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Glossary

CMRA	Centre for Municipal Research and Advice
CRU	Community Residential Units (Programme)
DHS	National Department of Human Settlements
HDA	Housing Development Agency
IDP	Integrated Development Planning
MFMA	Municipal Finance Management Act
PIE Act	Prevention of Illegal Eviction and Unlawful Occupation of Land Act
SALGA	South African Local Government Association
SDF	Spatial Development Framework
VNG International	International Cooperation Agency of the Association of Netherlands Municipalities

Definitions

BNG Housing (Former RDP)

Breaking New Ground Housing: Housing programme for the income group of people earning not more than R3500 per month. The ownership of the house and the land will be transferred fully to the beneficiary. This was formerly known as RDP Housing.

Community Residential Units (CRU)

Form of Rental Housing. The stock is publicly owned (often by the municipality) and made available for an income group of approximately R800 to R3500 per month.

Delivery Agent

Company (section 21, municipal entity, PTY, other) that is responsible for the delivery of housing stock.

Housing Demand Database

Provincial database into which municipalities can feed their information on the housing demand.

LOGO South Programme South Africa

Twinning programme between South African and Dutch municipalities with the purpose to increase capacity in the field of rental housing through exchange of knowledge and experience based on a colleague-to-colleague approach.

National Housing Code

The National Housing Code 2009 sets the underlying policy principles, guidelines and norms and standards which apply to Government's various housing assistance programmes introduced since 1994 and updated. The purpose of this guide is to provide an easy to understand overview of the various housing subsidy instruments available to assist low income households to access adequate housing. The detailed description of the policy principles, guidelines, qualification criteria and norms and standards are available in the National Housing Code.

Rental Housing

Dwelling type which is owned and managed by a landlord/institution. Tenant pays rent to the landlord/institutions for the right to inhabit the unit. The lease agreement between landlord/institution and tenant is subject to the Rental Housing Act.

Restructuring Zones

Geographic areas, identified for targeted investment based on a need for social, spatial and economic restructuring of the area/s and specifically provided for in the IDP and agreed and aligned to provincial priorities. Individual project sites do not constitute restructuring zones. The social housing capital grant can only be administered to social housing projects within restructuring zones. Funding for social housing projects outside the designated restructuring zones will follow conventional subsidy allocation procedures.

Social Housing

Form of Rental Housing, as is described in the Social Housing Act, mainly delivered by Social Housing Institutions (SHIs) aiming at a low-income target group of R1500 to R7500 per month. Currently only applicable in 13 urban municipalities which have been selected for the implementation of the Social Housing Programme.

1. Introduction

The 'Benchmarking Municipal Social Housing' project is developed and implemented by the Centre for Municipal Research and Advice (CMRA) in partnership with the International Cooperation Agency of the Association of Netherlands Municipalities (VNG International) and the South African Local Government Association (SALGA) as part of the LOGO South Country Programme South Africa. The seven municipalities that participate in the Country Programme have been implementing projects in housing with their counterparts from the Netherlands. Through the benchmark project lessons learned and good practices will be compared and exchanged. Municipalities compare and exchange lessons learned and good practices in a systematic manner by administrating the questionnaire and discussing results at periodic meetings. This is followed by a conference with the aim of sharing the results with other municipalities.

The overall aim of the benchmark project is to provide municipalities with a platform to assess their current performance in housing delivery and to improve this through better planning, facilitation and monitoring. The benchmark project facilitates a process of self-assessment, networking, and 'compare and exchange' between peer municipalities in matters pertaining to provision of housing. In this manner, municipalities can tap into existing knowledge, lessons learned and good practices, and, by investigating the crucial steps and conditions, adapt this wealth of knowledge and experiences to their own local context.

Project Implementation

To execute the benchmark process, a questionnaire has been developed to gather data for the benchmark that scans the current status of housing in the municipality. The data from the questionnaire is collected, analysed and processed in a report. The findings of the different municipalities are compared and discussed at planned Benchmark meetings attended by all participating municipalities.

The key steps in the benchmark process are:

- 1) A benchmark cycle of municipalities is formed (based on participation in the LOGO South country programme South Africa)
- 2) A questionnaire is developed with input from the participating municipalities in the introductory meeting of the benchmark process.
- 3) Municipalities complete the questionnaire.
- 4) Municipalities come together at the second benchmark meeting ("learning meeting") to discuss the experiences of the questionnaire and to compare the results.
- 5) Municipalities improve the data and complete missing and additional questions.
- 6) A final benchmark report summarises key findings and recommendations
- 7) Municipalities come together for the third benchmark meeting to discuss and compare results.
- 8) Municipalities implement a project on the basis of one or more of the recommendations.
- 9) A number of lessons learned and good practices are captured in a brochure for dissemination.

This report is represented in step 6 of the schedule above.

The questionnaire has been drafted based on experience from previous benchmark projects, knowledge of the housing sector and input from participating municipalities. The questionnaire has a number of key indicators against which municipalities assess their current response. Questions are presented in different sections, covering the following themes:

- 1) The municipal profile and general demographic information
- 2) Policy and legislation framework
- 3) Institutional arrangement and resources
- 4) Current housing status
- 5) Typology of housing service delivery
- 6) Management processes and systems
- 7) Inter-governmental relations and cooperation impact
- 8) Public participation

About the report and confidentiality

This report contains the final results of the benchmark based on the input that was provided by municipalities through the questionnaires. The results, the quality of the report and the success of the benchmark as a whole, fully depend on the quality of the data that is provided by the municipalities. Missing or incorrect answers distort the analysis and the results.

Unfortunately, many of the questionnaires were not returned before the deadline date. Furthermore, in a number of questionnaires many questions were not answered or not correctly answered. This has a large impact on the quality of the analysis and can lead to a distorted representation of the status of housing in a number of municipalities and the sector overall. During the second benchmark meeting this was discussed and a follow up questionnaire was sent out to retrieve missing information. Some municipalities were requested to re-submit their initial questionnaire. The return of these questionnaires was also a challenging exercise.

The benchmark report has been written with the aim of highlighting differences and similarities between the municipalities, and stimulating improvements through comparing, exchanging good practices and lessons learned and networking. There are two reports resulting from this project:

- General report: commenting on findings of all participating municipalities
- Municipal report: commenting on findings of an individual municipality, by making links to the practices in the other participating municipalities.

The reports are separated in sections that correspond to the different themes in the questionnaire that was used (See above).

2. Housing in South Africa

Introduction

Housing is one of the biggest challenges in South Africa in the delivery of services to the public. There is a large demand for housing and there is a large part of the population that cannot afford to buy or rent housing at market prices. The government is assisting the population through different housing programmes. Many of those are focused on ownership, which is for the majority of the South Africans the preferred form of tenure. Though, with many changes in the current day society, housing preferences or needs also change. The demand for housing is becoming more diverse. Municipalities share the responsibility to provide access to decent housing with the other spheres of government. Municipalities are the sphere of government that has the closest link to the population and is for the people the first point of entry to the government. If they have problems they will go to the municipality. Municipalities are the face of government and carry a lot of responsibilities to ensure the delivery of housing to the people.

The role of the municipality in housing

Although there are many discussions on what exactly should be the role of local government in housing, it is clear that there is a significant role for municipalities in housing. Local government is the sphere of government that is closest to the public and therefore in an excellent position to determine the needs at the local level. Furthermore, the municipality is responsible for many other services that are closely linked to housing, such as infrastructure and water services.

According to legislation, local government has mainly a planning and facilitation role in housing. In practice it is seen that each municipality tries to find its own role in housing. Some municipalities take a lot of initiative, while others leave many matters to the provincial government. In this benchmark process some of the differences in the interpretation of the role of local government in housing came forward.

The National Department of Human Settlements (DHS) has been working on the process of accreditation of municipalities. The purpose of this process is to accredit municipalities that have the necessary capacity to take over the housing functions from the provincial government. Although the process is still continuing, some municipalities have already taken up quite a number of functions and seem to be managing well.

The legal framework

According to the Constitution, the delivery of human settlements is a shared responsibility of national and provincial government. The Housing Act describes the role of the municipality as a facilitating and planning role. Local government needs to create the enabling environment for other stakeholders to deliver houses. Though, in many cases the provincial government has assigned municipalities with the responsibility for the delivery of houses.

To provide some insight in the legal context of housing, a number of relevant pieces of legislation are discussed. One of them is the Housing Act which lays down the roles and responsibilities in the housing sector for all spheres of government. The Housing Code is related to the act and outlines the national housing policy in a comprehensive way. Another

important piece of legislation is the Rental Housing Act, which regulates, among others the relationship between tenants and landlords and the role of the Rental Housing Tribunals. Many municipalities are landlords because they own rental housing stock. Furthermore, the Prevention of Illegal Eviction and Unlawful Occupation of Land (PIE) Act is a very relevant piece. It regulates cases of evictions and illegal occupation. It protects the tenants against unlawful evictions and holds government responsible to supply alternative accommodation where required. The Municipal Finance Management Act (MFMA) and the Municipal Systems Act are relevant for municipalities especially in relation to the establishment and/or relationship with delivery agents for housing. Most of all, where municipalities choose to set up a municipal entity for the delivery the MFMA needs to be adhered to.

3. Analysis

The benchmark is based on the input of seven municipalities, though there are questions that have not been answered by all municipalities. Where there are tables or graphs with less than seven cases, one or more municipalities have not answered the question(s) on which that analysis is based. The analysis of the responses in the questionnaire has been done according to the sections as they were provided in the questionnaires and mentioned in the introduction.

Section 1: Municipal profile and general demographic information

The seven participating municipalities are all taking part in the LOGO South Country Programme South Africa. As part of this programme they have been implementing rental housing projects with their counterparts in the Netherlands. There are quite some differences between the municipalities. Two of them are Metropolitan Municipalities, while the other five are Local Municipalities of different sizes. This has implications for the analysis and one needs to be careful interpreting the results, especially keeping in mind the demographic and economic differences between the municipalities. The participating municipalities are the following (in alphabetical order):

1. Camdeboo Local Municipality
2. Ekurhuleni Metropolitan Municipality
3. eMalahleni Local Municipality
4. Govan Mbeki Local Municipality
5. Langeberg Local Municipality
6. Oudtshoorn Local Municipality
7. Tshwane Metropolitan Municipality

This paragraph provides a background on the municipal profiles and some demographic information of the municipalities. It will give the reader a better understanding of the municipalities and draw the context in which the rest of the analysis can be viewed.

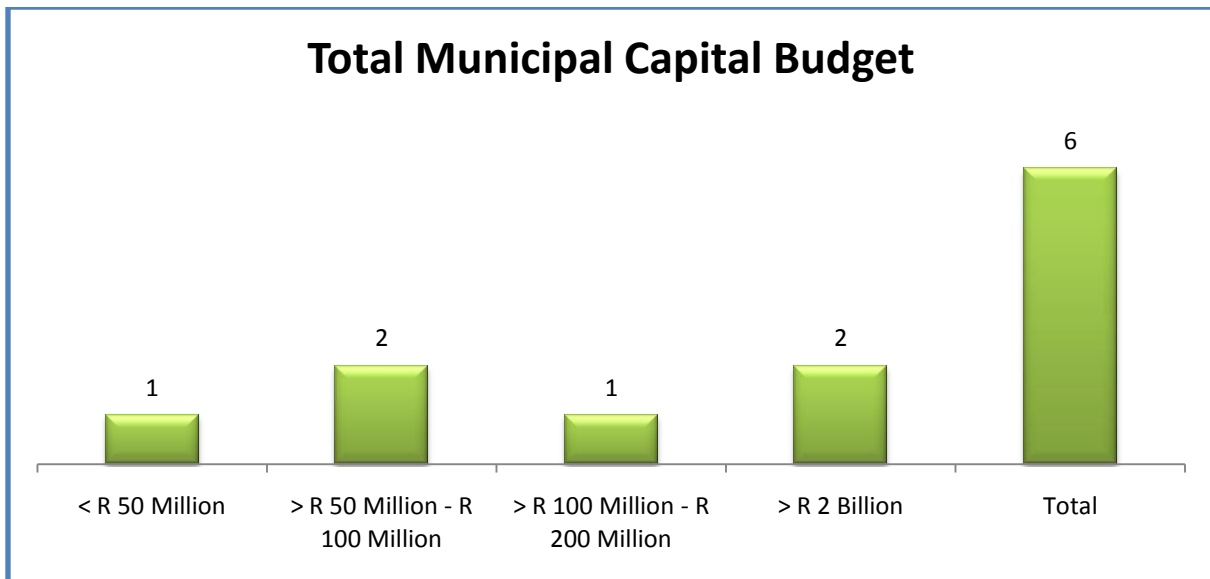
Budget

To be able to draw a picture of the municipalities, they were asked to give the total municipal capital and operational budgets. Although it does not directly mean anything for housing service delivery, it does give an indication of the resources that the municipality has for running all its services and human resource capacity.

The total operational and capital budgets of the municipalities show great differences. This will mainly be caused by the financial status and the size of the municipality. Overall, the metropolitan municipalities have the most financial resources.

