / Entity** | **Gauteng Department of Human Settlements** |
| **Which Financial Year** | **2023/24** | **Dept. Budget Vote Nr.** | **8** |
| **Which Quarter** | **2nd**  | **Hon. Minister / MEC** | **Mr Lebogang Maile**  |
| **Committee Approvals** |
|  | **Name** | **Date Considered by Committee** |
| **Hon. Chairperson** | Ms Alphina Ndlovana | Thursday, 23rd November 2023 |
| **Adoption and Tabling** |
| Date of Final Adoption by Committee  | **Scheduled date of House Tabling** |
| Thursday, 23rd November 2023 | Tuesday, 05th December 2023 |

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# ABBREVIATIONS

| **Abbreviation** | **Full Wording** |
| --- | --- |
| Abbreviation | Full Wording |
| ABT | Alternative Building Technology  |
| AFCU | Anti-Fraud and Corruption Unit  |
| AGSA | Auditor General of South Africa  |
| 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 |
| GAS | Gauteng Audit Services |
| GCR | Gauteng City Region  |
| GDHS | Gauteng Department of Human Settlements  |
| GPG | Gauteng Provincial Government |
| IDPs | Integrated Development Plans |
| 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 |
| NYDA  | National Youth Development Agency  |
| OSD  | Occupational Specification Dispensation  |
| PEBA | Programme Evaluation and Budget Analysis  |
| PFMA | Public Finance Management Act  |
| PWD | People with Disabilities |
| SMS | Senior Management Service  |
| SOM | Sector Oversight Model  |
|  |  |

