

Vote 8

Human Settlements

R thousand	2020/21			
	Special adjustments appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	3 490 754	3 564 155		73 401
MEC remuneration ¹	-	-		
Total amount to be appropriated	3 490 754	3 564 155		73 401
<i>of which:</i>				
Current payments	562 639	560 565	(2 074)	
Transfers and subsidies	2 915 075	2 993 795		78 720
Payments for capital assets	13 040	9 795	(3 245)	
Payments for financial assets	-	-		
Responsible MEC	MEC for Public Works and Human Settlements			
Administering department	Human Settlements			
Accounting Officer	Head: Human Settlements			

1. Vision and mission

Vision

The vision of the department is: *To restore dignity and provide access to sustainable livelihoods through collaborated, equitable, decent and integrated human settlements.*

Mission

The mission of the Department of Human Settlements (DOHS) is: *To transform human settlements into liveable neighbourhoods through integrated human settlements in areas with major economic opportunities and empowerment of all designated groups.*

2. Strategic outcomes

The new framework for SPs and APPs has shifted from a goal-focused approach to an impact-focused approach. As such, the implementation of the new framework resulted in the phasing out of strategic objectives and the introduction of outcomes. The impact and outcomes of the department are as follows:

- Impact: Sustainable livelihoods through transformed human settlements.
- Outcome: Improved good governance.
- Outcome: Spatial transformation through multi-programme integration.
- Outcome: Adequate housing and improved quality living environment.
- Outcome: Improved security of tenure.
- Outcome: Economically transformed human settlements sector.

3. Summary of adjusted estimates for the 2020/21 financial year

The main appropriation of the department was R3.930 billion in 2020/21. During the year, the Covid-19 pandemic resulted in the department's budget being reduced by R439.143 million and this was formalised with the tabling of the Special Adjustments Estimate in July. Following the Special Adjustments Estimate, the department received an additional allocation totalling R91.571 million, which was offset by a budget cut of R18.170 million. The amount to be appropriated in the 2020/21 Second Adjustments Estimate is thus R3.564 billion, and the adjustments are explained as follows:

¹ The salary of the MEC for Human Settlements is budgeted for under Vote 14: Public Works

- *Roll-overs*: A roll-over of R86.095 million from 2019/20 was approved in respect of the Provincial Emergency Housing grant (PEHG). This relates to the storms between December 2018 and January 2019 that affected eight districts in the province with damage to 2 800 houses. In addition, these funds were for severe storms and heavy rain experienced in April 2019 that caused damage to houses (mostly mud structures) in rural areas, where a total of 1 277 households were affected. These funds were allocated against *Transfers and subsidies to: Households* in Programme 3: Housing Development.
- *Virement between programmes*: The department did not undertake any virements across programmes but virements were undertaken across economic categories and sub-programmes within programmes, as explained in Section 4.

The decrease in capital does not require Legislature approval, as capital for the Vote as a whole was increased due to there being an increase in terms of capital transfers under *Transfers and subsidies to: Provinces and municipalities*.

These virements are permissible in terms of the PFMA and Treasury Regulations. Several virements require Legislature approval, and these are highlighted in grey and are summarised below:

Legislature approval is required for the decrease in *Transfers and subsidies to: Households* in respect of the Human Settlements Development grant (HSDG).

- *Shifts*: The department did not undertake any shifts across programmes but shifts were undertaken across economic categories and sub-programmes within programmes, as explained in Section 4.
- *Other adjustments*: The department's budget allocation was decreased by a net amount of R12.694 million as follows:
 - o The department's budget was cut by R18.170 million which is a portion of the R25.300 billion cut from the provincial sphere by National Treasury. This cut is meant to reduce growth of the public sector wage bill and is implemented against the provision made for the 2020 cost-of-living adjustment which is unlikely to be implemented before the end of the financial year. The cut was effected against *Compensation of employees* in respect of Programme 1: Administration, Programme 2: Housing Needs, Research and Planning, and Programme 3. Programme 4: Housing Asset Management was reduced against *Transfers and subsidies to: Departmental agencies and accounts*.
 - o R5.476 million was approved to be allocated to the department relating to funds collected from the sale of units at Ridgeview Gardens in respect of the Finance Linked Individual Subsidy Programme (FLISP) development, as well as portion of interest received from Ithala Development Finance Corporation (Ithala) relating to the Military Veterans' housing project, where funds were paid to Ithala in 2016/17 but little progress was made on this project. The agreement with Ithala was that any interest earned on these funds would be paid to the department. These funds are therefore allocated to the department to cater for the FLISP communication strategy (R2 million), which is an advertising strategy for FLISP to make people aware of the programme. This strategy was inadvertently not budgeted for. The funds will also be utilised to cover spending pressures under the rural housing project in the Zululand District which was inadequately budgeted for. The funds are allocated under Programme 3, against *Goods and services* (R2 million) and *Transfers and subsidies to: Households* (R3.476 million).

Tables 8.1 and 8.2 reflect a summary of the 2020/21 adjusted appropriation of the department, summarised according to programme and economic classification.

Note that further details of adjustments at economic classification level are provided in *Annexure – Vote 8: Human Settlements*.

Table 8.1 : Summary by programmes

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	245 356	-	-	-	-	(7 870)	(7 870)	237 486
2. Housing Needs, Research and Planning	19 334	-	-	-	-	(700)	(700)	18 634
3. Housing Development	3 058 187	86 095	-	-	-	476	86 571	3 144 758
4. Housing Asset Management	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Total	3 490 754	86 095	-	-	-	(12 694)	73 401	3 564 155
Amount to be voted								73 401

Table 8.2 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	562 639	-	-	12 413	(2 917)	(11 570)	(2 074)	560 565
Compensation of employees	385 520	-	-	(12 592)	-	(13 570)	(26 162)	359 358
Goods and services	177 119	-	-	25 005	(2 917)	2 000	24 088	201 207
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 915 075	86 095	-	(9 168)	2 917	(1 124)	78 720	2 993 795
Provinces and municipalities	35 989	-	-	10 524	-	-	10 524	46 513
Departmental agencies and accounts	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	2 711 209	86 095	-	(19 692)	2 917	3 476	72 796	2 784 005
Payments for capital assets	13 040	-	-	(3 245)	-	-	(3 245)	9 795
Buildings and other fixed structures	7 716	-	-	(5 716)	-	-	(5 716)	2 000
Machinery and equipment	5 324	-	-	2 471	-	-	2 471	7 795
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	3 490 754	86 095	-	-	-	(12 694)	73 401	3 564 155
Amount to be voted								73 401

4. Changes to programme purposes and service delivery measures

There are no changes to the programme purposes. There were some changes made to the service delivery measures to align the targets in the 2020/21 *EPRE* with the department's APP. The department tabled a revised 2020/21 APP, to take into account changes resulting from the Covid-19 pandemic. As such, the non financial data differs from the tabled *EPRE* in many instances, and these are reflected in the "Revised target" column in the non financial tables.

