

Department of Housing
City of Johannesburg
BUSINESS PLAN 2011/2012

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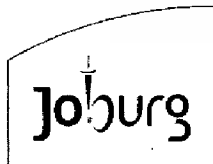
Signature of MMC:

Date:.....

Receipt & Review:

Signature of Finance Officer:

Signature of CSU Representative:



a world class African city



	TABLE OF CONTENTS	
1.	INTRODUCTION	
2.	EXECUTIVE SUMMARY	
3.	STRATEGIC ANALYSIS	
4.	STRATEGIC FOCUS AREA	
5.	RISK ASSESSMENT	
6.	FINANCIAL IMPACT	
7.	HUMAN CAPITAL	
8.	APPENDICES	
	List of Tables	
	TABLE 1: IDP PROGRAMMES AND DELIVERY AGENDA FOR 2011/12	
	TABLE 2: OPERATIONAL PLAN FOR 2011/12	
	TABLE 3: RISKS, MITIGATING ACTIONS AND FINANCIAL IMPACT	
	TABLE 4: OPERATIONAL EXPENDITURE	
	TABLE 5: KEY PROGRAMME COSTING	
	TABLE 6: OPERATIONAL CAPITAL	
	TABLE 7: STAFF ESTIMATES	
	TABLE 8: STAFF EXPENDITURE	
	TABLE 9: EXPENDITURE ON CONTRACTED SERVICES	
	TABLE 10: STAFF EXPENDITURE VS. OPERATIONAL EXPENDITURE	
	TABLE 11: EMPLOYMENT EQUITY	

INTRODUCTION

The 2009/10 financial year can be declared as a year of mixed socio-economic developments in the City of Johannesburg. While 2010 is revered as a turning point in the history of the City, it is a year that marked a dip in housing delivery since the beginning of the Mayoral Term 2006-2011. Despite the challenges of the global economic melt-down of 2009/10, 12,674 housing opportunities were made possible to the beneficiaries in the City cumulating to 70 000 units delivered since the beginning of the Mayoral term.

The current financial year comes with the prospects that spans from the renewed vim of National Outcomes 8 that will see CoJ Housing being put on the radar of housing delivery, accreditation of the City and private sector funding especially from the commercial banks that has been canvassed by the Department in the previous financial years.

1.1 Vision, Mission

Vision and Mission

Housing Vision:

"Adequate housing for all which is a place to stay and a place to grow" is the vision of the Department and the City's Housing sector.

This vision is reinforced in the City's Growth and Development Strategy, 2006 in that the future Johannesburg will be:

"A city which is a home for all to stay and grow – where different housing needs are met in sustainable human settlements providing a range of well-located, good quality, adequately serviced, safe and affordable accommodation opportunities."

Housing Mission:

"To facilitate the delivery of a wide range of safe, affordable and well located housing opportunities in sustainable human settlements through:

- Delivery at scale of adequate housing;
- Delivery at scale in sustainable human settlements;
- Ensuring integration (access to amenities and opportunities, race and class restructuring, housing and bulk service delivery);
- Promoting housing assets (reducing the vulnerability of the poor, facilitating housing ladder and trampoline opportunities, and municipal sustainability through rates);

- Addressing informal settlements;
- Effective management of housing environments.”

