

## **GAUTENG PROVINCIAL LEGISLATURE**

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# **ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS**

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Monday, 21 March 2022

### **ANNOUNCEMENTS**

none

### **TABLINGS**

none

### **COMMITTEE REPORTS**

1. The Chairperson of the Co-operative Governance, Traditional Affairs and Human Settlements Portfolio Committee, Hon. K P Diale-Tlabela, tabled the Committee's Focused Intervention Study (FIS) Report "An Investigation into the identification process of the Housing beneficiaries and the allocation of RDP Houses in the Gauteng Province", as attached:



# GAUTENG

## LEGISLATURE

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### CoGTA AND HUMAN SETTLEMENTS PORTFOLIO COMMITTEE

#### “AN INVESTIGATION INTO THE IDENTIFICATION PROCESS OF THE HOUSING BENEFICIARIES AND THE ALLOCATION OF RDP HOUSES IN THE GAUTENG PROVINCE”

Committee Details		Department Details	
Name of Committee	COGTA & Human Settlements Portfolio Committee	Name of Department	Human Settlements
Which Financial Year	2021/22	Dept. Budget Vote Nr.	08
Which Imperative	Focus Intervention Study (FIS) Annual Report 2021/22 FY	Hon. MEC	M. L. Maile
Committee Approvals			
	Name	Signed	Date
Hon. Chairperson	Ms. Kedibone Diale-Tlabela		16 March 2022
Adoption and Tabling			
Date of Final Adoption by Committee		Scheduled date of House Tabling	
16 March 2022		22 March 2022	

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<b>ACRONYMS</b>	
<b>BCM</b>	<b>Budget Cycle Model</b>
<b>CHH</b>	<b>Child Headed Households</b>
<b>CLO</b>	<b>Community Liaison Officer</b>
<b>CoGTA</b>	<b>Cooperative Governance and Traditional Affairs</b>
<b>CSIR</b>	<b>Council for Scientific and Industrial Research</b>
<b>DM</b>	<b>District Municipality</b>
<b>FIS</b>	<b>Focus Intervention Study</b>
<b>FLISP</b>	<b>Finance Linked Subsidy Programme</b>
<b>FSH</b>	<b>Fully-Subsidised Housing</b>
<b>FY</b>	<b>Financial Year</b>
<b>HOD</b>	<b>Head of Department</b>
<b>IPWs.</b>	<b>Instruction to Perform Work</b>
<b>LDO</b>	<b>Local Development Officer</b>
<b>LM</b>	<b>Local Municipality</b>
<b>MEC</b>	<b>Member of the Executive Council</b>
<b>MTEF</b>	<b>Medium Term Expenditure Framework</b>
<b>NHNR</b>	<b>National Housing Needs Register</b>
<b>PEBA</b>	<b>Programme Evaluation and Budget Analysis</b>
<b>POA</b>	<b>Program of Action</b>
<b>PWD</b>	<b>People Living with Disabilities</b>
<b>RDP</b>	<b>Reconstruction and Development Programme</b>
<b>SAHRC</b>	<b>South African Human Rights Commission</b>

<b>SOM</b>	<b>Sector Oversight Model</b>
<b>TRU</b>	<b>Temporary Relocation Unit</b>

# Cooperative Governance and Traditional Affairs (CoGTA) and Human Settlements

## Portfolio Committee

22<sup>nd</sup> March 2022,

The Hon. Chairperson of Cooperative Governance and Traditional Affairs (CoGTA) and Human Settlements Portfolio Committee, Ms Kedibone Diale-Tlabela, tables the Portfolio Committee's (FIS) Report emanating from the Annual report of the Department for 2021/2022 FY, on "An Investigation into the Identification process of the Housing Beneficiaries and the Allocation of RDP Houses in the Gauteng Province".

### 1. INTRODUCTION

The constitution of the Republic of South Africa provides the Legislatures power to ensure that the Executives or Government is accountable and that the oversight, law-making, cooperative governance and public participation mandate are upheld. This is fundamentally enforced through the committee systems and oversight models that the Gauteng Provincial Legislature (GPL) has at its disposal. As one of the tools that the GPL utilizes to dissect the performance of Gauteng Provincial Government (GPG) Departments, the Gauteng CoGTA and Human Settlements Portfolio Committee, in this regard, intend to make use of Focused Intervention Study (FIS) to independently verify the achievements reported by the Department. This is the second FIS which is informed by the Department's Annual Report for the 2021/22 Financial Year (FY).

