

**Housing Delivery within Local Government:Case Studies of Ladysmith-
eMnambithi and KwaDukuza Municipalities**

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Dedication

This dissertation is dedicated to my 'precious rock', Mom Jabu, for enabling me to face challenges in life with courage and strength .

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Chapter One

Introduction

1 Introduction

The aim of the study is to get insight into local government performance in housing delivery and to find out why housing delivery is slow in some municipalities and not in others. The first chapter lays down a plan for the study, indicating what the objectives of the study are, how they are going to be met and finally, what each subsequent chapter contains.

1.1 Background

Through its broad policy framework of integrated economic and social change (the Reconstruction and Development Programme - RDP) and the New Constitution (Act 108 of 1996), the South African government has clearly indicated as a principle that all South African citizens have a right to a secure place in which to live in peace and dignity (ANC, 1994:22).

Housing is therefore regarded as a human right in South Africa, and this arrangement necessitates increasing national government intervention in the provision of housing.

The national government has set a housing policy and committed itself to delivering one million low-cost houses over a period of five years, commencing immediately after the first democratic government elections held in 1994. Such a move by the national government was an attempt to

meet the backlog estimated at between two and three million houses (a result of the apartheid policies of the previous regime)(Ministry of Housing, 1997:2).

Statistics from the Ministry of Housing (National) show that the current housing policy is already underway (this is supported by the number of government housing subsidies approved and houses built and/or under construction). Between March 1994 and December 1997, 235 709 houses of the one million promised were built and a further 673 188 subsidies have been approved (South African Institute of Race Relations,1998:200). Using this information one can argue that the government's target was unrealistic , and it seems likely that there is a problem with the process of housing delivery in all the three spheres of government (namely: National, Provincial and Local Governments). Officials who are supposed to effect such policy decisions within these government structures blame the legislation itself for the delay in the housing delivery process. On the other hand the National Ministry points its finger at the slow establishment of legitimate municipalities, blaming the delay on them. According to the Housing Ministry(1997), local government structures (municipalities) are the primary role-players executing the housing policy, responsible for helping the national government to meet its target by 1999. The national government set its target in 1993 and local government structures emerged only in November 1995. In KwaZulu-Natal these structures took effect in June 1996. However, the Minister of Housing is still adamant that the Ministry is going to meet the government's target by 1999. One wonders how the Ministry of Housing is going to deliver the remaining housing units in a few months with the budget cuts .

Now that we have the Transitional Local Government structures in operation, why is the housing delivery process still moving at a slow pace? Are problems cited at the National and Provincial

governments also impacting negatively on the local housing delivery process? Are the difficulties experienced by local governments peculiar and not the ones encountered by the other two spheres of government? Is it actually the municipalities' fault that the housing delivery process is slow or is the blame misplaced? What recommendations can this study make to local government structures and in order to make them speed up the housing delivery process?

In order to explore the actual situation with housing delivery in local government, two municipalities have been selected from KwaZulu-Natal Province. These municipalities are Ladysmith-eMnambithi and KwaDukuza Transitional Local Councils (TLCs). Both TLCs have been chosen because of their regional location and their social and economic importance within their respective regions. They both fall within the two main corridors in the Province, that is, the Inland and the Coastal Corridors. Ladysmith-eMnambithi falls in the Inland Corridor which links KwaZulu-Natal and Johannesburg and KwaDukuza lies in the Coastal Corridor which connects the Durban and Richards Bay ports. The two municipalities are the key economic contributors in their Regional Councils and offer employment opportunities for the inhabitants of the regions because of the economic activities which take place in both areas. They are a focus for urbanisation in the regions. This situation then exerts pressure in both Councils as they would have to provide amongst other things shelter for the people who are attracted into their areas of authority (Ladysmith-eMnambithi IDF, 1997 & KwaDukuza Borough Engineer's Report, 1997). Both case study areas have also suffered lack of development in some of their areas due to the apartheid policies on planning and development.

1.2 Research problem

The crucial issue in this study is that the housing delivery process seems to be faced with

problems in all the three spheres of government. The existing literature (newspapers, ministerial reports) indicates numerous problems which can be linked to such delays. Such problems include, the unavailability of land, inadequate housing finance, lack of skilled personnel, absence of a clear breakdown of functions, roles and responsibilities, as well as a lack of community participation (Ministry of Housing, 1996:7).

As a mandate from the National and Provincial governments, both the study areas (that is KwaDukuza and Ladysmith Municipalities) have each adopted an Integrated Development Framework (IDF) which identifies, among other things, housing as one of their priorities in their respective areas of jurisdiction (New Constitution, 1996:81). These Municipalities therefore have a role to play in implementing the government's housing policy, enabling the government to meet its target by 1999.

As part of the task which is to be undertaken by this study, the impact of such problems on housing delivery within local government will be determined through case studies of the KwaDukuza and Ladysmith Transitional Local Councils. Taking into account the fact that municipalities are operating from different backgrounds in terms of available infrastructure, existing tax bases, population densities, levels of industrialisation, and so on, yet they are expected to deliver housing as if they had both started off from equal circumstances.

The two Municipalities have been selected as a result of their background and circumstances in terms of housing delivery. The Municipality of KwaDukuza has not performed favourably since the election of its Council in June 1996. On the other hand, some housing has occurred and is still taking place in the Ladysmith Municipality. This scenario depicts clearly that although

housing delivery is taking place, the pace at which the process is occurring is not the same in all municipalities. This study is therefore aiming at uncovering the nature of the problems and experiences of each municipality with regard to housing delivery and thereafter make recommendations as to how the housing delivery process can be accelerated.

1.3 Research Question

This study attempts to answer the following question:

WHY IS DELIVERY WEAK IN SOME AREAS AND STRONG IN OTHERS - IS INACCESSIBILITY TO LAND, INADEQUATE FINANCE AND LACK OF SKILLED HUMAN RESOURCES KEY TO THE PACE AT WHICH HOUSING DELIVERY IS OCCURRING?

1.3.1 Subsidiary Questions

In trying to respond to the main research question (mentioned above) other issues related to the study areas will be tackled under the following subsidiary questions:

1.3.1.1 What is the role of local government in housing delivery? ✓

1.3.1.2 How does capacity in local government affect housing delivery? ✓

1.3.1.3 How does access to land affect housing delivery?

1.3.1.4 Is lack of housing finance a key to slow delivery?

Answers to the above questions will dig into the real problems which may be the contributing

factors in the delay of housing delivery by local government.

1.4 Hypotheses

This study is based on the following hypotheses:

The slow pace at which housing delivery is proceeding is caused by -

inaccessibility to land;

lack of housing finance and

lack of skilled human resources.

1.5 Delimitation of the study

This study will be confined geographically to the Province of KwaZulu-Natal (South Africa), to two of its urban municipalities, namely the Ladysmith and KwaDukuza Transitional Local Councils. The main focus will be on the process of housing delivery within the two stand-alone towns, with the aim of uncovering how the two towns have performed, the extent to which the issues mentioned in the hypothesis hamper the speed of the housing delivery process. The key participants in the housing delivery process (from the municipalities) will be the main source of information in this study.

The sub-hypothesis is that personnel charged with housing delivery tasks need to possess some professional skills and experience in order for efficient housing delivery to be made possible.

This study has a set of key assumptions which underpin it and enable it to fulfill the scientific

requirements for such piece of work. Such assumptions include:

1.5.1 Local government should deliver housing;

1.5.2 There is great demand and/or need for housing (especially in the selected study areas).

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is required to

1.6 Definition of key concepts

Different concepts can be used differently to define different things. People also attach different meanings to different concepts at different times. In order to avoid confusion and uncertainty, this study comes up with a working definition for each primary concept defined, and so the researcher hopes to avoid ambiguity.

The primary concepts are defined as follows:

1.6.1 Local Government

Local government is a fully autonomous sphere of government which serves as the mechanism through which communities are able to liaise directly with the state and in so doing extending their capacity for choice (Interim Constitution 1994, Harrison,1995).

For the purpose of this study local government refers to the elected sphere of government assigned the task by legislation (national and provincial) of developing, promoting, and maintaining the well-being of the society by providing, among other things, housing, safety and security, water, sanitary services in the locality for which the council is responsible (Local Government Transition Act,1997:23).

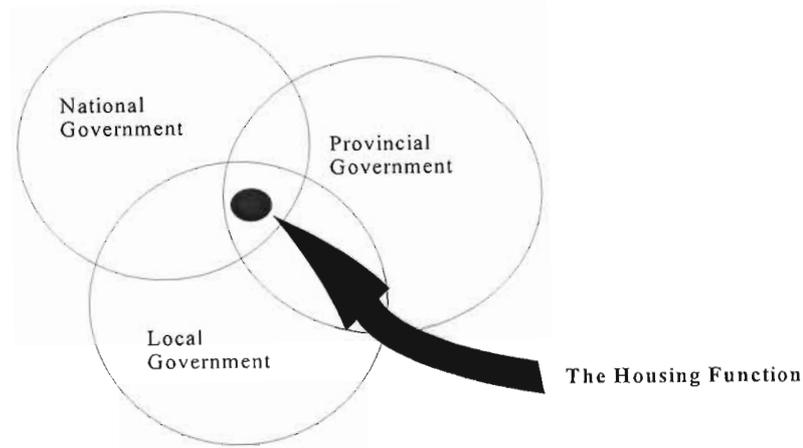


Figure 1

The National, Provincial and Local Governments Role in Housing Delivery.

The provision of housing is a local government responsibility, but this will only be made possible if all spheres of government co-operate in the delivery of housing (see Figure 1).

Councils and their policies are implemented by appointed officials.

1.6.2 Housing Delivery

For the purpose of clarity, the two words making up this concept will be defined individually before the whole concept is defined.

Firstly, from a Systems Theory perspective, housing is a system with sets of parts, elements or factors that interact in pursuit of certain goals. These goals are those of the customers of the system (that is, those who stand to benefit from housing operations). Since housing has multiple customers, defining it poses a number of problems as individual customers have different

perceptions. For example, designers, architects, policy-makers, and so on. Housing has been approached as a product, a commodity, as a process, as a place (the expression of identity, self-worth and the status of the inhabitants), as a territory and as a private domain (Arias, 1993:36). For instance, in the Random House Dictionary (1983), housing refers to any shelter or a dwelling place. This definition looks at housing as a 'product' produced in order to provide shelter over the heads of the homeless or any other people in need of shelter.

For the purpose of this study, housing is a 'process' which goes beyond just obtaining shelter as it involves accessibility to a number of different products, which are essential and have the potential to contribute to an improved quality of life and this should be the goal of every housing policy. These essential products come in a package. They are:

- 1.6.2.1 access to land;
- 1.6.2.2 access to shelter;
- 1.6.2.3 access to utility services (water, sewerage removal); and
- 1.6.2.4 access to an external social and physical environment (Dewar, 1996:3).

On the other hand, to deliver means to distribute goods or something to the intended recipients, to receive something or to carry out what is promised or required (Word Power Dictionary, 1996:800). The Random House Dictionary (1983), defines 'deliver' as meaning to carry out something to the intended recipient, to hand over, to cede, to give products, to do or to carry out as promised. Therefore, having delivery means providing the environments which give dignity to the people's lives and not simply providing shelter (Dewar, 1996:33).

The stages involved in the housing delivery process will be dealt with at in more detail in chapter two.

1.6.3 *Human Resources*

Human Resources refers to a considerable extent to management (government) being concerned with the employees in an organisation, that is, employees' well-being in terms of the development of their skills and expertise (Gerber, Nel & van Dyk, 1996:9). This study will place its emphasis on training and development of housing expertise in personnel as being the crucial human resources activity related to housing delivery in local government.

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1.6.4 *Housing Finance*

Housing finance is defined by the United Nations as being money provided by any source other than the residents or builders of the dwelling for the construction or buying of housing. Such money includes building funds lent to builders and mortgage funds lent to individual buyers by private or public banks and a wide range of other types of financial institutions (McGuire, 1981:27).

For the purpose of this study, housing finance will refer to the basic mechanism to provide money for buying and maintaining housing (Van Gass, 1992:3). The South African government has established a financial system in order to try and ameliorate the existing housing backlog. However, this plan does not seem to be dealing directly with the problem of the inadequacy of the finance it provides : there is still not enough housing finance to undertake the housing delivery function.

1.6.5 *Accessibility to Land*

Land is at the heart of the housing delivery process : without it the housing delivery process would not even begin. Access to land must be looked at on the basis of the following objectives: maximising the environmental quality of the sites, observing that different land parcels have different environmental features which suggest different developmental treatment. Another crucial issue is security of tenure within the housing system. Security of tenure means that access to land must be secure access. “It follows that the greater the security of tenure within the housing system, the better the system operates, regardless of the legal form of tenure (ie. whether land is owned or rented)...” (Denver 1996:4).

Inaccessibility to land therefore means the inability of municipalities to access the land available for the purpose of delivering housing - which is assumed to be a contributing factor to the slow pace at which the housing delivery is moving within local government.

1.7 Research Methodology

The aim of this section is to familiarise the reader with the methods used in gathering information on the study. It also provides an insight into the sources of information used in order to answer the research question.

Information in this study was gathered from the primary sources which included the interviews and site visits. Appointments with the respondents were co-ordinated by the TLC’s Town Planners. The researcher conducted non-scheduled structured interviews, in which the

interviewer had a list of themes on which the questions were asked, however, the interviewer was at liberty to ask other questions (not on the list) and the respondents were free to give open-ended answers voicing their personal opinions on some issues related to housing. Most interviews conducted were personal except for appointments which were not met by the respondents. In that instance the researcher conducted telephonic interviews.

Secondary sources of data were also used which included books, magazines, newspapers, journals and the internet. The secondary data was accessed through library and internet searches.

The objective of using interviews was to gather detailed factual information pertaining to housing delivery within local government, which would otherwise not be received through writing. Interviews involve personal contact between the researcher and the respondents and they also provide an opportunity to clarify both questions and answers at the same time. There is some level of flexibility attached to the type of interviews used in this study because both the interviewer and the respondents could go beyond the scheduled questions and give their opinions on some of the issues around the themes identified (Rossouw,1996:59).

1.8 Chapter Outline

Chapter Two outlines the theoretical framework which forms the basis of the study. Existing theories on local government and housing delivery, and national and international literature are reviewed with the objective of sharing experiences of other local governments with housing delivery. Lastly, cost and benefit considerations are followed by concluding comments.

Chapters Three and Four focus on providing a descriptive review and background to the Ladysmith-eMnambithi and KwaDukuza Municipalities, and assess the housing process in the two areas. Assessments are made against the background of the insight gained from Chapter Two. Area maps, pictures depicting the location of the municipalities and their housing projects are used. The evolutionary paths on housing development in the study areas are examined, and the key themes of the research problem are explored.

Chapter Five concentrates on the debate (that is, local government and housing delivery), through the presentation and the comparison of municipalities' performances in housing delivery.

Chapter Six is the final chapter which draws together the main areas of the study into an overall conclusion. Recommendations are then made for municipalities, housing policy interventions and also other related issues are raised.

Chapter Two

Conceptual Framework

2 Introduction

Almost every state has at one stage experienced a problem of housing. Usually such a problem has been expressed in terms of a shortage in the number of formal housing in relation to the number of available households within a state. There have been various reasons attached to such problems; they range from increasing urbanization, natural disasters, wars, to the unfavourable consequences of government policies. Based on the approaches adopted by individual governments some states were able either to resolve the housing problem or ameliorate the housing backlog. Therefore this section will look at the theories/approaches of housing delivery which underpin this study; international and national experience of housing delivery by local government, drawing lessons for South Africa which still confronts a considerable housing backlog. The focus will be on issues relating to land, housing finance, institutional forms/arrangements, skilled personnel to undertake the task of delivering housing. A brief history on local government and housing will be looked at with the aim of identifying the role of local government in housing, and also the stages involved in the housing delivery process.

Due to insufficient literature on the role of local government in housing, the review is quite small and therefore the lessons are limited.

2.1 The Housing Delivery Process

Chapter One indicates that this study has adopted Turner's approach to the meaning of housing. Turner asserts that 'housing' is a process which consists of a variety of activities (such as identification of land, finance, services, maintenance), therefore the housing problem identified in this study is based on the fact that 'housing' is a verb and not a noun (Nientied & van der Linden 1988:139).

The debate on the meaning of housing is followed by the perceived role of the government in the process of housing delivery. Some governments have adopted the socialist approach in trying to combat the housing backlog whereas on the contrary other governments have opted for the capitalist approach whilst still other governments have combined ideas from the two approaches and have managed at least to decrease the shortage of housing (Nientied & van der Linden 1988:140). All these approaches are discussed below.

2.2 Socialist Approach

This approach to housing calls for the government to take an active role in housing delivery within the country. Centrally planned economies of the socialist countries view housing as being a social right and therefore take a primary responsibility for the provision. If housing is seen as a 'social right' and hence a government's responsibility, it means the costs of housing are incurred by all the citizens of the country (as taxpayers). The socialist approach is adopted by socialist countries such as the Union of Soviet Socialist Republics where housing expenses take only a small portion of individual income and the rest is a responsibility of the

government (McGuire 1981:3).

The socialist approach calls for governments to formulate housing policies indicating the roles of each level of government in housing delivery and all levels of government have a responsibility in attending to the problem of housing. These policies can either be 'selective' or 'comprehensive'. Selective housing policies will target selected/special groups rather than the entire housing sector within the country; whereas comprehensive housing policies are non-discriminatory, government assistance to housing is targeted at all government citizens irrespective of their economic or social backgrounds. Under the socialist approach, governments use selective housing policies because the targeting of special groups will alleviate crisis (for example after a major natural disaster, civil war, depression, and so on). When the housing shortage is over, governments can then change to a comprehensive policy which enables governments to offer assistance across the board (McGuire 1991:11). For example, the Swedish government adopts a comprehensive housing policy which aims at integrating all people within the housing sector. On the other hand the Finnish government assists the middle class and the poor, but it does not help affluent people (Paris, 1990:205).

2.3 Capitalist Approach

Housing provision in capitalist countries is shaped according to a free-market model. The capitalist approach to housing is characterized by a minimal role of the government in assisting the housing sector, the government simply defers the housing process to private market forces and the individual consumer to establish the level of housing provision and prices. Housing is

therefore treated as a commodity, similar to motor cars and furniture. Housing delivery is driven by the interplay of supply and demand and the government is there to make sure that the housing market functions smoothly. This approach favours affluent people. The 'poor' are discriminated against because of their socio-economic circumstances and will fail to compete at the market for desirable housing. The poor will occupy houses previously occupied by the rich and will continue to 'filter down' as more affluent people vacate their old houses. This approach is utilised by capitalist states such as Canada, the United States of America (Van Vliet 1990:9).

