

HOW IMPLEMENTATION GUIDELINES ARE SEEN TO ASSIST IN THE
IMPLEMENTATION OF THE PROJECT LINKED SUBSIDY PROGRAMME

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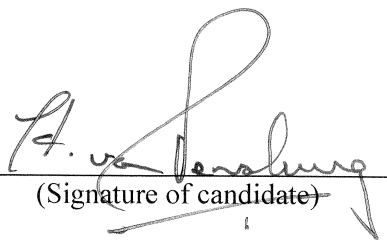
A research report submitted to the Faculty of Engineering and the Built Environment, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Masters of Science in Building in the field of Housing.

Pretoria, 2011

DECLARATION

I declare that this thesis is my own, unaided work. It is being submitted for the degree of Masters of Science in Building in the field of Housing at the University of the Witwatersrand, Johannesburg. To the best of my knowledge it has not been submitted before for any degree or examination in any other University.

Some information used in the research report has been obtained while employed by the Department of Housing (later renamed to the Department of Human Settlements).



A. van der Berg
(Signature of candidate)

11 April 2011

ABSTRACT

The Housing Subsidy Scheme in South Africa is directed by the implementation guidelines contained in the National Housing Code 2000. These compulsory guidelines are purpose made to cater for all development conditions. While the guidelines prescribe detailed procedures for undertaking subsidised housing projects, they also introduce control measures. Notwithstanding the evolution of the implementation guidelines, the nature and content thereof have been criticised by some. This research interrogates the aptness of Housing: MINMEC's¹ decision in 2006 to move away from detailed compulsory implementation guidelines and to introduce open ended implementation guidelines that allow for discretion at a project level. Day to day implementers of housing projects express a need for detailed prescriptive guidelines and value its contribution. This serves as a barometer to determine the benefits of detailed compulsory *versus* open ended implementation guidelines. The result of the research highlights the need to address changing circumstances in the implementation guidelines, but makes the case that compulsory implementation guidelines should apply.

¹ A committee that by and large comprises national and provincial housing politicians.

DEDICATION

Dedicated to my wife Annalien and the
Van Rensburg family.

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I would like to express my sincere gratitude to the individuals who have contributed in an immeasurable way to make this research work a success.

The guidance and in-depth scrutiny by my supervisor Ms. Sarah Charlton, Senior Lecturer were very instrumental to the successful completion of my research work. In addition to her outstanding role as a supervisor, her level of dedication, willingness, availability and patience is also acknowledged. The role of Post Graduate Housing Coordinator, Associate Professor Marie Huchzermeyer can also not be ignored.

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The financial support by my employer, the Department of Housing was instrumental and is hereby acknowledged with due respect. Opinions expressed in this work and the conclusions arrived at, are that of the author and must not be attributed to the Department of Human Settlements in any way whatsoever. Inputs received from third parties are of a personal nature and do not represent that of their respective employers.

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Chapter 1 Introduction

Since the introduction of the Housing Subsidy Scheme in 1994, guidelines were moulded to direct the implementation of the housing policy. The guidelines have evolved from very basic and rudimentary guiding principles in 1994 to the detailed technical guidelines as contained in the National Housing Code 2000.

Notwithstanding these developments, the guidelines have also come in for criticism. The guidelines that have accompanied the post-1994 housing policies have been downgraded in status.

On 21 May 2005, Housing: MINMEC (a Committee comprised of the Minister of Housing, the nine Provincial Members of the Executive Councils responsible for Housing (MECs) and a representative from the South African Local Government Association) approved the revision of the National Housing Code 2000. That decision provides for the introduction of flexible implementation guidelines and even the exclusion thereof in order to allow for the differences in development conditions throughout the country. As a housing official who has 26 years of experience in the drafting of housing policy and implementation guidelines and the interpretation and implementation thereof, it is my hypothesis that the ‘scrapping’ of the regulatory implementation guidelines as contained in the National Housing Code 2000, will have a detrimental impact on the housing delivery. The absence of a single comprehensive document containing the housing policy and detailed implementation guidelines will result in the incorrect implementation of policy, accompanied by numerous administrative and financial problems. This vacuum in policy guidance will also result in less effective control mechanisms.

This step may be seen by some as a generic form of approval to implement the Housing Subsidy Scheme without adhering to procedural, legislative and financial prescripts. In turn, this may result in legal and disciplinary actions and a delay in

the housing project. In line with my hypothesis, the inputs received from the interviewees confirm that the detailed implementation guidelines, as currently contained in the National Housing Code 2000, have contributed significantly towards the achievement of housing policy, especially in terms of the Project Linked Subsidy Programme.

The research considers whether or not implementation guidelines should be retained in the National Housing Code, based on the value/contribution that implementation guidelines are seen to have on the implementation of the South African Housing policy. The nature of the implementation guidelines will also receive attention. To date very little, if any, research has been published in South Africa that addresses the issue of the benefits of detailed, prescriptive implementation guidelines *versus* the advantages and disadvantages of a loose, open, flexible, interpretive approach (as is proposed for the future). International literature was sought to assist in the analysis of the usefulness of guidelines in unpacking policy in the South African housing context.

The research will confirm whether implementation guidelines should be retained for use with the implementation of the Housing Subsidy Scheme and if so, should the implementation guidelines be of a compulsory or open-ended nature? If found to be necessary, Housing: MINMEC must reconsider their decision to revise the National Housing Code 2000 to provide for flexible implementation guidelines.

In order to achieve this, the importance of the implementation guidelines in the execution of Government's housing policy must be determined. Following that, the nature of the guidelines, in other words whether the guidelines should be compulsory or open-ended guidelines must be determined as this may impact on the value/contribution thereof to implementers² of housing policy.

² 'Implementers' includes contractors/developers and housing officials. Some 'implementers' are also 'respondents' (later defined).

Linked to this, the viability to introduce open-ended guidelines that provide for project specific-circumstances rather than detailed compulsory guidelines to control the implementation of the housing policy must be considered. Open-ended implementation guidelines must also be considered, especially since Housing: MINMEC has resolved that a revised National Housing Code will take such a format.

The Housing Act (Republic of South Africa, 1997) prescribes that the Minister of Housing publishes a National Housing Code. The National Housing Code must contain national housing policy. In addition to the policy, administrative or procedural implementation guidelines may be included. These guidelines are to address the effective implementation and application of the national housing policy. Matters incidental to national housing policy may also be dealt with. During 2000 and in line with the mandate contained in the Housing Act (Republic of South Africa, 1997), the Department of Housing published the National Housing Code 2000, encapsulating detailed implementation guidelines.

On 6 December 2006, six years after the introduction of the Housing Subsidy Scheme, Housing: MINMEC approved an extensive revision of the National Housing Code 2000. The decision provides for the introduction of flexible implementation guidelines and even the exclusion thereof. This flexibility is intended to allow for the differences in development conditions, that prevail throughout the country (Department of Housing, 2008a). These conditions may vary between aspects such as occurrence of extreme weather conditions to the type of building technology used.

While I do not support the decision by Housing: MINMEC to introduce open-ended implementation guidelines, the definite need to update the National Housing Code 2000 is acknowledged. This need is evident, taking into consideration that I

have identified a total of 64 policy amendments since the publication of the National Housing Code 2000 until 31 December 2009. From a legal perspective, each of these amendments justifies the publication of a new National Housing Code. The Housing Act (Republic of South Africa, 1997) determines that following the year during which a policy change has been approved, a new National Housing Code must be published. This requirement was ignored for nine consecutive years and the amendments/new policies were made available by means of administrative procedures.

Cabinet's approval of the Comprehensive Plan for the Development of Sustainable Human Settlements (Department of Housing, 2004) reinforces the vision of promoting a non-racial, integrated society through the development of sustainable human settlements in high-quality living environments. The Comprehensive Plan is supportive of the need to promote some national housing programmes while arguing that other programmes be amended and new ones developed. Cabinet's approval of the Comprehensive Plan can be seen as a confirmation of changes to the housing policy and, therefore, the implementation guidelines. Ultimately these policy changes justify the need for the amendment of the National Housing Code 2000.

Academics such as Mayo (1999) confirm the need for and importance of clear policy and guidelines in order to ensure the best possible performance of the sector. In the field of medicine, some guidelines are of an unequivocal nature and must be adhered to in a similar manner. The same applies in the building sector. Township establishment legislation and regulations are of a compulsory nature, as is the case with the National Building Regulations and the regulations prescribed by the National Home Builders Registration Council.

However, disparity exists between role players in the low cost housing sector about the nature of the implementation guidelines to administer the Government's

national housing programmes. Institutions such as the Auditor-General, National Treasury and the Special Investigative Unit confirmed their support of the compulsory nature of implementation guidelines in the housing subsidy market. While housing officials, who are the implementers of the guidelines, also differ in opinion, the guidelines are an extension of the Housing Act (Republic of South Africa, 1997) and, as such, compulsory in nature. The promulgation of the Housing Amendment Act confirmed this position by determining that '[t]he Code shall be binding on the provincial and local spheres of Government' (Republic of South Africa, 2001:3).

The majority of persons I have consulted also acknowledge the compulsory nature of the implementation guidelines. Some housing officials, such as Van den Berg and Ramluktan, have confirmed their support for open-ended implementation guidelines, subject to certain principles such as final approval/control by the MEC.

1.1 Study area

My research considers a particular dimension within the Housing Subsidy Scheme, namely the use of implementation guidelines when undertaking housing developments in terms of the Project Linked Subsidy Programme. The decision to focus on this aspect is supported by the fact that the programme was the only national housing programme in place at the time Government implemented the Housing Subsidy Scheme. In addition, approximately 90% of all subsidies granted to date were granted in terms of the Project Linked Subsidy Programme. Within the context of the Project Linked Subsidy Programme, I will focus on the implementation guidelines as contained in the National Housing Code 2000. This decision is based on the resolution of Housing: MINMEC to scrap the implementation guidelines as contained in the National Housing Code 2000.

Since the publication of the National Housing Code in 2000, three important events have impacted on the delivery of houses by means of the Project Linked

Subsidy Programme. On 1 April 1999, the Ministerial Minimum Norms and Standards were introduced. This was followed by the introduction of a new procurement regime on 1 April 2002. While the necessity of these two policy changes is acknowledged, these changes complicated the Project Linked Subsidy Programme and the implementation thereof substantially. The third occurred during 2006, when the Integrated Residential Development Programme replaced the Project Linked Subsidy Programme. The implication is that existing commitments with private sector developers in respect of future developments already contracted for must be honoured. Incomplete housing developments, approved in terms of the Project Linked Subsidy Programme, had to be completed. No new housing developments may be approved in terms of the Project Linked Subsidy Programme. The existence of numerous incomplete housing projects between 2006 and 2010 provides me with an opportunity to retain focus on the Project Linked Subsidy Programme. In addition, the results of this study will be relevant for the future development and adjustment of all the implementation guidelines that guide the Housing Subsidy Scheme.

On 13 February 2009, the Minister of Housing approved the National Housing Code, 2009 as a replacement of the National Housing Code 2000. The implementation guidelines for the Project Linked Subsidy Programme are not contained in the National Housing Code, 2009. The latter version of the National Housing Code is excluded from my research. The research will cover the period up to 31 December 2009 as the National Housing Code, 2009 was launched at the beginning of 2010.

1.2 Information gathering

In order to address the need for implementation guidelines, the development of policy will also receive attention. This is done to differentiate between the processes of policy development and that of implementation guidelines that are undertaken almost simultaneously in South Africa. My research is based

on a desktop exercise involving extensive reading of material related to the housing policy and it's the implementation thereof. Linked hereto are the interviews and inputs by knowledgeable and experienced people in the housing subsidy sector.

In addition, I made use of academic material and the Department of Housing's policy documents and other grey material. Academic information dealing with policy and implementation guidelines was obtained from books, articles, journals and the Internet. Since I am a full-time employee of the Department of Housing (renamed the Department of Human Settlements), the research paper is also informed by publications by the Department of Housing and other government departments/institutions not easily accessible to all researchers. The grey material focuses on the Project Linked Subsidy Programme and includes Cabinet memoranda, minutes, submissions, official correspondence and policy and legal interpellations. This is supplemented by information collected during official meetings.

While statements by political heads during speeches and press releases can be regarded as an announcement of a policy, this is not the case with South African housing policy. The Housing Act (Republic of South Africa, 1997) determines explicitly that the Minister must determine national housing policy after consultation with every MEC responsible for housing and a representative of South African Local Government Association (SALGA). As a result, my research only acknowledges policy if determined accordingly.

I have also explored the position of the various respondents³ and other role players that can be associated to a wide spectrum of organisations involved in the implementation of the Housing Subsidy Scheme, specifically the Project Linked Subsidy Programme.

³ Some 'respondents' may also be regarded as 'implementers' (earlier defined).

My research is motivated by the decision by Housing: MINMEC to scrap the National Housing Code 2000, and the concerns I have about this. To test the validity of my concerns I have looked at the position of academics regarding the need for and use of implementation guidelines.

1.2.1 Approach

While undertaking my research, I made use of interviews and electronic communication with knowledgeable and experienced people in the field in order to obtain their objective inputs. These inputs represent the opinion of the individuals themselves and not that of their employers.

Secondly, I have studied a range of written material such as academic publications, legislation, newspapers and official documentation, for example, Cabinet memoranda, minutes, submissions and correspondence. Thirdly, I have studied a wide range of academic material published on the Internet. Fourthly, the development and implementation of the Housing Subsidy Scheme received attention.

While the importance of literature cannot be downplayed, this must be considered within the context of the subject matter. While housing policy and the implementation thereof are not new topics in academic circles, the guidance towards the successful implementation of the South African Housing Subsidy Scheme is a relatively new field. National, provincial and municipal officials are directly involved in the implementation process and their experience and detailed knowledge put them in a position to provide reliable and comprehensive inputs.

In the identification of relevant literature, I realised that Government's programme to deliver housing to the poor is a social function that interrelates with different disciplines. Most important are public administration and the legal framework

within which the social service is rendered. As a result, in addressing my subject, I have not limited myself to housing-related literature, but have also included literature in the field of public administration. This decision was also informed by the administrative procedures involved in the implementation of the housing policy. Health and economics literature was used to determine the nature and impact of medical guidelines in comparison with housing implementation guidelines. Where possible, I have tried to access material dealing with South African circumstances and more specifically, the Housing Subsidy Scheme. This provided me with an overall picture of the complexities at ground level of the implementation of the Housing Subsidy Scheme.

Lastly, attention was given to the contributing role of policy developments towards the need to update the National Housing Code 2000. This is done within the context of whether the decision to ‘scrap’ the implementation guidelines from the National Housing Code 2000 is appropriate. The findings are based on the available literature, interviews conducted, personal communications, experiences and observations in this regard. Where I draw on my own perspective and experience, this is clearly reported.

By means of a guiding questionnaire, respondents were given the opportunity to confirm their impressions in respect of issues such as the use and need of implementation guidelines. In addition, they were asked about the contributions and impact of the guidelines. While there were some similarities in their responses and I have made correlations in my findings, the nature of the research remained qualitative. The list of questions is attached as Appendix A.

1.2.2 Interviews

The majority of the 10 interviews were conducted between September 2009 and March 2010.⁴ The following persons were interviewed:

Department of Housing (national level)

Ms J Bayat, Chief Director: Priority Projects Facilitation;

Ms S Myburg, Deputy Director: National Planning Frameworks;

Mr B Ntlou, Director: Litigation Management and Legal Advisory Services;

Ms A Rajkumar, Assistant Director: Rental Housing (previously KwaZulu-Natal Housing Department); and

Mr L Van der Walt, Director: Human Settlement Policy Development.

These officials were chosen on the basis of their roles in the drafting of the National Housing Code 2000, the implementation of the Housing Subsidy Scheme and their specialist knowledge of the policy measures and implementation guidelines. Mr Ntlou's inputs were limited to a legal interpretation regarding the nature of the National Housing Code 2000.

Provincial Housing Department: Gauteng

An interview was conducted with Mr W Odendaal, then Deputy Director-General of the Provincial Housing Department. This interview did not cover all aspects addressed in other interviews, as the standard list of questions had not been compiled in 2006.

Special Investigating Unit

Mr W Moore was interviewed. He is a senior advocate at the Special Investigating Unit and forms part of the team that investigates non-adherence to housing policy measures and implementation guidelines. In order to be able to conduct investigations and prosecute offenders successfully, he studied the housing policy

⁴ Three of the interviews were conducted telephonically.

and implementation guidelines. Since Mr Moore focuses on legal aspects of the National Housing Code 2009, our interview was limited to this aspect.

Consultants

Ms C Bartlett is the sole owner of Usquebaugh Consulting while Mr C Burger is the sole owner of Ingqondi Consulting. Both these consulting firms undertake investigative work that may later be used by the Special Investigating Unit. They were both identified as candidates based on their current roles and their historic involvement in the implementation of the Housing Subsidy Scheme. Ms Bartlett used to be a director in the provincial housing department of the Western Cape Province while Mr Burger used to be director in the provincial housing department of the Eastern Cape.

Private sector contractor

I have interviewed Mr C Cook who is the chief executive officer of Conbou Construction. His firm has been active in the North West for at least 10 years. During this period his company undertook numerous housing developments in terms of the Project Linked Subsidy Programme. He is familiar with prevailing problems in the implementation of the programme. Since Mr Cook visited the department for business reasons, the scope of the interview was limited.

1.2.3 Questionnaire

A list of questions was drafted as a supportive tool and used during interviews. The list of questions stimulated respondents to discuss the role of, and need for, the detailed implementation guidelines while focussing on the impact of the scrapping of the National Housing Code 2000. The interviews and list of questions provoked open-ended discussions and resulted in a qualitative evaluation of inputs.

In order to ensure comprehensive inputs, I decided to increase the scope of the investigation sample and electronically distributed the list of questions used during interviews. The majority of the questionnaires were distributed during October 2009. The criteria used to identify persons who were qualified to respond to the questionnaire were the same as those used to identify people to interview.

While 14 persons responded, the electronic feedback was representative of different organisations such as national and provincial housing departments, municipalities and the private sector. As was the case with persons identified for interviews, all people contacted electronically are either actively involved in the implementation of the Housing Subsidy Scheme, have extensive experience or have academic interests.

The persons who provided feedback and the names of their employers are listed below.

Department of Housing (national level)

Electronic inputs were obtained from the following three officials:

Mr J Louw, Chief Town and Regional Planner: Programme Implementation;

Ms M Van den Berg, Director: Monitoring and Evaluation; and

Ms C Van der Westhuizen, Director: Management Information Services.

These individuals were chosen on the basis of their roles in the implementation of the Housing Subsidy Scheme and their specialist knowledge of the policy measures and implementation guidelines. Their qualifications and responsibilities in respect of a range of different aspects also made them ideal candidates.

Provincial Housing Department: Northern Cape Province

Mr S Haasbroek is a deputy director and was approached for inputs in light of his involvement with the implementation of the Housing Subsidy Scheme since 1994.

As a result he was identified as a person with detailed knowledge and extensive experience as a provincial implementer.

