

DBSA: INTEGRATED RURAL HOUSING MANUAL WORKSHOP

Date: 04 May 2005

Venue: Natalia Auditorium, Pietermaritzburg

Time: 8:30

Note: All presentations will be available on the PPT web site at pptrust@worldonline.co.za

FOREWORD

This Workshop relates to a DBSA-funded project focussing on the development and production of a practical Integrated Rural Housing Manual (refer to the Manual for more information). The main purposes of the workshop were: a) to disseminate information contained in the draft Manual (a copy of which was provided to everyone attending the Workshop) and thereby assist in empowering officials with the necessary knowledge and tools in respect of rural housing; b) to obtain feedback and comment from those attending the Workshop on the content and format of the Manual and thereby enable improvements. The workshop was attended by a total of 105 participants (mainly officials) from a range of municipalities and government departments. The Itinerary for the Workshop and Attendance Register are contained in **Attachment 1** and **Attachment 2**.

1. SECTION 1: INTRODUCTION AND CONTEXT

1.1 WELCOME:

Presented by Mr Mike Fraser (PPT)

The master of ceremonies Mr Mike Fraser from Project Preparation Trust (PPT) opened the workshop, welcoming all present and thanking the DBSA for its funding support and the various departments for their contributions in preparing the manual. The historical context, purpose and need for the manual were also summarised.

The need for building practical skills within local municipalities and an integrated approach to rural housing was also emphasised.

1.2 KEYNOTE ADDRESS:

Presented by HOD Dept. Mr Chris Ntsele, Housing (Attachment 3)

Mr Ntsele provided a short introduction to the development of the KZN rural housing policy. Commencing with the housing rights enshrined in the Bill of Rights through Chapter 11 of the National Housing Code and closing off with the current planning and applications requirements developed by the Provincial Housing Department in consultation with DTLGA, Ingonyama Trust Board and other sectors.

Thereafter the importance and content of Municipal Housing Plans was highlighted with an emphasis placed on co-operation between the key stakeholders to ensure that rural development is sustainable. The development of alternative tenure arrangements from functional tenure to long-term leases was also discussed.

In closing Mr Ntsele stated that,

“To-date rural housing development is my Department’s priority and we are committed to the development of housing policies, which will alleviate poverty and implement housing projects in a coordinated manner, in order to create sustainable human settlements.”

1.3 THE CONTEXT FOR RURAL HOUSING IN KWAZULU NATAL

Presented by Mr Frikkie Brooks, General Manager Development Planning, DLGTA) (Attachment 4)

Mr Brooks based his very informative presentation on the resolution of five basic questions. These questions and summary answers are outlined below:

What is rural housing?

In the context of this workshop, rural housing refers to the insitu upgrade of traditional homesteads on Ingonyama Trust Land.

Why rural housing?

Mr Brooks briefly covered the legal and policy requirements covering the Constitution, Rural Development Policies, the new KZN Provincial Priorities and the PGDS. Furthermore the severe housing backlog per municipality and the fact that 53% of KZN’s population live in rural areas were highlighted.

What are the legal requirements?

The legal planning requirements for rural development on Ingonyama trust land were detailed from settlement plans through to proof of tenure and Traditional Authority consent.

How to achieve integration?

With the local municipal IDP and the housing sector plan as the basis Mr Brooks outlined the importance of plans and processes such as the following:

- Spatial Development Framework;
- Infrastructure funding (MIG);
- Other government programmes, such as education, health, sport and recreation, social facilities, etc.
- Employment creation programmes such as EPWP;
- Local Economic Development programmes;
- Agricultural support programmes; and
- Poverty relief programmes.

What are the potential pitfalls?

Mr Brooks outlined potential pitfalls for the rural housing program as follows:

- Entrenching a dispersed rural settlement pattern with substantial service delivery implications i.t.o: Cost of services, Level of services and the lengthy time required to address existing backlogs.
- Co-ordination with and alignment of funding priorities for housing and other infrastructure (DM & LM alignment)
- Caution not to infringe on communal or other land use rights
- Starting a process that will inevitably lead to township development
- Municipal capacity to manage rural development process
- Conflict between municipal and traditional community participation structures (Ward Committees and Isigodi)
- Lack of co-ordination in implementation

How can DTLGA assist?

