TOWARDS A POLICY FOUNDATION FOR THE DEVELOPMENT OF HUMAN SETTLEMENTS LEGISLATION

HOUSES, SECURITY AND COMFORT
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PREAMBLE

The achievements of the last twenty years cannot be underestimated; however, our tools needed sharpening in order to sufficiently equip us to confront the challenges of the next thirty years.

In the first ten years of our democracy, we set policy direction aimed at redressing the imbalances created by apartheid. Ten years later, we broke new ground when in 2004, Cabinet adopted a Comprehensive Plan for the Development of Sustainable Human Settlements as our new strategy. The time has come to consolidate and build on the solid foundation laid in the last 20 years.

The publishing of a Draft White Paper signals the beginning of a discourse and an extensive consultative process that will culminate in the development of a Human Settlements Act in accordance with the government trajectory outlined in the National Development Plan.

The Minister for Human Settlements, after consultation with Cabinet, the Portfolio Committee for Human Settlements, the Members of the Executive Council (MEC) for Human Settlements, the Mayors, and other stakeholders, and in terms of section 2 (b) of the Housing Act (Act 107) of 1997, will issue a draft policy document based on this discussion document for public comments as a draft policy and legislation on human settlements.


Inputs must be submitted to: mypolicy@dhs.gov.za
INTRODUCTION

A. UNDERSTANDING THE EXISTENT SHORTCOMINGS

1. In the first ten years of South Africa’s democracy the Constitutional mandate was translated into the housing policy, that contained seven strategic thrusts, which primarily informed subsequent legislation and policies:

   ► Stabilising the housing environment in order to ensure maximum benefit of State housing expenditure and facilitate the mobilisation of private sector investment.
   ► Mobilising housing credit and private savings (whether by individuals or collectively) at scale, on a sustainable basis and simultaneously ensuring adequate protection for consumers.
   ► Providing subsidy assistance to disadvantaged households to assist them to gain access to housing.
   ► Supporting the people’s housing process entailing a support programme to assist people who wish to build or organise the building of their homes themselves.
   ► Rationalising institutional capacities in the housing sector within a sustainable long-term institutional framework.
   ► Facilitating speedy release and servicing of land.
   ► Co-ordinating and integrating public sector investment and intervention on a multi-functional basis.

2. In 2004 the Comprehensive Plan for the Development of Sustainable Human Settlements brought the South African housing policy consistent with international thinking and trends and demonstrated a clear internalization of the Millennium Development Goal 7, Target 11, which sets out to improve the lives of 100 million slum dwellers by 2020. It adopted the UN-Habitat’s ethos of Cities without Slums, and the principles of Sustainable Human Settlement. The Comprehensive plan was intended to:

   ► Accelerate housing delivery;
   ► Improve the quality of housing products and environments to ensure asset creation;
   ► Ensure a single efficient formal housing market; and
   ► Restructure and reintegrate human settlements

3. The Comprehensive Plan introduced a clear shift away from the previous breadth and numbers-based approach to a more demand driven quality-based policy. It also reinforced the vision of achieving a non-racial, integrated society through the development of sustainable human settlements. Policies and programmes shifted from only being concerned with redress, equity, and
redistribution to utilising housing as a key element in building assets for the poor. It has been the understanding that through these assets the poor will be able to enter the formal property market and financial market.

4. Twenty-one years into the development and implementation of housing and human settlements reforms, the legislative framework, policies and programmes require new thinking and strategies that respond to the latest and emerging challenges while addressing future needs. Despite the progress achieved in housing delivery, human settlements patterns in South Africa remain dysfunctional across the country, the housing market is fractured with inequitable access to its workings and benefits, and there is an on-going housing affordability problem across various sub-markets particularly the gap submarket.

5. Various investigations, research, reviews and evaluations on human settlements policy and programmes mostly conducted by the National Planning Commission, National Treasury, Financial and Fiscal Commission, Department of Performance Monitoring and Evaluation, Department of Cooperative Governance, Statistics South Africa and the Department of Human Settlements, as well as research organisations identified numerous shortcomings related to gaps in policy and divergence in programme implementation. In order to appropriately address them a comprehensive review was required. The following are among the challenges identified:

- Weak spatial planning and governance capability has made human settlements dysfunctional:
  - Human settlements in South Africa continue to be developed without the necessary pre-planning requirements for township establishment and the requisite infrastructure and services that allows them to be functional and sustainable. Also, settlements remain fragmented and poor households dislocated in outlying areas.
  - Despite improvements in the state-subsidised housing programme, human settlements projects are not achieving the conditions required for residential areas, i.e. with different types of housing for different income groups, supported by schools, clinics, businesses and job opportunities. Many elements that are necessary for the functioning of settlements such as movement networks, roads, open spaces, government services, and the like, are often ignored during settlements design, planning and development. The focus remains on housing rather than on developing quality environments, supported by the necessary physical and social infrastructure. Dwellings for low-moderate income households are often built with little or no regard to the provision of infrastructure, services, formal planning and adherence to building regulations.
  - Weak spatial planning and investment has resulted in the inability of government programme to address the apartheid spatial form. Poor spatial targeting has also given rise to growing housing need in areas of economic growth, with a disproportionate number of new houses in areas of little or no growth. There is a general observation that human set-
tlements programmes have unintentionally perpetuated apartheid spatial form; that housing demand in cities has partly resulted in the mushrooming of informal settlements; and that there is a lack of diversification of housing opportunities.

The high cost of well-located land for human settlements development drive development to the periphery:

- Land prices often influence the location and supporting land uses, and have contributed to the current nature of settlement patterns that has exacerbated urban sprawl. The high cost of land and the inability of the state to challenge the market fully have meant that many of the state interventions exist in the periphery of towns and cities.

- Acquiring strategically located land remains one of the greatest challenges facing the development of human settlements, despite the presence of the Housing Development Agency (HDA). Delays in the transfer of land are often experienced even when government or a government entity owns the land. The absence of a coherent and inclusive approach for acquisition, planning and developing land for human settlements continue to act as an impediment. Furthermore, there are no clear disincentives for poor land use management.

Inability to adequately respond to the diverse needs of low-middle income households:

- While over 3.5m housing opportunities were provided to low-income households, the government capital subsidy programme has had unintended consequences and tended to reinforce apartheid geography. Financing also focused on providing individual houses instead of investing in public spaces.

- The programme has been criticised for providing uniform housing development with little regard for proving a range of typologies and tenure types to support the needs of poor households. The limited success of social housing has been an impediment in providing rental accommodation to a range of households.

- Over the past twenty-one years, the South African human settlements programme have become more complex as more sets of instruments were developed to respond to both an increasingly multifaceted environment and emerging complexities. Over time, different meanings and policy direction has been accumulated resulting in a growing concern that government-led human settlements programme is a blunt instrument in responding to the diverse housing needs of individuals and households.

- The demand for housing is poorly understood, mainly because of a lack of common understanding of how the housing needs are estimated. For example, the question is whether households residing in housing units in rural areas built with indigenous materials, or backyard shack dwellers in urban areas are included in the estimate, or only households registered for assistance in government programme and/or households in informal settlements inform the calculation.
Inadequate attention has been paid to rental accommodation across income bands. There is also not enough incentives for public-private partnerships to invest in rental housing. More importantly, government lacks operational capacity to manage rental stock. The programme has also been unsuccessful in addressing rental accommodation in the context of household mobility and transience.

Many households with an income above the threshold for fully subsidised housing have neither access to a housing loan nor adequate government support resulting in a growing gap housing submarket. The current programme has been unable to respond to individuals who did not qualify for the subsidy and who are also unable to access the limited range of housing products available in the market. While the Financed Linked Individual Subsidy Programme (FLISP) is available on a sliding scale of between R54 000 and R83 000 to households earning between R3 501 and R15 000 per month, for the purchase of a property with a maximum value of R300 000, this has not been able to adequately address the housing needs of these households. Factors contributing to the limited success of FLISP can be attributed to the fact that government credit linked intervention was designed to rely on attainment of mortgage finance by households. The limited supply of stock for households earning between R3501 – R15 000 has also been a challenge that has not been addressed. Even with the current FLISP subsidies, households in the lower end of this bracket can only afford to purchase a house that cost about R160000 – R165000.

Dysfunctional property market and inability of poor household to participate:

In the past twenty-one years, there has been little if any, economic activity in the lower end of the housing market. This means, house size of less than 80m², mostly developed by government are not absorbed into the residential property market and therefore are not providing an economic and financial lever for poor households to participate and enjoy the benefits of owning a property. Reasons for the inability to integrate state-provided houses into the property market include delays in property registration, and the knowledge gap in understanding the property market. This means, state-led housing often give insufficient attention to the functioning of the residential property market, including the rental market. Low-income households tend to have minimum concept of how a formal residential market works, the value of a formal title, how property can be leveraged to support economic activity, or the value of the asset they possess.

In the analysis of the residential property market data, low-income houses and those in ‘black townships’ are often not included as the analysis of free standing houses tend to focus on residential properties that are larger than 80m² and not in these townships.

In 2014, the First National Bank (FNB) Property Barometer reported that about 47% of the houses in the affordable housing market with average prices ranging between R295 800 and R433 369 are located in historically ‘black townships’. However, the opportunities for a vibrant secondary market are often not fully explored in these areas. Research conducted
by Finmark Trust found that housing units developed through government-led subsidy programme are also informally sold in prices far below their market value. Often, the sale price is at times as low as R5000.

- One of the fundamentals of any functional property market is a property registrations system. About a million properties provided through the government subsidy programme have not been registered in the Deeds Registry and thus households do not possess title deeds. The value of a title deed is that it protects the rights of a titleholder to a property; records changes of ownership; facilitates property transactions; and facilitates financial transactions.

- The housing stock in rural areas have not been legally recognised either and not included in the cadastre register. The stock is also excluded from the residential property market analysis and their value unknown. This makes the housing stock in these areas untradeable and households are prevented from meaningfully participating in the property market.

- Properties developed through the government subsidy programme are not rateable and thus not included in the rate roll of municipalities.

- The challenge confronting low-middle income households includes access to affordable finance and the availability of affordable stock. These factors continue to impact negatively on access to the market. The extension of property finance for the lower end of the housing market is limited or non-existent, with very limited growth in the secondary market. In addition, the absence of strategies to assist with the cost of supply continues to negatively affect the affordability levels of households.

 ► Narrow focus of performance measurement:

  - While government has made strides in establishing and institutionalising performance measurement, issues that require more attention includes:

    - The limited approach used for measurement of the performance of human settlements that is based on the number of units and serviced sites as the key indicators of success. This has resulted in Provinces and Municipalities focusing on providing individual ownership units where it is easy to meet numerical targets. - Unreliability of data and statistical information in the Housing System Database (HSS) makes reporting cumbersome.

    - Incoherent housing needs database and questionable allocation lists.

    - Absence of area-based information such as geospatial referencing of settlements makes area-based planning development approach difficult, and an evaluation of impact of policies and programmes erratic.

  - Escalating cost of development for government:

    - The actual cost of delivering the product is far higher than the subsidy amount al-
located for the unit, which is increasingly concerning for the sustainability of the programme. The report on human settlements programmes by the Financial and Fiscal report revealed the following:

- Community Residential Units Programme has the cost per unit of R356,375 while the current subsidy is approximately R110 947 per unit. This is coupled with concerns that the implementation of this programme is poorly managed.

- The real cost of a unit for a full government subsidy house is R253,720. This is significantly higher than the subsidy allocation, which in 2014, is about R110 947 excluding serviced site, which cost an additional R34 401 or R43 626 depending on the level of service. Metropolitan Municipalities often protest about an increasing demand to supplement the subsidy allocation.

- The cost of the unit in the Rectification Programme was R127 882. This is especially concerning given that this programme does not produce new units, but replaces and repairs existing subsidised units.

- The cost of the Social Housing Programme is unclear, as funding spent on projects is not reflected in the government payment system such as the Housing Subsidy System. The final cost figures do not incorporate the full allocation of the Restructuring Capital Grant from the Social Housing Regulatory Authority (SHRA), as only the Institutional Subsidy allocation of about R127 093 per unit is recorded.

- Administrative inefficiencies that are causing delays in township establishment approvals are adding about 25% to the overall cost of development.

- Inability to capitalise in value created through the government subsidy programme:

  - The value of government investment in the property market is estimated at about R300 billion. In 2014 the total worth of the residential property market in South Africa was estimated at over R3 Trillion. Regardless of this, the residential property market in South Africa is not included in determining the country’s Gross Domestic Product.

  - In theory, the income base of municipalities should expand owing to government housing provision and the resultant increased tax payment from beneficiaries. However, for municipalities to obtain increased tax from beneficiaries, beneficiaries should be billed for service provision. On average, only 40% of beneficiaries are sent monthly accounts.

- Poor quality of construction:

  - Although the introduction of NHBRC had improved the quality of government subsidised housing, a lack of capacity for construction project management continue to be a problem in the sector. As a result in 2014, Statistics South Africa found that 15.9% of households with subsidised dwellings reported weak walls and 15.3% reported weak roofs. The poor
quality of construction has resulted in a high need for remediation or rebuilding at a high cost to the state.

► Lack of community and civil society involvement:
  ◙ The current programme has been criticised for moving away from the strategic goals outlined in the white paper resulting in disempowerment of poor households and entrenching an ‘entitlement mentality’.
  ◙ There has been an inability for communities and civil society to meaningfully and effectively participate in all facets of human settlements development that includes urban planning, urban management, and project planning.
  ◙ There is a limited ability to effectively leverage the ‘social capital’ and potential for self-help, inherent within communities. Although the Peoples Housing Process has a potential to create a more enabling environment for poor households to play a bigger role in planning and building their own homes, this has not been fully utilised.

► Narrow interpretation of the Constitutional Mandate:
  ◙ There are generally three main challenges that confront the current interpretation of the Constitutional mandate and the related role that subsidies should play:
    ◙ How far the right of access to housing should go in terms of the progressive nature of the right and whether or not the state can and should provide everyone who is poor with a ‘free’ house.
    ◙ What purposes housing subsidies should serve in terms of different strategic objectives such as immediate poverty reduction versus long term spatial change?
    ◙ What role should be executed by the three spheres of government in the development of human settlements?

