



**KWAZULU-NATAL PROVINCE**

**HUMAN SETTLEMENTS  
REPUBLIC OF SOUTH AFRICA**

# Policy Communiqué

**Circular No. 2/2022**

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# INDEX

KZN HUMAN SETTLEMENTS ENVIRONMENTAL POLICY .....	3
POLICY ON THE ALLOCATION OF HOUSING OPPORTUNITIES .....	7
CORRECTION TO EXTERNAL WORKS COSTS: ENHANCEMENTS TO THE COMMUNITY RESIDENTIAL UNIT (CRU) STANDARDS AND COSTING .....	11

# **KZN HUMAN SETTLEMENTS ENVIRONMENTAL POLICY**

The KZN Human Settlements environmental policy was approved by the MEC for Human Settlements and Public Works with effect from February 2022. The impacts of climate change on human settlements is a growing concern and therefore requires a concerted effort to ensure that the impact is reduced and managed. The environmental policy seeks to ensure that the Department contributes to protecting the environment by complying with environmental regulations as well as implementing measures that enhance the environmental performance of housing projects.

The development of human settlements is a land use process that has significant impacts on the environment. For this reason, compliance with environmental regulations, norms and standards applicable to human settlements is pertinent. Over and above compliance with regulations, the development of environmentally sound human settlements that is characterised by good air quality, energy and water efficient homes, greening and even food security is imperative. The promotion of settlements with these attributes would bring social, economic and environmental benefits on an international, national, provincial and local level. Although a wide range of policies, strategies, programmes and plans to address housing challenges exists, thus far not much has been done to encourage any consideration of environmentally sound practices that enforce existing regulations and also take the impacts of climate change on human settlements into consideration. The National housing programmes address the housing backlog and demand through various subsidy schemes. Through these, hundreds of low-income houses are being built every day, but most of these are built without any consideration of environmentally sound principles.

In view of this and the pressing need to become involved in climate change initiatives, the Department has developed an Environmental Policy to guide this process.

## **1. PURPOSE OF THE POLICY**

The main purpose of the policy is to enable the Department to:

- a) Measure and manage its impact on the environment in all operations and services that facilitate the delivery of public housing;
- b) Encourage compliance with relevant environmental legislation and regulations;
- c) Encourage the development of environmentally sound housing to provide an improved quality of life.

## **2. APPLICATION OF THE POLICY**

The policy shall apply in the following instances:

- a) To all Departmental officials, municipalities, developers and contractors/service providers.
- b) To all stages (1, 2 & 3) of the housing project process.
- c) The implementation of all housing programmes within the National Housing Code of 2009.
- d) To all housing administration operations where environmental considerations may be incorporated.
- e) To all planning and construction of Greenfield developments and the demolition, rectification and retrofitting of existing developments.

### 3. KZNDHS COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

- 3.1 Volume 2, Chapter 3 Part 3 of the National Housing Code in line with the National Environmental Management Act No. 107 of 1998 requires that:
- “An environmental impact assessment (EIA) be conducted on all land offered for development in response to a land availability call from a municipality. It may be conducted in one or two stages, and the first stage report will be compiled as a minimum requirement. The second stage will be conducted to the extent directed in the report in the first stage.”* The two stages are detailed below:
- a) A pre-feasibility scan of identified risks and potential flaws, commissioned by an applicant who in this case refers to KZNDHS.
  - b) Detailed environmental studies, commissioned by a developer, which could comprise detailed scoping, including mini-risk, or comprehensive environmental impact assessment.
- 3.2 It is mandatory that a feasibility study is undertaken in stage 1 of the housing project process as to determine the level of EIA required.
- 3.3 The planner responsible for a project must ensure that all necessary environmental requirements are taken into account during the feasibility study as per the National Environmental Management Act No. 107 of 1998.
- 3.4 The application for an EIA submitted by the Department or on behalf of the Department by the Implementing Agent (IA) must be in accordance with the EIA regulations. The IA must appoint an Environmental Assessment Practitioner (EAP) to manage the application. The EIA regulations require that an EAP must:
- a) Be independent
  - b) have expertise in conducting EIAs including knowledge of the relevant law
  - c) perform the work objectively
  - d) comply with the relevant law
  - e) take into account all the matters required by NEMA in compiling the report; and
  - f) disclose all material information that may influence the decision on the application or that may influence the objectivity of the report.
- 3.5 Once the environmental report has been compiled by the EAP, a compulsory consultation session shall take place between the planner together with relevant officials from the Department of Economic Development, Tourism and Environmental Affairs (EDTEA).
- 3.6 Recommendations made in the EIA report may necessitate the redesign of some project components, require further studies, suggest changes which alter the economic viability of the project or cause a delay in project implementation.
- 3.7 Project monitors and construction managers shall be involved in the audit process to determine whether recommendations and requirements made by earlier EIA steps were incorporated successfully into the project implementation. Lessons learnt in an audit can greatly assist in future EIAs and build up the expertise and efficiency of the concerned institutions.