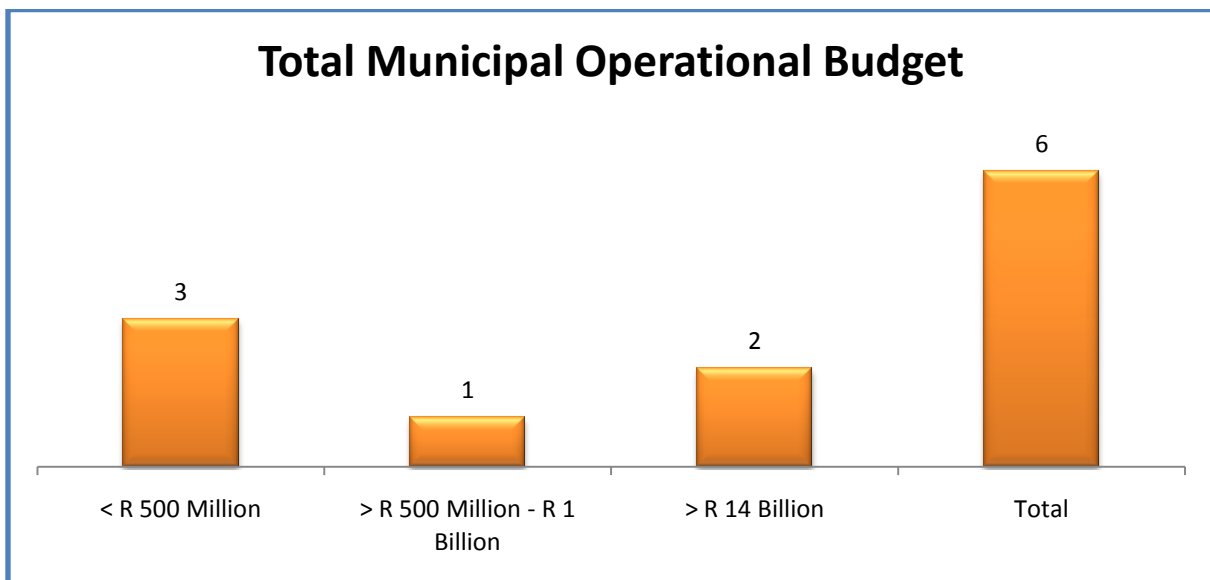
In Graph 1 and 2 an overview is given of the total capital and operational budgets in the municipalities respectively. Graph 1 shows different categories of total municipal capital budget and the number of municipalities in each category. As can be concluded from the first graph, the gap between the municipalities is large. Four municipalities have a budget below R 200 million. Then there is a gap to the category of more than R 2 billion where the other two municipalities are situated. They have a budget of more than R 2 billion, which is at least more than ten times the budgets of the other four.

Graph 1 Total Capital Budget



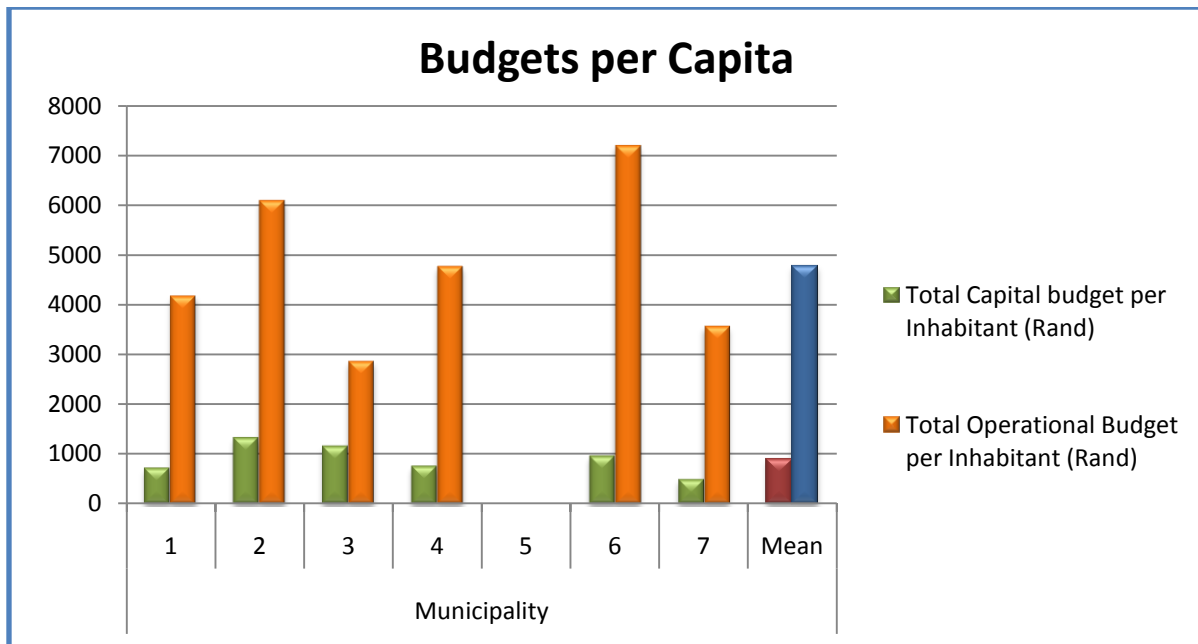
With regard to the total operational budget the same trend is showing. Three of the six municipalities that answered this question have a budget below R 500 million. One municipality has a slightly higher budget in the category from R 500 million to R 1 billion. Then there is a large gap and the remaining two municipalities only come at a budget of over R14 billion. That is at least fourteen times the budgets of the other 4 municipalities. The gap between the municipalities in the operational budget is significant.

Graph 2 Total Operational Budget



Although the gaps between the municipalities in the total budgets are large, when one calculates the budgets per inhabitant of the municipality, a much more even picture appears, as is shown in Graph 3. Even when calculated per inhabitant the metropolitan municipalities are still scoring higher than most of the local municipalities, yet, on the capital budget one local municipality is scoring higher than one of the metropolitan municipalities.

Graph 3 Operational and Capital Budgets per Capita



Even though the large gaps disappear when calculated per inhabitant, the municipalities with a larger total budget will probably still have a better financial position based on the economy of scale principle.

Population

Demographic information is elementary to determine the demand for housing and to be able to cater for the needs of the population. The size of households, the age distribution, whether there are more young or old people, the unemployment rate and other demographic features determine the needs of the population as well as what they can afford. Based on this information, a municipality can make its plans for the delivery of housing that will be fit for their specific area.

Unemployment

The level of unemployment is a factor that highly influences the kind of houses that are in demand and the challenges that municipalities are dealing with. In urban areas many migrant workers and unemployed people are living in informal settlements, many of them are not eligible for a housing subsidy. Further, the migrant workers will be looking for more temporary accommodation, such as rental housing. In rural areas unemployment can cause the creation of informal settlements or the emigration of people to other areas in the hope of finding employment. For example, a high level of unemployment can increase the demand for RDP housing. A municipality with many migrant workers, such as metropolitan municipalities, will have a higher demand for temporary and/or rental housing.

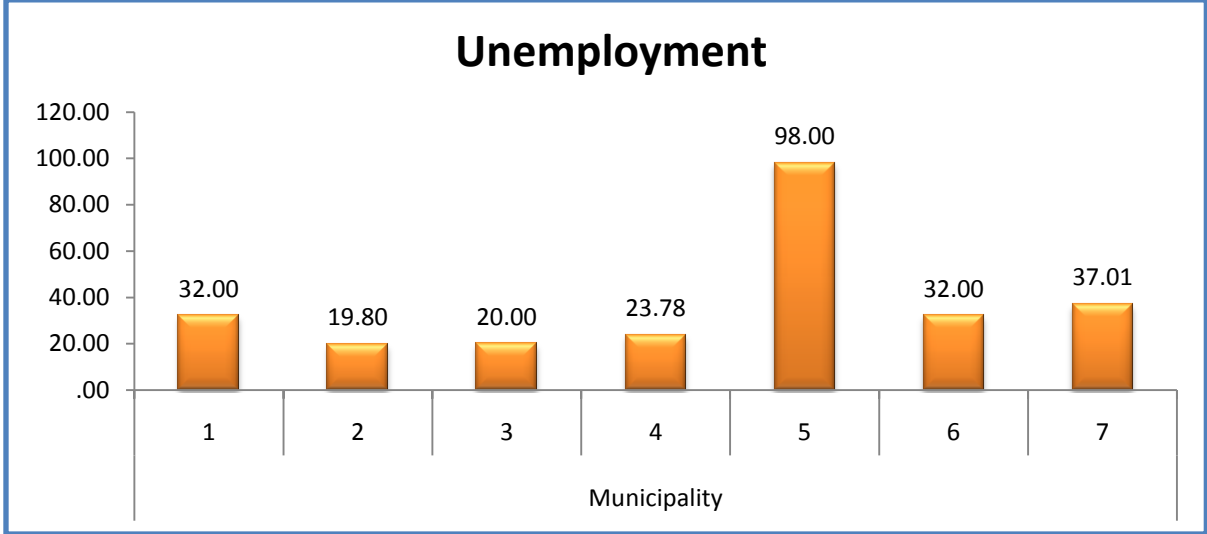
In Graph 4 an overview is given of the unemployment levels in the municipalities. The data is based on the information as was received from the municipalities.

Most municipalities show an unemployment rate that is relatively close to the national average of 25.3% in the third quarter of 2010¹. One municipality indicated to have an

¹ www.statssa.gov.za (06/11/2010)

unemployment rate of 98%. This does seem very unlikely, though if correct, the demand for free or very cheap housing will be high in that municipality.

Graph 4 Unemployment rate in the Municipality

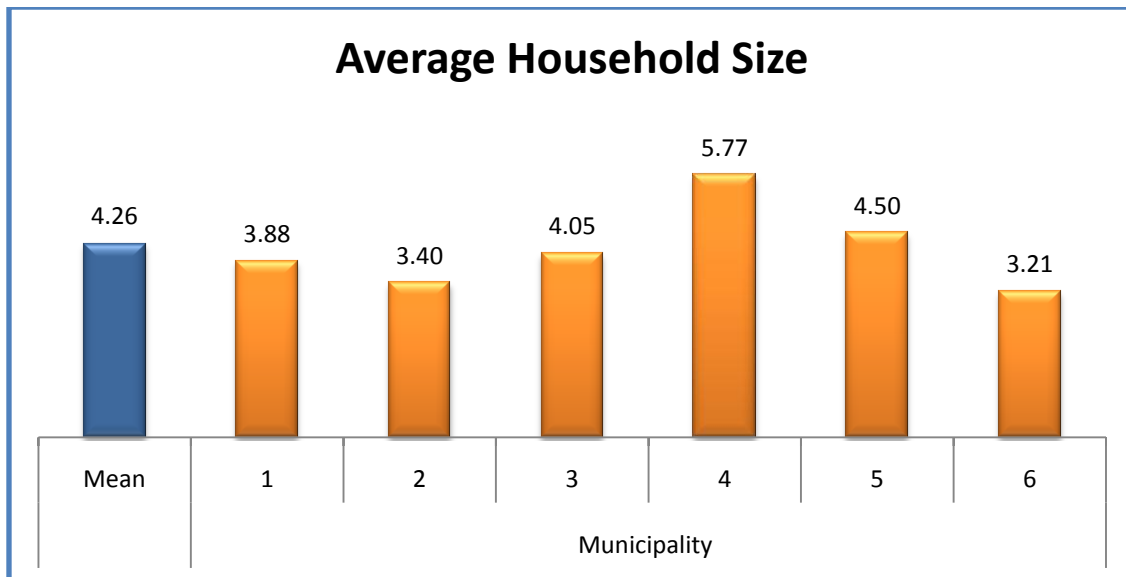


Though the unemployment rate will give a good indication of affordability, it does not mean that all people who are unemployed cannot afford anything on housing. Many people will be living with family who supports them financially and many people may be registered as unemployed, but can have some kind of informal work or income through a social grant. Therefore, these people will be able to spend money on affordable housing, but will not be able to apply for a bond. These people would be able to make use of affordable rental housing.

In South Africa, and especially in its urban areas, there is a trend from large households, with extended family, towards smaller households. This means that the demand for housing will not run parallel to the increase of the population. One will most likely see a rising demand in smaller housing units and a more diversified demand for housing typologies. People in different situations or phases of their lives, have different needs. This will be most visible in urban areas. The average household size is one of the indicators for this trend. In Graph 5 it shows that in the two metropolitan municipalities this indicator was lower than in the other municipalities. Though, some of the local municipalities do not differ much from the metropolitans, the difference between the highest and the lowest value is significant.

The size of the average household is a trend that municipalities will need to monitor carefully to ensure that planning for housing and the housing delivery still match the demand. By watching the trends in other similar municipalities as well as the national trend can further assist in making a prognosis for the future demand. This benchmark and possible future benchmarks can be a tool for this.