The following were the main functional areas through which the Department plans to assist with the housing process in rural areas.

- Traditional Land Administration
- IDP Processes
- Land Use Management Systems
- Development Information
- Development Administration.

1.4 QUESTIONS: AFTER MR FRIKKIE BROOKS'S PRESENTATION

Panel members: Mr Frikkie Brooks FB (General Manager, Development Planning, DLGTA), Mr Peter Woolf, Manager, Strategic Housing Support (DOH), Mr Mark Misselhorn MM (CEO PPT), Mr Mpathi Sithole, Manager, Land Utilisation (DLGTA) Mr BL Shabalala, General Manager, Land Utilisation and Planning, DLGTA)

Q: How are we able to maintain sustainability in rural development especially in terms of informal settlements and employment and how do we link rural and urban development? Question from Msunduzi Municipality

We accept and understand that these two types of development are linked because people want to live in rural areas and work in urban areas. People want to bring their children up in rural areas, although we must recognise that the dynamics are completely different between the two types of developments. However I am not sure that the process of providing jobs through the housing delivery process is sustainable in the long term as the process comes to an end at the end of the delivery of the project. **FB**

But this is not about creating cities or industrial areas in these rural areas, it is about upgrading existing homes and there is a need to integrate this process between the various sectors such as health transport etc. **FB**

It is vital that we generate economic activities in these rural projects. This is even more important than in an urban housing projects due to the lack of economic activities in these rural areas. **MM**

Q: Not only do we have the difficulties of the difference between district and local municipal levels but projects are being packaged in batches of 1000 as well. How do we plan for these projects if only a section of 1000 sites is being delivered in a broader area?

Municipalities must have a Capital Infrastructure Development Plan, which coordinates infrastructural development. Therefore development must take into account all of the families in an area, so that infrastructure and other services do not have to be upgraded once a new project in the next phase is delivered in the same area. **FB**

Initial spatial planning and reports such as the environmental scoping report should be carried out over the whole tribal authority area, before the phasing of a project has been determined to ensure that better informed infrastructural and integration decisions are made. **MM**

Q: What are the implications of the Communal land rights Bill?

Mr Brooks did not want to go into detail on the bill, however he did indicate that more applications would be received in areas where traditional authorities have not kept good records with fewer applications and a minimal effect of the bill where good records have been kept. **FB**

Q: What are the financial implications of timeframe delays, escalations and how is it possible to maintain realistic timeframes?

Both the subsidies and the MIG allocations are adjusted year on year based on inflation figures. We are also moving toward a MIG provision for infrastructure and a subsidy only for housing. Capacity building is also being provided to assist local municipalities but local municipalities need to assist in the process through the establishment of a dedicated housing section. **PW**

As identified in the manual, one of the suggested solutions to the financial timeframe issues would be to align budgeting process with the realistic delivery timeframes on housing projects. **MM**

Q: When is there a requirement for the DFA process in rural planning and are environmental reports required?

The DFA application process need not be followed when you are dealing with insitu-upgrades of existing rural housing. But if the area is being densified and/or extensive infrastructure development is being provided the DFA route must be followed. **FB**

These developments need to be initiated with environmental scoping reports. **FB**

It was again confirmed that this workshop and the associated Manual is dealing with insitu upgrade housing projects on Ingonyama Trust Land. **MM**

2. SECTION 2: RURAL HOUSING MANUAL

2.1 RURAL HOUSING; A DEVELOPMENT INFORMATION PERSPECTIVE

Presented by Mr Mervin Naik, Manager Development Information Services, DLGTA (Attachment 5).

Mr Naik briefly outlined the mandate of the Development Information Services (DIS) as follows:

- To coordinate integrated planning and development
- To facilitate the implementation of integrated planning and development

Therefore DIS's primary role is as a one-stop shop in the provision of development information especially in GIS format. The Global Information System's (GIS), its history and purpose was then briefly explained.

Mr Naik thereafter outlined the department's spatial database. These consist of 1:50,000 map sheets, which have a selection of available information such as the spatial frameworks, LUMS and IDP linkages, which can be displayed on them.

