



human settlements

Department of Human Settlements
FREE STATE PROVINCE

DEPARTMENT OF HUMAN SETTLEMENTS

Strategic Plan 2015-2020

FREE STATE PROVINCE

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FOREWORD

This five-year strategic plan depicts the continuation in the pursuit of the quest, by the National government in general and the Free State Provincial Government in particular, of realizing the dream of integrated human settlements.

The people of South Africa relentlessly waged the struggle against the enactment and the implementation of the repressive pieces of legislation and policies. The process of conceptualization of an ideal country without considering all those regime divisive acts and policies, led to the Kliptown meeting wherein South Africans from all walks of life converged, a document that envisaged the kind of South Africa free from oppression and discrimination was crafted in the name of the Freedom Charter. It contains a number of clauses that seek to rid South Africa of the shackles of poverty and homelessness and inculcate a sense of belonging, amongst others. One of its clauses states, "There shall be housing, security and comfort."

Democracy was ushered in April 1994 and the victorious government of the day developed pieces of legislation and policies that are aimed at realizing clause 8 of the Freedom Charter, amongst others the South African Constitution Act, No.108 of 1996, the Reconstruction and Development Programme (RDP), The Housing Act, of 1997, the National Development Plan, The Medium Term Strategic Framework, Free State Growth and Development Strategy, amongst others. The Department of Human Settlements progressively implemented and continues to implement its legislative mandate and related policies; however, the backlog inherited from the previous regime is insurmountable.

In the next five years, the department will ensure that the statements made by the President of South Africa in his State of the Nation address that "Siyaqhuba. Siyasebenza. We are a nation at work" and echoed by the Premier of the Free State when he said in the State of the Province address "Re a hlasela MaFreistata. Ha re hlaseleng." With those words still resonating with us as well as the celebrations of the 60th year anniversary of the Freedom Charter and 20 years of democracy, we will in this coming five years speed up the following:

- The construction of habitable houses in areas accessible to areas of economic activity, rectification of inhabitable houses built in the past, as those houses do not help in the emancipation of our people and the Free State citizens in particular. The process of housing beneficiaries falling in the gap market bracket will be enhanced with engagements with private banks at an advanced stage and other alternative routes explored. The department will prioritize the elderly, people with disabilities and the military veterans in the allocation of houses. The human settlements developed should position the Free State in a better position to break the racial boundaries and encourage integration.
- This strategic document will give impetus to the upgrading of informal settlements and jointly with Free State Department of Cooperative Governance and Traditional Affairs empower municipalities to minimize the risk posed by the invasion of unoccupied land and proactively plan for new settlements. Furthermore, the capacity of municipalities will be built to execute certain human settlements related functions.



MEC SM MLAMLELI

- Speeding up the installation of basic services, that includes water and sanitation, electricity and social amenities in co-operation with relevant stakeholders. This will help in upholding the healthy living conditions and *ip so facto* help in the decrease of infections and diseases.
- In the coming five years the department will ensure the eradication of security of land tenure backlogs and facilitates the handing over of houses with title deeds. This promotes the sense of ownership by having valuable economic asset in the form of a property.

The department will also endeavour to reposition and capacitate itself in order to stand up to the challenges of fast tracking the delivery and realization of the key areas of performance depicted above.

The Free State Government and the Department of Human Settlements' interventions in the betterment of the Free State Citizens epitomizes the characteristics of a developmental state.

We are a nation at work and Re a hlasela MaFreistata. Ha re hlaseleng.



.....
S.M. MLAMLELI (MPL) MEC

HUMAN SETTLEMENTS

March 2015

It is hereby certified that this Strategic Plan

- Was developed by the management of the Department of Human Settlements under the guidance of MEC S.M. Mlamleli, Executing Authority for Cooperative Governance, Traditional Affairs and Human Settlements
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Human Settlements is responsible
- Accurately reflects the strategic goals and objectives which the Department of Human Settlements will endeavour to achieve over the period 2015/2020.



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PART A: STRATEGIC OVERVIEW

1. Vision

Integrated and sustainable human settlements

2. Mission

The department will develop cohesive, sustainable and integrated human settlements in the Free State, through:

- Sound administration and engagement of all spheres of government and social partners
- Functional settlements that are spatially, socially and economically integrated
- Provision of affordable housing
- Increased access to basic services
- Acceleration of land tenure rights

3. Values

The department's inherent values as informed by, amongst others, Batho Pele Principles are:

- Professionalism, Integrity and Leadership
- Value for money and Accountability
- Partnership
- Compassion and Empathy
- Restoration of Dignity and Resilience
- Environment Friendly

4. Legislative and Other Mandates

4.1. Constitutional Mandate

Section 26(1) of the Constitution of the Republic of South Africa (Act No 108 of 1996) provides that everyone has the right to have access to adequate housing and subsection (2) obligates and enjoins the state through the Department of Human Settlements to use legislative and other measures to ensure the progressive realisation of this right.

4.2 Legislative mandates and other mandates

4.2.1 Public Finance Management Act No. 1 of 1999 (as amended by the Public Finance Management Amendment Act No. 29 of 1999)

To regulate financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith.

4.2.2 Public Service Act, 1994

To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

4.2.3 Public Service Laws Amendment Act, 1997 and 1998

To amend the Public Service Act, 1994, so as to further define, to substitute or to delete certain expressions; to further regulate the application of the said Act; to provide for the readjustment of the functions of the Public Service Commission and the circumscription of the functions of the Minister for the Public Service and Administration and an executing authority; to make other provision in connection with the management, administration and functions of the South African Management and Development Institute and the administration of the Training Fund; to make further provision in connection with the implementation or limitation of actions affecting the public service or its members; to enable the said Minister to have access to certain documents and information; to make further provision in connection with the power of the President to amend Schedules 1 and 2 to the said Act; to make other provision in connection with the inclusion of posts in, or the exclusion of posts from, the A or B division; to make further provision in connection with appointments, promotions and transfers; to make further provision in connection with the discharge of officers; to further regulate inefficiency and misconduct; to further regulate the receipt of unauthorised remuneration; to make other provision in connection with the reduction of salaries of officers; to make further provision in connection with grievances of officers and employees; to empower the said Minister to make regulations; and to empower the said Minister to assign certain functions to officers or employees of his or her department; and to repeal or to amend other laws relating to the public service so as to remove obsolete provisions or to effect certain consequential amendments arising from the readjustment of the functions of the said Commission; and to provide for incidental matters.

4.2.4 Skills Development Act, No. 97, 1998

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African work force; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

4.2.5 Labour Relations Act No.66 of 1995

The Labour Relations Act and collective agreements shall regulate matters of mutual interest between employees and the State as employer.

4.2.6 Preferential Procurement Policy Framework Act No Act 5 of 2000

To regulate procurement of goods and services for the Department in compliance with section 217 of the Constitution by ensuring that all procurement processes are fair, transparent, equitable, competitive and cost effective.

4.2.7 Division of Revenue Act 2015 of every year during 2015/2020

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2015/2020 financial year; to provide for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.

4.2.8 Conversion of Certain Rights into Leaseholds or Ownership Act No. 81 of 1988

This Act provides for the conversion of certain rights of occupation issued to a holder of a site situated in a township whether such township has been formalized or not- established under the now revoked Black Communities Act 4 of 1984, into leasehold or ownership. The Act therefore makes provision for the determination of affected sites or persons; an inquiry into affected sites; grievance (appeal) procedures; and the issuing of leaseholds or transfer of ownership.

4.2.9 Black Communities Development Act No. 4 of 1984

The Act was repealed save for Chapter 6 and the Regulations thereto. As will appear from the above paragraph, this Act is the principal Act 81 of 1988 and makes provision for the designation of certain areas as development areas and makes provision for township establishment.

4.2.10 Upgrading of Land Tenure Rights Act No. 112 of 1991

This Act makes provision for the upgrading of informal rights, viz., and the deeds of grant, leaseholds and quitrent title permission to occupy.

4.2.11 Interim Protection of Informal Land Rights Act No.31 of 1996

This Act recognizes certain informal rights to land. One of the functions of the section is to resettle people who are unlawfully occupying land. In the process, it is incumbent on the section to ensure that the informal rights to land are recognized in the process of such resettlement.

4.2.12 The Housing Act No. 107 of 1997

Through this legislation, existing and future, and the Housing Code, the Department of Housing is carrying out its legislative imperative as set out in the Housing Act, 1997. Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1)(a)). In addition all 3 spheres of government must ensure that housing development provides as wide a choice of housing and tenure options as is reasonably possible:

- (ii) is economically, fiscally, socially and financially affordable and sustainable
- (iii) is based on integrated development planning
- (iv) is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance (Section 2(1)(c)).

4.2.13 Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998

The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.

4.2.14 The Housing Consumers Protection Measures Act of 1998

The Act provides for the establishment of a statutory regulating body for homebuilders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct. The implementation of the Act is monitored continuously.

4.2.15 The Rental Housing Act 50 of 1999

This Act repeals the Rent Control Act of 1976 and defines Government's responsibility for rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market. To facilitate sound relations between tenants and landlords, it lays down general requirements for leases and principles for conflict resolution in the rental-housing sector. It also makes provision for the establishment of Rental Housing Tribunals and defines the functions, powers and duties of such Tribunals. Provincial housing departments are establishing Rental Housing Tribunals.

- 4.2.16 Home Loan and Mortgage Disclosure Act of 2000
The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identities discriminatory lending patterns. The act will come into operation during 2003.
- 4.2.17 Subdivision of Agricultural Land Act No. 70 of 1970
This Act is used for Town Planning advice to the Department of Land Affairs on the subdivision of agricultural land.
- 4.2.18 The Development Facilitation Act No. 67 of 1995
This Act provides directive principles to guide the drafting, adoption and implementation of all policies and legislation for all spheres of government regulating spatial planning, land use management and land development.
- 4.2.19 The Townships Ordinance No. 9 of 1969
This Ordinance is used for the establishment of towns, subdivision and consolidation, amendment of the general plan and the amendment of town-planning schemes. The townships board is also instituted in terms of this ordinance.
- 4.2.20 Disestablishment of South African Trust Limited Act No. 26 of 2002
The winding down of the South African Housing Trust and the transfer of functions relating to financial obligations were completed during the end of 2002 and the beginning of 2003 in terms of Act 2002: Disestablishment of SA trust Limited Act, 2002.
- 4.2.21 The Removal of Restrictions Act No. 84 of 1967
In terms of this act land use is changed either by means of title conditions or rezoning.
- 4.2.22 The Less Formal Township Establishment Act No. 113 of 1991
This Act is specifically for guiding rapid township establishment where housing is in dire need.
- 4.2.23 The Physical Planning Act No. 125 of 1991
This Act governs secondarily deals with land uses on farmland that is not agriculture related by way of permits and it also enables the amendment of guide plans and the evaluation of consistency regarding land development.
- 4.2.24 Public Audit Act 25 of 2004
Regulates the audit of Government Departments and State Owned Enterprises.
- 4.2.25 Social Housing Act, Act 16 of 2008
Regulates the Social Housing Market
- 4.2.25 Spatial Planning and Land Use Management Act 16 of 2013
This Act provides a framework for the monitoring, coordination and review of the spatial planning and land use management system. It also provides for the establishment, functions and operation of Municipal Planning Tribunals.
- 4.2.26 Housing Development Agency Act, 2008 (Act 23 of 2008)
The Act establishes the Housing Development Agency; provides for its functions and powers; and provides for matters connected therewith.

The objects of the Housing Development Agency are to:

- Identify, acquire, hold, develop and release state, communal and privately owned land for residential and community purposes and for the creation of sustainable human settlements
- Project manage housing development services for the purposes of the creation of sustainable human settlements
- Ensure and monitor that there is centrally coordinated planning and budgeting of all infrastructure required for housing development, and
- Monitor the provision of all infrastructures required for housing development.

Implication

The Free State Department of Human Settlements has concluded a Development Agreement with the HDA, and any future agreements should be aligned to the objects of the Agency.

4.2.27 National Environmental Management Act, 1998 (Act 107 of 1998)

The National Environmental Management Act (Act No. 107 of 1998) (NEMA) provides for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote cooperative governance and procedures for co-ordinating environmental functions exercised by organs of state; for certain aspects of the administration and enforcement of other environmental management laws; and for matters connected therewith.

Section 24 of NEMA prohibits the undertaking of activities (including housing development) without the assessment of the impact of these activities on the environment, and subsequent authorisation from the designated competent authorities.

Implication

All housing developments require an environmental authorization before the development or any construction activities may proceed, which may include an environmental impact assessment process.

