

## **Report of the Portfolio Committee on Human Settlements on oversight visit to Mpumalanga Province, dated 24 October 2017**

- The Portfolio Committee on Human Settlements, having conducted an oversight visit to Mpumalanga from 11 to 15 September 2017 in relation to the implementation of the human settlements strategic plans, projects and programmes, reports as follows:
  
- **Background**
  - In terms of South Africa's Constitution of 1996 as well as parliamentary rules, the Portfolio Committee on Human Settlements has a responsibility to conduct oversight over any executive organ of state that falls within its portfolio. In line with this mandate, the Committee undertakes provincial oversight visits to evaluate progress and identify challenges encountered in respect of the implementation of programmes and projects. Furthermore, the Committee seeks to promote and enhance intergovernmental relations and co-operative governance principles in the delivery of human settlement services. To give effect to its strategic plan, the Committee conducted an oversight visit to the Mpumalanga Province during the third term of the parliamentary programme, i.e. 11 to 15 September 2017.
  
- **Objectives of the visit**
  
- The objective of the visit is to conduct a briefing session with the provincial department, two metropolitan municipalities as well as other stakeholders in relation to the implementation of the human settlements strategic plans, projects and programmes. In addition, the Committee recognised a need to conduct site visits. The focus of the oversight visit will be on the following key issues:
  - Implementation of a comprehensive, integrated human settlements strategy in the province;
  - Progress made towards the achievement of Outcome 8 outputs and targets set for 2016/17;
  - Budget expenditure and performance in meeting service delivery targets set for 2016/17;
  - Role of the public and private sectors in service delivery;
  - Progress in supporting disaster-affected communities;
  - Progress made in the construction of houses for military veterans;
  - Progress made on the construction of houses for destitute, special needs and vulnerable people;
  - Rural and farm worker assistance, housing co-operatives assistance programme as well as the People's Housing Process;
  - Plans and progress on Community Residential Units (CRUs);
  - Co-ordination and management of the beneficiary list and incorporation of backyard dwellers into the provincial housing database;
  - Use of alternative technologies in construction.

- **Multiparty delegation**

- The delegation consisted of Ms N N Mafu (ANC) as Leader of the delegation, Ms L Mnganga-Gcabashe (ANC), Mr H M Z Mmemezi (ANC), Mr L P Khoarai (ANC), Ms M F Nkadimeng (ANC), Mr M Bara, (DA), Mr S Malatsi (DA) Mr K P Sithole (IFP) and Mr M Shelembe (NFP).
- The delegation was accompanied by Committee Support Staff: Ms K Pasiya-Mndende, (Committee Secretary); Mr S Mnguni, (Content Advisor); Mr S Letlhake, (Committee Assistant) Mr T Makhanye, (Committee Researcher) Mr T Gubula, Communications Officer and Mr S Sikhosana (ANC Researcher).
- The delegation was also accompanied by the officials from the national Department of Human Settlements: Mr W Jiyane, Acting Director-General – Human Settlements Strategy and Planning; Mr M Kraba, Director – Director-General’s office (Parliamentary Liaison Officer); Ms S Modimola, Deputy Director – Stakeholder and Intergovernmental Relation Coordinator; Mr S Watani, Parliamentary Liaison Officer (Deputy Minister’s Office); Ms L Visser: Deputy Director: Monitoring and Evaluation; Ms J Mamabolo, Deputy Director – People’s Housing Programme and Military Veterans; Mr W Rikhotso, Deputy Director: Grant Management and Mr K Vilakazi, Chief Planner.
- **Officials from the Provincial Department**
- Mr M K Masange, Head of Department; Mr S B Nyoka, Chief Financial Officer; Mr D Nkosi, Chief Director; Mr M Mongane, Chief Director; Ms H Zitha, Chief Director; Ms N Nsele, Communication Officer; Mr V Ndlovu, Communication Officer; Ms N Masango; Mr M Mabuza, Stakeholder Management and Security and Ms T Matebula, Stakeholder Management and Security.

- **Overall summary of the oversight visit**

- The delegation visited three districts municipalities, namely; eHlanzeni, Gert Sibande and eNkangala. The delegation was well received in the province and it received a briefing from the provincial Department of Human Settlements where the state of delivery performance, targets set and the funding was outlined. The performance for each human settlements programme and challenges were discussed.

- **Overview of meeting**
  - **Presentation by Head of Department (HOD) of Human Settlements**
  - The Member of Mayoral Committee (MMC) responsible for Human Settlements welcomed the delegation. She appreciated the visit by the national Parliament. She informed the delegation that the province was hindered by the illegal invasion of land and houses.
- Ms Mafu summarised the objectives of the visit. She stated that she was pleased to learn that Mpumalanga Provincial Department was at the top three provinces that were performing well during the first quarter report presented by the national department. She alluded to fact that national Parliament participate in budget processes and approved budget for the national department. Therefore, it was for that reason that Parliament has to undertake oversight visit to see how the appropriated funds were utilised. She stressed that Members of Parliament not be seen as policing or lashing the province but assisting where there were challenges in the service delivery. She also stressed that the three spheres of government should work seamlessly in order to improve service delivery to the people of the country.
- The MEC also welcomed the delegation. He stated that the MinMec took a decision that all houses were to be occupied on 80% completion to avoid illegal invasion and vandalism. That proper beneficiary were to be allocated as soon as their houses were complete. The illegal invasion and vandalism was prominent in eMalahleni and Mbombela. He informed the delegation that the province was challenged by the slow pace in the delivery of Finance-Linked Individual Programme (FLISP) and issuing and restoration of title deeds. There were old houses that were cracking and needed to be rectified as beneficiaries were complaining. With regards to asbestos roofing, the province has commissioned to quantify the cost. The beneficiary List Management was also a challenge that needed to be managed carefully as it was noticed that most senior people were left behind. The programme for military veterans was progressing well, the province was almost through with it. There was a concern of dusty road in almost all the projects and the municipality was supposed to pave the roads and plant trees for greening.
- Mr K Masange, the Head of Department presented the on behalf of the province. The presentation was as follows:

- **Budget expenditure and performance of 2016/2017**

<b>HUMAN SETTLEMENT DEVELOPMENT GRANT BUDGET EXPENDITURE AND PERFORMANCE FOR 2016/17</b>				
<b>INSTRUMENTS</b>	<b>TOTAL BUDGET</b>	<b>TOTAL EXPENDITURE</b>	<b>PERCENTAGE SPENT</b>	<b>BUDGET AVAILABLE</b>
<b>1. Financial Intervention</b>				
1.2 Housing finance linked Individual subsidies (FLISP)-(R3 501 - R7 000)	6 960 000	2 410 487	35%	4 549 513
1.6 Social and Economic Facilities	46 500 000	15 059 153	32%	31 440 847
1.8 Operational Capital Budget	65 732 000	58 363 821	89%	7 368 179
1.10 NHBRC enrolment (related to grant)	1 333 000	12 158 064	912%	-10 825 064
1.11a Land parcels procured(IHAHSD)	32 000 000	34 620 000	108%	-2 620 000
<b>Sub-total: Financial Intervention</b>	<b>152 525 000</b>	<b>122 611 526</b>	<b>80%</b>	<b>29 913 474</b>
<b>2. Incremental Housing Programmes</b>				
2.2a Integrated Residential Development Programme :Phase 1:Planning and Services	262 277 000	569 833 548	217%	-307 556 548
2.2c Integrated Residential Development Programme :Phase 2:Top Structure Construction	172 799 000	91 363 594	53%	81 435 406
2.3a People's Housing process	115 790 000	65 314 332	56%	50 475 668
2.4 Informal Settlement Upgrading	374 716 000	256 558 218	68%	118 157 783
2.6 Emergency Housing Assistance	15 058 000	20 826 327	138%	-5 768 327
<b>Sub-total: Incremental Housing Programmes</b>	<b>940 640 000</b>	<b>1 003 896 017</b>	<b>107%</b>	<b>-63 256 017</b>

- **Implementation of a comprehensive, integrated human settlements**

- In terms of the Mpumalanga Sustainable Human Settlements Master Plan, approved by the Executive Council [EXCO] in 2014, certain levels of incongruities in the manner human settlements are being established prevail. This relates in particular to the following:

- Land and/or buildings for housing purposes being identified on an ad hoc basis in terms of location of demand, availability of the land (ownership), and location;
- No processes were put in place to ensure quality control in terms of township establishment processes particular in the provision of housing opportunities and in the processes ensuring the establishment of integrated sustainable human settlements;
- Limited alignment in the establishment of human settlements with Municipal Infrastructure Grant [MIG] funding allocation being achieved;
- Provision of social amenities, albeit on an incremental basis, was less prioritised thus impacting negatively on the creation of integrated human settlements;
- There was no operational formula to ensure that prioritisation and allocation of housing resources were equitable and informed by the socio-economic conditions and needs within the various parts of the province;
- The demand for adequate housing opportunities was on the increase and current interventions are not responding adequately in addressing this challenge in various geographical locations within the province;

- The integrated human settlements approach to development is particularly aimed at addressing the above-mentioned incongruities. The following integrated human settlements were being implemented:

- **Ehlanzeni District Municipality:**

- Tekwane South Ext. 2 Integrated Human Settlement – CMLM;
- Tekwane North Ext. 1 Integrated Human Settlement – CMLM;
- Emjindini Extension 17 and 18 Integrated Human Settlement – CMLM;
- Malalane Ext. 21 Integrated Human Settlement – NLM;
- Mashishing Ext 8 and 10 and Sabie Ext. 10 Integrated Human Settlement – TCLM.

- **Gert Sibande District Municipality:**

- Standerton Extension 8 Integrated Human Settlement – LLM;
- Balfour Ridge View - Integrated Human Settlement DLM;
- Wesselton Extension 7 - Integrated Human Settlement MLM;
- Emzinoni Extension 11 - Integrated Human Settlement GMLM.

- **Nkangala District Municipality:**

- Siyanqoba Integrated Human Settlement – Emalahleni LM;
- Rockdale North Integrated Human Settlement – TSLM;
- Duvha Park Integrated Human Settlement – Emalahleni LM;
- Siyathuthuka – Emakhazeni LM.

- **Outcome 8 outputs and targets for 2017/18**

MTSF Targeted Instruments	Provincial Planned Targets	Average Annual Targets	2014/15 Actual	2015/16 Actual	2016/17 Actual	Actual 2017/18	Accumulated 3 Years Achievement	Accumulated years Achievement in %	Outstanding Balance	2017/18 Planned/Estimated
UISP – Servicing of Sites	44 785	8 957	7 000	5 990	9 281	2 196	24 467	55%	20 318	8 106
Individual Units (Top Structures)	41 905	8 381	8 104	9 245	3 596	2 932	23 877	57%	18 028	8 053
Social Housing	1 545	309	154	70	0	0	224	15%	1 321	0
Community Residential Units	800	160	177	0	32	32	241	30%	543	208
Finance Link Individual Subsidy Programme	4 240	848	7	27	44	17	95	2%	4 145	120
<b>TOTAL</b>	<b>93 275</b>	<b>18 655</b>	<b>15 442</b>	<b>15 332</b>	<b>13 613</b>	<b>5 193</b>	<b>49 580</b>	<b>53%</b>	<b>43 695</b>	<b>16 487</b>
Title Deeds	80 000	16 000	8 169	5 152	7 770	3 381	24 472	31%	55 528	26 000

- **Budget Expenditure and performance 2016/17**

HUMAN SETTLEMENT DEVELOPMENT GRANT BUDGET EXPENDITURE AND PERFORMANCE FOR 2016/17				
INSTRUMENTS	TOTAL BUDGET	TOTAL EXPENDITURE	PERCENTAGE SPENT	BUDGET AVAILABLE
<b>1. Financial Intervention</b>				
1.2 Housing finance linked Individual subsidies (FLISP)-(R3 501 - R7 000)	6 960 000	2 410 487	35%	4 549 513
1.6 Social and Economic Facilities	46 500 000	15 059 153	32%	31 440 847
1.8 Operational Capital Budget	65 732 000	58 363 821	89%	7 368 179
1.10 NHBRC enrolment (related to grant)	1 333 000	12 158 064	912%	-10 825 064
1.11a Land parcels procured (IHAHSD)	32 000 000	34 620 000	108%	-2 620 000
<b>Sub-total: Financial Intervention</b>	<b>152 525 000</b>	<b>122 611 526</b>	<b>80%</b>	<b>29 913 474</b>
<b>2. Incremental Housing Programmes</b>				
2.2a Integrated Residential Development Programme :Phase 1:Planning and Services	262 277 000	569 833 548	217%	-307 556 548
2.2c Integrated Residential Development Programme :Phase 2:Top Structure Construction	172 799 000	91 363 594	53%	81 435 406
2.3a People's Housing process	115 790 000	65 314 332	56%	50 475 668
2.4 Informal Settlement Upgrading	374 716 000	256 558 218	68%	118 157 783
2.6 Emergency Housing Assistance	15 058 000	20 826 327	138%	-5 768 327
<b>Sub-total: Incremental Housing Programmes</b>	<b>940 640 000</b>	<b>1 003 896 017</b>	<b>107%</b>	<b>-63 256 017</b>

