

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

DRAFT
DISCUSSION DOCUMENT

Prepared by the Human Settlements Reference Group

to
inform the development of a Strategy and Implementation Plan in the Western Cape
for
'Breaking New Ground':
A Comprehensive Plan for the Development of Sustainable Human Settlements

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GLOSSARY and ACRONYMS

Adequate Housing	The Right to Adequate Housing guarantees all people the right to live in security, peace and dignity. It involves more than the right to access to shelter and includes certain indivisible, interdependent and interrelated human rights. Adequate housing is measured by certain factors such as legal security of tenure; the availability of services; materials, facilities and infrastructure; affordability; habitability; accessibility; location and cultural adequacy. South Africa's housing policy is consistent with this concept of housing.
BEE	Black Economic Empowerment
BNG Plan	'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements'
CBO	Community Based Organisation
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of Southern Africa
Density	Gross residential density is the number of dwelling units in a hectare (DU/ha), including all land in an areas, not just residential; erven (net residential density is the number of dwelling units for the area of the residential erven only, i.e. excluding roads and community facilities.
DoH	Department of Housing
DPLG	Department of Provincial and Local Government
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
Erf/ erven	Plots
ESTA	Extension of Security of Tenure Act
Gap market	People earning between R3 500 and R7 000 per month, and who do not qualify for the current government housing subsidy. They were also not likely to secure loans from commercial banks.
GIS	Geographical Information Systems
Ha	Hectares
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
Household	A "household" consists of all persons, relatives and non-relatives who: (i) live permanently (4 nights per week) in the house; (ii) eat together, and (iii) are dependent on a common or pooled income and /or assume joint responsibility for domestic and/or economic obligations.

Housing	A broad term that includes houses, flats and infrastructure, and can include the whole residential neighbourhood, including public spaces.
HSC	Housing Support Centre
IDP	Integrated Development Plan: an integrated plan drawn up by local and provincial authorities in terms of legislation and in order to guide their expenditure/activities.
Infrastructure	Residential infrastructure includes roads, stormwater drainage, water supply, sanitation and electricity.
In-situ upgrading	Upgrading of informal settlement areas while residents are residing in the area and have not been located elsewhere.
LA	Local Authority
LED	Local Economic Development
Letsema Campaign	
Low-income housing	Housing for beneficiaries who qualify for the national housing subsidy and whose monthly income falls within the income band between R0 and R3 500 per month.
MCP	Municipal-Community Partnerships
Migration	Movement of households or individuals from one place of residence to another, either permanently or temporarily. Most migration is from rural to urban areas, but there is also some migration from urban to rural areas and some circulatory migration between rural and urban areas.
MSDF	Municipal Spatial Development Framework
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organisation (or Non-Profit Organisation)
NHBRC	National Home Builders Registration Council
NIMBY	Not-In-My-Back Yard: objections to the establishment of projects in one's neighbourhood
NPO	Non-Profit Organisation
PHP	People's Housing Process: A delivery approach in which people build, or manage, the building of their houses. The term is also used in narrow sense to refer to project which gain access to PHP establishment grants in terms of the Housing Subsidy Scheme.
PPP	Public-Private Partnerships
PSDF	Provincial Spatial Development Framework
PUP	Public-Public Partnerships

RDP	Reconstruction and Development Programme
Secure Tenure	Protection from involuntary removal from land or residence except through due legal process
Social housing	Affordable, high-quality, subsidized housing, managed by housing institutions, which is aimed at low-to-middle income families. It can comprise a variety of forms of tenure, excluding immediate individual ownership.
Spheres of government	National, provincial and local government.
Sustainable Human Settlements:	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.
Tenure	The legal and social relationship defining the rights and obligations of individuals or groups towards a specific piece of land.
Urban Areas	High density population concentrations largely dependent on non-agricultural economic activity.
Well-located land	Section 2.5.11 of the Reconstruction and Development Programme (1994) states that “land for housing must be suitably located geologically, environmentally, and with respect to economic opportunities and social amenities”.

INTRODUCTION

i. BACKGROUND

During September 2004 the National Minister of Housing launched the 'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements'. This new plan is aimed at redressing colonial and apartheid spatial planning and development through the delivery of socially, economically and spatially integrated housing delivery.

The Minister of Local Government and Housing of the Provincial Government of the Western Cape appointed a Reference Group, consisting of key role players, to advise on the analysis and implementation of the Comprehensive Plan for the Development of Sustainable Human Settlements in the Western Cape. The members of the Reference Group constitute a wide ranging group of experts in their respective fields associated with housing delivery. The appointment and work of the Reference Group was subsequently endorsed by Cabinet.

The Reference Group maintained a working relationship with officials from the Department of Housing and Local Government to ensure that it does not operate in isolation and that there is a continuous flow of relevant information. Despite this the Reference Group has consciously ensured that they remain independent from the Department.

ii. PURPOSE

- To articulate an independent view on the implementation of the 'Breaking New Ground' policy in the Western Cape;
- To inform the development of an implementation strategy and plan for the 'Breaking New Ground' policy in the Western Cape;
- To recommend specific actions proposed by the Reference Group;
- To draw stakeholders attention to the possible implications of BNG and the implementation of recommended actions.

iii. STRUCTURE OF THE PAPER

Section A: POLICY CONTENT & HISTORICAL ISSUES

The opening section of the paper briefly describes the historical context for housing and urban development in the Western Cape and identifies the key blockages for the development of sustainable human settlements. In order to implement the BNG Plan, it is imperative that these key blockages are

addressed. A brief overview of the 'Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements' is provided in Annexure A.

Section B: TOWARDS IMPLEMENTATION

The second section endeavors to move towards the implementation of sustainable human settlements. Based on the findings of the reference group, key areas for intervention are identified and discussed. The paper finally provides recommendations to inform the development of a strategy and an implementation plan in the Western Cape for 'Breaking New Ground': A Comprehensive Plan for the Development of Sustainable Human Settlements.

SECTION A: POLICY CONTENT & HISTORICAL ISSUES

1. 'BREAKING NEW GROUND'

The South African Government invested R27.6 billion on housing delivery between 1994 and 2004. More than 1.6 million houses were delivered which affected the lives of approximately 6.5 million people. Despite this, the urban housing backlog increased from 1.5 million in 1994 to 2.4 million in 2004. The reasons for this are natural population growth, a trend towards urbanization, and inadequate delivery to address historical backlogs. The reasons for low levels of delivery are mainly due to inadequate resource allocation and under-spending due to capacity constraints. The problem was also exacerbated as the housing policy did not provide a range of options to meet all housing needs; most notably there were no strategies for the upgrading of informal settlements or for the promotion of affordable rental housing. Furthermore, imbalances in the property market resulted in a gap in the supply of housing by the market to households with incomes ranging between R3 500 and R7 000. In addition, there have been many problems with the housing that *has* been delivered through the subsidy scheme:

- Widespread and acute poverty, coupled with the lack of skills transfer and economic empowerment in housing projects have resulted in many beneficiaries being unable to afford the ongoing costs of housing;
- Many new housing projects lack essential facilities and consist of houses only;
- The location of new housing projects has tended to reinforce apartheid urban patterns and existing inequities;
- The poor location and low residential densities of many of these housing projects cannot support a wide range of activities and services in a sustainable way. (The DoH's *Guidelines for Human Settlement Planning and Design* suggest a minimum gross residential density of 50

dwelling units/hectare is appropriate to ensure a sufficiently wide range of activities, and yet most housing projects consist of freestanding single-storey dwellings and have gross residential densities of between 10 and 30 dwelling units/hectare.);

- There are problems of poor construction quality and urban amenity of many new subsidised housing projects;
- While social housing (rental and co-operative housing) projects are often better located and of better quality than other projects, there are severe affordability problems and high levels of non-payment as relatively high rents and levies are needed in order to cover operational costs and loan repayments;
- The vast majority of people are excluded from the formal housing market – only 15% of households are able to benefit from the potential asset value of housing through being able to buy and sell property through the formal housing market;
- The PHP approach (assisted self-help housing delivery) is capable of providing bigger and better houses and empowering communities, but has been a small proportion of total delivery, due to a general lack of capacity to provide effective support to communities.

In light of the above, the DoH introduced the 'Breaking New Ground' strategy at the end of 2004 which is intended to guide housing development over the next 5 years. The BNG Plan is required "to redirect and enhance existing mechanisms to move towards more responsive and effective delivery", and aspires to "promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing". Specific objectives set out in the BNG Plan include:

- Accelerating the delivery of housing as a key strategy for poverty alleviation;
- Utilising provision of housing as a major job creation strategy;
- Ensuring property can be accessed by all as an asset for wealth creation and empowerment;
- Leveraging growth in the economy;
- Combating crime, promoting social cohesion and improving quality of life for the poor;
- Supporting the function of the entire single residential property market to reduce duality within the sector by breaking the barriers between the first economy residential property boom and the second economy slump;
- Utilising housing as an instrument for the development of sustainable human settlements, in support of spatial restructuring;
- Promoting and facilitating an affordable rental and social housing market;
- Promoting upgrading of informal settlements;
- Providing community supporting facilities through housing delivery.

The strategy includes a number of major shifts in housing policy, and aims to put South Africa firmly on the way to create sustainable human settlements, as opposed to merely providing houses. This will, in turn, result in integrated sustainable development, wealth creation, and poverty eradication, where present and future inhabitants of such settlements living in a safe and secure environment with adequate access to:

- Economic opportunities;
- A mix of safe and secure housing and tenure types;
- Reliable basic services;
- Educational, entertainment, cultural, health, welfare and police services.

In order to effectively achieve the above objectives, an alignment between the BNG Plan and the Provincial Growth Strategy (Ikapa Elihlumayo) is of utmost importance, with special attention to analysis, contextualisation and conceptualisation within the social, economic and political environment of the Western Cape Province.

For an overview of the BNG Plan, refer to Appendix A.