#### **4. ENVIRONMENTAL GUIDELINE FOR SUSTAINABLE HUMAN SETTLEMENTS IN TERMS OF THE HOUSING PROJECT PROCESS**

When planning, designing and constructing housing projects, consideration must be given to the development of environmentally sound housing. The cost constraints imposed by the subsidy quantum make it difficult to meet this requirement. However, there are several principles that, if followed, will enhance the environmental aspects of a development at minimal cost. The policy provides a detailed guide that applies to all stages within the housing project process and shall also be applied to existing developments where a retrofit may be required. The policy refers to the following three main stages: Planning and Design, Construction and Handover to Beneficiaries. Each stage has a detailed list of requirements and guidelines to ensure that all processes are environmentally sound and ethical.

#### **5. ORGANIZATIONAL ENVIRONMENTAL POLICY CONSIDERATIONS**

In addition to the guidelines developed to promote the development of sustainable housing in the housing project process, the policy gives consideration to environmental practices in the work environment that all KZN Human Settlements staff are to adhere to:

- a) It is mandatory for all employees to adhere to energy minimization requirements in the office environment.
- b) The Department may establish an office recycling initiative that all staff must adhere to.
- c) Travel for meetings must be reduced to reduce the overall carbon footprint of the Department
- d) Green procurement policies and programs must be developed to reduce expenditure and waste; increase resource efficiency; reduce environmental impacts and improve the public image of the Department.
- e) The Department must undertake educational and training programmes to improve the understanding of environmental issues and enforce compliance.
- f) Changes to existing policies and operations must be undertaken to account for environmental factors which must be clearly communicated to all interested and affected parties.

#### **6. ROLES & RESPONSIBILITIES**

To ensure that the objectives of the environmental policy are met, a concerted effort from the following KZN Human Settlement stakeholders is required. The Policy details the roles and responsibilities of the selected Directorates.

- a) Policy, Research & Product Development
- b) Integrated Planning
- c) Project Management
- d) Municipal Support and Consumer Education
- e) Supply Chain Management
- f) Human Resources
- g) All Employees/Staff

## 7. IMPLEMENTATION

An Environmental Implementation Plan (EIP) will be developed in line with the National Department of Human Settlements EIP guideline to:

- a) Facilitate the implementation of the environmental requirements outlined in this policy in line with MTSF targets.
- b) Encourage and promote consistency on reporting of environmental actions and plans by the Department as listed in schedules 1 or 2 of the NEMA.
- c) Provide detailed guidelines with respect to the implementation of the environmental considerations outlined in this policy.