According to the Sector Oversight Model (SOM), the FIS is part of the Budget Cycle Model (BCM) considering that it is the only stage that does not involve submission of reports by the Department. Therefore, the subject is not strictly prescriptive, and it ranges from exclusive variables to several variables, or all the variables. The crucial aspect of this FIS in the BCM provides the Committee with an opportunity to reflect on the work of the completed FY against the mid-point of the current FY.

The Committee will essentially be able to assess the Department's budget projections (actual inputs) and implementation processes (actual outputs) in relation to what was tabled during the beginning of the FY of the 2021/22.

The Committee will also focus its oversight mandate based on the state of service delivery undertaken by the Department, while taking into cognizance the implementation of the abandoned/incomplete housing projects. This is through monitoring and evaluation of the Department's performance as indicated

in the Annual Performance Plan (APP). During the FIS processes the Committee is able identify critical areas that hampers service delivery, thereby advising the Department to address those matters . For instance, the Portfolio Committee will be assessing the progress made with regard to the abandoned/incomplete housing projects in the Gauteng Province since the implementation of the turnaround strategy.

The SOM model specifies that in conducting good oversight, different methodologies can be applied. One of those methodologies is the FIS. FIS is defined as an in-depth investigation on a programme/sub-programme regarding sustainability issues or implementation bottlenecks. This enlightened the Committee to better understand the Department's shortcomings on a project, while providing solutions or suggestions that will assist in reversing backlogs.

## **2. PROCESS FOLLOWED**

- On the 02<sup>nd</sup> December 2021, the Committee Researcher presented the three FIS topics and subsequently the committee chose one.
- On the 02<sup>nd</sup> February 2022, the Committee Researcher further presented the background information and the methodology of the chosen FIS topic.
- On the 01<sup>st</sup> March 2022, the Department presented on the FIS topics through a webinar Seminar.
- On the 16<sup>th</sup> March 2022, the Committee considered, deliberated, and adopted the FIS Report.

## **3. COMPLIANCE AND QUALITY**

The Portfolio Committee noted that the Department's presentations and submission of documents has been sent on time.

## **4. OVERSIGHT ON STRATEGIC PRIORITIES**

The identification of the topic “An Investigation into the Identification process of the Housing Beneficiaries and the Allocation of RDP Houses in the Gauteng Province” is consistent with the Portfolio Committee's oversight on the Department's performance against strategic priorities.

The Portfolio Committee noted that the allocation policy was made to ensure that the Housing Allocation process is implemented across all the housing programs of the province (including municipalities) in a fair, equitable and transparent manner; to ensure that the housing allocation process promotes sustainability, good governance within various communities in the province.

Furthermore, to promote and foster spatial equity and efficiencies by promoting the right of beneficiaries to make a choice on where to access their housing opportunity.

## **5. BACKGROUND INFORMATION**

The aim of the Portfolio Committee FIS process was to get a better understanding on the housing allocation policy. The Committee envisaged that after all the discussions, propose an amendment to a Bill that might be existing that speak to the housing allocation policy. The Committee conducted a Webinar that was identified as methodology used for the consideration of the Committee FIS.

There Webinar targeted stakeholders at various fields, ranging from the academics, legal practitioners, that were preferred as they work in Pro-bono institutions and were expected to provide their first-hand information on the challenges that are faced by the people when trying to access housing.

This webinar was the first step towards identifying any gaps in the housing allocation policy. After the webinar, the Portfolio Committee is expecting to have a better understanding of the whole application and the ultimate allocation of an RDP house.

The Portfolio Committee noted that in 2019, there were proposed changes to the City of Cape Town's Allocation Policy: Housing Opportunities (2015). The proposed changes vary and relate to the different types of State-subsidised housing opportunities, including Breaking New Ground (BNG), Council Rental Housing as well as the Upgrading of Informal Settlements Programme.

The proposed changes to this policy aim to enhance fairness, create greater transparency, draft clear policy provisions and expedite decision-making time when selecting and allocating State-subsidised housing opportunities to qualifying beneficiaries who are registered on the City's Housing Database.

In 2020, the Municipal Council has approved the Housing Allocation Policy for Bitou Local Municipality in accordance with the Western Cape Provincial Framework Policy for the selection of housing beneficiaries. The Housing Allocation Policy is currently under review.