4.1 Programme 1: Administration

The purpose of this programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information. The strategic objectives of this programme are to strengthen governance and service delivery.

Tables 8.3 and 8.4 reflect a summary of the 2020/21 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R7.870 million, are provided in the paragraphs after the tables.

Table 8.3 : Programme 1: Administration

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	245 356	-	-	-	-	(7 870)	(7 870)	237 486
Total	245 356	-	-	-	-	(7 870)	(7 870)	237 486
Amount to be voted								(7 870)

Table 8.4 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	239 903	-	-	(96)	-	(7 870)	(7 966)	231 937
Compensation of employees	161 471			(10 686)		(7 870)	(18 556)	142 915
Goods and services	78 432			10 590			10 590	89 022
Interest and rent on land							-	-
Transfers and subsidies to:	600	-	-	96	-	-	96	696
Provinces and municipalities	160						-	160
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	440			96			96	536
Payments for capital assets	4 853	-	-	-	-	-	-	4 853
Buildings and other fixed structures							-	-
Machinery and equipment	4 853						-	4 853
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	245 356	-	-	-	-	(7 870)	(7 870)	237 486
Amount to be voted								(7 870)

Virement – Programme 1: Administration

The department undertook virements within the sub-programme: Administration and within the programme affecting economic classifications as follows:

- Savings of R10.686 million were identified against *Compensation of employees* in respect of vacant posts, such as Deputy Director: Rental Tribunal, Assistant Director: Financial Control, etc. which were approved to be filled but recruitment processes were delayed as a result of the nationwide lockdown, and these posts were advertised in October 2020 but short-listing and interviewing are yet to take place. These savings were moved as follows:
 - R10.590 million was moved to *Goods and services* to cater for the payment of Microsoft software licence fees which were expected to be paid at the end of 2019/20, but the payment could not be undertaken as a result of the nationwide lockdown. The funds are also to provide for the appointment of resources deployed by Provincial Treasury to provide SCM support at the department such as to assist in the development of a contract management process, to review and develop SCM reporting templates, etc., which were not budgeted for and commenced in February 2020. Furthermore, these funds were moved to cater for inflationary increases on operating leases for office buildings, which were inadequately budgeted for.
 - R96 000 was moved to *Transfers and subsidies to: Households* in respect of staff exit costs which were not anticipated.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Other adjustments – Programme 1: Administration: (R7.870 million)

The special adjustments appropriation of the sub-programme: Administration under Programme 1 was cut by R7.870 million against *Compensation of employees*. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year.

4.2 Programme 2: Housing Needs, Research and Planning

The purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, education of stakeholders in housing sector

planning, alignment of the housing budget with the current and future housing needs, and the capacitation of housing stakeholders for housing delivery through mentorship and training.

Tables 8.5 and 8.6 reflect a summary of the 2020/21 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R700 000, are provided in the paragraphs after the tables.

Table 8.5 : Programme 2: Housing Needs, Research and Planning

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	458						-	458
2. Policy	5 771			(721)		(390)	(1 111)	4 660
3. Planning	4 615					(310)	(310)	4 305
4. Research	8 490			721			721	9 211
Total	19 334	-	-	-	-	(700)	(700)	18 634
Amount to be voted								(700)

Table 8.6 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	19 314	-	-	(22)	-	(700)	(722)	18 592
Compensation of employees	17 626			(101)		(700)	(801)	16 825
Goods and services	1 688			79			79	1 767
Interest and rent on land							-	-
Transfers and subsidies to:	-	-	-	22	-	-	22	22
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				22			22	22
Payments for capital assets	20	-	-	-	-	-	-	20
Buildings and other fixed structures							-	-
Machinery and equipment	20						-	20
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	19 334	-	-	-	-	(700)	(700)	18 634
Amount to be voted								(700)

Virement – Programme 2: Housing Needs, Research and Planning

The department undertook virements within Programme 2, resulting in no change against the special adjustments appropriation of the programme. In this regard, savings of R721 000 were identified under the Policy sub-programme against *Compensation of employees* in respect of vacant posts, namely Assistant Director and Personal Assistant, which are in the process of being filled. These savings were moved to the same category in the Research sub-programme to cater for the costs of a Deputy Director who was deployed from the office of the Executive Authority.

In addition, the following virements were undertaken within the Planning sub-programme and across economic classifications:

- Savings of R101 000 were identified against *Compensation of employees* in respect of the post of Senior Administration Officer which became vacant during 2020/21 due to retirement. These savings were moved as follows:
 - R79 000 was moved to *Goods and services* to cater for costs relating to system access and information fees relating to WinDeed which were inadequately budgeted for. WinDeed is a system utilised for accessing searches, such as property searches, property ownership, etc.
 - R22 000 was moved to *Transfers and subsidies to: Households* in respect of staff exit costs which were not budgeted for.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Other adjustments – Programme 2: Housing Needs, Research and Planning: (R700 000)

The special adjustments appropriation of Programme 2: Housing Needs, Research and Planning was cut by R700 000 against *Compensation of employees*, with the reduction being effected against the sub-programmes: Policy and Planning. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year.

Service delivery measures – Programme 2: Housing Needs, Research and Planning

Table 8.7 shows the revised service delivery information for Programme 2. The department revised one measure to align it with the targets published in the 2020/21 revised APP, and this is shown in the 2020/21 Revised target column.

Table 8.7 : Service delivery measures – Programme 2: Housing Needs, Research and Planning

Table 5.1: Service delivery measures – Programme 2: Housing Needs, Research and Planning				
Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
Planning				
1.1 Spatial transformation through multi-programme integration in priority development	• No. of individuals provided with consumer education	15 000	-	6 000
	• No. of catalytic projects in planning	5	-	
	• No. of human settlement development projects planned in accordance with the KZN Human Settlements Master Spatial Plan's (HSMSP) focus areas	21	-	
	• No. of hectares of land procured/proclaimed	150	-	
	• No. of farm dwelling projects in planning	2	-	
	• No. of informal settlements upgraded to Phase 3	16	-	

4.3 Programme 3: Housing Development

This programme is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro, through various subsidy mechanisms in terms of national and provincial policies. The programme has a number of projects at various stages of implementation within each municipality. It is also expected to achieve certain key strategic objectives of the department through the implementation of projects using various subsidy instruments. The subsidy instruments implemented are: individual, project linked, institutional, consolidation, relocation, disaster management, social housing, rectification, social and economic facilities and rural housing stock.

