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VNG International, the International Cooperation Agency of the Association of Netherlands Municipalities supports decentralisation processes and facilitates decentralised cooperation. The organisation strengthens local governments, their associations, training institutions and decentralisation task forces in the developing countries and in countries in transition.

# Benchmarking housing in South Africa
*Good practices in municipal housing*

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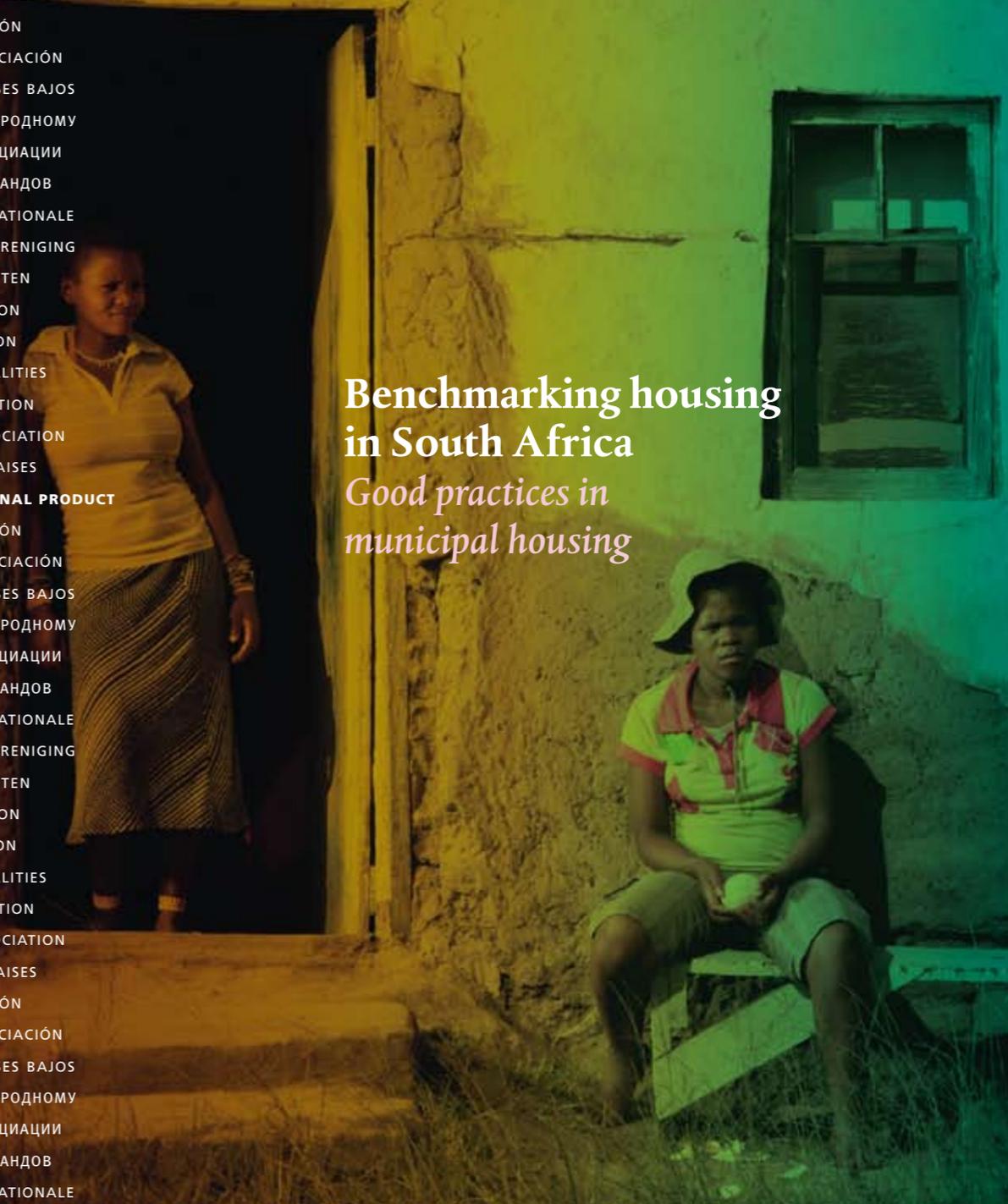
**CMRA**
Committed to strengthening democratic local government southern Africa
CMRA, the Centre for Municipal Research and Advice, is a daughter company of VNG International, based in Pretoria in South Africa. CMRA is a technical service provider, aimed to support and strengthen local governments, their associations, and local government related institutions in southern Africa. Key areas of expertise are, among others, benchmarking, local economic development, good governance and public participation.

**SALGA**
SALGA, the South African Local Government Association is the voice of local government in South Africa. It plays a core role in a variety of areas related to local government and is a national representative of the local government sector and its employees. SALGA aims to support and advise local government in order to strengthen the performance of municipalities.

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# About this booklet

This booklet shares some of the experiences of municipalities in their work on housing based on the results of benchmarks on housing and social housing that were conducted from May to November 2010. The benchmarks were conducted by the Centre for Municipal Research and Advice (CMRA) in partnership with VNG International (the International Co-operation Agency of the Association of Netherlands Municipalities) and the South African Local Government Association (SALGA). In this booklet six housing themes are addressed. Per theme one or more good practices are given, as well as some guiding principles that can assist municipalities in their housing service delivery.

