Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects (August 2012 version)
Table of Contents

Definitions

1 Formulation of a municipal selection policy
2 Purpose of the framework policy
3 Policy Informants
   3.1 The key legislation and policies informing the Framework
   3.2 Case law
4 Core elements for selection of beneficiary households
   4.1 General core elements
   4.2 Non-relocation, green field projects
   4.3 Relocation projects
   4.4 Institutional housing and FLISP and other subsidised affordable human settlement projects
5 Institutional arrangements for selection
   5.1 Overall distribution of responsibilities in the municipality
   5.2 Detailed roles and responsibilities in the municipality
   5.3 Communication and consultation with municipal stakeholders
   5.4 Establishment of an channel for objections from eligible households

Appendix A: Criteria the Department will consider when commenting on municipal selection policies
   A.1 Selection criteria and how the criteria are applied
   A.2 Allocation of registration dates to database entries, validity / life span of registration dates
   A.3 Dealing with registration date data quality problems
   A.4 Updating and verification processes and procedures
   A.5 Institutional arrangements for the application/implementation of the selection policy
   A.6 Communication with prospective beneficiaries
   A.7 Communication of the policy

Appendix B: Explanations for some key policy provisions
Definitions

Affordable housing project component: A project component aimed at providing subsidised housing opportunities to the households with income ranging from R3501 to the upper household income threshold of the Financed Linked Individual Subsidy Programme (FLISP).

Age-based ordering: The ordering of database entries (which are eligible for the subsidy in question) for the purposes of selecting beneficiaries for a project, based on the age of the oldest, non-dependent adult member in a "core household", from the oldest to the youngest.

Appropriate authority: Part of government accredited to approve subsidy applications.

Core household: The minimum sized household eligible for a housing subsidy, depending on the age and marital status of the members of the household. Subsidy eligibility is prescribed by the National Housing Code.

Greenfield, non-relocation project component: A project component occupying a greenfield site on which there are no pre-existing, legal occupants, and for which the municipality has discretion to select beneficiaries, provided they are eligible for the subsidy.

Non-quota portion: The portion of a project component where at least one quota is used in selection that is left open for all eligible entries no matter their characteristics. Refer to definition of quota.

People living in overcrowded formal conditions: "Backyarders" in formal housing areas and people living in overcrowded conditions in formal structures in formal housing areas.

Point system: A system of selection in which each database entry eligible for the subsidy is scored according to a schema which allocates points for particular entry characteristics. The highest points are allocated to characteristics of individuals or households the selection authority wishes to prioritise. Database entries are allocated to the available opportunities in a project in order from the highest to the lowest until all opportunities are filled.

Pre-screening: A rapid assessment of households’ eligibility for housing subsidy programmes undertaken by the municipality itself and/or the Department upon submission by the municipality, prior the assessment of subsidy applications. Pre-screening done by the Department excludes the checking of prospective beneficiaries against the Deeds Office record. Pre-screening by the municipality may include checking selected database entries against the municipality’s property register.
Preliminary list of beneficiaries: List of households drawn from the municipal database by the application of the municipal selection policy and any project specific selection parameters, prior to the checking of the eligibility of the households by the appropriate authority (usually the Department).

Project component: Each of section a human settlement project that has a different mechanism for selecting beneficiaries. A project is subsidised human settlement intervention that occurs on single site or set of related sites.

Proxy: An indicator that is used in the place of the desired indicator because it is easier to determine the value of the former.

Perverse incentive: The incentives that bring about behavioural changes that are in conflict with the aims of the human settlement subsidy programme or worsen the socio-economic position of members of the households.

Quota: A portion of the opportunities available in a project component reserved for households with particular characteristics.

Registration date: The date on which an individual either submits a registration form for entry on a municipal housing demand database, or has his/her information entered onto the database, whichever date the municipality decides upon.

Registration date ordering: The ordering of database entries (eligible for the subsidy in question) from earliest to latest registration date or registration date proxy for the purposes of selecting beneficiaries for a project.

Relocation project component: A project component linked to an in situ upgrade project in which a portion of households in the informal settlement to be upgraded are relocated to another site.

Selection parameters: A quantitative variables within a mechanism of selection that needs to be set at a value for a project component in a particular project.

Institutional housing component: A project component that uses to the Institutional Housing Subsidy to provide “rent-to-buy” housing units.

