

Housing Delivery and Strategic Decision-Making in the Eastern Cape

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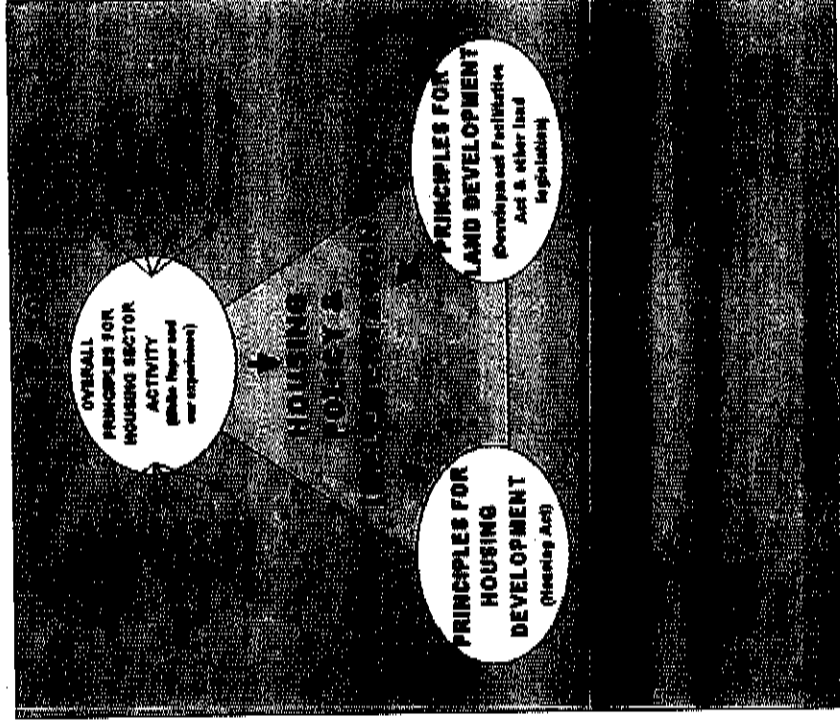
Paper presented at the Eastern Cape Sustainable Human Settlement Research Seminar, 28 August 2008

HSRC Research Outputs

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Backdrop to Housing Delivery

- Until 1997 housing delivery occurred via the private sector, but dissatisfaction with housing quality and housing location resulted in the Housing Act (107 of 1997), which provides for local authorities to assume responsibility for driving housing delivery
- National decline in housing delivery
- Increasing backlogs countrywide
- Lack of capacity at both the local and provincial levels
- Eastern Cape's failure to deliver led to reallocation of housing budgets



Planning for Strategic Housing Delivery

- Municipal Systems Act (32 of 2000) requires preparation of IDPs
- A programme for the preparation of Housing Chapters in IDPs (Housing Sector Plan) has recently been developed by the national DoH, which is a separate, more detailed housing sector

Housing Sector Plan

- A Housing Sector Plan requires a municipality to make strategic decisions based on:
 - an analysis of its housing challenges and a defining of its housing demand
 - identifying appropriate housing programmes to meet its demand
 - negotiations on the location of housing

How is Housing Delivery Currently Being Carried Out in South Africa

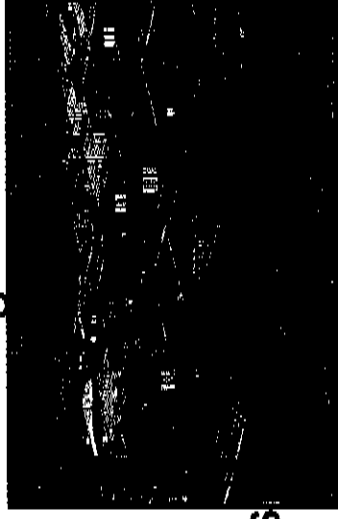
- Outside of metros, most local authorities have insufficient capacity to drive their own housing delivery
- Provincial officials have taken over the responsibility for determining:
 - how many subsidies a local authority will receive
 - where delivery will occur
 - which contractors will build the houses
- The result is that delivery is occurring without any reflection on the actual housing challenges / demands of a local authority

Why is Understanding Housing Demand so Important?

