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The Capacity of Municipalities to Deliver on Housing

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Master of Management in the field of Public and Development Management

February 2003

Declaration

I, Delca Maluleke declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other University.



Delca P. Maluleke

24 February, 2003

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I am especially grateful to my family for their understanding, patience and emotional support at a time when I needed these most, during the pursuance of my academic career.

Dedication

This research report is dedicated to my parents, Mike and Sylvia Tlhagoane, who throughout my life have taught me that anything in life is attainable through hard work and dedication.

Abbreviations

Province	This refers to the Gauteng Housing Department
Department	Refers to the Gauteng Department of Housing
IDPs	This is an acronym for Integrated Development Plans, which municipalities are required to complete.
Municipalities	This refers to all municipalities in Gauteng that were studied. Metsweding District Municipality is excluded.
Backlog	The number of people who qualify for low-cost housing but have not been allocated a house; for example, the housing backlog in Gauteng stands at approximately 500 000.
Waiting List	People who have applied for a government low-cost house, get screened and placed on the housing waiting list, should they meet all the criteria.
CMIP	Consolidated Municipal Infrastructure Programme
P&DM	Graduate School of Public and Development Management
SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority

ABSTRACT

This study was undertaken to determine whether Gauteng municipalities, constitutionally obliged to provide low-cost housing to those who qualify for it, possessed the capacity to do so. The only Gauteng municipality not included in this research was Metsweding District Municipality. Pertinent literature was consulted and reviewed. In this qualitative research the data were obtained from interviews and answers to questionnaires. Analysis showed that all the municipalities studied lacked the capacity to deliver on their mandate. Necessary capacity was found to be lacking in several areas. The report concludes with suggestions for rectifying this problem and thus, enabling municipalities to meet their housing delivery obligations.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

Throughout Gauteng many local authorities have been confronted with the dilemma of having to implement housing projects within their respective areas of jurisdiction while lacking the necessary capacity to achieve this. These deficiencies in capacity often lead to housing developments' being delayed and, in some instances halted, which results in increased costs.

Provincial government is clearly required, in terms of legislation such as the National Housing Act (1997), the Constitution of South Africa (1996) and the Development Facilitation Act, to capacitate local authorities effectively and efficiently.

With the necessary capacity, local government should be able to implement housing programmes and projects within a given timeframe, within an allocated (and often limited) budget, and in a sustainable and integrated manner. In terms of the Public Finance Management Act (1999), in order to qualify for an increase in their budget allocation for the following financial year, local authorities are required to spend the budgets allocated to them. If a municipality fails to spend its allocated budget within the specified timeframe, it will experience budget cuts in favour of others that display increased delivery.

This research has attempted to outline the capacity that is needed in municipalities, and that which exists, and establish whether or not municipalities do have the required and necessary capacity to deliver on their housing mandate. The focus for this study has been on all municipalities, the three metros and the 2 districts, with the exception of Metsweding District Municipality.

The slow pace of housing delivery in municipalities has prompted the researcher to draw a correlation between poor delivery of housing projects and the capacity that exists in municipalities.

1.2 The Current Situation

Almost all municipalities across the province of Gauteng have evidenced problems of capacity in their efforts to deliver housing projects. The Housing Act 107 of 1997 states: " Local Government should within the framework of national and provincial housing legislation ensure that inhabitants of its area of jurisdiction have adequate housing on a progressive basis; identify and designate land for housing development; set housing delivery goals in respect of its area of jurisdiction; initiate, plan, co-ordinate; facilitate; promote and enable appropriate housing in its area of jurisdiction" (Housing Act, 1997).

To fulfil its developmental role as outlined above, local government must, amongst other things, be accredited by the provincial government to administer housing projects. Any municipality may apply to the MEC of Housing for accreditation to administer one or more of the national housing programmes. Once approval has been obtained, municipalities should administer such programmes in accordance with the powers and duties of the relevant provincial housing development board. Many municipalities perceive accreditation as a tool for achieving their developmental and constitutional mandate.

Although many local authorities acknowledge a serious lack of capacity in their areas of jurisdiction, they nevertheless want to be accredited by Province. The question therefore arises as to whether, without the necessary capacity in their respective municipalities, local authorities will deliver and/ or administer housing projects. The answer is obvious: without the necessary and relevant capacity to do so, they will not be able to administer such programmes.

However, provincial housing departments cannot continue to refuse, on the basis of problems related to capacity, to accredit municipalities that comply with all the accreditation requirements. They should instead accept the challenge to capacitate local municipalities, enabling them to deliver housing projects effectively and timeously, as required.

1.3 Current Capacity Development Initiatives

1.3.1 Initiatives

Province, in particular the Gauteng Department of Housing, has attempted to assist municipalities by funding capacity development courses specifically designed for housing officials in local government and offered by the Wits School of Public and Development Management (P&DM). This capacity building programme has, arguably, succeeded in raising council officials' awareness of housing projects and processes of housing delivery. However, it does not adequately alleviate the capacity shortage and consequent poor performance in projects that many municipalities experience.

Currently a range of capacity building initiatives, run nationally and targeted at local government exists. These are briefly considered below according to category. Their current status can be summarized as follows:

Governance and administration

For the purpose of this document this includes the management arrangements for the municipality as a whole, activities relating to council affairs and municipal finance. Currently the Department of Provincial and Local Government (DPLG) and National Treasury (NT) are running programmes with an emphasis on improving the overall management performance of local authorities (including financial management and integrated planning).

Planning

This includes integrated planning for Integrated Development Plans (IDPS), statutory sector based plans, and master planning for infrastructure, which tends to be technical. At present sector based initiatives exist to support planning by local authorities.

Operations

Operations relate to the continuation and maintenance of the services for which infrastructure has been provided. In this area the service authority or, in some cases, the service provider contracted by it, needs to be given support. Capacity building programmes related to operations are weakly established and tend to be sector based, with limited government co-ordination.

Projects

The emphasis here is on sector- based interests relating to project selection and implementation. Briefly, the following mechanisms contribute (either directly or indirectly) to capacity development in the sector:

- an equitable share of national revenue;
- a local government restructuring grant;
- a financial management grant;
- a local economic development grant – for consolidation in the Consolidated Municipal Infrastructure Programme (CMIP);
- the consolidated Municipal Infrastructure Programme;
- a local government support grant;
- a municipal systems improvement programme grant;
- a local government transition fund;
- a water services capacity programme.

Apart form these mechanisms, municipalities can mobilise additional resources for capacity development from the following:

provinces – allocation of resources for capacity development from the provincial budgets,
districts – allocation of resources for capacity development from district municipalities' budgets,
local municipalities – the use of own revenues, budgets, and new loans that can be directed at capacity development initiatives,
the private sector – short-term credit, private investments conditional and concessional loans for infrastructure and the capacity development of municipalities,
national development agencies (e.g. DBSA, IDT, NDA) – grants and conditional loans to municipalities for infrastructure investment, community empowerment, poverty reduction, rural development activities and capacity development of municipalities, NGOs and CBOs,
universities – provision of expert assistance, either as part of community outreach programmes finances out of own resources, or through projects acquired,
communities – community funds to support specific development projects,
NGOs, voluntary organizations, charities etc. – private grants and funds that are channelled through these organisations for local development initiatives, and
external organisations – individual development projects, grants, budgetary support and concessional loans for capacity development initiatives at local level.

1.3.2 The Proposed Capacity Development Fund

The Department of Provincial and Local Government (DPLG), while acknowledging that the mechanisms and funds identified above make a significant contribution to meet the capacity development needs of local government, argues that additional funding is required in the short to medium term. Consequently, it supports the idea of the establishment of a Capacity Development Fund. This is, moreover, intended to be used in some way, in integrating the

plethora of funding sources. However, at present it is unclear which existing funds would be collapsed into this new fund.

The Capacity Development Fund would consist of a mix of conditional grants and technical assistance services to be allocated following criteria that would, firstly, benefit the weakest municipal structures. District authorities and a limited number of local municipalities would be targeted as the key players that can act as entry points for the provision of technical services to other weaker structures. A further criterion will be that the district or local municipality falls within the areas targeted by the Integrated Sustainable Rural Development Strategy and the Urban Renewal Strategy.

1.3.3 The role of Sector Education and Training Authorities (SETAs)

The SETAs, established by Department of Labour, provide an additional important source of capacity development resources. The Skills Development Act (Act 97 of 1998) requires the establishment of Sector Education and Training Authorities (SETAs). Twenty-five of these were established in 2000. The objective was to ensure the development of a pool of appropriately skilled people for each sector, their acquired skills recognised and valued in terms of the National Quality Assurance (ETQA) contribution to each sector. Appropriate standards of training are rigorously adhered to.

The SETAs are funded from the levies paid by employers, with 70% of the total levies paid being available to be claimed as grants. The National Skills Fund, which is also accessible to fund certain projects, receives 20% of the levies.

In April 2000, the Construction Education and Training Authority (CETA) took over the responsibility for all education and training within the construction sector. This covers: all building, civil

engineering and related activities associated with the design, planning, building, construction, erection, fitting, completion, maintenance and repair of buildings, structures, factories, dam walls, weirs, reservoirs, pipelines, canals, tunnels, roads, runways, driveways and parking areas, and related infrastructure. (CETA, 2002)

The functions of CETA are to:

- develop a sector skills plan;
- implement this plan by establishing learnership; approving workplace skills plans; allocating grants to employers, workers, and education and training providers; monitoring education and training in the industry;
- promote learnerships by identifying workplaces suitable for practical work training; developing and supporting learning materials; improving the facilitation of learning and arranging and registering learning materials and learnership agreements;
- be accredited by SAQA as an ETQA;
- collect and disburse levies;
- register and approve workplace skills plans;
- maintain a database of learners, and
- provide advice on training and careers. (Skills Development Act 1998:8,14-6)

1.4 Structure of the Report

This research report consists of six chapters and a bibliography. A brief outline of the remaining five chapters follows.