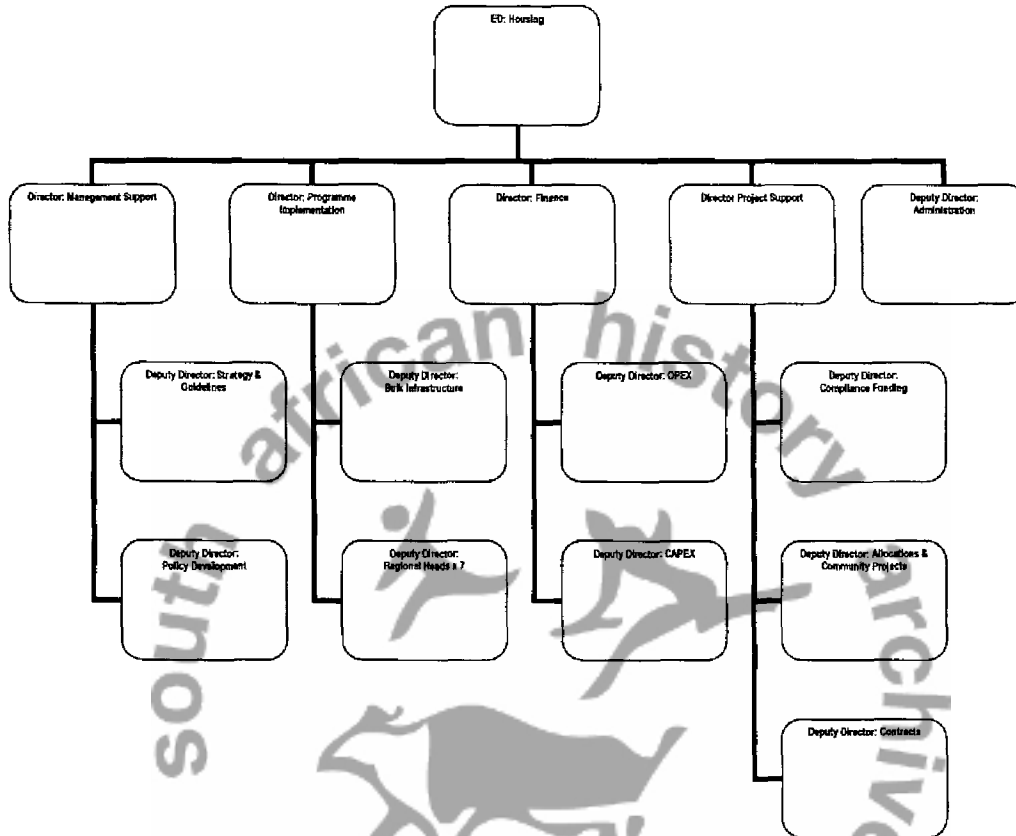
Long term goals:

- On a progressive basis, and over the longer term, all residents in inadequate housing to access affordable, safe and decent accommodation.
- Meet housing needs at all levels of the housing ladder through accelerated facilitation and supply, and effective management, of a diverse range of products for purchase or rental.
- A fully functional secondary housing / property market in all parts of the city, so that all households can realize economic value from investing in their residential assets.
- Quality of the city’s existing and future housing stock is enhanced and maintained.
- Increased liveability and sustainability of all residential communities, with equitable access to green spaces, social and cultural facilities, transportation and economic opportunities, and adoption of green-housing practices and technologies.



1.2 Management and Organisational Structures

The high level Departmental structure as approved in the 2007/8 financial year.