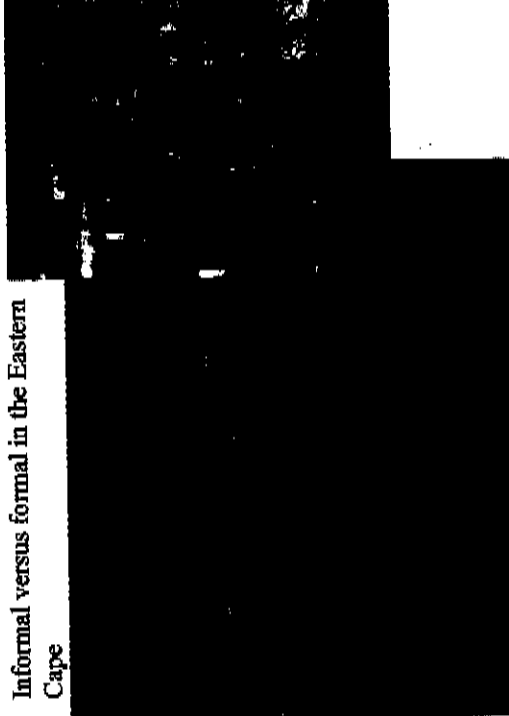
- To calculate backlogs, necessary to understand socio-economic character of demand, e.g.
 - how many households live in informal settlements and what proportion *WANT* to live there?
 - is it possible to determine whether they want an ownership or rental subsidy and *WHERE* would they like it?
 - is the eradication of informal settlements by 2014 an appropriate / feasible objective for a local authority?
 - in the case of circular migration within the Eastern Cape and elsewhere, *WHERE* do migrants want to take the housing subsidy?
 - in the case of backyard shacks, do renters *WANT* to rent and, if they want a subsidy, *WHERE*?
 - verification of the informal settlement and backyard shacks backlogs and socio-economic profile is important (sound methodology must be developed)
 - ***BIG QUESTION: WHAT DO POTENTIAL "BENEFICIARIES" WANT ?***
 - this requires a methodologically consistent survey within Eastern Cape and of Eastern Cape migrants elsewhere i.e. survey commissioned by province. Longitudinal analysis will be key.

What Changes Need to Occur at the Local Level?

- Local authorities should:
 - be assisted in terms of human and financial resources to increase their capacity so they can fulfill their role in strategically planning for their own housing delivery
 - pursue outside professional assistance to prepare Housing Sector Plans which should be based on both qualitative (needs) and quantitative (numbers) data, e.g. socio-economic surveys as well as the census, which will be used to determine housing priorities
 - strategically determine what housing programmes they require (rural, informal settlement upgrading, social / rental, integrated housing projects) based on the quantitative and qualitative analysis they carry out
 - be encouraged to align their sectoral (housing, transport, infrastructure) plans into their overall IDP so that delivery is able to occur in an integrated manner
 - be assisted to secure additional resources wherever possible to fund infrastructure requirements no longer covered by the housing subsidy



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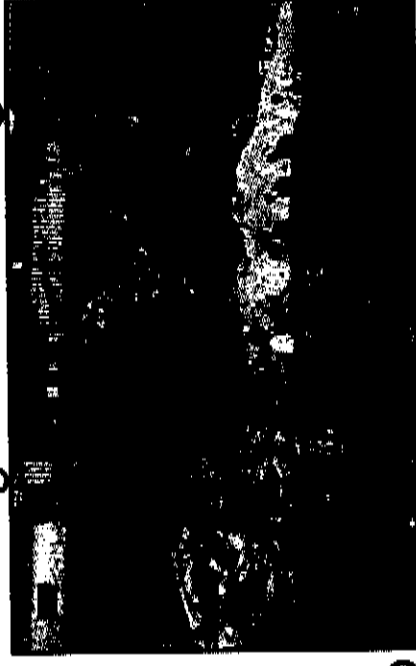
Informal versus formal in the Eastern Cape

The Golf Course Ext Development, an affordable housing initiative adjacent to the King Williams Town Golf Course, in the Eastern Cape.

- Most local authorities have insufficient capacity to drive their own delivery
- The province has insufficient capacity to either support local authorities in carrying out delivery or take over his responsibility for them
- The result is that housing delivery:
 - has declined
 - is occurring in an ad-hoc manner
 - is not happening in relation to actual housing challenges / demands of a local authority
 - does not necessarily reflect what people want

What Changes Need to Occur at the Provincial Level

- The province should:
 - view its role as 'supportive' rather than 'taking over' housing delivery from local authorities
 - build its own capacity so that it is able to adequately assist local authorities (especially small rural authorities) in carrying out their housing function
 - understand the strategic importance of local level planning and the need to integrate Housing Sector Plans provided by local authorities into an overall provincial Housing Plan based on analysis
 - refrain from directing where housing delivery should occur and what type of housing delivery should be carried out by a municipality which is not based on proper analysis e.g. provincial survey, area's growth rate, provincial spatial development framework, PGDS, IDPs, etc.



