KNYSNA LOCAL MUNICIPALITY

Notice is hereby given of a

INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING

which will be held on

Thursday, 15 October 2020
at

9:00

on Microsoft Teams

to consider the following items

MUNICIPAL OFFICES
KNYSNA

DR L SCHEEPERS
ACTING MUNICIPAL MANAGER

A G E N D A

Chairperson: Cllr A Tsengwa
Members: Cllr S Kwinana
Cllr M Matiwane
Cllr S Ngqezu
Cllr H Stroebel
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1. **OPENING AND WELCOME**  
   ![Page](image)

2. **ATTENDANCE:**
   - 2.1 **MEMBERS: PRESENT**
   - 2.2 **MEMBERS: ABSENT WITH LEAVE**
   - 2.3 **MEMBERS: ABSENT WITHOUT LEAVE**
   - 2.4 Other Councillors Present
   - 2.5 Officials Present
   - 2.6 Members of the Audit Committee Present
   - 2.7 Members of the Public Present

3. **NOTING OF THE PROVISIONS OF CODE OF CONDUCT FOR COUNCILLORS AND DECLARATION OF INTEREST**

4. **PRESENTATION:** None

5. **CONFIRMATION OF THE MINUTES**
   - 5.1 MINUTES OF PREVIOUS MEETING: 10 SEPTEMBER 2020
   - 5.2 MINUTES OF PREVIOUS MEETING: 15 SEPTEMBER 2020

6. **EXECUTION LIST**

7. **MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER**
   - 7.2 SUBMISSION OF THE REVISED BUSINESS PLAN RECEIVED FROM THE WCDOHS
   - 7.3 FORMAL SUBMISSION – CONSIDERATION OF THE OVERALL DRAFT I.H.S POLICY (PART 2)
   - 7.4 SANRAL AND HDA PROPOSED NEKKIES INTERCHANGE DEVELOPMENT: CONCLUSION OF AN IMPLEMENTATION PROTOCOL (IP)

8. **CLOSURE**

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2 | Page
1. Opening and Welcome

2. Attendance (as per attendance register)
   2.1 Members: Present
   2.2 Members: Absent with Leave
   2.3 Members: Absent Without Leave
   2.4 Other Councillors Present
   2.5 Officials Present
   2.6 Members of the Audit Committee Present
   2.7 Members of the Public Present

3. Noting of the Provisions of Code of Conduct for Councillors and Declaration of Interest

4. Presentation
   4.1 None
5. **MINUTES OF THE PREVIOUS MEETING**

5.1 **INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING : 10 SEPTEMBER 2020**

**RECOMMENDATION**

That the minutes of the Integrated Human Settlements Committee meeting held on 10 September 2020, be confirmed.
KNYSNA LOCAL MUNICIPALITY

MINUTES

of a meeting of the

INTEGRATED HUMAN SETTLEMENTS COMMITTEE

held on Microsoft Teams

Thursday, 10 September 2020

at

09:00
1. Opening and Welcoming

Mr B Ngxolwana opened the meeting with prayer, at 09:00, where after the Chairperson welcomed Councillors and officials to the first meeting of this recomposed Committee.

2. Attendance of Members:

   2.1 Members Present

   Cllr A Tsengwa Chairperson
   Cllr S Kwinana
   Cllr M Matiwane
   Cllr S Ngqezu
   Cllr H Stroebel

   2.2 Members Absent with leave

   None

   2.3 Members Absent without leave

   None

   2.4. Other Councillors Present

   Cllr L Davis
   Cllr M Gombo
   Cllr T Matika
   Cllr L Opperman
   Cllr L Tyokolo
   Cllr W Salaze
   Cllr M Skosana
   Cllr C Weideman
   Cllr G Wolmarans

   2.5 Officials Present

   Dr L Scheepers Acting Municipal Manager
   Mr D Adonis Acting Director : Integrated Human Settlements
   Mr E Phillips Director : Community Services
   Ms P Makoma Director : Corporate Services
   Mr J Mkqungwana Housing Practitioner
   Mr L Petuna Manager : Integrated Human Settlements
   Ms L Plaatjies Acting Manager : Information Technology
   Mr C Mattheus Manager: Administration Services
   Ms S Gallant Senior Clerk : Public Participation
   Ms N Pondiyi Communications Officer
   Ms T Burger Committee Officer
   Mr B Ngxolwana Interpreter
2.6 Officials Absent with leave
None

2.7 Members of the Audit Committee Present:
None

2.8 Members of the Public Present
The meeting was streamed on MS Teams.

3. **NOTING OF THE PROVISIONS OF CODE OF CONDUCT FOR COUNCILLORS AND DECLARATION OF INTEREST**

RESOLVED

[a] That the Code of Conduct for Councillors be noted; and

[b] That it be noted that no Councillor declared any interest in any matter on the agenda.

4. **PRESENTATION**

None

5. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED

That the minutes of the Planning and Development Committee meeting held on 16 July 2020, be confirmed.

6. **MATTERS ARISING FROM THE MINUTES**

None
7. MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

**DRAFT INTEGRATED HUMAN SETTLEMENTS POLICY**

UNANIMOUSLY RESOLVED

[a] That the Draft KM IHS Policy framework Part 1 be adopted and approved;

[b] That Part 2 of the Knysna Municipality’ Integrated Human Settlements Policy Framework be submitted to the Integrated Human Settlements Committee for further consideration; and

[c] That the approved Strategic Plan and Policy Framework be workshopped with all staff, other departments, development partners, clients and local community stakeholders to be conducted by the Senior Management of the Integrated Human Settlements Directorate with internal Corporate support from the Public Participation and Communications Sections.

File Number : 9/1/2/15
Execution : Acting Director : Integrated Human Settlements

**SOCIAL HOUSING PROGRAMME**

UNANIMOUSLY RECOMMENDED

[a] That the launch of the Knysna Municipality’ initial social housing and CRU pilot projects, be approved;

[b] That approval be given by Council for the call for formal proposals in terms of the internal SCM guidelines to interested accredited Social Housing institutions to provide proposal on how they will develop the identified Council Milkwood Municipal flats to upgrade and provide additional social housing opportunities;

[c] That further approval be given for the Municipality to formally apply for CRU State Funding consideration for upgrading of Curley Court to enhance its long term management viability and sustainability as a Council rental asset for low income households;

[d] That the proposed criteria for such developments be the determinant factor to evaluate the social housing proposals; and

[e] That approval be granted to Knysna Municipality to respond to the invitation by the SHRA to formally apply for its fully funded incubation programme to enhance the six (6) chosen Municipalities” internal SH capacity over 3 years.

File Number : 9/1/2/15
Execution : Acting Director : Integrated Human Settlements
Due to power failure, the meeting adjourned at 10:45 until further notice.

8. Closure

The Chairperson thanked everybody present for their contribution and the meeting terminated at 10:45.

Approved

Chairperson: Cllr A Tsengwa

Date

-ooOo-
5.1 CONTINUATION OF THE INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING: 15 SEPTEMBER 2020

RECOMMENDATION

That the minutes of the Continuation of the Integrated Human Settlements Committee meeting held on 15 September 2020, be confirmed.
KNYSNA LOCAL MUNICIPALITY

MINUTES

of a Continuation meeting of the

INTEGRATED HUMAN SETTLEMENTS COMMITTEE

held on Microsoft Teams

Tuesday, 15 September 2020

at

10:42
1. Opening and Welcoming

The Chairperson welcomed Councillors and officials to the meeting, where-after a roll-call was conducted.

2. Attendance of Members:

2.1 Members Present

Cllr A Tsengwa  Chairperson
Cllr S Kwinana
Cllr M Matiwane
Cllr S Ngqezu
Cllr H Stroebel

2.2 Members Absent with leave

None

2.3 Members Absent without leave

None

2.4 Other Councillors Present

Cllr T Matika
Cllr M Skosana
Cllr L Tyokolo

2.5 Officials Present

Dr L Scheepers  Acting Municipal Manager
Mr D Adonis  Acting Director : Integrated Human Settlements
Ms P Makoma  Director : Corporate Services
MR P Hariparsad  Director : Infrastructure Services
Mr J Mqungwana  Housing Practitioner
Mr L Petuna  Manager : Integrated Human Settlements
Ms L Plaatjies  Acting Manager : Information Technology
Mr C Matheus  Manager: Administration Services
Mr R Meyer  Manager : Disaster Management
Ms N Pondiyi  Communications Officer
Ms M Botha  Legal Advisor
Ms J Lakay  Head : Committee and Councillor Support
Ms T Burger  Committee Officer
Mr B Ngxolwana  Interpreter

2.6 Official Absent with leave

None

2.7 Members of the Audit Committee Present:

None
2.8 Members of the Public Present

The meeting was streamed on MS Teams.

3. NOTING OF THE PROVISIONS OF CODE OF CONDUCT FOR COUNCILLORS AND DECLARATION OF INTEREST

RESOLVED

[a] That the Code of Conduct for Councillors be noted;

[b] That it be noted that no Councillor declared any interest in any matter on the agenda.

7. MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

IHS03/09/2020 CURRENT STATUS, RISKS AND CHALLENGES – KM HOUSING PROJECTS/PROGRAMME: 2020/21 FY

UNANIMOUSLY RESOLVED

[a] That the proposed interventions to mitigate against the identified risks and challenges, be noted and supported;

[b] That the proposed interventions per project be respectively approved;

[c] That these issues be the subject of a determined Risk Management protocol and processes as outlined and guided by the KM’ internal strategic guidelines; and

[d] That the consideration of the draft IHS Policy and placement process for the Directorate be expedited as it will be pivotal in limiting further consequential risks whilst containing the current risks identified in this report

File Number : 9/1/2/15
Execution : Acting Director : Integrated Human Settlements

IHS04/09/2020 KNYSNA INTEGRATED HUMAN SETTLEMENTS BUSINESS PLAN

UNANIMOUSLY RESOLVED

That the IHS Business Plan for 2020/21 as approved by the Western Cape Department of Human Settlements, be noted.

File Number : 9/1/2/15
Execution : Acting Director : Integrated Human Settlements
8. Closure

The Chairperson thanked everybody present for their contribution and the meeting terminated at 12:05.

Approved

Chairperson: Cllr A Tsengwa

Date
6. **EXECUTION LIST**

**EXECUTION LIST: 10 & 15 SEPTEMBER 2020**

<table>
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<tr>
<th>RESOLUTIONS TO BE ACTIONED</th>
<th>OFFICIAL(S)</th>
<th>STATUS OF EXECUTION</th>
<th>DUE DATE</th>
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<tbody>
<tr>
<td>[a] That the Draft KM IHS Policy framework Part 1 be adopted and approved;</td>
<td>Dir : IHS</td>
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<tr>
<td>[b] That Part 2 of the Knysna Municipality’ Integrated Human Settlements Policy Framework be submitted to the Integrated Human Settlements Committee for further consideration; and</td>
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<tr>
<td>[c] That the approved Strategic Plan and Policy Framework be workshopped with all staff, other departments, development partners, clients and local community stakeholders to be conducted by the Senior Management of the Integrated Human Settlements Directorate with internal Corporate support from the Public Participation and Communications Sections.</td>
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**IHS01/09/2020 DRAFT INTEGRATED HUMAN SETTLEMENTS POLICY**
### 15 SEPTEMBER 2020

<table>
<thead>
<tr>
<th>RESOLUTIONS TO BE ACTIONED</th>
<th>OFFICIAL(S)</th>
<th>STATUS OF EXECUTION</th>
<th>DUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>[a] That the proposed interventions to mitigate against the identified risks and challenges, be noted and supported;</td>
<td>Dir : IHS</td>
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<tr>
<td>[b] That the proposed interventions per each respective project be respectively approved;</td>
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<tr>
<td>[c] That these issues be the subject of a determined Risk Management protocol and processes as outlined and guided by the KM’s internal strategic guidelines; and</td>
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<tr>
<td>[d] That the consideration of the draft IHS Policy and placement process for the Directorate be expedited as it will be pivotal in limiting further consequential risks whilst containing the current risks identified in this report</td>
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IHS04/09/2020  **KNYSNA INTEGRATED HUMAN SETTLEMENTS BUSINESS PLAN**

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<tr>
<th>RESOLUTIONS TO BE ACTIONED</th>
<th>OFFICIAL(S)</th>
<th>STATUS OF EXECUTION</th>
<th>DUE DATE</th>
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<tbody>
<tr>
<td>That the IHS Business Plan for 2020/21 as approved by the Western Cape Department of Human Settlements, be noted.</td>
<td>Dir : IHS</td>
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</tbody>
</table>
IHS05/09/2020  HOUSING BUSINESS PLAN COMMENCING 1ST APRIL 2020 AND A PLAN FOR 2020/2021 FINANCIAL YEAR

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<thead>
<tr>
<th>RESOLUTIONS TO BE ACTIONED</th>
<th>OFFICIAL(S)</th>
<th>STATUS OF EXECUTION</th>
<th>DUE DATE</th>
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<tbody>
<tr>
<td>That the report on the performance of the 2019/20 IHS Business Plan, be noted.</td>
<td>Dir : IHS</td>
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</tbody>
</table>

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

That the matters arising from the minutes of scheduled meetings held on 10 September 2020 and 15 September 2020, be accepted.
7. MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

7.1 REPORT FROM THE DIRECTOR: INTEGRATED HUMAN SETTLEMENTS

PURPOSE OF THE REPORT

The purpose of this document is to provide specific housing project deliverables attained during 2020/21 Financial Year (FY) while also presenting the linked Business Plan previously approved by the Western Cape Department of Human Settlements (WC DoHS) for the same Financial Year.

Previous resolutions

In the preceding Committee meeting held on 12 August 2019, a report detailing deliverables for the latter quarter of the 2019/20 financial year was tabled and noted by the Committee.

BACKGROUND

Taking the que from the Committee as previously specified above, a report detailing deliverables per ward was proposed by the Committee, which guided the relevant preparation for this report. However, in dealing with this matter and also to link projects covering multiple financial years inclusive of the current financial year, it became crucial to include the Business Plan for 2020/21 financial year as well as latest modifications made in discussion with the WC DoHS. This has been done in order to allow the Committee ease of comprehension of the correlation and effect of both the Business Plan and highlighted deliverables in this report. To this end, the adjusted Business Plan and quarterly report are attached as an annexure.

DISCUSSION

Appended to this document is the Quarterly report for the first quarter of 2020/21 FY with a Business Plan for same funding year commitments. This also includes a reviewed and recently aligned draft Business Plan discussed with WC DoHS which await final gazetting by the latter authority. Presently and as was the case in the 2020/21 FY, the following projects are currently in the execution stage and below is a brief progress status of the projects in totality and is not ward based while the attached table deals within it in terms of the respective wards, namely:

1. Vision 2002 (459 units): For the projects that fall under this project, 131 slabs have been completed and the business plan has now been amended to show 131 top structures to be completed in this financial year. This will take place in the following areas
   a. Dam se Bos: 65 Slabs have been casted already thus 65 residential units can now be constructed. While this is the case, there are 60 top structures currently being constructed. 20 Top structures are completed and handover to the beneficiaries
b. **Concordia East, Bongani and Kannonkop**: The business plan covers 15 top structures in this area and the contractor is already on site to deliver these units. 9 top structures are completed and handover to the beneficiaries.

c. **Concordia West, South and Jude se Kamp**: The selected servicer provider is busy on site to guarantee supply 51 expected units, come end of the financial year. To date 49 units have been completed.

2. **Hlalani**: Originally, 50 units have been planned for this financial year. In addition to the 14 slabs are already casted, 12 units are still under construction from 2018/19 financial year thus taking the number of units to be completed to 26. Currently, a contractor has been appointed and is busy with various steps of the project.

3. **Qolweni**: 41 Double storey units started in 2018/19 financial year are still to be completed before the end of 2019/20 financial year. In addition to current units under construction, a contractor has been appointed for the construction of 132 units. Currently, 132 slabs have been casted and 23 top structures are completed and over to the beneficiaries in this area.

4. **Witlokasi**: This is a Provincial project identified for the fire victims wherein 56 Top structures are to be constructed in this financial year. The contractor has been appointed and started during the month of August where there were a number of disturbances due to dissatisfaction of the affected community. Towards the end of August, matters on the table were resolved. On the basis of the consultations that took place with the community, the following resolutions were taken:
   a. The beneficiaries that previously resided in New Rest are to have their top structures constructed there and it is the same for those that resided in Love Corner;
   b. As per the original agreement, a consensus was reached for the construction of double storey units;
   c. Ward Councilor and his committee to be given the beneficiary list (ID numbers to be removed from the list)
   d. Investigate the age policy of the WCDoHS and submit proposals for further phases of the project;
   e. To work through the legitimate structures in dealing with the Project and to meet regularly through the duration of the project.
   f. Love Corner to select members to form part of the Fire Victims Committee from their area;
   g. A solution (land identification) to be investigated for the remaining families who are not accommodated in the current 56 beneficiaries

5. **Ethembeni**: In terms of the original as well as the revised business plan, 50 top structures will be constructed. To this end, the contractor is already on site as of August 2019 with various activities. 62 slabs have been casted in this area.

6. **Happy Valley**: out of the 50 planned for the 2020/21 to 25 slabs are already casted in this financial year.

7. **Bloemfontein**: The project is proceeding well. The first 75 units are completed and handover to the beneficiaries. Phase 2 of the project is started in October and the contractor is proceeding well.

8. **Hornlee**: A contractor was appointed for this project and has to date casted 152 slabs. The first 36 top structures are completed and hand over to the beneficiaries.

9. **Smutsville/Sizamile (Sedgefield)**: 2 of the 4 development areas have received Planning Tribunal approval, while the remaining 2 are going through statutory processes. Funding for the acquisition of land has been approved by WCDoHS and the processes are being finalized.
10. **Karatra:** Town Planning Layouts are complete for this project.
11. **Rheenendal:** Provision of bulk services remain outstanding and this area together with some will be subjected to a bulk infrastructural feasibility study which awaits funding applications to the WC DoHS.

**FINANCIAL IMPLICATIONS**

Reference is made to the attached revised business plan showing that Knysna Municipality had already spent 56.35% of its 2020/21 allocation received from WC DoHS.

Funding to implement these projects are therefore not from Municipal funds but from Human Settlements Development Grant (HSDG).

**RELEVANT LEGISLATION**

The implementation of these projects is guided by the following legislation:

- Constitution of the Republic of South Africa
- Municipal Finance Management Act
- Public Finance Management Act
- Municipal Systems Act
- Municipal Structures Act

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

That the report in respect of related project implementation for the period ending August 2020 relative to the approved WC DoHS Business Plan 2020/21 FY, be noted.

**APPENDIX / ADDENDUM**

Annexure 1: Quarter 3 report January to March 2020 for section 80 1
Annexure 2: Council Item on Business Plan 2020 August 2020 revised (003)

File Number: 9/1/2/15
Execution: Director: Integrated Human Settlements
## Implementation of Integrated Human Settlement Grant Projects - Top Structures

<table>
<thead>
<tr>
<th>Proposed Interventions</th>
<th>Deliberables 2020/21</th>
<th>Timeframe</th>
<th>Budget 2018/19</th>
<th>Budget 2019/20</th>
<th>Delivered</th>
<th>Progress/Status/Comment</th>
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<tbody>
<tr>
<td><strong>TOP STRUCTURES</strong></td>
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<tr>
<td>Niskani (2/3/165/94)</td>
<td>Ward 3</td>
<td>30</td>
<td>31/03/2021</td>
<td>9,360</td>
<td>38 units</td>
<td>0</td>
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<td>50</td>
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<td>38 units completed in 2018/19, 32 high density units under construction.</td>
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<td>34 slabs cast in 2019/20 financial year.</td>
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<td>SCBM process underway for the appointment of a contractor for first floor slabs (1.2 mth)</td>
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<td>Vision (455) (Diam Se Bus South)</td>
<td></td>
<td>30</td>
<td>31/03/2021</td>
<td>6,300</td>
<td>63 units</td>
<td>20</td>
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<td>6.5</td>
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<td>63 slabs</td>
<td>20</td>
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<td>63 slabs cast in 2018/19 financial year.</td>
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<td>60 top structures under construction by local contractors.</td>
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<td>Location</td>
<td>Ward</td>
<td>Units</td>
<td>Code</td>
<td>Date</td>
<td>Budget</td>
<td>Half</td>
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<td>Goleni[220]</td>
<td>Ward 4</td>
<td>30 Units</td>
<td>62</td>
<td>31/03/2021</td>
<td>6,500</td>
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<td>Willokasie[139][56 top]</td>
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<td>31/03/2021</td>
<td>13,000</td>
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<td>Ethembeni[190][200][175]</td>
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<td>31/03/2021</td>
<td>5,850</td>
<td>72</td>
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<tr>
<td>Happy Valley[93][120][04]</td>
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<td>31/03/2021</td>
<td>6,500</td>
<td>40</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bloemfontein[150]</td>
<td></td>
<td></td>
<td></td>
<td>31/03/2021</td>
<td>6,500</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homie[339][312]</td>
<td>Ward 6, 11</td>
<td>50 Units</td>
<td>30</td>
<td>31/03/2021</td>
<td>6,500</td>
<td>7,490</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Details</td>
<td>Ward</td>
<td>Start</td>
<td>End</td>
<td>Cost</td>
<td>Slab Type</td>
<td>Status</td>
</tr>
<tr>
<td>----------------</td>
<td>------</td>
<td>-------</td>
<td>-----</td>
<td>------</td>
<td>-----------</td>
<td>--------</td>
</tr>
<tr>
<td>Vision (459)</td>
<td>7</td>
<td>30.02.2020</td>
<td>6,500</td>
<td>1,933</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>(Concordia east, Songak and Kamenkop)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vision (457)</td>
<td>6</td>
<td>30.02.2020</td>
<td>6,500</td>
<td>6,770</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>(Concordia west and Concordia South, Jube to Kamp)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area</td>
<td>Ward</td>
<td>Deliverable</td>
<td>Timeframe</td>
<td>Budget</td>
<td>Delivered</td>
<td>Comment</td>
</tr>
<tr>
<td>---------------------</td>
<td>------</td>
<td>--------------------</td>
<td>-----------</td>
<td>--------</td>
<td>-----------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Steveville/Sizamile</td>
<td>Ward 1</td>
<td>Pipeline Project Plan</td>
<td>50/19/20</td>
<td>R 6,000,000</td>
<td>Town planning layout plans are complete</td>
<td>Town Planning Applications completed and awaiting decision at the Town Planning Tribunal</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Follow up on acquisition of privately owned land</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Town Planning application to be tabled before the tribunal by the end of September 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Contractor appointed for installation of interim basic services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DAG appointed by Province to deal with ISS</td>
</tr>
<tr>
<td>Karatara</td>
<td>Ward 2</td>
<td></td>
<td>2019/20</td>
<td>R 214,000</td>
<td>Bostrop: 114 even Wetnandorp: 140 even Town planning layout plans are complete</td>
<td>Town planning layout plans are complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Planning application was submitted on 13/8/18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Layouts for the planning of 50 temporary relocation sites is complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Funding application for the 50 TPA sites is being finalized</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Civil engineering report is complete</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Planning application was submitted on 13/8/18</td>
</tr>
<tr>
<td>Rhenendal</td>
<td>Ward 3</td>
<td>Pipeline Project Plan</td>
<td>50/19/20</td>
<td>R 80,000</td>
<td>12 temporary toilets were provided to the recently invaded area</td>
<td>Subdivision Plans submitted and are awaiting approvals</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10 chemical toilets will be provided to the recently invaded areas</td>
<td>Feasibility studies complete but citing a need to increase the capacity of bulk services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Acquisition of additional land (bulk services)</td>
</tr>
<tr>
<td>Helderwet</td>
<td></td>
<td>Pipeline Project Plan</td>
<td>2019/20</td>
<td></td>
<td></td>
<td>Framework Plan being tabled before Council structures</td>
</tr>
<tr>
<td>Homteel Inti</td>
<td>1</td>
<td>Pipeline project</td>
<td>2019/20</td>
<td></td>
<td></td>
<td>PIP submitted to WCDHHS for approval</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: ACTING DIRECTOR: INTEGRATED HUMAN SETTLEMENT
FROM: FINANCIAL OFFICER: INTEGRATED HUMAN SETTLEMENT
DATE: 27/08/2021

COLLAB. REF:
FILE REF: 174/R
REGARDING: HOUSING BUSINESS PLAN FOR 2020/21

1. PURPOSE OF THE REPORT:

To inform Council on the expenditure on the 2020/21 housing business plan as approved by the Western Cape Department of Human Settlement.

