



KWAZULU-NATAL PROVINCE

HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

POLICY ON THE ALLOCATION OF HOUSING OPPORTUNITIES

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CONTENTS

DEFINITIONS.....	3
ACRONYMS.....	3
SECTION A: GENERAL	4
1 INTRODUCTION.....	4
2 BACKGROUND.....	4
3 POLICY OBJECTIVES	5
4 KEY PRINCIPLES OF THE PROGRAMME.....	5
5 APPLICATION OF THE POLICY	7
5.1 Informal Settlement Upgrade	7
5.2 Credit and Non-Credit Linked Individual Subsidy Programme & FLISP	7
5.3 Consolidation Subsidy Programme	8
5.4 Social Housing and Institutional Housing Programmes	8
5.5 Enhanced People's Housing Process (EPHP) Projects	8
5.6 Operation Sukuma Sakhe	8
5.7 Rural Housing Programmes	8
6 SELECTION CRITERIA.....	9
6.1 CATEGORIES OF PRIORITISATION.....	9
6.2 OTHER	11
7 APPLYING AN ALLOCATION QUOTA SYSTEM	11
8 EXISTING DATABASE.....	12
9 LEGISLATIVE PROVISIONS	12
SECTION B: ALLOCATION STRUCTURES AND PROCEDURES	13
1 INSTITUTIONAL ARRANGEMENTS.....	13
2 ROLES AND RESPONSIBILITIES.....	14
3 DISPUTE RESOLUTION	16
4 ALLOCATION PROCEDURES	16
5 ACCREDITATION.....	19
6 EXISTING ALLOCATIONS POLICIES.....	19
7 ENFORCEMENT.....	19
8 MONITORING AND EVALUATION.....	20
ALLOCATION PROCEDURE PROCESS FLOW.....	21

DEFINITIONS

Waiting list:	A list of all households within a particular area requiring housing assistance.
Housing Demand Data Base:	An electronic record of particulars of households in need of housing assistance.
Indigent:	A person so poor and needy that he/she cannot provide the necessities of life i.e., food, clothing, decent shelter for himself/herself. A person with a nil household income.
Aged:	A person who is 60 years of age or older.
Beneficiary:	A person who qualifies for a housing subsidy or some other assistance measure in terms of housing programmes in the National Housing Code.
Province:	KwaZulu-Natal Department of Human Settlements
Housing Code:	National Housing Code, 2009

ACRONYMS

IRDP:	Integrated Residential Development Programme
FLISP:	Finance Linked Individual Subsidy Programme
MEC:	Member of Executive Council
NHNR:	National Housing Needs Register
OSS:	Operation Sukuma Sakhe

SECTION A: GENERAL

1 INTRODUCTION

Over the years the Province of KwaZulu-Natal has challenges and criticism in respect of managing the allocation of houses to qualifying beneficiaries. There has been no effective and uniform housing allocation mechanism in place. Some municipalities have maintained a housing waiting list however in most cases the information is outdated and open to manipulation. In light of the recent research and audit findings the province resolved to develop a fair and equitable procedure to allocate housing opportunities to potential beneficiaries when they become available.

2 BACKGROUND

The launch of the Integrated Residential Development Programme (IRDP) marked a fundamental departure from the way in which housing projects were planned and implemented in the past. It replaced the conventional project linked approach and provides for a basket of options and subsidy instruments to be effected through area-based planning. The IRDP introduced an area or community wide development orientation that includes the provision of a range of housing opportunities, a project life cycle planning approach where the creation of serviced stands has been separated from the housing construction phase and more importantly, the de-linking of housing subsidy beneficiaries from the project implementation process. Housing subsidy beneficiaries are now identified during the house construction phase and transfer of ownership to the beneficiary is only effected after the completion of the houses.

This holistic development orientation and the de-linking of subsidy beneficiaries from the project process created a need for a structured housing allocation strategy to guide allocation of the variety of housing opportunities created through the Programme.

The IRDP requires a two-dimensional approach. The first dimension pertains to the allocation of serviced stands to households that do not qualify for housing subsidies, the allocation/disposal of serviced stands earmarked for business/commercial use, institutional stands, stands created for churches, crèche sites and other serviced stands earmarked for “not for profit” organisations.

