



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

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Ref: 14/1/3/1-HSDG
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Ms J. Samson
Head of Department
Department of Human Settlements Western Cape Province
Private Bag X9083
CAPE TOWN
8000

Dear Ms Samson,

REPRIORITISATION OF THE DRAFT HUMAN SETTLEMENT DEVELOPMENT GRANT (HSDG) BUSINESS PLAN TARGETS AND BUDGETS FOR THE 2021/22 FINANCIAL YEAR


The above-mentioned matter refers.

1. The National Department of Human Settlements (NDHS) acknowledges receipt of the submission of the Draft HSDG Business Plan, in terms of the Division of Revenue (DoRA).
2. The plan was considered in light of the following:
 - a) Letter of approval of the 2020/21 Human Settlement Development Grant (HSDG) Business Plan dated 19 August 2020, which amongst others, highlighted the need to prioritise programme priorities that results in an increase in the delivery of serviced sites.
 - b) The current economic reality (economic recession that prompted budget cuts and problems posed by Covid-19), which renders the housing subsidy programme approach to deliver top structures fiscally unsustainable.

3. Therefore, the Province is directed to undertake the following:
 - a. Revise the Draft 2021/22 Business Plan targets so as to prioritise the delivery of serviced sites (UISP Phase 3 and IRDP Serviced Sites).
 - b. Put measures in place to downscale the delivery of units. The projects that are planned to deliver units will only be supported if:
 - i. They will benefit the elderly, military veterans, people living with disabilities and child-headed households;
 - ii. They contribute to medium to high density development (e.g. BNG Walkups), and promote integrated development;
 - iii. There are current contractual commitments for the MTEF period;
 - iv. In regard to the above, the province is required to obtain approval from the National Accounting Officer to allocated budgets for projects that will deliver units.
 - c. No new contracts for projects for housing units may be entered into with immediate effect; without approval by the National Accounting Officer.
4. The Province is directed to submit a revised draft 2021/22 plan to the National Human Settlements Spatial Planning Forum by end of business on the 30th October 2020.
5. The Province is advised to ensure compliance with the human settlements and housing delivery legislation, policy and prescripts.

Should you require any further elaboration and/or elucidation in the above regard, please do not hesitate to contact Mr Siphumeze Mndze on 072 022 9016 or siphumeze.mndze@dhs.gov.za about the HSDG Business Plan matters; and the PRM issues must be forwarded to Mr Mukundisi Nefale on 082 907 6091 or mukundisi.nefale@dhs.gov.za.

Kind regards,


DIRECTOR-GENERAL
DATE: 30/09/2020