2. BACKGROUND:

The Western Cape Department of Human Settlement (WC DoHS) allocated an amount of R56 506 000.00 to Keynysa Municipality for housing projects in the 2020/21 financial year. The WC DoHS approved Keynysa Municipality's housing business plan for the 2020/21 financial year as set out below:

<table>
<thead>
<tr>
<th>NAME OF PROJECT</th>
<th>NO OF UNITS</th>
<th>AMOUNT OF FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 2022 459 Units</td>
<td>50</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Hlalan</td>
<td>48 sites and 50 units</td>
<td>6 260 000.00</td>
</tr>
<tr>
<td>Happy Valley</td>
<td>50</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Ethembeni</td>
<td>45</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Gqolweni</td>
<td>50</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Bhezimontein</td>
<td>50</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Homlea</td>
<td>50</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Sedgfield: Interim Basic Services</td>
<td></td>
<td>2 000 000.00</td>
</tr>
<tr>
<td>Heidevalla: Planning fees</td>
<td></td>
<td>2 000 000.00</td>
</tr>
<tr>
<td>Witlokasi: 56 Top Structures</td>
<td></td>
<td>4 280 000.00</td>
</tr>
<tr>
<td>Witlokasi: NGO</td>
<td></td>
<td>816 000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>R56 506 000.00</td>
</tr>
</tbody>
</table>
Although the projects for Witlokasie is part of Knysna Municipality 2020/21 business plan the projects is directly under the control of the WC DoHS which means that they would pay the contractors/ suppliers and consultants directly.

On a formal meeting with the Regional Project Manager of the Western Cape Department of Human Settlement (WC DoHS) on Friday 28 August 2020 the Integrated Human Settlement Department (Knysna Municipality) were informed that the WC DoHS approved a new business plan that will be gazette next week. The revised 2020/21 business plan are still not gazette.

The new proposed business plan for 2020/21 is as follows:

<table>
<thead>
<tr>
<th>NAME OF PROJECT</th>
<th>PREVIOUS FUNDING</th>
<th>REVISED AMOUNT OF FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 2002: 459 Units</td>
<td>R 6 500 000.00</td>
<td>R 1 800 000.00</td>
</tr>
<tr>
<td>Hlalani</td>
<td>R 9 260 000.00</td>
<td>R 2 100 000.00</td>
</tr>
<tr>
<td>Happy Valley</td>
<td>R 6 500 000.00</td>
<td></td>
</tr>
<tr>
<td>Ethembeni</td>
<td>R 5 850 000.00</td>
<td>R684 000.00</td>
</tr>
<tr>
<td>Qolweni</td>
<td>R 6 500 000.00</td>
<td>R16 000 000.00</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>R 6 500 000.00</td>
<td>R11 000 000.00</td>
</tr>
<tr>
<td>Hornlee</td>
<td>R 6 500 000.00</td>
<td>R14 500 000.00</td>
</tr>
<tr>
<td>Sedgefield: Interim Basic Services</td>
<td>R 2 000 000.00</td>
<td>R 1 680 000.00</td>
</tr>
<tr>
<td>Heidevalle: Planning fees</td>
<td>R 2 000 000.00</td>
<td></td>
</tr>
<tr>
<td>Witlokasie: 55 Top Structures</td>
<td>R 3 270 000.00</td>
<td>R 3 270 000.00</td>
</tr>
<tr>
<td>Witlokasie: NGO</td>
<td>R 1 393 sites</td>
<td></td>
</tr>
<tr>
<td>Witlokasie: Toilets &amp; Wendy Houses</td>
<td>R 4 175 000.00</td>
<td></td>
</tr>
<tr>
<td>Witlokasie: Repairs</td>
<td>R 1 445 000.00</td>
<td></td>
</tr>
<tr>
<td>Sedgefield: ISSP NGO</td>
<td>R616 000.00</td>
<td>R616 000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>R56 506 000.00</td>
<td>R58 570 000.00</td>
</tr>
</tbody>
</table>

The table below shows how much funds that we already received on our 2020/21 business plan from the WC DoHS as of the 1st April 2020 (the beginning of the WC DoHS financial year) till the end of August 2020. The performances is only based on the projects directly under the control of the Knysna Municipality.

<table>
<thead>
<tr>
<th>NAME OF PROJECT</th>
<th>AMOUNT OF FUNDING</th>
<th>AMOUNT RECEIVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 2002: 459 Units</td>
<td>R 6 500 000.00</td>
<td>R 413 610.00</td>
</tr>
<tr>
<td>Hlalani</td>
<td>9 260 000.00</td>
<td></td>
</tr>
<tr>
<td>Happy Valley</td>
<td>6 500 000.00</td>
<td></td>
</tr>
<tr>
<td>Ethembeni</td>
<td>5 850 000.00</td>
<td>R 998 980.00</td>
</tr>
<tr>
<td>Qolweni</td>
<td>6 500 000.00</td>
<td>R 9 787 381.76</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>6 500 000.00</td>
<td>R 3 857 319.52</td>
</tr>
<tr>
<td>Hornlee</td>
<td>6 500 000.00</td>
<td>R 8 111 843.52</td>
</tr>
<tr>
<td>Sedgefield: Interim Basic Services</td>
<td>2 000 000.00</td>
<td></td>
</tr>
<tr>
<td>Heidevalle: Planning fees</td>
<td>2 000 000.00</td>
<td></td>
</tr>
<tr>
<td>Hornlee: 312 sites: Extension of time</td>
<td></td>
<td>R430 000.00</td>
</tr>
<tr>
<td>Qolweni: 220 Sites: Extension of time</td>
<td></td>
<td>R 2 524 826.69</td>
</tr>
</tbody>
</table>
TOTAL R52 226 000.00 R29 430 684.72

Although the Hornlee: 312 sites Extension of time and the Qolweni: 220 sites Extension of time are not indicated on the 2020/21 business plan, we did received R430 000.00 and R2 524 826.68 respectively from the WC DoHS for these projects. WC DoHS also approved the acquisition of land in Sedgefield for housing purposes and also decided to approve the shortfall between the construction cost and the approved subsidy quantum in the Hornlee Housing.

Based on the above information we already claimed 56.35% our 2020/21 Business Plan funds on projects directly under the control of Knysna Municipality.

4. RECOMMENDATION:

   a) That Council notes the report on the performance on the 2020/21 Business Plan as of 31\textsuperscript{st} August 2020

SIGNATURE OF THE ORIGINATOR
7.2

REPORT FROM THE DIRECTOR : INTEGRATED HUMAN SETTLEMENTS

To commonly inform Council of the revised business plan for 2020/21 financial year as approved by the Western Cape Department of Human Settlement and the current expenditure on the revised business plan

BACKGROUND

The Western Cape Department of Human Settlement (WC DoHS) originally allocated an amount of R56 506 000.00 to Knysna Municipality for housing projects to a gazette Business Plan for the 2020/21 Financial Year (FY). The WC DoHS originally approved the Knysna Municipality's housing Business Plan for the 2020/21 Financial Year as set out below:

<table>
<thead>
<tr>
<th>NAME OF PROJECT</th>
<th>NO OF UNITS</th>
<th>AMOUNT OF FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 2002: 459 Units</td>
<td>50</td>
<td>R 6 500 000.00</td>
</tr>
<tr>
<td>Hlalani</td>
<td>46 sites and 50 units</td>
<td>9 260 000.00</td>
</tr>
<tr>
<td>Happy Valley</td>
<td>50</td>
<td>6 500 000.00</td>
</tr>
<tr>
<td>Ethembeni</td>
<td>45</td>
<td>5 850 000.00</td>
</tr>
<tr>
<td>Qolweni</td>
<td>50</td>
<td>6 500 000.00</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>50</td>
<td>6 500 000.00</td>
</tr>
<tr>
<td>Hornlee</td>
<td>50</td>
<td>6 500 000.00</td>
</tr>
<tr>
<td>Sedgefield: Interim Basic Services</td>
<td></td>
<td>2 000 000.00</td>
</tr>
<tr>
<td>Heidevallei: Planning fees</td>
<td></td>
<td>2 000 000.00</td>
</tr>
<tr>
<td>Wit Lokasie: 56 Top Structures</td>
<td></td>
<td>4 280 000.00</td>
</tr>
<tr>
<td>Wit Lokasie: NGO</td>
<td></td>
<td>616 000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>R56 506 000.00</td>
</tr>
</tbody>
</table>

Although the projects for Wit Lokasie are part of Knysna Municipality 2020/21 business plan, these are under development control and responsibility of the WC DoHS which means that they would pay the contractors/ suppliers and consultants directly.

On a formal meeting met the Regional Project Manager of the Western Cape Department of Human Settlement (WC DoHS) on Friday 28 August 2020 the Integrated Human Settlement Department (Knysna Municipality) were informed that the WC DoHS approved a revised business plan for 2020/21 financial year. See the attached letter from WC DoHS

The newly revised Business Plan for the 2020/21 FY is therefore revised to R59, 470.000.00 as per the following outline per project:
In the revised Business Plan 2020/21 recently issued formally by the WC DoHS, the latter authority has adjusted the funding upwards towards the Wit Lokasie Projects which are directly under their control and reduced Knysna Municipality funds from R52 226 000.00 to R50 580 000.00. We will be probing this with them further in our endeavor to have all contracted projects adequately covered in terms of the Business Plan.

The table below shows the 2020/21 revised Business Plan which has been reconciled against actual contractual commitments.
INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
15 OCTOBER 2020

<table>
<thead>
<tr>
<th>NAME OF PROJECT</th>
<th>AMOUNT OF FUNDING</th>
<th>AMOUNT RECEIVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision 2002: 459 Units</td>
<td>R 6 500 000.00</td>
<td>R 413 610.00</td>
</tr>
<tr>
<td>Hlalani</td>
<td>9 260 000.00</td>
<td></td>
</tr>
<tr>
<td>Happy Valley</td>
<td>6 500 000.00</td>
<td></td>
</tr>
<tr>
<td>Ethembeni</td>
<td>5 850 000.00</td>
<td>R 998 391.00</td>
</tr>
<tr>
<td>Qolweni</td>
<td>6 500 000.00</td>
<td>R 9 787 391.76</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>6 500 000.00</td>
<td>R 3 857 319.52</td>
</tr>
<tr>
<td>Hornlee</td>
<td>6 500 000.00</td>
<td>R 8 879 961.50</td>
</tr>
<tr>
<td>Sedgefield: Interim Basic Services</td>
<td>2 000 000.00</td>
<td></td>
</tr>
<tr>
<td>Heidevallei: Planning fees</td>
<td>2 000 000.00</td>
<td></td>
</tr>
<tr>
<td>Hornlee: 312 sites: Extension of time</td>
<td>430 000.00</td>
<td></td>
</tr>
<tr>
<td>Qolweni: 220 Sites: Extension of time</td>
<td>R 2 524 826.69</td>
<td></td>
</tr>
<tr>
<td>Vision 2002:1393 sites</td>
<td></td>
<td>R 1 258 675.66</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>R52 226 000.00</strong></td>
<td><strong>R28 588 634.12</strong></td>
</tr>
</tbody>
</table>

Although the following specific projects are not highlighted in the 2020/21 Business Plan we have duly received additional funding for them respectively in the current FY as follows:

a. Hornlee: 312 site – R430 000s:
b. Extension of time and Qolweni: 220 sites – R2,5m

Based on the above information, we have therefore already claimed 56.52% of the approved Business Plan 2020/21 including the revised effect on projects directly under the control of the Knysna Municipality.

**RECOMMENDATION THE ACTING MUNICIPAL MANAGER**

[a] That the revised 2020/21 Housing Business Plan as approved by the Western Cape Department of Human Settlement (WC DoHS), be noted; and
That the report on the expenditure performance relative to the Business Plan for 2020/21 FY, be noted.

**APPENDIX / ADDENDUM**

Amended Business Plan 2020/21

File Number : 9/1/2/15
Execution : Director : Integrated Human Settlements
Dear Sir/Madam,

ALLOCATED FUNDING: HUMAN SETTLEMENT DEVELOPMENT GRANT
ADJUSTMENT OF DELIVERY TARGETS

The Department has allocated the following funding to your municipality for the implementation of Human Settlement projects for the financial year:

2020/21 : R59 470 000

The allocation and targets have been amended due to the provincial HSDG budget cut of R200.2 Mill. The criteria used for reprioritising and reallocation of budgets are:

- Projects where contractors have not been appointed yet
- Projects where there is insufficient bulk infrastructure capacity in place
- Projects with planning funding that have not sufficiently progressed over the past few years
- Projects where top structure delivery can be slowed down

The attached schedule lists the adjusted proposed projects and allocations for the 2020/21 provincial financial year (1 April 2020 to 31 March 2021). Kindly note that there will be a second adjustment process internally, based on project progress, during September 2020, which will be gazetted.

Please confirm by 15 September 2020, that your municipality is able to deliver on these targets. Please also provide detailed cash flows per project to your Regional Director.

The Municipal Manager
Knyano Municipality
PO Box 21
Knyana
6570
## DELIVERY TARGETS

<table>
<thead>
<tr>
<th>Knysna</th>
<th>2020/21 Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sites</td>
<td>Units</td>
</tr>
<tr>
<td>Vision (1303) UISP</td>
<td>30</td>
</tr>
<tr>
<td>Vision (1481) UISP</td>
<td>0</td>
</tr>
<tr>
<td>Hlulani (273/145/95) UISP</td>
<td>35</td>
</tr>
<tr>
<td>Ethembeni (1180/2001/75) UISP</td>
<td>0</td>
</tr>
<tr>
<td>Golweni (220) UISP</td>
<td>132</td>
</tr>
<tr>
<td>Bloemfontein (150) UISP</td>
<td>75</td>
</tr>
<tr>
<td>Horllee (359/312) IRDP</td>
<td>55</td>
</tr>
<tr>
<td>IISP Sedgefield (600) NGO/Interim Services UISP</td>
<td></td>
</tr>
<tr>
<td>IISP Sedgefield (600) NGO UISP</td>
<td></td>
</tr>
<tr>
<td>Witskoele (155) (Toilets + Wendy Houses) UISP/EHP</td>
<td></td>
</tr>
<tr>
<td>Witloekatse (50) (Roof structures) UISP</td>
<td>57</td>
</tr>
<tr>
<td>Witskoele (45) repair fire damage EHP</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

Yours faithfully,

Jacqueline Samson

[Signature]

HEAD OF DEPARTMENT

DATE:

---

Chief Directorate: Human Settlements Implementation

27 Waite Street, Cape Town, 8000

Tel: +27 21 480 4191

Private Bag X0043, Cape Town, 8000

www.westerncape.gov.za

Mfundisi.Tshivela@westerncape.gov.za

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7.3

REPORT FROM THE DIRECTOR: INTEGRATED HUMAN SETTLEMENTS

PURPOSE OF THE REPORT

This serves to update and seek the Committee and Council’ approval on the formulated draft Integrated Human Settlements Policy (Part 2) whose guiding Strategic Plan was earlier considered and approved by Council during July 2019. Part 1 of the Policy was formally adopted and approved by the Section 80 IHS Committee which noted that Part 2 of the overall Policy would be submitted in the next Section 80 Committee. The Strategic Plan for IHS was approved to also guide the subsequent formulation of the Directorate’ housing policies which will commonly be applied in the development and management of the KM’ overall housing programmes.

PREVIOUS RESOLUTIONS

The Committee and full Council allowed for holding of a workshop of the then approved KM’ Strategic Plan. This was followed by the formulation of the draft policy framework which will now guide the implementation of KM’ Housing Programmes on the basis of the principles of fairness and equity in order to lend confidence to the KM’ long term commitment to housing delivery and socio-economic integration.

BACKGROUND

As highlighted in the enclosed draft policy document as well as presentation that was made to the Committee during September 2020, the KM’ current housing environment is characterized as the beginning of a more stable environment notwithstanding the significant challenges that still abound.

It is hoped that the approval of the draft policy (Part 2) would now represent the overall Policy document that will guide operational implementation of KM’ housing programmes which will now be characterized by a typology driven housing model. As argued earlier this will enhance the much required stabilization as well as development of much needed staff capacity through appropriate policy framework and standard common operational procedures.

DISCUSSION

It is proposed that due consideration be given to the alignment of these policies which have been guided by the earlier approved I H S Strategic Plan which is appended here-in. Approval of the Part 2 of the enclosed policy report will now represent 100% progression with the policy formulation process. A fully completed policy document will allow for subsequent placement and allow for a seamless training and development programme. This will allow all Housing Directorate staff to comprehend and operate commonly within a firm and common policy and operational procedural framework.

Of significance is advanced preparations to proceed with the launch of the two social housing pilot projects relative Municipal and Social Housing Regulatory Authority (SHRA) accredited.
social housing institutions that meet the relevant policy and programme instruments as outlined in the Social Housing Act, Housing Act, Municipal Finance Management Act (MFMA) and Municipal Structures Act (MSA). The mechanics and related policy / programme instruments for the Municipality to migrate towards realization of social housing products in well located areas of the Municipality have been documented and appended to the overall Policy Framework under Volume 2 here-in presented for final approval by the Municipality. This will be implemented upon such Council approval on the basis of the two earlier agreed pilot schemes submitted on 10 September 2020, namely:

1. A formal proposal call to interested SHRA accredited SHI(s) in terms of the Council’ Supply Chain Management Processes for coherent contractual partnership arrangements with the Municipality reviewed every 5 years by the KM;
2. Evaluation of such formal responses and tabling of successful SHI(s) that meet the policy criteria and Social Housing Instruments defined in the overall KM IHS Policy;
3. The process will enable structured allocation through the KM’ support of State Funding resources in the form of (a) Institutional Subsidies; (b) Restructuring Capital Grants normally sourced from the SHRA to accredited Social Housing Institutions; (c) Any other technical grants that may be deemed necessary and (d) Targeted Municipal land or building properties which are located in RZs which are deemed suitable for such intended use;
4. As outlined and argued in the policy document, identified Municipal land and properties for this purpose will be given on the basis of a 40 – 50 year leasehold arrangement in order to preserve the use of same for similar housing programmes; and
5. A separate Partnership Agreement will be concluded on the basis of a binding Contractual Agreement between the Municipality and the successful SHI(s) over a period of 5 years. This Agreement will be the basis of periodical performance review based on agreed performance milestones and outlined responsibilities between both the KM and the successful bidder(s)

FINANCIAL IMPLICATIONS

The projects are wholly funded through Human Settlements Development Grant administered by WCDoHS. Knysna Municipality acts as a developer/agent of WCDoHS for the implementation of the Housing Programs. There is however, a need for additional funding due to the Corona virus pandemic, which resulted in National lock down and additional requirements for Health and safety. Knysna Municipality has been in constant communication with the WCDoHs towards ensuring that additional funds over and above the budgeted amount which are made available to cover Health and safety requirements as well as standing time and extension of time claims applicable in terms of the General Conditions of Contract.