Graph 5 Average Household Sizes

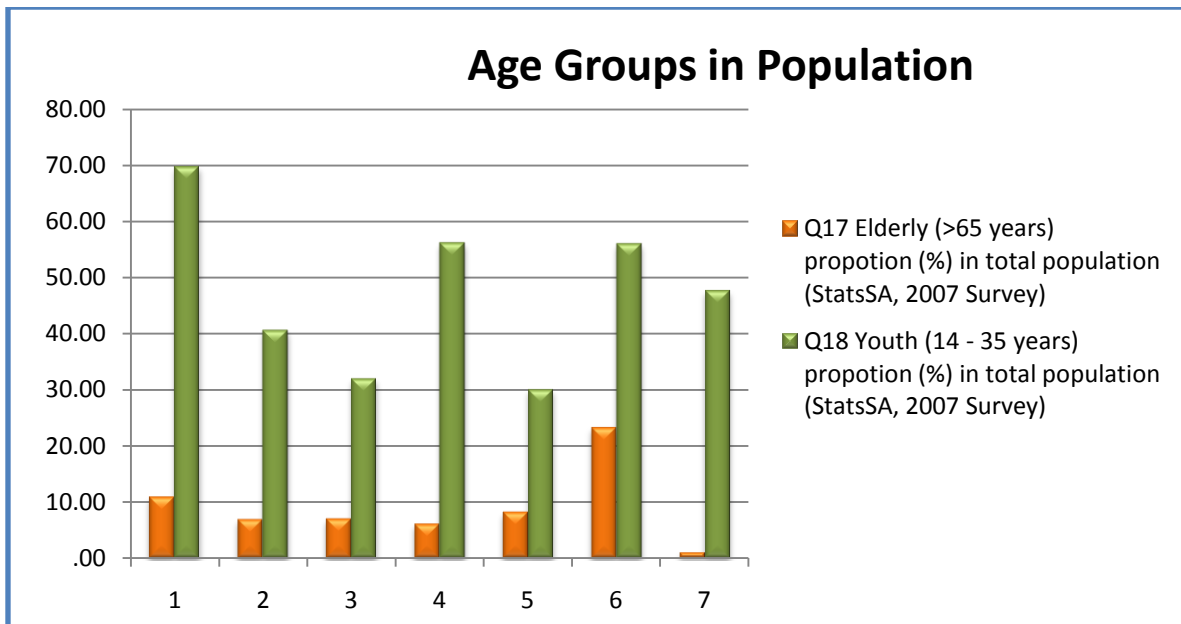


The average household size should be taken into account by municipalities when they are planning for housing. Though, the trend towards smaller households should not be forgotten. Municipalities that now have a large average household size may need to look into the reasons behind it. In some cases the size of the households is not out of choice, but out of necessity because people cannot find proper and/or affordable accommodation and therefore need to share. To determine whether or not that is the case and what kind of housing would be needed to accommodate the people properly, research will need to be conducted. This research should inform the housing plans of the municipality.

Specific groups in the population

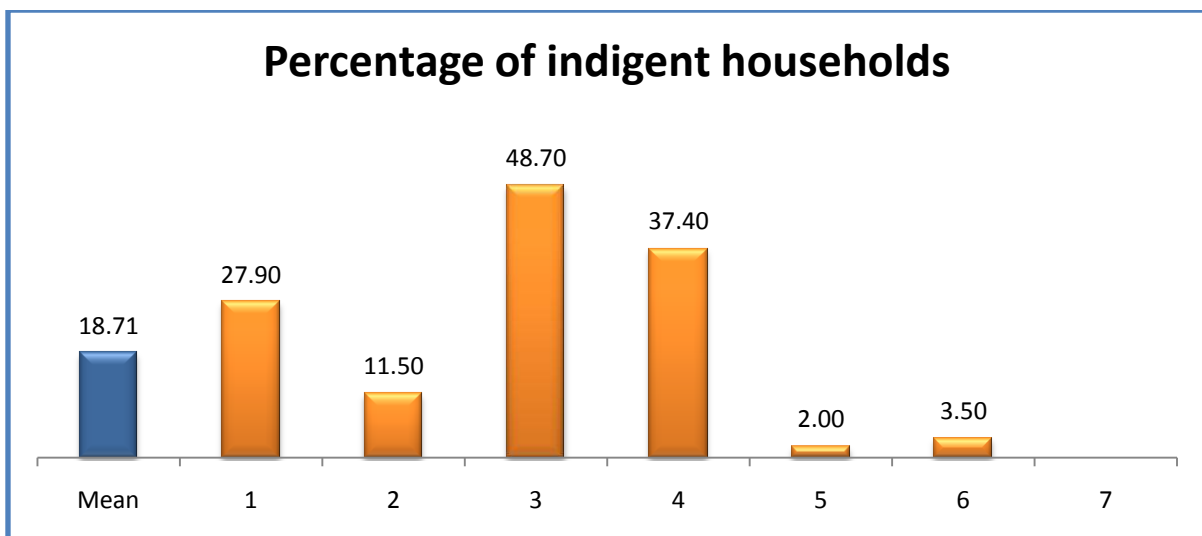
In the questionnaire, municipalities were asked to specify the percentages of elderly, youth and indigent people in the municipality. These data can be of great significance to determine the current and especially the future demand for housing. Knowledge of the composition of the population will enable a municipality to facilitate the delivery of the kind of housing that the population needs. Many of the municipalities show a high level of youth and a low level of elderly. This could indicate that in the (near) future there will be a rising demand for housing for young families.

Graph 6 Specific Groups in the Population



The level of indigent households is shown in graph 7 and shows a range from as low as 2% to as high as 48.7%. Municipalities with a high level of indigent people need to make provision for free housing and free basic services, which can put pressure on their budget. The three municipalities that have scored the highest in the percentage of indigent households are the only ones that indicated that they had provincial subsidies for ownership housing spent in their areas in the last three years. It would be possible that this is linked with the number of indigent people, but because the other municipalities did not provide the necessary data regarding the spending of the subsidies, it is not possible to verify this conclusion. One would further expect that the percentage of indigent people would correspond with the unemployment rate in the municipality, but as can be seen in Graph 4, this does not have to be the case.

Graph 7 Percentage of Households registered for Indigent Support



A note that needs to be made with regard to graph 7 is that municipality number 5 indicated to have a percentage of indigent households of 2%, though in their housing policy it is stated that the percentage of indigent households was 74% in 2001 as was measured in the 2001 census. Therefore, one can assume that the indicated 2% is not correct.

Summary

In section 1 an overview is given of some of the financial and demographic characteristics. The operational and capital budgets of the municipalities differ strongly, though per capita they are much more similar with the metropolitan municipalities still leading. The unemployment rates in most municipalities are not extremely far from the national level, except for one municipality that claimed to have an unemployment rate of 98%. Unemployment rates like this will definitely influence the demand for housing. Municipalities further need to monitor the average household sizes. A diminishing household size can mean a higher demand for housing and for different kinds of units. High average household sizes could mean that households are sharing their accommodation because they cannot find suitable and affordable accommodation.

Section 2: Policy and Legislation Framework

In section two of the questionnaire, municipalities were asked about their policies and strategies regarding housing. Further questions were asked about what they consider to be the most important roles in housing based on the legislation and what kind of practical functions they are currently performing.

Municipalities were given a list of 13 roles in housing, derived from different pieces of housing legislation. They were then asked to indicate which ones they considered to be the five most important roles. In Table 1 the results of this question are given, the left column shows the roles that the municipalities could choose from, whereas the right column shows the frequency in which they have been selected by the municipalities. The roles are sorted according to the frequency in which they were mentioned by the municipalities. Although municipalities were asked to indicate the five most important ones, some municipalities ticked more than five roles, which led to a total frequency of 41 instead of 35.

Table 1 Five Most Important Municipal Roles in Housing

Roles in Housing	Frequency
Identification and designation of land for housing purposes	7
The initiation, planning coordination, promotion and enablement of appropriate housing development	6
Planning, funding and provision of bulk engineering services	6
Setting municipal housing delivery goals	5
Land planning in areas under your jurisdiction (ito laid down performance criteria, possibly at prov and even nat level)	5
The creation and maintenance of a public environment conducive to viable development and healthy communities	4
The mediation of conflict in the development process	2
Facilitative support to housing delivery agencies	2
Provision of community and recreational facilities in residential areas	2
Provision and maintenance of revenue generating services (if not provided by specialised utilities / suppliers)	1
Regulation of land use and development	1
Total	41

As can be seen in the table above, most municipalities have prioritised:

1. Identification and designation of land for housing purposes (7)
2. The initiation, planning, coordination, promotion and enablement of appropriate housing development (6)
3. Planning, funding and provision of bulk engineering services (6)
4. Setting municipal housing delivery goals (5)
5. Land planning in areas under your jurisdiction (in terms of laid down performance criteria, possibly at provincial and even national level) (5)

The five most mentioned roles for municipalities are all related to either land or planning. This would seem logical considering the juridical obligations of municipalities regarding housing, being mainly the facilitation and planning for housing.

Municipalities were also asked which functions in housing they are currently performing. The results of this question are given in Table 2 below.

Table 2 Current Functions Performed

Current Function	Frequency
Assessing housing needs	7
Managing the waiting list	7
Monitoring housing projects	7
Availing land/plots	6
Allocating housing and administrating transfer of ownership of houses	6
Facilitating housing projects	6
Managing housing projects	5
Designing housing plans	4
Approval of housing plans	4
Total	52

Looking at the functions that municipalities are performing, it is clear that municipalities are executing a range of crucial functions in the delivery process of housing. Though, there is still a lot of discussion around the mandate for housing and which sphere of government should have the funded mandate. Looking at the functions that municipalities are performing, it seems that many of the most important functions in the whole delivery process are already at the local level. The accreditation process for municipalities should give more clarity on the capacity of municipalities to also take on the financial functions.

Planning and strategy documents

With regard to questions about the planning procedures in municipalities, all seven municipalities indicated to have planning and/or strategic documents in place and housing was part of the IDP. Though, many municipalities seem not to be drafting the documents themselves and not always having it aligned with the actual delivery. As can be seen in Table 2, most of the municipalities outsource the development of policies and strategies. The municipality that indicated that they do this in-house, does make use of consultants to assist them, or to do part of the work. The capacity in municipalities to draft plans is limited.

The disadvantage of having plans developed by outsiders is that they are not always up to date with details of the local situation. The officials know much more of the local situation, because they are working with it daily. Furthermore, the ownership of the document will be lower when it is developed by outsiders. In the end the officials need to work with the plans and policies that have been drafted. Officials need to be able to work with the planning documents, instead of it being something that municipalities have to produce for compliance purposes only. When policies and long-term plans are not translated into the daily work of the housing department, there is a large risk that one is only looking at the short term needs and not at what will be needed in the longer term. When planning is not done properly, one

often sees individual projects being developed throughout the municipality, instead of multiple projects that are all part of a bigger plan and contribute to the same goal or vision of the municipality. The outsourcing of development of planning documents is a common trend in the country, so it's not limited to the benchmark group. Where municipalities do not have the capacity to develop their own policies, they will need to find a way to include external service providers, but ensuring that the ownership of the documents is with the municipality.

Table 3 Planning in Municipalities

Municipality	Set housing delivery goals	Development of policies/strategies for housing	Monitoring of the policies/strategies in the sense that the goals/targets are checked against the delivery	Policies/strategies reflect the actual delivery/work
1	yes	Outsourced	Yes	Yes
2	yes	in-house	Yes	No
3	No	Outsourced	Yes	Yes
4	yes	N/A	Yes	Yes
5	yes	Outsourced	Yes	No

In Table 3 it is shown that four of the municipalities indicated to have set housing delivery goals, though, only one of them seemed to have a definite number as a target, others mentioned "To build houses for the homeless in rural and urban areas", "to expedite housing delivery in our area and to update our housing database more frequently" and "Sustainable human settlements and improved service delivery". One municipality had not set goals at all. Not setting quantifiable goals for housing delivery makes monitoring and determining the performance more difficult.

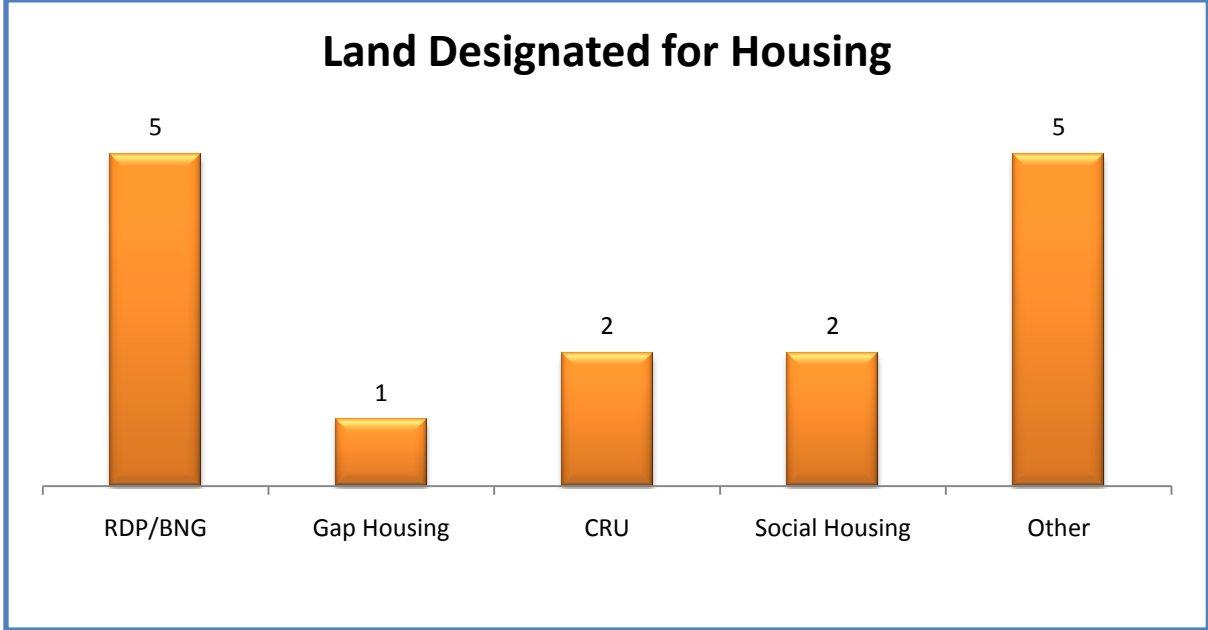
The reasons for municipalities not to give any quantifiable data on the goals can be diverse. Though, during the 'learning meeting' in the benchmark process, many municipalities (in both the housing and the social housing benchmark groups) indicated that setting specific quantifiable targets for housing is very difficult, because in most cases the municipalities do not know how much budget will be available for housing in their area. So when municipalities are drafting their plans, the budget is unknown and municipalities are afraid to set targets which they may not be able to reach if the province decides to fund other projects in the province. An exception is the Western Cape Province where the budgets for housing for each municipality are gazetted. Municipalities know their budget when they make their plans and they can spend it in the way they see fit for their municipality.