4.3 Policy Mandates

4.3.1 National Development Plan

Chapter nine of the NDP (Transforming Human Settlements) addresses the various housing/settlement issues South Africa is currently facing. In terms of transforming human settlements, the NDP states the following objectives:

- Strong and efficient spatial planning system, well integrated across the spheres of government.
- Upgrade all informal settlements on suitable, well-located land by 2030.
- More people living closer to their places of work.
- Better quality public transport.
- More jobs in or close to dense, urban townships.

4.3.2 National Spatial Development Perspective

The National Spatial Development Perspective (NSDP) became national policy in 2002 and was revised 2006. The key objectives of the NSDP are to:

- Provide a framework for discussing the space economy taking deprivation, resources, infrastructure and potential economic activity into account;
- Establish a common reference point for national, provincial and local government to analyse and debate the development potential of different places in the country;

- Identify key areas of tension and/or priority in achieving positive spatial outcomes with government infrastructure investment and development spending; and
- Provide national government's strategic response to the above for a given timeframe.

4.3.3 The Housing Code, 2009

Government has introduced a variety of programmes which provide the poor households access to adequate housing in terms of the Housing Act, 1997 (Act No 107 of 1997). The policy principles set out in the White Paper on Housing aim to provide poor households with houses as well as basic services such as potable water and sanitation on an equitable basis.

The National Housing Code 2000 was substantially revised and consequently the new National Housing Code, 2009 was introduced. The 2009 Code is aimed at simplifying the implementation of housing projects by being less prescriptive while providing clear guidelines.

The National Housing Code, 2009 further sets the underlying policy principles, guidelines, norms and standards that apply to Government's various housing assistance programmes introduced since 1994 and subsequently updated.

4.3.4 Comprehensive Plan for Sustainable Human Settlements (BNG)

Ten years after the introduction of the housing programme in 1994, a comprehensive review was undertaken of the outcomes of the programme and the changes in the socio-economic context in the country. This led to the approval of the Comprehensive Plan for Sustainable Human Settlements commonly referred to as "*Breaking New Ground*" or "BNG", by Cabinet in September 2004. While retaining the basic principles of the Housing White Paper, the Comprehensive Plan shifts the focus to improving the quality of housing and housing environments by integrating communities and Settlements.

It also sets new minimum standards for housing products improving privacy and sustainability by providing for the development of a range of social and economic facilities in housing projects

The Comprehensive Plan also focuses on Informal Settlement Upgrading to meet the Millennium Goals of the United Nations to improve the lives of slum dwellers.

4.3.5 2014-2019 Medium Term Strategic Framework

The National Department of Human Settlements has developed a Draft Framework to Achieve Outcome 8 and the NDP Vision 2030. The Strategic Framework covers the medium term from 2014-2019. The draft 2014 - 2019 Medium Term Strategic Framework will focus on policy and funding reforms to achieve the following:

- a) Better spatial planning to better target resource allocation
- b) Ensuring that poor households have adequate housing in better living environments
- c) Supporting the development of a functionally and equitable residential property market
- d) Improving institutional capacity and coordination

4.3.6 Free State Growth and Development Strategy

The revised Free State Growth and Development Strategy (FSGDS) recognises the value of creating the environment, institutions, processes and mechanisms crucial for inclusive growth and development and produced Free State Vision 2030, aligned with the National Development Plan.

Driver 9: Facilitate sustainable human settlements of the FSGDS states that the status of human settlements is mostly extremely low densities, low levels of efficiency and long distances between places of employment and places of work. In order to improve economic efficiency, the FSGDS proposes that efficient resource use should be prioritised

4.3.7 Provincial Spatial Development Framework

The Free State Provincial Spatial Development Framework (PSDF) is a provincial spatial and strategic planning policy that responds to and complies with the relevant legislation and policy. SPLUMA provides for all spheres of government to compile and publish a spatial development framework. The NDP encourages all spheres of government to prepare SDF's that promote a developmental state in accordance with the principles of global sustainability.

4.3.8 State of the Nation Address

During the SONA, The honourable State President announces the National commitments of the Government in service delivery for that particular performance/ financial year.

4.3.9 State of the Province Address

During the State of the Province Address, the honourable Premier of the Free State Province announces the Provincial government priorities on service delivery which are aligned to the State of The Nation Address.

4.3.10 Human Settlements Strategy for the Free State Province

The purpose of the Free State Human Settlements Strategy is to guide a longer term spatial and investments perspective that will inform the programming of human settlements projects in the Province.

4.3.11 Intergovernmental structures

(a) President's Coordinating Council

The Forum provides for the engagement at National level of relevant stakeholders to ensure that the national government objectives are realised.

(b) Premier's Coordinating Forum

The Forum provides for the engagement at Provincial level of relevant stakeholders to ensure that the provincial government objectives are realised.

4.3.12 Provincial Specific programme

(a) Operation Hlasela

This is a specific provincial programme focusing on intergrated service delivery. All the Departments activities are coordinated to ensure intergrated human settlements.

4.4 **Relevant Court Ruling**

None

4.5 **Planned Policy Initiatives**

During the 2014 / 2015, the department developed the following policies:

- **Service Delivery Improvement Plan approved in 2015**

The SDIP sets out the primary service areas that the Department of Human Settlements intends to improve to ensure effective and efficient service delivery in the next three years.

- **Human Resource Plan approved in 2014**

The following policy initiatives will be undertaken in the following five years term:

Policy on housing assistance for Orphaned and Vulnerable Children

- This policy will regulate circumstances where under orphaned and vulnerable children will be provided with housing assistance and opportunities.

Policy on housing assistance for Land Restitution Beneficiaries

- This policy will regulate circumstances where under beneficiaries of land claim restitution will be provided with housing assistance and opportunities.

Policy on housing assistance for Military Veterans

- This policy will regulate circumstances where under military veterans will be provided with housing

Policy on alternative building methods, technology, material etc.

- This policy will regulate the conditions where under contractors will be allowed to utilize alternative building methods, technologies and materials.

The department in the process of addressing the following housing delivery gaps:

- Process and criteria for identification of beneficiaries and management of changes in beneficiaries.
- Criteria for allocation of housing units and prioritisation of development areas/projects. This policy should inform and guide local municipalities in the updating of their Housing Chapters, which should include housing delivery plans to streamline identification of development areas, and prioritisation thereof for medium term planning.
- Policy for the identification and acquisition of suitable and well-located land for human settlements development.
- The planning and positioning of subsidized housing projects should be informed by economic development and financial viability considerations, taking cognisance of accessibility to social amenities, job opportunities and public transport, and not only by social needs. This refers to FLISP Programme.
- Policy on the use of consultants as service providers, which will regulate the use of consultants by the Department.
- Policy on the appointment of housing contractors, which will regulate the appointment of contractors.
- Multi Year Housing Development Plan, The purpose of the plan is to outline the intentions of the Department on programmes and projects to embark on to ensure that Provincial human settlements targets are met in line with other policy prescripts.

5. Situational Analysis

5.1 Performance Delivery Environment

The Free State is located in the geographical centre of South Africa, bordered by the Northern Cape, Eastern Cape, North West, Mpumalanga, KwaZulu-Natal and Gauteng Provinces, as well as Lesotho. The Province covers a geographical area of 129,825k m², 11% of South Africa's total surface area.

In terms of the Free State Human Settlements Strategy, the Department services the District Municipalities of Xhariep, Lejweleputswa, Thabo Mofutsanyane and Fezile Dabi, Mangaung Metro and 19 local municipalities which are established in terms of Section 12 of the Municipal Structures Act, 1998(Act 117 of 1998) and the Demarcation Act, 1998(Act 27 of 1998).

5.1.1 Housing Delivery Environment

The Housing Delivery Environment presents an analysis of the external and internal environment within which the Free State Department of Human Settlements operates.

The Housing Delivery Environment section of the Multi year Development Plan is made up of the following components:

- Demographic and Socio-Economic Profile
- Housing Profile and Demand
- Housing Delivery
- Land Assembly
- Service Backlog

5.1.2 Demographic changes

5.1.2.1 Demographic Profile

5.1.2.1.1 Population Indicators

According to Census, 2011 data, The Free State had a total population of 2,745,591, which represent 5% of South Africa's population. The population of the province increased with 38709 people (1, 4%) from 2001 to 2011. The average annual population growth rate calculated between Census 2001 and 2011, amounts to 0, 1% for the Province. All Municipalities had a zero to negative growth rate over the same term, except for Mangaung Metro and Fezile Dabi District. Mangaung's annual population growth rate is 1, 5% which is the as the national one.

Mangaung Metro had a population increase of 15, 8% (101,997) between 2010 and 2011. Metsimaholo Local Municipality experienced the highest population growth of 28, 6% over the 10years, which relates to an increase of more than 33 000 people. These two areas remain the priority areas for future investment according to the Free State Growth and Development Strategy (FSGDS).

The Municipalities that experienced the most significant decrease in population numbers were Maluti a Phofung (-24,833), Nala Municipality (-17,048) and Setsoto (-10,567). This trend is significant in the planning for future housing, as the need for housing may decrease over time in these depopulating areas and result in a higher need for housing in the areas where the people are moving.

The Free State Population is highly urbanised with 83, 9% of the total population residing in urban areas. This rate is higher than the national average of 62, 9%. The population of Matjhabeng, Ngwathe, Metsimaholo and Mafube Municipalities is more than 90% urbanised. The population residing in tribal or traditional area were recorded by Census 2001 as 194,409 in Maluti-a-Phofung and 51,523 in the area of Mangaung Metro. The settlement concentration in urban areas informs the Province to provide for housing options suitable to the urban environment.

The following household trends are of significance for human settlements delivery:

The Free State Province had 823,317 households in 2011 and increased with 67,222 households from 2001 to 2011. (Census, 2011).

- The average household density per square kilometre increased slightly from 5, 8 to 6, 3, which is still below the average national density of 11.8 households/km². This indicates that settlements in the Free State are still at low densities, and interventions are required to densify settlements as provided for in the NDP, NDSP, Free State GDS and PSDF.

- The number of households grew at a total of 8.9% from 2001 to 2011, showing a significant lower growth in comparison to South Africa's total growth of 15.5% over the same period.
- The Province's household growth of 8.9% is significantly higher than the population growth of 1.4%. This indicates that households might be increasing, but their size is decreasing. This is also evident when comparing the average household sizes of 2001 with those from 2011. The household sizes decreased from 3, 6 to 3.3 persons per household. Future planning for housing should therefore focus on projecting household growth, and not merely population growth, as the growth trend of these indicators are different.
- The Xhariep and Lejweleputswa Districts both showed a negative household growth rate (2001 to 2011). The Mohokare Municipality within the Xhariep District was the only Municipality in the previously mentioned Districts that experienced a positive household growth rate.
- From 2001 to 2011, the Mangaung Metro (22.8%), the Fezile Dabi District and the Thabo Mofutsanyane District experienced a positive household growth rate of 22.8%, 16.2% and 8.6% respectively. The Mangaung Metro experienced the most significant increase in household numbers (over 43,000 households). Metsimaholo Municipality in the Fezile Dabi District and the Maluti-a-Phofung Municipality in the Thabo Mofutsanyane District also experienced a significant growth in household numbers of over 12,000 and 8,000 respectively.
- Indications are that the highest portion of households in the Free State Province (23%) consists of only one member. Approximately 78% of households in the Free State consist of one to four members.
- The overall trend within the Free State Province is a slightly higher portion of females (51, 6%) than males (48, 4%).

5.1.2.2 Population Growth Projections and Migration

According to the PSDF, 2013 and FSGDS the estimated migration stream for the population of 2001-2006 in the Free State had a net-migration of minus 45 740 people, of which 147 329 were out-migrants and 101 589 in-migrants. The estimated migration stream for the population of 2006-2011 in the Free State had a net migration of minus 25 892 people, of which 118 640 were out-migrants and 92 748 in-migrants. The report states that the majority of people migrated to Gauteng (46%), followed by North West (19%) and Limpopo (8%).

The PSDF, 2013 further states from Census 2011 that 85% of the Free State population were born in the province, and 14, 4% were not born in the province.

5.1.2.3 Household Income and Expenditure

Household income is one of the most important determinants of welfare in a region. The ability to meet basic needs, such as adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households. Poverty is often defined as the lack of resources to meet these needs. There is a distinction amongst three income categories:

Table: Income Category Classification

Income Category	Monthly Income	Annual Income
Low Income	R0 to R3,200	R0 to 38,200
Middle Income	R3,201 to R25,600	R38,201 to R307,600
High Income	R25,501 or more	R307,601 or more

According to Statistics South Africa Census 2011, the Thabo Mofutsanyane and the Xhariep Districts are the districts in the Free State that are struggling with poverty the most. Within the Thabo Mofutsanyane District 76% of the households fell in the low-income category and 73% in the Xhariep District. The distribution of income further informs the housing options that could be considered.

