Evaluating social housing intervention strategies in a South African municipality

With particular reference to the City of Cape Town

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ABSTRACT

According to the Department of Human Settlement Annual Report (2010:5) accelerating the delivery of housing opportunities by 2014 by providing proper basic services and land tenure to households currently living in informal settlements, is the government's mandate that must be realised. Following this objective, the Western Cape devised strategies to accelerate housing delivery and service improvement in the informal areas. For example, an Integrated Human Settlement Plan was developed to contextualise the City of Cape Town's strategy for the provision of equitable and affordable shelter to all, (City of Cape Town Service Delivery Report 2005/6:177). This plan sparked the development of a City-wide Spatial Development Plan, involving various role players and integrated planning processes. The Five Year Integrated Housing Plan, (2007/8 – 2011/12:7) recognises this as it argues that the City of Cape Town's objective is accelerating housing provision and ensuring that land utilisation is well planned, managed and monitored.

To achieve all this on a broader scale, the City has adopted the national Breaking New Ground plan (BNG) for the development of sustainable human settlements and has also aligned itself with the Provincial Government's Western Cape Sustainable Human Settlement Strategy called 'Isidima', (Five Year Integrated Housing Plan, 2007/8 – 2011/12: 7). According to the Five Year Integrated Housing Plan (2007/8 – 2011/12:7), these two instruments are a shift from traditional approaches to the holistic provision of housing, with the aim of developing and improving integrated human settlements. Despite these joint initiatives, it appears that Cape Town is still experiencing a huge housing backlog. This could be blamed on the failure to plan for migration into the Western Cape. This article, examines the extent to which the housing intervention strategies are effective in dealing with the housing dilemma in Cape Town.

INTRODUCTION

Segregation of population groups was lawfully permitted under apartheid. According to Knight, (2001:3) the *Group Areas Act*, 41 of 1950 implemented a forced physical separation process between races by creating different residential areas for different races. Black Africans had to live in the peripheral areas called *townships* or in impoverished rural areas known as *Bantustans*. These areas were usually far from amenities and job opportunities. Thus, the apartheid system built few houses for black Africans who were the majority of the population and this situation led to inequality, the negative effects of which has persisted till date. As a result, when the African National Congress (ANC) led government came into power in 1994, there was only 1 formal brick house for every 43 black Africans compared to one for every 3.5 Whites (Knight, 2001:1). With such huge disparities and with the new-found political freedom to move into previously restricted areas of cities like Cape Town, the demand for housing has expectedly been on the increase with large numbers of black Africans seeking employment opportunities in the cities. The urban backlog alone was estimated as at least 1,3 million units in 1994 (Knight, 2001).

LEGISLATIVE FRAMEWORK

The South African Constitution and Housing Act 107 of 1997

The *Constitution of the Republic of South Africa*, 1996, in section 26, provides that everyone has the right to have access to adequate housing, and the state must take reasonable legislative and other measures, within its available resources, to achieve the realisation of this right. This section is the building block of the Housing legislative framework in South Africa. The White Paper on Housing which was enacted in December 1994 sets out the framework for the National Housing Policy. All policy programmes and guidelines follow the framework set out in that White Paper. The *Housing Act*, 107 of 1997 aligned the National Housing Policy with the Constitution, 1996 and gives clarity on the roles and responsibilities of the three spheres of government in providing houses. The three spheres of government are expected to work together holistically in the process of housing delivery. The provincial sphere plays the role of project approval and oversight with municipalities being hands-on since it is close to the people. For instance, the national government acting through the Minister must, after consultation with every Member of the Executive Council (MEC) and the national organisation representing municipalities as enacted in section 163 (a) of the Constitution, establishes and facilitates a sustainable national housing development process (*Housing Act*, 107 of 1997).

The *Housing Act*, 1997 assigns different roles to the national, provincial and local spheres of government. These roles are deduced from the National Housing Subsidy Scheme (2003: 12–15) and from the Housing Act, 1997:

National Government

The role of national government, acting through the powers of the Minister of Housing is to:
- formulate national housing policy, including national norms and standards, for implementation on National Housing Programmes;

- determine nationwide delivery targets through a multiyear strategic plan with appropriate apportionment of funds allocated from the South African Housing Fund;
- continuously evaluate performance related to the delivery targets and funding allocations; and
- assist and enhance the capacity of provincial and local government to meet targeted objectives.

