

Monday, 13 November 2023]

No 157—2023] FIFTH SESSION, SIXTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
TABLINGS AND
COMMITTEE REPORTS**

MONDAY, 13 NOVEMBER 2023

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Referral to Committees of papers tabled

- (1) The following papers are referred to the **Standing Committee on Finance** for consideration and report. Report of the Independent Auditors on the Financial Statements and Performance Information is referred to the **Standing Committee on Public Accounts** for consideration:
 - (a) Report and Financial Statements of the Government Employees Pension Fund (GEPF) for 2022-23, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2022-23.

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Agriculture, Land Reform and Rural Development

- (a) Addendum to the Report and Financial Statements of the Commission on Restitution of Land Rights for 2022-23, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2022-23.

2. The Minister of Home Affairs

- (a) Revised Amendments to the Annual Performance Plan of the Department of Home Affairs for 2023/24.

3. The Minister of Transport

- (a) Memorandum of Understanding (MOU) between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia on Mutual Recognition of Certificates of Seafarers, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.
- (b) Explanatory Memorandum to the Memorandum of Understanding (MOU) between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia on Mutual Recognition of Certificates of Seafarers.

National Assembly

1. The Speaker

- (a) Letter dated 02 November 2023, from the Minister of Mineral Resources and Energy, explaining the reasons for the delay in the tabling of the Central Energy Fund (CEF) for 2022/23.

Honourable Speaker,

REQUEST FOR EXTENSION TO TABLE THE 2022/23 CEF GROUP AND ITS SUBSIDIARIES ANNUAL REPORT

The above subject refers.

Section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1999) (the PFMA) states that, should the Executive Authority fail to table the Annual Report within six months after the end of the financial year to which the financials relate. The Executive Authority must table a written explanation in the legislature and provide reasons why they were not tabled.

I therefore wish to inform you that CEF Group is unable to table the 2022/23 annual report due to a request for a further extension for late sign-off of the CEF Group 2022-23 audit by the Auditor-General South Africa (AGSA). The late sign-off is extended to the 22nd November 2023. The letter attributes the delay to audit finalisation of the PetroSA decommissioning provision and consolidation of new entities (BPSA and Avedia Energy) to SFF.

For this reason, I request an extension for CEF Group to table the 2022/23 Annual Report on the 30th November 2023.

Yours respectfully,

(Signed)

MR GWEDE MANTASHE, MP
MINISTER OF MINERAL RESOURCES AND ENERGY
DATE: 02/11/2023

National Council of Provinces

1. The Chairperson

- (a) Letter dated 02 November 2023, from the Minister of Mineral Resources and Energy, explaining the reasons for the delay in the tabling of the Central Energy Fund (CEF) for 2022/23.

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MR GWEDE MANTASHE, MP
MINISTER OF MINERAL RESOURCES AND ENERGY
DATE: 02/11/2023

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committee on Human Settlements on the oversight visit to the Western and the Eastern Cape Provinces, 8 November 2023.

The Portfolio Committee on Human Settlements (the Committee) embarked on a five-day oversight visit to the Western Cape (17 - 18) and the Eastern Cape (19 - 21) provinces from 17 to 21 April 2023. The Committee reports as follows:

1. Background and Purpose

The Committee has a duty to maintain oversight over the executive organ of state which falls under its portfolio. This is to ensure that the executive fulfils its mandate and is always held accountable. To protect the environment and ensure the development of sustainable human settlements. Oversight visits enable the Committee to be better positioned to understand proposed programmes, projects, targets that have been achieved and challenges that hinder service delivery. The focus of the oversight visit was to address the following:

- Implementation of a comprehensive, integrated human settlements strategy in the province.
- Progress made towards the achievement of Outcome 8 outputs and targets set for 2022/23.
- Budget expenditure and performance in meeting service delivery targets set for 2022/23.
- Progress made in the issuing of pre- and post- 1994 title deeds and challenges hindering this programme.
- Progress made in the construction of houses for Military Veterans and challenges encountered.
- Progress made on the construction of houses for destitute, special needs and vulnerable people.
- Rural and farm worker assistance, housing co-operatives assistance programme as well as the People's Housing Process (PHP).
- Plans and progress on conversion of hostels into Community Residential Units (CRUs).
- Co-ordination and management of the beneficiary list and incorporation of backyard dwellers into the provincial housing database.

- Use of alternative technologies in construction.

2. Multi-Party Delegation

The list below is the names of Delegates that were part of the oversight visit:

- Ms. R. Semanya, (ANC) (Chairperson of the Committee - leader of the delegation)
- Mr. T C Malatji, (ANC)
- Ms. N N Sihlwayi, (ANC)
- Dr N V Khumalo, (DA)
- Ms M Makesini, (EEF)

2.1 Committee Support Staff

The list below is the names of Support Staff that was part of the oversight visit:

- Ms K Pasiya-Mndende, (Committee Secretary)
- Mr S Mnguni, (Content Advisor)
- Mr T. Makhanye, (Committee Researcher)
- Ms N Nevese, (Committee Assistant)

2.2 National Department of Human Settlements Officials in the Western Cape

The following table provides the of officials from the National Department who accompanied the Committee to the Western Cape oversight:

Name & Surname	Designation	Role/ Function
Dr J Mirembe	Leader of Delegation	Director: Planning
Ms Z Ndudane	Ministry	Parliamentary Liaison Officer
Ms K Nevondo	Office of the Director- General	Coordinator / Logistics
Ms N Mjwara	Monitoring & Evaluation	Projects Monitoring & Verification
Mr S Maemu	Monitoring & Evaluation	Projects Monitoring & Verification
Ms A Mabalane	Director	Military Veterans & PHP
Ms A Rajkumar	Assistant Director	PHP
Ms N Thokwana	Director	Blocked Projects
Mr V Tshose	Director	Entities Oversight/ Intergovernmental Relations & Monitoring & Evaluation
Mr B Ntlantsana	Deputy Director	Entities Oversight/ Intergovernmental Relations & Monitoring & Evaluation

2.3 National Department Officials in the Eastern Cape

The following table provides the names of officials from the National Department who accompanied the Committee to the Eastern Cape:

Name & Surname	Designation	Role/ Function
Ms L Bele	Acting Deputy Director General	Leader of Delegation
Mr M Ndlovu	Project Management Specialist	
T Kolotsi	Intern: Grants Management	
Ms Z Ndudane	Ministry	Parliamentary Liaison Officer
Ms X Makasi	Ministry – Deputy Minister’s Office	Parliamentary Liaison Officer
Ms K Nevondo	Office of the Director- General	Coordinator / Logistics
Ms V Ndzala	Monitoring & Evaluation	Projects Monitoring & Verification
Ms K Moeti	Monitoring & Evaluation	Projects Monitoring & Verification
Mr V Tshose	Director	Entities Oversight/ Intergovernmental Relations, Monitoring & Evaluation
Mr B Ntlantsana	Deputy Director	Entities Oversight/ Intergovernmental Relations & Monitoring & Evaluation

3. Briefing by the Western Cape Provincial Department of Infrastructure: Human Settlements Branch

Members of the Mayoral Committee (MMC) welcomed the Delegation and Mr B Nkosi, Acting Chief Director tendered an apology for the Head of Department. The Director, Mr R Smith, presented on behalf of the Provincial Department. Mr R Smith reported that residents of the Western Cape have access to livable, accessible, safe, and multi-opportunity human settlements. Delivery targets against the Medium-Term Strategic Framework (MTSF) are presented in the following table:

MTSF Targets	DHS Targets 2019 - 2024	WC DHS Targets 2019 – 2024	Actual Delivery to date as at Dec 2022
Priority Development Areas (PDAs) identified and declared for integrated multi-sectoral investment.	94	19	19 – 100%
% of land acquired during the 2014-2019 rezoned for Human Settlement Development.	100%	36 HA	51.16%
Number of BNG units delivered.	450 000	41 564	22 758
Number of serviced sites delivered.	300 000	40 055	15 875
Number of households received financial and purchased units through Finance Linked Individual Subsidy Programme (FLISP) .	20 000	4 881	4 827
Number of Community Residential Units delivered.	12 000	Not applicable	Province has been exempted from this indicator
Social housing units delivered.	30 000	Not applicable	Province has been exempted from this indicator
Number of Informal Settlements upgraded to stage 3.	1 500	5	

Number of title deeds registered:			
• Pre 1994	• 45 535	• 550	• 785
• Post 1994	• 500 845	• 5 000	• 7 841
• Post 2014	• 346 842	• 35 000	• 17 913
• 2019 to date (New)	• 300 000	*	• 257

The service delivery objectives reflecting the shift from housing to integrated human settlements prioritises land release programme, serviced site, and affordable housing.