HUMAN SETTLEMENT DEVELOPMENT GRANT BUDGET EXPENDITURE AND PERFORMANCE FOR 2016/17				
INSTRUMENTS	TOTAL BUDGET	TOTAL EXPENDITURE	PERCENTAGE SPENT	BUDGET AVAILABLE
<b>3. Social &amp; Rental Housing</b>				
3.3b Community residential units (CRU) Constructed	50 000 000	50 231 294	100%	-231 294
<b>Sub-total: Social &amp; Rental Housing</b>	<b>50 000 000</b>	<b>50 231 294</b>	<b>100%</b>	<b>-231 294</b>
<b>4. Rural Housing</b>				
4.2 Rural Housing: Communal land rights	124 867 000	98 747 999	79%	26 119 001
<b>Sub-total: Rural Housing</b>	<b>124 867 000</b>	<b>98 747 999</b>	<b>79%</b>	<b>26 119 001</b>
<b>6. Provincial Specific</b>				
1.13 War Veterans	13 691 000	7 254 970	53%	6 436 030
Title Deeds Pre 1994	4 000 000	633 100	16%	3 366 900
Title Deeds Post 1994	5 000 000	13 373 950	267%	-8 373 950
Title Deeds Current and New Developments	6 000 000	-	0%	6 000 000
Disaster	17 922 000	6 008 127	34%	11 913 873
<b>Sub-total: Provincial Specific</b>	<b>46 613 000</b>	<b>27 270 147</b>	<b>59%</b>	<b>19 342 853</b>
<b>TOTAL</b>	<b>1 314 645 000</b>	<b>1 302 756 984</b>	<b>99%</b>	<b>11 888 016</b>

- Upgrading of Informal Settlements Programme (UISP) – Serving of Site**

In terms of UISP (sites) trends revealed a fluctuation in the frequency as the Department has attained just 55% of the MTSF target to date, which was 24 467, against a 5-year target of 44785 sites. The Department has performed below an annual average of 8 957 till 2015/16 (7 000 sites- 2014/15 and 5 990 – 2015/16). However, significant progress has been made in the financial year 2016/17 which resulted in at 20 318 of delivery.
- Individual units (Top Structure)**

In terms of individual units (top structures), the trends revealed minimal fluctuations in relation to the annual average of 8 381, in 2014/15 units were 8 104 followed by 2015/16 which saw an increase to 9 245 and subsequent drop in the year 2016/17 to 3 672. To date 3 years' accumulative figure stands at 55% of the MTSF annual target with an outstanding balance of 18 704 which is attainable should contractors 'beef up' their teams and get adequate support from the Department and relevant Municipalities. Moving forward, the department would embark on a process that would seek to strengthen its project planning processes with all service providers and ensure that the following were adhered to:

  - Employment of well capacitated contractors at the right time to accelerate the rate of service delivery;
  - Set clear delivery times frames and would demand adherence from all service providers and would also penalise defaulting service providers;
  - Embark on consumer education exercise which would improve beneficiary management processes within the local entities and also develop beneficiary/community awareness regarding human settlement trends;
  - Monitor project progress on weekly basis to ensure adherence and delivery of the planned outputs;
  - Educate emerging contractors on best practices of executing human settlements projects and improved project planning processes;

- Adhere and apply all rules as set by the building contracts that the department employs.
- Adherence to the above listed matters were crucial and could assist in ensuring that the set MTSF targets on individual subsidies were met.

- **Issuing of Title Deeds**

- With regards to the issuing of security of land tenure rights options, the department has, since 2014/2015 to date delivered 18804 title deeds. Therefore, was an actual deficit of 61 196 title deeds which needed to be delivered within that MTSF period. The slow pace of delivery in this regard was attributed to the following:
  - Inadequate capacity leading to slow performance of conveyancers;
  - Few number of proclaimed townships in most areas where units were and/or are being constructed;
  - Insufficient or lack of municipal engineering infrastructure required to effect transfer in terms of contemporary legislation;
  - Some of the Municipalities were registered the deeds to beneficiaries which was reducing the backlog on title deeds however there were no proper records in place;
  - Some owners are deceased and the remaining family members were reluctant to appoint an administrator of Estate for fear of eviction;
  - The Department had employed additional conveyancers to speed up the process of registration;
  - The Department had also appointed professional town planners, in line with the approved organogram, to fast track township establishment processes throughout the Mpumalanga Province to ensure improved security of tenure and in the process allow the majority of citizen's entry into the main stream economy;
  - The department has developed a programme on title deeds per municipality in order to increase the rate of issuing of title deeds;
  - The National Department of Human Settlements deployed two Members of the Ministerial Task Team to support the Province in order to upscale the delivery of Title Deeds.

- **Finance-Linked Subsidy Programme**

- On the Finance Linked Individual Subsidy (FLISP) Programme, the department has delivered 95 subsidies. In this regard, there is an actual deficit of 4145 subsidies. The slow delivery of the programme was as a result of the entry level of the FLISP threshold which was below market price therefore beneficiaries could not qualify. the majority of the middle income earners who are targeted for the programme do not qualify for loans to purchase houses from developers. However, the National Department of Human Settlements has developed a revised policy on the implementation of this FLISP Programme, to enhance delivery of the programme. The Provincial Department has embarked of the following initiatives in order to address the shortcomings of the FLISP programme:
  - The improved awareness and consumer awareness as regards the programme;

- Implementation of FLISP in the approved Integrated Human Settlements Projects, which would make houses more affordable as there was already land and infrastructure available;
  - Strengthen partnership with private sector in the implementation of the Programme e.g. Sasol FLISP;
  - Align the programme to the Government Employment Housing Subsidies in order to benefit a larger group from government employees who do not own houses.
- **Construction of houses for military veterans**
  - The Military Veterans Programme derives its mandate from the Military Veterans Act 18 of 2011. The Act enjoins the Department of Military Veterans (DMV) and the Department of Human Settlements (DHS) to provide decent housing for Military Veterans. The Military Veterans Regulations were promulgated and gazetted in 2013. The Programme was intended to achieve the following:
    - Improve the housing conditions of Military Veterans offer them security of tenure; and
    - Contribute towards building an inclusive community with improved economic conditions and social security.
  - The Department of Human Settlements started with the implementation of the Military Veteran programme in December 2014. A Provincial Steering Committee was established to support and monitor the execution of the programme. The Steering Committee composed of Officials from the Mpumalanga Department of Human Settlements (MDHS), Department of Military Veterans (DMV) and Provincial South African National Military Veterans Association (SANMVA). The Department entered into a Memorandum of Understanding (MoU) with the Department of Military Veterans. The MOU makes provision of the following:
    - The Provincial Department was expected to provide subsidies of R110 000 to qualifying beneficiaries;
    - The Department of Military Veteran was expected to provide a list of verified military veterans and the top-up funding of R 78 884 per beneficiary.
    - There was a total amount of R13,8 Million which was received from DMV in 2015 as a top-up funding;
    - The top-up funding catered for the delivery of 173 Military Veteran Units;
    - Serviced providers were appointed in December 2014, to start with the implementation of the programme, however the actual implementation started in the 2015/6 financial year.
  - There has been unavailability of sites in Emalahleni and Msukaligwa Local Municipalities; which delayed the implementation of the project. There have been inadequate beneficiaries received from DMV as some identified beneficiaries did not have certain specific information such as name of province, town, municipality as well as contact details. The Province, through the Provincial Steering Committee, facilitated the process of identifying beneficiaries and they were verified against the DMV database. Beneficiaries declined on HSS due to database issues. Assistance

was sought from the National DHS and DMV, and it was addressed through the circular circulated this year.

