WORKING SESSION TO DELIBERATE ON THE IMPACTS OF THE HUMAN SETTLEMENTS POLICIES AND PROCEDURES

1. BACKGROUND

On 27 July 2018 SALGA convened a working session on human settlements law and procedures, as per the resolution of the standing committee workshop convened on 20 April 2018. The working session was chaired by the SALGA provincial human settlements working group chairperson, Councillor Francois Schippers. In attendance were Theewaterskloof, Prince Albert, Oudtshoorn, Cape Agulhas, Overstrand, Cape Winelands, Langeberg, Bitou, Saldanha Bay, Swartland, Central Karoo, Swellendam, Kannaland, Knysna, Laingsburg, Cederberg, Matzikama, Hessequa, Witzenberg, Eden, City of Cape Town, Beaufort West, George, Drakenstein and Breede Valley municipalities.

The Department of Military Veterans, National Department of Human Settlements, Provincial Department of Human Settlements and Human Science Research Council were also represented.

2. PRESENTATIONS

2.1 Beneficiary selection and allocation policies

Ms Duduzile Sinyeni from the National Department of Human Settlements presented on the National Beneficiary Selection and Allocation Policy. The policy is however still a draft and awaiting for MINMEC approval.

One of the key prerequisites the draft policy is suggesting is the introduction of the allocation committees at local level. The draft policy is also proposing an appointment of an auditor by national department, who will oversee the processes of the allocation committee. Committees will be required to draft minutes for all meetings.

Discussions

- Municipalities requested that another round of consultation be done on the draft policy.
- Views were raised opposing the motion of the establishment of allocation committees.
- Clarity is sought regarding the intended completion of the policy, since it has been under development since 2016.

2.2 Provision of a Differentiated Approach to Provide Top Structure on Serviced Sites

The Municipal Manager of Prince Albert Municipality, Mr Mettler presented on the need for a provision of a differentiated approach to provide top structures for beneficiaries that are able to develop their allocated serviced sites. Due to the continuous unemployment increase and job losses, small and rural municipalities are mostly impacted. He highlighted that the continuous growth of the undeveloped serviced sites poses a risk of creating shanty town and will only expand continuously if nothing is done to address it.
One of the benefits of providing top structures in rural setting is the potential to curb urbanization.

The provincial department of Human Settlements mentioned that as part of the intervention to address some of the issues associated with the serviced sites, they have introduced the Enhanced Serviced Site Programme. The programme includes installation of water and sanitation infrastructure on the allocated sites. The programme is implemented through a partnership with the Department of Water and Sanitation. The municipalities were also advised to work through the National Association Social Housing Organisation (NASHO) for support with lending for the beneficiaries earning between R3500 – R7000.

2.3 Guidelines and Policy on Provision Services for Military Veterans

Ms Xolisa Morolo from the Department of Military Veterans (DMV) presented on the processes and policy to provide housing and other services for military veterans. The DMV was established in 2010 and its mandate is drawn from the Military Veterans Act 18 of 2011 and focuses on the following areas:

- Compensation.
- Counselling services.
- Education support.
- Healthcare Services.
- Public Transport.
- Housing.
- Pension as well as a Ministerial program of the Social Relief of Distress (SRD).
- Maintenance of the National Military Veterans database.

To deliver on the housing mandate the DMV is working through a partnership with both the National and Provincial Departments of Human Settlements.

Outlined in the table below is the process, roles and responsibilities between the 3 parties:

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<tr>
<th>Stakeholder</th>
<th>Process and Responsibilities</th>
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| DMV                                                    | • Identifying Military Veterans eligible for housing assistance.  
• Provide the NDHS/PDHS with the list of the beneficiaries.  
• Pay top-up for completed units and;  
• Hand-over the completed units to the beneficiaries. |
| National Department of Human Settlements (NDHS)       | • Oversee the project implementation across the country.  
• Create housing sector skills training for Military Veterans.  
• Assists Military Veterans with housing related difficulties on the merit of each case.                   |
| Provincial Department of Human Settlements (PDHS)     | • Build houses according to the approved national specifications.  
• Bill the DMV for the number of units build and handed to beneficiaries.  
• Hand over completed houses to the DMV for allocation to the beneficiaries. |
Discussion and Resolutions