The funding requirements for social housing institutional purposes will be sourced primarily from the WC DoHS (Institutional State Subsidies), SHRA (Restructuring Capital Grants) any other technical grants from KM or other State organ that might be deemed necessary as well as raising of private capital loans by the institution if required to ensure project feasibility. The Municipality will provide a nominal long term lease which will be between 40 – 50 years to be negotiated with the successful SHI(s) which will be part of internal equity or incentive to make the overall project development and long term management of such social housing facilities feasible as is provided in the policy instruments outlined in the Social Housing Act, MFMA, Housing Code, etc. The Municipality will be required where feasible to further include additional incentives referred to as social relief package which will require rates exemptions and differential utility charges due to the reality of the targeted low income households to derive the affordable rental market for households.
RELEVANT LEGISLATION

The implementation of these projects is guided by the following legislation:

- Constitution of the Republic of South Africa
- Municipal Finance Management Act
- Public Finance Management Act
- Municipal Systems Act
- Municipal Structures Act
- Social Housing Act
- Asset Transfer Regulations

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

[a] That the report on the Formal Submission - Consideration of the overall Draft I.H.S. Policy (Part 2), be noted;

[b] That the Draft KM IHS Policy framework Volume 2 be adopted and approved as part of the overall Policy;

[c] That the approved Strategic Plan and Policy Framework be workshopped with all staff, other departments, development partners, clients and local community stakeholders to be conducted by the Senior Management of the Integrated Human Settlements Directorate with internal Corporate support from the Public Participation and Communications Sections;

[d] That it be noted that the partnership arrangements with SHRA accredited Social Housing Institutions using the previous approved Municipal rental facilities in Milk Wood and Curly Court will commence upon final approval of the overall Knysna Municipality’ Integrated Human Settlements Policy;

[e] That it further be approved that identified buildings and properties, including and not confined only to Milk Wood and Curly Court Flats, will be subjected to a long term lease arrangement between the Municipality and successful SHI(s) as part of an internal equity by the Municipality;

[f] That the Knysna Municipality will consider and approve Institutional Subsidies and Restructuring Grant applications by the successful SHI partner(s) for such planned developments to be sourced from WC DoHS and the SHRA as is the norm and standard for primary funding requirements of such developments; and

[g] That a contractual agreement will be formally concluded between the Municipality and successful SHI(s) upon being vetted primarily through the internal Municipal legal process.

APPENDIX / ADDENDUM

Annexure A : KM Draft IHS policy and procedural framework Sept 2020
Annexure B : Smart Partnerships WC Leader Towns Aug 2019

File Number : 9/1/2/15
Execution : Director : Integrated Human Settlements
ANNEXURE “A”

DRAFT POLICY AND PROCEDURAL FRAMEWORK (PART 1)

"Re-imagining a New Knysna" – Introducing our New Strategic Integrated Human Settlements Plan and Draft Policy Guidelines

1. Executive Summary

Knysna Municipality has recently committed itself to be part of the South African low income housing delivery chain landscape. The Draft KM I HS Policy has been guided by the all-embracing philosophical statement referred to as: “Re-imagining a New Knysna” which has been adopted as a new strategic thrust that represent a new housing development approach towards sustainability. The philosophical statement pervasively guides all programme and service requirements across departments.

The strategic intention remains the need for genuine commitment towards long-term socio-economic integration through collaborative efforts and partnerships with development partners who share the same strategic vision and objectives. The Municipality relative to its own housing challenges is similar to other regional public contexts in SA and therefore sits with the same historical imperfections of spatial planning settlement distortions characterized by race and ad hoc housing programmes / projects which have to date not been successful in facilitating the current landscape. The main reason for this paralysis is the fact that the traditional housing developments even in the case of the KM, are not driven by structured town planning management strategies and are always characterized by reactive modes of delivery that do not have a major impact of turning around situations of squalor and poverty entrapment zones in a meaningful and sustainable manner.

It is for that reason that these draft policies and earlier approved KM Strategic Plan are meant to redress historical capacity imperfections, poor governance, control, coordination and structured interventions to turn the housing situation around. The KM currently does not have policies nor an implemented new organizational structure (although a draft structure has been formulated and awaiting final implementation). It is hoped that once these are approved by Council and subsequently implemented, they will have the desired effect of a sustainable Directorate and linked programmes and services to give effect to its historical housing challenges and growing demand for same.
2. Outlining the current Housing Paralysis in Knysna

The Municipality has a significant housing backlog of 9 588 low - income households which grows annually by 3%. To date it delivers per annum an average of 550 units on the basing of a consistent land invasion reactive response. This entails primarily providing a one dimensional housing typology product characterized by interim services to informal settlements which are densely populated, PHP and BNG (formerly known as RDP) housing products. These are funded primarily by the Western Cape Department of Human Settlements’ capital and operating budget sources.

It has also undergone serious lengthy periods of lack appropriate internal institutional capacity that has seriously compromised its ability to coherently project manage its housing programmes over the years. This is despite significant recognition for winning numerous Government Mbeki Awards for its vision 2002 projects provincially and nationally. There has been an over reliance to the WC DoHS provincial authority relative to planning, capital and operating budget resources and systems. It is the third largest number of land invasions and informal settlements which are densely populated often located in steep slopes and rough terrain coupled to its status as an environmentally sensitive areas given its forestry and exposures to numerous fire incidents. It has limited municipal land parcels and buildings, which have hardly been creatively optimized in their use to create and attain much-required corridors of integration. This is despite government legislation encouraging realization of appropriate use of municipal assets for affordable housing products in inner city areas where land and properties have been used to date in an unequal manner. This unfortunately has limited the ability to gravitate towards the realization of the desired long term socio-economic integration as advocated by national government legislation, the NDP as well as the Municipality’ own IDP, SDF and Council corporate objectives.

However, historical poor internal administrative coordination across services has over the years been a limiting factor, which has resulted in lack of a qualitative and quantitative response to the historical and current housing programme. The pervasive silo mentality still prevails across departments and need to be genuinely dealt with. To this end, the efforts of the senior management team (TMT and the ETMT) under the astute leadership of our Municipal Manager and its Directors have begun to promote the need to ensure this desired management approach and the building and restoration of a team culture and inclination towards operational efficiencies under the new Knysna Municipality’ philosophical statement reflected above. This has begun to restore much needed confidence and hope that the situation and current paralysis can be turned around towards sustainable fair and effective operational processes characterized by genuine commitment to the plight of our low-income customer base.

Given this context which is patently not sustainable and further coupled to lack of optimization of its current land and properties for densification in its endeavor and commitment to meet its affordable housing stakeholders’ needs for adequate shelter and housing, the Knysna Municipality has resolved to adopt a typology driven housing model. This is outlined in its approved Strategic Plan as well as in this subsequent Policy Framework document, which will be presented to senior management and full Council. This is driven primarily by the need to turn
around the current paralysis around delivery by providing different forms of affordable housing products that best respond to the diverse range of choice for the targeted low income housing market as well as meeting its corporate IDP and SDF framework that talks to sustainability and development of the people of Knysna in a fair and just manner. Further to this and the reality that this is driven by the need to eventually satisfy long term sustainable socio-economic integration, the Knysna Municipality through its Integrated Human Settlements Directorate, has subsequently during September 2019, considered and approved a new Strategic integrated Human Plan. This has significantly guided the formulation of this draft Policy and Procedural Framework, which details the development and long-term operational management of related projects and assets.

This will be pursued in alignment to the external legislative environment and regulatory programmes of the SA government as well as its own strategic corporate goals and objectives for sustainable mix of turnkey capital and social housing projects in well-located areas, which complement and enhance ease of socio-economic integration and delivery in the long term. It will primarily be guided by the provisions of the RSA Constitution, key housing acts of Parliament like the Social Housing Act, National Housing Code, Rental Housing Act, the Municipal Finance Management Act (MFMA), The Public Finance Management Act (PFMA) and other key related legislative and programme guidelines that sets the regulatory framework and standards to be a recognized and accredited stakeholder within the housing delivery chain and environment.

Whilst the Municipality has not yet delivered any requisite social housing products at this stage through partnerships as envisaged in this framework, it has however resolved to pro-actively formulate related housing policy guidelines which link and align to its strategic plans and objectives of being a known and recognized player and contributor within the SA housing delivery context. It intends doing this by primarily promoting the long-term development needs of low-income households within its existing jurisdictional area and landscape. It intends to affirm and strengthen its housing programmes through greater yields and requisite management capacity whilst being guided by this framework.

In anticipation of this, it has committed itself to the evaluation of its internal management capacity, policy framework and current relationship with its external stakeholders and delivery programmes. This will essentially determine our readiness to be part of the affordable housing delivery environment whilst earning the mutual respect, trust and confidence of our various stakeholders and delivery partners. This will include review and refinement of our current vision, Council and corporate management readiness to be part of this exciting venture going forward. This is anticipated to be instrumental in enhancing our standing in the low income housing delivery chain through the planned re-building of our profile and commitment to be a known and recognized stakeholder in the affordable housing sector. This will also be instrumental in regaining lost trust and confidence from our targeted community stakeholders, development partners from the private and public sectors and end users of its mixed housing typologies.
This will also finally extend to the building of collective ownership of the new housing policy framework, delivery programmes and services internally across Council departments as well as primarily the targeted communities and potential development partners. This is an essential best practice feature and approach to pursue given that it is an essential requirement to sustain the new programme.

To this end, the principles of fairness, equity, a corrupt free vehicle that develops and manages our realigned envisaged housing programmes, services, projects and clients will be applied and characterized by functionality, quality and durability. There is an established desire and commitment within the Municipality to ensure the attainment and affirmation of the dignity and respect of our communities at all times through such critical and important principles and envisaged interventions to turn the current housing challenges and needs for the better. This will also extend where viable, to forging coherent social housing partnership arrangements with accredited social housing institutions to enhance delivery of sustainable social housing solutions within in the Western Cape context.

In summary therefore, the following policy guidelines have been put together on the basis of established and comparative best practice within the current affordable housing industry of SA and internationally, in order to minimize associated risks and inability to effectively and efficiently sustain the Municipality’ desired housing programme commitments. These policy arrangements have also been put together in alignment to above housing legislative and regulatory guidelines. More importantly, these will be periodically reviewed and aligned where necessary, to ensure their continued relevance, legal alignment/veracity and applicability from both administrative and legislative perspectives.

Once adopted by Council, the draft Policy framework will be work shopped internally within the Directorate and extend to the entire Council operational working environment during the 2019/20 financial cycle to build internal confidence and trust as well as collective ownership of the framework. This will thereafter extend to the external environment and related stakeholders during November 2019 – March 2020. Once the Framework has been written and documented as a common document to be used internally and externally to outline and administer our housing programme, it will commence to be used operationally within and across the departments as well as in our daily interaction with our customer base and external stakeholders. It will also be linked to efforts to re align the Department’ organizational structure and capacity to be reflective of the ability to successfully undertake such a significant housing delivery process and will be reviewed periodically for further refinement and adaptability to changing circumstances. This will also extend to other key requirements like budget formulation, alignment of required systems and resources to ensure necessary sustainability of our development programme.

2. Towards a Set of General Guiding Principles

Given the current administrative and structural weaknesses and instances of lack of confidence by both internal and external clients within the Municipality’ affordable housing delivery chain in
Knysna, the situation calls for formulation and adoption of guiding responsive principles as advocated by the specific government legislation, housing programmes and delivery intent. It is for that reason that Knysna Municipality has therefore aligned and committed itself to the following principles.

2.1. Equity - all applicants or households applying for an affordable housing opportunity must have an equal access for related services to avoid any inference or claims of special treatment or bias.

2.2. Transparency - create necessary understanding and confidence by allowing all approved policies and procedures to be readily available to allow anyone to scrutinize related documents / publications, which outline how such processes for allocating housing opportunities are applied. This will allow as well for evidence of irregular, unfair or corrupt practice to come through and be mitigated against to minimize associated risks and the company’ standing.

2.3. Pragmatism and Functionality - related policies and procedures must at all times be practical and less costly. The need to edge rather towards pragmatic judgement in implementing such policies and procedures is a key requirement that preserves its intent whilst at the same time saving undue costs and ensure greater pragmatic progress.

2.4. Social Cohesion - need to minimize divisions and bias through coordinated and synergized efforts and programmes, the spirit of any formulated policies and procedures will be responsive to social conflicts and tensions whilst ensuring need to move towards long-term development of all clients, local communities, and staff/management as well as service providers.

2.5. Long Term Socio – economic Integration - given that the long term goal in providing equitable and qualitative affordable housing opportunities of a mixed range is to enhance sustainable growth and integration, the allocation policy in particular must be applied in such a manner that promotes such an ideal and objectives as advocated and legislated by government (e.g. the RSA Constitution, the National Housing Code, the Social Housing Act, Rental Housing Act, etc.) as well as through its key programmes represented by the National Development plan, Breaking New Ground, New Rental Housing Strategy.

2.6. Keeping the Related Policies and Procedures Current and Relevant - related policies constantly evolve to avoid becoming rapidly outdated and irrelevant. This therefore necessitates in the main an agreed and effective policy coordination function or unit within any resulting institutional structure that is an obligatory feature and practice.

To this end and desired best practice effects, the KM will have an internal management unit within the Directorate made of dedicated personnel under the leadership of its Director: HIS. The unit will primarily be responsible for maintenance, upkeep and distribution of current policy and up to date procedures whilst at the same time providing ongoing and consistent training and guidance to the implementing staff or divisions that constitute the Directorate. This will ensure that this becomes a mutually rewarding experience for both clients and the municipality and its development partners.
2.7. Intended Users of the Policies and Procedures - The key users of such newly formulated policies and procedures will be the Directorate’s management and operational staff primarily. They will be fully workshopped, trained and developed to technically comprehend and implement such policies efficiently and effectively. To achieve such an ideal scenario, the following users across departments within the KM have been identified as the following key users:

- various levels of municipal management and staff
- administrative, finance, Corporate and HR, social and economic, planning/engineering, etc., support staff
- new employees, trainers and facilitators
- any other persons or units identified to be involved directly or indirectly in the development and management of clients and assets as well as related affordable housing programmes and services

2.8. Promotion of a corrupt free Directorate and Municipality

Disgruntled community members and stakeholders have sometimes subjected the image of the Municipality to claims of corruption and dishonesty as well as lack of trust and confidence. It is important that the KM must in turn acknowledge and contend with such circumstances and context whilst seeking to formulate and implement sustainable interventions to change such a perception and restore the trust and confidence of its stakeholders. The following interventions and measures should then be pursued towards turning around the situation and the KM’s image for the better:

- Ensure collective ownership of the KM’s strategic objectives (i.e. the IDP; Strategic IHS Plan and newly formulated Policies and Operational Procedures)
- Effective Communication and consultation processes and platforms
- Structured marketing and building of community awareness on the value of our Municipal Services and programmes
- Adopt a corrupt free image and readiness to openly and consistently deal with corruption claims and charges
- Train and develop our staff to adopt appropriate ethical values and standards of professional performance and conduct at all times
- Build and enhance political and management support for such interventions by building a
- Enhance and ensure collective ownership of all Council programmes and services internally and externally
- Deal effectively and efficiently with all instances of such claims and charges
- Periodical review and alignment of Policies and programmes to ensure their respective relevance and alignment to legislation and adaptation to changing demands, new creative management and development models.
3. Essential Key Elements of Related Policies and Procedures

The recently approved KM Strategic IHS Plan talks to the commitment of providing a typology driven housing model, which caters for different needs and choices of its targeted stakeholders and clients. More importantly, is the need for scaled delivery that best meets the varied needs of our low-income households and targeted clients. To this end, KM commits itself to the development of a supportive delivery environment characterized by best practice and functionality that is inclined towards the following typologies, namely:

3.1. Affordable Rental Housing Programme

The successful delivery and management of requisite affordable municipal rental stock as well as management of long-term healthy relationships is based on the following key elements:

- **Lease and or Tenancy Agreement** - this allows for contractual arrangements and responsibilities of both the Client and the Landlord to be formally mapped and outlined to ensure ease of common understanding of respective obligations.
- **Appropriate Allocations** - clear depiction of the processes that guide allocations from pre entry to post entry stages
- **Payments and Arrears Arrangements** - clear outline of how statements for related municipal debts are raised, charged and settled.
- **Reactive/ Routine Repairs** - outline types of repairs, reporting process, costing and related budgets, responsible outlets, administrative processes, service providers, tenant and landlord responsibilities, etc.
- **Planned Maintenance** - similar process above and cycles used to effect same
- **Tenancy matters** - dealing with formal and informal aspects, lease obligations,
- **Tenant Consultation & Representation** - healthy consultative relationships, communication and consultative processes, training and development needs, social cohesion and interaction within immediate environment, safety and security, service cycles, Policy and Procedural framework changes and impact, local community development and integration, etc.

Another key intervention is the forging of strategic and development partnership arrangements with SHRA accredited social housing institutions for targeted delivery of sustainable social housing projects in well-located areas of the KM. These will be located in Restructuring Zones, which were determined, and gazetted by the National Department of Human Settlements working together with the Western Cape Department of Human Settlements and KM. The latter initiated this process which is driven by the main criteria of ensuring long term socio-economic integration in well located areas reflected in the KM’s local area spatial planning development areas where sufficient infrastructure and socio-economic facilities and opportunities prevail.

The MFMA does allow for forging of such delivery partnerships between public and private sector entities based on deriving social equity. The KM will avail public land as some form of equity to make the targeted social housing projects feasible. It will also avail support for use of institutional subsidies as outlined in the National Housing Code, Restructuring Capital Grants and where feasible attract private sector loans as an overall funding programme and related sources. The institutions will be expected to undertake the necessary project feasibilities as well as financial modelling to determine whether targeted projects are feasible enough.
These accredited institutions will be sourced in terms of the Social Housing Act, 2009, which obligates municipalities to provide an enabling environment for social housing delivery in a sustainable manner. The original income target as per the guidelines of the ACT and National Housing Code was primarily to low income households who prefer the rental housing option who earned a combined household income that is below R3 500 per month.

With subsequent periodical changes to the Social Housing Act and further National Human Settlements Ministry formal announcements, this was later reviewed and determined at the following categories:

1. **Primary Social Housing Market:** R0 – R3 500 combined monthly household income. This category has recently been reviewed per Ministerial announcement during 2019 to R4 500 combined household income per month.

2. **Secondary Social Housing Market:** R3 501 – R7 500 combined monthly household income. This has also been adjusted during 2019 to R12 500 per month through the same announcement.

Knysna Municipality will have to take the above funding thresholds and related guidelines of the Social Housing Act, MFMA and SHRA regulatory guidelines into contention in pursuing such coherent partnership arrangements. The programme is referred to as the SMART Partner approach or concept model, which allows for evaluation of the merits of each interested social housing partner on a set of criteria which measure the legal and sustainable standing of any interested partner.

KM will now undertake the following critical steps in line with the MFMA to seek such SMART partner, namely:

A concept partnership proposal will be presented to Council in due course detailing the following key determinant factors:

- The rationale and intent,
- Administrative and legal implications,
- Period of the partnerships with successful partner(s),
- List of identified land parcels,
- Accreditation rationale and status,
- Governance of the formal contractual relationship,
- Targeted income thresholds,
- Unit yields,
- Performance targets,
- Period of contractual existence and periodical review and extensions,
- Respective contractual obligations of the Municipality and the participating SHIs.

Given the size of the Municipality, limited land parcels, extent of planning framework, housing backlog and demand which stands at 9 599 which grows at 3% per annum, it is proposed that the initial partnership be with only a single or two successfully accredited SHIs that meet and satisfy required criteria. It should also be acknowledged that this process recognizes that the
The new Strategic IHS Plan recently adopted by Council does allow for such a form of municipal and social housing rental options. These options have different capital funding requirements and State Funding sources, which are as follows:

1. **Community Rental Units (CRU)** commonly referred to as Municipal Rental Stock has the following capital funding sources – CRU subsidies and equitable contribution from the Municipality where warranted to make projects feasible and sustainable. The National Housing Code, National Rental Housing Act, etc., provides related guidelines and use of State resources and funds to realize this. Already many Municipalities like the City of Cape Town, Durban, Ekurhuleni, etc., have successfully rolled out such municipal rental opportunities in well located areas for targeted beneficiaries using the same model and funding sources. KM has the advantage of having existing rental blocks in well located areas with some in the CBD area of the Municipality which can be leveraged from an upgrading of existing facilities and realization of additional infill blocks to increase the yield of such opportunities. This together with the other forms of rental products detailed below will assist to provide for sustainable provision of rental options where low-income households reside, play and work in well-located areas with sufficient socio-economic facilities and infrastructure. This will serve to complement the need to meet the Municipality’s commitment towards long-term socio-economic integration.

2. **Social Housing Projects** – these are mainly funded through the Institutional Subsidy derived in terms of the National Housing Code and the Restructuring Capital Grant for projects deemed to be in Restructuring Zones (RZs). The SA social housing trajectory has seen many successful launch of such projects by virtue of participating Municipalities aligning themselves to the National Housing Code, Social Housing Act and provisions of the National Development Plan (NDP), MFMA, MSMA, etc., which combined provide for structured allocation and use of land and funding assets for realization of long-term social equity for targeted low-income households as defined in the applicable legislative pieces outlined here-in.

