



# Strategic Plan 2015 - 2020

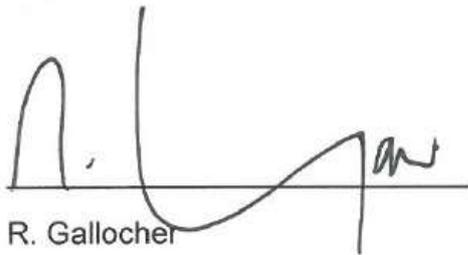
January 2017

Social Housing Regulatory Authority

## Foreword

This strategy replaces the SHRA's five year Strategic Plan due to changes made during the process of reviewing the plan as part of the organisation development process embarked upon in the 2016/17 financial year. Updates have been made to the strategic outcome oriented goals, strategic objectives, programme structure and organogram. This plan is applicable for the current Medium Term Strategic Framework (MTSF) period up until the 2019/20 financial year.

The purpose of this Strategic Plan is to describe the approach that the SHRA will adopt, and the work that the entity plans on undertaking, up until the end of the MTSF period and beyond. The importance of the plan is to ensure the efficacy of the entity from an operational perspective and that the intended outcome and impact of the work of the entity is achieved.

A handwritten signature in black ink, appearing to read 'R. Gallocher', is written over a horizontal line. The signature is stylized with a large initial 'R' and a long, sweeping underline that extends to the right.

R. Gallocher  
Chief Executive Officer

## Official Sign Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Social Housing Regulatory Authority;
- Takes into account all the relevant policies, legislation and other mandates for which the Social Housing Regulatory Authority is responsible; and
- Accurately reflects the strategic outcome oriented goals and objectives which the Social Housing Regulatory Authority will endeavour to achieve over the period up to the 2019/20 financial year.

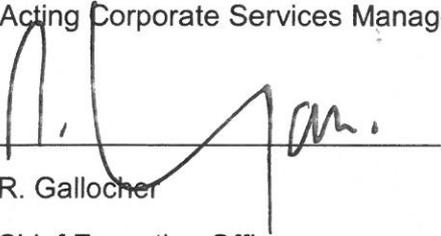


N. Mbengo

Acting Corporate Services Manager

30/01/2017

Date

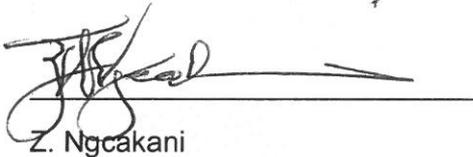


R. Gallocher

Chief Executive Officer

30/1/2017

Date



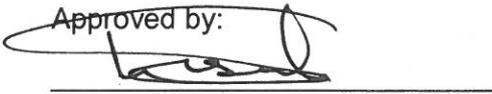
Z. Ngcakani

Chairperson

30/1/2017

Date

Approved by:



L.N. Sisulu MP

Minster of Human Settlements

Date

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# 1. Part A: Strategic Overview

## 1.1. Mandate

The Social Housing Regulatory Authority (SHRA) was established by the National Department of Human Settlements (NDoHS) as prescribed by the Social Housing Act (No. 16 of 2008). The SHRA is classified as a national public entity in terms of Schedule 3A of the Public Finance Management Act (No. 1 of 1999 as amended).

The SHRA's mandate is to capacitate, invest in and regulate the social housing sector. The primary intention of the Social Housing Act is to deliver affordable rental housing for low to moderate income groups and to achieve spatial, economic and social integration of the urban environments in South Africa.

## 1.2. Vision

The SHRA's vision is to see affordable rental homes in integrated urban environments through sustainable institutions. To achieve this:

- a) The SHRA will be a world-class organisation resourced by highly skilled, values- driven leaders in the industry.
- b) The SHRA will fund and facilitate funding for affordable, well designed, environmentally sustainable (energy efficient green) social housing estates.
- c) The SHRA will ensure investment in communities that form new or regenerated cities, which in turn enhance social mobility and access to basic tenant needs for healthcare, education, transport and communication.
- d) The SHRA will be a thought leader, stimulator and regulator of appropriate policies and research to support programme development for an African model of managed rental and social housing; and will create a self-sufficient social and rental housing environment.

In summary this can be defined in the following vision statement:

***“A thought-leader, stimulator and regulator of world-class self-sufficient social housing solutions.”***

## 1.3. Mission

***“Facilitate delivery of quality, sustainable social housing at scale to advance the needs of low and middle income groups in support of spatial, economic and social restructuring.”***

## 1.4. Values

The values of the entity are as follows:

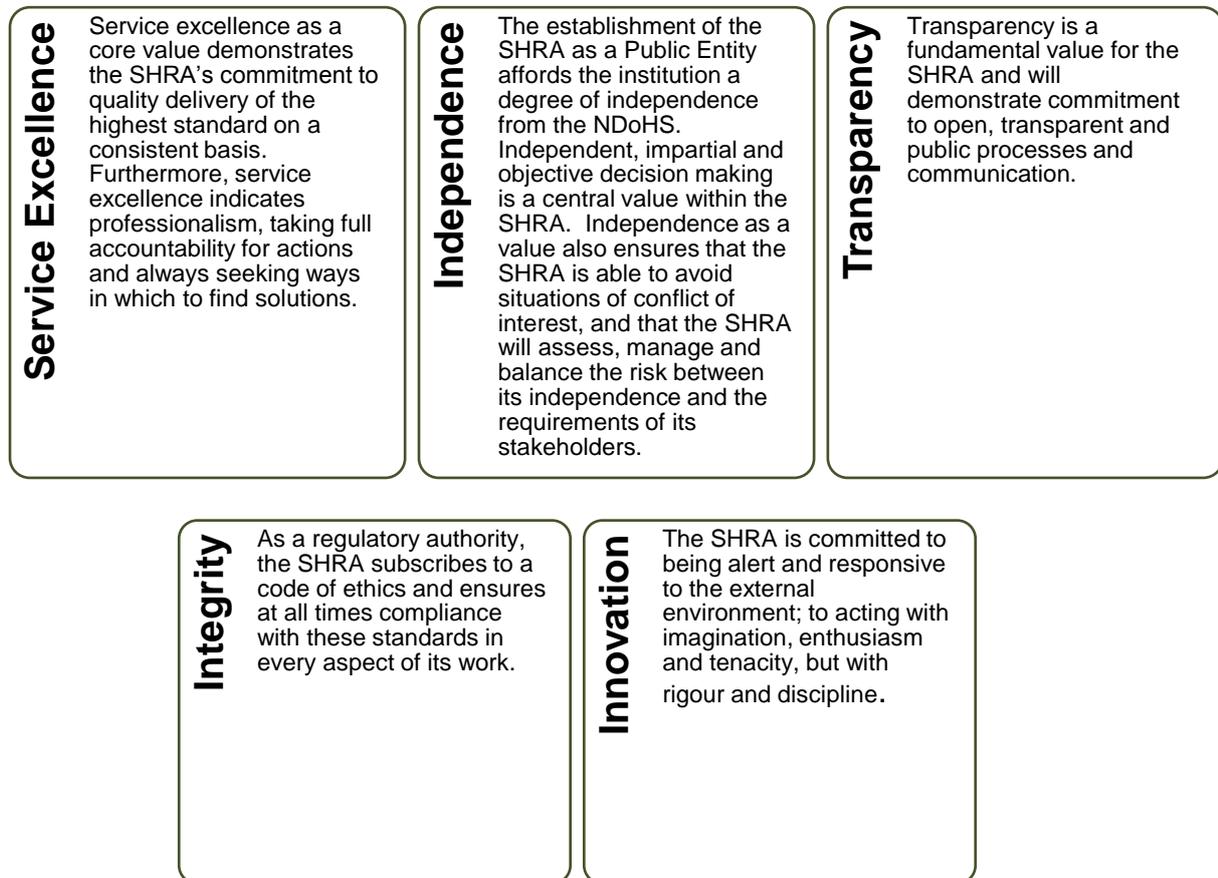


FIGURE 1: SHRA'S VALUES

## 1.5. Legislative and Other Mandates

### 1.5.1. Constitutional mandates

The following areas of the Constitution of South Africa, Act No. 108 of 1996 (as amended) have relevance in the derivation of the mandate of the SHRA:

- Chapter 1: Founding Provisions: Human dignity, the achievement of equality and the advancement of human rights and freedom;
- Chapter 21: Freedom of movement and residence: Every citizen has the right to enter, to remain in and to reside anywhere in, the Republic;
- Chapter 24: Environment: Everyone has the right to:
  - an environment that is not harmful to their health or well-being; and
  - have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:
    - prevent pollution and ecological degradation;
    - promote conservation; and
    - secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development;

- Chapter 25: Property: The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis; and
- Chapter 26: Housing
  - everyone has the right to have access to adequate housing;
  - the State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right; and
  - no one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions; and
- Schedule 4A: Housing is a concurrent national and provincial legislative competence.

## **1.5.2. Legislative Mandates**

### ***1.5.2.1. The Housing Act, No. 107 of 1997 as amended***

The Housing Act covers the basic provision of housing as set out in the Constitution and further expounds on the various products, roles and responsibilities, and financial arrangements. The Act indicates that housing is a concurrent competence of national, provincial and municipal government. The Act is supported by the Housing Code which serves as the policy guideline instrument. Both the Act and Code make reference to Social Housing, whilst the Code makes specific provisions regarding the use of the Institutional subsidy which is part of the financial model for social housing.

### ***1.5.2.2. The Rental Housing Act, No. 50 of 1999 as amended***

The provisions of the Act have a direct implication on the activities of SHRA in that it lays forth the mechanism of operation of the Rental Tribunals.

### ***1.5.2.3. The Social Housing Act, No. 16 of 2008***

The purpose of the Social Housing Act is to:

- Establish and promote a sustainable social housing environment;
- Define the functions of national, provincial and local governments in respect of social housing;
- Provide for the establishment of the SHRA in order to regulate all Social Housing Institutions (SHI) obtaining or having obtained public funds;
- Allow for the undertaking of approved projects by SHIs and other delivery agents with the benefit of public money; and
- Provides for statutory recognition to SHIs.

The key functions of the SHRA are to:

- Promote the development and awareness of social housing and promote an enabling environment for the growth and development of the social housing sector;
- Provide advice and support to the Department of Human Settlements in its development of policy for the social housing sector and facilitate national social housing programmes;

- Provide best practice information and research on the status of the social housing sector;
- Support provincial governments with the approval of project applications by SHIs and assist, where requested, in the process of the designation of restructuring zones;
- Enter into agreements with provincial governments and the National Housing Finance Corporation to ensure that implementation by these entities is coordinated;
- Provide financial assistance to SHIs through grants to enable them to develop institutional capacity, gain accreditation as SHIs and submit viable project applications;
- Accredite institutions meeting accreditation criteria as SHIs and maintain a register of SHIs. In addition, conduct compliance monitoring through regular inspections and enforce compliance where necessary. In addition, intervene in the affairs of SHIs in cases of maladministration;
- Approve, administer and disburse institutional investment grants and capital grants and obtain applications for such grants through engagement with provincial governments and municipalities;
- Make rules and regulations in respect of the accreditation of SHIs and the disbursement of government funds to them; and
- The SHRA is empowered to intervene if it is satisfied on reasonable grounds that there has been maladministration by a SHI.

#### ***1.5.2.4. The Public Finance Management Act, No. 1 of 1999 as amended (PFMA)***

The PFMA's provisions contain the basis of management of public funds by public entities of which SHRA is a member, having been registered as a Schedule 3A entity. Thus SHRA is obligated to adhere to the requirements and principles of the PFMA. This Act also covers the management of funds held by national and provincial government who are SHRA's sources of revenue. Thus this Act is critical to the functioning SHRA both internally and externally. This Act also embodies the legislative reporting requirements and governs the supply chain management and audit functions of entities.

### **1.5.3. Policy Mandates**

#### ***1.5.3.1. Comprehensive Plan for the Development of Sustainable Human Settlements: Breaking New Ground (BNG)***

BNG notes the shift in emphasis from the provision of housing to the creation of sustainable human settlements in a manner that is responsive to the demands of particular segments of society and local situations. This includes the promotion of more efficient cities, towns and regions. In support of spatial restructuring, the plan highlights the need to "integrate previously excluded groups into the city and the benefits it offers". Furthermore, the plan flags the need to promote densification, including "housing products which provide adequate shelter to households whilst simultaneously enhancing flexibility and mobility".

#### ***1.5.3.2. Social Housing Policy***

In 2003, an initial Social Housing Policy was developed, however, in light of BNG Government initiated a review this Policy for South Africa in order to ensure alignment with BNG.

Importantly, this review confirmed the need for regulation in the sector noting that:

“Only a limited number of SHIs are performing and delivering housing units, and too many of them are in financial distress and/or suffering from governance difficulties. Improved performance of the institutions is crucial for the future sustainability of the social housing sector, and to rebuild its credibility. Regulation is essential in this regard.”

The 2004 policy review (Social Housing Policy Review: Key Issues, October 2004) made a series of recommendations relating to the tasks and nature of the regulation function and endorsed the formation of a regulatory authority.

Consequently, the May 2005 revised Social Housing Policy recommended the establishment of a regulatory authority, the Social Housing Corporation (SHC). This was reviewed by the Department and adopted by MINMEC in 2005.

A final revised Social Housing Policy was approved by Cabinet in 2005. In the final policy version, the Social Housing Corporation (SHC) has been renamed as the SHRA.

The Policy has recently been reviewed and is currently undergoing a policy refresh to take into account practical experience and as well as legislative and economic changes since 2005.

#### ***1.5.3.3. National Housing Code***

The National Housing Code covers the use of the Institutional subsidy which has been referred for a review to factor in the role of SHRA and new economic factors.

#### ***1.5.3.4. The National Development Plan 2030***

The National Development Plan (NDP) is a holistic blueprint for South Africa’s proposed development up to the year 2030. It provides mandate to all Departments, and the public, to ensure integration in the common goal of development of the country and uplifting of all citizens. Most of the principles related to the NDP were already captured under BNG and it may therefore be confirmed that the pro-active approach advocated in the NDP has been an integral part of Human Settlement Policy.

Chapter 8 – Transforming Human Settlement and the National Space Economy speaks to the human settlement approach however other Chapters are also important such as Economy and Employment, Economy Infrastructure, Environmental Sustainability, Social Protection, Building Safer Communities and Transforming Society and Uniting the Country.

The SHRA’s strategy therefore needs to align to the National Development Plan to participate in the joint realisation of this plan and the intended impact of Vision 2030.

Chapter 8’s key points are as follows:

- Respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency.
- In addressing these patterns we must take account of the unique needs and potentials of different rural and urban areas in the context of emerging development corridors in the southern African sub region.
- The state will review its housing policies to better realise constitutional housing rights, ensure that the delivery of housing is to be used to restructure towns and cities and strengthen the livelihood prospects of households.

- Active citizenship in the field of spatial development will be supported and incentivised through a range of interventions including properly funded, citizen-led neighbourhood vision and planning processes and the introduction of social compacts from neighbourhood to city level.
- Planning in South Africa will be guided by a set of normative principles to create spaces that are liveable, equitable, sustainable, resilient and efficient, and support economic opportunities and social cohesion.
- South Africa will develop a national spatial framework and resolve the current deficiencies with the local system of integrated development planning and progressively develop the governance and administrative capability to undertake planning at all scales.

Social housing policy and legislation align with these key points since spatial, social and economic restructuring of our living environments are key to successful implementation of social housing.

#### ***1.5.3.5. Sustainable Development Goals***

In 2000 the United Nations member states, including South Africa, committed to a global plan to reduce poverty. This plan identified eight goals, named the Millennium Development Goals, to be achieved by 2015. These goals have since been supplanted by the Sustainable Development Goals (United Nations Development Programme, 2015: 2) outlined below:

1. No Poverty - End poverty in all its forms everywhere;
2. Zero Hunger - End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
3. Good Health and Well-being - Ensure healthy lives and promote well-being for all at all ages;
4. Quality Education - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
5. Gender Equality - Achieve gender equality and empower all women and girls;
6. Clean Water and Sanitation - Ensure availability and sustainable management of water and sanitation for all;
7. Affordable and Clean Energy - Ensure access to affordable, reliable, sustainable and clean energy for all;
8. Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
9. Industry, Innovation and Infrastructure - Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation;
10. Reduced Inequalities - Reduce inequality within and among countries;
11. Sustainable Cities and Communities - Make cities and human settlements inclusive, safe, resilient and sustainable;
12. Responsible Consumption and Production - Ensure sustainable consumption and production patterns;
13. Climate Action - Take urgent action to combat climate change and its impacts;
14. Life Below Water - Conserve and sustainably use the oceans, seas and marine resources for sustainable development;
15. Life on Land - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;

16. Peace, Justice and Strong Institutions - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; and
17. Partnerships for the Goals - Strengthen the means of implementation and revitalise the global partnership for sustainable development.

The goals seek to achieve Sustainable Development on a global scale and are applicable to all member states. The scope of the goals is much broader than the Millennium Development Goals but are interrelated as the three pillars of Sustainable Development (economy, environment and social) are.

#### ***1.5.3.6. Medium Term Strategic Framework (MTSF)***

The 2014-2019 electoral mandate focuses on the following priorities:

- Radical economic transformation, rapid economic growth and job creation;
- Rural development, land and agrarian reform and food security;
- Ensuring access to adequate human settlements and quality basic services;
- Improving the quality of and expanding access to education and training;
- Ensuring quality health care and social security for all citizens;
- Fighting corruption and crime;
- Contributing to a better Africa and a better world; and
- Social cohesion and nation building.

In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery. The 14 Outcomes are as follows:

1. Quality basic education;
2. A long and healthy life for all South Africans;
3. All people in South Africa are and feel safe;
4. Decent employment through inclusive growth;
5. A skilled and capable workforce to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable, sustainable rural communities contributing towards food security for all;
8. Sustainable human settlements and improved quality of household life;
9. Responsive, accountable, effective and efficient local government;
10. Protect and enhance our environmental assets and natural resources;
11. Create a better South Africa and contribute to a better Africa and a better world;
12. An efficient, effective and development-oriented public service;
13. A comprehensive, responsive and sustainable social protection system; and
14. A diverse, socially cohesive society with a common national identity.

The SHRA's strategy is guided by Outcome 8 which stipulates that the SHRA must deliver 27,000 social housing units in this five year period.

### 1.5.4. Planned Policy Initiatives

The following constitute, amongst others, the planned policy initiatives of the department:

- A Human Settlements White Paper;
- Policy for coherent and inclusive approach to Land for Human Settlements;
- Revision of the housing finance regime framework;
- Revision of the Housing Code to Human Settlements;
- Social Housing Code; and
- A Comprehensive Rental Policy.

### 1.5.5. Conclusion

The legislation indicates that the SHRA was envisaged as primarily an investment agency supporting the development of the social housing sector. The SHRA is required to undertake four key functions which should work together so as to support the sector and create confidence and a platform for growth namely accreditation, compliance, capital and institutional investment (see figure below).



FIGURE 2: KEY FUNCTIONS OF THE SHRA

In order to underpin and overarch its activities, the SHRA must foster stakeholder relationships so as to be a catalyst in the sector through strategic partnerships.

## 1.6. Situational Analysis

The major challenges for South Africa, as set out in the National Development Plan (NDP), are: unemployment; poor economic growth and an economy that is too reliant on resources; poor infrastructure; high levels of corruption; poor quality of education; poor public health and spatial divides (South Africa and National Planning Commission, 2012). South Africa's past is one with deep rooted inequity, addressing those imbalances whilst still developing has been the principle goal of the new democratic state (Bond, 2002; Department of Environment and Tourism, 2008).



Photograph taken by a drone featuring the Kya Sands / Bloubostrand area in Johannesburg which illustrates the spatial, social and economic inequity that the NDP seeks to address.

