

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 22 MARCH 2022

COMMITTEE REPORT

Report of the Standing Committee on Human Settlements on the Annual Reports of the Department of Human Settlements and its Entity the Western Cape Rental Housing Tribunal for the 2020/21 financial year.

The Standing Committee on Human Settlements, having deliberated on the Annual Reports of the Department of Human Settlements and its Entity the Western Cape Rental Housing Tribunal for the 2019/20 financial year, reports as follows:

1. Introduction

The Annual Reports of the Department of Human Settlements (the Department) and the Western Cape Rental Housing Tribunal (the Tribunal) for the financial year ended 31 March 2021.

As part of its oversight function, the Standing Committee on Human Settlements (the Committee) considered the Annual Reports of the Department and the Tribunal on 2 February 2022. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition hereto, it accounts for the success of each programme that was implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides the standing committees with the mandate to consider departmental Annual Reports submitted in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2020/21 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management.

The Minister for Human Settlements was afforded the opportunity to provide an overview of the key issues of the Reports.

2. Western Cape Rental Housing Tribunal

Mr Cloete the Chairperson of the Tribunal in his overview informed the Committee that the current financial year marks the Tribunal's 20th anniversary. He advised that since the Tribunal's inception it has resolved more than 35 000 disputes. However, challenges brought about by the COVID-19 pandemic only allowed for telephonic enquires for the first six weeks of the nationwide lockdown period. The Department continued to provide essential services in terms of investigations, mediations and hearings on a virtual platform and telephonic basis thereafter.

The Committee, having received the referral of the 2020/21 Annual Report of the Western Cape Rental Housing Tribunal as required in terms of section 12(3) of the Rental Housing Act, 1999 (Act, 50 of 1999), proceeded to discuss the Report.

2.2 The Committee afforded the Tribunal management the opportunity to provide input on the Report by briefing it on the following:

2.2.1 Backlogged cases

The Tribunal recorded approximately 1 944 cases on its database for the 2020/21 financial year. Backlogged cases older than 90 days were reduced by 898 by the end of March 2021. The reduction was due to dual hearing sessions that were held upon Minister Simmer's request.

2.2.2 Complaints lodged

For the year under review the Tribunal attended to 1 516 queries from members of the public which is a reduced amount from the 2019/20 queries which amounted to 3 266. Captured cases decreased from 3 180 to 1 944 for the 2020/21 financial year. The complaints lodged were regarding:

- Failure to refund deposits;
- Unlawful notices;
- Failure to vacate;
- Failure to pay rental;
- Failure to provide municipal services;
- Failure to provide maintenance; and
- Unlawful evictions.

2.2.3 Warrants of execution

A total of 37 warrants of execution to the value of R 1 357 408,21 were issued in the 2020/21 financial year. The total number of warrants executed have reduced considerably since the previous two financial years. A total of 55 warrants were executed in the 2018/19 financial year and 44 were executed in the 2019/20 financial year.

2.2.4 Hearings conducted

The Tribunal held 635 scheduled hearings for the year under review. A total of 195 cases were postponed and 22 cases were settled by the parties concerned. The Tribunal issued 329 rulings and only 16 default rulings were recorded. A total of 47 cases were closed and 12 cases were withdrawn.

2.2.5 Spoliations

The aim of spoliation is to prevent parties from taking the law into their own hands. Tribunal members have availed themselves to hearing spoliation applications earlier in the morning to assist tenants who are faced with these challenges. The number of spoliation applications have remained constant at 41 per annum. A total of two interim rulings were made, 32 final rulings were issued and 7 applications were withdrawn.

2.3 Concerns

The Committee noted the following concerns:

- 2.3.1 There was a reduction in the number of cases that were heard by the Tribunal for the year under review as opposed to previous financial years.
- 2.3.2 Concern was raised regarding how the vacancies in the Tribunal staffing component affects its output.
- 2.3.3 The telephone usage cost had escalated during the COVID-19 lockdown period.

3. Department of Human Settlements

The Minister for Human Settlements and the Head of Department was afforded the opportunity to provide introductory remarks of the key issues of the Report.

Minister Simmers in his overview advised the Committee that the Department received a budget of R 2 426 787. He advised that R2 380 607 was spent in the 2020/21 financial year amidst challenges brought on by the COVID-19 pandemic and a drastically reduced Human Settlements Development Grant to achieve the following outcomes:

- Improved efficiencies;
- Liveable neighbourhoods;
- Access to adequate housing and empowerment opportunities for citizens off the Western Cape; and
- Security of tenure through home ownership.

Monthly engagements are held with the municipalities to improve on their Information and Communications Technologies (ICT) systems. Task teams were set up to identify challenges at municipal level and outreach programmes were held with communities.

Two affordable housing pilot projects will be implemented by the Department namely the delinking of the Finance Linked Individual Subsidy Programme (FLISP) and the deferred ownership programme. FLISP programmes will now include other funding sources as opposed to being the mortgage option only and rent to own/buy schemes will be made available to qualifying beneficiaries.

3.1 Title deeds

The Department indicated that 6 352 title deeds have been handed over against a target of 8 110. A total of 2 642 new title deeds were registered (post-2014), 3 598 title deeds have been registered to eradicate pre-2014 backlog and 112 title deeds have been transferred to qualifying beneficiaries. Providing title deeds to beneficiaries is deemed to be problematic. The Department indicated that the underperformance of the number of title deeds registered for new (post-2014) is attributed to the limited availability of deeds information from the Deeds Office during the year under review.

3.2 Policy and research

One Research paper, one policy and one policy guideline was completed and approved by the Department for the 2020/21 financial year.

