



KZN Human Settlements

uMnyango wezokuhlaliswa komphakathi
ISIFUNDAZWE SAKWAZULU-NATALI

HOUSING POLICY COMMUNIQUÉ

*Circular No.1/2011
Dated : 29 March 2011*

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NOTICE: PROHIBITING CESSION

The following prohibiting cession notice 01/10 is addressed to all Implementing Agents contracted to KZN Human Settlements.

The Department is engaged in rolling out a more comprehensive verification process as per the instruction of the Honourable Member of the Executive Committee responsible for Public Works and Human Settlements, Ms.M.Govender in accordance with the emphasis on quality control and value for money.

This verification process may result in delays in payment but it must be stated that the Department is only obliged to pay correct invoices within thirty days. The verification process is necessary in order to determine the correctness of the invoices.

The Department thus requires your co-operation in this process.

The measures outlined above are intended to foster improved service delivery and ensure value for money.

Should you have any queries in this regard, kindly contact the Acting General Manager: Project Management, Mr.B.E.Cele in writing with your comments or queries. His contact details are as follows:

E-mail address: elijah.cele@kznhousing.gov.za

Tel. Number: 033-3026418 (during office hours)

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THE DEPARTMENT'S FLAGSHIP INITIATIVE

The Province of KwaZulu-Natal is rated amongst the highest populated province in the country and has the highest burden of diseases associated with poverty and underdevelopment, hence has a high mortality rate. A programme has been developed through the social cluster to respond to these challenges in an integrated manner and is loosely referred to as the Social Sector Flagship Programme. The following strategy was approved by the MEC for Human Settlements and Public Works on the 8th October 2010.

STRATEGY

The vastness of area, intense level of poverty, and complicated nature of ensuring integrated sustainable human settlements, within the mandate of the Department, requires an array of interventions, ranging from short, medium to long term. It should be noted, however, that due to the complexities involved in ensuring safe, habitable homes, most interventions will be medium to long term. The reason for this is that building homes is a long term investment and needs to take into account ownership of land and the asset, provision of services infrastructure, environmental-and technical factors.

The following general approach is adopted:

Involvement of Municipalities as Developers of Housing Projects

The role of municipalities as developers of housing projects cannot be underemphasized and these institutions must participate in the Premier's Flagship Programme. The priorities as identified by the Flagship programme have to be included in the IDP's, especially where the need for new projects is identified. Municipalities should be taking responsibility as developers, with the Department creating the enabling environment. The IDP's should be aligned at both local and district level to ensure integrated service delivery.

Priority Ward Interventions

The profiling within the priority ward has to be completed for the entire ward, prior to any request being made to the Department for funding. Once profiling is completed, the results must be forwarded to the Department, who will engage with the respective municipalities to initiate the packaging of projects. The Department can make preparation funding available to undertake the feasibility studies. The District Committees must be discouraged from expecting immediate housing interventions on piecemeal requests whilst profiling is still under way. In such cases the Department will verify the existence of projects in the area and continue to screen applications against the subsidy qualification criteria. The detailed implementation will only happen once the extent of the need in an area has been confirmed to inform the most suitable intervention (individual or project based).

Ad Hoc Requests

Ad hoc requests and individual cases should only be entertained under extreme circumstances, e.g. Instructions from Premier, MEC and emergency/disasters etc. The most suitable intervention for such cases will be considered for each case (e.g. reallocation of units in an existing project, emergency housing delivery instrument, etc). Ad hoc requests should be considered as a last resort. The following is to be considered prior to making decision:

The Municipality must be involved in the process, especially to assist in the process of land suitability/availability. In ad hoc cases, it is possible that the land the household is currently residing on is unsuitable for development. Municipality could be requested to relocate household to nearest approved project. This will be best option, whereby all risks would have been addressed and procurement of professionals already in place. If the project, cannot accommodate the household, preferable to relocate to land in the name of the municipality. Responsibility must be that of the municipality to intervene with the Department providing the necessary frameworks within which municipality can develop.

The Department could also approach municipality to set aside some sites within new project layouts for emergency cases.