## List of abbreviations

**BNG**    Breaking New Ground

**CMRA**    Centre for Municipal Research and Advice

**CoCT**    City of Cape Town

**CRU**    Community Residential Units

**CBD**    Central Business District

**DHS**    (National) Department of Human Settlements

**IDP**    Integrated Development Plan

**ME**    Municipal Entity

**MoU**    Memorandum of Understanding

**RDP**    Restructuring & Development Plan

**SALGA**    South African Local Government Association

**SHI**    Social Housing Institution

**SOHCO**    The Social Housing Company

**VNG International**
    The International Co-operation Agency of the Association of Netherlands Municipalities

**VROM**    Dutch Ministry of Housing, Spatial Planning and the Environment

# Introduction

The Constitution of South Africa provides for the right to access to proper housing. The Constitution creates obligations for all three spheres of government to take all reasonable actions to ensure this right. Since 1994, the government has taken several measures to address its responsibilities towards housing. Currently, the housing strategy in South Africa follows the Breaking New Ground (BNG) plan. This plan is adopted by national government in 2004 and has introduced the shift from merely housing delivery to the establishment of sustainable human settlements. Consequently, the Social Housing Programme and the Community Residential Units (CRU) Programme have been established to increase the delivery in the affordable rental housing market.

The implementation of proper housing delivery can be a challenge for municipalities. The Centre for Municipal Research and Advice (CMRA), in partnership with the South African Local Government Association (SALGA) and VNG International (the International Co-operation Agency of the Association of Netherlands Municipalities) has developed and implemented a benchmark amongst 18 South African municipalities to provide a platform to improve their current performance and to identify and discuss challenges.
The benchmark facilitates a process of self-assessment, networking and 'compare and exchange' between peer municipalities in matters pertaining to provision of housing. It gives the participants the ability to tap into existing knowledge, lessons learned and good practices. Moreover, by investigating the crucial steps and conditions of the housing topic, the participants can adopt knowledge and experiences and transfer these to their own local context.

The 2010 benchmark in housing is divided into a benchmark on *municipal social housing service delivery* and a benchmark in *municipal housing service delivery*. For the benchmark in social housing, the participants are the 13 municipalities that have been selected by the National Department of Human Settlements (DHS) for the implementation of the Social Housing Programme. This benchmark project is funded as part of the partnership programme between the Ministry of Housing, Spatial Planning and the Environment (VROM) in the Netherlands and the DHS in South Africa. The benchmark in municipal housing service delivery is part of the *VNG International LOGO South Country Programme South Africa*. The seven municipalities that participate in the LOGO South Country Programme have been implementing projects in rental housing with their counterparts from the Netherlands. The LOGO South Programme seeks to strengthen local government by developing capacity and is funded by the Dutch Ministry of Foreign Affairs.

The benchmark is a learning tool for municipalities. It gives them the opportunity to take an inward look in their operations and performance and to realise what their roles and responsibilities are. Furthermore, municipalities learn from each other by sharing their experiences and good practices. Benchmarking provides insight in the strengths and weaknesses of municipalities and provides the tools for municipalities to improve themselves. This booklet has been developed to extend the lessons learned from the benchmark to a wider public to allow non-participating municipalities to share in the results as well.

# Benchmarking Housing in South African Municipalities

## What is this chapter about?

This chapter explains what benchmarking is, why it is relevant and how benchmarking can benefit municipal processes. In doing so, it describes the model for benchmarking. It also outlines the conditions which are necessary for a good benchmark.

### What is benchmarking?

Benchmarking is a method that allows municipalities to learn about their own performance through self-assessment and to learn from others by comparison and by sharing lessons learned. Benchmarking is usually done within a peer group, which is defined for the purpose of comparison. Benchmarking is a continuous process through which municipalities constantly seek to improve their practices. By repeating the benchmarks at regular intervals it is possible to measure the progress and to spot trends within and between participants.

### Why benchmarking?

The aim of benchmarking is to provide municipalities with a platform to assess their current performance and to improve this. This is done through a process of self-assessment, networking and 'compare and exchange' between peer municipalities. Municipalities can tap into existing knowledge, lessons learned and good practices, and adapt this knowledge and experiences to their own local context.

### Conditions for Benchmarking

For successful benchmarking the participants must be willing to share their work practices and their achievements in an open and critical way within an environment of shared trust. They must have an openness to learn from the experiences of others.

## How to benchmark?

There are different ways to do a benchmark process. The methodology chosen is determined by what you want to learn from the project. A model that has been used in recent benchmarks in southern Africa is shown and explained below:

▼ The benchmark model and process is a continuous cycle of 'collect, compare, learn and improve'.

