FINAL REPORT

IMPACT EVALUATION OF HOUSING CHAPTERS OF THE INTEGRATED DEVELOPMENT PLAN

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FINAL REPORT

IMPACT EVALUATION OF HOUSING CHAPTERS OF THE INTEGRATED DEVELOPMENT PLAN

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ACRONYMS

AG	Auditor General
APP	Annual Performance Plan
BAS	Basic Accounting System
BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
DCOG	Department of Cooperative Governance
DORA	Division of Revenue Act
DPME	Department of Performance Monitoring and Evaluation
FLISP	Finance Linked Individual Subsidy Scheme
HC	Housing Chapters
HSDG	Human Settlements Development Grant
HSP	Human Settlements Plan
HSS	Housing Subsidy System
ICDG	Integrated City Development Grant
IDP	Integrated Development Framework
IGR	Intergovernmental Relations
IRDP	Integrated Residential Development Programme
IUDF	Integrated Urban Development Framework
LM	Local Government
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSA	Municipal Systems Act
MTSF	Medium Term Strategic Framework
NDHS	National Department of Human Settlement
NDP	National Development Plan
NSDF	National Spatial Development Framework
NT	National Treasury
OPSCAP	Operational Capital Budget
PDGS	Provincial Growth and Development Strategy
PDHS	Provincial Department of Human Settlement
PFMA	Public Finance Management Act
PMG	Parliamentary Monitoring Group
RDP	Reconstruction and Development Programme
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Use Management Act
ToC	Theory of Change
USDG	Urban Settlements Development Grant

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EXECUTIVE SUMMARY

The National Department of Human Settlements (NDHS) commissioned PDG to conduct an impact evaluation of the Housing Chapters Programme. Through the programme, the NDHS aimed to increase integration as well as representation of the housing agenda in the integrated development planning process, in order to adequately address the housing issues in the country while striving towards achieving national Outcome 8 of building Integrated and Sustainable Human Settlements. The evaluation was conducted between November 2018 and September 2019. The evaluation entailed a mixed-method approach including a combination of structured reviews, online surveying, workshops and interviews with a scientifically representative sample of municipalities.

Background to the Housing Chapters programme

The Comprehensive Plan (2004) recognises that housing supply must respond to housing demand, and that this relationship is best packaged at the local level. This makes it best for municipalities to take the lead role in housing planning. The programme was developed as a mechanism to increase capacitation in order to comply with the comprehensive plan, as there was an underlying assumption that local municipalities were under-capacitated to take on the housing function. A national support programme was developed to assist municipalities with undertaking human settlements planning as part of the IDP process through the Housing Voice – a concept developed to ensure the true reflection of the communities housing needs, as well as to elevate the housing agenda in municipalities. The support programme had both a technical and financial assistance aspect to it, however the latter was halted after a ministerial directive issued in 2015. After the withdrawing of the funding component, the status of the programme became unclear. The evaluation was conducted in order to determine the functionality of the programme since inception as well as the viability of its future going forward.

Methodology

The evaluation adopted a mixed method approach where a range of qualitative and quantitative data collection instruments were employed. Primary data collection activities included workshops, semi-structured interviews and structured surveys. Secondary data collection took the form of structured reviews of planning documents and associated municipal and provincial plans and reports. The structured review component was based on a standardized evaluation rubric. A broad range of stakeholders have important insights to contribute to this evaluation. To ensure that the evaluation draws on a sufficient and well-balanced set of inputs, a combination of total sampling, stratified purposive and simple random sampling were conducted to select the stakeholders who will participate. Stratification of respondents is critical given that the stakeholders to be engaged span three spheres of government, including the NDHS, nine provincial housing departments and 234 local governments. Local government was further stratified by levels of accreditation, context (e.g. metros and non-metros,) and regions.

