



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

Policy Communiqué

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203 Church Street, Room No: 1.5, 1st Floor, Old Mutual Building .Tel: +27 33 392 6406, Fax: +27 33 392 6482,
E-mail: Martie.Milne@kzndhs.gov.za Enq: M. Milne Web: www.kzndhs.gov.za

Copies obtainable from www.kzndhs.gov.za, Policies and legislation

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A) FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME (FLISP)

1. OVERVIEW

The Finance Linked Individual Subsidy Programme (FLISP) provides a subsidy to qualifying beneficiaries who have secured mortgage finance to acquire an existing house or a vacant residential serviced stand linked to a house construction contract. The objective of the Programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalments affordable over the loan repayment term and/or to make good any shortfall between the qualifying loan amount and the total product price subject to the conditions of the Programme. This group of people must satisfy the qualification criteria for the subsidy and the type of assistance may vary depending on a beneficiary's circumstances. This revised FLISP has been introduced by the Minister of Human Settlements in terms of the provisions of Section 3(5) of the Housing Act, 1997 (Act 107 of 1997) and takes effect from 1 April 2012 on which date all the previous versions of the FLISP will terminate. The implementation date for the revised programme is 1 April 2012.

2. POLICY PRESCRIPTS AND PROVISIONS

2.1 POLICY INTENT

This Programme intends to give effect to the Government's objective to provide housing assistance to the gap market, assisting them to enter the mortgagee housing market by providing a once off down payment scheme to individual households who are able to access mortgage finance to acquire residential properties for the first time. In addition, persons who have acquired vacant serviced stands without state assistance and who need assistance to access mortgage finances to fund the construction of their houses may also apply for FLISP subsidies.

2.2 PROGRAMME PRINCIPLES

2.2.1 The Programme provides individual subsidies linked to the household income of the applicant and is subject to the approval of a mortgage loan. All applicants must satisfy the qualification criteria to enable them access to the benefits of the Programme. Households will only be able to access one Finance Linked Individual Subsidy.

2.2.2 The FLISP subsidy will be a once-off subsidy, to qualifying beneficiaries who will not qualify for any further or other state-assisted housing assistance and is only available to a first time home owner.

2.2.3 The 2012 income category for the FLISP is R3 501 to R15 000 per month. The quantum of the FLISP subsidy is set out in Annexure A. It may be utilised to meet any deposit requirements that may be imposed by the relevant financial institution and if the amount is enough for the deposit, the lender will not pay any further deposit.

2.2.4 The value of the property may not exceed the maximum property value set for the Programme as announced from time to time. The current property value is set at R300 000, 00.

2.2.5 The FLISP will be administered by the National Housing Finance Corporation (NHFC) in terms of implementation agreements that must be concluded with the nine Provincial Governments in collaboration with participating registered financial institutions who have signed agreements with the NHFC.

2.2.6 Lenders are defined as financial institutions, as provided for in terms of the Banks Act, 1990 (Act No 94 of 1990) or other financial institutions who concluded agreements NHF.

2.2.7 The NHFC as the Implementing Agent for the Programme will receive an annual grant from the National Department of Human Settlements to cover the costs to perform the administrative duties attached to the implementation of the Programme. In terms of the appointment as implementing agent, the NHFC is expected to:

- 1) Standardise, streamline, align and centralise all the processes around the planning, negotiation and administration of the Programme; introduce a “one-stop shop” to work with Provincial Departments, financial institutions and property developers and other role players regarding the implementation of the Programme; and
- 2) Enter into appropriate legal arrangements with MECs to act as the implementing agent for the Programme in the relevant province for the administration and disbursement of FLISP subsidies. The NHFC will at least one month before the end of Government's financial year submit Pro Forma Implementation Protocols to the MECs for their consideration and signature; and
- 3) Conclude agreements with lenders and other role players to enable the implementation of the Programme on a project basis.

3 APPLICATION OF THE PROGRAMME

a) The FLISP will apply nationally and will only be available to qualifying beneficiaries who will acquire residential properties in formal towns where transfer of ownership and the registration of the mortgage bond can be recorded in the Deeds Office.

b) The FLISP is available to qualifying beneficiaries who:

- acquire ownership of existing improved residential properties; or
- obtain vacant serviced residential stands which are linked to house-building contracts with home builders registered with the National Home Builders Registration Council (NHBRC); or
- construct a new residential dwelling through a house building contract entered into with homebuilder that is registered with the NHBRC, on a serviced residential stand, that is already owned by the beneficiary.

c) Although the Programme provides individual housing subsidies to individual qualifying beneficiaries, approval was granted to launch the programme through “pilot projects” negotiated between participating registered financial institutions, property developers, employers and the NHFC.

d) Special Provision: it is a requirement that in cases where housing subsidy applications are submitted by single persons with financial dependents, that the particulars from the identification document of such dependents must be recorded on the application form and the information must be captured in the Housing Subsidy System. Copies of the following documents must accompany an application for a housing subsidy:

- 1) Birth certificates, bearing the thirteen digit identity number for children who do not have bar coded identity documents;
- 2) Bar coded identity documents of all persons who are claimed as part of the household; Divorce settlement documentation (to prove custody of children) where relevant;
- 3) Affidavits for unions solemnised in terms of SA Civil Law and accompanied by sworn statements to prove the authenticity of the relationship to the applicants, where

- applicable; and Court orders or, orders issued by the Commissioner of Child Welfare to prove guardianship for foster children, where relevant.
- 4) Monthly household income: The gross monthly household income of his or her household must be within the range as depicted in **Annexure A**.

4. SPECIAL PROVISIONS FOR QUALIFYING BENEFICIARIES WHO ARE UNABLE TO OBTAIN MORTGAGE LOANS

Qualifying beneficiaries earning a combined household monthly income of R3 501 to R7 000 may find it difficult to obtain mortgage loans and might therefore not be able to access the benefits available under the FLISP and acquire ownership of a residential property. Beneficiaries in this income category who are unable to access mortgage loans may therefore decide:

- 1) To apply to the municipality or Provincial Department, as the case may be, for the allocation of a vacant serviced stand, created through the funding available from National Housing Programme: Integrated Residential Developments (IRDP). Such a serviced stand will be transferred to the qualifying beneficiary free of charge. The successful beneficiary will forfeit his/her rights to apply for any further housing assistance and will be responsible for the construction of his/her house through his/her own means; or
- 2) If the qualifying beneficiary is able to purchase a vacant serviced stand from a private sector developer, to apply for an Individual Housing Subsidy to the value of the development cost of a State financed serviced stand. The successful beneficiary will forfeit his/her rights to apply for any further housing assistance and will be responsible for the construction of his/her house through his/her own means; or
- 3) Not to apply for the allocation of a free serviced stand and continue seeking an affordable property in the market and apply for a mortgage loan and a FLISP subsidy when a suitable property is found. The availability of serviced stands will depend on aspects such as provincial planning and the availability of subsidy funding. Hence, a waiting period for the allocation of serviced stands might be applicable. The details of the above options are contained in the National Housing Programmes: Individual Housing Subsidies and the Integrated Residential Development.

5 FUNDING ARRANGEMENTS

5.1 FUNDING ALLOCATION AND RESERVATION

The Minister of Human Settlements will annually announce the Housing Vote allocation awarded to each Province. The MECs in each Province must reserve funding for the various National and Provincial Housing Programmes from their Provincial allocations. Funding reservations for the FLISP will be made in terms of the provisions of the implementing agreements concluded between the MEC and the NHFC and the related agreed business plans for implementation of the Programme in the relevant Provinces.

The NHFC must provide the MEC of the relevant Province, with a Business Plan for FLISP disbursements to cover the current Medium Term Expenditure Framework (MTEF) period. Such a business plan must be supported by an Operational Plan. The preliminary estimates for the implementation of the FLISP must be made available by the NHFC by not

later than the end of August of each year. The final figures must be submitted on or before the end of January each year;

Once the agreed funding reservation for the FLISP has been confirmed by the MEC, the NHFC must notify BASA and the head offices of all participating lenders of the amount reserved for the FLISP. The funding set aside for this Programme will be made available by the MEC to the NHFC in the form of advance payments based on agreed cash flow projections. The NHFC, by not later than 3 months before the end of a financial year, may approach the MEC and negotiate the reprioritisation of funding reserved for allocation to the NHFC, if the parties agree that the funding so reserved will not be utilised for FLISP subsidies over the remaining 3 months of that year. The NHFC must report, at intervals, as agreed with the relevant MECs on:

- i. The financial aspects linked to the subsidy payments;
- ii. The status of the loans and the constancy of repayments;
- iii. Various other issues detailed in the pro forma agreements; and
- iv. To submit reconciled consolidation statements to the relevant PHDs, in respect of the Operating Account, as agreed.

5.2 QUANTUM OF THE SUBSIDY

The quantum of the subsidy for the FLISP will be based on the annually reviewed (Attached Table A) which outlines the Breakdown of the Quantum of the Subsidy applicable to FLISP Beneficiaries and is directly linked to the gross household income category of the applicant.

5.3 TRANSFER OF FUNDS TO THE NHFC

The Provincial Department will transfer the funding set aside for the implementation of the FLISP in a particular financial year to the NHFC in accordance with an agreed cash flow advance payment system which must be based on projected delivery under the Programme for any given period. The funding so received must be paid into an Operating Account of the NHFC. The NHFC will release the approved subsidy funding to lenders once the MEC approved a particular FLISP subsidy application and in accordance with the service level agreement concluded with the financial institution. Funds standing to the credit of the Operating Account shall accrue interest for the benefit of the PD. Processes must be developed and implemented by all parties to ensure better cash flow management of subsidy funds and the minimising of the risk of fraud and mal-administration of subsidy funds.