**Collect**
- Input, output, outcome
- In line with existing guidelines and framework

**Municipal response to Housing responsibilities in South Africa**

**Improve**
- Design strategy
- Implement

**Compare**
- Similar municipalities
- Highlight differences and reasons for these

**Learn**
- From others
- Strengths and weaknesses
- Opportunities for improvement
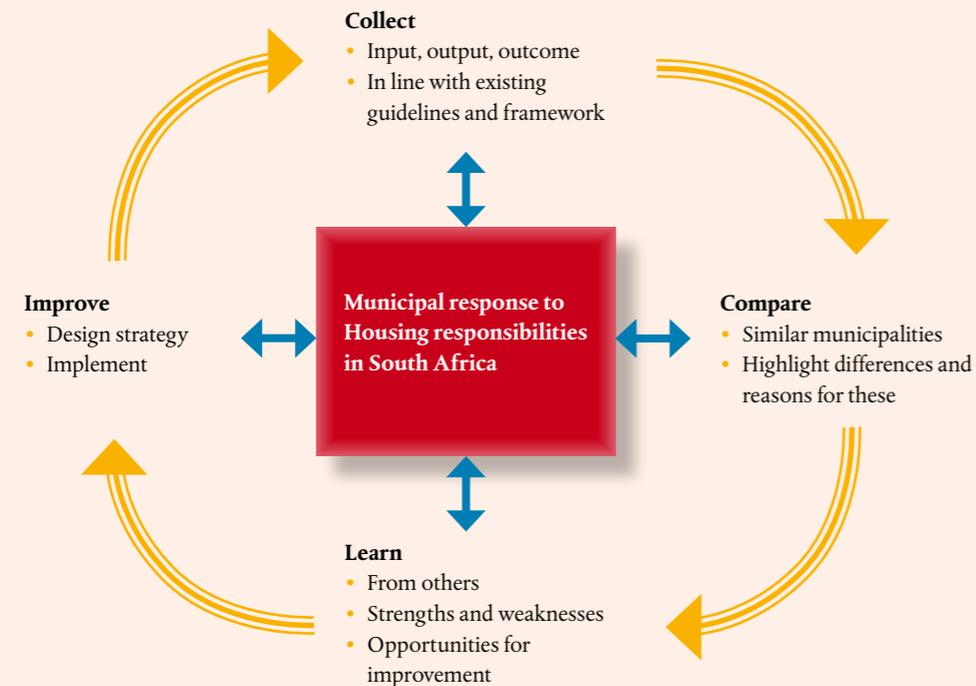
## Benefits of benchmarking

Benchmarking has a number of benefits, both for the participating municipalities and for the sector as a whole.
- Benchmarking gives insight in the achievements of municipalities.
- Benchmarking shows the strengths and weaknesses of municipalities compared to others.
- Participants learn how they can improve their performance and overcome challenges based upon the experiences of peers in other municipalities.
- Benchmarking provides an efficient and effective tool to implement national policies.
- Benchmarking enhances transparency of the public sector.

### > Stage 1: Collect

First, information on service delivery in housing must be collected that can be compared with other municipalities. The necessary information is prepared according to the following categories:

- **Background Information:** this includes the relevant demographic and socio economic information about your municipality.
- **Input Items:** this covers the resources the municipality uses for housing service delivery, e.g. policies, procedures, staff, finances.
- **Outputs:** this concerns the products of the inputs, for example a housing policy and/or the development of 250 rental housing units.
- **Outcomes:** This section contains information about the effect the output has on the actual beneficiaries (the public).

The questions are prepared together with the participating municipalities. Both quantitative (numbers) and qualitative (descriptive) information is necessary for the analysis. This information is the basis of the benchmark so it is important that it is complete and accurate.

### > Stage 2: Compare

The next step in the benchmark process is to analyse the provided information and present it in a report that shows the status of the municipalities in comparison to each other. The quality of the analysis and the report depend on the quality of the information that has been provided by the participants. This is why it is important that the information from each municipality is collected in a similar format and is accurate. During the comparing stage it becomes clear what the similarities and differences between the participating municipalities are.

### > Stage 3: Learn

In this stage municipalities learn. Each municipality gets insight into its way of working and examples of how to do it better. In the former stage, comparison, the participants have seen the similarities and differences between the parties involved. The next step is to understand why these differences occur and to learn what could be ways to improve one's own performances. To understand this, the similarities and differences between the municipalities involved are discussed.

During the benchmark process 'learning meetings' are organised for municipalities to interact about their experiences and to discuss good practices. Here, one can identify the differences, analyse and understand them and then identify 'good practices' in comparison with other municipalities. These meetings can be important to record the good practices.

### > Stage 4: Improve

After a series of meetings, participants have a clearer view of their achievements, strengths and weaknesses and the possibilities (good practices) for improvements. Based on the facts and ideas learned, a report with the analysis and recommendations based on the analysis is written for each municipality.