The Department: The Western Cape Department of Human Settlements.

Updating: The process whereby individuals or households provide information about their current status to the municipality in relation to the characteristics captured on the database for the purpose of updating their information on the database.

Verification: The process whereby the municipality checks that the claims made by individuals and households about their status when registering on the database or updating their status are true.
1 Formulation of a municipal selection policy

1.1 All municipalities need to adopt a selection policy covering the selection of beneficiaries in all subsidised human settlement projects resulting in ownership where the municipality is involved in deliberately selecting beneficiaries. A single project site can have a number of components which each use a different selection mechanism. This Policy covers the following types of project components:

- green field, non-relocation projects
- relocation of a portion of informal settlement in the process of upgrade
- institutional and affordable housing projects

The selection of beneficiaries must be done in a manner that complies with the municipality's selection policy.

1.2 The municipal selection policy should provide sufficient information to allow officials charged with selection to carry out their tasks in a predictable manner, without ambiguity.

1.3 The municipal selection policy should provide sufficient guidance on how the role of policy making played by elected politicians is kept separate from policy implementation undertaken by appointed officials.

1.4 The municipal selection policy should provide sufficient guidance to the local population, so that the process is understandable and reasonably predictable for them and perceived to be fair.

2 Purpose of the framework policy

2.2 This Framework Policy defines core elements to be used for beneficiary selection for housing projects and sets out the principles to be used in the design of institutional arrangements for selection.

2.3 All municipal selection policies must be consistent with the core elements and principles contained in section 4 of this policy. Municipalities have until 30 June 2014 to approve selection policies that are compliant. Projects applications submitted by municipalities which are not compliant may not be approved.

2.4 Municipalities must submit their draft selection policies for comment to the Western Cape Department of Human Settlements before submitting them to their council for adoption. The Department will a) verify the municipal selection policy is consistent with the core elements listed in section 3, and b) use Appendix A as a basis for commenting on municipal policies.
2.5 The Department has made available a “municipal selection policy template” to municipalities. In formulating its policy, a municipality may adapt the template to its local conditions. The resultant policy must be compliant with the core principles and elements laid out in section 4 and passed by the council before 30 June 2014.

2.6 Municipalities must provide information upon request from the Department on the implementation of municipal selection policies in particular human settlement subsidy projects.

3 Policy informants

3.1 The key legislation and policies informing the Framework are:

- The Constitution of South Africa
- Strategy for the allocation of housing opportunities created through national housing programmes
- The Housing Act 1997
- The Housing Code

3.2 Case law

The Framework Policy is also informed by two critical legal cases. The first deals with the type of discrimination that is allowed in state programmes to select beneficiaries, and the second relates specifically to prioritisation of households in desperate need that is required in housing projects.

3.2.1 The differentiation and unfair discrimination of people in state programmes

The 2007 Union of Refugee Women v Director: Private Security Industry Regulatory Authority and Others SA 395 CC case confirms that the state is permitted to “differentiate” on the grounds mentioned in section 9(3) of the Constitution. Section 9(3) states that “the state may not unfairly discriminate directly or indirectly against anyone one or more grounds, including race, gender, sex, ... age, disability, religion, marital state etc.”

State differentiation that benefits particular individuals in the social categories where the categories are historically associated with patterns of disadvantages is permissible. However, differentiation based on the grounds mentioned in Section 9 (3) of the Constitution for purposes of excluding or deprioritising individuals from state benefits is not permitted, as it amounts to unfair discrimination. The provision implies that beneficiary selection based on increasing the age of eligibility for the housing subsidy is not permissible. Furthermore, using marital status to deprioritise certain households for selection is also not permissible, if all subsidy eligibility criteria are met.
3.2.2 The prioritisation of households in desperate need of housing

Section 26 (2) of the Constitution provides that the state must “take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right to adequate housing”.

In the Grootboom judgement a definition of “reasonableness” is put forward, “To be reasonable, measures cannot leave out of account the degree and extent of the denial of the right they endeavour to realise”. Currently, the national housing subsidy programme provides a good basis for achieving progressive realisation, however because eligibility criteria for the housing programme are broadly set, the degree to which people within this group are denied their right varies. In other words, within the eligible population there is a group of households which are more in desperate need when compared with other groups in the eligible population. It is not sufficient to implement the national housing programme without taking account of these groups of households in desperate need.