The traditional target market for such households has been those earning between 0 – R3 500 combined household income. These thresholds were subsequently changed when the new Restructuring Zones and linked grants were formally confirmed. These saw a movement from the traditional primary housing market of 0 – R3 500 monthly combined household income moving to the recognition of a secondary market that allowed for targeting of households earning per month a combined household income that is between R3 501 to R7 500 per month.

The Social Housing Act and National Housing Code does advocate for periodical review of such incomes in order to ensure the sustainability of participating housing institutions from a long operational perspective and reality.
These income thresholds for targeting the different sets of social housing qualifying beneficiaries have then since been reviewed during 2019 by the National Department of Human Settlements and adjusted for implementation for new social housing projects in Restructuring Zones (RZs). To this end, the Ministry of National Human Settlements has made a formal announcement during 2019 as follows:

- **Primary Social Housing Market**: R1 500 – R4 500 combined monthly household income
- **Secondary Social Housing Market**: R4 501 – R15 000 combined household monthly income

The National Department of Human Settlements (NDHS), the Social Housing Regulatory Authority (SHRA), both recognize these income streams for implementation already for all new social housing projects.

The KM will be embarking on forging SMART partnerships with accredited housing institutions by the SHRA. A proposal call to such accredited housing institutions will be made in terms of the approved Strategic Plan of the KM as well as in line with MFMA and the KM’s Supply Chain Management Policies. These envisaged partnerships will result in five-year contracts being concluded with successful SHIs which will be allocated specific land portions and properties belonging to council or those transferred / acquired by the Municipality for realization of social housing opportunities. The Municipal land or buildings which will be used for such affordable social housing rental opportunities will be availed over a thirty (30) or forty (40) year lease arrangement period, subject to prior Council approval.

The Municipal land or properties will be allocated alternatively based on a 10 % nominal fee of its overall market value as has been done in other municipalities that have similarly and successfully rolled out similar partnerships for social housing programmes. The development and management of such buildings will also be funded through supported State Funding Institutional subsidies, SHRA Restructuring Grant Funding sources as well as private bank loans and participating entities’ own internal equity. As indicated earlier the process will be detailed and presented to Council for final consideration and approval. This will be tested in the form of a pilot social housing project initiative using targeted land/buildings, which will be useful to test long-term applicability and sustainability.

The successful entity when chosen on the basis of set criteria as defined above as well as SHRA’s Regulator framework will be allowed to enter into formal performance contract with set milestones and obligations between the Municipality and the entity. Essentially this will allow for structured use of Council assets and funding sources which will be inclined towards low income households as well as the right of reversion to take over the project at any stage should there be demonstrated inability to perform or major deviation from the formal contract by the participating social housing partner.

3. **Mixed Rental Housing options** – Given the KM’s commitment to typology housing model and need for sustainable development it merits further consideration to pursue
mixed development options which have elements of rental and commercial uses, where appropriate. Depending on the location, creative approaches and models will have to be part of a feasibility exercise depending on the site and location and ability to realize related outcomes.

Social housing institutions must be registered and accredited with the SHRA as well as in terms of the Company’ Act of SA. It is important for the KM to create an enabling and supportive environment to meet the programme requirements of the above three categories of low-income rental housing.

Internally, measures have to be made for transfer of all core housing administrative records and operational functions to resort under the newly established Directorate of Integrated Human Settlements as envisaged and supported by the KM newly adopted HIS Strategic Plan Framework already approved by Council during 2019.

3.2. Development of New Ownership Housing Products

Once again as emphasized below the primary focus will be on Breaking New Ground (BNG) typologies or products that promote ownership schemes primarily for low income households who earn a combined monthly household income that is between 0 – R3 500 per individual household. These products are covered within the guidelines of the National Housing Code, Housing Act, 1997, Rental Housing Act, 1999, the Social Housing Act, 2009, the MFMA and the MSA.

Knysna Municipality has over the years undertaken various database interventions to measure the extent of demand from the existing areas it manages in order to be able to respond at scale relevant to choice and typologies to contain its housing demand requirements. To this end, having edged closer to 10 000 households with a growth of 3% per annum, the KM has committed itself to respond comprehensively through a medium to long term business plan that will potentially realize a yield of 1500 units per annum over five (5) years. This will be reviewed after 5 years and be enhanced to 3000 units per annum. There is a heavy dependency on the development of a town planning strategy which will guide the KM leveraged use of its own land and public property assets to attain such a high yield.

It is for that reason that a strategic land acquisition strategy be developed and pursued by the KM Directorate of Corporate Services working together with the internal Planning Directorate to make this a living continuous reality given the level of demand, scaled delivery, de-densification and identification of areas of medium to high density blocks of development to optimize the use of limited land and need for long term integration in well located areas. The Municipality will also need to deal with the servicing cost ratios and challenges given the high levels of rugged terrain, slopes, wetlands, limited land, etc. within its jurisdictional areas.

The types of housing models as argued earlier for affordable homeownership products and serviced sites which are essentially some form of incremental housing response to immediate housing needs, are as follows:
3.2.1. BNG or the traditional RDP self-contained, semidetached, duplex units (40 square meters per unit);
3.2.2. ISSP
3.2.3. UISP
3.2.4. Interim Serviced Sites
3.2.5. GAP and FLISP – ownership units for entry middle income households

Given the prevalent historical high densities in Knysna, it has become necessary that the proposed scaled delivery include elements of medium to high density housing products to deal with immediate sprawl and de-densification requirements. To this end applications are being made to the WCDoHS for immediate interventions to undertake the following interventions which will be vigorously followed in specific targeted informal settlements:

1. UISP and ISSP – Informal settlement upgrade subsequent to initial de-densification;
2. De-densification to Temporary Relocation Facilities (TRA) – medium to high density interim residential facilities using alternative building technologies and solar energy solutions;
3. Capacity for profiling and database services per targeted informal settlements; and
4. Mobility to well-located social housing and CRU products as well the afore-mentioned BNG products to qualifying beneficiaries when fully developed.

3.3. Technical Development Policy

(Which includes “General Development, Physical Development and Hand-over Policies for all forms of low income housing developments)

Purpose

This document provides a general policy framework, which the Knysna Municipality will use to guide its planned and active development of all its affordable housing typologies. It includes guiding principles that determine how the organization and its stakeholders will behave or respond as it pursues its long term objectives and development plans as well as related programmes and projects within the context of social housing.

Objectives

- Developments are aligned with KM approved Strategic I H S Strategic Plan, IDP, Spatial and Local Areas Development Frameworks and Plan
- Pursuit of feasible Developments
- Developments are viable
- Identified and committed projects must meet national, provincial & local demand and legislative requirements
- Use of responsive financial modelling and Business Plans
- Developments are aligned to national policies and programmes
- Construction/refurbishment conforms with National Building Regulations, SABS Codes of Practice as well as those specified by NHBRC
- Construction/refurbishment is executed, completed and handed over with due diligence and in accordance with pre-defined parameters set by the SHI or developer requirements for affordable ownership units.
Overview

This document encompasses the following key obligations and commitments for KM:

- Provides a general policy framework for development of housing stock
- Provides guidelines for the selection of housing stock
- Provides guidelines for approval for investigation, acquisition or development of housing stock
- Provides the framework for the physical development of new or existing housing stock
- Provides the framework for the hand-over of the buildings / newly developed State Funded housing products as outlined in the National Housing Code, Social Housing Act, etc.
4.1. General policy framework for development of New Housing Stock

4.1.1 Developments must fall within the Strategic Plan, IDP, SDF, and Local Area spatial Planning Framework of the KM.

4.1.2 Developments must be in line with its core business and policies as defined in the Strategic Plan (SP).

4.1.3 Developments should achieve both short & long-term objectives & goals as defined in the Strategic Plan (SP).

4.1.4 Developments should be financially viable.

4.1.5 Developments should be demand-led. National, provincial and local government housing policy frameworks, and specifically the subsidy schemes, should be accommodated where possible. However, policy should not undermine project viability.

4.1.6 Developments should contribute to the regeneration of the areas in which they are situated. Accordingly, all development should strive to be mixed income and mixed use. KM commits to seeking synergies with local, provincial and national government programs on urban regeneration.

4.1.7 Focus should be on development within precincts where KM operates to enable a demonstrative impact on the surrounding environment and to assist in economies of scale in managing the buildings and housing products/properties.

4.1.8 KM approved developments will at all times recognize and cater for markets operating in designated precincts. The emphasis is on servicing low to middle-income markets in a way that is affordable, sustainable and promotes growth. Income categories will be as specified within the Social Housing Policy. However, KM will strive for awareness of the increasing exclusion of the poor from the inner city by a variety of social, economic and legal processes and actively work to assist the poor in remaining in well-located areas of Kyastra by developing appropriate products and services. Mixed income and mixed-use development are to be encouraged.

4.1.9 Need to leverage and optimize use of land and council properties to enable delivery at scale by reversion to the

4.1.10 Developments will also strive to facilitate Black Economic Empowerment (BEE) either through the awarding of projects to BEE companies in accordance with KM Procurement and SCM Policies, or through the provision of training opportunities within development projects.

4.2. Guidelines for the selection of housing stock

4.2.1 Location

- New developments should be situated in areas where KM is already operating and should cater for the market demand in that location.
- Location should also be influenced by increasing economies of scale of management and decreasing management costs.
• How the new development helps upgrade the precinct where the development is located must be taken into account. Existing social and economic uses of the surrounding buildings and neighborhood should be considered in determining the risks of development.

• Existing zoning must be considered and any costs or delays in changing the zoning.

• The availability of transport, services, social and community facilities, access to educational and recreation facilities for the target market, general economic status of the area and employment opportunities should be taken into account.

• The locations should be mapped within the Municipality’s SDF and Local Area Spatial Development Nodes in order to ensure that these complement and meet the KM’s Strategic Plan Objectives of long-term socio-economic integration.

• Ability to ensure strategic acquisition and leveraged use of the KM’s limited land and properties, which should be strategically used for affordable housing purposes. This should also be informed by a newly developed town planning strategy that outlines how best to use Council or strategically acquired public land and properties to enhance scaled delivery.

• Given the high densities and backlog that is at almost 10,000 with an annual adjustment of 3%, it has become necessary that a de densification strategy in existing informal settlements be pursued and coupled to various housing models and products characterized by medium to high density products and housing typologies – BNG, In-Situ upgrading/Serviced sites, social housing, CRU, GAP and FLISP housing and as recently advocated due to the Covid-19 and other major national pandemics and disasters, emergency housing based on the medium to high density model using alternative material for cost and sustainability purposes

4.2.2 Markets and Sales

• There should be a thorough understanding of the market and market demand in the area.

• The targeted housing products based on the typology model should be designed with an understanding of social composition of potential tenants and affordability levels.

• The social composition and political linkages of the community within the building and any risks associated with this must be taken into consideration in making any purchase decision.

• Feasibility studies should take into account product demand, affordability, vacancies and turnover appropriate to the target market.

• Mixed income developments are to be encouraged.

• New developments should take into account market response to existing developments. This might mean a change in KM’s specifications for a particular project or building type.

• Developments might take into account both subsidized and unsubsidized target groups.

4.2.3 Social and legal

• A social audit must guide all decisions to acquire or develop housing stock. The audit must include an assessment of the personality and dynamics pertaining to the community of the building considered for purchase.

• The social impact and social consequences of the acquisition on any existing building population or on the precinct should be considered.
Vacant possession makes refurbishment easier. In the case of social housing projects, the SHI’s preference should be to take over buildings, which do not have residential tenants.

Where a building is occupied, negotiations should be entered into with existing tenants to provide alternative accommodation and a return to the renovated building on the SHI’s normal lease, rents, terms and conditions.

If negotiations fail, KM will consider eviction proceedings as a final resort.

Delays and expenses arising from the legal process in gaining control of a building must be accounted for in the acquisition programme. The delays associated with eviction processes, council approval and implementation processes, utilities clearance and transfer must be anticipated and costed in the feasibility study.

Preparatory work with media, politicians and the judiciary should be taken into account where an eviction will be necessary.

All projects will only be pursued and implemented with the prior political and management support of the Council and Top Management Team of the KM. In the event of any ensuing socio-political factors that might hamper the project, no council or staff member must argue contrary to the objectives and planned implementation of the project.
4.2.4 Financial viability of a project

Feasibility Study

- A financial feasibility study must guide all decisions to acquire or develop housing stock.

- Feasibility standards in respect of affordable rental projects must aim for a YOI of 12% on new build and 15% on refurbishment or upgrades; a cumulative positive cash flow from year one; and the results of IRR should always be greater than the prime lending rate.

- Project costs: the capital costs should take into account total project costs associated with bringing the building on stream. These would include the cost of land, buildings, holding costs, refurbishment and finance in relation to targeted tenant affordability and hence repayment. Other items to consider would be the availability of the KMI and or the participating developer or SHI’s funds, access to loan funding, the cost of funds, the cost of construction within a life-cycle maintenance framework, comparative costs per unit in similar developments, and the most efficient manner to provide service reticulation, measure as well as monitor and recover utilities. Subsidies should be used in a manner which does not undermine project viability.

- Financial sensitivity studies should be done, in particular to highlight the building income factor with respect to SH and BNG developments. The building income factor is the percentage by which the increase in income for the buildings differs from the increase in expenses for the buildings. This, together with the cost income ratio of the building, must be taken into account in determining project viability. There should also be a detailed sensitivity study made of income, capital costs, operating costs, recoveries, and delays in implementation.

- Commercial space should be considered as a bonus and should not be taken into account in determining project viability.

- Life cycle costing: initial construction, upgrading or refurbishment must operate on the principle of lowest cost over 20 years.

- The cash flow implications of a new project should respectively be considered on the KMI and SHI’s budget as a whole. Projects should take into account the opportunity cost of investing in the building under consideration.

- Operating costs and rentals should include a survey of market rents in the area, average expenditure for the project type in the immediate area, YOI and Cost/Income Ratio, maintenance costs and the recovery of utilities at the appropriate rate of recovery for the building. The ability of building income to cover the costs of security, cleaning and landscaping must be taken into account. The level of service must be adjusted to the ability of the tenants to afford it.

- Rent setting must be done in terms of the established rent setting policy. - CRU, Social Housing, middle income opportunities where feasible.

- New BNG, ISSP, UISP (interim and permanent serviced sites linked to incremental housing), GAP and FLISP ownership products should also be linked to viability assessment relative to the National Housing Code for State Funded Housing projects as well as correlated to MIG and Energy funding sources and commitments to ensure their respective viability.

4.3 Guidelines for approval for investigation, acquisition or development of housing stock

- Expenditure on investigating potential new stock is subject to formal approval of Senior
Management and full Council.

- Senior Management will be authorized to commit up to R250,000 (to be reviewed annually and aligned to Council approved Delegations of Authority and SCM and Procurement Guidelines) on feasibility and social audits on investigating of potential new stock.
- New developments are subject to formal submission of a project approval presentation to the Council for approval.
- All project approval presentations have to be made within approved project proposal framework
- New developments are subject to formal approval by full Council.
- Offers to purchase are subject to formal approval by full Council.
- The financial authorities overseeing the acquisition of property will be authorities formally approved by full Council.
- If at any stage during the project it appears that, the final costs will exceed the approved estimates by more than 5%, the Directorate: I H S will have to seek and obtain the required approval from the TMT and full Council.
- Where a capital project will not commence within the year for which it was approved, a thorough review of costs must be undertaken before it is carried forward in a future year's budget.

4.4. Framework for the physical development of new or existing stock

4.4.1 Appointment of professional team

- The professional team will be appointed according to appropriate standard agreements prepared by professional associations/institutions.

4.4.2 Design and specifications

- The design & specifications of the development must make a careful balance between economic, technical, social and institutional considerations.
- The design and specifications of the development must conform to the National Building Regulations, SABS Codes of Practice, and those specified by the NHBC.
- Designs to be submitted to and approved by the KM.

4.4.3 Construction/refurbishment

- KM and successful partnering SHI(s) and or developer of BNG opportunities will enter into appropriate standard recognized Building Contract Agreements with contractors.
- No construction or refurbishment will take place until transfer of ownership of land or existing stock to KM has occurred.
• In the case of purchasing of a building by collaborating SHI with existing tenants, it must be ensured that the social processes are carefully implemented, that the correct statutory notices are given and that an appropriate period is developed.
• All construction work must conform to National Building Regulations, SABS Codes of Practice, and those specified by the NHBRC.
• Construction or refurbishment may only commence once all applicable KM approvals have been primarily obtained
• All work to be executed and completed in accordance with the applicable Building Contract & Contract documents.
• All work to be executed in accordance with the Occupational Health and Safety Act.
• The Professional team in accordance with the scope of services agreed upon will carry out regular site meetings and site inspections.
• Regular site inspections will be carried out by the local authority & NHBRC
• In situ upgrades and refurbishment must be managed at an appropriate pace, which takes into account the social and political dynamics of each building.
• Monthly progress reports to be submitted to the KM by the development manager.
• Monthly project cost reports to be submitted to the Board in respect of social housing and full council in respect of all low income projects currently being implemented by the development manager.
• Deposits, payments & interim payments to be made in accordance with the Procurement Policy, Financial Policy, Professional Agreements, and Building Contract Agreements
• A completion report on each project must be done within 13 months of the final payment for the development. The completion report must monitor the implementation of the project against the feasibility study approved by the KM.

4.5 Hand-over of the completed buildings/blocks of flats or BNG units per identified project(s) (Ownership and Affordable Rental Flats – Upgrading and New Units)

• All required compliance certificates, completion certificates, guarantees, warranties and occupation certificates have to be obtained prior to tenant occupation.

• Undertake technical inspection of all completed blocks or buildings relative to external appearance of structure as well as internal unit areas to ensure that all compliance requirements are met and unit is ready for occupation

• Standard hand-over procedures need to be observed; standard documents and forms need to be completed in order to document all relevant information about the unit as well as common areas of the building.

5. Outline of a Top Management Team (TMT) and Council Project Approval Proposal

Prior consideration - Any project proposal would normally have incurred costs and been through a vetting process prior to coming to the Board of a partnering SHI or KM for final approval. KM Management would have obtained Council or PGWC (where required) approved professional costs related to a feasibility study from inception of the project. The TMT would have considered the proposals, and council portfolio committees and full Council (where required) approached for a detailed consideration of the plans and costs.
Draft table of contents TMT and Full Council

- Executive summary
- Location
- Geotechnical constraints
- Design principles
- Number of units and their type
- Town planning conditions
- Development proposal and costs
- Risk assessment including vacant possession, delays in legal processes, etc.,
- Market demand and social dynamics
- Contract strategy and professional team
- Black economic empowerment
- Programme
- Feasibility, source and application of funds
- Recommendations

- Executive summary - On first page: name of project, location, number of units, summary of construction costs, income and expenditure graph, YOI, any special social or other considerations as well as recommendations.
- Motivation Choice of project explained, including the SHI’s objectives, precinct and urban regeneration issues.
- Physical description of project - What it is, where it is, what it will become, number of units, locational features and advantages to ensure long term socio-economic integration in the immediate environment, communal, social and commercial space/activities.
• Marketing, target grouping, and social survey including demand and current market rentals in the area, interaction with existing local community, availability of social infrastructure - transport, jobs, schools, crèches, clinics, recreation facilities, etc. Demand for commercial space where applicable.

5.1. Technical issues

• Ownership, outstanding rates, land, town planning, parking, architecture, design criteria, internal specifications and finishes, requirements regarding local authority approvals, special considerations, lifts, meters.

• Construction training, what opportunities are there for skills, literacy and entrepreneurial training? How many people will be trained? What will the budget, programme and management plan for the training be?

• Construction costs in addition to budgeted costs, it is recommended that the project promoter include a comparative table with other similar developments here.

• Management and maintenance costs information required should refer especially to rent, cost/income ratio, vacancy and arrears levels, impact of commercial property where applicable, recovery of water and electricity costs, lifts, contribution to head office costs. Again, a table of costs per unit and per m² comparative with other projects would be useful.

• Funding modeling should outline and indicate how to deal with sources of funds including equity, loans and subsidies and any conditions attached to the funding.

• Programme - A detailed development program needs to be submitted.

• Risk management issues - A specific risk management programme is required.

• Recommendations - Specific recommendations related to the amount to be authorized, and delegated contractual authorities should be noted.

• Annexures - The required annexures include the following: Locality map - Pictures of existing land or buildings. Drawings and plans of proposed development Financial feasibility, Construction budget and programme

6. Technical Maintenance Policy – Own Rental Stock and New Developments

Purpose

This policy outlines the applicable procedures and processes that KM will follow in providing necessary categories of maintenance to all its existing and new properties. The responsibility for maintenance lies primarily with the I H S Directorate and for matters beyond its technical competency with other Directorates, e.g. Technical and Community Directorates, which needs to
work closely with the Client Services Department to ensure that KM and the participating SHI’s key stakeholders, its tenants, are satisfied with the quality of the maintenance work done by or on behalf of the SHI or KM, without jeopardizing its financial viability.

Objectives

- The units are maintained in such a way that they retain their initial value.
- The tenant is satisfied with the way in which maintenance has been done.

Overview

This document deals with:

- Maintenance standards
- Maintenance responsibilities of the SHI and of the tenant
- Safety and security
- Maintenance of public areas/facility management
- Planned maintenance
- Unplanned maintenance
- Improvements by tenants
- Reporting
- Outsourcing versus in-house

6.1. Maintenance standards

The long-term sustainability of KM and participating SHI(s) is dependent on the value of its assets and the satisfaction of its tenants. Therefore, this policy strives to balance quality, price and affordability for the tenant. Compromises have to be established that do not disproportionately affect one or the other of these. This principle of value for money will be the key guide in both the technical and service set out below.