Chapter 2: Literature Review

This chapter provides an outline of numerous bodies of literature. These deal, primarily, with housing policy, capacity development/building, municipal capacity development for housing

development, and accreditation for the administration of housing projects. The literature used supports the arguments that have been presented and highlights the importance of capacity development towards enabling municipalities to be accredited by provincial government to administer housing development projects.

Chapter 3:Research Question and Methodology

The research problem is covered here. The rationale for conducting the research is given. Questions pertinent to the research and the research methodology utilised in the research study are considered. Why the research methodology, research question and the data collection procedures are most appropriate for the study is explained. The chapter concludes with a discussion on the limitations and constraints of the research study.

Chapter 4: Data Presentation

A comparative study of all municipalities within Gauteng, with the exception of Motsweding District Municipality, is presented. An outline is given of the different municipal levels of housing capacity that exist. Relevant documentation on the status of capacity in municipalities and responses from interviews and the questionnaire are used to highlight the issues further and substantiate the argument presented.

Chapter 5: Data Analysis

Data presented in chapter 4 are analysed. The analysis progresses from the premise that all municipalities within Gauteng lack the necessary capacity to deliver satisfactorily on housing projects. The researcher demonstrates why this conclusion was reached.

Chapter 6: Conclusion

The data presented in Chapter 4 and their analysis in Chapter 5 indicate that municipalities lack the necessary capacity to deliver on housing. In Chapter 6, after thorough analysis and observation of the

situation in many municipalities, recommendations are offered as to how the delivery of housing can improve in municipalities.

The need for capacity in municipalities if they are to deliver on housing projects is outlined. The study indicates that municipal capacity should be a prerequisite for the accreditation of municipalities by the Provincial Housing Department for the administration of housing projects within their areas of jurisdiction. The current situation in municipalities and current capacity development initiatives, which include the capacity development fund, are discussed. The role of sector education and training authorities is mentioned within the context of capacity development.

CHAPTER 2: LITERATURE REVIEW

For the purposes of this report, it is important for the concept, "capacity development", to be understood within the context of housing development, primarily to enable the reader to understand the types of capacity that municipalities need in delivering housing projects. An understanding of the criteria for approval/accreditation for administering housing projects is equally imperative This is because municipalities can be accredited by the Provincial Housing Department only if they demonstrate that they have the necessary capacity to deliver housing. In this chapter and the following ones, a close correlation between capacity and accreditation is drawn.

Four bodies of literature dealing primarily with housing policy, capacity development, municipal capacity development for housing development and accreditation for the administration of housing projects are referred to. In the review that follows, the literature is used in support of the arguments that have been presented. The importance of capacity development to enable municipalities to be accredited by the provincial government for the administration of housing development projects is highlighted. So are the desirability and attainability of accreditation, the guidelines and the applicable criteria for accreditation.

2.1 Understanding Housing Policy

2.1.1 Background

Each country has a seemingly unique set of factors which have played a role in the history and development of urban housing and related policies within a context of housing shortage (Aldrich, C. & Sandhu, R. 1995).

There is generally a housing crisis in the Third World, and South Africa is no exception. This problem (the housing demand) is compounded by the increase in the urban population of Third World countries. The population of Sao Paulo in Brazil, for instance, has grown from under 3 million in 1950 to almost 24 million (Dogan and Kasarda, 1968). The Marxist Leninist regime, traditional values, and large increases in urban population have led to the deterioration of housing conditions in China's largest cities (Kirby 1985,p.265). Shangai has over 7 million people. It is estimated that in India, inadequate housing of the urban population runs at 25 %. Aldrich & Sandhu, maintain that in the large cities housing has continued to deteriorate over the last 30 years.

Therefore, it has become imperative for governments to establish social and political processes to address the housing crisis. It is also important for nation states to introduce policies and strategies that address the unique the problems in those countries.

South Africa is a country that faced an arduous and cumbersome task of developing a policy document on provision of housing. It was imperative that the policy developed on housing should address the needs of the poor and redress the imbalances of the past. The Housing Act, 1997, upholds Section 26 of the Constitution, which states that all South Africans have the right of access to adequate housing. The Act requires the state to use its resources within the legislative framework, in achieving this right. It also outlines the general principles applicable to housing development, which municipalities, provincial and national government must adhere to and promote. They are as follows:

- prioritisation of housing needs for the poor;
- sustainability, affordability, transparency and equitability in the process of housing provision;
- integration of housing development to create viable communities;

- facilitation of active participation by all relevant stakeholders in housing development;
- encouragement and facilitation of private sector and individual investment in housing delivery;
- consultation with individuals and communities affected by housing development;
- provision of support, in the form of a subsidy system, for community based organisations that ensure skills transfer and community empowerment through housing delivery.

The housing subsidy scheme and various housing products that can be accessed through the subsidy scheme are discussed in detail below for the following reasons:

- The housing subsidy scheme is the primary measure through which Government can assist the public/beneficiaries to obtain housing.
- The subsidy scheme, which is the National Housing Programme, had replaced all government subsidy programmes by March 1994.
- It is through the subsidy scheme that accredited municipalities are able to administer housing.

Application for each of the subsidy mechanisms (detailed below) should be submitted to the Provincial Housing Development Boards (which have since been disbanded). Following approval by the Provincial Housing Department or accredited municipalities (discussed later in detail) subsidies are then paid out of the Provincial Housing Development funds.

2.1.2 The Housing Subsidy Scheme

The subsidy scheme is founded on the principle of a capital subsidy. The criteria for the allocation of subsidies are that one should: be a lawful citizen of the country; have dependents; not have received a

previous housing subsidy from the state; be over 21 years of age; be married or single with dependants and not earn more than R 3500 per month. Rust, K. & Rubenstein, S. (1996, 123) note how the level of subsidy varies according to income. The variations are explained below.

2.1.3 Common Types of Housing Products

The various products that can be accessed through the housing subsidy scheme include projects based subsidies such as individual subsidies, credit-linked subsidies, non-credit-linked subsidies, non-credit-linked subsidies for self-help housing, and rental or institutional subsidies.

Project-based subsidies

This type of subsidy scheme relates to a situation in which a subsidy is granted to a developer who undertakes an approved project on behalf of a group of individuals. In order to access the subsidies developers should submit applications to the Provincial Housing Department for review. The approval of applications should be based on whether or not they comply with the set criteria and the needs within the particular province (National Housing Code, March 2000).

Individual Subsidies

These relate to situations whereby a beneficiary wants to purchase a house that is not part of an approved project. It can also be an existing property. Two types of individual subsidy exist: credit-linked and non–credit-linked.

- The credit-linked subsidy

  This applies where the beneficiary borrows money to pay the difference between the price of the property and the subsidy amount.

- The non-credit-linked subsidy

  The beneficiary's own funds are used to purchase a property or to pay the difference between the subsidy amount and the price of a property.

Consolidation Subsidies

These can be used to upgrade or construct top structures. They could be available to beneficiaries who received only top structures from the previous subsidy programmes.

Institutional Subsidies

Through the scheme, institutions may be awarded subsidies that enable them to provide affordable rental or instalment sale housing units in a new development to beneficiaries. Subsidies may also be allocated for the upgrading of existing property.

People's Housing Process

This applies to beneficiaries who choose to build or organise the building of their own homes themselves, through a support organisation. The support organisation, which must be a legal entity, provides administrative and technical assistance to beneficiaries.

2.1.4 Other Housing Programmes

The Hostels Redevelopment Programme

This programme entails the provision of a grant by the state for the upgrading of hostels owned by municipalities and provincial housing development boards. It aims to rehabilitate public sector hostels to create acceptable living conditions and to integrate the hostels with the surrounding community. The policy provides for funding of R 16 000 per family or R 4000 per individual, living in a hostel (National Housing Code).

The Discount Benefit Scheme

This scheme promotes home ownership by tenants who occupied State financed rental stock prior to March 15, 1994. Such tenants receive a discount of up to R7 500 on the historic cost of the property. In many cases the discount equals the selling price of the property, which is then transferred to the tenant at no cost. Should there be an outstanding balance, the tenant would have to finance it from his or her own resources.

2.1.5 Implementation of Housing Policy

It is evident that various housing products and options exist within the housing provision fraternity. In order to implement the plethora of options, municipalities should have the necessary capacity to ensure that housing policy is translated and implemented, and thus culminates in the provision of housing to all citizens within their areas of jurisdiction, as prescribed by the Constitution. For adequate implementation of the policy, capacity is needed at all levels within municipalities. Administrative capacity, for instance, is required in administering subsidies such as credit–linked, and non-credit linked subsidies, to beneficiaries. Project management skills are also required when initiating and concluding the projects.

Skills are needed at senior management levels for the formulation of budget projections, the approval of budgets and making key decision about projects. Middle management skills are needed in administering, from the beginning to the end, the projects, while monitoring them on an ongoing basis and, finally, evaluating their impact.

Generally, technical skills are important in housing delivery. For the People's Housing Process projects to be successful, municipalities should have the relevant skills to enable them to

impart those skills to local community members so that they will manage to build for themselves. For such projects administrative, technical, project management, human resource management and financial management skills are imperative, if community members are to be involved the development of sustainable projects.

2. 2 The Role of Local Government In Housing Delivery

The National Institute for Community Development and Management maintains that the onus rests on every local government to provide services to all communities in the most effective way and to create a local developmental environment to strengthen communities.

Section 26 of the Constitution, which is a very important provision with regard to housing in South Africa, prescribes the following:

> (1) Everyone has the right to have access to adequate housing.
> (2) The State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.
> (S A Constitution, 1996, section 26).

What constitutes reasonable legislative and other measures must be determined in light of the Constitution's creation of different spheres of government: national, provincial and local. The Constitution allocates powers and functions to these, emphasising their obligation to co-operate with one another in carrying out their constitutional functions. In housing provision, the national and provincial spheres of government have concurrent jurisdiction[1]. Local governments have an important obligation; to ensure that services are provided to the communities they govern, in a sustainable manner.

