



PRESENTATION TO FINANCIAL & FISCAL COMMISSION

13 OCTOBER 2011



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PSO6 OUTCOMES

Outcome 1: Accelerated Delivery of Housing Opportunities

- Basic Services and Serviced sites
- Bulk infrastructure and co-ordinated planning
- Fair allocation of housing opportunities

Outcome 2: A Sense of Ownership and Personal Responsibility amongst Beneficiaries, Owners and Tenants

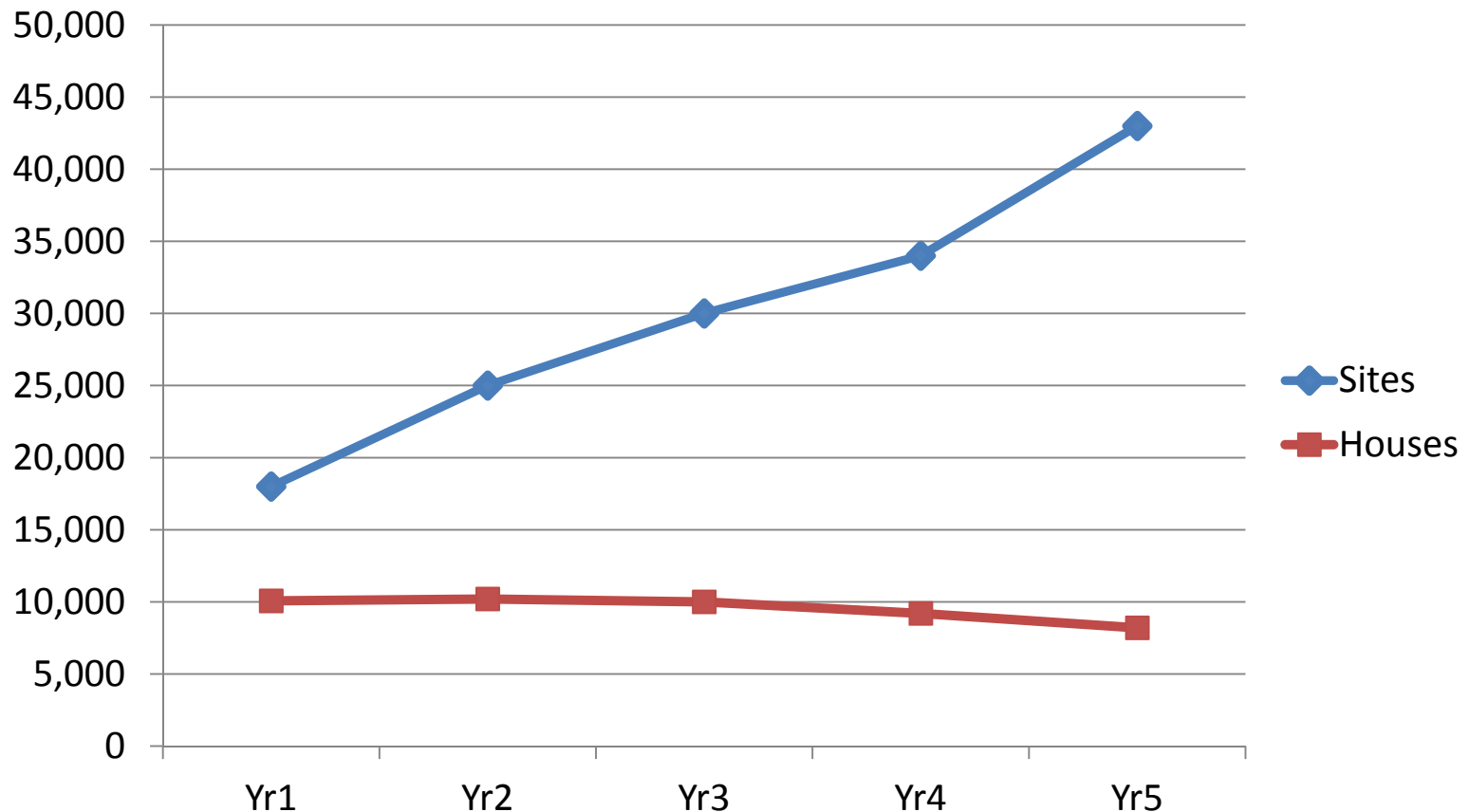
- Consumer education
- People's Housing Process
- Security of Tenure (Title Deeds)