Provincial Housing Department: KwaZulu-Natal

Ms S Ramluktan is a deputy director in the policy section and was contacted on the basis of her field of work that includes policy interpretation and her detailed knowledge of the Housing Subsidy Scheme resulting from years of experience in the implementation of the Project Linked Subsidy Programme specifically.

Provincial Housing Department: Free State

I also obtained inputs from Mr J Mosikhele who is a director in the Provincial Housing Department. Mr Mosikhele possesses extensive housing knowledge and experience.

Cape Town Municipality

Mr W Muller, who is the City Treasurer: Housing Development at the Cape Town Municipality, possesses extensive knowledge of the Housing Subsidy Scheme and housing delivery in general. Since the municipality of Cape Town is responsible for approximately 80% of government-funded housing developments in the Western Cape, the value of his inputs are significant.

Buffalo Bay Municipality

Ms H Jonkers is a senior housing practitioner in the housing department of the Buffalo Bay Municipality in East London. Her involvement in housing includes the development of a municipal housing delivery strategy that is aligned to the Housing Subsidy Scheme. Her responsibilities necessitate that she be well informed of all housing policy developments and of the implementation guidelines.

South African Local Government Association (SALGA)

Inputs were obtained from Mr G Booyesen, whose title is Specialist: Sustainable Human Settlements at SALGA. His input is essential in light of SALGA's role in the formulation of housing policy as well as SALGA's oversight responsibility in respect of municipalities.

Housing consultant

I approached Ms A Wilson, a housing consultant who, in light of her field of work, is in a position to provide extensive input, especially from the perspective of subsidy beneficiaries. Ms Wilson has been a housing consultant for an extensive period.

Academics

Ms M Tomlinson is a well-known academic and consultant in South Africa, focussing on housing and subsidisation for the poor. She published a number of reports that specifically address the implementation of the Housing Subsidy Scheme. She has immigrated to Australia and as a result I was unable to interview her.

Ms M Rubin used to be a researcher at the University of the Witwatersrand. She was previously employed by the Department of Housing (national level) and was identified as a respondent in light of her academic background and experience in the housing field.

Former provincial housing officials

Mr P Du Plessis used to be a director in the Department of Housing in the Northern Province (renamed to Limpopo Province). He now owns the company Duzwane Development. His inputs were obtained on the basis of his years of experience in the implementation of the Housing Subsidy Scheme and his current involvement in this market as a private sector developer.

Mr W Odendaal used to be the Deputy Director-General in the Department of Housing in Gauteng. He has since joined Housing Solutions International but is still actively involved in low-cost housing delivery. His inputs were obtained in light of his historical involvement in the implementation of the Housing Subsidy Scheme as a senior manager. In addition, his years of experience and extensive knowledge of the Housing Subsidy Scheme are of significant importance.

Attached as Appendix B is a comprehensive list, containing the name and position of each person interviewed and those persons from whom electronic inputs have been obtained, with the names of their employers and the date of the communication.

In the next chapter attention will be given to policy principles and the development and role of implementation guidelines as recorded by various authors. In the second part of the next chapter the reader will be familiarised with the South African housing policy and guidelines. Chapter three gives an overview of the project Linked Subsidy Programme, the evolution of the housing policy, the need for new guidelines and the amendment of existing guidelines and lastly highlights the decision by Housing: MINMEC to replace the National Housing Code 2000. Chapter four records the findings resulting from the research with specific emphasis on the feedback/inputs by respondents. These are analysed in chapter five and the subsequent recommendations and way forward are set out in chapter six.

Chapter 2 Housing policy and implementation guidelines

In order to give substance to my investigation into whether or not compulsory implementation guidelines are necessary, I have looked at the academic/research work on the role of implementation guidelines in housing delivery. In addition, I have looked at the development of South African housing policy and implementation guidelines. The magnitude of implementation guidelines and the amendments thereto also received attention.

The delivery of housing is driven by both policy and implementation guidelines. The absence of a clear distinction between policy prescripts and implementation guidelines in the National Housing Code 2000 often resulted in confusion at an implementation level. In light of the decision by Housing: MINMEC to do away with the implementation guidelines as contained in the National Housing Code 2000, differentiation between these principles is important.

2.1 Policy and guidelines in general and the relationship between them

2.1.1 Policy

Definition

Smith (1973) defines policy as an intentional action by a government to introduce new procedures or institutions, or to change existing procedures within old institutions. Smith (ibid) also confirms that both Ranney (1968), in his philosophy on the development of policies, and Hill (1993) as cited by Osman (2002), are supportive of his definition.

Kilpatrick (2010:online) has defined policy as ‘a system of laws, regulatory measures, courses of action, and funding priorities concerning a given topic promulgated by a governmental entity’. In the medical community, policy is

regarded as a plan or course of action designed to define issues, influence decision-making and promote broad community actions beyond those by individuals (Centre for Health Improvement, 2010).

Colebatch (2006:311) regards policy to be process leading to ‘a collective attempt to construct a policy in order to address some evident problem’. The result of the process will be guided by, amongst others, political, management, financial and administrative mechanisms.

Although Mayo (1994) did not define policy, he holds a position that the goal of housing policy is to guide role players towards a well-functioning housing sector that best serves the interests of all participants and helps to achieve broad social and economic goals that are aligned to these descriptions.

Procedures when drafting policy

Policy development is the process by which society makes decisions, selects goals and identifies the best means for reaching them, handles conflicting views about what should be done and allocates resources to address specific needs (Centre for Health Improvement, 2010).

When drafting policy, such policy should confirm precisely what is envisaged, the procedures to follow in order to achieve this aim, by whom these procedures must be performed, what resources will be available for this purpose and at what stage these procedures must be performed (Cloete, 1984). These aspects are currently all addressed in the Housing Subsidy Scheme’s implementation guidelines.

Primary objectives when drafting policy

Choguill (2007) holds the position that a future housing policy should meet three primary objectives. Firstly, a housing policy must provide the basis for household improvement and this would imply both the ‘house’ and the ‘home’. While the

betterment/improvement of the house is an important target in the case of low-cost subsidised housing, these enhancements will automatically contribute towards establishment of a 'home'. The second objective is that the policy must accomplish a durable housing improvement that contributes towards the empowerment of poor communities. The third and last objective is of a psychological nature, as steps must be taken to ensure the building of the self-esteem of participants to the housing programmes.

Formulation of housing programmes

In his study into the optimum allocation of resources as a measure to identify the ideal housing programme, Wendt (1996) confirmed that the formulation of national housing programmes is a very complex task. He emphasised that cognisance must be taken of issues such as the level of investment by government and private sector, the types and combinations of financing, tax, other government subsidies to be used and the best suited housing type and construction methods.

Howlett (2009) is of the opinion that in order for a policy to be successful, coherence must exist between the policy aims, objectives and targets. In addition, the implementation preferences and policy tools should be consistent. Lastly, the policy aims and implementation preferences, the policy objectives policy tools and policy targets, must also be congruent and convergent.

While the drafting of policy and the implementation thereof by means of guidelines are two distinct formulation procedures, they form one process. Bunker (1972) found that implementation flows from operational policy and, as such, is an integral part of the policy-making process. This is supported by Bayat (2006) who confirms that implementation is part of the policy formulation, rather than merely a step by housing officials that follows policy development.

2.1.2 Implementation guidelines

Definition

Greiner, Mittendorf and Von der Schulenburg (2001) describe guidelines as systematically developed, decision-support tools to contribute towards suitable procedures in housing related problems. Brennan and Abrutyn (1995:512) quoted the South African Institute of Medicine that defines practice guidelines as ‘systematically developed statements to assist practitioners to make decisions about the appropriate measures to follow’. Furthermore, they define the purpose of guidelines as a measure to limit variations during the implementation phase while working to achieve the desired consequence. The benefit of guidelines that is applicable in the medical field includes an educational benefit, the establishment of minimum standards, better compliance with policy prescripts and improved results.

The definition of implementation guidelines as set out in the Housing Act (Republic of South Africa, 1997:4) is very vague. Implementation guidelines are seen to be the measures that will ensure effective housing development. This development must be conducted in a manner that will ensure the ‘establishment and maintenance of habitable, stable and sustainable public and private residential environments’.

Need for the guidelines

Derthick (1976) holds the position that in order to implement a policy, guidelines must be available to regulate actions of government departments, municipalities and individuals in a manner conducive to the attainment of the goal as identified in the policy. These guidelines must contain intelligible and useful instructions to implementers and administrators. They must also include contextual support in order to give effect to the policy. Implementation guidelines that encapsulate vague definitions, authorisations and open-endedness that create an extremely

possible opportunity for severe fiscal exploitation will increase the heavy burden of expenditure control on administrators.

Derthick (ibid) argued that the functions of administrative guidelines are essentially the same as that of the laws they implement. As a result, their adoption and promulgation establish their legitimacy. Guidelines that are a means to distribute benefits, such as housing subsidies, must apply equally in order to result in equal and fair outcomes to all participants. When prescribing conduct, this should be done in a clear manner to facilitate compliance. In summary, guidelines must tell people what is expected of them, but in such a manner as to encourage them to serve the purpose as contained in the policy.

Academics such as Brennan and Abrutyn (1995) acknowledge the need for the guidelines to direct policy implementation and the benefits associated with such guidelines. The type of guidelines needed and whether they should be detailed, compulsory guidelines or flexible, interchangeable and open-ended guidelines may vary from one discipline to the next. Brennan and Abrutyn (1995:512) also found that '[t]he greatest challenge in the process is not writing the guidelines but implementing them'.

2.1.3 Relationship between policy and guidelines

Policy implementation

When looking at the descriptions of policy and implementation guidelines, it is evident that policy precedes implementation guidelines. This is because the policy can be described as the 'what to do' and implementation the 'how to do'. In line with my position, Cameron (1991:144) cites Ripley and Franklin (1982:144) who have defined policy implementation as '[w]hat happens after laws [and policy] are passed authorising a [housing] program or policy or tangible output' [*my insertion*]. It is therefore evident that policy implementation deals with the navigation of actions and ensuring that the prescribed actions are followed over

prolonged periods. Cameron (ibid) supports Ripley and Franklin's definition and adds that policy implementation steers a course of action over time and can therefore be regarded as a practical activity. Hayes (2001) defines policy implementation as the actions taken to introduce a deliberate and sequential set of activities directed toward putting a policy in order to achieve specific goals, in this case the delivery of housing to low-income earners.

Schultz, Slevin, and Pinto (1987) describe implementation as a process that consists of a goal-setting and planning phase that is followed by an action-oriented, operational stage. Further, that in order to implement a project successfully, managers must be aware of the underlying factors that is critical to implementation success.

Policy in relation to outcomes

McLaughlin (1987) found that the existence of a policy does not dictate the outcomes thereof as the effective implementation thereof necessitates a strategic balance of pressure and encouragement. Implementers do not always react in the mandatory way nor do they act to augment policy objectives. Contrary to expectations, implementers react in an unpredictable and often resistant fashion resulting in a shortfall in expectations as well as a vast variance in what is deemed a reliable target. This supports the finding by Pressman and Wildavsky (1973), that implementation dominates outcomes; in other words, notwithstanding the nature of planning and support, the final determinant in the successful implementation of a policy is determined by the actions of implementers/administrators. This is even more exacerbated when the implementation of a policy takes place across the various layers of government. McLaughlin (1987) also found that 'policy can at best enable outcomes, but in the final analysis it cannot mandate what matters' and that delivery ultimately depends on the 'street level bureaucrat'. Academics such as Brennan and Abrutyn (1995) support this perspective.

Towards successful implementation

O'Toole and Montjoy (1984) found that in order to implement a policy successfully, it is essential to motivate the responsible parties to cooperate towards the achievement of the policy. The implementation of government policies often require participation by the different levels of government or even more than one department within the same level of government. In the South African federal system, these levels are the national, provincial and municipal governments, all of whom function autonomously from the other.

According to O'Toole and Montjoy (1984), the impact of the required participation on the implementation of policies is, firstly, that the number of impediments increases in direct proportion to the number of organisations that participate. Secondly, these organisations must not only undertake their own responsibilities, but also do so in a coordinated fashion with the other institutions involved in the implementation of the policy, thus making all actions more complex, all other things being equal. Thirdly, the increase in the number of organisations and the related increases in complexity, decreases the possibility that the different organisations will be in a position to meet their respective mandates and as such the overarching goal.

Implementers are guided by various factors when deciding whether or not to adhere to implementation guidelines. The most important is the financial impact linked to the implementation. Issues such as the complexity of the guidelines, the level and nature of guidance and social goal of the implementation guidelines are all secondary considerations. While implementation guidelines aim to ensure positive circumstances, they tend to protect the interests of government over and above that of the implementers.

In summary, the purpose of guidelines is to guide implementers and provide standard procedures to regulate the actions of all role players in a manner that is conducive towards the achievement of the ultimate goal. The optional *versus* prescriptive nature of implementation guidelines will depend on the discipline in which the guidelines are applied. Linked to this, the purpose of the guidelines, the manner in which the guidelines were introduced and the discipline in which the guidelines are used, will determine the authority of the guidelines.

2.2 South African housing policy and guidelines

The current housing policy is the result of a need for a policy that will address the housing needs of all South Africans. This need was identified against the backdrop of political changes in South Africa, such as the historic 1994 democratic election. While the policy was important in light of the political imperatives of the time, other groups also had an interest in the policy measures and the procedures and guidelines in order to achieve the policy aims. These groups include financiers, building suppliers, developers and other role players in the building sector.

2.2.1 Policy development process

During 1993, the Minister of Local Government and National Housing acknowledged the shortcomings in the housing policy. The policy focussed only on the delivery of serviced sites and has been implemented inconsistently between the various departments responsible for the housing function. This resulted in inequality in respect of the housing subsidy. On 14 December 1993, Cabinet approved the development of a new housing policy in order to provide a uniform level of assistance to all subsidy beneficiaries. This gave effect to the development of the Housing Subsidy Scheme (Department of Local Government and National Housing, 1993).

The housing policy and implementation guidelines are the result of intensive political negotiations (Huchzermeyer, 2001). Tomlinson (1999) describes the housing policy development process as unique. The negotiations between the National Housing Forum (NHF) and the then government gave cause for an exceptional process with its own challenges. Booysen (2001) supports the position that the challenges were amplified by the uncertain conditions that prevailed at the time.

Laloo (1999) is of the opinion that the development process was negatively influenced by means of the manipulation tactics of government at the time and the business sector, whose interest was over-represented in the NHF. The organisations represented on the NHF included business organisations, development organisations, political organisations and civic organisations (Gusler, 2000).

The Project Linked Subsidy Programme policy and implementation guidelines, as agreed upon between the Department of Local Government and National Housing and the NHF, served before the National Housing Board on 18 April 1994. The policy and implementation guidelines were then distributed to all provincial housing departments for implementation (Department of Local Government and National Housing, 1994a).

Adler and Oelofse (1996) record the inadequacy of the housing policy and identify national and provincial politicians' hesitance to support the policy unconditionally as the most decisive constraint to the delivery of housing.

Some politicians went so far as to criticise the policy principle that beneficiaries should contribute towards their own housing opportunities. Tomlinson (1995a) recorded that some MECs, who are responsible for driving housing policy, have made public statements that may seem to undermine the housing policy, while

others doubt the viability of the subsidy scheme. In light of these occurrences, Marais and Wessels (2005) support the position of Liebenberg (2001) that policy *per se* is inadequate and that the development of policy should include an implementation framework. This is necessary to as ensure that, in practice, policy measures reach the intended beneficiaries.

Booyesen (2001) confirms that the distribution of power between the national and provincial levels of Government increases tension between these two levels of government. Booyesen (*ibid*) cites Friedman (undated) that the provincial governments have been given some policy-making powers, but virtually none in respect of housing. The powers of the provincial governments are limited to the implementation of policies. Notwithstanding this composition, some provincial housing departments have developed their own policies. Gardener (2003) reports that, for example, that the Gauteng Provincial Housing Department has developed the 'Mayibuye' Upgrading Programme that speeds up delivery by providing land first, followed by services and houses at a later stage.

Booyesen (2001) confirms that the consultative and accountable policy thrust in contrast to urgency and centralisation, influenced both procedures and the policy context. While a consultative process was followed, the level of consultation was limited. The process was subjected to political and executive control. Booyesen (2001) also reported on the incremental nature of policy making and implementation during the period post-1994. My position is that the incremental nature used provides for the ever-changing needs of both the people in need of subsidised housing and the parties responsible for the delivery of the housing. In this regard, Tomlinson (1995a) confirms that the policy was designed in an office and as such did not foresee all circumstances.

The negotiated development process of housing policy and implementation guidelines changed significantly after 1994 and has been replaced by a policy-

making process as prescribed in the Housing Act (Republic of South Africa, 1997). While policy is based on the wishes of Government, a range of new housing programmes was developed to provide for the needs of people. Specific needs addressed include those of persons who reside in rural areas (Rural Subsidy Programme), informal settlements (Informal Settlement Upgrading Programme) and people who wish to construct their own houses (People's Housing Process).

Although the White Paper on Housing indicates the time for policy debates has been replaced by an opportunity to deliver housing in line with the policy, I believe that the statement is of a semantic nature and that contrary to the opinion of some (for example Huchzermeyer, 2001) this did not signal an intention to abruptly end further policy-developing exercises. That the policy-development procedure would change is true. Mthembu Mahanyele (1999) confirmed the evolution of the housing policy as an ongoing exercise. The changes in the housing policy and the introduction of new national housing programmes since December 1994 support this statement by Mthembu Mahanyele.

While this section gives a basic background regarding the development and implementation of the Project Linked Subsidy Programme, the section also shows the intense development of the policy measures and implementation guidelines within a relatively short period. Housing officials were expected, in order to address the housing need, to familiarise themselves overnight with the new programme. This, in turn, confirms the importance of having documentation that guides successful implementation - in other words implementation guidelines.

In order to set the basis for the discussion of the evolution of the Housing Subsidy Scheme, with specific reference to the Project Linked Subsidy Programme, I will now sketch the key characteristics/principles of the housing policy and guidelines.

2.2.2 Introduction to SA housing policy and guidelines

Basis of the Housing Subsidy Scheme

Marais and Wessels (2005) confirm that housing as a right is entrenched in the Constitution, 1996 (Republic of South Africa, 1996) and, as such, Government's policy is to provide people access to housing opportunities on a progressive basis. The right to housing therefore forms the basis for the Housing Subsidy Scheme. This right and other secondary rights have been tested in court; for example, the Grootboom, the Bredell and the Alexandria cases. While some academics (see Huchzermeyer, 2003) are not necessarily in support of the court's findings, Hopkins (2003) reports that Government is responsible to develop policy and that courts should only intervene if the policy is unreasonable. On this basis the Constitutional Court, in the Grootboom case, instructed Government to introduce workable measures to remedy the housing policy. The ruling resulted in the development of new policy measures and the implementation of the Emergency Housing Programme.