2. HISTORICAL CONTEXT AND BLOCKAGES TO THE DEVELOPMENT OF SUSTAINABLE HUMAN SETTLEMENTS IN THE WESTERN CAPE

The heritage of apartheid and colonialism left their marks on the South African landscape in the form of physical, social and racial separation, segregation and fragmentation. This is particularly evident in Cape Town and is illustrated by development along the length of Lansdowne Road. At its western end, closest to historically 'white' areas, urban opportunities are abundant; then follow so called 'coloured' areas, flowing into predominantly 'black' informal settlement areas to the eastern end towards Philippi East, where hardly no urban opportunities exist for residents.

The past decade has seen an improved quality of life in urban and rural environments throughout the country with poor communities enjoying increased access to water, electricity and sanitation. Despite this, there are still serious spatial and functional inequalities. In the Western Cape, social and class divides are a real and growing concern, with tenuous racial dynamics being more pronounced here than in most parts of the country. This is mainly due to the political history of the province.

The Western Cape became a politically contested terrain as a result of being the only province not governed by the ruling party in all spheres of government until recently. This resulted in a range of political parties enjoying support, and the subsequent periodic re-shuffling of local and provincial

government. Consequently, issues regarding race and service delivery such as housing, served as political footballs, with parties exploiting the legitimate suffering of the poor to gain political ascendancy. For the first time provincial and local governments in the Western Cape represent the same political party. As intergovernmental co-operation is an important spoke in the wheel of integration and the creation of sustainable human settlements, opportunities for collaboration between spheres of government are now more enhanced given the current political landscape.

In keeping with international trends of urbanization and migration, the Western Cape is challenged by rapid urbanization and migration. Between 1996 and 2001 Cape Town experienced a 2.45% growth rate, as opposed to the 4.10% growth rate for Johannesburg, and 2.8% average national growth rate for the same period. This puts Cape Town's average annual population growth below that of the national rate. The average net in-migration for Cape Town during the five year period between 1996 and 2001 was 38 525 people per annum. The total percentage of the population of Cape Town that was newly migrant during 2001 was estimated at 8.96%, with figures for Johannesburg at 11.33%, Ekurhuleni at 10.70%, and Tshwane at 12.93%. The average annual household growth for Cape Town between 1996 and 2001 was 3.15%, with an average of 3.95 people per household in 1996 and 3.81 people in 2001. It is clear that the average household size is shrinking, but that there are a greater number of households in the province, thus making huge demands on government coffers.

Key blockages to the delivery of adequate housing in general, and the Western Cape specifically are:

- Inadequate resources for housing and urban development
- Lack of a long-term housing plan
- Lack of understanding of the housing problem
- Lack of capacity for appropriate housing delivery
- Access to well-located land for housing
- The NIMBY syndrome
- Access to appropriate housing credit
- Policy incoherence and frequent policy changes

The blockages to implementation will have to be addressed in order to implement the BNG Plan and realize its objectives.

As the discussion document is an attempt to advise the ministry on how to implement sustainable human settlements within the new policy framework, it focuses on overcoming anticipated and historical weaknesses without dwelling on provincial achievements. However, some noteworthy achievements in the Western Cape include the delivery of some of the best performing PHP projects in the country, such as the Masithembane and Sinakho Ukuzenzele consolidation subsidy projects in

Khayelitsha, and others implemented by the South African Homeless People's Federation. In addition, the Western Cape is the forerunner in hostels redevelopment; the City of Cape Town's programme yielded excellent results and contributed significantly to addressing housing issues in the Cape Metropolitan Area. In addition, the province generated good examples of locating poor neighbourhoods within more affluent ones, as demonstrated in Westlake and Marconi Beam. In these cases, it is imperative to pay attention to economic and social processes, in order to prevent downward raiding. The province has also made significant strides in environmentally sustainable development as manifested in the Kuyasa Development in Khayelitsha.

Despite inadequate financial resources for housing and urban development, and a lack of capacity for appropriate housing delivery, the Provincial Government reports that there are no inactive municipalities in the Western Cape Province. Good performance of municipalities and the will to provide housing are rewarded by the Provincial Government in the form of additional funding, as is evident in the case of the Theewaterskloof Municipality who performed well in terms of housing provision.

SECTION B: TOWARDS IMPLEMENTATION

3. KEY AREAS FOR INTERVENTION

'Housing' does not only refer to a house as a physical structure, but encompasses different components making up an urban environment. Housing is a basic human right that must meet the basic needs of people. It is therefore imperative that the principles of sustainability are taken into account. Too often approaches to create settlements are more concerned with the number of houses provided, rather than quality and sustainability issues.

An appropriate definition of what sustainable human settlements are, was considered, which should serve as a benchmark for any proposed solution. According to the BNG Plan, sustainable human settlements refer to:

“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”.

The main criteria with regard to the provision of sustainable human settlements that break away from past practices are ecological sustainability, economic sustainability, social sustainability, technical sustainability, institutional sustainability and political sustainability.

The following Sustainable Human Settlement principles were highlighted by the Reference Group:

- Local economic development and poverty eradication
- Social integration
- Spatial integration
- Sustainability in all its manifestations
- Quality living environments
- Addressing the total need
- Adopting an integrated development approach

Below is an outline of the key areas for intervention as identified by the Reference Group for the successful implementation of 'Breaking New Ground'.

3.1 Integrated development and co-operation

Integration and co-operation must underpin all efforts to develop sustainable human settlements. This should include the involvement of all stakeholders and role players and the active participation of communities. Integration must be attained at various levels, i.e. the integration of:

- processes
- institutional and urban management arrangements
- role players and stakeholders
- various affected sectors
- physical aspects such as the structure of urban environments

Different parts and elements of the urban environment must be integrated to ensure optimum performance and satisfaction of needs. Integration, including the overlap of activities and elements, allows for a greater range of opportunities and facilities to be generated with increasing agglomeration. In positively performing urban areas, poorer residents have access to opportunities and facilities generated by the wealthy. High degrees of freedom are achieved through the provision of stimulating, complex and diverse environments. Places of residence close to employment opportunities, adequate public facilities, safe and efficient public transportation, safe recreation areas and usable open space and meeting places, will extend the benefits to all residents including the poor.

Furthermore, the achievement of objectives of other strategic provincial initiatives such as the 2010 objectives, Klipfontein Corridor, EPWP and PSDF, will be greatly enhanced through an integrated

approach. BNG requires that the following issues are given attention in development planning in order to ensure that sustainable settlements are developed:

- Development location
- Layout planning and design
- Infrastructure development and maintenance
- Inter-departmental planning e.g. Public Transport, Education, Sport and Recreation, etc.

These issues can only be properly considered through integrated planning and well co-ordinated inter-departmental cooperation.

3.2 The need

There is little understanding of the scale or nature of housing need. Little is known about the demand for rental housing (as compared to ownership), about the implications of some households having both urban and rural homes, or about the demand for the upgrading of backyard accommodation (versus new housing). In particular, little is known about the adequacy of formal housing, especially in terms of overcrowding. The linkages of housing and sustainable livelihoods are also not well understood. However, it is clear that access to land and housing plays a big role in many households' livelihood strategies, e.g. through using the home as a base for economic activity or through renting out accommodation. The housing waiting lists are inaccurate and incomplete and do not work and are incompatible with area-based interventions such as informal settlement upgrading and hostels redevelopment.

'Need' refers to human needs and requirements - actions and decisions regarding the urban environment must aspire to meet the needs of people inhabiting that environment. The exact need has to be established in terms of whom, where, what people can afford and whether they want to buy or rent, also taking into consideration the housing list and migration statistics and related issues. Current housing solutions are being rejected because of size, specifications and quality. An understanding of what the market wants should be established (demand driven), and the development of a client choice design mechanism as an alternative to generic design should be considered

Urban environments should encourage and support the highest degree of freedom for individuals to act, but due to resource constraints, not all of society's needs can be met at household level. Four mutually dependent, and critically important, sets of need have to inform the management of urban growth. The following emphasise the importance of promoting compact, higher density and intensive urban environments, as opposed to sprawling low density suburban areas, and presents a clear rationale for locating higher density housing closer to nodes of urban agglomeration:

- *Urban Generation.* An urban environment that sufficiently meets the needs of its inhabitants generates and creates the necessary pre-conditions for economic, social, cultural and recreational opportunities and facilities. This is achieved through the agglomeration of people, and also through the way the urban environment is structured.
- *Access.* ‘Access’ refers to both spatial and a-spatial aspects. Spatially, access should be maximised through the availability of opportunities and facilities within walking distance or an efficient and coordinated public transportation system. In addition, a-spatial barriers such as economic, political, regulatory, attitudinal and others need to be broken down to allow people to maximise the benefits of urban life. To ensure equity, existing opportunities and facilities must be accessible to the majority (often the poorest) of the urban population.
- *Promotion of collective activities and contact.* Places where formal and informal interaction and communication take place usually offer the widest range of opportunities. Therefore, emphasis should be placed on the collective activities and social networks of urban life, as they have a deep-seated impact on the quality of life in the city.
- *Individual needs.* Pre-conditions to meet individual needs such as physical, social, psychological and sensory needs must result in freedom of choice and action for inhabitants to engage constructively in urban life.

The needs of special interest groups must receive particular attention and must be taken into account in endeavours to create sustainable human settlements. One such group whose needs are seldom met in the planning of human settlements, are domestic workers. Access to affordable, well-located housing and secure tenure, possibly in the form of social housing, will reduce the vulnerability and marginalisation of the (mostly) women who play a critical and valuable role in our society.

Without a sound understanding of the need, the final solution cannot achieve a “fit”. As noted, a critical component in dealing with the need is the effective and lasting resolution of the status and contents of housing lists. A continuation of the status quo will foster sentiments of unfairness.

3.3 Enhancing capacity for appropriate housing delivery

The subsidized housing delivery programme has not reduced the scale of the housing problem, and what housing delivery there has been is often inadequate, for example, poor location, poor urban environments, a lack of community participation and a lack of integrated development. This situation is a result of various capacity development gaps (such as inadequate human resources, inadequate financial resources, institutional blockages and policy gaps) at all levels of government and amongst civil society.

The capacity of government and non-profit roleplayers (CBOs and NGOs) to be involved in integrated and participatory housing delivery must be increased. Such capacity development includes human resource development, organisational development, resource allocation and institutional and legal framework development. Partnerships between municipalities and communities, i.e. MCPs and municipalities and other government or non-profit organisations (PUPs), are also important means of enhancing capacity; mechanisms for forming partnerships with communities and NGOs need to be investigated as competitive tendering processes are unsuitable mechanisms for establishing these partnerships.