B. POLICY CONTEXT CONSIDERATIONS

6. In the development of new strategy and policy for human settlements the following contextual realities will be taken into consideration:
  ► South African Population
    ◙ The 2015 mid-year population estimates put South Africa’s population at just over 54.96 million (Statistics South Africa (Stats SA), July 2015) recording an increase of 1.65% between 2014 and 2015. Gauteng and KwaZulu-Natal account for 44% of the total population in the country with 13.2m and 10.9m respectively. The majority of households headed by women are in the Eastern Cape and KwaZulu-Natal Provinces.
    ◙ Child-headed households are about 96000. About 61.6% live in formal dwellings while
9.3% are in informal dwellings and 29.1% are in traditional dwellings. Child-headed households are commonly defined as households where all members including the main caregiver are under 18 years. i.e. these are child only households.

► Rapid rate of urbanisation:

☒ In the next 30 years, rapid urbanisation and rural depopulation are likely to be the key factors in determining demographic trends. South Africa is slightly more urban than the global average with about 60% of the population urbanised and this is projected to be about 70% (total population 58.5 million) by 2030. This means that by 2030 nearly three out of every five people will live in urban areas. The 40 million that are likely to live in urban areas will mostly be in Gauteng, eThekwini and Cape Town. This will have implications for planning, infrastructure, and the delivery of basic services including an increasing demand for housing.

► The economic factors:

☒ Statistics South Africa (Stats SA) reported that between 1993 and 2014 the Growth Domestic Product (GDP) averaged 3.09%. The report by International Monetary Fund (IMF) indicates that in 2014 the South African economy was estimated to have grown by just 1.4%, after expanding by 1.9% in 2013, 2.5% in 2012, 3.6% in 2011, and 3.1% in 2010. Over the past ten years, even though South Africa has the second biggest economy in the continent, in comparison to other African countries its GDP growth has been lagging behind.

☒ This has resulted to increasing dependency from government as 68.8% households in rural areas and 30.9% of residents in urban areas are living in poverty.

☒ Only 30% of South Africans are able to afford a house of more than R500 000 as house prices, inflation, and income have affected the affordability levels. Low-income earners have found it increasingly difficult to enter the property market because of stringent lending regulations and declining levels of disposable income arising from increasing interest rates.

☒ According to the National Development Plan in order to reduce the high unemployment rate to 14% by 2020, the GDP would need to grow by an annual average of 5.4%. As housing is a significant contributor to economic and socio-economic development, the provision of appropriately priced housing stock and access to housing finance is a key element for any country striving to achieve its economic developmental goals.

► High rate of unemployment:

☒ Stats SA reported that in the years between 2000 and 2014, South Africa’s unemployment rate averaged 25.25%. As a consequence, South Africa is confronted with a shrinking tax base and a widening national expenditure as well as increasing numbers of people
depended on government for housing assistance, provision of basic services and upkeep of their residential areas.

Factors related to Housing:

- Stats SA reported that there is about 14.4m households with a household size of about 3.4 persons per household. It is predicted that the total number of households will grow as the household size drops. It is estimated that by 2020 there will be about 3.6 million new household formation, with 55% falling within the income category of less than R3500 per month. This will contribute to an increasing demand for housing.

- Census 2011 reported that while more than 77.7% of the 14.4m households live in formal dwellings, there is about 13.6% that reside in informal dwellings and 7.9% in traditional dwellings. Stats SA estimate that the demand for adequate housing is about 2.2 million households, which includes households in informal settlements and backyard shacks. These households are depended on the intervention of the state for housing. Of these, 1.7 million have registered in the Needs Database of the Department of Human Settlements.

- 15.3% of South African households were living in state-subsidised dwellings. A higher percentage of female-headed (16.4%) than male-headed households (11.1%) received a government housing subsidy.

- Although there have been increases to the average household income (i.e. about R103 204), the levels are not sufficient for households to be able to house themselves.

- A total of about 3.5 million households with income between R3501 and R15000 per month do not qualify for full government subsidy. While households with a monthly income of between R3500 and R7500 may qualify for a mortgage loan of between R140 000 and R300 000, the supply of stock is limited and mortgage finance for households with a monthly income below R7500 is almost non-existent. This means, there is an increasing number of households that do not qualify for a government subsidy or mortgage finance due to a number of reasons that include non-availability of stock and inability to access mortgage finance.

Responding to the 2030 government trajectory and international obligations:

- The new policy has to address a quandary of issues that include the current policy discourse, which argues that the welfare approach adopted in the current human settlements programmes is unsustainable and has resulted in an escalating growth of government expenditure. In contrast, the UN-Habitat indicated that market based strategies cannot satisfactorily respond to the housing needs of the poor, therefore government subsidies are increasingly becoming indispensible in providing access to adequate housing. The UN-Habitat suggest that the tools and instruments which can be used to facilitate better housing circumstances for the poor include a direct provision of housing stock, financial instruments to stimulate supply or demand of housing, and tenure and service interventions which can involve, or be directed by, the state to varying degrees.
The National Development Plan (NDP) as South Africa’s blueprint for eliminating poverty and reducing inequality by 2030, acknowledged that the fundamental reshaping of the apartheid spatial form may take decades but directs that South Africa should strive for a meaningful progress in creating urban settlements that are functionally intergraded, balanced, and vibrant, including the revival of the rural areas. The National Development Plan also recommended that in order to address the current weaknesses of human settlements and housing policies and programmes, the following actions be taken:

- Systematically respond to entrenched spatial patterns across all geographical scales that exacerbate social inequality and economic inefficiency.
- Take account of the unique needs and potential of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region before making decisions on developments.
- Review State housing policies to better realise constitutional housing rights, ensure that the delivery of housing is used to restructure towns and cities and strengthen the livelihood prospects of households.
- Support active citizenry and develop incentives through a range of interventions, which includes the establishment of social compacts.
- Planning for human settlements must be guided by a set of normative principles that will create liveable, equitable, sustainable, resilient and efficient spaces including supporting economic opportunities and social cohesion.

To reshape human settlements by 2050, the National Development Plan proposes that South Africa must:

- Address inequalities in the land market that makes it difficult for the poor to access the benefits of life in towns and cities.
- Adopt stronger measures to reconfigure towns and cities towards more efficient and equitable urban forms.
- Develop housing and land policies that accommodate diverse household types and circumstances.
- Ensure that municipalities put economic development and jobs at the heart of what they do and how they function.

Goal 11 of the Sustainable Development Goals (SDGs) is targeted at making cities and human settlements inclusive, safe, resilient, and sustainable. The member countries of the United Nations agreed to create affordable public housing; upgrade slum/informal settlements; invest in public transport; create green spaces; and get a broader range of people involved in urban planning decisions. Therefore, the commitment is to develop new spatial norms and standards for human settlements that will contribute to the densification of cities; improving access to transport; locating jobs where people live; upgrading infor-
mal settlements; and address the housing gap market.

- The absence of a policy and legislative framework that guides the development of human settlements makes it difficult to navigate and direct development and the achievement of intended outcomes for human settlements and households.

- In developing a new national policy and strategy for human settlements, government re-examined its response to the mandate defined in Section 26 of the South African Constitution, Act 108 of 1996. In addition, other embedded rights contained in Sections 24, 25 and 27 were taken into consideration.
C. POLICY INTENT

7. The policy contained herein is aimed at providing a framework for the realisation of sustainable human settlements and improved quality of household life. It provides a foundation for the establishment of a viable, socially and economically integrated communities that are located in areas allowing convenient access to economic opportunities as well as health, educational and social amenities. This policy builds on the foundation laid by the Comprehensive Plan for the Development of Sustainable Human Settlements, the policy directives outlined in the National Development Plan and lessons derived from the implementation of housing and human settlements policies and programmes in the last twenty-one years.

8. Settlement planning and financing will play a significant role in overcoming governance fragmentation in the implementation of human settlements policy. Settlements patterns in urban and peri-urban areas will ensure that cities and towns are compact, connected, and integrated. In rural areas, settlement patterns will balance the social, cultural, and agricultural needs of families with the need to provide cost-effective services to households.

9. The policy will address two closely related facets of human settlements:
   - The habitable geographic space or settlement level interventions which include legislative framework, planning and funding; and
   - Household level interventions, which include a differentiated approach of subsidies that accommodate diverse household types and circumstances.

10. The underlying policy approaches and considerations

The following approaches and considerations underlie the human settlements policy:
   - Improving the planning, design and development of settlements
   - Facilitating access to adequate housing and quality living environments
   - Improving access to the residential property market for poor households
   - Fiscal sustainability and financial affordability
   - Improving performance measurement
   - Improving policy implementation
D. A VISION FOR HUMAN SETTLEMENTS

11. We strive to achieve **sustainable human settlements and improved quality of household life.** In the next 15 years the systematic realisation of the following strategic goals will give assurance that the envisaged impact on South African society is achieved:

- **Strategic Goal 1:** To develop spatially and socio-economically integrated settlements, communities and neighbourhoods;
- **Strategic Goal 2:** To facilitate access to adequate housing and quality living environments;
- **Strategic Goal 3:** To support the development of a functional and equitable residential property market; and
- **Strategic Goal 4:** To improve institutional capacity and capabilities.

12. **By 2030, our targets are that…**

- More people living closer to their places of work.
- More resources shifted to support the development of public environment need for sustainable human settlements.
- Growth of housing in the gap housing market and more support for households in affordable housing market.
- Support provided to households earning less than 3500 per month to access the property market.

13. Our vision for human settlements is that…

- By 2050 visible outcomes from effectively coordinated spatial planning systems will have transformed human settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and essential infrastructure. (National Development Plan, 2011)

14. In order to achieve the 2050 vision **concrete and visible steps** will be implemented in order that:

- By 2030 most South Africans will have affordable access to services and quality environments. New developments will break away from old patterns and significant progress will be made in retrofitting existing settlements. In rural areas, targeted investment and institutional reform will drive a revival of rural South Africa towards 2050.
E. INTERPRETING THE CONSTITUTIONAL MANDATE

15. The core legislation that defines the mandate of Human Settlements and directs the operational imperatives is in the Constitution. In developing a new national policy and strategy for human settlements, government re-examined its response to the mandate defined in Section 26 of the South African Constitution, Act 108 of 1996, which states:
   ► Everyone has the right to have access to adequate housing.
   ► The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.
   ► No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

16. The right to have access to adequate housing expressed in Section 26 of the Constitution of the Republic of South Africa, Act 108 of 1996 cannot be viewed in isolation from other human rights. In the realisation of this right other embedded rights such as the right to an environment that is not harmful to health or well being (Section 24), the right to clean water (Section 27) and the right to property (Section 25) must be taken into cognisance.

17. The term ‘adequate housing’ contained in the South African Constitution is described by the United Nations Human Settlements Programme (UN-Habitat) as meaning the fulfilment of the following elements:
   ► Security of tenure: housing is not adequate if its occupants do not have a degree of tenure security, which guarantees legal protection against forced evictions, harassment and other threats.
   ► Availability of services, materials, facilities and infrastructure: housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.
   ► Affordability: housing is not adequate if its cost threatens or compromises the occupants’ enjoyment of other human rights.
   ► Habitability: housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
   ► Accessibility: housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account.
   ► Location: housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if located in polluted or dangerous areas.
Operational patterns: This is how the settlement functions governed and managed.

- Cultural adequacy: housing is not adequate if it does not respect and take into account the expression of cultural identity.

18. Therefore adequate housing is measured in terms of adequate privacy; physical accessibility; adequate security; security of tenure; structural stability and reliability; adequate lighting, ventilation; access to basic infrastructure, such as water supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and accessible location to work and basic facilities: all of which should be available at an affordable cost.

Defining Human Settlements

19. This policy will adopt the UN Habitat definition of human settlements. Thus **human settlements are defined as the totality of human community—whether a city, town or a village—with all social, material, organisational, spiritual and cultural elements that sustains it.** This means human settlements must be well-managed entities in which economic growth and social development are in balance with the carrying capacity of the natural systems on which they depend for their existence and result in sustainable development, wealth creation, poverty alleviation and equity.

Sustainability of Human Settlements

20. The sustainability of a settlement depends on the integration of the following four elements:

- The physical elements: This is how the settlement sits within the natural environment and therefore responds to the topography, the spatial relationship between the different parts of the habitable space and the form of the built environment. The fabric of human settlements consists of physical elements and services to which these elements provide the material support. These comprise:
  - **Infrastructure** – this is the complex networks designed to deliver or remove goods from the settlements e.g. roads, bridges, water supply, sewers, electricity grids, telecommunication, information, etc.
  - **Services** – these are services required by a community for the fulfilment of its functions as a social body, such as education, health, culture, welfare, recreation and nutrition; and
  - **Housing** – these are the superstructures of different shapes, size, type and materials erected by mankind for security, privacy and protection from the elements and for his singularity within a community.
- Land use patterns: These are formed by the manner in which a settlement uses its resources and is described by the infrastructure and services provided.
- Social patterns: This is informed by how people live, learn and work in, and relate to, their settlement, and the opportunities provided by the settlement for meeting these social needs.
21. The right of access to adequate housing cannot be realised outside of the milieu of settlement planning, design and development as the realisation of a functional, sustainable, integrated settlements require appropriate infrastructure, social services and basic services supported primarily by spatial investment. The realisation of the ‘right of access to adequate housing’ directs that the primary considerations that must be made in the development of human settlements include: Legal security of tenure; Availability of services, materials, facilities and infrastructure; Affordability; Habitability; Accessibility; Location; and Cultural adequacy.

22. Settlements may be broadly defined according to their location, specifically, the geographical distribution of broad settlement types and their sub-types. Settlements may be located in the core of cities, on the fringe or periphery of cities, or in rural areas. While there is no commonly agreed definition of ‘urban’ and ‘rural’, and no clearly defined physical and social boundary, the UN-Habitat suggests rural and urban settlements must be viewed as existing along a continuum where all settlements are interlinked and interdependent; and the flows between them take place through extensive infrastructure networks of roads, rail, air links, and telecommunication networks.

23. Urban and rural settlements differ in demographics, land area and usage, population density, transportation networks and economic dependencies. The major differentiation is in the actual form of housing, type of tenure, infrastructure, and accessibility to a range of services. The urban form and structure are often described as the patterns and spatial arrangements of land use, transportation systems, and urban design elements, including the physical urban extent, layout of streets and buildings, as well as the internal configuration of settlements. Human settlements in South Africa consists of a hierarchy ranging from city-regions; metropolitan areas; secondary cities; small cities or large regional towns; small towns; displaced urban or dense rural settlements; large rural villages; small rural villages, scattered settlements and homesteads; to agri-villages. While each hierarchy has its own peculiarities, various settlements that exist in each level of the hierarchy are also characterised with their own individualities that must be taking into consideration in any decision regarding planning, design and development.