The Department developed its first Sustainable Building Technology (SBT) policy which focuses on innovate approaches to the construction of buildings. The objective for utilising the SBT is to reduce the environmental impact of the developments undertaken by the Department and the municipalities and to improve on the social and financial benefits of the end-users. A Tender Evaluation checklist was created in conjunction with the SBT policy to assist the Department's procurement unit to evaluate the sustainability of the technologies proposed by contactors when they submit their tender proposals.

The Finance Linked Individual Subsidy Programme (FLISP) option was reviewed to ascertain the feasibility of amending the original subsidy option to include FLISP subsidies that can be provided to persons who qualify for loans as opposed to mortgages. Through this research, numerous concerns could be addressed under the Expanded FLISP, which would provide for e.g. subsidy leakage, housing quality, access by the public and loan affordability.

3.3 Financial environment

During the year under review the Department experienced budget cuts due to funding being moved to other government priorities. Targets were reduced to accommodate the shortfall resultant from budget cuts. The Department recorded an underspending of R70 800 million on its Provincial Emergency Housing Grant earmarked for households as appropriated in February 2021. The delay was construed to be caused by outstanding planning approvals.

No unauthorised or fruitless and wasteful expenditure was incurred by the Department for the 2020/21 financial year.

3.4 Reprioritisation

The National Department of Human Settlements issued a directive stating that projects that are planned to deliver housing opportunities will only be supported if they provide opportunities for the elderly, military veterans and people living with disabilities. The Department to comply with the directive reviewed its projects and engaged with all municipalities to ensure compliance with the directive.

3.5 Municipal capacity

The Department continued to support and monitor all municipalities in the province. Various forms of capacity building initiatives and engagements including transfer of skills and allocation of personnel were afforded to municipalities. The skills transfer enabled municipalities to improve on long-term planning and on the quality and credibility of human settlements projects and plans. The Department also embarked on roadshows in all municipalities to capacitate stakeholders with information pertaining to human settlements and to foster a common understanding.

3.6 Service Delivery Improvement Plan

A Service Delivery Improvement Plan was finalised for the 2022/21 financial year. The focus of the Department will be to prioritise the affordable housing market and to upgrade informal settlements. Priority will be to increase housing opportunities for the affordable housing market, for persons who fall within the GAP market and do not qualify for a fully state subsidised house. A total of R340 million was spent on securing sites to prevent land invasion. The Departments main focus will be on the FLISP and deferred ownership scheme.

3.7 Woman and youth in construction

To empower women and youth the Department created job and economic opportunities by availing more than 60% of its Human Settlements Development Grant to Small, Medium and Micro Enterprise. A total of 14% of contractors with woman representation were appointed against a target of 10% and 5% of contractors with youth representation were appointed against a target of 5%. The Department facilitated 937 job opportunities through its Expanded Public Works Programme, specifically within the construction industry.

Women and youth were encouraged to participate in the Departments training programmes. For the year under review the Department trained 56 youth in the built environment/sector against a target of 150. The target was not achieved due to the COVID-19 regulations for the first three quarters of the year. Regardless of the challenges the Department was able to provide 937 job opportunities against a target of 800.

3.8 De-densification

The National Department of Human Settlements identified the need to de-densify overcrowded areas to contain the COVID-19 virus. Three areas were earmarked for de-densification namely: Dunoon, Kosovo and iThemba. The project aims to target 6 500 households under the de-densification project with the City of Cape Town and the Housing Development Agency. Land parcels have been identified and made available in close proximity to hotspots for de-densification. The Department has also embarked on a process of reviewing appropriate settlement designs, plan layouts and typologies, aiming to provide safer and more cohesive communities.

3.9 Concerns

Concern was raised regarding:

- 3.9.1 Community instability that continues to be a risk for the Department by impacting on project service delivery and creating delays in project output;
- 3.9.2 The increase in gangster related threats and land invasions which resulted in project delays and exorbitant security costs;
- 3.9.3 The transfer process of properties to qualifying beneficiaries which were not concluded and therefore disbursement of subsidies could not be affected in certain instances;
- 3.9.4 Bad reviews from a concerned person in Zwelethemba who condemns the quality of the houses that were provided to beneficiaries. Members as part of their oversight capacity, resolved to receive a briefing on the advantages and disadvantages of alternative constructions methods as opposed to conventional building methods; and
- 3.9.5 Corruption pertaining to the persons who appear on the beneficiary lists and persons who have been provided with a housing opportunity.

4. Recommendations

- 4.1 The Committee having considered the input provided by the Department REQUESTED that the Department provide it with:
 - 4.1.1 A report on the number of hearings attended by the Western Cape Rental Housing Tribunal members and the remuneration they received for the past financial year;
 - 4.1.2 A report on the number of houses completed for the past three financial years in comparison to the number of title deeds transferred;
 - 4.1.3 A report which provides a reconciliation of beneficiaries who received a housing opportunity in relation to the current occupants who are residing in the property; and
 - 4.1.4 A report on the advantages and disadvantages of alternate construction methods. The report should contain the cost associated with the alternate building methods in relation to the cost associated with conventional building methods.
- 4.2 The Committee RESOLVED to conduct a fact finding visits to the:
 - 4.2.1 Plettenburg Bay Housing Project and the Transhex Housing Project to view the units that were built utilising alternate building material and to liaise with residents on their experience living in these units; and
 - 4.2.2 Western Cape Rental Housing Tribunal and to attend a hearing where at least two cases is heard.

4. Conclusion

The Chairperson allowed members and Minister Simmers and the Head of Department to provide a word of thanks, after which she thanked the Members of the Committee, the Minister, the Head of Department and all the officials of the Department for their preparation and responses to the questions raised by the Committee.

Honorable member Mr Marran also indicated his condolences on the passing of Councillor Neëls Lottering of Ward Two, Woolsley and Mr Claude Schroeder, Director: Community Services in the Cape Winelands.