Mobilizing capacity of communities for the PHP approach is a particular important way of increasing capacity for delivery. The PHP (not managed PHP), which maximizes community control, community participation and beneficiary choice, needs to be strengthened and promoted, as it has shown that it can be a very effective way of increasing housing delivery – if properly supported it can result in better quality housing, community empowerment and local job creation. PHP and other community-managed delivery needs to be more effectively promoted, norms and standards must be made more affordable for the poor, and the capacity of communities to initiate and manage projects must be built through the provision of training.

An important component of building community capacity is the support of emerging contractors. Through skills development, training, and social capital development programmes, this can lead to sustainable employment opportunities and skills transfer that will benefit individuals and whole communities. However, negative perceptions relating to the quality of work delivered by emerging contractors must be allayed by adequate training, on-site supervision and certification.

3.4 Availability of well-located land and buildings

Both formalised and informal low-income housing developments are often poorly located on the periphery of cities. The availability of appropriate land is a priority issue, as the majority of South African citizens live in inadequate housing that is badly located and often without secure tenure. Land on the periphery is cheaper and therefore 'affordable' for low income development. The subsidy does not adequately provide for land costs in the Western Cape: typically only up to about R1000 of the subsidy amount can be used for the cost of raw land, whereas the actual cost of raw land for subsidy housing in Cape Town, even in peripheral locations and for small plots of less than 100m², has been up to R3000 per beneficiary (and this would increase considerably for well-located land). The Gauteng Provincial Government asserts that there are a number of incentives to continue building on the periphery including: lower land values, cheaper short-term building costs on greenfield sites, the abundance of public land on the periphery which can be accessed for low income housing; and less political resistance from established communities.

These developments are usually mono-functional settlements, removed from employment, economic, social and transport opportunities. This has various implications with regard to time spent away from home, time traveling to and from opportunities, and the related cost implications thereof. Some of the most significant cost implications include:

- unbearable burdens on low-income households in the form of high traveling costs and unnecessarily long traveling times;
- excessive costs on authorities for providing bulk services to remote areas;
- high environmental costs relating to wasteful land utilisation patterns and an excessive transportation sector.

For the poor, location is often more important than housing quality as it directly impacts on the accessibility of urban opportunities and underpins social networks critical for survival. Therefore, from a social sustainability point of view, upgrading, where possible, is more advantageous than relocation.

Residential areas also continue to be segregated on the basis of social status or class, which further encourages low income housing on the periphery of the city. Furthermore NIMBYism is prevalent in the Western Cape; it mainly manifests itself in the form of resistance to low-income housing in close proximity to higher income (and often well-located) neighbourhoods. This stands in the way of achieving functionally and physically integrated human settlements where the poor and vulnerable are located on land which improves access to opportunities.

Our institutional framework has also predominantly favored the delivery of free-standing units. Coupled with the tremendous pressure to deliver at scale, this has led to low-income housing developments on available, large land tracks which have tended to be located on the periphery.

Municipalities do not have coherent strategies for acquiring land for housing, partially because they have only been responsible for housing land acquisition since 2000, and partially because of a disjuncture between spatial plans and housing strategies. Public land is particularly hard to acquire, partially because only 12.6% (2003) of national and provincial State land has been “vested” i.e. determined to which particular government department it belongs, partially because disposal of State land is driven by market-forces, and partially because a considerable amount of public land is now owned by parastatals such as Transnet.

Ideally, land for housing should be located close to transport, employment and other urban opportunities. Location within urban activity nodes or corridors is thus ideal, but failing this, the land

should be within 10 minutes walk (i.e. 500m) of an existing public transport route. Similarly, primary schools should be no more than 15 minutes walk away and high schools, clinics and libraries should be no more than 30 minutes walk away. The land should also not form part of the open space system.

Without the availability of appropriate and suitably located land, there can be no delivery of sustainable human settlements, and land availability is therefore a major blockage to housing delivery under the BNG Plan. Unless we find feasible alternatives, this highly unsustainable and unaffordable settlement pattern will continue despite the new policy regime. Political will and determination to break away from developing these unsustainable urban patterns are needed to address this problem.

3.5 Developing a long-term housing plan

One of the biggest blockages to housing delivery has been the lack of a coherent, long-term integrated plan for dealing with the entire housing problem in the province. This situation has also been the case at national government level, and must be addressed. Decision-making around housing has been short-term (5 years or less), *ad hoc* and reactive (partially due to frequent policy changes and insufficient funds). This has resulted in a lack of real progress in addressing the housing problem in a meaningful way and in resolving community conflict about the allocation of resources. Protests over poor service delivery and inadequate housing have characterized 2004 and 2005. The protests points to failures of housing strategies, and indicate that those in need remain unconvinced that the growing housing crisis will be resolved without their intervention.

A long-term plan (10 years or more) to address the full scale of need, with clear time frames and clear allocation of resources and responsibilities, is required to ensure that sustainable human settlements are developed.

This plan needs to be communicated to all stakeholders and a clear monitoring and evaluation framework should be put in place to assess and review progress against this plan. Public ownership of a plan, as well as the resulting partnerships formed between a range of stakeholders to implement such as plan, are critical success elements in the attempt to create sustainable human settlements in the province.

A vulnerable and important group encountering severe housing problems is domestic workers. It is imperative that the housing plan for the Western Cape includes a strategy for the provision of housing and security of tenure for domestic workers.

3.6 Effective policy & process

Policies relating to housing and urban development are very complex and sometimes not aligned with each other (e.g. housing delivery programmes are not aligned with urban spatial development frameworks, urban transport strategies and social welfare programmes). In addition, although housing policy has been improving for the better, the way that the frequent policy changes have been introduced has often caused confusion and has slowed down delivery (in particular, the introduction of the R2479 requirement had a negative impact on delivery). There is a need to ensure that housing and urban development-related policies and procedures at all levels are clear and reinforce each other in an integrated way, and emphasise poverty eradication and social and economic development. Regular policy audits that review the alignment of policies, regulations and initiatives at all spheres of government relating to housing and urban development, is needed.

Effective policy and process will assist and enhance an integrated development approach. Currently some of the policies and processes related to development create unnecessary delays and bottlenecks, e.g. lengthy EIAs, and slow and complex land development processes (approval and subdivision). Apart from provincial and local government policies and processes, there are some policies and processes from institutions (such as the NHBRC) that also create delays.

3.7 Leveraging more financial resources for housing and urban development

Insufficient state resources are being made available for housing and urban development initiatives to improve the living conditions of the urban poor in the manner described in the BNG Plan. National expenditure on housing has declined to only 1.2% of total government expenditure (compared to the National Housing Goal, in the Housing White Paper and Housing Act, of increasing expenditure on housing to 5% of total government expenditure).

In the Western Cape Provincial Housing Plan (2002), it was stated that 40 000 housing units per year need to be delivered in order to eradicate the housing backlog of 310 000 within 15 years. At current subsidy values, a total housing budget of over R1.2 billion per annum is required; the Western Cape's housing budget for 2005/2006 is R475 million. Due to financial and capacity constraints the actual number of subsidised houses delivered in the province per year has declined to about 12 000 (from a peak of 44 000 in 1997/1998).

These budget constraints impact on the scale of delivery and on the quality of delivery – as a result there are increasing numbers of people living in inadequate housing conditions and without access to basic services or facilities. Another consequence is that the subsidy amount remains insufficient for the provision of an adequate housing unit on an adequately serviced and well-located piece of land. In

addition, capacity for delivery, another constraint, can only be built and sustained if sufficient resources are made available.

There is also a severe lack of appropriate housing credit to meet the needs of the poor. The Financial Sector Charter has not, as yet, had an impact in terms of credit provision for the poor (e.g. informally employed people).

Although the Western Cape has performed relatively well in terms of budget spending at provincial level, it is clearly imperative that funding be mobilized for integrated urban development (more than just houses) and for delivery at a broader scale. The ability to appropriately fund projects is critical to the success of delivery and the achievement of the poverty alleviation and sustainability objectives of the Sustainable Human Settlement policy. Greater mobilization of government and other resources for housing and urban development initiatives at a national and provincial government level is therefore required.

3.8 Overcoming the legacy of apartheid spatial and socio-economic exclusion patterns and engaging with the NIMBY syndrome

South Africa's settlement problems are mainly a legacy of the apartheid system, where housing was provided and used as an instrument of social segregation. The unequal distribution of wealth coupled with the class division, both very ubiquitous in the Western Cape, make for great resistance to low-income housing projects by surrounding communities, as new housing projects are perceived as (and often are) dysfunctional ghettos.

The restructuring of apartheid spatial and socio-economic patterns of exclusion appear to be the real intent and achievable objectives of the BNG Plan. Notwithstanding the full scale housing delivery and development over the past 11 years, it is evident that this legacy cannot be erased without the political will to challenge and overcome resistance to integration of the city as it manifests in the NIMBY syndrome. Despite many political articulations at the highest level we are yet to see the site and form of the battle where NIMBY issues will be fought. Projects must be identified where NIMBY issues are challenged outright. Without implementing such projects in sufficient quantities the spatial and economic imbalances created by apartheid planning will remain undisturbed.

Resistance to NIMBY can be overcome by greater participation of stakeholders, and through ensuring that new low-income housing developments are socially functional and aesthetically pleasing neighbourhoods. More attention should be paid to urban quality in housing delivery. This will not only improve the lives of residents, but help to overcome resistance from adjacent communities. Housing

projects must not be residential dormitory suburbs intended exclusively for low-income people. There should be greater integration of different income groups and different types of activity.

3.9 Developing quality life-enhancing environments

The South African urban landscape is characterised by low-density sprawling urban areas and a lack of integration of urban opportunities such as places of employment and economic activity, recreation, education and health facilities, and residential areas. The focus of housing delivery has been mainly on the delivery of large numbers of housing units, rather than on the creation of vibrant human settlements that encompass a range of housing types and a variety of urban opportunities and activities. The preoccupation with the single-family detached dwelling proto-type, particularly for low-income housing on peripheral locations has fuelled urban sprawl and fragmentation. Spatial integration is a critical factor to address this in the future. An assortment of land uses in close proximity to each other must be manifested in the planning and development of housing.