24. South African settlement patterns can be categorised using multitude of factors such as topography, transport system, geological location, size, housing typologies, land uses, economic factors, management structures and government policies. Coupled with these, settlements can also be differentiated as planned and unplanned, formal and informal, urban and rural. Settlement patterns in urban areas are influenced by the cost, use, and location of land. Urban settlements patterns in South Africa have also been influenced by apartheid spatial form, migration patterns, poverty, and urban strategies. Poor
households often occupy vacant private or state owned land without approved settlement layout plan resulting in establishment of informal settlements. Alternatively, these households find accommodation in backyards shacks, derelict inner city buildings or similar sub-standard accommodation. In rural areas, settlement patterns are influenced by transport, services offered by the residents and resources such as fishing, agriculture, mining, etc. The rural settlements patterns can be categorized as clustered or circular or linear or dispersed. Planned settlements have usually been established within a legal regulatory and land-tenure framework, and are characterised by the planned provision of services and infrastructure. Unplanned settlements grew organically as people settled on vacant land and consist of a range of freestanding housing typologies structures, normally without services. Unplanned settlements can be found in both urban and rural settings.

G. GOALS IN THE PLANNING, DESIGN AND DEVELOPMENT OF SETTLEMENTS

25. Achieving sustainable human settlements and improved quality of household life is the primary outcome. The first rung towards the realisation of this result is the attainment of the main goal of developing spatially and socio-economically integrated settlements, communities and neighbourhoods. This will be achieved through:

► Aligning human settlements development with economic, transport and planning strategies by…
  ◇ Promoting area based planning and differentiates planning responses in relation to varying settlements types.
  ◇ Promoting integrated land use and transport planning.
  ◇ Promote transit-oriented development.
  ◇ Improving spatial targeting.
  ◇ Investing in areas that promote densification, integration and household livelihoods.

► Facilitating and coordinating investment in infrastructure and services vital for the functioning of settlements. This includes the complex network design to deliver goods and services as well as remove waste.

► Facilitate and coordinate investment in public spaces.

► Facilitating access to suitable land for human settlements at the right price and at the right location.
H. KEY SUBSTANTIVE APPROACH AND INTERVENTIONS TO REALISE THE GOALS

26. The development of human settlements shall be utilised to improve spatial planning and spatial targeting:

► The achievement of a spatial vision for human settlements is depended on appropriate integration of planning, budgeting and prioritisation of projects with the different sectors involved in the development of human settlements. Also, continuous support and monitoring must ensure better realisation of the spatial vision for human settlements. It is important to acknowledge that spatial patterns are entrenched in space and take longer to transform thus a suitable vision, accompanied by capital investment strategy will influence long-term plans at various levels of government.

► A coordinated and integrated approach to planning is critical to achieving alignment and synergy. While the implementation of policies through projects tend to be sector-specific, all development projects must acknowledge the salient principles of integrated planning. Therefore the development and planning process must respond to the following fundamentals:

▪ A coordinated and integrated approach to planning is critical to achieving alignment and synergy. While the implementation of policies through projects tend to be sector-specific, all development projects must acknowledge the salient principles of integrated planning. Therefore the development and planning process must respond to the following fundamentals:

▪ Determine where government should direct its investment and development initiatives to ensure sustainable and maximum impact.

▪ Determine what spatial forms and arrangements are conducive to the achievement of national objectives of social and economic inclusion.

▪ Determine how to facilitate consistent decision-making and strengthen governance arrangement to move beyond procedures that focus on integration and coordination but to establishing processes and mechanisms that bring about strategic co-ordination.

► In order to improve planning, design and development of settlements there is a need to adopt a regulatory framework that all developments for human settlement must adhere to. In this regard the Guidelines for Human Settlements Planning and Design commonly known as the ‘Red Book’ that are in the process of being revised will result in the transformation of these guidelines to the Regulations for Human Settlements Planning and Design. These Regulations will give direction to planning and design of settlements in both green and brown fields including infill. These will be revised and updated depending on changing requirements.
Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013, provide a framework for spatial planning and land use management. In accordance with this framework all spheres of government must prepare spatial development frameworks. Consistent with the requirements of SPLUMA, a national, and a provincial Spatial Development Framework for Human Settlements must be developed to ensure integration of services, infrastructure, and economic development. The Minister of Human Settlements will therefore address the requirements outlined in SPLUMA within the National Plan for the Development of Sustainable Human Settlements. In addition, the development of this plan must also take into consideration the following:

- Municipal Integrated Development Plans and Spatial Development Frameworks;
- Migration data and patterns;
- Employment trends;
- Future settlements development needs;
- Infrastructure development trajectory;
- Potential areas of investment;
- Areas of deprivation;
- Settlement typologies; and
- Housing response typologies, tenure types, density, dwelling type and delivery models.

In the local context, planning will be achieved by prioritising Integrated Development Plan (IDP) as a critical instrument for aligning strategic spatial planning as well as sound governance instruments that put an emphasis on the municipalities as the single portal through which the development is coordinated. The IDP remains a vital key tool for planning human settlements. In addition, the Spatial Development Framework shall support the objectives of the IDP. The participation of Provincial and National Departments of Human Settlements during the development phase of the IDPs shall be mandatory. This will ensure that the IDP is consistent with National and Provincial Human Settlements objectives and government wide initiatives. Therefore, the IDP will be used as an instrument for spatially coordinating investment in infrastructure and services through an area based planning approach specific for each settlement type. Municipalities should, through the IDP, develop a typology of settlement types and clearly articulate the sustainability requirements for each. The Built Environment Performance Plan (BEPP) will be incorporated into the IDP as an overview chapter of the strategic infrastructure and services requirements in sectorial plans. Specific details will be explained in the various sector chapters such as Transport, Water & Sanitation, within the IDP.
The Provincial and National Departments of Human Settlements shall develop sector based National Plan for the Development of Sustainable Human Settlements that is a multi-year plan that take into consideration the following:

- Government priorities, imperatives and government-wide plans.
- Area based planning that includes considerations for all physical components of human settlements such as, access to and location of housing, business and commercial use; transport; communication; industrial areas; social services; and government services centre.
- Ensure alignment with the Integrated Development Plans of municipalities.
- The long-term perspective for human settlements development.
- Specific development needs i.e. brown fields and green fields development.
- Infrastructure and basics services requirements.

27. The development of residential areas will be utilised to promote mixed-use and integrated development. This is the integration of living, working, trading, services and recreational functions and facilities.

- The compact city and transit-oriented ideal will be the guiding framework for future residential development as the current multi-nodal low-density urban form perpetuates urban sprawl and a dependency on private transport. Effective planning of settlements is a key to efficient management of urbanisation and a prerequisite for well functioning urban markets. In addition, settlements development strategies must be tailored to the geographic and local areas. In order to ensure that households live closer to their places of work with improved accessibility to services and public transport networks, and to promote efficient use of infrastructure, more compact and dense settlements shall be created through, pursuing and promoting densification using various mechanisms such as focusing in central or development nodes, and along transport corridors. Strategies used shall include reduced erf size allowing multiple dwellings and subdivision of existing residential stands, alternative housing types, mixed development and infilling in existing residential areas.

- However, there is a level beyond which density creates social and environmental congestion and undermines sustainability, therefore the level of densities shall depend on local circumstances or context-specific. Three density levels shall be utilised - high-density is where there are more dwelling units per hectare; for example a block of flats (five storeys and more); middle density is where the number of dwellings per hectare is higher but less than in high density area (mostly walk-up units of three to four storey); and low-density is where there are fewer dwellings per hectare. The approach will apply to all developments including Greenfields, Infills, and Informal Settlements.
The Integrated Residential Development Programme will be strengthened and pursued in support of mixed-use, mixed tenure, mixed typologies, and integrated development. Physical indicators may include:

- Variety of housing clusters, types and tenure options.
- Housing for a variety of socio-economic levels.
- Variety of functions and services.
- Social and community services in commercial centres and corridors.
- Combined residential and business/trading units, such as ground floor shop or workshop with upstairs accommodation. Small business, market places and shops in residential areas.
- Special areas for mixed development near commercial centres, public transport nodes and along activity corridors.
- Use of government or educational facilities as social and cultural centres for community meetings, adult education, recreation, sport and entertainment.
- Urban agriculture in common areas.
- Co-location and resource sharing among community services e.g. ward offices, housing and business support centres, and municipal offices.

Access to suitable land for human settlements development shall be improved:

- A coherent approach to the acquisition and development of land for human settlements must be adopted. The Department of Human Settlements will use the National Plan for the Development of Human Settlements to chart a horizon of about 10 – 15 years to plan for the entire infrastructure required including land. The National Land Acquisition and Assembly strategy will be developed by the Housing Development Agency (HDA) for identification, and acquisition of land for future use. The Housing Development Agency Act, 2008 (Act No. 23 of 2008 empowers the HDA to identify, acquire, hold, develop and release state, private and communal owned land for the creation of sustainable human settlements.

- The role of local government in the administration and regulation of communal land in rural areas in respect of services to communities must be clarified including addressing all processes regarding the acquisition and registration of communal land under Traditional Leaders or Trust.

- The Minister of Human Settlements in collaboration with the Minister of Rural Development and Land Reform will explore and develop a quicker, simplified, and less costly process of registration and transfer of land for poor households. This will include registration and transfer of government-subsidised housing.
The Department of Human Settlement in close collaboration with the Department of Rural Development and Land Reform and the Department of Cooperative Governance and Traditional Affairs must put measures in place to address:

- The slow pace of registration and transfer of land;
- The expensive and complex process of registration and transfer of ownership;
- Clarity on security of tenure in rural land ownership;
- Discrimination against women in access to land titles;
- The role of traditional leaders with regard to communal land in rural areas;
- Tenure security to occupiers including illegal occupiers of land not ownership rights; and
- The choice of tenure in farming communities.

29. Planning, Design and Development of Settlements shall be improved through facilitating and coordinating planning and investment in the infrastructure and services vital for the functioning of settlements

Infrastructure forms a foundation needed for the operation of a society, community or neighbourhood. The various systems of infrastructure tend to be high-cost investments however; they are vital for economic development and prosperity. Investment in infrastructure that supports the development of sustainable human settlements must facilitate the achievement of the following objectives:

- Facilitate mobility;
- Ensure access to health and education facilities;
- Improve the quality of life;
- Direct spatial expansion;
- Improve environmental quality; and
- Improve conditions of households living in informal settlements, backyards, and inner cities.

The sustainability of residential areas rely on infrastructure such as public transport, water, energy sources, and public spaces and accessibility of essential community services such as schools, shops, healthcare, and facilities for families and children. Therefore, all settlements must have the requisite basic infrastructure and services in order to facilitate access to quality environments.
All new human settlements developments must have basic water, sanitation, roads, energy and all the requisite infrastructure and services. The national norms and standards for requisite infrastructure and services for settlements will be set in the Regulations for Human Settlements Planning and Design. The Human Settlements Code will provide practical guidance by setting the form, funding and institutional arrangements.

Existing settlements will be retrofitted with the requisite infrastructure and services to be determined through the assessment of community needs. In rural areas priority will be given to connective infrastructure that strengthen the linkages between urban and rural areas and to infrastructure that supports the provision of basic universal services such as water and sanitation. Innovative forms of service and infra-structure will be provided in rural areas where conventional fixed infrastructure is unaffordable.

In the provision of infrastructure and services for the development of settlements the Department of Human Settlements will adopt a collaborative approach by coordinating planning, funding and development with the relevant government departments. It is the responsibility of the municipality to ensure the provision and installation (or expansion) of public facilities related to education, health and leisure. Households must have access to roads, street lighting, sanitation and water drainage systems. Infrastructure may also be provided through partnerships with local governments and private companies, or undertaken by private developers. More importantly, resources must be indicated in the budgetary plans and allocated in advance to guarantee that human settlements development is served with the required infrastructure and basic services.

30. Facilitating and coordinating investment in public spaces shall be promoted:

- Settlements planning, design and development must include investing in public spaces. Well-designed public space not only contributes to improving the overall visual character, but also invigorates economic activities and enhances the functionality of the area. High density neighbourhoods with adequate public space, infrastructure and public transport facilities encourage walking, cycling, and other forms of eco-friendly non-motorized mobility. The provision of pedestrian friendly streetscapes and public structures such as recreational or cultural centres where residents can gather promote social connectivity and diversity, thus making neighbourhoods more cohesive and more attractive to residents and investors.

31. A mechanism to expedite preplanning and township establishment processes shall be developed:

- In partnership with the relevant government departments a Human Settlements specific tool that will expedite scoping processes must be developed. This tool should be confined to all projects that are integrated, and are built (partly or in whole) using State resources including those that are in partnership with private sector. The tool should:
Accelerate scoping processes for human settlement projects.

Identify and negotiate areas within the Environment Impact Assessment (EIA) process and other planning legislation that may be exempt from its requirement.

Investigate proactive long-term approvals of land identified for human settlement development.

I. PHYSICAL COMPONENTS OF SUSTAINABLE HUMAN SETTLEMENTS

32. The fabric of human settlements consists of physical elements and services to which the physical space, structure and development of settlements interconnect with the natural environment. The spatial relationship between the different parts of the habitable space and the form of the built environment provide the material support for the inhabitants of the settlement. The development of settlements can either be classified as Greenfield or new developments or Brownfield or existing settlements whether formal or informal. This policy will use Greenfields development as a blueprint for characterising the elements that are required for to achieve sustainability of settlements.

33. The elements defining of human settlements do not imply that they all have to be present in one settlement. In cases where the defined components do not exist, resulting in disadvantaging households residing in that settlement, retrofitting might be undertaken depending on distances, relationship of one settlement to the next or to the next town or location in the city. The combination of components that must be considered for retrofitting depends on the typology and settlement type and these must be determined at local level.

34. Greenfield Developments: The following are the physical components of sustainable human settlements that must be taken into consideration in the planning, design and development of each settlement particularly in Greenfield or New Developments:

   ► Residential Areas:

    Residential zones are usually scattered throughout settlements and include single-family houses, group housing schemes and blocks of flats. The sustainability of residential areas rely on infrastructure such as public transport, water, energy sources and public spaces and accessibility of essential community services such as schools, shops, healthcare, but also facilities for households. Essential social facilities must be provided at an early stage in the life of new communities, so that households do not have to commute long distances to get access to them.