Census figures further indicated the migration of households from the low-income bracket, to the middle-income bracket between 2001 and 2011. The number of households in the Province in the low-income group decrease from 86% – 68%, whilst the middle-income group increased from 13% to 27%. This trend is recognised nationally that people with no income or low income migrates to the lower bracket of the middle-income group, and therefore becoming part of the market for rental and FLISP housing options.

Census 2011, further indicates that the highest number of household that are classified as low income are residents in the Lejweleputswa District (27,068 households), the majority of these households are residents in the Matjhabeng Municipality (19 739 households).

Another area with a high number of low-income households is the Maluti-a-Phofung Municipality in the Thabo Mofutsanyane District, with 13,066 household classified as low income.

5.1.3 Income and Expenditure trends

In accordance with Income and expenditure Survey (IES) 2010/2011, household consumption expenditure refers to the expenditure goods and services acquired, and privately used by household members, including imputed values for items produced and consumed by the household itself.

Housing, water, electricity, gas and other fuels is the largest contributor to household consumption expenditure across households (27%). According to the Statistics South Africa Income and expenditure of households, 2010/2011 statistical release 2 contributing factors to this expenditure group include dramatic increases in electricity tariffs and a combination of higher estimation of house values (the base) relative to IES 2005/2006, and higher rental yields which are used to impute rental values for owner-occupied dwellings (proportion of the base).

Food and non-alcoholic beverages (23%), miscellaneous goods and services (14%) and transport (13%) are the second, third and fourth largest contributors to household consumption expenditure across households.

A key target from the NDP is to improve access to public transport, and to establish settlements in proximity to areas with economic potential and hence job opportunities. Working towards this objective, will positively reduce the expenditure of households on transport.

5.1.4 Economic and Employment Profile

5.1.4.1 Economic Profile

According to *Quantec Research, Standardised Regional Data, 2012*, The Free State Province's total GVA in 2011 (current prices) totalled almost R143 billion, which contributed 5.3% to South Africa's total economic production. Despite the global recession of the late 2000s, which was felt in South Africa in 2008 and 2009, indications are that the South Africa's economic situation has stabilised (refer to Figure 14). Both South Africa and the Free State Province recorded a negative GVA growth rate of - 1.4% and -1.8% respectively from 2008 to 2009. From 2010 to 2011, South Africa and the Free State experienced a positive GVA growth rate of 3.0% and 2.2% respectively. The Free State Province's average annual GVA growth rate from 2001 to 2011 (2.9%) was below the National average (3.6%).

According to the FS GDS, mining was the mainstay of the provincial economy. Its contribution dropped from 16% of the provincial output in 1996 to 9% in 2010. This led to a decline in employment by the sector from 180 000 in 1980 to 33 000 jobs in 2010. The secondary industry, manufacturing, show 0.9 points. The decline of the manufacturing industry's importance in the Province can be seen as negative, as manufacturing is responsible for value adding as well as a sector with significant linkage and spill over effects with other sectors. The petrochemicals sector, accounts for more than 85% of manufacturing output, and accounts for 29% of the sectors employment (FSGDS, 2013). The importance of the finance, insurance, real estate and business services sector is evident with a 3.1-point increase to the province's total economic production.

The decrease of the agricultural and mining production has steered to changing demographic patterns, especially referring to migration of people in the Province. Unemployed population groups migrate from commercial farms and/or mining areas to the nearest urban areas and settlements. Furthermore, an increase has occurred of the unemployed people in the Free State migrating to neighbouring provinces such as Gauteng and Mpumalanga.

5.1.5 Employment

According to Census 2011, the Free State province's unemployment (32, 3%) rate was higher than the National unemployment rate (29, 7%). The Xhariep District (26, 1%) and the Mangaung Metropolitan (27, 6%) unemployment rates are both lower than the Provincial and National unemployment rates.

Municipalities with the highest unemployed individuals include the Matjhabeng (57,951), Maluti-a-Phofung Municipality (37,926), the Metsimaholo (21,017) and the Moqhaka Local Municipalities (19,447).

The economic growth rate of the Free State has been below national average due to the considerable decline in mining and the stagnation of agriculture. The decrease in the mining sector can be traced to a reduction in mining resources, an increase in deep mining and to negative shocks from the global economy (FSGDS, 2013). As a result, unemployment escalated to 32, 3% in 2011. Subsequently, the number of persons supported by a labour force individual increased. The implications for housing planning is that the changes in the economy, impact on the spatial movement and distribution of people, as they tend to move to where job opportunities exist. It further affects the income trends, and hence on the number of potential beneficiaries for subsidies. If unemployment increases, the number of potential housing beneficiaries may also increase. This dynamic environment makes it very difficult to project housing demand in the Free State Province.

5.1.6 Vulnerable Groups

Vulnerable groups are prioritised for provision of housing; therefore, it is necessary for the Province and local municipalities to have record of the vulnerable groups in their areas. According to Statistics South Africa vulnerable groups will include, persons with disabilities, older persons, vulnerable women and orphans. (Statistics South Africa, Census 2011).

The following data (2011) were utilised to categorise four groups that are potentially vulnerable in order to construct a profile of vulnerable groups for the Free State Province:

- Number of households with children as the household head – children referring to an individuals under the age of 18. (Statistics South Africa, Census 2011)
- The number of individuals classified as old – old referring to individuals aged 60 years and older. (Statistics South Africa, Census 2011)
- The total number of individuals HIV/AIDS positive. (Quantec Research, Standardised Regional Data, 2013)
- The total number of individuals with a disability – referring to individuals who cannot perform/undertake

As indicated in the Human Settlements Strategy for the Free State, within the Free State Province, it is evident that the individuals HIV/AIDS positive is the highest contributor towards the total number of vulnerable groups.

The following trend can be derived between 2001 and 2011:

- The number of individuals living with HIV/AIDS in the Free State Province increased 29.6% from approximately 252,000 in 2001 to approximately 328,000 in 2011.
- The Districts in the Free State that experienced the most significant increase in individuals living with HIV/AIDS are the Mangaung Metro (48.1%), followed by the Fezile Dabi (37.6%) and the Xhariep Districts (24.5%).
- In respect of local municipalities, the Metsimaholo Municipality experienced the highest increase of 62.8% from 2001 to 2011 in individuals living with HIV/AIDS. Other Municipalities with a significant increase include the Mafube Municipality (38.8%), the Ngwathe Municipality (33.6%), in both the Fezile Dabi District and the Letsemeng Municipality in the Xhariep District.

The most significant number of vulnerable groups in the Free State Province is residents in the Thabo Mofutsanyane District followed by the Mangaung Metropolitan, (respectively 27% and 26% of the Province's total number of vulnerable groups).

Vulnerable groups constitute 687,432 individuals in the Free State Province (Census 2011).

5.1.7 Housing Profile

According to the Human Settlements Strategy for the Free State, The Department of Human Settlements have made great strides in the provision of adequate housing in the province, as the 2011 statistics confirms that the majority of the Free State Province's households (75%) reside in a house or brick/ concrete block structure on a separate stand or yard or on a farm. The number of households residing in houses made up of brick structures increased by 41% from 2001 to 2011. The majority of the occupants of brick structure houses are low-income households (402 532).

Due to the housing programmes, the number of traditional dwellings decreased significantly by 63%. However, 19 500 households still resided in traditional dwellings in 2011, mainly in the Maluti-a-Phofung Municipality and Mangaung Metro areas and are recorded as inadequate housing.

The numbers of households resident in informal dwellings not in a backyard also decrease in the Province by 45%, while informal dwellings in backyards showed an increase of 10%. This tendency could be attributed to basic services being available to backyard dwellers, or lack of land for informal occupation. For strategic planning purposes, a significant 128 866 households still reside in informal dwellings and hence in inadequate housing structures.

The tendency is further for more households to stay in a flat/apartment and cluster housing complex, which relates to the increase in urbanisation of the population. The average increase in flat/apartments were 29%, and cluster housing increased by 52%. The major contributor to this increase was Mangaung Metro that recorded an increase of 84% in cluster housing. This type of housing supports the principles of densification and compact urban areas. Low-income households are mainly resident in a house or brick/concrete structure (71, 7%), or in an informal dwelling (20, 2%). High-income residents reside mainly in a house or brick structure and in a flat or apartment.

The profile of the middle-income household in terms of where they are residing, needs an assessment, since this income group is growing in the province. The majority of middle-income households resides in a house or brick/concrete structure (81, 95), while 7, 9% reside in inadequate dwellings (traditional and informal dwelling). The middle-income group has further an even distribution of residing in a flat or apartment, townhouses, or house/flat in a backyard. Since the number of households in the below margin of the middle-income group increases, it is foreseen that the need for housing in flats and town houses will increase.

According to Census 2011, the informal dwellings (shack in backyard), increased in the majority of municipalities from 2001 to 2011, resulting in an increase in the housing need to be addressed. The other inadequate housing types (traditional and Informal dwelling in squatter settlement) decreased, implying that the backlog in these dwelling types was improved. The .informal settlements increased in Mafube Municipality.

The largest portion of households in the Free State that own their houses that are fully paid off are located in the Thabo Mofutsanyane District and the Mangaung Metropolitan. The Mangaung Metropolitan has the most significant portion of households that own their houses but are still paying it off as well as households renting (Census 2011).

5.1.8 Housing Backlog and Demand

The specific right to have access to adequate housing is enshrined in Section 26 of the Constitution. To fulfil this mandate, the housing need or households in inadequate housing, should be determined.

Census 2011 provides for the three dwelling types that are referred to as “inadequate housing”, and hence housing backlog, are traditional dwellings and informal dwellings.

According to Census 2011, the total housing need/backlog for the Free State Province totals 148,381 - translating to 18% of the Province’s total households. For purpose of housing planning, cognisance should be taken that a component of the Census figure could include households that may not qualify for housing subsidy, or may prefer to remain in their current dwelling(especially in the case of traditional dwellings). For this purpose, a filter of 10% is subtracted from the Census figure to arrive at a 2011 housing backlog of 133 543 for the Province that is projected with the average annual growth rates from Census. The 2014 housing backlog for the Free State Province is estimated at 137 273.

At a District level, the District with the highest housing need is Thabo Mofutsanyana (48 039) followed by Lejweleputswa (36 015) and Mangaung Metropolitan (35,762). At Local Municipal level, the Matjhabeng and Maluti-a-Phofung Municipalities have the highest housing need, with a backlog of 24 769 and 18 763 respectively.

It is necessary to estimate the need for housing growth In particular for the income groups that may reside in a flat at the back of a house with the hope of owning property (Census, 2011).

5.1.9 Housing Delivery

The Honourable State President in his State of the Nation Adress on 12 February 2015 announced that in last year’s SONA a commitment was made to revitalise distressed mining towns and a lot of progress has been made. A total 2.1 billion rand has been ring-fenced for this purpose with 290 million rand approved for Informal Settlement Upgrading in Mpumalanga, North West, Gauteng, Northern Cape, Limpopo and the Free State.

One hundred and thirty three (133) informal settlements are being assessed or prepared for upgrading through the National Support Programme.

Thirty two (32) settlements are being upgraded and eighty seven (87) housing projects are being implemented across the prioritised mining towns.

Between 2010/2011 and 2014/2015 financial years the province completed 29 346 new housing units across all housing programmes.

The Department is contributing towards the realization of national priorities. The upgrading of informal settlements and the IRDP programme are government priorities, amongst others, which include the connection of sites to basic services.

The Department has also delivered well in terms of the planning and surveying of development areas, and plans to continue to survey approximately 8000 sites per year and register 10 – 15 townships per year.

Consultations revealed that there is a definite need for a consolidated report on the incomplete and blocked projects.

Housing Units delivered by the Province for the past five years is depicted on **Table 3.3.6. (a)**.

Performance Achievement linked to Outcome 8

Performance Indicator	2010/11 Audited Actual	2011/12 Audited Actual	2012/13 Audited Actual	2013/14 Audited Actual	actual (April to December 2014)
Number of land acquired and released for Human Settlement development	16	6	9	4	0
Number of deeds transfer, registered in favour of qualifying beneficiaries	1555	7321	2075	1167	709
Number of sites connected to basic water and sanitation as part of the Integrated Residential Development Programme (W&S on newly formalized areas)	0	1436	4626	1273	1920
Number of households connected to basic services as part of informal settlements upgrading programme (Infrastructure installed in erven/sites)	4 312	-	-	4315	2893
Number of new housing units completed in the province across all housing programmes being utilised by the province	4812	9070	3706	6758	5511
Number of Municipalities supported towards accreditation	4 Metsimaholo Dihlabeng Matjhabeng. Moqhaka	5 Metsimaholo Dihlabeng Matjhabeng Moqhaka Mangaung Metro level 2	5	5	5LM 1Metro

The Department during 2014/ 2015 could not implement some Housing Interventions programmes well due to the following reasons:

- **FLISP**

The programme was not fully implemented because the mortgage applications of potential beneficiaries were not approved by the banks due to improper financial status of beneficiaries. The Department is in the engagement process with the Financial institutions to ensure that the programme unfolds.