Planning is strongly regulated by technical and programmatic standards. Authorities dealing with urban development operate according to (usually inflexible and fixed) minimum standards formulated for the “optimal” requirements of different urban elements in isolation. However, standards are relative and must vary from place to place and from time to time. They should not be generally applied and thoughtlessly transferred from one environment to another where they may be economically and culturally irrelevant.

Density pervades all components of the residential environment and has an array of implications for the social, economic, environmental and strategic aspects which shape city structure and residential areas. Density should not be used as a static control or standard e.g. simply to calculate the number of community facilities required in a residential area. It should rather be used creatively e.g. in providing opportunities for a greater variety of residential development options, in providing new building forms which create higher densities without necessarily increasing height, etc.

Physical, economic, social and political factors have complex links with density.

- *Physical* - density affects housing layout, housing form, and city structure;
- *Economic* - density affects costs of land and transportation and the ability of governments, developers and residents to afford housing;
- *Social* – density has implications for levels of social interaction, privacy and security;
- *Political*- density is fundamental in the utilisation of land and energy resources and in formulation of housing policy.

BNG calls for the development of high performing environments. Such environments are complex in that they present diverse opportunities over a relatively short distance, with high population thresholds supporting urban activities and opportunities. Urban dwellers are thus able to exercise a variety of choices; they can choose to live in high-intensity environments without completely sacrificing access to privacy, quiet and nature or in lower intensity environments without totally sacrificing access to the benefits of urbanity such as high levels of service, opportunity, convenience and interaction.

Densification and compaction are thus vital goals in any sustainable human settlements plan as they provide the necessary complexity, diversity and intensity. More compact urban environments offer higher levels of support per facility, and therefore unit costs of social and other services are lower. An important advantage of compaction is the greater range and higher levels of social and commercial services, with more equitable and convenient access to them, particularly for pedestrians. In the same way, public transportation is more viable than in sprawling environments. Compaction is especially important for the survival of small economic enterprises in that places of economic opportunity are often widespread. In compact environments greater diversification and specialisation occur, as agglomeration and scale economies stimulate the generations of new economic opportunities. In truly compact environments, and especially in poor communities, several needs are met on a commercial basis.

In order to limit sprawl, people should have the freedom to choose between ranges of intensity and convenience, but only within limits defined by the good of the overall system. The critical issue in this regard is not maximum densities, but the achievement of minimum densities sufficient to support public transportation and basic services within a range defined by movement on foot. This restriction offers not less, but more freedom.

3.10 Involving communities meaningfully

Empowerment and capacity building of communities are important factors contributing to the creation of sustainable human settlements. However, in many cases communities are not consulted about decisions that will affect them. An evaluation of the National Housing Subsidy Scheme concluded that there is a generally low level of community participation in most aspects of housing projects.¹ As a result, decisions are often made that are not in the best interests of the poor and vulnerable.

It is essential that citizens, especially the poor and vulnerable, have access to information and opportunities to participate in decision-making at all levels, from national policy development down to local project planning. This can only take place through active and ongoing community participation

¹ Public Service Commission (2003): Report on the Evaluation of the National Housing Subsidy Scheme.

and involvement that fosters a sense of responsibility, commitment and ownership. Beneficiary communities must be involved in key stages of the planning and implementation of housing projects, as they will be the ultimate users of the environment. Socio-economic and cultural issues unique to a housing project must be carefully considered in conjunction with considerations for environmental sustainability. Professionals, government officials and even community representatives must respond to community needs. Furthermore, for housing to be sustainable, it must contribute to the physical and psychological well-being of the inhabitants, and promote a sense of community and safety.

Platforms for community involvement in delivery and implementation are too limited with preference for a top-down approach that focuses on meeting targets without recognising the added-value potential of local communities and other role-players. Platforms for community involvement will have to expand given the inclusive vision of the BNG Plan. The manner in which the product is offered and the way in which it is communicated to all stakeholders involved with the delivery and implementation of the Sustainable Human Settlement policy will be critical success factors and underpin the other key intervention areas identified in the document. Without proper dialogue and effective partnerships to facilitate understanding and buy-in, and to manage delivery expectations on all levels, implementation progress will be impacted negatively.

3.11 Supporting sustainable livelihoods

The concept of sustainable livelihoods is a reference point for a wide range of role players involved in different aspects of development policy formulation and planning, and is an imperative component in the creation of sustainable human settlements. The livelihoods framework has the ability to strengthen the political voice and influence of the poor, and enable them to secure full social and economic rights. At the same time, the framework provides a way for government and other development players to develop poverty eradication policies and programmes that work. In addition, it enables all to reflect on the issues associated with sustainability and highlights the social, political and economic transformation that must take place to make this a reality. A constructive approach to livelihoods entails more than a narrow economic focus on production, employment and household income. It is rooted in a more holistic view, bringing together concepts of economic development, reduced vulnerability and environmental sustainability, while building on the strengths of the urban and rural poor.

Despite differences of interpretation and different variations of the livelihoods framework, they all build on earlier development theory, and aim to:

- Identify (and value) what people are already doing to cope with risk and uncertainty;

- Make the connections between factors that constrain or enhance their livelihoods on the one hand, and policies and institutions in the wider environment;
- Identify measures that can strengthen assets, enhance capabilities and reduce vulnerability.

Important principles guiding a livelihoods approach should include the following:

- *The approach should be people-centred and participatory.* Livelihoods are about people, and therefore analysis is based on understanding how people make their living. It uses participatory methods, and serves as a framework to decide which participatory livelihoods assessment methods to use at the appropriate time, and how to frame key questions.
- *The approach should assume differentiation.* It recognizes that there are important differences among households in a given community, and among individuals who make up the household. Differentiation also improves the ability to design sensible interventions with target groups.
- *Holistic analysis leads to targeted interventions.* The approach should encourage holistic analysis, with attention to identifying factors inside and outside households that have beneficial or negative impacts on livelihoods. The livelihoods framework can be useful to organizations that focus on specific sectors like housing, health or natural resource management, and it also creates opportunities for organizations that have different sectoral focuses to work together in co-operation or partnership. This helps to increase the impact of development interventions.
- *Targeted interventions should result in maximum leverage.* Successful poverty reduction strategies must address a whole range of issues. As resources are limited, it is crucial to select and target interventions in ways that will have the greatest impact and reduce poverty and vulnerability for the most people.
- *Reflective practice improves the quality of analysis and interventions.* The livelihoods framework recognizes that households and livelihoods are constantly changing in response to shocks, stresses and seasonality. This highlights the need for ongoing learning and can provide a useful framework for monitoring the impacts of development initiatives and can pinpoint unintended consequences.

HSC have the potential to play an important role in generating livelihood outcomes and supporting community development. They could become engines for community development either by locating them strategically from the outset, or by broadening their mandate. The HSC in Silver City (Khayelitsha) exists as a model that can be replicated. Here the HSC is set up to accommodate different activities and programmes run by a range of stakeholders such as NGOs, NPOs, CBOs and

government. The location and staffing of the HSC should, from the outset, have a long term purpose in mind, therefore sustaining it beyond the life of the housing project. Funding of the HSC, in the form of the Establishment Grant, should be coordinated with a similar matching grant from Social Services to make a longer term commitment.

3.12 Environmentally sustainable settlements

Historically, South African cities have an urban form which is not resource efficient. The deliberate spatial separation of residential neighbourhoods into distinct racial segments, spread cities out into low-density urban sprawl, which results in a high impact on available land relative to their population size. Moreover, impacts range from poorly serviced township areas resulting in high natural resource input costs, and poor waste and sewerage management, to the excessive energy-use and time inefficiencies from travel on an urban road network sometimes built to impede movement.

The declining state of the human environment and natural resources has negative implications for economic and social development at different scales. Despite the commitment to sustainable development at policy level, it is clear that most developments do not have a long-term holistic view, and fail to take environmental concerns into consideration. Little significance is given to environmentally sound energy and water efficient principles when it comes to the provision of housing. This is especially alarming, because in a successful human settlement programme, affordability, access to opportunities, and a clean and balanced environment are closely linked. A straightforward and no-cost matter such as correct solar building orientation is very often not taken into consideration.

It is important that all stakeholders and role players (communities, government, CBOs, NGOs, private sector) be motivated to understand the role they can play and that they cooperate to realise the goals of sustainability on a number of levels (provincial, metropolitan, local and household) and benefit from the advantages of living sustainably.

Some of the benefits of living more sustainably include:

- Reduction in the household's monthly costs on water, electricity and other energy sources;
- Household health cost savings – no more dampness to aggravate lung problems;
- Planting can improve the living environment, supplement food sources, and be a source of income;
- Household educational savings;
- Municipal / utility cost saving on infrastructure and service delivery;
- Municipal savings on non-payment of accounts;
- National savings on environmental conservation, enhanced productivity at work and school;

- Additional job creation;
- Enhanced international competitiveness for productivity.

Despite various measures to prevent or mitigate negative environmental impacts, it seems that not all stakeholders and role players fully recognise the importance of systematically managing the built environment to contain its impact on finite natural resources.

3.13 Efficient, affordable and safe public transport system

Sprawling, low-density environments are unable to create thresholds that are high enough (minimum densities of 50du/ha) to support efficient and viable public transportation and LED. Moreover, these unsustainable settlement patterns entrench the use of the private motor car, increasing levels of air pollution and consuming non-renewable fossil fuels, and are unaffordable to the majority of the South African population.

An efficient, affordable and safe public transport system is an essential component in meeting the criteria of sustainable human settlements. Interventions towards settlements that work do not require the *en mass* transformation of the public transport system. Rather, attention must be focused on significant subsidization of the important commuter routes (such as Khayelitsha, Delft, Mitchell's Plain). The improvement and expansion of the existing extensive intra-urban rail public transport system should be embarked upon; improving safety, efficiency and integrating it with the public transport system in the Cape Town region will provide a critical spatial framework for the 'natural' development of corridors that redefine apartheid urban forms.