    Housing is one of the basic social conditions that determines the quality of life and welfare of people including residential areas. It is the physical manifestation of the wealth of a country and its people. Where homes are located, how well designed and built, and how well they are weaved into the environmental, social, cultural and economic fabric of com-
Communities are factors that, in a very real way, influence the daily lives of people, their health, security and wellbeing, and which, given the long life of dwellings as physical structures, affect both the present and future generations. Housing is defined as both a physical structure and a social structure. As a physical structure it consists of the residential buildings, their design, material qualities, their arrangement in space, and their ecological interactions with the physical environment. Housing as a social structure defines residence-based activities, their character, social qualities, and their socio-economic interactions in space with the immediate communities and wider society.

► Movement Networks:

◙ The common forms of movement networks are roads, public transport, rail and pedestrian walkways. It is expected that in the design and development of settlements these must be taken into consideration. In collaboration with the relevant government departments, considerations will be made for bus and taxi stops, taxi and bus ranks, rail stations where applicable and road service in settlement design and planning. The movement networks that will be taken into account include the following:

❖ Public transport:

♦ Most formal public transport systems remain heavily subsidised by governments and therefore emphasises the importance of generating sufficient numbers of high density developments in and adjacent to transportation corridors to make the systems more economically viable for both government and households.

♦ The most efficient and affordable public transport system currently operating in and between South African settlements is the informal / semi-formal taxi services provided by private operators. These provide a convenient, inexpensive and flexible service to commuters. Planning must include taxi ranks and stops.

❖ Roads:

♦ Roads provide access to goods and services to households. They display a clear hierarchy with unlimited access roads and freeways at the top of the hierarchy. Collectors collect traffic from local roads, and distribute it to arterials. Arterials are major thorough roads that are expected to carry large volumes of traffic. Arterials are often divided into major and minor arterials, and rural and urban arterials.

❖ Rail:

♦ In the design of settlements the existence of a rail system or plans for one must be taken into consideration as it provides households with affordable means of transport. Rail can be divided into heavy and light rail systems. Heavy rail systems fulfill both a freight and commuter service that is used largely to commute to work in and between cities and for nationwide travel. Light rail system is intended for light loads and fast movement - the example is the Gautrain currently in operation in the Gauteng Province.
Institutional /Public/Social Services

While the norms and standards, funding, construction, resourcing, management and maintenance of the various institutional or public facilities required in a settlement remain the responsibility of the relevant government departments (such as Basic Education, Health, Police, and the like), the Department of Human Settlements must include the institutional or public or social services in the planning and design of settlements. It the responsibility of the Department of Human Settlements to ensure that settlements planning have set aside sites for the applicable services. Where the service will not be offered in the same settlements, indication of how residents will access that service must be included at the planning phase in collaboration with the appropriate department.

The following are public services that must be taken into consideration in the development and retrofitting of settlements:

- Educational Facilities
  - Pre-primary: Crèches and day care centres should be located in residential areas or adjacent to primary schools away from main roads or business zones and have safe and convenient pedestrian access. They should be small scale, serve the immediate neighbourhood.
  - Primary schools: Primary schools are often a determining factor for the design and size of neighbourhoods.
  - Secondary schools: Secondary schools ideally accommodate students at a rate of one secondary school for three primary schools, or 1800 – 2000 students. Sport and recreational facilities can be shared with other schools and organisations.
  - Higher education: These facilities generally serve the entire region, metropolitan area or city and are not provided for in the layout planning process for single residential settlements.

- Health Facilities
  - It is important in the planning phase of a settlement to take into consideration access to health care facilities particularly primary health care. The provision of these services must be negotiated with the relevant department and sphere of government. Various forms include:
  - Mobile clinics: Mobile clinics are mobile facilities that move from community to community with no fixed location. Mobile clinics provide preventative and primary care. These are available on certain days or for limited hours, must be accessible by foot and the maximum walking distance should be 1km, adjacent to primary schools, market places, or local centres.
Neighbourhood Clinics: Neighbourhood Clinics should be accessible to the greatest number of people and as such should be located close to public transport stops along a major route but in quieter surroundings. Where it is not possible for the facility to be placed within walking distance it must be easily reached via public transport.

Intermediate services are provided by day and community hospitals and advanced medical care is provided by advanced care hospitals: advanced care hospitals provide which are regional facilities.

Safety and Security

Planning, design and development of settlements must support safety and security of communities. Settlements layouts must avoid isolated housing, secluded recreational areas, narrow passages, concealed corners and unlit passages and tunnels. The national and provincial Department of Human Settlements together with the Municipalities must utilise settlement planning, design and development to promote safety and security.

Mixed-use developments also contribute to safety and security, as areas are inhabited throughout the day, while residence in commercial areas and activity corridors means these areas are not deserted after working hours.

The security in urban areas may be improved by creating character and identity, promoting a sense of togetherness and encouraging community cooperation. The Department of Human Settlements shall work with Departments of Arts and Culture, Sports and Recreation to provide social facilities.

Community-based initiatives such as street committees, housing associations, and tenants associations can play a vital role in promoting safety and security. It is the responsibility of local government to initiate and support community initiatives.

Access to police, fire and emergency services require a local presence in order to minimise response times, and easy road access. Therefore, Municipalities ensure the provision of these facilities in collaboration with the national and provincial departments responsible for the provisioning of budgets and personnel in respect of these services. These include:

Community police stations should be located at place with easy access to the communities they are required to serve. Where possible, people should be able to access their community police station on foot.

Mobile Police Stations, especially in rural areas, can be provided weekly to various locations to help residents to report crime or safety concerns. These offer preventative and primary safety and front line response to residents.
Fire stations distribute emergency vehicles to the area and as a result, they should be located on higher-order multifunctional routes that intersect with primary or regional distributors. Fire stations are a higher-order facility, not generally planned for within a residential community; the residents would not require access to the service on a regular basis.

Open spaces or recreational areas

- Public space takes various forms, and can also be grouped into a clear hierarchy with each fulfilling a specific function and have a myriad of benefits, spanning from recreational to economic and aesthetic. Examples include formal parks at the city core, the streets, sidewalks, and footpaths that connect the residents to various areas in a city or town. It is essential that considerations for parks and open spaces form part of every development particularly residential developments. Ideally, there should be a park within walking distance of every household. It is also important to note that if open spaces and recreational areas are not well maintained, they can become a burden to municipalities and communities.

- The role of the Department of Human Settlements is to ensure that planning and design of settlements include parks and other recreational zones while the municipalities and relevant national departments are responsible for the development, management, and maintenance of such spaces. The Departments of Arts and Culture, Sports and Recreation as well as Environment are expected to charge their responsibilities in this regard.

Government Services Centre:

- Various service delivery departments are responsible for the provision of government service centres. Through appropriate planning instruments and coordination, the Department of Human Settlements together with Municipalities must ensure access to government service centres. Depending on the hierarchy these might include any of the following:
  - National Government offices are usually located in a capital town of the country where they can be easily accessed by public transport as they serve the community. It is advisable to locate these offices in close proximity to each other, as it will be easier for customers to cover visits to various departments in a single trip.
  - Regional offices are usually different government offices located in a province for convenience and easy access. Also, it is advisable to locate these offices in close proximity to each other as it will be easier for customers to cover visits to various departments in a single trip.
  - Municipal offices must preferably be located at social service, business or community centres and near public transport. Municipal offices provide public information and contact, payment of bills, provision of maintenance, monitoring and control, housing support services, support for community initiatives and projects; and guidelines, advice and assistance regarding planning and building regulations and services.
Cultural facilities and community meeting places are needed and municipalities can support cultural services provided by NGOs, CBOs and religious congregations by allocating land and spaces for hire in community centres. Community halls and centres should be multi purpose spaces to provide for diverse activities.

Access to a cemetery is important for the community and thus travelling distances based on municipal norms must be taken into consideration. The Municipality is responsible for the development, and maintenance of cemeteries.

Agricultural zones associated with settlements

Urban populations are heavily dependent on a daily supply of fresh produce and high yield land is often used for commercial market gardening in the periphery of settlements. Areas of subsistence farming, where crops for own consumption and/or for sale for income are grown, are associated with both urban and rural settlements. Municipalities must create spaces to promote access to and the productive use of arable land in human settlements to the benefit of particularly poor communities.

Business and Commercial Use:

Business and Commercial use is an area zoned for retail development where business is carried on or a profession is practiced. Business and commercial uses will continue to be developed in multi-nodal locations but will be encouraged to relate more closely to public transport spines or corridors and reduce dependency on private transport. This shall be achieved through government particularly municipalities implementing zoning requirements and infrastructure investment incentives.

The Department of Human Settlements will make use of the existing infrastructure investment in many decaying central business districts (CBD) as well as their locational advantages with regard to transport infrastructure by actively promoting private-public partnerships in the renovation and conversion of derelict buildings to residential and mixed uses. In addition, human settlements development will be aligned with the new economic trajectory of the country.

Industrial Areas:

Industrial areas provide residents with a range of jobs, thus a source of income. They are divided into heavy industries and light industries. Industrial zones are dependent on good transportation access, especially where transport modes (highways, railroads, airports, and seaports) converge.

Light industrial uses include small-scale manufacturing and warehousing, and can be located in the urban fabric near to residential areas to reduce travel and transport costs. Some of these industries need to be closer to the residential areas because of the type of service they provide to households, for example, motor repair garages, plumbers work-
shops, electricians workshop, printers, bakers. Light industrial areas making use of new technologies can be safely considered for integration with other uses provided that they meet the necessary health and safety standards.

Heavy industries are dependent on good access to transport, natural resources and markets, and have specific location needs. These should be encouraged to develop in areas where the necessary infrastructure has already been provided and is currently underutilised. There are a number of industrial areas fully serviced with rail and road infrastructure that are not currently utilised. Furthermore consideration should be given to stricter control of water and air pollution by these industries to reduce their impact on neighbouring settlements. New technologies to limit pollution exist that need to be applied.

35. Brownfield Developments: Brownfields areas are defined as existing settlements whether formal or informal, urban or rural. In order to ensure existing settlements have the required services and infrastructure to make them sustainable, it will be necessary to retrofit them through the utilisation of lower order plans such as the Integrated Development Plans informed by an area based planning approach and an assessment of community needs. The following are categories of settlements found in brownfields:

- **Informal Settlements:**
  - Greater resources shall be shifted to support informal settlements upgrading on condition that they are located in areas close to jobs. Therefore the upgrading of informal settlements shall remain one of the vital instruments in achieving this objective. Given the resource and capacity constraints it is considered appropriate to prioritise security of tenure and provision of infrastructure in informal settlements. In the development of infrastructure, an area-based approach will be adopted. Some requirements might include bulk water and sanitation, informal trading places, community centres, parks, safety and security, emergency services, community structures, sport and recreation, skills development, environment management, welfare, street lighting, and institutional facilities. The specific responses related to individual households are explained in Chapter 4.

- **Rural Settlements:**
  - In rural settlements the provision of basic services, improved connectivity and the development of human resources and growing the local economy that is capable of generating sustainable livelihoods are the key priorities. Requirements might be the skills development, building materials for housing development, community structures, water, agricultural (plant and animal) aspects, arts and crafts, access to services, infrastructure.

- **Mining towns:**
  - Mining towns are not purely a housing matter, and require a comprehensive strategy that doesn’t respond to increasing housing demand only. On application for a mining license a
company has to, in addition to the rehabilitation plan, produce a housing strategy (houses and amenities) to accommodate the increasing population that will be induced by demand for jobs. Failure to do must result in the decline of the mining permit.

► Historical Suburbs:
- Requirements may include traffic calming, roads maintenance, electricity, pavements, land use (land purchases), parks, safety and security issues, etc.

► Agri-villages:
- If at all practical it is advisable to settle employees in the nearest existing town and not to create a new settlement which in its very nature is not sustainable and where the provision of services such as health, education and security will be costly to provide and maintain
- Historically Disadvantaged Townships: Requirements may include housing, water, sanitation, electricity, parks, informal trading places, infrastructure and upgrade, transport, pedestrian movements, safety & security, skills development, environment, welfare, street lighting, institutional facilities (clinics, schools, municipal offices, and the like).

J. A FRAMEWORK GOVERNING IMPLEMENTATION

36. Regulations and tools to direct implementation shall be developed: In order to guide the development of sustainable human settlements and ensure the attainment of the set goals and outcomes contained in this policy, the following tools and regulations shall be developed:

► Regulations for Human Settlements Planning and Design: The regulations will provide technical framework for the planning and design of settlements.

► A Human Settlements Code: The Human Settlements Code will be developed to provide regulations for implementation. The programmes that will be utilised in the realisation of the vision contained in this policy including the funding mechanisms proposed on chapter 5 will be outlined.

► The Minister of Human Settlements shall investigate and develop means to sanction any unapproved deviations from the regulations.

37. A National Plan for the Development of Human Settlements: The plan will provide a detailed approach and strategy for implementation. This will contain clear milestones and targets to be achieved over the next 15 – 20 years.
K. A BASIS FOR FORMULATING RESPONSES TO A NEW HOUSING LANDSCAPE

38. There exist in South Africa a number of households that are unable to independently resolve their housing needs without the assistance of government. These households range from those that require total or 100% assistance to those that demand a minimum direct assistance. The Minister of Human Settlements as the custodian of the rights expressed in Section 26 of the South African Constitution must, through the available means ensure that all South Africans progressively realise this right. Therefore this chapter will focus on the typology of government interventions for households that require government support.

39. This Chapter also addresses the main challenge of limited approach in the interpretation of the Constitutional mandate, which the National Development Plan argued that it resulted in disenfranchising poor households while excluding moderate-income households. It is acknowledged that facilitating access to adequate housing comprise more than the provision of four walls, neither does it warrants a house gratis. Furthermore, the fundamentals of sustainable human settlements that are often neglected in the formulation and provision of responses to housing demand must be taken into consideration.

L. THE GOAL IN FACILITATING HOUSING FOR ALL

40. The main goal is to facilitate increased access to adequate affordable housing for all South African Citizens by providing an enabling environment in which all residents, irrespective of their wealth, race or gender, can access basic and public services, public spaces and other opportunities.