Part of the state’s response to the Grootboom judgement was the establishment of the Emergency Housing Programme (EHP), aimed at prioritising housing claimants who have suffered or are about to suffer a natural disaster (i.e. households in “emergency housing circumstances”). The beneficiaries of the EHP, however, do not represent all people in desperate need. This Policy, where possible, thus needs to define the group of households who are not EHP beneficiaries but are in desperate need. In this Policy, this latter group will be referred to as households in desperate need to distinguish them from households in emergency housing circumstances.

4 Core elements for the selection of beneficiary households

4.1 General core elements

The core elements and principle elements which should be included in all project component types are laid out below.

4.1.1 Registration date ordering is a key criterion

a) Registration date ordering as primary criterion

Registration date ordering is the primary criterion in the selection of beneficiaries. (In the event that a municipality uses a point-based system, the majority of the points should be allocated to the date of registration, with highest scores for earliest registration dates.)

b) Importance of consistently applying registration date ordering

The manner in which the date of registration is assigned to individuals or households and applied in selection should be consistent across all database entries where possible.
c) **Permissible prioritisation by age of beneficiary**

Ordering by the age of adults in the core household is a permissible basis for selection, although when used, it must be used in combination with registration date ordering.

d) **Length of residence a proxy for registration date**

The length of residence of individuals/households in a municipality can be used as a proxy for registration dates as a last resort, provide that claims made by all registering individuals/households about their length of residence are verified by independent means (see 4.1.4 below).

4.1.2 **Promote systematic inclusion of eligible groups**

The municipality should consider whether the application of the selection criteria as laid out in its policy will lead to all eligible groups being included within housing projects, and should adjust the policy pre-emptively to ensure that selection is inclusive. For instance, municipalities should ensure the application of the policy includes households who are located outside of towns in which housing projects tend to be concentrated. Furthermore, municipalities should take account of registration practices that might have occurred in the past and that lead to situations in which households with young adults in the core tend to be selected before households with older adults in the core.

4.1.3 **Avoid perverse incentives**

Selection criteria should be defined and verified in a manner that prevents the creation of perverse incentives for individuals or households.

4.1.4 **Independent verification of individual or household information**

Municipalities must verify claims made by households or individuals in the registration or updating process and used to select beneficiaries. The means of verification should be objective and independent of beneficiaries or potential beneficiaries as well as the municipal officials responsible for making selections. The "community" must not be used to identify possible false claims made by households or individuals during registration or updating.

4.1.5 **Use of readily measurable and verifiable indicators**

Selection criteria should be based on indicators that can be measured and verified accurately and readily. Because income is an indicator that is difficult to verify accurately, its role in selection should be avoided, except to determine the eligibility of the individual or household for the subsidy.
4.1.6 Balancing people in overcrowded conditions and informal settlement dwellers

The number of people in formal overcrowded conditions and informal settlement dwellers receiving subsidised housing opportunities should be balanced against each other. The balancing should occur over successive multi-year periods and over the portfolio of housing projects planned and executed in the municipality. The balancing should seek to equalise relative access that people living in overcrowded conditions and informal settlement dwellers enjoy to basic, on-site municipal services. The municipality should determine the level of service threshold for acceptable access for people living in formal overcrowded conditions. Realistic delivery targets for informal settlement dwellers and people living in overcrowded conditions should be set, and the project components identified to meet the targets should be set out in municipal plans (IDP, HSP) and reported upon in the corresponding annual and multi-year reports.

4.1.7 Other

Length of residence in municipality a prerequisite for selection

The length of residence in a municipality can only be used as a prerequisite for selection if claims made by all registering individuals/households in a municipality about their length of residence are verified by independent means (see 4.1.4 above).

If such verification is possible and is done, the following conditions must pertain:

- An individual/household selected must have resided within the municipality for a continuous period directly before selection;
- The individual should have resided in the municipality for some minimum total period defined in the Selection Policy by the municipality, although this period may not necessarily be continuous;
- The minimum periods of residence should be long enough to stop people from outside the municipality locating in the municipality for the express purpose of receiving a housing opportunity.