The following will support and promote efficient activity systems and must be taken into consideration when planning for transportation needs of communities:

- Creating a compact and dense city.
- Creating a grid of continuous, direct public transportation channels.
- Reinforcing transportation channels by making a rhythmical system of public spaces along them.
- Locating public facilities and social services around the public spaces along these transport channels.
- Encouraging more intensive private sector activities which are dependent on public support (e.g. small and medium scale manufacturing).
- Emphasising and maximising the potential of the best-located land parcels in the system and developing them to a high degree of intensity.

3.14 Gap market

The needs of the gap market are not adequately addressed. There is insufficient stock available for the gap market which has negative implications for upward mobility. Furthermore, the exact extent of the gap market in the Western Cape is unknown.

3.15 Upgrading informal settlements

Informal settlement communities are complex and diverse entities. A one-size-fits-all approach to informal settlement upgrading ignores the differences between and within informal settlements. The complexities of individual informal settlements need to be understood before development interventions are made. Upgrading interventions need to take into account that informal settlements vary greatly in their size and location, the way they are formed, and the reasons why people live in them.

The formation and continuing existence of informal settlements need to be understood as being part of poor households' livelihood strategies that are aimed at accessing income, increasing well-being, reducing vulnerability and improving food security. Essential elements within a poor household's livelihood strategy can include access to land for shelter, access to income generating opportunities and access to social networks, and informal settlements are a way for poorly resourced people to attempt to access these assets. Poor households often have multiple livelihoods strategies, for example, a range of formal and informal activities or both an urban and a rural base, and this diversity and complexity of livelihood strategies help to reduce their vulnerability whilst contributing to the diversity and complexity of informal settlements.

A number of key issues need to be taken into consideration when planning to upgrade settlements:

- *The physical form of informal settlements.* The physical layout of settlements and design of informal dwellings can vary greatly, and are often closely linked to social support networks and the requirements of livelihoods.
- *Poverty and vulnerability.* Although many households in informal settlements are able to access income generating opportunities in one form or another, in general, the incomes of households in informal settlements are low, and there are significant proportions of very vulnerable households. There are large differences between households, from households with no regular income at all, to households with incomes of more than R3 500 per month. The net result of the great variability of types of employment and income levels, and the relatively high unemployment levels, is that there is a high level of social differentiation between households.

- *Social problems.* Informal settlement communities often have complex social problems and internal community conflicts caused by poverty and vulnerability and by a general sense of social exclusion. A participatory social mapping exercise can assist in depicting social problems related to certain geographical areas in the informal settlement to assist in addressing the problem.
- *Urban-rural linkages.* Many households in informal settlements also have to be seen, within the context of urban-rural linkages, as small components of extended families that have both a rural home and one or more urban homes. Although the reasons for continuing urban-rural linkages are complex, they include the potential role a rural home can play as a safety net within the context of a diversified livelihoods strategy.
- *Ineligibility for housing subsidies.* A constraint in addressing the needs of households living in informal settlements has been the large proportion of residents of informal settlements who do not qualify for housing subsidies (this constraint is partially addressed by the new informal settlement upgrading policy, where households will not need to individually qualify for housing in order to benefit from the first phases of upgrading). This points to the need for more flexible criteria for the targeting of housing assistance to informal settlement residents.

Upgrading programmes therefore need to have an integrated approach that include economic, social and human development interventions, and which build on existing informal processes within the settlement. Most importantly, residents of informal settlement communities need to play a meaningful role in decision making processes that are going to affect their lives. Ultimately, upgrading informal settlements should not simply be about the eradication of shacks, but should be about understanding people's existing circumstances and contributing towards improving people's lives in a meaningful way; whether it entails *in-situ* upgrading, incremental upgrading, or relocation.

4. RECOMMENDATIONS

4.1 Integrated development and co-operation

- **Inter ministerial body:** Provincial government should establish an inter-ministerial governmental body to manage the objectives of the Sustainable Human Settlement policy on an ongoing basis and under the leadership of the DoH so as to ensure that appropriate programmes are introduced, priorities are aligned, and the necessary budget allocations are synchronized.
- **Local Authorities role:** The Minister of Housing must clarify the role of LAs in the creation of sustainable settlements. Secure buy-in from LAs in order to clarify responsibilities and

mandates, to generate realistic expectations, and to ensure adequate budgetary provision at municipal level.

- **Provincial and local authority alignment:** The DoH must ensure that funding streams relating to the MIG and housing subsidies are aligned. The Minister of Housing must emphasize the importance of preparing and aligning IDPs with the provincial plans for the development of Sustainable Human Settlements and with the PSDF. In this regard government must adopt a city-wide as well as a regional-wide approach/plan linked to IDPs to highlight priorities and forward planning within a 5 year timeframe. This plan must be formulated in conjunction with stakeholders and in order to make provision for resources that are responsive to community needs and priorities. Regular Monitoring and evaluation of alignment between provincial and local planning and implementation is essential.
- **Dissatisfaction with service delivery:** Recent dissatisfaction with service delivery calls for immediate action. Small delivery issues should be tackled by the DoH and LA's immediately by fast-tracking plans and communicating the actions taken. Resolving the small issues will create tolerance for longer term issues.
- **Community involvement:** LA's should actively involve communities in all stages of the planning and implementation processes. Ensure that capacity building, proper training, skills transfer and local job creation are products of all housing developments.
- **Disaster management:** Monitor risk factors relating to disaster management by appointing disaster managers - reporting to heads of departments - in all provincial government departments.

4.2 The need

- **Housing needs-assessment:** The DoH must undertake a housing needs-assessment on municipal level for the Western Cape to understand the nature of housing needs (e.g. conduct a 'shack-by-shack' audit). The use of GIS will assist greatly in this regard. This study must provide information about the affordability levels of households, locational needs, and preferred tenure options.
- **Housing database:** The DoH must develop an up-to-date database of housing needs, categorised into different sub-categories of housing need, to guide the design and implementation of housing delivery programmes. The housing needs of special interest groups such as, women headed households and domestic workers must be clearly identified in such a database.
- **Uniform methodology for calculating backlogs:** The DoH should develop a uniform methodology for calculating housing backlogs for all local authorities and this should be linked

to the Census and October Household Surveys of Statistics South Africa. This overall backlog needs to be disaggregated into different types of inadequate housing, including:

- Informal settlement dwellers
 - Backyard shack dwellers
 - Unconverted hostel dwellers
 - Shack dwellers on serviced sites
 - Households in overcrowded formal housing
 - Households in inadequate formal housing
 - Farm worker households in inadequate housing (and also other rural employees, e.g. forestry workers)
- **Housing list:** The DoH and local authorities must work together to turn the housing list into an alternative mechanism for beneficiary allocation, or adopt or develop an appropriate alternative.
 - **Community involvement:** The DoH and local authorities must involve communities in the identification of their needs, and the formulation of ways of meeting these.
 - **Migration patterns:** The DoH must initiate a comprehensive study into migration patterns in and out of the Western Cape to understand the growth of urban areas.

4.3 Enhancing capacity for appropriate housing delivery

- **Capacity development programme:** The DoH must set up a strategic capacity development programme to develop capacity at local government level and of non-profit role-players (CBOs and NGOs) for greater involvement in integrated housing delivery. This capacity development programme must be informed by a capacity assessment and must address all major capacity constraints. A unit must be put in place to build capacity and where necessary provincial officials should be seconded to assist Las and to facilitate skills transfer.
- **Social housing institutions:** The DoH should ensure that local authorities provide financial, management and maintenance support to existing social housing institutions such as housing co-operatives.
- **Strategic partnerships:** Develop and strengthen strategic partnerships with all role players in housing delivery by implementing the following kinds of partnerships:
 - between municipalities and communities, i.e. MCPs;
 - between municipalities and other government or non-profit organisations (PUPs);
 - between government (the public sector) and the private sector (PPPs).

Mechanisms for relating to partnerships between communities and NGOs need to be investigated, as competitive tendering processes are obviously unsuitable mechanisms for initiating such partnerships.

- **Capacity for PHP:** The DoH must improve the capacity of communities and by providing subsidies for, and enhancing support to, assisted self-help housing (PHP) in order to bolster community control that will lead to better quality housing products and the development of social capital.
- **Building materials:** The DoH must engage with building material manufacturers and suppliers to commit to fix pricing for a period provided in a contract which will be tied to agreed volumes and time frames for the delivery of PHP projects.
- **Inter-departmental cooperation:** The Department should, in collaboration with Departments of Social Services and Labour, put programmes in place to support emerging and women contractors in order to enhance capacity within the construction industry and to promote the development of emerging and women contractors in line with the Construction Charter and scorecard. The programmes should include provision of technical support and the mentoring of contractors.
- **Small developments for woman and emerging contractors:** The DoH must ensure that a fixed percentage of contracts are allocated to emerging and women contractors. It should consider awarding small developments exclusively to emerging and women contractors.
- **Delays in approvals and disbursements:** The Department must engage with local government to identify and overcome undue delays in the approval processes and disbursements of funds so as to facilitate the greater involvement of emerging and women contractors.
- **Credit for woman and emerging contractors:** The Department should engage with banks to ensure that credit is advanced to emerging and women contractors.
- **Employer assisted housing:** Government must call on local corporates, as well as smaller businesses to become involved in housing programmes to assist their employees. This will alleviate the burden on the State. Policy blockages which currently prevent such programmes from being implemented must be addressed immediately.
- **Outsourcing projects:** Smaller municipalities should, as a result of insufficient capacity to implement, consider outsourcing projects to avoid non-delivery and under-spending, and the appointment of short term project managers who report directly to the City Manager on a contract basis to implement housing.
- **Performance contracts of directors:** Performance contracts of directors in municipalities should be linked to housing delivery in order to prevent nepotism and non-delivery.

4.4 Availability of well-located land and buildings

- **Moratorium until land policy aligned with BNG:** The Provincial Government must institute a 2 year moratorium on the sale of all state owned land or until the land policy is reconciled with

the BNG Plan and a mechanism is put in place so that the DoH has the right of first refusal prior to the sale of all state-owned land and buildings.