The Joint District Approach (JDA) was premised on a common denominator of good governance comprised of the District Coordinator Forum (DCF), the Joint District Coordinator Forum (JD CF), the Joint Interface Team (JIT), the Joint District Approach Terms of Reference; the Premier’s Coordinating Forum; and Cabinet.

3.1 Provincial Housing Demand Database – Backyard dwellers

At that time, the Province Department defined backyard dwellers as all households living in overcrowded conditions in need of housing in formal areas. The Provincial Department required municipalities to ensure that they strike a fair balance in the provision of housing for both informal settlement dwellers and those in overcrowded formal conditions. In August 2019, the Provincial Department issued a 50/50 directive, which allowed for extra priority to be given to households living in formal overcrowded conditions. This allowed municipalities to include households from overcrowded formal conditions in de-densification greenfield projects linked to Upgrading of Informal Settlements Programme (UISP) projects. Households living in formal overcrowded conditions were also prioritised for Individual Housing Subsidies (IHS).

3.2 Budget Expenditure and Targets 2022/23

Based on preliminary expenditure reports, the Provincial Department spent the following funding in line with the project budgets in the business plan:

- Human Settlement Development Grant (HSDG): R1,524 billion (94%) of the R1,628 billion available.
- The budget allocation for 2023/24 was R1, 701 billion: site target 295 and houses 7 093.
- Informal Settlement Upgrade Partnership Grant (ISUPG): R378 million (77%) of R489 million available. R109 million unspent.

- The budget allocation for 2023/24 was R505 million; site target 2 007.

The Provincial Department experienced the following challenges on projects:

- Contractor non-performance.
- Community unrest.
- Procurement delays in the implementation of projects.

3.3 Pre and Post 1994 Title Deeds

It was reported that title deeds delivered since inception of TRP were approximately 38 000.

The following challenges were reported:

- Deeds Data dump – Provinces must obtain Deeds reports to verify transfers.
- Municipal Capacity – municipalities did not have the required dedicated resources.
- Allocated funding cannot be used to appointment staff.
- Contested title deeds – original beneficiaries not in occupation to complete transfers.

The Member of Executive Committee (MEC), referred to as the Provincial Minister of Infrastructure, approved a Title Deed Action Plan which was intended to address the mentioned challenges. The Provincial Department was in the process of implementing that plan to reduce the housing backlog. This would supplement the proposed Vulindlela Plan. It was reported that the title deeds backlog was as follows:

- pre 1994 was 10 247.
- 1994 – 2014 was 24 836.
- 2015 – 2018 was 8 391.
- 2019 – to date was 2 948.
- The total backlog was 46 422.

3.4 Construction of Military Veterans

The Provincial Department provided 305 Military Veteran houses over five years, which consists of the following:

- Blue Downs Military Veterans: 73 houses were built for Military Veterans in Blue Downs.
- Highbury Military Veterans: 100 houses were provided for Military Veterans in Highbury, Eerste River.
- Belhar CBD Military Veterans :102 houses were built for Military Veterans as part of the Belhar development.

- Swartland: Riebeek Wes (4), Prince Albert (4), Beaufort West (7),
- Swellendam Barrydale (4), Cederberg: Lamberts Bay (4), Matzikama: Vredendal (5) and
- Stellenbosch: Longlands (2): Built as part of BNG project.

Furthermore, the Provincial Department was planning developments for the approximately 100 Military Veterans that were vetted and approved, in the following areas:

- George Pacaltsdorp: 60 Military Veterans units have been planned as part of the Syfersfontein project.
- Eerste River: a project of approximately 150 units were being planned on provincially owned land in Eerste River.
- Metro: Fisantekraal: 34 Military Veterans to be assisted within the IDDSP project.

3.5 Eradication of Mud houses and Asbestos roofing

The Provincial Department reported that the sizes of mud houses in the province were significantly bigger than the BNG houses, which led to resistance. Structures were made of clay and cement; roofed with zinc for lightweight; ranged from 3 to 5 bedrooms; steel or wooden frames; thick walls of approximately 45cm; big backyards; occupants were between 6 to 8 per household. Approaches used to upgrade mud houses were as follows:

- In relation to upgrading single units in the tender of large housing projects as infills, the consolidation subsidy was used, mostly in the Beaufort West Municipality.
- In relation to dedicated projects, the Emergency Housing funding was used mostly in the Laingsburg Municipality.

With respect to asbestos roofing, it was reported that the verification showed that approximately 84 577 units in the province had asbestos roofs.

3.6 Conversion of Hostels into Community Residential Units (CRUs)

It was reported that the National Department granted the exemption for the planning and reporting on the development of CRUs for the 2023/24 financial year. The CRU programme was unsustainable due to the high operational deficits being incurred with existing CRU projects in the province. The development costs for the conversion of existing hostels to CRUs and the construction of new CRUs, remained prohibitive.

3.7 Upgrading of Informal Settlements Programme

The Provincial Department reported that the Informal Settlement Support Programme (ISSP)¹³ was launched in 2016, the province exerted pressure on municipalities to accelerating informal settlements upgrading hence households in informal settlements enjoyed significant level of services in comparison to other provinces. Covid-19 impacted on the momentum and gains in the provision of houses for the needy. The Provincial Department identified and categorised informal settlements across the province, based on its settlement count, level of existing services, access to available land for decanting, availability of bulk services, etc. Based on these assessments, each settlement would be earmarked for either *in-situ* upgrading, relocation, basic services, or full upgrade with formal sites. Transversal coordination of interventions towards informal settlement upgrading through the Quarterly ISSP Forums. Foster community participatory planning in the upgrading processes. Build learning and best practice materials to enhance understanding of informal settlement upgrading. Prioritise funding for informal settlement upgrading. Utilize civil society or NGO to bridge trust deficit in communities.

3.8 Provision of Serviced Sites

It was reported that since 2016, households in the province had enjoyed the highest rate of access to services compared to the national average. At the time of the oversight visit, a total of 40 projects were funded by the Provincial Department's 2023/24 ISUPG Business Plan. These projects were all at different stages of project preparation, planning, or implementation. Implementation plans included the installation or upgrading of services to include access to clean water; sanitation; electricity. In other cases, access to basic services on a shared ratio basis, 10 of these projects were in the implementation stage, with 10 projects delivering 2007 serviced sites. Three projects were activated for receiving interim basic services, and the rest of the projects were in the packaging stage for delivery over the MTEF period. The Provincial Department was committed to strengthening the capacity of all municipalities by re-activating and building trust with communities focusing on their needs, priorities and designing responsive interventions collaboratively.

3.9 Land Invasions

The Provincial Department reported that it had two security service contracts to respond to land invasions threats. These services costed R161.7 million for the 2022/23 financial year. The Provincial Department could not extend security services to Municipalities which were struggled to fund their own appointments. The Western Cape Government established a Workgroup (Province and Municipalities) with a view to providing a centralised response to land invasions.