5.4 TRANSFER OF APPROVED SUBSIDY FUNDS TO THE FINANCIAL INSTITUTIONS

Once the MEC has approved a subsidy application and informed the NHFC of the approval, the NHFC must:

- a) Issue a formal guarantee to the value of the approved subsidy amount to the lender in respect of the approved beneficiary;
- b) The NHFC must cancel the guarantee should any of the terms and conditions, as stipulated in the conditions of the confirmation not be complied with;
- c) Upon registration of transfer of the property in the name of the approved beneficiary and the registration of the mortgage bond in favour of the financial institution, or in the

case of an existing property owner, upon the registration of the mortgage bond in favour of the lender, the NHFC will transfer the approved subsidy amount to the nominated account of the financial institution;

- d) All payments must be made in line with the prescripts contained in the Public Finance Management Act, 1999 (Act No. 1 of 1999); and
- e) In the case of a new housing unit, a certified copy of the original certificate issued by the NHBRC to confirm that the housing product of the beneficiary mentioned in the confirmatory letter, has been successfully enrolled with the NHBRC, must be submitted to the PHD before payment is effected.

5.5 LEGAL FEES

The costs, expenses and charges to be incurred in transferring a property (the legal fees) to a beneficiary and the fees in respect of the registration of the mortgage bond, may not be defrayed from the FLISP subsidy amount. Such cost must be financed by the beneficiary.

5.6 PAYMENT OF THE SUBSIDY FUNDS BY THE LENDER

The lender shall release the subsidy funding in the following manner:

- a) In the case where the beneficiary has purchased an existing improved property, upon registration of transfer of ownership of the property in the name of the beneficiary, the lender will transfer the funds equal to the agreed sale price of the property to the account nominated by the seller of the property;
- b) In the case where the approved beneficiary purchased a vacant serviced stand linked to a building contract, the lender must pay the remainder of the FLISP subsidy amount, if any, to the approved supplier of the housing goods and services in accordance with progress achieved with the construction of the house as prescribed by Lender and in accordance with the conditions of the approved loan and building contract.
- c) In the case where the beneficiary is already the owner of a vacant serviced stand and the FLISP subsidy and the Mortgage bond will be used to construct a new housing unit, the lender must administer payments in accordance with progress achieved with the construction of the house as prescribed by the lender and the loan conditions.

6. THE SUBSIDY APPLICATION PROCEDURE

- a) Individual FLISP subsidy applications must be submitted directly to the NHFC following approval of a mortgage loan by an accredited financial institutions (lenders). The NHFC must ensure that all the supporting documentation accompany the application
- b) The lender must conduct an interview, where the lender will advise the applicant whether he/she potentially qualifies for mortgage finance. Should the lender be prepared to grant mortgage finance, it must approve the applicant's application for mortgage finance, in principle, subject to the approval of a FLISP subsidy. The lender must inform the applicant of the total mortgage finance amount, plus all fees payable, such as transfer and bond registration fees.
- c) The lender must inform the applicant that approval of the mortgage finance is subject to an assessment of the value of the property and approval of the building contractor in a case where a new house will be constructed by the lender and the applicant's attendance of a homeownership course/consumer education programme, that will detail the rights and obligations of the homeowner and borrower in compliance with the National Credit Act together with various insurance options available as it relates to the mortgage loan and the property.

- d) After in-principle approval of the mortgage finance by the lender, the lender must, advise the beneficiary and the accredited developer, of the outcome whereafter the accredited developer will assist the beneficiary in completing the FLISP subsidy application, whereafter, the accredited Developer will on behalf of the beneficiary, submit the application to NHFC for consideration. The accredited developer will also submit electronically captured application forms and supporting documents to the NHFC to facilitate the effective and efficient flow of information, if desired, but the original documentation must be submitted to the NHFC before payment of the subsidy can be made.
- e) No administration fee will be charged by the developer or lender for processing beneficiary applications.
- f) The MEC must as soon as confirmation has been obtained from the NHFC that the application is procedurally correct, that the applicant complies with the criteria to for FLISP qualification, that funding is available for the approval of the FLISP subsidy application, consider and approve the application. The Provincial Department must ensure that the approval of the application is undertaken within a period, not exceeding 7 (seven) working days, as from the date of submission of the application form by the NHFC. If a Provincial Department fails to conform with the allocated time frame of 7 (seven) working days, the Provincial Department is obliged to give the NHFC full details regarding its inability to perform within the allocated time frame. It is important that all administrative delays be eliminated.
- g) The Provincial Department must then inform the NHFC of the approval of the subsidy in writing and in the agreed format to enable the NHFC to issue the required guarantee to the lender.
- h) If the MEC decided not to approve the subsidy application, the details of the reasons for the non-approval must be conveyed to the lender who must then inform the applicant of the decision and reasons for non-approval of the application.
- i) The MEC may withdraw a subsidy approval if it subsequently transpires that the beneficiary does not qualify for a subsidy. The approval of the subsidy will lapse immediately. The Provincial Department must advise the NHFC accordingly and the NHFC must immediately inform the lender who must return the subsidy funds received from the NHFC to the NHFC to the extent to which it has not been paid to the developer or seller of the property; otherwise, the subsidy should be recovered from the beneficiary by the Provincial Department.
- j) The MEC may take appropriate legal action against a beneficiary if any information supplied in any application for a subsidy is incorrect or fraudulent, and may also institute criminal proceedings

7. CALCULATION OF LOAN INSTALMENTS PAYABLE

- a) The FLISP subsidy must be utilised to reduce the principal loan amount to be repaid by the beneficiary. The FLISP subsidy must therefore be deducted from the total loan amount, where after the instalments payable by the applicant will be calculated by the lender.
- b) Applicants must be informed about the loan repayment period and must be informed that shorter payment periods could be negotiated.

8. REGISTRATION AND TRANSFER

- a) The property to be funded by the FLISP subsidy and mortgage loan must be registered in the name of both the approved beneficiary and his/her spouse/partner as the case may be;
- b) Should, the property for any reason not be registered in the name of the applicant within a period of 6 (six) months from the date on which the application was approved by the MEC, the lender must submit a fully motivated application for extension of time to the NHFC. Should it become evident that transfer of ownership, for whatever reason, will not occur within 8 months from the date of approval of the subsidy application by the MEC; the subsidy application approval will automatically terminate and a new application process must be launched should the beneficiary wish to continue with his or her property acquisition process;

9. SALE OF THE PROPERTY BY THE BENEFICIARY

- a) The sale restriction provisions of Section 10A and 10B of the Housing Act, 1997 must be adhered to at all times. The beneficiary may not sell or otherwise alienate his or her property for a period prescribed by the Housing Act, 1997 from the date of transfer into his or her name, prior to offering the property to the Provincial Government. **The following provisions in italics are subject to approval by the Minister of Human Settlements.**

Where the subsidy beneficiary wishes to dispose or alienate his or her subsidy financed property within the period prescribed by the Housing Act, 1997 the beneficiary must:

- *First obtain approval for the envisaged sale transaction from the Financial Institution in whose favour the Mortgage Bond is registered against the Deed of Transfer of the property; and*
- *If the Financial Institution approves the sale transaction and has issued its mortgage bond cancellation requirements, the beneficiary must offer the property for purchase to the Provincial Government in writing indicating the sale price required by the beneficiary and the bond release amount required by the Financial Institution.*

The MEC to whom the offer to purchase is made must consider the offer and accept or reject the offer within 15 working days from date of receipt of the offer. If the MEC fails to respond to the offer as indicated, such a failure will constitute an unconditional waiver of the offer to purchase and the beneficiary may proceed to alienate the property. The MEC may decide to reject the offer to purchase received from the beneficiary. If the MEC decides to reject the offer to purchase, he or she may do so unconditionally or may require the beneficiary to repay a percentage of the FLISP subsidy to the NHFC. Where the MEC decides to require the beneficiary to repay a percentage of the subsidy amount the following will apply: The portion of the FLISP subsidy amount to be refunded from the beneficiary will decrease annually and will be calculated on the following basis:

<i>Year 1:90%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 2:80%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 3:70%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 4:60%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 5:50%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 6:40%</i>	<i>of the original subsidy amount is to be refunded;</i>
<i>Year 7:30%</i>	<i>of the original subsidy amount is to be refunded; and</i>
<i>Year 8:20%</i>	<i>of the original subsidy amount is to be refunded.</i>

Where the MEC decided to enforce the refunding condition as described above, the beneficiary will be required to pay the relevant amount to the NHFC before the certificate of waiver will be issued. In line with the decision of the MEC, the Provincial Human Settlement/Housing Department will issue a certificate of waiver of the pre-emptive right and the beneficiary may proceed to alienate the property. If the MEC decides to accept the offer to purchase, the purchase price will be determined by agreement between the two parties. In the event of failure to agree on the purchase price, the MEC must appoint an independent property valuator, acceptable to both parties, and the price determined by the valuator will serve as the agreed purchase price. The beneficiary must be informed that he or she will not be able to apply for any further state housing assistance in the future and that the proceeds of the sale transaction should be used to acquire an alternative residential property.

- b) *The NHFC may agree with the lender to retain the calculated amount to be refunded by the beneficiary in the Operating Account for a period of up to 2 years. If the beneficiary is able to purchase a residential property in his or her new location, the amount retained by the lender must be transferred to the new mortgage loan transaction to reduce the new loan amount. If the beneficiary fails to acquire an alternative property within the two year period the lender must pay the amount so retained to the NHFC plus any interest that has accrued less administration cost.*
- c) These provisions do not apply where the borrower has defaulted on his or her mortgage bond obligations and the lender proceeds with foreclosure procedures.