Land for different housing typologies

When asked for what kind of housing typologies land has been identified, five municipalities indicated that land was identified for RDP/BNG housing. Land identified for social housing was mentioned by two municipalities, though one of the two is not part of the Social Housing Programme and will currently not be able to implement social housing. This indicates that there are still gaps in the knowledge of housing in some municipalities. Further, two municipalities indicated CRU, while gap housing was mentioned by one municipality. Under the heading of 'other', municipalities mentioned, mixed housing,

affordable housing, finance linked, rental housing and serviced stands. One municipality did not answer this question at all.

Graph 8 Land Identified for Housing Typologies



Summary

With regard to the roles that municipalities consider important in housing and the roles they are currently performing, there is a lot of consensus between the participating municipalities. Municipalities are important stakeholders in the field of housing. Planning is one of the major tasks of municipalities. In the benchmark it was investigated whether or not planning documents were in place, but it was not possible to research the quality of the documents and the differences between municipalities. This may be an issue that should be included in possible future benchmarks.

The number of municipalities that outsource the development of their planning documents is considerable and it would suggest that the capacity is not sufficient to do it in-house. It would be preferable to have municipalities develop their own planning documents and therefore further investigation into the reasons behind this, would be preferable. Four out of the five municipalities that answered the question regarding the setting of goals for housing, mentioned goals which are not quantifiable. If you don't set quantifiable goals it is difficult to measure and evaluate the result.

When one looks at the types of housing that municipalities have identified land for, most municipalities indicate RDP housing. Despite all the focus on delivery of sustainable human settlements instead of delivering just houses, RDP still remains the form of housing where almost all municipalities make arrangements for. Other housing programmes follow.

Section 3: Institutional arrangement and resources

In the first questionnaire that was sent out, the participating municipalities were asked to indicate the provincial and municipal contributions to their budget for housing for the financial year 2009/10. During the second benchmark meeting it became clear that it was very difficult for municipalities to provide the information in the requested format. Therefore, the question was resubmitted to the municipalities in another format, requesting the number of subsidies that were used for housing in the municipality over the last three financial years and the total amount of the subsidies.

None of the municipalities indicated that there had been national subsidies spent in the last three financial years. There had also not been any rental housing subsidies spent. Though, there was spending on provincial subsidies for ownership programmes. The data for this are presented in Table 4 below.

Table 4 Spending on Ownership Subsidies

Municipality	ownership subsidies in 2007/08	ownership subsidies in 2008/09	ownership subsidies in 2009/10	Amount spent on ownership subsidies in 2007/08 (R)	Amount spent on ownership subsidies in 2008/09 (R)	Amount spent on ownership subsidies in 2009/10 (R)
1				3 158 703	4 451 926	24 039 401
2						
3	.00	0	1405	0	0	23 000 000
4	200.00	159	234	9 127 200	7 926 945	14 920 776
5	.00	0	0	0	0	0

Out of the five municipalities that returned the second questionnaire, three gave indications of the number of subsidies and the amount of subsidies spent in their area of jurisdiction. One municipality only could provide their own maintenance budget. Even in the new format, the municipalities had difficulties to provide all information. Municipalities seem not to have access to this kind of information, except for the municipalities in the Western Cape. They are able to provide exact figures of the number of subsidies and the amounts that were spent in their municipalities. This is due to the way the Provincial government manages the housing subsidies, by allocating each municipality with its own budget and gazetting it. Knowledge on the number of subsidies, which indicates the number of houses built, is information that every municipality should have easy access to. From this benchmark it shows that this is not the case in most of the municipalities. Also in the Social Housing benchmark this information could not be provided by the majority of the municipalities. Because the information is not available for all municipalities it is difficult to draw any conclusions on the delivery.

Institutional arrangements

All but one municipality indicated that they have a housing unit or department with a housing manager. The one municipality that does not have a housing department, mentioned that it is a provincial function. Though, this municipality is very active in performing housing functions and implementing housing projects. This shows that even though municipalities do not have the funding for housing, they consider it important.

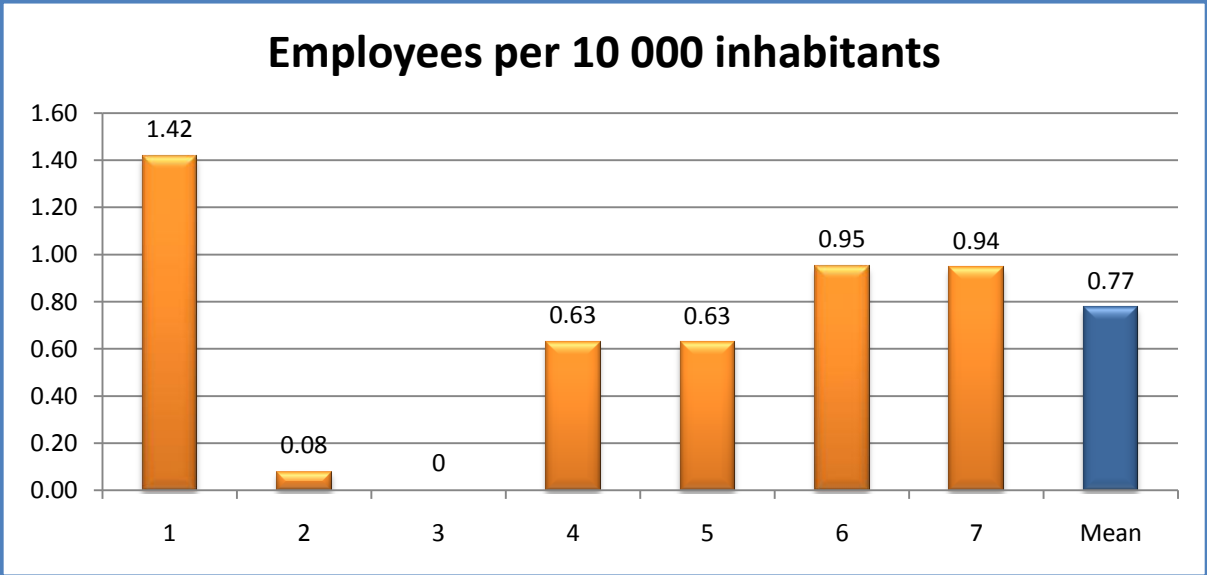
In Table 5 an overview is given of the responses from the municipalities regarding the number of employees in the housing unit and the level at which they work. The information regarding the different levels was retrieved from follow-up questions in the second questionnaire, which was not returned by two municipalities, though the total number of employees was also part of the first questionnaire, which at least provides a picture of the size of the units.

Table 5 Number of Employees in Housing Departments

Municipality	head of department in housing unit	senior positions in housing unit	junior positions in housing unit	administrative positions in housing unit	Total number of employees
1	2	1	8	1	12
2	1	18	0	0	19
3	0	0	0	0	0
4	0	2	2	1	5
5	1	1	6	0	8
6					259
7					25

For those municipalities that have a housing department, the number of employees varies from 6 to 259. This is caused by the difference in size of the municipalities. When looking at the number of employees for housing per 10 000 inhabitants we get the following data, as shown in Table 6 below.

Graph 9 Housing Employees per 10 000 Inhabitants



By linking the number of employees to the population, it becomes clear that the differences between the municipalities are quite large. The exceptions are municipality 2 with a very low score, despite its large population, and municipality 1 with a very high score, though with one of the smallest populations.

One would perhaps expect that there would be a positive correlation between the number of employees per 10 000 inhabitants in the housing department and the number of units that are being delivered in the municipality. When comparing Tables 4 and 5 and Graph 9, we are not able to draw conclusions regarding this possible correlation due to the fact that many of the data regarding the delivery is missing. Furthermore, the sample is too small to draw definite conclusions.

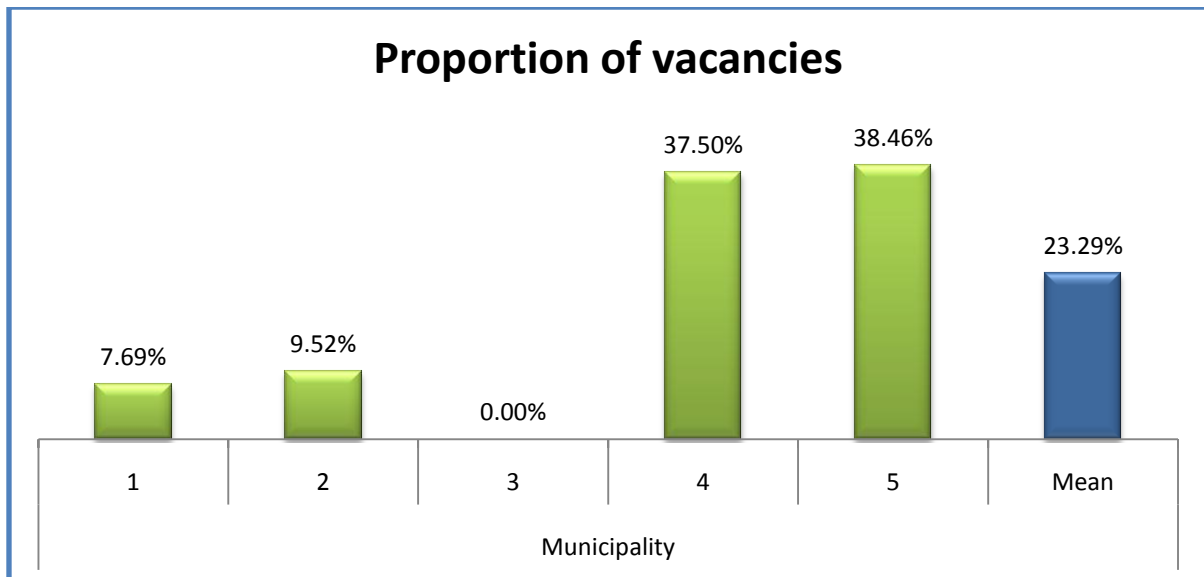
Although there are large differences in the number of employees in the housing departments, one thing that the municipalities have in common is the fact that they have vacancies in their departments. The five municipalities that answered this question completely, all indicated that there are vacancies in their housing department. Though the number of vacancies is low, if the housing department is small, a few vacant positions can already have a large impact on the performance and/or work pressure. It is not clear to the officials when those vacancies can and will be filled. The lack of staff in housing departments is a common problem in municipalities. Table 6 shows the kind of vacancies and the relation between the total number of vacancies and the size of the department.

Table 6 Vacancies in Housing Departments

Municipality	Vacancies HoD positions	Vacancies in senior positions	Vacancies in junior positions	Vacancies in administrative positions	Total number of vacancies	Total number of employees
1	0	1	0	0	1	12
2	1	1	0	0	2	19
3	0	0	0	0	0	0
4	1	1	1	0	3	5
5	0	1	3	1	5	8
6						259
7						25

In Graph 10 the ‘percentage of vacancies’ indicates the number of vacancies in relation to the number of employees when all positions are filled. This shows that two of the municipalities are missing less than 10% of the staff they are supposed to have, while the other two are missing more than one third. Unfortunately, two municipalities did not provide the necessary data.

Graph 10 Proportion of Vacancies



Alignment with other departments

With regard to the alignment of housing with other municipal services, four municipalities indicated that it is done through interdepartmental meetings. In two cases municipalities ensure the alignment through several planning documents, such as the IDP, the housing sector plan and a comprehensive infrastructure plan. All municipalities indicated that future housing plans have been discussed and aligned with other departments and that it is included in the planning and budgets of other departments as well.

This should make implementation of housing easier. Because of the time limits of this benchmark we do not have sufficient time to further investigate how the alignment is working in the municipalities and to draw good practices. Though, it may be something to be investigated in more detail in future benchmarks.

Summary

In Section 3 we saw that most of the municipalities do not have all the information on the amount and the number of subsidies that have been spent in their municipalities. This would suggest that municipalities are not fully aware of what is happening in their municipality and how many housing subsidies are spent in their area of jurisdiction. Municipalities are important stakeholders in the delivery of housing, especially in the planning part of it. If they don't know how many houses have been built, they will not be able to plan for future delivery.

The lack of data on the delivery of housing is alarming. One would need to investigate why municipalities were not able to provide this information. If they do not have access to this information themselves, it needs to be ensured that they will in future, through better alignment with the other spheres of government who are responsible for the subsidies.

The capacity of municipalities to perform housing functions is always considered as a challenge. Capacity can be split into qualitative capacity which covers the knowledge and experience that the employees need to do their work and quantitative capacity which covers the number of people that are employed to do the work. In the benchmark we looked at the latter and asked for the number of people that are working in the housing department and the number of vacancies. When calculating the number of employees per 10 000 inhabitants

we got a differentiated picture. Because it is not possible to compare this to the level of delivery, a correlation between the number of employees and good or bad delivery cannot be made.

With regard to the vacancies some of the numbers are alarming. While most of the absolute numbers are normal, some municipalities have a relatively low vacancy rate, while others have one third or more of their positions vacant. On average the vacancy rate was just below a quarter of all positions. This should be compared to other spheres of government and the private sector to get a good indication of how good or bad this rate is. Furthermore, municipalities with a high vacancy rate, may be able to learn from other municipalities on how to acquire the necessary staff and how to prevent these kinds situations in the future.