4. Follow-up questions for the Department of Infrastructure

Due to the lack of quorum, the Delegation decided to forward the questions to the Department so that they could be responded into, and the meeting would be scheduled for 24 May 2023. The following questions were forwarded to the Provincial Department. In response so the question forwarded the Branch Human Settlements reported as follows:

On the meeting held on 24 May 2023, the Committee was of the view that the Branch Human Settlements was general in its response to the questions raised and resolved to forward specific questions to be responded into in writing.

4.1 Questions and responses

4.1.1 In relation to mud houses and asbestos roofs, how many mud houses had been formalized and how many asbestos roofs had been removed. What were the planned targets for the following Financial Year?

The Provincial Department was dealing with the replacement of poorly constructed houses by rebuilding Breaking New Ground (BNG) houses for qualifying beneficiaries where the site was in the ownership of the applicant - this was typically houses built before 1994, as houses delivered after 1994 are of conventional construction. There were no programmes for the building of mud houses, but where houses have been damaged the emergency housing policy has been used in the past to effect repairs. The Provincial Department had conducted a questionnaire survey to municipalities to identify houses poorly built or built using inferior materials e.g., unfired clay bricks. In terms of Mud Houses, there were instances where beneficiaries were engaged, and they indicated displeasure in forgoing a bigger house to get what they viewed as smaller unit.

The unfortunate circumstance was that the Department could not operate outside applicable norms and standards as provided for by government. PHP remained an effective instrument that government utilizes to provide for housing, however PHP was also subjected to applicable norms and standards which might not necessarily be appealing to the potential beneficiaries in this regard. Mud Houses sizes were significantly bigger than what BNG can offer, which has led to resistance. The structures were Made of clay and cement; Roofed with zinc for lightweight; Houses range from 3 to 5 bedrooms Steel or wooden frames; Thick walls of ±45cm; big backyards; occupants are between 6 to 8 per household.

4.1.2 *Were there mechanisms in the province to deal with non-performing contractors?*

The province needed to provide details on what has been to those non-performing contractors.

Non-performing contractors were dealt with in terms of the agreed upon condition of the contract, which, amongst others included invoking penalties as stipulated in the contract. A last resort would be the termination of contract, in instances where corrective actions were not yielding results.

4.1.3 *Were there plans to deal with blocked projects in the province? How many blocked projects were there in the province?*

The MINMEC of November 2005 approved the implementation of a strategy for unblocking human settlements/housing projects. The strategy aimed to define blocked projects and to assist in the process of closing blocked projects in Provinces and Municipalities. The Provincial Departments would be obliged to finance the application of the strategy from its annual housing funding allocation received from the Minister of Human Settlements. The implementation of the strategy would require dedicated multi-year allocations until the projects were completed. The funding amount that would be available for the unblocking and completion of stalled projects would be determined on a project-by-project basis. The Provincial Department had identified blocked or stalled projects for various reasons including land invasions, refusal of occupants/tenants to vacate the land for development. The Department was engaged in ongoing mediation to clear areas required for development. Additionally, measures were taken to identify projects requiring specialised intervention to ensure the causes of project blockages are addressed. Some of these projects are listed below:

- Joe Slovo Informal Settlement.
- Airport Precinct Informal Settlement.
- Penhill / Welmoed project; Ithemba project.
- Kayamandi Informal Settlement and Witzenberg Ceres Vredebes project (refers to the Ceres Nduli informal settlement).

4.1.4 *Was there a specific plan to deal community unrests. This must be presented to the Committee within 2 months.*

In conjunction with Local Government, two Joint Operations Committees for the Western Cape¹⁵ are being established. One would cover rural areas, while the other would oversee the metro and surroundings, utilizing the current infrastructure of the City of Cape Town. Weekly meetings would be held within the City of Cape Town's War Room (fostering intergovernmental relations) to provide early warnings to all major role players. The Provincial Department was also finalizing its security appointment to assist officials in curbing the land invasions and illegal occupation of nearly completed units within Departmental projects.

In terms of construction sites, where practically possible, the Provincial Department collaborates with agents within the security cluster to ensure that security threats to construction sites were mitigated before their actual occurrence. Whilst acknowledging that there were instances where units were vandalised because of them not being occupied, the Provincial Department endeavours to allocate the units to beneficiaries upon completion as a mechanism to mitigate against occurrences such as theft and vandalism.

4.1.5 Were there plans to deal with theft and vandalism of completed units not yet allocated to beneficiaries? How many houses and land parcels had been invaded? And what actions had the department taken?

For the previous financial year, there were 9 attempts of illegal occupation of departmental rental units within the Plumstead area and a Departmental project (New Woodlands housing Project). The attempts were unsuccessful through actions taken by department officials with the assistance of the security service provider, law enforcement and SAPS working as a team to prevent the illegal occupation of these units.

4.1.6 The Provincial Department needs to comment on how food gardens were incorporated into their human settlements' projects. In how many projects had this been incorporated in?

Although the Provincial Department was not mandated to provide or implement food gardens within human settlements projects, the Provincial Department had supported such initiatives on various projects in the past as part of the drive to had sustainable/integrated human settlements. The Department through its ISSP anchored on transversal collaboration/lobbying of initiatives has supported the development of various Community Action Plans (CAP) and Sustainable Livelihood Plans (SLP). These plans focused on elements such as food gardens and were referred to as non-human settlement core. SLPs were a compulsory requirement for

all informal settlement projects funded via the ISUPG. The CAP and SLP contained aspects¹⁶ related to food security and community food gardens.

One such example of the Informal Settlements' Support Plan process was the upgrading of Sibanye informal settlement in Moorreesburg in Swartland Municipality. Existing small-scale farmers living within the settlement were supported by the Department of Agriculture, the Municipality, and neighbouring farmers. The support provided included a piece of land adjacent to the settlement, as well as skills training and equipment. Community-members within the settlement were also encouraged and supported to grow their own small food gardens. The aspect of incorporating food gardens into their human settlements' projects in the would be discussed with the Provincial Departments of Agriculture and Social Development.

4.1.7 *How many people with disabilities and Military Veterans has been provided with appropriate houses in projects?*

The number was provided from the period 01 April 2022 - 08 June 2023 as follow:

- Number of disabled persons assisted (including Military Veterans).
- Number of Military Veterans assisted.
- Number of disabled Military Vets assisted.

4.1.8 *How many black women that had been empowered in human settlements construction? Specify if they were main or sub-contractors.*

The list of women in construction could not be separated into main or sub-contractors at this point, due to how information on contractors was captured. However, for the period 2014-2019, the Provincial Department ensured that enterprises led by woman were given priority. A list of contractors was given.

4.1.9 *The Provincial Department must provide the Committee with a comprehensive report to restore the dignity of people living in Khayaletu Bungalows. This report must be provided to the Committee within 2 months.*

A parent land parcel developed with pine timber homes "bungalows" was donated to the Municipality by a private company prior to 1994. The parent title was T62885/1999 and the

registered owner was the Knysna Municipality. In the year 2000, Knysna Municipality took¹⁷ a Council resolution to legalize the matter and give ownership to occupants who are South Africans with Identity Documents. Given the condition of the structures, some of the beneficiaries refused to take ownership/transfer of the properties, and therefore to date several properties are still under the ownership of the Knysna Municipality.

The Provincial Department had written to the National Minister to seek approval to access the 1% allowed in the Business Plan for emergency funding to pay for an Assessment Report, which was being undertaken by the Housing Development Agency (HDA). A preliminary assessment was performed by the HDA in May 2023 to establish the status quo and condition of the structures and identify feasible ways forward. At a subsequent site visit by the Provincial Department, HDA, and Knysna Municipality on the 5th of June 2023, it was agreed that the HDA should proceed with a more detailed assessment, which would be submitted on 26 June 2023, recommending a final way forward on the implementation of this project.