What is the Strategic Objective the Eastern Cape should Strive for:

- To understand what people want. Local surveys will be uneven and will not capture demand arising from migrants presently living outside the province. Survey commissioned by the province will supplement locally-based information
- Allocation of housing funding based on demographic change in urban and rural areas
- Allocate subsidy between urban and rural areas based on the provincial spatial development framework and PGDS
- Ensure access to services throughout Eastern Cape according to public health requirements and Constitutional obligations in this regard, and be prepared to separate allocation of subsidies in urban and rural areas from service delivery obligations

What is the Strategic Objective Strive for: Eastern Cape should Strive for:

continuing

- To understand the critical housing / service delivery challenges

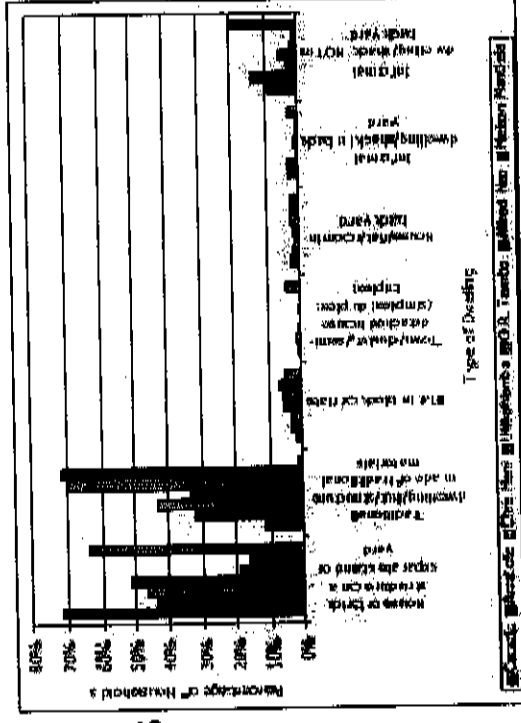
each municipality is faced with

- To understand how the housing options each municipality needs to provide meets the housing challenges / demands it is

faced with

- To create 'sustainable human settlements' that take into consideration the different needs of both the urban (upgrading informal settlements; spatial integration & inclusion) and rural areas (e.g. scattered villages; traditional authorities and communal land)

- In a context of scarce resources, to be willing to make explicit strategic decisions



Assessment

Dwelling types vary from formal houses to informal dwellings and provide an indication of living conditions for residents of the Eastern Cape. More than 10% of households are described as 'informal dwelling/shack'. Informal dwellings are common in the NMMM and Amatole District Municipality where a high number of work seekers can be found.

**PROSPECTS FOR THE EASTERN CAPE DEPARTMENT OF HOUSING
(PLANNING AND RESEARCH DIVISION) TO COLLABORATE WITH
THE HUMAN SCIENCES RESEARCH COUNCIL (HSRC)
AND OTHER SCIENCE RESEARCH COUNCILS**

**Eastern Cape Sustainable Human Settlements Research Seminar
28-29 August 2008**

**Udesh Pillay
HSRC**

**(i) Reflections on the concept document (strategic research agenda) and
the research seminar/workshop**

The E. Cape's concept document on a strategic research agenda, and consequently this workshop, is a welcome response to the province's housing problems. It contains important features such as the relationship between indigenous knowledge systems and alternative technologies, locating housing and service delivery within the traditional leadership governance system (where this is relevant), migration and settlement patterns, emerging housing and rental markets, and comprehensive plans for sustainable human settlements. Both initiatives, very importantly, are steps in consolidating the E. Cape's strategic research agenda over the next few years, and represent bold and imaginative ways of addressing the housing problem in the province. Drivers of the process must be congratulated, and encouraged to move forward in giving expression to the vision.