- The participants proposed that the policy should be amendment to cater for the Spouse and Children of the qualifying Military Veterans who has passed on.
- DMV’s database is outdated and should be updated regularly.
- There is a communication breakdown (lacking) on the process between DMV and the municipalities. Municipalities are not aware when and how the registration of the Military Veterans happens and who to engage on the issues between Human Settlements and DMV. DMV to provide a guideline with timeframes and requirements on the registration process and all communication/information sent to the municipal officials must also be sent to the Housing Portfolio Councillors as well.
- The PDHS advised that municipalities can include the Military Veterans on their IRDP projects but ensure they stipulate the DMV standard/specification for their houses.
- DMV highlighted that they are in a process to develop a framework that will guide the partnership between the DMV, DHS (National & Provincial), SALGA and municipalities.

2.4 Findings of the Human Science Research Council Study on Backyard Dwellers

Mr Ivan Turok presented on the findings of the backyard dwellers research study the Human Science Research Council has embarked on. Currently South Africa is faced with the ever growing housing backlogs and economic collapse crisis which contribute towards fuelling the resent violent protests and illegal land grabs. Backyard dwellers are increasing rapidly as they becoming a more affordable and better housing option after informal settlements.

Ivan shared that between year 2001 and 2016 the backyard dwellers statistics has grown up to 205% whereas informal settlements is sitting at 51%.

He emphasised that there need to be more flexibility and proactive planning on how the State deals with the management of backyard dwelling. The rapid and unplanned growth is creating instability and infrastructure deterioration.

2.5 Drafting of National Policy on Provision of Services for Backyard Dwellers

Ms Duduzile Singeni presented on the national draft policy on the provision of services for backyard dwellers. She highlighted that the policy seeks to acknowledge and assist in addressing the current challenges. The initiatives proposed in the draft policy do not incorporate the building of houses, it only focuses on the provision of services which include a single toilet and a stand water pipe for each household.

The envisioned funding resources for implementation are Urban Settlements Development Grant (USDG), Human Settlements Development Grant (HSDG) and Municipal Infrastructure Grant (MIG). It was highlighted that engagements between the NDHS and COGTA regarding the utilisation of the MIG are underway.

A concern was raised regarding how the proposed programmes will be integrated in the municipal town planning strategies and compliance to the building regulations. The municipalities requested the NDHS to convene a consultation session on the draft policy.
3. DELIBARATION ON ISSUES RAISED BY THE MUNICIPALITIES

Prior the working session SALGA sent a communication to all municipalities to send issues that they want to be discussed/addressed. Feedback was received from the City of Cape Town, Bitou, Overstrand and George Municipalities.

3.1 Provincial Housing Selection Policy for Beneficiaries in Ownership-Based Subsidy Project

An issue was raised around the Provincial Circular 10C which suggests the prioritisation of households headed by middle – aged and elderly individuals in the selection of beneficiaries in Greenfields projects for ownership-based products. Municipalities wanted to understand whether this is a guideline or mandatory. The main issue is that this priority rating criteria poses an incorrect assumption that beneficiaries older than 35 have been on the database longer. It thus fuels community unrests as there are often younger beneficiaries that have been on the database longer, some for more than 11 years.

The Department advised that the MEC called for the development of this circular to try and combat the challenge of queue jumping, with the youth getting houses before the elderly. To manage irregularities it is prescribed that all beneficiaries should be at least 3 years on the municipal database.

Another issue was the challenge around the clarity and uniformity of the application Of Quotas in order to ensure the correct application of the particular quota, especially for farmworkers and beneficiaries with disabilities.

The Department indicated that circulars were sent to municipalities clarifying the process, requirements and specifications. In terms of the disability verification, the PDHS is currently engaging the South Africa Social Security Agency (SASSA) regarding the possibility of linking with their database to confirm the beneficiary’s disability status. However a challenge still exists around verifying whether a beneficiary has been living in a farm for more than ten years as prescribed in the qualification criteria.

3.2 Housing Act of 2001- Sections 10A and 10B on Pre-Emptive Rights in Favour of a Particular Provincial Housing Department.