Figure 1. Theory of Change

Theory of Change

Key Evaluation Question: Assess the relationship between Housing Chapters and the IDP

According to the Theory of Change (Figure 1), the Housing Chapters programme is designed to ensure that IDP statutory planning (and annual operational plans) integrates the legislative and policy priorities for housing into pre-existing IDP processes and provisions so that the housing programme finds expression in what the municipality actually does annually. With sufficient technical capacity and political support, it is expected that the formulation of the Housing Chapter will involve meaningful and inclusive public participation, coordination across sectors and spatial prioritisation, guided by a comprehensive legislative and policy framework, managed by adequately capacitated human settlements planning capacity at municipal level, and funded through the HSDG funding mechanism. The Housing Chapter, adopted as part of the IDP process, gives expression to the housing agenda in local and provincial planning processes, and is aligned to key municipal, provincial plans and budgets, and national policy directives. Should the Housing Chapters programme functions as intended across the national housing system, with targets and strategies set in the IDP being adequately resourced, then the key outcomes anticipated are integrated planning and implementation at municipal level, the achievement of planned targets in reported results, and ongoing adjustments and revisions to annual plans and budgets in line with policy directives.

Key findings

The evaluation has made the following key findings:

De facto role of local government in human settlements planning

The evaluation has found that there is a disjuncture between theory and practice as to the role of municipalities in human settlements planning, and the expected role of accreditation in determining this role is not systematic but subject to varying degrees of capacity in municipal and provincial spheres, and some reluctance on the part of provincial departments to proactively and meaningfully support accreditation. The vast majority of non-accredited municipal respondents perceived the de facto role of municipalities in human settlements planning as limited to needs assessment and identifying suitable land to ensure project readiness for provincial departments rather than meaningful integrated development planning as envisaged in the Housing Code.

Public participation

Key Evaluation Question: Assess the impact on broader society through public participation as provided for in Housing Code

The evaluation has found that, whereas community voices are filtering into the IDP, the assumption that public participation in itself enhances the accuracy of the assessment of needs is questioned. Specifically, stakeholders have raised the problems associated with the compilation of waiting lists. The unintended consequence of this is that the needs assessment is skewed by a stated preference for RDP. The instrumental value of the needs assessment as a means to improve housing delivery is questioned as only a small fraction of housing projects are funded. One conclusion that may thus be drawn is that the instrumental value of public participation is to secure buy-in from communities in furtherance of project readiness. However, there is a risk that the overall programme design – conducting public participation on project 'wish lists' with no realistic expectation of funding – may inadvertently undermine trust and legitimacy in the National Housing Programme specifically and in the State generally.

Municipal planning capacity

The evaluation has found that human settlements planning capacity varies significantly across municipalities. The survey results were contradictory, with respondents claiming on the one hand that they had capacity, and on the other that they did not have the resources necessary to produce credible Housing Chapters. However, the structured reviews and the interviews appear to confirm the latter view, that municipalities are not producing credible Housing Chapters. It is therefore reasonable to infer that (1) requisite capacity does not exist, and that, (2) where capacity *does* exist, municipalities are reluctant to take the necessary ownership of Housing Chapters to commit the resources required to ensure credibility.

Credibility of Housing Chapters

The evaluation found that whereas approximately three quarters of IDPs have Housing Chapters, most of them generally fail to satisfy the core criteria for credibility. There is no statistically significant relationship between the disbursement of grant funding in support of human settlements planning capacity, and the credibility of Housing Chapters as perceived by survey respondents. The format of Housing Chapters has not been systematized and varies from municipality to municipality. Housing Chapters are generally not perceived as credible by survey respondents or stakeholders interviewed. Housing demand is generally not adequately described and quantified based on credible desktop analysis. Of particular concern is the readiness of the projects contained in the Housing Chapter. The quality of desktop analysis is poor and have only shown marginal improvement over the evaluation periods. On the positive side, there has been some improvement in integrating the Housing Chapter into the IDP document. Housing-related issues have been elevated over the evaluation period: there is a growing recognition of the importance of housing mix, land availability and infrastructure issues in ensuring desired human settlements outcomes, particularly among accredited non-metros.