It is then up to each municipality to make use of what they have learned to improve their performance with the help of the recommendations that were made.
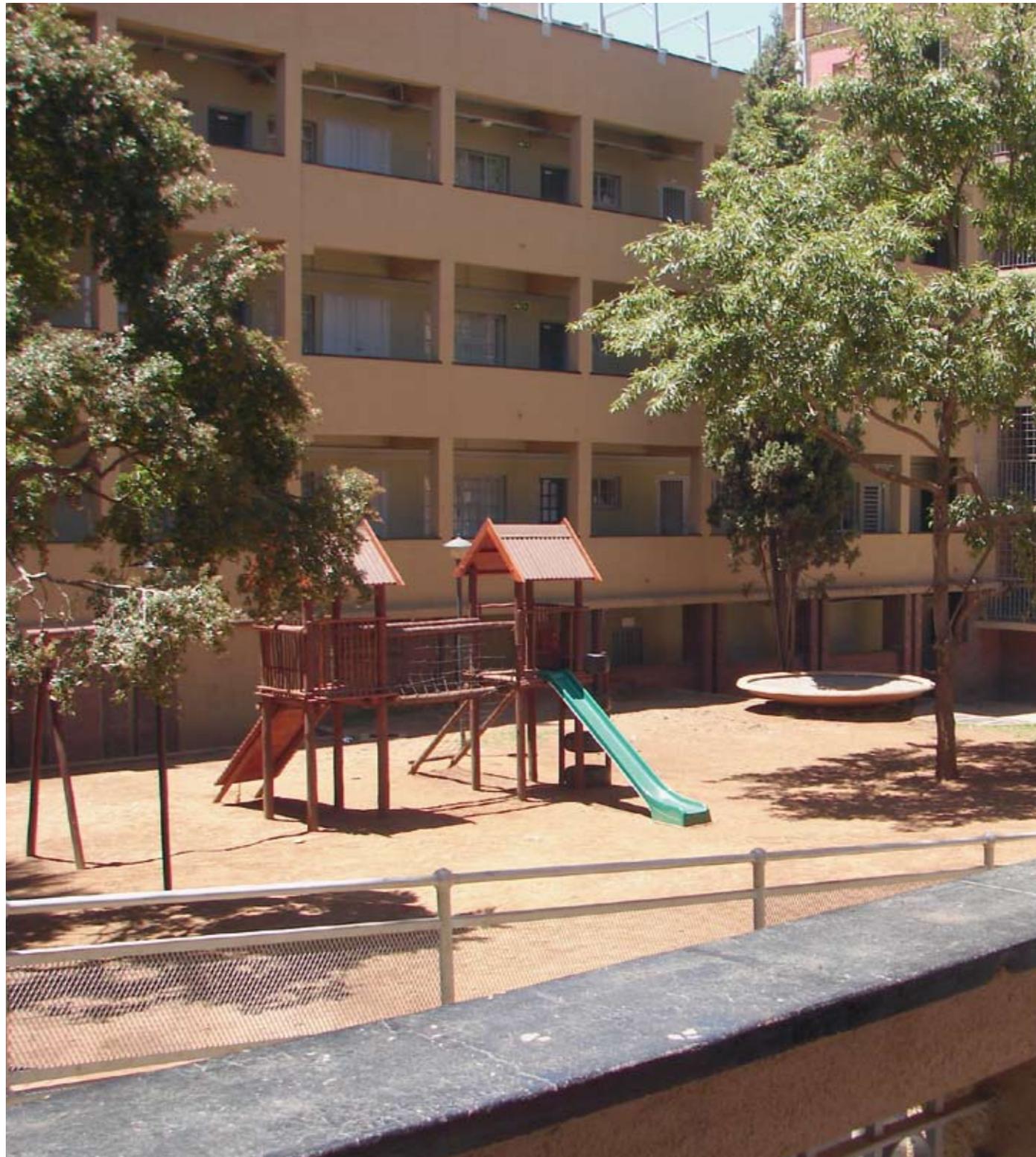
# The Role of Municipalities in Housing

## *What is this chapter about?*

**This chapter provides a short outline of the general and rental housing responsibilities of municipalities. It describes the context in which municipalities operate.**

## Municipalities and housing

Access to adequate housing is a right preserved in section 26 of the South African Constitution. Moreover, the Constitution obliges all spheres of government to take all reasonable measures to achieve the realisation of this right. Together with national and provincial government, local government has to guarantee citizens the right of access to adequate housing and it has to give priority to the basic needs of the community.

Although local government does not have the financial mandate, they are responsible for a number of issues regarding the delivery of housing. These include:

- the identification and designation of land for housing purposes;
- facilitation and coordination of housing development in its area of jurisdiction;
- regulation of health and safety standards regarding housing development;
- setting housing delivery goals, and;
- creating an enabling environment for the delivery of housing.

Furthermore, municipalities are responsible for the delivery of many services without which it is impossible to deliver housing, such as infrastructure, water, etc. Although the financial mandate rests with the provincial government, the municipality, as the sphere that is closest to the public, has a very important role to ensure that housing is delivered to the people that need it. Because of the shared responsibilities it is essential that there is good cooperation and communication between the three spheres of government.

### Municipalities and the CRU programme

In the CRU Programme, the municipality plays an important role. The municipality is in most cases the owner of the CRU rental stock. The subsidy programme provides funding for the development of new public rental housing units and/or the refurbishment of public rental housing stock (both suburban flats and former hostels). After (re-)development, the CRU stock must remain municipal ownership. The municipality can choose to manage the CRU housing stock, or can outsource the management to a service provider, which is often a Social Housing Institution (SHI).