Programme 3 consists of the bulk of the HSDG and the Title Deeds Restoration grant (TDRG), the remainder of which falls under Programme 4. Programme 3 also includes the EPWP Integrated Grant for Provinces, as well as the PEHG.

Tables 8.8 and 8.9 reflect a summary of the 2020/21 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R86.571 million, are given below.

Table 8.8 : Programme 3: Housing Development

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	106 678					(3 000)	(3 000)	103 678
2. Financial Interventions	382 343			10 000			10 000	392 343
3. Incremental Interventions	1 481 777	86 095		(10 000)			76 095	1 557 872
4. Social and Rental Intervention	206 705						-	206 705
5. Rural Intervention	880 684					3 476	3 476	884 160
Total	3 058 187	86 095	-	-	-	476	86 571	3 144 758
Amount to be voted								86 571

Table 8.9 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	303 422	-	-	12 531	(2 917)	(3 000)	6 614	310 036
Compensation of employees	206 423			(1 805)		(5 000)	(6 805)	199 618
Goods and services	96 999			14 336	(2 917)	2 000	13 419	110 418
Interest and rent on land							-	-
Transfers and subsidies to:	2 746 598	86 095	-	(9 286)	2 917	3 476	83 202	2 829 800
Provinces and municipalities	35 829			10 524			10 524	46 353
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	2 710 769	86 095		(19 810)	2 917	3 476	72 678	2 783 447
Payments for capital assets	8 167	-	-	(3 245)	-	-	(3 245)	4 922
Buildings and other fixed structures	7 716			(5 716)			(5 716)	2 000
Machinery and equipment	451			2 471			2 471	2 922
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	3 058 187	86 095	-	-	-	476	86 571	3 144 758
Amount to be voted								86 571

Roll-over – Programme 3: Housing Development: R86.095 million

A roll-over of R86.095 million was approved in respect of the PEHG. This relates to the storms between December 2018 and January 2019 that affected eight districts in the province with damage to 2 800 houses. In addition, these funds were for severe storms and heavy rain experienced in April 2019 that caused damage to houses (mostly mud structures) in rural areas, where a total of 1 277 households were affected. These funds were allocated for transitional residential area units (temporary structures) in areas including Ugu, iLembe, uMzinyathi and uThukela. There were 2 347 temporary residential units that were damaged by the storms, of which 417 were completed in 2019/20. There is work in progress on 837 foundations and 571 wall plates have been repaired. The balance of 522 units will be completed in 2020/21. These funds were allocated against *Transfers and subsidies to: Households* in Programme 3, as mentioned.

Virement – Programme 3: Housing Development

The department moved funds within the programme and between economic classifications to offset spending pressures, resulting in no change against the special adjustments appropriation of Programme 3. These adjustments are discussed in more detail below:

- Savings of R10 million were identified under the Incremental Interventions sub-programme within the HSDG, against *Transfers and subsidies to: Households* in respect of the following:
 - The Makhoba housing project in the Harry Gwala District and Phumlani housing project in the Umkhanyakude District experienced challenges with installation of bulk water supply as there was no water connection in the area which delayed the project.
 - The Thubelisha Integrated Rural Development Programme (IRDP) housing project in the Zululand District experienced delays due to the fact that the application for the environmental impact assessment was submitted late as a result of the nationwide lockdown.
 - The Madundube informal settlements upgrade housing project in the iLembe District experienced delays in obtaining approved surveyor general diagrams as a result of the nationwide lockdown.
- These savings were moved to the Financial Interventions sub-programme against *Transfers and subsidies to: Provinces and municipalities* to cater for the operational costs of accredited municipalities which were found to be under-budgeted for.

In addition, the following virements were undertaken within sub-programmes and within the programme affecting economic classifications:

- Savings of R1.805 million were identified against the Administration sub-programme under *Compensation of employees* due to internal delays in recruitment processes for filling vacant posts, as well as the impact of the nationwide lockdown. These savings were moved within the sub-programme, as follows:
 - R968 000 was moved to *Goods and services* to cater for the FLISP communication strategy, which is an advertising strategy for FLISP to make people aware of the programme. This strategy was inadvertently not budgeted for.
 - R737 000 was moved to *Transfers and subsidies to: Households* in respect of staff exit costs which were not anticipated.
 - R100 000 was moved to *Machinery and equipment* to cater for the replacement of broken office furniture in the northern region which was not budgeted for.
- Savings of R6.240 million were identified against the Financial Interventions sub-programme in respect of the following:
 - R524 000 from *Goods and services* from subsistence and travel as a result of the nationwide lockdown as there was limited travel during the initial stages of the lockdown. These savings were moved to *Transfers and subsidies to: Provinces and municipalities* within the HSDG to cater for the payment of property rates relating to properties that were inadvertently not budgeted for. These properties are in the KwaDukuza Municipality and fall under the HSDG. These properties were made available for housing development purposes.
 - R5.716 million from *Building and other fixed structures* in respect of the Social and economic amenities programme for the construction of the Sonkombo Community Hall in iLembe District under the HSDG. There was poor performance by the implementing agent and the department had to reduce the scope of work while planning for the appointment of a new contractor to resume the work. The department is in the process of appointing a new service provider. These savings were moved to *Transfers and subsidies to: Households* to cater for FLISP which was inadequately budgeted for within the HSDG.
- Savings of R16.263 million were identified under the Incremental Interventions sub-programme against *Transfers and subsidies to: Households* relating to the following:
 - Kennedy Road Informal Settlement in the eThekweni Metro showed low spending due to social challenges encountered. The community challenged the allocation of labourers between the two wards. The labourers also challenged the salary rate per day. Negotiations are underway to resolve these challenges.
 - The construction at Ntuzuma D Housing project in the eThekweni Metro was delayed by informal structures which are in the way of implementing bulk services. The eThekweni Metro is currently in the process of moving beneficiaries into transit camps but this has delayed the project.