Johnny Miller/Rex Shutterstock, Unequal Scenes. <http://www.unequalscenes.com/projects>

It is now estimated that the majority of the world's inhabitants (54.5%) reside in urban areas. The New Urban Agenda, adopted by member states at the Habitat III Conference held in October 2016, positions the challenges and opportunities involved with rapid urbanisation and the impact on achievement of the Sustainable Development Goals (United Nations, 2016). South Africa is experiencing the "phenomena of the urbanisation of poverty" and South Africa's adoption of the New Urban Agenda highlight the need for a coordinated response to these challenges (Republic of South Africa, 2016:21).

Chapter 8 of the NDP provides the overarching framework and policy basis for interventions to fundamentally transform human settlements and the national space economy. The NDP commits government to "respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency (NPC 2012:260). The NDP affirms that the state "will review its housing policies to better realise constitutional housing rights, ensure that the delivery of housing is to be used to restructure towns and cities and strengthen the livelihood prospects of households" (noted by NDHS, 2016). Social housing has the potential to be one of the primary vehicles to redress inequitable

spatial patterns and to afford the possibility of a decent livelihood to many thousands of households.

The NDP affirms that social housing has the ability to address a wide range of needs, is well geared to promote social mobility and can well accommodate households who require transience. Indeed, the “broad scope” potential of social housing, and its utility as a flexible and multi-purpose instrument, is clearly recognised by the NDP. This correlation is represented in the diagram below, the goals of the social housing programme:

**FIGURE 3: GOALS OF THE SOCIAL HOUSING PROGRAMME**



The Medium Term Strategic Framework (MTSF) is the National Government’s strategic plan for the period of 2014 to 2019 and outlines the strategic objectives and targets for each portfolio. This includes the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government. The social housing programme’s MTSF target is the delivery of 27,000 social housing units.

The transformation of South Africa's economy and distribution of wealth is an imperative of government but is still a work in progress given the legacy of apartheid. SHRA, as an agency of national government, implements public policy to achieve the mandate of government which includes the transformation of the economy and the equitable distribution of wealth. The SHRA is entrusted with public resources to implement public policy and, therefore, the SHRA must ensure it utilises these public resources to achieve the broader economic mandate of government. In so doing, the SHRA, has in this APP, designed and proposed indicators both relating to the accreditation of implementing agencies such as SHIs as well as the award of Restructuring Capital Grant to these implementing agencies that establishes measurable targets for the accreditation and capital grant award to black and women owned and controlled organisations.

## **1.6.1. Performance delivery environment**

### ***1.6.1.1. Demand for Social Housing***

The Financial and Fiscal Commission (FFC) undertook a comprehensive study in 2014 titled Understanding Housing Demand in South Africa. Using a sophisticated housing demand model, the FFC determined that demand for housing will be the greatest in urban areas (CBD and intermediate suburbs) and that rental accommodation would be the most desired and appropriate form of housing. Significantly, the study also showed that there has been a shift from freestanding houses to housing in flats and townhouses in terms of preferred housing typology.

The FFC's housing-demand model also examined the typology that would predominate by 2030 in the various locations. In accordance with the findings that an increasing number of households would prefer to live in the CBD and intermediate suburbs, the model predicted that the number of flats and townhouses will increase by 14% and 4% respectively between 2011 and 2030. The model also predicted that, in the same period, houses on separate stands will decrease by 8%.



Walmer Link Social Housing Estate, Imizi Housing Association, Nelson Mandela Bay Municipality

In examining the South African housing mortgage (bond) market, Eighty20 (2015) found that, unsurprisingly, product penetration differs significantly by segment for various products. Mortgages are more common higher up the income pyramid. For households who earn R30,000 per month or more, 72 percent of them hold a mortgage. For households earning between R3500 and R10 000, however, a mere 8 percent of them hold a mortgage. Clearly, access to housing finance for ownership for this income group is extremely limited.

The growth in demand for rental housing in South Africa has been remarkable. In the 10 years between the 2001 and 2011 censuses, the proportion of South Africans who rented their homes increased from 19 percent to 25 percent, an absolute growth of over 30% in the number of households who rent. In urban areas, this figure increased from 26 percent in 32 percent (Census 2001 and 2011 data). Clearly, demand for affordable rental is greatly outstripping supply. The very high demand for social housing is reflected in the low average vacancy levels in SHI-managed stock. The nine largest SHIs reflect vacancy rates of between 0,3 to 2,4% and vacated units are filled very quickly from pre-populated waiting lists (DPME, 2016). Demand for affordable rental from low- to middle-income households in South Africa continues to grow, particularly in major metropolitan centres.

The drivers of this high rental demand include continued high levels of in-migration to urban areas, lack of means to access/qualify for subsidised, owned housing for low to middle-income households; and sparse opportunities for gap housing. Census data (2011) indicates that over 1,5 million households within SHRA's primary and secondary market live in informal settlements and backyard accommodation, indicating a large potential market for affordable rental accommodation (Social Housing Regulatory Foundation, 2016).

The slow economic growth of South Africa's economy coupled with the rapidly expanding and largely urban-bound young-adult population will contribute to a decrease in demand for ownership and further increase demand for affordable rental.

The implications for human settlement policy are absolutely clear. The demand for well-located, rental housing affordable to lower to middle-income households has increased dramatically since 2001 and is predicted to continue to increase in the coming 15 years. This makes an extremely strong case for a well-resourced social housing sector responding to this demand caused through rapidly changing demographics by producing quality, well-located rental housing.

### ***1.6.1.2. Social Housing Policy Environment***

The National Department of Human Settlements together with the Department of Planning, Monitoring and Evaluation undertook an evaluation of the social housing programme. The results of this evaluation together with the outcomes of evaluations undertaken on other rental housing products have been consolidated by the Department as part of a rental housing policy review to contribute in the development of the White Paper on Human Settlements.

At this point in time, the Department have undertaken extensive consultation with the Provinces and sector stakeholders and will be in a position to make recommendations to the MINMEC in the near future. The findings of these policy reviews are as follows:

“The Social Housing Programme is one of our key Programmes, and also the best performing measured against integration and inner city rehabilitation objectives. The programme is however in trouble and immediate adjustment of key aspects is required to ensure sustainability and proper new projects in the pipeline. One of the survey results undertaken revealed that 70% of the stakeholders believe that the programme is facing serious difficulties. The key reasons sighted for the current crisis can be summarised in the following manner:

- Lack of sector guidance from the Department and SHRA;
- Continued erosion of the capital funding from the State;
- Certain key implementation strategies are required to stabilise, create growth and improve the programme.

The key focus areas requiring intervention are:

- Planning- coordination, pipeline projects, and spatial planning;
- Management- capacity building, inter-governmental coordination, establish sector leadership, better assessment of institutions, more efficient project approval process, streamlined reporting process;
- Policy- address capital grant erosion, revise income bands, align programme with CRU, regularly adjust capital grants and income bands,
- Implementation- land access, increase scale of investment, target limited number of areas with intensity, de-link social housing from mega projects, cost saving measures, coordinate public investment, medium term social housing implementation plan.

One of the main contributing aspects is the fact that the Social Housing Restructuring Grant has not been adjusted since 2007. This fact placed enormous pressure on the funding model of the programme. The more private sector debt funding that is required, the more

unaffordable the model becomes. This is directly linked to the unchanged income band restrictions. The income of the target group increased substantially but the programme income restrictions were not adjusted. In 2007, the income of a security guard amounted to R1 800 pm while the 2016/17 minimum wage for a Grade D and E Security Guard is R3 133 to R3 792 per month depending on the location.

These challenges echo what the sector has informed the SHRA by way of communication and at a joint sector workshop held on 9 March 2016.

The following public statements have been made regarding the social housing programme by the Executive Authority and the President within the current MTSF period:

- Minister Sisulu's Budget Vote media briefing – 15 July 2014  
*"We need to move from small projects of 200 houses to mega projects of integrated housing mix to cater for different incomes and needs. 50 National Priority Projects across South Africa that will deliver mega integrated and sustainable human settlements."*
- Minister Sisulu's Budget Speech NCOP – 17 July 2014  
*"Derelict buildings in the inner city are a safety and health hazard and prone to being hijacked."  
"We want to encourage our social partners to join us in building social housing for affordable rental".*
- President Zuma, State of the Nation Address, 17 June 2014  
*"A key focus area in local government in the next five years will be how we respond to the reality of rapid urbanisation. South Africa is becoming an urban country. By 2011 almost 63% of our population were residing in towns and cities and this trend is expected to continue over the coming decade."*
- Minister of Human Settlements L. Sisulu, Budget Vote Speech, 7 May 2015  
*"We will expropriate unused buildings and assign them for the purposes of building social housing next to the places of work. In most cases the vacant land that are not used are those that are very far from cities and places of work. Those pieces of land that are next to cities are too expensive."*

It is clear from these statements and others that there is a substantial drive in the human settlements sector to focus on urban renewal, quality of delivery and for the rental sector to take the prominent role in human settlements in the future. In addition, inner city rehabilitation is a priority imperative and work on this issue will proceed and will be budgeted for.

MINMEC approved an additional 138 Restructuring Zones in November 2016. This is expected to unblock a number of projects on the pipeline and to greatly enable social housing delivery.

The SHRA's revised MTEF allocation for 2017/18 indicates a net increase of R429.2 million of the MTEF period due to the reprioritisation of the Institutional Subsidy from the Human Settlements Development Grant to the SHRA's capital budget.

## 1.6.2. Organisational environment

The information presented below represents the status quo of the SHRA programme's work areas.

### 1.6.2.1. Social Housing Delivery

The delivery of social housing units and the achievement towards the MTSF target as delivered from 2014/15, 2015/16 and anticipated delivery within 2016/17 is presented below:

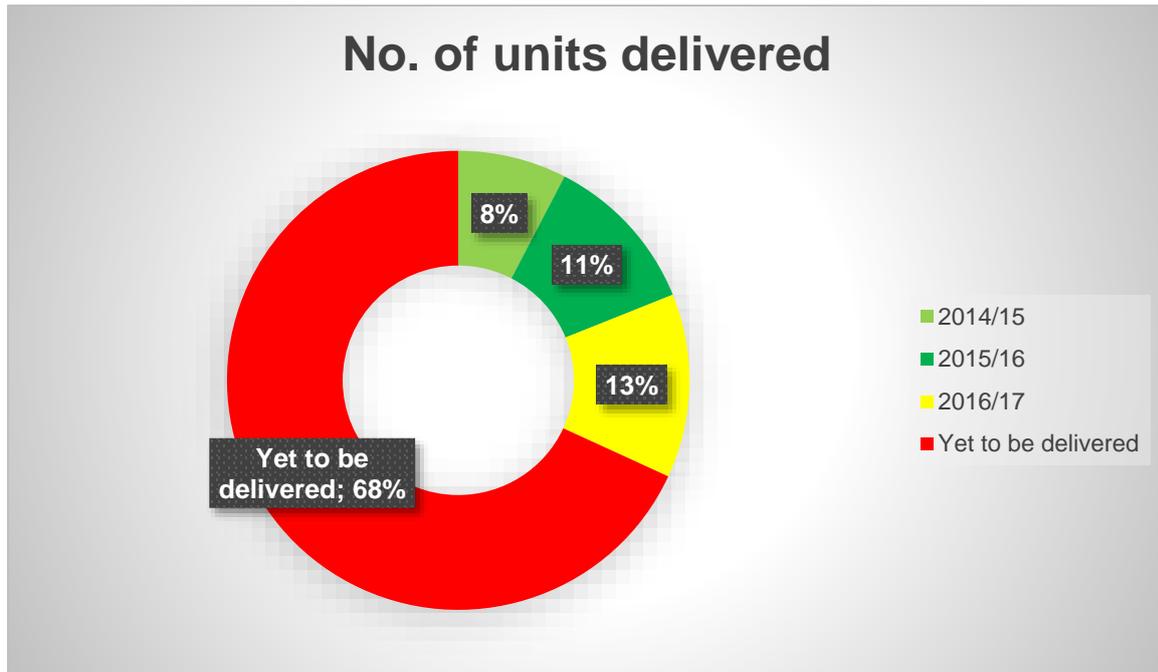


FIGURE 4: NUMBER OF UNITS DELIVERED OVER MTSF PERIOD

### 1.6.2.2. Accredited Social Housing Institutions

The Accredited Social Housing Institutions are critical partners in the social housing programme not only from a delivery aspect but in the management of both the stock and tenant services, for the beneficiaries to the programme.

The Accreditation system seeks to not only manage the risk of provision of state funding to private sector organisations but also to confirm the estates are managed in accordance to an accepted methodology that ensures the social housing stock is maintained and the tenants leverage the socio-economic benefits of the programme.

The number and spread of Accredited Social Housing Institutions is presented below:

**TABLE 1: LOCATION AND BASE OF OPERATIONS OF SHIS**

<b>Province</b>	<b>No. of accredited SHIs*</b>
National	2
Eastern Cape	8
Free State	1
Gauteng	20
KZN	9
Limpopo	1
Mpumalanga	5
North West	-
Northern Cape	1
Western Cape	11
<b>TOTAL</b>	<b>58</b>

\* Fully and Conditionally Accredited

The pipeline of projects does not correspond to the spread of SHIs per Province. This is due to the challenges the sector is facing and will be addressed through the SHRA's Sector Development Programme.

### **1.6.2.3. Sector Development**

The SHRA's offers a number of capacity building grants that seek to support the SHIs and delivery of units. The current spread of awarded grants per Province is presented below:

**TABLE 2: INSTITUTIONAL INVESTMENT GRANTS AWARDED PER PROVINCE**

	<b>Staff gear up</b>	<b>Project feasibility</b>	<b>Pre-accreditation</b>	<b>General capacitation</b>	<b>Remedial Action</b>
National			69	12	
Eastern Cape	1				
Free State				1	
Gauteng	2	2		1	5
KZN				1	
Limpopo					
Mpumalanga					

	Staff gear up	Project feasibility	Pre-accreditation	General capacitation	Remedial Action
North West		3			
Northern Cape					
Western Cape		10			
<b>TOTAL</b>	3	15	69	15	5

There are several Provinces that are yet to leverage the support that can be offered through this programme but this is anticipated to be addressed through closer collaboration with the Provinces and Municipalities.

#### **1.6.2.4. Research**

There are several pieces of research currently underway that will add value to the social housing programme. The SHRA's vision is to become "a thought-leader, stimulator and regulator of world-class self-sufficient social housing solutions." It is this research that will allow the SHRA to become the thought leader and stimulator of social housing. This research includes the development of norms and standards for social housing, evaluating the impact of social housing projects and an evaluation of the Restructuring Zones.

The SHRA is one of the key actors in the rental and affordable housing sector and as such partners with the Department and other sector stakeholders to undertake research of a strategic nature in regards to this human settlements sector.

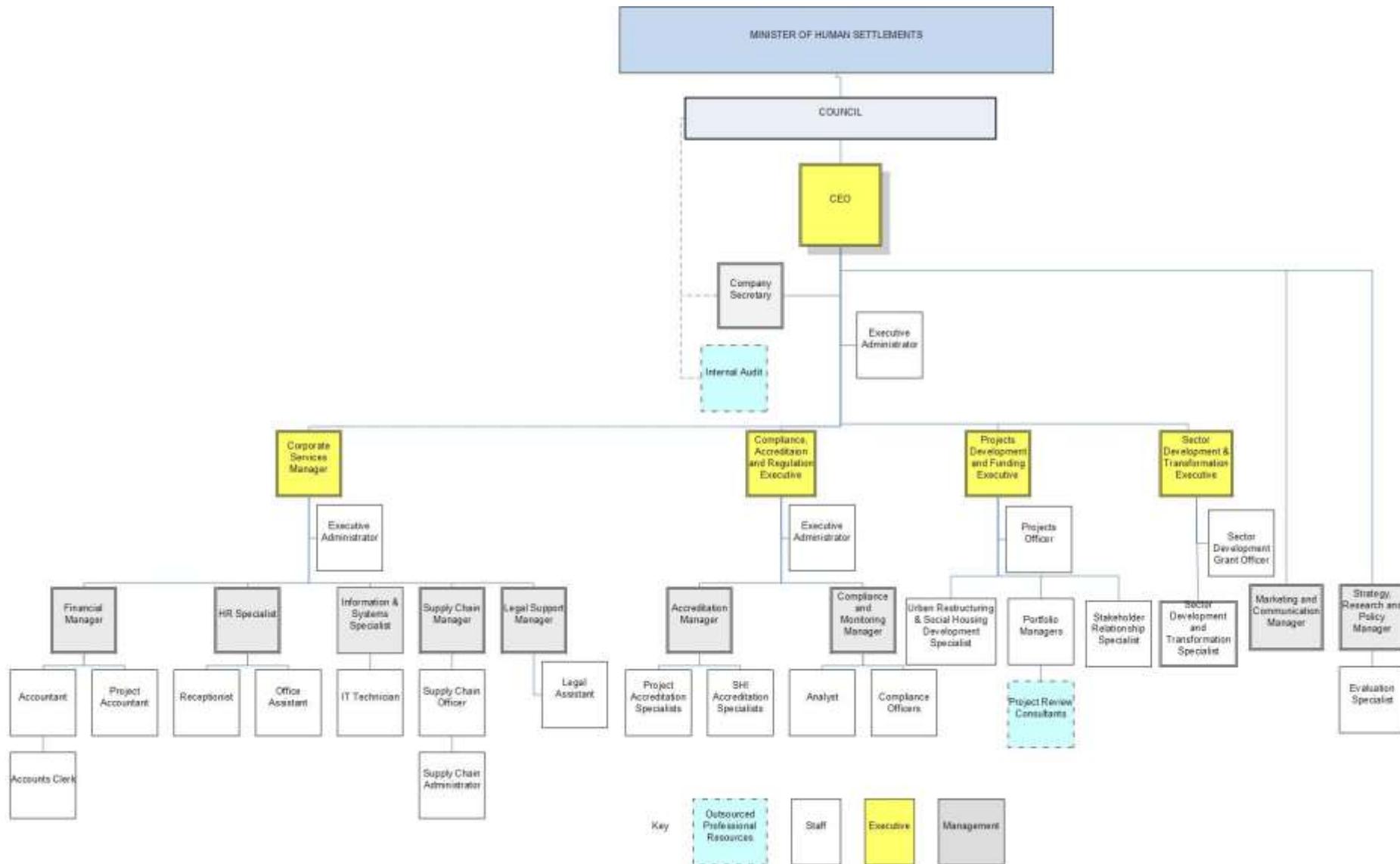
#### **1.6.2.5. Administration**

The Strategic Plan 2014 – 2019 approved in 2016 indicates that the entity will go through a restructuring process in the 2016/17 financial year. This work included the redesign of the organisation's structure, associated change management process and strategic human resource planning components. The purpose of this work was to align the structure of the entity to the strategy, to enhance productivity and to ensure the programmes provide an economic, efficient and effective use of state resources. A number of planned organisation development interventions relating to the development of policies and procedures and enhancement of the IT architecture will be undertaken into the 2017/18 financial year.

The new organogram of the SHRA is presented on the following page.

The number of filled positions as of November 2016 is 22. The Management Accountant and Information Technology Manager functions are currently outsourced. The Corporate Services Manager and Communications Manager positions are filled by officials seconded from the NDoHS.