Outcome 3: Optimal and Sustainable Use of Resources

- Sustainable resource use
- Increased densities
- Increased Private Sector Investment in Affordable Housing
- Social Housing and Rental stock

FIVE YEAR STRATEGIC PLAN

Sites and houses projected within financial constraints



HS PROJECT PIPELINE

- The Department's Planning and PMU unit are working to finalise the project list – the so-called “pipeline” of projects – for the next 3 years
- This planning will allow certainty in terms of meeting the strategic goals of the department
- The HOD intends to finalise and sign off these pipelines with municipalities in order to ensure projects are implemented timeously and any potential blockages detected and acted upon well in advance

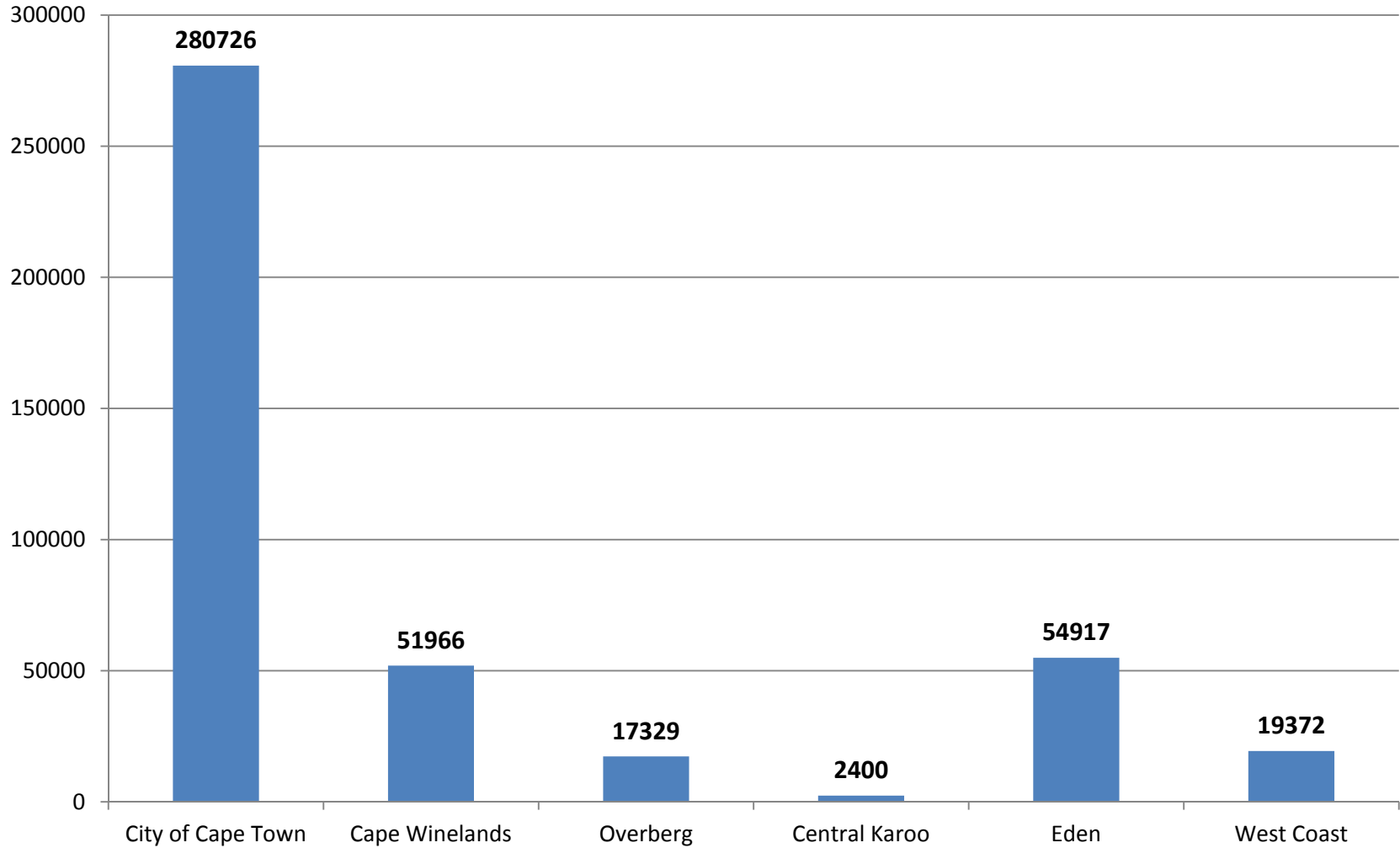
BACKLOG

Municipality	Preferred Backlog Definition	Sanitation Survey Backlog (2007)
City of Cape Town	280 726	300 100