2.4 Integrated Approach

From the two approaches to housing one can mention that there is no practical situation which reflects an absolute application of each theory. From the socialist approach/theory, while the government views housing as being a 'social right' and has to be a responsibility of the government, the government cannot manage to combat the housing problem on its own. Individual consumers of housing will still have to make some contribution to enable the government to solve the housing problem. Taking into cognisance the fact that the key source of government income is tax money, once the government takes such a huge responsibility it will rely on more taxes from the people and it will be the people indirectly financing their housing (Stren, 1988:143).

The capitalist approach points at the free-market model which takes care of the housing problem, but the market is enabled to function efficiently and effectively with the assistance of the government in levelling the playing field for the market to run smoothly. The government has to formulate good policies (for example on safety and security, zoning laws, labour relations) to



encourage the market to work favourably and by providing the infrastructure needed by the market which include water, electricity and roads (Cloete 1989:25).

This study is therefore based on an integrated approach to housing delivery which acknowledges the fact that as a process, housing calls for the combination of efforts from various role-players in the process. The extent of each role-player's role will be determined by the prevailing circumstances within the environment in which the sector operates. Such circumstances are influenced by the economy of the country, politics, culture, history, technological developments. Therefore housing problems should be looked at as being problems shared by the government (national, provincial and local), the people, the contractors, the private sector and Non-Governmental Organisations (NGOs). This approach is supported by Turner as he says that the national housing systems of housing provision involve actions of the public sector (the government), the private sector and the popular sector (the users) (Van Vliet 1990:11).

2.5 The International Experience : Housing Delivery

Foreign countries have experienced the problem of housing deficiency mostly as a result of rapid urbanisation which results in governments failing to supply enough housing for all citizens. A number of international countries have been able to alleviate this problem (for example Singapore, Sweden, United Kingdom, and other Third World countries), so sharing experiences with these countries may offer some good lessons for South Africa. Experiences of some of the international communities will be looked at under the following subjects:

2.6 Availability and accessibility of Land MB

Land is at the centre of housing delivery because without it housing delivery will not take place. Because of its importance in human settlement, land is regarded as being one of the major assets of every country. Where land supply is problematic, low-income and disadvantaged communities may be forced to access it through informal processes. On the other hand, private land ownership is regarded to be a key instrument of accumulation and concentration of wealth. This may result in social injustice as high prices may be charged by private land owners in an attempt to accumulate their wealth, the poor may end up being left out if they cannot afford the high prices charged. (Lack of formal control to land can result in the land being an obstacle in the planning and implementation of housing development programmes) (Oberlander 1985:1).

(Availability of land coupled with secure tenure has proved to be an effective tool in making the housing programmes work.) Some governments have opted for nationalising land and even going to such an extreme of expropriating private land in an attempt to speed up housing delivery. The Swedish government has resorted to the nationalisation policy which enables the government to centralise control and ownership of land. Land has to fall under the ownership of the municipalities and then private persons can afford to buy such land at reasonable prices from the municipalities (Nord, 1990:67).

Legislation also permits the expropriation of land by the municipalities. Such arrangements enable even the poor to access land for housing purposes. Most of the land used is vacant land and agricultural land. The Swedish expropriation law allows a designated public body to take land and in case of dispute refer the matter of compensation for settlement to an independent

court of law. Government housing subsidies are only offered only to housing built on land that has gone through public ownership. Money for buying such land is voted by the central government to the municipalities in the form of loans and will have to be paid back to the government at reasonable terms (McGuire 1981:224).

Local government plays a key role in land control for housing development purposes. The housing responsibility assigned by the central government to local government is also financially supported by the government because the housing subsidies are issued by the central government through local government. The South African local government can also be supported in this manner by the national government in order to speed up the housing delivery process. By doing so, any blockages in land accessibility and housing finance will be removed.

Some large cities in Latin American countries like Argentina charge high property taxes on vacant plots in an attempt to try and release unused land for housing. Such national government policies can work if property owners decide to sell unused land to the needy. However, abnormally high prices can be charged by the private sellers especially because of the absence of policy on the issue of land prices. This situation has in some cases resulted in the rich manipulating the land market by charging very high prices for land in central areas of the cities and low prices for distant areas. The poor still incur high costs for travelling from distant areas to the city centre (Mabogunje, Hardoy & Misra 1978: 48).

More authority on land management by municipalities through the imposition of higher property taxes on vacant land and protection of the needy from abuse by the rich land owners.

Municipalities can also enter into negotiations (on behalf of the needy) with land owners

regarding the selling price of the vacant land. Through such local government negotiations, housing delivery can take place with increased speed in municipalities.

South Africa has come up with a number of pieces of Legislation on issues relating to the accessibility of land for housing. For example, the Development Facilitation Act (DFA), was passed by Parliament in 1996 under the authority of the Ministry of Land Affairs. This legislation provides a streamlined, alternative method of township development and provides binding principles on the three spheres of government. (Department of Land Affairs 1997:10). *what? Lesstoma*

Another lesson for South Africa regarding land accessibility for housing purposes can be learnt from Stockholm in Sweden which has adopted the Land Banking approach. This approach could leave all state land under the management of municipalities whereby land acquired by the National Housing Board may be transferred through the Provincial Development Housing Board (PHDB) to municipalities approved for the purpose of housing delivery (Behrens & Watson, 1998:12). Local government's role of identifying land for housing development, subdivision of land and the management of land holdings will be strengthened if municipalities are given more authority over the management of land within its area.

The government may learn something from the experiences of the countries which have opted for the nationalisation of land and/or land expropriation. The idea of expropriation is implemented by the government in the Housing Act No. 107 of 1997. Since this is a new concept one hopes to see the idea being effectively used especially by local government (as per legislative provision) (Housing Act 1997:24). On one hand, lessons from some Third World countries like Zambia indicate that while the idea of nationalisation of land is good, careful

thought should be given on the availability of enough capacity to deal with the management of land.

2.7 Housing Finance

Available literature on intergovernmental relations in welfare states suggests that social welfare programmes that call for the redistribution of wealth/government resources from the 'haves' to subsidise the 'have-nots', should be assigned to the national governments, the primary reason being to give programmes of such nature a wider tax base. This arrangement though does not stop all spheres of government from sharing other responsibilities relating to such programmes thereby making the programmes a success. The national government will still have to take the lead in the financing of these programmes. The success of the national government in making such programmes work will be depicted by the percentage of public expenditure allocated to such programmes. Housing development programmes fall under such programmes especially when they are addressing a crisis such as that of housing deficiency within the country (Adams 1990:28).



Singapore has excelled in solving the housing problem by managing to provide and maintain housing for its citizens. Such success is linked to the fact that Singapore has been operating under a viable economy for quite sometime. Surabaya has also been successful in housing provision. Housing has been looked at by both these countries using an integrated urbanisation approach. This approach sees housing provision or improvement as being part of a planned approach which incorporates infrastructure, education and other service provision and also giving consideration to income generation opportunities (Diacon, 1995:18).

From the experience of Singapore, South Africa can give all the responsibility of housing delivery to be driven by the national government because of its larger financial base.

A top-down approach was adopted by Singapore, which has the government at the heart of housing provision. The government financed the delivery through such structures like the Housing Development Board (HDB) being the only public housing authority with a population of 2 900 000. The HDB managed to provide 86% of the national dwelling stock, leaving the remaining 14% to the private sector. The quality of the housing units was almost similar. Both the HDB and communities monitor progress and quality in all the stages of the housing process. Local authorities have been involved at performing some functions which were previously performed by the HDB. Singapore's success has been made possible by a strong political will to improve the conditions of the citizens in the cities. This has been seen in the government voting eight percent of government expenditure for housing (this rate far exceeded the two-three percent rates commonly found in the European countries (Diacon, 1995:21).

In the United Kingdom, there are a variety of sources of housing finance. What is also remarkable in this country is the fact that even local authorities give out housing loans for a short period ranging from a year up to three years. The private sector is also actively involved in working in conjunction with the British government in addressing the housing problem. The central government does offer housing subsidies, local authorities loans and the building societies concentrate at the mobilisation of savings. Such experience shows the importance of joint efforts by both the government and the private financial institutions as opposed to having only the government as the source of housing finance (McGuire, 1981:119).

Community involvement in the construction of housing may lessen the financial burden from both the government and the individual households who are in need of housing. Instead of relying completely on the government in terms of housing subsidies, communities can join efforts by cutting down on other expenses and using their small income on purchasing the building materials that they cannot make themselves. The government can just acknowledge such effort by giving out grants to enable the process to proceed (Mabogunje, 1978:75).

The British government offers grants which match costs increases, this means that the housing grants are not fixed. British local housing authorities then 'pool' such grants into a housing account for use in all housing -related activities (Wolman, 1975:110). However one needs to note that Britain is operating on a financially sound basis and its municipalities are empowered and have more powers to exercise over their own area's housing.

A shortage of housing finance is endemic as it is suffered by many local governments in the United States of America who are battling with the housing backlog and can therefore support only the low - income people. Most Third World cities such as Harare in Zimbabwe, Lilongwe in Malawi and Gaborone in Botswana, have been financially constrained and have thus resorted to site-and-services as opposed to the provision of the houses. Attached to such constraints is the state of the country's economy at that time, the political will of the government to intervene in housing delivery and financial control exercised by local government (Main & Williams, 1994:207).

2.8 Availability of skilled government personnel

(CONSTRAINTS)

In Britain, housing management is a highly respected profession with strong base of expertise which in turn enables local government officials to take the responsibility of the housing function on behalf of the district counties. Trained local housing officials establish housing advice centres in which information on housing policy and other related legislation is passed on to the inhabitants of the municipalities. Skilled housing officials conduct surveys on the housing need within municipalities, the results of such surveys are used to assess the housing need and are then forwarded to the Councils which will then make decisions on local housing policy (Wolman, 1975:108).

Third World cities whose housing projects have been supported by the World Bank have had their housing officials receiving training on housing management as a form of a support mechanism.

The emphasis on expertise in housing can be adopted as a lesson by South African municipalities who can organise training workshops on housing policy, finance, community liaison for their housing officials in order to build human resources capacity in housing management and development. This strategy can assist in the picking up the pace of housing delivery.

In addition to the training of housing officials in local housing development projects, the results of the studies conducted on housing management in the United Kingdom in the late 1980s and early 1990s, suggest that the skill and expertise in housing are not enough on their own. Instead, housing officials must have the will to undertake the housing function (Behrens & Wilkinson,

1998:18). In Harare for example, skilled and experienced housing personnel who worked in the housing department prior to independence, did not have the will to adjust and relax the strict planning rules imposed on the housing projects within the city and this inhibited the progress of the projects as some people could not afford to meet the standards set by the municipality. This example proves that sometimes too much emphasis on training and expertise or the wrong land can work against the developments in housing supply especially if the skilled personnel are inflexible and lack the will of deviating from the jobs in which they were trained (Main & Williams, 1994:207).

South African municipalities can also concentrate on training the housing officials but officials themselves should learn to adjust with the socio-economic and political changes and develop the will to push forward housing development.

The area of housing is a rather complex one and one may find that only a few government have training and/or experience in this field. This may be contributing to the failure of such employees to deliver according to the expected standards set by their employers in the government. There is a limited number of NGOs dealing with housing-related matters and the few available, cannot assist the government in the training of all housing personnel (Bond & Tait,1997:4). The government with the assistance of the experts in the field of housing has to take the initiative in the training of personnel towards a comprehensive housing policy and delivery.

2.9 Institutional Arrangements

Local governments in Britain have established institutional forms with the task of housing, and

individual municipalities have either created housing departments or units. This arrangement has been effected by the restructuring of local government into local districts or counties which was coupled with the decentralisation of powers from the central government to city governments with regards to housing development and other local government functions. Such units or departments undertake the comprehensive function within municipalities and ensure that there are housing policies and strategies developed for each municipality. These departments work in collaboration with the Councils which rely on them for housing-related decisions and policy approval (Behrens & Wilkinson,1998:17).

Municipalities in South Africa can also seek to place the housing function in a particular institutional form and thereafter identify the housing need and thereafter establish strategies and housing policies on how to meet the existing housing need in their areas. Such departments will be accountable to the Council and the inhabitants of a municipality.

Another institutional form of organising local government has been the formation of semi-autonomous housing agencies to undertake the housing function within local government. These agencies supplement the lack of capacity of municipalities to undertake the housing function. Such agencies have been established in Nairobi, Calcutta and Lusaka; they received funding partly from municipalities and partly from the private sector. Experience with these agencies has been favourable for short- and medium-term housing problems but the long-term experience has been negative as these agencies tend to be well equipped in terms of capacity and financial viability and they in turn look down upon the battling local governments (Behrens & Wilkinson, 1998:19).

The advantage of semi-autonomous agencies in local government is that they put together efforts and expertise and experiences in housing in one institution and encourage the sharing of information while solving housing need problems. The agencies also work together with communities who are in need of housing. They also remove pressure over local government to deliver housing as they provide another mechanism to look at the supply of housing.

2.10 The South African Experience : Housing Delivery

South Africa is a unique country in all its facets. Changing from an apartheid government to a democratic government necessitated an entire restructuring of government. Such restructuring had to take place at almost the same time in all government spheres and in all government activities and institutions. This arrangement had a spill over on housing which is seen (legislatively) to be a social right and therefore a government responsibility.

In 1992, a National Housing Forum (NHF), was launched and its responsibility was to look at housing-related issues and have discussions with the previous Ministry of Local Government and Housing and other interest groups. Lengthy negotiations were entered into in the NHF and in 1994, a government Housing Subsidy Scheme was introduced and was allocated according to the household's level of income. A cash grant to beneficiaries with a household income of not more than R3 500 a month. Subsidies were set for the lowest income groups (with household income less than R1 500) at R12 500 and were later increased to R15 000 the subsidy then decreased for households with more income. However the provinces challenged the Ministry of Housing's decision on the ground of the housing subsidy being 'inadequate' (Centre for Policy Studies 1995:5). The current structure of subsidy allocations is broken down as follows:

Household Income	Subsidy Amount
R0 - R 1 500	R15 000
R1501- R2 000	R9 500
R2 501-R3 500	R5 000

(Source :Ministry of Housing :1997)

Table 1:PHDB Subsidy Allocation for individual/project-linked subsidy.

Land has been a complex and time-consuming development issue and has contributed in delaying housing delivery. The problems with land range from the cost of accessing suitable land in urban areas and tenure issues in rural areas and also in the former freehold areas (Centre for Policy Studies, 1995:25).

Accessibility of end-user finance has been an obstacle as some communities have been denied bonds (especially those with low incomes and those with a record of defaults in loan repayments). The government has introduced a number of means to try and look at the housing finance issue. These mechanisms include project-linked subsidies, individual subsidies, institutional subsidies, to name just a few. On top of all these programmes introduced by the government, the housing finance issue continues to be an obstacle in the delivery of housing in the country (Ministry of Housing, 1997:4).

There are also other programmes that have been introduced by the government in an attempt to fight against the housing backlog. Such programmes have been aimed at making a positive impact on housing delivery, they are:

- < Masakhane Campaign,
- < Development Facilitation Act,
- < Consumer Protection and
- < Local Government.

Established municipalities are expected to manage the process of housing delivery. The Housing Act (1997), calls for all South African municipalities to ‘set housing delivery goals in respect of their areas of jurisdiction’. Therefore municipalities (especially the two case studies) have managed to draw their Integrated Development Frameworks (IDF), indicating their housing goals. Municipalities are therefore expected to plan, coordinate, facilitate, promote and enable appropriate housing development in their areas of jurisdiction.

Before one embarks on the expected role of local government in housing, it is useful to discuss the role of local government prior to 1994.

1 The role of local government in housing prior to 1994

During the Nationalist Party Rule, Local government was based on the policies of apartheid which promoted racial discrimination and separate development. Local government thus operated under the four racially-divided offices. The Whites had their local government affairs run by Municipalities, the Indians and Coloureds by separate Management Committees and the Blacks by the Black Local Authorities and other Black areas by the Natal Provincial Administration and KwaZulu Government, this arrangement is shown in the following table:

Race Group	Local Government Structure
Whites	Municipalities
Indians	Management Committees
Coloureds	Management Committees
Blacks	Black Local Authorities or
Blacks	Natal Provincial Administration (NPA) or KwaZulu Government

Table 2. Structure of local government before 1994

The housing function for African areas was very centralised. Upon the identification of a housing need within a local authority area funding had to be applied for from the relevant House of Parliament. The House of Delegates funded housing initiatives for the Indians, the House of Delegates financed the Coloureds and NPA and the Department of Development Aid (DDA) funded the Black areas which fell under their jurisdiction. Most of the housing stock built under these schemes was rental housing which included flats, four- and two-roomed housing units and also single sex hostels. Since the mid 80s, there was a shift to self-help and most housing for Africans was site-and-service. The central and the provincial governments through the parliament decided on the need for the establishment of local government and also on the activities to be undertaken by local government. Local government was not independent but instead it was centrally controlled.

The Housing Act, 1966 (Act 4 of 1966), indicates that local authorities should not be seen as housing institutions but instead they should only assist people to obtain building stands (erven) for proper housing. Housing responsibility was left to individual citizen (Cloete, 1983:67). Nevertheless, some large municipalities (like the Durban City Council) which could afford to

engage in house construction, were able to provide housing for their citizens.

Local government was basically a service provider and had to assist in the provision of housing through the identification of land suitable for housing. The services provided were water, electricity (in some areas), sanitation, garbage removal, roads and so on (Cloete 1983:66).

2 *The role of local government in housing after 1994*

Following the transition from apartheid to democracy all spheres of government had to be restructured in order to suite the new democratic policies of the South African government. This scenario has necessitated the reorganisation of local government and its activities, which means that the housing responsibility is now for the first time in South Africa be looked at as a need for all racial groups and by newly established institutions.

Local government restructuring is tabled in the Local Government Transition Act (LGTA), (Act 209 of 1993) and also in the Interim Constitution (Act 200 of 1993). Local government transition process is divided into three phases/stages which will drive the process until a permanent single local government is established in South Africa. The first phase was the Pre-Interim Phase, which was formed by nominated and more representative transitional local government, this phase commenced after the promulgation of the LGTA until the day of the first democratic local government elections, which was in 1996 for KwaZulu-Natal. The current phase (Interim Phase) started immediately after the elections and transitional local government structures were established and formed by elected representatives. After the Interim Phase

which will end on the day of the 1999/2000 local government elections, the Final Phase will commence which will replace the transitional local government structures and the LGTA by new municipality structures and new local government legislation. This discussion indicates clearly that local government is still at its infancy in South Africa and the period of transition brings about a lot of uncertainties on how local government is to be structured in the near future and this has an influence on what housing functions are assigned to local government (Berhens & Wilkinson, 1998:6).