- **Military Veterans**

The Department was in the process of verifying the potential beneficiaries with the Department of Military Veterans.

- **Parcels of land identified and transferred to municipalities for development purposes**

Target was not reached due to insufficient funding. However, total of 3154.9370ha of private land was identified and pre-acquisition feasibility reports were completed.

5.1.10 Informal Settlement Upgrading

The Housing Development Agency has been appointed by the Department to support them with the eradication of informal settlements.

The Free State is progressing well in terms of the Upgrading of Informal Settlements. The progress is revealed in the Census 2011 statistics that recorded a provincial decline in the number of informal dwellings from 26.1% in 2001 to 15, 7% in 2011.

The Province has connected basic services to 1929 households as part of the Informal Settlements Upgrading programme, and targets to increase it to 3,000 per year up to 2016/17.

The National Upgrading Support Programme (NUSP) is being implemented in the 6 Municipalities of:

- Metsimaholo
- Dihlabeng
- Matjhabeng
- Moqhaka
- Maluti-a-Phofung
- Mangaung

According to the Census figures on the occurrence of informal settlements, the above Municipalities are the areas with the highest number of informal dwelling types. The only exception is that Moqhaka has a lower number of informal dwellings recorded than the Municipalities of Setsoto and Ngwathe. It is therefore proposed that the Department consider the extension of the NUSP programme towards these two municipalities.

The HDA is further in process with the enumeration of informal settlements in the NUSP Municipalities, except in Mangaung. Mangaung has developed a Strategy for the Upgrading of Informal Settlements in its area of jurisdiction and performed a rapid assessment of the informal settlements in the metro. Mangaung listed 28 informal settlements in its area, including in Thaba Nchu and Botshabelo. The rapid assessment indicated over 27,700 structures in these settlements.

The assessment further stated that the informal settlements varies in terms of sizes from 15 households to 10 000 households. Enumeration or socio-economic studies per settlements have not yet been conducted in most of these settlements. The Metro already initiated development plans and implementation thereof for most of these areas but these plans have not been finalised. The majority of areas have interim services provided by the Metro and eventually full upgrading will be required. A few of the settlements would require relocation due to settling on the flood line, on top of the graves, and rocky and steep areas.

Most of these settlements are on Municipal owned land. The Thaba-Nchu settlements are situated on state land owned by the Department of Rural Development and Land Reform. The development constraint experienced with the upgrading of informal settlements, is that the requirements for successful delivery on Outcome 8 are that the planning, servicing, top structure and security of tenure should be in place to perform on this target, and to have all these aspects ready, remains challenging. The blockages are in the completion of the township registrations, services and land release.

5.1.11 Land Assembly

South Africans have the specific right **to have access to land**, as enshrined in Section 25 of the Constitution. The Department concluded an Implementation Protocol with the Housing Development Agency (HDA) in 2010 with the mandate to HDA to facilitate planning in relation to the identification, acquisition and assembly of well-located land suitable for human settlements developments. HDA successfully acquired 105.5615 ha from Transnet/Servcon:

- Ngwathe (2 properties)
- Metsimaholo (3 properties)
- Naledi (1 property)

Nine land parcels in Thaba Nchu are in the process of being transferred from the National Department of Rural Development and Land Reform, to the Mangaung Metro. Thirty agricultural smallholdings were acquired for the formalisation of Grassland IV (Khayelitsha), and four were acquired to formalise Bloemside Phase 7. Portion of Plot 82, Rodenbeck was acquired to formalise part of Sonderwater.

The development constraints of some of the sites are the desirability of their locality and shape, especially in relation to railway lines. In the light of the focus on housing projects to be on well-located land, these land parcels will have to be reconsidered if suitable for the intended purpose.

A Provincial Land Acquisition Pipeline is in place that enables the Department to do appropriate forward planning and budgeting. However, approved criteria for the identification and prioritisation of land for acquisition, should be established to ensure that the land identified in the pipeline, aligns to the Policy Mandates in Section 3 of this report. Further feasibility studies to proof the availability of a suitable market and housing programme, should ideally support applications for land assembly. The land identified at Mangaung, Sasolburg, Harrismith, Koffiefontein and Kroonstad are at nodes with high development potential according to the Provincial Spatial Development Framework (PSDF). The other areas with moderate to low development potential should be reconsidered for acquisition, as the focus is on basic service delivery in these areas.

5.1.12 Services Profile

Human Settlements Service Delivery Strategy is in line with the Human Settlements Vision 2030 that states that, most South African will have affordable access to services and quality environments”, the Department appointed Service Providers (E'tsho and Mafori) in 2012/2013 to install basic municipal infrastructure in 26 915 sites, of which 7193 sites were connected in 19 Municipal areas.

Driver 8: Expand and maintain basic and road infrastructure, the Free State Growth and Development Strategy, 2013, states that the importance of basic infrastructure lies mainly in two factors. Firstly, access to services that will have significant impact on the living environment of the people. This will contribute to healthy living conditions, which may further reduce costs in the primary and secondary health system.

Secondly, basic infrastructure is crucial for business and business confidence in general. Therefore, the provision and maintenance of adequate infrastructure (bulk and internal) is crucial in respect of economic development and growth as well as in terms of human health. The spatial need in respect of basic infrastructure suggests the following key issues in the FSGDS:

- Water backlog (internal) Mangaung, Ngwathe, Moqhaka, Setsoto and Maluti-a-Phofung.
- Water infrastructure investment requirements: Kopanong and Tokologo.
- Internal sanitation backlog: Mangaung and Matjhabeng.
- Electricity backlog: Maluti-a-Phofung, Phumelela and Nketoana.

The Department also commenced with a process of establishing a reliable and credible database for contractors, to minimise the risk of incomplete projects.

The following highlight the backlog of basic services in the Province

Access to sanitation						
District	Flush/Chemical toilets			None		
	1996	2001	2011	1996	2001	2011
Xhariep	50.2	64.2	80.5	19	15.7	5.8
Lejweleputswa	53.9	47.6	77.6	10	10.1	3.2
Thabo Mofutsanyane	26.6	30.1	53.4	9.5	9.8	3
Fezile Dabi	54.2	62.7	80.3	6.4	6.8	1.7
Mangaung	49.4	50.4	63	6.1	9.4	3.5
Total Free State	45.3	47.1	67.6	8.8	9.7	3.1

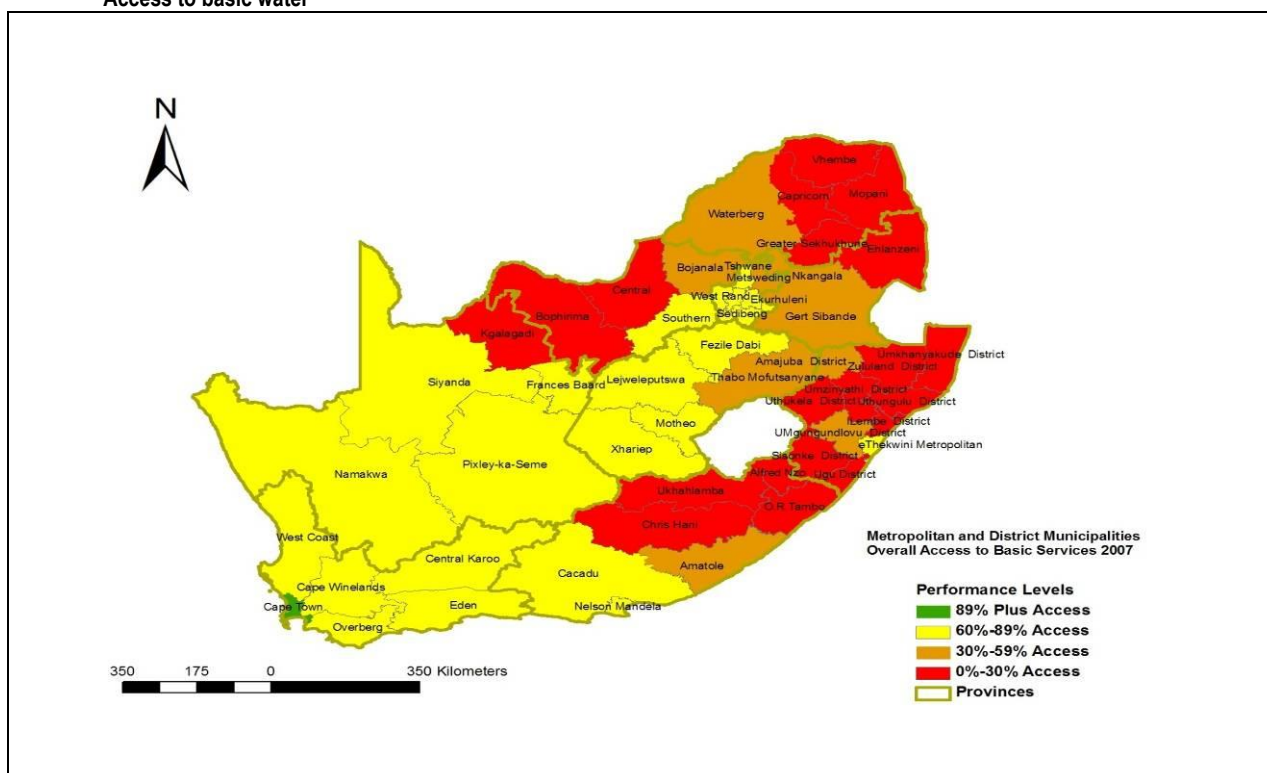
Source: STATSSA' Census 2011

Access to water trends between censuses Per District in the Free State Province

District	Piped water inside the dwelling/yard			Piped water on a communal stand			No access		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Xhariep	80.7	79.8	94.5	11.6	17.1	3.8	7.7	3.1	1.6
Lejweleputswa	82.7	70.8	90.8	12.5	24.8	7.1	4.8	4.4	2
Thabo Mofutsanyane	56.2	61.6	87.4	35.9	32.4	9.4	7.8	6.1	3.2
Fezile Dabi	77.2	84	91.5	15.6	14.2	7.3	7.2	1.9	1.1
Mangaung	65.7	68.8	86.7	31.7	26.9	11.2	2.6	4.3	2.1
Total Free State	70.4	70.6	89.1	24	25.1	8.7	5.7	4.3	2.2

Source: STATSSA' Census 2011

Access to basic water



Source: STATSSA' Census 2011

5.1.12 Social Services

The Department is committed to provide human settlements where the people of the Free State can “live, work, play and pray”. Subsequently, the provision of social amenities becomes critical. The Departments has to date completed multi-purpose community hall in Warden, and halls are nearing completion at Bothaville and Wesselsbron.

The Department work closely with the Department of Sports, Arts, Culture and Recreation to provide for amenities to communities. The amenities are currently identified through the municipal IDP and Councillors.

5.1.13 Challenges in housing delivery

The following have been identified as some factors, which hamper effective housing delivery in the Province:

(a) Beneficiary Administration

In accordance with the Human Settlement Strategy of the Free State, beneficiaries are currently identified by local municipalities, through their Ward Councillors. Beneficiary application forms are submitted to the Department and captured on HSS for verification and approval. The Department therefore administer the beneficiary through the HSS system and seeks to improve on their turn-around time for approval of beneficiaries. Twenty Municipalities have been trained on the HSS online system and the municipalities are being supported.

Most municipalities keep waiting lists of potential beneficiaries. The risk therein is that expectations are created when names are recorded on waiting lists. Further the accuracy and updating of the lists remain a risk to the identification of housing need.

The procedures for the changing of beneficiaries is not formalised and cases do occur where beneficiaries are replaced or duplicated, especially at the final stages of the project when registration of site ownership takes place. This has been identified by the Department as a service delivery gap that needs attention in terms of the Service Delivery Improvement Plan.

(b) Informal settlement eradication

The mushrooming of Informal Settlements muffles significant strides made in housing delivery. To prevent land invasions, municipalities must adopt and enforce By Laws; informal settlement eradication is still a key area of national attention, and an assessment in terms of the province status has been finalised. HDA in partnership with the Department have developed the Human Settlements Strategy, which reflect an analysis of informal settlements in the Province.

(c) Rural Housing

Rural housing is an area that requires serious attention in the Province, and there are national estimates that some 1 million farm workers have been evicted from their homes over the last 15 years. In addition to displaced farm workers, there are questions regarding the security of tenure for farm workers and their dependents and further complications around supplying these groups with services. The Department has made provision in the 2015 allocation for Rural Housing, particularly focusing on teachers working in rural areas.