In answer to the question, *how can GIS help in rural housing?* Mr Naik highlighted the following main functions of the GIS system in relation to rural housing delivery;

- Allows access to accurate and current spatial data
- Allows one to view existing service infrastructure and thus plan the location of housing projects that fall in line with existing services and land use projects that are in a municipalities IDP
- census data can be displayed on a map to view population, income, existing housing types etc which allows one to understand the dynamics of an area
- Settlement information can be derived from the orthophoto as it allows one to pick up where existing settlements are located.

In closing Mr Naik highlighted some of his department current initiatives and then gave a brief tour of the development planning's web page.

2.2 KZN LAND USE MANAGEMENT SYSTEM (LUMS)

Presented by Renee Hulley, Senior Deputy Manager, Spatial Planning, DLGTA (Attachment 6).

Mrs Hully briefly outlined the legal mandate of LUMS as well as the purpose and function of integrated development planning in the province.

The main achievements of the DTLGA were outlined as follows:

All 61 municipalities have had their draft 2005/6 IDP reviewed by the decentralised Provincial Multi-Sectoral IDP Forum, and in effect municipalities will now adopt IDP's that have had for the most part strategic and financial input by service providers both nationally and provincially.

Land use management systems LUMS and land use schemes were defined as follows, A **land use management system** refers to all the actions required by municipalities to manage land, while a **Land Use Scheme** consists of a plan and a document that regulates all the land under the municipality's jurisdiction.

In terms of rural housing development Mrs Hulley highlighted the need for a greater level of planning to ensure that rural developments included:

- A planned area in a central location for the establishment of businesses, community facilities and government and municipal services;
- The identification of agricultural land, woodlots, areas for thatching grass and building materials which need to be protected from residential expansion;
- The reservation of land for roads, servitudes, communal open spaces and public facilities.

2.3 INTEGRATED DEVELOPMENT

Presented by Mark Misselhorn CEO, Project Preparation Trust

Mr Misselhorn started with an outlined of the purpose and structure of the draft Integrated Rural Housing Manual and how it should be used as a resource. He then highlighted the following main sections and themes related to integrated development as contained in the Manual:

- Definitions of integrated development
- Project level integration
- Utilisation of local level spatial plans
- Need for appropriate project selection and project preparation
- Typical projects that can accompany rural housing to promote greater integration and sustainability
- Constraints / challenges to integrated development and possible solutions.

2.4 QUESTIONS: After Mr Mervyn Naik, Mrs Rene Hulleys, and Mr Mark Misselhorn's presentations

Panel: Mark Misselhorn, Rene Hulley, Mervyn Naik

Q: Who pays for these integration processes, and how does this align with a land use scheme?

For this project (*KwaShangase*) we have used money from a number of different donor sources in order to prove the need/requirement for these plans and reports. But for future projects, funding does need to be sourced for these processes and spatial plans, presumably from either the Dept. Housing or the DLTGA, or both. **MM**

The challenge is to communicate the land-use scheme to communities and find funding for this process. Schemes may replace spatial plans if they exist in an area in which housing approval is required. (*A different perspective was later offered by Mr Frikkie Brooks who indicated that housing projects would in fact require some form of separate spatial planning funding in order to achieve Department of Housing and initial DTLGA planning approval*). Currently most municipalities do have draft land-

use schemes however the lack of funding for this process is a major issue. There is also a link between local level spatial planning and the land-use schemes as they repeat the participation process with local communities. **RH**

Q: Is there a cost involved in obtaining this information?

Much of the required information can be obtained via District Municipalities or from the DLGTA website at limited cost - or and printed out at your own cost. If maps are required the general costing will be R 60 for a an A2 and R75 for a A0 size. **MM / MN.**

Q: The Land Use Management System is still a Bill when will this be promulgated and become legally binding?

The Bill will start its legislation process by the end of this year. The KZN's development bills final draft will be served in July at the Provincial Steering Committee. However municipalities can use current legislation, in terms of the Town Planning Ordinance, to adapt their schemes. **RH**

Q: As this is a draft manual what is the process of rolling this information and knowledge out and how will it be updated?