6.1.1 Technical standards

- Technical standards cover the units, the buildings and the environment in which they are located, as described in the following list:
  - Drains, gutters and external pipes
  - The roof
  - Foundations, outside walls, outside doors, window sills and window frames
  - Internal walls, floors and ceilings, doors, door frames and skirting boards but not internal painting or decorating
  - Boundary walls and fences if provided by the SHI or developer (the KM or WCDoHS)
  - Basins, sinks, toilets, flushing systems and waste pipes
  - Water pipes
  - Electrical wiring, including sockets and switches, if installed by the
SHI or the developer. The KM or the SHI will not be responsible for maintaining any electrical installations that it has not installed:
- Communal parts of blocks of flat, such as corridors, stairways and entrances
- Public green/gardens, grass and landscaping
- Structures or installations for individual or communal use, eg pool boxes, washing lines, refuse collection centres, playing tools, benches, etc.
- Roads, pathways, etc. Standards will be set for each of the following: By the supplier (in line with guarantee and other certificates), By the SHI or KM for all items not covered by the supplier. The decision on deviating from these standards will always be taken by the Head of the Technical Department.

6.1.1. Service standards

Service standards are defined according to the technical aspects outlined in Section 1.1. The standard of the service delivered is determined by two factors:

- Quality and timeliness of the service delivery Client-orientation of the service delivery
- The services delivered by or on behalf of the KM and participating accredited SHI should meet the following requirements:
  - They are delivered in time – project timelines and scope are met
  - They are delivered in a professional manner
  - They are delivered in a customer-oriented manner

Service standards and a code of conducts will be formulated by periodically reviewed by the KM in alignment to housing legislation, MFMA, NHBRC, SHRA, etc., requirements, based on the Municipality making gains, traction and increased yields of affordable housing projects and stock within the affordable housing environment.
PART 2

7. Screening, Beneficiation and Allocation Policy Framework and Processes

Following the Marketing and Sales guidelines under 4.2.2. above which talks to the following guidelines, it has become necessary that there be a clearly defined process for eventual allocation of the different forms of housing typologies, namely:

- There should be a thorough understanding of the market and market demand in the area.
- The targeted housing products based on the typology model should be designed with an understanding of social composition of potential tenants and affordability levels.
- The social composition and political linkages of the community within the building and any risks associated with this must be taken into consideration in making any purchase decision.
- Feasibility studies should take into account product demand, affordability, vacancies and turnover appropriate to the target market.
- Mixed income developments are to be encouraged.
- New developments should take into account market response to existing developments. This might mean a change in KMFER specifications for a particular project or building type.

Developments might take into account both subsidized and unsubsidized target groups.

The National Housing Code read together with the provisions of the Social Housing Act sets the standard in which such screening and beneficication will be undertaken. Knysna Municipality will henceforth undertake such processes on the basis of the following policy guidelines.

7.1.1. Defining the Categories of Targeted Beneficiaries

The Housing Code Act, 2009 defines categories of State funded subsidy programmes and targeted beneficiaries. On the basis of that, the Knysna Municipality will henceforth undertake the marketing, screening and beneficication of qualifying beneficiaries towards eventual allocation of subsidized housing across all categories and housing typologies as follows:

a. Applicants who lawfully reside in the Republic of South Africa or in possession of a permanent residential permit. This will include certified copies of bar coded Identification Document as other relevant documents that attests to South African citizenry;

b. The applicant must be legally competent to contract, in other words over 18 years of age or legally married or divorced or declared competent by a court of law and be of sound mind;

c. Should have never before benefitted from any form of State Subsidized housing assistance;

d. Must not have owned previously and currently private housing or fixed residential property;
Certain conditions will apply for the following groups:

e. Persons or households who are married or in habitual cohabitation;
f. Single persons or households with or without financial dependents;
g. Persons or households who are disabled;
h. Households with a monthly combined income in the recognized range of income which will be periodically announced on an annual basis by the National Department of Human Settlements (NDHS);
i. Households or persons who might have derived value or benefitted from a Land Restitution Claim or Programme;
j. Households or persons classified as Military Veterans as confirmed by the SANDF; and
k. Households and persons in polygamous relationships and unions may apply for a Rural Subsidy. Such cases will however where possible and prevalent, must submit as applicants affidavits from the traditional leaders or the person who officiated in such a marriage or union.

7.1.2. Process To Access State Subsidy Programmes

The Municipality will first have to formally apply and access the relevant approval for a defined project before from the WC DoHS and not on the basis of an individual person or household. This will be on the basis of the pipeline application to be linked to a Business Plan application per each respective financial year. The funding authority which is normally the NDHS and WC DoHS will first consider the application and subsequently confirm its readiness and commitment to approve and fund same based on project dimensions and timelines.

Therefore the housing subsidies will be project based and awarded to confirmed beneficiaries who enjoy informal land rights as protected by the applicable legislative pieces or guidelines. State subsidies under this programme will be awarded to persons upon approval if no other form of subsidy prescribes or can be applied. It is therefore a pre requisite for prior project approval that the targeted communities from which potential beneficiaries will be sourced, must participate in all aspects of the defined development from planning to implementation.

7.1.2.1. Contract Appointments – Municipal Supply Chain Management (SCM) Processes

Once projects have been confirmed in terms of the approval of a Business Plan by the WC DoHS, KM will proceed to follow the Municipal approved SCM guidelines as well as its Delegations of Authority, read together with the Housing Code, Housing Act and the Local Government Municipal Finance Management Act (MFMA). Once the normal advertising process has been undertaken on the basis of competitive bids, the successful company or contractor that best meets related appointment conditions, will be appointed formally and confirmed to the
Municipal Committee and Council structures. An appointment letter will be formalized and issued to the successful bidder. He will be linked to the Council’s Project Management Team (PMT) upon conclusion of a General Conditions of Contract document and monitored in terms of agreed contractual obligations, milestones and performance. The successful bidder will be introduced to the immediate local community and be given a database of service providers to appoint various sub-contractors to be used for project implementation as well as appointment of a Community Liaison Officer (CLO), where appropriate.

7.1.3. Knysna Municipality (KM)’ Defined Role-players and Decision-making – Human Settlements Programmes

Knysna Municipality will work with the following partners in defining role players and partners that it will work with as part of project formulation and eventual implementation, namely:

a. National Department of Human Settlements (NDoHS)
b. The Western Cape Department of Human Settlements (WC DoHS)
c. Knysna Municipality (KM)
d. Respective Ward Committee structures and local councilors
e. Where applicable, the Land Administration Committee

The KM will at all times handle project beneficiation within the ambit of applicable legislation as outlined above. There will be specific detailed guidelines for common and consistent administrative application which will be communicated to all its political and administrative structures which will be implemented with full accountability with its development partners ranging from the National Department of Human Settlements (NDoHS), the Western Cape Department of Human Settlements (WC DoHS), Social Housing Regulatory Authorities (SHRA), the Housing Development Agencies (HDA). To this end, following the approval of this policy, a detailed Procedural Administrative Functional Document will be drawn which outlines related beneficiation processes. When approved, this functional plan will be consistently administered across all projects and made apparent to development partners, clients and prospective beneficiaries.

The following stakeholders and or role-players will be subjected to this process together with a summary of defined roles and responsibilities:

A. Ward Committees – This will be regarded as a consultative platform and conduit for all ward related broader housing issues, planned and active housing projects and programmes which will be introduced as well for enhancing common understanding of all related information, data and issues. As per the current process all ward committees will be recognized within the set consultative process normally followed by the KM.
However, all final decisions for beneficiation will be taken administratively and considered the final operational and accountable responsibility of the KM to avoid any risk or legal noncompliance when beneficiaries are confirmed. A Ward Committee will not preside over beneficiary determination and confirmation as that process will be applied administratively and subjected to the Housing Subsidy Scheme (HSS) normally managed and operated between the Municipality and the WC DoHS.

As part of its new strategy, the KM will be migrating to a new typology driven model and approach which will result in new projects being defined in new locations which will allow for long term integration of communities. This new approach represents a significant deviation from ward based allocation for new opportunities linked to new projects. Beneficiaries will therefore be sourced from the Greater Knysna Municipal Jurisdictional Areas and or the broader South African housing context as provided for in the Housing Code and Housing Act. A ward based beneficiation approach is very limiting and tends to exclude others who have genuine similar housing requirements and contradicts the reality of long term socio-economic integration.

Knysna has now realized and accepted the reality of limited land parcels and need to optimally use its limited land parcels and properties through increased densities to accommodate households in the low income sector to such opportunities which might be outside the immediate ward they are currently located to.

Ward Committee will henceforth be used to update communities about the KM’s strategic plans, new housing policies and procedures in order to build coherent understanding of its housing programmes and status. This will include updating communities about the status of waiting list and database mechanisms per aligned projects and housing programmes to ensure broader awareness and confidence in such processes. The Area Ward Committee structures will be encouraged to work through the overall Ward Committee structure as well as councilor representatives in such respective wards. They will once again deal with broader housing issues which affect the totality of the Greater Knysna Municipality and impact on their respective areas. All beneficiation processes will henceforth be handled operationally and in terms of accountability by the KM.

B. Targeted Beneficiaries – Once projects are planned and prepared for implementation upon being viable for such a process, there will be structured efforts to keep all affected communities aware about how the beneficiaries will be targeted as per the process and selection criteria outlined above. There will be administrative application and use by the KM of existing formal database mechanisms in sequential order in endeavoring to ensure that the beneficiation processes being implemented are characterized to a fair, open and honest approach, which is beyond reproach and questioned for its lack of transparency and fairness. Depending on the stage of projects being implemented, all prospective beneficiaries will be advised to provide
related officials documents that validate their respective status. This will be followed by subjecting them in consultation with the WC DoHS, to the HSS selection process to determine whether they could be accordingly vetted for such opportunities. Part of the submission of project funding approval to the WC DoHS will include submitting a list of prospective beneficiaries per housing typology concerned. Once vetted the KM will formally record all these prospects in related Municipal project records and data for references and referral purposes.

All personal information will be dealt with full adherence to proper disclosure requirements and not divulged to third or other parties therefore. To this end a listing of all qualifying beneficiaries will be posted in appropriate Council buildings and properties once formally confirmed as applicable beneficiaries. A house file will be opened with a checklist that outlines all requirements and documents. This will be recorded and filed for future use and referral.

Once the above processes have been confirmed, a formal allocation letter will be signed by the responsible senior management official whose copy will be filed on the house file together with all personal information. The prospect will at times of such beneficition processes, be consulted in an office environment as well as on a one to one basis to preserve confidentiality of the process. Prior to allocation into the units, all prospects will be subjected to pre entry workshops and consumer education processes which will be recorded and filed in each house file which will in addition have the following documents appended to same:

- Unit snag list done prior to entry or occupation
- HSS record of qualifying status
- Happy Letter Document
- A signed Pre entry form with a visual depiction of the unit status at the time of allocation
- Formal allocation correspondence
- Checklist of personal information
- Listing of all household members
- Date of entry

Once the above information is secured on the file and recorded accordingly, the prospective tenant or new owner of the subsidized unit, will be given all related house keys and allowed to formally move into the unit.

C. National Department of Human Settlements (NDoHS) – It is generally within its domain to ensure that there is strict and consistent adherence to all related provisions of housing legislation and programmes. It remains the main funding source for all housing programmes which it sub-delegates to the WC DoHS to handle on its behalf. It also may choose to directly partner with local municipalities on major housing projects and programmes.
D. Western Cape Department of Human Settlements (WC DoHS) - Effectively the funding authority to which all housing projects funding requirements are formally applied for. It receives formal funding applications through applicant templates which reflect the pipeline technical applications and Business Plan per each funding year. Their funding sources cover the planning, feasibility and capital budget requirements. Such approved funding is monitored periodically relevant to performance milestones which must be met as a condition of allocation. Depending on the internal institutional capability of the Municipality concerned the WC DoHS may choose to directly implement specific projects on the basis of a prior participation and support of the concerned municipality.

As part of future project applications, a beneficiary listing will be included in the formal funding applications therefore as is normal practice.

E. Knysna Municipality – The Municipality makes the formal applications as outlined above using a project pipeline methodology as well as a formal Business Plan which must be considered and approved by the WC DoHS on a set of technical criteria which must be met. As indicated earlier, Knysna will cooperate and partner with the WC DoHS notwithstanding the reality that low cost housing provision is a provincial and national government competency.

Knysna Municipality upon confirmation of funding commitments to projects linked to pipeline and business plan applications normally on a multiyear application basis, will together with the appointed Project Management Teams (PMTs), professional teams and consultants, etc., proceed to manage and ensure delivery of projects per agreed performance milestones in contractual agreements. This will also include periodical claims and settlements of professional claims as well as developer or contractor claims per milestones certificate claims certified by the applicable or relevant PMTs.

Both operational and capital budget commitments will be managed within the parameters of the WC DoHS funding term which starts from April and ends in April of the preceding Financial Year (FY). KM’s own FY commence from July and end in the preceding year of June relative to its budget year and internal contributions to Knysna housing programmes, where appropriate and necessary. KM will closely monitor the performance of all projects and advance related claims and settlement as part of budget prudence and alignment in a funding year.

7.1.4. Social Housing Programmes

The Social Housing Act allows for accredited Social Housing Institutions to be development partners with public authorities. Knysna Municipality will therefore recognize that all aspects of administrative marketing, screening and beneficiation resulting in allocation of an affordable social housing beneficiaries or rental clients, will be independently undertaken by the responsible SHRA accredited social housing partner who will contract with the Municipality over
reviewable periods of 5 years. The use of council land and public buildings/properties will be over a lease period of 40 – 50 years.

As outlined above, the partnerships will be formally undertaken on the basis of formal bids linked to the KM’ SCM and Delegations of Authority guidelines for such appointments of accredited Social Housing Institutions (SHIs).

7.1.4.1. Towards a Lease Arrangement – Risk mitigation and Sustainable Partnerships

The KM would have to make its own independent assessment which is guided by legislation and policy / programme instruments for social housing delivery through coherent partnership arrangements with viable housing institutions. It is proposed that the KM rather opts for the Programmatic Social Housing Partnership arrangements as outlined in the best practice framework developed by the social housing sector as a guideline.

This will allow for use of KM’ land and properties identified for such purposes to be ring fenced and reserved for use on a shared risk basis that best protects the use of its assets for long term social equity that best complements its socio-economic development needs.

This will result in interlinked contractual arrangements characterized by a shared risk scenario between the KM and selected SHI towards realization of the following mutual benefits:

- Scenario of shared risk between the KM and the accredited SHI(s)
- Allows for an easy transition towards making the land as an equity incentive or investment resulting in keeping the costs of rental fairly low and sustainable for both the institution and the clients or beneficiaries;
- Significantly allows the KM to hold the future value of the land in a once off capital gain but keeps an investment in the future value of the land and top structures
- Further provides conditions for long term financial viability for the SHI
- Effective control and efficient use of government owned land /buildings for development priorities
- Also protects the asset for long term use by low income households
- Provides an environment conducive to lending
- In addition, allows the SHI freedom to act as an independent business entity within normal contractual agreements.

This will significantly allow the KM to enter into reviewable 5 – 10 year partnership based on
contractual arrangements and obligations for all parties concerned.

As outlined above the KM will be in a position to identify targeted pieces of land and buildings and release them for social housing development. This will be aligned to reservation of such land and building for such purposes as well as structured support for related institutional subsidies and applicable Restructuring Grants (RG) normally guaranteed for projects that meets all SHRA requirements as well as by virtue of being located in Restructuring Zones (RZs).

The chosen SHIs (preferably one in the case of KM) will on the other hand be expected to successfully develop and manage the eventual affordable rental assets through application of its own resources, systems and operational arrangements to complement the development objectives of the KM. The contractual agreement which will define the terms of the Partnership Arrangement between the KM and the successful bidding SHI(s) will recognize that all development and operational management of the assets and clients will be done independently of any intervention by the KM. No council officials, management and administrative components as well as political leadership in the form of the Mayor, Speaker, Ward and Proportional councilors of the KM will be allowed to intervene in the daily operations of the successful bidder(s). This is necessary in order to ensure proper governance and control as well as the independence and legal status of both parties to the Agreement inclusive also of the contractual obligations and responsibilities outlined in the Contractual Agreement.

8. SMART Partnerships – Municipalities Identified for Potential Social Housing Programmes

The KM has been identified in the past 4 years as part of the WC DoHS’ catalytic projects in the SCCD development belt. To this end and as has been remarked earlier, the KM undertook an exercise of determining Restructuring Zones in endeavoring to ensure long term socio-economic integration with social housing initiatives one of the key drivers.

Subsequent to approval of the Strategic Plan and Policy Framework for KM, it has now become necessary that SMART Partnership be pursued with accredited Social Housing Institutions (SHIs) to pursue social housing rental opportunities for the defined rental market in Knysna.

A detailed document that was commissioned by the WC DoHS, SHRA and NASHO, an independent entity that lobbies for social housing development in addition to benchmarking studies and research in the same field, has now developed a responsive document that talks to such envisaged partnerships. This document is informed and guided by the Social Housing Act, 2009, Housing Code, Housing Act, MFMA and MSA, etc.,. It is also based on empirical best practice of social housing projects and programmes actively completed and being pursued successfully in Metropolitan and Municipal areas of SA as well as internationally.
The detailed document which has guided Krysa Municipality (KM)' formulation of its own social housing programmes, has been appended here-in for reference purposed as well as a useful validation benchmarks of the significant potential for social housing that prevails in the Krysa Municipality. The already determined RZs are included in the KM’ SDF and IDP which extends also to the earlier approved KM Strategic Plan around densification and typology housing options characterized by densification and optimal use of limited land in well located areas.

8.1. Municipal and SHI Partnership

As defined in the attached guidelines, the KM will explore the Municipal and SHI Partnership Arrangements which can easily be adapted if approved to the municipal housing context and commitments to be implemented. This will allow for long term lease of land over a minimum period of 40 – 50 years and structured allocation of State Funding Grants for development purposes. The outlined SOCIAL Housing Act as well as the MFMA does allude to such proposed municipal use of State assets and resources towards derived social value for low income households.

The long term lease arrangement will be contained through Partnership Agreements which will double up as contractual agreements to be formally concluded between the Municipality and the SHI(s) appointed though a competitive bidding process in line with the Municipality’ Supply Chain Management processes (SCM).

Below are the proposed various relationships from which KM is encouraged to opt for the second form, Municipal and SHI Partnership.

**Forms of SHI Municipal Relationship**

<table>
<thead>
<tr>
<th>FORM</th>
<th>STRUCTURE</th>
<th>PROS</th>
<th>CONS</th>
</tr>
</thead>
</table>
| Municipal  | The Municipality sets up a SHI which although, functioning as an independent entity, is owned by the municipality and bound into its financing and management | • Municipality continues to have direct control on all inputs.  
• Able to control the detail of the programme | • Municipality must carry full risk.  
• Danger of "political “ interference in Social Housing |
<table>
<thead>
<tr>
<th>Entity</th>
<th>reporting systems. It is governed by the requirements of the Municipal Structures Act and the Municipal Finance Management Act</th>
<th>Continues to own assets through the ownership of the Company. Established and clear procedural processes for releasing assets to Municipal Entities</th>
<th>business</th>
<th>Day-to-day business can be adversely affected by the policy and procedures of the Municipality. Could make difficult to obtain external loan finance without Municipal Guarantees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal and SHI Partnership</td>
<td>The municipality enters into a partnership agreement with a SHI over a specified period of time. The two “partners” agree on respective functions, resource exchanges over the period of delivery of a number of projects. The Municipality does not control the Board or the overall investments of the SHI. The SHI’s performance in using resources</td>
<td>Pro active planning and cooperation over programme</td>
<td>Requires long term commitment between SHI and municipality. Requires availability of municipal owned land committed to social housing.</td>
<td></td>
</tr>
</tbody>
</table>
| Municipal assets is managed through strong contracts between the SHI and the Municipality. | contracts.  
  • Makes it easier to lease land to SHI within legislative parameters. |  |
| --- | --- | --- |
| Municipality and SHI enter into ad hoc arrangements around projects when and if necessary.  
They may also have a MOU to define their co-operation but this does not have the same legal force as contractual arrangement. | • Is simple to implement within existing policy framework. | • No long term programme perspective  
• Little municipal control over resource flows to SHI’s  
• Makes transfer of land other than at market value difficult. |
ANNESURE “B”
MUNICIPALITIES AND SOCIAL HOUSING
MANAGING RISK AND MAXIMISING DEVELOPMENT

OVERVIEW – WHAT’S IT ALL ABOUT?

The provision of social rental housing requires a strong co-operative arrangement between the Municipality and SHI(s) operating in a particular municipal area.

This is important as municipalities can help facilitate access to properly packaged land and help create the positive environment for the grant and loan financing of such housing stock. In doing so, the municipality will want to ensure that such projects contribute to the achievement of their developmental responsibilities as defined by the constitution and various legislation and policies.

On the other hand, the SHI’s have the responsibility for facilitating the development of social rental stock and, most importantly, its sustainable management in the long term.

In acting together both parties must aim to structure arrangements in such a way as to manage their respective risks within the existing policy framework.

This requires that the Municipalities properly structure their relationship and any land release linked to Social Housing to ensure that the government housing objectives are achieved.

This section outlines different approaches to structuring both the relationship between municipalities and Social Housing institutions and forms of land transfer. It covers:

- Municipal roles, responsibilities and risk in Social Housing
- Structuring the long term relationship between municipality and SHI
- The forms of land transfer between municipality and SHI’s

It then gives one example of how to do this linking the two through Programmatic Social Housing Partnerships underpinned by the transfer of municipal land on a leasehold basis to SHI’s for Social Housing. It also provides specimen documentation to assist in implementing this approach (see Appendices).
A. MUNICIPAL ROLES, RESPONSIBILITIES AND RISK IN SOCIAL HOUSING

In terms of the constitution, national legislation and policies, Municipalities have a primary responsibility for the realisation of development, particularly for people who were previously disadvantaged.