The Housing Act (Act 107 of 1997) and the White Paper on Housing assign housing responsibilities to municipalities as follows: to

- 2.1 ensure that its inhabitants have access to housing on a continuous basis,
- 2.2 ensure water, sanitation, electricity, roads, stormwater, drainage and transport services are provided,
- 2.3 set housing delivery goals,
- 2.4 identify and designate land for housing development,
- 2.5 initiate, plan, co-ordinate, promote and enable housing development, and
- 2.6 provide bulk engineering services and revenue generating services not provided by specialist utility suppliers.

The Housing Act (Act 107 of 1997), enables municipalities to engage in low-cost housing delivery in a number of ways - by promoting housing development by developers, acting as developers, entering into joint ventures with developers, establishing a separate business entity to undertake housing developers and administering national housing programmes. The changing

local government structures will then have to opt to engage in a function which fits the needs of its inhabitants and its financial base at that time. The new arrangement indicates that there has been a shift in local government operation from being centralised to being decentralised and from service-provision to development-oriented. Municipalities are now able to initiate housing activities without having to wait for the higher spheres of government to give them directives (Behrens & Wilkinson, 1998:6).

The role of national government is to formulate national housing policy and to give financial support to the provincial and local governments for the development of housing. Provincial government facilitates the national housing policy and formulates provincial housing policy. Provincial governments also administer housing finance by issuing housing subsidies to approved municipalities or individuals on behalf of the National Housing Ministry and by assessing municipalities and assisting them with housing delivery (Housing Act 107 of 1997).

From the provisions of the housing legislation it is evident that the housing responsibility is largely placed with municipalities who are still in the process of being restructured and are still in the process of adjusting to the new development role that has been assigned to them.

3 *Housing delivery process*

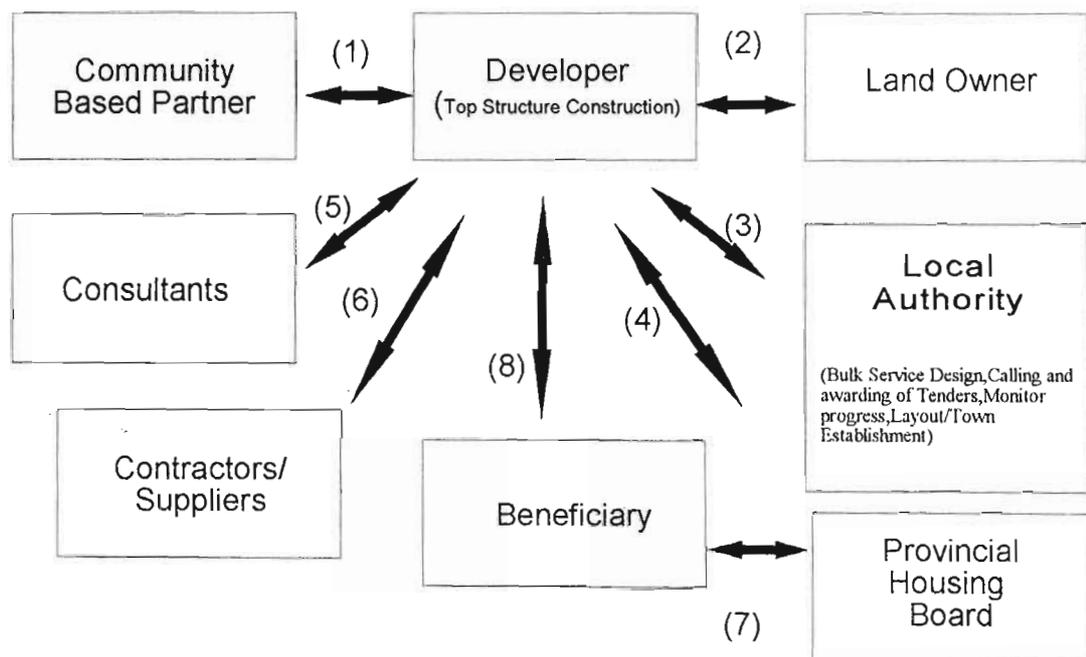
The housing delivery process constitutes various stages which require co-operation and co-ordination from all the role players in housing development. The key stakeholders in the housing delivery process are :

- 3.1 Communities,
- 3.2 Developers,
- 3.3 Land Owners,
- 3.4 Contractors/Suppliers,
- 3.5 Municipalities,
- 3.6 Consultants and
- 3.7 the PHDB.

The Developer sits at the centre of every housing development project initiated within a municipality. He directs the progress of the project and manages the relationships between and among all stakeholders in the housing project. The Developer (whether the municipality or a private developer), will have to comply with terms of agreement set out for development of municipality areas by the respective Municipality Council. The Planning standards and the service levels will be determined by the municipality and will therefore be a condition which is set for the developer to comply with. Figure 2 indicates how the stakeholders relate to one another and where local government actually feature in the whole process.

The process of housing delivery starts off with the Initiating Actions Stage, whereby a potential housing project is identified (by the Developer/Municipality), and a land audit is done. Communities are also involved in this stage because they are the beneficiaries in the project. The second stage is that of making Preparations for the Project; proposals of the project will be prepared by the project manager and applications for funding will be forwarded to the PHDB. Social Compact is formed followed by a land assembly. The layout/Township Establishment will be taken care of by the Town Planner on behalf of the municipality

concerned. Bulk services design, tendering procedures will be laid out by the municipality and after the awarding of a tender the services will be installed.



Agreements

- 1) A Social Compact between the community based partner and developer.
- 2) Land Availability Agreement or Purchase/Disposal Agreement between the land owner and developer.
- 3) Services Agreement between the developer and the municipality.
- 4) Subsidy Agreement between the Provincial Housing Board and the developer.
- 5) Letter of Appointment to the consultants (town planner, land surveyor, conveyancer, engineer, etc) appointed by the developer.
- 6) Standard Construction/Supply Agreement for the construction of serviced sites and top structures, issued in both the land servicing and the building operation processes.
- 7) Subsidy Application to the Provincial Housing Board.
- 8) Deed of Sale between the developer and the beneficiary.

(Source: Pietermaritzburg-Msunduzi TLC-Housing Department: 1997)

Figure 2: Relationship between stakeholders in the Housing Delivery Process.

The Engineering Department of a municipality will monitor the process in order to ensure that the standards set are met before housing construction can actually take place. The following stage is that of Top Structure construction which will have to meet the standards and requirements laid down by the municipality. Property Valuers will on behalf of the municipality monitor progress in this regard. After completion of top structure construction, the next stage will be that of Property Transfer which will be undertaken by the Conveyancers appointed for such purpose and the detailed information about the occupants will be entered into the town register for the purpose of payment of rent and other taxes charged by the municipality.

2.11 Conclusion

Housing provision has been a common problem among the states of the world. Some states have overcome the problems of housing and therefore can leave lessons to be learnt by South Africa.. Among such lessons is access to land, housing finance , improving the skills of the government officials in the field of housing.

Most countries (First World and Third World) have managed the housing problems through joint ventures with the private sector and communities. Municipalities of such countries are powerful and strengthened enough to share the responsibility of housing delivery with other levels of government. Such governments have enabled their municipalities to perform housing tasks and these tasks are well defined.

The environment within which housing delivery takes place is influenced either positively or negatively by economic factors, political factors, intergovernmental relations and so on. This

situation suggests that while lessons can be adopted from other countries, they will have to be adapted to suite the circumstances prevailing in South Africa.

Chapter Three

The Case Study of Ladysmith-eMnambithi Transitional Local Council

3 Introduction

Like all other South African municipalities, the Ladysmith-eMnambithi TLC is mandated by the national government to provide adequate housing to the residents in need of housing within its area of jurisdiction. In order for this TLC to act on such an important task, it needs to have a proper plan in place which it has to follow. Therefore this chapter will look firstly at the context of the study area (both regionally and locally) and thereafter look at the Municipality (its development, structure and its role in housing delivery) and lastly the housing supply within the TLC-area. Such information on housing development undertaken in the TLC-area is based on the interviews conducted by the researcher with officials and one councillor working for the Transitional Local Council, and with two developers undertaking some of the housing development projects within the TLC-area.

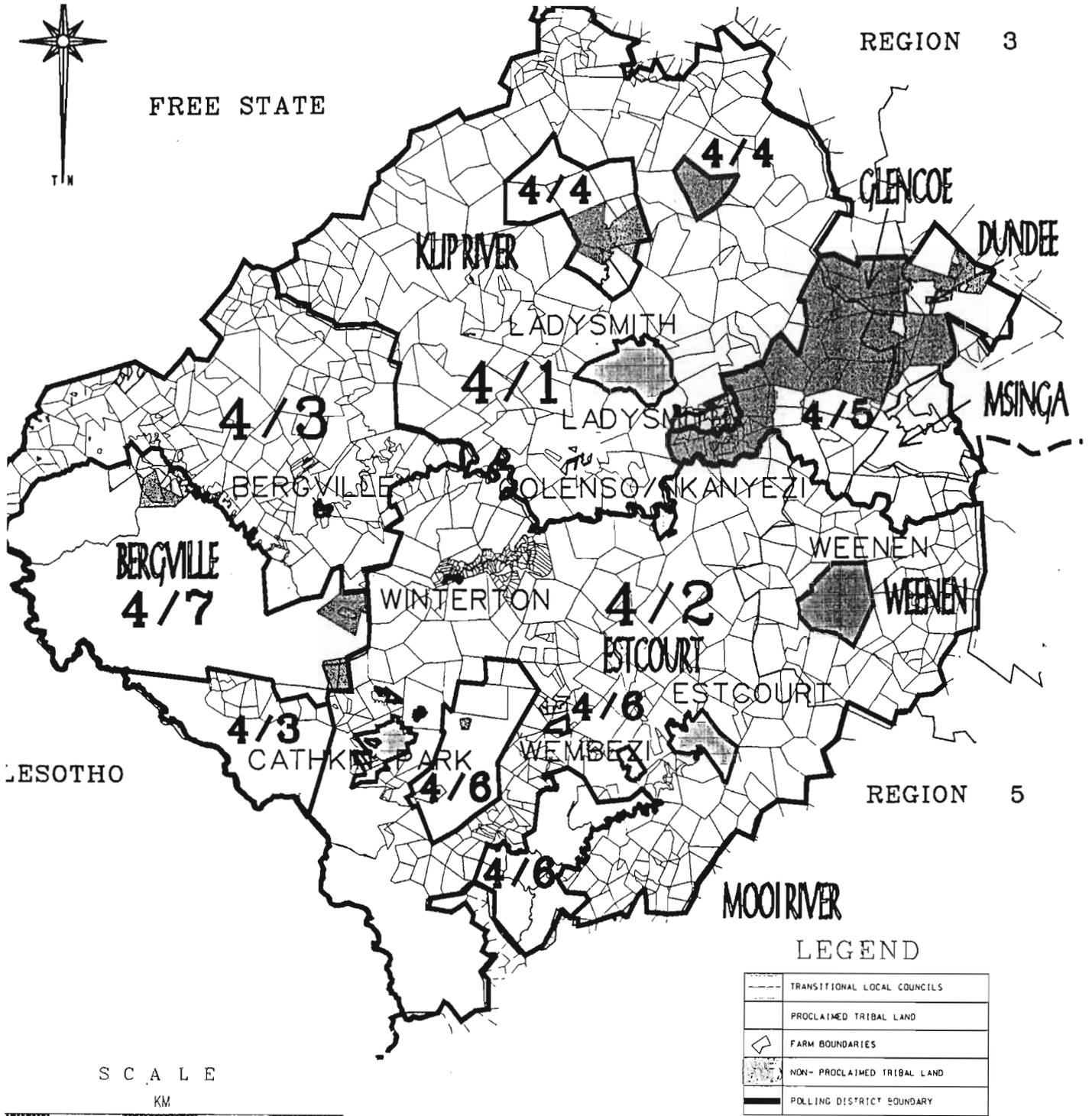
3.1 Location of the Study Area

Uthukela Regional Council lies within the current Klipriver Magisterial District and the old Klipriver & eMnambithi Magisterial Districts. Ladysmith-eMnambithi is situated in the north of Region Four (see map 1). Ladysmith is one of the most important service centres in north-western KwaZulu-Natal, after Newcastle. It is the largest town within Region Four and there is a concentration of service functions in the area (Ladysmith-eMnambithi TLC IDF, 1997:6).



FREE STATE

REGION 3



S C A L E

KM



LEGEND

	TRANSITIONAL LOCAL COUNCILS
	PROCLAIMED TRIBAL LAND
	FARM BOUNDARIES
	NON-PROCLAIMED TRIBAL LAND
	POLLING DISTRICT BOUNDARY

PREPARED BY SURVEY DIVISION OF SURVEY AND PLANNING SERVICES , LOCAL GOVERNMENT AND HOUSING , KWAZULU-NATAL ADMINISTRATION

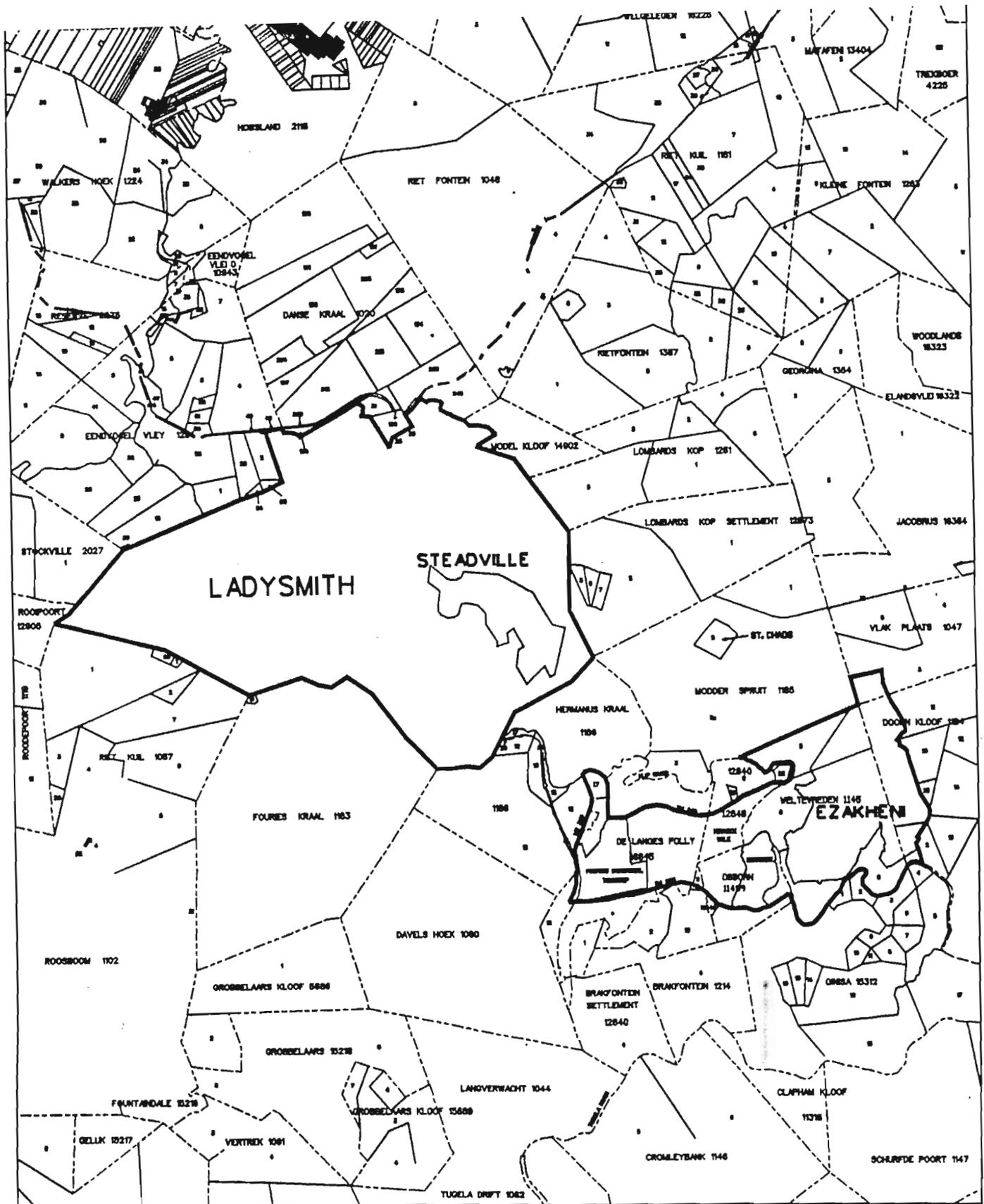
Map 1: Regional Location of Ladysmith - eMnambithi TLC

The Ladysmith-eMnambithi TLC is located 165 kilometres north-west of Pietermaritzburg and nearly halfway between Durban and Johannesburg. The municipality comprises two separate parts (see map 2): the previous Local Authority part which consists of the Central Business District, a middle- to high-income residential area (mainly White), a middle- to high-income residential area (mainly Indian) and the industrial areas (eMnambithi and Danskraal) and lastly the previously NPA area of Steadville which is mainly a low-income black township. The second part of the Municipality is separated from the first part by a range of hills and the informal settlement developed on land belonging to the St Chad's Mission, and consists of the former KwaZulu township of eZakheni, mainly a low-income black residential area. Adjacent to eZakheni is the Pieters Industrial Estate which used to be administered by the KwaZulu Finance and Investment Corporation (KFC) and has therefore been recently incorporated into the TLC area of jurisdiction (Ladysmith-eMnambithi TLC IDF, 1997:1).

Ladysmith is the economic centre of the TLC followed by Pieters Industrial Estate. However two-thirds of the population within the TLC resides in eZakheni. It is noted through the Integrated Development Framework (1997) for the TLC that while Ladysmith is rated as one of the most economically active towns both in the uThukela Region and in the Province, it is faced with challenges of a growing population and developmental backlogs. In addition to these challenges is the fact that foreign-owned businesses are closing down, causing a high rate of unemployment in the town. One other problem the TLC faces is the high fragmentation of its area: spatially, socially and economically (Ladysmith-eMnambithi TLC IDF, 1997:1).