- **Realign to fast track access to land:** The DoH must review and re-align legislative, policy and institutional frameworks to fast-track availability and affordability of well- and appropriately located land for sustainable human settlements.
- **Land audit:** The DoH must conduct an audit of all parastatal and state-owned land in the province to categorise by type, appropriateness for residential use and quality (serviced or not), and capture data on an effective and accessible Geographical Information System.
- **A land register:** The DoH must develop an overall register of available and suitable land and buildings in the Western Cape.
 - Identify all state-owned land and buildings in the province.
 - Identify all parastatal land and under utilized buildings.
 - Identify developed but under-utilized state- and parastatal-owned land and buildings.
 - Identify private owned land and buildings that could be acquired for housing.
- **Rapid land release programme:** The DoH must ensure that information contained in the land register must be used to develop a rapid land release programme to facilitate the release of well-located land from national, provincial and local government, as well as parastatals, for the purpose of improving the possibility of creating sustainable human settlements by virtue of location.
- **Managed land settlement:** LA's must introduce managed land settlement programmes – that is coordinated at a provincial level – to provide well planned serviced land for the increasing numbers of urbanized households in order to reduce informal settlement growth and to allow an incremental approach to housing development and equitable spending.
- **Disposal of municipal land:** The DoH must review with local government existing practice around the disposal of all vacant land and buildings, as well as rental stock and align with the intentions of BNG taking into account the legacy of forced removals.
- **Parastatal land:** The DoH must secure a commitment to the BNG Plan from parastatals, and develop a mechanism for land acquisition.
- **Private land:** The DoH must acquire appropriate private property (suitable land and buildings). Proactive methods for acquisition must be utilised, such as land swaps and the allocation of land use rights and expropriation to acquire land.
- **A land fund:** The DoH must create a land fund that can be used by municipalities for immediately purchasing and “banking” suitable land for housing that is aligned with the long term land use plan of the LA and the province. Seek to gain revenue via land taxation or through capturing revenue using internationally accepted methods such as those used in the

U.S.A, U.K and The Netherlands.

- **Cross-subsidise lower income housing with proceeds from sale of state land:** The provincial government must ensure that where state land is sold in the market, it must be aligned with the long term land use plan and a percentage of the proceeds should be used to cross-subsidise lower income housing elsewhere. Proceeds from such sales should be kept in a dedicated special account for funding of lower income housing.
- **Subsidise the purchase of land for low-income housing:** Subsidise the purchase of land for housing. This will be a cheaper option for government than putting a greater burden on transport that is already heavily subsidized.
- **Woodstock, Salt River & Voortrekker Rd:** The DoH should focus specifically on acquiring properties in the Woodstock/ Saltriver area, and along Voortrekker Road in Cape Town, for lower and mixed income housing. These locations offer opportunities for densification and bringing the poor closer to urban opportunities.
- **Reserve site policy:** Introduce a reserve site policy in order to create a pool of land. Zone land earmarked for housing as 'reserve'.
- **Develop completed packages:** The DoH must put state land out to tender for housing for the development of a completed package with all necessary facilities, so as not to result in sterile dormitory suburbs and to ensure that development is of a required and appropriate nature (mixed use and mixed income developments).
- **Release state land for domestic workers:** The DoH should ensure that well-located state land or buildings is immediately made available to meet the housing needs of domestic workers.

4.5 Developing a long-term housing plan

Bold political leadership is needed when developing a long term plan; the greater good of all in need should be put over that of short term political gains.

- **A long term plan:** A long-term plan (at least 15 years, with a view to have the problem solved by 2020) must be developed in which provision is made to address the total housing need as identified in 4.2 above, over time. The plan needs to address, *inter alia*, the following issues:
 - the existing housing backlog and growth in housing need;
 - farm worker housing;
 - the provision of housing for special needs groups, such as domestic workers;
 - a rectification programme for existing dysfunctional housing environments, including coordinated spending by various government departments.

Government should develop a social compact with communities around the implementation of this plan which acknowledges the financial and resource constraints faced and which by

necessity will must more than five years.

- **An incremental approach:** The plan should take an incremental approach and as a short term measure (5 years) should aim to provide everyone with secure tenure, basic services (water, sanitation, storm water drainage and electricity) and planning layouts to facilitate future upgrading. Once a household has tenure, an incremental approach of this nature will enable households to invest in taking responsibility for their short term shelter needs.
- **Independent review:** An independent review panel including a range of stakeholders should be set up, on a voluntary basis, to monitor and evaluate progress against the development and implementation of provincial strategies and plans for sustainable human settlements.
- **Monitoring impact:** In order to inform future planning, the DoH must monitor their outputs as well as the impact and knock-on effects generated by outputs (e.g. the generation of back-yard dwellings on subsidy housing plots).
- **Government's role:** The DoH should consider whether government has to play the role of provider of housing or whether it should rather act as facilitator of housing delivery by creating the necessary conditions for others to deliver both through the private sector, NGOs and self-build.
- **Communication strategies:** Develop a communication strategy, with public participation processes as the backbone, to create general awareness, to engage the communities impacted on, to respond to the protests and issues raised by existing communities regarding service delivery, and to get community buy-in.
- **Incentives:** The DoH must develop incentives to reward communities that take initiative to provide for their own housing needs.
- **Pilot projects:** The DoH must identify and implement pilot projects that demonstrate the new BNG approach.
- **Evaluation criteria:** The DoH must use the Sustainable Human Settlements principles as indicators for monitoring and evaluation departmental progress:
 - LED and poverty eradication
 - Social integration
 - Spatial integration
 - Sustainability in all its manifestations
 - Quality of environments
 - Addressing the total need
 - An integrated development approach
- **Risk analyses for disaster management:** The DoH must undertake risk analyses with regard to disaster management of all municipal areas on macro (provincial) and micro (local) levels to determine safe areas for short, medium and long term housing. This will require inter- and

intra-governmental coordination and cooperation with regard to finance, legislation and forward planning.

- **Coordinated action for disaster management:** The provincial government must create an advice forum as a mechanism to advance inter-governmental and inter-departmental coordination and cooperation with regard to disaster management. All MECs must be represented on the advice forum, especially Provincial Treasury.
- **Forward planning for disaster management:** In the light of global climate changes, the DoH must formulate long term plans relating to the level of service provision, layout planning, restrictions on development, appropriate housing types and building styles, in order to mitigate disaster conditions.
- **Farmworkers:** Enforce ESTA by developing a programme to educate farmworkers and farmers regarding the rights and obligations that arise from the policy and by monitoring farmworker evictions.

4.6 Effective policy and process

- **Policy audit and alignment:** The DoH must undertake a policy audit to:
 - identify and address provincial and local government policies that require amendment and approval for the effective implementation of the BNG Plan;
 - identify gaps where new policies require development at provincial or local level for the effective implementation of the BNG Plan. Informal settlement upgrading, social (medium density) housing and rural housing programmes should specifically be considered;
 - ensure that administrative blockages to speedy development are removed;
 - remove delays in payments and to efficiently communicate reasons for non-payments to contractors.
- **Inter governmental cooperation:** Establish an inter-ministerial governmental body to ensure that various urban development-related policies and programmes are aligned with each other (e.g. housing delivery programmes, provincial spatial development frameworks, urban transport strategies and poverty alleviation programmes). To implement BNG, policies of various government departments must reinforce each other.
- **Impact of policy changes:** The DoH and local authorities should test the practicalities of policies, research policy implications, and communicate these prior to large scale roll-out of programmes. Policy implications should first be smoothed out and then introduced into the market. Small scale pilot projects (500 units or less) should be undertaken to test new policy.
- **Township Establishment processes:** The DoH should specifically review and re-align legislative, policy and institutional frameworks to fast-track Township Establishment processes

through the development and implementation of a code of good practice that binds all the stakeholders.

- **Other institutions:** The DoH should ensure that the policies and processes of external institutions, such as the NHBRC, are reviewed to facilitate the streamlining of implementation.
- **Land use planning:** Address the land use planning loop-hole that exists to support the eradication of the NIMBY syndrome.

4.7 Leveraging more financial resources for housing and urban development

- **Development levy:** Provincial government should require that 20% of the turnover of any commercial development, that is not intended to exclusively benefit the low-income housing market (i.e. households with combined income levels of less than R7 000), must be spent in low low-income housing development, or alternatively, contributed to the provincial Department of Housing for the purpose of financing low income housing. This funding must be leveraged by putting measures in place to optimise cross-subsidisation (this has been successfully implemented in the United Kingdom, Malaysia and in other parts of the world).
- **Rectification programme:** The Provincial DoH must develop a rectification programme and should identify and prioritise development needs and should liaise with the local authorities to ensure that these priorities are aligned with expressed community needs and the Integrated Development Plans. The developers mentioned in the recommendation above should be able select activities (e.g. upgrading housing units, provision of facilities, etc.) to finance from those identified in the rectification programme.
- **Assisted self-help housing:** To leverage household and community assets and finances, the DoH must actively support assisted self-help housing by providing increased technical support and appropriate resources, by fast-tracking approval processes, and by reviewing grant disbursement practices.
- **The Banking Sector:** To support the functioning of the entire single residential property market by breaking the barriers between the first and second economy, the DoH must engage with the banking sector to rededicate and commit itself to the 2005 Memorandum of Understanding signed with the National DoH, and to implement housing and other relevant sections of the Financial Sector Charter. This should include extending access to affordable finance.
- **Pre-emptive rights clause:** The DoH must engage the National DoH regarding the revision of the Pre-emptive Rights in order to address the disincentives currently generated by the clause with regard to the banking sector involvement in the subsidy housing market. Further negotiations with the banking sector relating to the clause are also imperative.

- **Employer assisted housing:** To leverage more private sector investment in housing the DoH should initiate an employer assisted housing programme which should include the identification of appropriate land parcels for employers to access and development in order to provide housing for their employees.
- **Information about funding streams:** The DoH must immediately assign a member of staff to consolidate information about all funding streams potentially available for sustainable development (government, local government, development agencies, institutions, private sector).