(d) Well located land for suitable housing

One of the fundamental challenges to housing delivery across SA and no less in FS is the lack of well-located land for housing. The Free State has prioritised the need for land and as a result has acquired additional land parcels whereon planning, surveying and installation of services is intended to be improved. The MTEF plan identifies a land audit as one of this year's housing research deliverables in order to ensure that land is consistently available for housing.

(e) Prolonged legal processes to deregister beneficiaries

Prolonged legal processes to deregister and trace beneficiaries who are registered on two sites slowed down the delivery pace. A need has also been identified to de-link beneficiaries from project delivery.

(f) Lack of capacity at municipal level

A further challenge that needs to be addressed urgently is the lack of capacity at local government level. There are a number of plans to build municipal capacity and skills and increase the number of staff at the local government level so that they can improve their current performance and take on increased responsibilities such as beneficiary registration, consumer education, site identification, etc.

The lessons learnt during the implementation of housing policies in the past electoral cycle assisted the department towards changing its business approach considerably in the coming five years, thereby ensuring that planning across the different spheres of government is integrated.

5.1.14 Measures that are implemented to address challenges in housing delivery

The department, in order to address challenges of housing delivery in the province, has implemented the following measures:

(a) Rectification Programme

As such, the province has taken the view that there is a definite need to rectify both pre-1994 housing stock and post – 1994 RDP units, which is in keeping with the national department of Human settlements rectification programme. The province has conducted an audit of two-roomed housing stock in the province and has decided to eradicate all two-roomed units and replace them with new BNG houses.

The province has thus allocated a number of subsidies to catalyse the project and for the revitalisation of old townships through improved housing projects. The subsidies are not the only method by which the province intends to improve the older townships with the FS recently introduced Operation Hlasela Programme. The Programme focuses on upgrading infrastructure, socio-economic amenities and houses, including municipal road paving and rebuilding, and restoration. The programme started in Batho Location in Mangaung Metro and is extending to other parts of the Province in the 18 nodes that have been identified for restoration.

(b) Alternative Tenure Housing options

The Province, in keeping with the State's intentions of the National Spatial Development Framework and BNG has also begun to focus on alternative tenure housing options. Social rental housing is not only intended to provide rental units but is also meant to ensure that Free State densifies its cities and creates mixed use, integrated spaces. The Medium Term Expenditure Framework (MTEF) shows increasing institutional subsidy allocations per year by the FS government to Mangaung Metro for the Brandwag Social Housing project.

(c) Introduction of some policy thrusts

The Free State Department of Human Settlements has a number of programmes and policies at work now. At the same time, the Department must take into account the key policy thrusts of government such as the Housing Breaking New Ground Strategy and the Human Settlements Strategy for the Province. This strategy has been informed by the Free State Growth and Development Strategy and the Spatial Development Framework, all of which attempt to outline the main priorities of the province and the location of specific projects and programmes.

The various strategies have been distilled into a number of key interventions that reflect the abovementioned policies

These include:

- Development of Service Delivery Improvement plan
- Identification of well located land suitable for housing development
- Improvement of the Housing Subsidy System (HSS)
- More effective marketing of the Breaking New Ground Plan and monitoring of the same
- Vigorous implementation of the Informal Settlement Eradication Strategy
- Mentoring and skills transfer for contractors
- Implementation of a Learnership Programme for construction companies owned and led by Youth and Women, and sound implementation of project management on BNG houses.

PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

Key achievements (2010-2015)

- 29479 houses were enrolled with the National Housing Builders Registration Council (NHRC)

Key achievements (2010-2015)

- 39156 Erven were planned and surveyed.
- 60 Township registers were opened in areas like Thabong Ext 13, Dihlabeng -Bakenpark Ext: 5 (1421 Erven) and Mmamahabane and Phiritona ext 9.
- 24059 Deeds of transfer were registered in favour of qualifying beneficiaries.
- 18364 new sites were connected to basic water and sanitation services as part of the Integrated Residential Programme.
- 20961 Low-income affordable housing units were constructed across the province.
- 689 Community Residential Units were constructed and upgraded in Masimong: Matjhabeng Local Municipality and in terms of other areas; planning was at different stages.
- All local municipalities and Mangaung Metro were mentored on consumer education.
- 370 rental units through social housing units were constructed or upgraded in Mangaung Metro: Brandwag.
- The department supported, Metsimaholo; Dihlabeng; Matjhabeng and Moqhaka Local Municipalities towards accreditation level 1 accreditation and Mangaung Metro towards level 2 accreditation. The above mentioned local municipalities will continuously be supported towards level 2 accreditation and Mangaung Metro will be supported towards level 3.
- A human settlement delivery impact study was conducted by the National Department of Human Settlements.
- A research was conducted by the National Department of Human Settlements with regard to the housing assistance for orphaned and vulnerable children. The findings were made available in a research report issued by the said Department.

Challenges

- No Provincial Housing Demand Database was developed and updated because of a lack of adequate human resources within the specific unit.
- The enrolment of houses with NHBRC was delayed by the incomplete verification of documents required for the enrolment purposes and. The Department continuously engaged the NHBRC in order to fast track the enrolment process.
- Multi Year Housing Development Plan was not developed due to Human resource capacity constraints.
- Slow payments to contractors, in some instances because of queries.
- Slow process of court in appointing new beneficiary.
- Time constraints for terminating non-performing contractors.
- Time constraints to establish new sites.

PROGRAMME 4: HOUSING ASSETS MANAGEMENT AND PROPERTY MANAGEMENT

Key achievements (2010-2015)

- 74 of rental units devolved to municipalities in terms of section 15 of the Housing Act, 1997.
- 581 of (pre-1994 state financed housing) units transferred through the Enhanced Extended Discount Benefit Scheme.
- 13 of rental units transferred, the target was not reached due to the fact that disputes were lodged for some of the units earmarked to be transferred.
- No (pre-1994 state financed housing) units were transferred through the Enhanced Extended Discount Benefit Scheme because proposals for the transfer of the remaining 68 properties to the municipalities have been submitted for further consideration.
- 28 Existing rental units transferred to beneficiaries – the under achievement was a result that of delay in the transfer of rental units to beneficiaries.
- 28 debtors were reduced for 2014/2015 financial year; the underachievement was a result of delay in the transfer of rental units to beneficiaries.

5.2 Organisational environment

The revised organizational structure of the Department, which was approved by the Executive Authority during July 2012, provides for 437 posts, of which 301 (68%) posts are filled and 136 (31%) posts are vacant. 80 (18%) of the indicated vacant posts have been advertised and 47(10.75%) have been filled and 23(5.26%) are still to be filled towards improving the capacity of the Department to delivery its services as per the mandate of the Department, but are held back due to financial constraints

The Department of Human Settlements has over the past years, experienced **a chronic shortage of personnel, both in respect of skills and numbers.**

The past two restructuring processes in 2005 and again in 2006 have left the department with a disenchanted staff complement and an organogramme with many vacancies. **Some posts at senior, executive and senior executive management levels were filled but the majority of other posts at all other levels were not filled due to a lack of sufficient funds.**

The percentage of the department's budget on Compensation of Employees is still a paltry three percent (12.23%) of the department's entire budget, thus making it virtually and practically impossible for the Department to deliver on its mandate optimally (whereas the norm for the compensation of employees indicates that it should constitute at least 30% of the department's budget).

Other challenges being experienced regarding the organizational environment of the department is concerned, includes **a lack of suitable office accommodation and inadequate ICT infrastructure and systems.**

A project dealing with the development of a functional generic structure for provincial departments responsible for Human Settlements, involving representatives from all such provincial departments, has been initiated by the Department of Public Service and Administration during the current (2013/2014) financial year. Once this project has been completed, the Department will embark on a process to determine the extent to which **the revised structure of the Department is aligned with the functional generic structure**, taking into account the needs and service delivery environment applicable to the Department (as per the Departments' Service Delivery Model).

5.3 Description of the strategic planning process

Preparatory Strategic Plan meeting was held in November 2014 with the management of the Department to solicit inputs for the second draft and to prepare for the final draft. Strategic planning meeting was held on 10 and 11 February 2015 to make inputs for the final draft of Annual Performance Plan (APP) and Strategic Plan (SP).

Facilitators were sought from NURCHA to ensure that the programme reaches the intended goal. The Executing Authority, Head of Department, Executive, Senior and middle management were participants at the session. Housing Development Agency and Department of the Premier (Monitoring and Evaluation Unit) also formed part of the meeting. Informal meetings were held with respective managers to confirm targets and information provided during the Strategic Plan meeting. Component of Performance Planning and Monitoring consolidated inputs in the form of documents (SP AND Annual APP) and circulated them amongst management to confirm the report.

5.4 SWOT analysis

During the strategic planning meeting held on 10 and 11 February 2015, the following strengths, weakness, opportunities and threats were identified. Actions to be taken were also populated. Here below is a table illustrating SWOT analysis of the department.

STRENGTHS	ACTIONS REQUIRED
<ul style="list-style-type: none"> Vision and mission are understood in the Dept - Roadmap is in place 	<ul style="list-style-type: none"> Live the vision and mission Take ownership
<ul style="list-style-type: none"> Organisational structures is in place – work and roles are defined 	<ul style="list-style-type: none"> Collaborate with & support each other Recruit to fill positions
<ul style="list-style-type: none"> Presence and support within 	<ul style="list-style-type: none"> Improve presence

districts	<ul style="list-style-type: none"> ○ Refine or clarify role of districts - functions relevant to districts to be devolved to districts ○ Recruit to fill vacant positions urgently ○ Improve / strengthen communication through standardised communication plans i.e. meetings, reporting ○ districts to be properly resourced
<ul style="list-style-type: none"> ● Legislative environment (Acts and policies exist) 	<ul style="list-style-type: none"> ● Maintain strict compliance
<ul style="list-style-type: none"> ● Critical systems in place and Operational Hlasela 	<ul style="list-style-type: none"> ● Derive lessons learned and apply elsewhere
<ul style="list-style-type: none"> ● Strong administrative leadership 	<ul style="list-style-type: none"> ● Finalise disciplinary cases ● Recruit to fill vacant positions urgently ● Appoint personnel to act in vacant positions while recruitment is being finalised
<ul style="list-style-type: none"> ● Skilled and committed personnel 	<ul style="list-style-type: none"> ● conducive environment to be created for personnel to perform i.e. provision of tools, office space, skills development, professional registration, ● finalise retention & recruitment strategy ● continue to recognise & remunerate good performance
WEAKNESSES	ACTIONS REQUIRED
<ul style="list-style-type: none"> ● Lack of Policy development capacity within certain units - 	<ul style="list-style-type: none"> ● Capacitate Policy Development Unit through filling of vacant posts – Deputy Directors & relevant subordinates. ● Expert resources to provide relevant inputs into policies being developed. ● Ernest & Young to impart knowledge to Department officials i.e. completion of workshops with relevant personnel prior to HoD approval. ● Develop / Customise, approve and implement policies that are not in place. ● Identify support and service delivery related policies that are lacking e.g. minimum standards for houses.
<ul style="list-style-type: none"> ● Lack of operational leadership for decision making and execution of actions 	<ul style="list-style-type: none"> ● Relevant units to be supported ● Management collaboration on decision making and execution of actions
<ul style="list-style-type: none"> ● Scarcity of resources (human resources, financial and ICT infrastructure) 	<ul style="list-style-type: none"> ● Recruit to fill vacant positions urgently ● Provision of tools, office space, skills development. ● Finance – re-engineer units to do more with less ● ICT – Align business with ICT to determine ICT requirements accurately.
<ul style="list-style-type: none"> ● Misalignment of resources in relation to desired outputs 	<ul style="list-style-type: none"> ● Undertake review of budget for skills development and align with policy ● Undertake a skills audit ● Undertake a review of organisational structure ● Review suitability of personnel accommodation ● Placement of resources in accordance with their skills
<ul style="list-style-type: none"> ● Ways of working: lack of integration and co-ordination 	<ul style="list-style-type: none"> ● Develop “Ways of Working” document across the Department ● Map Unit-Specific Processes and Linkages to Overall Business Process ● Develop Communication Plan per Unit ● Establish regular Inter-Unit Meetings ● Review “Ways of Working” document previously developed for Districts
<ul style="list-style-type: none"> ● Poor communication 	
<ul style="list-style-type: none"> ● Weak and/or inadequate use of information management systems (reliability, not updated, usability) 	<ul style="list-style-type: none"> ● User group meetings to be attended ● Dept has a backlog but is addressing the situation – through external and internal interventions ● Develop SoPs (Standard Operating Procedures) ● Attention to be paid to accuracy of data capture
<ul style="list-style-type: none"> ● Inadequate institutional knowledge management 	<ul style="list-style-type: none"> ● Resource and Policy is in place – Knowledge Management Strategy, Plan, Processes, SoPs& System need to be developed, implemented and institutionalised.