It has been suggested in some quarters that Breaking New Ground (BNG) has, in fact, made the delivery of housing more complex than hitherto. Much of Breaking New Ground is a necessary response to past problems with housing delivery and the exclusion of the poor; but, at the same time, Breaking New Ground imposes a greater planning and administrative burden on provincial and local governments. As a result, rather than an overview of Breaking New Ground and other policy documents, it may be better to interrogate what it means for delivery in the varied housing circumstances of the Eastern Cape, which includes a context of many municipalities with limited capacity, poor resources, and inadequate accountability measures. It is

The first is assisting the Housing Planning and Research Division to articulate, manage and assess research that is commissioned. This would include reviewing and thoroughly scrutinising Terms of Reference (TORs), for example, to make sure that the research that is about to be commissioned talks directly to the housing problematic in the E. Cape, following proper diagnostic assessment. This role could take the form of a service contract with a limited duration, for example, five years, which would importantly include mentoring and skills transfer component. The HSRC would be keen to investigate this possibility with the E. Cape Housing Planning and Research Division.

The HSRC can play two potential roles.

(ii) The potential contribution of the HSRC

Reading and reviewing all associated documents and having some development experience in the Eastern Cape, the HSRC believes that the concept document and this workshop provides a real opportunity for asking the question: *'what does this mean for us in the Eastern Cape?'* Many institutions and participants have been invited to attend this research seminar/workshop, and this diversity is welcomed. It provides a critical mass for discussion and dialogue, and many different perspectives. It can be expected (or anticipated), however, that much of what will be discussed will talk to national circumstances, perhaps with only tangential reference to circumstances in the Eastern Cape *per se*. Of course I could be totally wrong. The research seminar therefore provides a unique opportunity for focusing on the specific differences and difficulties in the Eastern Cape pertaining to the issue of housing delivery.

therefore encouraging that this workshop, and the topics for presentation, Cape beyond the prescripts of Breaking New Ground. It is only by thinking 'out-of-the-box', while being cognisant of current legislation and constitutional obligations, that solutions are found in new and differentiated ways.

Examples of research projects, inter alia, that the HSRC is well positioned to undertake given its research competencies and skills in the area of housing research would include assessing the demand for housing based on understanding the demographics of the province; qualitative and quantitative social surveys that help with socio-economic profiling against which housing decisions can be made with more certainty; assessing what low-income households actually want from the housing subsidy and, of course, the informal settlement and backyard shack backlog verification exercise that is just mentioned, and which is about to be commissioned. These are just a few examples. The HSRC clearly has experience in aspects of housing that are relevant to the Eastern Cape, and the choice between assisting the Housing Planning and Research Division manage its research programme and conducting some of the research can be worked out.

It is conceivable that the HSRC can combine both the above functions in some research areas, but this does present a 'player and referee' issue. This is a difficult situation since there are some tasks for which the HSRC is ideally situated, but roles and responsibilities can certainly be defined at a later stage.

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The second is to undertake a significant portion of the research, which aligns more with the HSRC's core role and function. Indeed, the HSRC has significant research competency in the field of housing. To this extent the HSRC has already begun a review of three sets of TORs on behalf of the Eastern Cape Department of Housing (one on a verification study of the informal settlements and backyard shacks backlog and socio-economic profile, another on a provincial housing demand database, and a third on indigenous building skills), and has provided detailed commentary on the concept document for the research seminar and what should constitute a strategic research agenda. Both commentaries were submitted to the Planning and Research Division on

On the government front, while the E.Cape Department of Housing, and indeed the Planning and Research Division, no doubt has its many forms of collaboration and association with national government departments, the HSRC is in a position to do an audit of the research that currently resides in some of the relevant departments, many of which the HSRC has undertaken work for, and which aligns directly with the housing needs of the E.Cape. Departments which come to mind here include the DoH, obviously; Land

is to improve and sustain the quality of life for all South Africans. settlements – can be discussed. One of NACI's key objectives, for example, products – like new *in-situ* technology for the upgrading of informal engagement, could convene workshops in which innovative ideas and good working relation with NACI and, similar to the Innovation Fund alternative technologies in the housing domain. The HSRC also has a very that allows the E. Cape to advance research on new, context-specific, relation to the NRF, joint funding could be sought from the Innovation Fund in rural areas and the ARC's sustainable rural livelihoods programme. In the ARC on the relationship between the E.Cape's housing delivery strategy housing delivery and sustainability. We could similarly broker discussions with indigenous knowledge systems and new technologies in the advancement of whom we work very closely with - to talk about the relationship between Department of Housing and the CSIR's Built Environment Division – with For example, the HSRC could convene a meeting between the E. Cape

Moving on to collaboration between the E. Cape's Housing and Planning Research Division and other statutory councils – the Centre for Scientific and Industrial Research (CSIR), the Agricultural Research Council (ARC), the National Research Foundation (NRF), the National Advisory Council on Innovation (NACI), etc – the HSRC is exceedingly well-placed to broker this.