The right to housing as is guaranteed to 'everybody' but on a progressive basis. While the Constitution (Republic of South Africa, 1996) does not differentiate between South African citizens and foreigners, legally in the country or otherwise, the Housing Subsidy Scheme provides only for certain qualifying individuals. The lack of attention towards the needs of foreigners are criticised by McDonald (1998) who is of opinion that the matter should be reconsidered. In this regard he confirms that the Bill of Rights provides for the right of housing to 'all juristic persons' and that there is no distinction between 'person' and 'citizen'. As signatory to the Habitat Agenda (1996), Government committed itself to adequate shelter to 'everyone'. The Housing Subsidy Scheme, by means of the qualification criteria, however, strictly provides for citizens and persons with permanent residential permits, only.

Realisation of the housing right

Incremental housing assistance formed the basis of Government's housing policy, as this would ensure housing assistance to more people although the standard/value of the assistance will be proportionally lower (Marais and Wessels, 2005). Because of the decision to focus on the poorest of the poor (households earning not more than R3500 per month) 86.1% of South African households, based on their income profile, would qualify for housing assistance (Department of Housing, 1994).

Napier (1998) reports that incremental (core) housing provides people the opportunity to become personally and creatively involved in their housing. Extensions to these houses, whether formally or informally, are encouraged but remains the responsibility of the homeowner. He emphasised that of the informal extensions he inspected during his visits to the Inanda Newtown and Khayelitsha townships, only 17% were found to be structurally unsound.

Aim of the Project Linked Subsidy Programme

The objectives of the Housing Subsidy Scheme are far reaching. While the main emphasis is on delivery of housing, the emphasis includes aspects such as spatial reform, making an impact on poverty, creating assets, contributing towards the economy and skills transfer (Charlton, 2009).

While the intent is to ensure that housing developments are situated in areas that afford easy access to places of employment and education and healthcare facilities, this is often not realised. Marais (2005) confirms that people had to commute between dormitory town (developments) and urban areas in order to reach their places of employment and make use of the facilities mentioned. This critique is echoed by academics such as Khan (2003), Royston (2003) and Todes, Pillay and

Kronje (2003) under the discussion of the provision of subsidy housing on the periphery.

While Charlton, Silverman and Berrisford (2003) also acknowledge this shortcoming, they warn that delivery in poor locations or the periphery, or areas without access to all amenities and facilities may promote commuting to a rental property in the cities. As a result the housing backlog will not be reduced. On the other hand, it is recorded that well-located land is simply not affordable to the poor. These circumstances are not only counterproductive to Government's efforts, but also impact negatively on the economic circumstances of beneficiaries in light of high transport costs and a lack in income-generating opportunities. They quote Gilbert (2004:32) who describes the consequences of this phenomenon by noting that 'government's success in providing houses for the very poor has produced ghettos of unemployment and poverty'.

Goodland (1996) confirms that land will remain a contentious issue and that the location of housing developments, that will result in convenient locations that are closer to jobs, transport and urban facilities, will test the ability of Government ability to successfully provide housing assistance.

Huchzermeyer (2003) criticises the inability of the Housing Subsidy Scheme as a funding tool to address urban spatial integration. She reports that this was a well-known fact even before the introduction of the Housing Subsidy Scheme. The result of the capital grant system is the preservation of elite housing markets by directing subsidised housing developments to cheap land on the periphery and encouraging economies of scale that is large housing projects rather than smaller infill developments on well-located land.

Gardner (2003) warns that criticism has been levelled at poor living conditions at peripheral locations. He acknowledges that this is due to poor location and the

constraints on the type of building forms that can be utilised under the Housing Subsidy Scheme. The problem is also attributed to poorly coordinated investments by Government departments responsible for aspects such as roads, health, education and security.

Charlton (2009) warns that the focus on delivering great numbers of houses in a short time frame, as can be credited to, for example, the target of one million houses over five years, was regarded to be a political imperative. Such an approach is difficult to reconcile with the delivery of sustainable human settlements that address current and future residential/business needs.

Charlton (ibid) also express a warning that while housing can be regarded as a method of combating poverty, consideration must be given to the performance of this function in Housing Subsidy Scheme in the local context and the ways in which beneficiaries choose to operate.

The provision of housing in ownership implies that serviced land is also made available to the previously disadvantaged, many of whom had lost their land due to forceful evictions. The Housing Subsidy Scheme should, however, not be confused with the Land Redistribution Programme.

Target group

The White Paper on Housing prescribes that subsidies be made available to legal residents of South Africa with a monthly household income not exceeding R3500 per month. Subsidisation would also be biased towards assisting the poorest of the poor (Department of Housing, 1994).

Charlton, Silverman and Berrisford (2003) confirm that housing assistance is focussed on the poor, as defined by income. While the maximum household income is set at R3500 per month, the majority of assistance goes to households

earning less than R1500 per month as this category makes up the majority of qualifying beneficiaries.

Tomlinson (1999) confirms that the decision to not to grant subsidies to households earning more than R3500 is the result of a decision to calculate the cost of eradicating the housing backlog over different time frames, linked to the funding available to Government.

Charlton, Silverman and Berrisford (ibid) highlight the concern raised by Jones and Datta (2000) that those households who qualify for the maximum subsidy cannot afford housing credit needed to afford the type of housing offered by developers. My concern is that those subsidy beneficiaries are introduced to an environment where service fees are payable, making it unaffordable or at least unattractive to reside on the property. This often results in informal sales.

Funding mechanism

The Government subsidy takes the form of a once-off capital grant to ensure ownership and is modelled on the approach pioneered by Chile in 1977 (Gilbert, 2004). Another correlation with the Chilean subsidy scheme is that the subsidy amount is paid directly to the developer (Gilbert, 2000).

The subsidies may be supplemented by private/mortgage finance, thus the principle of credit-linked subsidies. Tomlinson (1999) warns that home loans are inappropriate lending instruments in the subsidy market as this is a complex and expensive lending measure. The term linked to mortgage finance (20 years) is also too long to be sustained by low income households.

At the time of the introduction of the subsidy scheme, provision was made for three subsidy bands that were made available on a sliding scale, based on household income. The subsidy amounts available at the time are set out below:

Table 1: Subsidy amounts: 15 March 1994

Monthly income	Subsidy amount
Up to R1500	R12500
R1501 to R2500	R9500
R2501 to R3500	R5000

Source: Department of Local Government and National Housing, 1994a

While Bolnick and Mitlin (undated) confirm Government's initial intention not to increase the subsidy amount, it can be seen in Appendices C and E respectively, that the subsidy amount has been increased from R12 500 in 1994 to R55 706 in 2009. This represents an average increase of 8.9% per annum in the subsidy amount over a 15-year period. During the aforementioned period building cost increased with an annual average of 9.7% (calculated using the Building Cost Index). This confirms that the average increase in the subsidy amount was lower than the average increase in building costs.

In 2007, Housing: MINMEC announced that the subsidy amount should, in future, be used to finance the top structure only while serviced sites must be provided by municipalities or from alternative sources. In light of the financial difficulties of municipalities approval was granted to, as an option of last resort, finance the services component from housing funds (Department of Housing, 2007a).

While the Housing Subsidy Scheme is by and large funded by Government sources, alternative sources of funding are also required. An underlying principle of the Housing Subsidy Scheme is that Government cannot take sole responsibility for the provision of housing. As a result a market-orientated approach with the private sector is necessary in order to gear funding (Department of Local Government and National Housing, 1994b).

Gilbert (2004:19) quotes the Department of Housing (2001) saying that 'government, in partnership with housing institutions, communities, the private sector and NGOs, has provided subsidies ... to the poorest of the poor'. While the nature of the contribution by each party is however not specified, the Housing Arrangements Act (Republic of South Africa, 1993) provided at the time of inception of the Housing Subsidy Scheme, that subsidies were to be paid from the National Housing Fund.

What is delivered?

The interim arrangements agreed to between the Department of Local Government and National Housing and the NHF provides that the subsidy is to be applied 'to a housing product, as envisaged in the Record of Understandings' and that the subsidy will only be paid over upon registration of ownership in the name of the subsidy beneficiary (Department of Local Government and National Housing, 1994a:1). The Record of Understandings confirms the goal to 'establish a housing delivery system to meet basic housing needs' [*my emphasis*] (Department of Local Government and National Housing, 1994c:2).

Huchzermeyer (2001) confirms that the Housing White Paper envisages the provision of 'adequate housing' as a 'permanent residential structure'. This differentiates the new housing policy from that of the previous Government's policy to provide 'site and service schemes'. The commitment to deliver one million 'houses' over five years further emphasises Government's intention to provide houses with adequate services.

The cost of land, which varies from one location to the next, was initially financed from the subsidy amount (Department of Housing, 2003a). This resulted in an uneven benefit to beneficiaries in that the balance of the subsidy amount determined the nature of the top structure (house). The practice to finance the acquisition of land from a beneficiary's subsidy benefit ended in 2005 at which

time a decision was taken to fund the future acquisition of all land from the National Housing Fund.

The Housing Act (Republic of South Africa, 1997) prescribes that, besides access to a permanent residential structure, access must also be available to potable water, sanitary facilities and local energy supply. This principle is also embodied in the aim of the Housing Subsidy Scheme.

The quality of the housing stock is an important aspect, especially to subsidy beneficiaries. Tomlinson (2006) confirms that while the Housing Subsidy Scheme is built on the principle of going for ‘breadth’ (chasing numbers) rather than ‘depth’ (providing more substantial assistance to less people), more recent policy developments raised the question whether Government is supporting a shift away from this principle. In support of her argument, Tomlinson (*ibid*) first raises the substantial increase in the subsidy amount; secondly, the collapse of the subsidy bands that allow for access to the full subsidy amount to all rather than differentiated assistance, based on income; and lastly, she highlights Government’s intention to expand the Housing Subsidy Scheme by including households earning up to R7000 per month and assist households to obtain home loans.⁵ While such a shift will increase the standard/quality of housing delivered, the benefit will only be available to a few.

2.2.3 Implementation of the housing policy

The literature has shown that there is a distinct difference between policy and implementation guidelines. In the Project Linked Subsidy Programme specifically and in the National Housing Code 2000 in general, this distinction is ignored. The development of housing policy and implementation guidelines has, in practice,

⁵ The Finance Linked Individual Subsidy Programme (FLISP) was implemented on 1 October 2005. Implementation was hampered by aspects such as the unaffordability of housing loans to the target group, the limited number of houses products available and policy provisions that impacted negatively on delivery at scale. The Programme is currently under review.

always been dealt with as one process. The result is that the same level of recognition is due to both the policy and the implementation guidelines. This includes procedural and administrative guidelines such as the management and registration of application forms and financial management that forms part of the implementation guidelines.

I now want to use findings documented in the literature to highlight the links to the implementation of the Project Linked Subsidy Programme. While the challenges are not limited to a specific geographical area, I want to focus on the complexity of housing development (and the context in which housing development takes place) in South Africa.

In terms of the Housing Act (Republic of South Africa, 1997) provincial housing departments and municipalities must promote and bring about the provision of adequate housing. Since they are subjected to the housing policy, implementation guidelines are used to guide them in the execution of their functions. A provincial housing department must act as a developer, should a municipality not have the appropriate technical, financial or managerial capacity (Department of Housing, 2003b). Both provincial housing departments and municipalities are faced with similar developmental constraints that impact on their ability to deliver housing opportunities. I have grouped these as capacity constraints; community involvement; administrative support services and control; clarity of goals and complexity; and political circumstances.

Capacity constraints

Hou, Ynihan and Ingraham (2003:312) quoted the World Bank (1997), which describes capacity in the public administration context, as ‘the administrative or technical capacity of state officials and of supporting systems and processes’. Also included is the institutional system that enables politicians and public officials to act in the best interest of the public.

Good (1997) identified a serious decline in the lack of human, financial organisational and material resources in South Africa and quotes Mr H Kluever, a previous Auditor-General, who reported that Government was crippled by a skills crisis while the quality of financial management and administration has also deteriorated. Good (*ibid*) further pointed out that the crisis had worsened with the increase in administrative corruption and that the poor were the most burnt by the loss in state capacity. During 1997, the Office for Serious Economic Offences reported to a Parliamentary committee that, due to a lack of staff and funding, they were unable to combat corruption. These conditions still prevail as acknowledged by President Jacob Zuma (2009), who acknowledged that weak financial management often results in irregular expenditure and corruption. To fix dysfunctional municipalities, he recommended that ‘the best technical, managerial and financial minds’ be appointed at municipal level. The Institute for Security Studies (2009:online) identified ‘rampant corruption and nepotism’ as a cause of public protest. In addition, Minister Schiceka (2009:4) confirmed that municipalities are in a ‘state of paralysis and dysfunction’.

Community involvement

As far back as 1986, Turner found that community involvement was the order of the day in ‘progressive developments’ where community involvement starts at the point of acquirement of the land for development purposes. Government also acknowledged the need for community involvement in 1994 with the implementation of the Project Linked Subsidy Programme. At the time it was compulsory to enter into a social compact with all role players affected by a housing development. A social compact is a contract between the private sector developer, the local authority, the community and other role players (such as land owners and financiers). The compact should create circumstances that are conducive for a housing development, allow for participation by the community

and specify how social, financial and political risk is to be borne and establish a dispute resolution mechanism (Department of Housing, 1995a).

Tomlinson (1995a:21) reported that social compacts work better in 'small homogenous areas rather than large heterogeneous ones'. She pointed out that a social compact in respect of a housing project in the Boland is much more likely to succeed than one in Khayelitsha where there are 70 different community groups. Tomlinson (1995a) also reported that the absence of a social compact due to the inability of stakeholders to reach consensus even resulted in a complete halt of a Presidential Lead Project.

One year after the implementation of the Housing Subsidy Scheme, Tomlinson (1995b) reported that an investigation has shown that 25% of private sector developers, have confirmed that they had completed social compacts with the communities, also reported that they had experienced problems with the social compact. Eight years after this report, the Urban Sector Network (2003) reported that social compacts tended to fail and as a result, community consultation and participation in housing developments was low. At the time, Zack and Charlton (2003:39) revealed that '[t]here is very little evidence of attempts to create partnerships with communities during the housing delivery process, and the intended spirit of social compacts is largely absent.' Miraftab (2003) confirms the lack of community participation in housing developments and see this as a shortcoming in the policy.

Private developers are of the opinion that delays resulting from the negotiations with the community to conclude a social compact, and the subsequent increased preparation time and expenditure are unintended negative results of social compacts. Allegedly, the individuals who represent the community were replaced on a regular basis resulting in a lack of community support due to political and tribal alliances, among other problems. Since the 'new' representative often

represented a different community faction, negotiations had to be re-introduced (Cook, pers. comm).

The consequence of this prolonged process was that a delay in the delivery of houses was experienced. As a result, the policy was amended to allow for the completion of subsidised housing developments even though no social compact was entered into with the community that will be affected by the subsidised housing development. This step in no way removes the need for constant, intensive interaction between communities and developers/contractors. Ignorance of the needs and wishes of communities amplifies the possibility of problems linked to housing developments.

Administrative support and control

This section will provide information on an additional developmental constraint that impacts the ability of provincial housing departments and municipalities to deliver housing opportunities. While these matters are limited to 'the office' they have a direct impact on housing developments.

As is the case with any of Government's social benefit programmes, the implementation of the housing policy necessitates administrative support services and control measures. This is managed by means of the 'administrative or procedural guidelines' introduced by the Minister of Housing and included in the National Housing Code 2000 as prescribed by the Housing Act (Republic of South Africa, 1997:12). As is the case with other administrative procedures in Government, these actions are subject to administrative law and as a result should be transparent, legitimate and rational. This is in line with Mashaw's (1990) position that internationally, administrative support services shape decision-making that is aligned to the relevant legislation.

In order to help achieve housing policy, the implementation guidelines must be made available to all role players to ensure adequate administrative, procedural and control. While implementation guidelines should be available to all housing officials, these officials do have diverse needs, preferences and impediments. There is no reference in the Housing Act (Republic of South Africa, 1997) to the use of the official languages and no distinction is made between the publication of printed and electronic material, Braille and audiotape. Notwithstanding all these communication methods, the availability of the National Housing Code 2000 is limited to English and in written format only.

Over the past 10 years, I have received only one request for a copy of the National Housing Code in another language: The Department of Housing and Local Government in the Northern Cape requested an Afrikaans version. The associated benefits of the publication of the National Housing Code 2000 in other languages were acknowledged by the Department of Housing. Due to the shortage of translators who are also knowledgeable persons in the housing field, and because the translation will benefit only a relatively small portion of the country's population, translation never took place. The availability of the National Housing Code 2000 in English only does however complicate the housing programmes for some implementers.

The Senior State Law Advisor has investigated the meaning of the term 'publish' as used in the Housing Act (Republic of South Africa, 1997). He concluded that, in light of existing legislation that allows for electronic publication, an electronic version of the National Housing Code would suffice. The only exception to this rule is municipalities situated in areas where no electricity is available (Department of Justice, 2009).

Clarity of goals and complexity

May (1993) found that the clarity of goals and the complexity of the implementation of the policy impacts directly on the achievement of the goals, and that legislative consistency will contribute towards the achievement of these goals. Institutional factors such as the number of actors, decision points and level of action may underpin implementation. In addition, rational guidelines have goals that are more specific, entail less procedural change and are less complex.

Wendt (1996) recognises the complexity of formulating housing policy and holds the opinion that in the formulation of housing policy, cognisance must be taken of aspects such as the short- and long-term costs, operating costs and maintenance expenditure in comparison to the national housing budget. Contrary to this, Frankenhoff (1973) is of the opinion that housing policy decisions are solely based on economic factors, as it will guide the usage of scarce housing resources.

Political circumstances

McLeay (1984) confirms that the manner in which developers and officials perceive housing needs and the remedies to address these needs are extensively influenced by policy decisions. Although the involvement of politicians often has negative implications, political and operational commitment is necessary. The absence thereof can be attributed to factors such as vested interests, power play and an unwillingness to make 'hard' choices to promote development in the context of limited resources (Department of Housing, undated). At the same time the political and administrative spheres should be separate entities. Interference by politicians (councillors) in administrative management and operations cannot be tolerated.

At a local government *Indaba*, Naidu (*News24*, 22 October 2009) confirmed that communities' needs were often 'regulated to the backburner' due to political

struggles within or between political parties. He continued to say that ‘[p]olitical interference is a critical problem’.

In this section I have shown that notwithstanding the academic positions in respect of the numerous aspects that influence housing delivery, South Africa has its own challenges.

2.2.4 Actors in the implementation process

I now want to turn the focus of this research to the parties responsible for the implementation of the Housing Subsidy Scheme, namely the municipalities and provincial housing departments. This is necessary as their respective roles are an important determinant in the successful implementation of Government’s housing policy.

A developer is regarded to be the municipality concerned, but should the municipality lacks capacity, the provincial housing department must take over this role (Department of Housing, 2003b). In line with this mandate, the role and responsibilities of these institutions as implementers may be similar. As a result, many factors that impact on implementation guidelines will be prevalent in both scenarios.