Municipalities raised challenges resulting from the amendment of the Housing Act, regarding the inclusion of Sections 10A and 10B. This amendment has resulted in informal selling/leasing of the housing units and municipality has no remedy to deal with the reported cases.

A request was made for the reviewing of this particular amendment for a more practical and feasible solution.

The NDHS advised that they are looking into amending the period from 10 years to 5 years. Municipalities should create community awareness around the process of application for the waiver of the pre-emptive right. The Department also raised a challenge in terms of finding a common ground that will lead to finding a more practical and feasible solution as municipalities are divided, some in support of this amendment and some against it.
3.3 National Housing Code: UISP allocation to non-first time owners.

The municipalities highlighted that this criteria does not support the local municipality’s priority to first time home owners. Persons who are not first time home owners should only be considered on a case by case basis, where possible.

The department advised that this programme is meant to provide for beneficiaries that do not qualify in any other housing programmes.

3.4 National Housing Code: Review maximum income of R3500

The Maximum income of R3500 has been unchanged for years resulting in most applicants in need of housing opportunity not qualifying.

The NDHS highlighted that they have been looking into reviewing the maximum income bracket, however the MINMEC does not approve, as this will only increase the backlog and because of the current fiscal decline it will not be practical to increase it.

3.5 Need for clear guidelines for stakeholders and public participation process.

The lack of clear guidelines for stakeholder and public participation when executing various programmes with different processes in the same catchment area/town creates challenges and often results in housing committees interfering with the systems/processes and municipal functions.

There is a need for a development of a clear and standardised guidelines for stakeholders and public participation process for municipalities.

The PDHS advised municipalities not involve housing committees in their process on Greenfield projects, as only the UISP requires the housing committee. Municipalities should only establish the committee after the beneficiaries have been selected to avoid interference.

3.6 Enhanced Extended Discount Benefit Scheme (EEDBS) Framework

The following challenges were raised on the EEDBS framework:

<table>
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<tr>
<th>CHALLENGES</th>
<th>RECOMMENDATIONS</th>
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<tbody>
<tr>
<td>EEDBS Income Categories. Tenants in saleable rental units and purchasers of delayed transfer dwellings cannot afford to take ownership of their unit due to their income being more than R3 500 – Spouse getting Social Grant</td>
<td>Review maximum income of R3 500. Amend income categories for EEDBS upwards.</td>
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<tr>
<td>EEDBS requirement for upgrade costs to be added to selling price of units sold in terms of this programme, this makes such units unsaleable as purchasers cannot afford the increased purchase price which in some instances exceeds the maximum subsidy amount of R160 153. National policy requires such purchaser to fund the excess.</td>
<td>Review of calculation of selling prices principles – allow municipality the discretion to add additional costs to the selling price and/or fund such cost subject to availability of funds and the approval of council</td>
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</table>
EEDBS Criteria disqualifies previous and current property owners from the programme - blanket approach without considering the individual circumstances. EEDBS requirement for purchaser to fund any shortfall in arrears or purchase price not covered by the EEDBS in practice makes such units unsaleable as purchasers cannot afford payment.

Amend qualifying criteria to make provision for previous property owners who have not previously benefited from a subsidy and current property owners who have inherited a portion of a property and have not previously benefited from a subsidy to participate.

Saleable CRU’s upgraded as part of the CRU Programme (2006) are unable to take ownership as the policy requires such housing stock to remain in public ownership and cannot be sold or transferred to individual residents.

Make provision for previous property owners to purchase at historical cost/or allow current/previous property owners who benefited from inheritance or has part ownership to access EEDBS programme.

Discussions

- Selling or transferring of the CRU will need sectional titles which will create more problems.
- Regarding the reviewing of the calculation of the selling price, municipalities have a desecration to right-off the surplus.
- In terms of the part ownership, beneficiaries can submit proof that they are giving up the property in question and the PDHS will assist them with the subsidy.
- As discussion under 3.4 above, increasing the R3500 threshold cannot be considered as this will have negative impacts.