These savings were moved within the sub-programme as follows:

- R13.892 million was moved to *Goods and services* to cater for expenditure incurred in relation to the management of the roll-out of the mass sanitisation of the informal settlements in response to Covid-19. The expenditure incurred related to items purchased including the supply of personal hygiene products, PPE, disinfectants for households, backpack sprayers, etc.
- R2.371 million was moved to *Machinery and equipment* to cater for expenditure incurred in relation to the procurement of vehicle drawn storage carts (tankers) to be used in the roll-out of the mass sanitisation of the informal settlements in respect of the Covid-19 interventions. This equipment is to be used by various districts and municipalities in the province.

- An amount of R829 000 was moved within *Transfers and subsidies to: Households* and this virement is not evident in the above table. Savings were realised as a result of the Makhoba housing project in the Harry Gwala District and Phumlani housing project in the uMkhanyakude District experiencing challenges with the installation of bulk water supply, which delayed these projects. These savings were utilised to offset staff exit costs that were not anticipated (R737 000), as well as a donation of 42 dormitory beds to the Dokkies Training College to be utilised by young people currently receiving training in the manufacturing of overalls and masks to deal with the Covid-19 pandemic (R92 000).

The decrease in capital does not require Legislature approval, as capital for the Vote as a whole was increased due to an increase in capital transfers under *Transfers and subsidies to: Provinces and municipalities*.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Legislature approval is required for the decrease in *Transfers and subsidies to: Households* in respect of the HSDG.

Shift – Programme 3: Housing Development

The department undertook a shift within the Financial Interventions sub-programme, between economic classifications, which resulted in no change in respect of the sub-programmes or the programme as a whole. An amount of R2.917 million was shifted from *Goods and services* to *Transfers and subsidies to: Households* for the skills development programme. The approval was obtained for learners to participate in the skills development programme relating to the construction of the storm water control on the houses built in Emadungeni to prevent storm water from running into the houses as the terrain where the houses are built is very steep. The purpose of these funds remains unchanged.

Other adjustments – Programme 3: Housing Development: R476 000

The department's budget allocation shows a net increase of R476 000 as follows:

- The special adjustments appropriation of Programme 3 was cut by R5 million against *Compensation of employees*, with the reduction being effected against the sub-programme: Administration. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year.
- An amount of R5.476 million was approved to be allocated to the department relating to funds collected from the sale of units at Ridgeview Gardens in respect of the FLISP development, as well as portion of interest received from Ithala relating to the Military Veterans' housing project, where funds were paid to Ithala in 2016/17 but little progress was made on this project. The agreement with Ithala was that any interest earned on these funds would be paid to the department. These funds are therefore allocated to the department to cater for the FLISP communication strategy (R2 million), as mentioned, as well as to cover spending pressures under the rural housing project in the Zululand District which were inadequately budgeted for. The funds are allocated under Programme 3, against *Goods and services* (R2 million) and *Transfers and subsidies to: Households* (R3.476 million).

Service delivery measures – Programme 3: Housing Development

Table 8.10 shows the revised service delivery information for Programme 3.

It is noted that the department revised various measures to align them with the targets published in the 2020/21 APP and these are reflected in the Revised target column. Two new measures are introduced and these are indicated in bold italics. The wording of three outputs has been corrected to align to the APP and this is also highlighted in bold italics.

Table 8.10 : Service delivery measures – Programme 3: Housing Development

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1.1 Finance linked individual subsidy programme	• No. of beneficiaries subsidised in terms of FLISP	300	95	330
1.2 Community Residential Units	• No. of CRUs completed	400	-	
	• No. of social housing units completed	200	-	
1.3 Job creation	• No. of targeted FTEs	2 000	141	730
	• No. of work opportunities created through related programmes	5 000	1 684	4 000
	• No. of targeted persons day of work	668 000	32 430	180 150
	• No. of EPWP beneficiaries provided with accredited training	300	-	120
1.4 Companies of designated groups trained	• No. of designated group companies trained	100	-	50
1.5 Social housing institutions accredited	• No. of social housing institutions accredited	3	-	
1.6 All subsidy instruments	• No. of sites serviced through housing prog. to households earning less than R3 500	5 138	1 448	3 952
	• No. of new housing units completed through housing prog. (excl. CRU, FLISP, etc.) for households earning less than R3 500	13 130	3 784	10 036
	• No. of post- 1994 title deeds registered for the subsidy market (April 1994-March 2014)	2 993	84	2 557
	• No. of post-2014 title deeds registered for the subsidy market (April 2014 to March 2019)	34 454	288	6 710
	• No. of Number of new title deeds registered for the subsidy market (from April 2019)	5 138	320	2 944
	• No. of densely populated settlements sanitised	New	51	105
	• No. of informal settlements upgraded to Phase 3	New	-	2

4.4 Programme 4: Housing Asset Management

This programme is responsible for the management of Ex-Natal Provincial Administration and Own Affairs stock. This stock includes residential properties, vacant land and a variety of other non-residential properties, all of which belong to the KZN Housing Fund. In terms of its mandate, all properties will, on a progressive basis, either be transferred to individual occupants in terms of the Enhanced Extended Discount Benefit Scheme (EEDBS), or be disposed of in the open market. Some of these properties will also be devolved to municipalities. In cases where a transfer is not possible, such stock will remain rental stock. The KZN Housing Fund is in the process of being dis-established and, once this process is finalised, all assets and liabilities will be transferred to the Vote.

Tables 8.11 and 8.12 reflect a summary of the 2020/21 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R4.600 million, are provided in the paragraphs after the tables.

Table 8.11 : Programme 4: Housing Asset Management

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	50 245					(4 600)	(4 600)	45 645
2. Sale and Transfer of Housing Properties	41 932						-	41 932
3. Housing Properties Maintenance	75 700						-	75 700
Total	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Amount to be voted								(4 600)

Table 8.12 : Summary by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	-	-	-	-	-	-	-	-
Compensation of employees							-	-
Goods and services							-	-
Interest and rent on land							-	-
Transfers and subsidies to:	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Provinces and municipalities							-	-
Departmental agencies and accounts	167 877					(4 600)	(4 600)	163 277
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Buildings and other fixed structures							-	-
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Amount to be voted								(4 600)

Other adjustments – Programme 4: Housing Asset Management: (R4.600 million)

The special adjustments appropriation of Programme 4: Housing Asset Management was cut by R4.600 million against *Transfers and subsidies to: Departmental agencies and accounts* in respect of the salaries of the staff paid under the KZN Housing Fund, with the reduction being effected against the sub-programme: Administration. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before year-end.

Service delivery measures – Programme 4: Housing Asset Management

Table 8.13 shows the service delivery information for Programme 4. It is noted that the department revised all measures under this programme to align them with the targets published in the 2020/21 APP and these are reflected in the Revised target column. The table also shows the actual achievements in the first half of the year.