# SUMMARY

| **ii. [Summary of the report]** |
| --- |
|  |
| ***Strategic Priorities*** |
| The Portfolio Committee noted that for the Annual Appropriation, the Department receivedR6 421 222 000.00 and has spent R 2 216 400000.00 (45%) of its total allocation at the end of the second quarter. The Department has spent 7% of its total allocation in the first quarter, meaning that in the second quarter they have spent 35% of the total allocated budget. The Department allocated a total of R 1 658 571 000.00 to the 2nd quarter and as at the end of the quarter under review, the Department managed to spend R 1 826 848 000.00 which translates to an overall expenditure of 110% and the Department was supposed to spend 100% by the end of the quarter. With regards to programme expenditure, the Portfolio Committee that • **Programme 1: Administration** was allocated R175 210 000 00, and the Department spent R322 665 000. 00 registering an over expenditure of 184%. For the period ending 30 September 2023, programme 1 had spent R476 million or 68% of the allocated budget of R696 million. **Programme 2: Housing Needs, Planning and Research** was allocated R5 866 000. 00 and the Department managed to spend R4 340 000. 00 registering an expenditure of 74%. The Committee noted that this programme has a history of under expenditure**.** For the period under review, programme 2 had spent R8 million or 35% of the total appropriated, this programme only realised expenditure on compensation of employees. **Programme 3: Housing Development** was allocated R1 420 501 000. 00 but the Department spent R1 435 612 000. 00 registering an expenditure of 101%. For the period under review, Programme 3 had spent R 1 635 billion or 30% of the total allocated budget. The low spending is as a results of project disruptions, poor contractor performance, slow approvals by municipalities and delays in the finalisation of implementation protocols and transfers to municipalities. **Programme 4: Housing Assets Management and Property Management** was allocated R 56 994 000. 00 and the Department spent R64 231 000. 00 registering 113% expenditure. For the period ending 30 September 2023, programme 4 had spent R96 million or 41% of the appropriated budget.**The Portfolio Committee noted the following with regards to achievements/non-achievements of the Department.**The Department did not achieve the planned target on procurement budget that targets township-based businesses as 0,45% was achieved against a planned target of 30%. In relation to the percentage of procurement budget that targets businesses owned by women, the Department partially achieved its target of 40% and managed to achieve 17,15%. Regarding 20% of procurement budget that targets businesses owned by youth, 19,36% was paid to businesses owned by youth. With regards to the percentage of procurement budget that targets businesses owned by PwDs, 0, 64% was achieved against a planned target of 7%. The Department achieved its target on percentage of invoices paid within 30 days of receipt. They reported that 100% of the invoices received were paid within 30 days of receipt. In terms of the number of hostels with completed bulk infrastructure assessments, there was no planned target for the quarter under review however, bulk infrastructure assessment was completed in 58 hostels during the second quarter which were targeted in the 1st quarter. The Department further indicates that Bulk infrastructure assessment will not be completed in one (1) hostel due to challenges pertinent to gaining access with the subject hostel.On the number of approved beneficiaries allocated quality assured housing units, the planned target was 100% and 87,56% was partially achieved. The deviation according to the Department is due to invasion and service delivery protest in Westrand. A total of 1 352 housing units were allocated to the approved beneficiaries from 1 544 readily available units.In terms of the number of informal settlements receiving interim services support, the planned target was 65 and the target was not achieved. A total of 47 informal settlements received interim sanitation services in July and August, PRT reports for September were pending, hence the performance could not be recorded.With regards to the number of top structures completed, incomplete/abandoned/blocked housing projects, the planned target for the quarter under review was 2 and the target was overachieved as 43 units were achieved.The Portfolio Committee noted with concern that the department is not achieving its own set targets timeously. The Committee continues to encourage the Department to ensure effective , efficient quality service delivery and where necessary the department should put control measures and consequent management on non-performance.  |
| ***Department / Entity APP Achievement****An overall Summary of whether the Committee thinks the Department / Entity Non-Financial Performance is sound and prudent* |
| Targets planned per programme are as follows:**PROGRAMME 1:** There were 8 indicators planned for the quarter, progress to date was as follows: 2 (25%) Targets Achieved; 1 (13%) Target Partially Achieved; 5 (62%) Targets Not Achieved; 0 (0%) Target Not Reported. **PROGRAMME 2:** There were a total of 9 indicators and only 3 indicators were planned and performed as follows: 2 (67%) Targets Achieved; 0 (0%) Target Partially Achieved; 2 (67%) Targets Not Achieved. **PROGRAMME 3:** There were a total of 12 planned targets and of these 3 (25%) Target Achieved; 3 (25%) Target Partially Achieved and 7 (58%) Targets Not Achieved. **PROGRAMME 4:** There were a total of 6 planned targets of these 1 (17%) Target was Achieved, 1 (17%) Target was Partially Achieved, and 4 (66%) Targets were Not Achieved. |
| *An analysis on whether (and if so, the extent to which) the Department / Entity Programmes / Projects are indeed achieving its Strategic Objectives / Service Delivery Outcomes for the period under review.* |
| The Committee notes with concern that the Department has consistently not achieving on planned targets. The Committee continues to encourage the Department to ensure that the service delivery mandate is achieved.  |
| ***Department / Entity Project Management****Overall Summary on management and delivery of Department / Entity Projects* |
| The Department attached project list for 2nd quarter as per the Business Plan. |
| ***Financial Performance****An overall Summary of whether the Committee thinks the Department / Entity Financial Performance is sound and prudent* |
| For the Annual Appropriation, the Department receivedR6 421 222 000. 00. During the quarter under review, the Department has spent 110% of its total allocated budget.at the end of the second quarter. The Department allocated a total of R 1 658 571 000.00 to the 2nd quarter and as at the end of the quarter under review, the Department managed to spend R 1 826 848 000.00 which translates to an overall expenditure of 110% and the Department was supposed to spend 100% by the end of the quarter.  |
| ***Resolutions Management****An overall Summary of the Committee’s assessment of Department / Entity Resolutions Management* |
| The Portfolio Committee received Resolutions from the Department and will be analysed by the Committee Researcher. 12 (twelve) were resolutions emanating from the 1st FIS report for the 2023/24 FY and (seven) resolutions emanating from the 1st quarterly report for the 2023/24 FY. The analysis will be on the 23 November 2023. |
| ***Petitions Management****An overall Summary of the Committee’s assessment of Department / Entity Petitions Management* |
| A total of 45 petitions were submitted to the Department and 42 were responded to. 3 (Three) resolutions were returned back to the department. |
| ***Public Engagements****An overall Summary of the Committee’s assessment of Department / Entity Public Engagements* |
| * The Department did not engage with public during the quarter review.
 |
| ***International Agreements****Overall Summary on Department / Entity implementation of relevant Internal Agreements / Treaties [Only if applicable]*  |
|  [None] |
| ***GEYODI Empowerment****Overall Summary on Department / Entity achievement on actual GEYODI empowerment in communities* |
| * 17,15% Women
* 19,36% Youth
* 0,64% People with Disabilities
 |
| ***Fiduciary Compliance****Overall Summary on Department / Entity Compliance with fiduciary requirements* |
| The Department did not report any on this line item.  |
| ***Capacitated Department / Entity****An overall Summary of whether the Committee thinks the Department / Entity is adequately capacitated and resourced to carry out its functions and discharge its mandates* |
| The Committee noted that the Department has 58 vacant positions. The department should ensure that the posts are filled in order to ensure that service delivery imperatives are attained.   |
| ***Any other Committee Focus Area (if relevant / applicable and Requirement)****High level summary of any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| [None] |
| ***Summary of Committee Findings****High level summary of Committee findings. Broadly, which aspects do they relate to* |
| The Committee continuously observes that the Department fails to spend its annual budget and never meets its planned targets. Moreover, there is ’s;* The Portfolio Committee noted that programme 1 was allocated R175 210 000 00, and the Department spent R322 665 000. 00 registering an over expenditure of 184%.
* No clear indication which hostel will not be completed with Bulk infrastructure assessment noting the challenges pertinent to gaining access with the subject hostel.
* The Portfolio Committee is concerned with the delay in the appointment of a contractor to complete all the abandoned projects.
* The Portfolio Committee remains concerned about the slow performance relating to Rapid Land Release.
* The Portfolio Committee noted that programme 3 had spent R1 635 billion or 30%. There is a slow performance of contractors thus impacting service delivery.
* The Portfolio Committee is concerned about the department’s failure to provide reasons for performance deviations on percentage of property transfers.
* Failure to provide reasons for non-achievement on a planned target on the pre-1994 title deeds registered.
 |
| ***Summary of Committee Recommendations****High level summary of Committee Recommendations. Broadly, which aspects do they relate to* |
|  * The department needs to indicate where it got additional amount of 147 455 000 which they spend.
* The Department should provide the name of the hostel and indicating if they held the community engagement with the said hostel regarding the work that they want to undertake.
* The Department should provide timeframes on when the contractor will be appointed to complete all the abandoned projects in Gauteng.
* The Department should submit a plan on how this target will be met by the end of the FY. (The Rapid Land Release programme).
* The Department should furnish the Committee with measures taken to the slow performing contractors.
* The Department should provide reasons for non-achievement on the percentage of property transfers completed per financial year.
* The Department should provide reasons for non-achievement on the pre-1994 title deeds registered.
 |