- The Department started building a 50 square metre house with tiled floors, a carport, kitchen unit, stove and 30 square metre perimeter fence. The cost of this house was R188 884.00. The beneficiaries who were allocated in 2015/16 financial year were unhappy with the size of the house, the use of the carport and the size of the fence (too small for their sites).
- **Social Housing**
- The delay in the implementation of Social Housing Projects was as a result of the fact that Social Housing institutions were unable to access institutional subsidy from the provincial department and restructuring capital grant from Social Housing Regulatory Authority (SHRA). The approval of the Restructuring Zones was approved in the 2017/2018 financial year in order to allow access to the available grants. During the financial year 2017/18; the Provincial Departments could not budget for institutional subsidies funding which cater for Social Housing Projects in the approved Restructuring Zones because of the directive received from the National Department of Human Settlements through MinMec which prohibited provincial departments to budget for institutional subsidies as it is now a responsibility of Social Housing Regulatory Authority (SHRA).
- The deficit of 1321 units on Social Housing were not likely to be met due to the fact the Housing Institutions, falling under SHRA which was now responsible for this function as per the government gazette in this regard, and most of them do not have the capacity to deliver on this target.
- **Social Enterprise Development focusing on Cooperatives and Small, Medium and Macro Enterprises**
- In line with National Best Practice, a 'Social Enterprise Development Model' for the Medium Term Strategic Framework [MTSF] period and beyond (5 to 10 years) was developed, in terms of which the implementation of government-funded built environment projects shall be community-driven so as to ensure improved socio-economic conditions of all households in the short, medium to longer term periods. The Policy Framework on which the model was based was the 'National Housing Code, 2009' read with the 'Expanded Public Works Programme Guidelines'.
- Six municipalities [namely, Thembisile Hani; Dr. JS Moroka; Govan Mbeki; Steve Tshwete; Emalahleni and Nkomazi Local Municipal Municipalities] were identified as possible project sites requiring intervention, in line with the SERO/Community Survey, 2016 Reports, for the first phase and the remaining municipalities to be covered as part of the second phase of the implementation of the SEDM.
- It should be noted that the current total housing backlog in the identified municipalities alone, was standing at 89 442 in terms of the National Housing Needs Register (HNR) amounting to a project

value of approximately R9, 8 billion at the current subsidy quantum of approximately R110 000.00 per house if they were to be eradicated simultaneously in one financial year. The Executive Council (EXCO) in its meeting held on the 14th December 2016 approved (under Resolution No. 96/2016) the proposed Social Enterprise Development Model and directed that a business plan in this regard ought to be developed for consideration and approval prior the model being implemented.

- **Community Residential Units (CRUs)**

- On the Community Residential Unit Programme, the department has delivered 241 units to date and therefore, there was an actual deficit of 559 units. However, the Department has put plans in place to meet the set target in this regard, i.e. 380 units in Tsalanang, 100 units in Emzini (GMLM); and at estimated 130 units in Sabie (TCLM); 250 units in Standerton Ext. 8 (LLM); 200 in Malalane Extension 21 (NLM); 160 units in Sonheuwel and 200 units in Mjindini Ext. 3 (CMLM); and 100 units in Reabota (STLM) respectively. The plans that have been put in place for Community Residential Units will yield even more than the targeted 800 units provided there is budget available to implement the projects in the current MTSF.

- There have been some delays in the implementation of CRU projects (conversion and upgrade) that were planned for implementation during the MTSF period which were put on hold as a result of a Ministerial directive applicable to all provinces dated 15 May 2016. However, the problem has since been resolved with clear guidelines on how to implement CRUs. In some areas, particularly in Emalahleni LM, the implementation of CRU programme was delayed as a result of current hostel dwellers which were not prepared to move out of the old hostels to be converted because mostly sceptical and not willing to pay rent after the completion of the CRU.

- **Role of public and private sector in service delivery as well as Catalytic projects**

- The Department of Human Settlements and Local Municipalities have concluded agreements with a number of Private Entities wherein parties to the contracts are involved in the creation of Integrated Human Settlements. The partnerships in this regard entail the following:
  - Township Establishment processes; Servicing of Sites; and Construction of Individual Housing Units comprising of different housing typologies.
  - In this regard, the extent of partnerships entails amongst other components the following areas:
    - Township establishment and servicing of sites on publicly owned land by the Department and Municipality;
      - Construction of top structures that were fully funded by the Mining Houses, SASOL, Private Entities, etc.
- Steve Tshwete; Emalahleni; Govan Mbeki and City of Mbombela Municipalities were some of the municipalities already benefiting in this regard. The following are some of the projects in this regard:

- Rockdale North – Steve Tshwete;
  - Siyanqoba – Emalahleni LM;
  - Duvha Park - Emalahleni LM;
  - Siyathuthuka – Govan Mbeki LM.
- 
- The Department of Human Settlements is correctly implementing the following projects together with the private sector, as catalytic projects:
  - Klarinet Integrated Development - Emalahleni LM;
  - Plus 2 Private sector projects under consideration;
    - Spring Valley – Black Jill Engineering – Emalahleni LM (Witbank);
    - Mashishing (4988) Mixed Units – Cranbook Ltd/Bigen Africa- Thaba Chweu LM (Lydenburg).
- 
- In line with the Minister’s directive and MINNEC Resolution, the Housing Development Agency (HDA) had concluded agreements with the Department of Human Settlements so as to serve as the Implementing Agent. Furthermore, the HDA was collaboratively working with the Department of Humans Settlements in a number of projects ranging from Property Valuations; Community Socio-Economic Assessments; and other project planning activities, covering mainly the following:
  - Review of development agreement between Emalahleni and ABSA Dev: HDA Legal Department reviewing the legal documents pertaining to the case between Emalahleni and ABSA Dev and was in communication with the department;
  - Concept Designs: Plan for 2017/18 was to review the development plan and depending on whether an agreement is reached with ABSA Dev, formulate a concept design for the next phases that benefits all parties;
  - Progress Monitoring: Review work done by ABSA Dev verses agreement and agree on a way forward;
  - Monthly Reporting: Create an implementation plan and a project programme for the next phase that will be tracked monthly;
  - Governance Structures: Provincial Steering Committee chaired by HOD – HDA secretariat for monthly or quarterly meetings.
- 
- **The department stated the challenges**
  - There were some beneficiaries who were demanding additional items outside the approved scope of work and plan. Unavailability of sites for some approved beneficiaries. The Province was busy with consumer education regarding the settlement of Military Veteran bonds within and below R188 000.00, however no payment has been effected as yet. There were beneficiaries (Non-statutory members) who were rejected by Department of Military Veterans (DMV) - because they do not appear on the National Database; however, the matter was being attended by DMV. The

province was closely monitoring the implementation of the project, hence the good performance on the ground.