Funding mechanisms

Key Evaluation Question: Assess the role of the HSDG as funding instruments for the Housing Chapters

The evaluation found that the design of the Housing Chapters programme is best to poorly resourced non-accredited municipalities, whereas other instruments such as the Municipal Accreditation Assistance programme are better suited for non-metro municipalities in the process of accreditation. The complexity and balance of capacity with metros would indicate that the more flexible USDG offers the preferred funding instrument for capacity-building in metros.

However, there is a perception amongst stakeholders that OpsCap funding is poorly monitored and vulnerable to abuse, where funding intended for municipalities are absorbed by provincial departments for internal purposes. Perceptions of malfeasance and poor return-on-investment may explain why OpsCap allocations have declined in recent years. Within the OpsCap envelope, funding for Housing Chapters programme and Municipal Accreditation Assistance have diminished. Thus, the critical assumption that provincial housing departments are actively allocating funding for municipal capacity-building could not be confirmed by budgetary analysis or interviews.

Horizontal alignment

Key Evaluation Question: Do Housing Chapters find expression in municipal planning documents such as the IDP, the BEPP and the SDBIP?

The survey results and structured reviews of IDPs indicate that Housing Chapters are increasingly finding expression in IDPs over the evaluation periods. However, the extent to which housing priorities such as housing delivery, planning capacitation and public participation are elevated to high-level IDP priorities has declined over the evaluation period. Municipal spatial plans are also increasingly likely to feature housing projects in their plans and maps, but the same cannot be said for *strategic* alignment between housing and spatial plans (e.g. whether projects are well-located in relation to economic opportunities). Similarly, housing projects may feature in the BEPP maps, but strategic alignment appears superficial. Housing-related indicators rarely feature in SDBIPs, a situation which has remained unchanged over the evaluation periods. This suggests a decline in the degree to which municipalities are willing to take political and executive ownership over the housing agenda.

Vertical alignment

Key Evaluation Question: Do Housing Chapters find expression in the provincial business plans?

The evaluation found that whereas IGR engagements are indeed regularly held between municipalities and province, these engagements do not necessarily inform provincial business plans. In fact, the assumed causal link between Housing Chapters and provincial business plans has been found to run in the opposite direction. In reality HSDG business plans are primarily informed by provincial priorities which focus primarily on spending their HSDG allocations. It is through this frame that most other actions and interactions by provincial departments can be traced, including its preference for existing, multi-phase 'mega-projects' rather than new, smaller projects, flexibility rather than transparency with regards to multi-year allocations, and encouraging municipalities to maintain an expansive pipeline of project opportunities irrespective of the likely short- to medium-term funding envelope.

Strategic alignment

With regards to alignment between municipalities and national strategic imperatives, the evaluation found that (1) the quality and frequency of IGR between municipality and NDHS is generally poor; (2) whereas provincial MYHSPs do superficially refer to the MTSF, policy documents like the IUDF not linked to the HSDG do not feature in provincial plans; (3) that the extent to which MTSF features in provincial documents may be compliance-based rather than reflective of strategic alignment, and (4) that this may be attributable to a combination of weak IGR communications coupled with the perception that the MTSF outcomes and DORA requirements are out of touch with non-metro environments and not sufficiently differentiated and flexible across local contexts. The evaluation found that the extent to which NDHS is enforcing compliance to national policy imperatives as reflected in legislation and policy documents is insufficient, and that NDHS and DPME do not systematically provide credible monitoring and evaluation of sub-programme deliverables to Cabinet to inform appropriate NT allocations in pursuit of the realisation of Outcome 8. This may be due in part to a lack of capacity and poor data integrity across the housing environment, and the manipulation of financial and non-financial performance data by provincial departments.