10. INSTITUTIONAL ARRANGEMENTS

10.1 RESPONSIBILITIES OF THE MEC/PROVINCIAL DEPARTMENT

- a) The MEC reserves funds for the Programme from the annual Housing Vote allocation by the Minister of Human Settlements;
- b) The MEC is the decision-making authority regarding the approval of FLISP subsidies;
- c) The MEC must appoint the NHFC as implementing agent for the FLISP and for this purpose must conclude an implementation agreement with the NHFC. This agreement will regulate the roles and responsibilities of the two parties and the disbursement of approved subsidy funding;
- d) The Provincial Department will be responsible for the submission of the assessed applications to the MEC for approval and for the recording of the subsidy approval on the National Housing Subsidy Data Base;
- e) The MEC must satisfy him/herself that the property acquired by the beneficiary complies with the minimum National Norms and Standards, captured in the Technical Guidelines; and
- f) The Provincial Department must evaluate reconciliation reports received from the lenders for correctness and address any deviations recorded in collaboration with the lenders.

10.2 RESPONSIBILITIES OF THE LENDER

- a) The lenders wishing to participate in the FLISP must conclude implementation agreements with the NHFC;
- b) The lender must receive and assess mortgage loan and subsidy applications;
- c) The lender will receive subsidy payments from the NHFC and deposit the payments in the required Operational Account;

- d) The lender will administer payment of the subsidy funding in accordance with the Programme prescripts; and
- e) The lender will provide quarterly reconciliation statements to the NHFC.

10.3 THE ROLE OF THE NHFC

The role of the NHFC as Implementing Agent of the MEC for the FLISP will be directed by the Implementation Agreements that must be entered into with the MEC. The NHFC will fulfil the following role:

- a) To conclude implementation agreements with MECs; the NHFC will receive advance payments from the Provincial Department and invest such funds in a separate interest bearing account;
- b) The NHFC will identify nine pilot projects for the launch of the Programme in collaboration with the Provincial Departments and all the other role players;
- c) The NHFC will negotiate with financial institutions regarding their participation in the Programme and conclude agreements with participating lenders that will regulate the roles and responsibilities of the parties;
- d) Assess FLISP applications against qualifying criteria and processing these application on to the National Housing Subsidy Data Base
- e) The NHFC will administer the payment of approved subsidy funding to lenders as provided in the prescripts of the Programme; and Submit quarterly reconciliation reports to the Provincial Department regarding the subsidy funding received and disbursed.

10.4 ROLE OF THE NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

The National Department will be responsible for the maintenance of the Policy and implementation guidelines; and monitoring and evaluation of the implementation of the Programme. Subsidy quantum is attached as annexure A.

-----**END**-----

B) HOUSING PROCESS DOCUMENTS

The Project Process documents have been developed and revised to outline the project process adopted by the Province and forms the basis of standard operating procedures for implementers. The intention is not to duplicate the National Housing Code but produce a composite document of all provincial policies with reference to National policies. The project process documents include the following:

- a) Project Process table and flow diagram;
- b) Checklists; Project Programme timeframes;
- c) Housing Evaluation and Assessment Committee (HEAC) process; and
- d) Samples of project submissions to HEAC.

The documents are attached as annexure B, C, D, E and F respectively.

-----**END**-----

C) KWAZULU-NATAL GUIDELINES FOR THE USE OF ALTERNATIVE TECHNOLOGY

The Department is exploring alternative technologies as an alternative to conventional brick and mortar structure. The objective is to promote the use of alternative technologies in the delivery of human settlements in KwaZulu-Natal through reservation of subsidies, provision of platform for marketing alternative technologies through presentations etc. In order to kick start the process the Department has been engaging with service providers of alternative technology through invitations for product presentation. The Department has developed a data base of all those who have conducted presentations on their respective products. In order to formalize and provide guidance on the processes to be followed when approaching the Department with an innovative product, it became imperative that guidelines be developed.

1. POLICY GUIDELINES FOR THE USE OF ALTERNATIVE TECHNOLOGY

1.1 RESERVATION OF SUBSIDIES AND REQUIREMENTS

1. In order to introduce and promote the use of innovative technology, it is proposed that, the service provider must construct at least one show house. The allocation of work will be based on community acceptance of the product, the general performance criteria for residential structures, thermal efficiency and fire resistance.
2. The innovative products must have the following certification:
 - a) Agr'eement certification or South African Bureau of Standards (SABS)
 - b) National Home Builders Registration Council's (NHBRC) letter of support
3. It is also proposed that each municipality should have at least one percent of houses built using innovative products piloted in every project for 2012/2013 financial year. These will be allocated to beneficiaries and they must indicate reasons for their choices.
4. The proposals and costs must be based on NHBRC plans for a forty square meter, forty five square meter, double storey and walk-ups of three storeys high.
5. The construction of the house must be within the applicable subsidy quantum as announced by the National Minister of Human Settlements.
6. Providers of these alternative systems and technologies should conduct sufficient marketing of their products.
7. The Department should ensure that there is budget reserved for innovative/ alternative technology.
8. Service providers to use local labour and train community members properly on the use and maintenance of the product.
9. Briefing sessions and exhibition of the building method should be arranged prior the commencement of the project in order to get buy in and/ support from the beneficiaries.
10. Beneficiaries should be formally approached and consent to the arrangement with an understanding of the product and its limitations.
11. The option will only be available to beneficiaries who qualify for housing subsidies as stipulated in the qualification criteria contained in the housing code.
12. To ensure sustainability after the house has been constructed, the owners of the product should ensure that an effective maintenance team is in place and trained from day one, including the beneficiary.
13. A study of local conditions should be conducted before any unconventional building technology can be used.
14. The departmental inspectors should undergo intensive training as they may not be experienced in the quality assurance of alternative building materials.

15. Every implementing agent would be required to partner with providers of innovative products and sign an agreement detailing their partnership.

2 PRODUCTS PRESENTATION TO THE DEPARTMENT AND LETTERS OF CONFIRMATIONS

2.1 Who can approach the Department?

- Those with the necessary certification, i.e. NHBRC registration, SABS approval, agreement certificate, CIDB registration
- Those who are registered with the supply chain provincial database at KwaZulu-Natal Treasury Department
- Companies seeking to market their innovative technology product to the Department
- Those who wants to advance the objectives of the Department through innovative technology products

2.2 Request for a presentation and inclusion in the data base

- Applicants must have relevant certification with supporting documents i.e registration with NHBRC, Agreement certification and SABS support.
- Send a request letter in writing for an opportunity to present the product
- The Department will issue a form on which the applicant should indicate the relevant certificates and approvals that one has prior the presentation. (Proposed form attached **as annexure A**)
- Wait for invitation to present the product. The Department shall conduct at least one (1) session per quarter.
- Applicants will be required to fill in the form and return it prior the presentation.
- Send a presentation to the department two days prior the presentation day
- Present the product and respond to questions and concerns
- The company may be invited to do presentations to municipalities at a later date to be determined after the presentations
- After the presentation the Department may issue a proforma letter stating that a presentation has been done to the Department. (Proposed profoma letter **attached as annexure B**)

2.3 Critical quality aspects to be considered

- Structural strength and stability
- Thermal and energy performance and/ or efficiency
- Water penetration
- Behavior in fire
- Durability
- Condensation
- Quality management system
- Cost and design

2.4 Types of innovative/ alternative products that would be considered

- Alternative energy sources
- Alternative water management systems
- Green buildings and Green infrastructure etc
- Innovative building systems in terms of human settlements designs and delivery processes

2.5 What are innovative housing systems

- Use of new materials in building houses
- New ways or methods of applying traditional materials
- Improvements in designs to enhance functionality of a house
- System designs (designing for energy efficient house)
- Performance based design-fit for purpose.

3. REGISTRATION AND PROCESSES FOR OBTAINING THE NECESSARY CERTIFICATION

3.1 The National Home Builders Registration Council (NHBRC): (Product registration)

All new homes built in the Republic of South Africa are required to comply with the provisions of the Housing Consumer Protection Measures Act (Act 95 of 1998). The NHBRC has a responsibility of ensuring that any housing product utilized in the provision of homes for the consumer, does meet National Building Regulation rules. The role of NHBRC is to enforce compliance with National Building Regulation requirements by the home builders in the home building industry. NHBRC has established a database of housing products that satisfy the National Building Regulations excluding those covered in the SANS Codes of Practice. The process at which NHBRC assess whether a product meets necessary technical requirement is done in four stages as shown in Figure 2, namely: Submission, Technical Evaluation, Practical Evaluation and Registration.

3.2 Rational design to NHBRC

- The report must include design assumptions, detailed calculations, references to the necessary design standards and detailed design drawings.
- The structural design calculations must clearly demonstrate structural integrity and stability, including connection details
- Design calculations should have proper sketches annotated in English

3.3 NHBRC approval of rational design/assessment

- Structural safety: resistance to static and dynamic actions, both individually and in and in combination, impacts, intentional and unintentional abuse, accidental actions.
- Structural serviceability: resistance to loss of function, damage and avoidance of user comfort.
- Structural durability: performance retention of the structure

3.4 NHBRC assessment process

1) Submission

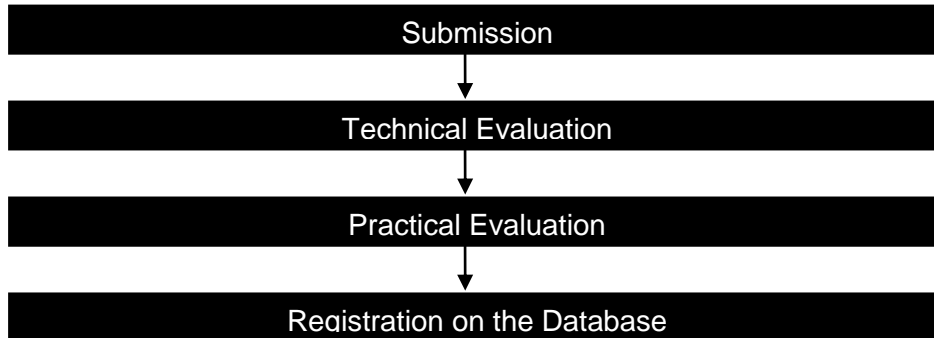
The product information is submitted to NHBRC Technical Division either directly or through a provincial office. The following information is required for successful submission:

- Product description
- Detailed technical information on how the product meets National Building Regulation (NBR's) rules, and NHBRC technical requirements
- Project history of the product (if available)

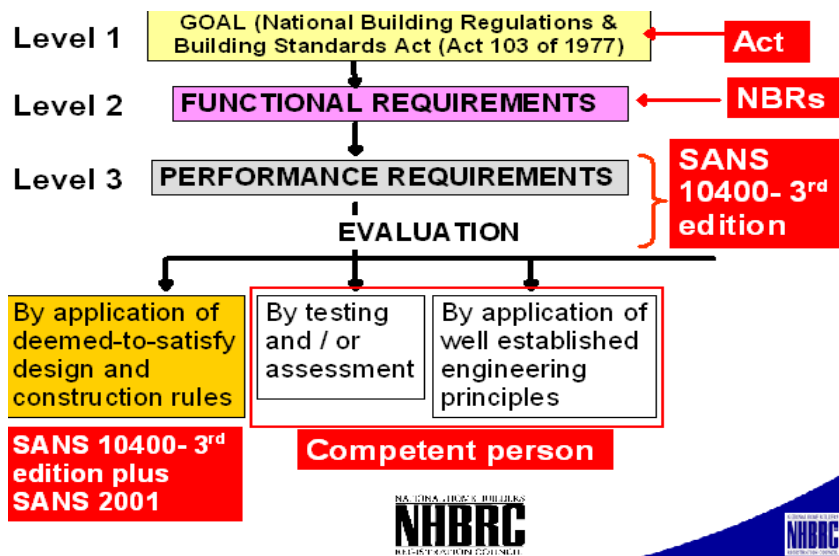
2) Technical evaluations

The NHBRC technical division will assess the rules and how quality control will be done to ensure consistent quality repetition. Most importantly, a comprehensive quality control document must be available, and must be part of the submission. Then approval will be granted should all the requirements be met.

3.5 Flow chart for NHBRC's registration process



3.6 NATIONAL BUILDING REGULATIONS AND SABS 0400 (SANS 10400)



LEVEL 1: The Act

The requirements of the National Building Regulations shall be complied with by adhering to the requirements of all the prescriptive regulations, i.e compliance with the National Building Regulations and Building Standards Act (Act 103 of 1977).

LEVEL 2: Functional Requirements (NBR's)

Products should satisfy all functional regulations by adopting building solutions that comply with the requirements of the requirements of the relevant part of SANS 10400; or

LEVEL 3: Performance Requirements: SANS 10400-3rd edition

They should reliably demonstrate, or predict with certainty to the satisfaction of the appropriate local authority that the building solution has an equivalent or superior performance to a solution that complies with the requirements of the relevant part of SANS 10400. This could be based by the application of the deemed -to- satisfy design and construction rules (SANS 10400-3rd edition) or by testing and/ or assessment or by application of well established engineering principles (competent person).

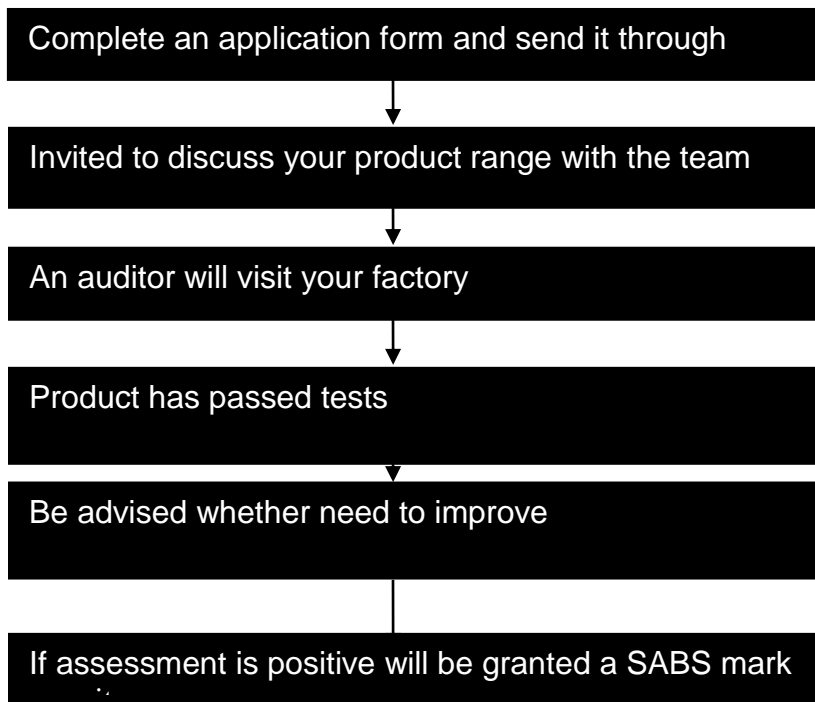
3.6.1 SABS

- SABS publishes national standards through technical committees. Committees have industry representatives that include NHBC.
- Test and certifies products and services.
- Develops technical regulations (compulsory specifications).
- Promotes design excellence, and
- Provides training on aspects of standardization.

3.6.2 Product Certification

SABS's Mark Scheme is a highly recognizable symbol of credibility and a powerful marketing tool, which reinforces a product's intrinsic features and as a result all products must be SABS approved. Because the SABS Mark Scheme ensures independent third-party certification, it gives clear evidence that the product bearing the SABS mark conforms to a specific South African or International standard. When a person contacts SABS, s/he would be advised on the right steps to take towards certification. This includes identifying the relevant SABS mark (performance mark, safety mark, approved performance, environmental friendliness, packaging and other specialized certification marks) and the relevant standard, which will set out the characteristics and the performance criteria of your product.

3.6.3 Applying for the mark: Process Flow Chart



3.7 AGRÉMENT CERTIFICATION

Agrement South Africa is an internationally recognized, independent centre for the assessment and certification of innovative, non-standardised construction systems. Agrement certification incorporates the requirements of:

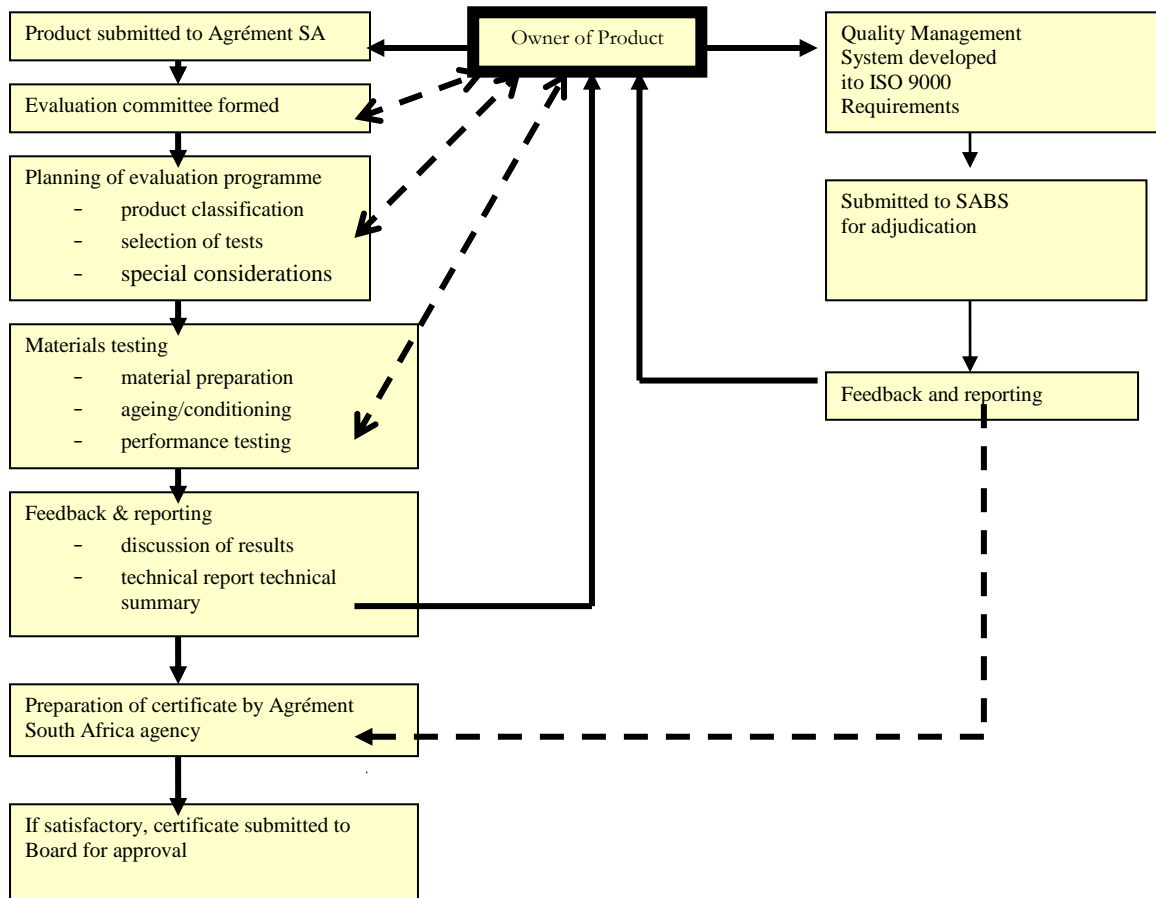
- The South African Department of Public Works
- Council for Scientific and Industrial Research (CSIR)
- International Council for Building Research, Studies and Documentation (CIB)
- South African Bureau of Standards (SABS)
- World Federation of Technical Assessment Organisations (WFTAO)
- South African Department of Human Settlements
- South African National Home Builder's Registration Council (NHBRC)
- Council for the Built Environment (CBE)
- The Independent Development Trust (IDT)

3.7.1 Agrément certification process consists of the following:

- Formal Application

- Drawing up of a contract
- Evaluation/Assessment i.e approval by the committee of experts,
- Final ratification by the Agrément South Africa Board,
- Publication in the Government Gazette and Publication in Agrément South Africa web site

3.7.2 Agrément Certification process flow chart



4. MONITORING & EVALUATION

- Product development component will from time to time conduct surveys and case studies to gauge success and note concerns that may arise and allow people to suggest ways to improve the products.
- Project management could also get responses from war rooms as to the performance of the innovative products and get a sense of the acceptance levels.
- Communities have a role to play as well. It is the responsibility of the community to inform their municipality of faulty systems, provision problems and abuses or misuse of the services. They should also make sure that facilities are maintained, are in good condition, and are being used appropriately.