It is against this background that the Portfolio Committee proposes to undertake a "Knowledge exchange visit" to the Western Cape. The reason why the Portfolio Committee chooses the Western Cape is because of the similar problems that both these provinces face when it comes to migration and the housing backlog. Both these Provinces have opportunities that people from rural provinces seek and therefore seek accommodation in terms of rental, informal settlements, land and RDP houses. Seeing



that the Western Cape has started the process of reviewing the housing allocation policy. This will be an opportunity for the Portfolio Committee to learn and share experiences.

## **6. FINDINGS OF THE FOCUS INTERVENTION STUDY (FIS)**

### **5.1. Highlights of the Presentation by the Gauteng Department of Human Settlements**

The Gauteng Department of Human Settlements (GDHS) along with accredited municipalities are tasked with the mandate of ensuring progressive provision of adequate housing in the province as outlined in Section 26 (1) and sub-section (2) of the South African Constitution (Act No. 108 of 1996). The purpose of this policy is to provide adequate housing to the people of Gauteng.

#### **Allocation Guidelines**

- The Department shall during the process of allocation prioritise the 1996/97 applicants still in need of housing assistance; The unidentified special needs categories are the Disabled, Child Headed households, the Aged and Military Veterans
- For the purpose of ensuring that special needs housing demands are taken care of, 5% of the identified special needs categories shall be prioritized in each housing project

The Department reported that the policy was signed in October 2020. The objectives of the policy was to ensure that the Housing Allocation process is implemented across all the housing programs of the Province (including municipalities) in a fair, equitable and transparent manner; to ensure that the housing allocation process promotes sustainability, good governance within various communities in the province;

To Promote and foster spatial equity and efficiencies by promoting the right of beneficiaries to make a choice on where to access their housing opportunity.

#### **The policy position:**

- To ensure that housing allocation process is done in a fair, equitable and transparent manner,
- a sound allocations policy should be put in place in order to restore trust deficit between government and communities through the housing delivery value chain,
- Allocations Policy must reinforce the achievements of developmental outcomes on integration, inclusion and spatial transformation
- The Department and municipalities need to work closely together to effectively deliver on the tenets of sustainable human settlements development

- Housing allocations should be done in a way that helps and enable government to deal with delays of allocating houses to qualifying beneficiaries in an effective and efficient manner

## **5.2 Presentation by City of Joburg Municipality**

The City of Joburg reported that their presentation is similar to the one made by the Department and nothing much to present on.

On allocation of houses, in order to improve the efficiency and to enhance transparency and accountability in the allocation of houses, the Department of Housing has decided that the following allocations processes must adhere to:

- The allocation of houses to beneficiaries to projects should be assigned to a Dedicated Housing Team (Project Managers, Regional Heads and Municipal Officials) and to be done in line with the Needs Register and the Housing Allocations Policy
- Relocations of beneficiaries to houses should be approved by the Joint Allocations Committee. It is the responsibility of the Regional Offices through the Project Managers to collect, receive and manage the keys from contractors on completion of housing projects. In each Regional Office, there shall be a key register of all completed housing projects
- Beneficiaries should be made to sign the key register at the Regional Offices for confirmation of proper allocation and assurance that the key(s) have indeed been handed over to the rightful beneficiaries in respect of completed house(s)
- This control system seeks to reduce the risks of wrongful allocations and illegal occupation of houses which constitutes fraud, corruption and maladministration.

## **5.3 Presentation by the Council for Scientific and Industrial Research (Csir)**

**Noted that Waiting Lists of ‘Beneficiaries’ and Databases of Housing Needs (As An Allocation System) are not so Effective at Matching Demand and Supply**

- Linking houses with beneficiaries early on means a time lag between application and occupation
- Allocation processes can be subject to interference at some points, which skews policy intent and distorts the market
- The promise of being registered in a database can rarely be met
- Housing demand data (and backlogs in adequate housing) is being conflated with data about applications for state support (expressed demand), making planning difficult and chasing a receding target
- System is not adaptive to shifting demand: e.g. pressing need for a lot more rental accommodation in Gauteng

- Sheer scale and dynamism of demand defies state dominated housing planning and allocation mechanisms
- Housing stock is agnostic, at least most urban housing is, however we treat it otherwise – people move.

**CSIR recommended that the Department should:**

- Focus could be put on to scale production of diverse products (even massive small)
- Engage all partners and investors
- Understand and accommodate residential filtering
- Understand need, demand (expectations) and effective demand
- Accommodate housing choices by people (strengthen agency)
- Partially delink state housing opportunities from early beneficiary allocation – except for very targeted welfare sub-programmes
- Remodel the state's value proposition and communicate this

**5.4 Presentation by South African Human Rights Commission (SAHRC)**

The SAHRC reported that of the total complaints received by the SAHRC 5% of the 5238 complaints received during the 2014/2015 financial year related specifically to the right of access to adequate housing.

