



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

PROJECT PROCESS

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) / NHBRC / 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/ PDHS / 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

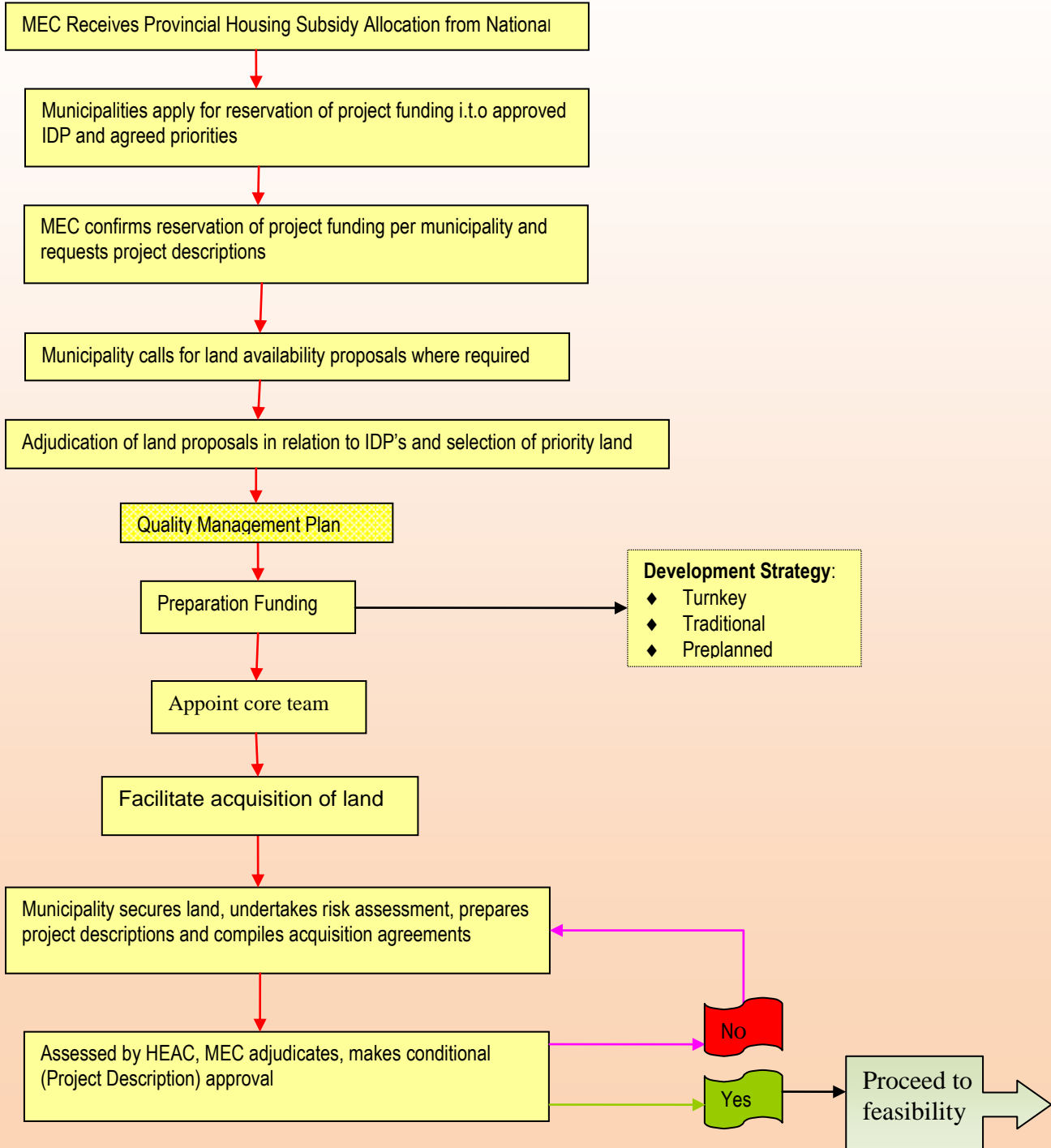
5 CLOSE OUT

5.1	Close out of project	Project is closed out ensuring completion of all relevant certification	DoHS / IA/ Municipality
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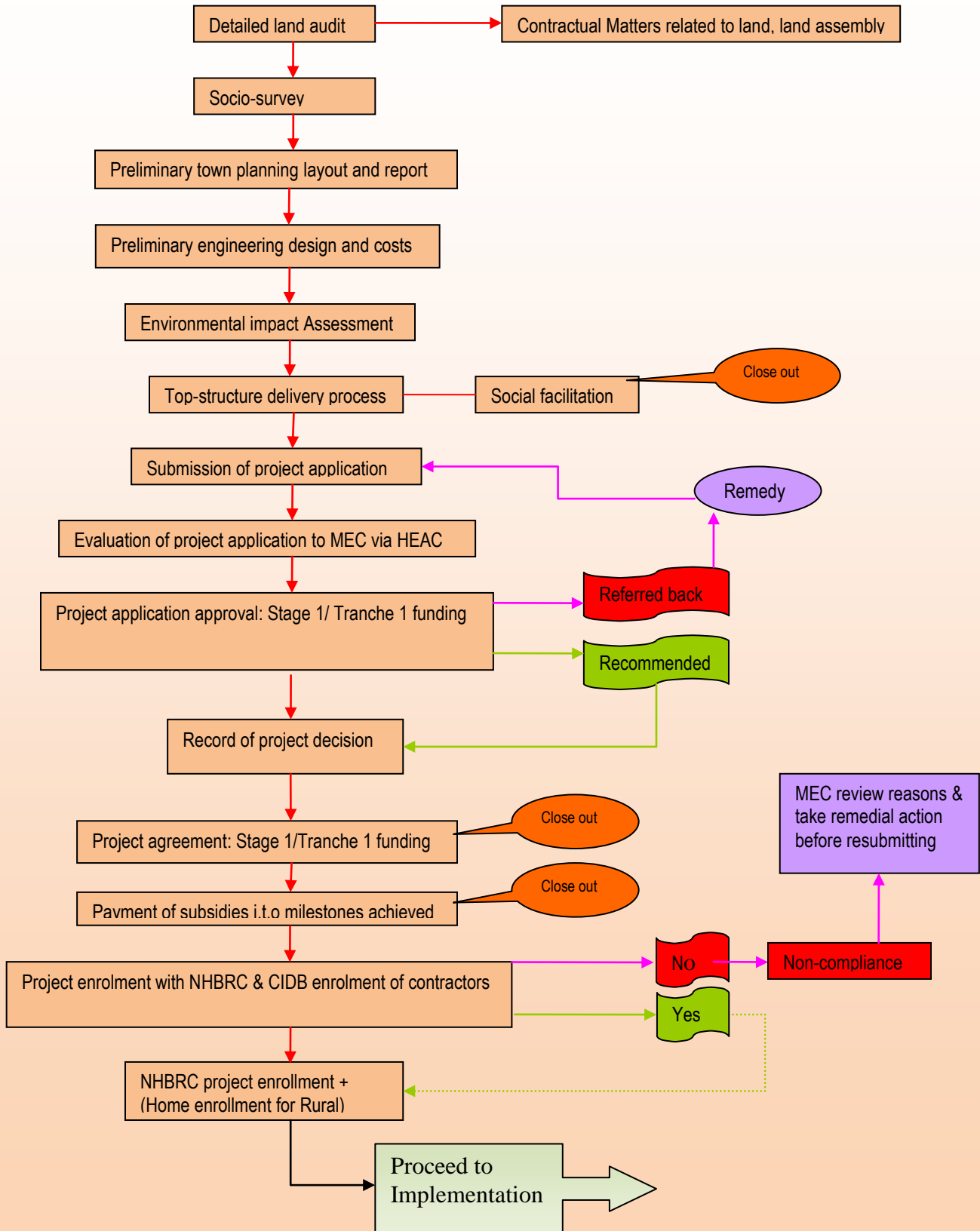
ABBREVIATIONS / ACRONYMS	
MEC	Member of the Executive Council
DoHS	Department of Human Settlements (KZN)
IA	Implementing Agent
NHBRC	National Home Builders Registration Council
HEAC	Housing Evaluation Assessment Committee
HSS	Housing Subsidy System
CIDB	Construction Industry Development Board