### Municipalities and social housing

Social housing is a rental housing option delivered by SHIs, aiming at an income target group from R1500 to R7500 per month. The social housing programme provides for the development of affordable, medium to high density rental housing. The main purpose of the social housing programme is to restructure urban areas to undo the legacy of town planning under the apartheid regime and to create a socially, racially and economically integrated society. The Social Housing Act (2008) specifies the role for municipalities which includes encouraging and facilitating the development of social housing, identifying land for this purpose, and entering into performance agreements with SHIs. Basically, the municipality needs to ensure that all the necessary structures are in place for SHIs to deliver social housing. Good cooperation between the municipality and these SHIs is important for successful delivery of social housing.

The number of roles and the level of responsibility of municipalities concerning housing have expanded in recent years. The practice of benchmarking is an important tool that municipalities should use to help build the capacity to meet the important developmental challenge of housing development.

# Thematic Case Studies

*What is this chapter about?*

This chapter takes 6 themes that are important parts of municipal housing service delivery. Each theme is structured as follows:
- **Background:** This explains why the theme is important for municipality's housing function.
- **Guiding Principles:** This provides some of the elements that municipalities need to consider with regard to this theme.
- **Good Practices:** These are examples of how different municipalities have undertaken part or all of the work under the theme. Readers can compare these examples with what is done in their municipalities.

The 6-featured themes are:
- **Accurate Demand Data Collection**
- **Land Identification, Packaging and Transfer**
- **Public Participation**
- **Financial Allocations and Planning**
- **Managing Delivery of Housing**
- **Effective Internal Organisation**

## Accurate Demand Data Collection

### Background

Municipalities are responsible for setting housing delivery goals. To set feasible and reasonable targets, municipalities need to have a good overview of the housing demand. This does not only include the number of houses that are needed, but also the types of houses, their locations etc. To get a good overview, the municipality needs to collect information that can assist them in providing the kind of housing that the people need.

The challenge for municipalities is to ensure that they have an accurate overview of the demand in order to achieve correct planning.

### Guiding principles

Below are some principles that can help with the collection of demand information. These principles can guide the municipality in proper data collection.

- *Obtaining good quality information*
  The municipality must identify from its citizens what their housing demand is. This can take the form of desktop research, but should also include more in-depth local community based research. There are different ways of doing this, which are, amongst others, structured community consultation, market surveys and/or focus groups.

- *Understanding the obtained information*
  After collecting the demand information in housing, the municipality must analyse and understand this information in a correct way in order to come to accurate planning. The municipality needs to be able to interpret what the information says about:
  > The citizens' present housing conditions linked to the demographic situation.
  > The amount of money citizens can afford to spend on housing.
  > The preferences of the citizens, for example in the form of tenure or the location.

- *Linking it to projects, programmes and budgets*
  After the demand data has been collected and analysed, it is necessary to relate it to the development of housing strategies and projects. This links the demand to the available resources within the municipality. By doing this, the municipality can prioritise the projects it will deliver within any particular period.

During the past year Camdeboo Municipality has demonstrated the importance of good research for the planning and development of housing projects.

Camdeboo is a local municipality in the Eastern Cape that has primarily used RDP type projects for meeting housing needs in the area. Though, the municipality realised that RDP houses alone would not be able to cover the diverse housing demand. Through its twinning partnership with the municipality of Winterswijk in the Netherlands, it set up a project management team to develop and manage potential rental housing projects.

As a first step, they decided to undertake a market survey on the rental housing demand in the area to find out if a rental housing project would be necessary and viable. The municipality appointed a consultant from the Nelson Mandela Metropolitan University to conduct the survey. In the survey not only the need for housing was investigated, but the demand was linked to what people could afford and what they would be willing to pay. The results of the survey gave very good information about location preferences and people's attitudes towards and knowledge of the concept of rental housing. It showed a clear demand for both low and middle income rental units. It also helped to pinpoint the preferred location for the delivery of such units.

This research was not only useful for the municipality to determine the demand for rental housing in detail, but also to show some of the relevant stakeholders that it would be possible to establish a feasible project. Based on the results of the survey and the project proposal, the provincial government was able to commit its support to the project. One of the SHIs that was contacted as a potential delivery agent was able to continue working with the municipality on this project.

This information contributed to policy changes in the municipality taking on board rental housing projects. It has specifically resulted in the planning of a mixed rental housing project of CRU units and units for the middle income target group. This project is now in process using a sound project management model underpinned by strong partnership arrangements.

### Conclusion

The market research has given the municipality a detailed overview of the demand for rental housing. It has shown that even in a relatively small municipality, rental housing can be a viable and required form of tenure. Importantly, it has shown that targeted and properly managed information collection and analysis strengthens the quality of planning and informs project implementation that meets real demand.

