

## **EXECUTIVE SUMMARY**

This report represents the end of work done during Phase One and marks the beginning of the strategy formulation and budgeting process. It deals with the social, economic and spatial strategies that are required if the housing delivery process is to be successful in the Western Cape. The pertinent aspects associated with housing development are also addressed, together with possible resource implications of the proposed strategic interventions. It should be seen as the framework for the strategy formulation process.

## **STRATEGY GUIDE**

There are number of factors that guide the formulation of strategy. These range from priorities established by the national government to deal with the problems of poverty and underdevelopment, to the more specific and identifiable performance indicators of the Western Cape Provincial Housing Department. The Provincial Strategic Plan sets the strategies for governance in the province and guides decision-making from departmental goal setting to project implementation. It also guides the Province's Fiscal Policy.

This Chapter of the report looks at the PSP in detail and explores its implications for the WCPHP. Other factors that guide the strategy include:

- The devolution of housing powers and functions to local authorities and the role of the Western Cape Provincial Government
- The uncertainty over the current process of local government transformation
- The rights and responsibilities established in the Constitution
- New policy thrusts emerging in the national housing process
- New policies in the procurement of housing services
- The national as well as the provincial mission, vision and values with regard to housing
- The Western Cape Department of Housing's key performance indicators

## **METHODOLOGY**

The methodology used is the Balanced Score Card Approach which establishes the framework within which strategic policy formulation is done in this project. It recommends the used of building strategy maps using four perspectives. These perspectives entail focusing on:

- Customers
- Financial accountability
- Internal processes
- Learning and growth

This methodology does not conflict with the Provincial Housing Development Plan which proposes similar approaches to working on strategies for housing. An important aspect associated with both methodologies is to understand the housing environment in the Western Cape.

## **THE HOUSING ENVIRONMENT**

This chapter synthesises the information obtained in the previous phases in the context of the customer profile. Customers are considered to be those people who are users as well as the

beneficiaries of the housing process in the Western Cape. The users are further segmented into financial donors, institutional partners, private sector partners the public. Beneficiaries are segmented by income, geographic location, customer characteristic and product features.

The chapter further looks at the following aspects of housing in the province:

- Housing need
- Format for national budget allocation
- Housing backlogs
- Eligibility
- Urban-rural ratios
- Performance
- Market demand

The information provided in this and previous chapters inform the strategic policy formulation process in the following chapters.

## **FORMULATION OF STRATEGIES**

Based on the four perspectives identified in the Chapter dealing with the Process Methodology, the kinds of strategic issues that need to be considered are explored. The linking of key issues with strategies are proposed and this serves as the basis for the identification of strategic themes. Strategic themes provide focus and reflect what the management team believes should guide resource allocation and departmental programmes.

This approach sets the basis for the strategy map which was developed to determine how the themes were to be effectively implemented. This exercise resulted in a number of policy components emerging which needed further elaboration. This is taken further in the following Chapter that identifies the strategic policy components.

## **STRATEGIC POLICY COMPONENTS**

The strategic policy components listed in the Chapter have generally been prepared within the framework of:

- The status of current policy if such policy exists
- The relative importance or significance of the policy
- Possible role-players for implementing the policy
- Appropriate implementation programme, is there a subsidy programme associated with policy?

The strategic policy components are:

- Apportionment of the conditional grant and the role of a prioritisation model
- The upgrading of informal settlements
- The redevelopment of Hostels
- Managed land settlement
- Performance budgeting
- Peoples' housing process
- Housing standards

- Rental housing
- Savings linked subsidies
- Integrated development
- Co-ordination with bulk infrastructure
- Housing allocation
- Urban renewal
- AIDS and housing
- Women in housing
- Development implementation
- “Rural” housing
- Farm workers’ housing
- Urban housing and densification
- Land for housing
- Sustainability

This Chapter is the most important in that it provides direction regarding the type of strategies to be considered, the status of those strategies and what benefits they will have on the housing environment in general. It establishes the framework for the next stage of the strategy formulation process. Even though, not exhaustive, it is a comprehensive list which has resulted from a considered view on the direction housing policy should take in the Western Cape. It highlights all the pertinent strategic issues that need to be developed further into actual strategies linked to a budgetary process.