KZN PROJECT PROCESS FLOWCHART

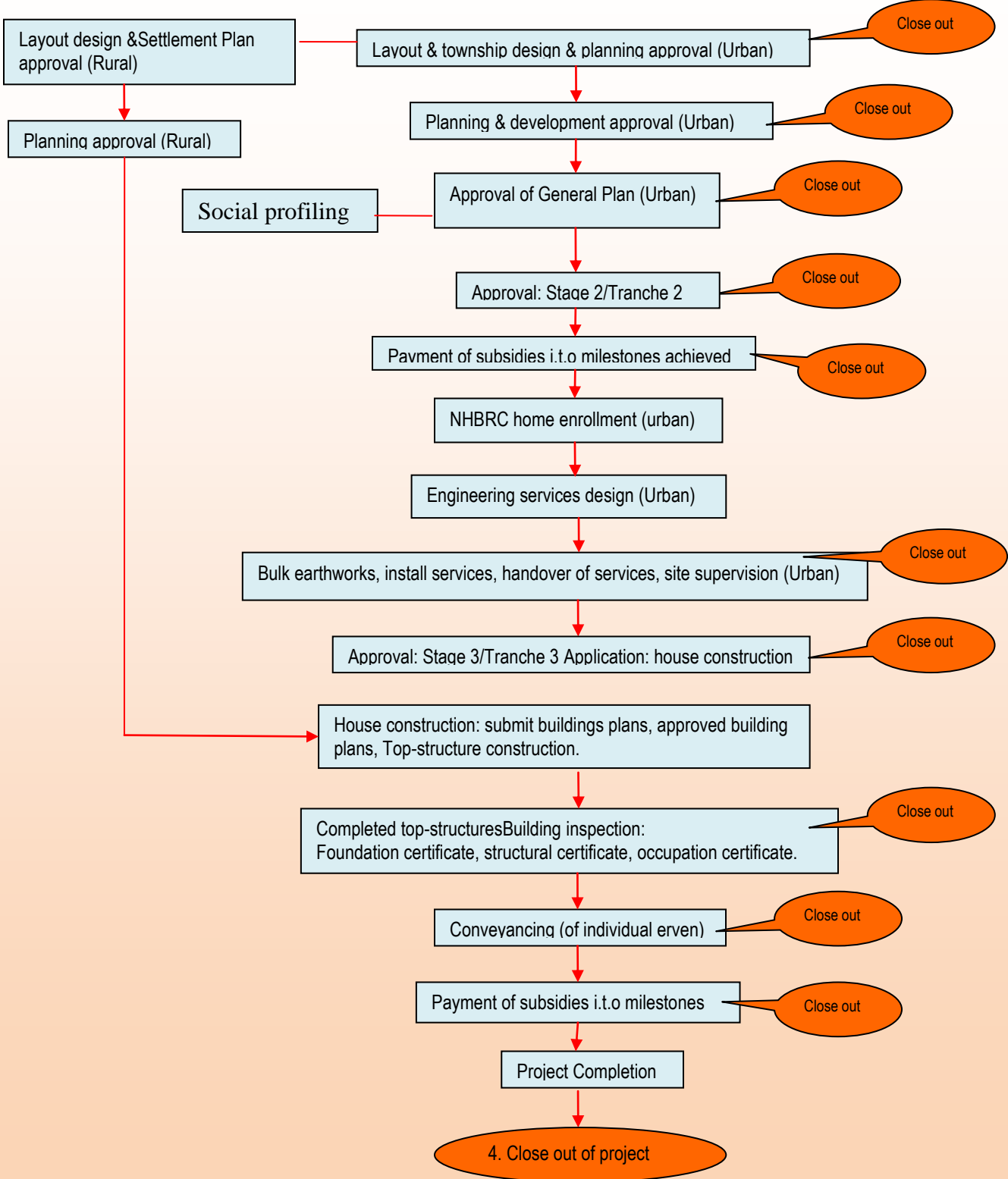
1. Prefeasibility



2. Feasibility



3. Implementation



NHBRC PROCESS

MEC conditionally approves housing development

Home builder (developer) submits project for "project enrolment"

Incomplete

NHBRC requests further details

Unacceptable

NHBRC rejects application & notifies MEC

NHBRC reviews project description & phase 1 geo-technical report

Complete

NHBRC grants project enrolment & advises the Developer/IA & notifies the MEC of any conditions

Developer prepares feasibility study & submits to NHBRC

NHBRC reviews feasibility study

Is home builder registered?

Yes

Is the NHBRC unduly exposed to the aspects of the project?