Cape Winelands District	51 966	38 522
Langeberg	4 420	5 263
Breede Valley	10 466	7 691
Drakenstein	17 144	13 501
Stellenbosch	10 460	7 870
Witzenberg	9 476	3 827
Overberg District	17 329	17 427
Cape Agulhas	1 561	942
Overstrand	6 452	7 432
Swellendam	1 200	1 242
Theewaterskloof	8 116	6 961
Central Karoo District	2 400	2 522
Beaufort West	1 276	1 254
Laingsburg	303	158
Prince Albert	821	660
Eden District	54 917	35 380
George	19 687	9 600
Kannaland	1 995	1 080
Knysna	9 008	9 029
Hessequa	2 192	3 623
Mossel Bay	9 142	4 440
Oudtshoorn	4 986	3 263
Bitou	7 907	3 345
West Coast District	19 372	15 876
Berg River	4 118	565
Cederberg	2 244	1 547
Matzikama	3 948	1 828
Saldanha Bay	3 720	6 041
Swartland	5 342	5 545
Provincial Values	426 710	409 827

Increase	
Decrease	

BACKLOG

Backlog Study Figures



INFORMAL SETTLEMENTS

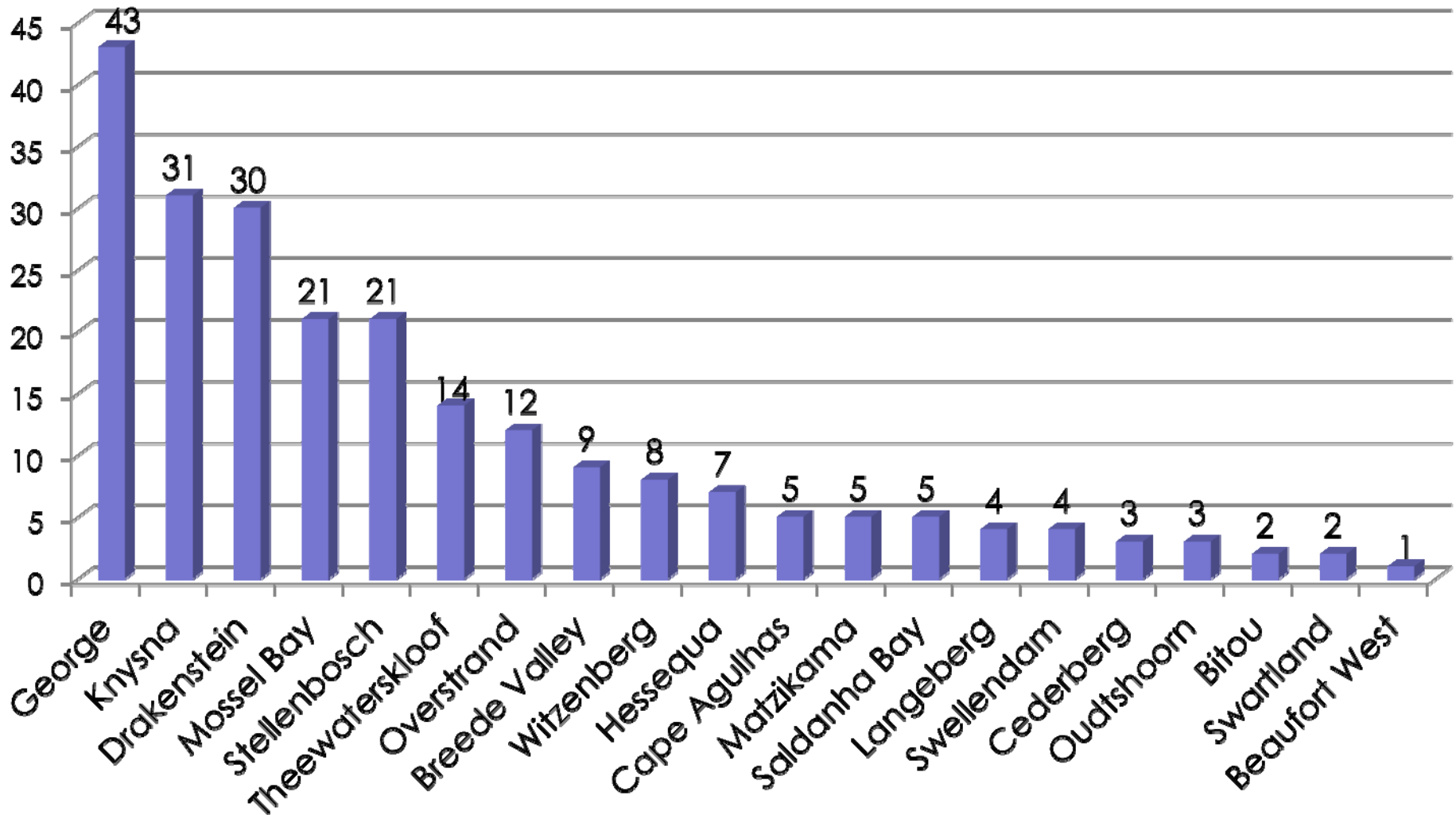
How big is the problem?