Municipalities

One of the main inhibiting factors in the delivery of the housing is the steep decline in Government capacity at a provincial and municipal level resulting in the employment of inexperienced and unqualified personnel. Tomlinson (1998) examined the role of local governments and their new role in housing delivery, as set out in the Housing Act (Republic of South Africa, 1997) and the policy implications these assigned roles may have. Capacity constraints impact directly on the ability of municipalities to ‘take all reasonable and necessary steps to

ensure that the inhabitants of its area of jurisdiction have access to adequate housing on a progressive basis' (Republic of South Africa, 1997:24).

There is an increased tendency, on an international level, to decentralise development programmes to the local level thus delegating responsibilities to a municipal level. This emphasis on the developmental role of local government forms the basis of Agenda 21. The Constitution established local government as a separate, inter-related governmental sphere with its own executive and legislative authority (Department of Housing, 1999). Tomlison (1998) is of the opinion that while the devolution of the housing function to this level may be a step in the right direction, the national government ignored funding and capacity constraints. This will, in her opinion, not only diminish a local government's housing effectiveness but will also stain local government's ability to perform any other duties. Fiscal circumstances and supreme principles with regard to regulation and the authority of development interests are significant political and economic considerations. The demand for state regulation may also affect the efforts Government commit to implementation while commitment and capacity is main criteria in the successful implementation of policy measures (May, 1993).

In 2009, Tomlinson (pers. comm.) pointed out that while her position on the benefits of the positive aspects linked to the devolution of the housing function to municipalities still holds, the devolution of functions also had negative effects. She stated: 'I have met with numerous local authorities over the past three years and most housing officials (almost all) have never even seen the [National Housing] Code' [*my insertion*]. These visits took place within the context of the development and introduction of Programme Consolidate to strengthen the capacity of municipalities.

Pottie (2004) confirms that the White Paper on Local Government (1998) allocated a more comprehensive housing role to municipalities. This extended

mandate and the highly uneven capacity of municipalities is further hampered by the fact that, at the time, approximately 30% of municipalities bordered on insolvency. Secondly, resulting from the areas on which the inherited municipal areas are based, the interim local councils remained ill equipped for the comprehensive planning envisaged by the national government. Lastly, very few councils had the skill needed to engage actively towards complying with their housing mandate. The Municipal Structures Act, 1998 calls for a system of three different types of municipalities, namely metropolitan councils (metros), local councils and district councils. This change did however not increase the capacity of municipalities.

Municipalities are responsible for numerous large, daunting tasks, especially since these characteristics are amplified by their shortcoming as identified by Pottie (2004), Tomlinson (1998) and the Department of Housing (not dated). It is furthermore obligatory for municipalities to, during their integrated development planning process, take steps to ensure the delivery of 'adequate housing on a progressive basis'. Linked to this, municipalities are also expected to ensure the existence of favourable health and safety conditions and the provision of water, sanitation, electricity, roads, storm water drainage and transport for its inhabitants. In addition, municipalities must also set housing delivery targets, identify, plan and manage land use, create and maintain financial and social viable environment, initiate plan, co-ordinate, facilitate, promote and enable housing developments, provide bulk engineering services, and revenue generating services (Republic of South Africa, 1997).

Provincial housing departments fund subsidised housing projects and this funding stream will result in the delivery of houses on fully serviced sites to people living in the municipal area. Effectively, this results in an increase in the funding available to municipalities to fulfil its mandate. Where municipalities simply do not have the capacity to fulfil their housing functions, provincial housing

departments must take over this responsibility. The then Minister of Housing, Mthembu-Mahanyele (1997:3) confirmed the importance of municipalities when she said that ‘[t]he role of municipalities in housing delivery is vital, because it is at this level that the real interaction between government and the people takes place’ and her confirmation that ‘[m]unicipalities are ... best positioned to address the housing needs of people living in their areas of jurisdiction’.

The Department of Housing (undated) recognises that the lack of skill in municipalities as reported by the Centre for Policy Studies and confirms that a capacity building programme has been instituted to empower municipalities. Furthermore, the Department of Housing (*ibid*) pointed out that a national agency fee would be made available to accredited municipalities to acquire and maintain the necessary capacity and infrastructure. I have determined that to date, none of the 283 municipalities has been accredited to Level 3 and as such, municipalities have to undertake the housing function while the funds are made available to the provincial housing departments.

Provincial housing departments

The Housing Act (Republic of South Africa, 1997) addresses the role of provincial housing departments. The Housing Act (Republic of South Africa, 1997) also determines that an MEC must, after consultation with SALGA, promote and facilitate the provision of housing within the framework of national housing policy. In light of the aforementioned, provincial housing departments are expected to formulate provincial housing policy and assist municipalities to perform their duties.

In cases where a municipality does not have the necessary capacity to act as the housing developer, the function will be taken over by the provincial housing department. Municipalities and provincial housing departments as implementers of the housing policy often have similar functions. These responsibilities are

allocated to them in terms of legislation, often without taking cognisance of the circumstances that are at prevalent at the provincial housing departments and municipalities. The issues addressed in the previous section will therefore not be repeated.

The federal system in respect of housing delivery is elucidated to by Mokoena and Marais (2007) in their discussion of the roles of the different spheres (levels) of government. While these roles are assigned in terms of the Housing Act (Republic of South Africa, 1997), the allocation of roles and functions as set out in the Constitution is also addressed. Specifically, the concurrent competency of national and provincial government versus the role of municipalities is highlighted.

Table 2: Roles of the three spheres of government in housing delivery

National	Provincial	Municipal
<p>Establish and facilitate sustainable housing development process. To give effect thereto, policy and implementation guidelines must be developed. In addition they must:</p> <ul style="list-style-type: none"> a) Determine norms and standards; b) Allocate funds to provinces; c) Engage in national facilitation programmes; d) Monitor performance against delivery goals; e) Supervise statutory institutions; f) Account to Parliament; and g) Assist provinces and municipalities to develop their administrative capacity required to ensure they meet their duties in respect of housing development. 	<p>Create an enabling environment by promoting and facilitating the provision of adequate housing, within the framework of national policy. In addition they must:</p> <ul style="list-style-type: none"> a) Determine provincial policy in respect of housing development; b) Promote the adoption of legislation to ensure effective housing delivery; c) Take all reasonable steps necessary to support and strengthen the capacity of municipalities; d) Co-ordinate housing development in the province; and e) Prepare and maintain a multi-year plan. 	<p>Take reasonable steps, as part of the integrated planning process and within the housing legislation to ensure that:</p> <ul style="list-style-type: none"> a) People have access to adequate housing on a progressive basis; b) Unhealthy and unsafe living conditions are prohibited; c) Services such as water, sanitation, electricity and storm water drainage are provided; d) Housing delivery are planned and goals determined; e) Land for housing development purposes are identified and acquired; and f) Provide bulk-engineering services.

Source: Mokoena and Marais (2007), adjusted by the author (2010)

Taking into consideration the roles of the different levels of government and the development of the housing policy since 1994, Pottie (2004) describes the Housing Subsidy Scheme as very complex.

The work by authors such as Huchzermeyer (2002) in respect of policy development shows that countries (Brazil and South Africa in this case) have unique circumstances to address in the low-cost housing sector. My position is

that political circumstances in South Africa contribute extensively to policy development. An example is the development of the Housing Subsidy Scheme since 1992 that is based on a negotiated settlement between the parties to the National Housing Forum (NHF) and the then Government. Government's decision to implement a federal system (as discussed above) in terms whereof the various levels of Government all participate in housing delivery is another variance to, for example, a communist system where all functions/responsibilities are nationalised.

This chapter highlights the relationship between policy and implementation guidelines. As indicated by Derthick (1976) policy that exists in a vacuum as cannot be implemented successfully and as such guidelines are essential while McLaughlin (1987) reports on the importance of the attitude of implementers towards the achievement of policy. In order to familiarise the reader with the South African scenario, the development of the housing policy in South Africa and the complex implementation of the Housing Subsidy Scheme, specifically the Project Linked Subsidy Programme, received attention.

A unique aspect is the introduction of a negotiated policy rather than policy determined by the Government of the day. The introduction and implementation of the Project Linked Subsidy Programme, while welcomed was met with numerous stumbling blocks. While the policy was developed on a national level, the implementers (provincial departments and municipalities) must attend to these in line with legislative requirements. It is evident that the implementers are in serious need of capacitation to facilitate the successful implementation of the Project Linked Subsidy Programme. The question is what is the role of implementation guidelines in this regard and in the delivery of housing in general?

Chapter 3 Evolution of South African housing policy and guidelines

In order to determine the need for, and role of implementation guidelines, it is important to understand the Housing Subsidy Scheme. This chapter provides an overview of the evolution of the Project Linked Subsidy Programme. This chapter also provides a historical perspective of the recording of housing policy and the implementation guidelines.

The aim of this chapter is to provide an insight on the enormity and complexity of the Housing Subsidy Scheme, the number and type of changes applied to the housing policy and implementation guidelines. These aspects all impact on the ability of role players to implement housing programmes successfully.

3.1 Development of the Project Linked Subsidy Programme

In this section I want to provide a short overview of the development of the Project Linked Subsidy Programme since 1994 up to 1999. This process has resulted in the development of the detailed implementation guidelines as contained in the National Housing Code 2000. This section will highlight the policy developments and in turn confirm the complexity of the Project Linked Subsidy Programme.

During this period the development of policy took place at a rapid tempo. Only eight months after the implementation of the Project Linked Subsidy Programme, the maximum subsidy amount was increased to R15000 while the number of income categories was increased to four. The subsidy increase benefited only households in the newly introduced income category (R0 to R800 per month) (Department of Housing, 1994). Regular policy developments followed. For example, later in the same year the Progress Payment System was enhanced to provide for an increased number of payments to private sector developers. The

additional stages of payment provide for an alternative to expensive bridging finance requirements.

During the next year (1996), the subsidy amount was zero rated for purposes of value added tax thus increasing the subsidy amount's purchase power. An adjustment to the qualification criteria was approved in 1997 to allow for the subsidisation of persons who has by their own means obtained a serviced site with/without a rudimentary house. In 1998 there was an increase in the subsidy amount, linked to the merging of income categories. All adjustments to the subsidy amount since the inception of Project Linked Subsidy Programmes till the introduction of the National Housing Code 2000 are reflected in Appendix C.

The Ministerial Minimum Norms and Standards in respect of Permanent Residential Structures to protect subsidy beneficiaries against scrupulous contractors were introduced on 1 April 1999. Provision has been made for houses not to be smaller than 30 square metres. Serviced sites created through the Project Linked Subsidy Housing Programme, had to adhere to at least the following level of municipal engineering services:

Table 3: Minimum Level of Services in 1999

Type of Service	Minimum Level
Water	Single standpipe per stand (metered)
Sanitation	Ventilation improved pit latrine
Roads	Access to each stand with graded or gravel paved roads
Storm water	Lined open channels
Street lighting	High mast security lighting for residential purposes, if no alternative funding is available.

Source: Department of Housing, 2000a

These norms and standards are highly technical in nature and require detailed implementation guidelines to inform both the implementers and private sector developers of the exact requirements. Housing officials who are not technically inclined find it difficult to interpret these requirements. The incorrect implementation of these norms and standards may impact significantly on the quality of the internal engineering services and subsidy houses.

Development of new housing programmes

In addition to the amendments affected to the Project Linked Subsidy Programme between 1994 and 1999, the policy and implementation guidelines for six new housing programmes were approved. The regularity of the introduction of these programmes and the subsequent increase in complexity of the Housing Subsidy Scheme are illustrated below.

Table 4: National Housing Programmes introduced between 1995 and 2000

Programme	Implementation date
Individual Subsidy Programme	June 1995
Consolidation Subsidy Programme	June 1995
Institutional Subsidy Programme	December 1995
Relocation Assistance Programme	June 1995
People's Housing Process	May 1998
Rural Subsidy Programme	November 1999

Compiled by the author, October 2010

The introduction of these new housing programmes represents an enormous increase in the number of policy measures and related implementation guidelines. Linked to this is an increase in financial, management and administrative responsibilities/procedures. This has shown the tempo of not only changes to policy and implementation guidelines during the first six years of the

implementation of the Housing Subsidy Scheme, but also the regularity of the introduction of new national housing programmes have challenges.

3.2 Publication of National Housing Programmes

Since the introduction of the Housing Subsidy Scheme, the national housing policy and implementation guidelines have been documented in a variety of documents that were used by role players/implementers as a guide when undertaking housing developments.

In 1994, at the time of the introduction of the Housing Subsidy Scheme, the Scheme was already set out in an implementation manual. This document contains the first policy measures and implementation guidelines applicable to the Project Linked Subsidy Programme (Department of Local Government and National Housing, 1994a).

At the beginning of 1995, only one year after the implementation of the Project Linked Subsidy Programme, the expanding policy prescripts, increasing number of subsidy programmes and policy and guideline documents available, led to the publication of the 'White Manual' (Department of Housing, 1995a). This manual provides for the policy and implementation guidelines for the Project Linked Subsidy Programme, the Individual Subsidy Programme and the Consolidation Subsidy Programme. In addition, the manual also contains several supporting documents.

During this period, in order to assist communities in their applications for Project Linked and Consolidation subsidies another manual were developed. The manual focuses on issues such as what a housing subsidy is, who qualifies, the subsidy amount and the application process. In order to convey the information in an understandable manner, the manual contains numerous drawings to facilitate good

communication, but the manual was unfortunately never distributed to communities (Department of Housing, 1995b).

During November 1995, only seven months after the publication of the 'White Manual', an updated manual commonly referred to as the 'Blue Manual', was published (Department of Housing, 1995c). In addition to the programmes already covered in the 'White Manual', the newly developed Institutional Subsidy Programme and the Relocation Assistance Programme with their supporting documents were also included. The 'Blue Manual' provides detailed administrative and procedural guidelines and was used for the following five years.

Following numerous policy changes and the introduction of several new housing programmes since the publication of the complex 'Blue Manual' (drafted by legal practitioners), the Department of Housing produced the National Housing Code, 2000. The intention was to produce a single, user-friendly document that encapsulated all housing policy measures. Contrary to previous publications of housing policies and implementation guidelines, a user-friendly guide that summarised all policy aspects and National Housing Programmes was included. In addition, the National Housing Code, 2000 also includes the Housing Act (Republic of South Africa, 1997) and provides an overview and explanation of the act. The publication of the National Housing Code 2000 reflected the Department's position that a need exists to have the policy and implementation guidelines available in a combined manner (Department of Housing, 2000a).

At the time of the publication of the National Housing Code 2000, the policy and implementation guidelines in respect of a wide range of National Housing Programmes formed part thereof. Each of these programmes was aimed at assisting beneficiaries who had specific housing needs. The programmes had their own qualification criteria - the type of housing assistance varied and so did the

subsidy amounts. As a result, the programmes also had unique policy prescripts thus necessitating separate implementation guidelines. Jointly, these subsidy programmes resulted in an enormous and complex Housing Subsidy Scheme. In total, the National Housing Code 2000 provides for 10 subsidy programmes that were introduced since 1994.

The first policy amendment to the National Housing Code 2000 was approved only four months after the publication date. As no updated version of the National Housing Code 2000 was issued, outdated versions were sold and distributed. In an attempt to compensate for this shortcoming, new purchasers were provided with the amendments printed on loose leaves. While provincial departments were informed of amendments by means of letters, notice was not given to municipalities. The outdated version of the National Housing Code 2000 remained available on the Department of Housing's website. The only amendment catered for on the website is the introduction of the procurement regime on 1 April 2002. This amendment provided for a comprehensive change to the Project Linked Subsidy Programme.

3.3 Policy changes since 2000

During the period under consideration, Government reacted to needs in the low-cost housing market and introduced new national housing programmes and changes to their existing housing policy and implementation guidelines on a regular basis. Since the publication of the National Housing Code 2000, up to 31 December 2009, a total of 64 policy amendments were affected. The first two amendments to the National Housing Code 2000 were introduced on 15 February 2001, only four months after the launch of the National Housing Code 2000 on 10 October 2000. A complete list reflecting all the policy amendments can be found in Appendix D.

Added to these policy developments was the introduction of eight new national housing programmes (not contained in the National Housing Code 2000). These programmes contributed extensively to the complexity and enormous nature of the Housing Subsidy Scheme and include the following:

- a) Integrated Residential Development Programme;
- b) Informal Settlement Upgrading Programme;
- c) Community Residential Unit Programme;
- d) Social Housing Programme;
- e) Finance-Linked Individual Subsidy Programme;
- f) Social and Economic Amenities Programme;
- g) Farm Resident Housing Assistance Programme; and
- h) Enhanced People's Housing Process Programme.

The high volume of changes to the policy and implementation guidelines during the period up to 2000 is highlighted in the beginning of this chapter. This tendency continued once the National Housing Code 2000 was published. Only the most prominent policy changes that impacted directly on the Project Linked Subsidy Programme are addressed in this section of this research report. These are, firstly, the amendments to the system used to make payments to private sector developers. Secondly, the research report addresses the introduction of the procurement process in the appointment of private-sector housing developers. The funding of abnormal development conditions in terms of the Variation Manual follows this. Following this, the focus moves to the minimum norms and standards, and the last issue addressed is the adjustment of the housing subsidy amount.

3.3.1 Progress payment system

With the publication of the National Housing Code 2000, the progress payment system ensured accountability and a sound administrative procedure allowing for five payments in a strict sequence. Provision was made, however, to

accommodate delays due to the developmental processes provided for in the Development Facilitation Act, 1995, the special requirements associated with the development of state-owned land and the specific needs of emerging contractors. As a result, approval was granted that, with effect from 1 April 2001, these five payment categories may be divided into a total of 15 sub-payments in order to accommodate the above-mentioned shortcomings. The progress payment system has undergone a further change to ensure that payments are guided by the actual delivery of products and services. As a result the progress payment system is aligned with the requirements of the Public Finance Management Act (Republic of South Africa, 1999) and the Preferential Procurement Policy Framework Act (Republic of South Africa, 2000).

The use of the progress payment system is not only a policy aspect, but also a financial control and project management tool and any amendments to this will necessitate amendments to the implementation guidelines.

3.3.2 Procurement process: Greenfield developments

The Project Linked Subsidy Programme enables private-sector developers to promote their own projects to provincial housing departments. Contrary to this, the Constitution, 1996 provides that '[w]hen an organ of state ... contracts for goods or services, it must do so in accordance with a system which is equitable, transparent, competitive and cost-effective' (Republic of South Africa, 1996:1331).

On 29 May 2000, Housing: MINMEC approved a set of interim procurement procedures that fundamentally changed the process of housing delivery via the Project Linked Subsidy Programme (Department of Housing, 2000b). An extensive process to reformulate policy and implementation guidelines in order to align it with the relevant legislation followed. The revised Project Linked Subsidy Programme entitled 'Greenfield Project Linked Subsidy Developments' was

introduced on 1 April 2002. This step ensures that Government, as opposed to private sector developers, will in future drive housing subsidy developments. The new Programme also shifts the obligation of housing development to local government level, empowering municipalities to initiate, direct and manage housing development in their area of jurisdiction. The procurement dispensation substantially changed the housing delivery process to provide for fair competition in the acquisition of housing goods and services at all levels.