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# POLICY ON THE ALLOCATION OF HOUSING OPPORTUNITIES

A policy on the Allocation of Housing Opportunities was approved by the MEC for Human Settlements and Public Works with effect from 3 March 2022. The objective of the policy is to facilitate a fair, equitable, transparent, auditable, and inclusive selection and housing subsidy application approval process for all housing projects aimed at creating sustainable human settlements. This will be achieved as follows:

- a) Identifying potential beneficiaries through a needs assessment exercise conducted before each project is approved.
- b) The application of a uniform and consistent approach that will have to be adhered to when allocating housing opportunities to intended beneficiaries.
- c) The implementation of workable mechanisms that ensures that the housing allocation process promotes sustainability and good governance.
- d) To help select beneficiaries by categories of priority.
- e) The policy shall also provide a framework that will encourage the use of the National Housing Needs Register (NHNR) that will ultimately become the only official data base from which prospective beneficiaries will be selected. This information will guide planning and research by providing information on the housing needs of the communities throughout KZN. It aims to ensure fairness and transparency. The data base is intended to have an overall list of all potential housing beneficiaries in every area. It will indicate the total number of potential beneficiaries per targeted area. The demand will then be determined and categorized in different demographic profiles and accommodation typology needs.

## 1. APPLICATION OF THE POLICY

The Policy applies to all housing development projects that deliver fully fledged houses to qualifying beneficiaries in the IRDP and CRU programmes.

The identification of beneficiaries will be through the needs assessment process conducted by the municipality, and existing waiting lists/databases until the National Housing Needs Register is fully implemented by municipalities. Persons identified through the needs assessment or on existing housing needs databases and/or waiting lists do not automatically qualify for housing subsidies. Persons identified through the processes suggested in these guidelines will be requested to complete housing subsidy applications forms which will be submitted for consideration and approval by the MEC.

Variations of the policy may be applied to the following programmes based on the specific nature and requirements of the target group:

- a) The Upgrading of Informal Settlements Programme (UISP);
- b) Social Housing Programme and Institutional Housing Subsidies; and
- c) Rural Housing.

The policy is not applicable to the following Housing Programmes as they are initiated by the beneficiaries themselves:

- a) Individual Housing Subsidies-Credit and Non-Credit Linked & the Financed Linked Housing Subsidy Programme (FLISP);
- b) Consolidation Subsidies; and
- c) Enhanced People's Housing Process (EPHP) Projects

## 2. CATEGORIES OF PRIORITISATION

The categories of prioritisation in respect of each project will be informed by the socio-economic conditions and demographic profiles of the target community. For example, where the target community has no persons with disabilities who qualify for prioritisation, the categories of prioritisation must reflect this fact. The categories of prioritisation selected for a specific project should always ensure a fully integrated human settlement development and avoid clustering specific groups in certain developments.

The categories of prioritization prescribed by the policy are as follows:

- a) **Top Priority:** include approved beneficiaries on the Housing Subsidy System who have not received houses. Although the Allocation Policy does not apply to these beneficiaries they are to be regarded as the top priority target group ahead of those vulnerable groups outlined in the First, Second and Third levels of priority in the policy and must be **assisted first** before any new allocations are considered.
- b) **First Level: most vulnerable households:** i.e., Older Persons: these are prospective beneficiaries who have reached the age of 60 years and older; Disabled Persons: These are prospective beneficiaries who are disabled or who have a disabled family member; and military veterans.
- c) **Second Level: most vulnerable households include the following:**
  - Totally homeless i.e., street people who constitutes a family and who have successfully been rehabilitated from behaviours that resulted in their homelessness via the Provincial Social Development, or Local Government Social Development Department; and
  - Households with special housing needs such as children that were legally placed under foster care and the foster parents require urgent housing.
  - Households faced with imminent eviction as part of Court eviction applications and human settlement development plans and priorities submitted to and accepted by the Court.
  - Households already in temporary housing due to disasters or evictions.
- d) **Third Level: most vulnerable households:** Households residing in existing formal towns in informal backyard rental unit who wish to resettle to permanent formal subsidy financed houses may be prioritised by the Municipality through approval by the MEC.
- e) **Other:** From time to time, Government may identify groups of households whose housing needs must be prioritised. These groups must also be catered for using the appropriate discretion with approval from the MEC.



