

OVERSIGHT VISIT REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS CONDUCTED AT STANDERTON, EXTENSION 8, INTERGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP) 500 UNITS PROJECT, AT LEKWA LOCAL MUNICIPALITY - DEPARTMENT OF HUMAN SETTLEMENTS - 13 AND 15 SEPTEMBER 2016

1. INTRODUCTION

The Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs (the Committee) conducted oversight over the Department of Co-operative Governance and Traditional Affairs as mandated by Section 114 of the Constitution of the Republic of South Africa, (Act 108 of 1996), to oversee the performance of the Department of Human Settlements (the Department), and hold it accountable through various measures.

The Taking Legislature to the People (TLP) project took place at Lekwa Local Municipality from 12 – 16 September 2016.

2. PURPOSE OF THE SITE VISIT AND A PUBLIC HEARING

- ❖ The purpose of the site visit was to assess the progress made by the Department in implementing pre-TLP House Resolutions of allocation the rightful beneficiaries in the Integrated Residential Development Programme (IRDP) 500 units of Extension 8 and the allocation of rightful beneficiaries at Sakhile hostel;
- ❖ To obtain the views from the Standerton community on the provision of the basic service delivery

3. METHOD OF WORK

In preparation for the TLP, the Portfolio Committee had conducted a Pre-TLP (site visits) at Standerton Local Municipality during August 2016. After the Pre-TLP, the Portfolio Committee had tabled its Report that was adopted by the House. The House resolutions were then sent to the Department for implementation.

In September, after the approval of the Legislature programme, the Committee informed the Department about the TLP and oversight visits to be conducted on 13 and 15 September 2016. The Committee then met on 13 and 15 September 2016 with the Department of Human Settlements. The representatives from South African Local Government Association (SALGA), the Executive Mayor, Standerton Local Municipality (Local Councillors), Public Service Commission (PSC), Auditor General's Office, Provincial Treasury and Community Development Workers (CDWs) were part of the meetings and site visits.

4. PROGRESS REPORT ON THE PRE-TLP HOUSE RESOLUTIONS REGARDING THE INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP) 500 UNITS PROJECT IN EXTENSION 8

Resolution

The Houses at Extension 8 (Standerton) must be allocated to the rightful beneficiaries in line with the beneficiary management policy and ensure compliance to the management policy going forward. The report must include the actual challenges that made the Department fail to allocate the beneficiaries to Standerton, Extension 8 units.

The Department failed to implement the Pre-TLP House resolution. However a detailed report from the department reflecting challenges and a plan on how the House resolution will be implemented was submitted to the Committee. The report reflected the following:

Background as reported by the Department

The Integrated Residential Development Programme (IRDP) 500 Units in Extension 8 is located in Lekwa Local Municipality (LLM) under the Gert Sibande District. The Department reported that the Vikinduku Merbombo JV was appointed by Lekwa Municipality in 2013 to develop almost 300 hectares into an Integrated Residential and Commercial Development which includes the following: 4 100 Residential units that includes:

- About 2 000 RDP and Social Housing Units
- Gap Housing Units of around 2000 Units and
- Regional Shopping Mall of more than 15 000 square meters in size, and 2 filling stations.
- High class office block to provide regional offices for services such as SASSA and Home Affairs, plus provide office space for the likes of Eskom and Anglo American plus local entrepreneurs,
- 5 Schools to accommodate the children of Lekwa and surrounding areas,
- A Clinic and community centre for the well-being of the people of Lekwa; a hotel to provide accommodation to visitors of Lekwa including Provincial Leadership and professionals visiting Eskom, Anglo American, Correctional Services.

Budget

The Mpumalanga Department of Human Settlements then entered into an agreement with VMJV in February 2014 with an objective of developing and constructing 500 RDP units and servicing of sites (internal reticulation). The total budget for the 500 units is R54 588 112.38 and the expenditure to date is R51 508 426.22.

The total budget for the Installation of Internal Engineering services is R22 613 656.00 and the expenditure to date is R22 170 752.95.