FIGURE 5: NEW ORGANISATIONAL STRUCTURE



The key functions and workflow for the leadership team is as follows:

**FIGURE 6: NEW FUNCTIONS**

Functions	Strategy	Financial Management	Operational Management	Brand and Communication	Risk and Compliance	Innovation	Corporate Governance
Workflow and Work Allocation	<ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Strategic monitoring and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Financial planning</li> <li>• Financial reporting</li> <li>• Good financial practices</li> </ul>	<ul style="list-style-type: none"> <li>• Developing operational plans to enable strategy</li> <li>• Driving, monitoring and managing operational performance</li> </ul>	<ul style="list-style-type: none"> <li>• Building SHRA brand</li> <li>• Managing internal and external communication</li> <li>• Managing digital presence</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and managing risk and risk mitigation</li> <li>• Monitoring and managing compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting research</li> <li>• Identifying innovations</li> <li>• Integrating innovation into strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Guiding good corporate governance practices</li> <li>• Providing support to the Council</li> </ul>
Roles	<ul style="list-style-type: none"> <li>• CEO</li> <li>• All Executives</li> <li>• Strategy, Research and Policy Manager</li> </ul>	<ul style="list-style-type: none"> <li>• CS Executive</li> <li>• CEO</li> </ul>	<ul style="list-style-type: none"> <li>• CEO</li> <li>• All Executives</li> </ul>	<ul style="list-style-type: none"> <li>• CEO</li> <li>• Marketing and Communications Manager</li> </ul>	<ul style="list-style-type: none"> <li>• CEO</li> <li>• CS Executive</li> <li>• All Executives and Managers</li> </ul>	<ul style="list-style-type: none"> <li>• CEO</li> <li>• All Executives and Managers</li> </ul>	<ul style="list-style-type: none"> <li>• CEO</li> <li>• CS Executive</li> </ul>

### 1.6.3. Strategic Planning Process

The strategic planning process formed part of the Organisation Development Project outlined above and complies with the National Treasury Framework on the development of strategic plans and annual performance plans. The process entailed deliberations by Council, the Executive and Middle Management and staff.

The strategic planning process resulted in the development of a SWOT analysis that identifies the strengths, weaknesses, opportunities and threats of an organisation. It is an analytical framework that assesses what an organisation can and cannot do, as well as its potential opportunities and threats. The table below sets out a SWOT analysis for the SHRA based on the workshops held with staff and management.

**TABLE 3: SHRA SWOT ANALYSIS**

<b>Strengths</b>	<ul style="list-style-type: none"> <li>- SHRA is making a difference to people in South Africa</li> <li>- As SHRA is a new organisation there are opportunities to learn and implement new ideas</li> <li>- SHRA has the ability to disburse funds</li> <li>- SHRA has both the regulatory and investment function</li> <li>- There is a good social housing policy in place</li> <li>- New leadership at the SHRA has created a common goal and vision</li> <li>- SHRA has a highly motivated and diverse team of employees</li> <li>- SHRA undertakes a structured and systematic approach</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>- A lack of leadership and poor communication from senior management to the rest of the organisation</li> <li>- Staff performance and job satisfaction is poor</li> <li>- Resourcing and recognition of the performance of staff is poor</li> <li>- Lack of internal policies and procedures</li> <li>- There is poor brand awareness of the SHRA</li> <li>- SHRA not proactive in identifying projects and enabling the performance of SHIs</li> <li>- Tension of investment vs regulation functions</li> <li>- Poor communication with stakeholders in the sector</li> <li>- Skills and expertise of staff is poor</li> <li>- Inappropriate model to respond effectively to sector needs</li> <li>- SHRA dependent on grant and not self-sustaining</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>- Funding and product diversification</li> <li>- Creating impact through where and how the SHRA works</li> <li>- Undertake research and knowledge development</li> <li>- Relook at the funding model</li> <li>- Skills development in the social housing sector</li> <li>- Be a strong regulator to ensure sector sustainability</li> <li>- There is a market for the project</li> <li>- Enable the participation of alternative delivery agents</li> <li>- Significant social housing budget over the next few years</li> <li>- Need for improved intergovernmental relationships and planning</li> </ul>

<b>Threats</b>	<ul style="list-style-type: none"> <li>- Lack of understanding and awareness of social housing by government partners</li> <li>- Poor delineation of Restructuring Zones (RZs) which undermines impact</li> <li>- Poor project packaging and viability</li> <li>- Lack of clarity in respect of the legislation and policy both in terms of investment and regulation</li> <li>- Skills shortage</li> <li>- Poor perception of SHRA</li> <li>- South Africa's fiscal rating and political instability</li> <li>- Lack of private sector participation</li> <li>- Increasing inability to serve the target market (low income households) due to household financial distress and unaffordability</li> <li>- Political interference particularly at the municipal level</li> <li>- Lack of subsidised rental housing vision and leadership by NDOHS</li> <li>- Lack of sustainability of SHIs reducing SHRA's ability to fulfil its mandate</li> </ul>
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Given the legislative and policy framework and current context, as well as the SWOT analysis, the SHRA's strategic focus is on three key themes:

- Regulation: Creating an enabling environment for the delivery of social housing through regulation.
- Impact through targeted grant making: Increasing the amount of social housing delivered in a manner that restructures cities.
- Building the sector: Through the development of existing and new SHIs and via the mobilisation of the private sector into social housing.

In undertaking the above the SHRA will shift its current approach by:

- Being proactive as opposed to reactive. This means that the SHRA will actively structure new partnerships with a view to boosting delivery in the sector. This will include initiating dialogues with rental management companies, developers, financiers and construction companies with a view to significantly boosting private sector participation in social housing, as well as determining how a new cadre of Black social entrepreneurs can become involved in social housing.
- More actively identifying and structuring partnerships and projects. The SHIP process will be phased out and the SHRA will engage with SHI's, the private sector, Provinces and Municipalities to develop a project pipeline. In the development of this pipeline there will be a strong focus on restructuring cities and on the location of projects. This will require a review of Restructuring Zones.
- Publishing the project pipeline on an annual basis so that the projects being funded are transparent and known to the sector. Also there is an increased certainty of funding allocations. Focusing on boosting the delivery contribution of existing accredited SHI's to the pipeline rather than on building new SHI's. As delivery improves attention can again shift to building new sustainable SHIs.
- Actively exploring the extent to which new modes of partnership between SHI's and private sector players can contribute to boosting delivery or improving the quality and management of social housing.
- Streamlining access and administrative compliance requirements to make participation much more attractive, both in respect of SHIs and private sector entities.

- Achieving a better balance between regulation and grant making. Regulation should be firm, but not excessively onerous. Regulation should also look to reward performance.

Accordingly the strategic plan as set out below is based on the following key principles/issues:

- The SHRA needs to act more as an intervener. It needs to create an outcome that will restructure cities. It needs to work with municipalities and be part of the planning function so as to enable this change. At the moment the SHRA is reactive and not proactive. To this end the SHRA needs to proactively develop a project pipeline which makes up the investment plan.
- A critical issue is whether the focus of the SHRA should be on SHI's or tenants. The SHRA is a supply side intervention that operates through agents such as SHIs. However the viability of the sector depends on how SHIs manage their tenants. The SHRA should therefore set norms and standards on tenant management and the quality of the accommodation provided and should monitor and regulate SHIs and other implementers to ensure that they are met. The key instruments are the tenant audit and delivery coordination audit.
- The SHRA could be more proactive in providing tenant education for new start up SHIs to ensure that they meet their obligations in respect of tenants.
- The priority of whether the SHRA should be investor or regulator is complex. The SHRA needs to embrace and prioritise both of these with equal emphasis.

On the basis of the SWOT analysis and a prioritisation the following strategic goals for the SHRA were developed, these are presented in the following section.

A logic model for the SHRA is set out in **Annexure A**.

## 1.7. Strategic Outcome Oriented Goals

The Strategic Outcome Oriented Goals and Strategic Objectives were developed following the strategic planning sessions conducted within the 2016/17 financial year in order to ensure more effective planning in the achievement of the mandate of the entity and in the achievement of the MTSF target. The goals are presented below:

**TABLE 4: STRATEGIC OUTCOME ORIENTED GOALS**

<b>Strategic Outcome Oriented Goal 1</b>	<b>To establish a well skilled, resourced and led organisation</b>
<b>Goal Statement:</b>	To restructure the entity and develop new systems, policies and procedures by 2019 to enhance the performance and reputation of the entity.
<b>Strategic Outcome Oriented Goal 2</b>	<b>To support policy and sectoral leadership within the social housing sector</b>
<b>Goal Statement:</b>	To provide thought leadership to the social housing sector to ensure sustainability of the social housing programme.
<b>Strategic Outcome Oriented Goal 3</b>	<b>To establish functioning and well managed delivery agents/entities delivering units that meet a landlords responsibilities to its tenants</b>
<b>Goal Statement:</b>	To ensure sufficient capacity to develop projects and manage the 27,000 units expected to be delivered by 2019
<b>Strategic Outcome Oriented Goal 4</b>	<b>To effectively regulate the social housing sector through a risk based, automated system</b>
<b>Goal Statement:</b>	To revise the accreditation and compliance system to a risk-based automated system by 2019 that will allow for a more effective and streamlined regulatory system.
<b>Strategic Outcome Oriented Goal 5</b>	<b>To deliver social housing units that result in the restructuring of cities and integrated communities</b>
<b>Goal Statement:</b>	To deliver 27,000 social housing units by 2019 that adhere to the principles of the social housing programme.

## 2. Part B: Strategic Objectives

### 2.1. Programmes

The programmes were revised as part of the organisation development project outlined in the sections above. The roles and responsibilities of the programmes is presented below:

**TABLE 5: PROGRAMME DESCRIPTIONS**

No.	Programme / Sub-Programme	Description
<b>1</b>	Administration Programme  Purpose The leadership of the entity required to achieve the mandated responsibility of the entity and to provide support services to the technical programmes.	Corporate Services Office of the CEO
<b>1A</b>	Sub-Programme: Corporate Services  The purpose of this sub-programme is to support the activities and enhance the performance of the entity.	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Supply Chain</li> <li>• Legal</li> <li>• Corporate Governance</li> <li>• Risk Management</li> <li>• Human Resource Management</li> <li>• Information Technology and Information Management</li> </ul>
<b>1B</b>	Sub-Programme: Office of the CEO  The purpose of this sub-programme is to provide strategic leadership to the entity and to the sector. The sub-programme will undertake research to develop best practice for the sector, to recommend policy changes to the Minister and Department and to support the growth and development of social housing	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Performance Information</li> <li>• Performance Information</li> <li>• Monitoring and Evaluation</li> <li>• Policy</li> <li>• Research</li> <li>• Public Relations</li> <li>• Stakeholder Management</li> <li>• Marketing and Communications</li> </ul>
<b>2</b>	Compliance, Accreditation and Regulations Programme  Purpose The purpose of this programme is to accredit SHIs and projects in order to qualify for funding and ensure risk management of the sector for the purpose of attracting private investment and to ensure sustainability of the social housing programme.	<ul style="list-style-type: none"> <li>• Regulation of social housing</li> <li>• Accreditation of SHIs and projects</li> <li>• Compliance monitoring</li> </ul>

No.	Programme / Sub-Programme	Description
3	<p>Sector Development Programme</p> <p>Purpose The purpose of this programme is to support the growth and development of the social housing sector as well as administration of the Institutional Investment Grant.</p>	<ul style="list-style-type: none"> <li>• Growth and development of social housing institutions and ODAs:</li> <li>• Transformation and Empowerment of social housing sector</li> <li>• Assessment of applications for Institutional Investment grants</li> <li>• Coordination and management of Institutional Investment Grants</li> </ul>
4	<p>Project Development and Funding Programme</p> <p>Purpose This programme looks at the methods of ensuring the SHRA delivers on the MTSF target of 27,000 units. Partnerships and coordination of the sector stakeholders in the development of social housing is imperative.</p>	<ul style="list-style-type: none"> <li>• Pipeline Planning</li> <li>• Capital grant contract management</li> <li>• Partnership with Provinces and Municipalities</li> <li>• Partnerships with other government departments</li> <li>• Partnerships with other Funders to secure loan funding for social housing development</li> <li>• Partnerships with private sector</li> </ul>

## 2.2. Strategic Outcome Oriented Goals and Strategic Objectives

TABLE 6: GOALS AND OBJECTIVES

Strategic Outcome Oriented Goal	Strategic Objectives
To establish a well skilled, resourced and led organisation	<ul style="list-style-type: none"> <li>To develop and implement a Human Resource plan that supports the implementation of the strategic plan</li> <li>To implement business processes and systems that enables and supports the implementation of the strategic plan</li> </ul>
To support policy and sectoral leadership within the social housing sector	<ul style="list-style-type: none"> <li>To undertake research and on the basis of the findings make proposals to relevant stakeholders on policy amendments</li> <li>To secure strategic partnerships with key stakeholders including NDoHS, HDA, NHFC, Provinces and Municipalities and to ensure that the SHRA is represented on all key inter-governmental platforms and forums</li> </ul>
To establish functioning and well managed delivery agents/entities delivering units that meet a landlords responsibilities to its tenants	<ul style="list-style-type: none"> <li>To implement a customised and structured capacitation programme tailored to SHIs needs to as to improve absorption rates and tenant focused management systems</li> </ul>
To effectively regulate the social housing sector through a risk based, automated system	<ul style="list-style-type: none"> <li>To develop and implement a risk based compliance monitoring system that triggers intervention timeously</li> </ul>
To deliver social housing units that result in the restructuring of cities and integrated communities	<ul style="list-style-type: none"> <li>To proactively establish a pipeline of prioritised projects that meet a holistic set of well researched criteria</li> <li>To develop and implement an investment plan focused on achieving social, economic and spatial restructuring and community development that enables investment in social housing projects on the basis of well researched criteria</li> <li>To develop and implement a model that enables private sector involvement into social housing</li> </ul>

## 2.3. Strategic Objectives

Strategic Objective	To develop and implement a Human Resource plan that supports the implementation of the strategic plan
Objective Statement	To maximise the performance of the entity through its human capital
Baseline	The Strategic HR Plan will be developed in 2016/17.
Justification	SHRA's ability to be a high performing organisation is dependent on the quality, commitment and the intrinsic motivation of its most valuable asset – its human resources. Securing the right staff with the right set of competencies, who share a common mission and purpose should be viewed as a key strategic business imperative, if not THE key strategic imperative. This is the essence of human resources and this plan outlines the priority actions necessary to drive the SHRA through its people management to be the best it can be.
Links	This objective supports the vision of the entity which is as follows "A thought-leader, stimulator and regulator of world-class self-sufficient social housing solutions."

Strategic Objective	To implement business processes and systems that enables and supports the implementation of the strategic plan
Objective Statement	To implement business process and systems i.e. operational frameworks, policies, standards operating procedures and develop template for all business units across the entity.
Baseline	The SHRA has a limited number of policies in place for the technical programme areas and very few standard operating procedures.
Justification	Systems, policies and processes allow for the efficient running of the entity. These also are an important risk mitigation measure.
Links	Social Housing Act Social Housing Regulations

Strategic Objective	To undertake research and on the basis of the findings make proposals to relevant stakeholders on policy amendments
Objective Statement	SHRA to undertake social housing sector research that will improve the effectiveness and sustainability of the national social housing programme.
Baseline	The State of the Sector report is published annually. Ad hoc research is currently undertaken but this has not been workshopped with the sector nor raised to the level of policy discussion.
Justification	This strategic objective encompasses pertinent functions of the SHRA as per the Social Housing Act (2008): 11 (1) (b) provide advice and support to the Department in its development of policy for the social housing sector and facilitate national social housing programmes (c) advise the Minister on developments in the social housing sector (d) promote an enabling environment for the growth and development of the social housing sector
Links	Social Housing Act Vision and Mission of the SHRA

Strategic Objective	To secure strategic partnerships with key stakeholders including NDoHS, HDA, NHFC, Provinces and Municipalities and to ensure that the SHRA is represented on all key inter-governmental platforms and forums
Objective Statement	The SHRA must form partnerships with these social housing actors in order to enable delivery of the social housing programme and ensure sustainability of this programme.
Baseline	The SHRA does not have MoUs in place with the human settlements entities. The SHRA needs to update MoUs with Provinces and Municipalities where they are in place.
Justification	The social housing sector comprises of numerous actors and together with the SHRA must ensure sustainability and effectiveness of the social housing programme.  The SHRA must adhere to the principles of cooperative government.  The SHRA must be well represented at these sector forums in order for the entity to earn the place as custodian of the social housing sector. This is also key to earning a good reputation.
Links	Intergovernmental Relations Act Social Housing Act

Strategic Objective	To implement a customised and structured capacitation programme tailored to SHIs needs to as to improve absorption rates and tenant focused management systems
Objective Statement	To develop a capacitation programme that meets the needs of the social housing sector and actors and contributes to the development of social housing and the sustainability of the sector. The capacitation must be specific and must have required outcomes on which it is measured.
Baseline	There is not currently a capacitation programme but rather an Institutional Investment policy against which SHIs may request for capacitation.
Justification	The Social Housing Act defines an Institutional Investment Plan as "a training and skills development plan which is a component of the social housing investment plan intended to ensure that social housing institutions acquire the expertise, skills and operational capacity to manage such institutions on a sustainable basis and produce and manage approved projects".  This plan must be developed annually and approved by the Minister.
Links	Social Housing Act SHRA Business Case

Strategic Objective	To develop and implement a risk based compliance monitoring system that triggers intervention timeously
Objective Statement	To devise a regulatory system that is based on risk assessment and risk management that will allow for the SHRA to plan regulatory activities in a structured manner and also trigger alerts in order for the SHRA to action these effectively.