3.2 The Need for Housing in the Municipality

From the 1991 population census results, Ladysmith had 85 894 people with 15 534 housing



PREPARED BY SURVEY DIVISION OF SURVEY AND PLANNING SERVICES , LOCAL GOVERNMENT AND HOUSING , KWAZULU-NATAL ADMINISTRATION

Map 2 : Ladysmith - eMnambithi TLC

units, meaning that the occupancy rate was 5,5. At that time people residing in informal settlements were approximately 14 041 both within and outside the TLC boundaries (uThukela Regional Council Land Suitability Analysis, 1998:40). Assuming a growth rate of 2,2% which is based on the assumption made in the municipality's 1997 IDF (owing to the lack of recent population census results), the 1997 population is roughly 97 874 (see Map 3) and it is likely that there has been an increase in the number of residents in informal dwellings.

The projections made by the 1997 IDF (based on a population growth rate of 2.2%) in terms of the housing need in the TLC area are therefore as follows:

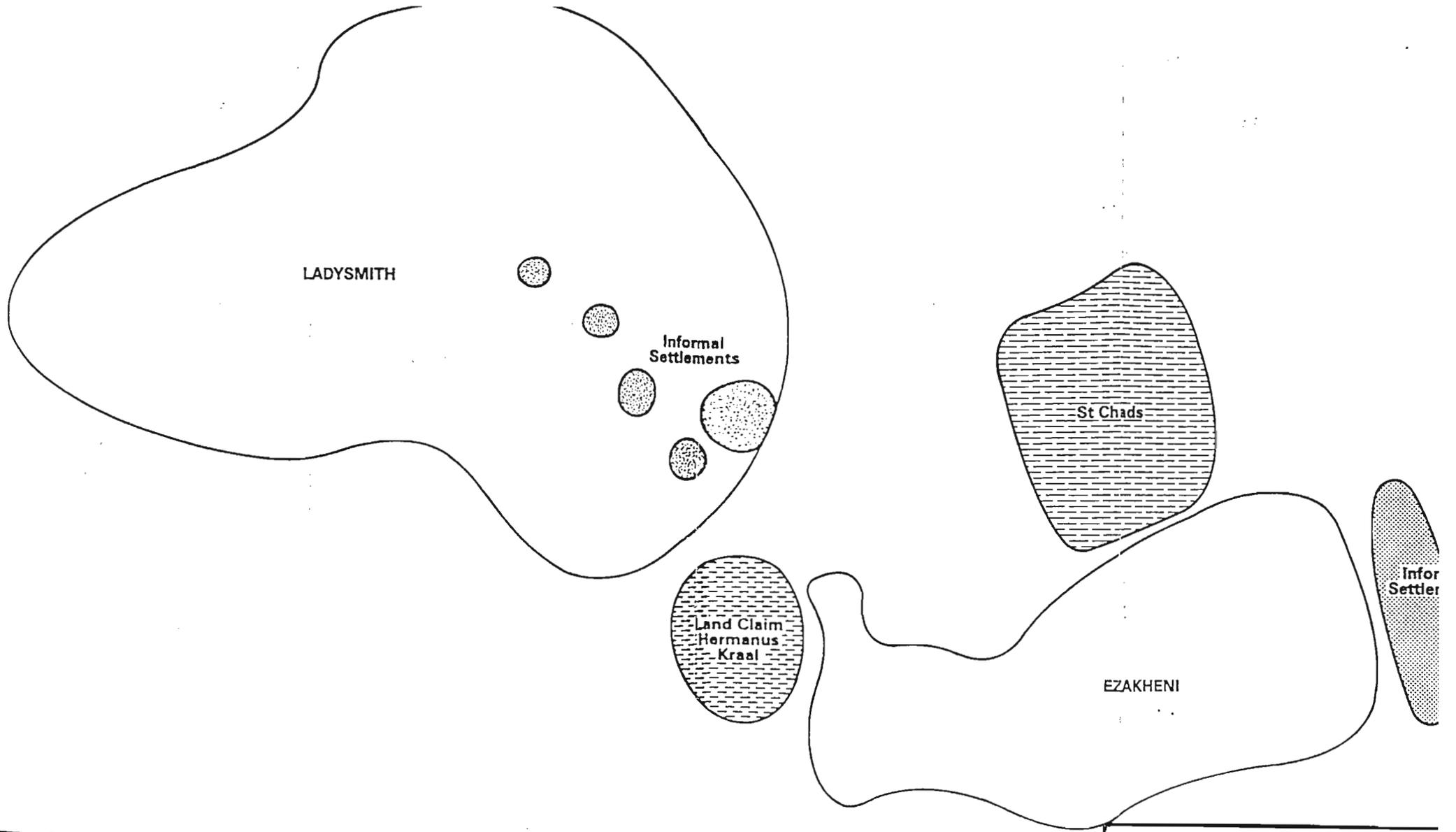
Year	Total Number of Sites Required (Including Current Backlog)
1997	4 300
2002	6 800
2007	9 588
2017	16 167

(Source: uThukela Regional Council Land Suitability Analysis:1998)

Table 3: Projections for future housing stock (Note: Assumes a 2.2% growth rate)

The increasing need for housing within the municipality is said to be associated with the following reasons:

- 3.2.1 Since the TLC dominates the uThukela Region economically (in terms of providing employment opportunities and generating revenue) it tends to attract more people as employees of the local industries even though some industries are closing down;



LADYSMITH

Informal Settlements

Land Claim
Hermanus
Kraal

St Chads

EZAKHENI

Infor
Settler

EGEND	
	TRIBAL LAND
	CHURCH OWNED LAND
	SADT LAND
	INFORMAL SETTLEMENTS

Source: Ladysmith-eMnambithi TLC, IDF (1997)

Map 3 : Existing Informal Settlements within and adjacent to the Ladysmith eMnambithi TLC

3.2.2 Natural population growth of the municipality's areas of jurisdiction; and

3.2.3 Attached to the fact that the TLC is surrounded by rural areas and is also the largest town within the region it tends to pull people from the surrounding commercial farming areas into an urban environment (Ladysmith-eMnambithi IDF 1997:40).

3.3 Housing Supply

Before embarking on a discussion on the housing delivery process which is taking place in Ladysmith, one needs to find some background information on how the process took place prior to 1994 (that is, before the amalgamation of racially-segregated local governments). This information is based on an interview conducted by the researcher with the Municipality's Chief Administrative Officer: Housing and Land Administration. Such information will cover the history of housing delivery within the Ladysmith Municipality since 1986.

3.3.1 Housing Delivery Prior to 1994

Before the amalgamation of the local governments, there were five separate local government offices which were divided along racial lines as follows:

Information on housing delivery by the previous Ladysmith Local Authority begins in 198 (owing to the fact that this was the most recent information which could be accessed by the researcher). Housing projects undertaken at that time were mainly low-cost and were financed

by the three Houses of Parliament: the House of Assembly - for White residential areas, the House of Delegates - for Indian areas, the House of Representatives - for Coloured areas, outside of Ladysmith Local Authority were the Department of Development Aid and NPA for African areas which fell under KwaZulu government and NPA respectively.

The local authority itself initiated housing projects after identifying a need for housing within its boundaries (i.e. not in Ezakheni and Steadville). Due to insufficient funds within the local authority, undertaking the task of providing housing for its population required the local authority to seek alternative funding by lodging applications for loans with the Department of Development Aid (DDA). The DDA only gave out loans to the local authority upon application.

The local authority had to include the following key areas in its application to the DDA:

3.3.1.1 Housing need in the area,

3.3.1.2 Waiting list (indicating the potential housing beneficiaries),

3.3.1.3 Land availability and

3.3.1.4 The proposed number of housing units to be built with the loan money.

The housing units built generally had an area of 60m² (in non-white areas). The following table shows the types of units which were built by the local authority during the period prior to 1994.

Type of Housing	Nature of Housing	Method of Payment
1. Economic Units	Selling to Beneficiaries	R300 deposit, subsequent installments after occupation
2. Sub-economic Units	Rental	Rent paid monthly
3. Self-help	Self-help	R300 deposit, plus monthly installments

(Source: Interview with Senior Administrative Officer: Land & Housing: 1998)

Table 4: Types of housing built by the government in Ladysmith prior to 1994.

3.3.2 Housing Delivery from 1994 onwards

After the amalgamation of the racially-divided local government offices into one democratic local government in South Africa, the Ladysmith-eMnambithi TLC, incorporated the newly demarcated areas which previously fell under the KwaZulu government and NPA areas (Steadville and eZakheni) was established . This restructuring meant even greater challenges for the TLC in terms of housing delivery, and need for proper planning by the municipality in order to meet the housing backlog.

The newly established housing schemes are financed by the Provincial Government (through the KwaZulu-Natal Provincial Housing Development Board - KZNPHDB). With these projects the municipality has the option to be either a developer or a monitor/facilitator. Private developers have been actively involved in providing housing in the Ladysmith-eMnambithi TLC area. The TLC has undertaken only two projects since 1994 out of the Government's thirteen Housing Subsidy projects. The other eleven were undertaken by private developers. (Letter from the Town Clerk:1997).

3.3.3 Housing Projects Undertaken Within the TLC Area.

By October 1997, the Provincial Housing Board had approved the following housing development projects in the area of jurisdiction of the Ladysmith-eMnambithi TLC:

Location of Project	Project Name	No. of Housing Units	Developer
eZakheni	eZakheni Phase 1	66	Ntokozweni Developers
eZakheni	eZakheni Phase 2		
eZakheni	eZakheni Phase 3	218	
eZakheni	eZakheni Section A	279	SBP Projects
eZakheni	eZakheni A& B	292	
eZakheni	eZakheni B Phase 2	78	Sakhumphakathi Developers
eZakheni	eZakheni B Phase 3	84	
eZakheni	eZakheni B Phase 4	116	
eZakheni	eZakheni Section C	185	
eZakheni	Section DD	281	
Ladysmith	Shayamoya Phase 1	194	Ladysmith-eMnambithi TLC
Ladysmith	Shayamoya Phase 2	259	
Steadville	Steadville Phase 2 (Area 2)	308	Sakhumphakathi Developers
Steadville	Steadville	974	Comhousing Associates
Ladysmith	Ladysmith Ntombi Camp	459	Leach Property Developers
Ladysmith	Ladysmith Extension 29 - Blesbok Street	20	TLC

(Source: Ladysmith-eMnambithi TLC, IDF (1997), uThukela Regional Council Land Suitability Study 1998, Town Secretary's Letter (Ref HI/9).)

Table 5: KZNPHDB-Approved Housing Development Projects in the Ladysmith-eMnambithi TLC as at October 1997.

The Municipality of Ladysmith-eMnambithi is responsible for three housing development projects (as indicated in the table above), of which the first two, Shayamoya Phases 1 and 2 (previously called Umbulwane), have 194 and 259 sites respectively. The first phase, consisting

of 194 sites, sites is occupied. Services have been installed in the second phase and the construction of the top structure is underway. This development is situated to the east of Steadville, adjacent to the eastern border of the municipality (Land Suitability Analysis - Region Four , 1998:43).

The third development in Blesbok Street, has twenty sites, and has received funding from the PHDB, and infrastructure such as electricity, water and roads were installed. However, due to the location of the development, the subsidy granted by the government was used on infrastructure and no money was left for the top structure. Also, the low income people who are in need of housing cannot afford to build the top structure as the area is too expensive because of the topography.

Table 5 indicates a number of housing developments in the Steadville and eZakheni areas undertaken by private developers. The largest developer in both these areas is Sakhumphakathi , a local developer, with all sites completed and in the process of being allocated and transferred to the beneficiaries. All such developments are low-cost; the sites cost about R8 600 and the rest of the R15 000 government subsidy goes into the top structure. The housing units are 18m² in area and consist of a wet core, a toilet (water-borne sewerage system) and a shower (Land Suitability Analysis - Region Four , 1998:43).

The eZakheni projects are underway with approximately 1 643 sites at different states of progress. For example, the 66 sites developed by Ntokozweni Developers are half-way built and serviced, and the remaining development by Ntokozweni with about 218 sites in Section D has serviced sites with water-borne sewerage, electricity and gravel roads, and completion is

anticipated by the end of 1998.

The SBP development projects in eZakheni are all complete and have been allocated to the beneficiaries. They consist of sites which cost between R9 000 and R10 000 per serviced site. These developments, though, are not restricted to low-income beneficiaries only but may accommodate medium-income dwellers who can afford additional private finance from the private sector. Such medium-income developments are found in Sections A and B of eZakheni (Land Suitability Analysis - Region Four, 1998:43).

The other two private developers are Comhousing Associates and Leach Property Developers undertaking projects with 974 and 459 units respectively. The average size of the housing units built in the low-cost projects is 16m² (see Figure 3).



Figure 3: 16m² built in Ladysmith-eMnambithi TLC.

3.4 The Role of the Municipality in Housing Delivery

Information on what the role of the TLC is in housing delivery was accessed through the

interviews conducted by the researcher on the role-players in housing within the municipal area. From the Housing Act (Act 107 of 1997), municipalities have to ensure adequate housing for their inhabitants. They can do this by either initiating, planning, co-ordinating, facilitating, promoting or enabling housing development in their areas of jurisdiction.

The Ladysmith-eMnambithi TLC has identified the housing need through the IDF and from the old waiting list which had 4 300 ¹. Prior to the establishment of the new local government the Ladysmith local authority had a backlog of approximately 4 300 housing units, which did not include Ezakheni and Steadville.

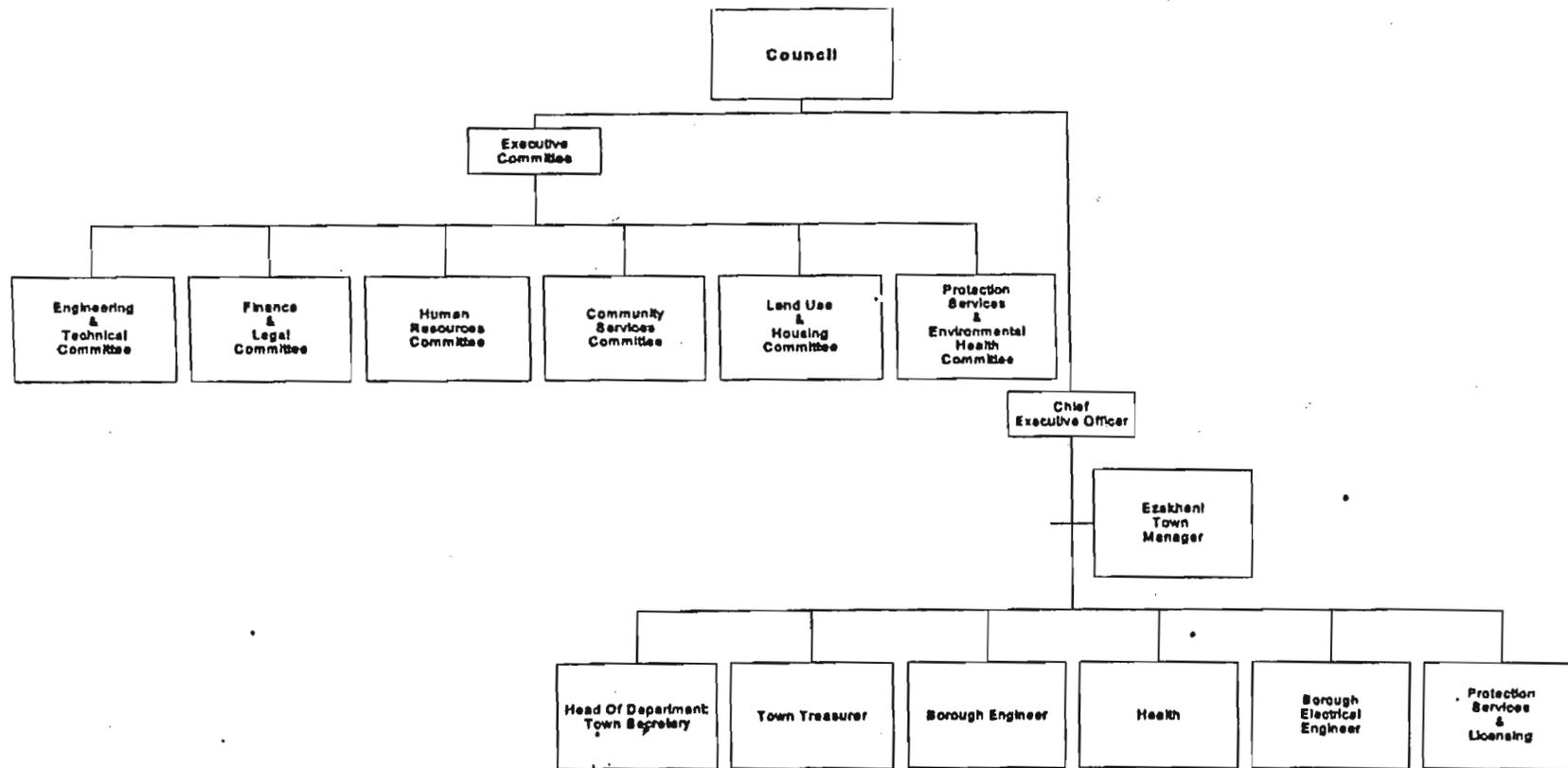
The old local authority co-ordinated the provision of housing and facilitated the process of the housing delivery and compiled the waiting list for those people who approached the local authority with a housing need. Some projects, such as Umbulwane (now Shayamoya Phase 1), were started without any involvement of the local authority because the area fell outside the local authority's area of responsibility and therefore, the quality of the units and the standards of services were unfortunately not monitored by the local authority. As a result of this, there are some deficiencies: for example, in Shayamoya Phase 1 and eZakheni Section C, communities are using pit latrines instead of the waterborne sewerage system which is in operation in all the projects undertaken with the involvement of the municipality (Ladysmith-eMnambithi TLC IDF, 1997:58). Bulk services and infrastructure have been installed as part of development in the Shayamoya area.

1. This figure was compiled during the apartheid era and therefore does not include the African people. It was thus scrapped with the introduction of non-discriminatory housing policy.

Regarding the ‘new’ housing developments indicated in Table 5, the municipality has been involved directly (in those projects where it is a developer) and indirectly (in those projects which are undertaken by private developers).

Before one can clarify the intervention of the TLC in housing delivery, one has to show the organisational structure of the Ladysmith-eMnambithi TLC (see figure 4) which will perhaps indicate the place of housing in the priorities of the organisation.