In the case where the municipality will not intervene, does not have the capacity or has requested intervention from the Department, the Department will have to put in place procurement procedure for the appointment of contractor to build in consultation with the municipality. The Department could consider putting together a database of about 10 to 20 NHBRC registered contractors to deal with these emergency cases. However, procurement criteria has to be put in place e.g. should selection focus on price / quotes received by the Department providing a suitable plan and specification to contractors to price. The Department has to also consider the issue of geotechnical investigations, environmental investigations prior to construction, appointment of engineers to undertake necessary certification etc. also need to consider the limitation of the subsidy to build just one house and not a project.

In a case where none of the above options are workable, then transit camps can be considered on a short term basis, with the intention of relocating households to new projects in the pipeline.

Dedicated Budget

A dedicated budget should be made available to intervene in emergencies.

Attendance at Meetings

The following meetings will be attended at least once per month:

DISTRICT TASK TEAM MEETINGS – to be attended by Regional Manager / Team Leaders

LOCAL TASK TEAM MEETINGS AND WAR ROOMS - Facilitators/ Monitors.

Immediate to short term interventions

The following activities will be undertaken as immediate and/or short term interventions:

Intervention	Description	Responsibility
Training of Cadres re : Qualification criteria	Advise cadres of the Department's minimum qualification criteria	Facilitators
	Pamphlets with above for distribution at war rooms; and pamphlets on housing related services and contacts to be distributed through the war rooms	Communications
Physical Identification of housing need	Advise cadres of the physical characteristics that would indicate the nature of housing intervention (minor repair to new house)	Monitors/Inspectors
Assessment of needs	<p>Receive profiles from Premier's Office through the Regional Manager and assess needs through:</p> <p>Checking beneficiary status on HSS to confirm eligibility.</p> <p>Confirm project status in the respective ward/s. Suggest most suitable intervention from basket of options.</p> <p>Where possible negotiate prioritized allocation to unoccupied units within the immediate area. Where this is not possible, explore the possibility of constructing a unit through the Emergency Housing Programme by using an emerging contractor or housing contractor working in the area. Note that approval needs to be obtained from the MEC first in such instances.</p> <p>Compile monthly reports to District Champion on all profiles received and progress made.</p>	Team Leaders
Capacity Building Programmes	Conduct housing consumer awareness campaigns in conjunction with the "one house one garden" initiative	Manager : Capacity Building
Planning and integration	Review of budget and subsidy allocation formula to dedicate a portion of the budget to the flagship initiative	COO
	Review housing sector plans of the IDP to ensure alignment with the flagship initiatives	Manager : Integrated Planning
	Finalise the Sustainable Human Settlement Strategy (incorporate the flagship)	
	Finalise the Slums Clearance Strategy (incorporate the flagship)	