The implementation guidelines for the Project Linked Subsidy Programme were replaced by the guidelines for the Greenfield Project Linked Subsidy Programme. These guidelines were much more voluminous, technical and complicated in nature. Due to the volume of the supporting material, an official decision was made to make the supporting material available on the Department's website to be downloaded when required. Notwithstanding this undertaking and the importance of the documents, the supporting material has not been available on the abovementioned website for a period of at least three years.

3.3.3 Variation Manual

The variation of the subsidy amount to provides for a maximum increase of up to 15% of the subsidy amount where necessary, due to abnormal development conditions. A variation also became available to cater for developments within the Southern Cape Coastal Condensation Area while a purpose made variation was introduced to provide for the special housing needs of persons with recognised disabilities.

A Variation Manual and electronic calculator were developed as more trustworthy and scientific decision-making tools. These tools will assist in calculating the increased cost to provide for adverse developmental conditions such as geo-technical and topographical circumstances and the distance between the supplier and the housing development. The developmental conditions include geo-

technical conditions, mining subsidence and the topography. These aspects are highly complex and technical. As a result, detailed guidelines are required in order to ensure that these aspects are addressed in line with policy measures and that the correct increase in the subsidy amount is allowed for.

3.3.4 Minimum norms and standards

On 1 April 2007, Housing: MINMEC increased the Minimum Norms and Standards in respect of Permanent Residential Structures to provide for subsidised housing that is at least 40 square metres in size. Each subsidised house must provide for at least:

- a) Two bedrooms;
- b) A separate bathroom with a shower, toilet and hand basin;
- c) A combined living area and kitchen with an additional wash basin; and
- d) A ready board electrical installation, in cases where electricity supply is available in the township.

The level of services to be provided remained the same as those identified in 1999 (*see Table 3*). The newly introduced norms and standards are, however, much more complex than those issued in 1999, thus increasing the need for guiding principles.

3.3.5 Adjustment to the subsidy amount

In order to ensure that the subsidy amount is aligned with the actual building cost of a subsidised house, Housing: MINMEC has approved the use of the Building Cost Index when calculating adjustments to the subsidy amount. Housing: MINMEC also approved the regular increase of the subsidy amount to ensure that the value of the housing subsidy amount take into consideration the effect of inflation and other price increases in the building sector (Department of Housing, 2003c).

Included, as Appendix E, is a table reflecting all subsidy increases in respect of the Project Linked Subsidy Programme, introduced between the publication of the National Housing Code 2000 and 31 December 2009.

As indicated at the beginning of this section, the policy changes discussed above indicated the range, diversity and the complexity of policy changes that have occurred over the years. All these developments, apart from the introduction of minimum norms and standards, are matters directly related to financial management. The increased norms and standards do, however, also result in an increased expenditure. Notwithstanding this collective influence, the implementation of each of these policy amendments poses unique challenges to implementers of housing projects. Most important is the ultimate impact of these and all other policies namely the subsequent amendment to the rules of the game and the implementation of the rules. All these matters collectively serve as proof of the increase in the complexity of the Housing Subsidy Scheme as a whole and specifically the Project Linked Subsidy Programme. In addition, these collective matters confirms the increase in the scope of the Project Linked Subsidy Programme and the increased managerial, financial and other capabilities required to ensure the successful implementation of the programme.

3.4 Update of the National Housing Code 2000

The 10-year review undertaken for the Minister of Housing included an investigation into the implementation, outcomes and the impact of the Housing Subsidy Scheme. This resulted in the development of the Comprehensive Plan for the Development of Sustainable Human Settlements (Department of Housing, 2004).

The Comprehensive Plan confirms the need to review the National Housing Code 2000. Linked to this was the need to revise and update the outdated National Housing Code 2000 in order to meet legislative requirements. As a result, on

21 May 2005, Housing: MINMEC mandated the revision of the National Housing Code 2000

‘into a more flexible policy allowing more discretion at local or project level whilst retaining accountability within the framework of the Public Finance Management Act and Treasury regulations’ (Department of Housing, 2008b:1).

In line with its mandate, the Department of Housing ensured that the revised version of the National Housing Code is aligned with the Constitution, 1996, the Housing Act, 1997, the Public Finance Management Act, 2000 and the Preferential Procurement Act, 1996. In addition, the revised version of the National Housing Code also provides for all enhanced policy prescripts and implementation guidelines. In addition, the Department of Housing ensured that:

‘the Code is prescriptive only in as much as there is a need to ensure accountability and compliance with national financial legislation and regulations. It strives to support effective housing delivery by allowing flexibility and the discretion of MEC’s to accommodate local development requirements. In order to guide practitioners, the Code also provides detailed, but discretionary, implementation guidelines’ (Department of Housing, 2008c:3).

At the time and based on the wording of the decisions by Housing: MINMEC, the impression was created that the decision would result into the development and introduction of a National Housing Code that covers little more than a recording of policy matters. The exact format of the revised National Housing Code has not been addressed and therefore became the responsibility of housing officials.

While there is an emphasis on compliance with policy measures and the related legislation, the introduction of open-ended implementation guidelines would result into the granting of unrestricted discretionary power to implementers in respect of any processes/procedures in the delivery of subsidised housing. These

implications and specifically the exclusion of detailed implementation guidelines are of great concern to me.

On 31 May 2007, Housing: MINMEC considered the revised National Housing Code and approved it as a ‘transitional guideline document’. This interim document represented nothing more than an updated version of the National Housing Code 2000 that had not been published. The development of some new housing programmes has not been completed at the time and Housing: MINMEC requested that these be finalised and included before publication. The ‘transitional guideline document’ was, however, used by implementers because of the updated policy measures that are addressed in it. At the time the document was also referred to as the National Housing Code 2007.

Uncertainty did however exist about the status of the National Housing Code 2000 as opposed to that of the ‘transitional guideline document’. In a letter to the Eastern Cape’s Department of Housing, the Department of Housing confirmed that, in terms of Section 4(5) of the Housing Act (Republic of South Africa, 1997), housing policy applies irrespective of whether such policy are contained in the National Housing Code 2000 (Department of Housing, 2007b). For this reason, all approved housing programmes even if they are only contained in the ‘transitional document’, will be valid for implementation.

3.5 Layout of the revised National Housing Code

For ease of use and to simplify the implementation of the various national housing programmes, the revised National Housing Code has been divided into separate, self-contained volumes, each dealing with a specific intervention types. While this moves away from a ‘bulky’ document, as only one volume will be used at any given time, the overall volume of the revised National Housing Code has increased substantially. The various volumes are:

- a) Volume 1: Simplified Guide and Policy Context;
- b) Volume 2: Technical and General Guidelines;
- c) Volume 3: Financial Interventions;
- d) Volume 4: Incremental Interventions;
- e) Volume 5: Rural Interventions; and
- f) Volume 6: Social and Rental Interventions.

A complete list of all the housing programmes, sorted per intervention type, is available in Appendix F.

Following the discussion of the introduction of the Housing Subsidy Scheme in the previous chapter, this chapter addresses the evolution of the housing policy and implementation guidelines into a huge, complicated mechanism to address the housing needs of the poor. The focus of the chapter is the development of the housing policy and implementation guidelines contained in the National Housing Code 2000, specifically for the period ending December 2009. The multiple and rapid policy changes are highlighted while the move towards a ‘new’ Housing Code is discussed. While this chapter does not interrogate the anticipated successes or failures of a ‘new’ Housing Code, its influence on housing delivery cannot be ignored.

The questions that follow from the development of a ‘new’ Housing Code is what influence this will have on the success of the implementation of the housing policy and whether these results will justify the decision by Housing: MINMEC. These questions will receive attention in the next chapters.

Chapter 4 Findings

The nature of the available literature is largely limited to aspects other than the importance of and need for implementation guidelines (Mokoena and Marais, 2007). For this reason the need of implementation guidelines is largely determined based on the inputs by respondents.

In order to determine the use and value of implementation guidelines in practice, I have identified implementers of the Project Linked Subsidy Programme to determine their position. These implementers were identified in light of their extensive experience in the delivery of housing via the Project Linked Subsidy Programme, but also because they are very knowledgeable in the field. As a result they are able to provide authoritative and valuable inputs.

The majority of the interviews took place during the period between September 2009 and March 2010. During October 2009, I have also electronically distributed a list of questions that were consistent with the questions posed during interviews thus ensuring comparative feedback. This ensured representative feedback from a further 14 people. While most of these persons are employed in different sectors and levels of Government, they also contribute towards a geographical spread of respondents. In the identification of respondents, the following three groups were targeted: employees of the Department of Housing (national level); day-to-day implementers, including ex-employees of the provincial housing departments; and academics and housing consultants active in the low-cost housing sector.

The above-mentioned respondents hold positions varying from general administration to senior management while some are qualified professionals, such as chief town and regional planners. While the names of the respondents can be

found in chapter one, a list providing the details of each person interviewed/consulted is contained in Appendix A.

All the individuals participated in their personal capacities and their inputs should not be regarded as that of their employers.

4.1 Need for implementation guidelines

All respondents agreed that there was a definite need for implementation guidelines. Their justification varied depending on their responsibilities in relation to the implementation of the Project Linked Subsidy Programme.

Van der Walt (pers. comm.) indicated that implementation guidelines are essential to provide a framework that regulates procedures and processes dealing with the expenditure of State-funded housing developments. In addition, Van der Walt (pers. comm.) confirmed that the guidelines direct policy implementers through a step-by-step process and through all relevant principles and public administration requirements. This ensures adherence by the provincial housing departments and municipalities to the Public Finance Management Act, the Municipal Management Framework Act, the Constitution and the Housing Act. Bayat (pers. comm.) supports this view and sees the role of implementation guidelines as a supportive instrument that guides delivery within the boundaries of policy and legislative prescripts. Van der Walt (pers. comm.) also testified that implementation guidelines also support defined business processes, resulting in the correct application of the housing policy. Implementation guidelines also provide the basis for identifying measurable indicators to allow measurement of performance in the monitoring and evaluation process Van der Westhuizen, (pers. comm.). Rubin (pers. comm.) is of the opinion that ‘without guidelines, policies are just wish lists with no real way of understanding how they should be made into realities’.

In addition to the above, the following reasons were given by respondents in support of implementation guidelines:

- a) They assist with the interpretation of policy, planning measures and guidance with implementation;
- b) They provide certainty, transparency, accountability and consistency;
- c) They promote level playing fields and equity;
- d) They mitigate fraud and serve as a tracking system that allows for audits; and
- e) They capacitate implementers and communities.

In determining the need for implementation guidelines, the reasons as provided by the respondents need to be acknowledged. These reasons should not be accepted at face value, but within the context of all aspects that impact on housing delivery to the poor.

4.2 Factors that impact negatively on implementation

There are numerous factors that impact on the ability of provincial housing departments and municipalities to perform their housing functions. Some of these factors may have a negative influence on the value of implementation guidelines as a supportive tool. The occurrence of these factors and their extent may differ from one provincial department or municipality to the next. In reporting on the factors as highlighted by the respondents, the impacting factors have been subdivided as capacity constraints, control measures and political influences.

4.2.1 Capacity constraints

Respondents agree that a lack of capacity exists at provincial and municipal level and that this impacts negatively on housing delivery. Bayat (pers. comm.) points out that the level of capacity constraints vary among the different levels of Government. Bayat (pers. comm.) holds the opinion that capacity constraints impact negatively on the manner in which delivery is achieved, the extent of the

use of service providers and reliance on these providers. Rajkumar (pers. comm.) confirms that a lack in capacity at provincial housing department and municipal levels often results in slow delivery and the neglect of housing programmes *in lieu* of others. Often these delays are the cause of riots by the affected communities.

While the implementation guidelines do not create capacity, they do influence the business process of a provincial housing department /municipality and form the basis for the development of housing officials (Van der Westhuizen, pers. comm.). In addition, Van der Westhuizen (pers. comm.) confirms that a lack of technical capacity and knowledge at all levels of government as a serious constraint in housing delivery has been reported. She makes specific reference to the shortage of professionals such as engineers, quantity surveyors, town planners and architects.

Ramluktan (pers. comm.) supports the importance of implementation guidelines in the development of personnel. She identified the lack of capacity at a provincial housing department level, especially in the technical divisions where persons with experience and the required technical knowledge and financial skills are required, as a specific shortcoming. Ramluktan (pers. comm.) confirms that this often results in misinterpretations and the incorrect implementation of technical and financial guidelines, procedures and processes. Jonkers (pers. comm.) supports this observation and reports a definite lack of capacity, human resources, skills and financial and technical assistance at a municipal level.

Van der Berg (pers. comm.) confirms that the shortcomings as identified by Jonkers (see above) result in provincial housing departments and municipalities not being able to inspect housing developments adequately and on a regular basis, resulting in poor-quality houses. In addition, the shortcomings also allow contractors to use inferior material and take short cuts.

At a municipal level, according to Du Plessis (pers. comm.) very few dedicated housing officials (specialists) are to be found as the housing function often forms part of an official's day-to-day duties. He confirms that in cases where municipal housing divisions do exist, they create the impression that they can hardly take any housing delivery related decisions because they are awaiting feedback from the provincial housing department.

Rubin (pers. comm.) points out that capacity constraints are more severe in rural municipalities. In line with this, Muller (pers. comm.) confirmed that metros and municipalities are often not facing the same level of constraints. Booysen (pers. comm.) confirms that contrary to the general lack of capacity that seems to exist at a municipal level, most of the Metro municipalities are relatively well capacitated and able to perform their duties in respect of housing. Provincial housing departments must therefore, based on the level of constraints, facilitate housing delivery in those specific areas. Tomlinson (pers. comm.) points out that while the level of capacity constraints will vary from one metro or municipality to the next, the capacity level will also vary between provincial housing departments.

Van der Walt (pers. comm.) holds the opinion that a lack of capacity should not exist at a municipal level since, in line with the prescripts of the Housing Act (Republic of South Africa, 1997), an MEC must promote and facilitate the provision of adequate housing at a provincial level while he/she is also obliged to take steps to strengthen the capacity of municipalities within the relevant province. Van der Walt (pers. comm.) justifies his position further by confirming that the Constitution also regulates the capacitation of municipalities by means of interventions by the relevant MEC. Steps leading towards such capacitation may even include the employment of external capacity.

4.2.2 Control measures

Agreement exists between respondents that on their own, the implementation guidelines do not provide for adequate control measures. Van der Westhuizen (pers. comm.) points out that the implementation guidelines should not be regarded as a vehicle to prevent fraud and corruption since this function lies with the relevant legislation. Haasbroek (pers. comm.) shares the view that fraud and corruption should be controlled with the relevant policies and processes (technical, financial, procurement and administrative) during the implementation process.

Van der Walt (pers. comm.) confirms that if followed strictly, the guidelines would mitigate fraud. He did, however, acknowledge that numerous opportunities exist at every interface and level of Government to commit fraud. In this regard, Bayat (pers. comm.) pointed out that the implementation guidelines are structured in such a way to comply with the requisite legislation.

In dealing with control measures Bayat (pers. comm.) confirms that the implementation guidelines should contribute positively towards the implementation of the housing policy and set the parameters under which the policy should be implemented and by whom. Wilson (pers. comm.) holds the position that under these circumstances, the implementation guidelines should reduce the scope for fraud and corruption.

Jonkers (pers. comm.) points out that the implementation guidelines ensure that essential steps, such as township establishment process, are followed when dealing with housing developments. Du Plessis (pers. comm.) confirms that should deviations occur, they are easily detected and can be dealt with promptly and effectively. While regular inspections at housing developments are a prerequisite, corrective and disciplinary steps should be taken against contractors in the case of non-compliance.

Odendaal (pers. comm.) confirmed that the implementation guidelines set standard processes and procedures that, if followed, will prevent fraud and corruption. He also holds the position that if the officials follow the implementation guidelines in the correct manner they will be protected from prosecution. Odendaal (pers. comm.) reports that Judge Heath has informed housing officials in 1999 that most of the allegations of corrupt practices at that time were actually linked to inadequate processes and procedures (implementation guidelines) and a lack of systems to ensure that requirements of the Project Linked Subsidy Programme are adhered to.

4.2.3 Political influence

All respondents confirmed the involvement of politicians in housing developments. For example, an MEC is required by law to undertake certain tasks such as the final approval of housing projects earmarked for subsidisation. The feedback received confirms that politicians tend to become involved (interfere) in administrative processes such as the procurement of contractors. Confirmation was received that well known that politicians interfere in these processes in order to please their supporters, especially just before elections. Du Plessis (pers. comm.) confirms that in his experience politicians, at all levels of Government, often see adherence to the implementation guidelines as a restriction on their ability to dispense goodwill to their supporters.

Van der Westhuizen (pers. comm.) points out that envisaged housing projects are often announced by politicians without a clear understanding of their impact on the transport access routes, work opportunities, the readiness of the settlement, bulk services, land and the community at large. This tends to happen where a political agendas rather than social compacts with the community and adequate planning principles drive developments.

Odendaal (pers. comm.) points out that all politicians want to see housing delivery (numbers). He furthermore points out that as a result, housing projects are approved for funding even if they are not yet ready for implementation, for example, in areas where no bulk services are available. Odendaal (pers. comm.) reports that when these projects start with delivery, financial over-commitments occur and provincial housing departments are unable to pay contractors as per contract, within a specific financial year. He also holds the opinion that there will always be tension between a competent accounting officer and his/her political head if the latter is chasing targets that cannot be funded.

Van den Berg (pers. comm.) raises the concern that, quite often, housing officials are expected to implement specific housing developments. These developments are undertaken in order to fulfil promises made by politicians and may not always be in line with the implementation guidelines. Van den Berg (pers. comm.) holds the opinion that when these actions are exposed, the politicians will argue their innocence on the basis that the officials are responsible for managerial, budgetary and procedural matters.

Rajkumar (pers. comm.) testifies that, in line with planning principles, provincial housing projects are prioritised but that the focus of the developments is in areas that is the stronghold of the ruling political party.

Van der Walt (pers. comm.) points out that, based on the prescripts of the Housing Act (Republic of South Africa, 1997), every MEC is responsible to promote the provision of housing in the relevant province within the framework of the national housing policy. A similar responsibility is attributed to municipalities. By implication, the mayor and councillors are therefore prohibited from interfering in a negative (political) manner in housing developments.

4.3 Availability of updated implementation guidelines

The National Housing Code 2000 has been distributed to all provincial housing departments and municipalities following its publication. Only provincial housing departments however, have been informed of policy amendments while these departments were expected to inform the municipalities of all amendments. Van der Westhuizen (pers. comm.) criticises the lack in the distribution of this information, over a prolonged period during which amendments were effected. As a result, only a few individuals have access to all amendments and therefore a comprehensive version of the National Housing Code 2000. This scenario limits the number of persons who is in a position to interpret the implementation of policy prescripts.

Van den Berg (pers. comm.) is of the opinion that the availability of implementation guidelines and any amendments to this should be more vigorously communicated and promoted to all areas of the country. Bayat (pers. comm.) confirms that particular personnel invariably feel that, in light of their position in an organisation, the National Housing Code 2000 'belongs' to them. According to Bayat (pers. comm.) as echoed by Van der Westhuizen (pers. comm.), this influences availability negatively as these individuals hardly ever share the National Housing Code 2000 with the relevant functionaries. Persons often use the National Housing Code 2000 solely for display purposes and take the copy along when they leave the particular municipality.

