

# MATJHABENG

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South Africa



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## OFFICE OF THE MUNICIPAL MANAGER

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**Date / Datum / Letsatsi** : 06 July 2017

Mr JM Leshabane

DEPUTY DIRECTOR GENERAL: PROGRAMME AND PROJECT MANAGEMENT

National Department of Human Settlements

**PRETORIA**

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Dear Sir

### **HUMAN SETTLEMENT DEVELOPMENT GRANTS ALLOCATION FOR THE REVITALIZATION OF DISTRESSED MINING COMMUNITIES**

Your letter dated 30/06/2017 on the above with reference 4/9/4/1-FS (2017/18) refers.

1. This letter serves to acknowledge and appreciate the financial assistance aimed at the revitalization of the distressed mining towns of which Matjhabeng Municipality is one.
2. According to the project pipeline tool developed by the Housing Development Agency (HDA), 21 informal settlements have been identified and the enumeration process was undertaken already and 6 470 households were identified (HAD Rapid Assessment Report September 2013). This report did not include backyard dwellers which is estimated to be 20-30% of the formal households.
3. Through the intervention of the Provincial Department of Human Settlement, approximately formal 7 000 stands were created to address phase 1 of informal settlements.
4. During the current financial year, the Provincial Department of Human Settlements intends to fund some of the services Infrastructure for these formalized. However, it must be indicated that they do not have the budget to address all the challenges. The following support is hereby requested to strengthen the eradication of informal housing and address services Infrastructure challenges not budgeted for in any Municipal or Provincial CAPEX.

4.1. Strategic interventions of critical importance:

| <b>Development Plans</b>         | <b>Intervention required</b>                                          | <b>Cost estimates</b> | <b>Current status</b>                                                                                                                    |
|----------------------------------|-----------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Spatial Development Plan (SDF)   | Appointment of a Professional Service Provider for review of the SDF. | R500 000              | Tender to be advertised.                                                                                                                 |
| Infrastructure Master Plan       | Appointment of a Professional Service Provider to develop Plan.       | R8 000 000            | No baseline Plan available. WSDP, water and sewer and roads master plans outdated and therefore urgently needed for integrated planning. |
| Integrated Human Settlement Plan | Appointment of Professional Service Provider.                         | R300 000              | No baseline Plan available.                                                                                                              |
| Socio-economic study             | Funding to FreshCo for completion of socio-economic study.            | R1 500 000            | Site identified.<br>Restructuring zone processes underway.                                                                               |
|                                  | <b>Sub Total</b>                                                      | <b>R10 300 000</b>    |                                                                                                                                          |

- 4.2. When the plans are development a more detailed integrated Human Settlements can be compiled that will addressing the plight of informal settlements. The following projects are already priorities as urgent and implementation thereof will make a difference to the community living environment.

| <b>AREA</b>           | <b>No of units/sites</b> | <b>Intervention required</b>                     | <b>Cost estimate</b> | <b>Current situation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------|--------------------------|--------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>WELKOM</b>         |                          |                                                  |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Rheederpark (ward 35) | 945                      | Upgrading of Electrical supply network and Bulk. | R35 000 000          | The area in question was developed in 1988 and electricity was supplied by the Western Holding Shaft no 2. In 1990 in the excess of 70% of the total electrical network in this area was vandalized and stolen out. Other services were also vandalized in the process. In 2004 Harmony Gold Mine decided to terminate electrical supply to the area. Currently there are only 135 electrical consumer in the area with legal Pre Paid Electrical Connection and the remaining estimated 800 stands are connecting themselves illegally, which is a very unsafe situation. |

| AREA                                                                              | No of units/sites | Intervention required                                                                                                  | Cost estimate | Current situation                                                                                                                           |
|-----------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   |                   | Installation of water meters and water and sewer connections.                                                          | R5 000 000    | 166 sites have formal water connections with water meters and sewer connections. 779 sites must be connected with water and sewer services. |
| <b>THABONG</b>                                                                    |                   |                                                                                                                        |               |                                                                                                                                             |
| Thandanani North (ward 25)                                                        | 330               | Water and sanitation for second phase.                                                                                 | R5 100 000    | Outstanding is middle income (Gap housing) stands to service. This cannot be serviced from MIG.                                             |
| Jerusalem (ward 12)                                                               | 300 houses        | De-registration and re-registrations where parents who used to be mineworkers have since left Welkom and/or passed on. | R300 000      | Houses are occupied by orphans who are unable to get the properties registered onto their names.                                            |
| Hani Park (ward 23)                                                               | 600               | De registration and re-registration to the currents occupants.                                                         | R600 000      | Houses are occupied by orphans who are unable to get the properties registered onto their names.                                            |
| Hani Park (ward 23)                                                               | 100               | Rezoning of school site to generate 100 residential sites .                                                            | R300 000      | Households were relocated to school stand due to shortage of available sites. Sites to be formalized.                                       |
| <b>KUTLWANONG</b>                                                                 |                   |                                                                                                                        |               |                                                                                                                                             |
| Kutlwanong Extension 13 (Leeuwbosch) (Ward 20)                                    | 2900              | Contribution to bulk services in support of Human Settlement funding for internal services.                            | R5 000 000    | Provincial Department of HS is funding infrastructure in phases.                                                                            |
| <b>MELODING</b>                                                                   |                   |                                                                                                                        |               |                                                                                                                                             |
| Farm acquisition as well as township establishment to address informal settlement | 3000              | Funding for land acquisition and township establishment process to create sites.                                       | R8 000 000    | No land available to eradicate informal settlement. HS funding to service existing stands.                                                  |
| De-registration of abandoned sites and houses in                                  | 500               | De-registration of abandoned sites and houses.                                                                         | R500 000      | Houses are occupied by orphans who are unable to                                                                                            |

| <b>AREA</b>                                                                        | <b>No of units/sites</b> | <b>Intervention required</b>                                 | <b>Cost estimate</b> | <b>Current situation</b>                                                                             |
|------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------|
| Albany and Calabria                                                                |                          |                                                              |                      | get the properties registered onto their names.                                                      |
| <b>NYAKALLONG</b>                                                                  |                          |                                                              |                      |                                                                                                      |
| Install Infrastructure for the development of shopping complex and filling station | 2                        | Bulk service contribution to develop business opportunities. | R3 000 000           | No filling station and proper shopping centre.                                                       |
| <b>MMAMAHABANE</b>                                                                 |                          |                                                              |                      |                                                                                                      |
| Groenpunt Development                                                              | 500                      | Bulk service contribution.                                   | R10 000 000          | New area is created at the other side of the spruit. Bulk water and connecting road urgently needed. |
|                                                                                    |                          | <b>Sub Total</b>                                             | <b>R72 800 000</b>   |                                                                                                      |

5. The above project will contribute to economic development and poverty alleviation as well as promote job opportunities, especially for the unemployed youth.
6. The total estimated amount for the above projects is R83.1million which is in line with the ring-fenced grant amount of the Provincial Department Human Settlement.

We trust that you will find all of the above in order.

Yours faithfully,

**T TSOAELI**  
**ACTING MUNICIPAL MANAGER**