The second dimension pertains to the allocation of serviced stands for housing subsidy beneficiaries who qualify for assistance to acquire a house from the variety of housing options available through the National Housing Programmes.

The introduction of the IRDP also created challenges for the administration of all existing waiting list and/or housing demand data bases. Housing development through the National Housing Programme now not only targets housing subsidy beneficiaries as in the past but is oriented towards achieving integration and the establishment of sustainable human settlements.

In addition, the broadening of the scope of the National Housing Programme to include households earning up to R22 000,00 per month, created a vacuum on all existing housing data bases or waiting lists. Persons earning more than R3 500,00 per month have not registered their housing needs with municipalities, due to the knowledge that the State programme excluded them from assistance until recently. This is further perpetuated with the recent amendments to the Finance Linked Individual Subsidy Scheme which extends the income limit to R22 000.

The new policy directives and opportunities require a new approach to the management of housing data bases and/or waiting list, and more specifically, the way in which housing opportunities created by organs of the State are to be allocated.

3 POLICY OBJECTIVES

The objective of these guidelines 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:

- 3.1 Identifying potential beneficiaries through a needs assessment exercise conducted before each project is approved.
- 3.2 The application of a uniform and consistent approach that will have to be adhered to when allocating housing opportunities to intended beneficiaries.
- 3.3 The implementation of workable mechanisms that ensures that the housing allocation process promotes sustainability and good governance.
- 3.4 To help select beneficiaries by categories of priority.
- 3.5 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.

4 KEY PRINCIPLES OF THE PROGRAMME

The guidelines are based on the following key principles:

- 4.1 Government's National Housing Programmes target those households who are not able to independently resolve their own housing needs.
- 4.1 The limitations of the State fiscus necessitates a progressive approach towards the realisation of the Constitutional rights to access to housing opportunities and to target the poorest and most vulnerable households of our community.
- 4.2 In implementing its National Housing Programme, Government pursues the establishment of viable and sustainable human settlements where residential settlements are integrated across income, culture and race spectrums and provide a range of social and economic amenities as well as housing opportunities to meet the needs of all persons in the relevant areas.
- 4.3 The existing institutional arrangements are acknowledged, and it is confirmed that the decision-making authority regarding the National Housing Programme vests in the Members of the Executive Council (MEC) responsible for Human Settlements in the province.
- 4.4 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.
- 4.5 Once the National Housing Needs Register is fully established by a municipality it will become the only official data base from which prospective beneficiaries will be selected and approached to complete housing subsidy applications forms for approval by the MEC.
- 4.6 It is accepted that development conditions and project specific environments vary substantially from one project area to the next. Therefore, these guidelines should be implemented on the basis that where required, the MEC may consider alternative processes and structures to accommodate project and programme specific circumstances.
- 4.7 It is very important that the most recent and applicable information regarding the profile of all applicants is available when subsidy approvals are considered. Therefore, application forms may not be older than three months when considered for approval.
- 4.8 Once the allocation committee has completed the selection process from the needs assessment, the final beneficiary list will be published in the local newspapers and will also be displayed at the municipal offices, in the project location, the local post office and any other public office with the approval of the relevant authority for a minimum period of fourteen (14) days to allow for public objections and/or disputes. When a dispute cannot be resolved by the allocation committee, all arguments must be presented in a submission to the MEC for a final decision.

5 APPLICATION OF THE POLICY

The policy applies to all housing development projects that deliver fully fledged housing opportunities to qualifying beneficiaries namely the Integrated Residential Development Programme (IRDP) and the Community Residential Unit Programme (CRU).

The policy shall be implemented by the KwaZulu-Natal Department of Human Settlements, in co-operation with municipalities and other stakeholders in human settlements delivery.

Variations may be applied to other programmes based on the specific nature and requirements of the target group.