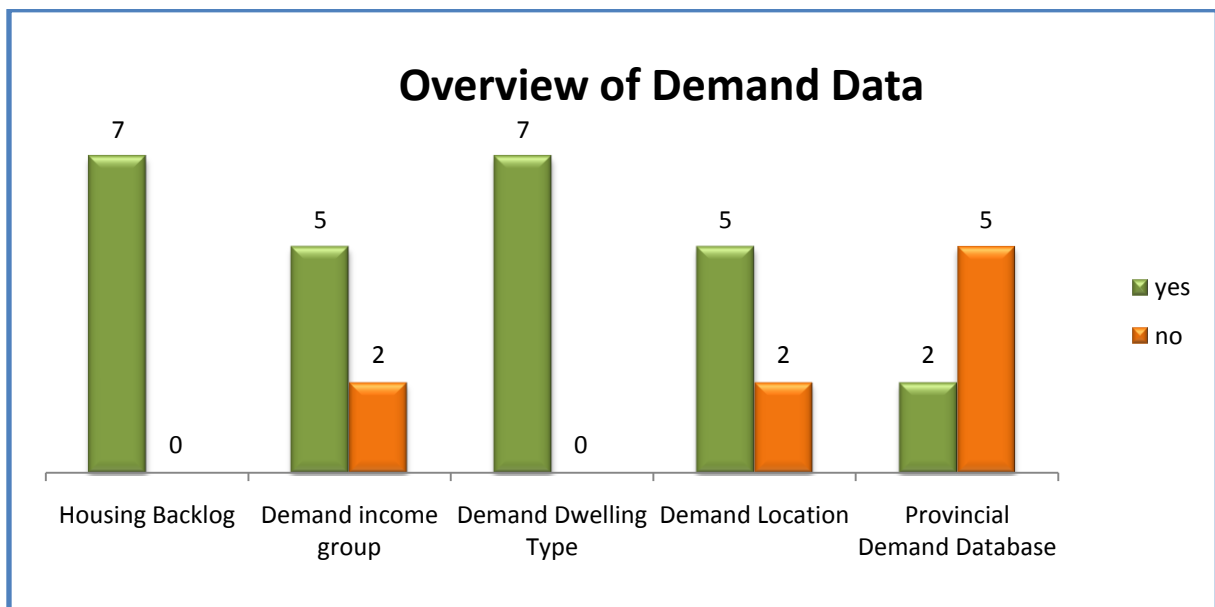
Section 4: Current housing status

Municipalities have been asked several questions regarding the current status of housing in their municipality. These included questions regarding the demand for housing, the availability of land and the current status of their housing stock.

Knowledge of the demand for housing

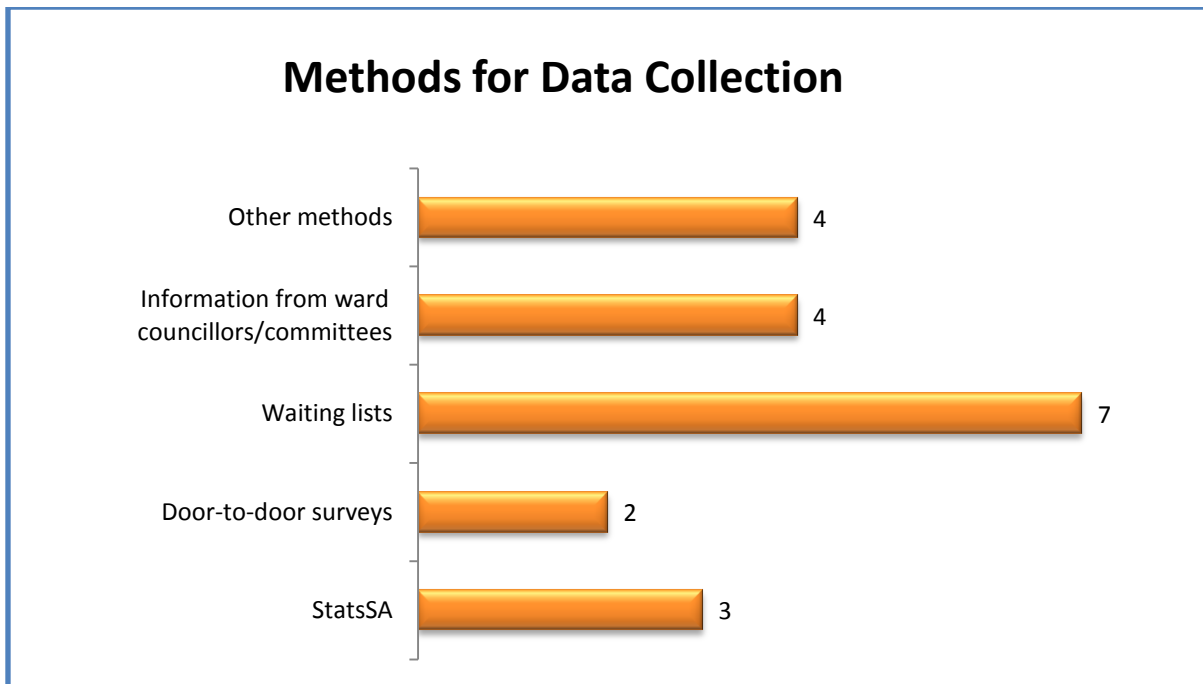
To provide housing to the population requires proper planning to ensure that the supply meets the local demand for housing. Municipalities need to have detailed information on the kind of housing that is required, where it is required and for which income groups housing needs to be provided. Municipalities were asked whether they had recent overviews of the demand for housing according to certain criteria. They were further asked whether they were connected to the provincial housing demand database, which would be an indication that they have easy access to reliable and recent data. As can be seen in Graph 11 municipalities in general have a good overview of the demand. All municipalities know the housing backlog and the demand per dwelling type.

Graph 11 Overview Municipal Demand According to Different Criteria



Only two municipalities are connected to the provincial housing demand database. A link to this database would most likely improve the quality of the data for the municipalities, with limited financial and human resource. Though, some of the other municipalities have used other methods to collect data on the demand for housing. Two municipalities have conducted an extensive market research specifically focused on the demand for rental housing, which are captured under 'other' in Graph 12. This survey formed part of the project they were implementing with their Dutch counterpart under the LOGO South programme. One municipality established satellite offices to ensure the capturing and updating of the demand and one municipality used their GIS system.

Graph 12 Methods Used for Demand Data Collection



All municipalities make use of waiting lists. Though, two of the five municipalities that returned the second questionnaire indicated that the waiting list does not contain all the information that they need for proper planning for housing. In some cases it is difficult to keep waiting lists up to date and reliable, because people may have registered in more than one municipality and/or province, or people have moved or no longer qualify. The quality of the demand data would probably increase when municipalities would have access to the provincial demand database. This would save them time and money and ensure that the data is regularly updated. For detailed information on specific projects, socio-economic surveys are proven to be a good instrument to collect specific information that is required.

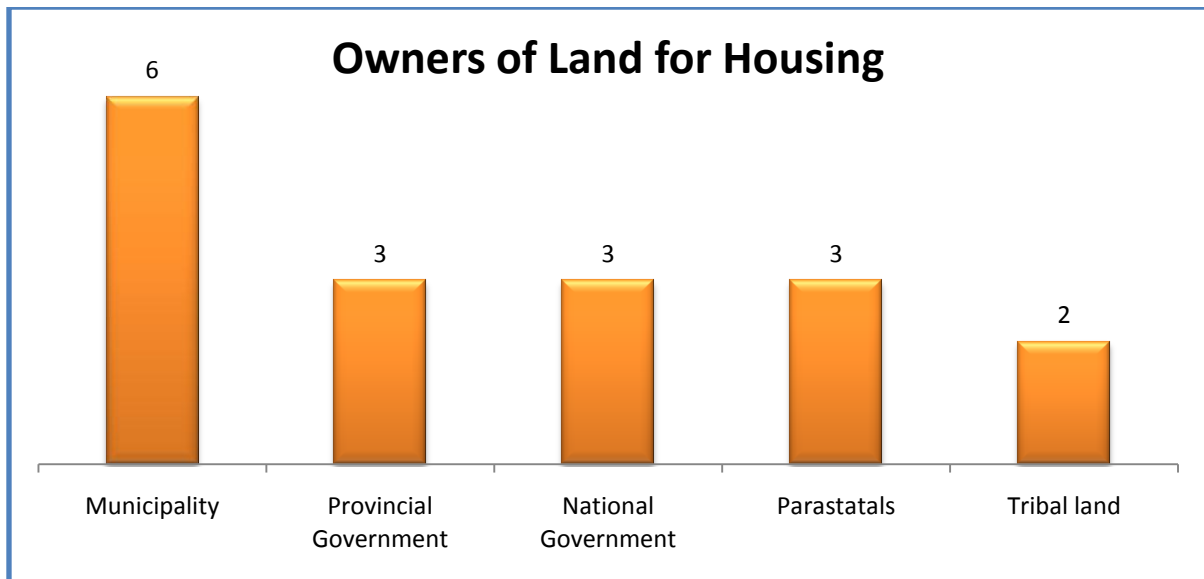
Land availability

One of the main challenges that municipalities indicate for the implementation of housing is the shortage of suitable land for housing. In the first questionnaire, the municipalities were asked to give an overview of the owners of land in the municipality that would be suitable for housing purposes.

All municipalities that answered the question (6) indicated that there is land identified in the Spatial Development Framework (SDF) for housing purposes and that land is available for housing. Though, one municipality indicated that there is a limited amount of land available and only in certain areas. This was further discussed in the second benchmark meeting. Therefore, a follow-up question was drafted to look into the amount of land and the amount of parcels that were available for housing.

When asked "Who are the main owners of land that is suitable for housing in the municipality?" all municipalities that answered (6) mentioned the municipality as one of the owners of land for housing. In Graph 13 it is shown that after the municipalities, the national and provincial governments and parastatals were mentioned as owners of land for housing.

Graph 13 Owners of Land for Housing



Besides the owners of the land, municipalities were also asked to indicate the number of parcels that would be available and suitable for housing as well as the number of hectares of the land. Only four municipalities were able to respond to this question. Their responses are indicated in Table 8 below.

Table 7 Available Land for Housing

Municipal ID	Parcels of Land Available for Housing	Hectares of land available for housing
1	26	4
2		1801
3	16	490
4	6	200

With the limited amount of land available for housing purposes and the limited financial resources, it is important for municipalities to get access to land through transfers from parastatals and other spheres of government. Though, this is still a challenge for many municipalities. Only one municipality of the four that answered these questions had actually required some land through transfers from parastatals and national and provincial government. Though, they indicated that the process was lengthy and that Transnet only made the land available against market related prices.

In the process of land transfers from other spheres of government and parastatals the Housing Development Agency (HDA) should be assisting municipalities. If there would be good cooperation between the different spheres of government and cooperation from the parastatals, it would be a much easier process to make land for housing available. In general, municipalities do not have the financial resources to acquire land. Only one municipality indicated to have this kind of financial resources.

Political support

Under the heading of political support municipalities were asked whether the Council is well informed on the concept of the different housing programmes. All municipalities but one answered the question positively. Yet, from experience with Councils it has become clear that many Councillors do not have a very good understanding of the different housing programmes and often misinterpret certain of these programmes that are not very commonly implemented. One example is of this misinterpretation is the different rental housing programmes and especially the social housing programme, which is often mistaken for a form of free housing. In a lot of cases this has already let to misunderstanding and frustration. Therefore, the education to Councils on housing programmes is extremely important.

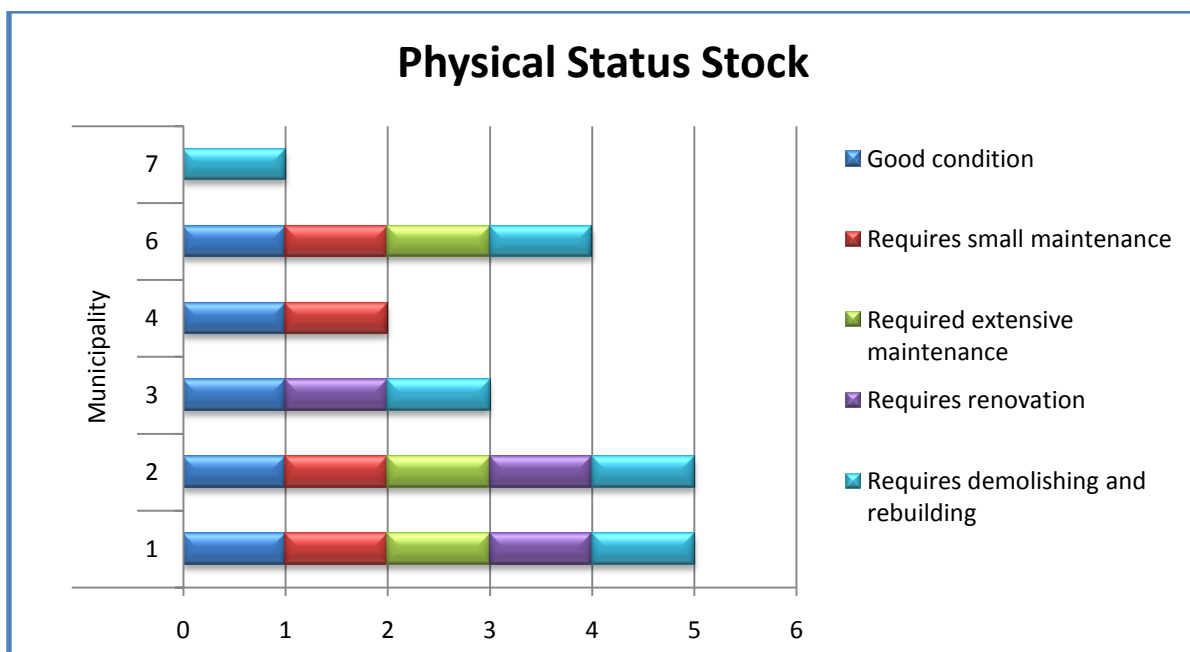
In the second questionnaire, three municipalities mentioned that ongoing education and information for Councillors is still necessary. Especially the connection with the public was emphasised for Councillors to get a better idea of the local situation and for them to learn what the public needs.