- f) **Quota System:** is an important allocation tool to ensure equity and fairness across the spectrum of housing subsidy beneficiaries. It comprises a set of predetermined percentages for each of the prospective beneficiary categories that are targeted for housing assistance in a specific human settlement development project, ranked in order of priority

### 3. ALLOCATION STRUCTURES AND PROCEDURES

Refer to Section B of the Policy for a detailed guide on the allocation structures and procedures as well as the roles and responsibilities of each role player. The institutional architecture for the administration of the selection and allocation process will comprise the following role players:

- a) The Allocation Committee;
- b) The Municipality;
- c) The Provincial Department of Human Settlements;
- d) The National Department of Human Settlement;
- e) The Project Manager;
- f) Traditional Council in Rural Housing Programmes
- g) External Auditors, where applicable.

#### a) **The Allocations Committee**

An Allocation Committee must be established, to administer all selection and allocation processes within, and in terms of the legislative and policy provisions. The committee must be as follows:

- 2 members from the Municipality;
- 2 members from the province (AD and DD);
- No political office bearer is allowed to participate;
- The committee must elect a chairperson from the municipal representatives;
- The deputy chair must be one of the provincial officials;
- All four members must always be present (Quorum).
- The committee will preside over the allocation of units and must monitor general outcomes. In addition, it will preside over the development of any quota systems that will be applied to the categories of prioritisation for a particular housing project.

#### b) **Municipal Ward Councillors:**

- May not be involved in discussions or decisions regarding individual selections and/or housing allocations.
- May be involved in the decision regarding the targeted beneficiaries and the quota system composition as well as the selection criteria as part of a member of council when council resolutions are considered.

- May contribute to the composition of quotas by identifying a maximum of 10% of households from their respective ward.

#### **4. ACCREDITATION**

In the case of accredited municipalities to administer one or more of the National Housing Programmes, this allocation policy must be applied with the changes required by the context. Once level 3 Accreditation has been successfully granted to a municipality, the decision-making authority will vest in the municipal council and the housing subsidy applications will no longer be forwarded to the MEC for approval.

#### **5. EXISTING ALLOCATIONS POLICIES**

In cases where an existing allocations policy is in place at a municipality, it must be replaced by or be adjusted in line with the provisions of this policy from the date on which this document takes effect.

#### **6. ENFORCEMENT**

The allocations policy is in terms of the provisions of the Housing Act, Act 107 of 1997. This policy is applicable to all municipalities in the Province of KwaZulu-Natal. Any variations or exceptions in the application of this policy must be within the framework of the policy. Non-compliance shall be regarded in a serious light and failure to rectify any inconsistencies found, will be addressed through the appropriate means available to the MEC.

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## CORRECTION TO EXTERNAL WORKS COSTS: ENHANCEMENTS TO THE COMMUNITY RESIDENTIAL UNIT (CRU) STANDARDS AND COSTING

The Enhancements to the CRU Standards and Costing was approved by the MEC on 28 January 2021 and communicated in Policy Communique 3 of 2021 dated 27 July 2021. The enhancements included the alignment of costs to inflationary changes since 2014. However, after approval, it was observed that the percentage applicable to the Professional Fees for External Works, Construction differed from the percentage for professional fees applicable for the various typologies due to a typographical error. The correction to the external costs was approved by the MEC on 3 December 2021.

### CORRECTION

The Professional fees: Construction for External Works which reflected as 7% is incorrect. **The correct percentage for Professional fees: Construction is 5%.**

EXTERNAL WORKS	AMOUNT	STATUS
Professional fees: Construction @ 7%	R1 264.18	<b>Incorrect</b>
Total External work cost including VAT	R22 430.21	
Professional fees: Construction @ 5%	R902.99	<b>Correct</b>
Total External work cost including VAT	R22 014.83	

----- END -----

The Environmental Policy, Policy on the Allocation of Housing Opportunities and the Correction to external works on CRU norms and standards may be accessed on the Department's website using the following link:

<https://www.kzndhs.gov.za/index.php/features/policy-documents/provincial-policies>