The policy-making section of the municipality comprises the elected political office-bearers, that is, the councillors, who as the Council form the executive committee and other standing committees. There is a functional committee which specifically deals with housing and land use within the TLC’s area of jurisdiction. Any matter related to housing (eg backlog, supply, and so on) is dealt with by this committee. This is a housing management committee which is made up of councillors, officials and members of development committees, which looks at any particular matter related to housing, makes recommendations to the Council, which then takes a decision on that matter. The establishment of a committee specifically for Housing and Land Use shows that housing has been given priority within the TLC because it is a basic need of its inhabitants. The Housing and Land Use unit fits in as an area of responsibility of the Town Secretary and also the Borough Engineer’s department. The Borough Engineer’s section undertakes the function of managing housing projects while the Housing and Land Use section attends to the administration of housing projects undertaken within the municipality.



(Source: Ladysmith-eMnambithi TLC, IDF (1997))

Figure 4: Organisational structure for the Ladysmith - eMnambithi TLC

Following the policy-making section, is the policy-implementation or administrative section of the municipality. It is made up of appointed officials who actually put into action the policies and decisions made by the Council, within the TLC's area. This section is headed by the Chief Executive Officer (CEO), the eZakheni town Manager (from the old KwaZulu structure). The rest of this section is made up of Departmental Heads who are in charge of the six existing departments. Within the departments there are various sections/units which look at other activities undertaken by the municipality including housing. Under the authority of the Department of the Town Secretary there is a Housing and Land Administration Unit whose existence is significant to Ladysmith's success, because it keeps all its records up-to-date concerning housing projects and the beneficiaries and the land audit function. From the interview with the Chief Administrative Officer (who works as the executive official in the Housing and Land Administration Unit), this unit looks at the administration of housing-related activities undertaken by the municipality. The Unit performs auxiliary functions such as record-keeping and assisting communities with applications for housing. The unit also renders any other services pertaining to land use and housing development according to the mandate from the Town Secretary.

In addition to the above structures, there are other officials who are role-players in the housing delivery process. These officials are the Community Development Coordinator (who is currently co-ordinating the Shayamoya Phases 1 and 2 projects); the Chief Town Planner (whose role is to perform town planning activities, including the checking of the suitability of an area for housing purposes. He is currently the project manager for the TLC-driven projects; and lastly, the Valuer who works under the Estate Management and Valuations Unit (part of the Borough Engineer's Department). The Valuer values properties delivered within the municipality

projects and ensures that the services agreement is complied with by the developers when constructing houses. All the information on the role of the Ladysmith-eMnambithi TLC in housing delivery was accessed through the interviews conducted by the researcher with all these role-players.

3.4.1 The direct role of the municipality in housing delivery

The municipality has initiated and is acting as a developer in only two projects out of the thirteen PHB-approved projects. These projects are Shayamoya Phases 1 and 2. The first one with 194 sites was inherited by the municipality from the previous developments which were undertaken before 1994 without consultation with the then local authority.

The role of the municipality in projects of this nature is to:

- 3.4.1.1. identify the housing need (in consultation with community structures),
- 3.4.1.2 secure the land,
- 3.4.1.3 install bulk services and infrastructure,
- 3.4.1.4 apply for the PHDB housing subsidies,
- 3.4.1.5 do physical planning /layout and related legal procedures on land use and
- 3.4.1.6 offer a construction tender with a private developer (the tender process is co-ordinated by the municipality).

The municipality uses bridging finance to provide services and other infrastructure and afterwards claims for internal reticulation from the PHDB, and for bulk services from Consolidated Municipal Infrastructure Programme (CMIP) - which is co-ordinated by the

Reconstruction and Development Programme (RDP) office.

The municipality (as a developer) co-ordinates the establishment of a social compact which has to represent the needs and recommendations of the communities and to prepare the waiting lists and allocation procedures. Two Development Committees are involved in this process, namely the Steadville and uMbulwane Development Committees. These Committees are formed by established community structures and ward councillors. The TLC has to monitor the process in order to see to it that everything is properly organised and working accordingly.

From an interview with the co-ordinator of this project, the Community Development Coordinator, the municipality does not appear to be geared for the actual construction of the houses. This is why it opts for contracting out this function to private developers. The least the municipality does in this instance, is to set certain standards for units and services which must be met by the private developers.

Securing land for housing is not much of a task as all the land use for low-cost housing in the Ladysmith-eMnambithi TLC is council-owned land. This land was donated to the municipality by the King (King Zwelithini Zulu) from the Ingonyama land and another 16 887 acres was handed over to the municipality by Queen Victoria of England in a Deed of Grant dated 22 April 1884.

The Technical aspect of the housing projects is partly done by the municipality through its Town Planning and Engineering sections and partly by the private constructors who build the top structure and land surveyors. The township establishment route will have to be selected by all

the stakeholders in the housing project undertaken. The shorter route is that of implementing the Less Formal Township Establishment Act (LEFTEA) (Act 113 of 1991), which provides shortened procedures for the designation, provision and development of land, and the establishment of townships, for less formal forms of residential areas.

3.4.2 The indirect role of the municipality in housing delivery

In the other eleven projects undertaken by the private developers (ie Sakhumphakathi, Ntokozweni, SBP Leach Properties and Comhouse Developers), the municipality acted/acts as a facilitator of the projects. All these developers have offices in and thus operate from Ladysmith, which makes it easy for the municipality to monitor their work as they are easily accessible and also understand what standards are required by the municipality in regard to housing and services.

The municipality believes that it has to monitor progress and also determine the terms of the service agreement for two reasons. The first reason for monitoring the progress of the building is to protect the beneficiaries from exploitation by the developer who is profit-driven. The second reason is to avoid problems with low service standards which may only become apparent after the building is completed (eg leaky sewerage and water pipes, and poor quality houses). It is imperative, in the light of the above, that the municipality avoids any problematic situation even before any damage becomes apparent.

One of the terms of agreement signed by the private developer and the municipality is that of job creation, meaning that the developer should train and use local labour. This arrangement may

result in the improvement of the local economy by lowering the rate of unemployment, enabling local residents to pay for service charges (if they are employed).

3.5 Other role players

3.5.1 Private developers

Apart from the municipality being directly involved in housing delivery, there are private developers (as mentioned in previous section), who directly deliver housing in the Ladysmith-eMnambithi TLC's area of jurisdiction. The types of housing delivered by such developers range from *in situ* upgrading to low-cost housing, for those beneficiaries who are able to obtain financial assistance from financial institutions.

The developer takes the ultimate risks associated with the project and then has the following tasks to perform:

- 3.5.1.1 Make applications to the PHDB,
- 3.5.1.2 Get support for the project from the key stakeholders,
- 3.5.1.3 Get preliminary planning and engineering done,
- 3.5.1.4 Secure the land,
- 3.5.1.5 Provide bridging finance,
- 3.5.1.6 Liaise with the municipality in relation to the progress with the project,
- 3.5.1.7 Put the professional team together and manages it,
- 3.5.1.8 Directly or indirectly (using sub-contractors) undertake the construction of

services and the top structure,

- 3.5.1.9 Do Project programming,
- 3.5.1.10 Ensure good community relations,
- 3.5.1.11 Manage housing finances,
- 3.5.1.12 Secure beneficiaries and undertake paper work associated with the PHDB,
- 3.5.1.13 Arrange transfer of ownership and
- 3.5.1.14 Report to the PHDB on the developments in the project (Ladysmith Housing Workshop, 1997:5).

In eZakheni Section DD, the SBP Developers are undertaking an *in situ* upgrading project followed by Leach Properties in Ntombi Camp which is a project adjacent to Acaciaville (a predominantly Indian residential area). In most cases, however, low-cost housing is being delivered by Ntokozweni, Sakhumphakathi and Comhouse Developers. The houses range from 16 to 24m², but most units have been built to 16m², with just the basic services.

Developers interviewed (Ntokozweni and Sakhumphakathi) mentioned that they work closely with communities through the Development Committees and also with the municipality. They also mentioned that they hold monthly meetings with the Development Committees and the TLC representatives (including both councillors and officials) in order to evaluate progress in the existing developments. Meetings are organised by the TLC. The developers also mentioned that they use local labour throughout the projects.

The Developers mentioned that they have a good working relationship with all the communities they work with. Communities are involved prior to the projects taking off and they therefore

organise themselves into Development Committees who then represent all community members and even identify the potential beneficiaries of the projects. Ntokozweni Developers have even constructed a creche for use by the community in Section A of eZakheni. This gesture indicates good relations between developers and communities. This situation has made the municipality's task in housing projects to be easy and progressive.

3.5.2 Other spheres of government

The Provincial Government provides funding for housing projects undertaken within the boundaries of the Ladysmith-eMnambithi TLC. All the connections between the TLC and the other spheres of government are standard for all local governments as indicated in Chapter 2.

3.6 Problems Encountered in the Housing Delivery Process

From the interviews conducted by the researcher, the respondents indicated some challenges and problems facing the TLC in the housing delivery process. Such problems will be discussed under the following themes:

3.6.1 Land Accessibility

From the Land Suitability Analysis conducted by the uThukela Regional Council (1998), a fair amount of land suitable for residential purposes is available within the TLC's area of jurisdiction. The possible key areas for residential purposes are:

- 3.6.1.1 An estimated 1 150ha of vacant land to the west of the town of Ladysmith, around the shooting range, airfield and truck inn;
- 3.6.1.2 Approximately 300ha of land around Steadville (some of which was previously set aside for industrial development);
- 3.6.1.3 A tract of land to the north of the Danskraal industrial estate adjacent to the Limit Hill suburb;
- 3.6.1.4 A large tract of land between the Pieters industrial estate and Section E of eZakheni and
- 3.6.1.5 Vacant land within eZakheni (including the land previously set aside for a hospital).

This land can accommodate about 20 000 residential units.

However, there are problems with the physical character of the TLC area which may have implications for the development of the area. Part of the Ladysmith-eMnambithi area is hilly and in another part there is a flood plain. There are also geological factors attached to the types of soil (clays and shales) found in the vacant land which does not have a high load-bearing capacity and may prove to be too expensive to develop for low-cost housing (Ladysmith-eMnambithi TLC IDF, 1997:12). That is why the Ladysmith Extension 29 Blesbok Street development is incomplete: the whole subsidy amount was spent on servicing the land and now the beneficiaries can not afford to build on the land. Vacant land of its nature attracts informal settlements and is hazardous to use, as it is also on the flood plain.

There is plenty of land suitable for housing development in Ladysmith - eMnambithi municipality despite the physical problems mentioned above. Nevertheless land available can

in the housing delivery process. With co-operation between the Council and officials, both tasks have been undertaken with few problems.

For those projects undertaken with the TLC as the developer, the municipality has undertaken the whole project with help from the communities (through Development Committees) and the private sector (that is, private developers). The reason for this partnership is the fact that the municipality has been geared to be a service provider and therefore lacks the capacity/expertise (financially and in terms of labour) to undertake such tasks on its own. The officials interviewed for this study were all involved in housing at one time or another and at different stages in the process. Through teamwork, most projects have been successfully completed.

The only problematic project was Shayamoya (previously called uMbulwane) Phase 1; which was inherited by the TLC, and which was passed on from one official (the former Chief Town Clerk, who later resigned) who passed it on to the Community Development Co-ordinator.

There is a lack of clarity attached to roles and responsibilities in this project, indicating that the municipality sees its role as a developer in housing as misplaced. It has tried, however, to coordinate its activities somewhat by forming a Housing Development Project Committee which provides a forum for discussing housing-related problems linked to the project. The municipality's Housing Unit is a substructure of the Town Secretary's Department and the Shayamoya projects are co-ordinated by an official working in the Borough Engineer's Department.

Councillors work through the Land Use and Housing Committee, to liaise with communities regarding housing issues. They also assist as facilitators in the establishment of social compacts,

development committees and also organise training programmes for development committees to train their members on housing and other development issues. Councillors also work in close association with the officials and meet monthly and even informally to discuss matters relating to housing development.

3.6.4 Developers' experience of low-cost housing

The developers interviewed (that is, Ntokozweni and Sakhumphakathi) mentioned that initially the relationship between them and the municipality was 'tense'. The reason was that the municipality's previous experience was with private developers who were profit-driven but who delivered poor quality housing, robbing the beneficiaries of their subsidies. However, much of the tension has been eased, more especially because the developers are local and the municipality and the Province are monitoring each step in the housing delivery process. Frequent meetings are held with the TLC, the PHDB, and the developers.

Developers also feel that there is insufficient funding available from the government in order to effect housing delivery. They feel that the tendering procedures installed by the municipality are consistent and transparent, and give opportunities for small, medium and large developers to take part in housing development within the TLC.

3.6.5 Compilation of waiting lists

Waiting lists were done away with because they were believed to be based on false information on what the housing demand is. With the new system of housing delivery, new waiting lists are

used and are compiled by the Community Development Committees themselves ,who are said to represent all sectors of the community. The municipality is currently facing a problem with the Shayamoya Projects whose Development Committees have struggled with compiling the waiting lists. Part of the project that is Shayamoya Phase 1 is a freehold area and when the project was started the municipality was not involved in the area. The waiting lists compiled by the Shayamoya Development Committees were exposed to corruption by members of the Committees who are said to have enlisted their friends and relatives on the waiting list.

3.6.5.1 Control measures utilised by the PHDB

A ten-page Key Performance Indicator on a monthly basis is a problem - especially when there is a lack of capacity within the municipality to deal with this paperwork. The arrangement is a problem because it is time-consuming and becomes even more so with the meetings scheduled monthly between the PHDB and the other housing development stakeholders.

3.7 Conclusion

This chapter has explored the housing situation in the Ladysmith-eMnambithi TLC area, which is marked with great success from the number of housing units delivered from the time of the restructuring of local government until the present day. The municipality has, in spite of encountering problems, managed to facilitate the thirteen housing projects efficiently. The respondents linked this success to co-operation, a positive attitude and a similar vision for the future of the TLC.

Ladysmith - eMnambithi TLC has no problem with accessing land suitable for housing development. It has most of the vacant land under its ownership and only one area (Umbulwane/Shayamoya Phase 1) as a freehold area. The institutional arrangement of housing places the housing function on two departments which have to undertake the housing function and this indicates that while there is capacity to undertake the housing activity, the municipality may not have enough personnel to undertake this function. This is evident with the Shayamoya projects being managed by a Community Development Co-ordinator whose task is not exactly that. And lastly, the municipality does not have enough money to enable it to finance housing development activities on its own. This shows that this municipality does not have enough capacity to develop housing and is only able to facilitate and monitor progress on the running of housing development projects.

Chapter Four

The Case Study of KwaDukuza/Stanger Transitional Local Council

4 Introduction

Housing development in the KwaDukuza/Stanger Transitional Local Council(TLC) is one of the priority areas that have been identified by the municipality on which much attention is needed. This is indicated in the municipality's Integrated Development Framework Plan which looks at the development needs within the TLC's area of authority. Therefore, this chapter seeks to look at the housing need, housing supply in the municipality, and the problems experienced by the municipality with regard to housing delivery. Such information is based on the TLC's IDF Plan and interviews conducted by the researcher in the study area.

4.1 The Location of the Study Area

Before one embarks on the discussion of housing in the study area, it is imperative that one gives a brief background on the study area in order to create an idea about the locality of the study area to the reader.

The KwaDukuza/Stanger TLC (previously called Stanger TLC), falls within the Ilembe Region and also forms part of the Lower Tugela Magisterial District, which stretches approximately 50 kilometres from the Tongaat River in the South to the Tugela River in the North. This District forms an important part of KwaZulu-Natal's development corridor, that is the Durban-Richards

Bay axis (Department of Borough Engineer Report 1997: 1).

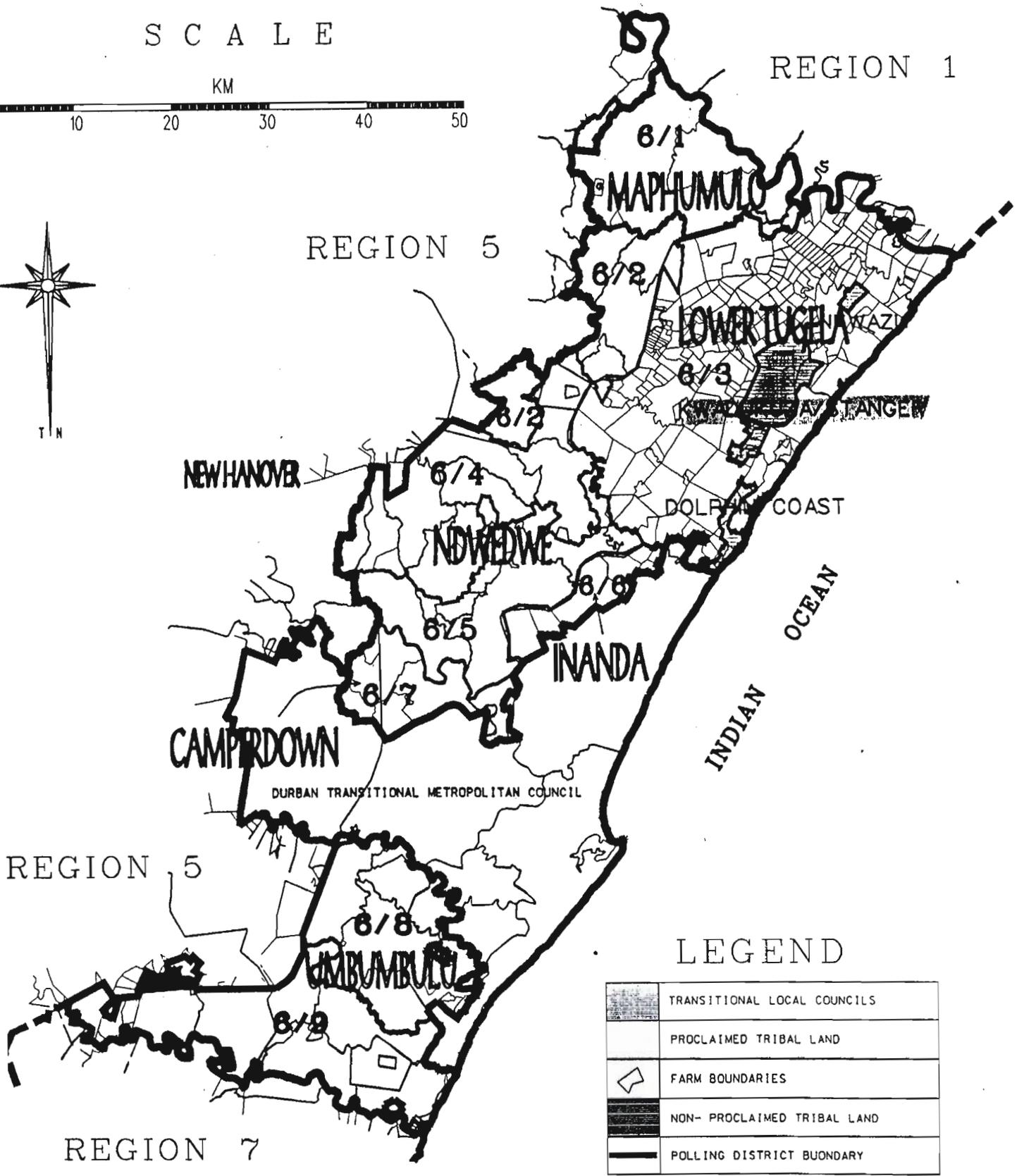
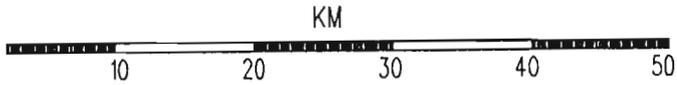
The study area itself is located approximately 74 kilometres north of Durban .It stretches on both sides of the N2 freeway which travels between Durban and Richards Bay and beyond(see map 4). The area of jurisdiction of the TLC lies on both sides of the freeway as follows: Stanger, Groutville and Shakaville areas lie on the west of the freeway and Blythedale Beach on the east of the freeway along the coast(see Map 5).