The report would provide a technical assessment summary of each unit to provide information upon which a decision can be made to either renovate or rebuild. The report would also identify which portions of land in this neighborhood where Temporary Relocation Units can be built to decant residents to, whilst their units were being renovated or rebuilt. For the beneficiaries identified as urgently requiring their units to be renovated/rebuilt, the report would demonstrate to what extent temporary structures could be built on each of their sites, whilst their existing units were being renovated/rebuilt. In anticipation of the report, the Provincial Department was also busy pre-screening the occupants of all 124 structures to establish their subsidy and qualification statuses.

5. Sites Visits:

The Delegation visited the following sites:

5.1 Vlakkeland Site

The project was identified by the Drankenstein Municipality's Human Settlements Plan and was on the Spatial Development Framework as an area for urban development. The development was located within the urban edge. The housing distribution was based on the principle of higher densities along the main movement and public transport routes and lower densities adjacent to existing residential areas. The layout design promoted workable

communities with all residential precincts within walking distance of community facilities and public route. The development would consist of subsidy housing, GAP, Finance Linked Individual Subsidy Programme (FLISP) units, commercial and light industrial use, social housing, and full spectrum of social facilities. Progress on the project was reported as follows:

- Phase 1.2 was completed.
- Phase 1.3, the first contractor was declared insolvent and Lawula Contractors was appointed to complete the phase.
- Phase 1.1 and 1.4. JVZ was appointed as the civils contractor.
- Phase 1.1 and the completion of Phase 1.13, Lawual Contractors was appointed.
- The completion was anticipated to be complete in September 2023.

During the walkabout, the Delegation registered serious concern about the missing Mother Erf. The Committee stressed that it should be within 21 days to fast-track the issuing of individual title deeds. The Delegation also instructed the Provincial Department to remove the two disabled women on the double story houses and provide them with appropriate houses within 21 days after the visit.

5.2 Transhex

This project was one of the catalytic projects identified for implementation by the province. The entire project comprised of 8873 serviced sites, but implementation was at phase 1 intention to provide 3231 civil engineering services and top structures would comprise of the following:

- 1419 BNG units.
- 993 GAP housing.
- 680 Sectional Titles.
- 134 Enhanced Service Sites.
- 5 sites for churches and schools.

With regards to progress on the project, 2550 serviced sites were completed. Seventeen houses were not enrolled due to snags which were later corrected. The issue of seat-in shower was not corrected especially for people living with disabilities. Six beneficiaries withdrew and there were 17 untraceable beneficiaries. The Committee was concerned about the poor quality of

material used; happy letters and title deeds that were not issued; the allegation that the main¹⁹ contractor was charging for fixing snags.

5.3 Plettenberg Bay

The area of Qolweni was densely populated with very little open areas to relocated families. When the Engineering Services project started, only families who resided in the road reserves were relocated to various vacant areas and TRAs within the Qolweni Phase 3 footprint. The Qolweni Phase 3 area was therefore densely populated with informal structures which uses the toilet, of the Enhanced Services Sites, as a shared service (1:2 to 3). The 164 TRA units were constructed in 2020 to accommodate qualifying beneficiaries.

During the visit the Delegation was informed that the project was a UISP project phase three with serviced 14/15 *insitu* upgrading. 169 units completed over period of 6 months. In Phase 4, there were no spaces to move people from their informal settlements. Conveyancers were appointed to administer title deeds. Happy Letters were signed and handed over to the beneficiaries and the municipality filled the copy.

The Delegation enquired on how they were managing beneficiaries. In response, they indicated that allocation was based on the list also considered the elderly, vulnerable groups. The policy also looked at the exceptional cases. The Delegation learned that in house No 13876, the beneficiary was disabled woman and was unable to go up. The Delegation requested the Provincial Department and the municipality to relocate the beneficiary to a house that would accommodate her condition. It was further requested that ramps should be constructed from the street to the house for the wheelchair beneficiaries to access their houses. The report was required within 21 working days.

5.4 Kayaletu Bangalows, Ward 7

The Delegation was briefed by Mr Tshengwa, Mayor of Knysna, about the projected. He informed the Delegation that the community of 150 households were relocated and placed there in the bangalows in 1989 by apartheid government from Jossekamp. In 1996, when houses were built, a request was made for them to receive houses. The government of the Western Cape refused to provide houses and claimed that they have benefited already. The matter was

since reported to the National Department. The bangalows were dilapidated, health hazard²⁰, uninhabitable, and decaying. This presented a challenge especially to the disabled and elderly people. He also stated that there were about 4000 houses with asbestos roof in the area including the 150 bangalows. National Department and Provincial Department to assist Ms Angelina Phillips Zenani, born 19631124, her subsidies approved but did not receive a house.

5.5 EHP Knysna, Nikkies East

NHBRC needed double check the floors and doors which were not locking properly. Nekkies East housing project, phase 3, Original Geotech should be part of the report. 10 houses were built and not allocated to beneficiaries claiming threat there were underage to benefit as per the policy. The council resolved that the province should relax that as those people were moved from where they were staying. The National Department would intervene and sort out the issue of 10 houses.

5.6 George Pacalsdorp Cataltic

The project was 2000 erven BNG and FLISP, completed 2021. Title deed transferred to beneficiaries, hander over certificate handed over and deed of sale. 147 FLISP houses were completed in 2019 and 40 units were sold. Covid-19 restrictions complicated things, only 100 qualified. Looking further for people to be approved so that they can buy. The Delegation indicated that there was need for session with the NHBRC to understand its' challenges.

1. Eastern Cape Presentations – 19 to 21 April 2023

The Mayor Port St Johns, Ms N Mlombile-Cingo, welcomed the Delegation. She informed the Delegation that the municipality was a victim to constant floods. As a result, there was a need to expand the town to higher terrains. There was also a desire for improvement of human settlements, including Small, Medium and Micro Enterprises (SMME) development, and a local airport. She further stated that the town had many dreams and aspirations for socio-economic development and for a smart city.

The MEC, Ms S Lusithi-Mani, provided an executive summary. She stated that the Committee²¹ is responsible for oversight of human settlements delivery in the Republic. The oversight was done through an accountability system of planning, implementation, and reporting. Furthermore, the Committee engages communities and stakeholders through oversight visits which include engagements with provincial departments, municipalities, and human settlements entities. The Committee also provide guidance on areas of focus. She stated that the presentation would address the objectives of the oversight. The Acting Head of Department, Mr Venn, presented on behalf of the Provincial Department. The presentation was outlined as follows:

6.1 Implementation of a human settlements’ strategy

It was reported that comprehensive Strategy for Human Settlements development - guiding directive for integrated communities, providing free descent housing for the indigent and affordable housing for low-income earners. Regarding the integration and spatial restructuring of towns and cities, the National Department developed a spatial transformation approach to build new integrated, functional, and inclusive settlements.