- **Deliberations**

- The delegation welcomed and appreciated the comprehensive presentation. The delegation further appreciated that the MEC had managed to turnaround the performance challenges of the province. However, the following issues were raised by the delegation:
- The issue of lack of bulk infrastructure that hindered the performance of various housing project was a concern. The delegation sought clarity on whether the 2% ring-fenced from Human Settlements Development Grant was being utilized;
- The illegal occupation of houses or units and land invasion was seen to be a common practice in the province. The delegation was of the view that there was a lack in the beneficiary list management. As a result, the delegation enquired whether the province had a list of land parcels available for human settlements purposes;
- Backlog in the issuing and restoration of title deeds was at 'snail pace', the delegation wondered the impact of the Provincial Steering Committees;
- There was growing number of informal settlements due to influx of job-seekers in some of the big town in the province was of concern. The delegation advised the province to manage phenomenon with care;
- The issue of houses that had asbestos roofing was of concern and those that were dilapidating and requiring rectification. Timeframe were required to assist those communities;
- The hostel conversion into family units was not at the required rate. The delegation was concerned that some programmes were doing well in other province and in some were performing poor whilst sit in one MinMec. The rejections and non-payment of rental Community Residential Units was of concern;
- The delegation was pleased to learn that the SMMEs were assisted and emphasized that tender documents should have a compelling clause stating that a certain portion of work should be given to SMMEs, women and youth contractors;
- The role and contributions by the mining houses in the development of houses for their employees was not clear;
- The delegation learned that the social housing programme was given to Social Housing Regulatory Authority; however, that was not justifying the zero performance of this programme.

- **Site visits:**

- The following sites were visited:
  - **Site visit Ntokozweni Military Veterans - KwaNyamazane**

- The delegation viewed the houses build for military veterans. The houses were 60m<sup>2</sup> and there was no carport. The houses were three bed-roomed with open plan kitchen and lounge. The area had scarcity of water.

- **Site visit to Tekwana North**

- The delegation visited the 60m<sup>2</sup> house build for the destitute and child-headed family. The house was donated by the land surveying company that was working in that area. There were other 500 units that were constructed in the area – Sizamimpilo Project. The project was challenge by the lack of electricity; it was later resolved but not yet connected. The project was also challenged by the lack of bulk sewer as the houses were not connected. The bulk sewer was under construction. The delegation was advised that the verification of beneficiaries was to be conducted simultaneously with the issuing of title deeds.

- **Site visit to Tekwana South Phase 2**

- The project was an integrated project – 300 units were to be constructed. The project was delayed by the graves that were found in the area. The municipality was going to pave the roads.

- **Meeting with the in Thaba Chweu Local Municipality - Sabie**

- The Mayor welcomed the delegation. In her welcoming notes she informed the delegation that some projects in Ext 6 and 10 were invaded. The Director of Human Settlements presented the status of the municipality. She reported that it had projects that were running. In Mashishing Ext 6, the Chrisselda project had 200 units and or beneficiaries approved. There were 44 units completed, 119 at wall plate and four (4) on foundation. In Mashishing Ext 108, the Fenekwane project there 60/100 units and or beneficiaries and there was no progress reported. In Sabie Ext 8, the Magugwana project 100 units and or beneficiaries approved, there were 52 completed, 40 on wall plates and three (3) foundations. In Northern Areas, Lwakithi project, there were 150 units and or beneficiaries approved. There was no progress reported.
- It was reported that 1094 beneficiaries of housing projects have not yet received formal ownership of their properties in the form of a title deeds issued by the Registrar of Deeds; many of which were registered more than a year ago. With regards to land acquisition, it was reported that in Pilgrim's Rest, CAPSTAN was appointed by Department of Human Settlements to do a socio-economic study in Newtown in Pilgrims Rest. Their preliminary recommendations were that the people be relocated due to economic conditions. The municipal reported that it was going to acquire the Vaalhoek Farm for residential purposes. In Brondal, GAP Development has been

appointed by Department of Cooperative Government and Traditional Affairs (COGTA) to do a feasibility study to determine if the proposed land was suitable for the development or if the land should be acquired elsewhere for the people to be relocated to that site instead. The land had not been acquired as yet, all the necessary processes will be done once the feasibility study has been established the type of people living there as well as whether it was better for them to be accommodated there or they need to be relocated. The municipality was going to acquire land to secure tenure for farm dwellers in Brondal.

- In Harmony Hill (Fok Fok), the Department of Human Settlements appointed CAPSTAN to formalize the informal settlement. The town planning processes have been done and land acquisition for one part of the property owned by York Timbers was still underway and CAPSTAN was in the process of finalizing that. The property was situated adjacent to the existing Harmony Hill settlement and will have approximately 500 stands. The plan was to have parts of the development reserved for state subsidy houses and the other stands can be disposed. The municipality was to acquire land privately owned for residential development. In Spekboom, negotiations were underway with the Luthern Church for land exchange on the invaded Spekboom farm owned by the church for the Spekboom community. The municipality was going to acquire alternative land for the church.
- The municipality reported that the Mashishing hostel was converted into a Community Residential Units (CRUs) out of 98 units 92 were family units and six was bachelors' flats. In Old Mashishing Hostel, there were 138 units that require conversion. In Graskop Hostel, there were 27 white houses and 62 rooms that were accommodating 400 tenants. The municipality reported that land was to be acquired from the Department of Public Works to formalize the communities. In Smile Flats, there were 60 family units, the structures had defects and require conversion. In Shelela Hostel, there were 465 rooms with tenants; the structures have defects and required conversion.
- The municipality stated the challenges it was facing such as the rapid urbanisation and migration – irreversible; informal settlement growth; no secure tenure – settlement on farms; inhabitable ground (sink holes) – Pilgrim's Rest; land not surveyed or serviced; Human Settlement Planning alignment; incorrectly registered title deeds and no guidelines on housing development within the municipality. The municipality pleaded for support for informal settlement upgrading; land acquisition; Human Settlements Planning (integrated); support in the development and management of municipal rental stock; recovery of blocked projects (Housing Development Agency (HDA) catalytic and Leroro project as well as with the rectification of title deeds.

- **6.2 Site visits**

- The following sites were visited:

- **6.2.1 Site visit to Sabie Ext 10**

- The project was constructed by the female contractor; it was awarded 100 units. By the time of the visit 74 units were completed and 26 beneficiaries were still to be verified and constructed. The units were two bed-roomed, open plan kitchen, and lounge. The contractor stated that the subsidy quantum was no longer adequate for them to construct a sustainable or complete house. There was a challenge of, general, water scarcity in the area and the municipality was not assisting.

- **6.2.2 Site visit to Graskop**

- The delegation visited a house build for a disable beneficiary – blind person. The required features for blind person were installed.