Councillors have a very important role in the field of housing. They are representatives of the people and should therefore be aware of the needs and wishes of the people and be able to translate that into policy. Yet, if Councillors are insufficient informed on the housing programmes they will not be able to make informed decisions.

Municipal Housing Stock

The municipalities were asked to indicate what the status of their housing stock was. Five indications were provided as can be seen in Graph 14. One municipality did not answer this question, while another one indicated not to have any housing stock. Two municipalities marked all five options.

Graph 14 Physical Status of Municipal Housing Stock

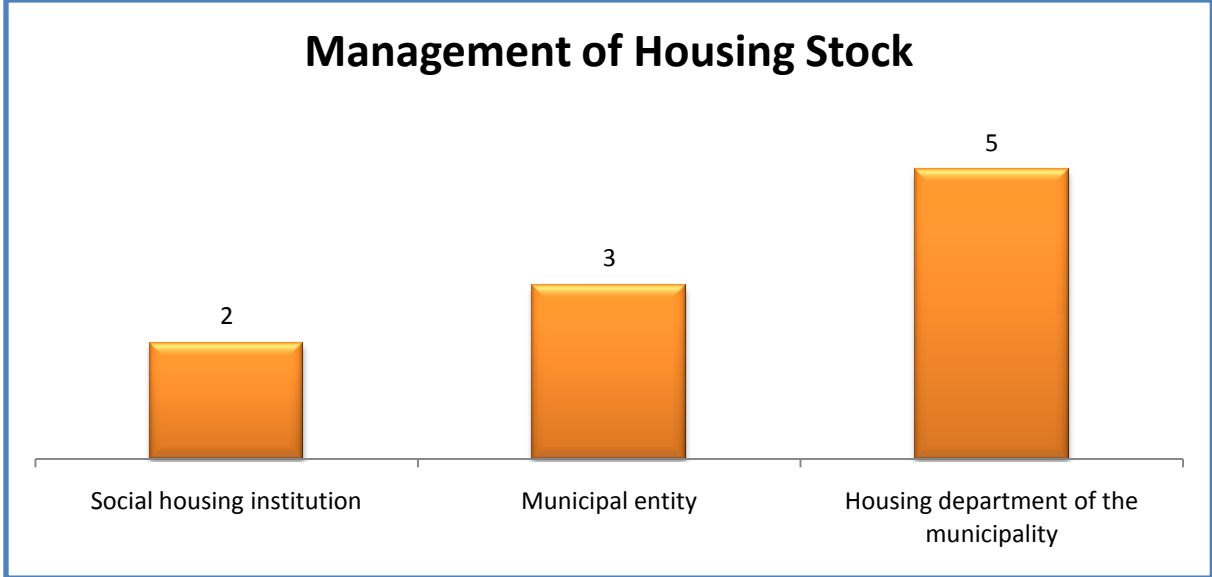


From this data one can conclude that the current housing stock of municipalities needs intervention to some extent. This will put some pressure on the available budget for housing.

Municipalities also indicated their rent collection rate. For four municipalities this varied between 50% and 75%, whereas one municipality claimed to have a rent collection rate of 100%. The latter seems to be unlikely, considering the overall rent collection rates in South Africa. With the low rent collection rate, maintenance to the housing stock becomes a problem and in some cases impossible. Most municipalities in the country struggle to collect rent in their housing stock. Especially when it is owned and managed by the municipality, tenants can be reluctant to pay their rent.

The question regarding the management of the housing stock was answered by six municipalities (the other municipality not having any housing stock) and shown in Graph 15. Five of the municipalities have housing stock that is managed by the housing department in the municipality. There is only one municipality that does not have housing stock managed by the housing department. Instead they have a Social Housing Institution (SHI). The reasons behind their choice for a SHI and their experience may be valuable for other municipalities.

Graph 15 Management of Housing Stock



The Social Housing benchmark showed a big difference in rent collection rates between municipalities and SHIs. That indicates that SHIs are in a better position to manage rental housing stock. Therefore, municipalities are advised to consider working with SHIs for the management of current and future rental housing stock. The stock can be owned by the municipality, but with the management outsourced to a SHI.

Summary

In section four of this document we have seen that the knowledge of the demand for housing is relatively good in many of the municipalities. Different methods are used to collect the data, though, in some municipalities there would be a need for more detailed or updated information. Municipalities that want specific data, may need to have research done that focuses on the needs for certain target groups. There are a few municipalities that have done socio-economic surveys specifically for the demand in rental housing and have benefited from it in the planning of their projects. When the data that is readily available is not giving

the information one needs, then the municipality will need to take initiative to find the data it needs in another way.

There is limited land available, though some municipalities have much less than others and it is difficult to get land transferred from other spheres of government and parastatals to the municipalities. The Housing Development Agency should be of assistance here.

In almost all municipalities the Council is informed about different housing programmes, though further training or education in this will be needed on a continuous basis. Exchanges between Councillors of different municipalities may increase the understanding and learning from other experiences.

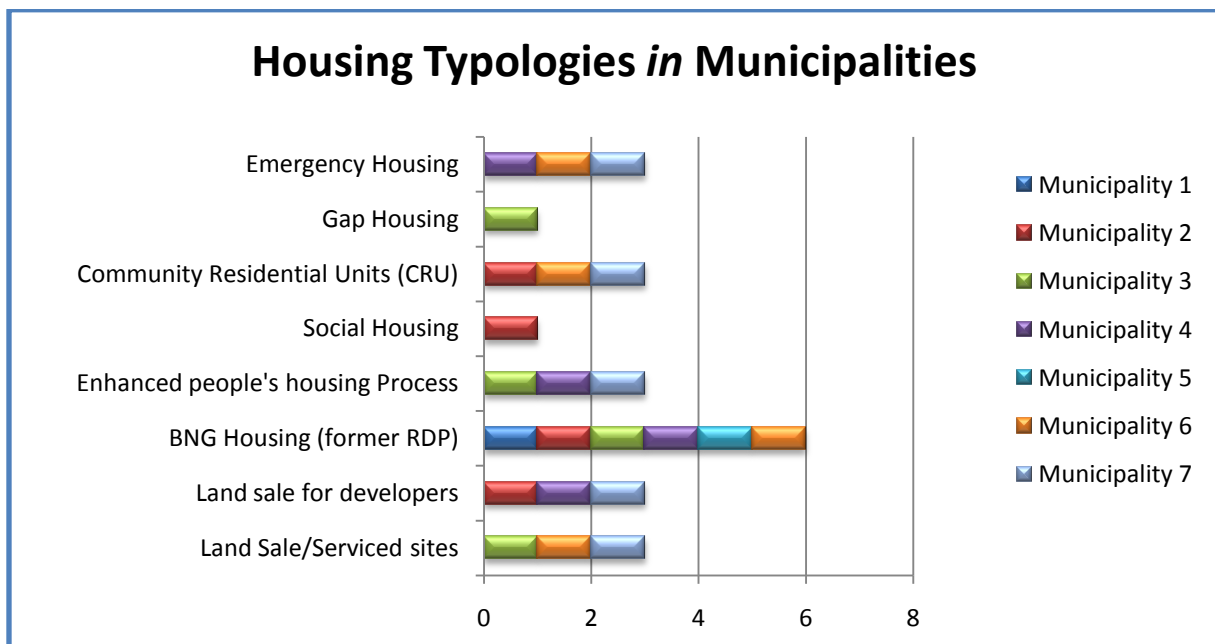
The management of rental stock is not an easy task. Collection of rent and maintenance, which are closely linked, is a challenge for municipalities. For SHIs this is a full-time job. Municipalities that are struggling with their rental housing stock should consider whether they would want to outsource its management to a SHI. Overall, SHIs seem to be performing better in the management of rental stock due to a number of factors that puts them in a better position to manage the stock. Municipalities with 'problem' stock for which it seems impossible to find solutions, could contact colleagues from other municipalities that have been able to deal with that issue.

Section 5: Typology of Housing Service Delivery

In section five of the questionnaire, municipalities were asked about the typology of housing that has been delivered *in* their municipality. In a later question municipalities were asked what kinds of projects had been implemented and/or facilitated *by the municipality*. There were also questions about the number of units that had been delivered and the rent collection rate in cases of rental housing. Unfortunately, only two municipalities answered these, so it was impossible to do any benchmark on that.

In Graph 16 an overview is given of the frequency of the different forms of housing that municipalities could choose from for the first question. It is clear that BNG/RDP housing is the most common form of housing that is delivered.

Graph 16 Housing Typologies *in* Municipalities



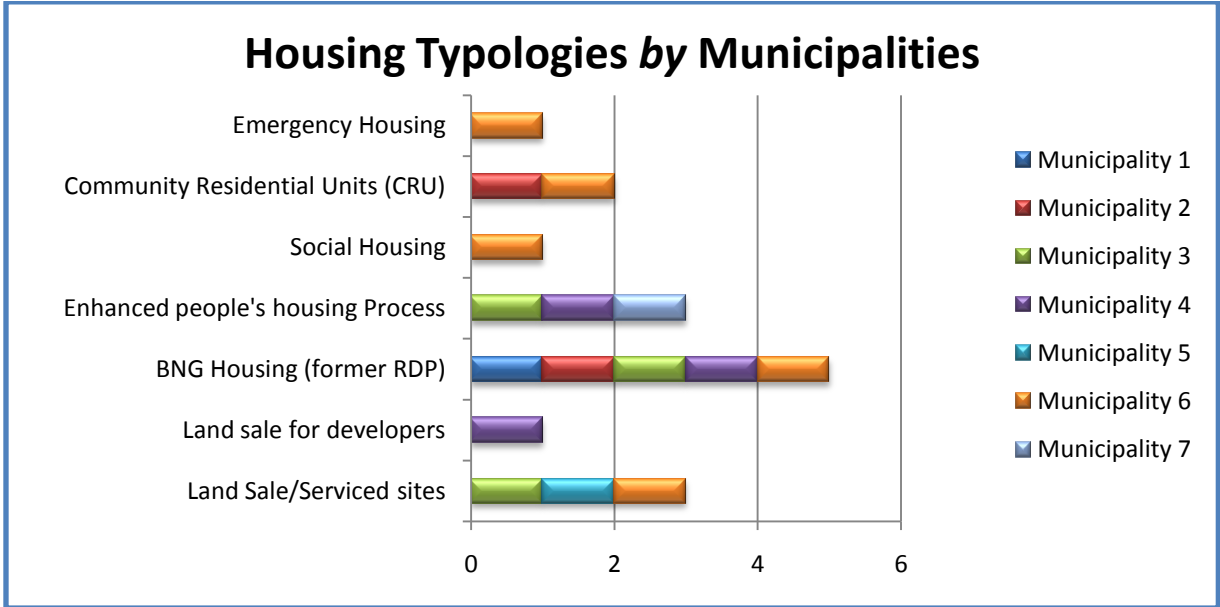
From this graph we can conclude that many municipalities deliver a range of housing options. Only two municipalities (1 and 5) are limited to BNG/RDP housing. Because there is a range of typologies that are delivered in the municipalities, municipalities may be able to learn from the experiences from others to engage in typologies that they are not delivering yet.

In the second questionnaire there were questions regarding the number of projects and units that have been implemented over the last five years. Unfortunately, the question was only answered by three municipalities, which does not give sufficient significant data for this benchmark.

As a follow up of the first question on housing typologies, municipalities were asked what kinds of projects have been implemented and/or facilitates *by the municipality* as a developer. The answers to this question do not fully match with the answers that were given in the previous question. The first question concerns the delivery of all projects, implemented in the municipality by any agent. The second question concerns the implementation that was done by the municipality specifically. The frequency of typologies in the second question cannot be more than the frequency in the first question, because all projects that have been implemented *by the municipality* should also be included in the number of projects that were

implemented *in the municipality*. Yet in Graph 17 we see that under Social Housing and Land Sale/Service Sites two municipalities appear that were not there in Graph 16.

Graph 17 Housing Typologies Implemented by Municipalities



When compared to the previous graph we can see that municipalities do not implement all housing projects in their areas of jurisdiction, but there is no municipality, no matter how big or small, that does not implement some kind of housing typology. Especially the BNG/RDP housing is done by many municipalities. What can also be concluded from these data is that projects for ownership housing are outnumbering the rental housing projects.

Project implementation

Municipalities were asked who is in charge of the implementation of housing projects. Four of the seven municipalities indicated that the provincial government and the municipality are both in charge of the implementation. One municipality mentioned it was not responsible for the implementation and that the provincial government alone did housing implementation. Two municipalities indicated that they are responsible for the implementation in their municipalities, not the provincial government. These were both municipalities from the Western Cape, where the provincial government has given municipalities more responsibilities in the delivery of housing than is the case in other provinces.

The role of the municipality in project implementation is most likely depending on a number of factors. First of all, the policy of the province is determining the roles and responsibilities of the municipalities in relation to those of the province. Further, the size and the capacity of the municipality are important factors. Not all municipalities can implement housing projects because of a lack of institutional capacity.

Summary

Section 5 is focused on the delivery of housing in the municipalities and the implementation of housing projects. Six of the seven municipalities have RDP projects implemented in their areas of jurisdiction. Five of them are implementing the projects themselves. Many municipalities have a variety of four or more housing typologies implemented in their areas

of jurisdiction, either by themselves or by the provincial government. Only two municipalities are limited to one housing typology.