(iii) Collaboration with science councils and other development agencies

Perhaps an MoU between the HSRC and the Department of Housing of the Eastern Cape Government would be worthy of consideration.

These are just some ideas, but do provide the basis for further discussion for a long (er) term partnership with the HSRC, and for immediate consideration with regard to urgent research that needs to be conducted. Further discussions with other research councils, national government departments,

for future reference. Additionally, the E. Cape Department of Housing will be able to establish a database of researchers and scholars, and their key skills and competencies. research in the E. Cape province, the HSRC will tap into these networks. relevance of the findings. If commissioned to conduct some of the housing collaborations, and appreciably enhance the quality of the research and academic scholars nationally. Projects are often conceived through such Finally, the HSRC works closely with universities and some of the best

projects that are in the national interest. organisations ranging from funding, to direct collaboration on development (IDRC), etc. The HSRC has research partnerships with many of these Development (OECD), the International Development Research Centre Development (DFID), the Organisation for Economic Co-operation and agencies like the World Bank, the UK Department for International international development and funding networks, including linking up with The HSRC will also allow the E. Cape Department of Housing to tap into

provide funding conduits. development bodies that promote housing delivery through research, and/or National Development Agency (NDA), the Land Bank, and other national forged with are – also in a position to start discussions with the DSA, the The HSRC is – and I'm sure other science councils that relationships are

municipal collaborations as well. this is deemed to be desirable. The HSRC has numerous provincial and tailor more specifically to the needs of the E. Cape Department of Housing if review, the HSRC is in a position to supplement relevant research that would Affairs, DPLG, Agriculture and, on the technology-side, DST. Based on such a

More recently, the HSRC has been attempting to translate evidence-based knowledge (in other words the research that it generates) into practical and implementable solutions, through a series of 'demonstration' projects. These projects are based on 'local' implementation networks, where a critical mass of all major stakeholders are brought together to talk about research that needs to be commissioned, how this can be widely-owned by the community, and be of immediate or short-term benefit. These are research projects in which the results of the research can be translated into models for implementation and intervention. These would be based on best practice

The HSRC, as you may know, conducts public-purpose research that finds its way into the policy domain, helping influence important development decisions. The value of this research is held in very high regard by government and other stakeholders. Indeed, over sixty percent of our research is commissioned by government. Most encouraging is the extent to which this research informs policy and discourses on development. In other words, there is strong 'uptake' of our research, based on its independence and rigour, and the fact that it is driven by the country's development priorities.

The value of independent, rigorous and methodologically-sound research in driving a provincial goal – in the case of the E.Cape the drive towards sustainable human settlements – cannot be underestimated, and should not be undervalued. This is why it is so encouraging that the Planning and Research Division of the Department of Housing has put together a concept note on the value of research and what should constitute a research agenda, has had a number of bilaterals with organisations well placed to add impetus to the process, and convened this workshop. While a work in progress, it signals a strong and unambiguous intention.

(iv) Concluding remarks and observations on a new model of research at the HSRC

local and international development agencies, and members of the scholarly community can simultaneously occur.

In all cases of our 'demonstration' research, just to reiterate, the community becomes part of the project through an implementation network (or research implementation committee), from conception of the project right through to completion, and everything in between, like project design, budgeting, finalisation of time-frames, etc. The project is then owned by the community. The research that is commissioned, and/or the model for intervention proposed, therefore has wide local resonance and is deemed to be of immediate use and benefit. This local model for implementation, however, does not preclude engagement with other stakeholders, for example national government departments, funding agencies, research bodies other than the

described above.