The Department further reported the Project Progress Status as follows;

- 150 Free Standing Top Structures Units - 100% Completed;
- 350 High-Rises Top Structure Units - 100% Completed;
- More than 10km of Civil Services installed including Sewer, Water and Storm water reticulation 100% and roads - 100% Completed;
- More than 4km of electrical reticulation for the 150 Free Standing RDP Units is - 100% Completed;
- Another 178 RDP stands fully serviced with water, sewer and storm water – 100% completed;

Challenges raised by the Department

- Lack of Bulk Infrastructure to supply water from the municipal reservoir.
- Lack of Bulk Infrastructure for sewer connection - The lack of the Sewer pump station which is an essential component of the project for the connection of the internal services
- Lack of Bulk Infrastructure for electricity connection - All the units have been installed with the tubing to the houses, however, the wiring and the connection to the bulk grid system is still outstanding.

The following infrastructure interventions have been identified to address the challenges:

- The three (3) filters of the purification plant need refurbishment and Upgrading of the pump system and rising main, at an estimated cost of R3.5 million;
- The construction of two (2) sewer pump stations at the estimated cost of R2.5 million,
- The estimated cost for bulk infrastructure for electricity connection of the 500 units is R7.5 million.

- Electricity connection, wiring – R3, 5 million.
- The Department of Human Settlements will co-fund the project for an amount not exceeding R3 Million for the water and sewer infrastructure development.
- Department of COGTA has advised the municipality to prioritise the project from the Municipal infrastructure Grant (MIG) allocation

5. COMMENTS MADE BY THE COMMITTEE

Time Frame

The Committee requested the Department to revisit the time frame given in the presentation to finalise the bulk water infrastructure because three (3) months is not practical in providing the quality services, it's not a realistic progress. The Department in its response reported that the allocated three (3) months was applicable for the IRDP 500 units Extension 8.

Illegal Occupation

The Committee raised a serious concern on why did the Department build houses knowing very well that there were no services or bulk water infrastructure in Extension 8. The Committee also wanted to know where are the rightful beneficiaries if the Department is also planning on allocating some of the residents of Sakhile Hostel that do not qualify for the Community Residential Units (CRUs). The Committee further emphasized that when allocation is done priority should be given to the Elderly People, People living with Disabilities and child headed families.

The Committee also requested the Department to ensure that where there is completion of the houses, the Department must ensure that rightful beneficiaries take occupation and not wait for all the houses to be completed.

5.1. Findings made by the Committee on 500 units at Extension 8

After thorough interaction with the Department, the committee found that:

- a) The Department failed to implement the Pre-TLP House resolution as a result it has been reported that there is vandalism that is taking place at extension 8, due to the failure to allocate houses to the beneficiaries.
- b) There is no water and electricity bulk infrastructure for the 500 units at Extension 8.
- c) Lack of water bulk supply.

5.2. Recommendations made by the Committee on 500 units at Extension 8

After the findings, the committee recommended that the department must:

- a) Ensure that the Houses at Extension 8 (Standerton) are allocated to the rightful beneficiaries before 31 December 2016 in line with the beneficiary management policy and must ensure compliance to the management policy going forward. When allocation is done priority should be given to the Elderly People, People living with Disabilities and child headed families.
- b) Ensure that the water is supplied at extension 8 as well as the electricity bulk infrastructure.
- c) Install water bulk infrastructure.

6. PROGRESS REPORT ON THE IMPLEMENTATION OF THE PRE-TLP HOUSE RESOLUTION ON SAKHILE HOSTEL

Resolution

The House resolved that rightful beneficiaries must be allocated in these units (Sakhile Family Units/Hostel) using the original list which was supposed to be submitted by 07 September 2016. A detailed report had to be submitted to the Legislature before 07 September 2016. The report must include the actual challenges that made the Department fail to allocate the beneficiaries to Sakhile Family Units.

The Department failed to implement the Pre-TLP House resolution. However, a detailed report from the department reflecting challenges and a plan on how the House resolution will be implemented was submitted to the Committee. The report reflected the following:

Background

The Sakhile Community Residential Unit (CRU) Projects is located in Lekwa Local Municipality (LLM) under the Gert Sibande District. The Municipality started with the project as old as 2008 and the contractor that was appointed failed to implement the project. In 2010, the Lekwa Local Municipality requested the Mpumalanga Department of Human Settlements to assist with the completion of outstanding works for a double-storey building, demolishing and reconstruction of the Community Residential Unit project. The Committee should also note that residents who were occupying the old hostel that was demolished were relocated to a temporary accommodation in 2008 when the project was initiated by the Municipality.

The Department appointed Baloyi Quantity Surveyors and Project Management to provide professional services for the project (which included planning, designs and project management). Subsequently, Chryselda Building Construction was appointed as the main contractor for the project.

