

PRE-TLP 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 ON 24 AUGUST 2016 - DEPARTMENT OF HUMAN SETTLEMENTS

1. INTRODUCTION

The Portfolio Committee on Human Settlements and Co-operative Governance and Traditional Affairs (the Committee) has a mandate in terms of Rule 119 of the Rules and Orders of the Mpumalanga Provincial Legislature to conduct oversight over the Department of Human Settlements (the department) by holding it accountable through various measures which the Portfolio Committee may undertake during the course of a financial year.

One of the instruments that enable the Portfolio Committee on Human Settlements; Co-operative Governance and Traditional Affairs to execute its mandate is to conduct oversight visits to human settlements Intergrated Residential Development Programme (IRDP) units/projects in the Province.

2. PURPOSE OF THE PRE-SITE VISIT

The purpose of the pre-site visit was to assess the progress made on the Intergrated Residential Development Programme (IRDP) 500 units of Extension 8

3. METHOD OF WORK

The researchers conducted preliminary visits to identify projects to be visited by the Committee. Their findings and recommendations were incorporated into the research report, and subsequently the programme of the Social Transformation Cluster oversight visits for the week of 24 - 25 August 2016 was circulated to the Committee Members.

Invitations were sent to Lekwa Local Municipality (Executive Mayor) and all municipal structures were invited to accompany the Committee. The Department was informed about the pre-TLP oversight visit. Senior officials from the Department were part of the visit. Other stakeholders invited to the pre-TLP programme were the South African Local Government Association (SALGA) and the House of Traditional Leaders (HTL).

On 16 August 2016, the Committee was briefed by the researcher. On 24 August 2016, the Committee conducted the oversight visit at the Intergrated Residential Development Programme (IRDP) 500 Units in Extension 8. On 30 August 2016 the Committee considered the draft report.

4. OBSERVATIONS

- ❖ The Committee noted that there is poor working relationship between the Department of Human Settlements, Department of Co-operative Governance and Traditional Affairs and Lekwa municipality due to the failure to allocate the houses to the beneficiaries, thus the vandalism;
- ❖ There is wasteful expenditure on the two projects, Extension 8 and Sakhile Hostel as a result of poor planning.

5. BACKGROUND ON THE INTERGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP) 500 UNITS PROJECT IN EXTENSION 8

The Integrated Residential Development Programme (IRDP) 500 Units in Extension 8 is located in Lekwa Local Municipality (LLM) under the Gert Sibande District. The Research also found that 500 units were built and completed during 2014/15 financial year at Extension 8 of Lekwa Local Municipality. The houses are put next to informal settlements. The houses are not yet occupied on account of the lack of bulk water and sanitation. The size of each house is a 45 square meters and incurred a quantum of R83 000.00 per unit.

The IRDP 500 Units are reflecting good quality workmanship; have electricity infrastructure which does not have electricity current because there is no wiring. There is also water infrastructure but there is no running water for consumption and sanitation. The research report also found that there is no pump station that could boost the sewer system for Extension 8. It was also reported that Eskom is requiring a total amount of R200 million for upgrading the electricity to all the units. Furthermore, Eskom requires the Lekwa Local Municipality to settle the outstanding debt of R213 million.

The Committee noted with serious concern that the unoccupied houses resulted to vandalism, stealing of doors, window panes and cables.

6. PRESENTATION MADE BY THE DEPARTMENT OF HUMAN SETTLEMENTS

The Department of Human Settlements provided a brief report on the Scope of the project which is as follows;

PROJECT SUMMARY - PHASE 2

PROJECT NAME	STANDERTON EXT 8
CLIENT	DEPARTMENT OF HUMAN SETTLEMENTS
SCOPE	IRDP PHASE 2

NUMBER OF UNITS	500
PROJECT NUMBER	E14020007
MUNICIPALITY	LEKWA
CONTRACTOR	MERBOMBO JV VIKINDUKU
CONTRACT AMOUNT	R54,588,112.38
EXPENDITURE	R51,508,426.22
START DATE	FEBRUARY 2014
DATE OF COMPLETION	MARCH 2016
PROJECT STATUS	COMPLETE
CHALLENGES	Lack of water, electricity and incomplete sewer reticulation which has left houses un-occupied. This has also led to theft and vandalism on the houses.