No

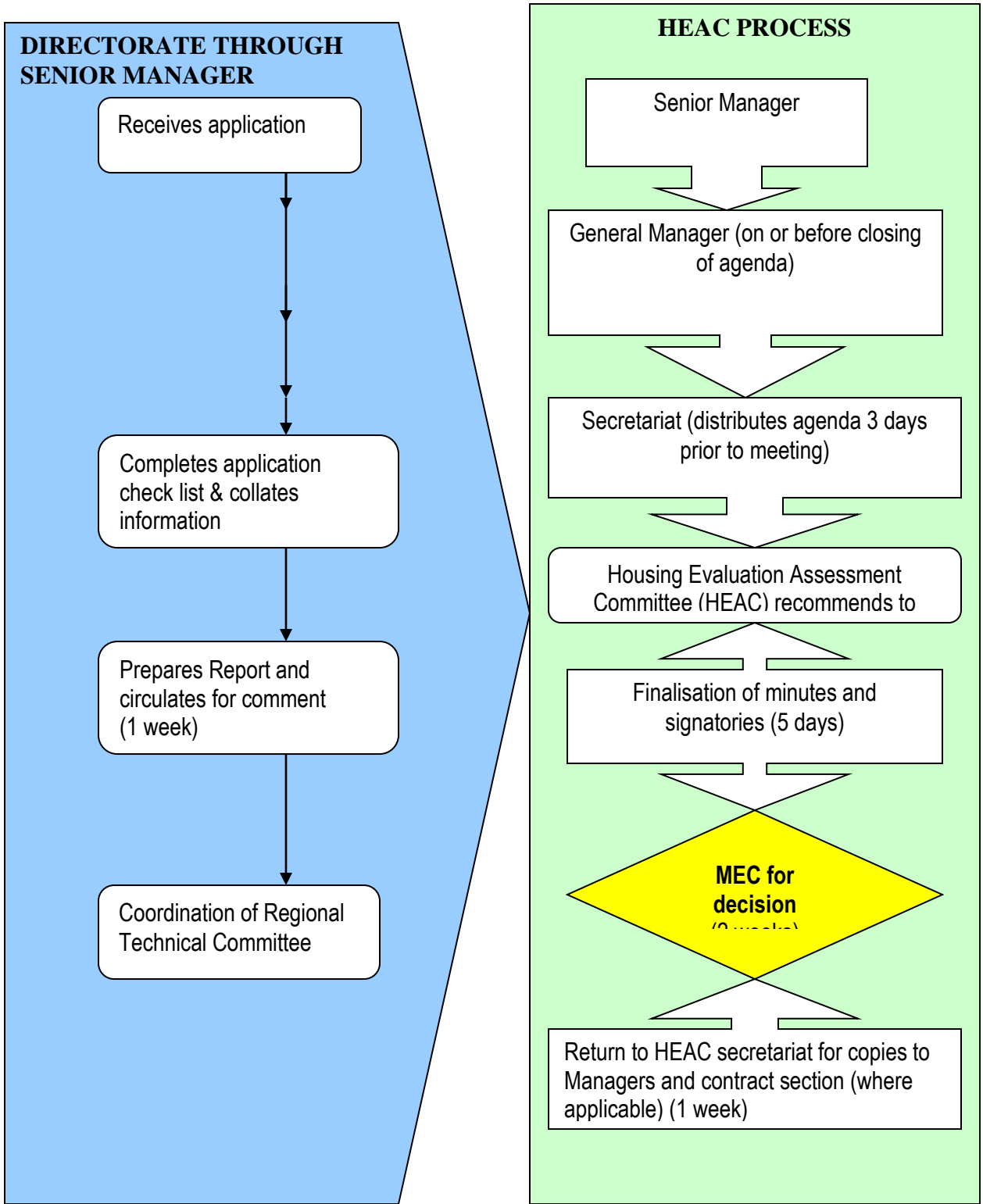
NHBRC issues home enrolment certificate

No

NHBRC rejects application & notifies MEC

Yes

Diagram : Summary of HEAC process and timeframes





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Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

PROJECT CHECKLISTS



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: _____



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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/locational allowance motivation (in terms of GFSH 2). Copies as applicable of:			
• Variation calculator			
• Town planner's slope analysis			
• Geotechnical report & allowance motivation			

DESCRIPTION (copies of documents to be provided as applicable)	YES	NO	ACTION
<ul style="list-style-type: none"> Locational allowance motivation 			
13. Environmental Impact/scoping Assessment			
14. Flood line determination: 1: 100 & 1: 200 year flood lines			
15. Bulk services confirmation			
16. Levels of service to be provided – Acceptance of National norms & standards & commitment to fund the difference			
17. Internal services: including on-sit water supply & sanitation			
18. Engineers preliminary design & specification			
19. Confirmation by district and local municipality			
20. Service Level Agreement between district and local municipality			
21. Bridging finance (written confirmation) <ul style="list-style-type: none"> Top-up funding 			
22. Mortgage Bond finance (written confirmation if applicable)			
23. Top-structure plans and specifications for each type (if applicable)			
24. Rates and service charges (written confirmation from Municipality)			
25. Cash flow projections			
26. Development program			
27. Any other documentation to support the application including:			
<ul style="list-style-type: none"> Proposed sales agreement 			
<ul style="list-style-type: none"> Articles of association (for Section21 companies) 			
<ul style="list-style-type: none"> Conveyancing 			
<ul style="list-style-type: none"> Proposed rental agreement (Institutional projects) 			
<ul style="list-style-type: none"> Proposed rent to purchase agreement (Institutional projects) 			
<ul style="list-style-type: none"> Constitution for a communal property association (Institutional projects) 			
28. Employment Equity Act – certificate (plan lodged with Department of Labour)			
29. Process of appointment of professional team			
30. Enrol project with NHBRC			
31. Professional Indemnities Cover			

PROJECT MONITOR:

NAME: _____ SIGNATURE: _____ DATE: _____

PROJECT NUMBER	K
REGIONAL OFFICE	REGION
PROJECT MONITOR	
DATE	

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human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

SUBMISSION TO THE KWAZULU-NATAL HOUSING EVALUATION AND ASSESSMENT COMMITTEE FOR RECOMMENDATION TO THE MEC FOR HUMAN SETTLEMENTS

PROJECT NAME : _____ INSTITUTIONAL/SPECIAL NEEDS
HOUSING PROJECT (include project type/subsidy instrument)

PROPOSED DEVELOPER : _____ MUNICIPALITY

LOCAL MUNICIPALITY : _____ MUNICIPALITY

DISTRICT MUNICIPALITY : _____ DISTRICT MUNICIPALITY

IMPLEMENTING AGENT/
SERVICE PROVIDER : _____

CO-ORDINATES : X = _____ , Y = _____

WARD NO. : _____

POVERTY RANKING : _____

SUBJECT: APPLICATION FOR RESERVATION OF SUBSIDIES AND APPROVAL OF FUNDING FOR
THEPROJECT

1. PURPOSE:

To seek approval from the Kwazulu-Natal MEC for Human Settlements for:

1.1 The reservation of institutional / transitional subsidies and approval of funding for the, comprising of units at a provisional cost of R (Services amount x number of units for planning & services) + R (R Institutional subsidy x number of units/beds) + R (as geotechnical variation) + R(R..... x number of units requiring variation, as geotechnical / disability variation) for planning, design, installation of services and construction of units, to be implemented as follows :-

1.1.1 The Department of Human Settlements only release funding on completion of a serviced unit and registration of the foster care home with the Department of Social Development.