# Land Identification, Packaging and Transfer

## Background

The availability of suitable land for different housing types is essential for the success of housing delivery. Currently, it is one of the major factors blocking the effective delivery of housing to low and moderate income households. In order to overcome this challenge, municipalities have an important role to play in the spatial and land use planning and the identification of land. Moreover, municipalities must prepare land for development and allocate it to the appropriate developers.

The municipality must have a clear view of what land is available for housing delivery programmes in order to maximise the accessibility of land.

## Guiding principles

Below are some of the principles that can guide municipalities in their work regarding land identification and packaging.

- *Spatial Development Plan*
  A municipality should have a spatial development plan which contains residential priority areas. Within these areas it should also indicate suitable types of housing, which are linked to the targeted income groups. This information must be incorporated into the Housing Chapter in the IDP of a municipality.

- *Identification and acquiring of land*
  A municipality should identify suitable land and ensure that this land is made available for the necessary housing development. When identifying and designating land for housing, the municipality must make sure that it matches with the demand for specific forms of housing.

- *Packaging of Land*
  Once land has been identified, the municipality should ensure that any necessary planning and environmental preparations are undertaken. This helps to ensure that the land is ready for development as soon as funding for the projects is available.

- *Transfer of Land*
  The form of development affects the transfer of land. For RDP housing projects there is usually a land availability agreement that is linked with the subsidy contract. This agreement sets the conditions for the development of the land. The land will be transferred once the township establishment procedures are completed. For rental housing projects, the municipality can choose either to follow the necessary tendering process to a direct transfer of the land to a SHI, or it can choose to exercise long-term control of the land through leasehold arrangements with a SHI.

## > Mbombela, Johannesburg and Camdeboo

*Mbombela Municipality* identified the need for additional land for housing. The municipality did not have the financial resources to buy land. The municipality approached the Mpumalanga Provincial Department and the National Department of Human Settlements. The municipality identified pockets of land that are suitable for housing, which the province purchased. Both parties signed a MoU to ensure that the land would be used for the purposes for which it was purchased.

Under the *City of Johannesburg*'s better Buildings Project, the city identified buildings that were either abandoned, hi-jacked or heavily in arrears with rates and service charges. Through various legal methods, the municipality took ownership of such buildings. It then allocated a percentage of these buildings to SHIs on an ownership or leasehold basis for them to develop social housing units. This project contributed to the upgrading of Hillbrow and the CBD. It also provided over 1500 new rental housing opportunities for people on low and moderate incomes.

*Camdeboo Municipality* has identified land within their municipality for CRU and rental housing projects linked to a market survey for rental housing. The idea was to have a CRU project in combination with a rental housing project for a slightly higher income group. The SHI would manage the CRU project of which the municipality would remain the owner. The identification was done during a two-day workshop that included the province, a possible delivery agent (SHI), different departments of the municipality and a delegation from their Dutch partner municipality Winterswijk.

Four possible sites were inspected and assessed against the criteria for the projects and the speed at which they could be developed. The involved parties selected two suitable sites based on their characteristics, such as the proximity to the town centre and access to transport. They were also immediately available for housing development. Both already had adequate bulk infrastructure. One was considered more suitable for social housing and the other for CRU. The choice for the sites was based on the input and expertise of the different stakeholders.

### Conclusion

Where good land identification and assessment are conducted against the relevant demand information, municipalities are well placed to know what land is available for different types of housing development. Where required land is not owned by municipalities, a municipality can use their own resources or the assistance from other spheres of government to purchase land. Municipalities can make use of partnerships with outside agencies to do the necessary risk sharing and development.

# Public Participation

## Background

The main purpose of social housing projects is to restructure urban areas to undo the legacy of town planning under the apartheid regime and to create a socially, racially and economically integrated society. Land that is suitable for this type of housing is often well-located and in existing residential areas. There is still a general lack of understanding about the concept of social housing and its implications for the surrounding neighbourhood. Therefore, the announcement of plans for a social housing project can raise objections among the residents in the neighbourhood. This can complicate and delay the implementation of social housing projects. Though, if a municipality engages with the public in an early stage, these kinds of problems can be prevented.

The municipality must include the public in the process of social housing projects in order to overcome possible objections the community can have.

## Guiding principles

The following organisational principles are important for municipalities managing public participation around rental or other forms of housing.

• *Forming a close and effective partnership with the SHI*
While the SHI is responsible for the development and long term management it should always work in partnership with the municipality. This is crucial in the public participation phase. The municipality cooperates with the SHI to ensure that the public participation process is successful.

• *Developing a diverse strategy*
In order to reach all involved interest groups, it is often necessary to use a variety of methods for communication and consultation. The municipality must develop a strategy in which the form and tools of public participation are carefully matching the purpose and target group.

• *Balancing local needs with broader municipal housing goals*
Although the municipality should take into account the interest of the community, it must not forget the overall aims and needs of the municipality. It is crucial that the municipality balances the need of the public with the broader development responsibilities of the municipality.

• *Engagement characterised by openness, transparency and honesty*
Throughout the public participation process, the municipality and other stakeholders must ensure to be open, honest and transparent in their communications. It is better to have a longer and more thorough participation process than providing misleading or wrong information.