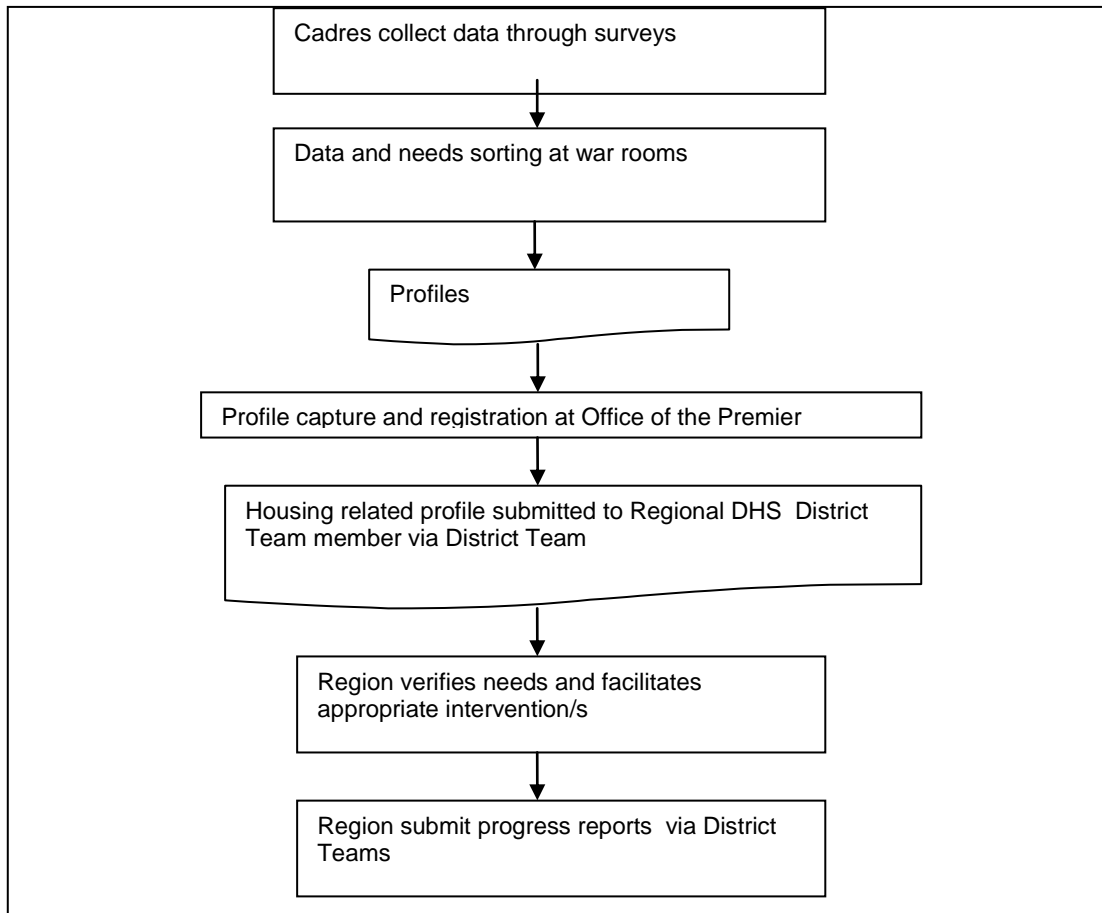
Medium to long term interventions

These interventions will be required where immediate housing solutions are not possible. It is likely that this will apply to the majority of cases as it is project based and is a more cost effective option and allows for a more holistic approach to human settlement development. It will include the following:

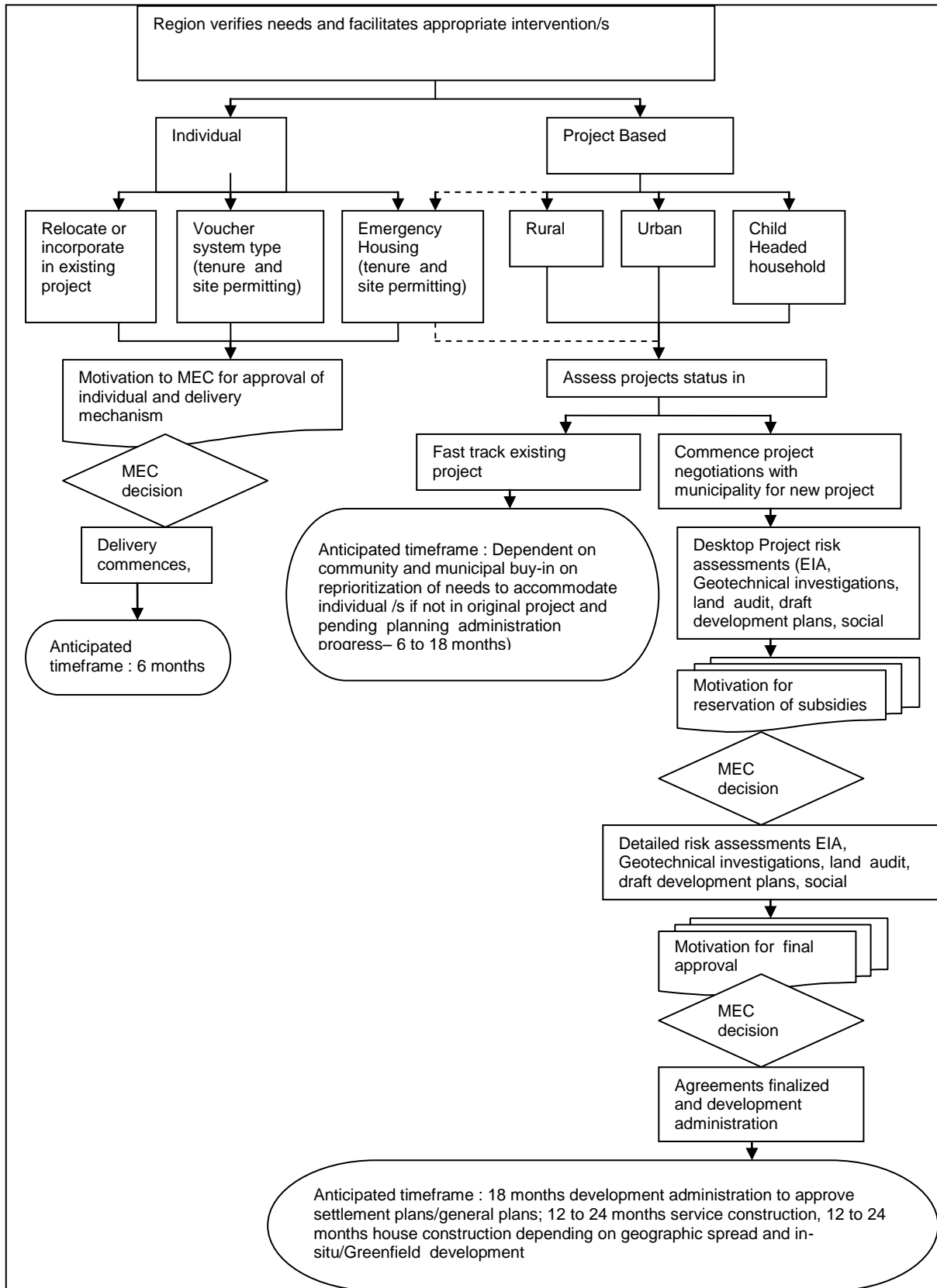
Activity	Description	Responsibility
Identification of households to participate in human settlement project	Assess all profiles received within a ward to assess nature of housing intervention required (individual or project based)	Facilitator/Monitor
Engagement with municipality to package project	Assess availability of existing project and/progress on such project, availability of vacant unoccupied units, and/or possibility of extended an existing contract in the area.	Facilitator
Assessment of most suitable subsidy vehicle	<p>Ensure the most suitable subsidy instrument is applied:</p> <p>Rural projects Ingonyama Trust Board can only be applied on a project basis in terms of the National Policy and only as a subsidy of last resort.</p> <p>Enhanced People's Housing Process is possible and promotes the active participation of beneficiaries in contributing and/or managing their housing delivery process</p> <p>Emergency housing with the voucher system is possible where there is an urgent need to provide rudimentary services with housing to follow later.</p> <p>A variation of the emergency housing model can be applied in terms of which materials are supplied to individuals to build their homes through a voucher system (but this needs close monitoring due to potential abuse).</p> <p>Child headed households need special intervention. Legally subsidies cannot be made available to minors. These would first require an intervention through the Department of Social Development to involve NGO's in the development of a Special Needs/Vulnerable groups project to be administered through a reputable care-giving institution.</p>	Monitor
Project packaging	Procure/guide municipality in the procurement of an implementing agent to package a new housing project/motivate for an extension to an existing project in the area, provided the relevant risk factors (technical assessments in terms of land/legal status of the area to be developed, need and availability of bulks/infrastructure, environmental and heritage assessments, and relevant soil analysis to ensure the most appropriate designs are used to ensure safe and healthy living.	Monitor and Team Leader

Flow of information (insert diagram to show flow from cadres through war rooms to DC to Premier to DHS, Region)

The flow of information from the cadres to the Regional Office is illustrated in the diagram below:



FLOW CHART INTERVENTION



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FARM RESIDENT SUBSIDY PROGRAMME

This Farm Resident Subsidy Programme was communicated in the Housing Policy Communiqué 4 of 2009. There have been numerous questions related to the above policy hence the decision to have it re-communicated was taken. This programme addresses housing development for farm residents.

The Comprehensive Plan for the Creation of Sustainable Human Settlements approved in September 2004, specifically called for a stronger rural housing development focus. This is to be achieved through:

The economic, social and institutional sustainability of farm worker settlements; and
The strengthening of the required institutional framework, the definition of the roles and responsibilities of implementing agents, the introduction of minimum norms and standards and secure tenure options, the introduction of suitable capital assistance mechanisms and legislative adjustments where required.