► This goal will be achieved through a targeted and deliberate assistance provided to households that are unable to independently resolve their housing needs by:
  - Ensuring the sustainability and fiscal affordability of government intervention;
  - Ensuring better targeting and utilisation of capital subsidies;
  - Providing households with a variety of options and opportunities for homeownership and rental;
  - Bolstering current strategies for consumer protection and education;
  - Developing incentives for Banks to increase the credit market to households in the gap housing market; and
  - Activating communities and individuals to take more responsibility in providing their own housing.
Various forms of Government assistance will be provided on a sliding scale using predetermined income categories as well as other classifications. More focus shall be given to the progressive realisation of the housing needs of indigents. Furthermore, the two aspects namely, (a) the availability of an affordable house in the market and (b) access to affordable finance, that confronts households in the gap housing submarket shall be addressed.

At household level, capital subsidies shall remain the cornerstone of government intervention in facilitating access to housing for poor and moderate-income households. However, mechanisms to improve targeting and utilisation of the subsidies shall be developed. Re-activating communities to participate in the progressive realisation of their housing needs is paramount and remain one of the key strategic thrusts.

A hierarchy of interventions targeting poor and moderate-income households depending on defined severity of need shall be adopted. This means poor households and moderate-income households shall receive differentiated direct interventions. These will range between 100% direct government interventions for indigents to lesser assistance that only include creating a conducive environment through legislation and providing access to administrative procedures.

The intention is to develop a comprehensive homeownership and rental-housing programme for low and moderate-income households that will allow households to move up the housing ladder by extending a choice of housing options and tenure.

The programme will be guided by the following principles:

- Poverty reduction;
- Sustainability;
- Integration;
- Access and equity;
- Responsiveness;
- People-centred & self-help; and
- Freedom of choice.

The specific qualification criteria for government housing assistance shall depend on the programme (defined broadly as rental or homeownership) as defined in the Human Settlements Code. General criteria are as follows:

- RSA Citizen or Residents.
- Monthly household income.
- Not previously benefitted in government housing assistance programme.
- Competent to contract.
M. KEY SUBSTANTIVE APPROACH AND INTERVENTIONS TO REALISE THE GOALS

41. Increase access to affordable rental for low-middle income households:

► Rental accommodation is currently provided by government, individuals and private companies. The participation of government in rental accommodation has mainly been in the domain of social housing through the Social Housing Programme and to some extent low-income rental using the Community Residential Programme (CRU). However, the affordable rental market will gain from including other role-players.

► The intention is to provide a targeted response, which includes (a) segmenting the affordable rental housing; (b) increasing the rental stock; and (c) improving the management of the rental stock. The following will be considered:
  ◙ Extend the development of rental housing stock beyond the restructuring zones in order to respond to new developmental needs;
  ◙ To investigate additional opportunities to provide affordable rental stock while strengthening the current social housing as a strategy to provide affordable rental.
  ◙ Extend the management of government assisted rental-housing stock to private companies outside the social housing institutions.
  ◙ Encourage individual households to provide affordable rental for low-income households currently excluded from social housing.

► Government strategies will provide assistance for rental accommodation to households segmented according to income as follows:
  ◙ Households income ≤ R3 500
  ◙ Household income between R3501 – R7000
  ◙ Household income between R7001 – R15000

► Capital subsidies shall be provided to Social Housing Institutions or Private Companies for the development and management of affordable rental stock for low – middle income households.

► Public-Private Partnership Led Rental Initiatives shall be adopted. The strategy might include:
  ◙ Government develop the stock and ownership of the stock transferred to the municipality;
  ◙ Private company or a Social Housing Institution manages rentals and maintenance of the stock;
  ◙ The rental managing institution account to the relevant Municipality;
  ◙ Social Housing Regulatory Authority (SHRA) perform regulatory and oversight function; and
Department of Human Settlements provide oversight and conduct performance monitoring.

► Private Sector Led Rental Initiatives shall be adopted
  ◆ Private sector develop rental stock for affordable rental;
  ◆ Private sector manages the stock;
  ◆ Social Housing Regulatory Authority (SHRA) perform regulatory and oversight function; and
  ◆ Department of Human Settlements provide capital subsidy.

► Social Housing Institutions Led Rental Initiatives shall be adopted
  ◆ Social Housing Institution develop and manages the stock;
  ◆ SHRA regulates the SHI; and
  ◆ DHS provide capital subsidies.

► Households earning ≤ R3 500 shall be provided assistance to access housing for rental purposes:
  ◆ Informal rental is an important housing sub-market in South Africa and offers a source of accommodation for low and middle-income households in our cities and towns. Census 2011 indicates that a quarter of all South African households rent, and that both formal and informal rental is increasing rapidly.
  ◆ Furthermore, informal rental markets create accommodation opportunities for two thirds of all households not able to access formal accommodation. About half of all new affordable rental accommodation is provided within existing areas but informally. This has actively promoted densification, better utilisation of existing resources, and the development of small-scale entrepreneurs.
  ◆ The provision of affordable rental for households earning less than R3500 cannot be sustainably provided through the Social Housing Programme. Supporting small-scale private rental has a potential to alleviate the demand for affordable rental options in cities. Therefore depending on a known demand for rental, the following shall be explored:
    ◆ Adjusting planning regulations for certain areas to allow for a second dwelling without the necessary applications.
    ◆ Provision of an additional slab subsidy to encourage households to offer rental accommodation. This will also be used as a source of income to households. Households provided with additional slab must be encouraged to incrementally build a formal structure to be utilised for rental or other income generation endeavours.
42. Facilitating homeownership for low-middle income households shall include a range of tenure types:

► Although there are various forms of property ownership that exist in South Africa, for low incomes households the provision of government assistance will be based on following forms of property ownership:

❑ **Freehold Ownership:** This applies to freestanding homes in residential areas. This applies to whether or not the property is in a township, registered as an erf, lot, plot, stand, or farm, and demarcated on a diagram or general plan which defines the extent of the land in question, and which ownership includes any permanent fixtures on the land. Although 70% of South Africa’s poor households live in rural areas, former homelands, commercial farms and in the small towns, the registration of homes for titling in commonage areas is lacking and will be addressed by 2020. The registration of properties in urban and peri-urban areas shall be intensified.

❑ **Communal Ownership:** this is when a community or multiple owners group together to purchase a property and share in its ownership. A communal ownership is a form of home ownership in which the occupants possess the right to occupy their unit and sell it whenever they choose. This can be organised as a trust, Section 21 company, voluntary association or communal property associations (CPA). Thus the housing demand of Cooperatives (Co-ops) and other forms of group home ownership shall be supported as a form of communal ownership in both rural and urban settlements.

43. A range of subsidies shall be provided to low-middle income households to support their need for homeownership:

► Households that require government assistance whether in part or whole shall be required to register in order to enable planning and budgeting.

► Facilitating homeownership for households earning ≤ R3 500 shall be through a differentiated approach that accommodate diverse household types and circumstances. Subsidies for households earning ≤ R3 500 shall be allocated in the following manner:

❑ **Provision of full subsidy to the indigents** described as the elderly (60+yrs), disabled, and child-headed (<18yrs) households. The subsidy will include one of the following:

  ▪ A serviced site with a newly constructed housing unit.
  ▪ Purchasing of an existing housing unit.
  ▪ A serviced site and self-help housing unit.
  ▪ Self-help housing unit without the serviced site.

❑ Household defined as **an indigent, reside in a rural area** and possesses a functional security of tenure shall be provided a full self-help subsidy. The subsidy will include:
Self-Help subsidy for the construction of a unit; and
Sanitation Facilities.
Self-Help Housing assistance when required.

Household defined as an indigent, reside in a farm area and possesses a security of tenure protected by ESTA shall be provided with a full self-help. The subsidy will include:
Self-Help subsidy for the construction of a unit; and
Sanitation Facilities.
Self-Help Housing assistance when required.

As the law of contract does not allow the registration of a property to a minor, the Department of Human Settlements shall consult with the Department of Social Development for guardianship of child-headed households. The subsidised property shall be registered once the child turns 18.

Households between the ages of 18 – 59, with a total income of ≤ R3 500 shall be provided with a self-help subsidy that includes:
A serviced site and raft foundation in a well-located settlement; and
Provision of professional assistance, if a household chooses to enrol to participate in a self-help project.
This group will be encouraged to complete on a progressive basis the construction of their homes through own funds.

Households earning between R3 501 and R7 000 shall be provided with the following assistance for homeownership:
Households will qualify for a serviced site subsidy and one of the following:
Provision of professional assistance, if a household chooses to enrol to participate in self-help housing. However, the financial responsibility for the construction of the house shall remain the responsibility of the household.
A matching subsidy of up to 50% of the top structure subsidy if possesses own savings to purchase the following:
A newly built house; or
An existing house on the resale market; or
Building a house in own vacant serviced stand.
A finance-linked subsidy at a sliding scale if approved for a mortgage loan.
Households earning between R7001 and R15000 per month shall be provided with the following assistance for homeownership:

- A finance-linked subsidy provided at a sliding scale if financing is secured from a lending institution to purchase the following:
  - A newly built house; or
  - An existing house on the resale market; or
  - Possess a vacant serviced stand for the purpose of building a house.

Alternatively, a household earning between R7001 and R15000 per month will qualify for a capital subsidy at a sliding scale if it possesses its own savings to purchase the following:

- A newly built house; or
- An existing house on the resale market; or
- Building a house in own vacant serviced stand.

Households that in a Government Employee Assisted Programme and earning \( \leq R15\,000 \) per month shall be provided with the following assistance for homeownership:

- A finance-linked subsidy provided at a sliding scale if financing is secured from a lending institution to purchase the following:
  - A newly built house; or
  - An existing house on the resale market; or
  - Possess a vacant serviced stand for the purpose of building a house.

44. General considerations in facilitating housing for all:

- Provision of a fully constructed house only in special circumstances:
  - A fully constructed housing unit for all households qualifying for a full or partial subsidy may only be provided in circumstances where the development promote integration, densification, in transport nodes, and found cost effective to provide for everyone in the programme. Approval shall be sought from the Minister of Human Settlements before such development is undertaken. The obligation of households shall be as follows:
    - When a full housing unit is provided to a household where the applicant is between the ages of 18 – 59 with a total income of \( \leq R3\,500 \), a contribution of up to 20% of the total subsidy for a top structure shall be required from households as a payment towards the house. The payment may be managed through the following:
    - The household may be required to make a monthly payment for an agreed period of
between 5 – 10 years towards the purchase of the property. The Development Finance Institution (DFI) or a municipality shall be utilised for the collection of the instalments.

- Alternatively, on registration of the need for government housing assistance, the households will be required to participate in various housing savings schemes outlined in this policy. The savings will therefore be used for the following:
  - As a deposit for the property.
  - In such cases the household will continue with reduced monthly payments.
  - For purchasing the property.

- When a full housing unit is provided to a household with a total income of between R3001 and R7000 a contribution of 50% of the total subsidy for a top structure shall be required from households as a payment towards the house. On registration of the need for housing assistance, the household shall be encouraged to participate in various housing savings schemes or secure a loan.

- The provision of a housing unit under special circumstances such as Military Veterans shall be on approval by the Ministers of Human Settlements and Military Veterans. However, the amount provided must not exceed the subsidy amount. The programme must be managed in collaboration with the Department of Military Veterans.

- The pre-emptive clause shall be reviewed: The 8-year resale restriction or pre-emptive clause on fully subsidised government housing was motivated in order to prevent downward raiding and to allow households to develop enough equity on their houses in order to trade up or use the house to accumulate wealth. Therefore...

- A 5-year restriction or pre-emptive clause shall remain in force on all fully subsidised housing units. Title deeds for new properties shall be endorsed to reflect these restrictions.

- When a household wishes to sell the property before the 5-year restriction expires, government has the first right of refusal. In such cases, a household will be issued with a voucher note to purchase an existing property or allocated a new property.

- In cases where only a serviced site was provided no restrictions shall be applicable.

- No restrictions shall be effected on title deeds that have not been issued due to late registration.

- Self-Help housing shall be promoted:
  - Government will embark on a structured national self-help facilitation programme to assist households to obtain building materials at competitive prices and to build their own homes. The current Peoples Housing Process will be strenghtened.
The renewed emphasis on self-help housing process will comprise the provision of support services through Local Support Centres that will provide training, and on-site supervision and guidance.

An individual or household that have applied for a self-help subsidy shall be provided with a professionally designed and constructed raft foundation on which to construct own dwellings. Should the household rejects this option, a self-help built subsidy that includes raft foundation shall be granted.

The administration of the subsidy-housing programme shall be improved

A singular housing needs database for a range of needs shall be established. This includes households that require rental and homeownership options whether partially or in whole.

In order to address maladministration and perceptions of corruption a national allocation list shall be developed in collaboration with Provinces and Municipalities

The allocation list shall be gazetted and made accessible to everyone.

Review the current procurement system:

A new procurement strategy will be explored. This will include the provision of estimated cost schedules to aid budgeting, planning, house designs and bills of quantities.

Strengthen Consumer Protection:

The current measures to protect the rights of and inform housing consumers on the technical, legal and financial aspects of housing shall continue to be a critical factor in supporting the regulatory and delivery framework. In this regard the Department of Human Settlements will utilise its institutions to undertake the following actions:

The National Home Builders Registration Council (NHBRC) shall improve its capacity and capabilities to protect the interests of all new housing consumers against defined defects and to regulate the home building industry. NHBRC will continue to ensure that ordinary people, driven by the desperation of homelessness, will not be at the mercy of unscrupulous operators in the market.

The Community Scheme Ombud Services (CSOS) shall strengthen its ability to resolve community scheme disputes, educate those involved in sectional title schemes, homeowners associations and other forms of community schemes, and manage sectional title schemes documentation.

The Estate Agency Affairs Board (EAAB) shall continue to regulate the estate agency profession through ensuring that all persons carrying out the activities of an estate agent as a service to the public are registered with the organization. There is a need for EAAB to extend its reach to the un-served and under serviced areas.

The Social Housing Regulatory Authority (SHRA) shall continue to regulate affordable rental and will develop innovative means to expand the sector.
P. THE CURRENT STATE OF THE RESIDENTIAL PROPERTY MARKET

45. In order to ensure the participation of all South Africans in the residential property market a dedicated focus targeting low-moderate income households is required. In the past twenty-one years many low-moderate income households have been unable to meaningfully play a part in the housing market. This is notwithstanding a contributing of over 3.5m housing opportunities (particularly sites and housing units) for low-income households with a state expenditure estimated at R160bn. The following have been identified as inhibiting factors in achieving the goal of a single functional property market:

- Lack of market information;
- Poor transaction support;
- Barriers to trade;
- Lack of formal title; and
- Problem of affordability.