1.1.2 The development programme for the construction of the units be linked to the annual revised subsidy quantum.

1.2, a Section 21 Company, to be appointed, as developer on the project.

1.3 The top structure, plans and specifications.

2. BACKGROUND

Background of the project, institution (NPO, FBO) and its intention if required for special needs as well as reference to previous approvals and / or issues that could impact on the project.

2.1 In determining the feasibility of this application, the Region has evaluated the application, together with the Department's Institutional Management and Product Development Component and is satisfied that the developer has completed all the necessary detailed investigations and addressed all risks adequately, however has recommended that certain special conditions of approval be considered.

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

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3. PROPOSED METHODOLOGY

- 3.1, was appointed as Implementing Agents by the Institution to package and implement the project. A letter of appointment is attached as **Annexure**
- 3.2 The proposed development will provide.....
- 3.3 The developer, in the business plan attached as **Annexure**, has proposed that the development be implemented..... Find attached a copy of a draft layout reflecting the proposed draft design and an artists impression of the proposed layout. (**Annexure**)
- 3.4 Department of Social Development role The home will be registered as ae.g. foster care home by the Department of Social Development.

4. RISK ASSESSMENT AND MOTIVATION

The following key risk areas have been addressed to ensure the feasibility of the project and are reported as follows:

4.1 IDP COMPLIANCE / MUNICIPALITY SUPPORT

- 4.1.2 The Municipality is in full support of the proposed project. A letter of support from the Municipal Manager is attached as **Annexure**

4.2 LAND ISSUES / TOWNSHIP PLANNING

- 4.2.1 The land, that comprises the project area, is described as.....,hectares in extent. Find attached a copy of the Locality Map. (**Annexure ...**).
- 4.2.2 The land is in the ownership of See attached Deed of Transfer No....., as **Annexure** A letter from the Land Claims Commissioner stating that the land for development is clear of any claims is also attached. (**Annexure ...**)

4.3 GEOTECHNICAL / TOPOGRAPHICAL CONDITIONS

- 4.3.1 A Phase 1 geotechnical investigation carried out by geotechnical engineers, confirms the general geotechnical conditions underlying the proposed development area pose no hindrance.. Find attached an extract of the report. (**Annexure**).
- 4.3.2 The variation calculator as completed by the Geotechnical Engineer revealed that the project should be subject to a variation allowance to compensate for difficult soil and topographical conditions. Find attached a copy of the variation questionnaire and calculation of the variation allowance. (**Annexure**).

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

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4.4 ENVIRONMENTAL CONDITIONS

4.4.1 The Kwazulu-Natal Department of Agriculture, Environmental Affairs and Rural Development has noted that there no triggers for environmental authorisation at this stage. (**Annexure**).

4.4.2 Whilst, there is no need for environmental authorisation at this stage, an Environmental Management Plan must however, be submitted to the Department of Agriculture, Environmental Affairs and Rural Development for consideration. Find attached as **Annexure**, extracts from the Draft Environmental Plan conducted by

4.5 BULK SERVICES

The status of the bulk services as confirmed by the Municipality is indicated below :

4.5.1 Water
(**Annexure ...**)

4.5.2 Sanitation
(**Annexure**)

4.5.3 Roads
Access to the village can be gained via the existing road

4.5.4 Electricity

4.6 SOCIAL SUPPORT AND SUSTAINABILITY

4.6.1 The concept of the foster care homes is in line with the Department of Social Development's policies. Find attached a letter of support from the Department of Social Department. (**Annexure**) The process of registration has started, and homes can only be registered as foster care homes once construction is completed and houses are occupied. Find attached status of application for registration from Department of Social Development. (**Annexure ...**). Once registered, foster care grants can be made available by the Department of Social Development.

4.6.2 This project also sought to mobilise the support of external donors, whose funding will be utilized to ensure the long term sustainability The developer has confirmed that donor funding currently amounts to R, which will be utilized to bridge finance the house construction, other facilities and contribute the operation costs of the homes. (**Annexure ...**)

4.6.3 The is an established organization and has the experience and skill in managing similar projects, as highlighted in the attached Business Plan (**Annexure ...**). The organization has the human and financial resources (see attached financial statements as **Annexure**) and skills to ensure the sustainability of the project in the following ways :

4.6.3.1
4.6.3.2

4.6.4 The Department of Human Settlements Institutional Management Component, undertook an evaluation of the suitability of the developer and the feasibility and

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sustainability of the project and found it to be worthy of support. Find attached a copy of the evaluation report. (**Annexure ...**)

4.6.5 The proposed operational costs of the homes in relation to the monthly income received, reveals that the homes will be sustainable. Find attached a copy of the proposed monthly income and expenditure for the homes. (**Annexure ...**)

4.6.6 Also, find attached letters of support from the Premier of Kwazulu-Natal, as well as the Ward Councillor. Attached as **Annexure**

4.7 INTEGRATION OF SOCIAL AND ECONOMIC ACTIVITIES

4.7.1 In terms of the proposed development plan, the village will consist of a crèche, a primary school, a secondary school and a clinic. The church building will serve as a multi-purpose school.

4.8 NORMS AND STANDARDS

4.8.1 The developer has proposed the following levels of service, complying with acceptable levels within the municipal area:

Sanitation	-
Roads	-
Stormwater	-
Water	-

4.8.2 Find attached as **Annexure**, the preliminary engineering design report containing the level of services existing and proposed for the development together with the cost breakdown.

4.8.3 The proposed top structure size is m² and the architectural drawings are attached as **Annexure** The plans have also been evaluated by the Municipality's Environmental Health Component and it was found that the floor space is adequate. Find attached letter of evaluation from Municipality's Environmental Health. (**Annexure ...**)

4.8.4 NHBRC REGISTRATION:-

The implementing agent is already registered with the NHBRC and the project is subject to NHBRC project and home enrolment. The application has already been submitted to NHBRC for enrolment.

4.9 DEVELOPER AND PROFESSIONAL TEAM

4.9.1 The, a Section 21 Company will be developer of this project. The developer is well established, and has made an application to be registered as a Non-Profit Organisation (NPO). Find attached proof of application (**Annexure**)

4.10 TECHNICAL FEASIBILITY

The project has been discussed with the Department's Product Development and Property Management Components and it was concluded that it is feasible provided that a number of "risk mitigation" measures are put in place. It be noted that funding will only be released once the home is registered with the Department of Social Development.