The municipality is expected to facilitate or drive programmes that ensure the achievement of the government’s developmental objectives. Part of this requires that the municipality have overall responsibility for the development and prioritising of key development initiatives within its area. It is also expected to maximise the efficient use of resources available to it to achieve its developmental responsibilities.

One critical programme is facilitating and ensuring the delivery of housing to previously disadvantaged within the context of integrated communities. The Municipality must therefore assess needs and demand; help in securing the resources to respond to these; and structure partnership arrangements with key stakeholders to ensure delivery.

In areas declared Provisional Restructuring Zones (PRZ’s) municipalities can ensure the availability of rental stock through the national Social Housing Programme. But it cannot do this without close cooperation with other key stakeholders, particularly Social Housing institutions.

1. SOCIAL HOUSING FUNCTIONAL RESPONSIBILITIES – MUNICIPALITY AND SHI

In terms of existing social housing policy the following are the key determined functions of municipalities and SHI’s.

**TABLE 1: Roles and Responsibilities – Municipalities and SHI**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>SHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide a policy and strategic framework for the delivery of social rental housing as part of its overall housing strategy in the area.</td>
<td>• Facilitate the development of social housing stock that makes social housing projects viable in the medium and longer term.</td>
</tr>
<tr>
<td>• Assist SHI’s to create the conditions in the sector that make it possible to obtain the necessary financing to undertake the development.</td>
<td>• To manage the stock and the tenancies linked to the</td>
</tr>
<tr>
<td>• Work together with the SHI’s to achieve approaches to allocation that ensure the Municipality meets its developmental objectives and the SHI’s viability and sustainability.</td>
<td></td>
</tr>
<tr>
<td>• Assist in the accessing of well located land for the long term use for social rental housing.</td>
<td></td>
</tr>
<tr>
<td>• Assist to access the relevant grant financing through the national and provincial government streams.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
It is difficult for sustainable social housing to happen without both the municipality and the SHI co-operating closely. It is therefore critical that the form of the relationship between the municipality and the SHI maximises each of their abilities to achieve their combined social housing objectives while ensuring that it uses its resources in a sustainable way to meet its developmental responsibilities.

2. MANAGING RISK IN SOCIAL HOUSING

The way the municipality and SHI structure their relationship and the way land is transferred must help to ameliorate critical risks in the social housing process including importantly:

a. Achieving government’s developmental objectives while permitting SHI to function efficiently, effectively and responsively as an independent business in order to carry out its mandate which will allow it to deliver on governmental objectives, the SHI must be free to carry out its business without direct political interference. At the same time the municipality must create conditions where it has oversight over the effective use of government resources by the SHI within the framework agreed between the government and the SHI.

b. Protection of the use of Land and Social housing Development for households on low Incomes in the longer term

The good location and quality of social housing units often means that the assets produced can have high market value. There is the danger, that without proper monitoring and control, the land and units could be placed within the private speculative property market making it inaccessible in the longer term to low income households for whom it was intended.

It therefore requires a mechanism that allows transfer of assets at as low a cost as possible, on the basis that discounted cost is reflected in lower rentals and critically prevents the land and developed top structure from going into the speculative ownership housing market cutting out lower income households.

c. Pressure for Rent to Buy or Transfer to tenants

It is recognised that many tenants want to own and would therefore like to have this option in the future as their incomes improve. If this is permitted on the very well located land required for rental stock, then effectively this land is being moved into the speculative market. Future control is then lost to the municipality and it will not again benefit people on low incomes as they will never afford the sell on price.

The new social housing policy does make provision for selling of units after 15 years. This was never intended to apply to government supplied land or to create rent to buy schemes. It was introduced to encourage private companies to put their own land into the social housing programmes on the basis that they could accrue the capital returns after 15 years by selling the units on the private market.
d. Ensuring that the land is provided to organisations that have the capacity to manage it sustainably in the medium to longer term
The highest risk to success of social housing is not in the development of the units. Rather it is in the longer term effective, efficient and responsive management of the stock and linked tenancies. However it is important also to manage the stock development process well for this will impact on the potential to manage it properly.

If the SHI chosen to carry out developments in a municipality is lacking in capacity, or does not have the opportunities to develop sufficient stock to make management viable, then the right land could still result in a failed project.

e. Increase the security to encourage external investment in the projects.
The Restructuring Grant and Institutional Subsidy are not sufficient to cover the capital cost of delivering the social housing. The SHI needs to obtain additional loan finance. This requires the lender to have confidence in the financial viability of both the project and the SHI managing it. The structuring of the arrangement round the release of land and the longer term relationship between the SHI and municipality can assist with this.

f. Return on Investment for SHI
The investing SHI wants to achieve a return on investment and in fact needs to in terms of the Social housing Policy in order to achieve sustainability. Any approach to land availability must ensure that this is possible otherwise the SHI will fail and with it the projects.

g. Monitoring and Regulating Long Term Use – Ultimate Sanction
An essential part of the agreement between the municipality and SHI delivering in the area is to ensure that the SHI manages the stock over the long term. Where the municipality provides resources e.g. land it needs to have mechanisms in place to ensure that it can deal with any non compliance on part of the SHI and ensure that the asset is used for its intended purpose.

h. Administrative Capacity to Manage Process
Contractual agreements between the municipality and a SHI in its area need proper monitoring and evaluating and management. If not Municipalities could lose the developmental objectives for which it has provided resources.

To manage the process the Municipality needs to have properly established capacity to set up contractual arrangements, deal with different forms of procurement within the law and to monitor and take action over the period of the life of the units. This applies whether the in leasehold or ownership.

i. Simplifying the Packaging and Management of land and the provision of the social Housing Service
The process for the transfer of land or the resources by the municipality for Social Housing has an impact on the cost and viability of social housing projects.

The municipality should keep the process as simple and as quick as possible while properly managing its risks and developmental responsibilities.

Sometimes the simplest route for transfer is not necessarily the best for risk protection and achieving the developmental objectives. As an example while
outright transfer of ownership is simpler to administer it does not provide the City with control over future use of its owned assets for its developmental objectives.

Leasehold is more complicated administratively but feasible and within the legal framework provides the scope for use of land as equity investment and justification for use in partnerships rather than in tendering project by project.
B. CO-OPERATION WITH SOCIAL HOUSING INSTITUTIONS

Since the national policy requires the development and management of social rental housing stock through established Social housing Institutions (SHIs), municipalities wanting such stock in their areas must build a strong co-operative relationship with SHIs.

In the past insufficient attention was given to the proper structuring of the relationship between the municipality and the SHI. This resulted in poor streaming and control of resources and often failed projects that did not meet the prioritised development objectives of the municipality.

Experience over the past 10 years has provided valuable positive lessons about the best forms and ingredients of successful co-operative relations.

1. APPROACHES TO STRUCTURING THE RELATIONSHIP – MUNICIPALITY AND SOCIAL HOUSING INSTITUTION

Three primary approaches have developed in structuring the co-operative relations between municipalities and SHIs. What is best for a particular municipality is dependent upon the context of the municipality and the best way it can manage its risk while achieving the required development objectives.

The Table below highlights the different approaches and gives some of the pros and cons for each.
## TABLE 2: Forms of SHI Municipal Relationship

<table>
<thead>
<tr>
<th>FORM</th>
<th>STRUCTURE</th>
<th>PROS</th>
<th>CONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Entity</td>
<td>The Municipality sets up a SHI which, although functioning as an independent entity, is owned by the municipality and bound into its financing and management reporting systems. It is governed by the requirements of the Municipal Structures Act and the Municipal Finance Management Act.</td>
<td>Municipality continues to have direct control over all inputs. Able to control the detail of the programme. Continues to own assets through the ownership of the Company. Established and clear procedural processes for releasing assets to Municipal Entities.</td>
<td>Municipality must carry full risk. Danger of “political” interference in Social Housing business. Day-to-day business can be adversely affected by the policy and procedures of the Municipality. Could make difficult to obtain external loan finance without Municipal Guarantees.</td>
</tr>
<tr>
<td>Municipal and SHI Partnership</td>
<td>The municipality enters into a partnership agreement with a SHI over a specified period of time. The two “partners” agree on respective functions, resource exchanges over the period of delivery of a number of projects. The Municipality does not control the Board or the overall investments of the SHI. The SHI’s performance in using Municipal assets is managed through strong contracts between the SHI and the Municipality.</td>
<td>Proactive planning and cooperation over programme. SHI has certainly about longer term and resource cooperation that permits it to develop its business in a planned way. SHI can function separately as “business” but municipality can ensure it uses its resources effectively through contracts. Makes it easier to lease land to SHI within legislative parameters.</td>
<td>Requires long term commitment between SHI and municipality. Requires availability of municipal owned land committed to social housing.</td>
</tr>
<tr>
<td>Municipal and SHI - Ad Hoc Project Agreements</td>
<td>Municipality and SHI enter into ad hoc arrangements around projects when and if necessary. They may also have a MOU to define their cooperation but this does not have the same legal force as contractual.</td>
<td>Is simple to implement within existing policy framework.</td>
<td>No long term programme perspective. Little municipal control over resource flows to SHI’s. Makes transfer of land other than at market value difficult.</td>
</tr>
</tbody>
</table>
A municipality needs to assess carefully its risks and its intended developmental objectives before choosing from these different options. It needs to do this carefully and then ensure the commitment to structuring and managing the form of the relationship if it intends to deliver a serious substantive and successful Social Housing Programme.
2. PROVIDING LAND FOR SOCIAL HOUSING

The success of social housing projects is dependent upon the availability of suitably located land at the right price to permit the development of a viable and sustainable project. While it is possible to acquire land and buildings through private purchase at existing market rates, this often makes it difficult to achieve financially viable projects.

Municipalities are therefore important suppliers of land for Social Housing Projects. In doing so Municipalities must:
- ensure that provision of such land is used for its developmental objectives over the longer term,
- that it is transferred at a price that makes the project viable,
- it adheres to the procurement policies and procedures defined in the MFMA and other government legislation and procedures.

THE MFMA AND LAND TRANSFER

The MFMA is key legislation that controls the overall financial management of municipalities and importantly deals with the conditions for the transfer of assets. In doing this it defines the following important points about the disposal of municipal assets:

14. 2 A municipality may transfer ownership or otherwise dispose of a Capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-

   (a) Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

   (b) Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

14 (5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

The release of land for social housing is the release of a capital asset. But the municipality must be able to demonstrate that the transfer of asset will in the long term continue to be used for this purpose, and that the municipality can effectively control this.

Once the Municipality has identified its land for use for Social Housing, the next step is the allocation of the land to a Social Housing Institution (SHI) capable of facilitating the development and then undertaking the long term sustainable management of the stock.
3. FORMS OF POSSIBLE LAND TRANSFER

There are three broad forms of transfer that the municipality can use in releasing land to Social Housing Institutions:

**Outright Ownership (OO)**
Ownership of land is past to the SHI with no conditions registered in the deed of sale to land holding. Conditions must be contained in separate contract between the Municipality and Social Housing Institution and must be able to override the ownership right if contract not adhered to by SHI.

In this form control of the land rests with the Social Housing Institution that can choose to use the land for other purposes unless the contractual agreement on the land is strong enough to prevent it from doing so.

**Conditional Ownership (CO)**
Here ownership and conditions on long term disposal is linked to stated conditions registered on deeds.

It would usually also involve a further contract on the conditions and use of the land by the SHI. Legally the SHI can go to court to have conditions in deed suspended or altered. This would usually but not necessarily involve the consent of the municipality.

**Long Term Leasehold (LTL)**
In this form the Municipality enters into a leasehold agreement that permits the SHI to develop and manage stock on the site over a specified period. However the municipality retains ownership of the land or any assets built upon it. The municipality can also terminate the lease because of non adherence to the conditions of the contract on the land.

Land should be leased to the SHI on basis that ensures a return for SHI that makes the project and the SHI sustainable.

Which form to use depends upon the context of the municipality, its area and the SHI operating within it. Choice by the municipality should be governed by the form that best ensures that the asset is used effectively efficiently and sustainably for the longer term developmental objectives for which is intended.

The table below looks at each one of these approaches and assesses its potential contribution and constraints to managing developmental objectives and associated risks.
<table>
<thead>
<tr>
<th>TABLE 3: Forms of Transfer and Risk Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRINCIPLES AND ISSUES</strong></td>
</tr>
<tr>
<td>Protection of land from moving into Speculative Market</td>
</tr>
<tr>
<td>Rent to Buy</td>
</tr>
<tr>
<td>Effect on Transfer Cost of Land</td>
</tr>
<tr>
<td>Availability of Bank Loan Financing</td>
</tr>
<tr>
<td>Return on Investment for SHI and SHL</td>
</tr>
</tbody>
</table>

**determiner of developmental objectives or choose to use in a way that does not further developmental objectives.**
| Returns to City objectives unless possible to write some conditions into deed. |
| Cost. Properly structured makes possible for SHI to make return and to build reserves. If Partnership is successful possible to renew lease or even consider selling to stabilised institution within stabilised environments. |

**Monitor and Regulating Long Term Use – Ultimate Sanction**

**Easy process to manage through existing procurement although some questions about validity of reduced price to keep affordable.**

**Easy process to manage through existing procurement although some questions about validity of reduced price to keep affordable.**