KwaDukuza TLC consists of areas which were previously racially segregated and others were not considered for development purposes. The area of Groutville was an area of African freehold administered by the Department of Development Aid (DDA), and Shakaville was administered by the Black Local Authority. The Stanger area was planned for the Indians and the Whites and Rocky Park was set aside for Coloureds. Blythedale Beach was a municipality set aside for Whites. The total area of KwaDukuza is approximately 1094.96 km². KwaDukuza is a regional supply town and the largest town within the Lower Tugela Magisterial District (Borough Engineer 1997:1).

4.2 Housing need in the KwaDukuza/Stanger TLC

KwaDukuza/Stanger TLC is a newly developed local government structure which comprises areas that belonged to the racially discriminated local governments of the previous apartheid government as indicated above.This discussion will commence with some background information on the need for housing in the study area before local government restructuring (1994).

SCALE

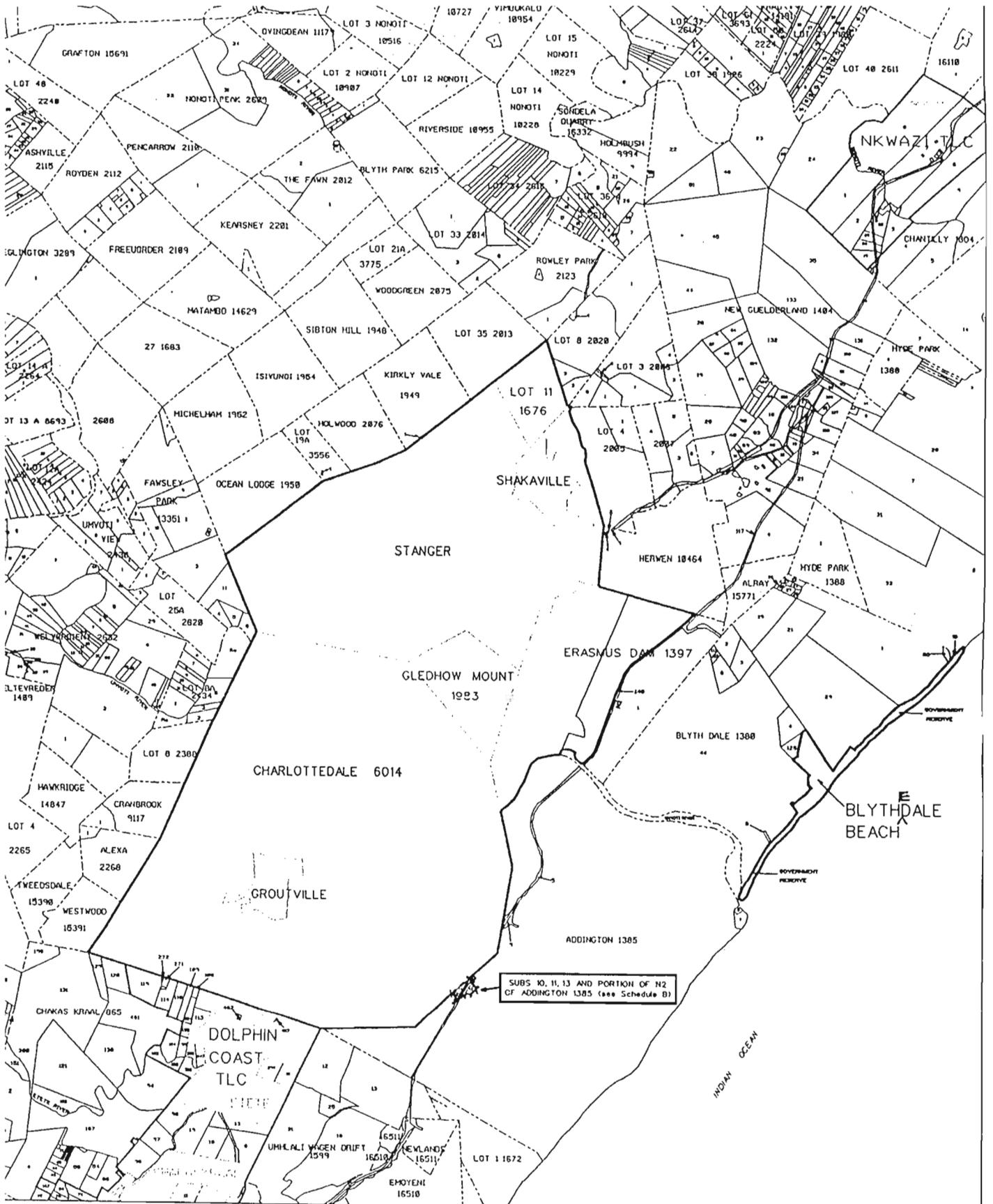


LEGEND

	TRANSITIONAL LOCAL COUNCILS
	PROCLAIMED TRIBAL LAND
	FARM BOUNDARIES
	NON- PROCLAIMED TRIBAL LAND
	POLLING DISTRICT BUOUNDARY

ED BY SURVEY DIVISION OF SURVEY AND PLANNING SERVICES , LOCAL GOVERNMENT AND HOUSING , KWAZULU-NATAL ADMINSTRATION

1 : The Regional Location of KwaDukuza TLC



TLC: KWA-DUKUZA/STANGER

including: Subs 10, 11, 13 and portion of the N2 of Addington 1385 (see Schedule B)

PREPARED BY SURVEY DIVISION OF SURVEY AND PLANNING SERVICES, LOCAL GOVERNMENT AND HOUSING, KWAZULU-NATAL ADMINISTRATION



Map 5 : KwaDukuza/Stanger TLC Area

Various projects were undertaken by the Houses of Delegates and Representatives for the Indian and Coloured communities respectively. Both Houses of Parliament through the Borough of Stanger provided housing to the identified racial groups on the basis of a waiting list compiled by the Borough officials in the Housing Department. Those individuals who needed housing approached the local authority and had their names enlisted on the waiting list. The last official waiting list compiled before the amalgamation of local government in 1994 had approximately 2 000 names on it (KwaDukuza TLC IDF Plan 1997:93). As a result of changes in policy such a list had to be scrapped as it was believed not to be a genuine indication of the actual need for housing within the newly demarcated boundaries of the municipality.

Such information(waiting list), indicates that even before the establishment of the TLC, there was a need for housing in KwaDukuza. The existing local government is given a task by the national government to make sure that it provides adequate shelter to its inhabitants (Housing Act of 1997 & The New Constitution Act 108 of 1996).

Another indicator for establishing the housing need in the municipality is the existence of informal settlements in some of the areas within the TLC area. Such areas have been identified by the municipality as priority areas for urgent housing development and are indicated in map 6. These areas are mainly in Groutville; on the dump site which is adjacent to the hostel; close to the Umvoti Toll Plaza; and in the area opposite Rocky Park. Most such areas do not have access to basic services such as water and proper sanitation. Map 6 indicates all six prioritised areas which are in need for housing. The previously African areas, that is Groutville and Shakaville, lack formal shelter and services including roads, sanitation, and sewerage removal (KwaDukuza TLC- IDF Plan 1997:98).

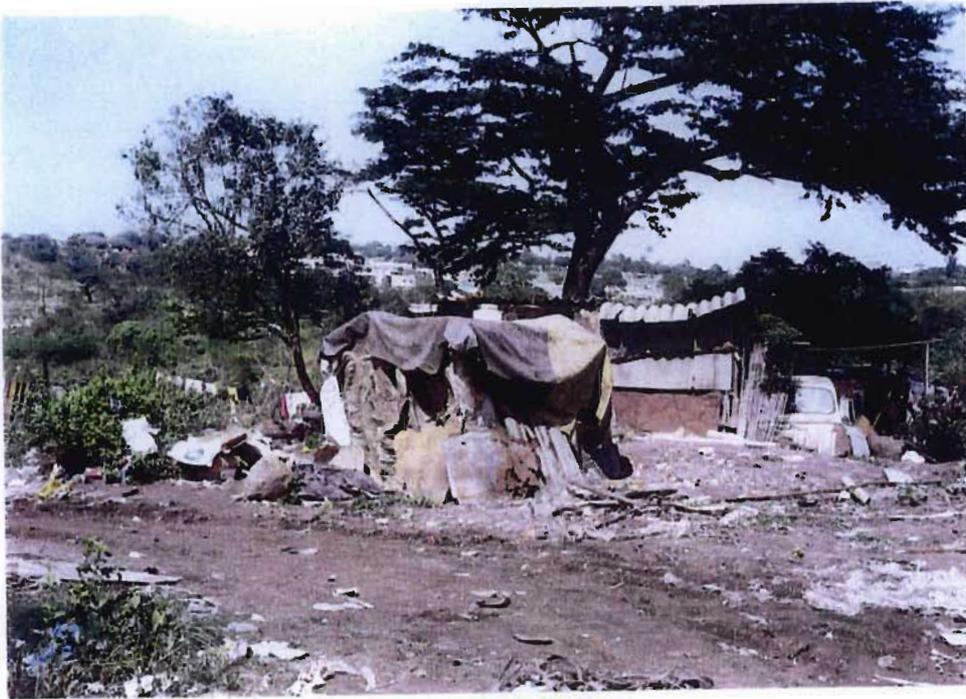


Figure 5. Informal Settlement in the Dump Site (Shakaville area)

Figure 5 shows the informal settlement built in the dump site which is situated in an area adjacent to the hostel. The occupants of such settlements make a living from the rubbish which is dumped in the site.

The population size of the study area is said to be approximately 105 000 (based on the Borough Engineer's report:1997). This number has probably increased due to natural population growth and the fact that the TLC is an urban area surrounded by rural areas whose people are likely to be pulled into KwaDukuza seeking employment and a better life. As per the KwaDukuza Town Planner's assumption, the population growth rate is approximately 4 % in the TLC area.

The Borough Engineer's Report (1997) indicates that high population densities are found in Groutville area, which is one of the freehold areas, with the estimated population of 60 000 (which is about 57 % of the TLC's population). The Shakaville area has, according to the 1991

population census results, a population of 3 215. The remaining 41 785 inhabitants of the TLC area live in Stanger and Blythedale Beach. Both Groutville and Shakaville are separated by Stanger and are distant from and not linked to Stanger.

From the Engineering Departmental Report (1997), the Lower Tugela Magistrate District had agriculture being the most important economic activity and the KwaDukuza accounted for most of all the economic activities (74.6%) within the district in 1991. Most employment took place in the agricultural field (sugarcane fields in the area), which is labour-intensive and definitely pays the lowest wages. The people employed cannot afford formal housing with their earnings and neither can they afford financial assistance from the private sector because of the low wages. What these people do is to opt for other alternative housing such as informal settlements.

The extent of the housing demand prior to the establishment of the TLC indicated that there were 2 000 names in the waiting list in 1994(as noted above).There was also the need for secure land tenure in the area of Groutville. Absence of enough housing in the area resulted in the mushrooming of the informal settlements in the vacant pieces of land within the TLC area. The estimated housing backlog based on the last official waiting list compiled is shown overleaf.

The precise housing backlog has not yet been determined by the TLC due to the restructuring of the municipality administration which has resulted in the establishment of the new housing unit which is to look at the housing demand and the strategy on how to meet the existing backlog.

Year	Estimated Housing Backlog
1997	2 000
2002	2 433
2007	2 960
2017	4 382

(Source: Department of Engineering Report: 1997)

Table 6: Projections for the future housing need in KwaDukuza TLC

(Note: Assumes a 4 percent population growth rate)

4.3 Housing Supply within the TLC

In attempting to meet housing need, the municipality has since the apartheid era engaged in housing supply. The previous Borough of Stanger monitored and facilitated the housing delivery process under the different Houses of Parliament which funded most of the housing schemes embarked upon by the local authority. The Department of Housing co-ordinated all the housing related activities from the compilation of the waiting lists to the allocation of applicants in the housing units built.

Upon identifying housing need, the local authority forwarded an application for housing finance to the relevant House, depending on which racial group had identified the housing need. The House of Delegates funded the following projects before the amalgamation of local government:

- 4.3.1.1 Sunny Park with 196 housing units,
- 4.3.1.2 Northland Park with 94 housing units,
- 4.3.1.3 Morningside with 80 units,
- 4.3.1.4 Brooklyn and Sundown and

4.3.1.5 R.A. Moodley Old -Age Home with 90 units.

These housing schemes were provided by the Stanger local authority for the Indian community which was supplied with housing during the era of the Indian Local Affairs Committees. It was assisted by the House of Delegates which financed these projects. Most of the schemes are high-rise structures except for the Northland Park which is single detached housing units of approximately 35 m² and the home for the aged which is semi-detached units. The majority of these housing units were meant for rental and were maintained by the Local Authority. The rental amount is determined using a formula which calculates it according to the beneficiaries household income. However with the new housing policies formulated, the newly structured municipality is in the process of designing a specific policy on selling such units. For example, the Brooklyn and Panorama schemes (next to the Stanger Hospital) have all been sold to the middle-income groups who could afford housing assistance from the private sector. Figure 6 shows some of the House of Delegates housing schemes.

The Northland Park units were built under the 30-year ownership scheme and costed about R35 000 per unit. Such units were meant for those middle-income groups who could afford repayments of the loan money used by the local authority to build such units. They have three bedrooms, a lounge, a kitchen and a bathroom. The TLC is currently looking into selling these units using the sectional title benefit scheme of R7 500, which is provided by the Provincial Housing Board.

Through the House of Representatives in 1991, the local authority also supplied 40 self-help



Figure 6. Some of the House of Delegate's Housing Schemes in Stanger.

housing units in Rocky Park (which is a Coloured area) and 60 semi-detached units for the aged. The Coloured Schemes were funded using the R28 000 loan money accessed from the House of Representatives. Half of the loan money (R14 000) was used for purchasing the land and the other half for buying building materials.

The Houses of Parliament that participated in these schemes provided finance upfront and deposited such monies into the local authority's account for the local authority to allocate at the various stages of the housing development. The local authority facilitated all such projects, designed and provided plans for free to the beneficiaries and also rendered the infrastructure and services. The Borough's Department of Housing saw to the allocation of the beneficiaries to such schemes. Most units were built by the private developers and by the beneficiaries in case of the self-help projects. The land used was owned and serviced by the local authority.

With local government restructuring, some changes had to be effected in housing delivery within the area of jurisdiction of the KwaDukuza/Stanger TLC. The KwaZulu-Natal Provincial Housing Board was designated to be the financier of all government housing development projects for all citizens in need of housing. Municipalities or private developers have to identify the housing need in its area of authority and thereafter lodge an application to the PHDB for housing finance. The projects which have been undertaken under the new housing arrangement within the study area are indicated in Table 7 overleaf.

The first project undertaken and completed under the new housing policy was Project Number 102 (PHDB-Coding), situated in Lindelani, within Shakaville Extension. Shakaville lies on the

Location of Project	Project Name	Number of Housing Units	Developer
1.Lindelani	Project Number 102 (Lindelani Housing)	284	KwaDukuza/Stanger TLC
2.Lindelani	Project Number 552	575	*Partly TLC
3.Shakaville	Mbozambo Project	550	To be appointed
4.Shakaville	Hostel Upgrade	50	TLC
5.Groutville	Priority Area One	To be determined	*Grinaker

(Source :Interview with the Housing Manager:1998)

Table 7.The KZNPHDB housing projects in the KwaDukuza/Stanger TLC area.

north-eastern part of the TLC. The TLC acted as the developer in the whole project, building a total of 284 housing units with an area of 36 m² utilising the R 15 000 government subsidy. The houses built were core units with four walls, a conventional foundation, asbestos roof, four steel windows, one door and a VIP toilet.

A consultant was appointed to co-ordinate the installation of infrastructural services after which a tender was awarded to a private contractor to install the services (which cost R7000).

A Steering Committee was formed within the Lindelani community, the purpose of this committee was to represent the community on the project by making suggestions on what choices were preferred by the community. Prior to the TLC undertaking the development of Lindelani, the appointed consultant recommended a developer who could build a 16 m² house with the

R8 000 residual. After putting up a show house, the community showed no interest in the house

because it was too small and the Steering Committee approached the municipality, which constructed a 36m² unit which was accepted by the community.

The municipality through the Borough Engineer (also Project Manager) bought the building material and trained fourteen builders from Shakaville and Lindelani to undertake the construction of the top structure (similar to the show house built by the Borough Engineer). Such builders were appointed with the recommendation of the Steering Committee and were to be paid in stages at a calculated fixed labour cost. The condition for appointment was that such builders had to provide their own building equipment. Figure 7 shows the completed unit in Project 102 of Lindelani.



Figure 7. The 36m² housing unit built by the TLC in Lindelani.

The waiting list and allocations were to be attended to by the Voluntary Association which was formed by community organisations and ward councillors in the Lindelani and Shakaville area. This project was started using bridging finance from the municipality and therefore the

beneficiaries were not identified and nor were individual project-linked subsidy applications were made to the PHDB. However, there was a legitimate list compiled and accepted by the Voluntary Association and the remaining 235 beneficiaries were still to be identified by the Voluntary Association. Precautions were taken not to install doors and windows prior to the allocations. Unfortunately all the 284 housing units completed were invaded even before the allocations took place. The area is predominantly Inkatha Freedom Party (IFP). The matter was referred to the PHDB but no solution was found and the Council has decided to accept the status quo and regularise the current situation.