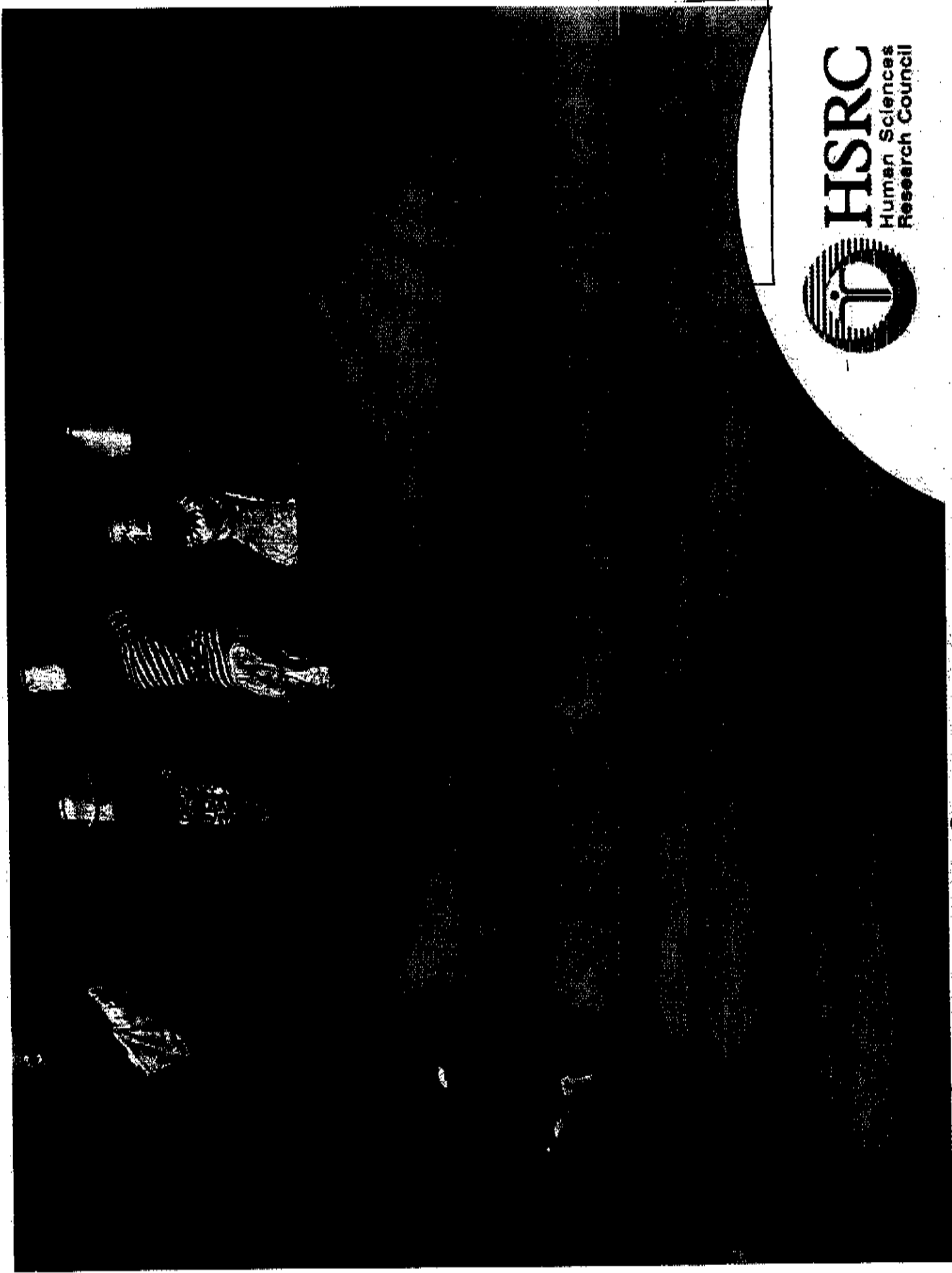
test a particular model of intervention more directly, rather than tangentially as cases where the E.Cape Department of Housing may commission research to recommendations based on best practice models. Of course there will be having a specific long (er) term goal in mind, also makes immediate programme takes place. In this way the research that is commissioned, while particular model of intervention to accelerate services while the upgrading other parts of the country, suggest to the E.Cape Department of Housing a could, based on its research on informal settlements and service delivery in where the HSRC's 'demonstration' research becomes important. The HSRC these areas while the *in-situ* upgrading programme gains momentum. This is interim measure, the Province may find it necessary to accelerate services in provision in these dwellings. Most will be found to be inadequate. As an become evident during the study will be the levels of service and infrastructure informal settlement and backyards shacks backlog in the province. What will commissioned by the E.Cape Department of Housing attempts to verify the As mentioned previously, one of research projects that is about to be

models and experience, while being cognisant of local context and circumstances. The HSRC is implementing these 'demonstration' projects in the service delivery (housing, water and sanitation, electricity, etc), employment creation, and education quality domains.

one commissioned to do the research, civic groups, the private sector etc. In fact such collaboration is encouraged.

In conclusion, the HSRC really looks forward to engaging the E.Cape Department of Housing further in relation to consolidating its research agenda, in undertaking research that it is ably placed to conduct, and by exploring other forms of institutional collaboration.

I wish you well with your proceedings over the next two days.



Human Settlement Research Seminar