

Underperforming provinces may lose part of housing grant

By: Creamer Media Reporter

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Four provinces face the prospect of losing part of their yearly human settlements grant after failing to meet monthly delivery targets for low-cost housing, the Department of Human Settlements (DHS) stated on Tuesday.

The department currently distributes about R14-billion a year to the country's nine provinces for low-cost housing and related projects.

Human Settlements director general Thabane Zulu said that the four provinces – Western Cape, Eastern Cape, KwaZulu-Natal and Free State – were lagging behind with delivery or were underspending and might have to forfeit a portion of their grant.

“The funds might have to be redirected to provinces where there is better performance,” he noted.

Human Settlements Minister Tokyo Sexwale warned the Parliamentary Portfolio Committee on Human Settlements in November that a number of provinces were underperforming when it came to the delivery of low-cost housing.

At the time, he said that the main reasons for this included a lack of capacity in provinces, particularly project management experience, as well as a lack of bulk infrastructure, such as large-scale electricity and water supply projects.

All nine provinces were asked to provide the DHS with recovery plans to demonstrate how they were going to meet their monthly and yearly delivery targets.

“There have been detailed discussions with all the provinces and it is clear that significant challenges remain in the four underperforming provinces. As a result, they may have to forfeit a portion of their yearly human settlements grant,” Zulu said.

A final decision on which provinces would forfeit funds, and how much would be transferred to other provinces, would be made soon.

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