Responsibilities and tasks of a housing programme should be clearly allocated to the different spheres of government and the availability of appropriate financial and human resources ensured. Each sphere of government must accept responsibility for the implementation of particular parts of the programme, but the national government must assume responsibility for ensuring that laws, policies, programmes and strategies are adequate to meet the State's Section 26 obligations.

The National Housing Act, 1997, provides a framework that establishes the responsibilities and functions of each sphere of government with regard to housing. The responsibility for implementation is generally given to provinces. All spheres of government are intimately involved in housing delivery. The functions of National Government are set out in Section 3 of the Act. The functions of provincial governments are set out in Section 7 and the functions of municipalities are set out in Section 9 as follows:

- National Government must establish and facilitate a sustainable national housing process.
- Provincial Government must create an enabling environment, doing everything in its power to promote and facilitate the provision of adequate housing in its province, within the framework of the national housing policy.
- Every municipality must take all reasonable and necessary steps within the framework of national and provincial legislation and policy to ensure that the housing right, as set out in section 26 of the Constitution, is realised. It will do this by actively pursuing the development of housing, by addressing issues of land, services and infrastructure provision, and by creating an enabling environment for housing development in its area of jurisdiction.

It is not clear whether district and local governments are co-ordinators of housing development or the providers of housing.

The Municipal Systems Act, 2000, defines district municipalities as "category C" municipalities envisaged in section 155 (1)(c) of the Constitution. Local municipalities are defined as "category B" municipalities envisaged in section 155(1) (b) of the Constitution. Section 23 of the Municipal Systems Act, 2000, obliges municipalities (in any category) to be developmentally orientated and to contribute to the realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution.

Section 24 of Municipal Systems Act, 2000 (Act No. 32 of 2000), obliges a municipality (in any category), when undertaking any planning, to align with, and complement, the development plans and strategies of other affected municipalities. Municipalities are required to participate in any national and provincial development programmes. Section 27 requires district municipalities, after consulting local municipalities within their areas, to adopt a binding framework for integrated development planning in the area as a whole. Section 73 of the Act obliges municipalities (regardless of category) to give effect to the provisions of the Constitution.

From an ordinary reading of the Municipal Systems Act, 2000 it is clear that municipalities (regardless of category) have constitutional obligations to address the fundamental rights entrenched in the Constitution. Giving effect to the right of access to adequate housing is a municipality's obligation. It is imperative to note that legislative measures have been taken by the State. The Housing Act, 1997, set out general principles applicable to housing development, and defines the functions of the three spheres of government. It emerges from the general principles, read together with the functions of

national, provincial and local government, that the concept of housing is central to the Act.

Section 9 of the Housing Act expressly states that every municipality (regardless of category) must, as part of the municipality's process of integrated development planning take all reasonable steps within the framework of the national and provincial housing legislation and policy to-
"Ensure that: the inhabitants of its area of jurisdiction have access to adequate housing". Reading only the provisions of the Municipal System Act, 2000, to discover the functions of either a district or a local municipality with regard to housing will prove inadequate. The only legislation that specifies the relevant functions and duties of all spheres of government is the Housing Act, 1997.

However, nowhere in the Municipal Systems Act, 2000, or in any legislation referred to, is district or local government expressly or by necessary implication precluded from providing or developing housing for the inhabitants of its area of jurisdiction.

2.3 Capacity Development

In the context of this study, the researcher's understanding of capacity development is expressed as follows: "It is the enabling environment with appropriate policy and legal framework; institutional development, including community participation (of women in particular); and human resources development and strengthening of managerial systems" (UNDP, 1991:1).

Any organisation or institution has clearly defined strategic objectives. For those objectives to be achieved, those organisations should possess the necessary capacity. It is needed for employees to perform their respective tasks in any organisation, and varies from one organisation to another. The requirements range widely from

human resources to administrative and financial capacity. It is, therefore, imperative to develop capacity commensurate with the evolving nature of any organization, continuously, especially where it is lacking.

The White Paper on Local Government places an unprecedented focus on the development of capacity in municipalities. Capacity development is a common thread that runs through the White Paper. In that document, the new training system that is being advocated, has successfully managed to integrate the requirements of the Skills Development Bill.

2.4 Defining Capacity Development

Although there have been numerous definitions of the concept capacity building, when unpacked, these concepts lead to the same meaning. However, there is no single unambiguous definition of capacity building. Some definitions are presented below.

Koy Thomson (1996) states: "One useful perspective is to see sustainable development as a goal and capacity development as the means to achieve it."

Capacity building is instead a concerted long-term approach aimed at effecting "skills upgrading, procedural, policy and legal improvements and organisational strengthening" to ensure the efficient and effective implementation of organisational goals and objectives and contribute towards sustainable development in the country (Berg, 1993:63).

"Capacity building is the business of equipping all actors to perform effectively both in doing their own field and level of operation, and in working in collaboration or partnership with others operating in other fields and at other levels" (Wakely, P., 1996:1; Hilderbrand and Grindle, 1994; 10).

It is apparent that capacity building goes beyond training. It includes areas such as human resource development, which primarily entails equipping individuals with skills, and access to information and training that enables them to perform effectively; organisational development, which involves the management of relationships between the different organisations and structures; and Institutional and legal framework development. One of the most pertinent forms of capacity is human capacity, as it is the basis on which other capacities can be developed. According to Pohl, "Human capacity refers to an individual's ability to perform tasks, which are necessary to survive and prosper" (Pohl, 1993:1). This includes the skills, attitudes and behaviours that individuals demonstrate in the multiple tasks which they perform; for example, in their roles within learning, work and consumer environments; their communities; their families; and as citizens of the country. These are all roles within the context of human capacity.

Human capacity development involves the creation of new participation opportunities and making available participation opportunities accessible in the four domains. Human capacity development is, therefore, a product of an ongoing interaction between the individual and society. It can also be understood as an ever-broadening, upward spiral in which individuals access participation opportunities that are made available by society. As their capacities grow, individuals create new participation opportunities; both for themselves and for others.

Although capacity development has been largely discussed from an individual perspective, it takes capable organisations, both public and private, to create and sustain meaningful human capacity development initiatives.

Organisational capacity building depends on the availability of people with appropriate skills, work and incentive systems that enable

individuals to make productive use of those skills, and sets of systems that bring together individual efforts to make a joint impact.

Economic, political and social factors shape human capacity development. It is the responsibility of an organisation, therefore, to coordinate, influence and balance the factors that shape human capacity development. Economic factors include growth rates, labour market conditions and international and economic conditions, private sector activities and development assistance. Political factors are leadership support, mobilisation of civil society, legitimacy and political institutions. Critical social factors include, educational and training institutions and structures, which govern community organisation and mobilisation. This framework enables the organisation to adopt a long- term perspective on human capacity development.

Following the World Summit on Sustainable Development (WSSD), what are known as the Capacity 21 team and the United Nations Development Programme (UNDP) are leading the process of defining a new global partnership for capacity development: Capacity 2015 (UNDP, 2002:1). It is the responsibility of Capacity 2015 to orient and support a number of key capacity development initiatives. This includes developing capacity for local sustainable development, sustainable development strategies, local capacity development and developing capacity to reduce vulnerability in developing states.

2.5 Local Government Capacity Development For Improved Housing Delivery

Municipalities in Gauteng and throughout South Africa are experiencing capacity problems. This problem has manifested itself in their inability to deliver on their developmental mandate in matters such as housing. In order to develop the capacity of municipalities, both the national and the provincial governments should accept

responsibility for assisting local government in this regard. This view is supported by the Housing Act 107 of 1997, as it states: "The national government acting through the Minister must...assist provinces to develop the administrative capacity required for the effective exercise of their powers and performance of their duties in respect of housing development and support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their duties in respect of housing development" (Housing Act, 1997: 10).

It is in pursuit of the above that formulation of the capacity development strategy becomes an integral part of the broader housing delivery framework designed to improve delivery. The capacity development framework, therefore, needs to become a framework for local government delivery. This framework needs to be closely aligned to policies and strategies such as the Public Sector Training and Education policy, NQF and the Department of Provincial and Local Government's capacity development programmes.

Owing to the apparent capacity problems in municipalities, a capacity development programme has been developed within the capacity development framework. It has since been argued, in a recent report, that within the South African context of housing capacity development, 2697 housing officials have been trained in 42 housing and related courses over three years. The capacity development programme is the largest and most comprehensive programme undertaken to date, while it underlines the importance that the National Department places on capacity development in improving housing delivery.

In order to obtain a better understanding of the housing capacity development context in South Africa, research was undertaken in all provinces.

It was found that the capacity building programme co-ordinated and funded by the National Housing Department had met with praise and optimism. Many have made the following general comments:

- It has increased the skills level of provincial and local government spheres.
- It has contributed towards effective housing delivery and efficient administration.
- It has created a common language base among housing role players.
- It has contributed to better understanding of housing policies and strategies.
- Decision making abilities and understanding of participants jobs have been increased.
- The coordination in the sector has been enhanced by expanded networks and skills bases (Urban Upgrading and Development Programme, 2001: Capacity Development for Improved Housing Development).

2.6 Accreditation

The accreditation of municipalities is of paramount importance to the capacity building strategy. For each municipality to be accredited by the provincial government, it has to comply with certain prescribed criteria. These, to a large extent, centre on whether a municipality has, or lacks, all the relevant capacity to deliver on housing projects.

2.6.1 Accreditation Of Municipalities

Accreditation, as outlined in Section 10 of the National Housing Act, 1997 (Act No. 107 of 1997), provides a mechanism for municipalities with the appropriate capacity, to administer national housing programmes. In terms of Section 3 (b) of the Act, with regard to administration of housing programmes, municipalities may exercise

such powers and perform such duties of the Provincial Housing Development Board (this function is now being carried out by the Departmental Advisory Committee) as are necessary for such administration. Essentially, this means that accredited municipalities will have the power to decide on where housing projects should be located within their respective municipalities and to administer subsidies and payments for housing projects that they are administering.