46. While middle and high income households require a conducive environment created through enabling legislation and administrative provision to access the property market, low-moderate income households require direct government assistance to completely participate and understand the workings of the market. The shortcomings experienced by low-moderate or low-middle income households has created a duality and resulted in a dysfunctional residential property market.

47. There are six factors that facilitate the optimum functioning of residential property market. These include:

- Legislation and policy: this includes legislation and policies that creates a conducive environment. These include property registration legislation, tax credit on development or registration of affordable housing.
- Improved planning, design and development of settlements: this includes installation of the requisite infrastructure, services and design as outlined in chapter 3 of this policy. The property market cannot function if the required planning legislation regarding township establishment is not implemented. Furthermore, if the required infrastructure and services have not been installed
- Administrative system: this includes formal property registration; transactional support; homeownership education; monitoring and evaluation.
► Supply Side Responses: this includes availability of affordable housing stock; well-located land; infrastructure and services; tax inceptives; reduce cost of finance etc.

► Demand Side Responses: this includes expanding access to housing finance for end-users and developers; mortgage tax deductions; household savings; savings-linked mortgage subsidy capital amount; interest rate subsidy for targeted mortgage loans; mortgage reduction subsidies.

► Transactional Support and Residential Property Market Information: this includes availability of estate agencies to assist with buying and selling; reduction of transfer and registration cost; home ownership education; access to property valuation data; etc.

Q. STRATEGIC GOAL AND STRATEGIC THRUST

48. The goal of this policy is a functional and equitable residential property market for all South Africans.

49. These will be achieved by actively pursuing the following:

► Support the secondary housing market for low-moderate income households.
► Develop a strategy to ensure affordability and availability of stock.
► Improve access to finance.
► Improve market information and transactional support.
► Improve homeownership education programmes.
► Ensure the realisable value of subsidy homes.
► Enhance access to title deeds.

50. The approach to developing a functional and equitable property market must be informed by an understanding that:

► The realisation that the human settlements programme is an investment in the property market.
► Settlements planning and design is core in the development of a functional and equitable property market.
► Access to infrastructure and services are the backbone of a functional property market.
► Title deeds in the hands of poor households are not enough to create wealth, as homeownership education and transactional support and many others factors are also fundamental principles.
R. KEY SUBSTANTIVE APPROACH AND INTERVENTIONS TO REALISE THE GOALS

51. Legislation and policy that supports access to the residential property poor for households shall be developed:

► The Department of Human Settlements shall undertake the following:
  ◆ Review the pre-emptive clause
  ◆ In collaboration with the Department of Rural Development and Land Reform Review the property registration legislation,
  ◆ Negotiate with the Minister of Finance for the provision tax credit on development or registration of affordable housing.
  ◆ Government will support the utilisation of government subsidised housing to become not only a social and economic asset but also a financial asset to enable poor households to progress up the property ladder. This means government policy shall consent to buying and selling of subsidised housing.

52. An administration system to support the functioning of the residential property market shall be established.

► One of the fundamentals of any functional residential property market is property registrations system. Title deeds protect rights to a property and record changes in ownership, provide individuals with an address, recognising the owner as being part of the municipality, and enabling the owner to secure loans and to pass it on to family members. The failure to provide Title Deeds means that beneficiaries are being denied a critical point of entry into the formal property market. The value of a title deed is that it not only protects rights to a property but facilitates market and financial transactions

► Title deeds will be issued within six months of occupation to all homeowners. Titling will include either a serviced site and / or a housing unit.

► Title deeds for government subsidised housing for households that received a full subsidy unit will possess an identifiable marker that will enable tracking of performance and analysis of trends.

► Mechanisms will be put in place to clear the current title deeds backlog that is almost 1 million. This includes findings means of legitimising informal sales.

► Government subsidised houses are sold for significantly less than their market value, which undermines the ability to realise the real value of the house. Therefore, Government will establish transactional and administrative systems to support transactions in the property market for households in the subsidy housing submarket.
Currently properties in rural areas are not included in the property market and their value is unknown. We will develop a strategy to unlock the potential of properties in rural and communal areas.

Properties in urban and peri-urban areas developed through the government subsidy programme will be rateable and included in the rate roll of municipalities.

The elimination of transfer duty on all property acquired for less than R750 000 introduced by the Minister of Finance in 2015 has contributed in addressing affordability for households. The Minister of Human Settlements will work with the Minister of Finance to continuously review the tax relief.

In 2011 the Minister of Finance announced a tax incentive for developers who build a unit priced up to R300 000. This has not yet been implemented. Thus the Minister of Human Settlements will work with the Minister of Finance to ensure that tax incentives for developers constructing affordable housing units are implemented, monitored, and regularly reviewed.

53. **Transactional support for poor households shall be established**

Government will establish local administrative centres to perform the following functions:

- Provide support to households that request to sell a property that is still under the preemptive clause.
- Provide households in the government subsidy housing sub-market access to market estimates of their properties.
- Provide support for individual transactions to households in the affordable secondary housing market. The support will include:
  - Government subsidy applications.
  - Property transfer and registration.
  - Assisting households to liaise with local Estate Agencies regarding buying and selling of property.

The number of Estate Agencies operating in the affordable housing submarket shall be increased to a least 40% in the next 10 -15 years. A programme to train and support the youth as estate agencies shall be undertaken.

54. **The knowledge gap on understanding of the workings of the property market will be closed.**

Strategies to achieve this will include:

- Providing homeownership education to all households in the government subsidy submarket.
  - Distribute residential market information.
  - Promote the notion of a housing ladder.
  - Ensure the realisable value of housing in disadvantaged areas and government subsidised housing.
The transactional support local offices will act as centres for the provision of this information while the Department of Human Settlements and Estate Agency Affairs Board shall develop education programmes and distribute necessary market information.

Public awareness and education on property rights in particular property registration will be conducted.

55. All residents shall have access to residential property market information

An understanding of the entire residential property market is the cornerstone in government’s ability to support the affordable housing market that includes the subsidy and the gap submarkets. Government will...

- Undertake a constant analysis of trends in the residential property. This includes residential building plans passed by municipalities and new housing units constructed in the entire residential property market.
- Undertake research and disseminate information on property trends and values in the affordable housing market.

In addition access to residential property market information is important in ensuring a vibrant property market but households in this submarket have no or limited information regarding their properties. Therefore...

- Distribution of sales transactions in the affordable housing market shall be monitored and published every six months.
- Transactions in the secondary housing subsidy submarket shall be monitored regularly and reported on annually.
- Homeownership education programmes for the affordable housing market shall be provided to all households in the affordable (subsidy and gap) submarkets.

56. Mechanisms will be developed to increase the supply of affordable housing stock. The strategies will include:

- Intensifying the implementation of new programmes for the development of a house that cost less than R500 000.00. Currently the price of what is considered as small homes (i.e. currently this is defined as house size of 80m² -140m²) is about R876 000. Affordability will be increased through the adoption of the following strategies:
  - Adopting a government led housing construction for households to increase the affordable housing stock for households earning between R3001 - R15 000: Ensure the affordability of the housing unit for households in the gap sub-market (that is, households earning above R3500 but less than R15000 per month) by adopting a government led housing construction programme. The disposal of such properties shall be in a manner that does not create an administrative burden and cost for government.
The units shall be constructed at varying and higher specification than those constructed for households requiring full subsidy.

Government will recover the full cost of the unit from its sale. The Development Finance Institution of the Department of Human Settlements will manage the disposal of such properties individually or in collaboration with the Commercial Banks.

The finance recovered from the sale of such properties shall be kept in a **revolving housing fund** utilised for further development of the affordable housing units.

- Reduce borrowing cost for developer financing. The newly established Development Finance Institution shall facilitate and provide access to affordable finance for buyers and developers.
- Access to affordable land: this will be accomplished by unlocking land at the right location. Including unlocking land for affordable housing through measures such as transit-oriented development, identification of suitable idle-land, rapid release of public land, and inclusionary zoning.
- Expediting approval processes: this will be accomplished by addressing inefficiencies through expediting township establishment processes (see Chapter 3).
- Utilise Public-Private Partnership: attract investors and developers to produce more affordable housing stock by developing mechanism and adopting various means to reduce the cost of the unit.
- Efficient construction methods and materials: this will be accomplished by improving capital productivity via better construction, value engineering, procurement excellence, industrial construction, and promoting development of cost-effective, quality approved building materials and technologies with a view to bringing down the cost of affordable housing submarket.

**57. Mechanism to ensure the available of affordable housing finance for the gap submarket shall be developed**

- According to the Financial Sector Code the banking sector is expected to contribute at least R24bn through the provision of housing finance. This will require lenders to originate loans of approximately R60bn by 2020. The biggest obstacle that low and middle-low income earners face when attempting to purchase a home is access to housing finance. In order to ensure the availability of affordable housing finance government will investigate mechanism such as:
  - Microfinance;
  - Community based savings schemes;
  - Compulsory savings schemes;
  - Contractual savings for houses;
  - Special housing funds;
  - Rent-to-buy and rent-to-mortgage schemes; and
  - The issuing of bonds.
FINANCING AND FUNDING HUMAN SETTLEMENTS

S. REFORMING THE CURRENT FUNDING SYSTEM FOR HUMAN SETTLEMENTS

58. Human settlements have faced a number of challenges regarding linking expenditure incurred with various milestones or achievement in the delivery of human settlement. These include shifting funds in between spheres, funding other costs that are associated with the delivery of human settlement opportunities specifically housing opportunities, deviations from existing norms and standards to fund demand driven strategies and court rulings that enjoins the various spheres of governments in the delivery of basic human rights that are linked to the provision of human settlement opportunities including housing and basic services.

59. Therefore, there is a need to review the existing funding mechanism for human settlements for the following reasons:

► Prioritising development in inner cities and in other areas of economic opportunity such as around transport hubs and corridors.

► Progressively shifting state support from only providing top structures to investing in public space and public infrastructure.

► Ensuring diversity in product and finance options that would allow for more household choice and greater spatial mix and flexibility.

► Ensuring that state funding does not support the further provision of non-strategic housing investments in poorly located areas.

► Ensuring that housing provision supports livelihood production and job creation.

► Leveraging private sector funding into providing increased levels of finance to the lower end of the market and ensure that this investment is also directed to well-located areas.

► Ensuring that private housing developments are incentivised to include a proportion of affordable housing.

► Supporting the growth of housing delivery in the gap market by addressing affordability constraints and reducing the cost of products so that they are made more affordable.

► Supporting municipalities in developing capital and operational financing strategies that will allow them to provide the bulk and link infrastructure required for large developments.

60. Currently the Department of Human Settlements disburses three grants, utilised for the delivery of sustainable human settlements. These are:
Human Settlement Development Grant (HSDG), which is aimed at mainly addressing access to adequate housing and basic services.

Urban Settlement Development Grant (USDG) which is aimed at supplementing capital revenues of metropolitan municipalities in order to support national human settlements development programme

Municipal Human Settlement Capacity Grant (MHSCG) which is aimed at building capacity in municipalities to deliver and subsidise the operational costs of administering the human settlement function in metropolitan municipalities

Other grants that contribute to the provision of various aspects of human settlements in both urban and or rural settings are administered by different government departments at various levels of government:

Municipal Infrastructure Grant (MIG) which is aimed at eradication of municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities

Comprehensive Agricultural Support Programme Grant (CASP) directed to Agriculture and Forestry and its purpose is to provide effective agricultural support services and facilitate agricultural development. The farmers so assisted through this grant are supposed to be listed in the provincial and National Farm register.

Land Care Programme Grant (LCSP): Poverty Relief Infrastructure Development whose purpose is to promote the sustainable use and management of natural resources that support pillars of sustainability.

Education Infrastructure Grant: which is aimed at helping to accelerate the construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation

School Infrastructure Grant: aimed at eradication of all inappropriate school infrastructure and provision of water, sanitation and electricity to schools. This includes acquisition of furniture.

Health facility revitalisation Grant which is aimed at accelerating the construction, maintenance, transformation of health infrastructure in line with Provincial policy objectives

Neighbourhood Development Partnership Grant (NDPG) which is aimed at planning, catalysing, investing in targeted locations in order to attract and sustain third party capital investments that are aimed at spatial transformation

Integrated National Electrification Programme (INEP) which aimed at addressing backlogs of occupied dwellings, installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure,

PTNS which aimed at construction and improvement of public and non motorised transport infrastructure that will form part of the municipal network,
► Rural Bulk Infrastructure Grant (RBIG) which is aimed at developing new and refurbishing, upgrading and replacing aging infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large bulk infrastructure.

62. Therefore discussions must be held, particularly with the National Treasury on the best way to coordinate planning, funding and implementing human settlements projects in an approach that is coherent and manageable. Opportunities for funding projects through public-private partnerships should also be sought.

63. The international best practice suggests that funding for human settlements should not only be limited to the grants as is currently the case in South Africa. Municipality should be able to derive value, through rates and taxes.

T. FINANCING AND FUNDING THE DEVELOPMENT OF SETTLEMENTS

64. Finance and funding for human settlements must be geared towards the best possible approach in achieving sustainable human settlements and improved quality of household life through achieving the following goals:

► Improving planning, design and development of settlements.
► Increasing access to adequate housing.
► Developing a functional and equitable residential property market.
► Developing institutional capacity and capabilities.

65. Funding for human settlements shall take into consideration that human settlements consists of the following constituent elements that can only be achieved through a coherent system of implementation:

► Residential Areas
► Business and Commercial
► Industrial Areas
► Institutional/Public/Social Services
► Government Services Centre
► Movement Networks
► Open spaces or recreational zones
► Agricultural zones associated with settlements
66. Funding mechanism for the development of human settlements must be informed by:

► The development and investment trajectory outlined in the Strategic Integrated Infrastructure Projects (SIPs).
► The National Development Plan for Human Settlements that is a multi-year plan aligned to the Integrated Development Plans.
► Coordination and alignment of infrastructure planning and funding streams at national, provincial and local spheres of government; and
► Five-year development priorities at local, provincial and national levels.

U. FUNDING REFORMS

67. Public Finance:

► Reforms in finance and governance that will complement the development of sustainable human settlements will be introduced in collaboration with National Treasury:

◼ **Infrastructure grant**: This must fund the building of infrastructure, public spaces and services, including land costs, investment in public spaces, and the like. The grant is not a household directed grant but is area based. With the assistance of the National Treasury, and the Department of Cooperative Governance, the infrastructure grant will support the implementation of coordinated area-based plans that includes a range of departments. Its objective is to address specific spatial objectives.