# INTRODUCTION

The constitutional powers given to Provincial Legislatures in Chapter 6, Section 114 (2) of *The* *Constitution of the Republic of South Africa* (1996) outlines that the provincial legislature must provide for mechanisms; to ensure that all provincial executive organs of state in the province are accountable to it; and also, to exercise oversight over the provincial executive authority in the province[[1]](#footnote-1).

In line with the provisions of the Constitution, the Public Finance Management Act (PFMA), 1999 (*Amended by Act 29 of 1999*), is an important piece of legislation. The key objectives of this Act, among others, enable the public sector managers to: be more accountable; provide quality information on time; and to eliminate corruption and waste of public funds and misuse of assets.

The Human Settlements Portfolio Committee, through the Sector Oversight Model (SOM), assesses the overall performance of the Department i.e. financial and non-financial, against set targets and expenditure patterns. SOM states that In Year Monitoring (IYM) through quarterly reports provide a committee with the information needed to monitor effective programme implementation[[2]](#footnote-2).

This report was developed in accordance with the Sector Oversight Model (SOM), the GPL Committees Oversight and Accountability Framework (COVAC) as part of the GPL Project on Standardization of Oversight, Accountability and Reporting in Gauteng (SOAR-GP)

# PROCESS FOLLOWED

* The office of the Speaker referred 2nd Quarterly Performance Report of the Gauteng Department of Human Settlements for the 2023/24 financial year to the Portfolio Committee of Human Settlements for consideration and reporting.
* On Thursday, 16th November 2023, the Portfolio Committee Researcher presented the analysis of the 2nd Quarterly Report for the 2023/24 FY.
* On the same day, Thursday, 16th November, the Department presented the 2nd Quarterly Report for the 2023/24 FY
* The Portfolio Committee deliberated and adopted the draft report on Thursday, 23rd November 2023. The report was submitted to the Proceedings Unit for tabling and consideration by the House.

# OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES

| **1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]** |
| --- |
| The Performance of the department under strategic Priories for the period under review are as follows:Strategic Priority 1: Building a capable, ethical and developmental state: * The Department has introduced the Infrastructure Delivery Management System.
* The Portfolio Committee noted that under strategic reporting this was achieved.

Strategic Priority 2: Economic transformation and job creation: * 400 Youth trained in construction trades (Bricklaying, Plastering, Plumbing) and placed on-site (projects for experiential learning)
* No Youth trained during the quarter under review.
* 30% of the Departmental procurement budget spent on township-based businesses.
* 0,42%.
* 100% of Small Medium & Micro Enterprises (SMMEs) paid within 15 days after receipt of their compliant invoices.
* The department reported that their working on segregating the information. It will be report on the next financial year.
* 90 Local inclusive of township SMMEs benefitting from the decongestion and decontamination of informal settlements.
* No procurement done on the decongestion of informal settlements.
* 200 Qualifying incubator contractors from the Youth, Women and People with Disabilities allocated construction work.
* There is no incubator programme in the department. Contractor Development Programme.
* 111 SMMEs trained.
* 5% of the Departmental procurement budget spent on local material suppliers based in the townships.
* 0% of procurement spent on local suppliers in the township.
* 60 of youth employed temporarily as data capturers to track and monitor construction job creation, SMME performance during and post-the COVID-19 pandemic.
* Contract ended.
* Percentage investment of the Department’s procurement spend on:
* 0,45 % Local/Township businesses
* 17,15% Women
* 19,36% Youth
* 0,64% People with Disabilities
* 56 577 jobs created for the Youth, Women and People with Disabilities through implementation of Departmental construction projects.
* 130 Unskilled labour
* 170 Skilled labour

Strategic Priority 5: Spatial integration, human settlements, and local government* 100 000 Release opportunities on serviced sites owned by the state serviced for release/procured from the private and public sectors for release each financial
* The department did not release opportunities on serviced sites.