Table 8.13 : Service delivery measures – Programme 4: Housing Asset Management

Outputs	Performance indicators	Performance targets		
		2020/21 Original target	2020/21 Mid-year actual	2020/21 Revised target
1. To provide secure tenure to communities	<ul style="list-style-type: none"> No. of pre-1994 title deeds issued No. of rental units sold to beneficiaries No. of debtors reduced per financial year No. of units maintained No. of units rectified for pre-1994 stock No. of land parcels devolved to municipalities in terms of Section 15 of the Housing Act, 1997 	14 046 300 400 500 520 100	104 75 123 48 135 7	2 002 200 250 400 350 60

5. Specifically and exclusively appropriated allocations

The department did not receive any specifically and exclusively appropriated allocations in 2020/21, apart from conditional grant funding and transfers to local government, which are mentioned in Sections 8 and 10 below.

6. Gifts, donations and sponsorships

The department is not envisaging any gifts, donation or sponsorships exceeding R100 000 in 2020/21.

7. Infrastructure

Table 8.14 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in an overall net increase of R8.748 million, are provided in the paragraphs following the table.

Table 8.14 : Summary of infrastructure payments by category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	-	-	-	-	-	-	-	-
Maintenance and repair: Current							-	-
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital							-	-
New infrastructure assets: Capital	7 716			(5 716)			(5 716)	2 000
Infrastructure transfers	35 829	-	-	10 000	-	-	10 000	45 829
Infrastructure transfers: Capital	35 829			10 000			10 000	45 829
Infrastructure transfers: Current							-	-
Infrastructure: Payments for financial assets							-	-
Infrastructure: Leases	23 431			4 464			4 464	27 895
Non infrastructure							-	-
Capital infrastructure	43 545	-	-	4 284	-	-	4 284	47 829
Current infrastructure	23 431	-	-	4 464	-	-	4 464	27 895
Total	66 976	-	-	8 748	-	-	8 748	75 724
Amount to be voted								8 748

- **Virement:** The department undertook the following virements against this category:
 - o R5.716 million was moved from *New infrastructure assets: Capital* in respect of Social and economic amenities programme for the construction of the Sonkombo Community Hall in the iLembe District under the HSDG. There was poor performance by the implementing agent and the department had to reduce the scope of work while planning for the appointment of a new contractor to resume the work. The department is in the process of appointing a new service provider. These savings were moved to *Transfers and subsidies to: Households* to cater for FLISP which was inadequately budgeted for within the HSDG.
 - o R10 million was moved to *Infrastructure transfer: Capital* from *Transfers and subsidies to: Households* to cater for the operational costs of accredited municipalities which were found to be under-budgeted for following a review of the programme which was undertaken by the department.
 - o Savings of R4.464 million were identified under Programme 1 against *Compensation of employees* and were moved to *Infrastructure: Leases* to cater for inflationary increases on operating leases for office buildings, which were inadequately budgeted for.

8. Conditional grants

Tables 8.15 and 8.16 provide a summary of changes to conditional grants. Details of the main adjustments, which resulted in an overall increase of R86.095 million in the conditional grant allocation, are given in the paragraphs following the tables.

Table 8.15 : Summary of changes to conditional grants

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
3. Housing Development	2 951 509	86 095	-	-	-	-	86 095	3 037 604
Human Settlements Development grant	2 903 131						-	2 903 131
Title Deeds Restoration grant	36 740						-	36 740
EPWP Integrated Grant for Provinces	11 638						-	11 638
Provincial Emergency Housing grant		86 095					86 095	86 095
4. Housing Asset Management	117 632	-	-	-	-	-	-	117 632
Human Settlements Development grant	117 632						-	117 632
Total	3 069 141	86 095	-	-	-	-	86 095	3 155 236
Amount to be voted								86 095

Table 8.16 : Summary of conditional grants by economic classification

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	196 764	-	-	13 422	(2 917)	-	10 505	207 269
Compensation of employees	102 880						-	102 880
Goods and services	93 884			13 422	(2 917)		10 505	104 389
Interest and rent on land							-	-
Transfers and subsidies to:	2 864 230	86 095	-	(10 077)	2 917	-	78 935	2 943 165
Provinces and municipalities	35 829			10 524			10 524	46 353
Departmental agencies and accounts	117 632						-	117 632
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	2 710 769	86 095		(20 601)	2 917		68 411	2 779 180
Payments for capital assets	8 147	-	-	(3 345)	-	-	(3 345)	4 802
Buildings and other fixed structures	7 716			(5 716)			(5 716)	2 000
Machinery and equipment	431			2 371			2 371	2 802
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	3 069 141	86 095	-	-	-	-	86 095	3 155 236
Amount to be voted								86 095

- *Roll-over*: A roll-over of R86.095 million was approved in respect of the PEHG. This relates to the storms between December 2018 and January 2019 that affected eight districts in the province with damage to 2 800 houses. In addition, these funds were for severe storms and heavy rain experienced in April 2019 that caused damage to houses (mostly mud structures) in rural areas, where a total of 1 277 households were affected as explained in detail under Programme 3. These funds were allocated against *Transfers and subsidies to: Households* in Programme 3, as mentioned.
- *Virement*: The department undertook the following virements under Programme 3 within the HSDG and between economic classifications:
 - o Savings of R20.601 million were identified against *Transfers and subsidies to: Households* due to the following.
 - Spending on the Kennedy Road Informal Settlement in the eThekweni Metro showed low spending due to social challenges encountered. The community challenged the allocation of labourers between the two wards. The labourers also challenged the salary rate per day. Negotiations are underway to resolve these challenges.
 - The construction at Ntuzuma D Housing project in the eThekweni Metro was delayed by informal structures being in the way of services. The Metro is currently in the process of moving beneficiaries into transit camps.
 - The Makhoba housing project in the Harry Gwala District and Phumlani housing project in the uMkhanyakude District experienced challenges with the installation of bulk water supply which delayed the project.
 - o Savings of R5.716 million were identified against *Buildings and other fixed structures* in respect of the Social and economic amenities programme for the construction of the Sonkombo Community Hall in the iLembe District under the HSDG. There was poor performance by the implementing agent and the department had to reduce the scope of work while planning for the appointment of a new contractor to resume the work, as mentioned.

These savings were moved as follows:

- o R13.422 million was moved to *Goods and services* to cater for expenditure incurred in relation to the management of the roll-out of the mass sanitisation of the informal settlements in response to the Covid-19. The items purchased include the supply of personal hygiene products, PPE, disinfectants for households, backpack sprayers, etc., as mentioned.