Ramluktan (pers. comm.) confirms that the non-availability of implementation guidelines often delay the implementation of housing projects. Aligned hereto, is the position of Du Plessis (pers. comm.) that a lack in availability of the National Housing Code 2000 has resulted in uncertainty about the national housing policy. Du Plessis (pers. comm.) holds the position that this created an impression among role players that within very broad parameters, guidelines are no longer important

as long as some politician's support of a specific housing project could be obtained.

Van der Walt (pers. comm.) is of the opinion that the National Housing Code 2000 would have carried more value if, as prescribed by the Housing Act (Republic of South Africa, 1997), it was updated on a regular basis. The introduction of a high number of amendments and newly developed national housing programmes made implementation more difficult and this creates a sense of uncertainty amongst implementers.

Ramluktan (pers. comm.) reports that the numerous policy changes created confusion and misunderstanding on several policy issues. Some outdated policies are still in use despite being updated since there are no official records of the policy changes. Du Plessis (pers. comm.) reports total policy chaos and a high level of confusion. He is of the opinion that, for all practical purposes, no consistent policy exists any longer and that subsidised housing development has virtually become a free-for-all scenario; in other words, whatever you can get away with. Odendaal (pers. comm.) agrees that the National Housing Code must be upgraded regularly to ensure that all users are 'reading from the same page'.

Bayat (pers. comm.) is of the view that policy changes are intended to address gaps identified and should help and stimulate the implementation process. While Van der Westhuizen (pers. comm.) supports this position, she feels that these changes necessitate regular workshops to ensure a common understanding and to build knowledge.

4.4 Nature of implementation guidelines

4.4.1 User-friendly implementation guidelines

Van der Westhuizen (pers. comm.) reports that while the majority of implementers do not have a copy of the National Housing Code 2000, there is a good understanding of basic rules, but that most implementers lack detailed knowledge. Louw (pers. comm.) supports this but points out that the degree to which the implementation guidelines are understandable depends on a person's knowledge and understanding of the housing environment. Haasbroek (pers. comm.) holds the position that the ease of use of the implementation guidelines is determined by the background and experience of the implementers.

The feedback received regarding the perceived communication value of the implementation guidelines varies. Van der Berg (pers. comm.) confirms that the implementation guidelines are very user friendly, but believes they must be simplified in order to contribute towards transparency and make the implementation guidelines understandable to the general public. In line with this Myburg (pers. comm.) reports that implementation guidelines must sometimes, due to the aspects they address, be of a technical nature. Understandably, they are more complex in these circumstances, but steps should be taken to make these sections more understandable to the layman.

Ramluktan (pers. comm.) confirmed that while the implementation guidelines are user friendly and understandable, interpretation problems still occur. Muller (pers. comm.) is of the opinion that some of the 'older' implementation guidelines are not user friendly.

4.4.2 Support for different types of implementation guidelines

The respondents are divided into different camps when expressing their backing for compulsory/open-ended implementation guidelines. The first group, which is

also in the majority (82%) supports compulsory guidelines. One fifth of the respondents in this group advocates for allowance for some degree of variation when implementing the guidelines. The remaining 18% of the respondents support open ended guidelines.

Compulsory guidelines

The supporters of compulsory guidelines agree that in the absence of these, provincial housing departments and municipalities will tailor and implement policies in a manner to suit their own needs. They agree that uncontrolled implementation will be detrimental to the creation of level playing fields, transparency and equity. In addition, the usage of compulsory guidelines enables one to compare the processes of various provincial housing departments/municipalities and their performance in terms of specific national housing programmes.

Van den Berg (pers. comm.) points out that the use of compulsory implementation guidelines has the benefit of being used to combat fraud and corruption. Van der Westhuizen (pers. comm.) agrees with this position and reports that compulsory guidelines will support the implementation of the housing policy, as they will create a situation where the national department will be able to monitor, report and provide an oversight function. She emphasises that this is in line with Government's responsibility to ensure that taxpayers' monies are utilised in an effective, efficient, accountable and controlled environment.

Rubin (pers. comm.) holds the position that compulsory guidelines ensure that all role players are aware of what is expected from them. Du Plessis (pers. com.) reports that compulsory guidelines prevent the occurrence of inequality and injustice between beneficiaries. At the same time compulsory guidelines creates an enabling environment, free of uncertainty and instability, for implementers to properly plan developments.

Van der Walt (pers. comm.) is of the view that the compulsory nature of the implementation guidelines is in line with the Housing Act (Republic of South Africa, 1997) that deals with the allocation of money to provincial governments. He quotes the Housing Act (Republic of South Africa, 1997:30) that prescribes that subsidy funds be allocated to provincial governments to finance the ‘... implementation in a province of any national housing programme and any provincial housing programme, which is consistent with national housing policy ...’. He feels that this must be viewed in line with the legal prescript that provincial housing programmes must be aligned to national policy and programmes.

Respondents in support of compulsory implementation guidelines also identified the following benefits:

- a) Provide for step-by-step guidance through a complex process;
- b) Limit fraud and corruption as legal processes can be based on definite prescripts that are applicable on a national basis;
- c) Enable officials to report, monitor or provide an oversight function
- d) Ensure application of funds in an effective, efficient, accountable and controlled environment
- e) Create level playing fields;
- f) Ensure transparency, equity and justice across all beneficiaries;
- g) Prevent uncertainty, instability and an inability to properly plan for implementation;
- h) Prevent the abuse of housing policies;
- i) Prevent incorrect interpretations that result in mistakes through strict, purpose made rules;
- j) Provide a sound basis for the development of human capacity; and

- k) Provide a basis for politicians and accounting officers for reporting purposes to Parliament and other controlling bodies such as the Auditor-General and the Special Investigating Unit.

Moderate guidelines

Myburg (pers. comm.) is of opinion that the implementation guidelines should be compulsory, but only within predetermined parameters regarding issues such as funding and quality to allow for differences between provinces. In addition, while implementation guidelines must be consistent with the national housing policy, the guidelines should not be of a ‘one size fits all’ nature. As a result the implementation guidelines should allow for variances at the different levels of government, skill and capacity levels. This will also provide politicians and managers with an opportunity to customise developments. Haasbroek (pers. comm.) also supports this particular principle and confirms that implementation guidelines should be obligatory as far as the end result is concerned. The methods introduced in order to reach the end result should be open-ended.

Van den Berg (pers. comm.) supports the option to grant contractors the opportunity to, within certain boundaries, adjust implementation guidelines to suit their circumstances without totally ignoring the aim and objective of the relevant national housing programme. Odendaal (pers. comm.) supports this position and confirmed that implementation guidelines should be compulsory in nature, ‘but they must not be cast in stone’. In line with this position Ramluktan (pers. comm.) indicates that the implementation guidelines should be obligatory, but that an MEC be allowed much more discretion in the implementation of housing programmes. Ramluktan (pers. comm.) indicates that while the implementation guidelines should be obligatory, she supports a scenario where an MEC must be allowed discretion on the implementation of housing programmes.

Muller (pers. comm.) is a supporter of compulsory guidelines and as such warns that while open-ended guidelines may support delivery, they might also lead to abuse of housing policies and funds.

Open-ended guidelines

Wilson (pers. comm.) acknowledges that while compulsory implementation guidelines will help implementation, compulsory implementation guidelines might hinder local innovations. For this reason, she feels that it is essential that guidelines must be in line with the local requirements at a particular point in time. The position by Haasbroek (pers. comm.) that implementation guidelines should allow for any deviations necessary on condition that a subsidised house is delivered is an expression for support for open-ended guidelines. This will allow for discretion at all interfaces of delivery, excluding circumstances regulated by policy prescripts.

4.4.3 Restrictive or supportive guidelines?

In order to determine the need for implementation guidelines one must ascertain whether the implementation guidelines may restrict provincial departments and municipalities in the implementation of the housing policy.

Van der Walt (pers. comm.) confirms that the role of implementation guidelines is to facilitate a streamlined process that ensures compliance with the policy prescripts and the financial and legislative prescripts, not to hamper implementation. He acknowledges that notwithstanding these good intentions, the implementation guidelines may include aspects that impact negatively on the implementation of housing programmes. Van der Walt (pers. comm.) reports that the development of guidelines is based on success identified in practice and as a result are not only informative of these successes, but are also necessary for the successful mitigation of losses. He also holds the opinion that in the absence of

implementation guidelines, implementers will be obliged to develop their own perceived processes, which take time and remain subject to testing.

Without guidelines, aspects such as quality control, value for money and effective and efficient administration will not be possible (Odendaal, pers. comm.). Du Plessis (pers. comm.) warns that in order to achieve equity among government housing beneficiaries, adherence to implementation guidelines is essential.

While all respondents confirm the positive contribution of the implementation guidelines, thus confirming the need for implementation guidelines, some pointed out that the guidelines in respect of specific housing programmes do not carry their full support. Haasbroek (pers. comm.), who is also not supporting the use of compulsory guidelines, reports that some implementation guidelines lack practicality while Ramluktan (pers. comm.) identifies inadequate support and guidance as a restrictive factor.

Tomlinson (pers. comm.) reports that the National Housing Code 2000 is entirely outdated and not aligned to the Comprehensive Plan and the procurement processes. In light of the aforementioned, she is of the opinion that the implementation guidelines restrain the implementation of the policy. She even indicated: 'I don't think anyone bothers with the guidelines'.

The above is a synopsis of the feedback received from respondents on the role and need of implementation guidelines with the implementation of the Project Linked Subsidy Programme. As indicated, the value of the implementation guidelines may be negatively affected by both internal external factors. The existence of these circumstances does, however, not nullify the value and contribution of implementation guidelines. It is, however, important to ensure that the guidelines provide for all eventualities.

While the position of authors regarding policy and implementation guidelines was addressed in chapter two, there is a lack of academic material addressing the need of implementation guidelines and as such this chapter focussed on the inputs received from respondents. All respondents support the use of implementation guidelines although some feels that the existing implementation guidelines are too ridged. While attention was given to aspects that have a negative influence on the implementation process, these constraints must be evaluated in light of the ‘rules of the game’ and how these (for example legislation and implementation guidelines) can be used to counter these negative influences. In order to analyse the decision by Housing: MINMEC to move away from compulsory implementation guidelines, respondents were asked to confirm their support for compulsory or open ended implementation guidelines. The fact that 82% of respondents have expressed their support for compulsory guidelines shows that the political decision by Housing: MINMEC is not in line with the needs and wishes of implementers.

Chapter 5 Analysis

In this section I will consider my findings and the information obtained during my research. This will be done in order to determine whether the implementation guidelines should be retained in the National Housing Code. The nature of the guidelines will also receive attention. In this regard I will be guided by the value/contribution that implementation guidelines is seen to have in the implementation of the housing policy.

5.1 Decision to scrap the National Housing Code 2000

On 21 May 2005, Housing: MINMEC approved the revision of the National Housing Code 2000. Contrary to the existing scenario of implementation guidelines that is of a one-size-fits-all nature, the decision provides for the introduction of flexible implementation guidelines that provides for the different developmental conditions that exists throughout the country. This decision may even result in the abolition of the implementation guidelines by some provincial housing departments. The level of variation that may exist in the implementation of the policy must also be questioned in light of the decision by Housing: MINMEC that accountability and compliance with the national financial legislation and regulations must be ensured when implementing a revised National Housing Code.

I believe that the decision by Housing: MINMEC was flawed due to a number of reasons. The first reason being that the decision was motivated by personal reasons, namely to protect those individuals who did not adhere to the implementation guidelines. Whether the decision to revise the National Housing Code 2000 was influenced by personal and political circumstances is open to speculation. The allegation that a senior manager requested that National Housing Code be scrapped because 'the Auditor-General is coming for my people' remains an allegation until proven otherwise. However, this information was obtained in a

confidential manner and there is no reason to doubt my source's integrity. As a result I hold the position that the decision by Housing: MINMEC was flawed.

Secondly, the decision is *ultra virus* as because of the conflict with the prescripts of the Housing Act (Republic of South Africa, 1997). It is an accepted legal principle that a legally instituted committee (Housing: MINMEC) cannot take decisions that oppose that legislation in terms of which the Committee was established. Thirdly, the membership of Housing: MINMEC is linked to a political position, not a position to which one can be elected. Numerous members were not familiar with the housing portfolio in general and specifically the Housing Subsidy Scheme and the implementation guidelines as contained in the National Housing Code 2000. As a result the decision was taken thoughtlessly and/or in the absence of full knowledge or understanding of what the guidelines have contributed towards housing delivery and the impact of the decision to scrap the implementation guidelines.

The forth reason, while this position is not recorded in the minutes of the meeting, is because the matter was 'pushed through' in a manner that resulted in only one MEC questioning the implications of the decision. This information was provided by Mr X (name not to be revealed) and there is no reason to doubt the information received.

Lastly, as a person with extensive experience and who has been involved with the implementation of the Housing Subsidy Scheme since its commencement in 1994, I question whether this decision will have a positive impact on the implementation of specifically the Project Linked Subsidy Programme and the Housing Subsidy Scheme in general.

Notwithstanding the flawed nature of Housing: MINMEC's decision, I do support the decision in terms of the need to update and align the National Housing Code

2000 with new legislation. My support for this process is based, firstly, on the prescript contained in the Housing Act (Republic of South Africa, 1997:12) that following the amendment of policy, the Minister must ‘within three months after the end of such year, publish a revised National Housing Code, and furnish a copy thereof to every provincial government and municipality’. In this regard it must be noted that new national housing policy applies even if the policy are not included in the National Housing Code.

Secondly, it is unreasonable and prejudicial to provide implementers to provide implementers with a copy of the National Housing Code 2000 and the 64 amendments instituted over a prolonged period and expect them to implement the guidelines successfully. The viability of providing the National Housing Code 2000 together with the amendments must be evaluated on the basis that the National Housing Code 2000 comprises 382 pages of housing policy and detailed implementation guidelines. In comparison, I have counted an astronomical 812 pages of amendments to the National Housing Code 2000, affected over a prolonged period. Some of the guidelines, for example those dealing with progress payments to contractors, were amended on numerous occasions. As a result, housing officials must ensure that they do have all the amendments, effected over a prolonged period, available and are familiar with the implications these amendments have on the implementation of the housing policy. If not, the implementation measures applied in a housing project may be contrary to the applicable policy measures.

In analysing the Project Linked Subsidy Guidelines as contained in the National Housing Code 2000, I found that there is no clear distinction between policy and aspects that is purely providing direction/guidance towards attaining the housing policy. I did however find that, based on the regularity of words such as ‘must’ and ‘shall’ *versus* the word ‘may’, the implementation guidelines are drafted in a

manner that reflects obligatory measures. Similarly, there is also no clear distinction in the Housing Act, 1997 (Republic of South Africa, 1997).

In conclusion it must reiterated that, based on the interviews conducted and the electronic inputs received and the legislative requirements in this regard, I cannot support the decision by Housing: MINMEC.

5.2 Legal position

The legal status of the implementation guidelines establishes the significance thereof among the implementers. As indicated, the status of the implementation guidelines contained in the National Housing Code 2000 is vague as no definite provision has been made to formalise the matter either by means of the National Housing Code 2000 or the Housing Act (Republic of South Africa, 1997). This results in uncertainty and inconsistency.

In light of the involvement of the national and provincial political office bearers, including provincial housing departments and the municipalities in the development of the housing policy and implementation guidelines, the different role players *de facto* regard the implementation guidelines as obligatory. In order for the guidelines to deserve this status, the guidelines were developed as detailed guidelines in line with the needs of provincial housing departments, municipalities and other role players. The housing policy, and therefore also the implementation guidelines have been developed in line with Government's aim to 'provid[e] subsidy assistance to disadvantaged individuals to assist them to gain access to housing' (Department of Housing, 1994b:27).

At the time of the launch of the National Housing Code 2000, the Housing Act (Republic of South Africa, 1997) was deemed to be silent on the status of the implementation guidelines. I am of opinion that the Housing Act (*ibid*) effectively formalise the compulsory nature of all implementation guidelines. This position is

based on the provisions in the Housing Act (*ibid*) that provincial governments must promote and facilitate the provision of adequate housing in their province and that this should take place within the framework of national housing policy.

In particular, attention is drawn to the phrase ‘consistent with national policy’ that suggests that uniformity is required, which in turn implies that the implementation guidelines are obligatory in ensuring this consistency. Van der Walt (pers. comm.) supports my position without reservation. Another important aspect is that only housing projects introduced in terms of approved policy and implemented accordingly can be funded.

The introduction of the Housing Amendment Act (Republic of South Africa, 2001:3) on 1 February 2002, provided clarity on the status and nature of the National Housing Code 2000. The Housing Amendment Act, 2001 prescribes that ‘[t]he Code [*in its totality*] shall be binding on the provincial and local spheres of Government’ [*my insertion and emphasis*]. By implication, this provides that in future the detailed guidelines will be compulsory. The Special Investigating Unit confirms that, based on the introduction of Section 4(6) of the Housing Act (Republic of South Africa, 1997), they acknowledge the obligatory nature of implementation guidelines.

Based on the relevant legislation, my position is that the implementation guidelines contained in the National Housing Code 2000 are binding and therefore of a compulsory nature. In order for compulsory guidelines to be efficient in the subsidy market, all possibilities must be covered in a comprehensive manner. As a result compulsory guidelines must also be comprehensive. The legal prescript that provincial programmes must be in line with national policy confirms the need for national guidelines that will respond to different needs and circumstances.

5.3 Academic position

Authors such as Brennan and Abrutyn (1995), Hayes (2001) and Cameron (1991) are in agreement that there is a definite need for guidelines to direct policy implementation and the benefits associated with the correct implementation of policy. While I support this position, the position of McLaughlin (1987) that the existence of policy [and guidelines] does not dictate the outcomes [*my insertion*] must be acknowledged. To this extent, Pressman and Wildavsky (1973) find that the final determinant in the successful implementation of a policy is determined by the actions of implementers/administrators. The constraints identified at a provincial and municipal level, impact negatively on the ability to ensure successful implementation, even before the first step towards implementation is taken.

I support the academics that guidelines are necessary to direct the implementation of a policy. Their position confirms the existence of a means (guidelines) working towards the implementation of an end (housing delivery in terms of Government's policy) and that implementation guidelines and policy are therefore interrelated.

The complexity of the housing policy as reported by Pottie (2004) is a further motivation for the use and need of implementation guidelines. Contrary to the current complexity level, during negotiations between government and the NHF agreement was reached that 'the scheme must be uncomplicated and easy to administer' (Department of Housing, 1994b:2). While this goal was clearly not achieved, the nature of current housing assistance mechanisms makes detail arrangements essential.

Evidently there is a range of aspects that impact on the successful application of implementation guidelines. These aspects includes the rezoning of land, township establishment and transfer of land are interrelated and must take place in a

particular sequence and others simultaneously. Linked to this, the need to motivate the responsible parties to cooperate towards the achievement of the policy cannot be ignored (O'Toole and Montjoy, 1984). Political views that are contrary to the housing policy of the day and are expressed in public are not beneficial to successful policy implementation (Adler and Oelofse, 1996 and Tomlinson, 1995a).