-----END-----

SUBSIDY QUANTUM

ANNEXURE A

**Finance-linked Individual Subsidy Programme:
1 April 2012**

Subsidy parameters		
Upper limit	R	87,000
Lower Limit	R	10,000
Subsidy increment	R	675

Step Number	Increment Band				Amount
	Lower		Higher		
1	R	3,501	R	3,600	R 87,000
2	R	3,601	R	3,700	R 86,325
3	R	3,701	R	3,800	R 85,650
4	R	3,801	R	3,900	R 84,975
5	R	3,901	R	4,000	R 84,300
6	R	4,001	R	4,100	R 83,625
7	R	4,101	R	4,200	R 82,950
8	R	4,201	R	4,300	R 82,275
9	R	4,301	R	4,400	R 81,600
10	R	4,401	R	4,500	R 80,925
11	R	4,501	R	4,600	R 80,250
12	R	4,601	R	4,700	R 79,575
13	R	4,701	R	4,800	R 78,900
14	R	4,801	R	4,900	R 78,225
15	R	4,901	R	5,000	R 77,550
16	R	5,001	R	5,100	R 76,875
17	R	5,101	R	5,200	R 76,200
18	R	5,201	R	5,300	R 75,525
19	R	5,301	R	5,400	R 74,850
20	R	5,401	R	5,500	R 74,175
21	R	5,501	R	5,600	R 73,500
22	R	5,601	R	5,700	R 72,825
23	R	5,701	R	5,800	R 72,150
24	R	5,801	R	5,900	R 71,475
25	R	5,901	R	6,000	R 70,800
26	R	6,001	R	6,100	R 70,125
27	R	6,101	R	6,200	R 69,450
28	R	6,201	R	6,300	R 68,775
29	R	6,301	R	6,400	R 68,100
30	R	6,401	R	6,500	R 67,425
31	R	6,501	R	6,600	R 66,750
32	R	6,601	R	6,700	R 66,075
33	R	6,701	R	6,800	R 65,400
34	R	6,801	R	6,900	R 64,725
35	R	6,901	R	7,000	R 64,050
36	R	7,001	R	7,100	R 63,375
37	R	7,101	R	7,200	R 62,700
38	R	7,201	R	7,300	R 62,025
39	R	7,301	R	7,400	R 61,350

40	R	7,401	R	7,500	R	60,675
41	R	7,501	R	7,600	R	60,000
42	R	7,601	R	7,700	R	59,325
43	R	7,701	R	7,800	R	58,650
44	R	7,801	R	7,900	R	57,975
45	R	7,901	R	8,000	R	57,300
46	R	8,001	R	8,100	R	56,625
47	R	8,101	R	8,200	R	55,950
48	R	8,201	R	8,300	R	55,275
49	R	8,301	R	8,400	R	54,600
50	R	8,401	R	8,500	R	53,925
51	R	8,501	R	8,600	R	53,250
52	R	8,601	R	8,700	R	52,575
53	R	8,701	R	8,800	R	51,900
54	R	8,801	R	8,900	R	51,225
55	R	8,901	R	9,000	R	50,550
56	R	9,001	R	9,100	R	49,875
57	R	9,101	R	9,200	R	49,200
58	R	9,201	R	9,300	R	48,525
59	R	9,301	R	9,400	R	47,850
60	R	9,401	R	9,500	R	47,175
61	R	9,501	R	9,600	R	46,500
62	R	9,601	R	9,700	R	45,825
63	R	9,701	R	9,800	R	45,150
64	R	9,801	R	9,900	R	44,475
65	R	9,901	R	10,000	R	43,800
66	R	10,001	R	10,100	R	43,125
67	R	10,101	R	10,200	R	42,450
68	R	10,201	R	10,300	R	41,775
69	R	10,301	R	10,400	R	41,100
70	R	10,401	R	10,500	R	40,425
71	R	10,501	R	10,600	R	39,750
72	R	10,601	R	10,700	R	39,075
73	R	10,701	R	10,800	R	38,400
74	R	10,801	R	10,900	R	37,725
75	R	10,901	R	11,000	R	37,050
76	R	11,001	R	11,100	R	36,375
77	R	11,101	R	11,200	R	35,700
78	R	11,201	R	11,300	R	35,025
79	R	11,301	R	11,400	R	34,350
80	R	11,401	R	11,500	R	33,675
81	R	11,501	R	11,600	R	33,000
82	R	11,601	R	11,700	R	32,325
83	R	11,701	R	11,800	R	31,650
84	R	11,801	R	11,900	R	30,975
85	R	11,901	R	12,000	R	30,300
86	R	12,001	R	12,100	R	29,625
87	R	12,101	R	12,200	R	28,950
88	R	12,201	R	12,300	R	28,275
89	R	12,301	R	12,400	R	27,600

90	R	12,401	R	12,500	R	26,925
91	R	12,501	R	12,600	R	26,250
92	R	12,601	R	12,700	R	25,575
93	R	12,701	R	12,800	R	24,900
94	R	12,801	R	12,900	R	24,225
95	R	12,901	R	13,000	R	23,550
96	R	13,001	R	13,100	R	22,875
97	R	13,101	R	13,200	R	22,200
98	R	13,201	R	13,300	R	21,525
99	R	13,301	R	13,400	R	20,850
100	R	13,401	R	13,500	R	20,175
101	R	13,501	R	13,600	R	19,500
102	R	13,601	R	13,700	R	18,825
103	R	13,701	R	13,800	R	18,150
104	R	13,801	R	13,900	R	17,475
105	R	13,901	R	14,000	R	16,800
106	R	14,001	R	14,100	R	16,125
107	R	14,101	R	14,200	R	15,450
108	R	14,201	R	14,300	R	14,775
109	R	14,301	R	14,400	R	14,100
110	R	14,401	R	14,500	R	13,425
111	R	14,501	R	14,600	R	12,750
112	R	14,601	R	14,700	R	12,075
113	R	14,701	R	14,800	R	11,400
114	R	14,801	R	14,900	R	10,725
115	R	14,901	R	15,000	R	10,050