3.7 Land Acquisition Funding for Human Settlements Projects.

Municipalities highlighted the need for the Department to design a process that will speed up and provide means to access land owned by other organs of the state (e.g Public Works) for housing projects. The scarcity of land impacts in service delivery and results in significant project delays. It forces municipalities to move their people further away from the CBD (employment opportunities) to the urban edges. This causes community unrests/dissatisfaction and continuous growth in informal settlements and backyard dwelling.

The PDHS advised the municipalities to be proactive and identify the land they need and the Department will assist them with funding to acquire the specific land.

4. WAY FORWARD

4.1 SALGA will provide feedback on the outcomes of the working session to the Human Settlements Standing Committee.

4.2 SALGA will write to the department of Military Veterans to communicate the feedback from the workshop and the comments raised.

4.3 A letter will be shared with the Department of Human Settlements on feedback related to the challenges raised by municipalities. All the inputs received from municipalities will be collated and be part of the letter.
5. PARTICIPANTS FEEDBACK

<table>
<thead>
<tr>
<th>Scoring of Discussions Per Agenda Item</th>
<th>Comments</th>
</tr>
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</table>
| ![Beneficiary Selection and Allocation Policies: NDHS](image) | – There cannot be a size fits all approach Cllrs provide an important oversight role do not forget this Municipalities cannot verify full criteria adherence they do not have the access to UIF previous property ownership dependents used in other applications external Auditing welcomed.  
– Housing Act 1997 as amended National Housing Code Policies do not align to the above legislation  
– Problem facing by Municipalities is that not all the people who occupy a house is the rightful owner  
– Lot of gaps in this Policy Municipalities must give Input  
– Policy is under development since 2016, how long does it take to approve?  
– Surely it forms the base must be finalised. |
| ![Provision of a differentiated approach to provide top structure to beneficiaries that are unable to develop their Service Sites: Prince Albert](image) | To the point and knowledgeable!! Alternatives to be offered  
The problem with these structure is that don’t uplift poverty in our communities but only again give a new area of shacks in communities  
Open honest presentation  
Has informal settlements been defined and is there a policy in this regard |
| ![Guidelines on provision of services for Military Veteran: Dep of Military Veterans](image) | – Verification of MV beneficiaries requires attention. (Database requires an update)  
– The communication between the DMV and Human Settlements must be improved.  
– The DMV beneficiaries must be clarified  
– It is clear that proposed policy amendments create expectation  
– Not easy accessible  
– Need more information  
– DMV must visit all regions  
– Excellent Presentation |
| ![Findings of the Backyard Dwellers study: Human Science Research Council](image) | – Relevant presentations inherent safety & health risks in backyard dwellers  
– Good And Realistic findings  
– Not really time for COCT  
– This need to be carefully approach  
– Impacts to be workshops with other National departments to determine feasibility in the light of building control, NERSA & other regulations |
<table>
<thead>
<tr>
<th>Topic</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Draft Policy! When will it be promulgated?</td>
<td>-</td>
</tr>
<tr>
<td>What about town planning &amp; building regulations</td>
<td>-</td>
</tr>
<tr>
<td>Information more debate requested</td>
<td>-</td>
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<tr>
<td>Need more clarity</td>
<td>-</td>
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<tr>
<td>Drafting of National Policy on provision of services for backyard dwellers: NDHS</td>
<td>-</td>
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<tr>
<td>National Dept mentioned the White Paper that government intends not providing free houses</td>
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<tr>
<td>Title</td>
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<tr>
<td>National Housing Code: Review Maximum income R3500</td>
<td>- What is the time line and how and by whom will this be communicate?</td>
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<tr>
<td>National Housing Code: Need for clear guidelines for stakeholder and public participation process</td>
<td>- Informative</td>
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<tr>
<td>Funding for Land Acquisitions and access to other state owned land (eg Public Works)</td>
<td>- Informative</td>
</tr>
<tr>
<td>Enhanced Extended Discount Benefit Scheme Framework</td>
<td>- Informative</td>
</tr>
<tr>
<td>- WC Dept on HS gave comprehensive</td>
<td></td>
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</tbody>
</table>
Did you find the Human Settlements working Session helpful?

- Well done
- We looking forward to see the relevant Departments in our region NDHS, DMV & PDHS