Baseline	The current compliance monitoring system is based on the accreditation assessment.
Justification	The resources of the SHRA should be utilized in an economic, efficient and effective manner. The risk based compliance system seeks to enable this by undertaking the activities of regulation based on a risk assessment. This is a more proactive approach to regulation which seeks to prioritise activity based on risk.
Links	Vision and Mission

Strategic Objective	To proactively establish a pipeline of prioritised projects that meet a holistic set of well researched criteria
Objective Statement	To devise a pipeline of all social housing projects, nationwide, that meet a set of criteria to be developed that will ensure the outcome of the social housing programme is achieved.
Baseline	A pipeline framework has been developed.
Justification	The impact of the social housing programme can only be achieved with significant delivery. This will require a robust pipeline with a significant number of projects but also the types of projects that will ensure restructuring.
Links	Social Housing Act MTSF target

Strategic Objective	To develop and implement an investment plan focused on achieving social, economic and spatial restructuring and community development that enables investment in social housing projects on the basis of well researched criteria
Objective Statement	To develop a comprehensive Social Housing Investment Plan as stipulated in the Social Housing Act and outlined in the SHRA Business Case.
Baseline	This is not currently practised.
Justification	The Social Housing Act defines the Social Housing Investment Plan as a “corporate plan and budget as required by the Public Finance Management Act, comprising a capital investment plan and an institutional investment plan for the capital institutional and investment activity of the Regulatory Authority for purposes of the social housing programme”.  This plan is important in order to build the pipeline and target investment. It will also aid in attracting private sector investment.
Links	Social Housing Act SHRA Business Case

Strategic Objective	To develop and implement a model that enables private sector involvement into social housing
Objective Statement	To develop and implement a model that will attract private sector involvement, funding institutions, delivery agents, into social housing.
Baseline	Most projects are funded by the GPF or NHFC. There are a limited number of projects developed by Other Delivery Agents.
Justification	Private sector funding is a necessity for the upscaling of social housing delivery. Most projects are funded by the GPF and NHFC who have limited funds available. The scale of social housing

	delivery required will only be achieved with private sector involvement.
Links	Social Housing Act MTSF

## 2.4. Performance Indicators and targets

PROGRAMME 1: ADMINISTRATION PROGRAMME										
1A - SUB-PROGRAMME CORPORATE SERVICES										
No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
1	To develop and implement a Human Resource plan that supports the implementation of the strategic plan	1.1	Percentage adherence to the Strategic HR Plan's Action Plan. The Action Plan's format will include work to be undertaken, timeframes and responsibilities.	<i>New indicator</i>	<i>New indicator</i>	HR Plan's Action Plan format and 2017/18 plan to be developed	80% of 2017/18 HR Plan's Action Plan implemented by the end of March 2018	Formal report recommended by EXCO to the Council's HR Committee which states performance against the Action Plan	80% of 2018/19 HR Plan's Action Plan implemented by the end of March 2019	80% of 2019/20 HR Plan's Action Plan implemented by the end of March 2020
		1.2	Implementation of a comprehensive performance management process that includes performance targets and performance standards	<i>New indicator</i>	<i>New indicator</i>	Performance management process including performance targets and standards for all positions developed, approved and implemented	Performance management process including performance targets and standards for all positions implemented	Signed performance agreements Signed appraisals	Performance management process including performance targets and standards for all positions implemented Performance management policy reviewed	Performance management process including performance targets and standards for all positions implemented

**PROGRAMME 1: ADMINISTRATION PROGRAMME**

**1A - SUB-PROGRAMME CORPORATE SERVICES**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
2	To implement business processes and systems that enables and supports the implementation of the strategic plan	2.1	Obtain unqualified audit opinion on the audit report from the External Auditors for the 2016/17, 2017/18 and 2018/19 financial years	Unqualified audit opinion received for the 2013/14 financial year	Unqualified audit opinion received for the 2014/15 financial year	Unqualified audit opinion obtained on the audit report from the External Auditors for the 2015/16 financial year	Unqualified audit opinion obtained on the audit report from the External Auditors for the 2016/17 financial year	2016/17 audit report signed by the External Auditors	Unqualified audit opinion obtained on the audit report from the External Auditors for the 2017/18 financial year	Unqualified audit opinion obtained on the audit report from the External Auditors for the 2018/19 financial year
		2.2	Percentage of Information Management Action Plan implemented	<i>New indicator</i>	<i>New indicator</i>	Information Management Action Plan developed and approved by EXCO	80% of 2017/18 Information Management Action Plan implemented by the end of March 2018 Information Management Policy reviewed by Council	Formal report recommended by EXCO to ARC Committee which states performance against the Action Plan Minutes of Council meeting at which policy was reviewed	80% of 2018/19 Information Management Action Plan implemented by the end of March 2019	80% of 2019/20 Information Management Action Plan implemented by the end of March 2020
		2.3	Percentage of Information Communication Technology Action Plan implemented	<i>New indicator</i>	<i>New indicator</i>	Information Communication Technology Action Plan developed and approved by EXCO	80% of 2017/18 Information Communication Technology Action Plan implemented by end of March 2018	Formal report recommended by EXCO to Council's ARC Committee which states performance against the Action Plan	80% of 2018/19 Information Communication Technology Action Plan action plan implemented by March 2019	80% of 2019/20 Information Communication Technology Action Plan action plan implemented by March 2020

**PROGRAMME 1: ADMINISTRATION PROGRAMME**

**1B - SUB-PROGRAMME OFFICE OF THE CEO**

	Strategic Objective		Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
3	To undertake research and on the basis of the findings make proposals to relevant stakeholders on policy amendments	3.1	Annual development of the State of the Sector report which includes a research plan for the following year.	0	1 State of the Sector report published	State of the Sector report, including a research plan for the following financial year, approved by Council and published on the SHRA website by the end of March 2017	State of the Sector report, including a research plan for the following financial year, tabled at EXCO by the end of March 2018	EXCO minutes at which the State of the Sector report was tabled	The 2017/18 State of the Sector report, including a research plan for the 2018/19 financial year, approved by Council and published on the SHRA website by the end of June 2018 1 State of the Sector report, including a research plan for the following financial year, tabled at EXCO by the end of March 2019	The 2018/19 State of the Sector report, including a research plan for the 2019/20 financial year, approved by Council and published on the SHRA website by the end of June 2019 1 State of the Sector report, including a research plan for the following financial year, tabled at EXCO by the end of March 2020
		3.2	Percentage completion of annual research plan.	<i>New indicator</i>	<i>New indicator</i>	New indicator	80% completion of the annual research plan achieved by the end of March 2018	Progress reports against the research plan EXCO minutes at which the report on progress of research has been tabled	80% completion of the annual research plan achieved by the end of March 2019	80% completion of the annual research plan achieved by the end of March 2020

**PROGRAMME 1: ADMINISTRATION PROGRAMME**

**1B - SUB-PROGRAMME OFFICE OF THE CEO**

	Strategic Objective		Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
4	To secure strategic partnerships with key stakeholders including NDoHS, HDA, NHFC, Provinces and Municipalities and to ensure that the SHRA is represented on all key inter-governmental platforms and forums	4.1	Development and approval by Council of an annual Stakeholder Management Matrix that identifies SHRA's stakeholders and planned engagements	<i>New indicator</i>	<i>New indicator</i>	New indicator	Stakeholder Management Matrix for 2017/18 financial year approved by Council by the end of June 2017	Council resolution approving Stakeholder Management Matrix	Stakeholder Management Matrix for 2018/19 financial year approved by Council by the end of June 2018	Stakeholder Management Matrix for 2019/20 financial year approved by Council by the end of June 2019
		4.2	Percentage of planned engagements held as identified on the SHRA's Stakeholder Management Matrix	<i>New indicator</i>	<i>New indicator</i>	New indicator	70% achievement against the Stakeholder Management Matrix by the end of March 2018	A record of decisions from each engagement Report against progress tabled at EXCO Minutes of EXCO meeting at which progress report was tabled	70% achievement against the Stakeholder Management Matrix by the end of March 2019	70% achievement against the Stakeholder Management Matrix by the end of March 2020

**PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATIONS PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
5	To develop and implement a risk based compliance monitoring system that triggers intervention timeously	5.1	Annual development and submission of the Social Housing Regulatory Plan (SHORP) as per the Social Housing Act	<i>New indicator</i>	<i>New indicator</i>	Format of the Social Housing Regulatory Plan to be approved by Council	Social Housing Regulatory Plan for 2018/19 developed and submitted in accordance with the Social Housing Act by the end of March 2018	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHORP prior to the submission to the Office of the Minister	Social Housing Regulatory Plan for 2019/20 developed and submitted in accordance with the Social Housing Act by the end of March 2019	Social Housing Regulatory Plan for 2020/21 developed and submitted in accordance with the Social Housing Act by the end of March 2020
		5.2	Number of units under regulation	<i>20447 units under regulation</i>	<i>18580 units under regulation</i>	26332 units under regulation	30832 units under regulation	Compliance Report tabled at EXCO Occupation certificates for units funded through SHIP programmes added to the cumulative number	37085 units under regulation	46466 units under regulation
		5.3	Percentage of accreditation applications received and processed (received an outcome letter from the SHRA) within a maximum of 90 days	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	100% of accreditation applications received and processed (received an outcome letter from the SHRA) within a maximum of 90 days	Proof of emailing of Verification Report, Verification Report and Proof of submission of Outcome letter	100% of accreditation applications received and processed (received an outcome letter from the SHRA) within a maximum of 90 days	100% of accreditation applications received and processed (received an outcome letter from the SHRA) within a maximum of 90 days

**PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATIONS PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
		5.4	Percentage of completed (completed means that all required data fields have been filled in) quarterly reports (quarterly reporting tool template used) submitted by conditionally and fully accredited SHIs with stock to the SHRA	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	90% of conditionally and fully accredited SHIs with stock submitted completed quarterly reports to the SHRA	Compliance Report tabled at EXCO Quarterly reports from SHIs	95% of conditionally and fully accredited SHIs with stock submitted completed quarterly reports to the SHRA	95% of conditionally and fully accredited SHIs with stock submitted completed quarterly reports to the SHRA
		5.5	Average number of days from the tabling of the monthly Compliance Report at EXCO that an intervention action plan for non-compliant SHIs (limited to SHIs with stock, SHIs with a project on the pipeline and SHIs project on the pipeline and SHIs classified as B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act) is subsequently tabled at EXCO.	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	Average of 60 days to table an intervention action plan at EXCO for non-compliant SHIs (limited to SHIs with stock, SHIs with a project on the pipeline and SHIs project on the pipeline and SHIs classified as B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act) from the date of tabling the monthly Compliance Report at EXCO that identified the non-compliance of the same SHI	EXCO meeting minutes Compliance Reports tabled at EXCO Intervention Action Plans tabled at EXCO	Average of 60 days to table an intervention action plan at EXCO for non-compliant SHIs (limited to SHIs with stock, SHIs with a project on the pipeline and SHIs project on the pipeline and SHIs classified as B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act) from the date of tabling the monthly Compliance Report at EXCO that identified the non-compliance of the same SHI	Average of 60 days to table an intervention action plan at EXCO for non-compliant SHIs (limited to SHIs with stock, SHIs with a project on the pipeline and SHIs project on the pipeline and SHIs classified as B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act) from the date of tabling the monthly Compliance Report at EXCO that identified the non-compliance of the same SHI

**PROGRAMME 2: COMPLIANCE, ACCREDITATION AND REGULATIONS PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
		5.6	Percentage of conditionally accredited SHIs that are classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	30% of the conditionally accredited SHIs classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	B-BBEE certificates EXCO meeting minutes Quarterly Accreditation Reports tabled at EXCO	32% of the conditionally accredited SHIs classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	34% of the conditionally accredited SHIs classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act
		5.7	Percentage of fully accredited SHIs that are classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	30% of the fully accredited SHIs classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	B-BBEE certificates EXCO meeting minutes Quarterly Accreditation Reports tabled at EXCO	32% of the fully accredited SHIs classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	34% of the fully accredited SHIs classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act

**PROGRAMME 3: SECTOR DEVELOPMENT PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
6	To implement a customised and structured capacitation programme tailored to SHIs needs to as to improve absorption rates and tenant focused management systems	6.1	Annual development and submission of the Social Housing Sector Development Plan which is considered as the Institutional Investment Plan, (SHSDP) as per the Social Housing Act	<i>New indicator</i>	<i>New indicator</i>	Format of the Social Housing Sector Development Plan to be approved by Council	Social Housing Sector Development Plan for 2018/19 developed and submitted in accordance with the Social Housing Act by the end of March 2018	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHSDP prior to the submission to the Office of the Minister	Social Housing Sector Development Plan for 2019/20 developed and submitted in accordance with the Social Housing Act by the end of March 2019	Social Housing Sector Development Plan for 2020/21 developed and submitted in accordance with the Social Housing Act by the end of March 2020

**PROGRAMME 3: SECTOR DEVELOPMENT PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
		6.2	Percentage of the Social Housing Institutions that are identified by the Compliance, Accreditation and Regulations Programme, and approved by EXCO and the SHI, to be assisted through the award of an Institutional Investment Grant for a specific Intervention that upon completion of the work either maintains or improves their level of accreditation	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	75% of SHIs who received an Institutional Investment Grant, of which the work is completed within the 2017/18 financial year, either maintained their level of accreditation or improved their level of accreditation from the date of grant approval at EXCO unless the SHIs lose their accreditation status or their accreditation status drops since the date of grant approval	Minutes of Exco meeting approving intervention action plans Minutes of Exco meeting approving grant award. Signed grant agreement. Approved Terms of Reference. Letter of appointment of service provider. Close out report from service provider. Council Resolution approving accreditation status of SHI.	80% of SHIs who received an Institutional Investment Grant, of which the work is completed within the 2018/19 financial year, either maintained their level of accreditation or improved their level of accreditation from the date of grant approval at EXCO unless the SHIs lose their accreditation status or their accreditation status drops since the date of grant approval	80% of SHIs who received an Institutional Investment Grant, of which the work is completed within the 2019/20 financial year, either maintained their level of accreditation or improved their level of accreditation from the date of grant approval at EXCO unless the SHIs lose their accreditation status or their accreditation status drops since the date of grant approval

**PROGRAMME 3: SECTOR DEVELOPMENT PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
		6.3	Percentage of projects identified by the Project Development and Funding Programme, and approved by EXCO and agreed to by the SHI or ODA, that are assisted through the award of an Institutional Investment Grant for a specific Intervention and upon completion of the work are later recommended to the TEC for capital grant award	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	75% of the projects that received an Institutional Investment Grant, of which the work is completed within the 2017/18 financial year, are recommended to the TEC for capital grant award	Minutes of Exco or Provincial Steering Committee meeting approving feasibility request from Project Development or Province. Minutes of Exco meeting approving grant award. Signed grant agreement. Letter of retraction from SHI / ODA if applicable. Approved Terms of Reference. Letter of appointment of service provider. Close out report from service provider. Recommendation to the TEC (pack and minutes)	75% of the projects that received an Institutional Investment Grant, of which the work is completed within the 2018/19 financial year, are recommended to the TEC for capital grant award	75% of the projects that received an Institutional Investment Grant, of which the work is completed within the 2019/20 financial year, are recommended to the TEC for capital grant award
		6.4	Percentage expenditure of Institutional Investment grant within the financial year in which it has been allocated	<i>New indicator</i>	0%	95% expenditure of Institutional Investment grant within the 2016/17 financial year	At least 95% expenditure of Institutional Investment grant within the 2017/18 financial year	Quarterly Institutional Investment reports	At least 95% expenditure of Institutional Investment grant within the 2018/19 financial year	At least 95% expenditure of Institutional Investment grant within the 2019/20 financial year

**PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
7	To proactively establish a pipeline of prioritised projects that meet a holistic set of well researched criteria	7.1	Number of social housing units delivered (reached practical completion)	2053 social housing units delivered	3054 social housing units delivered	3500 social housing units delivered	6000 social housing units delivered	Practical completion certificates	12508 social housing units delivered	12508 social housing units delivered
		7.2	Average number of months for a tenant to occupy a unit from the unit reaching practical completion within the financial year	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	An average of 3 months for a tenant to occupy a unit from the unit reaching practical completion within the 2017/18 financial year	Project Development and Funding Report tabled at EXCO Practical completion certificates Tenant list indicating date of occupation submitted by the Grant Recipient or Grant Recipient's Principle Agent	An average of 3 months for a tenant to occupy a unit from the unit reaching practical completion within the 2018/19 financial year	An average of 3 months for a tenant to occupy a unit from the unit reaching practical completion within the 2019/20 financial year
		7.3	Number of social housing units approved for capital grant funding	5398 social housing units approved for capital grant funding	1979 social housing units approved for capital grant funding	10000 social housing units approved for capital grant funding	12000 social housing units approved for capital grant funding	Council resolution	14000 social housing units approved for capital grant funding	14000 social housing units approved for capital grant funding
		7.4	Percentage expenditure of Consolidated Capital Grant allocation for the financial year	4% expenditure of 2014/15 Restructuring Capital grant allocation	46% expenditure of 2015/16 Restructuring Capital Grant allocation	95% expenditure of 2016/17 Restructuring Capital Grant allocation	At least 95% expenditure of 2017/18 Consolidated Capital Grant allocation	Project Development and Funding quarterly report	At least 95% expenditure of 2018/19 Consolidated Capital Grant allocation	At least 95% expenditure of 2019/20 Consolidated Capital Grant allocation

**PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
8	To develop and implement an investment plan focused on achieving social, economic and spatial restructuring and community development that enables investment in social housing projects on the basis of well researched criteria	8.1	Annual development and submission of the Social Housing Investment Plan as per the Social Housing Act	<i>New indicator</i>	<i>New indicator</i>	Format of the Social Housing Investment Plan to be approved by Council	Social Housing Investment Plan for 2018/19 developed and submitted in accordance with the Social Housing Act by the end of March 2018	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHIP prior to the submission to the Office of the Minister	Social Housing Investment Plan for 2019/20 developed and submitted in accordance with the Social Housing Act by the end of March 2019	Social Housing Investment Plan for 2020/21 developed and submitted in accordance with the Social Housing Act by the end of March 2020
9	To develop and implement a model that enables private sector involvement into social housing	9.1	Percentage of annual Consolidated Capital Grant allocation awarded to Other Delivery Agents	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	15% of Consolidated Capital Grant allocation for 2017/18 financial year awarded to Other Delivery Agencies within the 2017/18 financial year	Contracts with grant recipients Quarterly Project Development and Funding Report tabled at EXCO	20% of Consolidated Capital Grant allocation for 2018/19 financial year awarded to Other Delivery Agencies within the 2018/19 financial year	20% of Consolidated Capital Grant allocation for 2019/20 financial year awarded to Other Delivery Agencies within the 2019/20 financial year

**PROGRAMME 4: PROJECT DEVELOPMENT AND FUNDING PROGRAMME**

No	Strategic Objective	No	Performance Indicator	Audited / actual performance		Estimated performance	Medium - term targets			
				2014/15	2015/16	2016/17	2017/18	Evidence	2018/19	2019/20
		9.2	Percentage of annual Consolidated Capital Grant allocation awarded to B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act	<i>New indicator</i>	<i>New indicator</i>	<i>New indicator</i>	50% of Consolidated Capital Grant allocation for 2017/18 financial year awarded to B-BBEE Owned/Controlled Companies, as defined in the B-BBEE Act, within the 2017/18 financial year	Contracts with grant recipients B-BBEE certificates of Grant Recipient Quarterly Project Development and Funding Report tabled at EXCO	50% of Consolidated Capital Grant allocation for 2018/19 financial year awarded to B-BBEE Owned/Controlled Companies, as defined in the B-BBEE Act, within the 2018/19 financial year	50% of Consolidated Capital Grant allocation for 2019/20 financial year awarded to B-BBEE Owned/Controlled Companies, as defined in the B-BBEE Act, within the 2019/20 financial year

## 2.5. Resource Considerations

The following table indicates the indicative Medium Term Expenditure Framework (MTEF):

**TABLE 7: MEDIUM TERM EXPENDITURE FRAMEWORK**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	R'000	R'000	R'000	R'000
Consolidated Capital Grant	424,388*	851,658	1,143,640	1,238,414
Operations	36,392	46,815	51,980	55,201
Regulations	-	8,000	10,000	10,560
Institutional Investment	34,183	20,490	20,132	21,259
<b>TOTAL</b>	<b>494,963</b>	<b>926,963</b>	<b>1,225,752</b>	<b>1,325,434</b>

\* Restructuring Capital Grant only

The following should be noted with regards to the allocation:

- The Restructuring Capital Grant allocation is R117 million less than the previous allocation. The grant however is increasing from the current year's R424,4 million to R651,7 million. This is a 54% increase despite the cut.
- A total of R600 million over the MTEF period (R200 million per annum) has been reprioritised /shifted from Human Settlements Development grant to the SHRA.
- The Operational Grant is R8,6 million more than the indicative allocation. This is a 29% increase from the current year's allocation of R36,4 million.
- The Institutional Investment grant has been reduced by just under R32 million.
- The allocation is completely earmarked. This means that each grant will have to be used only for its intended purpose.

The goal of supporting policy and sectoral leadership within the social housing sector refers to the SHRA's functions as per the Social Housing Act Section 11 (1) of promoting the development and awareness of social housing, providing advice and support to the Department in its development of policy for the social housing sector, advising the Minister of developments in the social housing sector and providing best practice information and research on the status of the social housing sector. These elements of research will be funded through the Institutional Investment Grant budget as research is one of the criteria for the General Capacitation Grant as outlined in the Social Housing Policy.

The goal of establishing functioning and well managed delivery agents/entities delivering units that meet a landlords responsibilities to its tenants is the core aim of capacitating SHIs. Institutional Investment Grants is defined in the Social Housing Act as "one or more of the capacity-building grants contemplated in the social housing policy" and therefore this goals and objectives will be funded through the Institutional Investment Grant allocation.

The goal of effectively regulating the social housing sector through a risk based, automated system relates to the core function of regulation of the sector and as such will be funded through the Regulations budget allocation.