<ul style="list-style-type: none"> • Lack of change management abilities 	<ul style="list-style-type: none"> • National Policy in place and needs to be customised and implemented (SoPs; etc.) by Organisational Design (OD) Unit
<ul style="list-style-type: none"> • Insufficient research capacity 	<ul style="list-style-type: none"> • Research areas need to be identified • Academic Institutions to be engaged
<ul style="list-style-type: none"> • Poor quality of reporting 	<ul style="list-style-type: none"> • Reporting Itinerary to be established • Monthly reporting to be institutionalised • Training to be done on Report Writing • Reduce variations in template - Engage National DHS on templates • Set acceptable standards for reports
<ul style="list-style-type: none"> • Lack of paper trail e.g. no job descriptions when personnel are re-assigned to different positions i.e. current functions versus approved functions 	<ul style="list-style-type: none"> • SoP and related documentation to be developed by HR Unit
OPPORTUNITIES	ACTIONS REQUIRED
<ul style="list-style-type: none"> • Presence and support within districts 	<ul style="list-style-type: none"> • "Ways of Working" to be formalised, approved and implemented. • Roles of Districts to be clarified
<ul style="list-style-type: none"> • Legislative environment / Legal mandate 	<ul style="list-style-type: none"> • Comply, Monitor, Review
<ul style="list-style-type: none"> • Policy development capacity 	<ul style="list-style-type: none"> • Understanding needs to be standardised – through workshops across Units • Enforcement - Adherence and Compliance
<ul style="list-style-type: none"> • Critical systems in place and operational Hlasela- Operation Hlasela 	<ul style="list-style-type: none"> • Improve Involvement of other sectoral departments i.e. Convene regular forums • Enhance use of systems
<ul style="list-style-type: none"> • Performance planning capacity 	<ul style="list-style-type: none"> • Adhere to / Comply with National Performance Management Framework • Align individual performance agreements to APP targets
<ul style="list-style-type: none"> • Skills development opportunities 	<ul style="list-style-type: none"> • Continue to train personnel in accordance with individual's Skills Development Plan (skills needs analysis) • Invest in Continuing Professional Development. • Implement knowledge derived from training and lessons learned – move towards a learning organisation • Follow up on the correct usage and training on HSS.
<ul style="list-style-type: none"> • Partnerships with SOEs 	<ul style="list-style-type: none"> • Research and collaboration with SoEs
<ul style="list-style-type: none"> • New mandates, SONA and SOPA 	<ul style="list-style-type: none"> • Align Departmental Plans to SONA & SOPA
<ul style="list-style-type: none"> • Political stability 	<ul style="list-style-type: none"> • Aggressively enhance participation in outreach programmes e.g. Hlasela • Establish a Info Desk at District Level
<ul style="list-style-type: none"> • Media 	<ul style="list-style-type: none"> • Establish a Info Desk at District Level and cascade to all levels • Inform people / create media attention around Govt / Dept achievements
THREATS	ACTIONS REQUIRED
<ul style="list-style-type: none"> • Uprisings 	<ul style="list-style-type: none"> • Aggressively enhance participation in outreach programmes e.g. Hlasela • Establish a Info Desk at District Level • Enhance synergies between media programmes between Provincial and Municipality levels
<ul style="list-style-type: none"> • Insufficient capacity within municipalities • Inadequate cooperation from municipalities 	<ul style="list-style-type: none"> • Initiate appropriate interventions and programmes that can assist / develop municipalities e.g. recruitment of CTAs • Interact with COGTA around programmes being implemented • Communicate with municipal managers and increase participation and cooperation • Dept to identify impacts (beneficiaries, bulk services, etc) on core business and engage with relevant stakeholders e.g. COGTA • Take advantage of structures such as IGR and PCF

<ul style="list-style-type: none"> Unfunded mandates 	<ul style="list-style-type: none"> Department (CFO) to issue Standing Instruction around unbudgeted expenditure
<ul style="list-style-type: none"> Over reliance on consultants 	<ul style="list-style-type: none"> Recruit to fill vacant posts Enforce skills and knowledge transfer from consultants to Dept. personnel Dept. personnel / Interns to “shadow” consultants. Implement Exit Strategy (already developed for Consultants) Adhere to Treasury Conditions
<ul style="list-style-type: none"> Poor compliance to legislation 	<ul style="list-style-type: none"> Comply, Monitor, Review
<ul style="list-style-type: none"> Ageing infrastructure. 	<ul style="list-style-type: none"> Dept to identify impacts (bulk services, unmaintained infrastructure, etc.) on core business and engage with relevant stakeholders e.g. COGTA, HDA

6. Strategic Outcome Goals of the Department

Programme	Administration
Strategic Goal	Title: Creation of a department geared towards service excellence
Goal statement	To provide leadership and support to the department in accordance with all applicable Acts and policies
Justification	This programmes aims to provide strategic direction, leadership and support to the Department
Links with MTSF and FSGDS	<p>The realization of this goal will impact directly on the extent to which the Department achieves some of the priorities set out in the following chapters of the MTSF:</p> <ul style="list-style-type: none"> Outcome 12: An efficient, effective and development oriented public service (Chapter 13 of the NDP), and more specifically by ensuring that the Department complies with all requirements as set out in the PSA, PSR, PFMA and other legislation relating to good governance in the Public Service. Outcome 14 : Nation building and social cohesion (Chapter 15 of the NDP), and more specifically in relation to reducing inequality of opportunity and redress through the implementation of special projects in respect of gender equality, women empowerment, disability, etc.) <p>This goal will also impact on the extent to which the Free State Province achieve various priorities as set out in the Free State Growth and Development Strategy, and more specifically in relation to Pillar 6: Good Governance (Driver 15: Foster good governance to create a conducive climate for growth and development)</p>

Programme	Housing Needs, Research and Planning
Strategic Goal	Title: Improved housing delivery planning
Goal statement	To facilitate and undertake housing delivery planning
Justification	This programme aims to facilitate and undertake housing delivery planning, Implementation, monitoring and evaluation
Links with MTSF and FSGDS	<p>The realization of this goal will contribute significantly to the realization of various priorities as set out in MTSF (Chapter 8) Adequate housing and improved quality living environments and A single and functional residential property and more specifically in relation to policymaking, planning and evaluation and research.</p> <p>With regard to the Free State Growth and Development Strategy, this goal also contributes to the achievement of some of the priorities as set out in Driver 15: Foster good governance to create a conducive climate for growth and development and Pillar 6: foster good governance to create a conducive climate for growth and development and as result helping the department to reduce the housing backlogs.</p>

Programme	Housing Development, Implementation, Planning and Targets
Strategic Goal	Title: Management of Housing Interventions
Goal statement	To facilitate the allocation of subsidies and the creation of housing opportunities
Justification	This programme serves to promote the effective and efficient delivery of National and Provincial Housing programmes.
Links with MTSF and FSGDS	<p>The realization of this goal will contribute significantly to the realization of various priorities as set out in MTSF (Chapter 8) (a) Adequate housing and improved quality living environments, (b) A single and functional residential property market and Enhanced Institutional capacity and improved coordination of spatial investment decisions and more specifically in the and more specifically in financial interventions, incremental interventions, social and rental interventions and rural interventions</p> <p>MTSF (Chapter 6):An efficient, competitive and responsive economic infrastructure network), and more specifically where it relates to bulk infrastructure services particularly in relation to the connection of basic services for integrated residential development .and informal settlements upgrading programmes.</p> <p>With regard to the Free State Growth and Development Strategy, this goal also contributes to the achievement of some of the priorities as set out in Pillar 3:Improved quality of life and more specifically Driver 9: ensure sustainable settlements. In addition, Pillar 4: Sustainable rural Development and Driver 13: mainstream rural development into growth and development, specifically in addressing the connection of basic services.</p> <p>Pillar 5: Social Cohesion: Build Social Diver 14: maximise arts, culture, sports and recreation opportunities and prospects for all communities., specifically addressing the construction of social amenities</p>

Programme	Housing Asset Management
Strategic Goal	Title: Management of housing assets and the Extended Enhanced Discount Benefit Scheme (EEDBS)
Goal statement	To provide for the effective management of housing assets and the upgrading of Land Tenure in respect of State Financed Rental Stock created before 1994.
Justification	The programme aims to regulate rentals and provide for the effective and efficient management of housing assets as well as upgrading of Land Tenure
Links with MTSF and FSGDS	<p>MTSF (Chapter 8) (a) Adequate housing and improved quality living environments, (b) A single and functional residential property market and specifically in administration, management and maintenance of housing assets or properties.</p> <p>With regard to the Free State Growth and Development Strategy, this goal also contributes to the achievement of some of the priorities as set out in Pillar 3:Improved quality of life and more specifically Driver 9: ensure sustainable settlement</p>

PART B
STRATEGIC OBJECTIVES

PROGRAMME 1: ADMINISTRATION

Purpose of the Programme

This programme aims to provide strategic direction, leadership and support to the Ministry and the Department

Brief description of the Programme

This Programme consists of the following Sub-Programmes:

1. Corporate Services
2. District Services

The following services are rendered by this Programme

This Programme renders the following services:

1. Corporate Services, which includes the following:
 - a. Human Resources Management, including Personnel Provisioning, Personnel Utilization and Employee Relations
 - b. Human Resources Planning and Information
 - c. Employee Health and Wellness
 - d. Special Programmes related to gender equality, people with disabilities, and the youth and women empowerment.
 - e. Human Resources Skills Development
 - f. Employee Performance Management
 - g. Structural Designing, including job evaluation, change management / transformation and the rendering of technical support on job descriptions
 - h. Service Delivery Planning and Improvement
 - i. Strategic Planning, Monitoring and Evaluation
 - j. Risk Management
 - k. Corporate Communication
 - l. Information Technology
 - m. Auxiliary Services, including occupational health and safety, record management, executive committee support services, etc.
2. Support to the HoD (Office of the HoD)
3. Support to the MEC (Office of the MEC)
4. Internal Audit
5. Security Management and Anti-Corruption
6. Office of the CFO, which includes the following responsibilities:
 - a. Budget Management
 - b. Financial Management
 - c. Supply Chain Management, including asset management

Strategic objectives

Sub-Programme 1.2	Corporate Services
Strategic Objective 1.2	Title: Improved capability of the Department to meet its obligations
Objective statement	To provide administrative support to the department on a continuous basis.
Baseline	The following Management Performance Assessment Tool (MPAT) Key Performance Areas (1.4 Moderated Results): <ol style="list-style-type: none"> a) Strategic Management (Level 4) b) Governance and Accountability (Level 1)

	<p>c) Financial Management (Level 3) d) Human Resources (Level 3) e) MPAT Implementation (Level 2)</p> <p>The other corporate functions performed but not covered by Management Performance Assessment Tool, include:</p> <p>a) Corporate Communication, the departmental communication strategy has been developed and implemented. b) Auxiliary Services, a report on office space required by the department has been submitted to the Free State Department of Public Works. c) Key Control Matrix (KCM), all the monthly and quarterly monitoring reports were submitted to Free State Provincial Treasury.</p>
Justification	<p>This Sub-Programme provides operational support and leadership in terms of strategic management, financial management, logistics, transport, procurement, human resources management, legal services, information systems, communication and other auxiliary services to the Department in support of enabling the Department to render high-quality services to its clients.</p>
Links	<p>This objective contributes directly to the achievement of some of the priorities set out in the following outcomes / chapters of the MTSF:</p> <ul style="list-style-type: none"> • Outcome 12: An efficient, effective and development oriented public service (Chapter 13 of the NDP), and more specifically by ensuring that the Department complies with all requirements as set out in the PSA, PSR, PFMA and other legislation relating to good governance in the Public Service. • Outcome 14 : Nation building and social cohesion (Chapter 15 of the NDP), and more specifically in relation to reducing inequality of opportunity and redress through the implementation of special projects in respect of gender equality, women empowerment, disability, etc.) <p>This objective will also impact on the extent to which the Free State Province achieve various priorities as set out in the Free State Growth and Development Strategy, and more specifically in relation to Pillar 6: Good Governance (Driver 15: Foster good governance to create a conducive climate for growth and development)</p>

Strategic Objective	Audited Actual Performance			Baseline 2014/2015	2015/2020 Annual Targets				
	2011/2012	2012/2013	2013/2014		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
1. To provide administrative support to the department on a continuous basis	-	-	-	-	Level 3	Level 3	Level 3	Level 3	Level 3

Resource considerations

(a) Trends in the numbers of key staff

- Programme 1, which is inclusive of the office of the Head of Department. Deputy Director General, Finance and Supply Chain Management and Corporate Services have in a total of 222 posts in terms of the approved staff establishment with only 129 (58%) filled.

