

Strategic Plan Evaluation

Presentation on strategic planning evaluation for the Department of Human Settlements 2014-2019

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Findings and recommendations Strategic Plan Evaluation 2014/15

- The right to housing under threat due to inefficiencies in spending and diminishing funding projected between the 2013/14 and 2016/17 financial years
- Inefficiencies in Housing Development spending
- Budget consists of equitable share from province to perform operational functions and conditional grant to implement housing projects
- Under expenditure prior to 2009 with improvements in 2009/10-2010/11 financial years
- under-expenditure is mostly a result of lack of capacity to spend, delays in procurement and poor contractor performance

Who is the PSAM?

- PSAM's Vision: Enhanced interaction between the public and the state that promotes accountable governance to progressively and sustainably improve the quality of life.
- PSAM Mission: Accountable service delivery due to improved interaction between citizens and the state that has focused on strengthening governance and public resource management (PRM) processes
- PSAM seeks to achieve its long term goal through the following outputs:
 - applied research, advocacy and direct engagement;
 - training and mentoring;
 - learning and knowledge creation

2014 findings and recommendations cont

- Reduction of the Eastern Cape provincial budget by R5.1 billion over the 2013/14 - 2015/16 period due to revisions in the equitable share formula based on revisions in the equitable formula based on high outward migration figures revealed in 2011 census results
- 2014/15 financial year the provincial budget decreased in real terms by 4.65% terms and only increased nominally by 2% from R60 billion in 2013/14 to R62 billion in 2014/15.12 with further decline of 1.65% in real terms over the medium term
- Recommendation- Amidst these funding cuts, the ECDoHS is obligated to find other reasonable measures within its available resources to meet its constitutional mandate. Given budget constraints it is crucial that the Department of Human Settlements prioritise the most vulnerable and destitute of communities that require housing. It will also require that alternative housing interventions beyond the current contract driven RDP housing development processes be introduced over the short term.

Strategic Plan Evaluation

- strategic plan evaluation (SPE) analyses the coherence and responsiveness of the department's Annual Performance Plan (three-year plan) and Operational plan (one year plan) to the socio-economic needs of those it serves
- The plans should link to the budget in order to ensure that key objectives and priorities are budgeted for and achieved
- Clear objectives and measurable outcomes should be outlined in the strategic plan and operational plans and these should be based on the pressing socio-economic needs of the less privileged people

2014 findings and recommendations cont

- Housing output reduced both nationally and provincially. Housing backlog continues to be plus/ minus 600 000 in the province. Planned targets revised due to the potential risk of not achieving the desired outcome. The Eastern Cape fails to make clear how it will be able to meet its housing targets in line with projected budget.

Strategic interventions

- innovative housing methods which require cheaper (over the long term) and more sustainable ways of supplying energy and water. This could significantly assist the ECDoHS by reducing costs related to bulk infrastructure. It could also lead to the unblocking of many housing projects and reduce the effects of bulk infrastructure on global warming and climate change.
- cutting housing development costs through diversification of housing products. The National Department of Human Settlements (NDoHS) has identified expanding social and rental housing opportunities as an alternative solution to the housing problem
- Private investments based on incentives. According to the Social Housing Policy, Social Housing Institutions may utilise a range of income tax exemptions and/or favourable tax provisions.
- Economic growth attracts private sector investments but also determines the number of households migrating to centres of employment in search of better opportunities

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- **Policy shifts and identification of important performance targets:** Both the Annual Performance Plan and the Operational plans for 2015/16 do not contain a foreword by the accounting officer of the department. The Accounting Officer's foreword establishes a clear link between broad policy priorities and the strategic plan and would provide a reflective discussion about the departments' achievements and challenges to assist in putting together a clear plan which seeks to address the challenges thereby improving the quality of planning
- **Is there a coherent relationship between strategic goals and strategic objectives?** The strategic objectives do generally correlate with the strategic goals. The strategic objectives are also consistent with the policy priorities outlined by the MEC in her policy speech. Strategic objectives are provided at the start of each section for each programme and are then also used to formulate further measurable objectives and performance indicators for each sub-programme in tabular form. The department has, over the years, put considerable effort into reviewing its indicators to make sure that they are more specific, measurable, attainable, and realistic and time bound (SMART).