We will look at the process of how we roll training in support of the Manual out at the local level however this will be based on the availability of funding. Currently we also have no budget for updating this document. We will however be discussing this issues with the Department of Housing in the near future, once the Manual if finalised. The Manual, Workshop Records, and all attachments will be made available on the PPT website and probably also that of the DLGTA. **MM**

**2.5 PRESENTATION ON THE STEP-BY-STEP HOUSING PROCESS
FLOWCHART AND THE IMPLEMENTATION OF RURAL HOUSING
PROJECTS**

Presented by Mr. Dave Pay consultant (*also involved with developing policy for the Department of Housing on rural housing*)

Mr Pay outlined and explained the flow chart contained in the Manual, In addition, some of the main points from this presentation were as follows:

An equitable share of housing subsidies should be allocated based on housing backlog and population statistics. However currently subsidies are not being reserved on an annual basis, and many of the required steps for effective project prioritisation are still under formulation. This results in over subscription of subsidies to certain areas with unequal or no subsidies allocated to other areas.

The department of housing needs to set up a program in order to guide municipalities in this process. Currently most municipalities do not have a housing sector plan. These 1000 site rural housing project phases must be planned in an orderly fashion and we must realise that there is not enough budget to provide wall-to-wall projects in all the rural areas.

LUMS is not a broad framework for housing development and further more specific frameworks are required. Legislation requires that all development should go through the IDP process but agreement on this issue needs to be clear from the beginning so that this housing process cannot be challenged on legal grounds.

Currently 14 to 15 projects have achieved tranche 1 approval but none have gone through to stage 2 (detailed design). One project - the Dududu rural housing project - has been taken through a dummy run in terms of a pre-hearing for planning approval. This project was returned from the pre-hearing with a requirement for even more detailed and specific planning, with locations required to each unit to be constructed.

The Department of Housing has decided in its rural program to concentrate on housing specifically, which includes the VIP on site, with minimal funding allocated for infrastructure, as they believe this is not a core function of housing.

Key requirements of tranche 2 applications have as yet not been formalised by the Department of Housing. The manual therefore includes what we believed to be the main factors that must be considered in these stages.

Furthermore Mr. Pay highlighted specific challenges, as outlined in the manual, in relation to the delivery of housing rural areas and presented the proposed integrated rural development process flow chart.

2.6 QUESTIONS AND GENERAL COMMENTS AFTER MR PAY'S PRESENTATION:

Panel: Dave Pay, Frikkie Brooks, Mark Misselhorn, Peter Woolf, Mpathi Sithole

2.6.1 General comments:

Housing sector plans are vital in order to assist in the process of programming and guiding the delivery of housing in rural areas. **FB**

LUMS will not cover all the requirements for housing projects therefore further local level spatial planning is required. **FB**

Development planning is prepared to investigate different systems for the planning requirements on these projects, but the rules of the game must be clear up front. We must ensure (through the planning process) that we are not challenged halfway through a project on a legal basis, and that we are able to identify development risk early in the process. **FB**

‘This integrated housing manual is a quantum leap forward for the development of housing projects in rural areas, however the issue of land tenure and land rights needs attention. We also need to align the land and housing programs.’ **Quote from the floor**

The following suggestions were received from the floor.

- We need to look at the wording in step eight of the flowchart. *(After discussion it emerged that this comment related mainly to the role of the municipality as developer and its responsibility to take over the O&M of services).*
- The role of the implementing agent is not clear in the process. *(After discussion it was clarified that the chart defines the process and not procurement strategies. It was also noted that Municipalities have choices in respect of when and how they engage IA's. Reservations were however expressed by the DLGTA and DoH in respect of the Turnkey mechanism – as outlined below).*
- We need a home to integrate and coordinate the various sector silos. *(It was noted that the new Intergovernmental Relations Bill will go some way towards addressing this objective.)*
- It was noted that the IDP is a combination of all of the plans not an aspect of them as indicated in the manual. **RH**
- It was suggested that timeframes be included in the manual / flowchart.