Critical assumptions

Before reaching a conclusion as to the impact of the Housing Chapters programme on broader society, it is first necessary to take stock of the findings on the critical assumptions in the Theory of Change:

Validation of critical assumptions

No.	Critical assumption	Finding
1	Citizens have insights into housing needs not reflected in desktop analysis.	Supply-driven delivery model may induce maximising behaviour amongst households.
2	Community voice filtering into IDP through effective public participation processes.	Supported by findings.
3	IGR engagements in IDP processes are regularly held, and systematically inform provincial planning.	IGR engagements are regularly held, but do not systematically inform provincial planning.
4	Provincial housing depts. account for / incorporate draft IDPs into Prov. Housing Sector plans.	Contradicted by findings.
5	Grant-assisted human settlements planning results in credible analysis of housing need.	Neither supported nor contradicted by findings. Statistically insignificant relationship suggests limited impact.
6	Municipalities are requesting, and receiving, grants to improve housing planning capacity.	Supported by findings, although the HSDG allocation in support of technical capacitation is declining.
7	Provincial housing departments are allocating funding for capacity-building support for LG.	Not clear. OpsCap is poorly monitored and overall allocations continue to decline.
8	Funding distributed by NDHS is sufficient to meet housing need.	Funding relative to backlogs and building costs have declined over long-term. Backlogs won't be resolved under current delivery model alone.
9	NDHS and DPME provides sufficient and credible reporting to Cabinet to inform appropriate NT allocations.	Not supported by findings. Tracking of MTSF outcomes of variable quality, particularly integrated spatial outcomes.

Revisiting the Theory of Change

Based evaluating the validity of the causal links and critical assumptions underlying the Theory of Change, it is possible to graphically illustrate the evaluation findings in the figure below.

The Housing Chapters programme does ensure that IDP statutory planning (and annual operational plans) integrates the legislative and policy priorities for housing into pre-existing IDP processes and provisions so that the housing programme finds expression in the draft IDP. However, due to the disjuncture between the housing list and the provincial business plan, the IDP ceases to drive development in the municipality. It becomes a wish list divorced from reality, and, although the underlying public participation does give voice to the community, the outcome of the process is very weakly linked to what gets funded, and thus what happens on the ground.

Due to varying levels of planning capacity and systems, the formulation of the Housing Chapter rarely results in coordination across sectors and spatial prioritisation. Thus, the Housing Chapter does find expression in the draft IDP but not in provincial planning processes. These in turn are principally informed by compliance with DORA requirements, funding allocations on a year-on-year basis, and ministerial policy directives. The key lens through which projects are funded is to ensure HSDG allocations are fully spent through project readiness.

The formulation of a credible Housing Chapter was once funded through the HSDG mechanism, with its coverage limited to a subset of poorly resourced, non-accredited municipalities. This ceased in 2015 due to poor return-on-investment.

Although provincial departments and municipalities have expressed a need for funding support, the extent to which this support has ensured more credible Housing Chapters remain unconfirmed. This may be attributable to the delivery model of the Housing Chapters programme, which relied on the appointment of external service providers rather than in-house training. The credibility of Housing Chapters have not been systematically monitored over time, and no adjustments or refinements have been made to the program since its inception.

Figure 2. Theory of Change revisited

The housing sector as a political economy

Housing-related legislation and policy emerged out of democratic transition in South Africa, informed by extensive research, analysis and negotiation. Over the years since 1994, South Africa has seen numerous shifts in housing policy, which attests both to the socio-economic importance and political imperative of housing provision in the country. Housing processes are increasingly expected to contribute to, or even drive, further developmental objectives. However, it is important to be reminded that the national housing programme in itself is not a silver bullet for South Africa's structural inequality manifested spatially within its built environment.

The summary conclusion based on the above synthesis of findings is that, whereas the elevation of human settlements planning into public participation may have inherent value in terms of democratic norms, the extent to which the Housing Chapter concept benefits broader society is encumbered by both the deficiencies in the housing delivery model and those associated with integrated development planning processes, such as the formulation of unfunded 'wish lists'.

While South Africa's housing paradigm is described in policy as a government-aided, private sector-driven approach, in practice is implemented as a state-dominated housing provision approach for lower income households who are deemed to comprise a part of the officially-defined 'housing backlog' *(Gardner, 2018)*. The housing policy shifts that have occurred since 1994 were most often reactions to weaknesses in policy implementation or were driven by other agendas such as political pressure or internal departmental politics *(Charlton and Kihato, 2006)*. Even in the absence of a fundamental reform from a State-directed supply-driven model to a true demand-driven public housing model, the effectiveness of the Housing Chapters programme would be significantly strengthened were the Housing Act's call for the progressive delegation of housing functions to

local government to hold sway over parochial interests. A determination as to the current and potential impact of the Housing Chapter programme can only be made if the analysis gets beneath the formal structure to reveal the underlying interests, incentives and institutions that enable or frustrate the realisation of Outcome 8.

