



Media Briefing: Western Cape Department of Human Settlements, Housing Demand Data Improvement Programme (HDDIP)

1. ROLES AND RESPONSIBILITIES OF DIFFERENT SPHERES OF GOVERNMENT

The Housing Act, and later the National Housing Code (promulgated in 2000, pursuant to section 4 of the Housing Act), sets out the roles and responsibilities of the three tiers of government in respect to housing. It is important to understand the roles and responsibilities of the three tiers of government in the context of the provision of housing and the allocation/selection of potential beneficiaries in respect of the various housing delivery programmes.

National Department of Human Settlements:

National must establish and facilitate a sustainable national housing development process by formulating housing policy. It must also monitor implementation through the promulgation of the National Housing Code and the establishment and maintenance of a national housing data bank and information system.

Provincial Department of Human Settlements:

Provinces must act within the framework of national housing policy and create an enabling environment by promoting and facilitating the provision of adequate housing in its province, including the allocation of housing funds to municipalities. The Provincial department plays a support and oversight role in respect of municipalities at various stages of the housing delivery process.

Local government i.e. municipalities:

Municipalities must take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to ensure that the constitutional right to housing is realised. It should do this by actively pursuing the development of housing, by addressing issues of land, services and infrastructure provision, and by creating an enabling environment for housing development in its area of jurisdiction.

In the Western Cape, municipalities are developers and thus have the authority to manage the beneficiary selection or allocation process. In September 2012, the Western Cape Department of Human Settlements formally adopted a framework policy of norms and standards for municipalities to use when developing their own policies to select beneficiaries from their municipal housing demand databases for subsidy projects.

2. THE LEGACY OF HOUSING DEMAND DATA MANAGEMENT

The Western Cape, like other provinces has a legacy of poorly managed housing demand data and systems. This has been a concern at all spheres of government for some time. Good quality housing demand data is necessary for planning and for the implementation of beneficiary selection processes for particular housing programmes. Accurate and up to date housing demand data is crucial since selection, and thus allocation, will remain subject to potential criticism in terms of transparency and fairness until such time that selection is based on complete and accurate data.

It is in this context that the Western Cape Department of Human Settlements embarked on the Housing Demand Data Improvement Programme (HDDIP) in 2010. The programme's primary objective is to strengthen and develop current municipal housing demand data management systems and credible selection processes. The project focuses on the 24 non-metro municipalities. The main project phases are as follows:

1. Assess the state of municipal housing demand data management practices and identify possible gaps.
2. Develop responses and interventions to address the gaps identified, to improve data management and promote fairer beneficiary selection processes.
3. Develop a web-based platform to which all 24 non-metro municipalities are linked, with each having access to their own live housing demand database.

The state of housing demand data in the Western Cape before the HDDIP interventions (2010-11)

An investigation into the state of housing demand data in the province yielded the following findings:

- **Lack of systems for recording applicants:** Most municipalities did not have a functional, coherent system for recording applicant information. Many municipalities relied on paper-based records and applied inconsistent approaches to data capture.
- **Beneficiary selection process:** While most municipalities had Council approved selection policies in place, these policies were unclear, lacked details and risked giving rise to processes that were not consistent across like projects and had the potential to involve individuals with conflicts of interest in selection decision-making.
- **Quality of data:** The quality and integrity of the data held by municipalities was questionable. The collection process of data from potential beneficiaries reflected gaps in terms of validity, accuracy and completeness. In terms of the results of the assessment, integrity issues were identified in terms of:
 - Invalid Identification numbers
 - Duplicate identification numbers
 - Incomplete addresses
 - Incomplete registration dates

3. KEY INTERVENTIONS OF THE HDDIP (2011-CURRENT)

In light of the findings above, some of the main interventions of the Western Cape HDDIP included the following:

- **The development of a web-based platform for municipalities to capture and record applicant information (Western Cape Housing Demand Database - WCHddb):**
 - Through this platform, each of the 24 non-metro municipalities has essentially been provided with access to a web-based system for electronically managing their own housing demand data.
 - System controls ensure the integrity and quality of the information inputted into the web-based system.
 - The system has the following access controls:
 - Limited user access with unique usernames and password to prevent unauthorised updating of data
 - Segregation of duties in the WCHddb by means of different user profiles to ensure
 - quality control by housing managers
 - limited access to update critical fields i.e. Date of registration, and ID numbers
 - An audit trail on user activity for each record on the database.
- **Getting municipalities' data uploaded on the database**
 - Hands-on support to municipalities has resulted in all 24 non-metro municipalities having uploaded their housing demand data onto the system by April 2013.
 - The system is live and accessible online (wchddb.westerncape.gov.za) to authorised municipal officials.
 - While the provincial government is the technical host of the system, each municipality is responsible for its own housing demand data capture and management.
 - All 24 non-metro's have been trained on the system and user-support is provided on an on-going basis.
 - To our knowledge, the Western Cape is the only province in the country to have a live, functional, web-based platform for municipalities to manage their housing demand data.
- **Developing a set of norms and standards for beneficiary selection**
 - In September 2012, the Department adopted a framework policy of norms and standards for municipalities to select beneficiaries from municipal housing demand databases for particular subsidy projects.
 - The Framework Policy aims to enhance fairness and transparency of processes used by municipalities to select subsidy beneficiaries.
 - It sets out the core principles and mechanisms and processes for selection and requires that municipalities develop their own selection policies that are consistent with its core principles.

