

Major shift in housing policy is an opportunity for civil society

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A drastic change to housing policy in South Africa is in the institutional pipeline. From a delivery model centred on subsidised houses, the state is to shift focus to site-and-service schemes. But there is very little clarity as to how this will work, and civil society is well positioned to enter the debate.



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In 2020 Minister Lindiwe Sisulu noted that subsidised housing delivery is fiscally unsustainable and cannot meet the growing demand. A shift towards site-and-service linked to self-build was announced, with land to be made available through the government's Rapid Land Release Programme. This sea change has now filtered down to provincial and municipal level. The City of Cape Town's 2022 draft Integrated Human Settlements Sector Plan notes that for the vast majority of applicants for houses, the current housing programme "will not be the suitable housing solution". Instead, the National Department of Human Settlements has issued a directive for the prioritisation of serviced sites to qualifying beneficiaries with the Human Settlements Development Grant.

As usual with housing policy in South Africa, the devil is in the detail. At the moment it is not at all clear how a site-and-service approach will be implemented. The state itself, through the myriad institutions that deal with human settlements, does not appear to have a clear idea of what site-and-service will, and should, involve. As a result, civil society is well positioned to make suggestions.

To state clearly upfront: to us site-and-service is about more than merely providing people with a plot and municipal services. It is about the incremental development of dignified housing and neighbourhoods. However, the focus of this opinion piece is to present ideas loosely organised around three key categories: building support, finance, and municipal capacity.

Building support

This covers a broad range of services that would enable the recipient of a serviced site to build a dignified, formal structure.

Existing land use management practices need to be amended to allow for rapid plan approval and construction. A plot provided with several options for pre-approved building plans, from which beneficiaries can select, is a possible option (and can also be applied to subsidy housing as to allow for future extensions).

The next point to consider is how to build. Materials and labour are required, and one must assume that large-scale contractors (such as, ASLA and Mellon Housing) will not operate in this space. There is an opportunity for small-scale builders and material suppliers, with quality control measures applied by the municipality. This could be achieved through a local database of suppliers, an application process and the monitoring of work during construction.

Title deeds should be provided with formal transfer of the plot.

The ideal institutional “vehicle” to provide such support, alongside other housing-related services, is a local Housing Support Centre. This office would be staffed by the municipality and would provide strategic housing support to people with serviced plots.



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Finance

Without support, many people who qualify for serviced sites will build shacks very similar to those currently found in informal settlements on urban peripheries. To avoid this, site-and-service provision must rework existing top-structure grants, and include mechanisms to provide beneficiaries with access to loan finance. Group savings schemes should also be considered as a source of finance.

History has shown that private sector banks are extremely reluctant to extend housing loans to the urban poor and one cannot imagine this will change over night. Government will need to convince banks to provide loan finance, to underwrite private bank finance, to create a specialised financial vehicle to provide loans for construction.

Grants or loan finance could be of several types: for materials only where beneficiaries have building skills; for partial structures with plans for future extensions; for construction costs only where materials can be procured privately; and for all materials and construction. As in the formal banking world, loan agreements would need to be signed and there would need to be clear rules for defaulting. This could be managed through the housing support centres described earlier but will be extremely tricky considering the politicised nature of housing provision and South Africa’s history of free housing provision. However, reworked grants could be managed through these centres.

Starting now, time, effort and thought need to go into planning how loans can be provided while retaining sound economic

principles of cost recovery. Without finance, a shift to site-and-service will merely replicate (or exacerbate) the current state of growing informality on the periphery.



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Municipal capacity

A state of direct antagonism, mistrust, violence and protest exists between many informal settlement communities and municipalities. A successful site and service process will require deep engagement by municipal officials in informal communities which means repairing the social compact between informal communities and local government.

Second, current municipal capacity and skills are inadequate to provide the support required. Personal experience of municipalities paints a rather bleak picture of understaffed, overworked, and ill-equipped staff who rush to “firefight” disasters with little forward planning. Serious institutional capacity and upskilling is required.

Third, municipalities are entrenched in existing housing provision practices and have comfortable relationships with private service providers. Change will be resisted, as it disturbs power. Provincial and national government have not yet made the deep institutional changes required to implement a people-centred approach to site and service. A phased approach might be considered, targeting capable municipalities which become learning centres for other officials and communities.

Finally, some thought must be given to a legislative environment which encourages the innovation and risk-taking required for this type of programme to succeed at the local level. Red tape and fear of failure will only serve to constrain municipal actions and decisions.

Key role for civil society

This is by no means an exhaustive list of the issues. There are questions of access to land and of how provision of site-and-service plots on the urban periphery would address spatial inequality. There is also the question of how communities will respond to a call for their own active participation and finance, after almost three decades of free housing.

Civil society has a key role to play – not only to lobby government for more details but also to make suggestions as to what a site-and-service policy should and could entail. The lack of detail presents an opportunity for civil society collaboration and advocacy. One such example is research on housing support centres conducted in partnership between Isandla Institute, Peoples Environmental Planning and the Development Action Group, with findings to be shared in the second half of 2022.

South Africa is on the cusp of a new human settlements paradigm, but success or failure really does reside in the detail.

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