Summary evaluation finding

For the Housing Chapters programme to have an impact on Outcome 8, the intended formal structure, as represented by the Theory of Change, requires evidence of a significant causal link between (1) the Housing Chapters programme of the DHS, (2) the formulation of the Housing Chapter as part of the IDP informed by national priorities, public participation and desktop analysis, (3) the preparation of provincial business plans on the basis of the Housing Chapter, (4) the funding and implementation of the provincial business plans and (5) the progressive realisation of Outcome 8 of the MTSF.

Based on analysis of the data collected, this evaluation (1) could not establish a significant causal link between the Housing Chapters programme and the sustained and progressive enhancement of human settlements planning capacity at local government level; and (2) could not establish a significant causal link between the Housing Chapter, the provincial business plans and housing implementation. Thus, while the elevation of human settlements issues in public participation processes may have inherent value, this evaluation could not by means of the Theory of Change confirm the instrumental value of the Housing Chapters programme in helping realise progressive realisation of integrated, liveable human settlements.

Recommendations

By adopting a political economy lens, the evaluation can support more effective and politically feasible recommendations, as well as inform more realistic expectations as to what can be achieved.

Type	Short term	Medium term	Long term
Planning process	Strengthen oversight w.r.t province-municipal 5YR planning IGR	Systematise and elevate status of 5YHSP	Reduce scope of annual Housing Chapters as part of IDP
Technical assistance	Strengthen national DHS' capacity to provide direct technical assistance to municipalities, including standardised 5YHSP templates for non-metros	Reformulate technical assistance delivery model for Housing Chapters to focus on guidelines, data and workshops.	
Revision to Housing Code	Discontinue Housing Chapter funding to provincial departments. Make other non-core funding to provincial depts. contingent on accreditation.	Remove Housing Chapters programme from Housing Code	Discontinue HSDG OpsCap funding

It is proposed that the recommendations are implemented in a phased approach. From a process perspective, national DHS takes the necessary measures to provide robust oversight with regards to provincial-municipal business planning engagements. At the same time, national DHS prioritises the development of internal capacity to provide oversight and provide direct technical assistance to municipalities, whilst sustaining the moratorium on Housing Chapters funding to provincial departments. In the medium-term, systematise and elevate the status of the 5YHSP as a primary document guiding human settlements planning at municipal level and securing provincial commitments. Reformulate the technical assistance delivery model by NDHS to municipalities from consultant-driven to focusing on the provision of centralised templates, guidelines and data repositories. Extend direct assistance in the form of workshops to those municipalities who formally committed to taking political and executive ownership of the technical assistance process. Having rationalised planning processes and developed in-house technical assistance capacity, the Housing Chapters programme can be removed from the Housing Code. In the long term, an elevated 5YHSP and the availability of direct technical assistance will create the conditions necessary to discontinue all HSDG-linked OpsCap funding via provincial departments.

1. Introduction

The National Department of Human Settlements commissioned PDG to conduct an impact evaluation of the Housing Chapters Programme for the period 2005 to 2019. The evaluation was undertaken between November 2018 and September 2019. The evaluation was commissioned as part of a broader review of National Housing Programmes.

This document serves as a draft final report of the evaluation of a programme which aimed to enhance the integration as well as representation of the housing agenda in the integrated development planning process, in order to adequately address the housing issues in the country in furtherance of the progressive realisation of integrated, liveable human settlements. The evaluation entailed a mixed-method approach including a combination of surveys, semi-structured interviews, workshops, and structured reviews of municipal and provincial planning documents. The data collection strategy employed a scientifically representative approach to sampling municipalities.