Questions:

Q: How long does the first step in the process take? (I.e. IDP and housing plans)

The IDP's and other sector plans related to step one should already be in place in most municipalities. However it must be understood that the current situation does not follow an ideal model therefore housing projects will still proceed even if all of these plans are still not in place. If the municipality has to prepare these plans from scratch, step one can take anything from three to six months. **DP**

Q: What type of project are we were dealing with in the flowchart i.e. Greenfields or insitu, and are these DFA requirements?

The flow chart covers insitu projects on Ingonyama trust land. **DP**
The requirements in the flow chart are housing requirements and not the DFA requirements.

Q: Should the integration of various sectors not be done through the district IDP i.e. the district is responsible for coordinating the involvement of the various sectors (and not at the local municipal level) Rudi Hillerman , Ingonyama Trust.

This is part of the Department of Housing's municipal capacity building programme. The Department of Housing still needs a clear strategy on its district vs. local planning position. Currently in terms of planning requirements we have decided due to the difficulties of dealing with all of the 61 local municipalities to establish 10 or 11 district level planning bodies. **FB**

Furthermore this issue is made even more difficult due to the ongoing conflict between local and district municipalities relating to their roles and responsibility. In reality this process is very difficult and it is definitely not plain sailing. Housing projects cannot stand still and need to carry on. We are therefore looking at assisting municipalities financially in putting their housing plans together. **PW**

It is important to clarify that the equitable share is received from national housing every year however conditional grant is related to housing subsidies. **FB**

Q: The question relates to the level of service and the difference between accepting a service level and taking a service over. This is vital for local councils and relates to the required ongoing operation costs. These costs need to be understood and factored in at the feasibility stage and not once the project is being implemented? Val Spearman, VS

It must be clearly understood that the applicant in these rural housing developments is the municipality, which is the developer. Therefore the municipality must decide on the level of services that is to be implemented in the project related to their ability to maintain those services over time. The districts must look at their functions and Housing will look at housing. It is not Housings intention to hand over 300 km of gravel road to a district, which cannot manage the service. **DP**

Q: A number of questions were raised relating to the appointment of Implementing Agents (IA's) especially on a turnkey basis. In this respect it was also stated that IA's are appointed too early in the development process. It was requested that the DoH advise municipalities as to the correct timing and procurement procedure to follow in these projects. It was suggested that the DoH establish a database of all IA's and that this should be used to blacklist certain IA's who do not perform. And finally the requirement for IA's was questioned.

The crux of the matter revolves around the reservation of subsidies and that before the municipality knows how much money and houses they have they cannot proceed with these procurements. Only once this is achieved can IA's be appointed based on a clear understanding of their required scopes of work, their capacity and through a formal tendering process. **DP**

Mr. Brooks indicated that his Department is moving away from turnkey contracts as the consultants often arrive with a group of their pet consultants who have been appointed with no regard to the correct procurement procedures that should have been followed. **FB**

Mr. Frikkie Brooks indicated that his Department is currently looking at a database of all professional service providers and the legal implications of blacklisting. He stated that initially they are looking at piggybacking on existing data bases such as those established by the Department of Public Works. **FB**

If municipalities have the capacity to implement their own projects then they do not need IA's. Currently the MEC wants to limit IA's to a maximum of 4 projects. **FB**

We should preferably only be appointing agents once pre-feasibilities have been completed and the project concept and initial viability clearly defined. Then we know clearly what needs to be done in respect of responding appropriately to housing needs and what development approach is most suitable. **MM**

3. SECTION 3: CASE STUDY KWASHANGASE INTEGRATED HOUSING DEVELOPMENT PROJECT

Mr. Bernd Rothaug (Iyer Rothaug Collaborative) presented on the KwaShangase Spatial plan

&

Mr. Vusi Ngwenya gave a presentation on the integrated aspects of the KwaShangases pilot housing development.

Both of these presentations were based on information drawn mainly from the corresponding sections in the manual.

3.1 QUESTIONS AFTER THE CASE STUDY PRESENTATIONS

Q: Are the beneficiaries expected to pay back the costs of these spatial plans?