The current situation

- People are living in informal areas without proper access to decent services (230 non-metro + 244 metro informal settlements)
- People are residing in backyards and are exploited by landlords
- People do not have security of tenure
- The situation is unlikely to change
- The following information from a Jan 2011 report on a recent study for the department

NON-METRO

Number of Informal Settlements per municipality



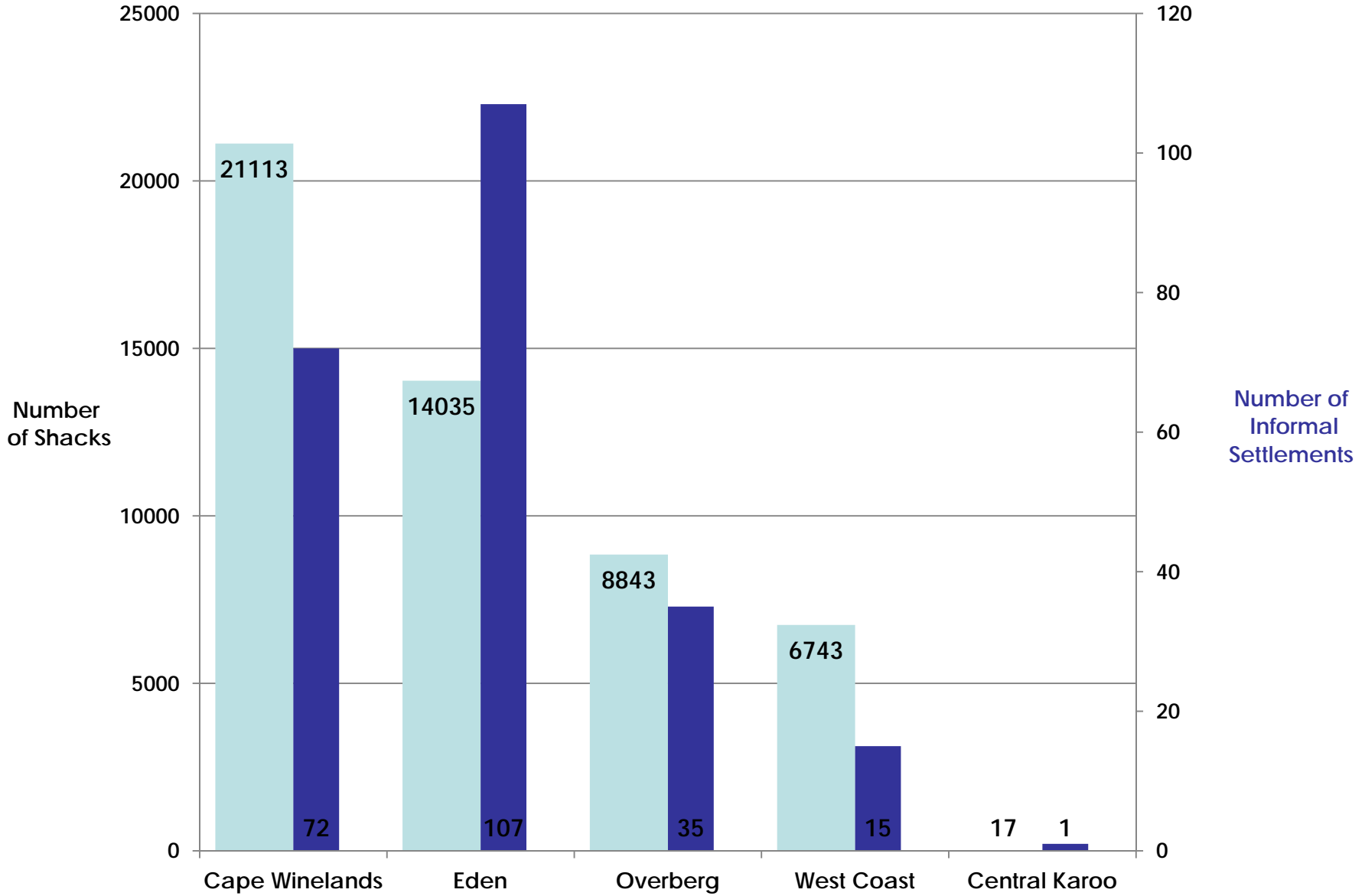


HUMAN SETTLEMENTS

Provincial Government of the Western Cape



Provincial Informal Settlement Data Base 2010 – per district



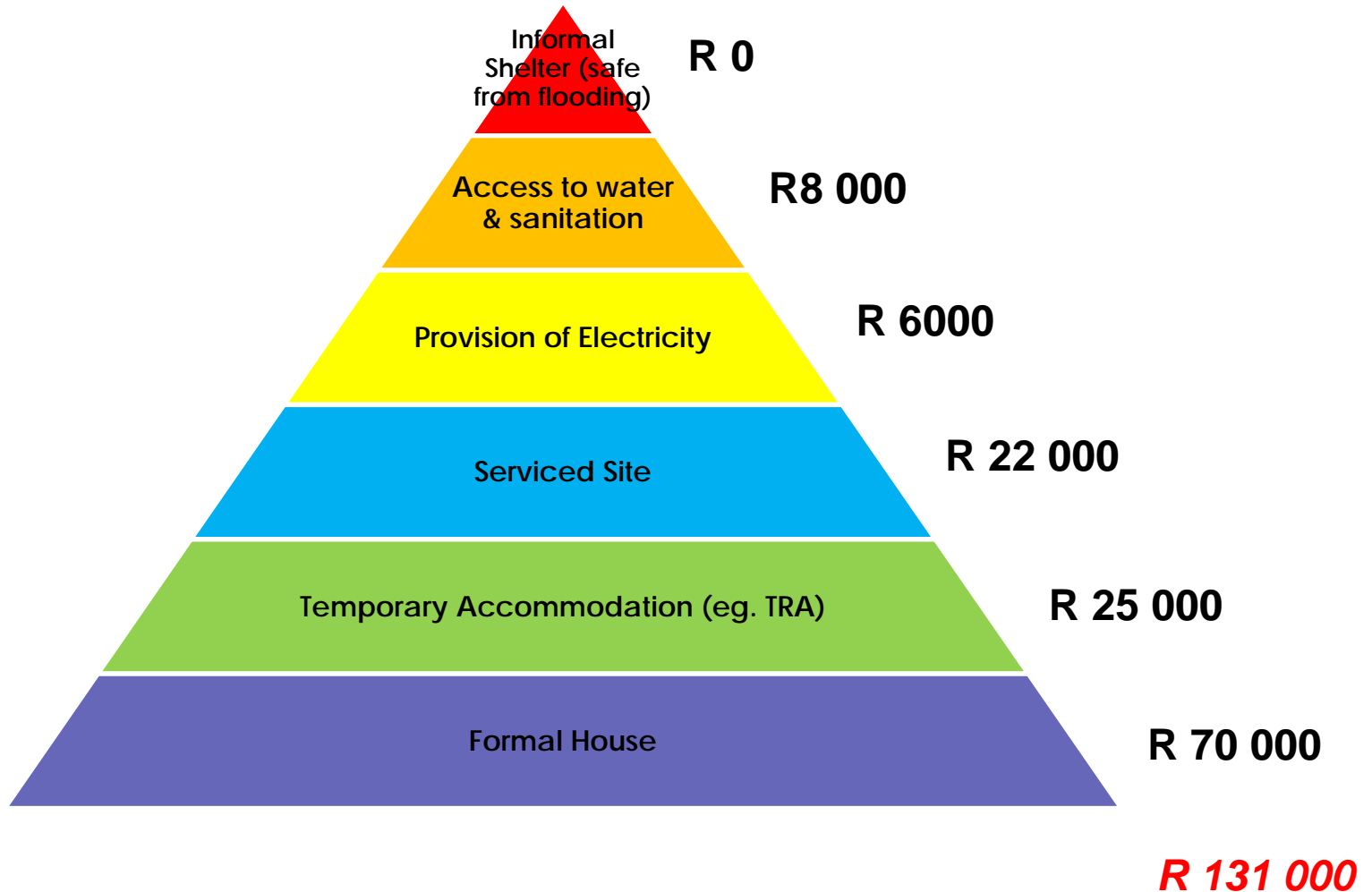
CITY OF CAPE TOWN