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5. PROJECT DEVELOPMENT PROGRAMME

- 5.1 The projected completion for the milestones, planning and design for the units is months. See attached development programme and cash flow projection (**Annexure ...**).

6. FINANCIAL IMPLICATIONS

- 6.1 The reservation of institutional / transitional subsidies and approval of funding for the, comprising of units at a provisional cost of R (Services amount x number of units for planning & services) + R (R Institutional subsidy x number of units/beds) + R (as geotechnical variation) + R(R..... x number of units requiring variation, as geotechnical / disability variation) for planning, design, installation of services and construction of units, is requested.

- 6.2 The following be noted:

- 6.2.1 The Department of Human Settlements only release funding on completion of a serviced unit and registration of the foster care with the Department of Social Development.

7 LEGAL IMPLICATIONS

- 7.1 A project agreement is to be entered into between the developer, implementing agent and the Department of Human Settlements.

Sample

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

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8 RECOMMENDATION

It is recommended that the MEC grant approval for:

8.1 The reservation of institutional / transitional subsidies and approval of funding for the, comprising of units at a provisional cost of R (Services amount x number of units for planning & services) + R (R Institutional subsidy x number of units/beds) + R (as geotechnical variation) + R(R..... x number of units requiring variation, as geotechnical / disability variation) for planning, design, installation of services and construction of units, to be implemented as follows :-

8.1.1 The Department of Human Settlements only release funding on completion of a serviced unit and registration of the foster care home with the Department of Social Development.

8.1.2 The development programme for the construction of the units be linked to the annual revised subsidy quantum.

8.2, a Section 21 Company, to be appointed, as developer on the project.

8.3 The top structure, plans and specifications.

Submitted By _____ DM: Project Management _____ Date	Supported _____ Manager : Project Management _____ Date
Supported/Not Supported _____ GM: Project Management _____ Date Comments: _____ _____	Supported/Not Supported _____ CFO _____ Date Comments: _____ _____
Supported/Not Supported _____ Chief Operations Officer _____ Date Comments: _____ _____	Recommended/Not Recommended/Recommended as Amended _____ Chairperson: HEAC / Head of Department _____ Date Comments: _____ _____
Approved/Not Approved/Approved as Amended _____ MEC for Human Settlements _____ Date Comments: _____ _____	

ANNEXURES

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

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RURAL STAGE 1



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

SUBMISSION TO THE KWAZULU-NATAL HOUSING EVALUATION AND ASSESSMENT COMMITTEE FOR RECOMMENDATION TO THE MEC FOR HUMAN SETTLEMENTS

PROJECT NAME : _____ **RURAL HOUSING PROJECT** (include project type/subsidy instrument)
PROPOSED DEVELOPER : _____ **MUNICIPALITY**
LOCAL MUNICIPALITY : _____ **MUNICIPALITY**
DISTRICT MUNICIPALITY : _____ **DISTRICT MUNICIPALITY**
IMPLEMENTING AGENT/ SERVICE PROVIDER : _____
CO-ORDINATES : X = _____, Y = _____
WARD NO. : _____
POVERTY RANKING : _____

SUBJECT: APPLICATION FOR A NEW RURAL INSITU UPGRADE PROJECT

1. PURPOSE:

To seek approval from the Kwazulu-Natal MEC for Human Settlements and Public Works for:

- 1.1 Rural subsidies for the □□□□ Rural Housing Project, a rural insitu upgrade project, comprising of 1000 residential units, amounting to a provisional total cost of R (rural subsidy + professional fees x number of sites) inclusive of planning, design, professional fees and top structure cost but exclusive of variation allowance and additional professional fees which will be calculated later) to be implemented as follows:
 - 1.1.1 Initial funding of the project for Stage 1,
 - 1.1.2 Funding for Stage 2, to be approved upon completion of the Stage 1 milestones

2. BACKGROUND

Background of the project, reference to the IDP, capacity of the municipality, status of the project, proposed methodology for implementation and previous approvals or issues that could impact on the project.

3. RISK ASSESSMENT AND MOTIVATION

The following key risk areas must be assessed to determine the feasibility of the project and reported on together with proof of the assessment.

3.1 LAND AVAILABILITY, SETTLEMENT PLANNING AND STATUTORY APPROVALS

- 3.1.1 Development Rights Agreement
- 3.1.2 land audit report
- 3.1.3 letter from the Land Claims Commissioner

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

PROJECT NUMBER	K
REGIONAL OFFICE	REGION
PROJECT MONITOR	
DATE	

RURAL STAGE 1

3.2 GEOTECHNICAL FEASIBILITY

3.2.1 Preliminary geotechnical assessment

3.3 ENVIRONMENTAL INVESTIGATION

3.3.1 Report prepared in order to satisfy the requirements of the Department of Environmental Affairs.

3.3.2 Confirmation from the Department of Agriculture and Environmental Affairs

3.4 BULK SERVICES

3.4.1 Water: Preliminary Bulk Services Report and confirmation from the District municipality

3.4.2 Sanitation provision

3.4.3 Roads

3.4.4 Electricity

3.5 COMMUNITY AND SOCIAL ISSUES

3.5.1 Social Compact Agreement

3.5.2 Community facilitation: Letter of Consent from Traditional Authority

3.6 DEVELOPER AND IMPLEMENTING AGENT

3.6.1 The □□□□□□ Municipality is to fulfil the role of developer.

3.6.2 Agreement between the implementing agent and the Municipality: Due to lack of capacity of the Municipality, the Municipality has appointed Implementing Agent, on a turnkey contract to manage and implement the project.

3.6.3 The current professional team is comprised as follows :

Implementing Agent	:	□□□□□□ cc
Land Surveyor	:	□□□□□□
Professional Engineers	:	□□□□□□
Geotechnical Engineers	:	□□□□□□
Subsidy Administrator	:	□□□□□□
Environmentalist	:	□□□□□□

3.7 NORMS AND STANDARDS

Indicate any minimum norms and standards applicable at this stage

3.8 INTEGRATION OF SOCIAL AND ECONOMIC ACTIVITIES

The municipality has confirmed that the project area has schools, community halls, etc.

3.9 FEASIBILITY AND PROJECT AFFORDABILITY ASSESSMENT

3.9.1 The Regional Office of the Department of Human Settlements has undertaken a detailed evaluation, which covers all aspects of development.

3.9.2 The project is feasible provided that a number of "risk mitigation" measures are put in place. These include:

3.9.3 Limiting project expenditure and risk by approving and implementing a staged funding methodology process comprising of two stages.