5.1 Informal Settlement Upgrade

These projects are undertaken for specific persons living in these informal settlements. Human Settlements development initiatives through the programme for the Upgrading of Informal Settlements entails the redevelopment of existing areas and/or the relocation of a section or the whole community where required. Only serviced stands are provided to the inhabitants of such informal settlements during phase one of the development. All the housing needs are recorded at project initiation stages and the project is designed for the specific needs of the individuals in the areas. Although some of the households residing in the target areas may have recorded their housing needs on the needs register the system is not used to allocate the housing opportunities created through phase one of these projects.

However, during phase two of the project, the MEC may be required to consult needs assessment lists/existing databases, or the NHNR where fully implemented, to invite applications for the allocation of housing opportunities. Phase two of the redevelopment of informal settlements could also entail the allocation of stands created for persons not necessarily residing in the settlements and for persons who do not qualify for housing subsidies. This phase also entails the housing consolidation process.

5.2 Credit and Non-Credit Linked Individual Subsidy Programme & FLISP

Applications for Individual Housing Subsidies are administered on the principle of “first come-first served”. Credit linked subsidies are initiated at the credit application stages. However, the Credit and Non-Credit Linked Individual subsidy has been terminated in KwaZulu-Natal since 2015. This policy does not apply to the administration of the Individual Housing Subsidy Programme as well as the Finance Linked Individual Subsidy Programme.

5.3 Consolidation Subsidy Programme

Consolidation Subsidies are allocated to existing registered owners of state financed residential stands and no allocation process is required.

5.4 Social Housing and Institutional Housing Programmes

These rental housing projects are undertaken and administered by housing institutions that are also responsible for the allocation of the housing units. However, the MEC may prescribe to a housing institution on matters relating to the allocation of housing units, including the targeting of tenants using the NHNR. In this regard, institutions should also take into consideration the accommodation of special needs groups and provisions contained in the provincial policies regarding allocations to these groups.

5.5 Enhanced People's Housing Process (EHP) Projects

The Allocations Policy will not be applicable in cases where projects entail housing provision through the EHP programme. EHP projects are community driven and initiated by qualifying housing subsidy beneficiaries who elect to participate in the construction of their houses, and they appoint support organisations to assist them with the implementation of their projects. The beneficiaries are thus known up front before the project is approved and are not identified from the National Housing Needs Register. Allocation and approval of housing subsidy applications occur very early in the project planning stage based on the list of beneficiaries who elected to participate in the EHP project, and the Allocations Policy is therefore not applicable to the EHP programme.

5.6 Operation Sukuma Sakhe

Operation Sukuma Sakhe (OSS) is a provincial programme that was founded on the premise of taking government to the people in a coordinated manner. The programme is active in all 11 district municipalities and the local municipalities under them. It involves co-ordination amongst sector departments. The OSS initiative prioritises households that need urgent and immediate interventions. Once a need is identified through the Sukuma Sakhe war rooms, relevant officials in the department are notified. The Department's inspectors and project managers visit the identified site to assess the problem, and then the extent and urgency is confirmed and recorded for the relevant assistance to be provided. The OSS Programme will continue to function as intended and the Allocation Policy will not apply to the programme.

5.7 Rural Housing Programmes

The unique nature of tenure in these areas requires the involvement of the department responsible for rural development, traditional affairs and/or the Ingonyama Trust Board, together with the traditional leadership in the area, in partnership with the municipality.

Beneficiaries should be identified in advance as the holder of the informal right needs to be confirmed as part of the allocation process and projects must be delivered in terms of the approved housing sector plan.

6 SELECTION CRITERIA

6.1 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.

6.1.1 TOP PRIORITY: approved beneficiaries on the HSS who have not received houses.

In terms of the National Department of Human Settlements, the Housing Subsidy System (HSS) reflects that a number of housing subsidy applications have been approved since 1994 and the beneficiaries have not yet received their completed houses. This may be as a result of blocked or abandoned projects, projects where the yield was reduced for whatever reason, and approved projects that never commenced, etc. It must therefore be realised that Government has concluded contractual commitments with each housing subsidy beneficiary upon the approval his/her housing subsidy application and thus remains obliged to deliver the housing opportunity that were agreed to with each approved beneficiary.