According to the definition by Kilpatrick (2010:1), the 'laws, regulatory measures, courses of action, and funding priorities' all form part of policy. In line with Kilpatrick's position no distinction can be made between policy and implementation guidelines when used in the context of the Housing Subsidy Scheme. The position by Smith (1973) that policy is an action to change existing procedures implies that the procedures followed when working towards a specific goal forms part of the policy. I maintain that since procedures are set out in implementation guidelines, these procedural matters will have the same status as policy.

Larson (1980) is of the position that the terms 'policy' and 'programme' are being used interchangeably. Within the context of the South African housing sector, based on the legal feedback received from respondents and my extensive practical experience, it is my position that the term 'guidelines' can be added to the terms identified by Larson (*ibid*).

The confusion that exists about the status of housing policy *versus* that of the implementation guidelines, further contributes towards implementation problems identified by Larson (*ibid*). His position is that the span of organisation (the different levels of Government and number of Government departments) involved in the delivery of a specific public service such as housing, results in a proportional increase in the problems linked to project implementation.

In this regard, O'Toole and Montjoy (1984) found that the possibility that impediments may develop in a project is directly related to the number of organisations, such as provincial housing departments and municipalities, due to the problems related to the coordination of functions.

The number of organisations involved in the subsidised housing sector has increased. Apart from the involvement of all three levels of government in housing delivery, recognition must also be given to the involvement of housing institutions such as the National Home Builders Registration Council, the National Housing Finance Corporation, the Rural Home Loan Fund and the Housing Development Agency. The roles of contractors, building suppliers, developers and professionals such as architects and engineers further complicate the implementation of the Project Linked Subsidy Programme.

I found no academic position that suggests that there is no need for implementation guidelines and that guidelines should not be used as a supportive measure in the implementation of policy measures. Whether or not implementation guidelines should be compulsory would depend on aspects such as the disciplines in which they are used, their intent and legislative prescripts that may apply.

5.4 Position of respondents

As is the case with the previous chapter, I will focus on the feedback received from the experienced day-to-day respondents. Based on the nature of their involvement in the subsidised housing market, they are in an excellent position to provide authoritative inputs.

5.4.1 Need for implementation guidelines

Various positions were put forward in order to motivate why implementation guidelines are needed. Some of these reinforce what are captured in the literature.

It was evident that the feedback is influenced by the nature of the respondents' day-to-day responsibilities. I was able to determine this by comparing the background information of respondents to their responses. The value of the input is not negatively influenced by this occurrence as this impacting factor ensures that the feedback is also representative of the responsibilities of various organisations.

Respondents interpret the need for implementation guidelines and their purpose differently. While 82% of the respondents agree that there is a definite need for implementation guidelines, their rationale varies. The factors necessitating implementation guidelines, as identified by the respondents, do however show similarities. Inputs are also based on what a respondent identified when interviewed or deemed important when responding to the questionnaire.

Norms and standards

A prominent need for implementation guidelines has been identified as the need for guidance to role players regarding the standards applicable to the municipal services and the houses.

A lack of implementation guidelines to guide this aspect is believed to result in an assumption by contractors that the delivery of sub-standard houses is acceptable. Specific reference is made to aspects such as inferior internal services and the poor quality of floor slabs, roofs, building work and the size of the houses. Comparing the delivery problems faced before 1999 with the drastic change, to the better, following the implementation of the Ministerial Minimum Norms and Standards support the need for this control. The standards prescribe a minimum house size and the internal engineering services linked to the delivery of a subsidised house.

Consistency

The consistency created by the implementation guidelines was reported to be an important factor. Consistency means different things to different people. On the

one hand, consistency ensures that subsidy beneficiaries feel that the benefit they receive correlates with that awarded to subsidy beneficiaries in other housing projects. On the other hand, consistency provides for certainty, an aspect that is important with contractors in respect of payment for services rendered.

The Progress Payment System as contained in the National Housing Code 2000 determines the stages of payment. Notwithstanding the existence of this measure, contractors are often expected to work on risk due to poor planning by provincial housing departments. Towards the end of a financial year, all provincial housing funds have been committed and as a result some contractors are expected to continue on risk with projects, acquire bridging finance and take on the added responsibility of interest charges (Cook, pers. comm.).

There has been a lack of consistency in the benefits made available to beneficiaries. These inconsistencies include issues such as the size and quality of the house and the level of services linked to the structure. The implementation guidelines do, however, provide some justification for these variances. For example, in 1994 serviced stand with a rudimentary house was provided. At the time policy makers anticipated that beneficiaries would obtain credit to complete the house. As indicated, minimum standards were introduced in 1999 and subsequent to this, a better product was delivered. This norm increased again in 2007 when a minimum house size of 40 square metres was determined. In summary, 'inconsistent' benefits are often made available to subsidy beneficiaries, but this occurred because the policy that applied at a specific time, was implemented.

Another aspect is that the rules of the game be applied consistently. The application of qualification criteria and the administration of subsidies in respect of different beneficiaries should be the same. In order to prevent any variances it is important to give guidance to the personnel involved. This becomes an

important aspect when taking into consideration the total number of housing programmes, the differences between each and the number of applications for subsidies. In addition, these applications are accepted and processed in nine provinces.

This correlates with the position by Van der Walt (pers. comm.) that the role of the implementation guidelines is to guide policy implementers through a step-by-step process in line with the policy principles and public administration requirements.

Administration

Tomlinson (pers. comm.) confirms that implementation guidelines ensure transparency, accountability and good administration in the delivery of housing. This would include aspects such as financial management, legislative matters, and human relations and due public process.

Development

The inputs by the respondents confirm the need for implementation guidelines to facilitate housing delivery by guiding the various levels of Government. Bayat (pers. comm.) confirms this and reports that personnel in the housing sector are mobile. Many newly appointed persons responsible for housing delivery are not familiar with the policy and how the policy must be implemented.

Capacity

It is commonly accepted at a national level that provincial departments and municipalities need implementation guidelines in order to implement the housing policy. Their lack in capacity amplifies this need. This problem will be addressed later in this section, when dealing with the capacity constraints at a provincial and municipal level.

Other

In addition, respondents confirm that implementation guidelines needed to:

- a) Provide guidance for housing development;
- b) Identify measurable indicators, thus prevent confusion for monitoring and evaluation functions;
- c) Serve as a tracking system that allows for audits;
- d) Provide an accurate application and ensure compliance to policy measures;
- e) Address the lack of understanding at provincial and municipal level;
- f) Assist officials working with the implementation of national housing programmes to understand the implementation of policy better and to capacitate them to liaise with the affected communities;
- g) Provide a platform from which to commence with the implementation, while being guided how to deal with certain circumstances and to address specific problem areas;
- h) Guide housing development;
- i) Advise and direct the implementation process and interpretation of policy;
- j) Ensure consistency in implementation; and
- k) Assist implementers to put policy into practice.

As far back as 2006, Odendaal (pers. comm.), at the time a Deputy Director-General in the Gauteng Provincial Housing Department, confirmed that there was a definite need for implementation guidelines and that 'there is nothing wrong with the National Housing Code'.

All respondents have confirmed the need for implementation guidelines although the reasons given vary. This is not seen as disagreement among respondents about the reasons why guidelines are essential; rather, a confirmation that there are numerous supporting factors for the use of implementation guidelines.

5.4.2 Nature of implementation guidelines

The majority of respondents, who also support the use of compulsory implementation guidelines, hold the position that the implementation guidelines as contained in the National Housing Code 2000 are of a compulsory nature. This shows that notwithstanding the previous vague distinction between policy and guidelines, the amendment to the Housing Act (Republic of South Africa, 1997) clarified the matter. This is also in line with my earlier interpretation of the legal guidance in this regard. In this regard the Housing Act (*ibid*) specifies that provincial housing policy must be aligned to national policy and that only approved housing programmes may be funded. By implication, the implementation of housing policy must be aligned to the national prescripts, being the implementation guidelines contained in the National Housing Code 2000.

The nature of implementation guidelines, as perceived by implementers, will influence the impact the implementation guidelines have in practice. Compulsory guidelines will prescribe what must be done and how, while open-ended guidelines will suggest options. The feedback received from respondents on whether implementation guidelines should be compulsory or open ended, varies.

While some respondents have confirmed their support of compulsory implementation guidelines, they also support a level of modification to provide for specific circumstances. The supporters are representative of the national and provincial housing departments and the private sector (ex provincial official). Their level of seniority in their workplace also varies. This is an indication by experienced day-to-day users of the implementation guidelines that alternative options should be considered.

Wilson (pers. comm.) acknowledges that while compulsory implementation guidelines would help implementation, the compulsory nature might hinder local

innovations. For this reason, it is essential that compulsory guidelines be in line with the local requirements at a particular point in time.

It is significant to note that contrary to the opinion of those persons present at the Housing: MINMEC meeting at the time of their decision to scrap the National Housing Code 2000, only four of the respondents confirmed their support for the use of open-ended implementation guidelines. A further three confirmed their support for compulsory implementation guidelines but subject to a degree of discretion in the application thereof.

While the discretionary proposal deserves consideration, the total shift away from the implementation guidelines and the procedures cannot be supported. Not only will this be contrary to all the reasons for support of compulsory guidelines, such a total shift is aligned to the decision of Housing: MINMEC to do away with implementation guidelines.

It is my position that the implementation guidelines should be compulsory in nature (and therefore detailed) in order to allow for issues such as strict procedural and control measures. These implementation guidelines would also go a long way towards limiting fraud and corruption as the legal processes could be based on definite, consistent prescripts that are applicable on a national basis.

Some respondents reported that aspects such as the outdated nature of the implementation guidelines hampered successful housing developments. The position of Tomlinson (pers. comm.) that she does not think anyone 'bothers with the guidelines' is based on her perception that the implementation guidelines are entirely out of date. Although the policy has been amended and the amendments need not be published in the National Housing Code, I find her position justified in light of the Department of Housing's reluctance to publish an updated version of the National Housing Code, 2000.

5.5 Capacity constraints

The existence of capacity constraints has at both provincial and municipal level has been confirmed in the previous section. While the Housing Act (Republic of South Africa, 1997) distinguishes between provincial departments and municipalities in respect of the roles and responsibilities in the delivery of housing, they can both fulfil the role of a developer. As a result, the impact of capacity constraints on both these organisations will be similar. Capacity constraints as a factor that increases the value of and need for implementation guidelines will now be addressed.

Van der Walt (pers. comm.) confirms the existence of a lack of capacity at especially municipal level, but points out that this situation could have been avoided. He reports that the Housing Act (Republic of South Africa, 1997) determines that an MEC must do everything in his/her power to promote and facilitate the provision of adequate housing at a provincial level. In addition, Van der Walt (*ibid*) holds the position that an MEC is required to take support and strengthen the capacity at a municipal level. These steps can be financed from the Operational Capital Budget Programme. A turnaround strategy has also been introduced where expert provincial officials such as financial managers will be deployed at struggling municipalities (see, for example, *Noordwes Gazette*, 28 October 2008).

On a provincial level, Odendaal (pers. comm.) confirms that the technical and project management skills available to the Gauteng Housing Department are considerably less than was the case in 2005. He warns that the lack of project management skills results in cases of over-commitment to finance the underperformance in housing developments.

Due to capacity constraints, provincial housing departments are not able to undertake regular quality-control inspections. This allows an opportunity for poor service delivery and the use of inferior building material by contractors. In this regard the media report the lack of quality of the units delivered in subsidised housing projects (see, for example, *Graaf-Reinet Advertiser*, 14 November 2008).

The lack of qualified persons, especially in the built environment, with the required technical knowledge and financial skills was identified as specific a shortcoming. Often these constraints result in the incorrect implementation of technical and financial guidelines, procedures and processes.

I was shocked by the report by Tomlinson (pers. comm.) that over a three-year period, during which almost all of the metros and municipalities were visited, she found that the majority of their housing officials have never seen a copy of the National Housing Code 2000. This supports the position that municipalities are not capacitated. While any number of reasons can be given why a copy of the National Housing Code 2000 is not available, I will dismiss such a claim. They could have either accessed on the Department of Housing's website or phoned me for a copy.

While the existence of capacity constraints has been confirmed, this does not solve the problem. The availability of the National Housing Code 2000 will contribute towards capacitation by providing information and can even be used as training material. However, this will not ensure that all other capacity constraints disappear.

The Department of Housing (undated, c) has distributed pamphlets to convey information regarding the core elements of the Housing Subsidy Scheme, thereby also contributing towards the building of capacity. Unfortunately, the pamphlets contained incorrect information thus having the opposite effect. The Eastern

Cape's Department of Housing, Local Government and Traditional Affairs (undated) has issued a similar pamphlet with the same incorrect information. This distribution of incorrect information seems to become a general occurrence amongst national and provincial housing departments.

5.6 Political involvement

Respondents have testified that politicians at all levels of Government often see adherence to the implementation guidelines as a restriction on their ability to dispense 'goodwill' to their supporters. While interference may occur and the interference may have a negative impact, this impact cannot be measured/tested. The only manner to judge this impact is to make a conclusion based on the findings from an actual case that has been investigated.

Interference must not be confused with the execution of duties. Both the Housing Act (Republic of South Africa, 1997) and the implementation guidelines applicable to Greenfield Project Linked Subsidy Programme, document the roles and functions of politicians (Department of Housing, 2003b).

5.7 Number of policy changes

In this section the impact of policy amendments on the implementation of guidelines receives attention. Unfortunately, the National Housing Code 2000 has not, contrary to the prescripts of the Housing Act 1997 (Republic of South Africa, 1997), been updated on a regular basis. I have identified a total of 64 policy amendments that were effected since the publication of the National Housing Code 2000 until 31 December 2009. Within the course of each of these nine years, a number of policy amendments were affected. The implication is that the Department of Housing was legally obliged to publish an updated version of the National Housing Code within three months following each of these years.

The inadequate administrative process followed to inform provincial departments of policy amendments, exclusive of municipalities, by means of letters cannot be justified, neither can the manner in which the amendments were distributed to other role players. Especially when taking into consideration that due to policy amendments since the beginning of 2001, an outdated copy of the National Housing Code 2000 was sold to the public.

The fact that there was no updated version did, however, complicate the implementation of the Project Linked Subsidy Programme. Due to the lack of regular updates, the National Housing Code 2000 has lost some of its value. The high number of amendments and the introduction of numerous newly developed National Housing Programmes complicated the implementation thereof and create a sense of uncertainty among the implementers.

The statement that the absence of an updated version of the National Housing Code 2000 effectively made housing policy a 'toothless lion' (Rubin, pers. comm.) is supported wholeheartedly. However, as indicated earlier, the Housing Act (Republic of South Africa, 1997) provides that policy measures need not be included in the National Housing Code to be acknowledged as policy.

While the number of policy changes cannot be managed, the steps taken by the Department of Housing to inform role players of the changes was totally inadequate. The distribution of the amendments to provincial departments, while excluding municipalities from the exercise is also questioned. In terms of the Housing Act (Republic of South Africa, 1997) the Department of Housing must distribute the National Housing Code to both provincial departments and municipalities. The motivation for the exclusion of municipalities is of an administrative nature and does not have a legal base. The practice is therefore condemned.

5.8 Availability of implementation guidelines

The implementation guidelines for the Project Linked Subsidy Programme became outdated a few months after its publication. As discussed, no updates were published. Effectively, this resulted in the unavailability of (updated) implementation guidelines.

All amendments were put into practice over a prolonged period (nine years) resulting in a situation where only long-serving officials who had collected the notices confirming amendments might be in a position to have all amendments available. While the availability of all amendments is necessary in order to implement a housing programme correctly on a specific date, these amendments may also be required for legal proceedings in respect of a specific housing project. Over the years, the availability of an updated version of the National Housing Code 2000 was limited to a few individuals.

While it is relatively cheap to update the National Housing Code 2000 and make the enhanced version available in an electronic format, this was never done. Apart from one added chapter, even the version available on the Department of Housing's website is completely outdated (Department of Housing, 2007c).

5.9 User-friendly implementation guidelines

Whether or not the implementation guidelines are user friendly and the contribution of this aspect to the use of the implementation guidelines is a matter of opinion. When published in 2000, the National Housing Code was intended to be a user-friendly document (in comparison with the 'Blue Manual'). I believe that anybody who is familiar with the 'Blue Manual' will agree that the National Housing Code 2000 is user-friendly.

Whether the implementation guidelines are deemed to be user friendly will depend on a person's knowledge and understanding of the housing environment. The

complex nature of housing delivery in general and more specifically the Project Linked Subsidy Programme, do however justify the technical and complex nature of some guidelines. This does not give general support for the development of complicated guidelines.

Notwithstanding these complexities, implementation guidelines were drafted, taking into consideration that housing officials (rather than the general public) would be responsible for the implementation of the Project Linked Subsidy Programme. Contractors on the other hand, focus their attention solely on their contractual commitments towards the provincial housing departments (Cook, 2010 pers. comm.).

Chapter 6 Conclusion and recommendations

6.1 Conclusion

My research shows that both academics and implementers support the use of implementation guidelines. No evidence was found to counter the position that there is a definite need for implementation guidelines. On this basis, as well as my personal experience and knowledge of the implementation of the housing policy, I also support this position. This is supplemented by the inputs received from respondents.

From the feedback received from respondents, it is apparent that the use of implementation guidelines to implement the vast and complex Housing Subsidy Scheme, with its numerous national housing programmes, is essential. It is concluded that compulsory implementation guidelines should not only be used as a guide, but also for monitoring, evaluation and control measures. This will contribute towards the alleviation of fraud and ensure consistency in the implementation of the Project Linked Subsidy Programme. Usage as a guide only will also result in the allocation of similar benefits to all beneficiaries and ensuring payments to contractors in line with good financial principles. All these aspects are, especially in light of the capacity constraints in the government sector, of great importance. While the National Housing Code 2000 does not constitute legislation, the Housing Act (Republic of South Africa, 1997) introduces policy and guidelines and these are aligned to legislation such as the Public Finance Management Act (Republic of South Africa, 1999).

Notwithstanding the need for implementation guidelines, I believe that housing policy and therefore the implementation guidelines are of a changing nature. As such, recognition should be given to the position that the implementation guidelines should regularly be re-evaluated to provide for aspects not catered for.

This in no way implies a free-for-all approach but rather a policy that provides for new procedures to be undertaken in a controlled environment.

As indicated my position on the need for detailed, compulsory implementation guidelines is aligned with the positions held by the academics cited and the respondents. It is not supportive of the decision the decision by Housing: MINMEC to do introduce open-ended guidelines. While certain aspects namely the updating of the policy and implementation guidelines and to align it with all relevant legislation is supported, the open-ended nature of the recently published National Housing Code 2009 is condemned.