6.2 Progress made towards the achievement of Outcome 8 outputs and targets set for 2022/23:

KEY DELIVERY INDICATOR	2022/23 TARGET (ANNUAL)	2022/23 ACTUAL OUTPUT
Number of PDA’s invested in	1	1
Number of implementation programmes for PDA’s completed	2	2
% of acquired land rezoned	1%	0
Number of Breaking New Ground houses delivered	7 666	5 344
Number of units delivered through FLISP	243	274
Number of serviced sites delivered	6 205	4 352
No. of Community Residential Units (CRU)	Exemption granted by National Department of Human Settlements not to report for 2022/23 financial year	

6.3 The Table below provides key delivery outputs from April to December 2022

KEY DELIVERY OUTPUTS	2022/23 TARGET (ANNUAL)	2022/23 ACTUAL OUTPUT
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No. of rental housing units delivered in PDA's	210	0	22
No. of informal settlements formalised/ upgraded to Phase 3 of the Informal Settlements Upgrading Programme	115	0	
Number of outstanding pre- 1994 title deeds Registered	750	70	
Number of outstanding post- 1994 title deeds Registered	3 500	2 219	
Number of outstanding post-2014 title deeds Registered	3 750	369	

6.4 Budget expenditure and performance in meeting service delivery targets set for 2022/23:

ECON CLASS	ORIGINAL BUDGET R'000	ADJUSTED BUDGET R'000	EXP. R'000	VARIANCE R'000	ANN. BUDG EXP %
C.o.E	378 897	363 775	360 051	3 217	99,08%
GOODS & SERV	49 853	70 788	70 790	(2)	100,003%
H/H	2 621	1 905	2 412	-	127%
HSDG	1 542 022	1 592 766	1 592 762	4	99,9998%
ISUP	458 151	458 151	386 059	72 092	84%
EPWP	2 987	2 987	2 989	(2)	100,06%
EMERG GRANT	-	84 108	67 248	16 860	80%
CAPEX	13 500	21 241	19 918	1 323	94%
TOTAL	2 448 031	2 595 721	2 502 617	93 492	96%

6.5 Progress made in the issuing of pre- and post- 1994 title deeds and challenges hindering this programme, from April 2022 to March 2023:

TITLE DEEDS	ANNUAL BUDGET R'000	EXPENDITURE R'000	% SPENT	ANNUAL TARGET TITLE DEEDS	TITLE DEEDS OUTPUT	% DELIVERED
Pre - 1994	R983 250	R111 673	11%	750	70	9%
Post – 1994	R9 504 750	R3 194 967	34%	7 250	2 588	36%
Total	R10 443 000	R3 306 640	32%	8000	2 658	33%
CHALLENGES ENCOUNTERED				PROPOSED SOLUTIONS		
<p>Pre-conveyancing activities that are outstanding [GPs, Township Establishment, Township Registers as well as missing Mother Erf Titles]</p> <p>Land parcels where projects were never consolidated and still owned by different states.</p> <p>Lack of support by Local Municipalities in submitting & signing of documents</p> <p>Reluctance to accept ownership by beneficiaries of pre-1994 stock due to bad conditions of the properties.</p> <p>Encroachments of projects to privately owned land</p>				<p>Make use of the appointed service providers to deal with opening of Township Registers and application of the replacement of loss Mother Erf titles.</p> <p>Vesting and consolidation of mother erf in collaboration with Public Works through the services of the appointed conveyancer</p> <p>Continuous engagements with the local municipalities to lobby for the support and prioritisation of the programme</p> <p>Pre-1994 stock included in the rectification programme of the Provincial Department</p> <p>Negotiate with the private landowners to purchase the pieces of land where there are encroachments</p>		

6.6 Progress made in the construction of houses for military veterans and challenges encountered:

MILITARY VETERANS' PROJECTS	2022/23 PLANNED TARGET	2022/23 ACTUAL OUTPUT
Chatty 491	28	25
Dukathole	8	0
Gompo	28	0
Mbizana 27	27	0
TOTAL	91	25

It was reported that lack of serviced sites and bulk infrastructure was hindering progress in the delivery of houses for Military Veterans. However, municipalities were to make serviced land

available for construction of houses for Military Veterans and increase capacity of bulk infrastructure. There was an illegal occupation of houses, and delays in confirmation of Military Veterans by the Department of Military Veterans (DMV), unavailability of policy guidelines to accommodate dependants of Military Veterans, and poor cooperation by DMV to confirm the validity of listed veterans. The numbers between the two Departments were not aligned. There was a need to include widowers of Military Veterans, who were demanding 50qm houses. There was also a need for engagement of political heads by National Department and DMV.

6.7 Progress made on the construction of houses for destitute, special needs and vulnerable people:

DESIGNATED GROUPS	2022/23 ANNUAL TARGET	2022/23 ACTUAL OUTPUT
Elderly	4446	1429
Destitute	2209	3383
People living with disabilities	153	24
Military Veterans	91	25
Youth	767	483
GRAND TOTALS	7666	5344

6.8 Rural and farm worker assistance, housing co-operatives assistance programme and the People's Housing Process:

REGION	NO. of PROJECTS	2022/23 PLANNED TARGETS	2022/23 ACTUAL OUTPUTS
Amathole	9	486	495
Alfred Nzo	63	1293	439
BCMM	16	499	764
Chris Hani	39	1254	519
Joe Gqabi	9	350	73
NMBM	0	0	0
OR Tambo	81	1162	1167
Sarah Baartman	0	0	0
TOTAL	217	5044	3457

6.9 Plans in the implementation of the DDM

The Provincial Department reported that it was participating in the provincial DDM structures that were coordinated by the Department of Cooperative Governance and Traditional Affairs (COGTA) and other structures. The Provincial Department made inputs to all District or Metro

One Plans in the province. The projects that were included in the plan were part of the Provincial Department's long-term plans. This would support the implementation process once the plans adopted were by municipalities. The Provincial Department established a Member of Executive Committee-Member of the Mayoral Committee (MEC-MMC) Implementation Forum with District and Metro MMC's which would assist in coordination of efforts administratively and politically.

6.10 Plans and progress on conversion of hostels into CRUs

There were no projects that were ready for implementation in the province due to bulk infrastructure challenges. There was also a lack of support of the programme from the Local Municipalities. The province reported that it has pipeline projects under planning that would be incorporated into Social Housing pipeline projects. The strategy to incorporate CRU projects into social housing projects would leverage on the management expertise of social housing institutions. There was a budget allocation of R 1 542 000 which was not spent.

6.11 Progress made in the eradication of mud houses, eradication of asbestos roofs and land invasion, for the 2022/23 Financial Year

REGION	NO OF PROJECTS	NUMBER OF UNITS	REQUIRED FUNDS TO COMPLETE SCOPE
ALFRED NZO	3	626	R 102 041 066
AMATHOLE	2	185	R 26 918 537
BCMM	1	220	R 36 960 000
CHRIS HANI	3	166	R 23 976 211
JOE GQABI	1	100	R 18 312 600
NMBM	0	0	R0
OR TAMBO	5	130	R 14 680 500
SARAH BAARTMAN	0	0	R0
TOTAL	15	1427	R 222 888 914

There was a need to determine work scope for the removal of asbestos. Installation of new roofs may collapse current structures, as asbestos is light in weight. Additionally, houses that

have been altered cannot be included, because of risks. According to the National Department²⁶, the Provincial Department needed to urgently quantify and cost the removal of asbestos project. Rectification backlog was at 50 000, and extra funds were needed to address the issue. The Provincial Department reported that it had 80 identified Townships that required eradication of asbestos (EEDBS). There was a need to appoint a Professional Service Provider to conduct Technical Assessment as to determine to scope of works; financial implications; demolishing methods; and disposal mechanism that would need compliance certificate issued by various statutory bodies. Means of compliance with statutory bodies and ensure all projects were adhering to the business plan and the procurement of contractors. It was also reported that in OR Tambo District, Port St Johns, there was Port St Johns 321 Rectification (Mtumbana) housing units. The contractor was on site demolishing, rebuilding houses, and completed 12 houses. The project was anticipated to be completed by December 2024. An amount of R2 400 000 was set aside for 2022/23 financial year.

6.12 Land invasion, 2022/23 Financial Year

REGION	PROJECTS AFFECTED	REMEDIAL ACTION
Buffalo City MM	<p>The Reeston 840 Project has been delayed due to illegal occupation of about 200 houses by certain individuals.</p> <p>The Department followed the Legal process and received Eviction Order in favour of rightful beneficiaries and</p> <p>Evictions were done but Illegal Occupants went back to occupy the houses.</p>	The Municipality needs to enforce the eviction court order and ensure that the illegal occupants are evicted.
JOE GQABI	The Region has substantial number of projects that cannot be initiated/stalled due to Illegal Occupation of Land that is earmarked for Human Settlements Development especially in Mount Fletcher and Aliwal North Areas.	The Department is to report the Sheriff for not enforcing the court order to the regulatory body.
NMBM	The Metro is faced with invasion of some sites within Townships that are being developed and some people invaded undevelopable sites.	Municipality needs to uplift the moratorium on evictions.