4.8 Overcoming the legacy of apartheid spatial and socio-economic exclusion patterns and engaging with the NIMBY syndrome

- **Challenge NIMBY outright:** The Provincial Minister of Housing should identify projects where NIMBY issues are challenged outright by identifying specific communities for development in the near future to implement demonstration projects. The projects should challenge two/three communities to demonstrate real social, economic and spatial integration. These communities must be composed of a mix of income groups (lower, middle [gap market] and higher income), who will come together to intentionally transcend barriers and divisions by actively participating in the creation of an inclusive neighbourhood / precinct. This will advance the creation of a non-racial, socially integrated city.
- **Quality living environments:** The DoH and local authorities should improve general urban quality in housing delivery by promoting mixed income and mixed use developments. These projects should facilitate integration of different income groups and different types of activity through integrated projects that include a subsidised housing component, a mortgage bond housing component and shopping and community facilities. Greening of projects by planting trees and grass also has a positive impact on the living environment.
- **Stakeholder participation:** Local authorities should set up forums, in affected planned developments consisting of all relevant stakeholders to facilitate participation in the initiation and implementation of housing projects.
- **Promote good practices:** The DoH should promote good practices and the National DoH guidelines such as the Red Book and the Guidelines for Environmentally Sound Low Cost Housing.
- **Well-located affordable rental stock:** The DoH should encourage the creation affordable rental stock for a rapidly growing, mobile (migrant) and urban population (e.g. domestic workers) within inner city and other locations close to employment opportunities.

- **Property developers:** The DoH should engage the property sector to promote housing property development and investment in under-developed areas with a view of promoting the BNG Plan in order to bridge the divide between the first and the second economy.

4.9 Developing quality life-enhancing environments

- **Alignment with PSDF, IDP's and LED:** The DoH must enhance coherent planning in the provision of infrastructure and housing through the development of a long term housing plan. The DoH must ensure that housing development is aligned with the PSDF in order to ensure that no housing is developed on the periphery of urban areas as is the case with Witsand, Delft and others, and in line with Municipal IDPs and in conjunction with LED initiatives.
- **Develop completed packages:** The DoH must put state land out to tender for housing for the development of a completed package with all necessary facilities, so as not to result in sterile dormitory suburbs.
- **Integration:** The DoH and LA's must promote the integration of different land uses such as economic activity, residential areas, and recreation, education and health facilities.
- **Densification, compaction and in-fill:** The DoH and LA's must encourage densification, compaction and in-fill and limit low-density urban sprawl.
- **A range of house types:** The DoH and LA technical teams must develop a range of housing types (e.g. attached housing, cluster housing, two, three and four storey walk-ups) and building forms that will create higher densities without necessarily increasing height.
- **Plan ahead for densification:** The DoH must undertake analysis of utility service capacities, social dynamics, vacant or under-utilised land and open space to determine where densification could take place so that this can be integrated into the provincial long term housing plan.
- **Flexible standards:** The DoH and LA's must introduce flexible minimum standards that are culturally and economically relevant.
- **Location:** The DoH and LA's must locate new housing around specific activity routes, around the intersection of transport routes, around interchange points and between different modes of transport to increase thresholds. Similarly, identify vacant and under-utilised well-located land and inner-city areas so that they can be used to their full potential to transform the urban environment, and therefore improve the social and economic situations of city dwellers.
- **Alternative technologies:** Invest in appropriate alternative technologies (e.g. Moladi low cost construction system, Hydraform bricks and others) that will improve economic sustainability by employment creation, skills acquisition, and fast-tracked delivery. The South African Institute of Architects and the CSIR should be called on to play an instrumental role in research, education and training.

4.10 Involving communities meaningfully

- **Community partnerships:** LA's must adopt a partnership approach by forging partnerships with beneficiary communities. This may require that some investment is made in enhancing the capacity of community partners. Such partnerships will contribute positively to communities developing a sense of ownership and responsibility alongside government and will counteract against attitudes of entitlement.
- **Provincial summit/ imbizo:** The DoH should convene an urgent provincial summit or imbizo to give recognition to the needs of communities and to provide an opportunity for people to be heard. Include municipalities as a pro-active measure to manage expectations in terms of housing delivery.
- **A uniform position on growth in informal settlements and migration:** The Premier, Minister of Housing, Mayors and very senior departmental and municipal officials must develop a uniform position on growth in informal settlements and migration issues. This position must be communicated to the public and the media with sensitivity and with appropriate terminology so as promote social cohesion and to discourage further tensions between communities.
- **Community buy-in:** The DoH and LA's must include the buy-in from communities as key performance indicators.
- **Communication strategies:** Develop a communication strategy, with public participation processes as the backbone, to create general awareness, to engage the communities impacted on, to respond to the protests and issues raised by existing communities regarding service delivery, and to get community buy-in.
- **Assisted self-help housing (PHP):** DoH and LA's must promote assisted self-help housing (PHP) as a means to meaningful community involvement and the empowerment of communities. The DoH and LA's must speed up approval processes for assisted self-help (PHP) projects, address lengthy bureaucratic processes, and fast-track the disbursement of grants.
- **Perceptions about alternative technologies:** The DoH must develop a programme to deal with community perceptions that alternative development technologies are inferior. The programme must include a consumer education component as well as the implementation of projects that demonstrate the benefits of the use of alternative technologies. Initially, incentives should be put in place to encourage beneficiaries to accept alternative technologies.
- **A development trust for community based projects:** The Provincial government should establish an independent development trust that will leverage and channel (private sector) funding into community based initiatives.

- **Community participation on the N2:** Expand platforms for active community involvement of end users in all stages of the planning and design process, with specific reference to community participation on the N2 Gateway Project.
- **EPWP:** Incorporate the involvement of the Expanded Public Works Programme to ensure that job creation opportunities are maximised in the development of sustainable settlements.

4.11 Supporting sustainable livelihoods

- **Livelihoods task team:** The DoH should convene a livelihoods task team and select sites (communities) where livelihoods assessments will be carried out and where LED initiatives can be aligned with livelihood strategies.
- **Enhance the role of HSCs:** The DOH should support and enhance the long term role of HSCs in generating livelihood outcomes and supporting community development. HSCs should be strategically located from the outset, and their mandate should be broadened to accommodate activities that strengthen livelihoods and to coordinate community programmes that are run by a range of stakeholders such as NGOs, NPOs, CBOs and government.
- **Coordinate funds for HSC's:** The DoH should coordinate the funding of the HSC, (the Establishment Grant) with matching grant from the Dept of Social Services to make an impact on sustainable livelihoods.
- **Support self-help housing:** Support and promote assisted self-help housing projects so that sustainable livelihoods can be generated where households optimize their capabilities and assets to engage in activities to pursue their multiple livelihood strategies.

4.12 Environmentally sustainable settlements

- **Integrated Development Plans:** LA's must integrate environmental sustainability principles into municipal and provincial IDPs.
- **Policy framework:** The DoH must provide an appropriate regulatory and policy framework for environmentally sustainable development with clear long-term goals, sufficient capacity, and regulatory instruments.

4.13 Efficient, affordable and safe public transport system

- **Identify areas requiring public transport interventions:** The DoH should identify existing housing areas (such as Delft) that need public transport interventions and improvements to enable people to get closer to employment and other urban opportunities, as opposed to establishing which areas need investment of a different nature to improve the overall housing and urban environment (such as Atlantis, Witsand, Du Noon).

- **Expand and improve existing transport systems:** Engage with the Department of Transport to improve and expand the existing extensive intra-urban rail public transport system by making it safer, more efficient and integrate it with other public transport systems in the Cape Town region with specific attention to areas identified in the recommendation above.
- **Subsidise commuter routes:** Focus attention on significant commuter routes (such as Khayelitsha, Delft, Mitchells Plain) in the form of significant subsidization.
- **Review public transport strategy:** Review the long term (20 year) public transport strategy for Cape Town in light of BNG.

4.14 Gap market

- **The Banking Sector:** The DoH should engage the banking sector to develop products that demonstrate their commitment to the 2005 Memorandum of Understanding signed with the National DoH and the Financial Sector Charter. This should include extending access to affordable finance in a range of products and developing fixed interest rate products specifically for the gap market.

4.15 Upgrading informal settlements

- **Comprehensive, reliable and up-to-date information:** LA's and/or the DoH must collect comprehensive, reliable and up-to-date information about the informal settlement when planning to undertake integrated development interventions. Sustainable livelihood assessments can be used as tool for understanding complexity and survival strategies of households within the settlement.
- **Community participation:** LA's must create opportunities to ensure participation of communities at various levels, from strategy formulation down to project implementation level; participation in allocation processes, layout design and house design is particularly important in fostering ownership and improving sustainability.
- **Community involvement and job creation:** LA's should involve communities in actual project implementation as a way of contributing towards social and economic development, such as construction of infrastructure, facilities, housing and ongoing maintenance of the area.
- **Incremental upgrading:** LA's should adopt an incremental approach to upgrading settlements. In the absence of sufficient resources to provide housing to all in need, the short-term (5 year) priority must be to provide everyone with secure tenure and access to basic services. Once a household has tenure, an incremental approach of this nature will enable households to invest in taking responsibility for their short term shelter needs. Longer term plans must be developed simultaneously in order to provide the range of complementary social, economic and physical development programmes incrementally.

- ***In situ* upgrade:** Upgrade *in situ* wherever possible as it is preferable to relocation, in order to maintain existing social and economic links and networks that play a critical role in the livelihoods of poor households. Relocation should always be to well-located land.
- **Managed land settlement:** LA's must introduce managed land settlement programmes – that is coordinated at a provincial level – to provide well planned serviced land for the increasing numbers of urbanized households in order to reduce informal settlement growth and to allow an incremental approach to housing development and equitable spending.
- **Flexible standards and regulations:** The DoH and LA's should develop flexible standards and regulations for *in situ* upgrading such as the incremental housing zone in the proposed new zoning scheme of the City of Cape Town. Higher densities are important to minimize relocation – road widths and space standards for facilities are particularly important.
- **Flexible tenure options:** The DoH must introduce flexible land tenure arrangements for informal settlements to help bridge the gap between formal and informal land tenure systems. A range of appropriate interim tenure options could include moratoriums on evictions, temporary occupation licenses and community and individual leases.
- **Collective tenure:** Where appropriate promote collective forms of tenure to mitigate the negative impacts of commodification of housing (e.g. displacement of the poor through downward-raiding).