 * 30 958 Mega Projects housing units completed.
* 1 394 Mega Projects housing units completed.
* 34 713 Mega Projects serviced stands developed.
* 95 Mega Projects serviced stands developed. \*\*Delivery excludes the serviced walk-up units/ internal reticulation of walkup units which reduces the delivery by 791 for quarter 1 and 913 for quarter 2.
* 22 518 Housing units delivered through the Legacy Projects
* 417 Housing units delivered through the Legacy Projects. Additionally, 56 units were completed from blocked projects.
* 11 055 Serviced sites delivered through the Legacy Projects by 2024/25.
* No serviced sites delivered.
* Formalisation 38 informal settlements upgraded in the West Rand and Sedibeng, (across all corridors) in accordance with the Upgrading of Informal Settlements
* No upgrades due to delays in the appointment of consultants.
* 75 444 New title deeds as part of the commitment to clear the title deeds backlog by 2024/25.
* No new title deeds Post – 2014 were issued.
* 8000 Pre-1994 title deeds registered
* No Pre - 1994 title deeds registered.
* 108 676 Title deeds registered for post-1994 projects completed.
* 1 189 Title deeds registered for post-1994 projects completed.
* 5 Identified projects/interventions implemented in URP areas (Bekkersdal, Kliptown, Winterveldt, Alexandra and Evaton)
* No projects were idenfied.
* 4000 Completed units within the rental and social housing projects and student accommodation projects
* No target during the quarter under review.

Priority 6: Social cohesion and safe communities* 1 Hostel Re-development Strategy approved by Exco
* Hostel redevelopment strategy was approved in previous financial year.
 |