Corruption

- ECDoHS suspended departmental officials for allegedly defrauding the Department of R32 million for conniving with contractors to approve poorly built houses.
- The plans are also weak on the implementation of fraud prevention strategies and monitoring of housing projects. The most recent Eastern Cape Audit findings revealed that public officials are negligent when it comes to complying with PFMA and SCM legislation and regulation
- The Head of Department (HoD) must (also obliged by the PFMA) take all the necessary steps to prevent irregular and fruitless expenditure as well as take disciplinary measures against officials who are not complying with all legal and regulatory provisions outlined in the PFMA. The HoD also needs to recover all monies stolen by employees who have been found to have defrauded the Department

Performance and monitoring

- Does the department provide an account of its internal organisational environment and indicate how this influenced the strategic plan under review? The Annual Performance Plan has a section on the "Organisational Environment". 11 It states that the department is making strides in solving the human resources that the department has been faced with since it began operating as a new department in 2008 as well as investments in developing its employees through training

Findings and recommendations Strategic Plan Evaluation 2015/16

- Three key priorities for 2015/2016 (i) leading in the development of a 20 year Provincial Human Settlements Spatial Master Plan through participation in the social transformation cluster, (ii) project enhancement for community integration through provision of social amenities and (iii) municipal support and capacitation. None of these priorities speak to the "most pressing social needs" of those dependant on the services of the department such as the backlog in issuing out title deeds
- Department highlighted two issues (i) doing away with waiting lists and introducing national housing register (ii) take into account migration patterns before approving future projects. These are important because the mythical waiting lists are fraught with irregularities and migration patterns affect the budget that the department gets allocated

Coordination between departments

- Does the plan detail mechanisms to ensure co-ordination with other departments? The 2015/2016 Annual Performance Plan lists "Participation in the Social Transformation Cluster" as one of the key priorities. One of the key objective under this priority is to develop a 20 year Provincial Human settlements Spatial Master Plan which will incorporate planned projects for other sector departments and state owned enterprises thus making it a "Plan of all Plans".
- The department should provide updated information concerning the success, or otherwise, of these clusters. In addition, the department should discuss how these linkages have influenced its strategic planning, with attention being focused on how the Department incorporates information from these clusters into its own planning and budgeting. The Department should also provide more information about its role in these clusters. Finally, the APP should provide information on efforts that will be made by the department to promote and increase its own involvement in the clusters, and how it plans to strengthen and encourage interdepartmental coordination.

UPGRADING OF INFORMAL SETTLEMENTS

- In the 2015/16 financial year, the department aims to facilitate the upgrading of 20 informal settlements projects as well as enhancing human settlements projects with social and economic amenities
- Conclusion: The department's planning has improved a great deal over the years. Within this milieu, a few problematic areas are apparent. For example, in a few occasions however, the strategic objectives do not reappear in relation to the measurable objectives and indicators, or do not clearly relate to them. In addition, while over the years the department has attributed its failure to reduce the backlog and the consequent sprawl of informal settlements, amongst other factors, to lack of suitable land for building. However, the APP does not show how the department plans to deal with land procurement.

Title deeds conclusion

- more coordinated and well planned response is required. Both the Annual Performance Plan and the Operation Plan 2016-17 of the Department do not give enough detail about the logistics of the project. For instance, the detail provided does not answer questions such as:
 - How much is budgeted for eradication of the title deeds backlog?
 - Time frames for eradication of both pre-1994 and post-1994 backlog?
 - Time frames for timely delivery of title deeds to beneficiaries upon occupation?
 - How many conveyancing firms have been appointed to carry out the transfers?
 - What strategic interventions have been taken to date?
 - What is the progress so far?

Strategic Plan 2016/17 A brief report on Title deeds

- 3 key challenges regarding delivery of housing: backlog in delivery of quality housing, exponential growth in rectifications and a massive backlog in issuing of title deeds to subsidy housing beneficiaries.
- Research commissioned by the Urban Landmark (2011) estimates that between 1.1 and 1.4 million subsidy beneficiaries do not have title deeds to their properties
- Security of tenure: Housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.
- The comprehensive plan for the development of sustainable human settlements, commonly known as Breaking New Ground10 (2009) also explicitly identifies the need to ensure residents of subsidized housing access to formal title, as a leading public policy priority

Findings and recommendations Strategic Plan Evaluation 2017/18

Overview of Strategic Direction and Policy Priorities

- Finding**
When the Department does more with regards to informal settlements upgrading, it offers less on social and economic amenities. There is clearly an increase of targets and performance on informal settlements upgrading in the Eastern Cape which is not congruent to the social and economic amenities provided.
- Recommendation**
Although it is essential to increase targets for upgrading human settlements, the Department must consider increasing provision for social and economic amenities since these are key to the social wellbeing and economic enhancement. The Department should, however, be concerned about increasing informal upgrading targets at the expense of housing units targets because one of the objectives is to accelerate housing delivery and reduce the housing backlog. In addition informal settlements upgrade does not reduce demand for individual housing units.