4.16 Pilot projects

Pilot projects should be implemented in the Western Cape to demonstrate the following:

- Projects that promote the progressive upgrading of informal settlements;
- Projects that restructure the apartheid landscape by promoting social and spatial integration on micro and macro level;
- Projects that combat urban sprawl by promoting higher densities of development and mixed uses in strategic locations;
- Projects that enhance economic security and promote optimal use of infrastructure in new and existing human settlements;
- Projects that incorporate ecologically sensitive settlement design alternatives;
- Projects that promote a wider range of affordable tenure options in well-located areas.

5 CONCLUSION

Breaking New Ground substantially expands the nature and focus of housing delivery. Local and provincial government will face significant pressures in aspiring to deliver against the sentiments of BNG, given that substantial challenges existed previously. For a big metropolitan city, like Cape Town, BNG offers a tremendous opportunity to shift the urban development paradigm in keeping with trends in other major cities globally. Smaller local authorities may face the greatest stumbling blocks in trying to rise to the challenge of BNG but where sustainable human settlements are developed in a rural or peri-urban context, the benefits are most valuable.

Breaking New Ground calls on government to develop new ways of working across spheres and across departments. Co-ordinated planning and alignment of spending will be a critical success factor. Another critical success factor must be the development of a range of partnerships with various stakeholders regardless of their sometimes competing vested interests.

Feedback on the draft Discussion Document is welcomed as the recommendations are currently being reviewed and refined before the document is finalised and submitted to the Minister for his consideration.

APPENDIX A

1. Overview of the Plan

The following pages provide an overview of the Breaking New Ground plan for the development of sustainable human settlements.

1.1 Progressive informal settlement upgrading

- The BNG Plan's response to informal settlements upgrading is that of co-operation and integration. This will lead to the stabilization and integration of these areas into the broader urban fabric. It aims to provide housing in healthy and secure living environments, with communities having access to the services and goods produced by society.
- The plan adopts a phased in-situ upgrading approach in desired locations, coupled with the relocation of households where development is not possible or desirable. It is based upon a phased development programme, which include surveying, basic services provisioning, and housing development - undertaken in a flexible manner to cater for local circumstances.
- A new funding mechanism will support upgrading on an area-wide, as opposed to individual basis, which will maintain fragile community networks, minimize disruption and enhance community participation in all aspects of the development solution.
- It is important that an upgrading approach provide for a total package of infrastructure such as clinics, schools, police stations, and other community facilities.
- Upgrading projects should initially be implemented as pilot projects through partnerships between all spheres of government, with the support of key government departments. Funding will be provided to source external capacity to assist with project initiation, project planning and management.
- The BNG Plan supports increased use of the PHP, and will redefine the nature, focus and content of PHP; establish a new funding mechanism; and enhance institutional support.

1.2 Enhancing the location of new housing projects

- Despite financial constraints, the Plan requires that the number and scale of future peripheral subsidised housing projects be restricted.
- An overall strategy to facilitate the release of well-located public land needs to be developed. It is important that well-located public land or land held by parastatal organisation be accessed via the acquisition grant (subsidy), and transferred to municipalities at no cost.
- The plan should include a strategy to finance and guide the acquisition of private land for housing purposes.

- Funding for the acquisition of land should no longer form part of the housing subsidy, but should be funded through a separate funding mechanism, and should therefore be treated as a broader social cost.

1.3 Promoting densification and integration

- Fiscal incentives to promote densification and disincentives for promoting urban sprawl should be developed.
- The development of a densification policy should interrogate aspects of promoting densification, including proper planning guidelines, property taxation, zoning, subdivision, land swaps and consolidation.
- Residential development permits should be introduced to facilitate income integration by obliging developers to either set aside units within residential developments for lower-income groups, or alternatively, to develop lower-income residential accommodation in adjacent areas. It is proposed that 20% of all residential development should be contributed and redirected by developers into low income housing.

1.4 Development of social and economic infrastructure

- A more holistic approach to the development of settlement-making emphasizes the importance of the provision of social and economic infrastructure, and not a housing-only approach.
- A multi-purpose cluster concept based on community needs should be applied.
- These types of infrastructure need to be developed in targeted areas through strong inter-governmental partnerships.
- Not all facilities will necessarily be supplied, and nearby facilities need to be enhanced to ensure that they cater for the broader community.
- Although LAs will be the implementation agencies, it will be important to ensure that LAs, NGOs and CBOs take ownership of these facilities - especially with regard to operation and maintenance.
- A new funding mechanism needs to be introduced to fund the development of the primary social and community facilities, focusing on informal settlement upgrading projects, completed housing projects which lack social facilities, and new housing projects.

1.5 Enhancing the housing product

- There is a need to develop more appropriate settlement designs and housing products and to ensure appropriate housing quality.

- Settlement design should be enhanced by including design professionals at planning and project design stages, and design guidelines for designers and regulators to achieve sustainable and environmentally efficient settlements will be developed.
- House design should be enhanced by enforcing certain minimum standards. Traditional and alternative building technology should be used where possible.
- A variety of innovative house designs for RDP houses should be encouraged through incentives.
- A programme should be developed to address the poor quality of houses built before the introduction of national norms and standards and the NHBRC Warranty Scheme. Quality control measures by the NHBRC need to ensure that contractors comply with building plans and other specifications.

1.6 Enhancing the role of the private sector

- The financial sector, as well as the construction sector, should obtain government's commitment to a partnership and an enabling environment that would lead to incentives such as lending to poor households.
- Procedures for the administration and payment to contractors should be streamlined.
- New opportunities for private sector participation in the housing programme should be created by the increased demand for housing through the collapsing of the three subsidy bands and the removal of key bottlenecks.
- Some of the new interventions to support lenders to meet their commitments under the Financial Sector Charter include: mechanisms to overcome the down-payment barrier; provision of funding for social housing; introduction of a Loss Limit Insurance as a risk sharing mechanism to limit the lender's loss; development of fixed rate loan products to address volatile interest rates; development of appropriate loan products; monitoring of lending trends and enforcement of the Financial Services Charter.
- It is vital that the resources of the private sector are harnessed to deliver housing programmes at scale to mitigate the significant capacity constraints in the public sector.
- The BNG Plan emphasises the importance of the active role that the private sector and employers play in the housing process for low to moderate income earners.

1.7 Social (medium density) housing

- The objective of the social housing instrument is to facilitate the production of effectively managed institutional housing in areas where demand for institutional or managed housing of all types exists.

- Social housing may take various forms, and it is essential that social housing typologies be conceptualized broadly to ensure the inclusion of all income groups.
- Social housing must accommodate a range of housing product designs (e.g. multi-level apartments, hostels and room accommodation), and tenure options (e.g. rental, co-operative housing and rent-to-buy) to meet spatial and affordability requirements.
- The new funding mechanism should be designed to move away from uniform individual subsidies, towards equity support for social institutions.
- The building of institutional capacity and the promotion of private sector investment in social housing are focus areas that require greater attention in the future.

1.8 Rural housing

- The rural housing programme should focus on land settlement, security of tenure, livelihood strategies, broad socio-cultural issues, basic services provision, and support through the PHP.
- Traditional technologies and indigenous knowledge used to construct housing should be enhanced, while shelter, services and tenure should be improved.
- The programme should consider the economic, social, and institutional sustainability of farm worker settlements.
- Attention should be focused on the required institutional framework, the roles and responsibilities of implementing agencies, technical norms and standards, tenure security, suitable subsidy mechanisms, and legislative amendments.
- Partnerships need to be forged with the Departments of Labour, Agriculture and Land Affairs to ensure synergy of policies and programmes.

1.9 Financial arrangements

- In order to address increased demand and to accommodate greater responsiveness to demand, the BNG Plan deems it necessary to restructure the subsidy instrument; to adjust the beneficiary contributions and criteria; to enhance funding flows; and to address fraud, corruption and maladministration.
- More particularly, development financing needs to be accessed, for example from the DBSA, to ensure that multi-year plans are funded sufficiently. This will in turn lead to proper implementation of projects that run over several financial years.
- Private sector investment should be secured through the Financial Services Charter targets and public private partnerships.
- Additional funding should be negotiated with the Provincial Treasury to implement this comprehensive plan.

- Expenditure needs to be aligned with the Provincial Housing multi-year spending plan, which is based on the MTEF period.

1.10 Institutional arrangements within government

- For the BNG Plan to be successful, inter- and intra-governmental coordination and alignment must be increased, advancing joint planning, budgeting and implementation. This requires more than mere coordination between departments. Instead, it suggests the need to develop a single overarching planning authority and /or instrument to provide macro-level guidance to support the development of sustainable human settlements.
- LAs should be accredited to expand their roles, especially during the implementation phase - building municipal capacity to support this initiative should be a priority. A plan for municipal accreditation (to perform provincial housing functions) needs to be developed.
- The housing chapter of Municipal IDPs must be considerably enhanced. Community participation is the key component of this process.

1.11 Transversal Programmes

- BEE should be encouraged through preferential procurement.
- A support programme for emerging contractors should be formulated.
- Special target groups such as women, youth, and the disabled, should be accommodated in terms of targeted quotas for construction and accessibility to subsidy application.

1.12 Institution and capacity building

- There should be a strong focus on facilitating municipal accreditation and the subsequent fast tracking of housing delivery through capacity building programmes.
- Capacity building should focus on institutions such as LAs, social housing institutions, PHP institutions, financial institutions and communities.
- Proper utilization of the facilitation grant should ensure the necessary capacity when implementing projects according to the PHP.
- Consumer education needs to be a high priority.
- Communities as a whole need to be empowered to ensure that they engage effectively in terms of development in their areas.

1.13 Job creation through human settlement development

- The job creation strategy should be based on the EPWP guidelines on identification, design, and construction methodology for labour intensive construction.

- The on site production of material and support for small business development need to be encouraged.
- Existing emerging contractor support, as well as current entrepreneurial development programmes, should be enhanced.

1.14 Information, communication and awareness

- Housing Information Centers and Consumer Protection Centers need to be established.
- Communities need to be mobilized through a communication strategy regarding clarification of the policy, and a 'Letsema' campaign to encourage communities to work together.
- Community development workers must be deployed to communities to strengthen government's contract with the people.

1.15 Systems, monitoring and evaluation

- Internal monitoring and evaluation systems need to be enhanced to ensure proper implementation of the plan.