This Housing Assistance Programme (Farm Resident Subsidy Programme) has been developed with these principles in mind. It aims to provide a flexible mechanism which promotes access to adequate housing, including basic services (as an option of last resort) and secure tenure to farm workers and residents in a variety of farming situations. In addition the programme aims to provide housing solutions on a project basis for registered labour tenants. The programme aims to promote the development of sustainable human settlements through.

A flexible approach to cater for the variety of farm resident housing needs;
The provision of secure tenure to farm workers;
The promotion of healthy and safe living environments;
The empowerment of farm residents (and in particular woman) to participate in the provision of their own housing needs, as appropriate in the particular farming situation;
Where possible, promoting access to social and economic amenities
Promoting access to economic opportunities not related to farming (particularly when seasonal farm work is not available) for households where appropriate;
The encouragement of sustainable spatial settlement patterns and discouraging the development of farm residents housing that places an additional service delivery burden on municipalities;
The use of local labour and the development of skills in both developing and maintaining farm resident settlements; and
The upgrading of existing farm resident housing and improving tenure security where feasible and practicable.

The nature of farming activities varies across the country therefore a number of factors would have to be taken into consideration when deciding on the most suitable model that will meet the needs of farm workers as well as the local requirements. This programme can be used in the following scenarios.

Intensive (high yield) farming: This is characterised by fruit, vegetable, wine or chicken farming, and is typically practiced on relatively small farming units. It is

labour intensive (especially during cropping season) and settlement patterns are often relatively dense. In such cases it is preferable to house workers in sustainable settlements (such as the nearest town) within a convenient travelling distance of work opportunities. This has the advantage of workers having access to social and economic amenities within such settlements. Seasonal farm workers have access to employment opportunities and children have access to schools and households to clinics, recreational facilities etc. In this instance any of the existing subsidy instruments which provide ownership or rental accommodation can be pursued.

Extensive farming areas: This is characterized by large farms a few thousand hectares in extent. These farms are usually separated from the nearest town by long distances. Farming activities are usually cattle or game ranching, the labour force is small and it is impractical to house them in the nearest settlement (which will usually be outside a convenient commuting distance). In this scenario it would be more appropriate to house the limited number of workers on the farms. Tenure arrangements can be by way of rental accommodation or if it is desirable and feasible by way of sub-division of a part of the farm and transfer of property rights. (e. g. shareblock, long term leasehold, freehold) to the workers concerned. When considering the ownership option cognisance must be taken of the capacity of the municipality to provide social services to the settlement, is the employment permanent, what will happen to workers if the employment came to an end and they no longer wanted to reside in the area. Hence, the sub-division and ownership model must be exercised with circumspection.

It must be noted that some areas may fall between the abovementioned scenarios therefore solutions may be taken from both the above two scenarios, depending on the local circumstances.

Many subsistence farmers reside on land in communal tenure in which case housing assistance is rendered through the National Housing Programme: Rural Housing: Informal Land Rights.

The National Housing Programme for Residents is aligned with the Land Reform: Labour Tenant Programme, providing a holistic solution to address the housing and developmental needs of labour tenants targeted by the Land Reform Programme.

The following implementation issues should be noted:

The National Department has not yet released the guidelines or application packs. In this regard, it is suggested that the current project linked application format be used where freehold title is envisaged, whilst the application pack for institutional subsidies may be used for rental types.

The Product Development Component of the Provincial Department is working with the Regions on a pilot project that would assist and inform any adjustments required in terms of the generic project processes and application packs.

The policy on the Farm Resident Subsidy Programme is available from the Product Development Directorate on **031- 336 5363/5366.**

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POLICY MATTERS: UPDATES

1. CHANGE TO INCOME BANDS

There is currently no change of the existing income bands envisaged due to socio-political and fiscal constraints. This will however be monitored at a National level, and developments on this matter will be communicated to stakeholders accordingly.

2. ANNUAL INCREASE IN THE SUBSIDY QUANTUM

There has been no official communication from the National Department of Human Settlements in respect of the subsidy quantum for the financial year 2011/12. The annual increase of the subsidy quantum is approved by the Director General of the National Department of Human Settlements based on the Building Cost Index (BCI). In view of the BCI showing negative growth, it is anticipated that there will be no increase, however once official notification is received from National, it will be communicated to all stakeholders.

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