3.9.4 Stage two funding, which can only be approved on conclusion of stage one, will cover the cost of

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Initials							

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DATE	

RURAL STAGE 1

4. PROJECT DEVELOPMENT PROGRAMME

The proposed development programme time frame for the conclusion of the planning or Stage 1 is attached.

5. BUDGETARY ALLOCATION

LOCATION	VALUE OF PROJECTS	STAGE	AMT SPENT TO DATE	AMT SPENT IN 2010/11	ALLOCATION FORMULA	PROJECTED EXPENDITURE		
						11/12	12/13	13/14
	R	N/A	R	R (end Feb 11)	R			
	R	N/A		R (end Feb 11)	R (2011/12)			
	R (Stage 1)	1	NIL	NIL				

6. FINANCIAL IMPLICATIONS

- 6.1 Funding required for this stage (1) e.g A provisional amount of R (Professional fees + rural subsidy x number of sites).
- 6.2 Funding for Stage 2, to be approved upon completion of the Stage 1 milestones and the development programme be automatically linked to the yearly revised subsidy quantum.
- 6.3 Copy of the Cash Flow projection.

7. LEGAL IMPLICATIONS

Include any legal implications of the project e.g. a project agreement between the Department of Human Settlements, Municipality and Implementing Agent, which sets out the terms and conditions of the development and the stage 1 funding.

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

PROJECT NUMBER	K
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RURAL STAGE 1

8. RECOMMENDATION

It is recommended that the MEC for Human Settlements grant approval for:

- 8.1 A total ofsubsidies, for theRural Housing Project, amounting to a provisional amount of R (Rural subsidy + professional fees x number of sites) be approved, and be implemented as follows:
- 8.2 The..... Municipality to be appointed as developer on the project.

Submitted By _____ Date _____ DM: Project Management	Supported _____ Date _____ Manager : Project Management
Supported/Not Supported _____ Date _____ GM: Project Management Comments: _____ _____	Supported/Not Supported _____ Date _____ CFO Comments: _____ _____
Supported/Not Supported _____ Date _____ Chief Operations Officer Comments: _____ _____	Recommended/Not Recommended/Recommended as Amended _____ Date _____ Chairperson: HEAC / Head of Department Comments: _____ _____
Approved/Not Approved/Approved as Amended _____ Date _____ MEC for Human Settlements Comments: _____ _____	

ANNEXURES

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

Project Number	K
Regional Office	REGION
Date	
Monitor	

RURAL STAGE 2



human settlements

Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL

KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

SUBMISSION TO THE KWAZULU-NATAL HOUSING EVALUATION AND ASSESSMENT COMMITTEE FOR RECOMMENDATION TO THE MEC FOR HUMAN SETTLEMENTS

PROJECT NAME : _____ **RURAL HOUSING PROJECT** (include project type/subsidy instrument)

PROPOSED DEVELOPER : _____ **MUNICIPALITY**

LOCAL MUNICIPALITY : _____ **MUNICIPALITY**

DISTRICT MUNICIPALITY : _____ **DISTRICT MUNICIPALITY**

IMPLEMENTING AGENT/ SERVICE PROVIDER : _____

CO-ORDINATES : X = _____ , Y = _____

WARD NO. : _____

POVERTY RANKING : _____

SUBJECT: APPLICATION FOR FUNDING OF STAGE 2 OF THE RURAL PROJECT

1. PURPOSE

To seek final approval from the MEC for Human Settlements for:

1.1 Funding for Stage 2, for the construction ofm² houses and VIP's for theRural Housing Project, a rural in situ upgrade, comprising of sites, amounting to a provisional cost of R..... (Rural subsidy + professional fees + R....., as variation allowance = R..... per site x the number of sites), to be implemented as follows:

1.1.1 Top structures, are to be constructed at an average rate ofhouses and VIP's per month, from the agreement effective date and the approved development programme of 25 months, be linked to the annual revised subsidy quantum.

1.2 Them² house and VIP design and specifications.

2. BACKGROUND

2.1 TheRural Housing Project was granted Stage 1 approval by the MEC on the Attach copy of project agreement.

2.2 Details on previous approvals or issues that could impact on the project.

2.3 Municipality request for Stage 2 funding

3. PRODUCT TO BE DELIVERED, COST NORMS AND STANDARDS

3.1 Levels of service and houses to be delivered

3.2 Attach the Services Agreement concluded between the District and Local

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

Project Number	K
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RURAL STAGE 2

3.3 Necessary enrolments with the NHBRC.

4. RISK ASSESSMENT AND MOTIVATION

4.1 Planning Consent

4.1.2 The Department of Co-operative Governance and Traditional Affairs approval.

4.1.3 A copy of the settlement plan.

4.2 Land Owner Consent / Development Rights Agreement

4.2.1 An approval has been granted from the Ingonyama Trust Board

4.2.2 Copy of the Development Rights Agreement

4.3 Environmental Legislation

4.3.1 Letter from the Department of Agriculture and Environmental Affairs.

4.4 Geotechnical Investigations

4.4.1 The geotechnical investigation and respective report. It further concluded that the project should be subject to a variation allowance to compensate for difficult soil and topographical conditions. Attach a copy of the variation questionnaire and calculation of the variation allowance, authorized by the relevant geotechnical engineer.

4.4.2 Request for a location allowance to compensate for the cost of transporting material from the nearest major town centre to the project area.

4.4.3 Motivation if there is a need to construct access roads to inaccessible sites due to difficult terrain. Engineering designs completed and environmental authorization sought.

4.5 Beneficiary Administration

4.5.1 A total of homesteads (umuzi) have been surveyed and beneficiary applications lodged with the Department, of which have been approved to date. Attach approved beneficiary status

4.6 GPS Referencing

4.6.1 The position of each proposed top structure was surveyed and referenced by the Professional Surveyor. Find attached a copy of the survey certificate and GPS co-ordinates.

4.7 Social Issues

4.7.1 Attach any addendum to the original social compact.

4.8 Evaluation of Product to be delivered

4.8.1 It should be noted that the Region has evaluated the house plans, in view of the Department of Co-operative Governance and Traditional Affairs planning recommendations and found it to be functional and value for money.

4.8.2 The Engineer will supply the Department of Human Settlements with Professional Indemnity to cover the designs for VIP andm² foundations. Find attached plans and specification of the house and VIP.