# 2 OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF APP TARGETS

| **2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]** |
| --- |
| **Number of APP targets relevant for this Quarter** |
| 29 |
| **Number of APP targets for this Quarter that have been achieved during this Quarter** |
| 08  |
| **Percentage of APP targets for this Quarter that have been achieved during this Quarter** |
| 35% |
| **Percentage of APP achievement for the previous Quarter (for Comparison)** |
| 22% |
| **Main areas in the APP that have experienced non-achievement or over achievement during this Quarter** |
| **The Committee noted that all the programmes have underspent their quarterly allocations especially Programme 3.*** **Programme 1: Administration** was allocated **R175 210 000 00,** and the Department spent R**322 665 000. 00** registering an over expenditure of 184%.
* **Programme 2: Housing Needs, Planning and Research** was allocated **R5 866 000. 00** and the Department managed to spend **R4 340 000. 00** registering an expenditure of 74%.]
* **Programme 3: Housing Development** was allocated **R1 420 501 000. 00** but the Department spent **R1 435 612 000. 00** registering an expenditure of 101%.
* **Programme 4: Housing Assets Management and Property Management** was allocated was allocated **R 56 994 000. 00** and the Department spent **R64 231 000. 00** registering 113% expenditure.
 |
| **Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter** |
| The reasons cited was because there were delays in the procurement processes of contractors and PRTS. Expenditure is expected to increase from the 3rd quarter. |
| **Measures in place (with timeframes) to correct the deviation in targets for this Quarter and to prevent recurrence of such or similar deviation** |
| SCM and the transformation unit commenced with roadshows and awareness campaigns in an endeavour to educate designated groups and suppliers under general to doing business with the state thereby benefiting from the empowerment initiatives.  |
| **A summarized analysis on the Department / Entity performance per Programme for the period under review** |
| **PROGRAMME 1: ADMINISTRATION** **SUB-PROGRAMME OFFICE OF THE HOD**In terms of the percentage of material misstatements of the current audit report addressed towards an unqualified audit opinion, the Department did not have any planned target for the quarter under review. With the Department receiving unqualified audit opinion with findings and the Gauteng Housing Fund receiving a disclaimer audit finding, the Department needs to set out targets with timelines about ensuring that they address the audit outcomes and work towards achieving clean audit. More emphasis should be put on the compliance with legislation and addressing the disclaimer audit opinion for the entity. Leaving these targets for the last half of the year might be seen as the Department not taking these outcomes seriously. The Department did not achieve its target on procurement budget that targets township-based businesses as 0,45% was achieved against a planned target of 30%. In relation to the percentage of procurement budget that targets businesses owned by women, the Department partially achieved its target of 40%, i.e., they managed to achieve 17.15%. Regarding 20% of procurement budget that targets businesses owned by youth, the Department partially achieved its target as 19,36% was paid to businesses owned by youth. With regards to the percentage of procurement budget that targets businesses owned by PwDs, 0.64% was achieved against a planned target of 7%. (*This targets continue to be unachieved year in and year out, these are provincial targets, and the Department cannot be able to revise them).* Furthermore, the report shows that the Department achieved its target on percentage of invoices paid within 30 days of receipt. The report demonstrates that 100% of the invoices received were paid within 30 days of receipt. Moreover, the Departmental Global Risk Register and corresponding Global Risk Response Action Plan (RAP) have been updated. Regarding the number of work opportunities created through EPWP incentive grant (Unskilled Labour), 130 jobs were created against a planned target of 1 250. On the number of work opportunities created through the Human Settlements Development Grant (Skilled labour), the Department had a planned target of 985, and 170 work opportunities were created as at the end of the quarter under review. The Department attributes the deviation to the lack of human capacity and inadequate POE from the contractors or developers.In terms of ***Aspiration 6 of the African Agenda 2063: An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children***, the Department is responding through its target on the ***number of companies participating in Incubator Programme per annum.*** The revised annual target is 30% women-owned companies, 10% youth-owned companies and 5% people with disabilities (PwDs)-owned companies. This implies that the Department is making progress especially on its target of procuring local supplies as this target is always achieved and, in some cases, over-achieved.**PROGRAMME 2: PLANNING, POLICY AND RESEARCH**In terms of the number of research reports completed, in the second quarter the Department had no planned output. Similarly, the Gauteng Department of Human Settlements policies developed per financial year, there was no planned target.The Gauteng Department of Human Settlements focused policies reviewed per financial year, the Department reviewed 1 policy for the quarter under review though the policy reviewal was anticipated for completion during the 4th quarter. However, the process was completed during the 2nd quarter due to effective collaboration between policy owner and policy and Research business unit.In terms of reviewing the Gauteng Human Settlements Spatial Master Plan and Gauteng Multi-year Project Pipeline/Project Bank, there was no planned target for the quarter under review. With regards to the 1 Gauteng Multiyear project pipeline/project bank updated, there was no planned target for the quarter under review. In relation to the number of formalised townships per financial year, there was no planned target during the quarter under review. On the number of integrated implementation programmes for priority development areas completed per year, the planned target was two and this was overachieved its target as 10 were recorded. With regards to the percentage of investment of the total Human Settlements allocation in Priority Development Areas (PDA), the planned target for the quarter under review was 10% and this was not achieved as 4,82% was realised. Furthermore, in relation to the percentage of land acquired during 2014-2019 within the Priority Development Areas (PDAs) rezoned, the planned target was 20% and this was not achieved. No land was acquired during the 2014-2019 within the PDAs rezoned. The Department had to subdivide the stands as there were bigger than what is allowed as per RDP standards/ housing code. Application of subdivision of the two Evaton West properties (737 and 992 stands) has already been approved. **PROGRAMME 3: HOUSING DELIVERY** **FINANCIAL INTERVENTION**On the number of households that received subsidies through Finance Linked Individual Subsidy Programme (FLISP), there was no planned target for the quarter under review. **INCREMENTAL INTERVENTION** With regards to the number of hectares of well-located land acquired for development of housing opportunities, there was no planned output for the quarter under review.