- The main issue raised by complainants is the lack of transparency regarding the process of housing allocation and State-driven housing plans
- The lack of provision for persons living with disabilities
- People who have applied for housing cannot view the waiting list to establish where they are in the housing queue
- Confusion as to who bears the onus in providing bulk infrastructure on privately owned land, particularly with long-standing informal settlements, where inconsistent approaches have been adopted throughout the country
- A process of in situ upgrades often results in difficulties due to a lack of information regarding the criteria for the selection of beneficiaries information relating to subsidies for upgrades is not made readily available to communities for these benefits
- To be adequately accessed; and
- People relocated to temporary relocation accommodation (TRAs) find themselves being placed there more permanently rather than temporarily as intended, with TRA's often being located far away from the initial informal settlement from which occupiers were relocated or evicted, or far from accessing their places of work or schools

## **Recommendations of SAHRC Report**

- Provincial governments must ensure there is sufficient ring-fencing of funding to be allocated to various programmes as intended by the NDoHS, and should avoid the conflation of budgets allocated to policies aimed to achieve different outcomes;
- Municipalities should make time-bound action plans detailing the developmental process available and easily accessible to communities
- Communities are entitled to reject State proposals concerning their development and provide alternatives that respond to their daily realities; provincial governments and municipalities are obliged to consult with communities, and to take cognizance of alternative proposals made, however, the SAHRC recognizes alternative proposals made by communities may not be reasonably practicable in all instances this notwithstanding, provincial governments and municipalities must engage with communities with a view of identifying mutually agreeable solutions
- Ward committees must reflect the diversity of the communities they represent
- Community representatives must reflect the demographics of the community concerned, including marginalized groups such as women, persons with disabilities and children
- Municipalities must take steps to ensure that IDPs and housing allocation databases are transparent and made available to communities regularly; municipalities which do not currently have housing allocation databases should develop such a system to ensure that people have access to information and that housing allocation is done in a transparent manner

## **Corruption and mismanagement**

The SAHRC has received numerous complaints relating housing allocations where persons who were meant to receive houses, have not received the houses because the houses have been occupied by other people

## **Maladministration**

Municipal maladministration, lack of control and corruption are the main administration-related factors that cause housing challenges and ultimately informal settlements.

## **Poor construction**

The quality of material used for constructing the RDP houses is usually poor quality material. Reports shows that roofs, walls, doors, floors and windows are mostly poor standard as most are reported to be crumbling, pulling off, breaking without any external influence, but due to poor material and workmanship.

### **Location**

RDP houses are mainly built on the outskirts of cities, where large portions of land are available at a lower cost. This has created huge problems for the beneficiaries regarding traveling to work and schools and even medical facilities are a problem.

### **5.5 Inputs from Petitioners**

- Elderly people not prioritized
- Provide satellite offices near beneficiaries
- Finance Linked Subsidy Programme (FLISPS) is not assisting beneficiaries
- Lack of information from the Department and Municipalities, should have a common understanding when it comes to allocation
- Misalignment of understanding, conduct roadshows between the Department; Regional Offices and Municipalities to education people on this policy
- Disputes about stand ownership.
- Wrong allocation of title deeds does not match the ownership. One house owned by two people. One having a stand number and one with a house number and the computer is rejecting him.

## **7. FINDINGS OF THE FOCUS INTERVENTIONS STUDY (FIS)**

The Portfolio Committee conducted Hybrid Seminar on an Investigation into the Identification process of the Housing Beneficiaries and the Allocation of RDP Houses in the Gauteng Province. The FIS is aimed at assessing the GDHS's progress on allocation of RDP housing policy in the province. During the seminar, the Portfolio Committee discovered there is lack of transparency regarding the process of housing allocation and State-driven housing plans that caused this huge waiting list backlog. The Department cited various challenges, including vandalism and invasion of government houses by non-qualifying community members; finalization of beneficiaries administration process; and issues previously appointed contractors etc.

- Poor communication with beneficiaries
- Elderly people still staying in a shack
- Poor workmanship

- Poor performing contractors

## **8. OVERSIGHT ON PUBLIC INVOLVEMENT**

The Portfolio Committee interacted with affected Petitioners, Council for Scientific and Industrial Research (CSIR) and South African Human Rights Commission (SAHRC) who made inputs during the Portfolio Committee Seminar held in Tshwane at The Innovation Hub on the 01<sup>st</sup> March 2022. Their inputs are incorporated in this report.