There is no repayment required from the beneficiary. However if the project is eventually approved the initial costs for the development of these plans may be repaid from the housing subsidy - although the responsibility for the payment for the local level spatial development plan is still under discussion. **MM**

There must be clarity in terms of the planning terminology used. We have called this initial development plan a local spatial plan - this differs from the broader spatial development plan, which is part of the IDP's spatial development framework (SDF). Planning needs to be kept simple and there must be planning feedback at a local level to ensure that plans are relevant to actual conditions on the ground. This enables the IDP's translation at the local level in a practical way. **MM**

Q: What interaction exists with Ingonyama trust board?

The Ingonyama Trust Board needs to be informed about the project at the earliest initial stage. A letter of support is required for the initial tranche one funding application to the Department of Housing from the Board. Traditional authority consent is a prerequisite for this letter. **Robert Mann (RM)**

Q: What participation is there with the ward committees?

There has been participation with the local development committee as well as the traditional authority (KwaShangase), which covers both of the wards. **Vusi Ngwenya (VN)**

Q: Could you clarify PPT's role in the packaging and project facilitation process?

PPT provides assistance to local municipalities and communities and various departments in coordinating and managing the preparation phases of a range of projects. Specific funding allocated to PPT is utilized for specific types of projects. One funding mechanism is that of PPT making available an interest free and unsecured loan to a project via its Municipality (as was the case with KwaShangase

and Ndwedwe Municipality). With this method of funding and project preparation there is no risk to the municipalities because if the project is not approved then they will not have to repay PPT's loan. However if the project is successfully approved PPT's initial funding outlay must be repaid by the municipality. Furthermore PPT coordinates various sources of funding in order to promote integrated development projects. PPT does not have in-house specialists but we can provide technical support for conceptualising projects

Q: What is planned in this pilot project in terms of economic development?

The project aims to provide economic development from the bottom up through identify existing micro enterprises and supporting these ventures. *(As detailed in the pilot project section 3 of the manual)* **MM**

Integration requires incentivisation for the developer / municipality and its IA as usually the parallel-integrated development processes (eg: economic development, health care, education, food security etc) can actually detract from the primary process of delivering houses due to budgetary and capacity constraints. *(This means that other government departments and funders need to be involved in, and contribute to, the integrated housing process – eg: Dept Economic Development providing funding for economic development initiatives.)* **RM**

4. SECTION 4: FEEDBACK AND DISCUSSION

Panel members: Mr Frikkie Brooks, Mr Peter Woolf , Mr Mark Misselhorn, Mr Mpathi Sithole, Mr Shabala, Dave Moffett, Deputy Manager, Development Administration, Dave Pay, Renee Hully.

4.1 Issue 1: Budget allocations, housing plans and the need for planning of scarce resources, including local spatial planning

The reservation of subsidies becomes a difficult process if we attempt to provide an even spread of subsidies to all local municipalities, as with 60 municipalities some of the municipalities will receive a very small amount of subsidies which will not enable them to implement housing projects.

There are currently many projects in the pipeline (*which are awaiting subsidy allocation decisions*), and currently the MEC is sitting with a reservation/allocation formula on which a decision is required. It may be that we have to look at concentrating reservations around districts and not local municipalities. **PW**

What is a rural housing? Is it peri-urban, urban or rural, how do we define it? This should be our starting point. **Dave Dunston (DD)**

It is very difficult to define what we mean by rural housing. However we should now be moving away from trying to define rural housing and we should rather develop planning strategies that deal with projects in broad categories. It should be the responsibility of the municipality to decide if the project is urban or rural. That is why you have locally elected leadership to deal with issues such as these. **FB**

The point, that this workshop was dealing with ‘deep’ rural projects i.e. Projects, which do not require formalised township establishment processes, was again reiterated. **FB**

This (*rural definition*) must be clearly defined in the manual and how this fits with PGDS. **DD**

4.2 Issue 2: Prioritising housing projects

The panel raised the issue of delivering rural housing in a planning vacuum where local level IDP's are not linked to housing projects on the ground and where housing development plans are, in most cases, not yet formulated. This then led to the issue of the prioritisation of housing projects in rural areas. The following question was then raised. *What difficulties do municipal officials have in prioritising housing projects of the rural nature (i.e. difficulties in putting a housing priority list together).* **Panel**

The Housing Flow Chart presented in the manual ignores the important process of the Council decisions and decision processes relating to the rural housing projects delivery. **Val Spearman, Msunduzi**