"The Department of Housing has a new strategic direction, which will enable the planning of the new housing projects to be done in a consultative manner with municipalities." (Gauteng Department of Housing, 2002:32) The Integrated Development Plans (IDPs) of municipalities will provide the foundation to guide the location of new housing projects. The Department will approve funding of jointly planned projects and, having established the Housing Development Business Unit/Trading Account as the primary implementation organ for housing delivery in the province, municipalities will contract the Housing Development Business Unit/Trading Account as the "developer of choice" to implement approved projects.

This approach will, ultimately, endow accredited municipalities with the power to decide on where housing projects should be located within their respective municipalities and to administer subsidies and payments for housing projects. In order to avoid any conflict of interest (not being player and referee at the same time) municipalities, as the administrators of subsidies and payments for housing projects, will not act as developers. The same argument for avoiding conflict of interest applies to the Department. In advocating this approach, the Gauteng Housing Department and the municipalities will move towards a defined role of enabler and facilitator rather than that of the direct supplier of housing.

2.7 National Guidelines For The Accreditation Of Local Government Structures To Administer National Housing Programmes

2.7.1 Background

The Ministerial Task Team was appointed by the Minister of Housing to investigate constraints currently hampering housing delivery. It advised that the lack of local governments' administrative and advisory capacity, for administering housing programmes and assisting the general public, employers and developers in engaging in housing delivery in the Government subsidised market, was a major constraint in the housing delivery process. The Task Team, therefore, recommended the urgent implementation, in conjunction with nine provincial administrations, of an exercise leading to an empowerment programme. The aim the programme should be to create an enabling environment within which local government structure could administer national housing programmes.

Local government bodies, provided that they have the necessary capacity to do so, are in a better position to administer certain national housing programmes. In particular, the administration of the Housing Subsidy Scheme by local government bodies will ensure that centres for the application of subsidies and advice on housing matters are readily accessible to potential beneficiaries and other role-players.

Furthermore, local government bodies are intimately involved in the planning and execution of land development in their areas. It is, accordingly, logical for these bodies to administer national housing programmes; particularly since, by directing housing development in their areas of jurisdiction, they will be in a position to ensure that housing development takes place in accordance with their other land development objectives.

2.7.2 Points Of Departure

The accreditation of local government structures to administer national housing programmes should be dealt with in a manner which:

- adheres to the legislative imperatives pertaining to the assignment of the administration of any matter of local government structure;

- provides a uniform regulatory framework, within which local government structure will administer national housing programmes;

- minimizes conflict over scarce resources, between different local government structures within the same area of jurisdiction, and between local government and the private sector;

- ensures that all the inhabitants within the area of jurisdiction of any particular local authority have equal access to housing opportunities on a progressive basis;

- ensures that national housing programmes are administered in a transparent and accountable manner;

- ensures that accredited local government structures have the necessary capacity to administer, effectively and on a sustainable basis, national housing programmes for which they are accredited;

- facilitates the creation of capacity at local level;

- promotes the integration of housing development with other development objectives at local level;

- ensures the effective monitoring and evaluation of the administration of national housing programmes by local government structures;

- gives preference to local government structures that demonstrate a practical commitment towards housing development in their areas of jurisdiction (prioritising of scarce financial resources for capacity building).

2.7.3 Levels Of Accreditation

It is envisaged that local government structures will eventually administer a range of national housing programmes. However, different programmes will require different inputs and, in order to make the accreditation of local authorities as simple as possible, it has been decided to follow a phased approach in accrediting local authorities.

Phase one would accredit local authorities to administer the Housing Subsidy Scheme.

The two levels of accreditation in respect of the Housing Subsidy Scheme are described below.

Level one accreditation

Level one accreditation involves the *administration of non-credit linked individual subsidies*. If such accreditation is granted to a particular local authority, the Provincial MEC will allocate a budget for the allocation of subsidies to that local authority.

The local authority will accept *non-credit linked individual subsidy* applications and consider and deal with them in terms of parts two, four and five of the Housing Subsidy Implementation Manual. It will, on a monthly basis, advise the provincial accounting officer (Head of Department) about all the subsidies approved and request payment of the amount of the approved subsidies into a separate housing bank account maintained by the local authority. The provincial accounting officer remains an accounting officer of the funds transferred. The local authority will, in turn, pay those amounts into the trust accounts of the various conveyancers appointed by it.

The local authority will, thereafter, ensure that transfers take place, and will also ensure that the conveyancers deliver to it the reconciliations envisaged in the Implementation Manual. Any interest received from the conveyancers in respect of the amount of the approved subsidies, will be for the benefit of the Provincial Housing Fund.

Before any Provincial MEC grants level one accreditation to any particular local authority, he or she shall satisfy himself or herself that the local authority has:

- a separate bank account and set of accounts for housing funds;
- computer linkage to the national housing subsidy database and to the various deeds offices in the Republic of South Africa;

- designated an office, accessible to the general public, from which it will give advice and receive non-credit linked individual subsidy applications;

- employed a sufficient number of staff members fully conversant with the Housing Subsidy Scheme, in order to enable that local authority to comply with its administrative functions and obligations in the manner prescribed in the Housing Subsidy Scheme;

- a housing committee of the Council to attend to matters in an effective and expeditious manner;

- financial control mechanisms that are adequate and ensure the integrity of funds that are received and disbursed by the municipality; and

- a reporting mechanism, required to monitor and evaluate the activities of the municipality.

Level two accreditation

Level two accreditation involves *the administration of individual non-credit-linked subsidies,* as well as one or more of the following types of subsidy:

- project linked subsidies;
- project linked consolidation subsidies;
- institutional subsidies.

If level two accreditation is granted to any particular local authority, the MEC will allocate a budget to it, in respect of the types of subsidies for which it is accredited (non credit linked subsidies). In addition, the local authority will administer non-credit-linked individual subsidies in accordance with the guidelines above.

The local authority will receive project applications from developers for approval and will consider and deal with them in terms of Parts 3, 6 or 7 of Volume A of the Housing Subsidy Implementation Manual (whichever is applicable), provided that a local authority that is accredited to receive project applications for approval may not itself act as developer unless such project has been approved by the MEC. The local authority will administer the management of the payouts of residual amounts of non-credit-linked subsidies and individual consolidation subsidies.

In order to obtain level two accreditation, a local authority must satisfy the MEC that it has:

- the capacity as prescribed in respect of level one accreditation;
- prepared the land development objectives envisaged in Section 28 of the Development Facilitation Act or a *business plan* and *programme for housing development,* and that it has obtained the approval of the relevant MEC in respect of those;
- access to the appropriate professional expertise required to evaluate the town planning of any proposed project;
- evaluated the designs, specifications and the cost of any particular top structure to be constructed;
- handled the financial management of the housing funds allocated to it and evaluated both the feasibility of a project and the financial capacity of a developer.

2.7.4 Assessment Criteria For Accreditation

A local government structure will, for purpose of level one and two accreditation, be considered and evaluated by MECs against the following assessment criteria:

- It must be a municipality, as defined in Section 10B of the Local Government Transition Act, 1993 (Act 209 of 1993).

- It should have the financial, administrative, professional and technological capacity to fulfil its housing responsibilities and to administer the national housing programmes.

- The Council should demonstrate its total commitment to administering national housing programmes in such a way that it meets the housing needs of all the homeless inhabitants of its area of jurisdiction. In this regard, a proven track record of local government initiatives and involvement in housing provision and /or community development in its area of jurisdiction will be a recommendation. The Council must give a commitment that its members and the housing officials of the Council will participate in any national/provincial housing training programme. The National Housing Department will provide training to councillors and local government housing officials.

- It should be appropriate to administer national housing programmes at the particular local authority level as opposed to some other level of local government.

- It must have a separate bank account and a set of accounts for housing funds.

- It should comply with any other directives that the MEC may determine, which are not inconsistent with national housing policy as determined by the Minister.

- The degree to which the local authority promotes integrated development in its area of jurisdiction is important. The local authority must have approved land development objectives (now called Integrated Development Plans), as envisaged in Section 28 of the Development Facilitation Act, 1995, or a business plan and program for land development, not inconsistent with Chapter one of the Development Facilitation Act, approved by the MEC.

2.8 Conclusion

The researcher has attempted to draw a link between various concepts such as capacity development; municipal capacity development for housing delivery; and accreditation. Bodies of literature were used in support of the arguments. In the same chapter, the role of municipalities in relation to other spheres of government, in the delivery of housing projects, was outlined. In explaining what accreditation is, the writer has also demonstrated that accreditation is both attainable and desirable. The guidelines and criteria for accreditation were outlined to illuminate the strong connection between accreditation and capacity. The connection that has been drawn also illustrates that, for municipalities to meet the accreditation criteria, which will consequently enable them to administer housing, they are required to have the necessary capacity. Capacity, therefore, is the major determining factor to be considered for the accreditation of municipalities.

CHAPTER 3 METHODOLOGY

This chapter covers the research problem, the rationale for conducting the research, questions that are pertinent to the research and the research methodology utilised in the research study. The chapter concludes with a discussion on the limitations and constraints of the research study.

3.1 The Problem Statement

This study analyses the capacity that currently exists in municipalities in attempting to determine whether this capacity is adequate to allow municipalities to deliver on their housing mandate. Furthermore, the study unpacks the issue of accreditation and the criteria for granting it. The question as to whether municipalities meet the criteria for accreditation, and are, thus, enabled to administer housing projects, is examined. Through this study information will be made available to municipalities for evaluation and course correction. Findings are intended to add value to the process of identifying ways and means for the provincial government to capacitate municipalities, and thereby, to equip local authorities with the necessary managerial skills to address delivery challenges in their respective areas of jurisdiction.

3. 2 The Research Questions

For the purpose of this research study, two main questions have been thoroughly investigated:

- What capacity does local government need to deliver housing?
- Does local government have the necessary (required) capacity to deliver housing projects?