- Number of informal settlements as at November 2009 – 244
- Number of families in informal settlements – roughly 180,000
- Number of houses constructed in 2010/2011 – 12 000. In City of Cape Town roughly 7,000 constructed by City and Province – N2 and other City and province projects
- Annual growth in demand – 18,000.
- Expected time required to build houses for all people residing in informal settlements if there is no growth in need – more than 25 years!

BASIC SERVICES TO ALL BY 2014

- A national target has been set to provide basic services to all by 2014
- Provincial Minister has also pronounced on the target of ensuring that there are no informal settlements without access to basic services by 2014
- The problem in the Western Cape is the greatest in the level of services rendered to people living in informal settlements
- The department is committed to play a role in the achievement of the national target

Incremental Costs





Funding Allocation Model

The FAM combines four factors in order to calculate each municipalities share of the allocated funds, these four factors are:

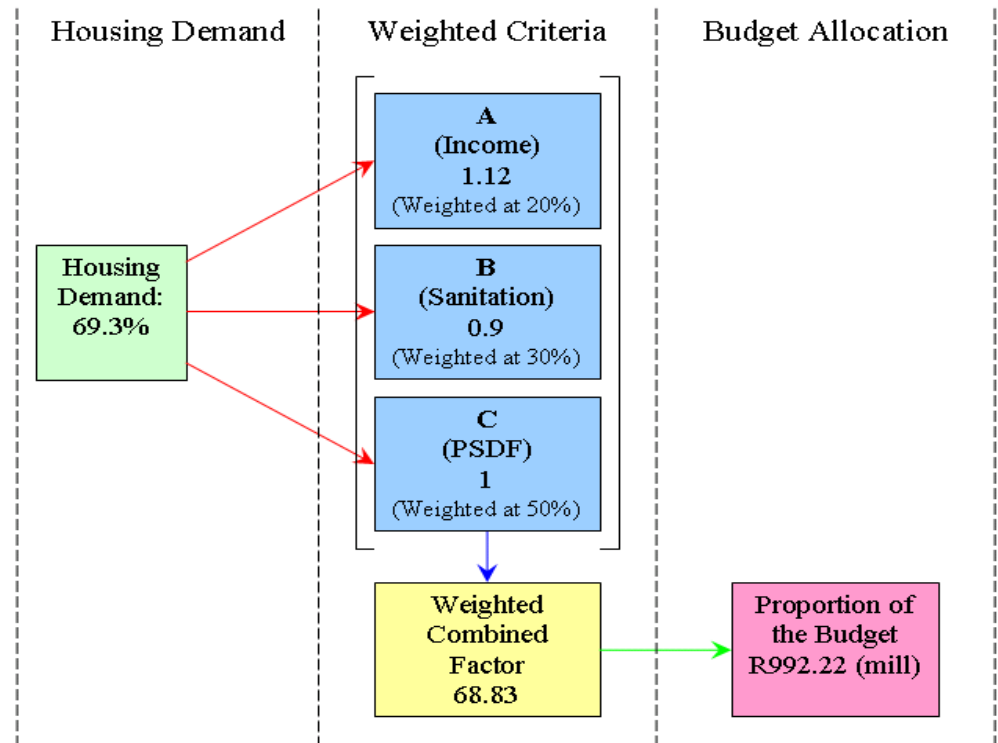
- The number of households without adequate housing in the municipality;
- The number of low income households in the municipality;
- The number of households without adequate sanitation in the municipality; and
- The Growth Potential and Social Needs of the municipality.