The second project in Lindelani is Project Number 552 and consists of 575 sites which is adjacent to Project Number 102. This is a consolidation project which was initiated by the Independent Development Trust (IDT). IDT provided the infra structural services such as roads, water supply, stormwater, and sanitation (VIP toilet system); R7 500 per site was used in order to provide such services. The project has been inherited by the municipality, which forwarded a consolidation subsidy application, (worth R 7 500), from the PHDB, which has been approved.

Transfers have to be in place before commencing with the top structure and the Project Manager was the Urban Foundation (before it closed down), and only 424 sites were transferred out of the 575 sites. The municipality through the Borough Engineer has conducted a survey in the area in order to check the following:

- a. Whether there are legal beneficiaries on site and
- b. Correct documentation in possession of the beneficiaries.

The results of the survey indicate that there are 130 sites with the legal beneficiaries on site and 294 sites which have been transferred, but are illegally occupied or where the beneficiaries are said to have deceased or are not traceable. In the meantime, the Borough Engineer has constructed a 28m² show house which will, upon acceptance by the beneficiaries, be constructed in the 130 problem-free sites. The rest of the problem is in the hands of the newly-established Housing Department of the Municipality.

The 550 sites Mbozambo Project in Shakaville is a greenfield project whose application has been forwarded to the PHDB and is awaiting approval. The infra structural design and plans are dealt with by the municipality. The Consultant (Struwing Mendes and Associates) will make recommendations to the Council on the rest of the project.

The Shakaville Hostel is to be upgraded and the area adjacent to the Hostel (next to the dumping site), will be developed with 50 housing units. Building plans and the allocation policy have been approved by the Council. Funding of this project will be received from the PHDB.

The Priority One area in Groutville is currently accommodating 13 000 people residing in informal settlements. The municipality has to engage in negotiations with the private landlord before any further developments can be made with regards to housing development in this area. This area is known as Thornville and its development is part of the planning strategies of the TLC, which aims at reintegrating Stanger and Groutville, thereby linking the previously separated part of the municipality. The area is closer to shopping and lies on both sides of the main road R 102 which is an important development corridor (KwaDukuza IDF Plan, 1997:95).

Housing supply and the development of all the priority areas in Groutville depends largely on land availability in the area. The issue of land ownership in Groutville is complex because the land is owned by the Church, SADT, Department of Land Affairs and private individuals. This situation requires the municipality to do a land audit and identify who the land owners are and what quantities of land are owned by whom before any development could take place. The Ilembe Regional Council is currently compiling a report on land suitability analysis in KwaDukuza TLC area.

4.4 The Role of the Municipality in Housing Delivery

The Stanger local authority was actively involved in the delivery of housing prior to local government restructuring. It acted as a facilitator of the housing schemes (some of which were mentioned in the housing supply section): the local authority used the funds which were directly given to it by the Houses of Delegates and Representatives. As part of facilitating the housing schemes undertaken, the officials within the local authority called for and accepted the applications for housing after which they compiled waiting lists for the targeted racial groups. Allocations into the housing units were also done by the municipality. Most of the schemes were constructed by private developers with the local authority putting the infra structural services in place. The land used for such schemes was the Council's and its servicing was done by the Council.

The housing function has been placed in the office of the Town Secretary and the Borough Engineer's Department. The former department was responsible for housing administration, which involves the compilation of the waiting list, the registration of residents who are either

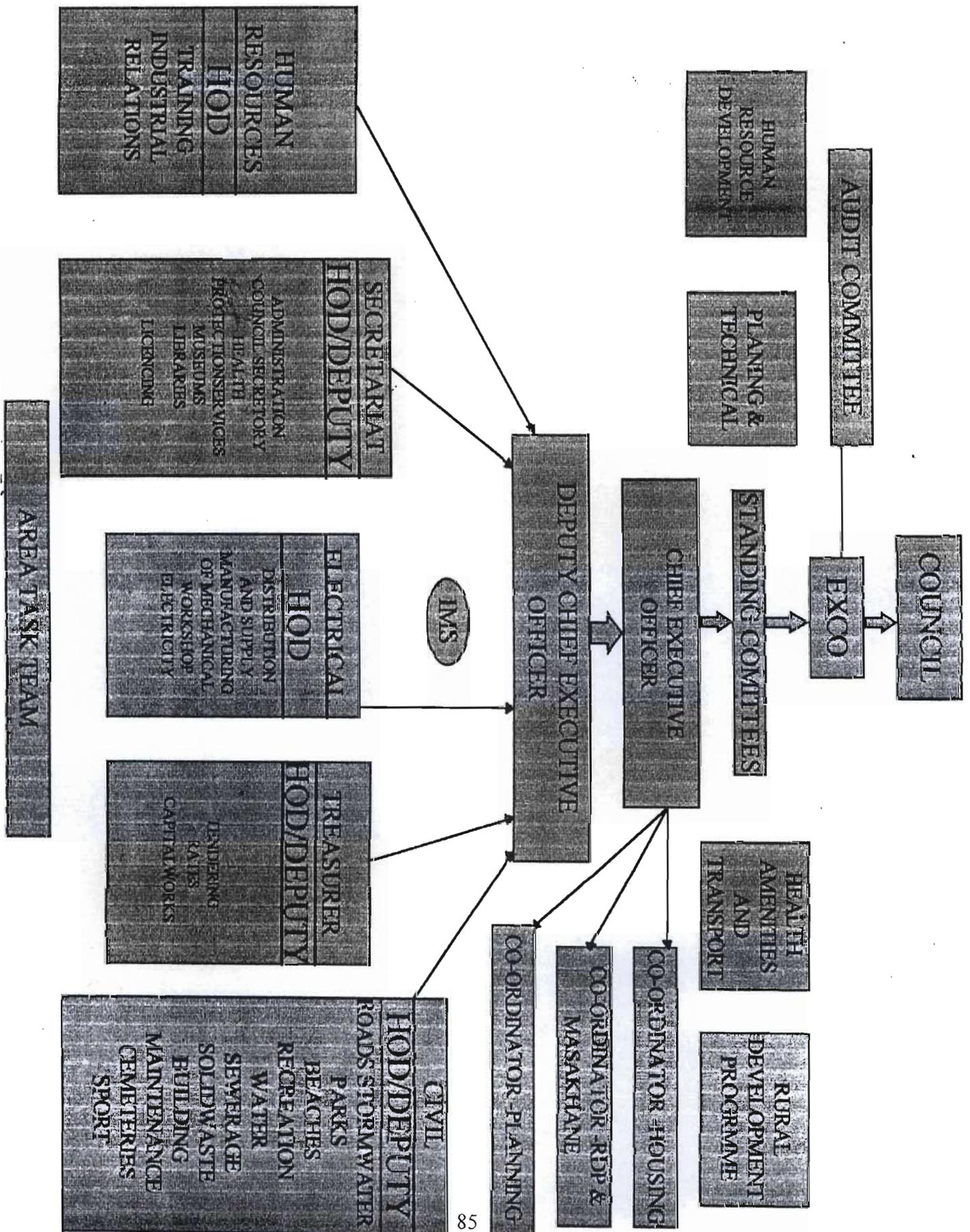
renting or paying rates. The latter was responsible for the construction and the maintenance of housing units. This institutional arrangement failed to establish any link between the two departments as they both worked independently of each other.

With the changes in local government, the Municipality appointed a consultant (IPS) to do its Integrated Development Plan and make recommendations on a number of development issues within the boundaries of the TLC. In relation to housing it was indicated through the IDP (1997), that the consequences of the apartheid policies on separate development had unfavourable results in KwaDukuza as a result there is a dire need for housing especially from the Black residential areas (which are largely informal), and therefore a new institutional structure had to be established in an attempt to meet the housing needs of such people. The appointed consultant recommended a structure which was accepted by the Council and thereafter implemented in 1998. The new structure allocates the housing responsibility to the Housing Department under the authority of the Deputy Chief Executive Officer. The structure is presented in figure 8 overleaf.

Since the inception of the new office of housing a newly-appointed Manager : Housing & RDP, is responsible for all housing-related activities. This office is currently working on a number of housing policies including the strategy to be followed in the development of housing in the identified priority areas in Groutville. The office works in conjunction with the communities (through the Community Development Facilitator), and the Councillors through the Infrastructure and Housing Development Standing Committee. Due to restructuring within the TLC, the Housing Office has been engaged in a lot of training workshops for its officials who are not yet familiar with the new housing policies, and it is also faced with the problems of illegal

(Source :KwaDukuza TLC IDF Plan 1997)

Figure 8: The Current Organogram :KwaDukuza TLC



occupation of the Lindelani housing projects.

The six priority areas identified by the municipality through the TLC's IDF Plan in Groutville, have been categorised as the special projects which have to receive funding from the National Government through the PHDB. The hostel upgrade is a pilot project of the government's venture to upgrade the hostels and it has received funding from the RDP. The municipality has already appointed Grinaker as the developer but no developments have taken place because of the blockages in housing finance by the government. However bulk services are being installed by a private developer using funds from the Consolidated Municipal Infrastructure Programme (CMIP). This means that the municipality is not directly involved in the housing development but instead it acts as a facilitator.

The municipality has also acted as the developer in the Lindelani Projects and has experienced a number of problems. As it has been indicated in the housing supply section above, the municipality was directly involved with the Lindelani Housing Projects under the Office of the Borough Engineer which co-ordinated the housing construction and managed the projects as well. According to the Borough Engineer (interviewed by the researcher), while the municipality acted as a developer and a project manager, it still had to make use of private builders and also bought the building materials from the private business as it could not cope with the volume of work entailed in such projects. This experience indicates the importance of a partnership between local government, the community and the private sector in the housing delivery process.

4.5 Other Role Players in the Housing Delivery Process

It is evident from the above discussion that the housing development task has been a team effort in the KwaDukuza/Stanger TLC's area of jurisdiction. The Council has come up with housing policies though its IDF Plan and the officials have been actively involved in the implementation of such policies, while communities have been involved through the voluntary and development structures and in the allocation of housing.

Where the municipality lacks skills and expertise, it relies on the Consultants such as Integrated Planning Services (IPS), Sakhasonke Joint Venture (KZN Province), Struwing Mendes Associates and Afriscan Construction.

4.6 Problems encountered in the housing delivery process

The problems identified by the interviewees are summarised in themes and discussions on such problems will follow the same pattern as follows:

4.6.1 Availability of Land for Housing

The TLC does not have enough land to enable the identified housing projects to take place². Most of the TLC land was consumed by the previous housing schemes undertaken during the apartheid era. The Groutville priority areas for example, are on private land. However, from the interview with the Town Planner, an estimate of land usable and available in the TLC area is as follows:

< In Thornhill there is approximately 189 Hectares,

2. Factual data on land availability study is still processed by the Ilembe Regional Council.

< In Shakaville there is about 35.82 Hectares, and
the rest of the area is unknown and is not on the municipality's records.

This has been the major barrier in the way of housing development in Groutville since land is 'at the heart' of housing delivery and therefore no housing project can be effected prior to the removal of such barriers. The Council has entered into a partnership with the Department of Land Affairs(DLA) in trying to upgrade the Permissions To Occupy(PTOs) into title deeds (the joint venture was launched in September between the Council and the Minister). The Sakhasonke Joint Venture (an initiative by the KZN Province to try and accelerate housing delivery in the Province), is looking at the current information on land ownership by private individuals.

The Council relies on appointed consultants to come up with updated information on the state of land ownership in the area before it can proceed with the developments. Some landlords are not traceable and there are illegal occupants who have stayed for years on some of the land.

4.6.2 Funding

Due to lack of funding from the government, the municipality had to use an estimated R2.6 million to construct the top structure in the Lindelani project and about R1.6 million for the infrastructure. All these monies cannot be recovered because of the problems in the project area, and this has created a huge gap in the financial position of the municipality.

Another fact is the current freezing of housing finance by the PHDB which has put housing development in the TLC on halt. The interviewees have all indicated that more skilled personnel is needed by the municipality in order to resolve the housing problem in the area, but all this can only be realised with a viable financial background. The previous local authority could deliver because it was given a funded mandate by the government which deposited money directly to the account of the Borough in order to speed up the housing supply.

4.6.3 Inadequate Skilled Personnel

Following the previous point, and based on the estimated population size, the current staff complement assigned with the housing function is battling with the volume of work which results in the slow process of housing delivery in the area. The current staff is busy with the formulation of policies to cope with the existing rental stock and the invasion problems, which is a difficult and time-consuming exercise. For example the Housing Department is working with an internship Public Administration student on a voluntary basis in an attempt to cope with the load of work in the department.

4.6.4 Land and property Invasion

The TLC faces problems associated with invasion of land (Lindelani, Groutville and in the informal settlement adjacent to Rocky Park), and property invasion (Lindelani). Such incidents are due to lack of clear housing allocation in the area and lack of housing as well as party politics (Lindelani being IFP and Shakaville being ANC). There are also vacant units among the old Borough stock which are vandalised because they are not occupied.

4.6.5 Community Participation

There are existing community organisations participating in the housing development process but full co-operation is lacking because of politics in the Shakaville and Lindelani areas. This results in divisions within communities which belong to the two opposition parties. In some cases the Councillors are calling for housing applications and also compiling the waiting lists (which is illegal and unofficial).

4.7 Conclusion

Unlike the Ladysmith TLC, the KwaDukuza /Stanger TLC is sitting with a housing backlog as a result of the unique problems indicated above. Without proper policies in place the municipality will continue with the increasing demand for housing in its area of jurisdiction. The restructuring process has delayed the housing delivery process even more because of role redefinitions and the introduction of new housing policies. More research still has to be done on investigating the actual housing demand in the TLC and the auditing of existing municipality housing stock with the aim of alleviating the housing problem.

Chapter Five

Local Government Performance in Housing Delivery - A Comparative Analysis

5 Introduction

Information on the state of housing delivery from the study areas of Ladysmith-eMnambithi and KwaDukuza municipalities has been presented in the previous chapters of this study. In an attempt to meet the objectives of the study, this chapter will table the analysis of data collected in relation to the research topic. The analysis will be looked at against the hypotheses made earlier in the study. This exercise will be undertaken under the following categories:

- 1 Housing delivery in the two municipalities,
- 2 The role played by the municipalities in housing delivery,
- 3 Access to land for housing,
- 4 Availability of housing finance,
- 5 Availability of skilled personnel,
- 6 Institutional arrangements for housing delivery,
- 7 Contributing factors to success in housing delivery and
- 8 Factors attributing to failure in housing delivery and thereafter followed by a conclusion.

The local government - housing delivery debate will be based on the data collected through the interviews in the two study areas and supplemented by information from the literature on the

subject. The interviewees in both municipalities were in some form involved with housing delivery in the housing development projects run within the municipality areas of jurisdiction.

5.1 Housing delivery in Ladysmith-eMnambithi and KwaDukuza Municipalities

Population growth in urban areas exerts pressure on the affected municipalities to resolve the problems associated with overcrowding. Part of the solution to the problem requires the delivery of housing in such areas (Stren,1988:54). Similar situations exist in both study areas as a result of their location in terms of job opportunities and improved life styles to the population within its boundaries as indicated in previous chapters . The pressure on municipalities is an indication of a housing need in municipality areas.

The Ladysmith-eMnambithi municipality's housing need is approximately 97 874 population on 2,2 % growth rate which will results in some level of housing demand. On one hand KwaDukuza TLC had a population of 105 000 in 1997 and has about 4% growth rate, which shows a more rapid population in KwaDukuza than in Ladysmith. Although the population growth differs, it depicts a housing need in both municipalities.

Both case studies show some degree of housing delivery within the municipalities. In terms of the quantity of low- cost housing rendered, Ladysmith appears to be strong in housing delivery, with fourteen housing development projects undertaken since 1994. Eleven of those projects are complete and three are underway with the funding already approved by the Provincial Housing Development Board (PHDB). The KwaDukuza municipality on the other hand appears to have been weaker in the area of housing delivery, with only one project completed and one underway.

Other projects are still at the proposal stage and therefore have not received funding from the PHDB. The status quo on housing delivery is shown in Table 8 as follows:

Municipality	No. Of Housing Projects	Total No. Of Housing Units
Ladysmith - eMnambithi TLC	14	2 881
KwaDukuza TLC	02	284

Source: Interviewees from both municipalities.

Table 8. Housing Projects undertaken in Ladysmith-eMnambithi and KwaDukuza municipalities.

Thus housing delivery is taking place in local government at varying speeds. That is, not all municipalities have been slow in housing delivery. The reasons why differences occur between municipalities are explored below for the two case studies.

5.2 The role of municipalities in housing delivery

The Housing Act (107 of 1997), the Housing White Paper (1994) and the Local Government White Paper (1998) describe a wide range of functions which should be played by local government in housing development. The functions range from land identification, facilitation, monitoring and housing development to service provision and establishment of housing delivery goals. On the basis of the provisions made by local government legislation, municipalities are offered a wide scope of activities to undertake where housing development is concerned.

From this background, the Ladysmith and KwaDukuza municipalities have opted for the facilitator (indirect) and developer (direct) roles in their projects. Out of the fourteen projects

undertaken in the Ladysmith-eMnambithi municipality, only two projects have been undertaken by the municipality acting as the developer and the remaining projects have been facilitated by the municipality and developed by the private developers. The municipality had to sign service-agreements with the developers regarding the levels and standards of services to be installed in the projects and private developers had to, as the municipality's condition, to utilise local labour in all the projects. In both projects developed by the municipality, there were problems which have hampered progress. In the projects the problems have been with the interaction between the municipality and the community development committees on the compilation of the waiting lists for allocation into the housing units and also with uncertainty of the municipality as to who should actually manage such a project. The latter project was developed in the expensive part of Ladysmith (in terms of low-cost housing development), and the government subsidy received for low-cost housing was inadequate for the construction of the top structure as the entire housing subsidy was spent on the servicing of the land and the installing of the basic infrastructure. The private sector projects have been fairly successful when compared with the municipality's. The reason could be the capacity and the expertise of private developers in housing development as opposed to the municipality who is still new in the housing delivery process.

The experience with development at KwaDukuza enabled the municipality, under the management of the Borough Engineer, to complete one project (namely Lindelani Extension 46) with 284 housing units and the 575-site project underway. The municipality has managed to build 36 m² housing units worth R15 000. This has been a considerable achievement with low-cost government assisted housing in so far as the size of the units built are concerned. The 575-site project was inherited by the municipality from the Independent Development Trust (IDT) and the remaining part of development is the awarding of title deeds and the construction of the

top structure. However, only 440 title deeds have been awarded to the beneficiaries. The major barrier on the progress of both projects has been the illegal invasion of all 284 housing units and 330 sites in the 575-site project.