4.2 Non-relocation, green field project component

4.2.1 Prioritisation of households in desperate need

Municipalities must prioritise individuals and households in desperate need in a registration date ordered list. Within the category of individuals or households in desperate need, earlier registration dates should be prioritised.
A desperate need is a severe need that endures over time as opposed to an acute episode of desperation and hardship. Households in desperate need experience a desperate situation due to their lack of services and shelter than other households in the eligible population because of characteristics (often physical) of an individual person in the household or of the household collectively that endure over time.1

For some categories of households in desperate need e.g. households headed by a terminally ill person or households headed by an infirm person it may be more appropriate to seek the provision of institutionalized accommodation via the appropriate government channels.

4.2.2 Prioritisation of individuals who are elderly or middle aged or households which with elderly or middle aged adults in the core

Where there is little correlation between registration dates and the age of the individuals or heads of households, municipalities must ensure that the selection of beneficiaries occurs in a manner that is skewed towards elderly and middle aged individuals or households headed by elderly or middle aged persons in a registration date ordered list.

4.2.3 Prioritisation of other groups specifically identified in national legislation and regulations

National legislation or regulation may, by reference to a particular national list or register, identify certain individuals who require prioritisation during the selection process for housing opportunities. Individuals on these registers/lists should be prioritised in registration date order and in a manner such that the individuals do not unreasonably displace individuals and households belonging to group referred to in 3.2.1 above in the selection process.

4.2.4 Reservation of opportunities for different income groups eligible for full, non-contribution subsidies

The National Housing Subsidy Programme (Housing Code) may differentiate between beneficiaries on the basis of income and the type of ownership-based housing product for which they are eligibility. Where such differentiation pertains, the municipality must reserve portions of the available opportunities in the project component for each of the respective income groups referred to in the Housing Code. Beneficiaries must be selected for each sub-component separately, and the municipality must wherever possible ensure all beneficiaries in the higher income segment selected have earlier registration dates than the beneficiaries selected in the lower income segment.

1 Households containing household heads or dependents who are permanently disabled are examples of households in desperate need. When registering households it is important that the municipality collect information about the permanent disability status of individuals in households. This will enable the municipality to build up an understanding the profile of need in the municipality, a critical input for planning.
4.3 Relocation project component linked to *in situ* upgrade

In some area-based *in situ* upgrade projects, like those carried out under the Upgrade of Informal Settlement Programme (UISP) it is necessary to move households off the site permanently to allow for the provision of services and the designation of individual plots of the site. Households may wish to remain on the original site if it is better located than and/or it will be serviced before the site that has been identified for relocation. Conversely, households may wish to leave the original site if the relocation site is better located and/or will receive services before the original site.

In the cases where households do not volunteer to move off the site/stay on the site, where an insufficient number volunteer, or too many volunteer, the municipality needs to select households to either remain on the site/move off the site.

4.3.1 Five methods for selection

Municipalities must use one or some combination of five methods for identifying households for either relocation or remaining in an informal settlement which is targeted for upgrade and where people have to permanently move off the site:

a) ordering according to the duration of residence in the informal settlement;

b) ordering according to the registration date of households in the informal settlement (where there are sufficient relative numbers of households with registration dates or sufficient differentiation between registration dates within the informal settlement area to be upgraded);

c) whether households are in desperate need based on the definitions referred to in 3.1.3 above;

d) the location of households relative to public infrastructure and public facilities planned for informal settlement upgrade;

e) randomised selection.

4.3.2 Sufficient level of information in informal settlement for methods a), b) and c)

Where the municipality makes use of a), b) or c), the municipality should have the necessary information for a sufficient number of households in the informal settlement targeted for upgrade.
4.3.3 Certain methods to be used where there is a difference in level of service between beneficiaries remaining on site and those relocated

In a relocation situation, where there is a significant time difference between when those remaining and those being relocated will receive housing opportunities, or where there is a difference in the level of service for each group, the municipality should try to use methods a), b), or c) or some combination. Those who have been residing for the longest period in the informal settlement, have the earliest registration dates or are in desperate need should be selected for the most favourable subsidy opportunities within the upgrade project.

4.4 Institutional and affordable housing project components

4.4.1 Housing institutions and developers use their own selection processes

Housing institutions and developers making use of government subsidies must be allowed to run their own selection processes provided these selection processes are reasonable².

4.4.2 The municipality may provide a list of individuals or households to institutions or developers under certain conditions

In project components where the municipality has entered into a development agreement with the housing institution or developer, the municipality may provide these agencies with a list of individuals or households from its housing database who may qualify for the subsidy. The municipality should provide the list in registration date order, and opportunities available in the project component should be allocated to the individual or households by the agencies in date order, provided all the institution’s or developer’s reasonable requirements are met (refer to 4.4.1 above).

