



# **Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni**

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## **REPORT OF THE STANDING COMMITTEE ON HUMAN SETTLEMENTS ON THE 2018/2019 ANNUAL REPORTS OF THE DEPARTMENT OF HUMAN SETTLEMENTS AND ITS ENTITY, THE WESTERN CAPE RENTAL HOUSING TRIBUNAL**

The Standing Committee on Human Settlements, having considered the Annual Reports of the Department of Human Settlements and its Entity, the Western Cape Rental Housing Tribunal for the 2018/19 financial year, dated 20 November 2019, reports as follows:

### **1. Introduction**

As part of its oversight function, the Standing Committee on Human Settlements (the Committee) considered the Annual Reports of the Department of Human Settlements (the Department) and its Entity, the Western Cape Rental Housing Tribunal (the Tribunal), on 25 October 2019. 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.

The Annual Report Programme for the 2018/2019 financial year was advertised in various newspapers, inviting 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 of the Annual Reports of the Department and its Entity.

### **2. Western Cape Rental Housing Tribunal**

#### **2.1 Key issues discussed**

2.1.1 The Tribunal reported that 3 630 official complaints were registered on its complaints database for the 2018/19 financial year, of which a total of 69 complaints were received from the Eden District. The Department, under its case management performance section, reported a backlog 1 470 cases older than 90 days. The backlog was attributed to various factors such as failure to reach consensus after alternate dispute resolutions have been sought, cases that have been escalated for adjudication, and matters before the court awaiting resolution.

2.1.2 A total of 536 cases were referred to the Tribunal. The number of cases that were postponed prior to the hearing amounts to 118, and 46 cases were settled by parties prior to the hearing. A total of 39 cases were withdrawn, 12 received default rulings and 31 were struck off the roll. Rulings are finalised on the same day as the hearing. In addition, 55 warrants of execution were issued to the value of approximately R1.5 million.

2.1.3 The Rental Housing Tribunal falls under the Communications and Stakeholder Relations component of the Department and has a staff complement of 27 officials. The Tribunal reported that all vacant posts were filled.

2.1.4 The Rental Housing Tribunal's budget is managed under Programme 1 of the Department. Expenditure amounted to R8,7 million, compensation for employees amounted to R5,4 million and the remuneration for tribunal members amounted to R 3,1 million.

### **3. The Department of Human Settlements**

#### **3.1 Overview**

The Department received a clean audit for the year under review. Focus areas for the next five years will include the acceleration of housing opportunities, the implementation of innovative solution and an integrated approach to human settlements. In addition, seven non-metro projects have been prioritised as part of the Small-Town Regeneration Programme: Challenges experienced during the year included the continued housing protests, illegal land occupation and budgetary constraints.

#### **3.2 Key issues discussed**

3.2.1 The Department reported that 9 662 title deeds have been transferred to beneficiaries against a target of 7 000. The Department, as per the Division of Revenue Amendment Act, 2018 (Act No.14 of 2018, as amended), spent R50,3 million of the Title Deed Restoration Grant's budget to expedite transfers to beneficiaries. New policies have been implemented to assist with the Title Deed Restoration Project, which focused on the allocation of title deeds that were issued to beneficiaries prior to 1994. Challenges remain in terms of transferring title deeds on private property that has yet to be zoned and transferred. Contested claims required a resolution as no wills were drafted to establish the identity of the rightful owner. Concerted efforts have been made by the Department to ensure that beneficiaries receive full ownership title deeds.

3.2.2 The provision of Finance Linked Individual Subsidy Programme (FLISP) houses to the GAP market proved to be challenging. The banks were not open to a partnership agreement with the Department to provide home loans for FLISP beneficiaries as applicants did not meet the affordability criteria. Discussions are in progress with major financial institutions regarding the development of an unsecured home loan product geared specifically for the lower-end of the affordable housing market. The Department is in the process of developing an initiative with its strategic partners to assist over-indebted prospective homeowners and those with compromised credit records to normalise their credit records. The basis of the initiative is an education programme on home ownership and budgeting to achieve credit worthiness for a pension secured home loan. In addition hereto, under the approved Provincial Policy, the Department has developed an Employer's Assisted Housing Subsidy Programme whereby the Department approached employers to assist employees to purchase homes. The Department created a credit readiness programme to provide FLISP houses to approved beneficiaries. Negotiations between the Department and four major banks are underway to provide home loans to beneficiaries under the Consumer Readiness Programme. The banks were requested to provide R5 million each to assist more prospective beneficiaries.