The scope of work included the completion of outstanding works, demolishing and reconstruction of the existing double-storey building for the Community Residential Unit Project. The approved designs accommodated the construction of 34 units. The total budget amount for the Sakhile Community Residential Unit was **R 20 910 011, 67** and **R20 898 117.70** was spent.

The project was completed and officially handed over to the Municipality in 2014 and the Final Completion Certificate in terms of the JBCC Agreement was signed on 01 December 2014. The Municipality took full responsibility of the building which included the allocation of residents and the provision of security.

Challenges raised by the Department

- The allocation of rightful beneficiaries to the CRU.
- Some old hostel residents are approved to receive the RDP units at Standerton Extension 8; however the allocation of RDP houses is not finalized.
- Allocated beneficiaries are being prevented to occupy the hostel by those who are supposed to move to Extension 8.

The Department has come up with the following to address the challenges:

The Department has engaged the Municipality on the meetings held on 30 August 2016 and 05 September 2016 respectively and resolved on the following:

- That Municipality should allocate the rightful beneficiaries to the CRU.
- The Municipality should involve the service of SAPS in order to provide safety of the tenants.
- The Department will ensure that the project is assessed to ascertain the demand with an intention of re-packaging the entire development precinct.

7. COMMENTS MADE BY THE COMMITTEE

The Committee while expecting the department to implement the Pre-TLP House resolution, the issue of the Lekwa Housing Association was also raised and found that there is no Housing Association at Lekwa Local Municipality, instead they rely on the Govan Mbeki Housing Association. The Sakhile Hostel has taken almost eight (8) years; no progressive progress has been made so far.

7.1. Findings on Sakhile hostel

After the interaction, the Committee found that:

- a) The department failed to implement the Pre-TLP House resolution that said, rightful beneficiaries must be allocated in these units (Sakhile Family Units/Hostel) using the original list which was supposed to be submitted on 07 September 2016 to the Legislature; as a result, it has been reported that currently, there are two different lists that are circulating for occupancy in these units;
- b) There is no housing association at Lekwa Local Municipality; instead they rely on Govan Mbeki Housing Association.

7.2. Recommendations on Sakhile Hostel

After the findings the Committee recommended that the Department must:

- a) Ensure that the Pre-TLP resolution is implemented; rightful beneficiaries must be allocated in these units (Sakhile Family Units/Hostel) using the original list before 30 November 2016.

- b) Ensure that Lekwa Local Municipality has its own housing association; also encouraging that the municipality to use its own resources instead of outsourcing. A progress report to be submitted to the Committee on a quarterly basis.

8. PUBLIC HEARINGS

The public hearing was held at Sakhile Stadium (Standerton) and the comments were as follows;

- Community Members are requesting RDP Houses.
- No feedback given to applicants for RDP houses
- Allocation of houses to rightful beneficiaries (e.g. Pakistan people using RDP houses as Spaza Shops)
- Poor Management of beneficiary list
- No title deeds

8.1. Recommendations on a public hearing

The Committee recommends that the Department of Human Settlements must attend to issues raised at the public hearing. A comprehensive progress report must be submitted by 30 November 2016.

The Chairperson requests the House to adopt the Committee Report with the findings and its recommendations. The Department must submit a detailed progress report to the Portfolio Committee on or before 30 November 2016.

9. CONCLUSION

The Chairperson wishes to thank the Hon. Members of the Committee, NCOP Permanent Delegates for their participation and contributions during the deliberations on the TLP site visits. The Chairperson further extends his appreciation to the MEC, SK Mashilo, HOD, Mr. K Masange, Senior Officials of the Department of Human Settlements, the Mayor of Lekwa Local Municipality, Mr Linda Dlamini, representatives of South African Local Government Association (SALGA), representatives of Public Service Commission (PSC), Auditor General's Office, CDWs, Contractors as well as the Councillors and officials Lekwa Local Municipality for supporting the programme of the Committee.

Lastly, he also wishes to thank the Legislature support staff for supporting the Committee during the TLP.

HON. WT MADILENG

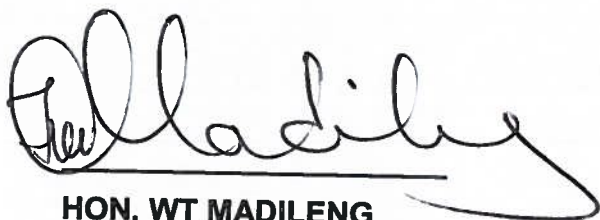
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13/10/2016
DATE