***SUB-PROGRAMME: RAPID LAND RELEASE PROGRAMME***In terms of the number of serviced erven handed over to beneficiaries per financial year as per the Rapid Land Release Programme, the planned target for the quarter under review was 100% and this was not achieved. It is reported that the full servicing of stands is still underway. On the number of serviced sites procured from the private sector each financial year, there was no planned output for the quarter under review.In terms of the Rand value of build infrastructure funding allocated to local municipalities, the planned target was R255 629 730.86. and the target was not achieved as R 6 132 431, 84 was allocated to local municipalities. **Montrose-work** had not commenced on site due to delayed signing of addendum because of slow response from developer. **Western Mega**, Non-completion of the project due to vandalism. **Mamelo**, contractor off-site due to unfavorable working conditions pertaining to denial of access to the site.**Bulk Infrastructure Support Services** With regards to the distressed mining towns grant transferred to local municipalities, the planned target was R 132 000 000 for the quarter under review and it was partially achieved as 108 000 000 was transferred to local municipalities. **Khutsong Sinkhole**, the project was not planned for in the original BP, however the need to rehabilitate sinkholes was identified. Motivation for shifting of funds has been submitted for approval consideration. **Mogale city, Leratong node** delayed transfer of funds t municipality due to delayed conclusion of funding agreement. ***SUB-PROGRAMME HOSTEL REDEVELOPMENT*** Regarding the number of hostels with completed bulk infrastructure assessments, there was no planned target for the quarter under review however, bulk infrastructure assessment was completed in 58 hostels during the second quarter which were targeted in the first quarter. The Department further indicates that Bulk infrastructure assessment will not be completed in one (1) hostel due to challenges pertinent to gaining access with the subject hostel. In terms of the number of detailed planning milestones completed for JHB inner city hostel precinct development, the planned target was 1 and this was not achieved. It is reported that the Department had delays in timeously consulting with GDARD regarding the planned deliverables any timeframes before target setting. Regarding the number of hostels with completed major repairs, the Department had no planned target for the quarter under review. Furthermore, hostels provided with routine maintenance and environmental upkeep, the planned target for the quarter was 6 and this was achieved. ***SUB-PROGRAMME URBAN RENEWAL PROJECTS***About the number of identified projects implemented in URP areas, the planned target was 7 and this target was not achieved. ***SUB-PROGRAMME-UISP INFORMAL SETTLEMENTS*** In terms of the number of informal settlements receiving interim services support, the planned target was 65 and the target was not achieved. A total of 47 informal settlements received interim sanitation services in July and August, PRT reports for September were pending, hence the performance could not be recorded.In response to a question on the 2022/23 annual report, the Department reported that it had advertised for leasing/ and outright procurement of chemical toilets and honey suckers in the month of October 2023. And further reported that it is the intention of the Department to reduce the cost of lease of chemical toilets in a phased-out approach. The Portfolio Committee will be monitoring this as it has always been a concern for the committee that the department is spending millions monthly on rented chemical toilets.With regards to the number of informal settlements upgraded to phase 2, there was no planned output for the quarter under review. In terms of the number of informal settlements upgraded to phase 3, of the upgrading of informal settlement programme (UISP), there was no planned output for the quarter under review.***SUB-PROGRAMME: BLOCKED PROJECTS***Relating to the number of top structures completed, incomplete/abandoned/blocked housing projects, the planned target for the quarter under review was 2 and the target was overachieved as 43 units were achieved. The Department in one of its presentations had stated challenges they face with contractors refusing to take up work of completing abandoned projects as they do not make financial sense for the contractors. The Department was at the time looking into using one contractor that will complete all the abandoned projects in Gauteng. The Portfolio Committee undertook an oversight visit to Jabulani hostel where there are incomplete units and the implementing contractor Calgro which left site because it was allegedly not being paid, the same contractor was then appointed for a different project close by which is Jabulani Parcel K flats. **Beneficiary management**In terms of the number of Breaking New Ground houses delivered, the planned target was 2 421 and this was partially achieved as 1 811 was realized. It is reported that at Tinasonke Ext 4 and Etwatwa Ext 4,12,14 a new contractor had to be appointed following poor performance by the previous contractor. In Helderwyk Ext 8, there were delayed payments caused by the late approval of the geotechnical variation. In Driezek Ext 4, there was delay in appointment of PRT. In Sebokeng Ext 28 there was work stoppage by the community.With regard to the number of serviced sites delivered, the planned target was 702 and the target was not achieved as only 95 sites were serviced.On the number of approved beneficiaries allocated quality assured housing units, the planned target was 100% and 87,56% was partially achieved. The deviation according to the Department is due to invasion and service delivery protest in West Rand. A total of 1 352 housing units were allocated to the approved beneficiaries from 1 544 readily available units.**Quality Assurance**Regarding the number of subsidy housing projects enrolled with the National Home Builders Registration Council (NHBRC), the planned target was to achieve 7 and it was realized.It is worth noting that the Department did not have much planned outputs for the quarter under review, however with the few planned outputs the Department did not perform so well.**PROGRAMME 4: ASSET MANAGEMENT****Sale and transfer of housing properties: non-standardized** The percentage of property transfers completed per financial year, was not achieved as there are no properties that were transferred against a planned target of 90%.The department reported that the number of occupants confirmed as legitimate in registered townships, the planned target for the quarter under review was 7 007, and this was not achieved. It is reported that PRTs were not allowed to resume work before all social facilitation matters have been resolved.**Sale and transfer of housing properties: standardized sector output indicators**The Department shows that a total of 1 189 post-1994 title deeds were registered against a planned target of 2. Moreover, about the pre-1994 title deeds registered, the planned target was 300 and it was not achieved.With regards to the post-2014 title deeds registered, there was no planned target during the quarter under review.In terms of the percentage of residential rental housing disputes resolved by the end of the financial year, the planned target was 70% and this was achieved as 71.85% was achieved. The committee should commend the work of the Department in this regard. On the number of ownership disputes resolved in respect of pre-1994 title deeds backlog, the planned target was 55 and this was not achieved as only 6 ownership disputes were resolved. The Department attributes deviation to postponement of cases due to factors such as unavailability of legal representatives and the witnesses. Furthermore, the number of new title deeds registered, there was no planned target for the quarter under review.  |
|  |
| There were none unplanned or emerging priorities reported for the quarter. |
| **Summarized information on how the Department / Entity maintains portfolios of evidence to verify its reported performance information** |
| The Department reported that the information collated from business is verified against the reported data and stored electronically in a G-drive. |