PROJECT PROCESS AND FLOW DIAGRAM ANNEXURE B

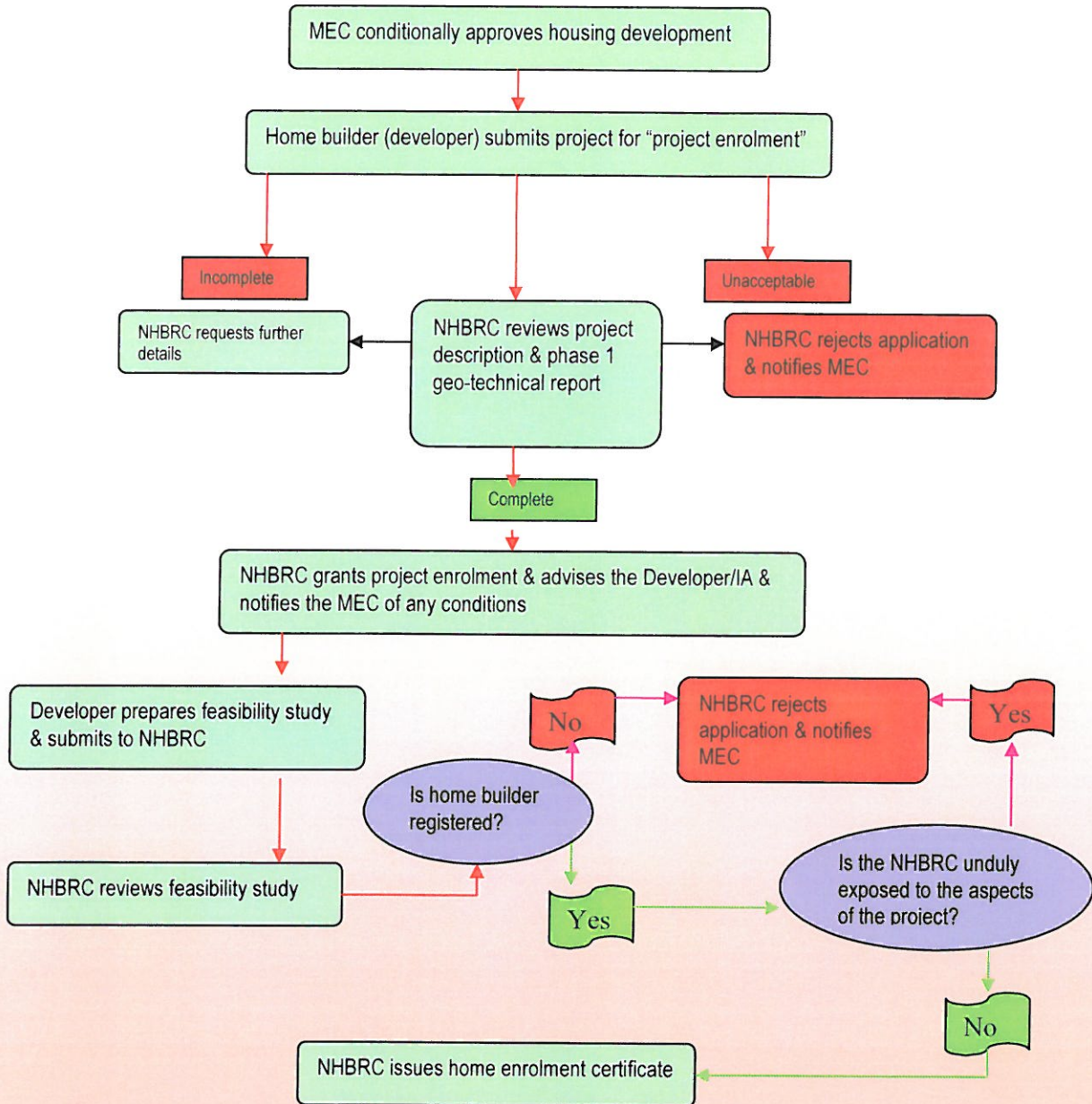
No.	Task	Notes	Responsibility
1 PREFEASIBILITY PROCESS			
1.1	MEC Receives Provincial Housing Subsidy Allocation from National	MEC receives Provincial Housing Subsidy allocation from the National Department of Housing according to the housing needs / projects identified in the Provincial Integrated Development Plan. Allocation of funds according to different programmes.	NDoHS / MEC / Provincial Department of Human Settlements
1.2	Municipalities apply for reservation of project funding i.t.o approved IDP and agreed priorities	Municipalities apply for reservation of project funding in terms of approved IDP and agreed project priorities.	Developer (Municipality as implementing agent)
1.3	MEC confirms reservation of project funding per municipality and requests project descriptions	MEC confirms reservation of project funding in terms of the relevant housing programme per municipality and requests project descriptions.	MEC / Municipality
1.4	Municipality calls for land availability proposals where required	Municipality calls for land availability proposals where required.	Developer / Land owners / Municipality
1.5	Adjudication of land proposals in relation to IDP's and selection of priority land	Adjudication / consideration of land proposals in relation to IDP's and selection of priority land.	Developer / Municipality
1.6	Quality Management Plan	A quality management plan (QMP) must be adopted By establishing the correct project brief & scope and flow through all phases of the project until final close-out. A QMP must be submitted with the application for project approval and be included in the project agreement.	Developer / Municipality
1.7	Preparation Funding	Application is made if preparation funding is required to undertake prefeasibility risk assessments.	Developer / Municipality/ Project management/ MEC
1.8	Development Strategy: Turnkey, Traditional Preplanned or Development Contract	Procurement method: Turnkey project – Developer responsible for whole project. Pre-planned project – Only the town planning part of the project is done. Development project –Only the development part of the project is done	Developer / Municipality
1.9	Appoint core team	A Municipality will normally appoint a project team to assist with the delivery of housing programmes. The choice of a project team is crucial and could affect the timely completion of the project and quality of the end product. Hence, it is suggested that careful consideration be given to the appointment of the said project team. Factors like local knowledge, capacity, experience and track records are of utmost importance.	DoHS / Municipality
1.10	Municipality secures land, undertakes risk assessment (land audit, prelim geo-tech, EIA, Bulks/basic services & Social issues), prepares project descriptions and compiles acquisition agreements	Municipality secures land, undertakes risk assessment, prepares project descriptions and compiles acquisition agreements / Land Availability Agreement where applicable.	Developer / Municipality
1.11	MEC adjudicates, makes conditional approval of project funding	MEC adjudicates / considers, makes conditional approval of specific project funding against selected land parcels and project descriptions.	MEC
2 FEASIBILITY PROCESS			
2.1	Detailed land audit	Address issues related to the land being used for the project	Developer/ Municipality
2.2	Contractual Matters related to land, land assembly	The nature of the work required will be informed largely by the preliminary land audit undertaken in the pre-feasibility stage. Where the process is complex and risky it may be	MEC / Municipality (developer) / NHBC / Community / NGO's / CBO's / Contractors

No.	Task	Notes	Responsibility
		necessary that this be undertaken as a separate process before commencement of the feasibility stage. Memorandums of Understanding /Undertakings / Agreements / Contracts.	
2.3	Socio-survey	Beneficiary profile, existing top-structure information, land ownership details, economic & social facilities, community needs etc. are established.	Municipality/IA
2.4	Preliminary town planning layout and report	Drawings of prelim town plan layout, township establishment route, zoning as well as comments on relevant planning issues, community & economic facilities, etc. A locational allowance can be motivated in terms of DoHS policy.	Town planner/IA
2.5	Preliminary engineering design and costs	Undertake engineering layouts & estimates. Liaise with other Key service departments to determine level of water, sewer, road, etc. comment on level of internal and bulk services to be provided with consideration to the DoHS prescribed norms & standards. A detailed geotechnical report will be required for motivation of the variation allowance.	Municipality/developer/IA/ Civil Engineer/ Geotechnical engineer
2.6	Environmental impact Assessment	Details of the impact of the development on the environment where applicable. EIA application	DEA/ environmental practitioner
2.7	Top-structure delivery process	Indicate tenure options, delivery method, subsidy types, top-structure designs and cost estimates.	Municipality/developer/IA/architect
2.8	Social facilitation	Facilitate community workshops with DoHS, Municipality and professional team to address the housing process ad top-structure solutions. Facilitate signing of social compact agreement including rates and services agreement. Social facilitation should be a continuous process throughout the project lifespan.	DoHS/ Municipality/ IA/ professional team Closeout
2.9	Submission of project application	Implementing agent / supporting organization prepares and submits project application to MEC via Regional Office. Ensure all required supporting documents are included.	Implementing agent / supporting organisation
2.10	Evaluation of project application & submission to HEAC	Regional Office evaluates project application and if compliant with policy prescripts submit to HEAC for recommendation to MEC	DoHS Project Management/ Contracts/ Planning & Product Development
2.11	Project application approval: Stage 1/ Tranche 1 funding	Project application is recommended by HEAC, approved by MEC.	HEAC/ MEC
2.12	Record of project decision	PDoHS records project on HSS and inform municipality of decision	DoHS/ Municipality Closeout
2.13	Project agreement: Stage 1/Tranche 1 funding	Project agreement concluded	DoHS/ Municipality/IA Closeout
2.14	Payment of subsidies	Payment of subsidies commences in accordance with milestones achieved within Stage/Tranche 1	DoHS /IA/ Municipality Closeout
2.15	Project & Contractor enrolment with NHBRC & CIDB	Project is enrolled with the NHBRC. Building contractors to be enrolled with the CIDB.	NHBRC /CIDB/ Developer / Contractors
2.16	NHBRC project enrollment + (Home enrolment for Rural Projects)	NHBRC issues a Project Enrolment Certificate	NHBRC / Developer
3 IMPLEMENTATION: STAGE 2			
3.1	Layout & township design & planning approval	Town Planner, Urban Designer & engineer undertakes the layout of the township/ subdivision in consultation with the environmental consultant. Town Planner prepares and submits an application to the relevant authority/tribunal	Town Planner / Urban Designer / Engineer Closeout
3.2	Planning & development approval	Authority / Tribunal to whom the application was submitted, approves the application, layout and conditions of establishment / conditions of approval. Appeals to MEC	Municipality/ Tribunal /IA Closeout
3.3	Approval of General Plan	Calculate approved layout and obtain approved general plan	Surveyor Closeout

No.	Task	Notes	Responsibility
		/ subdivision plan from Surveyor General	
3.4	Social profiling	Submit beneficiary subsidy application to DoHS	Municipality/ IA
3.5	Project Application approval: Stage 2/Tranche 2	Project application is recommended by HEAC, approved by MEC. Project contract signed	HEAC/ MEC/ DoHS. Municipality, IA
3.6	Payment of subsidies	Payment of subsidies commences in accordance with milestones achieved within Stage/Tranche 2	DoHS /IA/ Municipality
3.7	NHBRC home enrollment	Registration of houses with NHBRC commences	DoHS/ Municipality/ NHBRC
3.8	Engineering services design	The civil / electrical / traffic engineers will use the services agreement and approved layout plan for preliminary engineering services design and the approved general plan as well as the town planning layout to finalise the design of the services for the development. The designs must be approved by the Municipality.	Civil / Electrical / Traffic Engineers / Municipality
3.9	Bulk earthworks, install services, handover of services, site supervision	Prior to the commencement of any construction related activity the following documentation must be available. These can include, but not limited to approved land use rights, a positive geo-technical report, a positive Record of Decision (EIA) and an approved occupational health and safety plan. The necessary earthworks are conducted and services installed under the supervision of a site engineer. On completion of and after testing the services installed and constructed, the hand-over of services to the relevant municipality will take place.	Engineers / Contractors / Municipality
4 IMPLEMENTATION: STAGE 3			
4.1	House construction: Stage 3/Tranche 3 application	Application by IA to region office for top-structure funding. Stage/Tranche 3 application is recommended by HEAC, approved by MEC. Project contract addendum signed.	DoHS/HEAC/MEC/ Municipality/IA
4.2	Submit buildings plans, approved building plans, Top-structure construction.	The architect will compile and submit building plans to the Municipality for approval prior to the commencement of construction. Community Committee & Municipality has to approve plans.	Architect / Structural Engineer/ PDoHS / Municipality/ Community Committee
4.3	Completed top-structures Building inspection: Foundation certificate, structural certificate, occupation certificate.	The top structures are completed, completion certificates issued. Upon completion of the top structure an engineer will certify that foundations and structural elements of the house are satisfactory for human occupation.	DoHS, /IA / structural engineer/Municipality
4.4	Conveyancing (of individual erven)	Registration of transfer of individual erven is complete. Compile & handover of deeds to beneficiaries. Occupation takes place. Occupational certificate "happy letter" signed by beneficiary.	Conveyancer / Municipality / Beneficiary/ DoHS
4.5	Payment of subsidies	Payment of subsidies commences in accordance with milestones achieved within Stage/Tranche 3	DoHS /IA/ Municipality
4.6	Project Completion	Project is completed	DoHS /IA/ Municipality
5 CLOSE OUT			
5.1	Close out of project	Project is closed out ensuring completion of all relevant certification	DoHS / IA/ Municipality