4.4.3 Projects open to all meeting institution’s and developer’s requirements

The municipality should ascertain that the selection processes run by housing institutions are adequately understood by the residents of the municipality and uniformly applied across the municipality. All the residents in the municipality who meet the housing institution’s or developer’s entry requirements should potentially be able to benefit.

² The SHI Operational Manual – vol 1: Client Services available on SHRA’s website should be used to determine whether the processes are reasonable.
4.4.4 Registration date ordering applied by municipality on institution’s/developer’s list where effective demand is greater than the number of opportunities supplied

Where the number of the individuals/households meeting the housing institution’s or the developer’s minimum selection criteria is greater than the number of units supplied in the project under consideration, further selection of individuals/households on the housing institution’s or developer’s list should occur in order of registration date.

5 Institutional arrangements for selection

5.1 Overall distribution of responsibilities in the municipality

- The council of the municipality must adopt, by resolution, a selection policy and oversee the implementation of the policy;
- The municipal manager must implement the municipal selection policy and account to the council on its implementation;
- Where possible, the officials involved in setting selection parameters should be different from the officials applying the policy to the municipal database to identify beneficiaries;
- Where possible, an oversight body consisting municipal officials not involved in setting selection parameters or managing data and officials from appropriate government bodies other than the municipality should be established to check whether municipality’s selection policy is being applied correctly when beneficiaries are being selected for projects;
- Eligible households, their representatives or community groups residing in areas in which eligible households live should not play a direct role in the selection of beneficiaries (but must be consulted on the determination of project-specific parameters where appropriate).

5.2 Detailed roles and responsibilities in the municipality

The policy must provide for the roles and responsibilities of the various units and structures of the municipality involved in the selection of beneficiaries, i.e., where applicable:

- the council (adoption of policy, overseeing the implementation of the policy, investigating transgression of the policy);
- the relevant council committee, if applicable;
- councillors including ward councillors;
- project managers/senior officials;
- data management unit or officials;
- an oversight body; and
- affected households, groups of households or "communities".
The policy should set out:
- regular and project-specific reporting routines between the municipal administration and the council or the relevant council committee to enable the council to oversee the implementation of the selection policy. Literacy levels and preferred media use in the municipality should be taken into account.
- the manner in which the value of any selection parameters will be communicated to the council or the relevant council committee for the purposes of the council overseeing the implementation of the selection policy.

5.3 Communication and consultation with municipal stakeholders

The policy should be published in a manner that is consistent with the municipality's public participation, language and communication policy.

The policy should clearly indicate how any selection parameters will be communicated to the affected individual households and communities, taking into consideration:
- language usage of the areas affected;
- need for individual households and communities to make input into the selection parameters before they are finalised;
- how the results of a particular selection, preliminary and final, will be communicated to the affected communities.

5.4 Establishment of a channel for objections from eligible households

Municipalities must establish a system to deal with objections to a preliminary selection list, after the list has been pre-screened by themselves and the Department.

5.4.1 Channels for presenting evidence in regard to date of registration

Should a municipality be required to address registration date omissions in database entries, its selection policy should establish channels through which affected households can present evidence should they wish to apply to have the date designated by the municipality changed.
Appendix A: Criteria the Department will consider when commenting on municipal selection policies

A municipal selection policy should provide the details on the following aspects:

A.1 Selection criteria and how the criteria are applied

The identification of criteria used to select beneficiaries, and clear definition of the terms used to describe the criteria.

In regard to households in desperate need, the precise definitions of the types of households that fall within this category. Definitions must: i) take into account the benefit derived from a human settlement subsidy is permanent i.e. benefits flow from the asset produced via the housing subsidy over an extended period of time; and ii) avoid unfair outcomes that may result from individuals/households experiencing acute but temporary periods of hardship being prioritised for such permanent benefits.

A description of how, in a technical/mathematical sense, the criteria are to be applied to the municipal housing demand database to select beneficiaries. Where the Policy refers to quotas, a clear description would entail details of how:

a) the size of the quotas should be determined (including any limitations on size); and
b) the order in which the quotas and non Quota portions are filled from the municipal demand database.

In a point system, a clear description would entail details of:

a) each scored category and subcategory; and
b) the score allocated to each category or sub-category.