The following offices / departments implement the housing policy:
- ***National Minister of Human Settlements***: responsible for National Housing Policy, in collaboration with the Housing MECs, i.e. the Provincial Members of the Executive Councils responsible for housing and a representative of the South African Local Government Association (SALGA).
- ***National Department of Human Settlements***: manages national strategy and programmes, and facilitates and monitors national housing delivery targets.
- ***South African Housing Development Board***: oversees the implementation of the national housing policy and advises the Minister on matters regarding housing development.
- ***Housing Development Agency***: has a specific mandate to source public land for housing.

Provincial Government

The role of the department of housing within the provincial government is to:
- devise provincial policy within the framework of National Housing Policy, the policy must enable the development of adequate housing in the province;
- promote of provincial legislation that facilitates effective housing delivery;
- provide a supporting function to municipalities and to intervene where municipalities cannot or do not perform their duties as defined by the Act; and
- prepare and maintain a multi-year strategic provincial housing plan which will be in line with housing delivery targets determined by the province and carried out in line with National housing policy.

In the provincial sphere the office/department which implements housing policy are:
- ***MEC for housing***: responsible for formulation and execution of provincial housing policy, which must be in-line with the national policy;
- ***provincial housing department***: manages provincial strategy, assists with project applications, assesses the viability of projects, and oversees projects; and
- ***provincial housing development boards***: approves and allocates housing subsidies, but this ceased in 2001 except in the Western Cape.

The Housing Amendment Act has since assigned the Board's powers to the MEC.

Local Government

According to the *Housing Act*, 1997 all municipalities, as part of their function to promote the Integrated Development Plan (IDP), must implement the framework of national and provincial housing legislation to ensure that:

- the local residents of its area of government have access to adequate housing opportunities;
- the health and safety of residents are adhered to; and
- infrastructure services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a viable manner.

Therefore, in the local government sphere a municipality is responsible to:
- plan and strategise housing programmes to ensure effective delivery of housing;
- implement local housing strategy and set housing delivery targets and goals;
- allow for provision of land for future housing development;
- manage conflict resolution;
- assist with the installation of bulk engineering services in the absence of service providers;
- manage and administer housing programmes, where accredited to do so;
- encourage and support all role players and key stakeholders to participate in housing programmes, i.e. private sector developers, CBOs and NGOs by assisting in the identification of projects, by bringing role players together and by supporting community organisations to be able to participate in these processes;
- expropriate land for housing development projects (with permission of the MEC) where necessary;
- facilitate development functions, either directly or by setting up an independent housing company; and
- participate in joint venture contracts with private sector developers, NGOs or CBOs.

It is, therefore, paramount that all these spheres of government work together in synergy in order to achieve intended policy outcomes.

HOUSING BACKLOG IN WESTERN CAPE

To address the housing backlog sufficient funds are needed. The Department of Human Settlements (DHS) has unveiled the revenue for the 2011/12 financial year as follows: the total Human Settlements budget to be spent in the Western Cape Province is R2,584 billion, of which R1,639 billion is for the Western Cape's Human Settlement Development Grant (HSDG) allocation; R824 million for the City's Urban Settlement Development Grant (USDG) allocation and R197 million is the Department's equitable share and receipts (Human Settlement Department Budget Vote Speech, 2011/12). Furthermore, in its business plan, the Western Cape DHS therefore indicates that between 2010 to 2015, the Western Cape had set aside 84% of its allocation towards informal settlements' upgrading, as well as R249 million towards affordable rental housing (Western Cape Department of Human Settlement 2011).

The Human Settlement Development Grant (HSDG) for the Western Cape in the 2011/12 financial year allocation as presented by the Department is at R1 638 845 billion (84% of the funds of which R1 373 845 is for informal settlement upgrading), and (15,1% which represents to R249 000 is for affordable rental housing), for land acquisition the budget is at (0,6% equivalent to R10 000) for 2011/12 financial year. For the 2012/13 financial year

the budget is R1 711 035 billion and for 2013/14 financial year the budget is at R1 804 784 billion, (Presentation at the Human Settlement Portfolio Committee, 23 April 2011). Below are some strategies to address the housing backlogs in Cape Town.