1.1   Structure of the report

The document is structured as follows:

Chapter 2 provides a chronological account of the evolution of housing policy and legislation since 1994 on the back of a review of programme documents, scholarly papers, relevant national planning policy and legislation, a subsample of municipal and provincial planning documents, and cross-cutting interviews with senior stakeholders. The second part of this chapter describes the grant framework relevant to the human settlements sector, and the final part of Chapter 2 looks into the key debates relevant to the evaluation: fiscal decentralisation, integrated planning and public participation;

Chapter 3 introduces the problem statement emanating from the literature, culminating in a proposed Theory of Change for the Housing Chapters Programme and the critical assumptions underlying its intended logic. These represent a synoptic view of the Housing Chapter programme from an evaluation perspective – that is, with a clear results-based orientation;

Chapter 4 introduces the methodology and approach for data collection, including sampling, primary and secondary data collection approaches, and provides an account of the data collection phase;

Chapter 5 describes the findings and analysis emerging from the data collection phase, starting with powers and functions, the performance and capacity of the housing sector environment, the design, coverage and perceived impact of the Housing Chapters programme itself, followed by the availability and credibility of the Housing Chapter products, and the impact of the programme through the lens of public participation, vertical alignment and strategic alignment with national policy.

Chapter 6 synthesises the previous chapter into summary findings, and applies the implications thereof on the critical assumptions underlying the Theory of Change. This chapter concludes with a systemic interpretation of the observed divergence between policy and practice.

Finally, Chapter 7 introduces a number of recommendations to address the challenges arising from the observed divergence.

2.   Literature review

Housing-related legislation and policy emerged out of democratic transition in South Africa, informed by extensive research, analysis and negotiation. Over the years since 1994, South Africa has seen numerous shifts in housing policy, which attests both to the socio-economic importance and political imperative of housing provision in the country. This chapter provides a chronological account of the evolution of housing policy and legislation since 1994 on the back of a review of programme documents, scholarly papers, relevant national planning policy and legislation, a subsample of municipal and provincial planning documents, and cross-cutting interviews with senior stakeholders. The second part of this chapter describes the grant framework relevant to the human settlements sector, and the final part of this chapter looks into the key debates relevant to the evaluation: fiscal decentralisation, integrated planning and public participation.

2.1   Evolution of policy and legislation governing housing sector (1994-2018)

2.1.1   Constitution (1996)

The South African Constitution (1996) forms the basis of all human settlements sectoral policies and plans, seeking to establish a rational, internally coherent and developmental framework.

Key sections relevant to this evaluation are:

•   Section 26 enshrines the right to access to adequate housing, and that the State should take reasonable legislative measures within its available resources to achieve the progressive realisation of this right;

•   Section 153, establishing the developmental duties of municipalities, require that (a) a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and (b) a municipality must participate in national and provincial development programmes;

•   Section 154, read together with Section 156, establishes the principle of devolution, requiring that national and provincial governments support and strengthen the capacity of municipalities to manage their own affairs (s154), and that national and provincial government must assign to a municipality the administration of functions which would most effectively be administered locally and provided that the municipality has the capacity to administer it (s156);

•   Section 214 provides for the Division of Revenue Act which accompanies the national budget and sets the framework for financial arrangements between the various spheres.

2.1.2   RDP and the White Paper on Housing (1994)

The incoming ANC government adopted a White Paper on Housing, committing 5% of the national budget allocation to housing delivery with the aim to develop one million houses in five years as part of its **Reconstruction and Development Programme** ('RDP'). The State wanted rapid delivery to ensure broad access to housing, relying predominantly on the individual, income-linked state subsidy to achieve this goal. These subsidies were accessed by private sector developers to develop serviced houses on freehold tenure sites. The intention, according to Charlton and Kihato (2006), was to "deliver a starter house which beneficiaries would add to and consolidate over time".

However, as national allocations remained constrained and profit margins dwindled, the rate of construction declined over time and resulted in a concomitant build-up of backlog, particularly in urban centres. At the same time, the over-arching focus on output maximisation led, according to Charlton and Kihato, to a reduction of standards relating to sanitation, water and roads, and a preference for cheap land on the periphery of urban centres.