These approved beneficiaries have a direct impact on the application of this Allocation Policy. Firstly, the circumstances of each affected record on the HSS must be verified as a matter of urgency to establish the correct and prevailing facts. Where the information recorded on the HSS is inaccurate, the details thereof must be provided to the National Department with a request to make the required adjustments to all the affected records. This will enable the identification of all the approved beneficiaries who have a legitimate claim against the Department for the delivery of a housing opportunity.

Once the contractual commitments have been identified and verified, all housing development projects must accommodate the already approved housing subsidy applications and these approved beneficiaries must receive assistance as a matter of urgency.

This Allocation Policy therefore does not apply to these beneficiaries since they are regarded as the top priority target group ahead of those vulnerable groups outlined below and must be assisted first before any new allocations are considered.

6.1.2 THE FIRST LEVEL: most vulnerable households

This level of priority must be applied when selecting prospective qualifying beneficiaries to be approached to apply for housing subsidies and relates to vulnerability.

The most vulnerable groups are:

- a) Older persons: prospective beneficiaries who have reached the age of 60 years and older;
- b) Disabled persons: prospective beneficiaries who are disabled or who have a disabled family member. Certification by a registered medical practitioner is required to confirm this.
- c) Military Veterans: as confirmed by the Department of Military Veterans.

6.1.3 THE SECOND LEVEL: most vulnerable households

This level of priority must be applied when selecting prospective qualifying beneficiaries to be approached to apply for housing subsidies and relates to the following households:

- a) The totally homeless i.e., households who have no roof over their heads, nowhere to reside and are thus totally destitute. These subsidy beneficiary households must be linked to a Social Development approved rehabilitation process.
- b) Foster Parents where children were legally placed under foster care and the foster parents require urgent housing, or prospective foster parents who are in the process of obtaining approval from the Court for the adoption and require a housing unit in order to obtain approval from the Court for the adoption. The relevant documentary proof from the Department of Social Development or the Court must be provided.
- c) 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.
- d) Households who have been assisted under the Emergency Housing Programme with access to temporary services and shelter.

6.1.4 THE THIRD LEVEL: most vulnerable households

The third level of prioritisation that must be applied when selecting prospective qualifying beneficiaries to be invited to apply for housing subsidies pertains to the following households:

- a) 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. These potential beneficiaries must be sourced according to the date that they registered their housing need. Under no circumstances may housing opportunities be allocated without households registering their housing needs.

6.2 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.

7 APPLYING AN ALLOCATION QUOTA SYSTEM

Applying an allocation quota system in the allocation of new subsidy financed units is an important allocation tool to ensure equity and fairness across the spectrum of housing subsidy beneficiaries.

An allocation quota system 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.

Each quota system will be dictated by local housing need profiles and prevailing circumstances and conditions.

It is also very important to ensure that a balanced development and allocation process is applied. The allocation process should not totally exclude certain categories of beneficiaries or comprise of only specific categories of households e.g only vulnerable households.

The circumstances that may necessitate a quota system could include the following:

- a) **Special Needs and Other Category quotas:** Where applicable, a quota system may be applied to determine the number of housing opportunities that should be offered to each of the priority categories in relation to normal categories of households.
- b) **Area quotas** will apply for example where the development objective is to provide housing opportunities for households currently located in more than one “catchment area”.

7.1 Example of an Allocation Quota System

Number of subsidy financed dwellings ready for occupation: **500**

Percentages of beneficiaries targeted for housing assistance:

Categories	Percentages	Number of Houses
Older persons:	15%	75
Disabled:	10%	50
Totally homeless	5%	25
Foster care cases	10%	50
Evictees	25%	125
Backyarders	20%	100
Normal cases	15%	75
Total	100%	500

The percentages indicated above are to demonstrate the application of the quota system and must not be regarded as a prescript. The percentages applicable will be dictated by the specific circumstances in each development area and may consist of a maximum of 10% of households selected by the area councillor. The key indication of the example is the prioritisation sequence that is used.

8 EXISTING DATABASE

Where municipalities have an existing database/waiting list and a needs assessment is conducted, the date on which the application/need was recorded (whichever date is the oldest), will determine the order of priority in respect of which prospective beneficiaries will be selected to apply for a subsidy when new housing opportunities are created. This means the principle of “first come - first served” will apply to all prospective beneficiaries, including those within the Categories of Prioritisation mentioned in 6.1 above.