The difficulty is not where you put houses but how you take the process forward. Every one of these steps requires council decisions and resolutions. There are cost implications in terms of the services to be taken over and a detailed process that needs to be followed in order to take these decisions. Where would the budget come from in order to appoint consultants (*to complete the required packaging reports*) is not a problem about prioritising but about implementing. **VS**

The money to appoint service providers can come from preparation funding provided by the Department of Housing. **MM**

Housing plans are vitally important in terms of prioritising projects. The council determines what projects as part of the IDP are being approved. **DP**

One of the major problems is the confusion around the divisions of powers and functions between district and local municipalities. Furthermore service providers such as Eskom delivered projects to one municipality, but these municipalities are not aware of other projects in surrounding areas this puts the municipality in a difficult position. **Floor**

Furthermore there are problems related to the divisions between the Local Authority and the Traditional Authority. People are not aware of the correct procedures that need to be followed in these areas. Furthermore there is political pressure to deliver housing especially as we move towards the elections however we cannot have housing delivery in all wards. **DP**

The main issue is that we must budget and prioritise projects to determine what are the most important projects to implement. We need to clearly understand the issue of limited resources. **PW**

Now that we are moving towards an election everyone wants to be seen to be delivering. We have to start delivering now on our delivery expectations. There are many other groups building houses in the rural areas such as Ithala. We have to look at the outcome on the ground in these areas. By the time we have gone through all the steps required, people would have already built in the area. This will open the gap between the richer and the poorer. **Mr. BL Shabalala**

People are getting funding from different sources to build houses, but often this ends up with housing sitting with a problem of right sizing for people who cannot pay for these houses. **DP**

Q: What is the division between the services portion and the housing portion in these areas?

We have to be careful with these issues and balance between the two extremes. Some communities originally wanted a Durban North service level (*with a very small residual for housing*) and these communities now want the Department of Housing to upgrade their housing. Other communities chose lower service levels, which the municipalities have subsequently upgraded. **DP**

4.3 Issue 3: Practical steps to improve integration at a project level

The most important thing is to start at the beneficiary level to understand what is expected and what is happening on the ground. **MM**

The IDP is the correct mechanism to coordinate the various sectors but we can only get on a workable platform if we have a housing sector plan. Furthermore you must have an idea of the strategic direction for municipalities i.e. for urban or rural expansion. Thereafter we go to MIG for linkages for bulk services and other MIG funding. **PW**

It is important that the service provider forums get together so that aspect such as transport, education and local economic development can be coordinated. **PW**

The districts must pull the local municipalities together to create overall alignment. **FB**

Mr Frikkie Brooks detailed the new Intergovernmental Relations Bill. Under this new bill District Mayors are required to establish (in consultation with municipal managers) both District Consultative Forums DCF's and Technical Advisory Structures TAS's in order to assist the process of coordinating service delivery to communities. These broader committees can furthermore establish technical sectoral committees, which will be responsible for specific aspects of integrating service delivery. Currently there is a drive to establish the IDP (housing focus) as a fixed agenda item for the meetings of these various committees. Currently the Premier's coordinating forum is already formed and the district-coordinating forum will be implemented before the end of the year. This new Bill raises some complex issues and we must ensure that the correct protocols are in place before it is fully implemented. **FB**

A further problem is that we do not document our experiences and end up restarting processes again and again. **PW**

Where do service provider forums fit and how can we improve on them?

In the 05/06-draft IDP assessment there is a common thread that service provider forums are not yet fully participating in the IDP process, although they are starting to get more involved, especially with departments such as the DoH and DLA requiring compliance and greater involvement in these forums. **RH**

The service provider forums were set up before the IDP process was implemented. The question remains as to how these various service providers interact with all 61 local municipalities. It would be far easier if the service providers had to deal only with the 11 districts structures. If the service providers are required to interact with all of the local municipalities, you end up as with a low-level representative clerk at these meetings. Another option would be to have a two-day IDP conference once or twice a year for service providers to interact. **FB**

Q: The discussion then centered on the requirement for and the source of funding for the spatial development plan.