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

Project Number	K
Regional Office	REGION
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Monitor	

RURAL STAGE 2

5. PROJECT DEVELOPMENT PROGRAMME

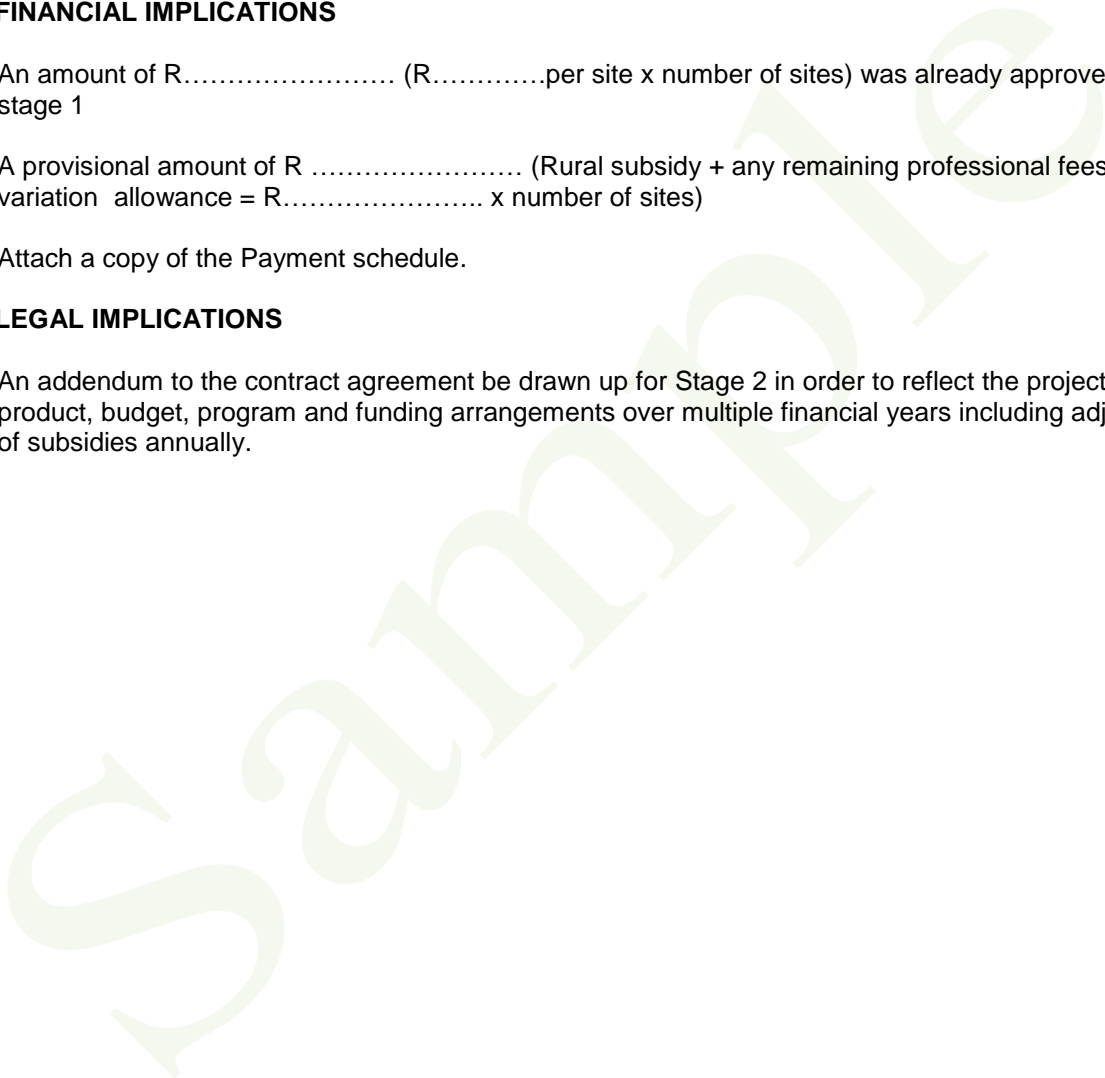
- 5.1 The proposed development program spans amonth period and the development program is linked to the subsidy amount applicable at the time of construction.
- 5.2 Attach a copy of development program.

6. FINANCIAL IMPLICATIONS

- 6.1 An amount of R..... (R.....per site x number of sites) was already approved for stage 1
- 6.2 A provisional amount of R (Rural subsidy + any remaining professional fees + variation allowance = R..... x number of sites)
- 6.3 Attach a copy of the Payment schedule.

7. LEGAL IMPLICATIONS

- 7.1 An addendum to the contract agreement be drawn up for Stage 2 in order to reflect the project product, budget, program and funding arrangements over multiple financial years including adjustment of subsidies annually.



Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

Project Number	K
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RURAL STAGE 2

8. RECOMMENDATION

It is recommended that:

- 8.1 Funding for Stage 2, for the construction ofm² houses and VIP's for theRural Housing Project, a rural in situ upgrade, comprising of sites, amounting to a provisional cost of R..... (Rural subsidy + professional fees + R....., as variation allowance = R..... per site x the number of sites), to be implemented as follows:
- 8.2 A approved development programme of 25 months be approved to the annual revised subsidy amount quantum.
- 8.3 Them² house and VIP designs and specifications, be approved.
- 8.4 **SPECIAL CONDITIONS OF APPROVAL**
Include any special conditions that need the approval of the MEC e.g the addendum for stage 2 funding only be concluded when the project is enrolled with the NHBRC, etc.

Submitted By _____ Date _____ DM: Project Management	Supported _____ Date _____ Manager : Project Management
Supported/Not Supported _____ Date _____ GM: Project Management Comments: _____ _____	Supported/Not Supported _____ Date _____ CFO Comments: _____ _____
Supported/Not Supported _____ Date _____ Chief Operations Officer Comments: _____ _____	Recommended/Not Recommended/Recommended as Amended _____ Date _____ Chairperson: HEAC / Head of Department Comments: _____ _____
Approved/Not Approved/Approved as Amended _____ Date _____ MEC for Human Settlements Comments: _____ _____	

ANNEXURES

Name	Team Leader	Regional Manager	GM: Project Management	COO	CFO	HOD/Chairperson	MEC
Initials							

PROJECT NUMBER	K
REGIONAL OFFICE	REGION
PROJECT MONITOR	
DATE	

PLS STAGE 2



human settlements
 Department:
 Human Settlements
 PROVINCE OF KWAZULU-NATAL

KWAZULU-NATAL DEPARTMENT OF HUMAN SETTLEMENTS

SUBMISSION TO THE KWAZULU-NATAL HOUSING EVALUATION AND ASSESSMENT COMMITTEE FOR RECOMMENDATION TO THE MEC FOR HUMAN SETTLEMENTS

PROJECT NAME : _____ **PROJECT LINKED HOUSING PROJECT**
 (include project type/subsidy instrument)
PROPOSED DEVELOPER : _____ **MUNICIPALITY**
LOCAL MUNICIPALITY : _____ **MUNICIPALITY**
DISTRICT MUNICIPALITY : _____ **DISTRICT MUNICIPALITY**
IMPLEMENTING AGENT/ SERVICE PROVIDER : _____
CO-ORDINATES : X = _____, Y = _____
WARD NO. : _____
POVERTY RANKING : _____

SUBJECT: REQUEST FOR FUNDING FOR STAGE 2 FOR THE INSTALLATION OF SERVICES

PURPOSE

To seek approval from the MEC of Human Settlements for:

1.1 Funding for Stage 2, installation of services for the □□□□ Integrated Human Settlement Project, amounting to R, comprised of R (Services subsidy x no. of sites, inclusive of a variation allowance of R), to be implemented as follows:

1.1.1in terms of the development programme;

1.2 The balance of funding for Stage 3, for the construction of the super-structure, to be finally approved at a later stage and the development program be linked to the annual revised subsidy quantum.