The goal of delivering social housing units that result in the restructuring of cities and integrated communities relates to the funding of social housing units and therefore will be funded through the consolidated capital grant allocation.

The SHRA Council approved the new structure, developed through the organisation development project, on 23 August 2016. This revised structure was approved by the Minister on 6 December 2016. The salary budget of the revised structure is R27.085 million for 2017/18 and given the proposed MTEF allocation and indicative increase of R8 million to the Operational Grant, the SHRA believes that the increase in headcount can be absorbed.

The following table provides information on the expenditure trends over the period.

**TABLE 8: EXPENDITURE TRENDS**

	<b>FY 2014/15</b>	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY2017/18</b>	<b>FY2018/19</b>	<b>FY2019/20</b>
<b>Expenditure Estimates</b>	Audited	Audited	Budget	Budget Estimate	Budget Estimate	Budget Estimate
<b>REVENUE</b>						
Operational Grant	42 426 000	38 597 000	36 392 000	46 815 000	51 980 000	55 201 000
Consolidated Capital Grant	33 620 000	197 507 000	424 388 000	851 658 000	1 143 640 000	1 238 414 000
Institutional Investment Grant	-	-	34 183 000	20 490 000	20 132 000	21 259 000
Regulations	2 344 000	2 514 000	6 000 000	8 000 000	10 000 000	10 560 000
<b>Total</b>	<b>78 390 000</b>	<b>238 618 000</b>	<b>500 963 000</b>	<b>926 963 000</b>	<b>1 225 752 000</b>	<b>1 325 434 000</b>
<b>EXPENDITURE</b>						
<b>Current payments</b>						
Compensation of employees	<b>17 632 000</b>	<b>17 355 000</b>	<b>21 342 000</b>	<b>27 085 000</b>	<b>31 663 000</b>	<b>34 355 000</b>
Salaries and wages	16 707 000	15 998 000	19 589 000	25 558 000	30 206 000	32 816 000
Social contributions	925 000	1 357 000	1 753 000	1 527 000	1 457 000	1 539 000
<b>Goods and services:</b>	<b>27 138 000</b>	<b>23 756 000</b>	<b>55 233 000</b>	<b>48 220 000</b>	<b>50 449 000</b>	<b>52 665 000</b>
Agency and support / outsourced services	2 557 000	2 691 000	1 561 000	3 778 000	4 070 000	4 298 000
Communication	584 000	900 000	224 000	1 006 000	1 075 000	1 135 000
Computer services	399 000	238 000	753 000	828 000	911 000	962 000
Consultants	8 757 000	1 493 000	5 938 000	3 742 000	4 416 000	4 677 000
Contractors	-	470 000	130 000	914 000	1 207 000	1 299 000
Inventory	-	-	-	-	-	-
Lease payments	2 443 000	2 166 000	2 511 000	2 762 000	3 038 000	3 208 000
Repairs and maintenance	62 000	7 000	80 000	88 000	97 000	102 000
Research and development	-	-	-	3 500 000	630 000	665 000

	<b>FY 2014/15</b>	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY2017/18</b>	<b>FY2018/19</b>	<b>FY2019/20</b>
<b>Expenditure Estimates</b>	Audited	Audited	Budget	Budget Estimate	Budget Estimate	Budget Estimate
Training and staff development	421 000	313 000	375 000	1 550 000	1 678 000	1 772 000
Travel and subsistence	2 331 000	2 650 000	1 879 000	3 209 000	3 469 000	3 663 000
Other	9 584 000	12 828 000	41 782 000	26 843 000	29 858 000	30 884 000
<b>Transfers and subsidies</b>	33 620 000	197 507 000	424 388 000	851 658 000	1 143 640 000	1 238 414 000
Public corporations and private enterprises (subsidiaries and other transfers)	-	-	-	-	-	-
Private enterprises	33 620 000	197 507 000	424 388 000	851 658 000	1 143 640 000	1 238 414 000
<b>Total Expenditure</b>	<b>78 390 000</b>	<b>238 618 000</b>	<b>500 963 000</b>	<b>926 963 000</b>	<b>1 225 752 000</b>	<b>1 325 434 000</b>

## **2.6. Risk Management**

The SHRA's Audit and Risk Committee is accountable for risk management within the SHRA. There is a risk management framework and policy and the SHRA procured risk management software in the previous financial year.

The SHRA's general principles of risk management are as follows:

- All risk management activities will be aligned to corporate aims, objectives and the SHRA priorities, and aims to protect and enhance the reputation and standing of the entity;
- Risk analysis will form part of the SHRA strategic planning, business planning and investment/project appraisal procedures;
- Risk management will be founded on a risk-based approach to internal control which will be embedded into day to day operations of the entity;
- Our risk management approach will inform and direct our work to gain an assurance on the reliability of the SHRA systems;
- Managers and staff at all levels will have the responsibility to identify, evaluate and manage or report risks, and will be equipped to do so; and
- We will foster a culture which provides for spreading best practice, lessons learnt and expertise acquired from our risk management activities across the entity for the benefit of the entire entity.

The Strategic Risks and key mitigation measures are listed below, the strategic risk register is located under Annexure B.

**TABLE 9: SUMMARY STRATEGIC RISK REGISTER**

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
<p>To ensure sound corporate and financial Governance and best practices adhering to statutory regulations</p>	<p>Reputational Damage</p>	<p>Damage to the social housing sector caused by poor reputation of the SHRA, due poor financial and non financial decisions, examples - Financial investment decisions, Non financial - accreditation</p>	<ul style="list-style-type: none"> <li>- Regular engagement with the media, shareholder and sector,</li> <li><b>Accreditation:</b> The Framework on the Accreditation of Projects will need to be enhanced to ensure fast tracking and transparency in SHRA's processes.</li> <li>- Internal capacities will need to be developed to support this function.</li> <li>- Ensure total independence of accreditation of projects from all other units.</li> <li>- This division will have performance and quality standards as targets and not number of units approved.</li> <li>- Policies and procedures to be enhanced and approved</li> <li><b>Investment</b></li> <li>- Develop and implement investment plan with target areas (SHIP) and precincts, integrated planning with municipalities and provinces</li> <li>- Partnerships with SHIs and developers (including ODAs) that can deliver at scale with appropriate models within social housing.</li> <li>- Reviews to be done / site visits to be conducted</li> </ul>

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
To ensure sound corporate and financial Governance and best practices adhering to statutory regulations	Fraud and corruption	Damage to the SHRA and sector's reputation, loss of funds due to fraud and corruption.	Ongoing / improved Awareness campaign, Public communication(posters etc.)
To ensure sound corporate and financial Governance and best practices adhering to statutory regulations	Misalignment between Organisational Strategy and Org Design. Resulting in non-achievement of Strat objectives	High staff vacancy, Capacity including skills restraint. Budget doesn't meet staffing requirements. Inadequate Resources to meet operating requirements.	Get Structure approved  Once approved to recruit / train  Operational management meetings (units / programme meetings) Evidence / minutes off management meetings (units / programmes)
To ensure sound corporate and financial Governance and best practices adhering to statutory regulations	Ineffective Risk Management	Poor performance due to a lack of risk management processes	Exco meetings, Strategic / Operational Risk registers Managers have been tasked and designated as Risk Owners on the Risk Register.

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
To ensure sound corporate and financial Governance and best practices adhering to statutory regulations	Business continuity plan not in place	In the event of a disaster relocation	Develop BCP Strategy / plan
To ensure sound corporate and financial Governance and best practices adhering to statutory regulations	Lack of research and development	Sustainability of the sector.	Approve revised funding model Recruitment for research function
To ensure sound corporate and financial Governance and best practices adhering to statutory regulations	Inadequate Governance structures	Council and sub - committees in place	Revision of ToR annually
To regulate social housing institutions, other delivery agencies and safeguard social housing stock	Non-compliance to laws and regulations	Non-compliance to relevant legislation and policy. resulting in an adverse audit report, legal implications; PFMA, Treasury Regulations, Social housing Act etc.	Compliance checklist to be reported at ARC meetings.

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
To facilitate the growth of social housing development	Lack of public understanding of social housing program		<ul style="list-style-type: none"> <li>- Critical, for the SHRA is to become the main instrument of human settlement delivery and then public support and understanding will need to be garnered for the programme. Implementation of a communication Strategy Plan Awareness program to be done</li> </ul>
<p>To ensure sustainability of the social housing programme,</p> <p>Achieve social, economic and spatial restructuring through social housing.</p>	<p>Lack Viability of social housing financial model resulting in Unsustainable sector</p>	<p>The Social Housing Policy's objective is the economic and social integration of society which includes housing low income families. Lack of financial sustainability and operational efficiencies of SHIs to deliver the social housing programme</p>	<ul style="list-style-type: none"> <li>- Develop model for social housing financial instrument in order to ensure financial viability of quantum on an ongoing basis (predictive model using following variables: current and extended income bands, CPIX, varying RCG levels based on brownfield or greenfield, inland or coastal factors, labour rates, land and building costs, maintenance reserve provision</li> <li>- Advise the Minister and Department on an ongoing basis</li> <li>- Advise the sector and ensure financial viability of the social housing financial instrument</li> </ul>

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
To ensure sustainability of the social housing programme Achieve social, economic and spatial restructuring through social housing.	Desired value for money impact not achieved	Grant not realising social, spatial and economic restructuring (low value for money)	Implementation of Policy. Investment impact and socio-economic impact studies on completed projects to assess the impact of the grant in order to redevelop norms and standards and ensure targeted investment
To ensure sustainability of the social housing programme  Achieve social, economic and spatial restructuring through social housing.	Viability of social housing financial model	The Social Housing Policy's objective is economic and social integration of society which includes housing low income families. In order to achieve this objective a viable social housing financing model is called for. There is concern over the viability of the current model which must be attended to and the provision in the policy which states that the RCG is a fixed grant must be reviewed.	Approve and implement Social Housing Financial Model

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
<p>To ensure sustainability of the social housing programme</p> <p>Achieve social, economic and spatial restructuring through social housing.</p>	<p>Lack of skills in the sector</p>	<p>Lack of skills in the sector and lack of accredited training programmes</p>	<p>Skills audit and gap analysis of sector including SHRA</p> <ul style="list-style-type: none"> <li>· Development and accreditation of social housing training with PSETA and other SETAs</li> <li>· Develop best practice and research and benchmarking with international organisations</li> <li>· Study trips nationally and internationally</li> <li>· Develop programme to accredit service providers</li> <li>· Interest, financial and professional bodies on social housing that also selfregulate to be established</li> <li>· Partnerships and learnerships with established SHIs</li> <li>· Appoint team of technical advisors to provide advice and support to SHRA staff and imparting of skills</li> <li>· Partnership with international organisations to support the staff and development of the SHRA</li> </ul>

Linked to objective	Risk description	Background to the risk	Actions to improve management of the risk
<p>To ensure sustainability of the social housing programme Achieve social, economic and spatial restructuring through social housing.</p>	<p>Slow delivery of stock from current delivery model</p>	<p>Slow pace of social housing delivery from current model Lack of participation from provinces and municipalities in regards to their responsibilities for social housing as per the Social Housing Act. Lack of coordination of social housing facilitation and management from provinces, municipalities and other role players. Restructuring Zones not approved.</p>	<p>An approach of Cooperation agreement with the Provinces, Municipalities and NHFC is preferred in order to ensure adherence to their responsibilities as per the Act. Proposed revision of methodology of approval of restructuring zones</p>

## Annexure A: SHRA Logic Model

<b>IMPACT</b>	What we aim to change	The restructuring of South African society in order to address structural, economic, social and spatial dysfunctionalities thereby creating an economically empowered, non-racial and integrated society living in sustainable human settlements.
<b>OUTCOME</b>	What we wish to achieve	<ul style="list-style-type: none"> <li>a) Widening the range of housing options available to the target beneficiary group.</li> <li>b) Well managed social housing estates</li> <li>c) Sustainable SHIs, Cooperatives and Other Delivery Agents</li> <li>d) Optimum use of state investment in social housing projects</li> <li>e) Protection of state assets</li> <li>f) Sustainability of the social housing programme</li> </ul>
<b>OUTPUT</b>	What we produce or deliver	Regulated Social Housing Units in estates and accredited projects
<b>ACTIVITIES</b>	What we do	<p>As per the Functions of the Regulatory Authority, SH Act:</p> <p>(1) The Regulatory Authority must, subject to the provisions of this Act—</p> <ul style="list-style-type: none"> <li>(a) promote the development and awareness of social housing;</li> <li>(b) provide advice and support to the Department in its development of policy for the social housing sector and facilitate national social housing programmes;</li> <li>(c) advise the Minister on developments in the social housing sector;</li> <li>(d) promote an enabling environment for the growth and development of the social housing sector;</li> <li>(e) provide best practice information and research on the status of the social housing sector;</li> <li>(f) support provincial governments with the approval of project applications by social housing institutions;</li> <li>(g) assist, where requested, in the process of the designation of restructuring zones;</li> <li>(h) enter into agreements with provincial governments and the National Housing Finance Corporation to ensure the co-ordinated exercise of powers; and</li> <li>(i) perform any other function or exercise any other power that the Minister may prescribe.</li> </ul> <p>(2) The Regulatory Authority must—</p> <ul style="list-style-type: none"> <li>(a) Annually, in accordance with the Public Finance Management Act, prepare and submit the social housing investment plan and the social housing regulatory plan to the Minister;</li> <li>(b) annually, in accordance with the Public Finance Management Act, prepare and submit annual financial statements and an annual report to the Minister on its performance in respect of the social housing investment plan and the social housing regulatory plan, respectively, during the preceding year; and</li> <li>(c) comply with the provisions of the Public Finance Management Act and regulations applicable to public entities.</li> </ul>

- (3) The Regulatory Authority must, subject to the provisions of this Act—
- (a) provide financial assistance to social housing institutions through grants to service providers accredited by the Regulatory Authority to enable them to develop institutional capacity, gain accreditation as social housing institutions, and to submit viable project applications;
  - (b) accredit institutions meeting accreditation criteria as social housing institutions;
  - (c) maintain a register of social housing institutions with the prescribed details—
    - (i) which is open for inspection by the public at the premises of the Regulatory Authority during normal business hours against payment of the prescribed fee; and
    - (ii) annually provide a copy thereof to the National Treasury and the Department;
  - (d) enter into suitable agreements with social housing institutions and other delivery agents for the protection of the government's investment in social housing;
  - (e) conduct compliance monitoring through regular inspections and enforce compliance, where necessary through the exercise of its powers set out in section 12;
  - (f) intervene in the affairs of a social housing institution in cases of maladministration, and take the necessary steps to rectify such maladministration as contemplated in section 12;
  - (g) approve, administer and disburse institutional investment grants and capital grants and obtain applications for such grants through engagement with provincial governments and municipalities;
  - (h) consider applications from social housing institutions to dispose of properties developed, refurbished or purchased with the assistance of public funding and approve or refuse applications on the basis of compliance with the investment criteria forming part of the regulations;
  - (i) consider applications from social housing institutions to relinquish their accreditation and be removed from the public register of social housing institutions and approve or refuse applications in accordance with the prescribed regulations and rules;
  - (j) consider applications from social housing institutions to amend their lease agreements and approve or refuse such applications on the basis of the regulations;
  - (k) instruct a social housing institution not to accept a social housing project allocated to it if the social housing institution will not be able to complete the project successfully; or it will undermine the social housing institution's viability; and
  - (l) do all things necessary to ensure good governance and sustainability of social housing institutions.
- (4) The Regulatory Authority may, subject to the provisions of this Act and by notice in the Gazette—
- (a) make rules, not in conflict with the regulations—
    - (i) giving effect and detailed content to the regulations;
    - (ii) prescribing necessary standards, ratios, procedures, requirements, forms and returns;
    - (iii) further regulating the conduct of social housing institutions;
    - (iv) prescribing procedures for compliance monitoring and the enforcement of compliance, including intervention in the affairs of social housing institutions; or
    - (v) specifically authorised or required by regulation;

		<p>(b) prescribe, after consultation with the Minister, any other rules for the proper functioning of the Regulatory Authority; and issue such directives, instructions and circulars as may be necessary for the exercise of its functions under this Act.</p> <p>(5) The Regulatory Authority may, subject to the provisions of this Act—</p> <p>(a) establish such committees as may be necessary to meet its objectives;</p> <p>(b) delegate its powers to committees and officers, on such terms and conditions as it may deem necessary, but may not divest itself of such powers;</p> <p>(c) conclude such contracts and institute such proceedings as may be necessary for the exercise of its powers and fulfilment of its functions under this Act.</p>
<b>INPUT</b>	What we use to do the work	<p>Capital budget to financial social housing projects</p> <p>Capital budget to regulate social housing units and SHIs</p> <p>Capital budget to support the delivery of social housing projects and SHIs</p> <p>Staff</p> <p>Council</p> <p>Service providers</p> <p>Equipment</p> <p>Office</p>

<b>INDICATORS</b>		
Equity indicators	<p>Benefit - incidence studies</p> <ul style="list-style-type: none"> <li>- Measures impact of the social housing programme at large</li> <li>- Impact on the beneficiaries</li> <li>- Has SH restructured cities</li> </ul> <p>Timeframe - cannot be done annually, aim to do it every 5 years</p>	<p>Equity indicators: explore whether services are being provided impartially, fairly and equitably. Equity indicators reflect the extent to which an institution has achieved and been able to maintain an equitable supply of comparable outputs across demographic groups, regions, urban and rural areas, and so on.</p> <p>Often specific benefit-incidence studies will be needed to gather information on equity. The aim of such studies would be to answer the question: "Who benefits from the outputs being delivered?"</p> <p>Usually equity is measured against benchmark standards or on a comparative basis.</p>

Effectiveness indicators	<p>Evaluation of the programmes every 3 - 5 years such as:</p> <ul style="list-style-type: none"> <li>- Impact of the IIGs</li> <li>- Project reviews such as those conducted in SHF Review of accreditation tools</li> </ul> <p>State of the Sector report</p>	<p>Effectiveness indicators: explore the extent to which the outputs of an institution achieve the desired outcomes. An effectiveness indicator assumes a model of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals. Such a model also needs to account for other factors that may affect the achievement of the outcome. Changes in effectiveness indicators are only likely to take place over a period of years, so it is only necessary to evaluate the effectiveness of an institution every three to five years; or an institution may decide to evaluate the effectiveness of its different programmes on a rolling 3-5 year schedule.</p>
Efficiency indicators	<p>Cost and time to assess accreditation submissions  Number and costs of IIGs awarded  Number and cost of SH units approved  Number of units approved vs time to deliver</p>	<p>Efficiency indicators explore how productively inputs are translated into outputs. An efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output. Efficiency indicators are usually measured by an input: output ratio or an output: input ratio. These indicators also only have meaning in a relative sense. To evaluate whether an institution is efficient, its efficiency indicators need to be compared to similar indicators elsewhere or across time. An institution's efficiency can also be measured relative to</p>
Economy indicators	<p>Cost effectiveness measures as per use of the operational budget, can be compared to other entities / departments  Could be opex in proportion with capex</p>	<p>Economy: explore whether specific inputs are acquired at the lowest cost and at the right time; and whether the method of producing the requisite outputs is economical. Economy indicators only have meaning in a relative sense. To evaluate whether an institution is acting economically, its economy indicators need to be compared to similar measures in other state institutions or in the private sector, either in South Africa or abroad. Such indicators can also be compared over time, but then prices must be adjusted for inflation.</p>