The Steenburg social housing development is located in the southern suburbs of Cape Town. It is developed by the Social Housing Company (SOHCO) with strong support from the City of Cape Town (CoCT). The City and SOHCO undertook an extensive public participation process. By the end of the process the community supported the approval, building and approach to management of the stock on the project.

From the start, CoCT officials and SOHCO worked closely together to plan the public participation process. Learning from past experience, the municipality avoided mass public meetings. Instead, a steering committee chaired by the local Ward Councillor was set up. All organised community groups were represented on the committee. Through this committee, community tensions and differing views were well-managed.

The municipality supported SOHCO in developing a series of community education seminars. These were very well attended and residents learned a great deal about the nature of social housing and many of their inaccurate perceptions were modified.

The steering committee process and the series of community education seminars both played an important role in listening to community concerns and in providing accurate information. These parallel processes reached different target groups while complementing each other.

Through the consultation process the municipality and SOHCO realised that many of the community's concerns had to do with the fear that the new development would attract crime, drug dealing and gangs. Backed by the municipality, SOHCO addressed these in the design of the complex (e.g. no public corridors, stairwells, hidden alcoves, etc) and committed the organisation to joining the community in preventing crime.

City officials remained transparent and open during the process. Importantly, the municipality also knew when to step back and enable the developer SOHCO to lead the dialogue while remaining in the background.

### Conclusion

The Steenburg rental project opened in April 2010, and is a social housing success story. Without the well-run and effective public participation process there is a strong likelihood that the project would have been derailed. The municipality's role in achieving the project's success was central. Creating the best possible working relationship with the SHI and jointly planning and implementing the engagement strategy were key interventions for success.

## Financial Allocations and Planning

### Background

Municipalities have a responsibility to prepare housing programmes which can be realised within a certain period of time. In order to do this they require clarity on the available budget for housing in their area of jurisdiction. Without this it is difficult to prepare a proper plan that links projects with real budgets for implementation. However, in most cases provinces do not provide clarity on the budget, especially for the longer term. This lack of control over budget prioritising makes it very difficult for municipalities to prepare proper housing plans with clarity on the number of units they will be able to deliver.

In order to have tangible housing delivery goals, the municipality needs to know what the available budget for housing is.

### Guiding principles

Below are some of the factors that can strengthen the link between housing planning and the available budget.

- *Linking of financial allocation to municipal housing planning*
  If municipalities want to plan viable housing projects, they need to know how much budget will be available for the implementation. They cannot plan for a specific number of units, without knowing whether there will be funds to build them.

- *Multiyear planning for housing spenditure*
  It is important to have multiyear planning on financial allocations to make it easier for municipalities to plan their housing delivery accordingly.

- *Clear criteria for allocation*
  The criteria that the province uses in the allocation of housing funds should be transparent and available to municipalities. This will allow them to take the preparations that are required for them to be considered for the allocation of the funds.

Langeberg, Oudtshoorn and the City of Cape Town, all being municipalities in the Western Cape receive a budget allocation from the province. This allocation is formally gazetted. This permits the municipalities to plan their housing delivery more accurately

Because the municipalities know exactly what the available housing budget is for a specific financial year, they can accurately plan the number of housing units that they will be able to deliver. Since it is possible to establish tangible housing delivery goals in the planning of the municipality, the performance of the municipality in housing can be easily monitored and evaluated.

Knowing the multiyear budget for housing allows municipalities to effectively plan their longer term delivery and overall housing vision. The municipality does not have to work on ad hoc projects but can develop a long term municipal housing plan.

During the 'learning meeting' of the benchmark process (see Chapter 1) this example has been highlighted by other municipalities as a good practice. The case was discussed and municipalities indicated that they would prefer this kind of system in their own provinces as well.

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### Conclusion

The relationship between the provincial and local government is essential in the delivery of housing. Good communication and cooperation between both spheres of government can improve the delivery of housing. Because the Western Cape Province informs municipalities in time about their budgets, they can draft their housing plans more accurately. Therefore, they can develop tangible and realistic plans.

# Managing Delivery of Housing

## Background

Although the three spheres of government have the shared obligation to provide access to housing, they are in most cases not the actual delivery agent. Municipalities are the central actors in the housing delivery process. They need to have good contact with both the provincial government and the delivery agents. To coordinate the delivery, good project management by the municipality is very important. This will ensure that the housing projects are delivered at the right time, the agreed price and to the specified quality.

Good project management is essential for the municipality to coordinate their relationship with both the province and the delivery agents and to ensure proper implementation of housing projects.

## Guiding principles

The municipality must be aware of the factors necessary for good project management and build the necessary capacity within the municipal structure. The following are some principles for adequate management of housing delivery.

- *Effective and efficient project management systems in place*
  The municipality must have an effective system for managing projects. This system should implement and track projects from the initiation phase through to sign-off of the projects.

- *A designated project manager for each project*
  For each project undertaken by the municipality there should be someone designated as the project manager. This person is responsible for co-ordinating the management of the overall project and is the link between the municipality on the one side and the province and the delivery agent on the other side.