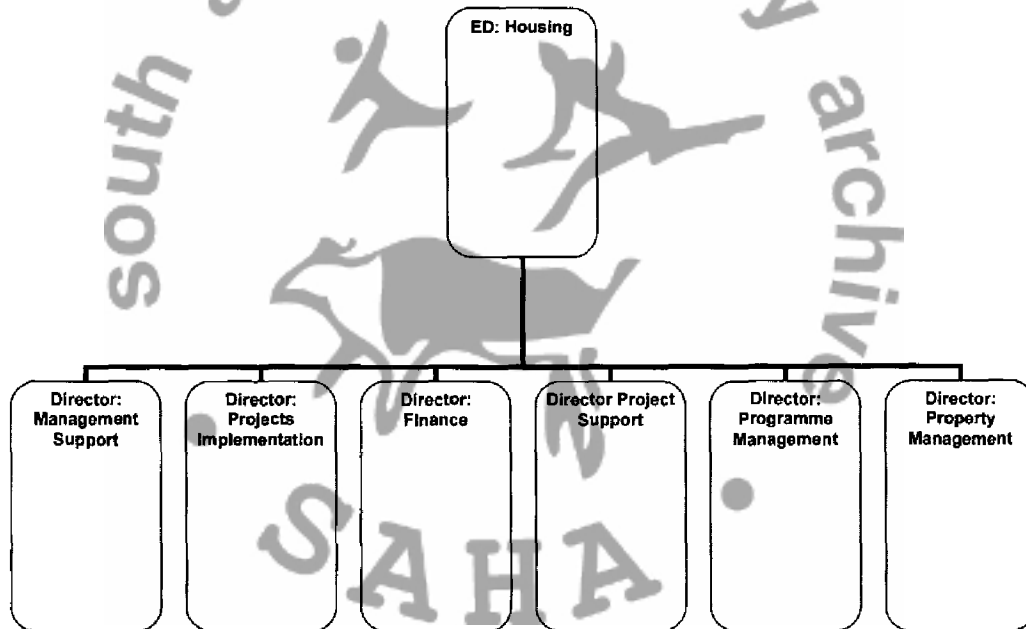


The total number of positions that have been approved as part of the structure for the Department is 846. As of 1 December 2010, 631 positions have been filled and 215 posts were vacant. This translates into 75% filled posts and 25% unfilled posts. Most of the unfilled posts are in the middle management and junior management level for both professional and skilled staff. Save for the position of the Executive Director, all posts at top management and senior management positions have been filled.

The Department has begun the process of revising its structure in terms of the envisaged accreditation of the City to administer housing programmes which is expected around July 2011. Some of the functions currently implemented by the Provincial Housing and Local Government will be implemented by the City which will invariably require the organogram of the Department to match the functions as they are devolved to the City.

To fully align the Department with the requirements of Level Two Accreditation, the current four directorates have been assessed. The Directorate: Programme Implementation and Monitoring and Directorate: Project Support will need to 'cross pollinate' functions with the envisaged additional directorates of Programme Management and Property Management which will become vacant upon granting of the accreditation status. This will then bring the number of Directorates to six.

Envisaged Top level Structure under Accredited City of Johannesburg



1. EXECUTIVE SUMMARY

The 2009/2010 financial year will be hailed as the impact year in terms of the City's history. It is hailed as a year that brought about the most successful soccer world cup on the African soil thus fulfilling the vision of the City as the *'World Class African City'*. While most efforts of the City were concentrating on ensuring that this event becomes one of the memorable legacy, a number of developments were unfolding in the Human Settlements Sector. At the National level, we have witnessed the signing of the 'Outcome 8 Delivery Agreements' by the Minister of Human Settlements and Provincial counterparts, an increased appetite of the private sector in the affordable housing market, this is despite the fact that the 'after-effects' of the global economic down-turn were still with us.

At the beginning of the Mayoral Term (2006-2011), the Housing Sector in the City committed itself to deliver 100 000 housing opportunities to the people in the City. Making the five-year target were the following, Mixed Income Housing at 50,000, managed to deliver 25,562 (51%), Rental at 15,000 delivered 17,573 (117%), CBP/PHP targeted 30,000 delivered 23,549 (78%), Hostels stood at 5,000 and delivered 2,746 (55%). The overall performance of the Department against its term targets as of 30 June 2010 stood at 69,430. Other programmes such as formalisation of 180 informal settlements and the proficient management of the City's public stock also contributed to the Department's delivery. As of 30 June 2010, 66 informal settlements were formalised and 70% of rental collection were achieved.