Whether the selection criteria are to be applied to geographic extracts of the database, and if so, how those geographic boundaries related to the extracts are determined for each project. The municipality should ensure that households living in proximity to projects are not prioritised to the degree that those living further away from projects are systematically excluded from receiving housing opportunities.

The factors that need to be taken into account when balancing delivery across the categories of people in overcrowded formal conditions and informal settlement dwellers, and setting targets and identifying projects (or project components) for such delivery. The factors should include: the profile of basic service access across the categories, the size and nature of identified housing projects, and the registration date positions of informal settlement dwellers in the municipal database.
A.2 Allocation of registration dates to database entries, validity / life span of registration dates

A description of how the date of registration is to be determined.

The characteristics of individuals who should be permitted to register.

The period over which the registration date is valid and the conditions (if any) under which the registration should change.

The determination of the registration date in households containing adult, non-dependent individuals in the core household each with differing registration dates.

The relationship between registrations for ownership and registrations for municipality owned rental opportunities (if any).

A.3 Updating and verification processes and procedures

A description of the measures implemented in the municipality to ensure that individuals/ households registered on the database update their information, and to make the updating process user-friendly.

A clear description of how the verification specified as a requirement of 3.1.7 would occur for each information field used in selection and populated through a claim made by the individual/household.

A.4 Institutional arrangements for the application/implementation of the selection policy

Details of the constitution of bodies and operational procedures of each of the bodies referred to in 4.2.

A.5 Communication with prospective beneficiaries

The means used to communicate with households identified in preliminary selection, and the period over which communication will be attempted before the household will be considered incommunicado.

The consequences for selection of individual/household being considered incommunicado.

A.6 Communication of the policy

A list of the means of communication used to disseminate the municipal selection policy, and frequency with which communication of the policy will occur.
Appendix B: Explanations for some key policy provisions

B.1 This Framework Policy excludes from its scope the selection of beneficiaries for PHP subsidies as these are exclusively used to provide top structures on serviced sites for which people have already been selected.

B.2 Section 4.1.1(c): Ordering by age is permitted to take account of poor registration practices that might have occurred in the past. Households might not have been thoroughly informed about the need to register with the municipality to be put in line to receive a subsidy, and the implication of not registering. This implies that there are portions of the eligible population that are now old and who up until relatively recently have not registered. Furthermore, registration may have started only relatively recently in certain areas, meaning that in those areas, households headed by young people and those headed by older people would both receive the same registration dates. The problem of households with older heads lacking early registration dates may be compounded by tendency for more informed households, which are usually households headed by young people, to registering at a greater rate than households headed by older people. The combination of registration date ordering and ordering by age is necessary to encourage all households to register, so that in the future combined registration date and age-based ordering can be phased out in favour of regular registration date ordering, and secondly, to give recognition to effort made by households to register in the past. Regular registration date ordering is simpler and more transparent than combined ordering, but requires strong registration processes based on good communication with local residents.

B.3 Section 4.1.2: The reason that municipalities need to ensure that systematic exclusion of all sub-group within the eligible population does not occur at a general level is that nearly every sub-group that can be defined does not have a sufficiently strong or robust association with the need for services and shelter to prioritise it exclusively.

B.4 Section 4.1.7: Given that selection of beneficiaries for housing opportunities is a responsibility of municipalities, perceptions of fairness amongst the local citizenry need to be taken into account in selection as selection needs to be seen to be fair. It is likely that local citizens will perceive the selection of individuals or households residing outside of the municipalities for opportunities within the municipality as unfair, even if the people residing outside are registered for housing opportunities with the municipality. A minimum period of residence balances the need for the policy to be perceived as fair with the need to take account of the reality of migration in search of economic opportunity. These elements can only be used in selection if all claims made by registering individuals or households about their length of residence can be verified using independent means (see 3.1.4).
Section 4.2.1: It is important to recognise that the housing subsidy represents a very large benefit to most poor households and that increased standardisation and transparency with regards to the selection criteria could make households very responsive to these criteria. Therefore it would be best to use criteria that households cannot change or alter, or for which the costs of alteration are very high, such as age or disability status. There are, for instance, concerns that if the number of children is used as a selection criteria this may encourage households eligible for subsidies to have more children to progress to the front of the queue. The communication of the policy needs to effective as individuals will alter their behaviour on the basis of what they perceive the criteria to be, rather than the criteria themselves.