2. BACKGROUND

Background of the project with reference to the previous approvals and / or issues from Stage 1 that could impact on the project.

3. LEVEL OF SERVICES TO BE DELIVERED

3.1Ilembe Municipality has committed additional MIG funding to (**Annexure...**)

3.2 The proposed house will be 40m² with 2 bedrooms, living area and shower and toilet. Find attached as Annexure ..., a copy of the draft house plan. It should be noted that the slabs will be constructed as part of the civil contract whilst the superstructure will be constructed at a later stage.

3.3 The project has been enrolled with the NHBRC.

4. RISK ASSESSMENT AND MOTIVATION

Initials

PROJECT NUMBER	K
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DATE	

PLS STAGE 2

4.1 PLANNING AND STATUTORY APPROVALS

- 4.1.1 Approved layout plan attached. (**Annexure ...**).
- 4.1.2 The DFA Tribunal has granted approval of the planning of the project area.

4.2 GEOTECHNICAL FEASIBILITY

- 4.2.1 A detailed Phase 1 geotechnical investigation covering the entire project area was undertaken during the Stage 1 activities and it revealedFind attached an extract from the geotechnical report, and a copy of the questionnaire and calculation of the variation allowance, authorized by the relevant geotechnical engineer.

4.3 ENVIRONMENTAL CONSENT

- 4.3.1 An environmental impact assessment was completed and concluded that the development will not have any significant impact on the environment. The Record of Decision from the Department of Agriculture, Environmental Affairs and Rural Development is attached (**Annexure...**).

4.4 BULK SERVICES

- 4.4.1 Bulk services are in place and are adequate for the development, except for the bulk sewer which is to be upgraded over the multi year period and will be developed simultaneously with the Inyoni project. A Service Level Agreement has also been concluded between Ilembe District Municipality and Mandeni Municipality, spelling out the status and commitments for bulk water and sanitation for the project (**Annexure ...**).

4.5 NORMS AND STANDARDS

- 4.5.1 The project is enrolled with NHBRC. Find attached confirmation of enrolment. (**Annexure....**)
- 4.5.2 The levels of services will be:
 - Sanitation -
 - Roads -
 - Storm water -
 - Water -
- 4.5.3 The civil engineering report is attached as **Annexure** The civil engineering services report (**Annexure...**).
- 4.5.4 The top structure will be 40m².
- 4.5.5 The Geotechnical and Structural Engineers will supply the Department of Human Settlements with Professional Indemnity to cover the civil engineering and foundation designs and certify all work completed.

4.6 COMMUNITY AND SOCIAL ISSUES

Initials	
-----------------	--

PROJECT NUMBER	K
REGIONAL OFFICE	REGION
PROJECT MONITOR	
DATE	

PLS STAGE 2

An addendum to the Social Compact Agreement has been signed and is on file. The Social Compact Agreement confirms the support of both the Municipality and the Development committee for the development and for the level of services and minimum size of product to be developed.

4.7 SUMMARY OF EXPENDITURE AND ESTIMATES BY MUNICIPALITY AND PROJECT

	LOCATION	VALUE OF PROJECTS	STAGE	AMOUNT PREV. SPENT	AMOUNT SPENT 09/10	ALLOCATION FORMULA	PROJECTED EXPENDITURE		
							10/11	11/12	12/13
DISTRICT									
LOCAL									
PROJECT									

5. PROJECT DEVELOPMENT PROGRAMME

5.1 A development program of months, for Stage 2, installation of services, is envisaged from the effective date of the project agreement. A proposed development programme and cash flow is attached as **Annexure**

6. FINANCIAL IMPLICATIONS

6.1 An amount of R (Services amount x number of sites less preparation funding amounting to R.....) for Stage 1, planning and design, was approved by the MEC on

6.2 Funding for Stage 2, for the installation of services amounting to R, (Services amount x number of sites inclusive of a variation allowance of R) is now required. The ... month development program will be linked to the annual revised subsidy quantum. Find attached a copy of the payment schedule. (**Annexure ...**).

6.3 The funding for Stage 3, for the construction of the superstructure, to be applied for later and the development program be linked to the annual revised subsidy quantum.

7. LEGAL IMPLICATIONS

7.1 An addendum to the existing project agreement will be required to reflect the terms and conditions of the Stage 2 funding.

Initials

PROJECT NUMBER	K
REGIONAL OFFICE	REGION
PROJECT MONITOR	
DATE	

PLS STAGE 2

8. RECOMMENDATIONS

It is recommended that the MEC for Human Settlements and Public Works grant approval for:

8.1 Funding for Stage 2, installation of services for the □□□□ Integrated Human Settlement Project, amounting to R, comprised of R (Services subsidy x no. of sites, inclusive of a variation allowance of R), to be implemented as follows:

8.1.1in terms of the development programme;

8.2 The balance of funding for Stage 3, for the construction of the super-structure, to be finally approved at a later stage and the development program be linked to the annual revised subsidy quantum.

8.3 Special Conditions

Submitted By _____ DM: Project Management Date _____	Supported _____ Manager : Project Management Date _____
Supported/Not Supported _____ GM: Project Management Date _____ Comments: _____ _____	Supported/Not Supported _____ CFO Date _____ Comments: _____ _____
Supported/Not Supported _____ Chief Operations Officer Date _____ Comments: _____ _____	Recommended/Not Recommended/Recommended as Amended _____ Chairperson: HEAC / Head of Department Date _____ Comments: _____ _____

Initials

PROJECT NUMBER	K
REGIONAL OFFICE	REGION
PROJECT MONITOR	
DATE	

PLS STAGE 2

Approved/Not Approved/Approved as Amended	
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> MEC for Human Settlements	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Date
Comments: _____ _____	

ANNEXURES

Sample

Initials