In 2011/2012, the deliverables of the Department will take a new path as informed the new mayoral term 2011 to 2016

- ⇒ **Programme 1:** Formalisation of Informal Settlements: A target of 16 informal settlements to be formalised in 2011/12 with the budget of **R134,299m**;
- ⇒ **Programme 2:** Rental Programme; facilitate delivery of 4000 units under the rental programme with the budget of **R65,747m**
- ⇒ **Programme 3:** 96/97 waiting list beneficiaries: Facilitate delivery of 1000 housing opportunities for the people on the 96/97 waiting list with the budget of **R35,058m**
- ⇒ **Programme 4:** Hostel Upgrading Programme: Facilitate delivery of 400 hostel units with the budget of **R54, 581m**.
- ⇒ **Programme 5:** Tenure Security: Delivery of 11083 title deeds with the budget of **R70,066m**
- ⇒ **Programme 6:** Housing Opportunities: Delivery of 6000 housing opportunities through the mixed income housing with the budget of **R69,206 m**
- ⇒ **Programme 7:** Proficient Management of City Stock: Implement the repairs and maintenance plan and collect 80% rentals with the budget of **R74,966 m**.

⇒ **Programme 8:** Administer National Housing Programme: Achieve Level 2 Accreditation status with the budget of **R68, 610 m**. The total budget to deliver on all 8 programmes will be **R572, 533 m**.

Departmental Priorities for 2011/2012

The 5 priorities for the first year of the new mayoral term will be as follows:

- a) Formalisation of informal Settlements;
- b) Addressing the 976/97 waiting list;
- c) Hostel Upgrading programme;
- d) Proficient management of City's public stock; and
- e) Accreditation of the City of Johannesburg.

Table 1: IDP Programmes and Delivery Agenda for 2011/12

Item #	5-year IDP Programme	Key programme output	Dependencies
1.	In Situ upgrade programme	Formalisation of 3 settlements	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Johannesburg Property Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
2.	Informal settlement relocation Programme	Relocation of 5 settlements under formalisation	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Johannesburg Property Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements

Item #	5-year IDP Programme	Key programme output	Dependencies
3.	Programme Linked Settlements	Address 4 settlements under programme linked settlements	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Johannesburg Property Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
4.	Non-linked settlements	Address 4 non-programme linked settlements	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Transport ⇒ Johannesburg Property Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
5.	Informal Settlement Management Programme	Monitoring of informal settlement to ensure internal growth is minimised	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department
6.	Inner City Housing	Delivery of 2,000 rental units in the inner city	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Infrastructure & Services Department ⇒ Department of Economic Development ⇒ Johannesburg Social Housing Company
7.	Social and Communal rental	Delivery of 1,000 social and communal rental units	<ul style="list-style-type: none"> ⇒ Development Planning & Urban Management ⇒ Johannesburg Social Housing Company ⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements

Item #	5-year IDP Programme	Key programme output	Dependencies
8.	Community residential units	Delivery of 1000 residential units	⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
9.	Backyard Accommodation	Monitoring of by-law enforcement	⇒ Gauteng Local Government & Housing ⇒ Development Planning & Urban Management
10	Allocation of housing to households on the 1996/97 waiting list	Delivery of 1000 units for the 96/97 waiting list	⇒ Gauteng Local Government & Housing
11	Hostels upgrading programme	Delivery of 400 units under hostels upgrading programme	⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
12	Stock transfer to households	Issuing of 10 000 title deeds	⇒ Johannesburg Social Housing Company ⇒ Gauteng Local Government & Housing
13	Sectional Title Programme	Issuing of 1083 title deeds	⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements
14	Mixed income housing programme	Construction of 6000 housing units	⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements ⇒ Infrastructure & Services Department ⇒ Department of Transport ⇒ Department of Community Development
15	City housing stock programme	⇒ 80% rental collection on city stock ⇒ Implementation of repairs and maintenance plan	⇒ Revenue Department
16	Implementing level 1 and 2 Accreditation	⇒ Achieve level 1 and 2 accreditation status	⇒ Gauteng Local Government & Housing ⇒ National Department of Human Settlements ⇒ All Departments in the City