A major strength of the model is its ability to modify the allocation of housing funds based on the weighting placed on specific factors.

The following factors can be weighted to increased their importance in the model:

- Low-income Households;
- Lack of Sanitation; and
- PSDF rating.

Weightings and funds used in diagram for display purposes only.





Human Settlement Grant

ALLOCATIONS FOR THE PAST 3 YEARS :

Financial year	2008/09	2009/10	2010/11
HUMAN SETTLEMENT FUNDING	1,305,862	1,581,425	1,952,721

ALLOCATIONS **BEFORE** USDG INTRODUCTION (January 2011)

Financial year	2011/12	2012/13	2013/14
HUMAN SETTLEMENT FUNDING	2,141,905	2,000,165	2,110,174

ALLOCATIONS **AFTER** USDG INTRODUCTION (February 2011)

Financial year	2011/12	2012/13	2013/14
HUMAN SETTLEMENT FUNDING	1,638,845	1,711,035	1,804,785



HUMAN SETTLEMENTS

Provincial Government of the Western Cape

Human Settlement Grant

HSD GRANT : W. CAPE		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
Allocation from National Department of Housing		1,638,845,000	1,711,035,000	1,804,785,000
Less Opscap		64,257,000	60,005,000	63,305,220
Less Enhanced Discount Benefit Scheme		30,000,000	30,000,000	30,000,000
Less Individual Programme		23,000,002	12,000,003	16,000,000
Available for projects		1,521,587,998	1,609,029,997	1,695,479,780
INDICATIVE ALLOCATIONS				
FUNDING AVAILABLE FOR PROJECTS		1,521,587,998	1,609,029,997	1,695,479,780
ALLOCATION 2011/2012		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
* Needs as per Sanitation study 2006				
300,100				
Projects : Metro Area : CITY OF CAPE TOWN		471,745,091	592,875,521	680,644,404
Projects Metro Area : Departmental, PHP,		490,000,000	498,260,000	490,000,000
SUB TOTAL		961,745,091	1,091,135,521	1,170,644,404
CAPE WINELANDS DISTRICT		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
5263	Langeberg	25,689,001	24,557,139	25,885,917
7691	Breede Valley	37,540,206	35,886,178	37,827,967
13501	Drakenstein	65,899,145	62,995,617	66,404,289
7870	Stellenbosch	38,413,916	36,721,392	38,708,374
3827	Witzenberg	18,679,804	17,856,768	18,822,991
SUB TOTAL		186,222,072	178,017,094	187,649,538
OVERBERG DISTRICT		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
942	Cape Agulhas	14,597,955	4,395,369	4,633,200
7432	Overstrand	36,276,013	34,677,685	36,554,083
1242	Swellendam	6,062,272	5,795,168	6,108,742
6961	Theewaterskloof	33,977,035	32,480,001	34,237,483
SUB TOTAL		90,913,275	77,348,223	81,533,508
CENTRAL KAROO DISTRICT		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
1254	Beaufort West	6,120,845	5,851,159	6,167,764
158	Laingsburg	771,207	737,227	777,119
660	Prince Albert	3,221,497	3,079,558	3,246,191
SUB TOTAL		10,113,549	9,667,944	10,191,074
EDEN DISTRICT		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
3345	Bitou	16,327,134	15,607,758	16,452,288
9600	George	46,858,144	44,793,565	47,217,330
3623	Hessequa (previously Langeberg)	17,684,068	16,904,905	17,819,624
1080	Kannaland	5,271,541	5,039,276	5,311,950
9029	Knysna	44,071,060	42,129,282	44,408,882
4440	Mossel Bay	41,671,891	40,717,024	21,838,015
3263	Oudtshoorn	15,926,888	15,225,146	16,048,973
SUB TOTAL		187,810,726	180,416,956	169,097,062
WEST COAST DISTRICT		ALLOCATION 2011/2012	ALLOCATION 2012/2013	ALLOCATION 2013/14
565	Berg River	11,757,797	2,636,288	2,778,937
1547	Cederberg	7,550,995	7,218,296	7,608,876
1828	Matzikama	8,922,571	8,529,441	8,990,967
6041	Saldanha Bay	29,486,463	28,187,284	29,712,488
5545	Swartland	27,065,459	25,872,950	27,272,926
SUB TOTAL		84,783,285	72,444,259	76,364,194