3.3 Research Methodology

Qualitative research methodologies were employed in ensuring that the research questions were answered. This research methodology is used primarily with the intention of determining and analysing facts and demonstrating relationships between variables.

The capacity that is needed to deliver on housing projects was analysed in five different municipalities, three metros and two districts. This was done by collecting data from three separate sources

- In-depth interviews were held with various professionals in all spheres of government, in the housing arena. At municipal level, official heads of housing, including project managers, were interviewed. At the National Department Of Housing, the head of the capacity building programme was interviewed. Interviews were also held with the MEC for Housing; the Chief Director, Strategic Intervention; the Director of Strategic Planning and the Assistant Director of Capacity Building of the Provincial Housing Department, as they work closely with municipalities with regard to issues of IDPs, capacity.

  Semi-structured questionnaires were sent to all professionals to allow for elaboration on the questions asked. Relevant referenced literature and both published, and unpublished research was used to illuminate the following points: municipalities have a constitutional mandate to deliver housing in their areas of jurisdiction; provincial governments have an obligation to assist municipalities to develop capacity for housing development;

municipalities need to be accredited by Province in order to administer housing; municipalities require the necessary capacity in order for them to deliver housing.
The World Wide Web was surfed for further elaboration.

Relevant and updated documentation from the Housing Department and local government, including legislation, was studied and analysed.

A questionnaire was administered. Selection of a population sample was based on purposive sampling, because it enables the "researcher to select individuals who are likely to give the most relevant information" useful for the study (MM lecture: Research Methodology 2, 2001).

Within a district or a metro, purposive sampling of 2 people per municipality was done. This included, the Head of Housing, to obtain a broad strategic perspective, and managers (senior and middle) responsible for housing. Much information was obtained from project managers, as they were more operational and directly involved.

3.4 Data Collection

- An overview was done of capacity shortages within Gauteng Municipality. This information was mainly derived from the National Scoping Report on the capacity of municipalities in respect of housing development. The overview clearly supports the argument that there is a general lack of housing capacity in all municipalities within Gauteng.

- In-depth interviews were conducted with housing professionals within the three spheres of government. At the National Department of Housing, the Director responsible for capacity development programmes was interviewed. The

decision to select him as part of the sample was based on the nature of his job and the avalanche of experience he has acquired on the subject of capacity building and development. In addition, the researcher was able to gain a national housing perspective on the status of the capacity of municipality, and to source relevant documentation, which was useful but not published.

At the provincial level, four people were interviewed. The MEC for Housing gave a broad overview of the capacity of municipalities and the inherent problems, especially in the context of past and future institutional arrangements of local government. The Chief Director for strategic intervention was also interviewed, primarily because she is a former Council employee and she heads the section that interfaces with municipalities at all times, with regard to IDPs, issues of suitable land for development, etc. The Director, Strategic Planning, was also interviewed, for insight into the capacity status of municipalities from the provincial perspective, as she works closely with municipalities on issues of accreditation. An interview was conducted with the Assistant Director, Capacity Building, within the policy section. His contribution was also pivotal as he works directly with National Government and Wits University in provision of capacity development courses and municipalities. His insight into capacity development initiatives was beneficial.

At local government level, interviews were held with official Heads of Housing, who offered information of a strategic nature. Their contribution was based on an overview of what capacity is lacking in municipalities at a strategic level. Managers at project level were interviewed, as they were directly responsible for the implementation of projects. Their contributions were useful, as more detail was provided on the

running of the councils and on the stages of project implementation.

- Semi-structured questionnaires were disseminated to various housing officials from the three spheres of government. The questionnaire was designed in a manner that allowed for as much information as possible, as the questions were open–ended.
  This was beneficial, because it provided more insight into the issues that were relevant to the research; especially in instances where the questionnaire was given to project managers. In other instances it was disseminated prior to the interview, for interviewees to prepare themselves for the more in-depth interview.

3.5 Limitations Of The Study

Owing to time constraints and capacity-related problems, this study was not intended to provide a comprehensive comparison of capacity in all municipalities. It focused, rather, on a few municipalities, in order to identify local capacity constraints and their impact on housing delivery in Gauteng, a province that is perceived as the economic hub of the country.

Challenges in respect of interviews encountered. The researcher suspects that the interviewees tended to withhold pertinent information for fear of being victimised and officials may not have wanted to divulge information that might have exposed their inefficiency, or that of their particular municipality.

3.6 Conclusion

The research problem and the rationale for conducting the proposed research have been explained. The research questions were outlined. Relevant documents were used to gain an overview. Interviews were held; and questionnaires developed and disseminated to professionals who form part of the sample. These constitute the research methodology and the techniques used to collect data. All the above-mentioned techniques used have been discussed in relation to the research questions.

In concluding the chapter, constraints of the research, such as limited time and capacity considerations affecting the research, including the possible withholding of information and fear of victimisation have been highlighted.

CHAPTER 4: RESEARCH RESULTS AND DATA PRESENTATION

4.1. Introduction

As was discussed in Chapter 1, the aim of the study was to determine whether or not municipalities have the necessary capacity to enable them to deliver housing projects in accordance with a myriad of housing related legislation.
The literature review established that the general acute lack of capacity in municipalities has hampered their delivery of housing projects. Where delivery is supposedly occurring, it has not been visible in the required manner and timeframe. In the same chapter it was shown that, while it is the responsibility of both national and provincial governments to provide the necessary funding, (what is referred to as accreditation in the chapter) to municipalities, to enable them to undertake housing projects, the responsibility for housing delivery at local level remains with them.

The problem was highlighted, that while municipalities are expected to deliver housing projects, they can access funding to perform this function only if they are able to display, beyond doubt, that they do have the required capacity.

It is interesting to note that, while capacity development programmes have been established to address the capacity gaps, municipalities throughout the country still continue to lack capacity, because of the enormity of the problem.

This chapter identifies and discusses the issues that were raised by housing professionals in various municipalities and at the provincial

level within Gauteng, regarding the necessary capacity, and its availability or scarcity.

The issues that were raised have been grouped into 7 categories. These are the broad category of the administration and implementation of housing delivery; human resource capacity; financial resources; the land procurement capacity; planning capacity and decision-making systems.

To ensure representivity of the sample Housing Section heads, and managers responsible for housing within various municipalities, were interviewed. Housing professionals from the Gauteng Department of Housing were included in the sample. At Province a Chief Director, responsible for strategic planning within the Department, was interviewed to provide the provincial perspective of the state of capacity in municipalities, as she works closely with municipal housing heads. Further, an Assistant Director in the policy section, directly responsible for the co-ordination of capacity development programmes for both provincial and municipal staff, was included in the sample. The MEC, for Housing was also interviewed, to add a political view to the debate.

The questionnaire was designed to be completed electronically, and is structured in such a way that it may be used for a municipal district or for the sub-structures in a district (municipalities or administrative areas within a metropolitan council). Clear instructions are given for each question, in order to reduce the requirements for interpretation. It is anticipated that all of the information should be available to senior officials, from documentation on plans, budgets and the structure of department or section establishments.

In this chapter the researcher does not, in any way, attempt to analyse data or to offer solutions or recommendations in respect of the issues raised in the study. The chapter, firstly, gives an overview

of the capacity status in municipalities within Gauteng. It further identifies and illuminates the issues within the categories mentioned above. It is in Chapter 5 that the data presented in this chapter is analysed, while in Chapter 6 significant issues mentioned are summarised and solutions recommended.

Before determining whether or not municipalities do have sufficient capacity, respondents were tested on their understanding of their roles within the housing delivery context. Of respondents who formed part of the sample, irrespective of their rank and municipality that they represented, 94% displayed a good understanding of the role of local government in housing delivery. This role was understood primarily, as being that of facilitating housing delivery, in the following ways:

- ensuring that Integrated Development Plans (IDPs) are in place;
- ensuring that a housing strategy is in place;
- channelling resources from the national and provincial governments into the provision of housing for the poor.

The role of local government in housing delivery was further understood in terms of the Housing Act, (1997), outlined in Chapter 2 of this report. This piece of legislation states that every municipality must, as part of the municipalities' process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to ensure...inhabitants of its area of jurisdiction have access to housing (Housing Act, 1997). The remaining 6%, however, had only a vague understanding of the role of local government in housing delivery. Of these, 4% emphasized the role of municipalities in housing delivery, while 2% were ambiguous.

4.2 Overview Of Capacity Development

4.2.1 Status of municipalities in Gauteng

Most of the municipalities in Gauteng have a dire need for capacity and the lack of capacity runs across all areas. The lack of capacity can manifest itself socially, economically and administratively, in most municipalities. Notwithstanding the above, the degree in which capacity is lacking differs from one municipality to another. The key capacity shortcomings are mentioned below.

Communication is lacking and there are no clear lines of communication between municipalities, the other spheres of government and key stakeholders. Channels of communication are not clear and do not allow for information sharing on issues of housing policy and other matters. Hence, shared understanding of policy and its implementation is lacking.

There are no systems through which performance can be measured, which make it difficult to hold staff accountable.

There is a lack of correlation between capacity development programmes and the capacity development needs of municipalities. Furthermore, training programmes in the areas of beneficiary/client education, public liaison and housing finance are lacking.

Local government has been in transition and this has impacted negatively on its strategic direction. It is possible that policy has changed so often that officials have battled to keep abreast of the changes and become confused as a result. In such situations officials run the risk of loosing focus on their core business.

4.2.2 The Consolidated Municipal Infrastructure Programme

The Consolidate Infrastructure Programme (CMIP) constitutes the major infrastructure grant for municipalities. This clearly represents recognition on the part of Government that municipalities find it difficult to achieve major redistribution at local level, owing to limited revenues at their disposal.

The projects aims to enhance the developmental impact of the delivery process by focusing on the transfer of skills and promotion of small, medium, and micro-sized enterprises (SMMEs), using labour-intensive construction processes and maximizing job-creation opportunities. CMIP also aims to enhance long-term sustainability and rapid improvement of delivery through capacity–building programmes. These will strengthen the institutional ability of municipalities, including their local government management operation and maintenance capacities.