2. STRATEGIC ANALYSIS

The signing of the delivery agreements by the Minister of Human Settlements in 2010 and subsequently signed with the provincial human settlements departments in the sector forms a critical path in the delivery of human settlements. Nationwide, plans will translate into upgrade 400 000 households in well located informal settlements with access to basic services and secure tenure until 2014, 160 000 of these households are planned in Gauteng as a whole, the establishment of the National Upgrading Support Programme (NUSP) to assist the municipalities in the upgrading of informal settlement, the City features high on this programme, the long awaited accreditation of the identified municipalities. It is envisaged that the city will attain Level 1 and 2 accreditation status thus ensuring certainty in the budgets. With accreditation of the City being now inevitable, the City will have to ensure that all systems are in place for the new roles and responsibilities that will be devolved from the provincial housing department. The delivery agreements will also see the increased provision of well-located and affordable priced rental accommodation to 20 000 units per annum, more efficient land utilization for human settlement development and improved property market.

3.1 Past Performance on Key Areas

In the Mayoral Term 2006-11, the housing sector made a commitment of delivering 100 000 housing opportunities to the beneficiaries. Included in the delivery agenda were the programmes such as the Formalisation Programme, Proficient Management of City's Public Stock, Sustainable Human Settlements, etc. Against all odds, the sector managed to deliver 69,430 units and formalized 66 informal settlements. There were also improvements in the rental collection which has gone as high as 70%.

The formalisation of informal settlements became the single most challenge facing the sector. The Department has nonetheless managed to formalize 66 settlements out of the 180 informal settlements in the city. In this financial year, the sector has revised its plans of the mayoral term and has accordingly ensured that lesson of the past are put into action. Without any doubt, this programme will form part of 5 most important programmes in the sector.

3.2 Contextual Analysis

The economic down swing of 2009/10 had a major impact in terms of the delivery of housing opportunities. Judging from the drop from the peak performance of housing delivery in 2008/9 of 22 000 to 12,674 in 2009/10 clearly is a proof enough that the impact economic crunch cannot be underestimated. Housing had to revise its targets in view of reduced budgets.

The hopes ushered by the prospects of accreditation of the City brings with it certainty as the Province will be expected to gazette the City's Housing budgets over the Medium Term Expenditure Framework (MTEF) thus ensuring that funds intended for the housing in the City are not used by the provincial in other projects outside of the City's jurisdiction.

3.3 SWOT Analysis:

Internal	Strengths	Weakness
	<ul style="list-style-type: none"> ⇒ The existence of the implementation plan for the formalisation programme ⇒ The existence of the maintenance plan for the repairs and maintenance of City's stock ⇒ The existence of a clear delivery agenda for the mayoral term ⇒ Increasing levels of rental payments as a result of stricter controls ⇒ Ability to spend the allocated capital budgets ⇒ The healthy relations with the stakeholders (business, and civil society) 	<ul style="list-style-type: none"> ⇒ Slow pace of formalisation of informal settlements ⇒ Budgets cuts that lowers delivery ⇒ Inclination to achieving units targets ⇒ Misalignment of delivery targets with key departments ⇒ Lack of monitoring and evaluation ⇒ Lack of vigorous communication of the Department's programmes with the electorate
External	Opportunities	Threats
	<ul style="list-style-type: none"> ⇒ Attainment of Level 1 and 2 Accreditation status ⇒ Direct capital budget injection (USDG) from National Department Human Settlements ⇒ Consistent attainment of clean audits ⇒ Increasing appetite of private sector investment in the affordable housing market 	<ul style="list-style-type: none"> ⇒ Continuous land invasions ⇒ Internal growth of informal settlements ⇒ High migration patterns into the City ⇒ Continuous service delivery protests that dent achievements ⇒ Corruption perceptions of the communities

3. STRATEGIC FOCUS AREA

The priorities of the current financial year that will drive the strategic agenda of the sector will be informed by the formalisation of informal settlements programme, addressing the 1996/1997 waiting list, accreditation process, upgrading of hostels, and proficient management of City's stock. These have been operationalized in Table 2 below to be prioritized for the financial year ahead into programmes to be implemented.