## **9. PORTFOLIO COMMITTEE CONCERNS**

1. Lack of a coherent and comprehensive communication on the Provincial Housing Allocation Policy to Gauteng communities.
2. Misalignment and lack of an integrated approach to implement the Provincial Housing Allocation Policy by municipalities.
3. No clear anti-fraud strategy to deal with those especially officials who manipulate the allocation system.
4. No clear communication and awareness on the FLIPS programme.
5. Lack of a coherent comprehensive updated data system of the National Housing Needs registry.
6. The Committee is concerned that vulnerable groups and the 1996 /1999 lists beneficiaries are not sufficiently prioritised in the allocation process that has been happening throughout the province.
7. The Portfolio Committee remain concern with corrupt practices during allocation of houses and the non- responsiveness of the department in dealing with the allegations.
8. A mismatch and misalignment on issuing of title deeds to beneficiaries already allocated houses.
9. Lack of corporation between Municipalities and the Department during the allocation of houses.
10. Lack of coordination between National and Provincial Department on the housing registry.
11. The Portfolio Committee is also concerned with the slow pace of allocation of backyard and hostel dwellers during housing allocation in Gauteng.

## **10. OVERALL PORTFOLIO COMMITTEE RECOMMENDATIONS**

The following are the Portfolio Committee's proposed recommendations on the FIS report which the Department should respond to by the **31<sup>st</sup> of May 2022**:

1. The Department should provide a coherent and comprehensive communication strategy on the Provincial Housing Allocation Policy to Gauteng communities.
2. The Department should ensure alignment and an integrated approach to implement the Provincial Housing Allocation Policy by municipalities.
3. The Department should put stringent measures in place to tighten the system and take action on officials that manipulated the system.
4. The Department should submit a report on FLIPS beneficiaries and provide a marketing strategy that educates communities.
5. The Department should submit a detailed report on the updated National Housing Needs Registry (NHNR) data system on people who are still on the waiting list and those who benefited from the policy.
6. The Department and Municipalities must reconfigure the Waiting List and the Demand Database in such that those who have registered since 1996/99 are prioritised for housing allocation.
7. The Department should put stringent measures in place to deal with allegations of corrupt and malpractices during housing allocation.
8. The Department should provide a report on measures that are in place to rectify misalignment of allocation of houses and title deeds. Furthermore, provide strict measures to be used against those who evict people and invade houses.
9. The Department should provide the Committee with a comprehensive report on the collaboration with Municipalities on the process of allocation houses. The report should further provide plans on when educational roadshows will be held on the allocation and housing policy.
10. The Department should submit an updated housing register and ensure that there is coordination between National and Provincial Department.
11. The Department should also prioritize people staying in the backyard and hostel dwellers during allocation.

## **11. IMPLICATIONS ON LAW MAKING**

None.

## **12. ACKNOWLEDGEMENTS**

The Chairperson, Ms. K.P. Diale-Tlabela, wishes to thank the Honourable MEC Mr. L Maile, the Head of Department, Ms. P Mbanjwa and her team.

The Chairperson further wishes to acknowledge and express her gratitude to the Honourable Members of the Portfolio Committee on CoGTA and Human Settlements Ms B Mncube; Mr G Schneemann; Mr P Malema; Mr M Citrota; Mr S Msimanga; Mr B. Dhlamini; Ms K Tong; Mr M Ledwaba; Mr D Adams; and Ms. A De Lange.

Furthermore, the Portfolio Committee would like to express appreciation for the contribution of the following support staff members: Group Committee Coordinator Ms. Z Pantshwa-Mbalo; Senior Researcher Ms. S Nenweli, Committee Researcher Ms. A Gwebani, Senior Committee Coordinator Ms. J. Moteke; Committee Administrator, Ms N. Nzimakwe; Service Officer, Ms C. Mnethwa; Hansard Recorder, Mr. N Mbonani; Senior Information officer, Mr Lebogang Ncume; and Media Officer; Ms. P Bulasigobo for their dedication and commitment.

### **13. ADOPTION**

In accordance with Rule of Rule 117(2) (c) read together with Rule 165, the Portfolio Committee on CoGTA and Human Settlements presents to the House the Second Focussed Intervention Study (FIS) Report on “An Investigation into the Identification process of the Housing Beneficiaries and the Allocation of RDP Houses in the Gauteng Province’ for adoption taking into account the proposed committee recommendations made in this report.