- The Department provides on-going support to municipalities to develop their own selection policies.
- **Data cleaning**
 - The Department is currently embarking on a drive to support municipalities to clean the historic data contained in the municipalities' housing demand databases.
 - Part of this data cleaning may include screening the data against the National Housing Subsidy System (HSS) to check any inaccuracies in terms of missing details, such as missing ID numbers; whether applicants had been previously been assisted; the number of deceased applicants; as well as verifying of addresses and ensuring that there are no duplications.
 - This screening is a filter to improve data quality.
- **Future enhancements**
 - The Department in consultation with municipalities has identified a range of potential enhancements to the WCHDDDB platform which are to be implemented.
 - The Department also plans to link the HDDDB to the HSS in the medium-term.

What the above demonstrates is our pro-active response to the challenges facing municipalities. While we have sought to set up systems to support municipalities to improve their processes, there remains much to be done. The Western Cape Housing Demand Improvement Programme is on-going and it is our intention to continue building on the achievements noted to date, to promote fairer processes for beneficiary selection.

4. TOOLS AND INSTRUMENTS FOR THE SELECTION OF BENEFICIARIES IN HOUSING PROJECTS

When is the housing demand database the main instrument for selection?

The National Housing Code provides a range for subsidy housing project types (i.e. programmes), each type for a different circumstance in which housing need arises. For a number of these types, beneficiaries are not selected on an individual basis by the municipality. For instance, for the Emergency Housing Programme, the beneficiaries are the victims of a disaster or an emergency and are not chosen by the municipality as such. Rather, they are assisted due to the emergency circumstance which they face. Likewise, in an Upgrade of Informal Settlement Project, the beneficiaries of the project are the households who happen to live in the informal area which the municipality has decided to upgrade. These allocation processes are core to these particular housing programmes.

While the housing demand databases of municipalities are not the primary tools for selection in the abovementioned programmes, they play an important role in many other programmes. The municipality's database of households who have registered for a subsidy opportunity becomes useful for selection in circumstances where the municipality has to make a choice about the individual household to be

selected for a housing subsidy. For instance, for green field projects of various kinds (in which there are no people living on a project site), the municipality needs to actually choose individual households as beneficiaries of the project. The database of registered households will allow the municipality use a “first come, first served” principle as a basis of selecting beneficiaries as households registered on the database can, ideally be arranged in the order in which they registered with the municipality for a subsidy opportunity.

The principle for “first come, first served” is very often used as the fairest way of selecting poor beneficiary households because of the difficulties involved in selecting beneficiaries when the need for housing is very high and the supply of housing is quite limited in comparison to that need. Differentiating between poor households on the basis of need for housing is usually extremely difficult because need is a multifaceted dimension, which is difficult to compare across poor households and therefore often involves subjective judgement when ranking. Secondly, even where the basis of ranking can be agreed upon, the information required to rank is often extremely elusive to governments.

Dealing with special needs and targeting specific groups

A “first come, first served” mechanism, may, however, miss households who clearly have a very high relative need for housing but who may have later registration dates of a municipal database. For example, households where an occupant has a serious, permanent disability may be missed. For this reason, the use of the “first come, first served” principle should be augmented by quotas or reserves designed to target groups of households which may be missed. The use of quotas should be limited, however, so as not to undermine the principle of “first come, first served” and thus maintain fairness.

5. CONCLUDING COMMENTS

The challenges with respect to housing demand data management and beneficiary allocation are acknowledged. Resources have been channelled towards addressing these and while progress has been made, work in this regard is on-going. It should be recognised that in a context where demand is so significant in relation to supply (the current provincial housing demand is estimated at more 500 000 – which includes the City of Cape Town), challenges are likely to exist, regardless of the selection methodology or process applied. Our focus going forward is to improve the current systems and processes and build capacity to promote fairer allocation, within the current national policy framework.

6. FOR MORE INFORMATION PLEASE CONTACT:

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