Table 2: Operational Plan for 2011/12

2011/12 Action Plan: Housing												
5 year Strategic Objective	5 year Programme	Baseline	2011/12 Budget R000	Key Activities per IDP Programme	Q1		Q2		Q3		Q4	
					Activity	Budget R000	Activity	Budget R000	Activity	Budget R000	Activity	Budget R000
Formalise informal settlements	In Situ upgrade programme		R8 394	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading into the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements Complete planning and township establishment Include relevant social and economic facilities in the planning Install services 	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading into the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements 	R8 394	<ul style="list-style-type: none"> Complete planning and township establishment 	R8 394	<ul style="list-style-type: none"> Include relevant social and economic facilities in the planning Install services 	R8 394	<ul style="list-style-type: none"> Include relevant social and economic facilities in the planning Install services 	R8 394

2011/12 Action Plan: Housing

5 year Strategic Objective	5 year Programme	Baseline	2011/12 Budget	Key Activities per IDP Programme	Q1		Q2		Q3		Q4	
					Activity	Budget	Activity	Budget	Activity	Budget	Activity	Budget
Formalise Informal settlements	Informal settlement relocation Programme		R23,525	<ul style="list-style-type: none"> Finalise relocation plan Secure Council approval for the plan Identify alternate areas for relocation Secure agreements with communities Registration of households Undertake Socio-economic survey Maintain basic health and safety through the facilitation of basic/ rudimentary services Rehabilitate the land 	<ul style="list-style-type: none"> Finalise relocation plan Secure Council approval for the plan Identify alternate areas for relocation Secure agreements with communities 	R8 394	<ul style="list-style-type: none"> Secure agreements with communities Registration of households Undertake Socio-economic survey 	R8 394	<ul style="list-style-type: none"> Maintain basic health and safety through the facilitation of basic/ rudimentary services Rehabilitate the land 	R8 394	<ul style="list-style-type: none"> Maintain basic health and safety through the facilitation of basic/ rudimentary services Rehabilitate the land 	R8 394