**More complicated but still feasible release system. Provides more directed use of land asset by municipality and closer control of quality of provision by SHI - where proper contract management.**
<table>
<thead>
<tr>
<th>Service</th>
<th>System in place within municipality</th>
</tr>
</thead>
</table>

```
C. BRINGING IT ALL TOGETHER - AN EXAMPLE
FORMAL SOCIAL HOUSING PARTNERSHIPS AND LEASED LAND

Each municipality must make its own assessment of how to structure its relationship with Social Housing Institutions and what form it uses to deal with land transfers for social housing. In doing so it must be mindful of its constitutional and legislative responsibility to provide developmental governance.

Taking into account the responsibilities and the risk involved, one model that can maximize the potential, and provides high levels of risk protection, is through Programmatic Social Housing Partnerships using land provided by government on a leasehold basis.

1. THE PROGRAMMATIC PARTNERSHIP AND LAND LEASEHOLD APPROACH

This involves interlinking contractual arrangements that:
- shares risk between municipality and Partner(s)
- makes it easier for City to provide land as equity investment – keep down cost of rentals
- allows municipality to hold the future value of the land in a one off capital gain but keeps an investment in the future value of the land and top structures
- provides conditions for long term financial viability for the SHI
- controls efficient use of government owned land /buildings for development priorities
- protects the asset for long term use of low income households
- provides an environment conducive to lending
- gives SHI freedom to act as an independent business within normal contractual agreements

The approach involves the Municipality entering into 5 – 10 year partnership arrangement with one or more SHI/s.

Within this partnership the Municipality agrees to the release of land resources and support with subsidy and necessary land preparation. The SHI undertakes to facilitate the development and then manage the rental housing stock on a sustainable basis guided by the municipality’s developmental objectives and strategy.

The Diagram below summarises the elements in this approach.

DIAGRAM 1: Structuring Partnerships for Social Housing
The table below explains in more detail about these different institutional elements under the headings:

- How Organised
- Purposes and Content
- Risk Reduction
### Table 2: Elements of Partnership

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>HOW ORGANISED</th>
<th>PURPOSES AND CONTENT</th>
<th>RISK REDUCTION</th>
</tr>
</thead>
</table>
| **PARTNERSHIP AGREEMENT**  
Municipality with SH | 5-10 year partnerships between Municipality and SHI  
- Partnerships set up through open procurement process  
- Accords set up in joint development of the site and their ability to manage the completed site  
- Municipality provides assistance to SHI in accessing subsidies  
- SHI facilitates the development and manages the rental stock  
- SHI’s sets up financial partnerships with City support |  
- Defines roles, responsibilities of partners  
- Determine SHI with commitment on which to base business planning  
- Establishes roles and responsibilities of Municipality and SHI  
- Resource allocation within partnership  
- City assists in leasehold land and support in sourcing subsidies  
- To 10 years  
- SHI partners undertakes the development and management of stock on site over 20 years |  
- Ensures that SHI partners work to optimise the development of stock and these manage it sustainably, thus ensuring risk to municipality of project failure  
- Provides opportunities for SHI to develop and manage enough stock to make the site more sustainable  
- Helps the SHI plan beyond a single project  
- Ensures greater security in raising open finance |
| **PROJECT AGREEMENT**  
Municipality with SHI | Signed project agreement for each piece of land or building leased to SHI  
- Defines use of the specific land or building by the SHI within the general conditions in Partnership agreement  
- Provides opportunity for municipality to suspend partnership if SHI does not keep to conditions of Project agreement |  
- Define site for use by partner  
- Define the details of the outputs proposed for site  
- Include any special conditions  
- The number and type of units  
- Quality of unit  
- Rental amount  
- Targeted income range  
- Any allocation conditions on units  
- Conditions for compliance with dispenses  
- Linked to SHI Partners business plan and financing arrangements for site |  
- Ensures development is aligned to predetermined needs in municipalities  
- Can provide variations between different prices or conditions for buildings  
- Provides opportunities to terminate partnership if SHI not performing |
| **LEASE AGREEMENT**  
Municipality with SHI | This is a fixed lease agreement entered for a particular piece of land or building  
- Plugged into this Project Agreement with its conditions  
- It serves the partnership with municipality but gives a long-term lease to the SHI permitting it to cover its risk and make the required returns on investment  
- Provides the conditions for municipality to terminate lease and have back ownership of the development if SHI transgresses critical conditions in lease and or project agreement  
- Preference for partner in lease extension on conditions the SHI has fulfilled project agreement  
- Conditions exist for continuation of social housing on site |  
- Terminate the use of site as leaseholders  
- To provide the SHI partner with scope to develop an sustainable manner but notwithstanding for other purposes  
- Define long-term ownership and use of land  
- Mechanism for Municipality to invest annual equity with nominal annual lease charge  
- Identification of site and building  
- Conditions for use of land/building – link to project agreement  
- Legal charge  
- Tabling non achievement lease |  
- Protect the long-term use by future homeowners  
- Protect units as assets  
- Ensures that there is a firm contractual and financing base for SHI to access open finance |
2. REQUIREMENTS TO IMPLEMENT

The following are important requirements to ensure that this system works for a municipality in reducing risks and providing an efficient system for delivery:

- Availability of appropriate land and other resources for municipality to invest in programme.
- Open procurement system that encourages SHI's with capacity to apply.
- Assessment of SHI's on basis of their ability to facilitate the development but importantly their ability to manage the stock on a sustainable basis in accordance with project agreements.
- Properly prepared and contractually sound partnership, project and lease agreements negotiated with SHI and signed by both parties.
- Identified and trained capacity within the municipality to contract manage the partnership and its linked contracts.
- Ability of the municipality to support its SHI(s) partners in achieving shared objectives but to take necessary action if SHI is in default.

4. PROCESS FOR IMPLEMENTING

The Diagram below illustrates the process to implement this approach.
DIAGRAM 2: Process to Implement

MUNICIPAL HOUSING DEPT

SH PROGRAMME MANAGEMENT
- Programme preparation
- Managing the setting up of contractual agreements
  - Partnership
  - Project
  - Land Lease

LAND IDENTIFICATION AND RELEASE
- Identify Potential land and/or Buildings for SH
- Council Agreement to Assign Land and/or buildings to Social Housing Programme
- Pre-Feasibility on Land

SH not Possible
- Return to Asset Register for Alternative Use

SH Possible
- Prepare Draft Project Plan and Lease Agreement on Chosen Site
- Formal Council Approval Project & Lease Agreement

SH PARTNERSHIP FORMATION
- Prepare TCR for Calls for Proposals for SHI partner(s)
- Advertise
- Short List through Supply Chain
- Receive Presentation and More Details from Short Listed SHI(s)
- Assess Against Agreed Criteria Through Supply Change
- Endorsement through Supply Chain and full Council
- Negotiate Partnership Contract with Chosen SHI
- Agree and Sign Partnership Contract with Chosen SHI
- Agree and Sign IFP Project and Lease Contract with SHI

SHI Partner
Proceeds with Implementing 1st Project
APPENDICES

APPENDIX 1: TERMS OF REFERENCE FOR CALLS FOR EXPRESSIONS OF INTEREST FROM SHI FOR PARTNERSHIP

APPENDIX 2: CRITERIA FOR ASSESSING CALLS FOR PROPOSAL

APPENDIX 3: SPECIMEN PROGRAMME AGREEMENT

APPENDIX 4: SPECIMEN PROJECT AGREEMENT

APPENDIX 5: SPECIMEN LAND LEASE AGREEMENT
REPORT FROM THE DIRECTOR : INTEGRATED HUMAN SETTLEMENTS

PURPOSE OF THE REPORT

The purpose of this document seeks Council’s conclusion of an IP with the HDA to enable the latter’s involvement with the development of TRA to relocate all informal settlements currently located in the designated road servitude adjacent the current Nekkies interchange area.

BACKGROUND

Council has previously supported the proposed upgrading of the Nekkies Interchange area as far back as 2018. Recently a couple of consultative sessions have been held during July 2020 and August 2020 between the Municipality, the HDA and SANRAL management. SANRAL in particular would like to redevelop the Nekkies interchange and widen the vehicular road access using the road servitude currently occupied by a number of informal settlement dwellers.

DISCUSSION

SANRAL has volunteered itself to assist with the relocation and resettlement of the informal settlements near the exchange to a Municipal designated Temporary Relocation Area facility. This commitment has previously been alluded to by the Municipality as way back as 2018. However the proposed relocation has not materialized to date due to the following limitations and challenges:

1. The relocation to the newly identified TRA location was supposed to include some of the informal settlements outside the road servitude area owned by SANRAL;
2. The process was supposed to be initiated on the basis of an enumeration and profiling exercises that was supposed to result in an appropriate database;
3. The targeted TRA area which was identified on the edges of Nekkies West during 2018 and confirmed to SANRA. The identified site has unfortunately been since fully invaded and there is technically no area readily available in the immediate area for such a facility;
4. The KM’ Infrastructural Services Directorate upon identification of the TRA and enumeration exercises/database being established for both sets of informal settlement dwellers, was supposed to do an assessment of the bulk services required for the development of the TRA. However due to the enumeration and profiling exercises not being realized in addition to the targeted area for the TRA being invaded, this has severely compromised its ability to undertake such a critical exercise; and
5. The HDA requires the adoption of an IP by full Council in order to be involved with the exercise of assisting with the design and technical elements of developing the proposed TRA.
Enclosed in this report are various formal exchanges which date back to 2018 that talk to the proposed plan and development of the exchange. Given the increasing densities and subsequent number of road facilities during evenings and weekends, this has now resulted in the need to prioritize this development. However without resolution of the above exercises and commitments by the Municipality, this has resulted in further delays with the development. The HDA as part of this process had noted that the Municipality has submitted a formal request for enumeration and profiling as well as capital funding commitments from the WC DoHS for specific TRA developments based on use of alternative materials and innovative approaches away from the norm in order to optimize the use of limited land with the KM' jurisdictional authority. This application was done in January 2020 and has to date been negatively affected by lack of funds within the WC DoHS’ budget sources which have been reprioritized for other projects in the light of the national pandemic, It has therefore become necessary that the Municipality seeks an alternative piece of land to relocate the current illegal dwellers along the Nekkies Interchange road servitude as well as other informal settlements in the immediate area. The HDA had vainly volunteered to do enumeration on the households located in the road servitude but the local ward councilor upon being advised about such intent, had since indicated that it is not possible to confine such profiling only to this community without involving others as well as the reality that there is no defined TRA identified to date.

**FINANCIAL IMPLICATIONS**

Funding to implement enumeration and profiling as well as capital funds for development of TRA facilities has to be derived from the WC DoHS. Formal application for pilot TRAs including the Nekkies area have unfortunately ben not committed to due to the reasons outlined above. These projects therefore cannot at this stage be sourced from Municipal funds but from Human Settlements Development Grant (HSDG) which is already heavily committed and constrained by active projects.

**RELEVANT LEGISLATION**

The implementation of these projects is guided by the following legislation:

- Constitution of the Republic of South Africa
- Municipal Finance Management Act
- Public Finance Management Act
- Municipal Systems Act
- Municipal Structures Act

**RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER**

[a] That the Report on SANRAL and HDA Proposed Nekkies Interchange Development : Conclusion of an Implementation Protocol (IP), be noted;

[b] That the Knysna Municipality is requested to approve an IP for the exercise towards the HDA, to facilitate its involvement in the Nekkies Interchange initiative; and

[c] That the Council facilitate the identification of an alternative site for the relocation and TRA facility; and

[d] That further formal approaches be made to the WC DoHS for necessary funding and project support.
APPENDIX / ADDENDUM

ANNEXURE A: Sanral Letterhead WR1 Annexure A.1.1
: Annexure A.1.2 Back to office report -SANRAL
: Annexure A.1.3 Work Plan IP 2019
: Annexure A.1.4 Implementation Protocol Nekkies
: Annexure A.1.5
: Annexure A.1.6 Nekkies Attendance Register

ANNEXURE B FORMAL APPLICATION

File Number : 9/1/2/15
Execution : Director : Integrated Human Settlements
Thank you Odwa.

Just one correction that I picked up. SANRAL is building taxi stop next to the N2 which is in that facility. We do not plan to build access to the site.

Emile Du Preez (WR)
Project Manager
1 Havenga Street Oakdale Bellville, Bellville, Western Cape, 7530, South Africa
D: +27 21 957 4619 | M: +27 83 981 4103
dupreez@nra.co.za | www.sanral.co.za
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From: Odwa Diltzo [mailto:odwad@hsginc.co.za]
Sent: 19 July 2018 07:36 AM
To: Mawethu Penxa <mpenxa@knymsa.gov.za>
Cc: Emile Du Preez (WR) <DupreezE@nra.co.za>; Theo Wali <twali@knymsa.gov.za>; Mncedisi Skosana <mskosana@knymsa.gov.za>; 'Johan Nel - Quinn' <lohanNel@quinn.co.za>; Shaun Dyers (WR) <DyersS@nra.co.za>; Peter Hoffmann <hoffm@mhpc.co.za>; Howard Ndou (howard.ndou@ aurecongroup.com) <howard.ndou@aurecongroup.com>; Colene Runkel (WR) <Runkelc@nra.co.za>
Subject: RE: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hi Mr. Penxa

Thank you again for the productive meeting yesterday.
1. As discussed, the Municipality has a temporary relocation site (TRS) where they are willing to assist SANRAL with the relocation of the illegal dwellers in and around the area earmarked for the Nekkies interchange.

2. The sites have services such as electricity and sanitation.

3. The Municipality is willing to accommodate 40 families (i.e structures) on the TRS.

4. The people on the road reserve are not on the municipality priority list and there are therefore no funds allocated to build them houses at this stage.

5. The proposal is that SANRAL must assist by providing 6X4 meter wendy houses.

6. The proposed way forward is as follows:
   6.1 PLO needs to be appointed to engage with the affected families, determine number of structures and people affected, organize community meeting with the Municipality;
   6.2 Provision needs to be made to assist the illegal dwellers to attend the community meeting i.e a bus;
   6.3 Provision needs to be made to assist the illegal dwellers with moving their furniture to the TRS should they agree to relocate;
   6.4 SANRAL Head Office needs to be approached to agree to supply wendy houses;
   6.5 The sites are already have platforms and the Municipality will provide toilets (1 for every 3 households);
   6.6 The TRS will be surveyed for SANRAL purposes;
   6.7 The Municipality to provide SANRAL with a layout for the sites in the TRS;
   6.8 SANRAL to assist with an access road to the site to enable taxis to drop off dwellers.

7. The tasks were divided as follows:
   7.1 The ward councillor to find local PLO;
   7.2 Emile make provision for the once off payment of PLO (Approximately R3 750.00);
   7.3 PLO to engage illegal dwellers, arrange for surveyors to gain access to site to survey affected structures and arrange community meetings among other tasks;
   7.4 Surveyors to have locals (from the affected area) assist with the survey;
   7.5 The Municipality through Mr. Penxa to provide MAJV/SANRAL with 3 quotations for wendy houses;
   7.6 The Municipality through Mr. Penxa to provide MAJV/SANRAL with the layout of the TRS;
   7.7 Johan Nel will be instructed to provide transport for the community meeting and transportation of illegal dwellers goods and furniture to the TRS;
   7.8 Odwa to make submission to SANRAL Head Office for the provision of wendy houses;
   7.9 SANRAL through Emile to provide access road to TRS; and
   7.10 Should Head Office approve the proposal, Odwa to prepare agreement to be signed between the Municipality and SANRAL, since there is no major expenditure by the Municipality the MM has been delegated to sign such agreements once approved by their legal team thus no council resolution is required.

We trust you find the above in order, we shall wait for the appointment of the PLO and 3 quotations to enable us to proceed. Can we please have this done within the next week.

Kind regards

ODWA DILIZO
Property Manager
The MAJV

Tel:    +27 31 266 7751
Fax:    +27 86 714 4689
Cell:   +27 72 157 1371
Email: odwad@hsginc.co.za

From: Mawethu Penxa [mailto:mpenxa@knysna.gov.za]
Sent: 13 July, 2018 2:49 PM
To: Odwa Dilizo <odwad@hsginc.co.za>
Cc: Emile Du Preez (WR) <DuPreezE@nra.co.za>; Theo Walli <twalli@knysna.gov.za>; Mncedisi Skosana <mskosana@knysna.gov.za>
Subject: Re: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hi Odwa

Let me know when you arrive in Knysna.

Thank you.

Mawethu

---

From: Odwa Dilizo <odwad@hsginc.co.za>
Date: 2018/07/13 11:47 Africa/Johannesburg
To: Mawethu Penxa <mpenxa@knysna.gov.za>
Cc: Emile Du Preez (WR) <DuPreezE@nra.co.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hi Mr. Penxa

As per our recent telephonic conversation, we confirm that we have agreed to change the time of the meeting on the 18th of July will be at 13:00.

Please also confirm the venue for me.

Kind regards

ODWA DILIZO
Property Manager
The MAJV

Tel: +27 31 266 7751
Fax: +27 86 714 4689
INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
15 OCTOBER 2020

Cell:  +27 72 157 1371
Email:  odwad@hspinc.co.za

From: Odwa Dilizo
Sent: 11 July, 2018 8:18 AM
To: 'Mawethu Penxa' <mpenxa@knysna.gov.za>
Cc: Louis Siemens <louis@manco.co.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hi Mr. Penxa

Our telephonic conversation this morning has reference.

As per our discussion I confirm our meeting on the 18th to view the temporary relocation site. Can you please also invite the ward councilor to the meeting.

Kind regards

ODWA DILIZO
Property Manager
The MAJIV

Tel:  +27 31 266 7751
Fax:  +27 86 714 4689
Cell:  +27 72 157 1371
Email:  odwad@hspinc.co.za

From: Mawethu Penxa <mailto:mpenxa@knysna.gov.za>
Sent: 26 February, 2018 12:20 PM
To: Odwa Dilizo <odwad@hspinc.co.za>
Cc: Mcedisid Skosuna <mailto:mskosuna@knysna.gov.za>; Theo Wali <twali@knysna.gov.za>; Luvuyo Mditsheva <mailto:lmitsheva@knysna.gov.za>; 'phumani.zondi@gmail.com' <mailto:phumani.zondi@gmail.com>; Louis Siemens <louis@manco.co.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hi Odwa
The meeting with the beneficiaries will be held at the Chris Hani Community hall. (18:00)

Site meeting will be held on site (14:00)

Thanks

Mawethu Penxa  Manager: Integrated Human Settlements
P O Box 21. Knysna. 6570. Western Cape. South Africa
Tel: +27 (0)44 302 6301 (switchboard) or +27 (0)44 302 6347 (direct)
e-mail mpenxa@knysna.gov.za

From: Odwa Diliz [mailto:odwd@hspinc.co.za]
Sent: 26 February 2018 11:59
To: Mawethu Penxa <mpenxa@knysna.gov.za>
Cc: Mncedisi Skosana <mskosana@knysna.gov.za>; Theo Walli <twalli@knysna.gov.za>; Luvuyo Mditchwa <lditchwa@knysna.gov.za>; 'phumani.zondi@gmail.com' <phumani.zondi@gmail.com>; Louis Siens <louis@manco.co.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hi Mr. Penxa

The 7th of March is suitable.

Please give us information with regard to the venue.

Kind regards

ODWA DILIZO
Property Manager
The MAJIV

Tel: +27 31 266 7751
Fax: +27 86 714 4689
Cell: +27 72 157 1371
Email: odwd@hspinc.co.za

From: Mawethu Penxa [mailto:mpenxa@knysna.gov.za]
Sent: Monday, February 26, 2018 11:21 AM
To: Odwa Diliz [mailto:odwd@hspinc.co.za]
Cc: Mncedisi Skosana <mskosana@knysna.gov.za>; Theo Walli <twalli@knysna.gov.za>; Luvuyo Mditchwa <lditchwa@knysna.gov.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies
Morning Odwa

The Councillor requests that we hold the meeting on 7/2/2018.

Regards

Mawethu Penxa  Manager: Integrated Human Settlements
P O Box 21, Knysna, 6670, Western Cape, South Africa
Tel +27 (0)44 302 6301 (switchboard) or +27 (0)44 302 6347 (direct)
e-mail mpenxa@knysna.gov.za

From: Mawethu Penxa
Sent: 26 February 2018 07:57
To: ‘Odwa Dilizo’ <odwad@hsinc.co.za>
Cc: Mncedisi Skosana <mskosana@knysna.gov.za>; Theo Wali <twali@knysna.gov.za>; Luvuyo Mditssha
<lmmditssha@knysna.gov.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Morning Odwa

Let us meet on Tuesday, 6 March 2018 at 18:00.

I have also copied the ward Councillor.

Regards

Mawethu

From: Odwa Dilizo [mailto:odwad@hsinc.co.za]
Sent: 25 February 2018 20:00
To: Mawethu Penxa <mpenza@knysna.gov.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Hello Mhlekazi

My email below dated 17 February has reference.

I just want to confirm whether or not you are available on the 1st and 2nd of March or should we propose other dates?

Kind regards
INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
15 OCTOBER 2020

ODWA DILIZO
Property Manager
The MAJV
Tel: +27 31 266 7751
Fax: +27 86 714 4689
Cell: +27 72 157 1371
Email: odwad@hspinc.co.za

From: Odwa Dillizo
Sent: Saturday, February 17, 2018 1:04 PM
To: 'Mawethu Penxa' <mpenxa@knysna.gov.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Mhlekazi

How is the 1st and 2nd of March?

Kind regards

ODWA DILIZO
Property Manager
The MAJV
Tel: +27 31 266 7751
Fax: +27 86 714 4689
Cell: +27 72 157 1371
Email: odwad@hspinc.co.za

From: Mawethu Penxa <mpenxa@knysna.gov.za>
Sent: Wednesday, February 14, 2018 11:27 AM
To: Odwa Dillizo <odwad@hspinc.co.za>
Subject: RE: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Morning Odwa
Please propose two dates preferably in the week of the 26th.

Regards

From: Odwa Dilizo [mailto:odwad@hspinc.co.za]
Sent: 14 February 2018 10:49
To: Mawethu Penxa <mpenxa@knysna.gov.za>
Subject: P7072: Request for an urgent meeting with regard to the informal settlement in and around the road reserve in Nekkies

Importance: High

Hi Mr. Penxa

I hope you are well.

I just want to touch base and agree on dates for the proposed meetings in Nekkies.

On my side I will also bring a surveyor and a facilitator we use when dealing with communities.

Kind regards

ODWA DILIZO
Property Manager
The MAJV

Tel: +27 31 266 7751
Fax: +27 86 714 4689
Cell: +27 72 157 1371
Email: odwad@hspinc.co.za

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# Back to the Office Report

**MEETING**  
Upgrade of Nekkies interchange and relocation of structures on road reserve

**DATE**  
25/10/2019

**VENUE**  
Krysna Community Services Boardroom

**KEY AGENDA POINTS**  
Upgrade of Nekkies interchange and relocation of structures on road reserve

**KEY RESOLUTIONS AND OUTCOMES**

1. **SANRAL** wants to realise upgrading of the Nekkies Interchange – KM previously approved temporary relocation; area declared top 10 dangerous roads in the WC, about 60 and 50 – 110 shacks; SANRAL action plan, formal letter indicating previous undertaking by KM which has not come to fruition, KM to respond to previous relocation proposals.

2. **Phumiani (HDA)** to work cooperatively with KM and SANRAL – initiate and present to WCDoHS; KM to invite HDA and SANRAL to the TMT on 4/11/2019 to present the above.

3. **Bi-monthly meetings** between the three parties to be held continuously, HDA to work with the KM HIS around the prepackaging/feasibilities, etc.

4. **Heida Vallei** – pursue possible support with SANRAL and HAD

5. **HDA** to also reflect on previous vain processes for optimal use of
<table>
<thead>
<tr>
<th>inner City/suburban Municipal land exercises and studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANRAL will send a formal summation on the previous undertaking and HDA will confirm potential meetings with the WCDoHS DURING MID November 2019.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REQUIRED DEPARTMENTAL ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDA, conduct a site inspection on the proposed TRA.</td>
</tr>
<tr>
<td>Social facilitator to engage the community and establish willing to absorb the technology.</td>
</tr>
<tr>
<td>HDA and SANRAL to present to the Knysna TMT (Top Management)</td>
</tr>
</tbody>
</table>

| COMMENTS | N/A |
INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
15 OCTOBER 2020

NEKKIES WORK PLAN BETWEEN SANRAL, HDA AND KM

<table>
<thead>
<tr>
<th>No.</th>
<th>Task</th>
<th>Status</th>
<th>Objective</th>
<th>Responsibility</th>
<th>Timelines</th>
<th>Time Frames</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Identification of structures to be relocated for roundabout to be constructed;</td>
<td>Completed</td>
<td>To relocate families whose illegal structures are standing in the way of construction</td>
<td>SANRAL (MAJU)</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Provision of 40 sites in the temporary relocation site</td>
<td>Completed</td>
<td>KM</td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Provision of basic services to temporary relocation site</td>
<td>Completed</td>
<td>KM</td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Identification of a PID</td>
<td>To Be Completed (TBC)</td>
<td>To engage with affected families and facilitate the relocation process</td>
<td>KM</td>
<td>25 working days</td>
<td>06.01.2020 – 07.02.2020</td>
</tr>
<tr>
<td>5.</td>
<td>Appointment and Compensation of PID</td>
<td>TBC</td>
<td>Formalisation of appointment, instruction and duration of appointment of PID</td>
<td>KM and SANRAL, SANRAL to pay cost of PID</td>
<td>10 working days</td>
<td>10.02.2020 – 21.02.2020</td>
</tr>
<tr>
<td>6.</td>
<td>Meetings with affected individuals and families</td>
<td>TBC</td>
<td>To inform families of proposed relocation to TRS</td>
<td>PID, KM and HDA</td>
<td>30 working days</td>
<td>34.02.2020 – 31.03.2020</td>
</tr>
<tr>
<td>7.</td>
<td>Reporting on engagements with individuals and community</td>
<td>TBC</td>
<td>Planning purposes</td>
<td>PID</td>
<td></td>
<td>10.02.2020 – 31.07.2020</td>
</tr>
<tr>
<td>8.</td>
<td>Sourcing of service providers to quote for the provision of temporary structures</td>
<td>TBC</td>
<td>To use local suppliers</td>
<td>KM and HDA</td>
<td>15 working days</td>
<td>13.01.2020 – 31.01.2020</td>
</tr>
<tr>
<td>9.</td>
<td>Submission of quotations to SANRAL</td>
<td>TBC</td>
<td>To determine costs of temporary structures</td>
<td>KM</td>
<td>5 working days</td>
<td>03.02.2020 – 07.02.2020</td>
</tr>
<tr>
<td>10.</td>
<td>Consideration of quotations and approval of budget</td>
<td>TBC</td>