(b) The human capacity of this Programme be strengthened adequately, especially in the following areas:

- Organizational Development
- Records Management
- Human Resources Development
- HR Policy Development
- Employee Health and Wellness
- Special Programmes in relation to gender equity and -empowerment, youth empowerment and the disabled
- Supply Chain Management, inclusive of Asset Management

Expenditure Trends

PROGRAMME 1

Expenditure Estimates

Table 13.9: Summary of payments and estimates: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15			20115/16	2016/17	2017/18
Corporate Services	19 658	32 086	68 257	79 922	83 506	83 312	94 000	94 784	99 196
Total payments and estimates	19 658	32 086	68 257	79 922	83 506	83 312	94 000	94 784	99 196

Table 13.8: Summary of provincial payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	19,018	31,361	67,191	79,198	82,309	82,112	93,235	93,969	98,337
Compensation of employees	8,806	15,787	41,184	52,792	51,626	51,432	68,897	68,397	64,759
Goods and services	10,188	15,543	25,901	26,406	30,633	30,630	24,338	25,572	33,578
Interest and rent on land	24	31	106		50	50			
Transfers and subsidies to:			38			3			
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households			38			3			
Payments for capital assets	640	725	918	724	1,197	1,197	765	815	859
Buildings and other fixed structures									
Machinery and equipment	640	725	918	724	1,197	1,197	765	815	859
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Financial transactions in assets and liabilities			110						
Total economic classification	19,658	32,086	68,257	79,922	83,506	83,312	94,000	94,784	99,196

Risk Management

The following five (5) key risks have been identified that might impact negatively on the realization of the strategic goal and objectives of this programme if specific actions are not taken towards mitigating such risks.

RISKS	INTENDED ACTIONS TO MITIGATE RISKS
Unfavourable working environment (not enough office space, equipment and technology), in all offices occupied by the department.	<ul style="list-style-type: none"> • An efficiency studies conducted and the open floor type of offices explored • Liaison with Public Works to provide office accommodation • Procure office equipment
Ineffective implementation of Information Communication and Technology Framework	<ul style="list-style-type: none"> • Implementation of Phase 1 & 2 of ICT Policy Framework. • Adequate Funding to implement the ICT Policy Framework.
Inadequate human resource capacity <ul style="list-style-type: none"> • Shortage of staff • Insufficient or inadequate personnel in the majority of units within the programmes. • Under-utilized personnel 	<ul style="list-style-type: none"> • DPPM should conduct a work study throughout the department to determine needs versus functions to be executed • Skills audit conducted • Effective implementation of performance management • Development of job descriptions
Incomplete or unreliable asset register <ul style="list-style-type: none"> • incomplete register • non credible register 	<ul style="list-style-type: none"> • Ensure all asset movements are reported timeously. • All relevant committees must be established and functional. • SCM policies to be updated
Fraud and corruption	<ul style="list-style-type: none"> • Appointment of a Director dedicated to Human Settlements. • Vetting of identified departmental personnel

PROGRAMME 2: HOUSING BEEDS, RESEARCH AND PLANNING

Purpose of the programme

The aim of the programme is to facilitate and undertake housing delivery planning, implementation, monitoring and evaluation.

Brief description of the programme

This programme consists of the following sub-programmes:

- Administration
- Policy
- Planning
- Research

This programme relates to performance delivery to be implemented by the following departmental units and/or institutions:

- Departmental unit responsible for housing project management and technical services
- Departmental unit responsible for housing policy, planning and research
- National Home Builders Registration Council (Project and Home Enrolment)
- (Provincial) Department of Public Works and Rural Development (EPWP Component)
- Construction Education and Training Authority (CETA)
- Private (Housing) Contractors
- Building Material Suppliers

This programme requires scarce skills as identified by the Joint Initiative for Priority Skills Acquisition (JIPSA) and therefore requires a robust reconfiguration of both the organisational structure and the salary levels of the posts towards enabling the department to recruit and retain the required professionals. Such skills include engineering, project management, quantity surveying, research, town and regional planners, financial management, etc.

Strategic objectives

Sub-Programme	Housing needs, research and planning
Strategic Objective	Title: Housing Regulatory Framework
Objective statement	To provide a regulatory framework for the Department of Human Settlements.
Baseline	<ul style="list-style-type: none"> • The revised National Housing Code • Multi-Year Housing Development Plan
Justification	<p>This programme aims at delivering the following:</p> <ul style="list-style-type: none"> • To develop and facilitate the regulatory frameworks and its implementation for human settlements. • To develop, monitor and evaluate the multi-year housing development and housing project plans. • To conduct research on relevant aspects of human settlements planning, implementation, monitoring and evaluation.
Links with MTSF and FSGDS	<p>This objective links directly with the following national and/or provincial priorities: 2014/2019 Medium Term Expenditure Framework:</p> <ul style="list-style-type: none"> • MTSF (Chapter 8 of the NDP) adequate housing and improved quality living

	<p>environments and A single and functional residential property. and more specifically in relation to policy making.</p> <p>Free State Growth and Development Strategy:</p> <ul style="list-style-type: none"> • Pillar 6: foster good governance to create a conducive climate for growth and development and as result helping the department to reduce the housing backlogs <p>The realization of this goal will contribute significantly to the realization of various priorities as set out in MTSF (Chapter 8) Adequate housing and improved quality living environments and A single and functional residential property. and more specifically in relation to policy making, planning and evaluation and research..</p> <p>With regard to the Free State Growth and Development Strategy, this goal also contributes to the achievement of some of the priorities as set out in Pillar 6: foster good governance to create a conducive climate for growth and development and as result helping the department to reduce the housing backlogs</p>
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Strategic Objective	Audited Actual Performance			Baseline 2014/2015	2015/2020 Annual Targets				
	2011/2012	2012/2013	2013/2014		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
2. To provide a regulatory framework for the Department of Human Settlements.	-	-	-	-	1	1	1	1	1

Resource considerations

Programme 2 has in terms of the approved organizational structure 75 posts and out of those only 32 are filled.

- With the above limited human resource capacity, it is imperative to identify and fill critical vacancies within this programme over the coming years as soon as the restructuring process has been finalized, thereby ensuring that the programme has the necessary human resource capacity to deliver effective services, and more specifically in the following areas:
 - Housing Planning, which consists of amongst others technical and specialized staff that has already been identified as scarce skills in the department’s Human Resources Plan
 - Research and Housing Policy Development
- The development of current employees into multi-skilled employees will also be focussed on, thereby ensuring that existing scarce resources are optimally utilized towards achieving the objectives of this programme.

Expenditure Estimates

PROGRAMME 2

Table 13.10: Summary of payments and estimates: Programme 2: Housing Needs, Research & Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
Administration	1 433	1 438	1 492	1 853	1 805	1 688	1 832	1 953	2 058
Policy	1 958	1 886	1 831	2 891	2 739	1 984	4 139	3 047	3 212
Planning	10 849	4 774	9 506	13 389	13 133	14 005	12 261	15 611	16 780
Total payments and estimates	14 240	8 098	12 829	18 133	17 677	17 677	18 232	20 611	22 050

Table 13.11: Summary of provincial payments and estimates by economic classification: Programme 2: Housing Needs, Research & Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
Current payments	13 471	7 598	11 818	16 035	16 125	16 125	17 164	18 352	18 950
Compensation of employees	9 019	5 541	8 741	10 488	11 588	11 588	14 657	13 685	15 152
Goods and services	4 452	2 057	3 077	5 547	4 537	4 537	2 507	4 667	3 798
Interest and rent on land									
Transfers and subsidies to:	370	500	827	1 616	1 070	1 070	536	1 751	2 564
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons		500		1 108	808	808	273	1 081	2 000
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	370	-	827	508	262	262	263	670	564
Payments for capital assets	399	-	110	482	482	482	532	508	536
Buildings and other fixed structures									
Machinery and equipment	221		110	482	482	482	532	508	536
Cultivated assets									
Software and other intangible assets	178								
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for financial assets			74						
Total economic classification	14 240	8 098	12 829	18 133	17 677	17 677	18 232	20 611	22 050

Risk Management

RISKS	INTENDED ACTIONS TO MITIGATE RISKS
Late appointment of contractors resulting in under spending	<ul style="list-style-type: none"> The provincial HS multiyear delivery plan be drawn up The procurement plan covering the appointment of contractors All municipalities must have housing chapters in IDP A fully updated housing needs register/demand database
Poor workmanship certified and poorly constructed houses resulting in fruitless and wasteful	<ul style="list-style-type: none"> More effective utilization of existing inspectorate across the districts. Projects equitably distributed.

expenditure	
Delay in the approval of housing plans	Ensure prior/timeous approval of plans by municipalities/PHS
No project readiness check during project approval and verification of approved sites prior commencement of housing projects.	<ul style="list-style-type: none"> • Resuscitate project plans which include project readiness • Utilization of housing sector Plan and multi-year development plans.
Feasibility studies not being conducted within municipalities to facilitate the readiness of all relevant items for development and delivery of houses	<ul style="list-style-type: none"> • The provincial HS multiyear delivery plan must be drawn up. • All municipalities must have housing chapters in IDP. • A fully updated housing needs register/demand database.

PROGRAMME 3: HOUSING DEVELOPMENT, IMPLEMENTATION, PLANNING AND TARGETS

Purpose of the programme

The aim of the programme is to provide individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy.

Brief description of the programme

This programme consists of the following sub-programmes:

- Administration
- Financial Interventions
- Incremental Interventions
- Social and Rental Interventions
- Rural Interventions

This programme is the *fulcrum* of human settlement delivery. Consequently, a concerted re-engineering and overhauling is required to ensure an enhanced pace of delivery on core services including socio-economic amenities.

Beneficiary management, the allocation of subsidies, grant management as well the management of interventions require a special type of a cadre of humans settlements practitioners who are not only multi-skilled, but is also adept in managing the vicissitudes of political interface brought about by human settlement delivery which, by its very nature, is emotional, sentimental and political of nature.

Strategic objectives

Programme	Housing development, implementation, planning and targets
Strategic Objective	Title: Enabling environment for improved housing delivery
Objective Statement	To provide 39000 housing opportunities using different tenure types by 2020.
Baseline	<ul style="list-style-type: none"> • More than 29346 housing units were built • More than 17582 sites were connected to basic services (water & sanitation) • More than 12827 title deeds were registered and distributed to beneficiaries

	<ul style="list-style-type: none"> • More than 35 pieces of land were acquired and released for human settlements development.
Justification	This sub-programme aims to ensure that an enabling environment is created for improved housing delivery in the FS Province
Links with MTSF and FSGDS	<p>This objective links directly with the following national and/or provincial priorities: 2014/2019 Medium Term Expenditure Framework:</p> <p>MTSF (NDP Chapter 8) (a) Adequate housing and improved quality living environments, (b) A single and functional residential property market and Enhanced Institutional capacity and improved coordination of spatial investment decisions and more specifically in the and more specifically in financial interventions.</p> <p>Free State Growth and Development Strategy</p> <ul style="list-style-type: none"> • Pillar 3: Improved quality of life and more specifically Driver 9: ensure sustainable settlement. • Pillar 4: Sustainable Rural Development and Driver 13: mainstream rural development into growth and development, specifically in addressing the connection of basic services. • Pillar 5: Social Cohesion: Build Social Cohesion and Diver 14: maximise arts, culture, sports and recreation opportunities and prospects for all communities., specifically addressing the construction of social amenities • MTSF Chapter 6:An efficient, competitive and responsive economic infrastructure network), and more specifically where it relates to bulk infrastructure services particularly in relation to the connection of basic services for integrated residential development and informal settlements upgrading programmes.
Justification	This programme facilitates access to housing opportunities in a phased process towards meeting the human settlements needs of communities.
Links with MTSF and FSGDS	<p>This programme is funded through the Conditional Grant to render an increased access to human settlements needs and opportunities in phased process to the Free Staters.</p> <p>The successful achievement of this objective is imperative towards realizing the goal of Programme 3.</p>

Strategic Objective	Audited Actual Performance			Baseline 2014/2015	2015/2020 Annual Targets				
	2011/2012	2012/2013	2013/2014		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
3. To provide 39000 housing opportunities using different tenure types by 2020	0	0	3393	7329	4779	6000	8321	9950	9950

Resource considerations

Trends in the numbers of key staff

Programme 3 is the key programme for the department in terms of service delivery and is inclusive of the district services, 191 posts have been approved in terms of the organisational structure and 128 are filled and supplemented with specialists through the Cuban Twinning Programme.

Programme still lacks sufficient human resource capacity in especially the following areas:

- Peoples Housing Processes
- Informal Settlements
- Land Tenure Services

As soon as the organizational structure and post establishment of both departments have been reviewed in line with its new mandates, critical vacant posts will henceforth be identified and filled during the coming years. The development of current employees into multi-skilled employees will also be addressed towards ensuring that existing resources are optimally utilized.