There is no reason why one cannot pay for the spatial development plan from the housing subsidy just as you would normally pay for a preliminary town plan in a normal urban development. **RM**

Furthermore funding can be found from the local municipal capacity building programme and SDF/LUMS process. This funding could be used to develop these plans (*local level spatial development plans*), there is a linked funding agreement with the DBSA, with 50% of the funding coming from this organization. The scope of LUMS won't sufficiently cover the requirements for a local spatial plan required for an integrated rural housing project. **FB**

(This is contrary to earlier suggestions that LUMS could possibly meet the requirements of local spatial plans. From the above discussion it became clear that additional funding would in fact be required in order to produce such spatial plans for integrated rural housing projects such as the one prepared by PPT for the KwaShangase Project)

The IDP consists of an initial broad spatial development framework, which then becomes more detailed in the spatial development scheme. The spatial development plan (*local level*) should become part of the overall spatial development framework. It should not be cast in stone, as there should be a level of flexibility. **FB**

4.4 General closing Discussion

We need to look at some of the rigid planning systems which have been implemented in the past. For instance in these broad rural areas expensive flood-line analysis will not assist us, and broad planning criteria should be set. **PW**

In terms of phasing we cannot go for an even distribution through various wards. **DP**

The phasing of projects should work on a subsidy system principal, where there is initially one subsidy allocated per umuzi and additional subsidies are provided in the second and third phases on that umuzi. **PW**

This position (*one subsidy per household in the first phase*) will create some problems, as there are in some instances over eight potential beneficiaries in one household. These other potential beneficiaries may be deprived of their subsidies. Furthermore once the second phase comes there may not be space available to construct new units. **Dave Moffett (DM)**

There is no reason why the department will not allow three subsidies to be allocated per household. However these issues will have to be dealt with at the level of the project by the relevant Municipality in consultation with the Traditional Authority and with reference to their Housing Plan. The issue revolves around how broad the subsidy can be spread and what the priorities of the Municipality are. **PW**

50 to 60% of the province resides in the six biggest municipalities but there is a great political implication of concentrating only on those six. Therefore it will require a trade-off in terms of prioritising the allocation of funds to municipalities. **FB**

We must gain clarity on the division between the district and the local level. **FB**

The Communal Land Rights Act team needs to talk to the local officials involved in housing projects, the Act is committed to not stopping housing projects however, they must have access to the data that is collected in these projects. **RH**

There is a tension between the constitutionally defined right to have access to housing and the limited availability of resources to deliver housing. Municipalities will need to clearly define their strategic and developmental priorities (in consultation with Traditional Leadership). This should presumably be done by means of their Housing Plan which should, in essence, be their system for prioritizing housing within their area of authority and which need not be a complicated plan. There will not be sufficient funding to undertake all desired projects simultaneously and carefully considered choices will therefore have to be made. In making such choices it would be highly beneficial if reference was made to integrated development principles (especially in terms of project level integrations), economic development opportunities and co-funding or gearing that can be obtained from other, non-housing sources, whether from other government department programmes, donor funders or the private sector. **MM**

There is a negative impact relating to certain externalities, which need to be considered, for instance land disputes/claims, we need to look at dealing with these issues. **Floor**

One way of looking at communicating a limited housing budget is to look at a spatial representation of how far the yearly budget can be spread. **RM**

4.5 Closure

All the participants were thanked for their useful contributions. The general feeling expressed, in closure, was that the workshop had been very beneficial to all involved. It was requested that comments on the manual be submitted to Robert Mann within two weeks of the date of the workshop.

The workshop was closed at 4H15

Attachments:

- 1. Workshop Itinerary*
- 2. Attendance Register*
- 3. Opening address by the Head of Department, Mr Chris Ntsele*
- 4. Presentation by Frikkie Brooks*
- 5. Presentation by Mervyn Naik*
- 6. Presentation by Rene Hulley*

Abbreviations:

DD Dave Dunstan
DM District Municipality
DoH Department of Housing
DP Dave Pay
FB Frikkie Brooks
MM Mark Misselhorn
MN Mervyn Naik
LM Local Municipality
PW Peter Woolf
RH Rudi Hillerman
RM Robert Mann
VN Vusi Ngwenya
VS Val Spearman

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