- **Meeting with Govan Mbeki Local Municipality - Bethal**

- The delegation was welcomed by the Member of Mayoral Committee. He informed the delegation that the municipality was highly industrialised, mining and maize. He stated that there was a huge influx of people to the municipality which had impact on housing demand. The Director- Planning and Development presented the status of the municipality. She informed the delegation that the municipality was at Level 1 accreditation mainly mandated to conduct beneficiary list management. The municipality had divided into three regions namely region 1, 2 and 3.
- In region 1, Ward 22, 23 and 24, there was an informal settlements upgrading, the project name was XJR, for the financial year 2017/2020 financial year. There were 750 subsidies allocated, 404 were the total forms that were submitted, 167 approvals received and the contractor was on site. In Ward 27, there was a mixed housing development in the Integrated Residential Development Programme (IRDP) phase 1 for 2016/17 financial year. There were 1473 subsidies allocated, 200 forms submitted and the project was completed. In Ward 27, there was a Community Residential Units for 2017/18 financial year; the project name was Stefanutti Stock. There were 48 subsidies allocated and no forms neither submitted nor approved. The contractor was still to be introduced.
- In region 2, Ward 17, there was a rural subsidy programme, the project name was Sokza Construction with 50 subsidies allocated to it and 47 forms were submitted, 26 were approved and the contractor was on site. In Ward 16, there was informal settlements upgrading programme; the project name was XJR Construction. There were 100 subsidies allocated, 404 forms submitted and 19 were approved. The contractor was on site. In Ward 1, 2, 3 and 6 there was Informal Settlements Upgrading and Consolidation programme for 2017 to 2020 financial year. There were 650 subsidies allocated, 404 forms were submitted and 87 were approved. The contractor was on site.

- In region 3, Ward 9, the project name was XJR (Embalenhle), for the informal settlements upgrading, 2015/16 financial year. There were 500 subsidies, 512 forms were submitted, 96 were approved and the project was completed. In Ward 9, the project name Bamboo Rock, Informal Settlements Upgrading, 2015/16 financial year. There were 289 subsidies allocated, 291 forms were submitted and 289 were approved. The project was completed. In Ward 9 and 12, the project name was XJR (Embalenhle), for 2016/17 financial year. There were 500 subsidies allocated, 511 forms were submitted, 389 were approved. The contractor was on site.
- In Ward 8, 10, 11, 13, 14, 19, 29, 31 and 32, the project name was Bamboo Rock for 2017/18/19/20 financial year. There were 1500 subsidies allocated, 330 forms were submitted and 112 were approved. The contractor was on site. In Ward 9, project name Mziwethu Holdings for Finance-Linked Individual Subsidy (FLISP) for 2016/17 financial year. There were 50 subsidies allocated and 36 were approved. The contractor was on site and 36 units were completed. In Ward 9, name of the project Prince of tides, the Community Residential Units for 2016/17/18 and 19 financial year. There were 384 subsidies allocated and 48 were approved. The contractor was on site and 48 units were completed.

- **Site visits**

- The following sites were visited:
  - **Site visit to Emzinoni Ext 11**
- The delegation visited the project where 1476 stands were serviced. The land was proclaimed but had a challenge with the lack of bulk infrastructure. The municipality reported that it had only R10 million set aside but it was not enough to solve the challenge. It was estimated that at least R18 million would be needed in order to solve the challenge. It was reported that the state subsidy houses would be prioritized. The project was further challenged by the invasion of serviced sites. The delegation proposed that the HDA should play a role and assist the municipality. The project needed to arrest the invasion of serviced site. There was a need to verify beneficiaries and the qualifying one should be allocated sites while waiting for infrastructure. The national department undertook to assist the municipality. It was proposed that the political leadership should meet in an endeavor to curb the exacerbation of illegal invasion of land and serviced sites.
- **Site visit to Mbalentle Ext 22**
- The delegation visited a troubled project where there were houses illegally invaded for approximately two (2) months, before the oversight visit. The municipality reported that the challenge of invasion was due to untraceable beneficiaries, who were supposed to take occupation. The project had sewer challenges – as sewer spillages were visible on the streets.

The delegation proposed that the municipality not to wait long for untraceable beneficiaries and needed to allocate the next available person to avoid vandalism and illegal occupation.

- **Site visit to Tsalanang Community Residential Units (CRUs)**

- The delegation was informed that the project commenced in 2015, to renovate 192 units. The renovations were major ones such as the replacement of roofs, doors, electricity wires and water pipes. The project was estimated to be completed in 2019/2020. By the time of the visit, there were 64 units completed, kindergarten and the construction of the community hall was underway. There were sewer challenges in some of the blocks of which the contractor was going to assist with. The project was further challenged by the relocation of the beneficiaries. It was also reported that there rent collection was a challenge as some of the hostel dwellers were elderly mostly dependent on grant. The municipality had appointed the Govan Mbeki Social Housing Solution to do rental collection and managing the CRU. In term of construction work, it was reported that the local contractors were given 30% of the work.

- **8 Meeting at Emalahleni Local Municipality - Witbank**

- The Member of the Mayor Committee welcomed the delegation. The Director responsible for Human Settlements presented the status of the municipality. She informed the delegation that Emalahleni has a total population of 455 322 people in terms of Census 2016. The municipality was the third biggest municipality in the Province after Mbombela and Bushbuckridge. The population was growing at an average of 3% pa, double that of South Africa. The populations were housed in 150 420 households – increased from 119 874 in 2011 at 23.2% of the households live in informal settlements. The municipality reported that there were 30 714 families living in informal settlements; 22 000 were in backyard dwellings and multiple family accommodation and 2676 in other sort of accommodation. That was a total of 55 390.
- The municipality reported the achievement stating that in Klarinet, Individual Rural Development Programme (IRDP) was first to be implemented in the province and phase 1 was completed and phase 2 was underway. Siyanqoba Housing Project, IRDP, there were 904 beneficiaries approved. The construction of state subsidy houses was 16 000 in all the wards since 1994. There were 18 informal settlements enumerated and funds were needed to enumerate the rest of the informal settlements. In Empumelelweni Upgrade of Informal Settlements Programme (UISP), there were 4000 housing units built by the time of the visit. It was further reported that all informal settlements were categorised for intervention. That upgrading and relocation plans were developed. That informal settlements upgrading strategy and policy were also developed. The National Upgrading Support Programme was in the implementation stage and Upgrading Plans were in progress – courtesy of Department of Human Settlements and the Housing Development Agency (HDA).