It is striking to see that most of the municipalities are implementing housing projects themselves or in cooperation with the provincial government. Only one municipality has responded that the provincial government is implementing all the housing projects in their area of jurisdiction. The two municipalities that are fully responsible for the implementation of housing in their areas are located in the Western Cape, where the arrangements regarding the allocation of budgets is different than in the other provinces. Despite the legislation that puts the mandate of housing at the provincial level, we see six out of the seven municipalities are responsible and/or involved in the delivery of different housing typologies in their municipality.

Two factors appear to be determining for the level of responsibility that the municipalities are given in housing delivery. The provincial policy on how to manage the allocation of the subsidies is a crucial element. As can be seen in the Western Cape, municipalities have received responsibilities that municipalities in the rest of the country do not have. Another factor is the capacity of the municipalities. Where municipalities do not have sufficient capacity to take on these responsibilities, it is not possible to delegate it.

The municipalities in the Western Cape can be good examples of how this responsibility has been delegated and how they are performing. It would further be interesting to benchmark the Western Cape municipalities to compare their performance amongst each other and draw lessons learned from the Western Cape model.

Section 6: Management processes and systems

When asked about the status of the municipality in the accreditation process, municipalities initially seemed to be interpreting it in different ways. During the second benchmark meeting the accreditation process was explained by a representative of the National Department of Human Settlements. In the second questionnaire, the question was resubmitted resulting in more reliable answers than from the first questionnaire. Unfortunately, two municipalities didn't return the questionnaire, but some of the others corrected their answers based on the information they had received during the second benchmark meeting. This had clearly helped them in understanding the concept of accreditation.

Out of the five municipalities that eventually answered the question, none have been accredited, although the two municipalities in the Western Cape are in practice already performing many, if not all the functions of an accredited municipality. Although, most municipalities wish to be accredited, one municipality indicated not to be interested in receiving accreditation.

Summary

The accreditation process has been taking a long time and not many municipalities have been accredited yet. It could not be determined from the questionnaire what the reasons are for this slow progress. Though it is important to note that the two municipalities from the Western Cape are performing functions in housing that are linked to higher levels of accreditation. These municipalities can be examples for other municipalities in the country. Both the good practices and the challenges they encountered can be useful for other municipalities.

Section 7: Inter-Governmental Relations and Cooperation Impact

All municipalities, but one, have regular meetings with their provincial counterparts to align planning for housing. Those that have regular meetings also consider them fruitful. Out of six municipalities that answered the question regarding the alignment of the Housing Chapter and SDF with the Multi Year Housing Development Plan, only three indicated that these documents are aligned. Considering that there are regular meetings, this is a disappointing result.

In the second questionnaire a few additional questions were asked regarding the cooperation with the provincial government. One question related to the alignment of plans and policies for housing. We asked the municipalities whether they had consulted the provincial government and/or its planning documents while drafting the municipal documents. All five municipalities that returned this questionnaire answered positively. Despite the proper consultation two of them did not think that the province could cater for all the projects in their municipality because of a lack of funding.

Capacity Building

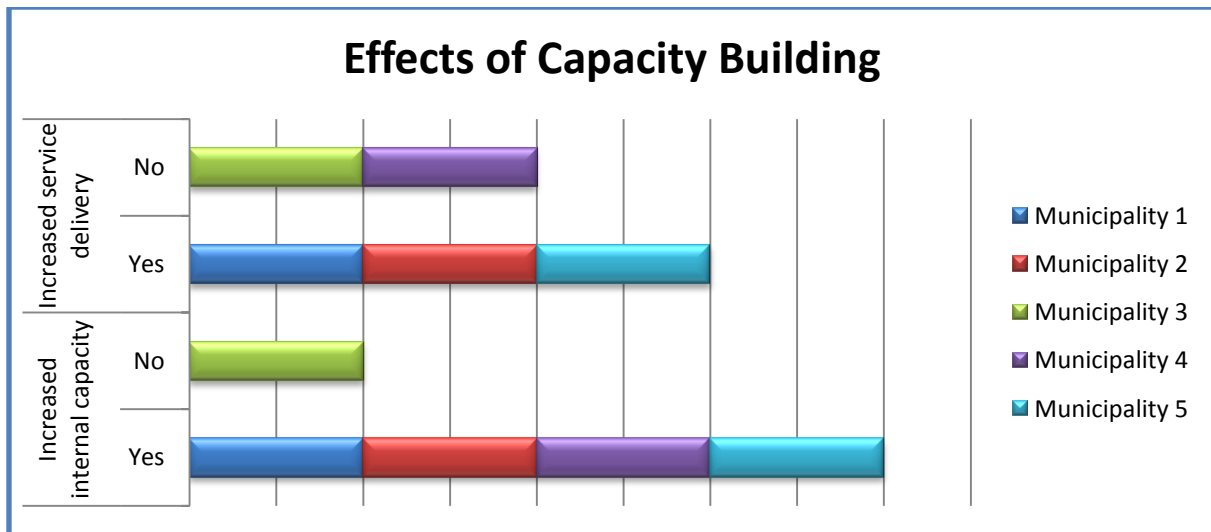
One of the tasks of the provincial government is that of capacity building to municipalities in housing. Five of the seven municipalities claim to have received capacity building from the province. Two municipalities did not receive capacity building from the province. The capacity building was all in the form of training programmes.

The question regarding capacity building received from other institutions or service providers was answered positively by six municipalities. Most of them indicated that the training had been done by universities, or other institutions focused on housing. All seven municipalities are taking part in the LOGO South Country Programme South Africa that is based on capacity building for municipalities in housing, yet only one municipality mentioned the twinning relation as a source for capacity building.

All municipalities but one claimed that the capacity building had increased the capacity in the municipality and had led to improved service delivery as can be seen in Graph 18. In the second questionnaire this was followed up with the question how it had impact on their capacity. Four municipalities answered that question. The improvement of the capacity was mainly in the staff being capacitated in policy formulation and implementation and understanding the processes better. One municipality has not seen that improvement yet, but is counting on it happening in the future. The main improvements are noticed in the speed of the processes and the service delivery to the people.

It therefore seems that the capacity building from both the provinces and other providers has been assisting municipalities in the improvement of their work. It would be interesting to look further into which kinds of capacity building have been most successful and share those with other municipalities.

Graph 18 Effects of Capacity Building



Summary

In section 7 we have looked at the relationship between the municipalities and the provincial governments. Two important components of that relationship when it concerns housing are first of all the alignment of planning and implementation and secondly capacity building of the municipality by the provincial government.

With regard to the alignment most municipalities are positive about the meetings they have with the provincial government on the alignment of planning documents. Though, the actual alignment of the documents is only happening in half of those cases. Even where there is alignment not all municipalities are certain that the provincial government will be able to fund the necessary housing projects.

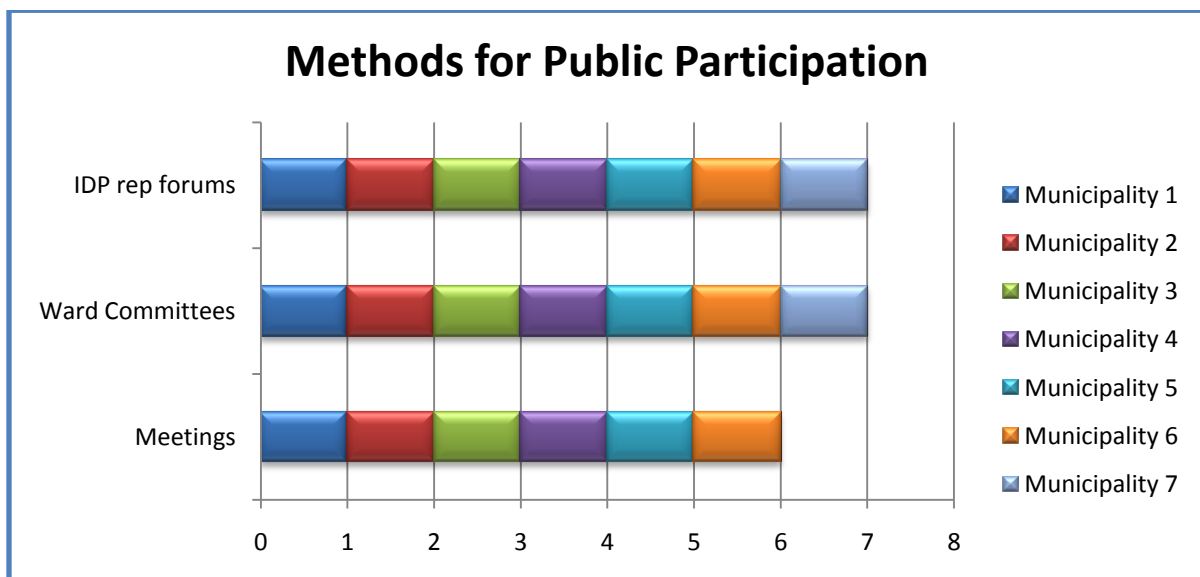
With regard to the capacity building that municipalities have received from the provincial government or other service providers and institutions, they are generally positive about the effect on the capacity in the municipality and on the service delivery. Although, the positive impact of capacity building cannot be proven by comparing it to the actual delivery, it does not mean that it does not contribute. In the process of delivery of housing there are so many factors that can influence the success in either positive or negative way, that it is impossible to determine whether or not, or to what extent capacity building has contributed to the success. It would be interesting though to find out from municipalities what kind of capacity building they think has contributed the most and would be advisable to other municipalities as well.

Section 8: Public Participation

According to legislation, municipalities have to give the public an opportunity to give input and comments in planning processes. Housing is no exception. Municipalities were asked whether they involve the public in the planning for housing, and if so, what methods they use to ensure this involvement. Experience in the housing sector has shown that public participation is crucial. Housing projects are often highly politicized. People will have objections to housing projects if they think it will have a negative impact on their neighbourhood or the value of their own property. Further, the priority for one housing project or location over another can be an issue of public interest. Informing and consulting with the public is crucial for municipalities to ensure that housing projects can be implemented successfully.

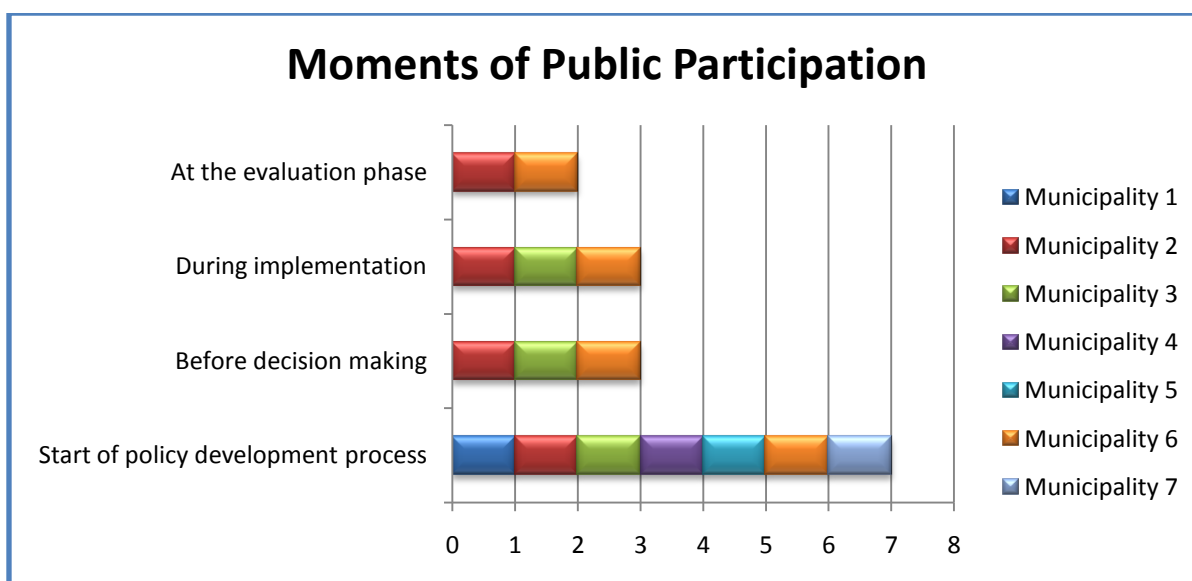
In Graph 19 different methods for public participation are shown with the number of municipalities that ticked each method in the questionnaire. It is clear that almost all municipalities make use of the three different methods for public participation. Because almost all municipalities are making use of these three methods, there maybe valuable lessons that municipalities can share with each other on how they interact with the public.

Graph 19 Methods of Public Participation



Municipalities were also asked at which moments they engage with the public (see Graph 20). One municipality did not answer this question, but all others indicated that the public is involved at the start of the policy development process. Further on in the process and moving up in the graph, fewer municipalities have their public involved. Only two municipalities (No. 2 and 6) have the public involved in all phases.

Graph 20 Moments of Public Participation



Further details were asked in the second questionnaire in which 5 municipalities indicated which methods they used for public participation. As is shown in Table 9, beneficiary meetings and consumer education are the most used methods for public participation. These methods only involve a limited group of people that will be directly benefiting from the project. Though, it is also important for municipalities to inform and involve the larger public, both people that will be affected because they live in the area of the project as well as the public at large. When these groups are not properly informed and involved, the chances of objections from these groups become larger and can delay the implementation of projects. Ward committee meetings and general public meetings can be useful methods to reach these target groups.