Chapter 3 of the Municipal Structures Act states: " a Municipality must seek to develop a culture of participation, and must for this purpose encourage and create conditions for communities ... to participate in local affairs". CMIP allows communities the opportunity to make input into the type of housing projects to be implemented, and to get a perception of ownership of such projects. For communities to make an input in the types of housing projects to be implemented, they need to be capacitated. This capacity is facilitated through the Department of Provincial and Local Government (DPLG). DPLG provides a capacity-building grant to support provinces in managing the CMIP effectively and to build the capacity of municipalities to ensure the sustainability of housing projects.

During the 2001/2002 financial year, approximately R70 Million capacity building funds were made available to all the municipalities that benefited from CMIP, to ensure the sustainability of the infrastructure provided. Capacity building initiatives differ from one municipality to another, depending on the capacity gaps identified. However, they include the provision of technical and managerial human resources, administrative facilities, enhancement of the operation and maintenance capacities of municipalities, financial administration, SMME development and community empowerment.

Capacity building initiatives have achieved measurable outputs. More than 780 SMMEs have received accredited training on tendering and targeted procurement procedures, administrative, financial and project management for SMMEs and business skills. A total of 548 459, person on the job training has been provided to men, women, and youngsters employed on the CMIP projects. This training includes brick making and concreting. The operations and maintenance capacity of the municipalities have been enhanced through various training programmes that were provided to 1099 municipal employees involved in housing projects. Municipal officials and councillors have benefited from international training in the planning and management of housing programmes and local economic development. The Harvard University Graduate School of Design presented these training sessions (CMIP Update Vol. 1, issue 1).

4.2.3 Institutional Development

Training and education initiatives are currently available to ensure that municipal officials are well capacitated with skills, to enable them to deliver on housing projects. Universities such as those of the Witwatersrand, Pretoria and Stellenbosch

are the only institutions that have participated in short-term, focused programmes in housing capacity development. Both the Universities of Stellenbosch and Pretoria run weeklong training for local government employees focused on housing policy development, which culminate in an attendance register. The University of Witwatersrand, through the Graduate School of Public and Development Management, offers a housing capacity building programme that leads to a certificate of competence aimed at provincial and local government officials (Thring, P. 2000).

4.3 Issues Raised

As discussed earlier in this chapter, issues that were raised, were grouped according to 7 categories. These are discussed separately, below.

4.3.1 Administration and implementation of housing projects

The issue of administration was viewed broadly and whether deliberately or not, many capacity related problems were perceived to be centred on this issue. Responses varied from one municipality to another. From the West Rand District Municipality, 80% of respondents argued that there is a serious lack of administrative capacity to deliver housing, while 95% of respondents from the City of Johannesburg argued that, although housing delivery has been visible, administrative capacity to sustain this delivery is lacking. Examples of problems cited in relation to this issue were numerous; for instance, the West Rand district Council mentioned poor subsidy administration.

The function of the waiting list is key to the issue of administration. The functions of the waiting list have been reinforced by the policy directive issued by the MEC in June 2000, which identifies the waiting list as the sole waiting list for the province. This is being

reinforced by the administrative directive. The information in the waiting list needs to be up to date, in order to inform the IDP process.

The same sentiments were echoed at Sedibeng District Municipality and it was further argued that there is no sufficient capacity to address the problem of poor administration of the waiting list and the wrong allocation of stands. In the West Rand the administrative capacity is unsatisfactory, to say the least; for example, there is not enough trained staff to process outstanding claims from Province.

Poor administration is also evident in the opening of township registers. While the City of Tshwane is, however, doing well in the this regard, where township registers are already opened or in the process of being opened, other municipalities are battling. For example, the District Head of Housing argued that the process of opening township registers was slow. He added: "various townships were planned and serviced prior to 1994, of which the town registers were not opened" (Lemmy Belot).

4.3.2 Human Resource Capacity

In order to ascertain whether there was sufficient human capacity for housing delivery in municipalities, the study looked at the capacity that was dedicated to housing, versus shared capacity for housing. It was found that, while 99% of municipalities within the province of Gauteng had a staff complement that was specifically dedicated to housing, the housing unit was not fully capacitated. Most of the sections were in the process of restructuring.

The City of Johannesburg, for example, has the human resource capacity dedicated to housing but this capacity is shared with the Social Development Section, since prior to restructuring, housing used to be under Social Development. There is a lack of capacity and some of the existing staff require training. Currently, there are 10 project managers running 59 (fifty-nine) projects. The lack of capacity

results in the non-delivery on projects. Owing to the transformation process, no staff will be any appointed until the end of this financial year. Capacity development is more critical at the lower levels: from programme managers downwards. In addition, project management and contract management skills were found to be seriously lacking, while customer relations capacity was non- existent.

The housing component in the City of Tshwane Metropolitan is a new structure, but has approximately 10 - 15 people working within the unit. The structure is not fully capacitated though. People are often called on an ad hoc basis to perform functions related to housing. No clear job descriptions exist and there is often confusion in terms of functions to be performed by those in political office and those within the housing section.

Ekurhuleni Metro is currently undergoing restructuring and many changes are proposed in terms of the structure of the housing division. It was proposed that 109 posts would exist through the restructuring process. Currently 81 of the 109 posts are filled. The filling of some of those posts occurred recently. Notwithstanding the above, many problems are experienced, and it was found that there were insufficient human resources to do project administration, especially that of new projects. Capacity proved to be lacking, mainly at the middle lower levels. Senior managers seemed to know what was going on in the section, while staff at lower levels were uncertain.

The Sedibeng District Municipality does not have an autonomous housing section. It was amalgamated with Community Development, Sports, Arts and Recreation. Only 7 posts were allocated to housing and of the 7 posts, only 3 are have been filled while the remaining 4 are vacant. Because of pressures with respect to accreditation, the employment of more staff was proposed so that the municipality might qualify for accreditation by Province.

In the West Rand, local municipalities seriously lacked capacity, as most of their housing sections lacked sufficient staff. In each of the 4 local municipalities only 5 people are dedicated to housing. In one local authority, the housing section staff are supported by people from the political office.

In over 80% of municipalities the problem of human resource capacity was further compounded by over-reliance on consultants by municipalities. Many consultants are brought in to impart skills to staff but this is rarely successful. Much time staff is consumed in managing and providing consultants with information required to do the job, and not necessarily in learning anything new from the whole exercise.

Table 4 Dedicated housing department/ section or shared department/ section.

Municipality	Dedicated Section	Shared Section	Full capacitated sections
City of Johannesburg Metro	Yes		Not sufficient staff
1. Tshwane Metro	Yes		Few admin staff
Ekurhuleni Metro	Yes only after restructuring		Many vacancies exist
Sedibeng District Municipality	✓	Yes	Sections not capacitated
West Rand District Municipality	Yes Staff only at local municipalities		Under-capacitated Sections

Table 4 shows that in over 60% of municipalities, there were dedicated housing departments but most of these departments were relatively new and under-capacitated. There are still vacant positions that need to be filled. This however, will take some time, in some cases, as no funds have been budgeted for more staff, as discussed below.

4.3.3 Financial Capacity

Financial capacity was generally a problem in over 90% of municipalities. This ranged from financial management capacity to the actual funding derived from Province or allocated by the municipality for housing development.

Although the City of Johannesburg's allocation for housing delivery far surpassed that of other metros, its responsibilities to deliver housing were on a larger scale than others, owing to its housing backlog that currently stands at 217 000 households. Similarly, Ekurkuleni, with a capital budget of R 112million had a huge budget but the backlog in that district was also high.

It is interesting to note that respondents from Province, however, argued that municipalities do have capacity but Province should make financial capacity accessible to them.

From the questionnaire, which was disseminated to some professionals, 89% of respondents agreed that funding was needed for the management of hostels. The City of Tshwane, for example, lacks funding to maintain two private hostels in Mamelodi and Marabastad.

4.3.4 Identification of Land and Land Procurement Capacity

"As part of the Gauteng Spatial Development Framework, the Department of Development Planning and Local Government

identified the Urban Edge. It delineates the outer extent of urban development and to protect the peripheral and rural areas"(Annual Report, 2000).

With the establishment of the urban edge, the principles of infill and densification were promoted by forcing integration of developments into the existing segregated urban environment.

The purpose of the urban edge is to:

- discourage urban sprawl and contain growth within the city limits;
- compact the city through infill and densification;
- improve the utilization of existing infrastructure, service and facilities;
- preserve the rural environment and landscape;
- protect the rural assets and resources;
- protect agricultural land, especially high potential agricultural land;
- preserve the environments that promote tourism, recreation and nature conservation;
- assist urban regeneration by adopting an inward approach;
- protect cultural and tourism assets;
- give structure and form to the city;
- manage the re-shaping of the city towards a more sustainable outcome.

Although 96% of municipalities have encountered problems in identifying land that falls within the urban edge, this is not the case in Tshwane. A manager within the housing section attested to this fact, arguing that Hammanskraal West (in Tshwane) was the only housing project that fell outside of the identified Urban Edge. It is a project that is in the process of being transferred from the province to the city.

Over 80% of municipalities experienced problems with regard to identifying and procuring land for housing development. These municipalities did not have sufficient capacity to perform this function.

Sedibeng District Council, for instance, relied on consultants to perform this function as there were not enough skilled employees to do it. Ekurhuleni District Council did not encounter similar problems in respect of capacity for land identification and acquisition, but this situation could change after restructuring.

In over 80% of municipalities, capacity problems were most evident with respect to capturing housing applications on database and GIS shape files. Most municipalities did not have the human resource capacity to deal with the problem, and were also unable to use their existing human resources, because they lacked financial capacity.

4.3.5 Planning capacity

The study found a lack of personnel dedicated to housing development planning in 70% of municipalities. The planning sections were, in some cases, combined with the policy sections which, when integrated, were not capacitated. This was the case in Ekurhuleni. The City of Johannesburg also proved to be lacking in this regard.