- 3.2.3 A concerted effort has been made by the Department to reduce poverty and unemployment through job creation. The Department provided 578 job opportunities against a target of 400. A total of 132 youth were trained in various disciplines within the construction industry, against a target of 150.
- 3.2.4 Land invasions and protests continue to be a challenge at a provincial and national level. The negative impact of the afore-mentioned challenges negatively impact on service delivery and was a major cause of project delays. The Department reported 237 protests occurring on a national scale. This directly impacted and placed a strain on the provincial and national budget as additional security has to be employed to guard against vandalism.
- 3.2.5 An Informal Settlement Support Plan was developed by the Department to address the challenges faced by residents living in informal settlements. The policy guideline aims to provide guidance to improve the living conditions of beneficiaries through the upgrading of the Informal Settlements Programme. The programme aims to provide clear guidelines on how to address the challenges faced by residents and systematically provide corrective action. Approximately 82 informal settlements have been identified for upgrading during the Medium Term Expenditure Framework period. Municipalities have indicated that they have capacity problems and have requested assistance from the Department to deal with housing related matters. The Department supported 20 municipalities with the integration of the upgrading of informal settlements into their project pipelines.
- 3.2.6 Six catalytic projects were registered as part of the Departments flagship programme. Approximately 80 000 housing opportunities have been earmarked for completion by 2022. These housing opportunities are aimed at the poorest residents, which include among others, the Southern Corridor, and consists of over 50 000 opportunities in the N2 Gateway Phase 1.
- 3.2.7 In a meeting that was held on 25 July 2017, the National Home Builders Registration Council (NHBRC) informed the Committee of their decision not to rehabilitate the houses in Wolwedans, Groot Brak River. The Department has since undertaken to conduct the repair work. The Committee raised its concern regarding the NHBRC's refusal to conduct the repair work.

#### **4. Oral and written submissions**

- 4.1 Mr Petersen, a representative of Albatross Housing Incorporated and of Communicare tenants, addressed the Committee on issues pertaining to rental increases and affordability, evictions, the maintenance of rental units, historical housing stock to be returned to government and title deed handovers.
- 4.2 Mr Tumana, from the Parliamentary Monitoring Group, addressed the Committee on issues pertaining to the non-continuation of the Peoples Housing Project (PHP), inconsistencies in relation to the Housing Demand Database as well as the existence of the PHP Facilitators' Database.

## **5. Information Requested**

- 5.1** The Committee REQUESTED that the Department, by 31 January 2020, submit:
- 5.1.1** The total remuneration provided to Tribunal members for a financial year and the number of hearings attended;
  - 5.1.2** A report on the total amount spent of the Human Settlement Development Grant by the Department; and
  - 5.1.3** The geographical location where the Small-Town Regeneration Programme will be rolled out in the seven non-Metro priority municipalities.
- 5.2** The Committee further REQUESTED that the Department, by 31 January 2020, submit a list of the:
- 5.2.1** 82 Informal settlements that are due for upgrading during the Medium Term Expenditure Framework;
  - 5.2.2** Social housing rental stock, the available rental stock and the geographical location of the rental stock;
  - 5.2.3** Woman owned enterprises and the grading of each of the enterprises;
  - 5.2.4** Provincial housing projects that are ready for implementation;
  - 5.2.5** Partnership agreements the Department has formulated with Farm owners and the geographical location of the donated land;
  - 5.2.6** Municipalities which requested that its projects be taken over by the Department. and
  - 5.2.7** Housing opportunities of people with disabilities, including a list of partnership agreements with farmers who have agreed to provide land for housing opportunities.
- 5.3** In addition, the Committee REQUESTED that, Mr Tumana (Parliamentary Monitoring Group), submits a written submission that contains all the issues he wishes to address with the Committee.

## **6. Resolutions**


- 6.1** The Committee RESOLVED to, at a future date:
- 6.1.1** Conduct an oversight visit to the Langeberg Municipality to engage on housing projects within the municipal area and to gain an understanding on the criteria for the prioritisation of certain areas; and
  - 6.1.2** Invite the Department to brief it on new initiatives undertaken to improve the Housing Demand Database.

## **7. Recommendations**

- 7.1** The Committee RECOMMENDED that:
- 7.1.1** The Department engage with the Social Housing Regulatory Authority to find solutions to the complaints raised by Communicare tenants; and
  - 7.1.2** Strategies put in place to reduce the Western Cape Rental Housing Tribunal complaints backlog.

## **8. Conclusion**

The Committee notes its appreciation for the responses of the Department of Human Settlements and the Western Cape Rental Housing Tribunal to the scrutiny of the Annual Reports and wishes to thank the Minister, Head of Department, Chairperson of the Western Cape Rental Housing Tribunal Board for their contributions and efforts in this regard.



**MS LM MASEKO (MPP)**

**CHAIRPERSON: STANDING COMMITTEE ON HUMAN SETTLEMENTS**

**DATE:** 20/11/2019