In both municipalities local government has been unable to undertake the housing developer role which as a result inhibited progress in the housing delivery process which were meant to have been driven by both TLCs. Also, from the interviews conducted, the interviewees indicated reluctance by municipalities to undertake further housing developments as developers because they are not yet geared to undertake the housing developer role as they do not have the experience in this task, (municipalities have all along been geared to act as service - providers), do not have enough staff to enable them to be competitive in the market. From the experience of the Ladysmith-eMnambithi municipality, housing delivery is accelerated if local government acts as a facilitator as opposed to it acting as a developer. Since the legislation gives a wide scope for local government intervention in housing delivery, including that of housing facilitation, municipalities can invest their capacity in engaging in areas which can result in housing delivery being increased in its areas, the best area seems to be that of facilitating housing delivery.

11 Access to land for housing

Land is the key to housing delivery. Once land has been identified for housing development the next step is to access such land and thereafter progress on housing delivery can be taken care of. Uthukela Regional Council, within which the Ladysmith-eMnambithi municipality falls, has conducted a land suitability analysis study (1998), as an attempt to get an indication of how much land is available for housing development in its area. The outcome of this study indicated

that there is adequate land available and actually suitable for housing development in Ladysmith-eMnambithi municipality area, the quantity of such land is spelled out clearly in section 7.1 of Chapter Three. Such land can accommodate approximately 20 000 residential units and it is also owned by the municipality.

The KwaDukuza municipality has land owned by the Provincial government, the municipality itself, the church, the South African Development Trust (SADT) and private individuals. The exact sizes of how much land is owned by whom have not yet been identified by the municipality. A study similar to that which has been conducted by uThukela Regional Council is still underway and has been undertaken by the Ilembe Regional Council (within whose area falls KwaDukuza municipality). According to the municipality's Town Planner, however, most of the land said to be available for housing development falls within the Groutville area which was previously one of the freehold areas with most of the land held under the Permissions To Occupy (PTOs). Nevertheless, there are blockages to accessing land for housing development, which has a spill-over effect on the progress in the process of housing delivery in the municipality. The municipality is currently working on a partnership with the Department of Land Affairs to upgrade the PTOs into ownership, appointing a consultant to identify the individual land owners in Groutville in order for the municipality to engage in negotiations towards the buying of such land for development purposes. Numerous problems have been experienced by the municipality in identifying the land owners partly because of land invasions, the demise of land owners, unknown land owners and illegal trading.

In conclusion, land is a primary element in effecting housing development. Thus failure to access it actually inhibits progress in housing delivery. This observation is evident in local

governments with complicated land ownership patterns (like the KwaDukuza municipality). However, municipalities such as Ladysmith, which own plenty of land, have seen remarkable progress in housing development projects.

5.3 Availability of Housing Finance

Housing finances are sourced from the KwaZulu-Natal Provincial Housing Development Board (PHDB), which according to the Housing Act (107 of 1997), has to support housing development within the boundaries of the province. The PHDB has, since the introduction of the new Housing Policy, financed low-cost housing projects in the two areas covered by this study. However, housing finance is currently frozen due to a lack of adequate housing finance from the National government. The Housing Departmental budget was cut (in the 1998/1999 financial year), from R4,7 billion in the 1997/1998 financial year, to R 3,6 billion (Business Day 1998:1).

The prevailing financial condition has had a negative effect on housing delivery as proposed projects in both municipalities are on hold. Neither of the two municipalities has finance to enable it to finance housing projects. For example KwaDukuza municipality used an amount of R4,2 million as bridging finance in the Lindelani Extension 46 project (in installing the infrastructure and constructing the top structure). This money has not been recovered because of the invasions which took place in the project. This situation has also shattered chances of the municipality offering any form of financial assistance in housing development because of lack of finances and failure to recover such a huge sum of money which might have been used in other projects.

The interviewees also raised concerns on “an unfunded mandate” by the national government which results in the housing delivery process moving slowly. The lack of housing finance from the higher spheres of government has threatened any chances of delivering housing in both municipalities. Municipalities cannot risk their limited revenue in housing development until they get approval to go ahead with the projects from the PHDB.

5.4 Availability of Skilled Personnel

Craythorne (1997), asserts that skilled personnel within a municipality increases the possibility of a municipality raising its level of efficiency and effectiveness by being productive in all its endeavours. He further symbolises skilled personnel as a fit and strong muscle in a human body which assists the body to function properly. The personnel or human resources aspect is further emphasised in the New Constitution (Act 108 of 1996). It suggests that local government must promote good human resources management in order to promote efficiency and effectiveness in its area of jurisdiction. Skilled personnel will enable local government to deal with housing development as it a multi-staged process (see Chapter One), which calls for various inputs from local government personnel in order to develop municipal areas into habitable settlements.

In both municipalities housing development has been undertaken by various personnel who have some level of understanding of the housing development issue, such as the Borough Engineers, Town Planners, Town Secretaries and a Community Liaison Co-ordinator. The last position existed until fairly recently in KwaDukuza where the municipality has since adopted an Integrated Development Framework Plan (1997) and has created a position of a Housing Manager who has been assigned the task of housing development within the municipality.

The conclusion which can be drawn is that both municipalities have had similar experiences with the institutional forms designed for housing whereby the Borough Engineers and the Town Secretaries are managing the municipality's housing delivery projects, and in both cases there were problems experienced and have, as a result, had a serious impact on the housing delivery process (in projects directly developed by the municipality). This proves that any shortage in housing personnel has a negative effect on housing delivery unless the projects are developed by the private sector and merely facilitated by the municipality. From the interviewees' responses, the significance of the availability of skilled personnel to undertake housing delivery is evident in both municipalities.

5.5 Institutional Arrangement for Housing Delivery

Stren (1988) and Rakodi (1989), emphasise the importance of effective management of local government activities by well-established local government organisation structures which indicate the role players in the provision and maintenance of local government activities and the clarity of roles to be played by each role player towards identifying with the overall goals of the municipality. Both authors acknowledge the developmental role of local government as opposed to the bureaucratic image of local government. The presence of properly structured local governments will enable the skilled personnel to easily realise the goals and objectives of municipalities (Craythorne 1997:281).

The Ladysmith municipality operates with the old organisational structure: the administration of housing is placed in the Town Secretary's area of responsibility within the housing and land administration unit. It is also a responsibility of the Borough Engineer (refer to Figure 3 of

Chapter Three). This institutional arrangement places more responsibility in terms of project management on the office of the Borough Engineer whose member, the Community Liaison Co-ordinator, is currently managing the Shayamoya Phases 1 & 2 project. This leaves limited responsibility in the housing and land administration unit, whose function is to look at the registration of the newly developed housing units in the town's registers for the purpose of payment of services. Otherwise, there is no intervention from this unit in the process of project development. For example, the interviewees from this unit had little to say on the municipality projects and they referred all the questions asked by the researcher to the Community Liaison Co-ordinator. While this situation remains questionable as far as the principle of municipal administration is concerned it does not hamper the progress in housing development .

KwaDukuza has concentrated on restructuring its municipality as part of establishing an integrated development plan which will assist the municipality with planning for short-, medium- and long-term needs within its boundaries. KwaDukuza has thus spent most its time in planning and redirecting its objectives to being development-orientated. The new system is believed to result in efficient administration . The short term implication of this strategy coupled with the absence of land has slowed the housing delivery process in the area.

In contrast, progress has been noticed in Ladysmith. Theories of organisational structuring and development as discussed by Craythorne (1997), are proved incorrect in that an inappropriate bureaucratic structure in Ladysmith-eMnambithi has not had remarkable effect on housing delivery.

5.6 Contributing Factors to Success

Attached to the success of the Ladysmith area lies a number of contributing factors which are regarded by Craythorne (1997) as important for increasing productivity in a municipality. The absence of such factors could result in gross inefficiency in municipalities. These factors are:

5.6.1 *Relationship between the Council and Developers*

Joint efforts between role- players in housing development has created a problem - free atmosphere and has developed mutual trust among the role players in housing delivery. The private developers interviewed indicated a strong relationship between themselves and the municipality, after some tensions created by the previous experience with other developers which did not liaise with municipality and therefore rendered services of low quality. They have managed to gain each other's trust and understanding of the importance of mutual relations and accountability. This sentiment is also shared by the Councillors in the municipality who are relating well with the developers. Frequent interaction among the role players has never been a problem since all developers involved in the housing developments are from Ladysmith or rather have offices operating in Ladysmith.

KwaDukuza's experience differs from that of Ladysmith, which has had no problems with relating with the developers. The TLC acted as a developer in the projects undertaken and the projects given priority currently are to be developed by a private developer. The municipality left the entire projects (in Shakaville) with the Borough Engineer who does everything on his own without liaising with the Council. The appointment of sub-constructors to assist in the

building of top structures in Shakaville were appointed by the Borough Engineer using his own discretion. There was a lack of communication and accountability which resulted in problems of invasions .

5.6.2 Relationships among Councillors, Communities and Officials

Ladysmith - eMnambithi TLC has related well with its communities and they have organised monthly meetings to discuss progress of the projects. Officials assigned the task of housing delivery have worked smoothly with the Councillors and thus have established a land use and housing committee which is a forum for discussing housing -related functions. They have also organised a training workshop in Drakensberg whereby they were getting to know one another and to explain what each other's roles in the municipality are. This outing they believe was an ice-breaker and has since enabled them to work together as a team.

KwaDukuza Councillors and communities have suffered political tensions which have created divisions in terms of party politics, with Lindelani said to be an IFP area and the other part of Shakaville said to be an ANC area. It has been a problem getting communities and councillors to focus on development as they do not see eye-to-eye. Councillors also fight amongst themselves about their political differences. Tension between the Council and officials has arisen with the officials feeling that councillors are encroaching on their activities while councillors perceived the officials as lackadaisical. With more and more workshops on training on the restructuring and development of the municipality run for both parties, things are beginning to take shape. Both the Councillors and the officials are familiar with the new institutional arrangements and the establishment of a new housing division which combines Masakhane, RDP, Town Planning

and housing.

5.6.3 Community Participation

Participation among the Ladysmith-eMnambithi Council, the private developer and community development committees has resulted in the progress on the housing delivery initiatives.

Communities have participated actively by providing labour in the construction of the top structure and in identifying the beneficiaries in all the projects (although some problems were experienced with the Shayamoya Phases 1 & 2 projects). This factor has eliminated problems which might have inhibited housing delivery in the area.

5.6.4 Problems with housing delivery

KwaDukuza municipality has encountered the following problems with delivering housing:

- < Invasions in the housing development projects,
- < Politics associated with the invasions (IFP versus ANC supporters in conflict and IFP supporters invading in the developed housing units and developed land),
- < Internal organisational politics, where there were no policies on housing development roles, community involvement, compilation of the waiting lists and allocation procedures. The Lindelani 284-site project was undertaken using the municipality finances and went up to the completion stage without the identification of beneficiaries which shows poor planning and improper management of a housing development project and
- < A lack of transparency in both the officials responsible for housing delivery on how the

council money was used. There is also a level of irresponsibility and failure to account on the part of the ward councillors whose constituencies have been involved in the invasions.

5.7 Conclusion

This chapter concludes that the Ladysmith-eMnambithi and KwaDukuza municipalities have experienced various encounters in housing delivery within their areas of jurisdiction. Some of such encounters are similar and some different. These municipalities are unique entities and are therefore affected by different problems and also provide different solutions to such problems. However this conclusion does offer some lessons on the experience of municipalities with housing delivery. The first lesson hinges on the **role of local government in housing delivery** and both experiences indicate that local government is more efficient in housing facilitation as opposed to that of developing. This lesson is evident in the case of Ladysmith-eMnambithi municipality which has since local government restructuring successfully facilitated twelve projects and both municipalities have been slow in delivering directly in their respective roles.

The second issue is on the **lack of sufficient housing finance** to enable municipalities to go ahead with housing delivery in their areas. Municipalities do not have money to effect housing delivery and therefore have to rely on the National and the Provincial governments for funding. Both municipalities under study have had to put the proposed projects on hold meanwhile the funding is frozen by the provincial government.

Another issue is **land** the inaccessibility of which blocks progress in housing delivery. This

issue has only affected the KwaDukuza municipality whose land is under the ownership of the church, the SADT, the Department of Land Affairs and private individuals whereas in Ladysmith-eMnambithi municipality has plenty of land at its disposal. Once land is not easily accessible, the housing delivery process is inhibited. This situation depends on the prevailing situation within a municipality as local governments differ.

The **availability of skilled personnel** to undertake housing development blocks the progress of the housing delivery process when local government plays a direct role in housing development (acting as a developer).

Other factors such as **co-operation, co-ordination and shared responsibilities** among the role-players in housing development have enabled the Ladysmith-eMnambithi municipality to be successful in housing delivery in spite of making a slow progress with the development of an IDF Plan and changing the old bureaucratic structure. The KwaDukuza move has been on IDF Plan and changing the old bureaucratic structure which was as a result of the nature of problems experienced by the municipality with regards to housing development (that is, land ownership and invasions).

Political issues have an impact on the delivery of housing since much time is spent engaging in lengthy negotiations instead of making progress in developmental issues like housing delivery. Such issues create unnecessary delays and divisions between communities and the municipality and result in **invasions** and corruption.

Community involvement in housing development is important as municipalities can manage

their projects easily if communities are involved in all the stages of housing delivery and problems of invasions can thus be eliminated.

All these issues can be considered by local governments as they make decisions as to where, when and how they should intervene in housing development in their areas. The extent to which some of the issues mentioned in this chapter influence housing delivery will depend on the nature of the housing problem within a municipality and the status quo within individual municipalities themselves.

Chapter Six

Conclusions and Recommendations

6 Introduction

The aim of this study has been to explore the nature of local government's experience in housing delivery. Experience was drawn from Ladysmith-eMnambithi and KwaDukuza municipalities.

The crux has been to answer the following problem question:

“Why is housing delivery strong in some municipalities and weak in others? Do such factors as inaccessibility to land, inadequate finance and lack of human resources capacity affect local government's performance in housing delivery?”

The final chapter of this study looks at the aim of the study in relation to the findings which were analysed in the previous chapter. Conclusions will be drawn from the findings, after which the researcher will make recommendations as to how the housing delivery process can be improved.

6.1 Conclusions

The study has indicated that through municipalities, local government has made an effort to be involved in the provision of shelter for its inhabitants. The role played by municipalities has been both direct and indirect. In certain instances, municipalities have acted as developers and in

others they have played the role of facilitators in the housing development process. To a large extent, municipalities have shifted from a direct role into an indirect role. Now most of the housing development projects currently undertaken by the private developers. Very few housing development projects have been undertaken by municipalities acting as developers. The study has shown that local government is stronger in the facilitation role as compared to the development role.

Land accessibility is not always a problem for municipalities, but it does impede development in others. The Ladysmith-eMnambithi TLC has adequate land to sustain housing development in its area of jurisdiction, whereas KwaDukuza TLC does not have enough land to effect housing delivery because of the pattern of land ownership in its area. The study shows that inaccessibility to land blocks housing delivery, because land is the most important factor in housing delivery.

The PHDB offers housing finance to enable municipalities to deliver housing but such financial assistance is inadequate for municipalities to meet their housing needs. Municipalities cannot finance their own housing needs because of insufficient funds of their own.

Another reason that municipalities generally play a facilitating role in housing delivery is that they generally do not have enough skilled workers to do the many necessary tasks involved. Municipalities are accustomed to their old role of service-deliverer and their personnel is equipped and trained to fulfill that role rather than to perform housing development-related functions.

The two case studies examined do not suggest that there is a clear relationship between institutional arrangement and housing delivery in local government. The Ladysmith-eMnambithi TLC has managed to deliver more housing units with the old bureaucratic structure in place than the KwaDukuza TLC has managed to deliver with its new institutional arrangement. However, the Local Government White Paper (1998) requires that municipalities be restructured in order to undertake the new development functions which include housing.

Local politics affects housing delivery within municipalities. Party politics has an adverse effect on housing delivery especially when community involvement is needed. Internal organisational politics (eg lack of transparency and accountability regarding the use of municipality finances in housing development) also seem to produce unfavourable results. The attitudes of the officials themselves, mutual goals and shared vision may have an impact on housing delivery because when such elements are lacking, the productivity of municipalities is negatively affected.

6.2 Recommendations

< The study has shown that the expectation for local government is unrealistic given the lack of capacity in municipalities. However municipalities are able to facilitate and monitor housing delivery in their areas of authority. Where the monitoring role by the municipality is strong (as in Ladysmith - eMnambithi TLC), progress in housing delivery is effected. Municipalities should engage in institutional change in order to beef up their capacity in housing development.

If municipalities create housing units or departments they can be able to undertake the

housing development role by determining the housing need and strategies on how housing development can be implemented. Such housing units will co-ordinate all housing activities and clarify housing roles of the officials within the department. Important housing activities such as conducting socio-economic surveys to determine the housing demand and supply within municipalities will be performed by qualified officials. These officials will also assist in the training of communities on the importance of home ownership and the payment of services.

- < The higher spheres of government should intervene where local government lacks capacity in housing delivery by resolving a crisis situation facing local government (Housing Act 107 of 1997). Intervention of this nature can be financial whereby the National and the Provincial governments grant funds to municipalities for use in housing - related activities.

- < Owing to the changing role and status of local government in South Africa, municipalities need to be trained and developed on their new roles and responsibilities in order to be able to meet the development goals and objectives of the government. The Central and Provincial governments is required to offer more funding for local government training and development in housing. Training of municipalities will help clarify the roles of all stakeholders in housing delivery and prevent tensions and unnecessary political conflict among the stakeholders.

- < The role of each stakeholder in the housing development process should be clearly defined in order to ensure accountability, especially where community leadership and the

use of public money for housing development is concerned. The involvement of the private sector should be transparent, in that tenders are invited publicly, screened and, in due course, awarded.

< Those municipalities which do not have enough land for housing development should be assisted by the higher central and provincial governments to either buy land or to be given more powers over the management of state land.

6.3 Conclusion

The final conclusion of this study is that local government is not static and municipalities differ from place to place. The problems faced by different municipalities when they try to provide housing are therefore unique but not entirely. Thus one could argue for a bigger study looking at the experiences of a number of municipalities to see if more issues can come up.

More assistance from the national and the provincial spheres of government is required in an endeavour to equip municipalities with the essential skills in the new role of housing development. Training workshops should be organised for municipalities to familiarise themselves with the developments in housing - related legislation and other development matters.

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