It was also found that many municipalities had not completed their Integrated Development Plans (IDP), or those that had been completed were insufficiently comprehensive and inadequate.

It was argued that the City of Johannesburg was experiencing less problems with regard to planning capacity and had, as a result, submitted their IDPs and a comprehensive housing strategy. This strategy is, however, still subject to approval by Department of Development Planning and Local Government. Notwithstanding the

above, Province has argued that their IDP does, to some extent, address both urban and rural development. However, it does not clearly define which specific areas beyond the urban boundary should be developed or how they could be developed in terms of appropriate land uses.

West Rand District Council on the other hand had approved IDPs but did not have a housing strategy.

4.3.6 Decision Making Systems

This aspect deals with the capacity of the municipality in terms of the administrative and political decision making system. In the Sedibeng District Council decision-making systems were not efficient, as council resolutions were not easily sought. Council convened once a month, so decisions waited a whole month for consideration. Authority was not delegated to the administration sections, which meant that only council had the authority to make decisions.

In the City of Tshwane and Ekurhuleni Municipalities, respondents argued that although there was a structure in place to make decisions, the Portfolio Committee, this structure was not composed of people with the relevant skills in housing. Decision-making was slow as the Committee always needed to consult before reaching decisions.

During interviews with housing professionals it was revealed that, although all municipalities under discussion had dedicated political heads for housing, not all of these were adequately skilled to execute their tasks as required.

Table 4.1 Dedicated political head for housing, or shared, with other functions

Municipality	Dedicated Head	Shared Functions
City of Johannesburg Metro	Yes	
Tshwane Metro	Yes	
Ekurhuleni Metro	Yes *incumbent could* change after restructuring	
Sedibeng District Municipality	Yes	
West Rand District Municipality	Yes	

Table 4.3 denotes dedicated committees with appropriate delegated powers for decision-making, how often they meet and how often full council meets.

Table 4.3 Dedicated committees and council meetings

Municipality	Dedicated Committee	Committee Meetings	Council Meetings
City of Johannesburg Metro	✓	Monthly	Monthly
Tshwane Metro	✓	Monthly	Monthly
Ekurhuleni Metro	✓	Weekly	Once a quarter
Sedibeng District Municipality	✓	Once every two months	Once a month
West Rand District Municipality		Fortnightly	Once a month

4.4 Conclusion

In this chapter the researcher has presented data derived both from district councils and from metros through various research methodologies. The data that have been presented support the literature referred to in Chapter 2, and succinctly answer the research question outlined in Chapter 4.

Responses derived both from the interviews and from the questionnaires have shown that municipalities lack the necessary capacity to deliver on housing projects, despite the capacity building initiatives that exist. It was mainly during interviews that the researcher was able to question respondents on certain issues and reach the conclusion that, although housing capacity in the municipalities varies from one municipality to the other, the dominant and pertinent message echoed was that of capacity shortages and the dire need for additional and relevant capacity in all the municipalities.

The data collected also supported the view that capacity problems and their predominance have been a determining factor in delivery or non-delivery on housing projects. It is apparent from the data presented that, with the existing capacity of those municipalities, they will not be able to deliver satisfactorily on housing projects.

CHAPTER 5 DATA ANALYSIS

5.1 Introduction

In this chapter all the data presented in the preceding chapter are analysed. The analysis reflects the premise that all municipalities within Gauteng lack the necessary capacity to deliver satisfactorily on housing projects. The conclusion reached is explained.

5.2 Analysis

5.2.1 Impact of local government structural changes

With regard to the analysis of the data that have been presented, the reader needs to understand the context within which local government has functioned during the past few years and how the state of flux has impacted negatively on the delivery within municipalities.

In the past few years, local government has gone through a period of transition from the pre-interim to the interim stage, and thus lacked stability. The state of constant change has had an adverse impact on municipalities; especially on their ability to build capacity for housing development. Provincial government has, for many years, been viewed by local government as responsible for housing provision in the province, while local government played a secondary role in this respect. The situation relates particularly to housing delivery, more than it does to other portfolios such as roads and transport. While municipalities have seen an important role for themselves in the provision of other essential services, such as the upgrading of roads, and the improvement of safety and security, they have not done the same with housing provision.

Moreover, while local government has always budgeted for services such as those mentioned above, no provision was been made in the budget for housing delivery. In cases where housing was budgeted for, the budget has not been comparable to those of other portfolios.

Little attention has, consequently, been paid to the building of housing capacity at local government level. It is only recently that municipalities have had staff dedicated to housing provision. Previously municipal staff were commonly shared among divisions. They could, therefore, not focus sufficiently on housing delivery, as they were responsible for the delivery of other services too.

Only recently have municipalities started to understand their role in the delivery of housing projects, as clearly described in the Housing Act and other legislation mentioned earlier in Chapter 2. Past lack of understanding of their role in relation to housing delivery has further compounded the problems of capacity and budgets, as mentioned above.

Many municipalities are affected by cross-border issues, and this has affected communication between the various districts and metros. While some municipalities have projects that fall within the borders of the metros or the Councils, administratively, it is often difficult for them to enter into discussions for planning on how responsibilities for the development of those projects can be shared.

5.2.2 Administration and implementation of housing projects

Although there was a range of responses regarding the availability of capacity, it was deduced that essentially, administrative capacity was lacking in many municipalities and that had impeded housing delivery in respective constituencies, making it difficult for municipalities to deliver on their developmental mandate.

If a municipality lacks administrative capacity, it cannot run an efficient bureaucratic system. Key housing priority and delivery areas had become seriously hampered. For instance, as in Sedibeng and West Rand district municipalities the poor administration of the waiting list indicated that there would be delays in the allocation of houses to beneficiaries: the waiting list was not updated, and that

could lead to misadministration of the waiting list process. Possible consequences are queue jumping and the wrong allocation of houses to non-qualifying beneficiaries.

Poor administrative capacity could also manifest itself in dawdling opening of township registers, thereby slowing down delivery, as no low-cost housing development or construction can occur in a township that is not registered.

5.2.3 Human Resource Capacity

As the data presented in Chapter 4 indicated, although many municipalities studied had a staff complement dedicated to housing, and not necessarily shared with other divisions, the capacity of those housing units was seriously lacking, as shown in Table 4. That in the City Of Johannesburg Metro's housing section 10 projects managers were running 59 projects clearly indicates the intensity of this problem. The lack of project management skills is apparent in the poor and slack facilitation of housing development and the quality of the final output. It is evident from the data that have been presented, that training was seriously lacking at all levels.

Ongoing restructuring of municipalities like Ekurhuleni and the City of Johannesburg Metros, and of the departments/divisions within municipalities leads to low staff moral, low productivity and high staff turnover. Moreover, owing to restructuring and staff turnover, new people are often appointed and they take a while to adjust to the environment and learn the ropes. This situation inevitably slows down delivery, thereby posing a political problem - especially in Johannesburg where there is a dire need for housing and an escalating housing backlog.

The lack of job descriptions, as at the City of Tshwane Metro, and the confusion about the roles and functions of housing personnel clearly symbolised, among others, the poor implementation of performance

management systems, if they existed at all. In a situation where people are not clear about their responsibilities, making them accountable for their performance becomes difficult and this does not auger well for delivery.

Lack of capacity at middle and lower management levels is problematic, as it is at these levels that the work supposedly gets done. These are critical levels within the hierarchy of the organisation as the operations are the engine of the organisation. While senior managers provide the strategic vision of the organisation, middle and lower management are directly involved in the operations and are at the core of delivery within any organisation.

5.2.4 Financial Capacity

Financial capacity, which is supposed to be the catalyst for delivery, proved to be seriously lacking in many municipalities. Furthermore, in municipalities where funding for the provision of housing was adequately allocated, bottlenecks often occurred in the accessing of budgets. This consequently slowed down delivery.

From the data presented, it might appear that some metros, such as Ekurhuleni and City of Johannesburg, had a bigger budget for housing, but their scope of work was larger than that of other municipalities, as their housing backlogs have continued to grow. "For instance, Ekurhuleni and City of Johannesburg's backlogs are 150050 and 219215 respectively" (Gauteng Department of Housing, 2002:7).

Municipalities such as Ekurhuleni had a substantial housing budget and were able to deliver housing but would not, in the long run be able to sustain delivery with the funds derived from their own local authority. Assistance from Province, in the form of accreditation, will allow such municipalities to sustain delivery on a large scale in the long-term. In view of municipalities' inadequate capacity to collect

revenue derived from housing stock and rates and taxes, funding from Province becomes even more necessary.

The sentiments echoed by officials from Province support the Housing Act (1997), as it states that the provincial government should assist municipalities to build capacity in respect of housing development. It is through accreditation that Province can perform this role. As mentioned earlier, in Chapter 2, provincial government should accredit municipalities to administer housing development in their areas of jurisdiction. This accreditation relates to the provision of funding by Province to municipalities responsible for housing development.

For many municipalities, accreditation has been a pipe dream, as many have not proved beyond doubt that they have all the other required capacities for delivering housing; a prerequisite for accreditation.

On the other hand, Province has declared its state of readiness to accredit all those municipalities that qualify for accreditation, thus challenging municipalities to build the necessary capacity required for executing their housing mandate.

5.2.5 Identification of land and land procurement capacity

Capacity shortcomings were also apparent in the identification of suitable land for housing development. If capacity to identify land is lacking, as was the case in many municipalities, land is not purchased timeously for development. Therefore, development of housing projects slows down, thus impacting on delivery. It is also however, incumbent upon Province to identify vacant land that is suitably located, and then to purchase it.

Delays in the purchasing of land by Province further compounded the problems encountered by municipalities. This was primarily because delays in the purchasing of land affected the ability to plan ahead. In addition, these delays meant that at the moment at which funding became available, the land became more expensive than when it was identified. At the Sedibeng District Council, bureaucratic processes and delays led to the purchasing of land at prices much higher than the original sale prices.