- o R10.524 million was moved to *Transfers and subsidies to: Provinces and municipalities* for the payment of property rates (R524 000) relating to properties that were inadvertently not budgeted for and R10 million was to cater for the operational costs of accredited municipalities which were found to be under-budgeted for.
- o R2.371 million was moved to *Machinery and equipment* to cater for expenditure incurred in relation to the procurement of vehicle drawn storage carts (tankers) to be used in the roll-out of the mass sanitisation of the informal settlements in respect of the Covid-19 interventions. This equipment is to be used by various districts and municipalities in the province.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Legislature approval is required for the decrease in *Transfers and subsidies to: Households* in respect of the HSDG.

9. Transfers and subsidies

Table 8.17 shows the summary of transfers and subsidies by programme and main category. Details of the main adjustments, which resulted in an overall increase of R78.720 million in the transfers and subsidies allocation, are provided in the paragraphs following the table.

Table 8.17 : Summary of transfers and subsidies by programme and main category

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	600	-	-	96	-	-	96	696
Provinces and municipalities	160	-	-	-	-	-	-	160
Motor vehicle licences	160							160
Households	440	-	-	96	-	-	96	536
Staff exit costs				96			96	96
Bursaries	440						-	440
2. Housing Needs, Research and Planning	-	-	-	22	-	-	22	22
Households	-	-	-	22	-	-	22	22
Staff exit costs				22			22	22
3. Housing Development	2 746 598	86 095	-	(9 286)	2 917	3 476	83 202	2 829 800
Provinces and municipalities	35 829	-	-	10 524	-	-	10 524	46 353
Op. costs of accredited municipalities (HSDG)	24 289			10 000			10 000	34 289
Section 21 - Rates and Taxes (HSDG)				524			524	524
Title Deeds Restoration grant	11 540						-	11 540
Households	2 710 769	86 095	-	(19 810)	2 917	3 476	72 678	2 783 447
Staff exit costs				737			737	737
Staff exit costs (HSDG)	154						-	154
Donations: Dokkies Training College (HSDG)				92			92	92
Re-allocation of funds						3 476	3 476	3 476
Provincial Emergency Housing grant		86 095					86 095	86 095
Human Settlements Development grant	2 710 615			(20 639)	2 917		(17 722)	2 692 893
4. Housing Asset Management	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Departmental agencies and accounts	167 877	-	-	-	-	(4 600)	(4 600)	163 277
KZN Housing Fund							-	-
Equitable Share	50 245					(4 600)	(4 600)	45 645
Human Settlements Development Grant	117 632						-	117 632
Total	2 915 075	86 095	-	(9 168)	2 917	(1 124)	78 720	2 993 795
Amount to be voted								78 720

- **Roll-over:** A roll-over of R86.095 million from 2019/20 was approved in respect of the PEHG. This relates to the storms between December 2018 and January 2019 that affected eight districts in the province with damage to 2 800 houses. In addition, these funds were for severe storms and heavy rain experienced in April 2019 that caused damage to houses (mostly mud structures) in rural areas, where a total of 1 277 households were affected, as explained. These funds were allocated against *Transfers and subsidies to: Households* in Programme 3, as mentioned.
- **Virement:** The department undertook the following virements affecting *Transfers and subsidies*:
 - o Programme 1 was increased by R96 000 against *Households* to cater for staff exit costs that were not anticipated.
 - o Programme 2 was increased by R22 000 against *Households* to cater for staff exit costs that were not anticipated.

- o Under Programme 3, the following virements were undertaken:
 - *Provinces and municipalities* increased by R10.524 million for the payment of property rates (R524 000) relating to properties that were inadvertently not budgeted for and R10 million was to cater for the operational costs of accredited municipalities which were found to be under-budgeted for after the programme was reviewed.
 - *Households* was decreased by a net amount of R19.810 million in respect of the R20.639 million moved to *Transfers and subsidies to: Provinces and municipalities* for the operational costs of accredited municipalities, as mentioned, and to cater for expenditure incurred in relation to the management of the roll-out of the mass sanitisation of the informal settlements in response to Covid-19 in *Goods and services*. The items purchased included the supply of personal hygiene products, PPEs, disinfectants for households, backpack sprayers, etc. This net decrease was after an increase of R737 000 in respect of unanticipated staff exit costs and R92 000 in respect of a donation of 42 dormitory beds to the Dokkies Training College to be utilised by young people currently receiving training in the manufacturing of overalls and masks to deal with the Covid-19 pandemic under the HSDG.

All virements undertaken were in line with the PFMA and Treasury Regulations.

Legislature approval is required for the decrease in *Transfers and subsidies to: Households* in respect of the HSDG.

- *Shifts*: The department undertook a shift where an amount of R2.917 million was shifted from *Goods and services* to *Households* for the skills development programme. The approval was obtained for learners to participate in the skills development programme relating to the construction of the storm water control on the houses built in Emadungeni to prevent storm water from running into the houses as the terrain where the houses are built is very steep. The purpose of these funds remains unchanged.
- *Other adjustments*: The department's budget allocation shows a net decrease of R1.124 million as follows:
 - o An amount of R4.600 million was reduced against *Departmental agencies and accounts* in respect of the staff paid under the KZN Housing Fund. This relates to the provision made for the 2020 cost-of-living adjustment as this matter is currently in court and is unlikely to be resolved before the end of the financial year.
 - o An amount of R3.476 million was approved to be allocated to the department relating to funds collected from the sale of units at Ridgeview Gardens in respect of the FLISP development, as well as portion of interest received from Ithala relating to the Military Veterans' housing project. These funds will cover spending pressures under the rural housing project in the Zululand District which were inadequately budgeted for. The funds were allocated under Programme 3, against *Households*.

10. Transfers to local government

Tables 8.18 to 8.21 show the details of transfers to local government, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act, 2020.

It is noted that the amount against *Transfers and subsidies to: Provinces and municipalities* in Table 8.2 includes provision for motor vehicle licences. This amount is excluded from the transfers to local government table, as these funds will not be transferred to any municipality.

The adjusted appropriation increased by R10.524 million, and details of the movements are given in Section 9 above.