Table 8 Methods of Public Participation

Municipality	The How of Public Participation
1	Housing consumer education
	Beneficiary meeting
	Emerging contractors meeting
2	Mid-way consumer education
	upon completion: consumer education
	satisfactory surveys
3	ward committee meetings
4	Regular beneficiary meetings
5	Public meetings
	Beneficiary training sessions
	Housing forum
	PSC workshops
	Through questionnaires

In Table 10 an overview is given of the answers of municipalities to the questions regarding the impact that public participation has had on the projects and/or the planning process. One

municipality did not answer these questions. In all cases, the public participation has made some kind of impact.

Table 9 Impact of Public Participation

Municipality	Impact of Public Participation
1	It actually enabled us to get all the necessary documents completed in time i.e application forms, social contract, election of housing committee
2	Input of PP process incorporated into plans where possible. Projects were delayed in order to consult with the community. You get to understand what communities want e.g. providing serviced stands first and houses later or they can build houses themselves. Social economic surveys conducted and information used for forward planning.
3	Plans for type of housing will be affected by community inputs
4	Some things were done differently
5	People are involved throughout the building process
6	Change of stand sizes

Some municipalities indicate that the public participation process does delay the delivery of the project, but at the same time it improves the quality of the project or even makes the work for the municipality easier.

Though, in general many people may consider public participation processes as an obligation that the municipality need to comply with. But in this benchmark it is shown that at least a few municipalities have benefited from the public participation and been able to provide a better product to the public and also benefit from the input of the public. Especially the municipalities 1 and 2 seem to have benefited from the public participation and have both mainly focused on the consumers and/or beneficiaries.

Summary

Housing projects cannot be implemented without public participation. Experiences in several municipalities have shown that the public needs to be informed when housing projects are implemented in their municipality and especially in their own neighbourhood. Housing is a highly politicized issue and often the subject of community protests and political encounters. Housing projects have impact on the area in which they will be delivered. Many people protest against housing projects that they think will have a negative impact on their neighbourhood and/or value of their property.

The municipalities in this benchmark have all used several methods of public participation and at most of them have used it at several moments within the process to ensure the input of the public. The methods that have been most used are beneficiary meetings and consumer education, both focused on the end-users. There seems to be lack in involving the public at large. In some cases, providing information is the most important part of public participation. For people it is important to know what they can expect from a project and what the effect of it will be on their neighbourhood.

Public participation has impact on the projects. Some municipalities consider it as a delay for the projects, but others have seen benefits for the municipality and have been able to improve or speed up the process.

4. Conclusions and Recommendations

Introduction

The benchmark in housing has been conducted among the 7 municipalities that are taking part in the LOGO South Country Programme South Africa, which is focused on capacity building in rental housing. The purpose of the benchmark is to compare the service delivery of the municipalities among each other, but most of all to give the municipalities an opportunity to take an inward look into their own performance and to learn from the good practices of other municipalities.

Although the collection of the data was a challenge and municipalities were not always able to get the necessary information, this benchmark has provided insight in the current status of housing in these municipalities. With these insights and the recommendations that they receive, municipalities can improve their performance. Furthermore, other stakeholders in the sector can also learn from these lessons.

The benchmark process in itself was a learning experience for the participating municipalities. It allowed them to take an inward look into their operations and performance and realise what their roles and responsibilities are. The questionnaire triggered them to think about these issues and made them aware of the gaps in their data and the performance. One of the municipalities already mentioned in the second benchmark meeting that they had taken actions to improve their organisation based on gaps they discovered through the questionnaire.

Conclusions

Policy Development and Demand Data

Municipalities are important stakeholders in the delivery of housing. They create the environment that is required for the delivery of housing projects. Municipalities need to identify the needs of the population and the opportunities for housing. Municipalities are the one sphere of government that is close to the public and responsible for the delivery of all the services that are needed for the implementation of housing. For the municipality to facilitate the implementation of housing, they need to have detailed knowledge of the demand for housing. Demographic data is a valuable asset in the determination of the demand for housing. Unfortunately, this data is not always available.

Municipalities indicated that they have a good overview of the demand on a number of issues, such as the demand according to income group, or the preferred location. We live in a rainbow nation and have people with very diverse needs and wishes for housing. People cannot all be accommodated in RDP houses. Therefore, sometimes further research is needed to be able to plan for specific projects. Two municipalities in this benchmark group have done this. They have had a socio-economic survey done specifically focussed on rental housing and they have already experienced the benefit of this. If the municipality is aware of what the public wants exactly, it will be easier to plan and deliver the services that match the demand.

Roles and Functions

The line between the functions of the provincial and local government is set in different pieces of legislation. Though, in practice this line is not so clear. The separation of functions is an artificial one. Municipalities have many functions that are the basis for housing delivery, so they have to plan for everything, except for the actual houses. This is an unnatural division which causes confusion about responsibilities and it causes delays in the delivery. Although, the discussion about the roles of provincial and local government in housing is continuous, municipalities are taking their responsibilities when it comes to housing.

In section 2 we saw that municipalities are performing many of the major functions in the housing sector. Some municipalities are better equipped to take over certain responsibilities than others. Where capacity is lacking the municipalities often have to depend on external service providers, amongst others for the development of planning documents and policies. Though, this is a common phenomenon in the local government sector and not limited to housing departments, it is not an ideal situation. Municipalities indicate that they have the necessary planning documents in place, but these do not always reflect the actual delivery. In two municipalities the two did not match in three others they did. Because of the limited number of municipalities that answered this question, it is difficult to establish a common trend. Though, in the social housing benchmark we picked up this trend where six of the thirteen municipalities did not have a match between policy and delivery. Municipalities where the planning and delivery are actually matching can be examples for other municipalities that do not manage to synchronise the two yet. The quality of the planning documents could not be explored in this benchmark, though would be an option for the future. Good delivery has to start with good planning. As everybody knows in the housing sector, you cannot build a quality house on a bad foundation.

Institutional Arrangements and Resources

The information on the resources that were made available for housing in the municipalities was (partly) missing in most cases. One of the municipality's tasks is to plan for housing and to deliver the necessary services. To be able to do this and to plan ahead for this delivery, they will also need to know how many subsidised houses have been delivered. It would be necessary to find out why the municipalities cannot provide this kind of information.

With regard to the Human Resources in the housing departments, there was one municipality that stuck out in terms of the number of staff members. This is depending on the size of the municipality. Even though it seems to be out of proportion compared to the other municipalities, when calculated per 10 000 inhabitants, this municipality scores the second highest. The score of employees per 10 000 inhabitants puts the municipalities closer together, though with one municipality sticking out on top and one scoring very low. Unfortunately, it was not possible to establish a link between the number of employees in the housing department and the number of delivered housing units because of a lack of data and the small size of the benchmark group.

The numbers of the vacancies in the departments are low in absolute terms, though when compared to the total number of positions in the departments the proportions reach as high as 38%. Unfortunately, two municipalities had not answered this question and because of the small sizes of the housing departments it is difficult to draw any definite conclusions about

this situation. Because most of the housing departments are small, the impact of a vacancy is higher than in departments with many employees. Furthermore, the most vacancies are in higher level positions. This can impact the performance of the department significantly.

Current Housing Status

Identifying suitable areas for social housing is one thing, but finding suitable land is another. In most of the municipalities the land that is suitable and available for housing purposes can be hard to get. Municipalities, together with the other spheres of government and parastatals are common owners of land, but for the municipality to have this land transferred to the municipality for housing can be a major challenge. Only one municipality has had a successful land transfer, but they indicated that it was a lengthy process. The cooperation and intergovernmental relations between the spheres of government need to be improved to enable easier transfer of land. The Housing Development Agency (HDA) should play an important role in this. Private land owners are also holding a lot of land, but many municipalities do not have the financial means to purchase the land.

Although most of the respondents are of the opinion that the Councillors are well informed about the different housing programmes, they also think that further training and education for political representatives is necessary. Many people, Councillors, public and others, have a wrong perception of some of the housing programmes, especially regarding rental housing, though they may have been under the impression that they understand it perfectly. It is crucial that political representatives know what the programmes entail. They have to make decisions that affect the public, but they also have to be able to inform the public. Especially the ward Councillors are in close contact with the community and they have to be able to explain to their communities what it entails when a housing project is implemented in their ward and what the consequences for the people will be.

Of the municipalities in the benchmark, five had housing stock that was managed by the housing department. This is not an easy task in the current housing market. Especially when it concerns public stock the rate of non-payment is very high. Most of the municipalities indicated to have a low rent collection rate and that creates a lot of problems for the management and maintenance of the stock. One of the municipalities left the management of the stock to a SHI. When the municipality does not have the capacity to manage stock themselves they can outsource the management to a SHI. Overall, SHIs perform better in the management of rental stock due to a number of factors that puts them in a better position to manage the stock.

Housing Delivery

RDP housing remains the most implemented housing programme, at least for the municipalities in this benchmark. But besides RDP there are also some other housing programmes that are implemented in and by the municipalities. Furthermore, except for one municipality, they were all responsible for the implementation of the projects, either by themselves or in cooperation with the provincial government. This shows again the commitment of municipalities in housing and the vague division between the roles and responsibilities of the local and the provincial governments in the field of housing.

Two factors appear to be determining for the level of responsibility that the municipalities are given in housing delivery. The provincial policy on how to manage the allocation of the subsidies is a crucial element. As can be seen in the Western Cape, municipalities have received responsibilities that municipalities in the rest of the country do not have. Another factor is the capacity of the municipalities. Where municipalities do not have sufficient capacity to take on these responsibilities, it is not possible to delegate it. The municipalities in the Western Cape can be good examples of how this responsibility has been delegated and how they are performing. It would further be interesting to benchmark the Western Cape municipalities to compare their performance amongst each other and draw lessons learned from the Western Cape model.

Accreditation and Capacity Building

The process for accreditation of municipalities has been slowly moving forward. Of the municipalities in this benchmark, none have been accredited. As was discussed earlier, the municipalities in the Western Cape have been given responsibilities regarding the management of the housing budget, though without the label of accreditation. There can be valuable lessons learned.

One of the responsibilities of the provincial government is to assist municipalities in capacity building. Besides the provinces, other institutions and service providers have also offered different kinds of capacity building to municipalities. Most municipalities have made use of some kind of capacity building and indicated that it had benefited their capacity and/or their service delivery. Although it is difficult, if not impossible, to determine the exact impact of the capacity building because there are too many factors that also influence the delivery, the fact that many municipalities consider it beneficial, does indicate that it must have been useful. Further research into which kinds of capacity building have been most effective for some municipalities, could identify good practices that can be used for other municipalities.

The relationship between the municipality and the provincial government is important for the alignment of planning and implementation of housing projects. In general the municipalities were satisfied about the contact they have with the province to discuss this alignment. Though, the alignment is not always established. This is a gap that needs to be investigated. Some of the municipalities also indicated that, even though planning may be aligned, they are still not certain that the province will be able to fund all the necessary and planned housing projects.

Public Participation

In the benchmark municipalities have indicated what forms of public participation they have used in the planning and implementation phases of social housing. Especially in housing it is important to have proper public participation. First of all, the public needs to be properly advised about the housing projects that the municipality is planning to implement. Many conflicts between municipalities and communities regarding housing projects, could possibly have been prevented if there had been better engagements with the public to inform and consult them. People need to know what the impact of a project on their neighbourhood will be. Many municipalities have described their experiences with public participation as something that delays the projects, though two municipalities have indicated that they benefited from the input and feedback they had received from the public. These benefits

should be more highlighted. Public participation is not an obligation that needs to be done and can then be ticked off. Municipalities must engage with the public because they see that it adds value to the projects and eventually creates a better end-result, a satisfied community and a good relationship between the municipality and the community.

Overall, the benchmark has identified quite a number of trends and good practices that can assist the participating municipalities, but also other municipalities that have not been part of the benchmark and other stakeholders in the sector. Besides recommendations for individual municipalities, there are also general recommendations which will be presented below.

Recommendations

The results of the benchmark project have given clarity and insight on issues, but have also raised further questions or subjects for further research. In some cases we could identify positive trends, but because of the nature of the questionnaire, were not able to find out how these were achieved. Some of these issues can be incorporated in possible future benchmarks, others would need to be researched separately.

Throughout the benchmark process, we have noticed that it is difficult for municipalities to collect data and information. Some of the information that was difficult to get, was elementary to the planning process for housing programmes at municipal level. This is a disturbing trend and it will need to be investigated what the cause is of this problem and how this can be improved.

The relationship between the provincial and local governments does not always seem to be sufficient. Even though there are meetings the alignment and implementation of projects remains a challenge. Part of the cause could be the grey area between the responsibilities of the provincial and local government levels in the housing sector. Municipalities need to know in advance how many subsidies they can expect in a financial year, so they can make the necessary arrangements to deliver the services. Better communication between the two spheres of government would be necessary. Furthermore, the system that the Western Cape is using may also work in other provinces. Research should be done on the results of this system, if that has not been done yet and then one could investigate if it could work in other places as well.

During the benchmark process there have been meetings for the participants to share their experiences and to learn from each other. Most of the participants were officials, which was logical because of the technical character of the questions and the discussions. Though, based on the part on the capacity building that political representatives would need, it may be good to look into possibilities for similar engagements between Councillors. It would be useful for Councillors to exchange their experiences with each other as well.

Benchmarking is a process that needs to be repeated to see what progress is being made and how recommendations and advice have been implemented. Based on the results of this benchmark, it would be advised that this process is repeated. This benchmark covered a lot of elements regarding housing, but on many occasions could not go into detail. Because the

housing sector and especially the concept of human settlements is all-encompassing, it may be interesting to execute benchmarks in specific areas within human settlements and to be able to get into more detail of certain elements.