◼ **Housing grant**: This must fund the housing subsidies for households, construction of a housing unit or the purchasing of a house or self-built initiatives.

◼ **Capacity grant**: This must fund professional services and capacity acquisition and development. This includes capacity for scoping land, environmental impact assessment, and related capabilities.

► It must be acknowledged that funding for other physical aspects of human settlements such as schools, health, safety & security, and the like, must be coordinated with the responsible departments through planning and budgeting instruments. Municipalities must use Area Based Planning Approach to identify infrastructure investment priorities that will be funded through a consolidate grant framework.

► Funding for human settlements will be differentiated in terms of a rural and urban package and support arrangements required. For example, the rural package may include various typologies and infrastructure that residents in the rural areas may choose from.
While funds for the development of sustainable human settlements are allocated through parliament, the transfer will be depended on approval of plans and successful implementation of programmes. The Director General may withhold or reallocate or centrally manage funds on failure to submit credible plans including poor performance by either provincial department. In the case of Municipalities, funding might be reallocated to another municipality.

Programmes for funding the development of sustainable human settlements must be outlined in the Human Settlements Code.

68. Facilitating Access to End-User Finance:

- Provision of Subsidies:
  - Subsidies will continue to be utilised as a financial instrument for intervening at both household level and institutional level. The provision of these subsidies will be differentiated based on assessment of needs as outlined in this policy.

- Establish a housing savings fund:
  - In order to encourage households to participate in their housing provision, the Department of Human Settlements through its Development Finance Institution and negotiations with the Banking Sector will promote individual savings towards a housing fund.
  - Alternatively, voluntary employee-employer monthly contribution of a share of workers’ salaries may be used.
  - These savings may be used to gain access to credit in order to gear State subsidy assistance and own equity in acquiring housing.

- Facilitate increased access to credit:
  - Lack of affordable finance and insufficient appropriately priced housing stock continue to be the impediments. In the next twenty years about 5 million individuals may require assistance from government.
  - Thus the Minister of Human Settlements will after negotiations with financial institutions and other relevant stakeholders develop a strategy to facilitate access to credit and affordable housing stock through the mechanisms explained in Chapter 5.
PERFORMANCE REPORTING, MONITORING, AND EVALUATION

V. MEASURING PROGRESS TOWARDS THE ACHIEVEMENT OF SUSTAINABLE HUMAN SETTLEMENTS

69. It is essential that policies and programmes are monitored and reviewed on a regular basis to ensure that they have the desired effect or impact and to report information on best practice. Currently, performance measurement is target driven, is based on the number of households assisted through the delivery of top structures and serviced sites delivered annually. The absence of a relationship between what is measured and the envisaged outcomes remains a setback that must be addressed by 2020. Therefore, there is a need to change what is measured and a shift towards a more outcomes based approach should be adopted. A set of standards and criteria shall be developed for measuring levels of achievement or inform improvement strategies.

70. Although the Department of Human Settlements has a central information system, the poor utilisation of the current Housing Subsidy System (HSS) Database by the relevant departments in all three spheres of government has resulted in unreliable performance figures and an absence of an audit trail that could facilitate verification and planning. In addition, the absence of comprehensive information on human settlements and the lack of transparency make the utilisation of the HSS severely limited. In order to enhance sound decision-making, accurate and adequate data on the state of human settlements is essential.

71. In addition, the Department of Human Settlements also manages a Monitoring, Evaluation and Impact Assessment (MEIA). The indicators in the MEIA Policy and Implementation Framework measure the performance of the grant administered by the department and the performance of the Human Settlements Institutions. However, the synergy between the MEIA and HSS Databases remains unclear.

72. The Minister of Human Settlements will ensure regular monitoring and evaluation of policies and programmes. The Minister will continue to improve the current information systems and develop appropriate electronic data systems that will assist in decision-making and continuous review of this policy.

W. THE GOAL IN PERFORMANCE REPORTING, MONITORING AND EVALUATION

73. The main goal is to ensure that performance reporting, monitoring and evaluation focus on determining progress towards the achievement of sustainable human settlements and improved quality of household life.

74. Monitoring and evaluation are two distinct but related sets of organisational activities. What monitor-
ing and evaluation have in common is that they are geared towards learning from policy, programme, or project by focusing on efficiency, effectiveness and impact. Monitoring is the systematic collection and analysis of information as a policy, or programme, or project progresses. If done properly, it is an invaluable tool for management, and it provides a useful base for evaluation. Monitoring shall therefore achieve four main purposes:

► To learn from experience in order to improve practice;
► To provide internal and external accountability on the relationship between the resources used and the results obtained; and
► To take informed decisions on the future of the initiative.

75. Performance monitoring shall be conducted to ensure:

► A continuous and systematic collection of data on specified indicators, to provide information on the extent of progress and achievement of objectives and in the expenditure of allocated funds;
► Availability of information on where a policy, program, or project is at any given time (and over time) relative to respective targets and outcomes;
► Measurement of progress and benefits received towards achieving desired objectives;
► Tracking of actual performance against what was planned or expected according to pre-determined national norms and standards and targets;
► Ascertainment of result from which recommendations on corrective measures are made;
► That accountability is taken based on transparent procedures, oversight, and data-based reporting; and
► Expanding on learning and capacity-building goals to assist the sector become progressively more cost-effective by building on the lessons from both successes and failures.

76. Evaluation shall be utilised to inform progress towards the achievement of policy outcomes and goals and to inform strategic decisions. Thus, to improve the application of this policy through project or programme implementation. Among others, evaluations will be used to draw conclusions about the following five main aspects of the intervention:

► Relevance;
► Effectiveness;
► Efficiency;
► Impact; and
► Sustainability.
77. Policy evaluation shall also be conducted to examine the effects of the policies and programme in terms of necessity, efficiency, validity, and to improve the planning and implementation process. Therefore evaluation shall be undertaken for the following reasons:

► Assessment of policy content;
► To improve decision-making;
► Generating knowledge about what works and what does not;
► Documenting and informing implementation;
► Provide greater accountability for resources invested;
► Improving performance (evaluation for learning);
► Evaluating policy impact and value of the policy or programme;
► Informing future policies; and
► Contribute to the national system of evaluation.

X. KEY APPROACH TO PERFORMANCE REPORTING, MONITORING AND EVALUATION

78. Performance monitoring and reporting shall be strengthen to ensure accountability:

► An appropriate monitoring mechanism to ensure accountability and exercise oversight must be strengthened and maintained by all three spheres of government including government entities and their implementing agencies.
► All key interventions and at all levels of government must be monitored and responsible authorities must account fully for performance against agreed performance standards.
► The monitoring process must be continuous, part of the normal work process, building up an experiential base that will feedback to improve policy-making and implementation. Monitoring must also reveal the degree of progress towards the achievement of intended outcomes as well as their impact, thus providing a basis for ensuring accountability.
► Reporting must be frequent, based on the agreed standard inform decision-making.

79. Performance monitoring and reporting will focus on determining progress towards the achievement of the outcomes or goals of human settlements:

► Increasing access to housing and quality living environments.
► Developing a functional and equitable residential property market.
► Improving planning, design and development of settlements.
Developing institutional capacity and capabilities.

80. The key approach to monitoring and reporting shall focus at both Settlement Level and Household Level interventions:

► The settlement level monitoring and reporting will focus on determining progress at the settlement geographical space towards achievement of key strategic thrusts outlined in Chapters 3, 4 & 5; and to assess progress and the effect of the development or retrofitting of the settlement in relation to other settlements, town, city and city region.

► The household level monitoring and reporting will focus on assessing progress towards achievement of key interventions outlined in Chapters 3, 4 & 5 and the evaluation will assess the impact of interventions at household level.

81. Standards and criteria for monitoring and reporting shall be developed: The Minister of Human Settlements must set standards for monitoring and reporting and develop criteria to be used for measurement at both levels of intervention in terms of:

► Integration
► Densities
► Transportation
► Environmental management
  ◼ Physical aspects of human settlements, e.g.
  ◼ Infrastructure
  ◼ Services
  ◼ Socio-economic amenities
  ◼ Movement Networks
► Adequate housing
  ◼ Legal security of tenure;
  ◼ Availability of services, materials, facilities and infrastructure;
  ◼ Affordability;
  ◼ Habitability;
  ◼ Accessibility;
  ◼ Location; and
  ◼ Cultural adequacy.
Additional areas consistent with measuring the development of sustainable human settlements and improved quality of household life shall be developed.

82. A compressive information database system for human settlements including a Geographic or Geospatial Information System will be developed:

- The Minister will ensure that the information system management for human settlements is improved. In this regard a national Databank and Information System, a Transversal Operational System in the nine provincial departments of human settlements and local government to register and administer projects and all recipients of the programmes shall be maintained. The objectives of the databank and information system are to:
  - Record information for the purposes of the development, implementation and monitoring of national human settlements policy outcomes and programme implementation;
  - Provide reliable information for the purposes of planning for human settlements development;
  - Enable the Department to effectively monitor any aspect of the human settlements development process;
  - Provide macro-economic and other information with a view to integrating national human settlements policy with macro-economic and fiscal policy, and the co-ordination of human settlements development with related activities; and
  - Collect, compile and analyse categorised data in respect of human settlements development, including, but not limited to, data categorised according to gender, race, age and geographical location.
  - Form the basis for developing reports to institutions established in terms of Chapter 9 of the Constitution (namely, Human Rights Commission, Office for Women, and the like), Parliament and international agencies such as UN-Habitat.
  - Stringent standardised measures will be put in place to ensure the accuracy and utilisation of the information system for reporting purposes and to assess progress in implementation.
  - The Minister will ensure that a geospatial information data is developed and accessible for decision-making such as planning, budget allocations, capacity development, and deployment.
  - In focusing on achieving sustainable human settlements, data needs must be consistent with international standards for reporting purposes.

83. Monitoring and reporting shall include progress towards achievement of societal-wide issues. South Africa continue to be confronted with a number of issues that include the role of human settlements in the following:

- Eliminating poverty and sharply reducing inequality by 2030.
► Creating jobs and livelihood.
► Transforming urban and rural spaces.
► Supporting youth and women.
► Redressing the injustices of the past effectively.
► Collaboration between the private and public sectors.
► Fighting corruption and enhancing accountability.

84. **Evaluations will be conducted periodically to assess progress towards the achievement of sustainable human settlements and improved quality of household life.** Therefore the evaluation will focus on the following aspects and any other area identified as contributing to achieving the broader human settlements outcomes and goals:

► Increasing access to housing and quality living environments.
► Developing a functional and equitable residential property market.
► Improving planning, design and development of settlements.
► Developing institutional capacity and capabilities.

**Y. PROCEDURE FOR REVIEWING AND MODIFICATION OF THIS POLICY**

85. After consulting with the Members of the Executive Council for Human Settlements and the Mayors, the Minister of Human Settlements may direct that a review of this policy and any other policy derived from this policy be conducted. When so instructed by the Minister, the Department of Human Settlements will be responsible for the review of policy in consultation with all sector departments, provinces, municipalities and other stakeholders.
Z. MANAGING THE DISJUNCTURE BETWEEN POLICY AND PRACTICE

86. In the past twenty-one years the adopted strategy for policy and programme implementation was based on the assumption that the sphere of government responsible for implementation will successfully implement policy as envisaged. However, the following were found to be the shortcomings of this approach to policy implementation:

► Disjuncture between policy and practice;
► Changing policy environment;
► Limited capacity and capability for implementation;
► Lack of policy coherence;
► Lack of a strategy to ensure coordination of funding and programmes; and
► Psychological distance between and among all three spheres of government.

87. In addition, an absence of coordination of policy research, knowledge management and policy evaluation culture in the human settlements sector continue to deprive the policy developers and implementers from capitalising on the pockets of excellence and good practices available.

88. The translation of policy vision and goals into action is highly complex, involving many players inside and outside government. It also operates at multiple levels and requires various actions across many fronts. Key factors that must be considered include the ability for policymakers to:

► Clarify mandate, goals and measure progress;
► Creating appropriate decision making structures and feedback loops.
► Ensure that there are right skills and expertise to deliver;
► Provide clarity and certainty about where and how decisions are made.
► Frame issues to get people on their side and to support and understand the new policy and programmes; and
► Use the existing assets (that is, human resources) in the system and make long implementation programmes resilient to the political cycle, personnel churn and external events.

89. Although the three spheres of government are distinctive, they are also interdependent and interrelated. The development of sustainable human settlements is located across national, provincial and local governments and also spread amongst different sector departments. Therefore there is a need for a range of consultations and agreements that should take place within the spheres and amongst the sectors, with the sole purpose of directing the realisation the mandate of developing sustainable human settlements and improve quality of household life.
YB. THE GOAL FOR IMPROVING POLICY IMPLEMENTATION

90. The main goal is to improve policy implementation by ensuring institutionalisation of policy and programmes. This will be achieved through:

► Staying close to the implementers.
► Ensuring clear goals and clarity of purpose.
► Investing in the right capacity and capabilities.
► Support local capacity and pursue their commitment.
► Develop a system-wide monitoring and accountability mechanism.
► Mobilising business, civil society, professional bodies, non-governmental organisation.
► Utilising political officers at various levels to drive change and progress.

XC. KEY SUBSTANTIVE APPROACH TO IMPROVE POLICY IMPLEMENTATION

91. All spheres of government, government entities and other government departments will be mobilised to work together to achieve a common goal:

► Clarity of purpose is important in policy implementation therefore lines of communication and mandatory engagements will be encouraged to ensure coordinated planning, budgeting and development.

► Effective and efficient feedback loops between implementers and policymakers will be created to enable information about progress to flow easily. This will allow the executive authority and accounting officer to identify and address problems promptly.

► Credible intermediaries shall be established to report to the Minister and the MEC any policy implementation challenges.

► An implementation network or coordinating body consisting of the following sector Departments shall be established:
  ■ Human Settlements;
  ■ National Treasury;
  ■ Water and Sanitation;
  ■ Transport;
  ■ Cooperative Governance and Traditional Affairs;
  ■ Rural Development and Land Reform;
  ■ Public Works;
  ■ Social Development;
Basic Education;
Arts and Culture; and
Health.

92. Mobilisation of and engagement with all relevant stakeholders to contribute in the development of sustainable human settlements will be prioritised. The approach will include strengthening current and establishing new partnerships through social compacts with various sectors such as:

- Construction Industry;
- The Mining Sector;
- The Banking Sector;
- Civil Society Organisations;
- Research and Higher Education Institutions;
- Professions Bodies and Practitioners;
- Trade Unions;
- Religious Organisations;
- Non-Governmental Organisations/Non Profit Organisations; and
- Other Relevant and Interest Group.