Table 8.18 : Summary of transfers to local government

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	9 270	-	-	3 200	-	-	3 200	12 470
Total: Ugu Municipalities	3 577	-	-	900	-	-	900	4 477
B KZN212 uMdoni	500	-	-	-	-	-	-	500
B KZN216 Ray Nkonyeni	3 077	-	-	900	-	-	900	3 977
Total: uMgungundlovu Municipalities	5 606	-	-	1 800	-	-	1 800	7 406
B KZN222 uMngeni	242	-	-	-	-	-	-	242
B KZN225 Msunduzi	5 264	-	-	1 800	-	-	1 800	7 064
C DC22 uMgungundlovu District Municipality	100	-	-	-	-	-	-	100
Total: uThukela Municipalities	2 643	-	-	700	-	-	700	3 343
B KZN235 Okhahlamba	100	-	-	-	-	-	-	100
B KZN237 iNkosi Langalibalele	350	-	-	-	-	-	-	350
B KZN238 Alfred Duma	2 193	-	-	700	-	-	700	2 893
Total: uMzinyathi Municipalities	750	-	-	-	-	-	-	750
B KZN242 Nquthu	750	-	-	-	-	-	-	750
Total: Amajuba Municipalities	5 039	-	-	1 600	-	-	1 600	6 639
B KZN252 Newcastle	5 039	-	-	1 600	-	-	1 600	6 639
Total: Zululand Municipalities	270	-	-	-	-	-	-	270
B KZN263 Abaqulusi	170	-	-	-	-	-	-	170
B KZN266 Ulundi	100	-	-	-	-	-	-	100
Total: King Cetshwayo Municipalities	1 506	-	-	500	-	-	500	2 006
B KZN281 uMfolozi	200	-	-	-	-	-	-	200
B KZN282 uMhlathuze	1 206	-	-	500	-	-	500	1 706
B KZN285 Mthonjaneni	100	-	-	-	-	-	-	100
Total: iLembe Municipalities	6 168	-	-	1 824	-	-	1 824	7 992
B KZN291 Mandeni	307	-	-	-	-	-	-	307
B KZN292 KwaDukuza	5 861	-	-	1 824	-	-	1 824	7 685
Total: Harry Gwala Municipalities	1 000	-	-	-	-	-	-	1 000
B KZN433 Greater Kokstad	200	-	-	-	-	-	-	200
B KZN434 uBuhlebezwe	100	-	-	-	-	-	-	100
B KZN435 uMzimkhulu	500	-	-	-	-	-	-	500
B KZN436 Dr Nkosazana Dlamini Zuma	200	-	-	-	-	-	-	200
Total	35 829	-	-	10 524	-	-	10 524	46 353
Amount to be voted								10 524

Table 8.19 : Transfers to local government - Title Deeds Restoration grant

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	1 500	-	-	-	-	-	-	1 500
Total: Ugu Municipalities	1 300	-	-	-	-	-	-	1 300
B KZN212 uMdoni	500	-	-	-	-	-	-	500
B KZN216 Ray Nkonyeni	800	-	-	-	-	-	-	800
Total: uMgungundlovu Municipalities	1 342	-	-	-	-	-	-	1 342
B KZN222 uMngeni	242	-	-	-	-	-	-	242
B KZN225 Msunduzi	1 000	-	-	-	-	-	-	1 000
C DC22 uMgungundlovu District Municipality	100	-	-	-	-	-	-	100
Total: uThukela Municipalities	850	-	-	-	-	-	-	850
B KZN235 Okhahlamba	100	-	-	-	-	-	-	100
B KZN237 iNkosi Langalibalele	350	-	-	-	-	-	-	350
B KZN238 Alfred Duma	400	-	-	-	-	-	-	400
Total: uMzinyathi Municipalities	750	-	-	-	-	-	-	750
B KZN242 Nquthu	750	-	-	-	-	-	-	750
Total: Amajuba Municipalities	1 200	-	-	-	-	-	-	1 200
B KZN252 Newcastle	1 200	-	-	-	-	-	-	1 200
Total: Zululand Municipalities	270	-	-	-	-	-	-	270
B KZN263 Abaqulusi	170	-	-	-	-	-	-	170
B KZN266 Ulundi	100	-	-	-	-	-	-	100
Total: King Cetshwayo Municipalities	300	-	-	-	-	-	-	300
B KZN281 uMfolozi	200	-	-	-	-	-	-	200
B KZN285 Mthonjaneni	100	-	-	-	-	-	-	100
Total: iLembe Municipalities	3 028	-	-	-	-	-	-	3 028
B KZN291 Mandeni	307	-	-	-	-	-	-	307
B KZN292 KwaDukuza	2 721	-	-	-	-	-	-	2 721
Total: Harry Gwala Municipalities	1 000	-	-	-	-	-	-	1 000
B KZN433 Greater Kokstad	200	-	-	-	-	-	-	200
B KZN434 uBuhlebezwe	100	-	-	-	-	-	-	100
B KZN435 uMzimkhulu	500	-	-	-	-	-	-	500
B KZN436 Dr Nkosazana Dlamini Zuma	200	-	-	-	-	-	-	200
Total	11 540	-	-	-	-	-	-	11 540
Amount to be voted								-

Table 8.20 : Transfers to local government - Operational costs of the Accredited municipalities

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	7 770			3 200			3 200	10 970
Total: Ugu Municipalities	2 277	-	-	900	-	-	900	3 177
B KZN216 Ray Nkonyeni	2 277			900			900	3 177
Total: uMgungundlovu Municipalities	4 264	-	-	1 800	-	-	1 800	6 064
B KZN225 Msunduzi	4 264			1 800			1 800	6 064
Total: uThukela Municipalities	1 793	-	-	700	-	-	700	2 493
B KZN238 Alfred Duma	1 793			700			700	2 493
Total: Amajuba Municipalities	3 839	-	-	1 600	-	-	1 600	5 439
B KZN252 Newcastle	3 839			1 600			1 600	5 439
Total: King Cetshwayo Municipalities	1 206	-	-	500	-	-	500	1 706
B KZN282 uMhlathuze	1 206			500			500	1 706
Total: iLembe Municipalities	3 140	-	-	1 300	-	-	1 300	4 440
B KZN292 KwaDukuza	3 140			1 300			1 300	4 440
Total	24 289	-	-	10 000	-	-	10 000	34 289
Amount to be voted								10 000

Table 8.21 : Transfers to local government - Section 21 - Rates and taxes (HSDG)

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Total: iLembe Municipalities	-	-	-	524	-	-	524	524
B KZN292 KwaDukuza				524			524	524
Total	-	-	-	524	-	-	524	524
Amount to be voted								524

11. Actual payments and revised spending projections for the rest of 2020/21

Tables 8.22 and 8.23 reflect actual payments as at the end of September 2020, projected payments for the rest of the financial year and the total revised spending in Rand value and as a percentage of the adjusted appropriation per programme and economic classification. The tables also show the 2019/20 Audited outcome. Mid-year spending for the Vote was low, with 35.8 per cent spent compared to the 50 per cent benchmark. Programme 4's spending was fairly high at 57.0 per cent, while the other three programmes showed low spending. The Vote as a whole is projected to be fully spent at year-end.