## Annexure B: Strategic Risk Register

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
1	Reputational Damage	Damage to the social housing sector caused by poor reputation of the SHRA, due poor financial and non financial decisions, examples - Financial investment decisions, Non financial accreditation	Major	Moderate	Medium	Communication Strategy. Including Strat plan 2014 - 2019 and APP 2017/2018. Investment: - Develop and implement investment plan with target areas and precincts, integrated planning with municipalities and provinces. - Partnerships with SHIs and developers (including ODAs) that can deliver at scale with appropriate models within social housing.	Satisfactory	High	<ul style="list-style-type: none"> <li>- Regular engagement with the media, shareholder and sector, <b>Accreditation</b>: The Framework on the Accreditation of Projects will need to be enhanced to ensure fast tracking and transparency in SHRA's processes.</li> <li>- Internal capacities will need to be developed to support this function.</li> <li>- Ensure total independence of accreditation of projects from all other units.</li> <li>- This division will have performance and quality standards as targets and not number of units approved.</li> <li>- Policies and procedures to be enhanced and approved</li> </ul> <p><b>Investment</b></p> <ul style="list-style-type: none"> <li>- Develop and implement investment plan with target areas (SHIP) and precincts, integrated planning with municipalities and provinces</li> <li>- Partnerships with SHIs and developers (including ODAs) that can deliver at scale with appropriate models within social housing.</li> </ul> <p>- Reviews to be done / site visits to be conducted</p>	As per Forum meetings, Provincial meetings and Quarterly meetings. Immediately

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
2	Fraud and corruption	Damage to the SHRA and sector's reputation, loss of funds due to fraud and corruption.	Critical	Moderate	High	Hotline - Tip-offs Deloitte / DOA, Fraud Prevention Policy / Plan / Communication and Training on Fraud	Good	Medium	Ongoing / improved Awareness campaign, Public communication(posters etc.)	Annual review, Policies, DOA update, Quarterly Hotline Tip-off at ARC  Awareness Q4
3	Misalignment between Organisational Strategy and Org Design. Resulting in non achievement of Strat objectives	High staff vacancy, Capacity including skills restraint. Budget doesn't meet staffing requirements. Inadequate Resources to meet operating requirements.	Major	Likely	High	Exco meetings HR Strategic plan Human Resources ToR. OD project to align resources. Structure developed Skills audit and Personal development plan to be done Start and APP. Performance management system, Programme management system. Reporting Governance structures 'Performance Management system to be implemented.	Satisfactory	Maximum	Get Structure approved  Once approved to recruit / train  Operational management meetings (units / programme meetings) Evidence / minutes off management meetings (units / programmes)	Quarterly HR Report HR Manager appointment April 2017. PDP's to be done after appointment evidence of Exco discussion filtered down in unit management meetings Immediately and on going weekly / bi weekly Exco meetings

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
4	Ineffective Management Risk	Poor performance due to a lack of risk management processes	Major	Unlikely	Low	Approved Risk Policy and FrameworkRisk registersStanding agenda Items on all Exco MeetingOn all KPI on all management performance agreements.Risk management policy , plan and Framework to be approved. Risk management to form part of performance management (KPI's)	Satisfactory	Medium	Exco meetings, Strategic / Operational Risk registersManagers have been tasked and designated as Risk Owners on the Risk Register.	Quarterly to ARC and Exco Meetings / monthly
5	Business continuity plan not in place	In the event of a disaster relocation	Critical	Unlikely	Medium	No control currently in place.	Unsatisfactory	High	Develop BCP Strategy / plan	Q1 FY 2017/2018
6	Lack of research and development	Sustainability of the sector.	Major	Likely	High	Strat plan 2014 - 2019 and APP 2017/2018 institutional Investment operational plan, Funding Models  OD structure redesign to accommodate research	Weak	Maximum	Approve revised funding model  Recruitment for research function	Q 3 2017/2018
7	Inadequate Governance structures	Council and sub - committees in place	Major	Unlikely	Low	Committee ToR, sub-committees	Satisfactory	Medium	Revision of ToR annually	Annually

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
8	Non-compliance to laws and regulations	Non-compliance to relevant legislation and policy, resulting in an adverse audit report, legal implications; PFMA, Treasury Regulations, Social housing Act etc.	Major	Likely	High	Certain Policies and Procedures, Shareholders compact. Current approved DOA, PFMA, Treasury compliance checklist, Governance structures, EXCO tracking	Satisfactory	Maximum	Compliance checklist to be reported at ARC meetings.	Policies review, DOA review, Quarterly legal compliance checklist to be reported on at ARC / EXCO
9	Lack of public understanding of social housing program		Major	Likely	High	Limited publication material, website, brochure	Weak	Maximum	- Critical, for the SHRA is to become the main instrument of human settlement delivery and then public support and understanding will need to be garnered for the programme. Implementation of a communication Strategy Plan Awareness program to be done	Q 4 FY2016/17
10	Lack Viability of social housing financial model resulting in Unsustainable sector	The Social Housing Policy's objective is the economic and social integration of society which includes housing low income families. Lack of financial sustainability and operational efficiencies of SHIs to deliver the social housing programme	Critical	Common	Maximum	Social Housing, Act, Policy, Program guideline, Regulations, proposed Funding structure	Satisfactory	Maximum	- Develop model for social housing financial instrument in order to ensure financial viability of quantum on an ongoing basis (predictive model using following variables: current and extended income bands, CPIX, varying RCG levels based on brownfield or greenfield, inland or coastal factors, labour rates, land and building costs, maintenance reserve provision - Advise the Minister and Department on an ongoing basis - Advise the sector and ensure financial viability of the social housing financial instrument	Q 4 FY 2016 / 17

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
11	Desired value for money impact not achieved	Grant not realising social, spatial and economic restructuring (low value for money)	Critical	Likely	Maximum	Social Housing Policy, Act, Evaluation, assessment and TEC recommendation / approval process	Weak	Maximum	Implementation of Policy. Investment impact and socio-economic impact studies on completed projects to assess the impact of the grant in order to redevelop norms and standards and ensure targeted investment	Q4 FY 2016/2017 certain studies
12	Viability of social housing financial model	The Social Housing Policy's objective is the economic and social integration of society which includes housing low income families. In order to achieve this objective a viable social housing financing model is called for. There is concern over the viability of the current model which must be attended to and the provision in the policy which states that the RCG is a fixed grant must be reviewed.	Major	Likely	High	Develop model for social housing financial instrument in order to ensure financial viability of quantum on an ongoing basis (predictive model using following variables: current and extended income bands, CPIX, varying RCG levels based on brownfield or greenfield, inland or coastal factors, labour rates, land and building costs, maintenance reserve provision) Amend policy to ensure RCG is not a fixed grant Advise the Minister and Department on an ongoing basis Advise the sector and ensure financial viability of the social housing financial instrument	Weak	Maximum	Approve and implement Social Housing Financial Model	Q4 2017/18 Quarterly performance reporting

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
13	Lack of skills in the sector	Lack of skills in the sector and lack of accredited training programmes	Critical	Likely	Maximum	Institutional Investment Program interventions. Formal Social Housing training program	Weak	Maximum	Skills audit and gap analysis of sector including SHRA <ul style="list-style-type: none"> <li>Development and accreditation of social housing training with PSETA and other SETAs</li> <li>Develop best practice and research and benchmarking with international organisations</li> <li>Study trips nationally and internationally</li> <li>Develop programme to accredit service providers</li> <li>Interest, financial and professional bodies on social housing that also self regulate to be established</li> <li>Partnerships and learnerships with established SHIs</li> <li>Appoint team of technical advisors to provide advice and support to SHRA staff and imparting of skills</li> <li>Partnership with international organisations to support the staff and development of the SHRA</li> </ul>	Q4 2017/18 Quarterly Mile stones

	Risk description	Background to the risk	Impact	Likelihood	Inherent risk	Existing controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Time scale
14	Slow delivery of stock from current delivery model	Slow pace of social housing delivery from current model lack of participation from provinces and municipalities in regards to their responsibilities for social housing as per the Social Housing Act. Lack of coordination of social housing facilitation and management from provinces, municipalities and other role players. Restructuring Zones not approved.	Critical	Likely	Maximum	<ul style="list-style-type: none"> <li>Develop and implement investment plan with target areas and precincts, integrated with municipalities and provinces. Partnerships with SHIs and developers (including ODAs) that can deliver at scale with appropriate models within social housing - Facilitate approval of proposed restructuring zones by the national minister</li> <li>Evaluate existing restructuring zones</li> </ul>	Good	High	An approach of Cooperation agreement with the Provinces, Municipalities and NHFC is preferred in order to ensure adherence to their responsibilities as per the Act. Proposed revision of methodology of approval of restructuring zones	Q3 2017/18

## Annexure C: Links to Other Plans

### Social Housing Investment and Regulatory Plans

The SHRA is required to develop other functional strategies for implementation of the long term strategy. Certain plans are a requirement of the Social Housing Act No. 16 of 2008. The following definitions apply:

**"institutional investment plan"** means a training and skills development plan which is a component of the social housing investment plan intended to ensure that social housing institutions acquire the expertise, skills and operational capacity to manage such institutions on a sustainable basis and produce and manage approved projects;

**"social housing investment plan"** means a corporate plan and budget as required by the Public Finance Management Act, comprising a capital investment plan and an institutional investment plan for the capital institutional and investment activity of the Regulatory Authority for purposes of the social housing programme;

**"social housing regulatory plan"** means a corporate plan and budget as required under section 52 of Public Finance Management Act;

Under Section 11 (2), Functions of the Regulatory Authority, the following is stated:

(2) The Regulatory Authority must—

(a) annually, in accordance with the Public Finance Management Act. Prepare and submit the social housing investment plan and the social housing regulatory plan to the Minister;

(b) annually, in accordance with the Public Finance Management Act, prepare and submit annual financial statements and an annual report to the Minister on its performance in respect of the social housing investment plan and the social housing regulatory plan, respectively, during the preceding year; and

(c) comply with the provisions of the Public Finance Management Act and regulations applicable to public entities.

## Infrastructure Projects

The list of SHIP projects currently under construction as of January 2017 is listed below:

SOCIAL HOUSING PROJECT STATUS DASHBOARD											
Social Housing Institution	Project Name	Province	Total Units Approved	Under Construction	Units Completed	units Tenanted	Funds Available	Restructuring Capital Grant	RCG Spent	Variance	Comments
<b>SHIP 2A (2011/12)</b>											
FRESHCO	Brandwag Phase 2	Free State	495	67	341	341	12 046 752	68 111 505	56 064 753	12 046 752	Construction has commenced on the last 154 units. The projects will be completed
<b>SHIP2B (2011/12)</b>											
Domus	E-Junction Phase 1	Western Cape	120		-		-	15 253 560	15 253 560	-	Project on hold/litigation recovery of RCG funds not repatriated to the SHRA.
Norvena Consortium	O'Reilly Road	Gauteng	271	-	271	-	-	34 041 665	27 233 332	6 808 333	Project is Practically Complete.
Emalahleni Housing Institute	Klarinet	Mpumalanga	104	-	104	34	-	13 375 544	9 797 970	3 577 574	Project is complete & tenanted. However, there are non-compliance issues
			<b>495</b>		<b>375</b>	<b>34</b>		<b>62 670 769</b>	<b>52 284 862</b>	<b>10 385 907</b>	
<b>SHIP 3A (2012/13)</b>											
First Metro Housing Company	Hamptons	KZN	430	430	-	-	-	54 014 450	43 211 560	10 802 890	Under Construction
First Metro Housing Company	Hampshire	KZN	180	180	90	-	-	22 610 700	18 085 717	4 524 983	Under Construction, 90 Units complete
First Metro Housing Company	Hilltops	KZN	240	240	-	-	-	30 147 600	20 886 256	9 261 344	Under Construction

SOCIAL HOUSING PROJECT STATUS DASHBOARD											
Social Housing Institution	Project Name	Province	Total Units Approved	Under Construction	Units Completed	units Tenanted	Funds Available	Restructuring Capital Grant	RCG Spent	Variance	Comments
			850	850	90	-	-	106 772 750	82 183 533	24 589 217	
<b>SHIP 3B (2012/13)</b>											
Madulammoho	Belhar	Western Cape	629	629	150	150	-	79 011 835	68 624 136	10 387 699	Under Construction
Joshco	City Deep	Gauteng	328	-	328	-	-	41 201 720	-	41 201 720	Under Construction
Msunduzi Housing Association	Westgate Grange	KZN	952	952	350	-	-	119 585 480	95 355 353	24 230 127	Under Construction
SOHCO	John Street	Western Cape	382	-	-	-	48 843 284	48 843 284	-	48 843 284	Contract to be cancelled
Yeast	Thembelihle	Gauteng	734	734	216	-	-	92 075 795	71 711 770	20 364 025	Under Construction
Domus	E-Junction Phase 2	Western Cape	278				-	34 920 970	34 920 970	-	Project on hold
			<b>3 303</b>	<b>2 315</b>	<b>1 044</b>	<b>150</b>	<b>48 843 284</b>	<b>415 639 084</b>	<b>270 612 229</b>	<b>145 026 855</b>	
<b>SHIP 4B (2013/14) Total funds were returned to the Department as part of Surplus</b>											
Toproot	Pennyville	Gauteng	112	-	-	-	-	14 068 880	1 406 888	12 661 992	FC Achieved
Toproot	Riverlea	Gauteng	141	-	-	-	-	17 711 715	1 771 172	15 940 544	FC Achieved
Imizi	Willowdene	Eastern Cape	400	400	150	-	-	50 246 000	42 520 678	7 725 322	Construction has commenced
Madulammoho	Riverside Ridge	Gauteng	252	-	252	-	-	31 654 980	-	31 654 980	CP Achieved
Manampendlo	Ellaton	North West	576	-	-	-	-	72 354 240	7 235 424	65 118 816	CP Achieved, NHFC debt funding concluded
Joshco	Dobsonville	Gauteng	502	502	120	-	-	63 058 730	-	63 058 730	CP & FC not yet met, Under Construction
Joshco	Nancefield	Gauteng	296	296	-	-	-	37 182 040	-	37 182 040	CP & FC not yet met, Under Construction

SOCIAL HOUSING PROJECT STATUS DASHBOARD											
Social Housing Institution	Project Name	Province	Total Units Approved	Under Construction	Units Completed	units Tenanted	Funds Available	Restructuring Capital Grant	RCG Spent	Variance	Comments
			2 279	1 198	522	-		286 276 585	52 934 161	233 342 424	
<b>SHIP 5A (2014/15)</b>											
Qhama Housing Institution	Steve Biko Munford	Eastern Cape	220	-	-	-	-	27 635 300	2 510 275	25 125 025	CP Achieved, ECDC are reviewing the debt funding application towards FC
Hlalanathi Housing Association	Ocean Views	Eastern Cape	603	-	-	-	-	75 745 845	-	75 745 845	CP Achieved
SKG	Calypso Heights	Eastern Cape	1 414	-	-	-	-	177 619 610	-	177 619 610	CP & FC not Achieved, under construction
Urban Status Rentals	The Block	Western Cape	416	416	-	-	-	52 255 840	5 225 584	47 030 256	CP Achieved, awaiting NHFC debt funding
Urban Status Rentals	Foundry Road	Western Cape	214	-	-	-	-	26 881 610	-	26 881 610	CP not Achieved potential to lose the project due to Land Sale
INSTRATIN	Flamwood	North West	1 168	1 168	240	-	-	146 718 320	84 185 644	62 532 676	Under Construction
INSTRATIN	Devland	Gauteng	715	715	-	-	-	89 814 725	8 969 840	80 844 885	CP Achieved, site established
FMHC	Lakehaven Phase 2	KZN	8	8	8	8	-	1 004 920	1 004 920	-	Project Complete
The Housinhg HUB	Akasia Place	Gauteng	400	-	-	-	-	50 246 000	5 024 600	45 221 400	CP Achieved
FRESHCO	Brandwag Phase 3	Free State	154	90	-	-	-	19 344 710	14 836 362	4 508 348	Under Construction
			5 312	2 397	248			667 266 880	121 757 225	545 509 655	
<b>SHIP 6A (2015/16)</b>											
EDC	Gauteng	Ekurhuleni Metro	Yes	100	100			12 500 000	-	12 500 000	CP & FC not met, under construction.

SOCIAL HOUSING PROJECT STATUS DASHBOARD											
Social Housing Institution	Project Name	Province	Total Units Approved	Under Construction	Units Completed	units Tenanted	Funds Available	Restructuring Capital Grant	RCG Spent	Variance	Comments
EDC	Gauteng	Ekurhuleni Metro	yes	150	150			18 750 000	-	18 750 000	CP & FC not met, under construction.
JOSHCO	Gauteng	Johannesburg	yes	444	253			55 773 060	3 177 133	52 595 927	CP met, under construction
JOSHCO	Gauteng	Johannesburg	Yes	252	252			32 032 476	25 590 739	6 441 737	CP & FC met, construction is complete
JOSHCO	Gauteng	Johannesburg	Yes	210	210			26 851 020	2 669 644	24 181 376	CP met, under construction
Gaboweni Housing Estate	North West	Moses Kotana	Yes	801	-			99 557 716	-	99 557 716	RCG contract signed and CP Extension request received
Konny Development	Gauteng	Johannesburg	Yes	22	-			2 875 730	-	2 875 730	RCG contract signed and contract cancellation in process
			-	<b>1 979</b>	<b>965</b>			<b>248 340 002</b>	<b>31 437 516</b>	<b>216 902 486</b>	

## Annexure D Technical Indicator Descriptions

### Programme 1 Administration Programme

#### Sub-Programme 1A Corporate Services

<b>Indicator title</b>	Percentage adherence to the Strategic HR Plan's Action Plan. The Action Plan's format will include work to be undertaken, timeframes and responsibilities.	
<b>Short definition</b>	An Action Plan to implement the Strategic HR Plan to be developed stipulating the actions to be undertaken, timeframes and responsibilities. This Action Plan to be developed on an annual basis prior to the commencement of the financial year and approved by EXCO. The implementation of this Action Plan will be measured through the percentage implementation of this Action Plan.	
<b>Purpose/importance</b>	In order to measure achievement of the implementation of the Strategic HR Plan.	
<b>Source/collection of data</b>	The data with regard to the approved Action Plan will be the EXCO minutes and Action Plan.	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Formal report recommended by EXCO to the Council's HR Committee which states performance against the Action Plan
	Quarter 3	n/a as no target
	Quarter 4	Formal report recommended by EXCO to the Council's HR Committee which states performance against the Action Plan
<b>Method of calculation</b>	Activities achieved divided by total planned activities	
<b>Means of verification</b>	Review of components of Action Plan	
<b>Data limitation</b>	Does not consider quality.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Semi-Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Over achievement of the target	
<b>Indicator responsibility</b>	Corporate Services Manager	

<b>Indicator title</b>	Implementation of a comprehensive performance management process that includes performance targets and performance standards
<b>Short definition</b>	The development, approval and implementation of a comprehensive performance management process for all employees. This will include a performance management policy as well as the establishment of performance targets and standards for all positions as outlined in the performance agreements. The policy to be reviewed every second year.
<b>Purpose/importance</b>	Relates directly to the enhanced performance of the entity.