6.13 Plans in the utilisation of alternative technologies in construction

REGION	MUNICIPALITY	PROJECT NAME	PLANS FOR THE PROJECT	TIME FRAMES
BUFFALO CITY METRO	BCMM	None	None	None

JOE GQABI	Joe Gqabi	None	None	None
NELSON MANDELA METRO	NMBM	None	None	None

BCMM: Implemented one ISBT Project during 2022/23 and the project was changed to brick and mortar having realised elements that could lead to it being blocked. The project's name was East London Leaches Bay 52 Units.

Joe Gqabi and NMBM: The two regions had thin pipeline to implement projects and therefore have not planned for ISBT during 2023/24 financial year. Engagement of the Region & Municipality is planned for identification of potential ISBT Projects.

6.14 Progress made in the upgrading of Informal Settlements Programme

REGION	NO. of PROJECTS	PROGRESS TO DATE
Amathole	26	<ul style="list-style-type: none"> •Phase 1 Completed •Phase 2 Construction (interim Services in progress) •Phase 3 Activities in progress in Raymond Mhlaba LM
Alfred Nzo	4	<ul style="list-style-type: none"> • Phase 1 Completed • Phase 2 Construction (interim Services in progress)
BCMM	-	<ul style="list-style-type: none"> •Utilizing the USDG
Chris Hani	19	<ul style="list-style-type: none"> •Phase 1 Completed •Phase 2 Construction (interim Services in progress)
REGION	NO. of PROJECTS	PROGRESS TO DATE
Joe Gqabi	10	<ul style="list-style-type: none"> • Phase 1 Completed • Construction on the Bulk upgrading is being considered as desired by the communities
NMBM	-	<ul style="list-style-type: none"> • Utilizing the USDG
OR Tambo	20	<ul style="list-style-type: none"> • Phase 1 Completed • Phase 2 Construction (interim Services in progress)

Sarah Baartman	81	<ul style="list-style-type: none"> • 45 Assessments • Phase 1 Completed • Phase 2 Construction (interim Services in progress) • Phase 3 Activities in progress in Kouga and Ndlambe • Construction on the Bulk upgrading in Kouga Ndlambe and Sundays River LM's is being considered
TOTAL	160	

6.15 Progress made in the provision of serviced sites:

REGION	NO. of PROJECTS	2022/23 PLANNED TARGET	2022/23 ACTUAL OUTPUT
Amathole	1	135	0
Joe Gqabi	3	256	0
NMBM	1	171	0
Sarah Baartman	5	587	134
TOTAL	10	1149	134

6.16 Intervention made to assist the communities affected by recent floods:

REGION	HOUSEHOLDS AFFECTED	NUMBER OF SHELTERS PROVIDED
Amathole	708	19
Alfred Nzo	761	441
Chris Hani	391	50
Joe Gqabi	97	10

OR Tambo	2842	517	29
TOTAL	4799	1037	
<p>The application for the 2023 Disasters has already been submitted to the National Department of Human Settlements for consideration and intervention in the 2023/24 financial</p>			

6.17 Financial implication, April 2022:

REGIONS	NUMBER OF UNIT	NO OF UITS COMPLETED	ALLOCATED BUDGET	EXPENDIURE TO DATE	PIPELINE CLAIMS
OR TAMBO DISTRICT	1256	517	86 236 960	29 965 320	3 155 952
ALFRED NZO	520	441	35 703 200	25 560 360	1 716 500
CHRIS HANI	378	50	25 953 480	16 054 920	7 104 780
JOE GQABI	97	20	6 660 020	1 159 200	1 154 617
AMATOLE DISTRICT	708	19	48 611 280		3 728 151
TOTAL	2959	1027	203 164 940	70 023 000	16 860 000

6.18 Flood disasters

There were 4799 affected households in the province, with only 1037 shelters provided. Provincial Department expected National Department to take over the provision of houses for the remaining balance of households now that Emergency Housing Grant (EHG) was centralised. The Provincial Department was lobbying for the provision of permanent solutions

rather than TRAs. This challenge was acknowledged by the National Department. There was³⁰ also a challenge of poor access to destitute families, due to weather, and poor infrastructure which hindered the ability to deliver materials. This was further complicated by the challenges of unavailability of suitable land for human settlements. In a recent assessment report, it was recommended that houses in Port St John's should be moved/ relocated in totality because they were situated in a flood line. The Provincial Department was also considering direct provision of permanent structures in case of disasters, especially for mud houses. Furthermore, the use of ABTs to provide permanent solutions and avoid recurring disasters was seen as a plausible option.

2. Questions raised by the Delegation.

The following were questions raised by the Delegation:

- What were the root causes for high expenditure versus low performance?
- What were plans for mixed human settlements developments?
- What were plans to ensure the implementation of Title Deeds Programme?
- Was there consequence management for loss of records and information, in relation to Mother Erf Title?
- What were the province's control measures and implementation protocols with Municipalities, as owners of land?
- It was mentioned that Military Veterans needed for houses with equality. What is the qualification criteria for the programme? What is the ceiling and cut off? National Department need to review programme, revisit definition and scope. Municipalities to play a stronger role in identifying beneficiaries.
- What are lifespans of Blocked Projects, as well as timeframes for unblocking them. Need to be concrete and conscious on timelines. What is the consequence management for poor performing contractors and was accountability enforced. Enforced accountability? Criteria used for allocation of EHG funds- Evictions of Illegal Invasions?
- What is the alternative placement plan for people to be moved. Improve consequence management.
- What were the plans to deal with corrupt officials who were benefitting themselves on land targeted for service delivery.
- Municipalities should avail and release land and play a stronger role in identification of beneficiaries.

- There was a concern that the waiting period for elderly to receive their houses was too long.
- There was a need to improve specifications and features on unit structures, with the gradual increase in the quantum.
- There was a need to strengthen provision of Social Amenities, in line with the mandate of Human Settlements.
- There was a need for concrete plans to develop, improve and enhance cities and human settlements.

6.1 Responses

The municipality reported that there was a countless backlog in all 20 wards in the municipality. There were 400 households which were affected by disasters in that year. There was a challenge of constant community questions on service delivery timelines. There was a lack of funding to develop a Smart City. Land invasions and their impact on service delivery, in the absence of interventions. Some projects were locked up to 15 years.

The delegation requested the National Department to account on administration of occurred disasters and blocked projects. To present a plan of handling emergencies and disasters, with the removal of EHG, including backlogs. Municipality report must include specifics of Projects breakdown, their challenges, municipality turnaround efforts, including collaborations with relevant stakeholders and role players as well as further required interventions. Province must treat HDA like all other contractors. If they are not coming to the party, they must be terminated.

3. Site Visit in the Eastern Cape

7.1 Port St Johns Rectification

The delegation visited the project and was informed that the entire development provides for the Rectification of 321 houses. Mention should be made of the fact that the project appears on the Housing Sector Plan of the relevant Local Authority. The project forms part of the projects that were on the Conditional Grant Business Plan of the Department for 2022/23 Financial Year. The Department appointed Everite Building Products (Pty) Ltd as a Turnkey Contractor to construct, complete and demolish the existing 30m2 houses for a duration of 24 months starting from 14 November 2016 up to 14 November 2018. Everite Building Products (Pty) Ltd

was appointed at an amount of R 60 999,379.62 to execute all the works using Alternative³² Building Technology. Extension of time was granted, and it will end on the 31st of October 2023 due to challenges experienced. The Project is a Rectification Project where National Department issued a motivation that only 10% of the budget should be allocated for rectification projects.