- *Good coordination between municipal departments*
  Effective management of housing delivery requires close cooperation between different departments and sections in the municipality. Some of the most important departments that should be involved are the departments for finance, technical services, spatial planning and building control.

eThekwini Municipality provides an example of how effective project management assists in establishing a good relationship with the province and a SHI to promote quality and timely delivery of social housing projects.

In eThekwini, a municipal official acts as the project manager. The project manager is the contact person for a specific project. She/he helps to facilitate good working relationships between SHIs and the municipal departments and coordinates the social housing development process on the municipal side. The project manager functions as the link between the different departments that need to work together in order to develop sound and viable housing projects. Each department provides input in its own field of expertise.

The province is responsible for the funding and monitoring of the housing projects, therefore the project manager needs to ensure that they are included in the delivery process.

In eThekwini, a provincial representative is involved in the monthly building site meetings. This allows the province to monitor the building progress and ensure that the subsidies are being used appropriately.

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### Conclusion

Managing social housing projects can be a challenge for municipalities. eThekwini Municipality has been able to establish strong relationships with SHIs and with the provincial government. Furthermore, by appointing specific project managers as central contact persons for external stakeholders as well as for the different municipal departments, the municipality is able to manage the projects successfully.

# Effective Internal Organisation

## Background

The delivery of human settlements includes much more than just houses. It is the municipality's task to provide the necessary services. Without water, electricity and roads, a house is not finished. The implementation of these tasks cannot be done by one department or section alone, but need the cooperation of all departments that are involved in the delivery of human settlements.

The municipality should have a structured internal organisation, in order to have an effective municipal housing service delivery.

## Guiding principles

The principles below highlight some of the key elements that a municipality should incorporate to achieve the necessary internal organisation to carry out its housing functions.

- *Department with responsibility for coordination of the housing service*
  The municipality should dedicate a section or department for housing. This section must have sufficient capacity and authority to carry out this function.

- *Agreed systems for interaction between departments*
  There should be agreed procedures or internal service agreements between the housing unit/department and other relevant departments.

- *Monitoring and tracking of progress*
  Co-operative and integrated systems are required that enable the housing department to track and monitor the progress and to intervene if and when necessary

- *Co-operation between the officials and councillors with clear separation of the roles and responsibilities*
  The political and administrative parts of the municipality must work together in achieving the defined housing delivery goals. The councillors are responsible for setting up the policy and the broad strategy and for monitoring its delivery. The officials are responsible for the implementation with the support of the councillors.

Ekurhuleni Municipality has established a partnership with a municipality in the Netherlands, Breda. The purpose of this relationship is to exchange knowledge and to build capacity in the field of rental housing. The relationship is targeted at both officials and Councillors and works through a colleague-to-colleague approach.

As part of the relationship, Ekurhuleni is implementing an urban renewal project in one of its urban centres, Germiston. This project does not only consist of the delivery of rental housing units, but is extended to a major restructuring of the CBD of Germiston to make it a vibrant area where people can live, work, etc. and that attracts economic activities.

To establish a project of this magnitude, it is necessary for different departments in the municipality to work together. Besides the delivery of housing, many other issues need to be addressed, for which the cooperation of and alignment with other departments is needed. The municipality has named this alignment between the departments the anti-silo movement to show that the departments cannot be working in isolation, but that cooperation is a requirement for a successful project.

To prevent that each department is working on its own, structured meetings have been established. In these meetings the involved departments come together to ensure that each will deliver what is needed, at the time that it is needed. This is to prevent that, for example, roads are being built before the pipes that need to be put below them are in place.

For this specific project the housing department in the municipality has been appointed as the central, coordinating department.

Within the relationship with their Dutch partner, Ekurhuleni is not only working on the cooperation between the different departments, they also focus on the involvement and the support of the Council. Through the relationship with Breda, Councillors exchange their experiences with their Dutch counterparts. They provide the necessary support and monitoring of the urban renewal project.

### Conclusion

Municipalities are differently organised, but no municipality can function without proper alignment and internal structures that allow for cooperation between departments. The delivery of housing is not limited to the construction of houses, it requires services like water, electricity and infrastructure. Cooperation with the departments that deliver these services is an absolute necessity. Through a structured system, Ekurhuleni has managed to have the different departments work together. By putting the responsibility for the coordination within one department, there is one reference point for external stakeholders and for the different departments. This allows for clear communication lines. Furthermore, by involving the Councillors in the process, the project can count on the political support and is properly monitored.

# Conclusion

The benchmark processes in housing and social housing have provided insight to the participating municipalities in their own performance, but have also shown some good practices. A number of these good practices have been presented in this publication. Furthermore, this publication indicates some guiding principles for the six themes described. By disseminating these good practices and guiding principles, other municipalities can share in the results of the benchmark. This will allow them to use the tools in this publication to improve their own services in the field of housing.

Benchmarking is a continuous process that needs to be repeated to measure improvements and to spot trends. For participating municipalities it is valuable to keep participating in follow up benchmarks. This allows them to view the trends in their own performance and their status in relation to other municipalities.

For further information on benchmarking, you can contact CMRA (www.cmra.org.za).