Land Acquisition

As shown in the discussion above, the budget allocation for land acquisition is at 0,6% equivalent to R10 000. The City of Cape Town Local Housing Department identifies two kinds of land for its five year plan i.e. large, open tracts located within its jurisdiction, and well located pockets within the urban core to promote the objectives of BNG. The latter comprise two varieties, namely; those purchased to facilitate informal area upgrades such as to de-densify particular settlements to make them upgradable, and, those earmarked for stand-alone housing projects. Further details deduced from the Five Year Integrated Housing Plan, (2008/09- 2012/13) are discussed below:

   a. **Large tracts of raw land**: In this regard, the Housing Directorate has bought roughly 380 ha of land in Fisantekraal, Kalkfontein, Joostenbergvlakte, Vlakteplaas, Strand and Hout Bay specifically for new housing developments in the last two years. Together with its other land holdings, such as Macassar and Pelican Park, this amounts to 520 ha and will form the basis of the next five years' worth of housing delivery. It is, however, estimated that R350 million of non-housing funding will be required to prepare this land for bulk services.
   b. **Smaller pockets of land**: A series of smaller sites are due for development in the forthcoming three years. Of these, eight parcels measuring 22 ha were purchased in the last two years, while the rest are either already owned by the City or have been made available by the Provincial Housing Department. Not all of the sites require bulk infrastructure.
   c. **Land for de-densification**: In contrast to the above, this land is tied to an informal area upgrade project. These tracts are, however, Greenfield and unoccupied. Preparing these sites for settlement will form part of an adjacent UISP project. Several parcels have been purchased for this purpose in the last two years, such as Witsand and Fisantekraal. Others in Council ownership already have also been reserved for this purpose. Their identification will proceed along with upgrade- project planning and execution rather than independently as part of a land release function.

According to the Five Year Integrated Housing Plan, (2008/09- 2012/13) securing government owned public land is an important part of meeting housing delivery targets. According to the City of Cape Town's Local Housing Directorate this has been difficult to achieve even though the Directorate is endeavouring to succeed, given the introduction of the Housing Development Agency (HDA), which has a specific mandate to source public land for housing. Furthermore, land release for housing implies the provision of security of tenure. For example, in Cape Town, 160 000 title deeds have been issued over the past 15 years to low income families (Five Year Integrated Housing Plan 2008/09- 2012/13). The Report argues that, apart from achieving housing objectives set by previous administrations, this has made a significant contribution towards urban land reform. The Directorate is also aware that this initiative has implications for rates and service charges, and for the financial sustainability of

the municipality. Therefore, the choice of providing freehold tenure is well provided for (Five Year Integrated Housing Plan, 2008/09- 2012/13).

Anti-Land Invasion Unit (ALIU)

As discussed above the challenge the City of Cape Town faces, is that City owned land is under continual threat of being illegally invaded by people who need housing. Land invasions evoke a perception that people are jumping the City's queuing system. The City of Cape Town therefore has established the ALIU to provide law enforcement on this behaviour. ALIU personnel works closely with the City's Specialised Services Law Enforcement unit to provide 24/7 patrols of Council owned vacant land; enforce the rule of law with regard to illegal shack building, and protect housing staff from attacks and resistance when they need to evict shack dwellers, and demolish and relocate shacks, (Five Year Integrated Housing Plan, 2008/09- 2012/13). It would appear that this strategy is working well as it can foresee possible land invasions and can counteract them. However, enforcing these measures have a political cost as ordinary people in the past have successfully invaded land and threatened not to vote should the government remove them.

Servicing and upgrading of the Informal settlements

According to the Five Year Integrated Housing Plan, (2008/09- 2012/13) the South African government acknowledges that the responsibility for South Africa's informal settlements cannot be allocated specifically to the National Government's Department of Housing. It must be addressed inter-governmentally. Current research suggests that the informal settlement upgrade is simply incremental with regard to the installation of essential services such as one tap per 25 families and one toilet for five families. The Five Year Integrated Housing Plan, (2008/09-2012/13) argues that the programme has been applied in conventional infrastructure and housing terms, giving little attention to poverty concerns and sustainable livelihood issues. To rectify this, the National Department of Housing created the National Upgrading Support Programme (NUSP), with Support from the Cities Alliance. The purpose of the NUSP is to complement and support the UISP, improve its performance and apply *in situ* upgrading across the country.