<td>SANRAL to consider cost internally and SANRAL and HDA</td>
<td></td>
<td>25 working days</td>
<td>10.02.2020 – 13.03.2020</td>
</tr>
</tbody>
</table>

NEKKIES WORK PLAN BETWEEN SANRAL, HDA AND KM

<table>
<thead>
<tr>
<th>No.</th>
<th>Task</th>
<th>Status</th>
<th>Objective</th>
<th>Responsibility</th>
<th>Timelines</th>
<th>Time Frames</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.</td>
<td>Submission of memo to HDA for provision of funds</td>
<td>TBC</td>
<td>For HDA to source funds for temporary structures</td>
<td>SANRAL</td>
<td></td>
<td>16.03.2020</td>
</tr>
<tr>
<td>12.</td>
<td>Provision of funds, adjudication of quotations and appointment of service provider</td>
<td>TBC</td>
<td>Appointment and payment of service provider for temporary structures</td>
<td>HDA</td>
<td>37 working days</td>
<td>17.03.2020 – 30.04.2020</td>
</tr>
<tr>
<td>13.</td>
<td>Preparation of relocation agreements and entering into relocation agreements with affected people</td>
<td>TBC</td>
<td>To protect parties involved by ensuring that arrangements with affected people are entered into</td>
<td>KM</td>
<td>56 working days</td>
<td>01.05.2020 – 30.06.2020</td>
</tr>
<tr>
<td>14.</td>
<td>Management and supervision of service provider</td>
<td>TBC</td>
<td>To ensure that the work is done correctly</td>
<td>HDA with support from KM, PID</td>
<td></td>
<td>30.04.2020 – 19.06.2020</td>
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<td>TBC</td>
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## NEKKIES WORK PLAN BETWEEN SANRAL, HDA AND KM

<table>
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<tr>
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<th>Task Description</th>
<th>Responsible Party</th>
<th>Timeframe</th>
</tr>
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<tbody>
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<td>18.</td>
<td>Demolition of old structures and clearing of old structures</td>
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<td>To ensure availability of land for construction purposes. HDA and KM Clear site as people relocate 12.06.2020 – 19.06.2020</td>
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<td>19.</td>
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<td>Fencing of Road Reserve</td>
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<td>SANRAL As relocations commence 19.06.2020</td>
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<td>21.</td>
<td>SANRAL commences internal process for design and construction of “roundabout”</td>
<td>TBC</td>
<td>Construction of the Nekkies “roundabout” SANRAL 6 months 22.06.2020 – 11.12.2020</td>
</tr>
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<td>For SANRAL to reimburse HDA for cost of provision of temporary relocation structures HDA 30.06.2020</td>
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<td>23.</td>
<td>SANRAL to reimburse HDA for securing funds related to the provision of temporary relocation structures</td>
<td>TBC</td>
<td>SANRAL 30 days after approval of project 29.01.2021</td>
</tr>
<tr>
<td>24.</td>
<td>Overall project co-ordination</td>
<td>TBC</td>
<td>Aligning tasks and ensuring that tasks are performed as agreed HDA Duration of project 06.01.2020 – 30.06.2020</td>
</tr>
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</table>
IMPLEMENTATION PROTOCOL

ENTERED INTO BY AND BETWEEN

THE SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LIMITED

Registration Number 1998/09684/30
(hereinafter referred to as “SANRAL”)

AND

THE DEPARTMENT OF AGRICULTURE LAND REFORM AND RURAL DEVELOPMENT

[Insert Authorised Signatory Name]
(hereinafter referred to as “DALRRD”)
Jointly referred to as “the Parties”

ON THE TRANSFER OF LAND OWNED BY DALRRD THAT VESTS IN SANRAL IN TERMS OF SECTION 7 OF THE SANRAL ACT AND THE TRANSFER OF LAND THAT IS OWNED BY DALRRD THAT IS ACQUIRED BY SANRAL FOR NATIONAL ROAD PURPOSES.
PREAMBLE

The Parties:

a) Having regard to the principles of co-operative government and inter-governmental relations contemplated in section 41(1) of the Constitution requires that all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith by fostering friendly relations; assisting and supporting one another; co-ordinating their actions and legislation with one another; adhering to agreed procedures; and avoiding legal proceedings against one another.

b) Acknowledging that organs of state may enter into an implementation protocol in terms of section 35(1) of the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) ("IRFA"), if the implementation of a policy, the exercise of a statutory power, the performance of a statutory function or the provision of a service, depends on the participation of organs of state in different governments who must co-ordinate their actions;

c) Recognising the urgent need for the Nekkies Interchange to be upgraded since it has been identified as one of the top 10 most hazardous locations by the Western Cape Government: Department of Transport and Public Works;

d) And Recognising that the proposed upgrade involves the relocation of illegal occupants who currently occupy the Site and who need to be relocated to the Temporary Relocation Site prior to any construction taking place;

e) And Recognising that the Knysna Municipality does not have budget to accommodate the people who currently occupy the Site into a housing project or to provide alternative housing for them;

f) And Recognising that SANRAL cannot approve a road construction project without access to land as it could lead to standing time claims by the contractor resulting to unnecessary expenses and delays to construction;

g) And Recognising that HDA is able to source funding and finance the proposed relocation of the illegal occupants to the Temporary Relocation Site subject to reimbursement by SANRAL once the site has been cleared, secured and a project to construct the proposed interchange is approved by SANRAL;
h) And Recognising that the relocation of illegal occupiers to the Temporary Relocation Site is a temporary solution to enable the upgrade of the Nekkies Interchange to take place and that Knysna Municipality shall be responsible for the relocation of the illegal occupiers from the Temporary Relocation Site to more permanent place in accordance with their plans and programme that other Parties to this Protocol have no influence or control over.

i) Desiring to enter into an implementation protocol to co-ordinate the actions of each other to realise the objectives of this Protocol.

THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION AND DEFINITIONS

In this Agreement, unless the context indicates otherwise the following expressions will bear the meanings assigned to them –

“The HDA” means the Housing Development Agency established in terms of section 3 of the Housing Development Agency Act, 23 of 2008;

“Knysna Municipality” means the local municipality of Knysna town,.....

“Nekkies Interchange” means an interchange in Knysna in an area known as Nekkies that is subject to the proposed interchange;

“the Project” means the construction of an upgraded Nekkies Interchange by SANRAL.


“the Site” means the area that is illegally occupied in and around the current Nekkies Interchange (see attached plan showing the proposed upgrade and affected structures marked annexure “A”).
“the Temporary Relocation Site” shall mean the site provided by Knysna Municipality where identified families illegally occupying the road reserve shall be relocated to (see attached plan marked “B”).

2. PURPOSE OF THE PROTOCOL

2.1. The aims of this Protocol are to:

2.1.1. Assist the Parties in coordinating their actions, determining their duties, obligations and functions whilst availing resources to facilitate and implement the relocation of illegal occupiers in and around the Nekkies Interchange to the Temporary Relocation Site so that SANRAL has undisturbed vacant access to the land that is required for the upgrade of the Nekkies Interchange.

2.1.2. To manage the relocation process in a dignified manner that involves engagement and participation of persons to be relocated.

2.1.3. To co-ordinate the process of relocation of individuals to the Temporary Relocation Site in a manner that will ensure that the national road reserve is protected to prevent further invasion and to ensure that land is available for the proposed upgrade of the Nekkies Interchange to take place.

2.2. The objectives of this Protocol are to:

2.2.1. Relocate illegal occupiers in and around the Nekkies to the Temporary Relocation Site;

2.2.2. To make sure SANRAL has vacant and undisturbed access to the land required for the upgrade of the Nekkies Interchange;

2.3. The Parties agree to act in common pursuit of the aims and objectives which shall be implemented by ensuring:

2.3.1. the coordination of functions, duties and activities to meet the said aims and objections;
2.3.2. Coordination and working together of the Parties during the facilitation, negotiation and relocation stages as well as during the securing of the road reserve to enable construction stage;

3. ROLES AND RESPONSIBILITIES

3.1. The principal concerning this Protocol is SANRAL, the roles and responsibilities of SANRAL are:

3.1.1. To appoint and remunerate a Project Liaising Officer (“PLO”) for a duration of 3 (three) months.

3.1.2. To provide transport services, using suppliers within Knysna Municipality’s area of jurisdiction, for people who have illegally occupied the Site to an agreed venue for community meetings held specifically to engage, inform and negotiate with them to relocate to the Temporary Relocation Site;

3.1.3. To provide transport for the illegal occupiers’ furniture to be taken to the Temporary Relocation Site;

3.1.4. To make provision for an access road to the Temporary Relocation Site to enable taxis to drop off and pick up commuters from the area;

3.1.5. To fence and protect the national road reserve as it is being cleared to ensure no further illegal occupations take place;

3.1.6. To manage and ensure the Nekkies Interchange is upgraded within a reasonable time after the national road reserve has been cleared.

3.1.7. To receive and consider estimated costs and expenses from HDA for the acquisition, delivery and assembly of Wendy houses.

3.1.8. To provide HDA with an estimated time frame for the Project to be approved after the Site has been cleared;

3.1.9. To reimburse HDA for the cost incurred for the acquisition, delivery and assembly of Wendy houses to the Temporary Relocation Site once the national road reserve has been cleared and a project is in place to construct the Nekkies Interchange.
3.2. the roles and responsibilities of Knysna Municipality are to:

3.2.1. To identify and recommend a suitable PLO to be appointed by SANRAL;
3.2.2. To ensure that the PLO works with constant reliable support of the Municipality;
3.2.3. To assist SANRAL and HDA with access to local suppliers and SMMEs that may be required to render services in relocation process and activities from time to time;
3.2.4. To manage community meetings and facilitate engagements between the Parties and the illegal occupiers;
3.2.5. To advise the Parties on the dynamics on the ground and possible risks;
3.2.6. To make the Temporary Relocation Site available for the relocation of identified illegal occupiers from and around the Nekkies Interchange;
3.2.7. To facilitate the relocation of individuals, families and their furniture to the Temporary Relocation Site;
3.2.8. To be responsible for the management and running of the Temporary Relocation Site once the illegal occupiers have been relocated to the site;
3.2.9. To take possession and control of the Wendy houses once they have been delivered and constructed on the Temporary Relocation Site.

3.3. the roles and responsibilities of HDA are to:

3.3.1. To provide the initial funding required for temporary structures (i.e Wendy houses) required to accommodate people relocated from the Site to the Temporary Relocation Site;
3.3.2. To provide SANRAL with the projected costs for the Wendy houses for consideration and approval of estimated expenditure prior to acquiring the said structures;
3.3.3. To provide SANRAL with the final cost of the acquisition, delivery and assembly of the Wendy houses for reimbursement by SANRAL once a project to upgrade the Nekkies Interchange has been approved;
3.3.4. To engage Knysna Municipality and make use of suppliers within the Knysna Municipality’s jurisdiction when acquiring Wendy houses;
3.3.5. To provide support and advisory services to the Parties during the whole relocation process from the initial community engagement to the relocation and clearing of the national road reserve;
3.3.6. To facilitate the handover of the temporary structures to Knysna Municipality.

4. WORKPLANS

4.1. The Forum shall adopt a Workplan, which shall be supplemented by individual Workplans of the Parties (see attached work plan marked “C”).

5. GOOD FAITH AND REASONABLENESS

5.1. In their dealings with each other for the purposes of this Protocol, the Parties:

5.1.1. Undertake to act in good faith and reasonably; and
5.1.2. Warrant that they shall not do anything that might prejudice or detract from the powers or functions of each other.

5.2. This Protocol does not limit any statutory powers or functions of the Parties.

6. COMMUNICATION

6.1. The Parties undertake to communicate the contents of this Protocol to their colleagues, employees, agents, representatives and/or any other necessary person who, in the course and scope of their responsibilities, may need to be aware of the contents.

7. COMMENCEMENT AND DURATION

7.1. The Protocol commences upon the signature of all the Parties and remains in place until cancelled in writing by any of the Parties or their successors in law.

8. DISPUTE SETTLEMENT

8.1. In the event of a dispute arising out of this Protocol the Parties may refer the dispute for resolution as contemplated in the IRFA.

9. DOMICILIUM AND NOTICES
9.1. The Parties choose their *domicilium citandi et executandi* for all purposes arising from this agreement, as follows:

**SANRAL:** XXXX

**HDA:** XXXX  
Knysna Municipality: XXXX

9.2. Either party, upon written notice to the other party, may vary its physical address or facsimile number, to any other physical address or facsimile number, within the Republic of South Africa.

9.3. Any notice given by either party to the other party, which—

9.3.1. is delivered by hand during the normal business hours of the addressee at the addressee’s *domicilium* will be deemed to have been received by the addressee at the time of delivery;

9.3.2. is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee’s *domicilium* will be deemed to have been received by the addressee on the seventh day after the date of posting; and

9.3.3. is sent by facsimile during the normal business hours of the addressee to the addressee’s *domicilium* will be deemed to have been received on the date and time of successful transmission thereof.

10. **GENERAL**

10.1. This agreement, together with its annexures, constitutes the sole record of the agreement between the parties, and neither party will be bound by any representation, express or implied term or promise not recorded herein, or reduced to writing and signed by both parties.

10.2. No variation, modification, addition, alteration, erasure or abandonment of any clause of this agreement or consent to deviation from the agreement will be valid unless such variation, modification, addition, alteration, erasure or abandonment of
any clause of this agreement or consent to deviation is recorded in writing and signed by both parties.

10.3. Each clause of this agreement is severable from each of the other clauses and if any clause in this agreement is found to be void, invalid or unenforceable for any reason, the remaining clauses will remain in full force and effect.

10.4. The provisions of this agreement are binding upon the successors-in-title of the parties, and the rights and obligations of each party arising out of or pursuant to this agreement will devolve upon and bind its successors-in-title.

11. Legal Certification

To the best of my knowledge, this Protocol adheres to acceptable legal rules and is consistent with the exercise of statutory powers or the performance of statutory functions of the Parties to this Protocol.

This Protocol is hereby certified and signed by ...........................................of the SANRAL, in his /her capacity as the ........................................... (having been duly authorised thereto) at ................................. On this ............ day of ................................. 20 ......

.............................................

NAME:......................................

SANRAL
To the best of my knowledge, this Protocol adheres to acceptable legal rules and is consistent with the exercise of statutory powers or the performance of statutory functions of the Parties to this Protocol.

This Protocol is hereby certified and signed by ..................................................... of the HDA, in his /her capacity as the ..................................................... (having been duly authorised thereto) at ..................................................... On this ............ day of ..................................................... 20 ......

.....................................................
NAME:.....................................................
HDA

To the best of my knowledge, this Protocol adheres to acceptable legal rules and is consistent with the exercise of statutory powers or the performance of statutory functions of the Parties to this Protocol.

This Protocol is hereby certified and signed by ..................................................... of the Knysna Municipality, in his /her capacity as the ..................................................... (having been duly authorised thereto) at ..................................................... On this ...... day of ..................................................... 20 ......

.....................................................
NAME:.....................................................
Knysna Municipality
INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
15 OCTOBER 2020

SIGNED AT XXXXXXX ON THIS ___ DAY OF ___________

AS WITNESSES

XXXXXXXX
WITNESS 1
MSUNDUZI
WITNESS 2

SIGNED AT XXXXX ON THIS ___ DAY OF ___________

XXXXXXXX
WITNESS 1
HUMAN SETTLEMENTS
WITNESS 2
## Agenda

**INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING**

**AGENDA**

**15 OCTOBER 2020**

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**NEKKIES WORK PLAN BETWEEN SANRAL, HDA AND KM**

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<th>NO.</th>
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<th>STATUS</th>
<th>Objective</th>
<th>RESPONSIBILITY</th>
<th>TIMELINES</th>
<th>TIME FRAMES</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Identification of structures to be relocated for roundabout to be constructed;</td>
<td>Completed</td>
<td>To relocate families whose illegal structures are standing in the way of construction</td>
<td>SANRAL, (MA/U)</td>
<td>Completed</td>
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<tr>
<td>2.</td>
<td>Provision of 40 sites in the temporary relocation site</td>
<td>Completed</td>
<td>KM</td>
<td>Completed</td>
<td></td>
<td></td>
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<tr>
<td>3.</td>
<td>Provision of basic services to temporary relocation site</td>
<td>Completed</td>
<td>KM</td>
<td>Completed</td>
<td></td>
<td></td>
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<tr>
<td>4.</td>
<td>Identification of a PLO</td>
<td>To Be Completed (TBC)</td>
<td>To engage with affected families and facilitate the relocation process</td>
<td>KM</td>
<td>25 working days</td>
<td>06.01.2020 – 07.02.2020</td>
</tr>
<tr>
<td>5.</td>
<td>Appointment and Compensation of PLO</td>
<td>TBC</td>
<td>Formalisation of appointment, instruction and duration of appointment of PLO</td>
<td>KM and SANRAL (SANRAL to pay cost of PLO)</td>
<td>10 working days</td>
<td>10.02.2020 – 21.02.2020</td>
</tr>
<tr>
<td>6.</td>
<td>Meetings with affected individuals and families</td>
<td>TBC</td>
<td>To inform families of proposed relocation &amp; TRS</td>
<td>PLO, KM and HDA</td>
<td>30 working days</td>
<td>34.02.2020 – 31.03.2020</td>
</tr>
<tr>
<td>7.</td>
<td>Reporting on engagements with individuals and community</td>
<td>TBC</td>
<td>Planning purposes</td>
<td>PLO</td>
<td>10.02.2020 – 31.07.2020</td>
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<tr>
<td>8.</td>
<td>Sourcing of service providers to quote for the provision of temporary structures</td>
<td>TBC</td>
<td>To use local suppliers</td>
<td>KM and HDA</td>
<td>15 working days</td>
<td>13.01.2020 – 31.01.2020</td>
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<tr>
<td>9.</td>
<td>Submission of quotations to SANRAL</td>
<td>TBC</td>
<td>To determine costs of temporary structures</td>
<td>KM</td>
<td>5 working days</td>
<td>03.02.2020 – 07.02.2020</td>
</tr>
<tr>
<td>10.</td>
<td>Consideration of quotations and approval of budget</td>
<td>TBC</td>
<td>SANRAL to consider cost internally and SANRAL and HDA</td>
<td>SANRAL and HDA</td>
<td>25 working days</td>
<td>10.02.2020 – 13.04.2020</td>
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<th>Timelines</th>
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<tr>
<td>11.</td>
<td>Submission of memo to HDA for provision of funds</td>
<td>TBC</td>
<td>For HDA to source funds for temporary structures</td>
<td>SANRAL</td>
<td>16.03.2020</td>
<td></td>
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<tr>
<td>12.</td>
<td>Provision of funds, adjudication of quotations and appointment of service provider</td>
<td>TBC</td>
<td>Appointment and payment of service provider for temporary structures</td>
<td>HDA</td>
<td>37 working days</td>
<td>17.03.2020 – 30.04.2020</td>
</tr>
<tr>
<td>13.</td>
<td>Preparation of relocation agreements and entering into relocation agreements with affected people</td>
<td>TBC</td>
<td>To protect parties involved by ensuring that agreements with affected people are entered into</td>
<td>KM</td>
<td>56 working days</td>
<td>01.05.2020 – 30.06.2020</td>
</tr>
<tr>
<td>14.</td>
<td>Management and supervision of service provider</td>
<td>TBC</td>
<td>To ensure that the work is done correctly</td>
<td>HDA with support from KM, PLO</td>
<td>30.06.2020 – 19.06.2020</td>
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<td>Give effect to the relocation process (To be funded by SANRAL)</td>
<td>PLO and HDA</td>
<td>Immediately on completion</td>
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INTEGRATED HUMAN SETTLEMENTS COMMITTEE MEETING
AGENDA
15 OCTOBER 2020

NEKKIES WORK PLAN BETWEEN SANRAL, HDA AND KM

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Meeting: SANRAL
Date: 22/1/2020
Time: 14:00
Venue: KNYSNA MUNICIPAL COMMITTEE ROOM

ATTENDANCE REGISTER

<table>
<thead>
<tr>
<th>Name &amp; Surname</th>
<th>Institution &amp; Designation</th>
<th>Telephone Number &amp; E-mail Address</th>
<th>Signature</th>
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<tbody>
<tr>
<td>Matthys Penna</td>
<td>Houses Dept.</td>
<td>072 786 6776</td>
<td>Ate Saba</td>
</tr>
<tr>
<td>Modene Rogers</td>
<td>Director Planning &amp; Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erol de Reede</td>
<td>Project Engineer SANRAL</td>
<td><a href="mailto:dyers@sanral.co.za">dyers@sanral.co.za</a></td>
<td>Myla</td>
</tr>
<tr>
<td>Johan Nel</td>
<td>Roads and Infrastructure Manager</td>
<td><a href="mailto:johanne@sanral.co.za">johanne@sanral.co.za</a></td>
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<tr>
<td>SHAWN DYERS</td>
<td>SANRAL</td>
<td><a href="mailto:dyers@sanral.co.za">dyers@sanral.co.za</a></td>
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</table>
| Peter Hoffman | Matso for SAAR | hoff@hp.co.za | Ate }
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Attendance</th>
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<tbody>
<tr>
<td>S. S. Smith</td>
<td>MOSA for SANCAP</td>
<td>Present</td>
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Collab. Ref.: 17/4/R
File Ref.: 17/4/R
Enquiries: J Mqunqwana

2020-01-21

The Head of Department
Department of Human Settlements
Private Bag X9083
CAPE TOWN
8000

ATTENTION: DAVID ALI

Dear Sir,

FORMAL APPLICATION – PROFILING OF BACKYARD AND INFORMAL SETTLEMENTS DWELLERS AS WELL AS DEVELOPMENT OF CONTAINERISED FACILITIES FOR TEMPORARY RELOCATION AREAS

It is a well-established and known fact that Knysna has had a sudden surge of informal settlement growth and backyard informal dwellers that has combined to make it the third highest growth area for informal settlements in the Western Cape Region. Currently we sit with a growing backlog of 9 590 households on our waiting list database mechanism which has continued to hamstring our ability to respond comprehensively to this growing challenge.

We have experienced a lot of in migration and mobilization from other areas into Knysna Municipal areas targeting mostly the White Location, Concordia and the rest of Northern Areas mostly. The Northern Areas have highest growth of informal settlements and significant densities with limited land that has historical challenges relative to slippery soil, topography that is not conducive and slopes, wetlands, dunes, etc., which have challenged for long term settlement requiring geotech studies and reinforcement of the soil conditions at huge costs to the municipality.

We have been forced to prevent high incidents of unlawful occupations using the Red Anis and our Law Enforcement authorities at huge costs to the Municipality, which has proven to be a significant challenge to sustain given our limited resources. Recently we have developed a comprehensive Integrated Human Settlements Strategic Plan with a view to build coherent partnerships and
confidence in dealing with the housing challenges we have historically and presently been forced to deal with.

Given your office’ continued support over the years for our Human Settlements Development Grant linked typography based housing programmes/projects, we are now appealing to your office to consider the following programme interventions linked to your UISP programmes for specific informal settlements areas, namely:

1. Appointment of service providers from your database of service providers to undertake surveying, enumeration and profiling of targeted informal settlements in the Northern Areas of the Greater Knysna Municipality;
2. The targeted areas in this regard to be the following informal settlements located in Rheenendaal, Flenters, Damse Bos Hornlee (Backyard communities and Nekkies);
3. UISP funding for the development of Containerized form of TRAs and receiving facilities for migrating households which will encourage land use optimization of the targeted areas given the reality of limited land in Knysna;
4. Development of a decanting and relocation strategy to alternative areas as well as linked strategic land acquisition programme to service these projects; and
5. Project management capacity to coordinate this significant exercise as well as sustainable implementation of the different sets of projects linked to afore-mentioned interventions.

It should also be noted due to old or non-existing bulk infrastructure in the areas concerned by virtue of the informal settlements’ locality, that these pilot facilities are being planned to have elements of cost savings through alternative scutions for bulk electricity, communal, toilets water and sanitation services. To this end, we are looking at solar energy potential solutions with our Technical Services already pursuing such a provision with the Department of Energy.

We are open to having further engagements with your office to further expand on the proposed interventions highlighted in this motivation. Should you have any further queries, please contact my office on telephone number 044 302 6347 or via email address: directorlhs@knysna.gov.za.

We look forward to hearing from your office in this regard.

Yours faithfully

JOEL MKUNQWANA
DIRECTOR: INTEGRATED HUMAN SETTLEMENTS
8. CLOSURE

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