Title deeds cont-

- 2016 the backlog in the issuing of title deeds in the Eastern Cape is [unofficially] estimated to be 60 000.
- 2011 research by Urban Landmark estimates that between 1.1 and 1.4 million subsidy beneficiaries do not have the title deeds to their properties. 2016 the national backlog in the delivery of title deeds is estimated to be 900 000 and R1.5 billion is needed to eradicate that backlog.
- most common causes for delays in the process of transferring title deeds to housing subsidy: 1. Delays in the township establishment process and proclamation 2. Failure to collect and/or hand over title deeds 3. Appointment of conveyancers who do not have the capacity to deliver 4. There is no clear programme for handing over title deeds to beneficiaries of housing subsidies within the province.

Strategic objective annual targets for 2017/18-2019/20 in the APP 2017/18

Strategic Objective 1.1	Audited/Actual Performance				Estimated performance e-2016-17	Medium Term targets		
	2017/18	2018/19	2019/20	2020/21		2017/18	2018/19	2019/20
Link to strategic Objective 1	18	Facilitate the upgrading of 18 informal settlements projects with 6 social and economic amenities	Facilitate the upgrading of 31 informal settlements projects with 6 social and economic amenities	Facilitate the upgrading of 24 informal settlements projects with 2 social and economic amenities	Facilitate the upgrading of 24 informal settlements projects with 2 social and economic amenities	Facilitate the upgrading of 24 informal settlements projects with 2 social and economic amenities	Facilitate the upgrading of 24 informal settlements projects with 2 social and economic amenities	Facilitate the upgrading of 24 informal settlements projects with 2 social and economic amenities

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Performance and Monitoring

- Finding**
 Lack of integrated planning is a serious challenge. The organizational environment section of the Annual Performance Plan (APP) highlights the lack of integrated planning between the Department, other sector departments, municipalities, private sector and donor institutions resulting in a misalignment between planning and implementation of the Municipal Infrastructure Grant and the Urban Settlements Development Grant.
- Recommendation**
 Although the Department is doing well to focus on integrated approach to Human Settlements delivery, this should reflect explicitly in its Operational Plan (OP) and APP.

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Budgeting and Costing Plans

- Finding**
 Funding for Human Settlements has generally decreased over the years from 2.827 billion in 2013/14 to 2.363 billion in 2016/17 due to national treasury revision on the Human Settlements Development Grant. This year the budget increased 11% from a revised estimate of R 2.363 billion in 2016/17 to R2631 billion in 2017/18.
- Recommendation**
 Cost reduction measures and effective revenue collection measures should be implemented. In order for this to happen there is need for clear targets in the APP and OP on revenue collection and operational costs reduction.
- Finding**
 Changes to the Human Settlement Grant as announced by the minister in medium Term Budget Statement are not reflected in the APP.
- Recommendation**
 If there are any proposed changes to the conditional grants, these always need to be explained in the APP and OP as this reflect on the overall link of these plans to the other plans at national level.

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- The department does not provide statistics on housing backlog and housing demand in its situation analysis including demographic profiles as was done in the previous year's APPs.

Recommendation

- Housing backlog statistics are important and these should be clearly stated in the APP and OP as the statistics are crucial to measure how much resources should be allocated in order to reduce the backlog.

Finding

The Department does not have in its APP part D section with a five-year horizon as it is under review. Failure to have the Multi Year Development Plan results in limited information on the external and internal service delivery environment and information on housing backlog statistics.

Recommendation

- It is recommended that section D of the Annual Performance Plan be made available at the time the APP is released

CONCLUSION BASED ON ALL STRATEGIC PLAN EVALUATIONS 2014/15-2017/18

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Strategic Goals, Objectives and Performance Indicators

Finding

- Although in the SDIP the increase in access to formal housing, water, electricity, toilets and refuse collection are improving, the Eastern Cape still has the highest levels of service delivery backlogs in many areas.

Recommendation

- The Department needs to further analyze the socio-economic and service delivery environment and address the most pressing needs of the province. All the needs should be clearly outlined in the Annual Performance Plan and Operational Plan