SAHA

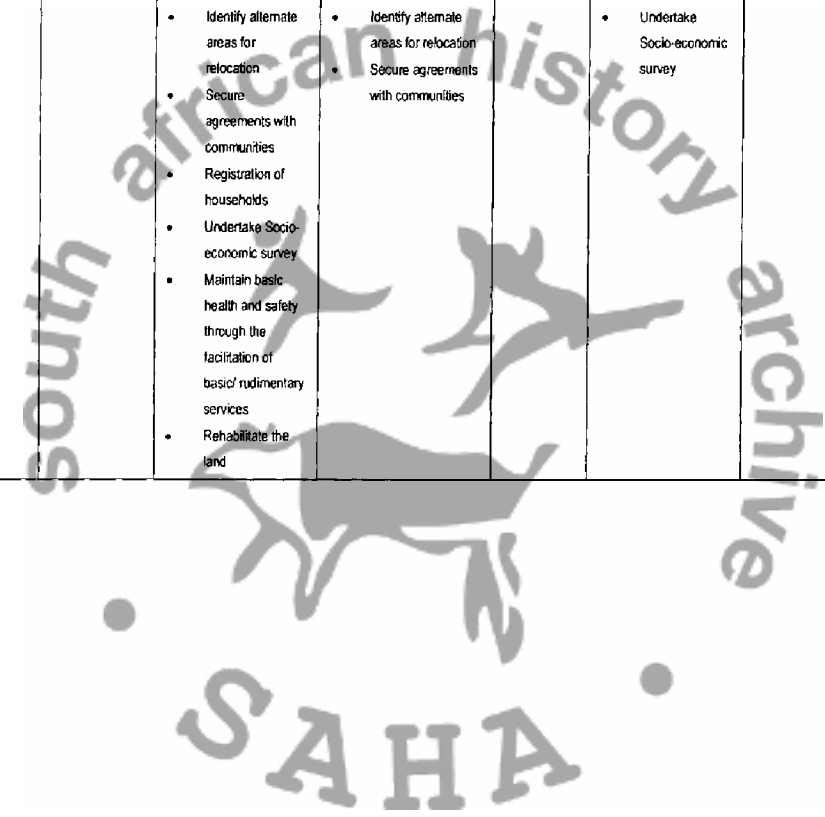
2011/12 Action Plan: Housing

5 year Strategic Objective	5 year Programme	Baseline	2011/12 Budget R000	Key Activities per IDP Programme	Q1		Q2		Q3		Q4	
					Activity	Budget R000	Activity	Budget R000	Activity	Budget R000	Activity	Budget R000
Formalise informal settlements	In Situ upgrade programme		R33,575	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading to the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements Complete planning and township establishment Include relevant social and economic facilities in the planning Install services 	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading to the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements 	R8 394	<ul style="list-style-type: none"> Complete planning and township establishment 	R8 394	<ul style="list-style-type: none"> Include relevant social and economic facilities in the planning Install services 	R8 394	<ul style="list-style-type: none"> Include relevant social and economic facilities in the planning Install services 	R8 394

2011/12 Action Plan: Housing

5 year Strategic	5 year Programme	Baseline	2011/12	Key Activities per IDP	Q1	Q2	Q3	Q4
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Objective		Budget	Programme	Activity	Budget	Activity	Budget	Activity	Budget	Activity	Budget
Formalise informal settlements	Informal settlement relocation Programme	R33,575	<ul style="list-style-type: none"> Finalise relocation plan Secure Council approval for the plan Identify alternate areas for relocation Secure agreements with communities Registration of households Undertake Socio-economic survey Maintain basic health and safety through the facilitation of basic/ rudimentary services Rehabilitate the land 	<ul style="list-style-type: none"> Finalise relocation plan Secure Council approval for the plan Identify alternate areas for relocation Secure agreements with communities 	R8 394'	<ul style="list-style-type: none"> Secure agreements with communities Registration of households Undertake Socio-economic survey 	R8 394	<ul style="list-style-type: none"> Maintain basic health and safety through the facilitation of basic/ rudimentary services Rehabilitate the land 	R8 394	<ul style="list-style-type: none"> Maintain basic health and safety through the facilitation of basic/ rudimentary services Rehabilitate the land 	R8 394



2011/12 Action Plan: Housing

5 year Strategic Objective	5 year Programme	Baseline	2011/12 Budget	Key Activities per IDP Programme	Q1		Q2		Q3		Q4	
					Activity	Budget	Activity	Budget	Activity	Budget	Activity	Budget
Formalise Informal settlements	Programme linked		R33,575	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading into the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements Complete planning and township establishment Include relevant social and economic facilities in the planning Install services 	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading into the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements 	R8 394'	<ul style="list-style-type: none"> Secure agreements with communities Registration of households Undertake Socio-economic survey 	R8 394'	<ul style="list-style-type: none"> Complete planning and township establishment Include relevant social and economic facilities in the planning 	R8 394'	<ul style="list-style-type: none"> Install services 	R8 394'

2011/12 Action Plan: Housing

5 year Strategic Objective	5 year Programme		Baseline	2011/12 Budget R000	Key Activities per IDP Programme	Q1		Q2		Q3		Q4	
	Settlements	Not Linked				Activity	Budget R000	Activity	Budget R000	Activity	Budget R000	Activity	Budget R000
Formalise informal settlements	Settlements	Not Linked		R32'175	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading to the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements Complete planning and township establishment Include relevant social and economic facilities in the planning Install services 	<ul style="list-style-type: none"> Complete in depth feasibility studies Implement upgrading to the National Informal settlement upgrading programme Secure technical assistance through the NUSP for upgrading of settlements 	R8 044	<ul style="list-style-type: none"> Complete planning and township establishment Include relevant social and economic facilities in the planning 	R8 044	<ul style="list-style-type: none"> Install services 	R8 044	<ul style="list-style-type: none"> Install services 	R8 044