# 3 OVERSIGHT ON DEPARTMENT / ENTITY PROJECT MANAGEMENT

| 1. **THE DETAILS ON [DEPARTMENT / ENTITY PROJECT MANAGEMENT]**
 |
| --- |
| The Department submitted a project list for 2nd quarter as per the Business Plan. |

# 4 OVERSIGHT ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

| **4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE** |
| --- |
| **Actual amount (in Rands) allocated to the Department / Entity as budget for this entire Financial Year**  |
| **R 6 421 222 000.00** |
| **Actual amount projected by the Department / Entity to be spent only during the Q under review** |
| **R 1 658 571 000.00**  |
| **Actual amount (in Rands) spent by the Department / Entity only during the Q under review** |
| R1 826 848 000.00 |
| **Total actual amount (in Rands) spent by the Department / Entity (Year to Date), i.e. from the beginning of this FY to the end of this Q under review** |
| **R 2 216 400 000.00**  |
| **Percentage (% of total budget allocation) of budget expenditure for this Q under Review only** |
| 110% |
| **Percentage (% of total budget allocation) of budget expenditure (Year to Date), i.e. from the beginning of this FY to the end of this Q under review** |
| (35%) |
| **An analysis of how the % budget expenditure compares with the % APP achievement** |
| Budget expenditure is at 35% and APP achievement is at 08. |
| **If there was over / under spending of greater than 3% of projection, what were the main challenges that led to the over / under spending** |
| The department reported that there were no main challenges that led to the over/under spending.  |
| **Mitigating measures by the Department / Entity to remedy over / under expenditure** |
| The Department did not report on this line item. |
| **The Department / Entity’s achievement with respect to GEYODI responsive budgeting / procurement for the period under review** |
| The Department manage to achieve its procurement target for designated groups as follows: * 17,15% Women
* 19,36% Youth
* 0,64% People with Disabilities
 |
| **The Department / Entity’s achievement with respect to township economy / SMME / local procurement for the period under review** |
| The Department managed to achieve the following with respect to township economy/SMME/local procurement for designated groups as follows.* 0,45% Local/Township businesses
* 17,15% Women
* 19,36% Youth
* 0,64% People with Disabilities
 |
| **A summary for the period under review with respect to payment of service providers within 15-30 days** |
| The Department reported that they managed to pay all invoices received within 30 days of receipt (100%) achieved |
| **A summary for the period under review with respect to fruitless, wasteful and irregular expenditure** |
| No fruitless and wasteful expenditure reported for the period under review No fruitless and wasteful expenditure reported for the period under review. |
| **A summary for the period under review with respect to efficiency / value for money in all SCM / procurement processes** |
| The department did not report on this line item |
| **A summary for the period under review with respect to reduction of fraud and corruption in all SCM / procurement processes** |
| No reporting on this line item  |
| **A summary for the period under review with respect to ongoing clean audits** |
| None for the quarter under review |
| **A summary for the period under review with respect to spending on conditional grants (where applicable)** |
| The department did not report on this line item. |
| **Program / Sub Programme level financial performance** |
| Programme 1: Quarter Expenditure – 68%Programme 2: Quarter Expenditure – 35%Programme 3: Quarter Expenditure – 30% Programme 4: Quarter Expenditure – 41% |

# 5 OVERSIGHT ON DEPARTMENT / ENTITY RESOLUTIONS AND PETITIONS MANAGEMENT

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| --- |
| **5.1 THE DETAILS ON DEPARTMENT / ENTITY RESOLUTIONS MANAGEMENT** |
| **How many Responses / Actions to Resolutions were due by the Department / Entity during the Quarter under review** | **With respect to any and all Resolutions that were due in the Quarter under review, how many Resolutions have been successfully responded to by the Department / Entity** |
| 45 resolutions were received | 42 resolutions were responded to. |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to Committee Resolutions** |
| * 3 (Three) resolutions were returned back to the department.
 |
| **With respect to the Resolutions / Action due during the Quarter under review but still overdue, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** |
| No resolutions are outstanding |

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| **5.2 THE DETAILS ON DEPARTMENT / ENTITY PETITIONS MANAGEMENT** |
| **How many Responses / Actions to Petitions due by the Department / Entity during the Quarter under review** | **With respect to any and all Petitions that were due in the Quarter under review, how many Petitions have been successfully responded to by the Department / Entity** |
| A total of 46 petitions were submitted to the Department.  | 41 were responded to. |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to referred Petitions** |
| The Portfolio Committee urged the Department to adhere to timelines from Petitions Units as most of petitions are for Human Settlements. |
| **With respect to the Petitions / Action due during the Quarter under review but not yet responded to by the Department / Entity, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** |
| Waiting for a responses from Municipalities |

# 6 OVERSIGHT ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENT

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| --- |
| **6. THE DETAILS ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENTS** |
| **The steps / measures the Department / Entity has taken to meaningfully involve the public / stakeholders in the course of its work / service delivery, during the period under review** |
| The Department did not report on anything on this line item.  |
| **Summary of Public Education programmes of the Department / Entity during the period under review** |
| The Department did not report on this item. |
| **Feedback sessions conducted by the Department / Entity** **during the period under review** |
| No feedback sessions conducted. |

# 7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS

| **7. DETAILS ON IMPLEMENTATION OF INTERNATIONAL AGREEMENTS / TREATIES**  |
| --- |
| [None.] |

# 8 OVERSIGHT ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT

| **8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT** |
| --- |
| **Gender:*** Allocations of houses: 913
* Issuance of title deeds: 656
* Training of SMMEs – 91
* Training of women SMMEs on Economic opportunities and compliance: 66
* Internships – Young women – 12 non-accumulative
* Bursaries awarded to employees: 57 non-accumulative
* Employment equity - Female SMS – 28 (58%)

**Youth:*** Allocations of houses: 331
* Issuance of title deeds: 0
* Training of SMMEs -78
* Local Youth Trained in Building and Civil Skills - 31
* Internships – 30
* Bursaries awarded to external students: 04 (2 Female)
* Employment Equity – Youth employed – 70 (10,8%)

Disabled:* Allocations of houses: 10
* Issuance of title deeds: 0
* Training of SMMEs -266
* Employment Equity – People with disability employed – 20 (3%)
* Bursaries awarded to employees: 03
* Economic and compliance workshop(s) conducted in Tshwane region.

