

Human settlements budget to grow to nearly R27bn next year

By: [Petronel Smit](#)

19 April 2011

www.engineeringnews.co.za

The Department of Human Settlements' (DHS's) budget for the 2011/12 financial year has increased by 38% to R22,5-billion from 2010/11 and is expected to grow to R26,6-billion in 2013/14, Human Settlements Minister Tokyo Sexwale said in his budget vote speech on Tuesday.

The DHS's conditional grant to provinces over the 2011 medium-term expenditure framework (MTEF) period was also set to grow from R14,7-billion in 2011/12 to R16,2-billion in 2013/14.

However, Sexwale said the housing disaster relief grant, which was used to facilitate housing assistance in emergency situations, was being discontinued in 2011/12, while an amount of R1,2-billion has been provided to fund the rural households infrastructure grant to provide ringfenced capital finance for the eradication of rural sanitation backlogs.

"National Treasury has provided funding for a new grant, the urban settlements development grant for cities, which will allow eight metropolitan municipalities to improve efficiency, to maximise the development outcomes and achieve a coordinated approach to the built environment management. Over the 2011 MTEF period, amounts of R6,4-billion for 2011/12, R7,6-billion for 2012/13 and R8,3-billion for 2013/14 have been allocated to this grant," he noted.

The DHS's main cost driver remained the human settlements development grant, together with the new urban settlements development grant for cities, representing about 94% of the DHS's total allocation with an amount of R21,2-billion.

Meanwhile, the DHS reported that the Special Investigating Unit (SIU), which was investigating the top 20 questionable contracts nationally, to the value R2-billion, have completed two of the investigations into the contracts and registered case dockets with the police. These cases were now with the Director of Public Prosecutions for a decision to prosecute and for the issuance of arrest warrants.

Sexwale pointed out that five syndicates were targeted in various provinces. In one instance, three arrests were made in Gauteng with more arrests pending, while three officials were arrested for selling houses that were part of the enhanced extended discount benefit scheme in KwaZulu-Natal.

"Working together with the Premier and our colleagues in KwaZulu-Natal, our actions led to the arrest of an assistant director, together with his accomplice, for renting out low-cost houses that do not belong to them and pocketing the money," he explained.

An investigation into procurement in the DHS was also under way, with specific emphasis on overpayments to suppliers. In one of the cases under consideration, the supplier admitted to overpayment and had opted to pay back an amount of almost R300 000 to the DHS.

Sexwale noted that, while this was applauded, such a situation should not have occurred in first place and highlighted the importance of synchronised invoices and payments.

"Nothing must deter us from fighting and rooting out corruption wherever it manifests itself. Our resolve remains firm," he concluded.