The contractor, Everite Building Products had serious issues of non-performance and series of engagements were held with the contractor with the intention of demanding an improved performance, but not enough improvement was seen. Everite and Motheo then met and agreed to the ceding of 200 units. The Department then facilitated a Cession Agreement between the two contractors. The cession agreement was approved on the 06 October 2022.

Motheo Construction would build the 200 rectification housing units using the conventional method as they cited that they are not licensed by Agreement South Africa to use the Everite ABT product. Everite on the other hand will continue building the ABT housing units on all 121 rectification units. From the 121 units built by Everite 78 units were complete and handed over to the beneficiaries.

The delegation was informed of the challenges that hindered the project. It was stated that since the project was an ABT project, there were some changes that needed the Agreement SA to be approved before construction get underway. Lack of access to individual sites and difficulty or steep sites resulting in extra excavation for foundations and double handling. Lack of building space and encroachments. Lack of material supply such as concrete, steel, cement, and blocks within the OR Tambo District Municipality. Inclement weather conditions (heavy rains during rainy season resulting in a lot of days wasted as the site was not workable); lack of water and skilled labour in the development area and there were sites allocated at the gravesites which require relocation.

There were some interventions taken to assist the project were as follows; Motheo had been appointed as a cessionary to assist with performance and will build 200 units using the normal conventional method; the contractor had been encouraged to order materials from alternative sources in cases of local material shortages; the contractor had been allowed to bring skilled labour from other areas to fast-track production on site and to transfer skills to local labour.

The delegation was of the view that there were discrepancies in numbers: 321, 200, 80. The removal of asbestos roofing in pre and post 94 units. There were structural defects and shoddy workmanship. Minor disaster repairs. Adjustments of 30m to 40m. NHBRC assessment findings to demolish and rebuild. What was the basis and conditions for the rectification work? What consequence was applied to the wrong doers in the Province, Municipality, and Contractors. Were processes followed to grant rectification.

It was reported that rectification commenced in 2015. The rationale for reallocation of projects to proven defaulting. Why was this project not classified as a Blocked Projects. Provinces must prioritize address and conclusion of all blocked projects, before commencing on new ones. Province must ensure consequence management, regardless of the defaulter. NHBRC to strengthen Q&A and provide improvement plan to the Committee. Revisit compilation of contracts and clauses. The province to furnish Minister with report on performance of rectification funds. The National Department must report on how projects were managed, how was National Department was providing support to provinces.

7.2 Mpoza 500 – Ingquza Ward 12

The delegation was informed that the project was approved for the development of 500 houses in Mpoza village in ward 12 of Ingquza-Hill Local Municipality. The Department went on tender and appointed Fitscape Trading CC to construct the 500 housing units. Fitscape Trading CC. did not perform on the project and numerous discussions were held with them advising them to enhance the performance, but the under-performance continued until the contract got terminated. At the time of termination, Fitscape Trading CC. completed 262 houses in the project.

After the contract got terminated, the Department went on tender and appointed Express Builders CC. to do 232 units that were left at various stages by the previous contractor and 6 new units. Whist the contractor was working on site, the Department approved an extension of scope for 42 units of people whose homes were burnt down in a community infighting in

Khanyayo village. That infighting left 42 people homeless. The contractor was on site³⁴ completing the last 24 houses of the project.

The contractor was appointed at an amount of R 29 916 673 for the 238 units of Mpoza village and the contract duration was 12 months. The contractor was appointed on 17 April 2019 and Service Level Agreement was concluded and signed on 3rd October 2019. An extension of scope was done into the project for the construction of 42 housing units for Khanyayo village at an amount of R 7 271 828,34. Contract duration was also extended in the project to cover for extension of scope, inclement weather, COVID-19 Lockdown and NHBRC delays. All those extensions of time were approved by the Department and revised the contract end date to be 30 June 2023

During the construction stage, the following challenges were encountered; planning took longer due to units that were left at various stages – there was a need to conduct assessment of work on various stages by the contractor before the NHBRC project enrolment can commence. (That required extension of time); delays by NHBRC Enrolment processes where the contractor had to go back and forth in getting the NHBRC approval. (That required extension of time); delays of construction due to inclement weather as roads are inaccessible when it is raining and after rainy days (That required extension of time); delays due National Lockdown due to Covid-19 pandemic. (That required extension of time).

The project was challenged by the weather, transport costs for delivery of materials in rural areas, concern on recurring complaints on NHBRC delays, poor cooperation, site inaccessibility, and infrastructural connections in rural areas. Storm water infrastructure was not durable. The delegation was concerned about defects in the visited and occupied units. Some houses have bad floor finishes, uneven floor surfaces, yet are handed over to beneficiaries with such defects.

7.3 King Sabatha Dalintyebo, 1317- Mthatha

The delegation was informed that the Department entered into an agreement with King Sabatha Dalindyebo Local Municipality as the Implementing Agent, for the construction of 1317 units for engineering services and top structures. This agreement was acknowledged and signed by the Head of Department in 2015 for the implementation of the project. The agreement came after the Department received an application from the Municipality which was driven by the plight of many people living in different informal settlements around the urban zone of Mthatha. The Municipality wanted to change the outlook of the area by housing these informal dwellers in decent houses and thus the application for funding to build houses. The funding application was approved for 1317 units amounting to R 196 082 775.00

The engineering services project which included water reticulation, sewer reticulation construction of roads and stormwater. King Sabatha Dalindyebo Municipality appointed Stedone Developments as the contractor for both the services and top structures. The engineering services project was started in and completed in January 2016. Soon after the completion of the services, the top structure implementation started but it was to be implemented in phases, the first phase being 240 units due to the big scope of the project which would lead to fiscal exhaustion at the time. The top structures started in February 2016 with the end date of 30 September 2025 after an extension of time request was granted.

The delegation observed defects on installed building material and malfunctioning handles. Service provider was requested correct incomplete work. There was poor monitoring by Province and NHBRC. Limited access by elderly occupants. Some houses were deteriorating. Sewerages were not maintained. The delegation instructed the NHBRC to do a secondary assessment for all completed units. A lot of registered beneficiaries had passed on, before handover. A progress report on addressing of identified defaults was required in 21 days. The National Department to verify and confirm if these houses are linked to beneficiaries' water leakages. One of the beneficiaries had an operation and classified as disabled. Multiyear projects needed to verify beneficiaries before housing allocation.

The National Department would start looking at issues of each beneficiary and re prioritized before allocating. Consequence management would need to be investigated. The contractor needed to fix falling ceilings is falling, gaps in the doors, steel windows that were not working. A beneficiary in houses number 224297 did not receive a happy letter, no water since 23

December 2022. Four Military Veteran took occupation in 2019. Their houses were leaking.³⁶
The Committee recommended that NHBRC should work with resident inspectors.

7.4 Willowvale 97- Rectification Project

The delegation was welcomed by the mayor, who informed the delegation about the Idutywa Rectification Project. The Willowvale Extension 1 Rural Housing Project was in the administrative district of Mbashe Local Municipality which forms part of the Amathole District Municipality in the Eastern Cape. It is situated approximately 32km South of Idutywa along the R408 road and approximately 31km Northwest of Qora Mouth. The project development location lies within Erf 377 Willowvale Extension 1 and to the North of Willowvale town centre. The then Eastern Cape Housing Development Board signed an original agreement with Willowvale Transitional Local Council (TLC) for the installation of services under the Rapid Land Release Programme (RLRP) at the R15000.00 subsidy quantum, in Willowvale, Extension 1.