Expenditure Estimates

PROGRAMME 3

Table 13.12: Summary of payments and estimates: Programme 3: Housing Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17
Administration	36 577	51 431	49 564	46 954	47 499	47 499	51 687	55 269	57 980
Financial Interventions	157 767	286 676	193 014	152 189	244 840	245 102	196 558	225 075	239 073
Incremental Interventions	695 411	297 869	871 343	740 976	694 160	687 930	700 636	802 238	852 182
Social and Rental Intervention	100 089	361 486	286 579	168 591	135 781	128 724	160 090	183 317	194 717
Rural Interventions	36 013	29 578			1 861				
Expanded Public Works Programme Incentive Grant				2 000	2 000	2 000	2 348		
Total payments and estimates	1 025 857	1 027 040	1 400 500	1 110 710	1 126 141	1 111 255	1 111 319	1 265 899	1 343 952

Table 13.13: Summary of provincial payments and estimates by economic classification: Programme 3: Housing Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimates	Medium-term estimates		
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17
Current payments	35 139	50 869	49 196	44 766	45 490	50 391	74 374	53 557	56 239
Compensation of employees	20 605	42 858	42 476	39 103	39 827	44 827	65 544	40 185	47 218
Goods and services	14 534	7 928	6 720	5 663	5 663	5 564	8 830	13 372	9 021
Interest and rent on land		83							
Transfers and subsidies to:	987 269	975 887	1 350 936	1 065 006	1 079 751	1 059 852	1 035 076	1 211 265	1 286 608
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons	1 300								
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	985 969	975 887	1 350 936	1 065 006	1 079 751	1 059 852	1 035 076	1 211 265	1 286 608
Payments for capital assets	138	284	351	938	900	940	1 869	1 077	1 105
Buildings and other fixed structures									
Machinery and equipment	138	284	351	938	900	940	1 869	1 077	1 105
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Financial transactions in asset	3 311		17			72			
Total economic classification	1 025 857	1 027 040	1 400 500	1 110 710	1 126 141	1 111 255	1 111 319	1 265 899	1 343 952

Risk Management

RISKS	INTENDED ACTIONS TO MITIGATE RISKS
Human Settlements System (HSS) is not used correctly to reflect reality on the ground	<ul style="list-style-type: none"> • Conduct a project to reconcile BAS and HSS. • Implement the in-house quality management system. • Development and monitoring of proper project plans • Proper MTEF planning (in-house)
Housing Subsidy System not talking to construction on site (Poor communication) poor verification of projects.	<ul style="list-style-type: none"> • Processes in place should to go global. • Rigorous capacity building of officials on HSS.
Silo functioning in relation to operational planning and implementation	<ul style="list-style-type: none"> • Chief Directorate/Directorate meetings have to be regularly held, attendance register, minutes and records kept. • Inter-departmental meetings to be held with Cooperative Governance and Traditional Affairs to discuss issues of mutual interest.
Poor contract management	<ul style="list-style-type: none"> • Enhance and improve contract management. • Increase capacity

PROGRAMME 4: HOUSING ASSETS MANAGEMENT

Purpose of the programme

The aim of the programme is to provide for the effective management of housing

Brief description of the programme

This programme consists of the following sub-programmes:

1. Administration
2. Sale and transfer of housing properties
3. Devolution of Housing Properties
4. Housing Properties Maintenance

In view of the fact that it is the department's intention to dispose of the Housing Assets, it is envisaged that the mandate of this programme in relation to housing properties management may be phased out before the end of this electoral cycle. Social and Rental Housing, as alternative tenure options, have become a viable and preferred options among the migrant urban communities. It is envisaged therefore that the utilisation of this instrument will become more pronounced during this electoral cycle, therefore:

- Members of the Rental Housing Tribunal must be appointed and the Tribunal must be rendered fully functional
- The Rental Housing Information Offices (RHIOs) must be established in Municipalities and be rendered fully functional.
- The Private Sector will be sensitised, encouraged and incentivised to create more rental stock.

All the housing stock that was state-financed and created before 1994 will be transferred to the qualifying beneficiaries before the end of this electoral cycle. It therefore requires that the Programme: Enhanced Extended Discount Benefit Scheme (EEDBS) will be implemented vigorously.

Strategic objectives

Programme	Housing assets management and property management
Strategic Objective	Title: Improved management of rental stock
Objective Statement	To reduce a backlog of 56 housing asset/properties managed by the department by 2020.
Baseline	<ul style="list-style-type: none"> • 26 still units have been transferred in terms of EEDBS. • 215 housing assets were maintained.
Justification	<p>This programme aims at ensuring the following:</p> <ul style="list-style-type: none"> • the management and maintenance of housing assets and properties • the successful transfer of the pre-1994 state financed housing stock through the Enhanced Extended Discount Benefit Scheme • devolving of housing assets to Municipalities in terms of section 15 of the Housing Act, 1997 • management and maintenance of the departmental housing stock
Links	<p>This sub programme caters for expenditure relating to the administrative support to the management and maintenance of housing assets / properties and the Programme: Enhanced Extended Discount Benefit Scheme (EEDBS).</p> <p>The successful achievement of this objective will impact directly on the realization of Programme 3 as well as Programme 2 insofar as it will influence the extent to which housing opportunities are created and made available to qualifying citizens in the FS Province.</p> <p>This objective links directly with the following national and/or provincial priorities:</p> <ul style="list-style-type: none"> • MTSF (Chapter 8) (a) Adequate housing and improved quality living environments, (b) A single and functional residential property market and specifically in administration, management and maintenance of housing assets or properties. <p>Free State Growth and Development Strategy</p> <ul style="list-style-type: none"> • Driver 9: ensure sustainable settlements and Pillar: 3: improved quality of life and

Strategic Objective	Audited Actual Performance			Baseline 2014/2015	2015/2020 Annual Targets				
	2011/2012	2012/2013	2013/2014		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
4. To reduce a backlog of 56 housing asset/properties managed by the department by 2020.	0	0	0	26	56	0	0	0	0

Resource considerations

Trends in the numbers of key staff

The programme has seven posts approved on the organogramme and 2 of these have been filled.

- As is the case with the other programmes, critical vacancies within this programme will be identified and filled over the coming years, and the development of existing staff to perform multi-skilled tasks will also be addressed, thereby enhancing their optimal utilization in line with the challenges facing this programme.

Expenditure Trends

PROGRAMME 4

Table 13.14: Summary of payments and estimates: Programme 4: Housing Asset Management & Property Management

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17
R thousand									
Housing Asset Management	1 500	828	175	1 552	894	1 088	865	1 728	1 397
Total payments and estimates	1 500	828	175	1 552	894	1 088	865	1 728	1 397

Table 13.15: Summary of provincial payments and estimates by economic classification: Programme 4: Housing Asset Management & Property Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17
Current payments	1 500	828	175	1 552	894	1 088	865	1 728	1 397
Compensation of employees	850	715	41	1 108	450	644	587	1 267	1 268
Goods and services	650	113	134	444	444	444	278	461	129
Interest and rent on land									
Financial transactions in asset									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Total economic classification	1 500	828	175	1 552	894	1 088	865	1 728	1 397

Risk Management

RISK	INTENDED ACTIONS TO MITIGATE RISK
Insufficient funding through equitable share	Considering the MTEF Grant and Equitable budget allocations, alternative funding mechanisms will be explored with private sector and/or other stakeholders towards improved human settlements delivery.

PART C: LINKS TO OTHER PLANS

Long-term infrastructure and other capital plans

The number of serviced sites has dwindled rapidly in the province and this has posed a challenge to a number of projects that require complimentary infrastructure. The National Department of Human Settlements, in collaboration with the National Department of Cooperative Governance and Traditional Affairs, has started a process of engaging Provincial Departments of Human Settlements around their bulk infrastructure needs with the view to assisting local municipalities to draw and plan for their Infrastructure Master Plans.

This necessitated the Department to commence with planning initiatives and to work closely with the Mangaung Metro to ensure that infrastructure identified in priority projects is installed timeously and pro-actively. In the Mangaung Metro, the National Department of Human Settlements has allocated the Urban Settlements Development Grant for this purpose, whilst in other areas the Human Settlements Development Grant (HSDG) should be used as a last resort for this purpose.

It is envisaged that the debates around the relocation and/or migration of the Municipal Infrastructure Grant (MIG) to the Human Settlements sector may take long to be resolved. This Department proposes that a new fully-fledged Human Settlements Infrastructure Development Grant be created and ring-fenced on the same basis as the HSDG towards resolving the infrastructure needs of the Human Settlements sector.

CONDITIONAL GRANT: HUMAN SETTLEMENTS DEVELOPMENT GRANT

The Human Settlements Development Grant is the funding envelope for all four major interventions namely:

- Financial Interventions
- Incremental Interventions
- Social and Rental Interventions
- Rural and Farm-worker Housing Interventions

It is through these interventions that the department will achieve the outputs and the outcomes envisaged by the

Comprehensive Plan for the Creation of Sustainable Human Settlements during the period covered by this Annual Performance Plan.

NAME OF GRANT	Human Settlements Development Grant
PURPOSE	To provide funding for the creation of sustainable human settlements
PERFORMANCE INDICATOR	Number of housing opportunities created towards sustainable human settlements
CONTINUATION	The grant will continue to exist during this electoral cycle and beyond.
REMARKS / MOTIVATION	The amount allocated in terms of the HSDG is insufficient to address the huge housing backlog within the Free State Province; if alternative funding is not provided to the Department through the equitable share (by Provincial Treasury), the grant allocated to the Free State Province will have to increased considerably towards ensuring that the Department is enabled to deliver in accordance with the signed Delivery Agreement (Outcome 8).

	Housing Programme	Projected Outputs (Sites)	Projected Outputs (Units)	Funds Allocated R'000	Funds Allocated (%)
Grant allocation per instrument	Financial interventions	-	845	196 558	18.59%
	Incremental housing programme	3686	2797	572 963	54.19%
	Social and rental housing	-	354	150 500	15.14%
	Rural housing	-	-	-	-
	Provincial Specific Programme	-	845	126 873	12.08%

Grant allocation per District per Programme	Programme	Fezile Dabi	Lejweleputswa	Thabo Mofutsanyana	Xhariep	Mangaung Metro	OPSCAP	Total
	Financial Interventions	R 15 923	R 12 018	R 44 417	R 33 000	R 38 336	52864	R 196 558
	Incremental Housing Programmes	R 106 015	R 142 498	R 192 683	R 42 941	R 97 327	-	R 572 963
	Social & Rental Housing	R 29 500	R 39 000	R 4 000	R 0	R 78 000	-	R 160 090
	Rural Housing	-	-	-	-	-	-	R 0
	Provincial Specific Programmes	R 20 550	R 40 657	R 26 578	R 0	R 39 088	-	R 127 673
	Total	R 171 988	R 234 173	R 267 678	R 75 941	R 252 751	R 52 864	R 1 057 284

Grant allocation per District per Instrument	Programme	Fezile Dabi	Lejweleputswa	Thabo Mofutsanyane	Xhariep	Mangaung Metro	OPSCAP	Total
	Individual Subsidies (1.1)							
	FLISP (1.2)	5 100						5 100
	EEDBS(1.3)					900		900
	Rectification of Housing Stock (pre 1994) (1.5b)	10 823	7 908	27 977	33 000	11 446		91 154
	1.7 Accredited Municipalities (level 1 & 2):					5 000		5 000
	OPSCAP (1.8)						52 864	52 864
	Unblocking of Blocked Projects (1.9)		4 110	16 440		20 989		41 539
	NHBRC Enrolment (1.10)							
	Housing Chapters of IDP (1.12)							
	Social & Economic Facilities							
	Accreditation of Municipalities: Level 1 & 2							
IRDP: Phase 1 Planning and Services (2.2a)	8 774	7 253	16 159	3 976			36 161	

IRDP: Phase 1 Planning and Services (2.2b)	29 837	54 072	23 358		21 140		128 407
IRDP: Phase 4 Top Structure Construction (2.2e)	67 404	81 173	150 700	39 765	44 251		383 293
PHP (2.3a)	-						
Emergency Housing Assistance (2.6)			2 466		22 636		25 102
Institutional Subsidies (3.1)	5 500		0		46 000		51 500
CRU (3.3a)	33 590	39 000	4 000		32 000		108 590
Provincial Specific	20 550	40 657	26 578		39 888		127 673
TOTAL	181 578	234 173	267 678	76 741	244 251	52 864	1 057 285

PUBLIC ENTITIES

None

PUBLIC PRIVATE PARTNERSHIPS

None

ANNEXURE E: TECHNICAL INDICATOR DESCRIPTIONS AND EXAMPLES

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