ABBREVIATIONS / ACRONYMS	
MEC	Member of the Executive Council
DoHS	Department of Human Settlements (KZN)
IA	Implementing Agent
NHBRC	National Home Builders Registration Council
HEAC	Housing Evaluation Assessment Committee
HSS	Housing Subsidy System
CIDB	Construction Industry Development Board

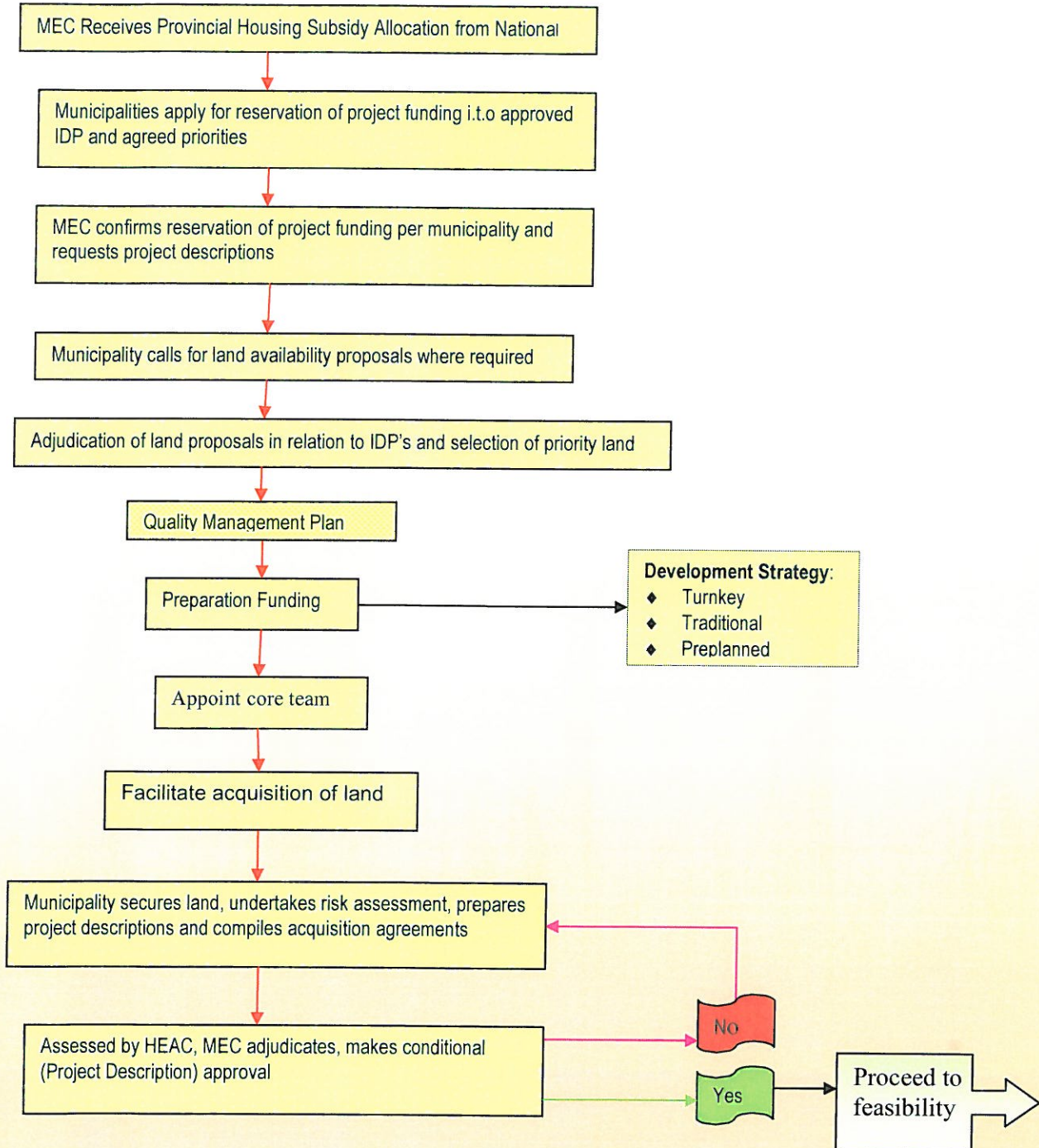
NHBRC PROCESS



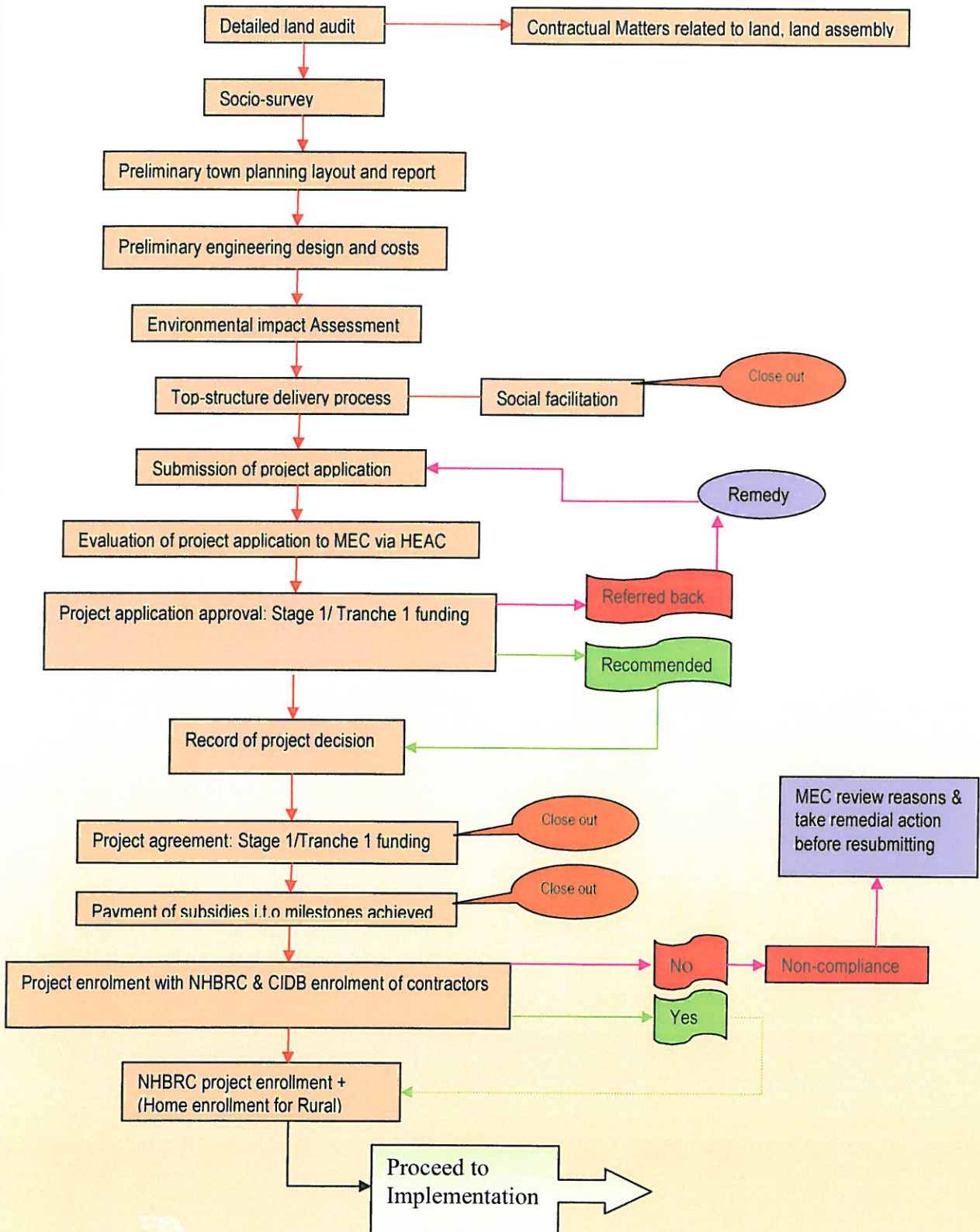
KZN PROJECT PROCESS FLOWCHART ANNEXURE C