   With regard to the Upgrading of Informal Settlements Programme, it is noted in the Five Year Integrated Development Plan, (2007/8–2011/2012) that the informal settlements, in which the bulk of the low income subsidy housing market is to be found, are located on the City's periphery, far from economic, health and social opportunities. These areas are characterised by harsh social and economic conditions, which manifest in high levels of poverty, unemployment, illiteracy, alcoholism, drug addiction, low health status and other behaviour such as crime and delinquency (Five Year Integrated Plan, 2007/8–2011/2012). This programme aims at unravelling this condition through the upgrading of informal settlements. The programme is informed by the National Housing policy which encourages extensive community involvement, and provides basic services, permanent services and top structures to such communities, (Five Year Integrated Plan, 2007/8–2011/2012). In addition to this, the City has launched an Informal Settlement Master Plan Framework to expedite this programme. In the light of the recent toilet saga which clouded Cape Town's efforts to

upgrade services. These efforts were rejected by the affected communities and shows lack of communication between the government and the people, respectively. Furthermore, this is in contravention with what the Minister of Human Settlements and the Freedom Charter promotes. The latter argues that, *"All people shall have the right to live where they choose, to be decently housed, and to bring up their families in comfort and security. Slums shall be demolished and new suburbs built where all shall have transport, roads, lighting, playing fields, crèches and social centres"*(Department of Housing Annual Report, 2010:5).

Apart from the strategies discussed above there are numerous programmes used to implement houses at all levels in the Western Cape. These programmes are aligned with the Integrated Development Plan of Cape Town. These housing implementation programmes are in accordance with the Five Year Integrated Housing Plan, (2007/8–2011/12:23-25). These include:

- *Integrated Residential Development Programme*: This programme provides a tool to plan and develop integrated settlements that include all the necessary land uses, housing types, including gap and rental housing and price categories, to become a truly integrated community.
- *Consolidation projects:* These projects facilitate improvements to a home where people already own a serviced stand without a top structure. These projects have been implemented throughout Cape Town, with a focus on areas such as Khayelitsha and Enkanini as the focus of this study is also under construction.
- *People's Housing Process (PHP)*: This programme supports households that wish to enhance the subsidies they receive in terms of the Housing Subsidy Scheme by building their homes themselves. Such people can participate through savings, sweat equity and/or using local contractors. The programme also provides such households with financial, project management, logistical and account administrative support. The City then plays a role in monitoring a considerable number of these PHP projects.
- *Emergency Housing Programme*: This programme facilitates the provision of temporary assistance to people who are victims of housing related disasters such as fire and flood damage on existing properties. The City accesses this funding to finance emergency housing, and the flooding and fire-kit material given to families who have lost their assets through fire, and flooding disasters
- *Social Housing Programme*: This Programme constitutes higher density subsidised housing that is implemented, managed and owned by independent accredited social housing institutions in designated restructuring zones. Along with the Community Residential Units Programme, which targets households with an income of less than R3 500 per month the Social Housing Programme provides for rental and cooperative housing projects, and facilitates access to privately administered rental housing for households with an average income of more than R3 000 per month.
- *Institutional subsidy*: This mechanism targets housing institutions that provide tenure alternatives to immediate ownership. The City is currently using this mechanism in its housing cooperative projects.
- *Community Residential Units (CRU):* This programme caters for people who earn less than R3 500 per month preferring rental housing. The municipality remains the owner of the rental units. The CRU programme encompasses funding for the long-

term capital maintenance of the City's housing rental stock and the possible creation of new rental stock.

- **Individual housing subsidy:** This subsidy is open to individual households who apply to purchase an existing house, or a vacant stand. It is also available for those wishing to enter into a building contract to purchase a house. The programme is presently administered throughout the province.
- **Enhanced Extended Discount Benefit Scheme:** This programme allows for the discounting of an amount up to the prevailing housing subsidy on the loan/purchase price/purchase price balance for the purchase of state financed properties first occupied before 1 July 1993 and stands contracted by 30 June 1993 and allocated to individuals by 15 March 1994.
- **Social and economic facilities:** This programme is primarily geared for the provision of social and economic facilities that are normally funded by municipalities. As such, it forms the foundation for the building of integrated human settlements.