<b>Source/collection of data</b>	Signed off performance agreements and appraisals.	
<b>Evidence</b>	Quarter 1	Signed performance agreements for all staff, signed by staff member, line manager and HR Specialist
	Quarter 2	Signed mid-year performance appraisal for all staff, signed by staff member, line manager and HR Specialist
	Quarter 3	n/a as no target
	Quarter 4	n/a as no target
<b>Method of calculation</b>	Comparison of documentation to the target. The information can be audited.	
<b>Means of verification</b>	Verify with applicable staff and Managers.	
<b>Data limitation</b>	Does not incorporate quality.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Semi-Annual	
<b>New indicator</b>	No	
<b>Desired performance</b>	Achieving the targets within the targeted deadlines	
<b>Indicator responsibility</b>	Corporate Services Manager	

<b>Indicator title</b>	Obtain unqualified audit opinion on the audit report from the External Auditors for the 2016/17, 2017/18 and 2018/19 financial years	
<b>Short definition</b>	The SHRA to achieve an unqualified audit opinion as per the External Auditor's report on the Annual Financial Statements.	
<b>Purpose/importance</b>	The importance of an unqualified audit opinion is a good audit opinion. This directly links to the strategic objective of sound corporate and financial governance.	
<b>Source/collection of data</b>	The signed report submitted by the External Auditor.	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Signed External Auditor's report
	Quarter 3	n/a as no target
	Quarter 4	n/a as no target
<b>Method of calculation</b>	External Auditor's report.	
<b>Means of verification</b>	Verify with External Auditors.	
<b>Data limitation</b>	The report is only as accurate as the quality of the audit.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Annual	
<b>New indicator</b>	No	
<b>Desired performance</b>	To attain an unqualified audit opinion.	
<b>Indicator responsibility</b>	Chief Executive Officer	

<b>Indicator title</b>	Percentage of Information Management Action Plan implemented
<b>Short definition</b>	An Action Plan to implement Information Management to be developed stipulating the actions to be undertaken, timeframes and responsibilities. This Action Plan to be developed on an annual basis prior to the commencement of

	the financial year and approved by EXCO. The percentage implementation of this Action Plan will be measured.	
<b>Purpose/importance</b>	In order to measure achievement of the implementation of Information Management.	
<b>Source/collection of data</b>	The data with regard to the approved Action Plan will be the EXCO minutes and Action Plan. The performance against the Action Plan will be a formal report tabled at the EXCO and recommended to the Audit Committee.	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Council resolution on Information Management Policy or minutes of Council meeting at which policy was reviewed Formal report recommended by EXCO to the Council's Audit Committee which states performance against the Action Plan
	Quarter 3	n/a as no target
	Quarter 4	Formal report recommended by EXCO to the Council's Audit Committee which states performance against the Action Plan
<b>Method of calculation</b>	Activities achieved divided by total planned activities	
<b>Means of verification</b>	Verify components of the work as identified in the Action Plan.	
<b>Data limitation</b>	Does not consider quality.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Semi-Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Over achievement of the target	
<b>Indicator responsibility</b>	Corporate Services Manager	

<b>Indicator title</b>	Percentage of Information Communication Technology Action Plan implemented	
<b>Short definition</b>	An Action Plan to implement Information Communication Technology Strategy to be developed stipulating the actions to be undertaken, timeframes and responsibilities. This Action Plan to be developed on an annual basis prior to the commencement of the financial year and approved by EXCO. The percentage implementation of this Action Plan will be measured.	
<b>Purpose/importance</b>	In order to measure achievement of the implementation of Information Communication Technology Strategy.	
<b>Source/collection of data</b>	The data with regard to the approved Action Plan will be the EXCO minutes and Action Plan. The performance against the Action Plan will be a formal report tabled at the EXCO and recommended to the Audit Committee.	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Formal report recommended by EXCO to the Council's Audit Committee which states performance against the Action Plan
	Quarter 3	n/a as no target

	Quarter 4	Formal report recommended by EXCO to the Council's Audit Committee which states performance against the Action Plan
<b>Method of calculation</b>	Activities achieved divided by total planned activities	
<b>Means of verification</b>	Verify components of the work as identified in the Action Plan.	
<b>Data limitation</b>	Does not consider quality.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Semi-Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Over achievement of target	
<b>Indicator responsibility</b>	Corporate Services Manager	

### Sub-Programme 1B Office of the CEO

<b>Indicator title</b>	Annual development of the State of the Sector report which includes a research plan for the following year.	
<b>Short definition</b>	The State of the Sector report contains information about the social housing sector and is to be developed on an annual basis. This indicator also states that the report must include an annual research plan for the following year.	
<b>Purpose/importance</b>	The SHRA is required as per the Social Housing Act to conduct research and advise on policy.	
<b>Source/collection of data</b>	EXCO minutes at which the State of the Sector report was tabled State of the Sector report	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Draft State of the Sector report and minutes of the EXCO meeting at which this draft was tabled
	Quarter 3	n/a as no target
	Quarter 4	State of the Sector report and minutes of the EXCO meeting at which the final report was tabled
<b>Method of calculation</b>	Review the report and minutes of the EXCO meetings	
<b>Means of verification</b>	Scrutinise the State of the Sector report, listen to the audio of the EXCO meeting	
<b>Data limitation</b>	Does not cover quality of the actual report	
<b>Type of indicator</b>	Output	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Annual	
<b>New indicator</b>	No	
<b>Desired performance</b>	To achieve one report per year	
<b>Indicator responsibility</b>	Chief Executive Officer	

<b>Indicator title</b>	Percentage completion of annual research plan.	
<b>Short definition</b>	An annual research plan will be developed and progress against this plan will be measured at the end of the year.	
<b>Purpose/importance</b>	In order to measure progress against the research plan. Research is a requirement of the SHRA as per the Social Housing Act, it is key in advising the Department and Minister and ensuring the sustainability of the programme.	
<b>Source/collection of data</b>	The research plan should be included in the State of the Sector report. The report detailing progress against this plan will indicate performance against this target.	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Research reports and minutes of the EXCO meetings at which the research reports were tabled
	Quarter 3	n/a as no target
	Quarter 4	Research reports and minutes of the EXCO meetings at which the research reports were tabled
<b>Method of calculation</b>	Activities achieved divided by total planned activities	
<b>Means of verification</b>	Review of research reports	
<b>Data limitation</b>	Does not cover quality of the actual report	
<b>Type of indicator</b>	Output	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Semi-Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Over achievement of the target	
<b>Indicator responsibility</b>	Chief Executive Officer	

<b>Indicator title</b>	Development and approval by Council of an annual Stakeholder Management Matrix that identifies SHRA's stakeholders and planned engagements	
<b>Short definition</b>	The Stakeholder Management Matrix will identify and categorise the SHRA's Stakeholders. The Matrix will also contain a schedule of priority meetings with these stakeholders at which it is imperative that the SHRA attend as well as planned engagements with these stakeholders.	
<b>Purpose/importance</b>	Promoting the development and awareness of social housing is a requirement of SHRA's as per the Social Housing Act.	
<b>Source/collection of data</b>	Council resolution approving the Stakeholder Management Matrix	
<b>Evidence</b>	Quarter 1	Council Resolution approving Stakeholder Management Matrix 2017/18
	Quarter 2	n/a as no target
	Quarter 3	n/a as no target
	Quarter 4	n/a as no target
<b>Method of calculation</b>	Review the resolution from Council	
<b>Means of verification</b>	Review the Stakeholder Management Matrix	
<b>Data limitation</b>	The quality and completeness of the matrix is not considered	

<b>Type of indicator</b>	Activity
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annual
<b>New indicator</b>	Yes
<b>Desired performance</b>	Earlier achievement of the target
<b>Indicator responsibility</b>	Chief Executive Officer

<b>Indicator title</b>	Percentage of planned engagements held as identified on the SHRA's Stakeholder Management Matrix	
<b>Short definition</b>	The Stakeholder Management Matrix will identify and categorise the SHRA's Stakeholders. The Matrix will also contain a schedule of priority meetings with these stakeholders at which it is imperative that the SHRA attend as well as planned engagements with these stakeholders. This indicator details the percentage achievement of these planned engagements.	
<b>Purpose/importance</b>	Promoting the development and awareness of social housing is a requirement of SHRA's as per the Social Housing Act.	
<b>Source/collection of data</b>	A record of decisions from each engagement Progress report against the achievement	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	A record of decisions from each engagement Progress report tabled at EXCO indicating achievement against the plan and minutes of the EXCO meeting at which this report was tabled
	Quarter 3	n/a as no target
	Quarter 4	A record of decisions from each engagement Progress report tabled at EXCO indicating achievement against the plan and minutes of the EXCO meeting at which this report was tabled
<b>Method of calculation</b>	Activities achieved divided by total planned activities	
<b>Means of verification</b>	Confirmation by meeting attendees	
<b>Data limitation</b>	Does not include engagements in addition to those identified in the Stakeholder Management Matrix	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Semi-Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Over achievement of the target	
<b>Indicator responsibility</b>	Chief Executive Officer	

## Programme 2 Compliance, Accreditation and Regulations Programme

<b>Indicator title</b>	Annual development and submission of the Social Housing Regulatory Plan (SHORP) as per the Social Housing Act	
<b>Short definition</b>	The SHRA must develop a SHORP for the year ahead on an annual basis and submit this plan to the Minister (via the National Department of Human Settlements' Entities Oversight Chief Directorate), the SHORP and submission is outlined in the Social Housing Act.	
<b>Purpose/importance</b>	The Social Housing Act No. 16 of 2008 defines the SHORP as a corporate plan and budget as required under section 52 of the Public Finance Management Act. Section 11 (2) (a) states that the SHRA must annually, in accordance with the PFMA, prepare and submit the SHIP and the SHORP to the Minister Minister (via the National Department of Human Settlements' Entities Oversight Chief Directorate). The purpose of this indicator is to ensure this plan is developed and submitted.	
<b>Source/collection of data</b>	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHORP prior to the submission to the Office of the Minister	
<b>Evidence</b>	Quarter 1	EXCO minutes at which the 1st draft SHORP was tabled 1st draft SHORP
	Quarter 2	EXCO minutes at which the 2nd draft SHORP was tabled 2nd draft SHORP
	Quarter 3	Routing form to the Office of the CEO Final SHORP
	Quarter 4	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHORP prior to the submission to the Office of the Minister
<b>Method of calculation</b>	Review of EXCo minutes, draft SHORP, email submission and Council resolution	
<b>Means of verification</b>	Review of SHORP included in Council Pack, review of Council minutes to determine if any amendments were made and then comparison with SHORP submitted to the Department	
<b>Data limitation</b>	Does not refer to quality of the SHORP produced	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Achievement as per the required timeframes for submission	
<b>Indicator responsibility</b>	Compliance, Accreditation and Regulations Executive	

<b>Indicator title</b>	Number of units under regulation
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<b>Short definition</b>	The total number of units that every SHI manages. The units include publically funded stock as well as broader affordable rental stock managed by the SHI. The SHIs are those that are accredited by the SHRA and those that the SHRA has intervened and placed under the administration pending a legal intervention process.	
<b>Purpose/importance</b>	The purpose is to ensure tenants and properties are managed in a responsible manner that both protects the assets and ensure the tenants are empowered as is the intended outcome of the social housing programme.	
<b>Source/collection of data</b>	Compliance Reports tabled at EXCO	
<b>Evidence</b>	Quarter 1	Compliance Reports tabled at EXCO Occupation certificates for units funded through SHIP programmes added to the cumulative number
	Quarter 2	Compliance Reports tabled at EXCO Occupation certificates for units funded through SHIP programmes added to the cumulative number
	Quarter 3	Compliance Reports tabled at EXCO Occupation certificates for units funded through SHIP programmes added to the cumulative number
	Quarter 4	Compliance Reports tabled at EXCO Occupation certificates for units funded through SHIP programmes added to the cumulative number
<b>Method of calculation</b>	Review of number stated in Compliance Report	
<b>Means of verification</b>	Tenancy audits	
<b>Data limitation</b>	Limited to SHIs that have applied for accreditation and those that the SHRA is regulating through a legal process	
<b>Type of indicator</b>	Output	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	No	
<b>Desired performance</b>	Over achievement of the target	
<b>Indicator responsibility</b>	Compliance Manager	

<b>Indicator title</b>	Percentage of accreditation applications received and processed (received an outcome letter from the SHRA) within a maximum of 90 days
<b>Short definition</b>	The percentage of applications for accreditation that the SHRA has processed and the outcome communicated within a period of 90 days from date of submission to applicant of the Verification Report. The applications are limited to those received within that particular financial year.
<b>Purpose/importance</b>	As per Section 2 (6) and (7) of the Social Housing Regulations, the Regulatory Authority must, within 90 days of receiving an application for accreditation approve or reject the application in writing.

<b>Source/collection of data</b>	Email proof of submission to applicant with the attached Verification Report – Day One Email proof of submission of Outcome Letter to applicant	
<b>Evidence</b>	Quarter 1	Proof of emailing of Verification Report, Verification Report and Proof of submission of Outcome letter
	Quarter 2	Proof of emailing of Verification Report, Verification Report and Proof of submission of Outcome letter
	Quarter 3	Proof of emailing of Verification Report, Verification Report and Proof of submission of Outcome letter
	Quarter 4	Proof of emailing of Verification Report, Verification Report and Proof of submission of Outcome letter
<b>Method of calculation</b>	Calculation of the number of days between submission of Verification Report and submission of Outcome Letter for each submission. Then divide the number of applications received and processed within 90 days by the total number of applications received and processed.	
<b>Means of verification</b>	Review of Verification Report, Accreditation Status assessment report, Committee meetings at which the assessment has been tabled	
<b>Data limitation</b>	The applicant may only receive the outcome letter after the date of sending by the SHRA. Quality of the accreditation appraisal is not included.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Overachievement of the target but this is not applicable as it is 100%	
<b>Indicator responsibility</b>	Accreditation Manager	

<b>Indicator title</b>	Percentage of completed (completed means that all required data fields have been filled in) quarterly reports (quarterly reporting tool template used) submitted by conditionally and fully accredited SHIs with stock to the SHRA	
<b>Short definition</b>	SHIs are required to submit quarterly reports to the SHRA after the end of each quarter. The SHRA has developed quarterly reporting tool for this purpose. The SHIs must complete the entire reporting tool and submit it to the SHRA each quarter.	
<b>Purpose/importance</b>	In order to effectively monitor and manage the economy, efficiency and effectiveness of the SHIs to safeguard the stock and tenants.	
<b>Source/collection of data</b>	Compliance Reports tabled at EXCO, Quarterly reports from SHIs	
<b>Evidence</b>	Quarter 1	Compliance Report tabled at EXCO, Quarterly reports from SHIs
	Quarter 2	Compliance Report tabled at EXCO, Quarterly reports from SHIs

	Quarter 3	Compliance Report tabled at EXCO, Quarterly reports from SHIs
	Quarter 4	Compliance Report tabled at EXCO, Quarterly reports from SHIs
<b>Method of calculation</b>	Divide the number of completed quarterly reports by the total number of quarterly reports by conditionally and fully accredited SHIs with stock submitted to the SHRA	
<b>Means of verification</b>	Review of each completed quarterly report and submission email from each SHI	
<b>Data limitation</b>	Does not include accuracy of the data completed by the SHI	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Overachievement of the target	
<b>Indicator responsibility</b>	Compliance Manager	

<b>Indicator title</b>	Average number of days from the tabling of the monthly Compliance Report at EXCO that an intervention action plan for non-compliant SHIs (limited to SHIs with stock, SHIs with a project on the pipeline and SHIs project on the pipeline and SHIs classified as B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act) is subsequently tabled at EXCO.
<b>Short definition</b>	<p>Non-compliance to be outlined in quarterly compliance reports tabled at EXCO and developed through a review of accreditation status assessment report, the quarterly reporting tool, building condition audits, tenant satisfaction surveys and tenant income audits and to include discussions from the feedback sessions with the SHI. Following this an intervention action plan should be developed per non-compliant SHI to address the areas of non-compliance.</p> <p>B-BBEE Act No. 53 of 2003 as amended and the Code of Good Practice, 2013 provide the following definitions:</p> <p>"B-BBEE Controlled Company" means a juristic person, having shareholding or similar members interest, in which black participants enjoy a right to Exercisable Voting Rights that is at least 51% of the total such rights measured using the Flow Through Principle;</p> <p>"B-BBEE Owned Company" means juristic person, having shareholding or similar members interest, that is B-BBEE controlled, in which Black participants enjoy a right to Economic Interest that is at least 51 % of the total such rights measured using the Flow Through Principle;</p> <p>'Black people' is a generic term which means Africans, Coloureds and Indians who are citizens.</p>
<b>Purpose/importance</b>	The purpose is to ensure regulation of the sector through intervening when risks are identified. The purpose of

	specifically intervening with SHIs with stock is that the risk is greater than those without stock. Intervening when a project is involved ensures protection of the pipeline and intervening with SHIs classified as B-BBEE Owned/Controlled Companies in order to ensure transformation and empowerment objectives.	
<b>Source/collection of data</b>	EXCO meeting minutes Compliance Reports tabled at EXCO Intervention Action Plans tabled at EXCO	
<b>Evidence</b>	Quarter 1	EXCO meeting minutes Compliance Reports tabled at EXCO Intervention Action Plans tabled at EXCO
	Quarter 2	EXCO meeting minutes Compliance Reports tabled at EXCO Intervention Action Plans tabled at EXCO
	Quarter 3	EXCO meeting minutes Compliance Reports tabled at EXCO Intervention Action Plans tabled at EXCO
	Quarter 4	EXCO meeting minutes Compliance Reports tabled at EXCO Intervention Action Plans tabled at EXCO
<b>Method of calculation</b>	Calculate the number of calendar days between the date between tabling the Compliance Report at EXCO which indicates non-compliance of SHI to date of tabling the SHI's Intervention Action Plan. The dates of tabling these reports at EXCO should be limited to those within the applicable financial year. Calculate the average number of days.	
<b>Means of verification</b>	Review of Compliance Report and source documents that indicate source of non-compliance and review of Intervention Action Plan	
<b>Data limitation</b>	Does not indicate quality of reports or interventions identified	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	A number of days less than the target average	
<b>Indicator responsibility</b>	Compliance Manager	

<b>Indicator title</b>	Percentage of conditionally accredited SHIs that are classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act
<b>Short definition</b>	The percentage of B-BBEE Owned / Controlled companies as defined in the B-BBEE Act that are conditionally accredited as a total of all conditionally accredited SHIs
<b>Purpose/importance</b>	To ensure the SHRA supports the transformation and empowerment imperative of the national government
<b>Source/collection of data</b>	Accreditation Reports tabled at EXCO and EXCO minutes at which these reports were tabled, B-BBEE certificates of the SHIs

<b>Evidence</b>	Quarter 1	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
	Quarter 2	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
	Quarter 3	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
	Quarter 4	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
<b>Method of calculation</b>	List all conditionally accredited SHIs. Identify on this list which of these are B-BBEE Controlled or owned companies as indicated on their B-BBEE certificate or sworn affidavit. Divide the total number of conditionally accredited SHIs by the number of B-BBEE Controlled or owned companies as a percentage.	
<b>Means of verification</b>	B-BBEE Certificates or Sworn Affidavit – B-BBEE Exempted Micro Enterprise’ for each SHI. Ensure an accredited rating agency issued the certificate.	
<b>Data limitation</b>	Does not refer to the quality of the accreditation assessment or quality of SHI	
<b>Type of indicator</b>	Equity	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Overachievement of the target	
<b>Indicator responsibility</b>	Accreditation Manager	

<b>Indicator title</b>	Percentage of fully accredited SHIs that are classified as B-BBEE Owned / Controlled companies as defined in the B-BBEE Act	
<b>Short definition</b>	The percentage of B-BBEE Owned / Controlled companies as defined in the B-BBEE Act that are fully accredited as a total of all fully accredited SHIs	
<b>Purpose/importance</b>	To ensure the SHRA supports the transformation and empowerment imperative of the national government	
<b>Source/collection of data</b>	Accreditation Reports tabled at EXCO and EXCO minutes at which these reports were tabled, B-BBEE certificates of the SHIs	
<b>Evidence</b>	Quarter 1	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs

	Quarter 2	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
	Quarter 3	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
	Quarter 4	Accreditation Report tabled at EXCO and EXCO minutes at which these reports were tabled B-BBEE certificates of the SHIs
<b>Method of calculation</b>	List all fully accredited SHIs. Identify on this list which of these are B-BBEE Controlled or owned companies as indicated on their B-BBEE certificate or sworn affidavit. Divide the total number of fully accredited SHIs by the number of B-BBEE Controlled or owned companies as a percentage.	
<b>Means of verification</b>	B-BBEE Certificates or Sworn Affidavit – B-BBEE Exempted Micro Enterprise’ for each SHI. Ensure an accredited rating agency issued the certificate.	
<b>Data limitation</b>	Does not refer to the quality of the accreditation assessment or quality of SHI	
<b>Type of indicator</b>	Equity	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Overachievement of the target	
<b>Indicator responsibility</b>	Accreditation Manager	

### Programme 3 Sector Development Programme

<b>Indicator title</b>	Annual development and submission of the Social Housing Sector Development Plan (defined as the Institutional Investment Plan) as per the Social Housing Act
<b>Short definition</b>	<p>The Institutional Investment Plan is defined in the Social Housing Act as the training and skills development plan which is a component of the social housing investment plan intended to ensure that social housing institutions acquire expertise, skills and operational capacity to manage such institutions on a sustainable basis and produce and manage approved projects. This indicator refers to the annual development of this plan for the year ahead and submission to the Minister Minister (via the national Department of Human Settlements’ Entities Oversight Chief Directorate) as stipulated in the Social Housing Act.</p> <p>The Social Housing Investment Plan (SHIP) is defined in the Social Housing Act as a corporate plan and budget as required</p>

	by the PFMA, comprising a capital investment plan and an Institutional Investment Plan for the capital institutional and investment activity of the Regulatory Authority for purposes of the social housing programme.	
<b>Purpose/importance</b>	Section 11 (2) (a) states that the SHRA must annually, in accordance with the PFMA, prepare and submit the SHIP and the SHORP to the Minister. The purpose of this indicator is to ensure this plan is developed and submitted.	
<b>Source/collection of data</b>	Email proof of submission of the SHSDP, SHSDP approved by Council	
<b>Evidence</b>	Quarter 1	EXCO minutes at which the SHSDP was tabled and 1st draft SHSDP
	Quarter 2	EXCO minutes at which the SHSDP was tabled and 2nd draft SHSDP
	Quarter 3	Routing form to the Office of the CEO Final SHSDP
	Quarter 4	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHSDP prior to the submission to the Office of the Minister
<b>Method of calculation</b>	Review of EXCO minutes and draft reports. Review of email and Council resolution.	
<b>Means of verification</b>	Listen to the audio of EXCO and Council minutes.	
<b>Data limitation</b>	Does not refer to quality of the SHSDP produced	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Achievement as per the required timeframes for submission	
<b>Indicator responsibility</b>	Sector Development Executive	

<b>Indicator title</b>	Percentage of the Social Housing Institutions that are identified by the Compliance, Accreditation and Regulations Programme, and approved by EXCO and the SHI, to be assisted through the award of an Institutional Investment Grant for a specific Intervention that upon completion of the work either maintains or improves their level of accreditation
<b>Short definition</b>	The Compliance, Accreditation and Regulations Programme will review the SHIs and identify risks that may affect their accreditation status. This Programme will then table a Compliance Report and associated Intervention Plan to assist the SHI. If applicable, the SHI may be assisted through an Institutional Investment Grant. The Sector Development programme will liaise with the affected SHI to gain support for the intervention and if agreed upon then a service provider will be procured and the Institutional Investment Grant issued. Once this work has been completed the close out report will be handed back to the Compliance, Accreditation and Regulations Programme. Following this the SHI will be reassessed by this programme and an accreditation status recommended. This indicator implies that should the

	intervention proceed (i.e. the SHI may not agree to the intervention or for whatever reason the work should not be proceed) and be completed that the SHI will either maintain or improve their level of accreditation.	
<b>Purpose/importance</b>	This is to ensure quality of the work undertaken through this programme.	
<b>Source/collection of data</b>	Relevant EXCO minutes, grant agreements, close out reports and accreditation resolution taken by Council following the completion of the intervention.	
<b>Evidence</b>	Quarter 1	n/a as not target
	Quarter 2	n/a as not target
	Quarter 3	n/a as not target
	Quarter 4	Minutes of Exco meeting approving intervention action plans Minutes of Exco meeting approving grant award. Signed grant agreement. Approved Terms of Reference. Letter of appointment of service provider. Close out report from service provider. Council Resolution approving accreditation status of SHI.
<b>Method of calculation</b>	Divide the number Social Housing Institutions that are identified by the Compliance, Accreditation and Regulations Programme, and approved by EXCO and the SHI, to be assisted through the award of an Institutional Investment Grant for a specific Intervention that upon completion of the work either maintains or improves their level of accreditation by the total number of Social Housing Institutions identified by the Compliance, Accreditation and Regulations Programme, and approved by EXCO and the SHI, that are assisted through the award of an Institutional Investment Grant for a specific Intervention that work has been completed	
<b>Means of verification</b>	Review the accreditation recommendation status reports to identify the factors involved in consideration of the SHI's status	
<b>Data limitation</b>	The intervention is not the sole contributing factor towards and SHIs accreditation status. The intervention plan developed by the Compliance, Accreditation and Regulations Programme may not prove to address the risk factor appropriately.	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Over achievement of the target	
<b>Indicator responsibility</b>	Sector Development Executive	

<b>Indicator title</b>	Percentage of projects identified by the Project Development and Funding Programme, and approved by EXCO and agreed to by the SHI or ODA, that are assisted through the award of an Institutional Investment Grant for a specific Intervention and
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	upon completion of the work are later recommended to the TEC for capital grant award	
<b>Short definition</b>	The Project Development and Funding Programme will identify projects that would benefit from assistance through the Institutional Investment Grant, these will then be recommended to the Sector Development Programme. The Sector Development Programme will proceed with the process of grant approval and award. If the grant is awarded, a service provider will be procured. At completion of the service provider's work, the close out report will be submitted back to the Project Development and Funding Programme. The indicator measures the percentage of these projects that are later recommended to the Technical Evaluation Committee of the SHRA for capital grant award.	
<b>Purpose/importance</b>	To ensure the quality of work undertaken.	
<b>Source/collection of data</b>	Relevant EXCO minutes, grant agreements, close out reports and TEC pack and minutes.	
<b>Evidence</b>	Quarter 1	n/a as not target
	Quarter 2	n/a as not target
	Quarter 3	n/a as not target
	Quarter 4	Minutes of Exco or Provincial Steering Committee meeting approving feasibility request from Project Development or Province. Minutes of Exco meeting approving grant award. Signed grant agreement. Letter of retraction from SHI / ODA if applicable Approved Terms of Reference. Letter of appointment of service provider. Close out report from service provider. Recommendation to the TEC (pack and minutes)
<b>Method of calculation</b>	Divide the number of projects identified by the Project Development and Funding Programme, and approved by EXCO and agreed to by the SHI or ODA, that are assisted through the award of an Institutional Investment Grant for a specific Intervention and upon completion of the work are later recommended to the TEC for capital grant award by the total number of projects identified by the Project Development and Funding Programme, and approved by EXCO and agreed to by the SHI or ODA, that are assisted through the award of an Institutional Investment Grant for a specific Intervention and whose work has been completed	
<b>Means of verification</b>	Review the TEC recommendation to identify the factors involved in consideration of the project for grant award	
<b>Data limitation</b>	The grant is not the sole contributing factor towards the project qualifying for capital grant award. The intervention plan developed by the Compliance, Accreditation and Regulations Programme may not prove to address the risk factor appropriately.	
<b>Type of indicator</b>	Activity	

<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annual
<b>New indicator</b>	Yes
<b>Desired performance</b>	Over achievement of the target
<b>Indicator responsibility</b>	Sector Development Executive

<b>Indicator title</b>	Percentage expenditure of Institutional Investment grant within the financial year in which it has been allocated	
<b>Short definition</b>	Percentage expenditure of the allocation of the Institutional Investment Grant within the allocated year	
<b>Purpose/importance</b>	In order to effectively utilise the designated capacity building grant of the entity	
<b>Source/collection of data</b>	Quarterly finance reports	
<b>Evidence</b>	Quarter 1	n/a as no target
	Quarter 2	Quarterly Institutional Investment report
	Quarter 3	Quarterly Institutional Investment report
	Quarter 4	Quarterly Institutional Investment report
<b>Method of calculation</b>	Expenditure of annual grant divided by total value of Institutional Investment grant as indicated in MTEF allocation letter	
<b>Means of verification</b>	Audited financial statements	
<b>Data limitation</b>	Subject to in year revisions to the budget allocation and provision of drawdown requested	
<b>Type of indicator</b>	Efficiency	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	No	
<b>Desired performance</b>	Over achievement of 95% but within budget	
<b>Indicator responsibility</b>	Sector Development Executive	

## Programme 4 Project Development and Funding Programme

<b>Indicator title</b>	Number of social housing units delivered (reached practical completion)	
<b>Short definition</b>	Number of social housing units that have reached practical completion within the period and are thus considered to have been delivered	
<b>Purpose/importance</b>	Whilst approval of units is important, the actual delivery of units must be achieved in order to fulfil the mandate of the programme and growth of the sector	
<b>Source/collection of data</b>	Practical Completion Certificates	
<b>Evidence</b>	Quarter 1	Practical Completion Certificates
	Quarter 2	Practical Completion Certificates
	Quarter 3	Practical Completion Certificates
	Quarter 4	Practical Completion Certificates

<b>Method of calculation</b>	Calculation of the number of units that have reached practical completion as designated by the practical completion certificate within the given period, the date on the certificate applies
<b>Means of verification</b>	Site visit
<b>Data limitation</b>	Does not include quality
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Over achievement would be positive as completed units are desirable.
<b>Indicator responsibility</b>	Project Development and Funding Executive

<b>Indicator title</b>	Average number of months for a tenant to occupy a unit from the unit reaching practical completion within the financial year	
<b>Short definition</b>	An average for all units completed within the financial year from the data of reaching practical completion as noted on the practical completion certificate from the date the unit is occupied as indicated on the Tenant list provided to the SHRA from the Grant Recipient or Grant Recipient's Principle Agent that lists the unit and date of occupation	
<b>Purpose/importance</b>	In order to ensure the output of the social housing programme is achieved which is the provision of rental accommodation. A unit cannot be occupied based on 'completion' which is achievement of a practical completion certificate.	
<b>Source/collection of data</b>	Project Development and Funding Report tabled at EXCO Practical completion certificates Tenant list indicating date of occupation submitted by the Grant Recipient or Grant Recipient's Principle Agent	
<b>Evidence</b>	Quarter 1	Project Development and Funding Report tabled at EXCO Practical completion certificates Tenant list indicating date of occupation submitted by the Grant Recipient or Grant Recipient's Principle Agent
	Quarter 2	Project Development and Funding Report tabled at EXCO Practical completion certificates Tenant list indicating date of occupation submitted by the Grant Recipient or Grant Recipient's Principle Agent
	Quarter 3	Project Development and Funding Report tabled at EXCO Practical completion certificates Tenant list indicating date of occupation submitted by the Grant Recipient or Grant Recipient's Principle Agent
	Quarter 4	Project Development and Funding Report tabled at EXCO Practical completion certificates

		Tenant list indicating date of occupation submitted by the Grant Recipient or Grant Recipient's Principle Agent
<b>Method of calculation</b>	Calculate the number of days between the date of the practical completion certificate to the date of occupation of the unit. Only utilise data from units having reached practical completion within the financial year. Calculate the average (mean) number of days of each unit.	
<b>Means of verification</b>	Tenant audit, lease agreements	
<b>Data limitation</b>	Assumption that the unit is fit for occupation	
<b>Type of indicator</b>	Efficiency	
<b>Calculation type</b>	Cumulative for the year	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Under achievement of the target	
<b>Indicator responsibility</b>	Project Development and Funding Executive	

<b>Indicator title</b>	Number of social housing units approved for capital grant funding	
<b>Short definition</b>	The number of units that have been awarded with Capital Grant award status by resolution by Council	
<b>Purpose/importance</b>	Planning ahead is critical if the target for number of units delivered is to be achieved. This programme has a planning horizon of at least two to three years therefore in this environment project planning is critical. One of the key elements of the programme is to ensure the required number of units is approved in order to ensure delivery.	
<b>Source/collection of data</b>	Council Resolution	
<b>Evidence</b>	Quarter 1	Council Resolution
	Quarter 2	Council Resolution
	Quarter 3	Council Resolution
	Quarter 4	Council Resolution
<b>Method of calculation</b>	Calculating the sum of the number of units stated to have been approved as indicated on the Council Resolution	
<b>Means of verification</b>	Council meeting minutes and audio recording of the meeting	
<b>Data limitation</b>	Does not guarantee that the unit will reach completion	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Non-cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	No	
<b>Desired performance</b>	Over achievement would be positive as completed units are desirable.	
<b>Indicator responsibility</b>	Project Development and Funding Executive	

<b>Indicator title</b>	Percentage expenditure of Consolidated Capital Grant allocation for the financial year
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<b>Short definition</b>	Percentage expenditure of the Consolidated Capital Grant allocation for the financial year that is expended within that same financial year	
<b>Purpose/importance</b>	In order to utilise the budget allocated for the social housing programme within the year in which it is allocated	
<b>Source/collection of data</b>	Financial statements	
<b>Evidence</b>	Quarter 1	Project Development and Funding Quarterly report
	Quarter 2	Project Development and Funding Quarterly report
	Quarter 3	Project Development and Funding Quarterly report
	Quarter 4	Project Development and Funding Quarterly report
<b>Method of calculation</b>	Expenditure of annual grant divided by total value of grant as indicated in MTEF allocation letter	
<b>Means of verification</b>	Audited financial statements	
<b>Data limitation</b>	Expenditure only, does not indicate cashflow movements Subject to in year revisions to the budget allocation and provision of drawdown	
<b>Type of indicator</b>	Efficiency	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	No (however in previous years this has been the Restructuring Capital Grant but from 2017/18 the grant for project funding will change to Consolidated Capital Grant as portion of the Institutional Subsidy will be allocated to the SHRA as well as the RCG)	
<b>Desired performance</b>	Overachievement of the target would be desired	
<b>Indicator responsibility</b>	Project Development and Funding Executive	

<b>Indicator title</b>	Annual development and submission of the Social Housing Investment Plan (SHIP) as per the Social Housing Act	
<b>Short definition</b>	The Social Housing Investment Plan (SHIP) is defined in the Social Housing Act as a corporate plan and budget as required by the PFMA, comprising a capital investment plan and an Institutional Investment Plan for the capital institutional and investment activity of the Regulatory Authority for purposes of the social housing programme.	
<b>Purpose/importance</b>	Section 11 (2) (a) states that the SHRA must annually, in accordance with the PFMA, prepare and submit the SHIP and the SHORP to the Minister Minister (via the National Department of Human Settlements' Entities Oversight Chief Directorate). The purpose of this indicator is to ensure this plan is developed and submitted.	
<b>Source/collection of data</b>	Email proof of submission of the SHIP, SHIP approved by Council	
<b>Evidence</b>	Quarter 1	EXCO minutes at which the SHIP was tabled and 1st draft SHIP
	Quarter 2	EXCO minutes at which the SHIP was tabled and 2nd draft SHIP

	Quarter 3	Routing form to the Office of the CEO Final SHIP
	Quarter 4	Email proof of submission to the NDoHS by 30 January 2018 Council resolution approving the SHIP prior to the submission to the Office of the Minister
<b>Method of calculation</b>	Review of EXCO minutes and draft reports. Review of email and Council resolution.	
<b>Means of verification</b>	Listen to the audio of EXCO and Council minutes.	
<b>Data limitation</b>	Does not refer to quality of the SHIP produced	
<b>Type of indicator</b>	Activity	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Quarterly	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Achievement as per the required timeframes for submission	
<b>Indicator responsibility</b>	Project Development and Funding Executive	

<b>Indicator title</b>	Percentage of annual Consolidated Capital Grant allocation awarded to Other Delivery Agents	
<b>Short definition</b>	Percentage of annual Consolidated Capital Grant allocation awarded to Other Delivery Agents' project submitted for grant award	
<b>Purpose/importance</b>	To ensure achievement of strategic objective to develop and implement a model that enables private sector involvement into social housing	
<b>Source/collection of data</b>	Contracts with grant recipients, Quarterly Project Development and Funding Report tabled at EXCO	
<b>Evidence</b>	Quarter 1	n/a as not target
	Quarter 2	n/a as not target
	Quarter 3	n/a as not target
	Quarter 4	Contracts with grant recipients, Quarterly Project Development and Funding Report tabled at EXCO
<b>Method of calculation</b>	Calculate the sum of Consolidated Capital Grant awarded to projects by ODAs within the period then divide this by annual Consolidated Capital Grant allocation as a percentage	
<b>Means of verification</b>	Council resolution of capital grant awards Capital grant application documents stating if grant applicant is an ODA or SHI	
<b>Data limitation</b>	Does not relate to the number of projects nor the B-BBBEE status of the ODA. Does not mean that the project will reach completion.	
<b>Type of indicator</b>	Effectiveness	
<b>Calculation type</b>	Cumulative	
<b>Reporting cycle</b>	Annual	
<b>New indicator</b>	Yes	
<b>Desired performance</b>	Overachievement of the target	
<b>Indicator responsibility</b>	Project Development and Funding Executive	

<b>Indicator title</b>	Percentage of annual Consolidated Capital Grant allocation awarded to B-BBEE Owned/Controlled Companies as defined in the B-BBEE Act	
<b>Short definition</b>	<p>B-BBEE Act No. 53 of 2003 as amended and the Code of Good Practice, 2013 provide the following definitions:</p> <p>"B-BBEE Controlled Company" means a juristic person, having shareholding or similar members interest, in which black participants enjoy a right to Exercisable Voting Rights that is at least 51% of the total such rights measured using the Flow Through Principle;</p> <p>"B-BBEE Owned Company" means juristic person, having shareholding or similar members interest, that is B-BBEE controlled, in which Black participants enjoy a right to Economic Interest that is at least 51 % of the total such rights measured using the Flow Through Principle;</p> <p>'Black people' is a generic term which means Africans, Coloureds and Indians who are citizens.</p> <p>The indicator therefore assumes that each grant recipient will be analysed to determine if they can be classified as either a B-BBEE Controlled Company or B-BBEE Owned Company as per the definitions above. Then the percentage of annual Consolidated Capital Grant allocation awarded to either to B-BBEE Owned/Controlled Companies within the financial year will be calculated.</p>	
<b>Purpose/importance</b>	To ensure transformation and empowerment of the social housing sector	
<b>Source/collection of data</b>	Contracts with grant recipients, B-BBEE certificates of Grant Recipients, Quarterly Project Development and Funding Report tabled at EXCO	
<b>Evidence</b>	Quarter 1	n/a as not target
	Quarter 2	Contracts with grant recipients, Quarterly B-BBEE certificates of Grant Recipients, Project Development and Funding Report tabled at EXCO
	Quarter 3	n/a as not target
	Quarter 4	Contracts with grant recipients, B-BBEE certificates of Grant Recipients, Quarterly Project Development and Funding Report tabled at EXCO
<b>Method of calculation</b>	Calculate the sum of Consolidated Capital Grant awarded to projects by B-BBEE Owned/Controlled Companies within the period then divide this by annual Consolidated Capital Grant allocation as a percentage	
<b>Means of verification</b>	Verify that the certificate has been issued by an accredited agency	
<b>Data limitation</b>	Does not mean that the project will reach completion	
<b>Type of indicator</b>	Equity	
<b>Calculation type</b>	Cumulative	

<b>Reporting cycle</b>	Annual
<b>New indicator</b>	Yes
<b>Desired performance</b>	Overachievement of the target
<b>Indicator responsibility</b>	Project Development and Funding Executive