6.2 Recommendations

Considering the findings and analysis, it is my position that the following steps would contribute towards the successful implementation of Government's housing policy:

- a) In light of the overwhelming confirmation for the need of implementation guidelines by the respondents, the recently published National Housing Code 2009 should be withdrawn while the National Housing Code 2000 is re-instated. As prescribed by the Housing Act (Republic of South Africa, 1997) all new programmes, policy principles and procedures contained in the National Housing Code 2000 and any amendments to these will remain valid. For implementation purposes, the policy content of the National Housing Code 2009 may only be regarded as a summary of the latest policy principles.

- b) In line with this recommendation, the Minister of Human Settlements should mandate his department to commence with an exercise to update the National Housing Code 2000. The new National Housing Code must be of a compulsory nature and provide adequate guidance to implementers. While the exercise must acknowledge the request by Housing: MINMEC on

21 May 2005 to provide for all the necessary policy changes and alignment with legislation, it must ignore the request to provide for more flexibility and discretion. Until the introduction of the new National Housing Code, the National Housing Code 2000 will be binding and no deviations can be allowed.

- c) In light of the compulsory nature of guidelines, the guidelines must be detailed to provide guidance in all circumstances. The compulsory nature will apply to all implementation guidelines, inclusive of administrative and procedural guidelines. The principle that the housing policy and the implementation guidelines have the same status must clearly be reflected in the new National Housing Code. In order to prevent confusion and formalise the change in the status of the implementation guidelines, the term 'implementation regulations' should be reserved for future use.
- d) Accountability is an important control mechanism and as such provision must be made for punitive measures should individuals not adhere to the policy and implementation guidelines. Such measures could include criminal prosecution and methods of redress, such as disciplinary measures.
- e) Steps must be taken to ensure that the new National Housing Code be updated on a regular basis as prescribed in the Housing Act (Republic of South Africa, 1997). Confirmation of all amendments and the introduction of new National Housing Programmes should be distributed electronically. An updated version of each of the relevant programmes must be distributed annually.
- f) Steps must be taken to ensure that all provincial departments have the necessary systems in place to inform the municipalities of any policy amendments subsequent to formal confirmation of such an amendment.

- g) Meticulous records must be kept of the details of all policy amendments and the notices distributed to provincial departments. This should include the impact on the policy and implementation regulations. In addition, the date on which policy amendments were approved and their implementation date must also be recorded. The Auditor-General and the Special Investigating Unit can use the information in their investigations.
- h) In light of the recommendations, the importance of training cannot be over-emphasised. Regular capacity building exercises, at least three each year must be presented to all provincial departments. All accredited municipalities, irrespective their level of accreditation must also attend these sessions. While all new policy aspects and their implementation regulations must receive attention, provincial departments and accredited municipalities may identify additional aspects.
- i) Upon completion the new National Housing Code must be submitted to the newly instituted Human Settlements: MINMEC for ratification.
- j) Following completion of the new National Housing Code, the Department of Human Settlements and the relevant provincial departments must embark on the development of a spectrum of implementation guidelines that cover all eventualities. While all the guidelines in the range should be compulsory, a provincial housing department may opt which set to make use of.
- k) In light of the mandate of the Minister of Human Settlements, who replaced the Minister of Housing, serious consideration should be given to introduction of a National Human Settlements Code. This National Human Settlements Code must provide for aspects such as planning aspects relating to the purchase of land, the provision of bulk and internal services, township

establishment procedures and the provision of public facilities such as schools, hospitals and open spaces. Particular attention must be given to the aspects that require consultation with other Government departments.

- l) Due to the complexity and volume of the National Housing Code and that policies and implementation regulations dealing with human settlements require finalisation, it is proposed that housing-related matters (top structure) not be included in the National Human Settlements Code. Both these Codes must, however, be compulsory and be authoritative in nature.
- m) The introduction of a National Human Settlements Code will also necessitate an amendment to the Housing Act (Republic of South Africa, 1997). It is proposed that the Housing Act (*ibid*) be scrapped and be replaced with a Human Settlements Act to provide for all human settlement policies and implementation regulations. Such an Act will also be aligned with the new mandate of the Minister of Human Settlements.
- n) In light of the constraints identified both by academics and respondents, consideration should be given to the simplification of all housing programmes. Such a step will not only simplify implementation, but will also be beneficial in the achievement of delivery goals.
- o) The Housing Act (*ibid*) must be amended to provide for all these recommendations. In line with current legal prescripts, the Minister of Human Settlements, in consultation with the MECs and the national representative of SALGA, can sanction the new position.

6.3 Way forward

The decision by Housing: MINMEC to scrap the National Housing Code 2000 resulted in the publication of the National Housing Code 2009. This development

in no way made the research obsolete as the need for implementation guidelines is something that is not affected by a decision to introduce open-ended implementation guidelines. The publication of the National Housing Code 2009 provides for circumstances where these findings can be tested. I hold the position that the need for detailed, compulsory guidelines will be recognised in time. Such a development could even result in a situation whereby the newly instituted Human Settlements: MINMEC decides to re-introduce detailed, compulsory implementation guidelines.

While the findings are based on the implementation guidelines as contained in the National Housing Code 2000, they also serve as an indicator of the requirements to be set for a new version of the National Housing Code. It is my position that the decision of Housing: MINMEC to make a clear distinction between compulsory policy measures and guidelines that are more subject to suggestions, resulted in an end product that will in future result in even more problems than was the case with the National Housing Code 2000.

As is the case with White Papers drafted by Government Departments, the National Human Settlements Code must be widely disseminated for comment. Once all inputs have been evaluated and accommodated, the detailed and compulsory new National Human Settlements Code can be finalised.

Irrespective of the steps Government decides to take, it is absolutely crucial to introduce compulsory, detailed guidelines. The detailed nature of the implementation guidelines will enable inexperienced and/or incapacitated housing officials to implement housing policy and successfully complete housing developments.

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APPENDIX A

LIST OF QUESTIONS

1. Should there be implementation guidelines (yes/no)? Please motivate.
2. Can guidelines play a role in policy implementation (yes/no)? Please motivate.
3. What role have implementation guidelines played to date?
4. Does the existing, detailed guidelines as contained in the Code 2000 support or restrain the implementation of Government's housing policy (yes/no)? Please motivate.
5. Are you of the opinion that open ended/non compulsory guidelines will support or restrain the implementation of Government's housing policy (yes/no)? Please motivate.
6. Should the guidelines be compulsory in nature (yes/no)? Please motivate.
7. Does guidelines as contained in the Code 2000, provide for adequate control measures (yes/no)? Please motivate.
8. What is the role of the guidelines in the prevention of fraud/corruption?
9. Is there a lack of capacity (financial, technical, human, skills etc) in provincial housing departments (yes/no)? If yes: What is the nature thereof and how does this impact on the adherence to policy and guidelines?

10. Is there a lack of capacity (financial, technical, human, skills etc) in metros (yes/no)? If yes: What is the nature thereof and how does this impact on the adherence to policy and guidelines?
11. Is there a lack of capacity (financial, technical, human, skills etc) in municipalities (yes/no)? If yes: What is the nature thereof and how does this impact on the adherence to policy and guidelines?
12. Do political decisions impact on adherence/implementation of guidelines?
13. Are the current guidelines understandable/can it easily be interpreted (yes/no)? Please motivate.
14. Has the guidelines ever been or are you of the opinion it may be a restrictive factor in the implementation of policy (yes/no)? Please motivate.
15. Are you aware of the non availability of guidelines in your organisation (now or in the past) (yes/no)? If yes: What was the impact thereof on your organisation?
16. Identify your employer (preferably provide the name):
 - i] National housing department;
 - ii] Provincial housing department;
 - iii] Metro;
 - iv] Municipality; or
 - v] Private sector.
17. What is your opinion regarding the impact of the huge number of policy changes since 2000, not published in an updated version of the Code?

APPENDIX B

PERSONS CONSULTED

Personal interviews

Bartlett, C. (personal communication, 27 September 2010) Sole Owner, Usquebaugh Consulting, East London.

Bayat, J. (personal communication, 1 March 2010) Chief Director, Priority Projects Facilitation, Department of Housing, Pretoria.

Burger, C. (personal communication, 27 September 2010) Sole Owner, Ingqondi Consulting, East London.

Cook, C. (personal communication, 15 August 2010) Chief Executive Officer, Conbou Construction, Modimole, Interview - Pretoria

Moore, W. (personal communication, 24 July 2009) Senior Advocate, Special Investigating Unit, Pretoria.

Myburg, S. (personal communication, 4 March 2010) Deputy Director, National Planning Frameworks, Department of Housing, Pretoria.

Ntlou, B. (personal communication, 20 May 2010) Director, Litigation Management and Legal Advisory Services, Department of Housing, Pretoria.

Odendaal, W. (personal communication, 2006) Deputy Director-General, Department of Housing, Gauteng Province, Johannesburg, interviewed in Pretoria.

Rajkumar, A. (personal communication, 4 March 2010) Assistant Director, Rental Housing and CODHI, Department of Housing, Pretoria.

Van der Walt, L. (personal communication, 3 November 2009) Director, Human Settlement Policy Development, Department of Housing, Pretoria.

Electronic responses

Booyesen, G. (personal communication, 26 March 2010 & 14 April 2010) Specialist, Sustainable Human Settlements, SALGA, Pretoria.

Du Plessis, P. (personal communication, 2 November 2009) Director, Department of Housing, Northern Province (ex), Duzwane Development, Polekwane.

Haasbroek, S. (personal communication, 6 November 2009) Deputy Director, Department of Housing, Northern Cape Province, Kimberley.

Jonkers, H. (personal communication, 4 November 2009) Senior Housing Practitioner, Housing Department, Buffalo Bay Municipality, East London.

Louw, J. (personal communication, 4 March 2010) Chief Town and Regional Planner, Programme Implementation, Department of Housing, Pretoria.

Mosikhele, J (personal communication, 18 November 2009) Director, Department of Housing, Free State Province, Bloemfontein.

Muller, W. (personal communication, 27 October 2009) City Treasurer: Housing Development, Cape Town Municipality, Cape Town.

Odendaal, W. (personal communication, 2006) Deputy Director-General, Department of Housing, Gauteng Province, Johannesburg, interviewed in Pretoria.

Ramluktan, S. (personal communication, 5 November 2009) Deputy Director, Policy Section, Department of Housing, KwaZulu-Natal Province, Durban.

Rubin, M. (personal communication, 27 October 2009) Former researcher, University of the Witwatersrand, Johannesburg.

Tomlinson, M. (personal communication, 28 October 2009) Housing consultant, New Zealand.

Van den Berg, M. (personal communication, 4 March 2010) Director, Monitoring and Evaluation, Department of Housing, Pretoria.

Van der Westhuizen, C. (personal communication, 4 March 2010) Director, Management Information Services, Department of Housing, Pretoria.

Wilson, A. (personal communication, 6 November 2009) Consultant, Johannesburg.

APPENDIX C**SUBSIDY AMOUNTS: 1994 - 2000****Subsidy amounts: 15 March 1994**

Monthly income	Subsidy amount
Up to R1500	R12500
R1501 to R2500	R9500
R2501 to R3500	R5000

Source: Department of Housing (1994)

Subsidy amounts: 23 December 1994 (May be applied retrospectively)

Monthly income	Subsidy amount
Up to R800	R15000
R801 to R1 500	R12500
R1501 to R2500	R9500
R2501 to R3500	R5000

Source: Department of Housing (1994)

Subsidy amounts: 1 April 1999

Monthly income	Subsidy amount
Up to R1500	R16000
R1501 to R2500	R10000
R2501 to R3500	R5500

Source: Department of Housing (1999)

APPENDIX D

POLICY AMENDMENTS: 2000 - 2009

Implementation date	Instrument
15 February 2001	Termination of the use of conveyancers in the administration of Individual Subsidies
15 February 2001	Introduction of the Developer Driven Individual Scheme (DDIS)
1 April 2001	Progress payment system - P1-P5 divided into a number of sub-payments
1 April 2001	Enable persons owning unsubsidised residential properties to access housing subsidies
1 April 2002	Adjustment of the quantum of the subsidy amount
20 February 2002	Alignment of Land Restitution Programme and the Housing Subsidy Scheme
1 April 2002	Beneficiaries to contribute towards the realisation of their right to access to housing opportunities and
1 April 2002	Application of the National Home Builders Registration Council's Warranty Scheme to the Housing Subsidy Scheme Financed Houses
1 April 2002	Variation of the Subsidy amount: Disabled Variation
1 April 2002	Chapter 3A: Housing Subsidy Scheme: Greenfield Project Linked Subsidies (Procurement Procedures)
1 April 2002	Guidelines for the collection of R2 479, payable by certain beneficiaries of Government's housing subsidy, by provinces
1 April 2003	Southern Cape Coastal Condensation Area: Variation of the subsidy amount
1 April 2003	Adjustment of the quantum of the subsidy amount

Implementation date	Instrument
1 April 2003	Disabled Variation: People with visual disabilities
1 April 2003	Guidelines for the collection of R2 479, payable by certain beneficiaries of Government's housing subsidy, by municipalities
15 August 2003	Disabled Variation: People with upper body limbs disabilities
14 November 2003	Lifting of the income band (from R800/month to R1 500/month) for the indigent category of beneficiaries of Government's housing subsidy and guidelines for the collection of R2 479, payable by certain beneficiaries of Government's housing subsidy
1 April 2004	Payment for the completion of a top structure prior to the registration of transfer (P5 before P4)
1 April 2004	Emergency Housing Programme
1 April 2004	Adjustment of the quantum of the subsidy amount
1 September 2004	Upgrading of Informal Settlements Programme
1 November 2004	Amendments to the Relocation Assistance Programme
13 January 2005 (backdated to 1 April 2002)	Lifting of the income band for a certain category of beneficiaries of Government's Housing Subsidy who will be exempt from having to pay the cash contribution of R2 479
3 June 2005	Termination of the Developer Driven Individual Scheme (DDIS)
1 April 2005	Rectification of houses delivered between 15 March 1994 and 31 March 2002
1 April 2005	Lifting of the income band for the indigent category of beneficiaries of Government's housing subsidy and guidelines for the collection of R2 479, payable by certain beneficiaries of Government's housing subsidy, by

Implementation date	Instrument
	municipalities
1 April 2005	Adjustment of the quantum of the subsidy amount
1 April 2005	Implementation Guidelines for a Phased Housing Development Approach
1 April 2005	Collapsing of the subsidy bands, extension of income categories and amendment of qualification criteria
1 April 2005	Scrapping of Progress Payment System to ensure that payments are made in line with existing legislation
26 May 2005	Administrative procedures for addressing the impact of the current subsidy dispensation on women
1 June 2005	Approval of Social Housing Policy
3 June 2005	Adjustment of the policy and guidelines for the Individual Housing Subsidy Programme: Non Credit linked subsidies (existing houses)
1 July 2005	Deregistration of missing beneficiaries of Government subsidised houses
1 July 2005	Guidelines for the Prevention of the Repetitive use of Dependents' Names to access a housing subsidy
1 August 2005	Application of the NHBRC's Warranty Scheme to the Housing Subsidy Scheme financed houses (individual subsidies and other project related programmes & increase in enrolment fee)
1 October 2005	Implementation guidelines for the Finance-linked Individual Subsidy Programme
1 October 2005	Amended People's Housing Process Programme
1 November 2005	Guidelines for the application of the operational expenditure budget in support of the implementation of national and

Implementation date	Instrument
	provincial housing programmes (OPSCAP Programme)
1 November 2005	Implementation guidelines for the Unblocking of Housing Projects affected by inflation and other related factors
7 November 2005	Implementation Guidelines for a Phased Housing Development Approach
1 December 2005	Fast Tracking of Emergency housing in areas of distress
3 December 2005	Amendments to the Discount Benefit Scheme and change in name: Enhanced Extended Discount Benefit Scheme
1 April 2006	The provision of Social and Economic Amenities
1 April 2006	Adjustment of the quantum of the subsidy amount
1 April 2006	Integrated Residential Development Programme
17 May 2006	Introduction of the Social Housing Programme
June 2006	Housing Chapters of IDP's
16 November 2006	Community Residential Units Programme
1 April 2007	Rectification of houses delivered before 15 March 1994
1 April 2007	Introduction of the Variation Manual and electronic calculator
1 April 2007	Adjustment of the quantum of the subsidy amount
1 April 2007	Introduction of new Ministerial Norms and Standards in respect of Permanent Residential Structures
31 May 2007	Approval of National Housing Code as a 'working document'
31 May 2007	Re-introduction of the Developer Driven Individual Scheme (DDIS)
31 May 2007	Amend qualification criteria: Aged persons without dependants may participate
23 February 2008	Enhanced Implementation guidelines for the Housing

Implementation date	Instrument
	Finance-linked Individual Subsidy Programme
January 2008	Strategy to provide housing assistance to military veterans
1 April 2008	Adjustment of the quantum of the subsidy amount
1 June 2008	Mid term adjustment of the quantum of the subsidy amount in respect of certain housing programmes (Projects were backdated to 1 April 2008)
11 March 2009	Introduce Strategy for Unblocking of Stalled Projects
31 March 2009	Introduction of the Enhanced People's Housing Process
1 April 2009	Adjustment of the quantum of the subsidy amount
1 April 2009	Farm Resident Subsidy Programme
November 2009	Adjustment of the Individual subsidy quantum amount

Compiled by the author, October 2010

SUBSIDY AMOUNTS: 2000 - 2009

Monthly income	Since 1999	April 2002	April 2003	April 2004	April 2005 •	April 2006	April 2007	April 2008	June 2008 ••	April 2009
Up to R1 500	R16 000	R20 300	R23 100	R25 800	R31 929	R36 528	R38 984	R43 506	R54 650	R55 706
R1 501 to R2 500	R10 000	R12 700	R14 200	R15 700						
R2 501 to R3 500	R5 500	R7 000	R7 800	R8 600	R29 450	R34 049	R36 505	R41 027	R52 171	R53 227

Compiled by the author, October 2010

- All income categories were merged on 1 April 2005, subject to a contribution of R2 479 by households not categorised as indigent.
- The increased amount can be applied retrospectively to 1 April 2008.

HOUSING PROGRAMMES PER INTERVENTION

a) Financial Interventions

Accreditation

Enhanced Extended Discount Benefit Scheme

Individual Subsidy Programme

Operational Capital Programme

IDP Housing Chapters (Part 1 and 2)

Social & Economic Facilities Programme

Rectification Programme (houses constructed pre-1994) ⁶

b) Incremental Interventions

Consolidation Subsidy Programme

Emergency Assistance Programme

Integrated Residential Development Programme

Enhanced People's Housing Process

Informal Settlement Upgrading Programme

c) Rural Interventions

Communal Land Rights - Rural Subsidy Programme

Farm Residents Subsidy Programme

d) Social and Rental Interventions

Community Residential Units Programme

Institutional Subsidy Programme

Social Housing Programme

⁶ The Rectification Programme that provides for houses built between 1994 and 2002 does not form part of the National Housing Code 2009.

LIST OF ACRONYMS

Finance Linked Individual Subsidy Programme Committee comprised of the Minister of Housing, the nine Members of the Executive Councils responsible for Housing and a representative from the South African Local Government Association	FLISP
Member of the Executive Council	Housing: MINMEC
National Housing Forum	MEC
South African Local Government Association	NHF
	SALGA