Table 8.22 : Actual payments and revised spending projections by programme

R thousand	2019/20 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2020 - September 2020	% of budget	October 2020 - March 2021	% of budget	
1. Administration	231 590	237 486	113 834	47.9	123 652	52.1	237 486
2. Housing Needs, Research and Planning	17 076	18 634	7 953	42.7	10 681	57.3	18 634
3. Housing Development	3 765 984	3 144 758	1 059 619	33.7	2 085 139	66.3	3 144 758
4. Housing Asset Management	246 709	163 277	93 142	57.0	70 135	43.0	163 277
Total	4 261 359	3 564 155	1 274 548	35.8	2 289 607	64.2	3 564 155

Table 8.23 : Actual payments and revised spending projections by economic classification

R thousand	2019/20 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2020 - September 2020	% of budget	October 2020 - March 2021	% of budget	
Current payments	522 971	560 565	228 172	40.7	332 393	59.3	560 565
Compensation of employees	334 569	359 358	163 185	45.4	196 173	54.6	359 358
Goods and services	188 402	201 207	64 987	32.3	136 220	67.7	201 207
Interest and rent on land		-		-	-	-	-
Transfers and subsidies to:	3 721 070	2 993 795	1 043 009	34.8	1 950 786	65.2	2 993 795
Provinces and municipalities	86 069	46 513	77	0.2	46 436	99.8	46 513
Departmental agencies and accounts	245 826	163 277	93 142	57.0	70 135	43.0	163 277
Higher education institutions		-		-	-	-	-
Foreign governments and international organisations		-		-	-	-	-
Public corporations and private enterprises		-		-	-	-	-
Non-profit institutions	50	-		-	-	-	-
Households	3 389 125	2 784 005	949 790	34.1	1 834 215	65.9	2 784 005
Payments for capital assets	17 253	9 795	3 367	34.4	6 428	65.6	9 795
Buildings and other fixed structures	13 129	2 000		-	2 000	100.0	2 000
Machinery and equipment	4 124	7 795	3 367	43.2	4 428	56.8	7 795
Heritage assets		-		-	-	-	-
Specialised military assets		-		-	-	-	-
Biological assets		-		-	-	-	-
Land and subsoil assets		-		-	-	-	-
Software and other intangible assets		-		-	-	-	-
Payments for financial assets	65	-	-	-	-	-	-
Total	4 261 359	3 564 155	1 274 548	35.8	2 289 607	64.2	3 564 155

Table 8.A : Summary by economic classification : Human Settlements

R thousand	Special adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	562 639	-	-	12 413	(2 917)	(11 570)	(2 074)	560 565
Compensation of employees	385 520	-	-	(12 592)	-	(13 570)	(26 162)	359 358
Salaries and wages	351 101	-	-	(14 989)	-	(13 570)	(28 559)	322 542
Social contributions	34 419	-	-	2 397	-	-	2 397	36 816
Goods and services	177 119	-	-	25 005	(2 917)	2 000	24 088	201 207
Administrative fees	966	-	-	23	-	-	23	989
Advertising	629	-	-	3 601	-	2 000	5 601	6 230
Minor assets	568	-	-	19	-	-	19	587
Audit cost: External	4 925	-	-	2 039	-	-	2 039	6 964
Bursaries: Employees	156	-	-	-	-	-	-	156
Catering: Departmental activities	2 480	-	-	(316)	-	-	(316)	2 164
Communication (G&S)	3 681	-	-	990	-	-	990	4 671
Computer services	14 651	-	-	2 959	-	-	2 959	17 610
Cons. & prof serv: Business and advisory services	14 332	-	-	(936)	-	-	(936)	13 396
Infrastructure and planning	44 830	-	-	(4 518)	-	-	(4 518)	40 312
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal costs	9 294	-	-	500	-	-	500	9 794
Contractors	7 779	-	-	2 672	(2 917)	-	(245)	7 534
Agency and support / outsourced services	-	-	-	1 036	-	-	1 036	1 036
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl govt motor transport)	4 120	-	-	600	-	-	600	4 720
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-
Consumable supplies	3 070	-	-	12 807	-	-	12 807	15 877
Consumable: Stationery, printing and office supplies	1 000	-	-	(139)	-	-	(139)	861
Operating leases	24 947	-	-	4 766	-	-	4 766	29 713
Property payments	22 912	-	-	(27)	-	-	(27)	22 885
Transport provided: Departmental activity	370	-	-	-	-	-	-	370
Travel and subsistence	9 433	-	-	(1 730)	-	-	(1 730)	7 703
Training and development	3 981	-	-	(284)	-	-	(284)	3 697
Operating payments	869	-	-	143	-	-	143	1 012
Venues and facilities	-	-	-	-	-	-	-	-
Rental and hiring	2 126	-	-	800	-	-	800	2 926
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to	2 915 075	86 095	-	(9 168)	2 917	(1 124)	78 720	2 993 795
Provinces and municipalities	35 989	-	-	10 524	-	-	10 524	46 513
Provinces	160	-	-	-	-	-	-	160
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	160	-	-	-	-	-	-	160
Municipalities	35 829	-	-	10 524	-	-	10 524	46 353
Municipalities	35 829	-	-	10 524	-	-	10 524	46 353
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	167 877	-	-	-	-	(4 600)	(4 600)	163 277
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	2 711 209	86 095	-	(19 692)	2 917	3 476	72 796	2 784 005
Social benefits	154	-	-	855	-	-	855	1 009
Other transfers to households	2 711 055	86 095	-	(20 547)	2 917	3 476	71 941	2 782 996
Payments for capital assets	13 040	-	-	(3 245)	-	-	(3 245)	9 795
Buildings and other fixed structures	7 716	-	-	(5 716)	-	-	(5 716)	2 000
Buildings	7 716	-	-	(5 716)	-	-	(5 716)	2 000
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	5 324	-	-	2 471	-	-	2 471	7 795
Transport equipment	1 108	-	-	-	-	-	-	1 108
Other machinery and equipment	4 216	-	-	2 471	-	-	2 471	6 687
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	3 490 754	86 095	-	-	-	(12 694)	73 401	3 564 155
Amount to be voted								73 401