KZN PROJECT PROCESS FLOWCHART

1. Prefeasibility



2. Feasibility



3. Implementation

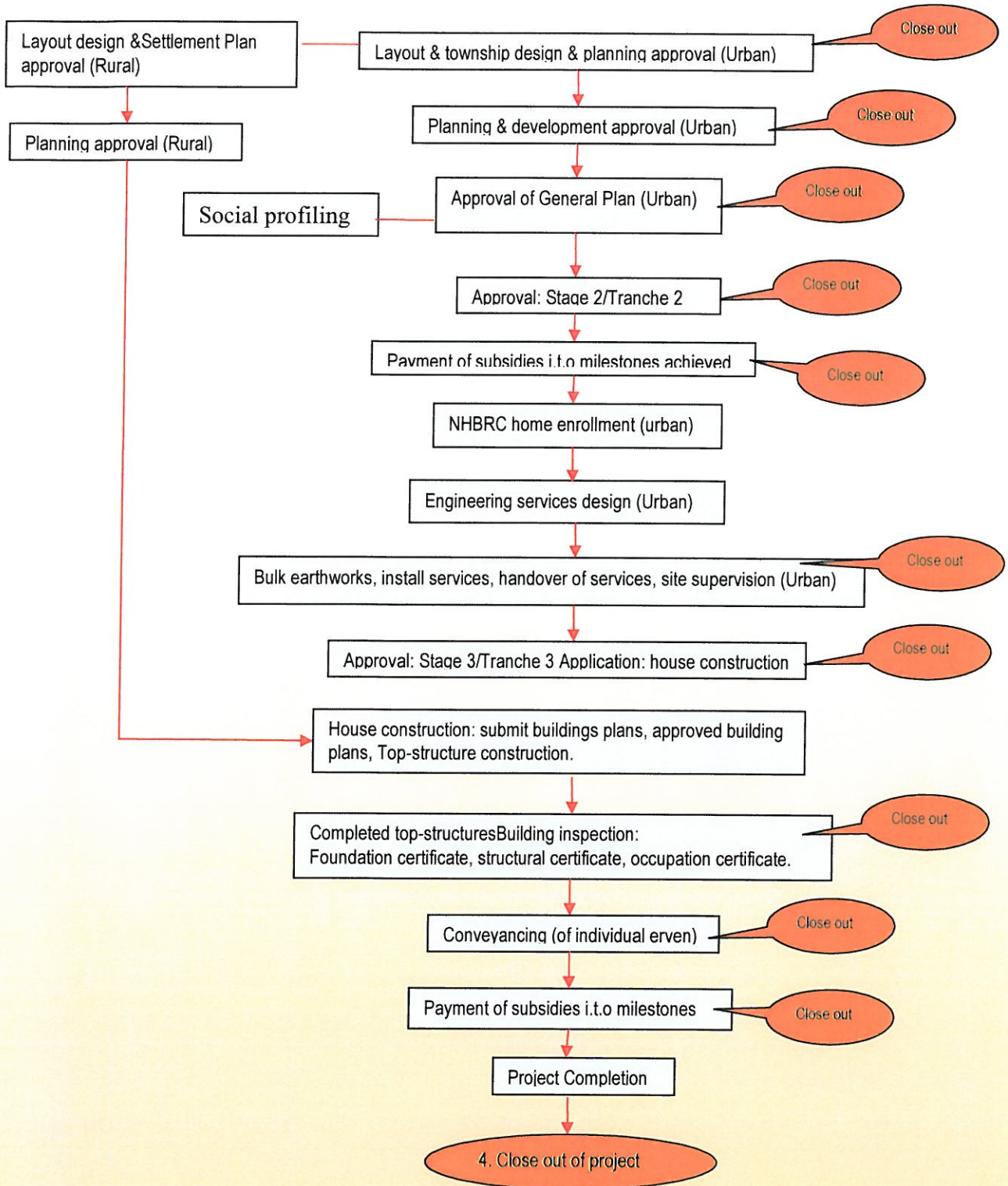
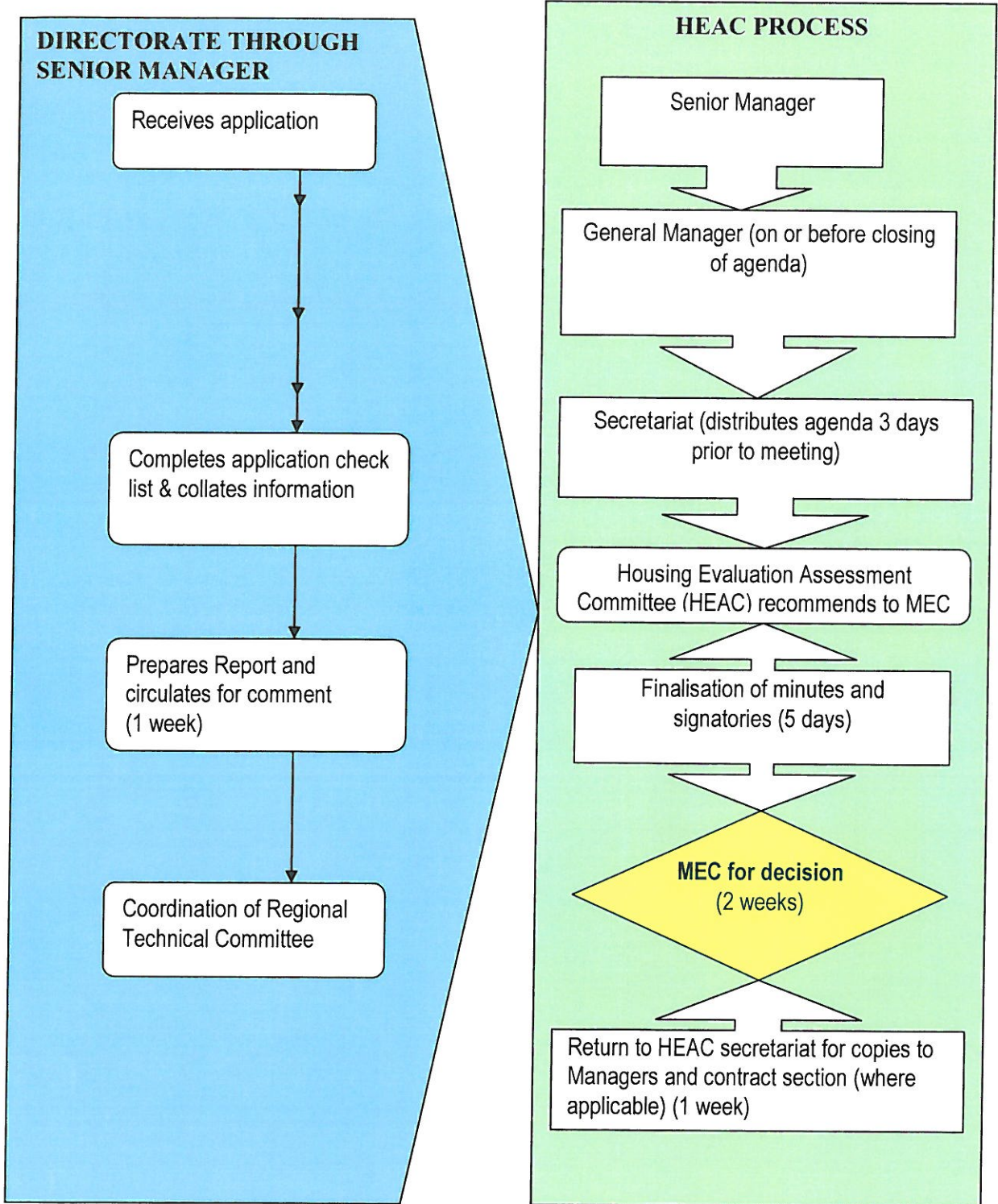


Diagram : Summary of HEAC process and timeframes



PROJECT* PROGRAMME TIMEFRAME ANNEXURE E

PROJECT CHECKLISTS

ANNEXURE F



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

PROJECT PRE-FEASIBILITY CHECKLIST

Project Name: _____ File: _____
 Number: _____ Enquiries: _____
 Municipality: _____ Date: _____
 Project Description: _____
 X & Y Coordinates: _____

DESCRIPTION (copies of documents to be provided as applicable)	YES	NO	ACTION
1. LAND			
1.1 Detailed land status report			
1.2 Compatible with the IDP and land development objectives			
2. SERVICES			
2.1 Bulk services capacity, or commitment to provide:			
• Water			
• Road access			
• Storm water			
• Sanitation			
• Waste Management			
• Electricity / possible solar power			
3. PLANNING			
3.1. Planning:			
• Establish links with municipality (think-tanks & co-ordination, etc)			
• Confirm priorities based on need in term of demand database (Housing Sector Plan)			

DESCRIPTION (copies of documents to be provided as applicable)	YES	NO	ACTION
3.2. Support from external service providers			
• Local authority			
• Department of Water Affairs			
• Department of Transport			
• Sustainability of project – confirmation from			
(ii) COGTA			
(i) Local authority (PDA)			
4. GEOTECH			
4.1 Preliminary report on land suitability (geotechnical, topographical, environ.etc.)			
5. SOCIAL			
5.1. Stakeholders:			
• Identify all stakeholders (in consultation with municipality & councillor)			
• Establish contact with stakeholders			
• Facilitate stakeholders support in principle			
• Project facilitation complete			
5.2. Community facilities: comment on integrated sustainable development & provision of other social & economic facilities			
5.3. Socio-economic study			
5.4. Payment for rates and services – Acceptance			
5.5. Monitor/facilitator site visit report			
6. ENVIRONMENT IMPACT ASSESSMENT (EIA)			
6.1 EIA screening report			
7. OTHER			
7.1. Compliance with cost and product norms:			
• Normal			
• Special			

PROJECT MONITOR/FACILITATOR:

NAME: _____ SIGNATURE: _____ DATE: _____



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

PROJECT FEASIBILITY CHECKLIST

Project Name: _____ File: _____

Number: _____ Enquiries: _____

Municipality: _____ Date: _____

Project Description: _____

War on Poverty number: _____ Ward Number: _____

X & Y Coordinates: _____

DESCRIPTION (copies of documents to be provided as applicable)	YES	NO	ACTION
1. Quality Management Plan			
2. Allocation of K number (if applicable)			
3. Confirmation of IDP & SDF			
4. Agents authorisation to submit the application and sign			
5. Social compact agreement			
6. Socio-economic study			
7. Formal structure of Community based partner/Project Steering Committee			
8. Land audit – attached as Annexure _____ • Land claims letter from LCC			
9. Land availability agreement/ Deed of alienation (if developer is not owner)			
10. SG diagram or General plan (as appropriate)			
11. Preliminary town planning layout			
12. Geotechnical/topographical/location allowance motivation (in terms of GFSH 2). Copies as applicable of:			
• Variation calculator			
• Town planner's slope analysis			
• Geotechnical report & allowance motivation			