- The Development of Housing Needs Register was in all wards, 37 000 people registered on the database and the needs Register used to source beneficiaries. It was reported that Housing Development Plan developed, public participation conducted and final documents were to be approved by Council. The Community Residential Units were implemented in kwaGuqa, 250 houses built by South 32 and donated to the municipality. 100 completed and occupied in 2016 and 150 under construction. The informal settlement of Spring Valley South was relocated successfully, 230 families and developed high market residential houses. There were 1217 title deeds issued for Klarinet, Thubelihle and Sinqobile.
- The municipality stated the challenges it was encountering such as the high population growth resulting in large number of informal settlements; housing backlogs – allocation inadequate; unavailability of land for housing development; infrastructure challenges –availability of bulk services; high unemployment rate; poor performance by contractors; incomplete township establishment processes and illegal sale of state subsidy houses. The municipality further stated that the intervention required that were the adequate staffing and resourcing of the newly established Informal Settlements Unit (e.g. Inspectors); funding for the implementation of National Upgrading Support Programme – Upgrading Plans; funding to implement the Relocation Plans; identification and purchase of land for human settlements development; provision of serviced stands for gap market; funding for new and upgrading of bulk infrastructure; finalisation of incomplete township establishment processes; development of a Doornpoort water supply scheme to augment water supply to Siyanqoba/ Klarinet (estimated cost – R305 million); replacement of old water infrastructure with new, to reduce water losses (estimated cost – R250 million) and the upgrade roads infrastructure to accommodate proposed upgrades.
- **8.1 Site visits**
- The following sites were visited:
- **8.1.1 Site visit to Klarinet Rental Stock**
- The delegation was informed that the project was completed and by the time of the visit it had 100% occupation. There were 104 units in all; there were two bed-roomed flats and bachelor flats. The rentals of the flats were regulated by the Social Housing Regulatory Authority and the rent collection was at 100%. The subletting of the flats was a challenge. The rental was starting at R2 250 for two bed-roomed flat and R750 for one bed-roomed flat.
- **8.1.2 Site visit to Siyanqoba and Military Veterans**
- The project scope was 6 500 low income houses; 2 000 gap market housing and 500 social housing units. There were 76 houses completed and approximately 500 at various stages. The

municipality was going to priorities the allocation of backyard dwellers. The project was lacking bulk water, sewer and electricity. This had caused beneficiaries to be reluctant to move whilst there were incidents of invasion of the completed structures. It was also reported that some beneficiaries were worried about school transport for their kids. The municipality reported that the beneficiaries were informed that the school transport was to be organized but they were hesitant. The municipality had to appoint a security company to guard the area as there were threats of illegal occupation. By the time of the visit there were communities that were chanting and dancing claiming that the intended beneficiaries were not from the area and were not welcomed in that area. The same community was the one threatening to occupy the houses illegally.

- Adjacent to this project there were 21 units that were constructed for military veterans. Those structures were completed and some were occupied.
- **8.1.3 Site visit to Empumelelweni In-situ upgrading (National Upgrade Support Programme (NUSP))**
- The delegation was informed that in 2014 the municipality embarked on a NUSP project with the national department. The informal settlements were profiled and categorised for different interventions. Category A - formalisation in process by municipality; category B1 - to be upgraded - rudimentary services provided, upgrading plans developed; category B2 - can be upgraded or relocated in the future; category C – relocation. There were 350 completed between January and July 2017.
- **Meeting at Steve Tshwete Local Municipality - Middleburg**
- The Mayor welcomed the delegation. He informed the delegation that the municipality was the best management in the country in terms of clean audit and governance. He stated that the municipality was challenged by influx due to mining activities and industries that are in the area. The population growth was at 4,3% as per the latest statistics.
- The Deputy Director responsible for Human Settlements presented the status of the municipality. He reported that the Human Settlements delivery rate starting with the financial year 2010/2011 until 2016/2017 financial year stands at 3684 housing units delivered in the areas under the jurisdiction of Steve Tshwete Local Municipality. Housing backlog (community survey 2016) was at 278 749. Population growth rate was estimated to be approximately 4% per annum. Number of people registered on the Housing Needs Register were 18 047. The municipality strived to ensure that basic services such as water, sewerage, roads and storm water including socio-economic facilities was in place in respect of all housing developments in pursuit of the establishment of sustainable Human Settlements.

- It was also reported that 2016/2017 financial year housing allocation was Kwazamokuhle (Hendrina) Integrated Residential Development Programme; there were 100 subsidies allocated for the beneficiaries approved for house allocation; 100 houses handed over to approved beneficiaries; 58 houses yet to be handed over to beneficiaries.
- In Rockdale Ext 2, the Integrated Residential Development Programme, there were 205 subsidies allocated; 205 beneficiaries approved for house allocation; 23 houses handed over to the approved beneficiaries.
- In Rockdale Ext 2: Enhanced People Housing Process, there were 100 subsidies allocated, 100 beneficiaries approved for house allocation; 96 houses handed over to approved beneficiaries; construction in the process of completion thereafter the handing over of the houses will commence after final inspections.
- In Newtown Ext: Informal Settlements Upgrading Programme (ISUP), there were 100 subsidies allocated to 100 beneficiaries and allocated. Construction was in process of completion thereafter the handing over would commence after final inspection.
- In Exxaro Coal Mining Company: Private sector and Government partnership – the mine funding provided for 33 units and the mine appointed a contractor. The municipality was to facilitate approval for the implementation of the project. In South 32 Coal Mining Company - private sector and Government partnership, the mine was funding for construction for 100 units.
- It was reported that the Finance-Linked Individual Subsidy Programme (FLISP), there were 20 subsidies allocated and only five beneficiaries approved. The Military Veterans Programme, there were 14 houses handed over to the approved beneficiaries and eight (8) houses yet to be handed over to approved beneficiaries subject to final inspection. It was reported in the 2016/2017 during the title deeds roll-out campaign issued and handed to the beneficiaries a total number of 1062. During the first quarter of 2017/2018 financial year the 247 title deeds would be handed to the beneficiaries by 21–24 September 2017. The municipality reported that as part of its land invasion strategy and management, it has developed and implemented the Informal Settlements Management by-law. It has also established a dedicated Law Enforcement Unit to inter alia in an endeavor to curb the land invasion. It was patrolling regularly and demolishing illegal structures. There were fourteen (14) informal settlements identified in the Steve Tshwete Local Municipality areas of jurisdiction.
- The municipality reported that the housing demands exceeded the supply; there was growing informal settlements; distressed and impatient families; Government housing assistance seekers (housing needs register growing); inadequate public awareness and education regarding various housing programmes and opportunities; lack of comprehensive data regarding existing informal settlements; delays regarding connection services and imminent closure of the Lesedi and Naledi

mine villages and displacement of the families. The municipality pleaded that the Mpumalanga Department of Human Settlements should increase the funding for housing delivery; re-instate the Division of Revenue (DORA) allocation by the national Department of Human Settlements; intensify private sector and government partnership; identify other sources for funding; increase housing related information dissemination and consumer education; comprehensive socio-economic studies should be undertaken in all informal settlements area; resume housing needs register registrations and National Rapid Response Task Team established to plan for the resettlement of the affected families from the mine villages.

- **9.1 Site visits**

- The following sites were visited:

- **9.1.1 Site visit to Newtown**

- The project was completed with 100 units of People Housing Process programme and the units were 45m<sup>2</sup>. The allocations were on hold pending water connections. However, the delegation pleaded the municipality to allocate approve beneficiaries as soon as water is connecting to avoid vandalism and illegal occupation.