9 LEGISLATIVE PROVISIONS

The policy is in terms of the provisions of Sections 2 (1) and 7(2) of the Housing Act, 1997 (Act No. 107 of 1997).

The housing development initiatives are undertaken in terms of the provisions of the approved Integrated Residential Development Programme and the various National Human Settlement Programmes that afford the development of top structures/housing opportunities. These Programmes are contained in the National Housing Code 2009.

The National Housing Code was published by the Minister of Human Settlements in terms of the provisions of section 4 of the Housing Act, 1997 (Act No. 107 of 1997).

The decision-making authority regarding the approval of project applications and the funding thereof vests, in terms of the provisions of section 7(3) of the Housing Act, 1997, in the Member of the Executive Committee (MEC) responsible for Human Settlements.

Housing projects are also implemented in terms of the provisions of the Public Finance Management Act, 1999 and the Municipal Finance Management Act, 2003.

The Housing projects are furthermore implemented in terms of the provincial legislation governing township establishment and the municipal ordinances applicable to township development, the provision of municipal engineering services and the construction of buildings.

This policy has been informed and developed within the framework of the Draft *National Policy Prescripts for the Allocation of Housing Opportunities created through the National Housing Programmes*.

SECTION B: ALLOCATION STRUCTURES AND PROCEDURES

1 INSTITUTIONAL ARRANGEMENTS

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.

1.1 The Allocation Committee

An Allocation Committee must be established, to administer all selection and allocation processes within, and in terms of the legislative provisions, as proposed by this policy.

The Allocations Committee must preside over the allocation of units and monitor general outcomes. The Committee must also preside over the development of any quota systems that will be applied to the Categories of Prioritisation for a particular housing project.

Municipal Councillors may not serve on the Allocations Committee or be involved in discussions or decisions regarding individual selections and/or housing allocations.

The secretariat of the allocations committee must ensure that the meetings of the allocations committee are planned well in advance and in coordination with the availability of the provincial counterparts to avoid unnecessary delays of the allocation process. Provincial members of the allocation committees should endeavour to combine or group allocation committee meetings in such a way that travelling is limited to the minimum and project implementation is not delayed due to their unavailability for Allocations Committee meetings.

a) Membership

The Allocation Committee should as a minimum comprise the following:

- Two (2) senior employees of the Municipality who are not political office bearers; and
- Two (2) officials from the Provincial Department of Human Settlements, with a minimum of one (1) Deputy Director or higher ranking official and at least one (1) Assistant Director or higher ranking official.

The members of the Allocation Committee are required to officially nominate two officials to serve as permanent Members of the Committee.

The parties to the Committee should also nominate additional members for each stakeholder to serve as an alternate member

Members must declare any conflict of interest and the committee must decide if the member should be excused from proceedings.

b) Chairpersons

The Allocation Committee should be chaired by one of the members elected from the Municipality.

The position of Deputy Chairperson should be fulfilled by one of the elected members representing the Provincial Department of Human Settlements.

The Committee at its first meeting should appoint the two Chairpersons (the permanent and alternate). One of the chairpersons should always chair a meeting of the Committee.

c) Quorum arrangements

The Allocation Committee's quorum should comprise all four members of the Committee. In instances where the permanent member is unable to attend the meeting the alternate member must attend to ensure that there is a quorum.

d) Meeting arrangements

The Allocation Committee meetings will be directed by the project process and progress. The frequency of the meetings of the Committee will be managed by the Chairperson.

e) The Secretariat

The secretarial function shall be fulfilled by the municipal officials. All proceedings and decisions of the Committee must be recorded and preserved for auditing purposes.