Owing to the lack of capacity in municipalities, increasingly more housing developments were occurring outside the urban edge, away from other amenities and not integrated with other developments. That conflicts with the National Housing Code.

Over-reliance on consultants; for instance, at the Sedibeng District and other municipalities, has crippled those municipalities. The affected municipalities and their staff were left with no new skills at the end of the contracts, which essentially defeated the purpose of appointing consultants.

It also indicates that local authorities do not properly manage consultants and monitor the contracts that they enter into with them. The Municipal Services Bill (1999) actualises the provision for private sector participation included in the Constitution (s152 (1) and s 153 (b)). It lays down the constitutional requirement for quality of service provision, stating that services are to be provided in a fair and equitable manner to ensure quality service at a lower cost, so that services are environmentally and financially sustainable. It also states that Councils remain responsible for service provision, and must regulate and monitor the implementation of contract arrangements.

5.2.6 Planning Capacity

Planning activities, especially strategic planning, are critically important for any municipality and require sufficiently skilled personnel. The planning capacity of municipalities impacts on their ability to develop housing strategies and Integrated Development Plans. The study has demonstrated that not all municipalities have housing strategies in place or have developed IDPs. The data presented above revealed that City of Johannesburg is the only municipality that has submitted its IDPs and housing strategy to Province. While West Rand has approved IDPs, it does not have a housing strategy. The rest of the municipalities are lagging behind in both requirements.

That many municipalities do not have approved IDPs explains why housing delivery is poor. Without an IDP a municipality cannot adequately identify land for development; set targets for service delivery; allocate scare resources in order to meet priorities; get access to development resources; ensure that development is sustainable in the long-term. Finally, and importantly, an IDP enables a municipality to set performance targets against which to measure its performance.

Moreover, the IDPs that municipalities develop should be aligned with those of other municipalities where this is necessary for sustainable development. The Municipal Systems Act (2000) obliges a municipality undertaking any planning, to align with, and complement, the development plans and strategies of other affected municipalities. From the few IDPs submitted thus far, there is evidence that this requirement has not been incorporated.

5.2.7 Decision making Systems

Responses to the questionnaire showed that many municipalities experience problems in decision-making or, where decisions are

made with ease, there are usually problems in the implementation of those decisions. Decision-making systems proved to be slow and inefficient in most municipalities. This could be attributed to the infrequency of council meetings and the rigidity of council schedules which preclude meeting as and when an important matter arises.

To ensure timely decision-making at municipal level, so that delivery of housing projects could be fast-tracked, it was evident that each municipality needed a political head who was dedicated to the municipal housing portfolio.

Inability to delegate decision-making powers to the administrative authority was problematic, as decisions had to be stalled for up to a whole month until the council was scheduled to meet again. These decisions could range from the approval of land for development; of a housing project; of budgets to administer housing; or of a housing strategy document. Committee meetings were held once a month for the City of Johannesburg Metro and Tshwane Metro, while Sedibeng District, on the other hand, met only once in two months. This further compounded the problems and consequently slowed down housing delivery.

5.3 Conclusion

In this chapter the researcher has demonstrated the many ways in which capacity in municipalities is lacking in all areas. The comparative study (Chapter 4) of all municipalities, with the exception of Motsweding District Council, illustrated the different capacity that exists in municipalities and the unequal levels of capacity of different municipalities; for example, that the City of Johannesburg has financial capacity but is lacking in other areas.

The data presented in the preceding chapter have been analysed in order to find solutions to the research problem outlined in chapter 3. The main research problem or question investigated is whether

municipalities, in Gauteng, have the capacity to deliver on their housing mandate.

The conclusion that municipalities do not have the necessary and adequate resources to deliver housing projects is derived from the analysis. It must be noted that municipalities lack capacity in all the categories of capacity outlined above: administration and planning; human resources; financial; identification of land and land procurement; and decision-making.

Through the analysis it is evident that accreditation will remain an unfulfilled dream in many municipalities, since they do not meet all the accreditation requirements, as discussed in Chapter 2. The fact that many of them, with the exception of the City of Johannesburg and West Rand, do not have IDPs clearly illustrates that they are not geared up for accreditation.

What remains a matter for concern is that many municipalities are experiencing financial difficulties and bordering on bankruptcy. The non-payment culture of housing beneficiaries has also discouraged local authorities from investing and budgeting for housing development. The burden on housing authorities to motivate for bigger budgets becomes even heavier as they have to justify the required budgets against the income derived from housing projects.

In addition, since municipalities lack the administrative capacity to collect payments for municipal services (especially from the old housing stock), apart from receiving funding from Province through the process of accreditation, sourcing of funds for housing is unlikely.

CHAPTER 6 CONCLUSION

6.1 Introduction

The data that were presented in Chapter 4 and their analysis in Chapter 5 have attested to the fact that municipalities lack the necessary capacity to deliver on housing. The capacity that is most lacking at all levels, in all municipalities, is administrative capacity. Capacity to develop housing plans is also lacking, especially at senior management levels. Almost all municipalities lack the financial capacity to develop housing projects. Hence, they have applied to Province for accreditation. The budgets allocated for housing projects are not commensurate with the backlogs in those municipalities. Moreover, the skills at lower and middle management level are inadequate for identifying suitable land for development, as many municipalities rely on Province to do environmental impact studies on land that has potential for development. Owing to the bureaucratic structure and systems of many municipalities, inherent bottlenecks along the delivery path often impinge upon the ability of municipalities to make informed and timely decisions on key delivery matters.

After thorough analysis and observation of the situation in many municipalities, some recommendations can be made on how the delivery of housing can be improved in municipalities.

6.2 Recommendations

Managers at all levels should be capacitated and individual capacity should be developed. More emphasis should be placed on the development of project management and financial management skills. Administrative capacity should also be developed, to ensure that facilitation of housing development occurs, especially the proper administration of the waiting list. In order to address the problems

that are related to the waiting list, Province and municipalities should collectively establish a common understanding and definition of the concept: backlog. The backlog should also be measured in the same way.

There should, furthermore, be a bottom-up approach to correlate the provincial waiting list against the municipalities' waiting list and establish one consolidated figure, which should be broken down into the various categories mentioned in the previous chapter.

Municipal housing capacity should also be strengthened in areas of information gathering, so that the waiting list figures could be based on accurate information. Municipalities should utilise the waiting list as a planning tool that will inform them of the strategy that needs to be adopted in relation to the housing problems encountered in that particular municipality.

All municipalities should implement a performance management system that will hold staff accountable and responsible for their performance. The system should include guidelines and standards for the measurement and monitoring of performance. This is also important in ensuring that employees are rewarded accordingly for their hard work and thus, in motivating them to be more efficient and effective. A performance management system would also ensure that there would be well-developed key performance areas, clear job descriptions, and clearly identified areas for skills enhancement.

Comprehensive training should be undertaken and capacity development programmes should be fine-tuned. Capacity development programmes should relate to the work functions of employees. Employees should be correctly selected to attend training, and pre-screening should be done. Mentoring and monitoring should follow the training programmes, so as to achieve the desired objectives of training. Further, training should be linked to

performance management systems, so that its impact becomes visible.

Problems related to funding in municipalities could lessen, only if proper budgeting occurs and the debt collection methods improve. All municipalities should implement planning for housing projects and allocate budgets for them. The funds, which municipalities allocate for housing development should be commensurate with the size and scope of the municipality and cater for its housing backlog. Multi-year budgeting should be done to ensure that projects are budgeted for well in advance. Municipalities should determine exactly what funding they require for which projects.

On the second level, there should be proper co-ordination and the channelling of funding from various sources such as the provincial Housing Department; the Department of Development Planning and Local Government (DPLG); and their own municipalities. To access funding from Province, municipalities should ensure that their IDPs are developed and that all the accreditation criteria, as outlined in Chapter 2, are met satisfactorily. It is imperative for municipalities to understand that IDPs, through their combination of integration and participation, are the central tool for making local government developmentally effective. The IDP process forces communities and local authorities to prioritise their development needs and to ensure that budgets have been appropriately allocated. Garland and Parker (1993) argue, that the following actions should be taken when managing budget: Assessing the level of need and targeting the available budgets to meet those needs; planning the use of budgets over the financial period; directing resources to meet the highest priorities; and identifying potential underspendings and redirecting resources to achieve the optimum benefit.

Planning for housing development as a whole should be improved. The new Preferential Procurement Policy Framework Act (2000), states that the identification of land and the feasibility study can be

done by either Province or local government. This implies that planning can be done in a more structured manner than previously, when it was ad hoc and not properly structured. It is now done through the Regional Professional Teams (RPT). Municipalities can now identify land, do a feasibility study of the location, geographic location, and environmental issues and, thereafter, determine how they can utilise the land. Municipalities should also invest their resources in strengthening their planning capacity, especially in relation to the development of Integrated Development Plans.

The bureaucratic processes and structures existing in local government cannot be changed, but this should not, however, preclude or delay decision-making in municipalities. To ensure efficient delivery of housing, decision-making processes should be streamlined by exercising forward planning.

Pre-planning should manifest itself in the submission of reports and requests to council. In addition, executive mayors should exercise their powers in decision-making because the approval of key projects should not have to wait for a council that meets infrequently.

In order to improve the delivery of housing, there should also be better co-ordination between the districts and their respective local municipalities. More often than not, districts do not know what delivery is occurring in their local municipalities, as all the housing project implementation is occurring at the local municipality level and they have the powers to implement housing delivery. At the metros, implementation is happening at that level, because a metro is one structure. The researcher recommends that there should be a rethink of the role of districts in improving co-ordination of housing delivery.

6.3 Conclusion

Although one can conclusively remark that municipalities lack the necessary capacity to deliver on their housing mandate, the picture

that is projected in most municipalities is not as gloomy, as could be expected.

Municipalities have over the years transformed and improved, both structurally and administratively, and over time they will be able to perform the developmental function expected of them.

Housing delivery is a concurrent function and must be done at local government level, and local government should begin to take its rightful place in becoming a leader in housing development.

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