PROJECT SUMMARY - PHASE 1

PROJECT NAME	STANDERTON EXT 8
CLIENT	DEPARTMENT OF HUMAN SETTLEMENTS
SCOPE	IRDP PHASE 1
NUMBER OF SITES	500
PROJECT NUMBER	E14020022
MUNICIPALITY	LEKWA
CONTRACTOR	MERBOMBO JV VIKINDUKU
CONTRACT AMOUNT	R14,848,180.00

EXPENDITURE	R14,841,539.59
START DATE	FEBRUARY 2014
DATE OF COMPLETION	JUNE 2015
PROJECT STATUS	COMPLETE
CHALLENGES	There are no bulk services (Water, electricity and sewer reticulation) which has led to vandalism of the houses since they are not occupied.

PROJECT PROFILE OF STANDERTON EXT. 8

The project was launched as a Breaking New Grounds (BNG) project which consist of different housing typologies to the extent of including the FLISP, the bonded units, the low cost, and the community residential units (semidetached flats). The Department reported that the project seats on a green-field portion of land where services such as water and sanitation were installed by the developer prior to the commencement of the top structures.

CHALLENGES RAISED BY THE DEPARTMENT

The biggest challenge is the lack of water supply from the municipal reservoir and the lack of bulk electricity to assist in the pumping of the sewer system. The houses are still unoccupied due to the absence of the above critical services, thus exposed to theft and vandalism of doors, sanitary fittings, window frames etc. The municipality is on the process of finding alternative ways to resolve the supply of water and they have committed that by the end of July 2016 the first batch of beneficiaries would take occupation and guard against theft.

The Department reported that the main beneficiaries for the projects are the Lekwa residents who are backroom dwellers and some living in the shacks. They have been identified by the councilors, ward committees, municipal officials etc; some were residing in hostels. The bringing of this project has alleviated poor living conditions as these individuals now have a decent shelter which has improved their human dignity.

A lot of local laborers benefitted from the project through jobs created by the developer. More than hundred (100) jobs were created between 2014/15 to 2015/2016 financial years.

7. COMMENTS MADE BY THE COMMITTEE

The Committee raised a serious concern on the vandalism that is taking place at Extension 8 due to the delay to allocate the beneficiaries to both structures. This has also impacted negatively to the budget spent (wasteful expenditure).

Another challenge noted was that of poor planning by the Department and the municipality; infrastructure projects (building of houses) would commence without proper basic infrastructure. The Committee wanted to know the plan that has been put in place to address these challenges.

Payment of contractors

The Committee requested a written response on this matter because there were contradicting responses from the department regarding this matter, especially at extension 8

Sakhile Hostel

The Committee was informed that there are two lists that are being circulated around the municipality, thus finding it difficult to finalise the allocation of the beneficiaries. The former occupants of the old hostel vowed that no one would occupy the completed thirty four (34) units until they are provided with houses free of charge because they are unemployed.

Currently there are only twenty one (21) people who are qualified to be allocated the houses and they have already paid the deposit. However, it is difficult to let them occupy the units owing to the fact that the people who do not qualify have vowed that no one will occupy the units without them being provided with houses.

The Committee registered its dissatisfaction on the failure of the department to allocate the beneficiaries in these units and also wanted to know where the beneficiaries currently staying.

8. Findings made by the Committee

After the interaction, the Committee found that:

- a) The department failed to allocate the beneficiaries to the Sakhile hostel as a result, it has been reported that currently, there are two lists that are circulating for occupancy in these units;
- b) There is vandalism that is taking place at extension 8, due to the failure to allocate the beneficiaries in these houses;

9. Recommendations made by the Committee

After the findings the Committee recommended that:

- a) Rightful beneficiaries must be allocated in these units (Sakhile Hostel) using the original list before 09 September 2016.
- b) The Houses at Extension 8 (Standerton) must be allocated to the rightful beneficiaries before 09 September 2016 in line with the beneficiary management policy and ensure compliance to the management policy going forward.

A detail report must 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 hostel and Standerton, Extension 8 units.

The Department to also ensure that there is progress by the time the actual TLP takes place which is from 12 – 16 September 2016.

10. CONCLUSION

The Chairperson wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations on the Pre-TLP site visits. The Chairperson further extends his appreciation to the Department of Human Settlements, as well as the 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 Pre-TLP. The Chairperson requests the august House to adopt the report with its recommendations.



HON. WT MADILENG
CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS AND CO-OPERATIVE GOVERNANCE &
TRADITIONAL AFFAIRS

30/08/2016
DATE