2 ROLES AND RESPONSIBILITIES

a. KZN Department of Human Settlements

- a) Participation in the Allocation Committee;
- b) Verification of the final beneficiary subsidy applications submitted for approval;
- c) Submission of applications for consideration and obtaining the required subsidy application approval from the provincial decision-making authority; and
- d) Informing the Allocation Committee of the approval of the subsidy applications.

b. Municipality

- a) Participation in the Allocations Committee;

- b) Identifying targeted selections of prospective beneficiaries of housing opportunities under the project through the needs assessment process, or from the National Housing Needs Register (where fully implemented) for consideration by the Allocation Committee;
- c) Inform the Project Manager of the names selected;
- d) Receive the completed application forms of the selected beneficiaries from the Project Manager and record the applications received;
- e) Verify the applications against the selection made;
- f) Submit the subsidy application forms to the regional/district office of the Provincial Department of Human Settlements at the beneficiary administration stage (at top-structure construction) of the project for verification, consideration, and subsidy approval;
- g) Receive the approved applications;
- h) Submit to the municipal council for support and publicise; and
- i) Inform the Project Manager/IA of the approval of the subsidy applications.

2.3 Municipal Council

The municipal council will consider and support the findings and recommendations of the allocations committee before it is submitted to the MEC for approval. Municipal Councillors may be involved as follows:

- a) Enhance access by communities to housing opportunities by ensuring that all households especially vulnerable households are identified during the needs assessment process or those in need of housing assistance register their need on the NHNR when implemented;
- b) The decision regarding the targeted beneficiaries and the quota system composition;
- c) Selection criteria as part of a member of council when council resolutions are considered;
- d) Providing information on the composition of communities and the specific needs in the target areas;
- e) Verifying and supplementing information on applicants; and
- f) May contribute to the composition of quotas by identifying a maximum of 10% of households from their respective ward.

2.4 National Department of Human Settlements

- a) Development and maintenance of the NHNR; and
- b) Assist and support with the implementation of the NHNR;

2.5 Project Manager / Implementing Agent

- a) Inform the Allocation Committee Secretariat of the need for the allocation and approval of subsidy beneficiaries in good time;
- b) Receive the list of selected prospective beneficiaries from the Allocation Committee;

- c) Publish the list of selected prospective beneficiaries and invite them to complete the housing subsidy application forms. In the case of Rural Projects, input and approval from the traditional council must be obtained.
- d) Ensure that all application forms are correctly completed and supported by the required documentation;
- e) Conclude conditional agreements of sales with the prospective beneficiaries (with a suspensive clause relating to the subsidy application approval);
- f) Submit the completed applications with all the required documentation to the Secretariat of the Allocation Committee;
- g) Receive requests from the allocation committee for additional information or proof required and entertain such requests, where applicable;
- h) Receive confirmation of the subsidy approvals; and
- i) Proceed with the confirmation of the subsidy approval to the beneficiaries and the transfer of the properties to the approved beneficiaries.

In addition to the above functions, the project manager/IA must facilitate the establishment of a Project Steering Committee in terms of the Department's Project Steering Committee Policy.

2.6 External Auditors

The provincial department may decide to appoint external auditors where required. The role of this external auditor will be to verify the selection process and the housing subsidy applications received from the Project Manager/IA before submission thereof to the MEC.

3 Dispute Resolution

The allocations committee will manage the allocation process in terms of the prescripts of this policy and the approved selection criteria for each project. However, where the committee encounters a dispute regarding a specific allocation and agreement cannot be reached, the relevant arguments must be recorded in a submission to the MEC to make a final decision in such cases.

4 ALLOCATION PROCEDURES

4.1 The process of selection of names of potential housing subsidy beneficiaries

The process of selecting names for adjudication and verification by the Allocations Committee will be as follows:

- 4.1.1 Project Stage1:** projects must be planned based on the identified need using the needs assessment or the NHNR when fully implemented.

4.1.2 Project Stage 2(Rural) or 3(Urban):

- a) The Project Manager/IA will inform the Chairperson of the Allocations Committee that houses will be ready for allocation at a given date requesting an approved list of selected potential beneficiaries;
- b) The allocation committee will convene a meeting to agree on the selection criteria based on the allocation policy.
- c) A list of prospective beneficiaries will be drawn from the needs assessment/existing database or the NHNR when fully implemented, using the agreed criteria and submitted to the municipal council for support;
- d) As soon as a council resolution is received, the Allocations Committee will convene to confirm the list of prospective subsidy applicants. Once the list is confirmed and committed, all those on the list will be informed to complete the subsidy application form.
- e) The Secretariat of the Allocations Committee will then inform the Project Manager of the approved list of potential beneficiaries requesting the Project Manager to gather the required subsidy application forms for submission to the Allocations Committee for verification.