On 26 August 2002 the final agreement was signed for the construction of top structures on previously services erven. In October 2002 the above contract was terminated and on the 12th of November 2002 an addendum was signed to change the subsidy quantum to R20 3000.00. On 30 August 2004 an addendum was signed to reduce the number of subsidies from 99 to 97 as per resolution dated 8 July 2004.

On 30 January 2006, Mbashe Local Municipality appointed Thubelitsha Homes as Account Administrator and Project Managers for the unblocking of the Willowvale Extension 1 Housing Project. In March 2006, Mbashe Local Municipality and Thubelitsha Homes signed a Co – operation agreement. In September 2006 an addendum was signed to allocate additional funds for blocked funding and to appoint Thubelitsha Homes as Implementing Agent and Account Administrator. On the 07th of November 2022 Khanyeng Trading and Projects 52 CC was appointed as a Turnkey Contractor for Willowvale 97 (119) Housing Project in Willowvale under Mbashe Municipality. An agreement was signed with Khanyeng Trading and Projects 52 CC on the 13th of December 2022, with an approved contract amount of R 19 804 645.00. The duration of the project is 24 months.

The delegation was informed that the challenge was lack of interest by contractors to work³⁷ in the project. Clarity was sought between the blocked and rectification. It was stated that rectification was for shoddy workmanship while PHP Ilima houses were not registered with NHBRC. However, it was later enforced that all houses should be registered. There was a temporal arrangement to relocate people.

7.5 Komga Zone 10 1140 (Farm Dweller)

The delegation was welcomed by the Acting Mayor at the site. He informed the delegation that the subsidies were initiated by Amathole District Municipality and land was proclaimed for farm dwellers in 2014. Contractor was appointed in 2019 for top structure and 204 houses were completed. The project was divided into two phases 570 and 570. However, the challenge was the lack of beneficiaries as they were scattered in the neighbouring settlements and some refused to relocate, only 300 were confirmed beneficiaries by Municipality.

The delegation was informed that the toilets were built in 1996, with an endeavour that top structure would follow. It was proposed that the municipality should hand over the serviced stands to people who can build for themselves. There were also about 76 toilets that were erected in the flood plain and the delegation suggested that those should be removed. The municipality was going to engage Amathole District Municipality in relocating the 76 toilets. There was still a need for installation of bulk infrastructure which included roads and electricity.

The project was delays as beneficiaries do not stay in the area. It was projected to be completed by August 2023. There was a challenge of threatening flood line, affecting 76 households and sites. The Acting Mayor informed the Delegation that there was a blocked projects in Cintsa and Kei Mouth. The construction was at 50% completion. Some houses were demolished, and beneficiaries were suffering. The delegation instructed the municipality to submit a report stating the unit and total cost per toilet. There was also a need to re-plan settlement in the absence of adequate number of beneficiaries. The delegation further commended contractor for the excellent work.

7.6 Khwezi Berlin Blocked Project

The project, which started in 2018, was implemented by the BCM and appointed Ten Key³⁸ contractor for the construction of pump station. The project had 656 houses. The delegation enquired about how the beneficiary list was managed, and who were meant to benefit. The delegation also wanted to know the challenges causing delays. It was reported that there were challenges of poor performance of the contractor appointed for the pump station. However, payment was made for work done for services of 656 houses.

The National Department, the Provincial Department, and BCM would work on the unblocking of the project. The Provincial Department confirmed that it did not pay the contractor for incomplete work. The Mayor of BCM informed the delegation that she was appointed a month ago. She informed the delegation that BCM was level 1 accreditation, the project was going to be unblocked. Beneficiaries are residents from the area. Comprehensive report, in collaboration with NHBRC, would be provided in 21 days.

7.7 Mdantsane TRA transit camp

The project was declared as a Presidential Project and people were rotating in the transit camp, meaning that they were taken from the TRA to the completed houses. The delegation learned that there were elderly people who were in the TRA for longer and requested that there should be relocated to formal structure. A progress report was required in 21 days. The Project delays, need to intensify monitoring of use of grants. The delegation requested that it should be provided with SIU Report, including status of investigations.

7.8 Reston Project

The project was envisaged to deliver 840 units, and the project budget was R118, 5 million. The contractor was Uphala Construction. The budget for Small, Medium, and Micro Enterprise (SMMEs) was R36, 4 million at 282 units. The expenditure by the time of the visit was R88, 2 million. There were foundations were 814, wall plate 489, roofs 403, finishes 280, completion was 3 and there was no hand over yet.

There were challenges in this project such as illegal occupation. The court order for the eviction of illegal occupants has been granted and implemented in October 2022, however illegal occupants returned to houses. The department has opened a criminal case of contempt against

illegal occupants which is ongoing. Water and sewer connection testing by BCMM - Through³⁹ HDA, BCMM has appointed a contractor for infrastructure and is now waiting for a work permit from labour to commence on site. Deceased beneficiaries. BCMM in the process of replacement beneficiaries and process of nomination through court is underway for other beneficiaries.

4. Recommendations made by the Delegation:

The Delegation made the following recommendations to the Western and the Eastern Cape:

8.1 Western Cape Province:

- Ensure that houses in province have adequate yards for gardening.
- Ensure that houses in the province have water tanks.
- Ensure that the needs of disabled people are taken to consideration in the housing design. Ensure that showers are appropriately designed for disabled people.
- Address on all Engineering issues in all projects.
- Use existing mechanisms to local missing beneficiaries often resulting in misallocation. If original beneficiaries are not located within the stipulated time in the policy, allocated those houses to qualifying beneficiaries to prevent vandalism.
- Ensure the involvement and visibility of the NHBRC. Ensure that the NHBRC inspectors conduct honest inspections.
- Prevent the use of poor-quality materials and ensure that the NHBRC identify and report poor workmanship.
- Provide Happy Letters and Title Deeds to beneficiaries. Happy Letters should include the NHBRC insurance, pre-amptive clause, etc.
- Ensure consequence management for those who lost the Mother Title Deed.
- Provide adequate consumer education during housing allocation to prevent the misuse of government provided houses.
- Ensure that beneficiary management is fair and transparent.
- Identify appropriate land for human settlements in well-located areas.
- Prevent queue jumping and community protests.
- Conduct occupancy studies to identify the nature of housing occupancy. Put appropriate mechanisms to deal with a high number of foreign nationals in informal settlements.

- Find appropriate approaches to deal with deplorable conditions Kayaletu Bangalows.⁴⁰ Ensure that houses provided for Kayaletu Bangalows residents are fit for human consumption.
- In collaboration with the national Department, monitor multi-year projects to ensure that they adhere to the Project Readiness Matrix. These multi-year projects should have clear timeframes and targets.
- Address all 21 days correction of housing units instructed by the Committee during site visits.

8.2 Eastern Cape Province:

- Address bulk infrastructure challenges to implement CRU projects.
- Fast-track the allocation of built houses.
- Ensure that geo-tech studies are conducted before construction.
- Provide Happy Letters and Title Deeds to beneficiaries. Happy Letters should include the NHBRC insurance, pre-emptive clause, etc. Improve the content Happy Letters, including conditions of ownership, contact numbers for complaints, and Furnish copies to beneficiary.
- Ensure consequence management for those who lost the Mother Title Deed.
- Ensure consequence management for using asbestos post-1994.
- Address all project planning and management challenges.
- Ensure consequence management for non-performing contractors.
- Fast-track procurement processes.
- Ensure project inspection by NHBRC inspectors.
- Consider circumstance of rural areas in planning.
- In collaboration with the national Department, monitor multi-year projects to ensure that they adhere to the Project Readiness Matrix. Use the Project Readiness Matrix to ascertain feasibility of projects.
- Find approaches to deal with Business Forum. Ensure the involvement of the South African Police Service (SAPS) in dealing with Business Forums.
- Ensure that Military Veterans receive quality houses.
- Address all 21 days correction of housing units instructed by the Committee during site visits.

Report to be considered.