**Senior Citizens:*** Allocations of houses: 481
* Issuance of title deeds: 360
 |

# 9 OVERSIGHT ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS

| **9. [DETAILS ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS]** |
| --- |
| **GPL** | The Department submitted the 2nd quarterly report to the legislature within the stipulated timeframes as per regulations.  |
| **Auditor General (AGSA)** | Total number of AGSA Requests for Information received from AGSA during this Quarter: 143Total number of AGSA Requests for Information due during this Quarter: 143Total number of AGSA Requests for Information responded to and submitted back to AGSA during this Quarter: 143  |
| **Public Service Commission (PSC)** | Total number of PSC Requests for Information received from the PSC during this Quarter is 1(one)Total number of PSC Requests for Information due during this Quarter is (zero)Total number of PSC Requests for Information responded to and submitted back to the PSC during this Quarter due end of the quarter is 1(one) |
| **Compliance with relevant fiduciary Legislation [e.g. PFMA]** | The did Department comply |

# 10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE

| **10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY** |
| --- |
| **Detailed information on the current vacancies (at all staff levels)** |
| 761 |
| **Current vacancy rate** |
| 703 |
| **Current acting positions (at all Staff levels)** |
| 1 |
| **Terminations during the period under review** |
| 7 |
| **New appointments during the period under review** |
| 0 |
|  |
| **Detailed information on the GEYODI / HDI empowerment for the period under review** |
| **0**  |
| **Detailed information on any suspensions for the period under review** |
| 0,1 from previous cycle |

# 11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA

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| **11. THE DETAILS ON ANY OTHER COMMITTEE FOCUS AREA [Only if relevant and applicable]** |
| *Any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| None. |

# 12 COMMITTEE FINDINGS / CONCERNS

| **12. DETAILED COMMITTEE FINDINGS / CONCERNS (on each specific Focus Area analysed above)** |
| --- |
| 1. The Portfolio Committee noted that programme 1 was allocated R175 210 000 00, and the Department spent R322 665 000. 00 registering an over expenditure of 184%.
 |
| 1. No clear indication which hostel will not be completed with Bulk infrastructure assessment noting the challenges pertinent to gaining access with the subject hostel.
 |
| 1. The Portfolio Committee is concerned with the delay in the appointment of a contractor to complete all the abandoned projects.
 |
| 1. The Portfolio Committee remains concerned about the slow performance relating to Rapid Land Release.
 |
| 1. The Portfolio Committee noted that programme 3 had spent R1 635 billion or 30%. There is a slow performance of contractors thus impacting service delivery.
 |
| 1. The Portfolio Committee is concerned about the department’s failure to provide reasons for performance deviations on percentage of property transfers.
 |
| 1. Failure to provide reasons for non-achievement on a planned target on the pre-1994 title deeds registered.
 |

# 13 PROPOSED COMMITTEE RECOMMENDATIONS

| **13 [DETAILED COMMITTEE RECOMMENDATIONS]** |
| --- |
| **Based on the information set out herein-above as well as the Committee Concerns, the Committee therefore recommends as follows:** |
| **Ref Number** | **Recommendation** | **Type of response expected** | **Due Date** |
| HS/Q2PR/ 001 | The department needs to indicate where it got additional amount of R147 455 000 which they spend. | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| HS/Q2PR/ 002 | The Department should provide the name of the hostel and indicate if they held the community engagement with the said hostel regarding the work that they want to undertake. | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| HS/Q2PR/ 003 | The Department should provide timeframes on when the contractor will be appointed to complete all the abandoned projects in Gauteng.  | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| HS/Q2PR/ 004 | The Department should submit a plan on how this target will be met by the end of the FY. (The Rapid Land Release programme). | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| HS/Q2PR/ 005 | The Department should furnish the Committee with measures taken to the slow performing contractors. | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| HS/Q2PR/ 006 | The Department should provide reasons for non-achievement on the percentage of property transfers.  | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| HS/Q2PR/ 007 | The Department should provide reasons for non-achievement on the pre-1994 title deeds registered. | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
|  |
|  |

# 14 ACKNOWLEDGEMENTS

The Chairperson wishes to thank the MEC for 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 Human Settlements Ms R Mogale; Nomvuyo Mhlakaza-Manamela; Mr G Schneemann; Mr M Cirota; Mr E Du Plessis; Ms. K Tong and Mr. B Dhlamini.

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 P Ximba; Hansard Recorder, Mr. N Mbonani; Senior Information officer, Mr Lebogang Ncume; Communications Officer; Mr. S Mfusi and PPP Officer Ms. R Mathebula for their dedication and commitment.

# 15 ADOPTION

In terms of Rule 117 (2)(c) read together with 164, the Human Settlements Portfolio Committee presents the Oversight Report on the 2nd Quarterly Performance of the Gauteng Department of Human Settlements for the 2023/24 financial year and proposed recommends its adoption.

1. The Constitution of the RSA (1996) Act 108 of 1996 [↑](#footnote-ref-1)
2. Sector Oversight Model [↑](#footnote-ref-2)