- **9.1.2 Site visit to Rockdale Ext 2 - Military Veterans**

- The delegation visited six (6) completed units for military veterans. Some of the units were occupied. The units were three (3) bed-roomed houses with open plan kitchen and lounge, bathroom with bath tubs.

- **9.1.3 Site visit to Rockdale – 100 units**

- The delegation viewed the 100 completed units.

- **9.1.4. Site visit to Rockdale – Vandalised units**

- The delegation viewed the vandalized houses. The municipality reported that houses were not allocated to the beneficiaries due to lack of sewer, water and electricity. The units were completed in June 2017. The delegation could not believe why those units were not connected as some houses in the area were connected. Finger pointing between the municipality's departments such as infrastructure and engineering was not acceptable. It was evident that there was lack of intra-government relations.

- **Observations made by the delegation**

- The following observations were made by the delegation in respect of its oversight visit to Mpumalanga Province, it has observed that:
- Failure to allocate completed houses timeously to qualifying or rightful beneficiaries resulting in the units being invaded and illegally occupied;
- Underperformance of the Finance-Linked Individual Subsidy Programme (FLISP). It was suggested that this Programme requires more publicity as well as close collaboration with the private sector;
- Title deeds backlog requiring enhanced implementation of the Title Deeds Restoration Programme through amongst others the attendance of Provincial Steering Committee meetings by municipalities in the province set up to deal with the resolution of the issuing of title deeds;
- Urban centres experiencing high urbanisation rate resulting in an influx of more job seekers and thus putting more pressure on existing municipal services including demand for housing assistance;
- Mushrooming of informal settlements, a development related to the aforementioned, and the need for mechanisms to mitigate this phenomenon;
- Inadequate bulk infrastructure, water and other related services and thus impacting on the development of current projects;
- Municipalities advised to tap into 2% of the Human Settlements Development Grant set aside for bulk infrastructure;
- Sewer spillage that poses a health hazard;
- Presence of sinkholes on soil that was dolomite necessitating the relocation of households;
- Failure to collect rental income from the rental stock by some of the municipalities as part of municipal revenue generation due to poor management;
- A related issue to the above, was an endemic culture of non-payment for services and rental by occupants of Community Rental Units;
- Consumer education required to instill and encourage a 'culture' of payment;
- Conclusion of a Memorandum of Understanding between Emalahleni Municipality and Emalahleni Housing Association for the management of the Community Rental Units;
- Presence of houses from the old stock with asbestos roofing;
- Role of mining companies through Public-Private Partnerships in the development of integrated human settlements, provision of housing and land release;
- Provision of serviced sites as part of People's Housing Process (PHP);
- More emphasis on social housing development and the enhancing the Social Housing Regulatory Authority's footprint in the province;
- Social Enterprise Development Programme targeting designated groups, namely women, the youth and the disabled;
- Need for municipalities to apply for the electricity grant from the Department of Energy in order to address the issue of electrification;
- Municipalities urged to utilise the Municipal Infrastructure Grant for the surfacing of dirt roads;
- Non-alignment in planning between municipalities and the province;

- Resolution of intergovernmental relations (IGR) issues, call for a much stronger IGR among the three spheres of government in order to ensure collaboration and cooperation;
- Invasion of land and illegal sale of land parcels;
- Illegal sale of state subsidy houses (RDP/BNG houses) (Emalahleni);
- Role of the National Home Builders Registration Council (NHBRC) in conducting inspections and quality assurance;
- Role of the Housing Development Agency in land identification and acquisition;
- Rendering of housing assistance to displaced former farm dwellers;
- Transfer of suitable land from other 'sister departments' such as the Department of Public Works;
- Widespread vandalism of housing units that had been completed or in the process of being completed but still, then, awaiting allocation to beneficiaries and theft of fixtures;
- National Upgrading Support Programme (NUSP) in place, entails assessment and categorisation of informal settlements – in order to determine those that were unsafe for continued human habitation and those suitable for in situ upgrading;
- Proclamation of informal settlements into formal township establishment;
- Need to devise strategies and measures to mitigate potential and inherent risks such as land and property invasion; illegal occupation of completed housing units; non-payment for services and rentals etc.;
- In the past, some contractors defaulted from their contractual obligations;
- Challenge remains with regard to untraceable beneficiaries;
- Delay in the implementation of catalytic projects, partly due to the process of land acquisition or transfer (Thaba Chweu);
- Need to rethink the existing funding approach for bulk services or infrastructure and integration and consolidation of available grants such as the MIG, City Support Programme Grant administered by National Treasury;
- Secondary cities needed to motivate for consideration as recipients of the grant similar to Urban Settlements Development Grant.

- **Recommendations**

- Based on the observations made, the Committee requests the Minister of Human Settlements to consider the following towards the attainment of Outcome 8 fundamentals. The Minister is or was further requested to ensure that a progress report on the recommendations is or was received by the Committee by the end of January 2018. The Minister should ensure that the National Department:

- Advocate and motivate for the consideration of a grant for Secondary Cities similar to Urban Settlements Development Grant to be utilized for the installation of bulk infrastructure services. This would assist in fast-tracking the implementation of projects such as catalytic project;

- Ensure that the intergovernmental relations (IGR) are or were maintained in all spheres in order to ensure seamless collaboration and cooperation;
- Devise strategies and measures to mitigate potential and inherent risk such as land and property invasion, illegal occupation of completed housing units, non-payment for services and rental stock;
- Instruct the provincial department to monitor the management of beneficiary list management by the municipalities to avoid the illegal occupation and vandalism of completed houses as this has a negative impact on the budget allocation;
- Assist the provincial department in devising means to arrest and mitigate the mushrooming of informal settlements due to influx of job seekers as that was putting pressure on the existing infrastructure services including the demand of housing assistance;
- Reflect and implement the NDP objectives such a radical economic transformation, youth employment, and women empowerment;
- Ensure that capable and qualified officials employed and placed in key positions to manage the human settlements trajectory in South Africa;
- Fast-track the restoration and issuing of title deeds to the rightful beneficiaries as this would boost economy as the title deed act as a collateral in most transitions. Punitive measures should be in place for those officials who do not attend the Provincial Steering Committees. Verification and rectification of some title deeds meaning the registration and deregistration should be fast-tracked;
- Assist the provincial department in rectifying old houses that were cracking and with the replacement of asbestos roofing as this was a health hazard to the communities;
- Provide site and serviced stands for those beneficiaries in the gap market to build for themselves. This would assist in reduce the backlog in the housing demand;
- Instruct human settlements entities such as the Housing Development Agency to assist in land acquisition to fast-track the implementation of catalytic projects and in the upgrading of informal settlements;
- Draft a full report together with the provincial department on the National Rapid Response Team on the informal settlements in the province and the relationship with the National Upgrading Support Programme.
- Report to be considered.