EVALUATING THE OUTCOMES OF HOUSING INTERVENTION STRATEGIES

This multi-pronged implementation strategy for housing policy proves that the Western Cape Provincial government and the City of Cape Town Housing Directorate are committed to providing housing as it is constitutionally stipulated. The government must do so with all in its power, regardless of the challenges. However, for improved efficiency, the implementation strategy must be supported by effective administrative functions, including planning, monitoring and evaluation. Issues of monitoring and providing remedial support to various stakeholders in the process of delivery have been less than satisfactory including in the Western Cape. A steady increase in the housing backlog and other related phenomena are a reflection of policy failure, and a weak monitoring and evaluation system, and these needs to be strengthened. According to Ile, (2010) the National Department of Human Settlements uses the provincial departments as delivery agents and gives it a mandate as well as conditional grants to deliver on the departmental objective. This should not and does not end there; there is still a need for continuous monitoring of progress at all levels of implementation to ensure capacity of a sphere to deliver so that objectives are met.

MEETING THE HOUSING DEMAND

As it is shown in the above discussion, the Cape Town Housing Department has devised multiple strategies to meet the challenge of housing backlog in a number of ways. However, in order to address the backlog challenge effectively, planning needs *firstly* to seriously take into consideration the migration trends. This migration trend is largely caused by migration to the City from the rural areas in the Western Cape but also as a result of inter-provincial migration, particularly from the Northern Cape and the Eastern Cape provinces. It will appear that this contributory factors are not given the prominence required hence Tissington,

(2011) is sceptical about meeting the backlogs and notes that resources will not be enough to address the Cape Town housing backlog considering that migration increases by 2% annually. She argues that Cape Town will have to significantly step up the pace to clear the backlog by delivering at least 17 667 to 18 000 housing units a year for the next 15 years, which could cost the city council at least R6, 6-billion to build the houses and an additional R223 million each year to provide free basic services to these homes.

Secondly there is need to review the efficacy of the structural arrangements that support housing delivery. To this end, there has been significant changes in the structure of the Human Settlement Grant, with the Integrated Housing and Human Settlement Grant being replaced (Human Settlement Budget Vote Speech, 2011/12) by two other grants namely Human Settlement Development Grant (HSDG), which will be administered and disbursed by the Human Settlements Department, and the Urban Settlement Development Grant (USDG), which has been created by combining the Municipal Infrastructure Grant (MIG) (Cities) with 20 percent top-sliced from the Human Settlement Development Grant. According to the Human Settlement Department Budget Vote Speech (2011/12) this latter grant will be administered by the City of Cape Town's Housing Department. The efficacy of the administration of these resources requires a pro-active intergovernmental approach which provides oversight and ensures that resources are effectively utilised and accounted for using the Monitoring and Evaluation framework in South Africa.

The *third* significant element identified in this research is the possibility of the City of Cape Town Housing Department being granted a level 2 status, meaning that it has an accreditation certificate to approve housing projects' status. This suggests that the City can prioritise its own projects, they can directly receive funding from the National Government, and they can screen their own beneficiaries. The Provincial Government would then play an oversight role. These duties previously were administered by the Provincial Government but if well managed, will further decentralise and improve efficiency levels although critics could argue that it diminishes the powers of the Provincial Government as an arm legally created by the South African Government.

Lastly, the fourth element is informed by changes in the departmental structure of City of Cape Town Housing Department. At the beginning of this year the City established a new Urbanisation Department which focuses on migration holistically. This department initially created a strategic framework and this will be reviewed annually. However, this new department currently lacks human resources and if capacitated could even do better. Khosa (2003:49) is of the opinion that there is constantly a huge gap between the policy provision, the availability of resources needed to support the policy and its implementation. This means that strategies to implement and expedite housing service delivery are struggling to cope in light of resource constraints, including capacity weakness while in-migration continues to aggravate the situation. This article argues that the three spheres of government and relevant stakeholders should be working together in order to realise successful delivery of housing. Poor cooperation of the structures leads to policy failure. Khosa (2003:48) stresses that, insufficient staffing and capacity of all three spheres of government, as well as the linkages between them largely inhibit successful implementation of policies. He argues that, the discrepancies between policy and implementation are largely caused by unrealistic policies, and sometimes by lack of managerial expertise to utilise funds when they are available.

CONCLUSION

While the City of Cape Town has introduced strategies and programmes to meet the backlogs, a number of challenges hinder the achievement of the set goals and targets. The Provincial Government intends to service a little over 14 000 sites and build 12 275 houses with the share of the HSDG (Human Settlement Budget Vote Speech, 2011/12). However, the Western Cape Human Settlement Department will still not meet the minimum 17 667 target and therefore there will still be a huge unaddressed housing backlog, particularly in Cape Town, with current inter-provincial migration from the Eastern and Northern Cape provinces further exacerbating the housing crisis.

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