4.2 Process of subsidy application adjudication and verification

This process will include the following steps:

4.2.1 Project Manager / Implementing Agent (IA)

The Project Manager/IA will:

- a) publish the list of prospective beneficiaries in the local newspapers and will also display the list at the municipal offices, in the project location, the local post office and any other public office with the approval of the relevant authority for a minimum period of fourteen (14) days;
- b) will extend written invitations to prospective beneficiaries on the approved list to apply for housing subsidies and provide the required subsidy application forms and detailed information;
- a) ensure that all the applications are correctly completed and supported by the required documentation;
- b) enter into a conditional agreement of sale with each prospective beneficiary in respect of the relevant property;
- c) refer the completed application forms with all the required documentation to the Allocations Committee for verification.

- d) facilitate the establishment of a Project Steering Committee. This Steering Committee will enable communication with the community on all matters pertaining to the project, including the selection of prospective beneficiaries and the subsidy application process and approvals. The Municipality will guide the establishment process of the committee and will determine the Terms of Reference to be implemented.

4.2.2 Allocations Committee

The allocations committee will:

- a) Submit the subsidy application forms to the regional/district office of the Provincial Department of Human Settlements to be checked and evaluated against the applicable subsidy qualification criteria;
- b) will verify the applications against the list presented to the Project Manager;
- c) submit to the external auditors where appointed by the Department of Human Settlements.

4.2.3 External Auditors

The External Auditors will:

- a) verify the applications received against the set criteria as stipulated, the standard qualification criteria and the correctness of the applications and return the applications to the Allocations Committee for submission to the MEC for final approval.

4.2.4 Provincial Department of Human Settlements

The KZN Department of Human Settlements will:

- a) undertake verification against the various databases to ensure that the applicants satisfy the qualification criteria;
- b) refer rejected applications to the Allocations Committee for further attention;
- c) submit complying applications to the MEC for consideration and approval and refer the decisions to the Allocations Committee.
- d) Provide reasons for those applications not approved by the MEC. The allocations committee must then inform the beneficiary and award the beneficiary an opportunity to submit additional information or documents if relevant or respond to the reasons for not approving the application which can then be resubmitted or re-evaluated for consideration where applicable.

4.2.5 Allocations Committee

The allocations committee will:

- a) The Secretariat of the Allocations Committee will record the subsidy application approval and notify the Project Manager/IA of the approval.

4.2.6 Project Manager/IA

The Project Manager/IA will:

- a) The project manager/IA will inform the beneficiaries of the outcome of the applications and proceed with the arrangements to transfer the property into the name of the approved beneficiaries where applicable.

4.3 Allocation process of properties not earmarked for subsidy beneficiaries in both the IRDP and UISP projects

The MEC may decide to follow a similar process in respect of the allocation of properties earmarked for beneficiaries that do not satisfy the Housing Subsidy qualification criteria with changes required by the circumstances.

However, the MEC may also decide that the allocation of such properties may proceed based on the principle of first come first served. Each application as it is received is numbered and this number determines the priority of the application.

Business stands and stands for not for profit organisations sites must be allocated through a tender evaluation process as per the regular Supply Chain Management requirements.

5 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.

6 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.

7 Enforcement

As mentioned in Section A of this document, 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.

8 Monitoring and Evaluation

Project Management Chief Directorate must ensure that the allocation of housing subsidies is implemented according to this policy and monitor compliance of this policy, measure the success of programmes and projects that are implemented as a result of this policy against the stated objectives of this policy. The Risk Management Directorate must identify risks associated with the implementation of the policy. These risks must be submitted to the Product Development Directorate that shall be responsible for the review and enhancement of the policy.

ABBREVIATIONS
 AC: Allocation Committee
 IA: Implementing Agent
 PM: Project Manager

ALLOCATION PROCEDURE PROCESS FLOW