93. A long term plan (15 – 20 yrs.) and clear five-year milestones to ensure that the policy vision is kept on track and realised by 2030 will be developed:

- A National Plan for the Development of Sustainable Human Settlements will be developed to support the implementation of this policy. The plan shall contain a strategy to achieve the policy goals.
- On a five-yearly basis, a Medium Term Strategic Framework (MTSF) shall be developed as a means to manage the implementation of the National Plan.

94. Local level capacity and institutional capabilities required for improved implementation will be established:

- Investment in local capacity to improve implementation will be intensified. Capacity building for municipalities will be targeted as an initial priority area and will focus specifically on metropolitan municipalities with a view to supporting the implementation of human settlement programmes.
95. The following Sections of the South African Constitution, Act 108 of 1996 provides the legislative framework for the institutional arrangements in the development of sustainable human settlements:

- Part A of Schedule 4, Chapter 14 lists housing, urban and rural development and regional planning and development, as functional areas of concurrent National and Provincial legislative competence while,
- Section 154(4) further provides for the delegation of powers and functions to local government by agreement, if municipalities have the necessary capacity and are regarded as the most effective site from which these powers may be exercised.
- Section 125(3) provides that national government, by legislative and other measures must assist provinces to develop their administrative capacity required for the effective exercise of their powers and performance of their [human settlements] functions.

96. Therefore in congruent with the responsibilities outlined in Chapters 2 – 7 of this policy, the further roles and responsibilities of various stakeholders and role-players in human settlements are defined in paragraphs 106 – 112.

THE ROLE AND RESPONSIBILITIES OF THE DEPARTMENT OF HUMAN SETTLEMENTS

97. The Minister for Human Settlements will, in consultation with the relevant national departments, provincial and local government, as well as other stakeholders fulfil the following functions:

- Develop Policy, Legislation and National Norms and Standards:
  - Determine national policy for the development of sustainable human settlements and improved quality of household life.
  - Adopt and promote legislation to give effect to national policies.
  - Set broad national delivery goals and facilitate the setting of provincial and local government human settlements delivery goals.
  - Develop and promote national norms and standards in respect of human settlements.
  - Develop and establish mechanisms and procedures to ensure the achievement of human settlements goals.
- Ensure the availability of funding and efficient expenditure:
  - Establish national institutional and funding framework for human settlements in collaboration with National Treasury.
Mobilise funds for the achievement of human settlements outcomes and goals,
Negotiate for the national apportionment of state budget to human settlements.
The Director-General shall manage or administer funds for the implementation of human settlements programmes by provincial, local, government institution, departmental entities, and implementing agents.

Develop mechanisms to strengthen and improve policy and programme implementation:

- Develop and regularly maintain the **Human Settlements Code** which contains:
  - National human settlements programmes.
  - Administrative and procedural parameters in respect of implementation and application of national policy and any other matter that is reasonably incidental to national human settlements policy.

- Develop **Regulations for Planning and Design of Settlements**.

- Ensure the development of a **National Plan for the Development of Sustainable Human Settlements**, which is multi-year or long-term plan used to direct the development of human settlements, and ensure its alignment thereof to the Integrated Development Plans (IDPs) of the Municipalities including the Spatial Development Framework.

- Develop and maintain a national electronic databank and information system including a geospatial system.

- In partnership with other government departments such as the Department of Environmental Affairs, Water and Sanitation, and the like, develop a mechanism to expedite preplanning and township establishment processes that includes Environmental Impact Assessment and other regulatory preplanning framework for human settlements development.

- The Minister will in collaboration with the Minister of Rural Development and Land Reform:
  - Promote and facilitate the registration of land in rural areas;
  - Investigate simpler and affordable ways of providing legal security of tenure particularly for poor households.

- Ensure and promote effective communication on human settlements matters such as policy, legislation, programmes, and the like.

- Strengthen the existing or establish entities or institutions to regulate and support the implementation of the various aspects of the human settlements mandate. In this regard the Minister will:
  - Clearly articulate the mandate of the entity.
- Regularly review the mandate of the entity or entities, and may, after the review take any appropriate steps as s/he deem necessary.
- Ascertain or develop the funding mechanism in performance of duties and responsibilities.
- Monitor and evaluate their performance. Where under or non-performance or maladministration is detected, remedial steps must be taken.

► Provide support to provinces and municipalities in the execution of the human settlements mandate: In this regard the national Department of Human Settlements shall...

◘ Render any assistance to the province and municipalities as required for the performance of their duties in relation to human settlements programmes.
◘ Assist the provinces and municipalities to develop technical and administrative capacity and capabilities required for the effective exercise of their powers and performance of their duties in respect of human settlements development.
◘ Support and strengthen the capacity of provinces to manage their own affairs, to exercise their powers and perform their duties in respect of human settlements development.

► Address underperformance and maladministration:

◘ When a provincial or local department responsible for human settlements functions, is unable to fulfil its obligation in terms of this policy, the Minister shall intervene by taking any appropriate steps to ensure fulfilment of that obligation.
◘ When requested by a province or municipality or any interested party, the Minister shall intervene to render assistance.
◘ When the inability to perform duties and responsibilities is regarded as severe, or is to the decrement or disadvantage of South Africans, the Minister may intervene by taking steps in accordance with the following:
  - Section 100 of the Constitution of the Republic of South Africa.
  - Establish an enquiry to investigate or examine the circumstances that led to the condition, and determine corrective measures.
  - Withhold the transfer of funds, until the condition is resolved and sorted. In such cases the said funds may be conditionally redirected to another municipality, province, or departmental entity.
  - Set up remediation or intervention committee(s) or team(s).
  - Centralise to the national department the operations - in as far as the mandate of human settlements is concerned - of the entity or provincial government including the utilisations if funding. This will include managing various aspects of implementation that comprise capacity, procurement, planning, project management, and related actions.
Manage Performance Reporting, Monitoring and Evaluation:

- Track, monitor and evaluate, performance against national delivery goals, targets and budget expenditure of the...
  - National department;
  - Provincial Departments of Human Settlements;
  - Local governments / Municipalities; and
  - Departmental Entities.
- Account to national parliament for the performance of the sector against set targets utilising efficiency and effectiveness parameters.
- Track, monitor, and evaluate performance against the agreed delivery goals of the private sector, non-governmental organisations and other relevant stakeholders.
- Oversee and direct the activities of national statutory advisory and facilitative institutions and account to national parliament in this regard.
- Evaluate performance towards the achievement of identified outcomes of human settlements, policies and legislation.

THE ROLE OF PROVINCIAL GOVERNMENT: HUMAN SETTLEMENTS

98. Provincial government has a critical role to play in ensuring effective and sustained delivery of human settlements programmes. The Member of the Executive Council (MEC) for human settlements will in consultation with the Minister of Human Settlements, other provincial departments, local government as well as other stakeholders fulfil the following functions:

- Manage an effective and efficient delivery of human settlements programmes by ensuring alignment of plans and budget with national goals and targets:
  - Set provincial human settlements delivery goals, targets, and performance parameters within the context and in support of national delivery goals and targets.
  - Ensure the coordination of all activities related to human settlements development in the province. This includes…
    - Alignment of all provincial plans with municipalities.
    - Participate in the development of municipal IDPs.
    - Development of a **Provincial Plan for the Development of Sustainable Human Settlements** consistent with the national goals, policy and strategy including alignment to the **National Plan for the Development of Sustainable Human Settlements**.
    - Alignment of provincial plans with the Medium Term Strategic Framework, Medium Term Expenditure Framework and Annual Performance Plans.
Ensure implementation and adherence to national policy, legislation, norms and standards:

- In agreement with the national policy, the MEC may determine provincial human settlements policy.
- Develop and establish mechanisms and procedures to ensure the achievement of human settlements goals and targets.
- Ensure the efficient management of finances and budgets in respect of provincial human settlements programmes.
- Communicate and consult with the Minister in respect of:
  - Advising on status of province and municipalities in respect of national programmes.
  - Fiscal transfers for the implementation of human settlements programmes.
  - Any deviation to national human settlements policy and programmes.
- Request assistance or intervention from the Minister as is necessary to carry its functions regarding any prospective intervention when a province is unable to execute its obligations.
- Ensure the Minister has approved any deviations to national norms and standards in respect of human settlements programme and projects as outlined in the following:
  - The Human Settlements Code.
  - Regulations for Planning and Design of Settlements.

Provide support to municipalities in the implementation of human settlements policy and programmes.

- Support municipalities in performing their functions and managing their own affairs with regard to human settlements development.
- When a municipality is unable to perform a duty or function imposed by this policy, the MEC must in consultation with the National Minister intervene by taking appropriate steps in accordance with section 139 of the Constitution to ensure the performance of such duty or function.

Report, monitor, and evaluate provincial and municipal performance.

- Monitor Provincial performance on human settlements programmes and account to both the provincial legislature and the national Minister of Human Settlements. Report monthly or as required, to the Minister, the expenditure and delivery patterns as well as advise the Minister of any envisaged difficulties.
- Monitor municipal performance on human settlements programmes in a manner that empower local government, and not impede its functions.
Provincial monitoring role must be supported by an information system, which enables the provincial government to determine requisite support or intervention.

Reliably contribute to the maintenance of the national electronic data bank and information system. Provide any information required for the purposes of the database or information system in the form and manner, and time within, which such information is to be supplied as determined by the National department.

THE ROLE OF LOCAL GOVERNMENT/MUNICIPALITIES

99. The physical process of developing human settlements is very much a local community matter. The role of local government in promoting and facilitating the provision of particularly, housing to all segments of the population in areas under their jurisdiction, can therefore not be over emphasised. Therefore every municipality must as part of their process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial human settlements policy to:

► Work with national and provincial government as well as departmental entities in their respective areas of jurisdiction, to enhance the effectiveness of national and provincial human settlements programmes.

► Set local human settlements delivery goals.

► Develop strategies for the establishment of liveable cities, towns and rural areas.

► Participate in the development of national and provincial National Plan for the Development of Human Settlements and ensure that multiyear plans are congruent with the municipal plans including Integrated Development Plans.

► Ensure municipalities use their integrated development plans to articulate a vision for urban and or rural environment where citizens wish to live, and translate that vision into reality through the combined exercise of land-use planning and other considerations.

► Liaise and consult with the Minister and the MEC in respect of:
  ■ Fiscal transfers for human settlements programmes to the municipality.
  ■ Municipal priority status in respect of national facilitative programmes for human settlements, and
  ■ Any deviation to national human settlements policy and programmes.
  ■ Any prospective intervention when a municipality is unable to execute its obligation in terms of human settlements policies, programmes, and targets.
  ■ Inform the Minister of Human Settlements of any dispute that may arise in the execution of its functions.

► Ensure adherence to Spatial Planning and Land Use Management Act of 2013 and its
Regulations in the development and planning of human settlements. In line with Spatial Planning and Land Use Management Act, municipalities should utilise land-use planning functions to promote integrated spatial and socio-economic development.

► Establish and implement mechanisms and procedures to ensure the achievement of human settlements outcomes, goals, and targets outlined in this policy. This might include among others the following:

- Identify and designate land for human settlements purposes;
- Collaborate with the Housing Development Agency in acquiring land for human settlements development;
- Ensure that the citizens within their own areas of jurisdiction have access to:
  - Services required such as water and sanitation;
  - Health facilities;
  - Safety and security;
  - Government services centres; and
- Ensure the development of different types of typologies and tenure types to cultivate the character and morphology of settlements.

► Ensure the availability of funding for various aspects of human settlements development.

► Manage the human settlements fund:

- Municipalities shall collect and manage funds required for deposit or part payment from households.
- The Municipality shall utilise the funds to augment grants for the installation and maintenance of infrastructure and services in residential areas where the majority of households are in the low-moderate income group.

► Develop mechanisms to improve programme implementation and monitoring.

► Report to the Minister and the MEC, progress towards the achievement of set targets.

THE ROLE AND RESPONSIBILITIES OF TRADITIONAL LEADERS

100. The National House of Traditional Leaders shall as far as it relates to the development of sustainable human settlements provide a mechanism for structured interface with national government, provincial and municipalities to:

- Advise government and participate in the development of national human settlements legislation, policies and programmes affecting on rural communities or their areas of jurisdiction.
► Make recommendations on appropriate interventions to government to bring about sustainable human settlement development.

► Advise on the development and provision of the sustainable human settlements package such as the requisite infrastructure and services for rural areas.

► Advise municipalities on the development of regulations and / or by-laws impacting for rural areas.

► Support municipalities by facilitating community involvement in the planning processes for human settlement developments;

► Advise national government on the customary interests of traditional communities, such as housing typologies, design, materials, and the like.

► Participate in national initiatives meant to monitor, review and evaluate human settlements programmes in rural communities.

► Communicate community needs relating to human settlements to municipalities and other spheres of government.

THE ROLES AND RESPONSIBILITIES OF NATIONAL TREASURY

101. The National Treasury will:

► In consultation with the Minister of Human Settlements provide the necessary funding for the development of human settlements programmes, policy and legislation;

► Provide necessary funding for the implementation of human settlements legislation, policies and programmes;

► Ensure the efficiency and manage the department’s expenditure and monitor the performance thereof; and

► Support and share best practices to enable the department to perform its functions.

► Provide oversight in the management of the housing fund and advise the Minister of Human Settlements accordingly.

THE ROLES AND RESPONSIBILITIES OF OTHER GOVERNMENT DEPARTMENTS

102. Chapter 3 of the Constitution s 41(1)(h)(iii) and (iv) provide for all spheres of government and all organs of state to consult, collaborate and coordinate with each other. Therefore sector departments will:

► Ensure adherence to the SPLUMA Regulations with regard to planning and development of human settlements.
Ensure alignment of their plans by participating in the development of a mechanism to align and implement projects and budgets.

Set aside funding for the achievement of the human settlements delivery goals in respect of their competencies.

THE ROLES AND RESPONSIBILITIES OF OTHER STAKEHOLDERS

103. The State cannot address the enormous challenge of human settlements development without the mobilisation of the collective resources, capacity, knowledge and skills of other partners outside government. Government has committed itself though the social contract to work together with various sectors for co-production of Sustainable Human Settlements and Improved Quality of Household Life, which includes the achievement of the 2030 towards the 2050 vision for human settlements.