Over 1.5 million housing units were delivered between 1994 and 2003. The NDHS has acknowledged that housing delivery under this programme has had a limited impact on poverty alleviation and houses have not become the financial, social and economic assets as envisioned at programme inception.

2.1.3   Introduction of Integrated Development Plan (1996)

Municipalities are responsible for a number of plans (as displayed in

Figure 2), each of which is intended to integrate horizontally with the municipality's other plans and vertically with relevant provincial and, sometimes, national plans. The **Integrated Development Plan** ('IDP') was introduced by legislation in 1996 but has multiple and diverse origins and is the product of both international trends and influences and the specific South African context. This section is however limited to the legislature and policy developed post-1996.[1] Integrated Development Plans were first introduced as a new, statutorily required, municipal strategic planning concept in 1996 through the introduction of the **Local Government Transition Act Second Amendment Act** (209 of 1993) ('LGTA'). They were originally intended to function as an instrument to assist local authorities in fulfilling the objectives of the nationally sponsored RDP (Harrison, 2001). This Act only provided a broad guide to the purpose and focus of the IDP as a concept in order to ensure flexibility and local innovation (Oranje et al., 2000). This approach was also complemented by the commitment to provide local municipalities with support and guidance in fulfilling their IDP mandate, including the provision of housing.

2.1.4   Housing Act (1997)

The **Housing Act** (107 of 1997) is the primary piece of housing legislation in South Africa, setting the framework for the financing of the national housing programmes and requiring municipalities to take all necessary steps to ensure access to adequate housing on a progressive basis:

•   Section 1 requires that National, provincial and local spheres of government must ensure that housing development is based on integrated development planning;

•   Section 9 requires that every municipality must, as part of the municipality's process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.

The Housing Act sought to clarify the municipal role in the housing function. Initiation, planning, coordination, facilitation, promotion and enabling of appropriate housing development in its area of jurisdiction were also explicitly highlighted as municipal duties. The Act entrenched the notion of integrated development by requiring that all spheres of government ensure that housing development is based on integrated development planning.

A critical feature in the Act was the realisation of the principle of *devolution*, as promoted in the Constitution. This was done by establishing a framework for the accreditation of municipalities to progressively take on additional responsibility in the delivery of the housing function. This of course would have significant implications for a municipality in terms of its development planning if accredited.

2.1.5   White Paper on Local Government (1998)

To further entrench the use of IDPs, the **White Paper on Local Government** (1998) elaborates that municipalities must develop strategic integrated plans for the short, medium and long term. Therefore, the IDP was not intended to solely reflect the 5-year political term outlook but also address the long-term fundamental plan of the municipality. This key policy document provided content to the new developmental roles and responsibilities for Local Government as set out in the Constitution. The White Paper additionally required municipalities to give priority to the basic needs of its communities and promote their social and economic development to achieve a democratic, safe and healthy environment as set out in the Constitution, and the means for achieving these were to be set out in the municipal IDP. It further emphasised the role of the IDP together with performance management, participatory processes and service-delivery partnerships in providing the basis for new systems of local government as well as clarifying the objectives of the IDP.

The concepts introduced in the White Paper were legislated in the Municipal Structures Act of 1998 and the Municipal Systems Act of 2000.

2.1.6   Municipal Systems Act (2000)

Between the years 1996 to 2000, which coincided with the transitional period for local government, most local authorities in South Africa prepared some form of IDP (Oranje et al., 2000). At the end of 2000, local government elections were held, and a new system was implemented along with the introduction of the **Municipal Systems Act** (32 of 2000) ('MSA').

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[1]   *It is important to note that the legislative and policy context of the IDP, which ultimately represents the integrated plan of multiple municipal functions, as well as coordination of National and Provincial functions, cannot be analysed without looking at the context of powers and functions more broadly. That is a significant undertaking in its own right and is therefore superficially touched upon but not fully explored in this review.*

This Act provided much of the fundamental framework that still governs the IDP process and contents to this day. At a high level, the MSA requires the adoption of a single, inclusive and strategic plan for the development of the municipality in the form of the IDP which must be adopted by each new municipal council. It states that this plan must link, integrate and co-ordinate all municipal plans as well as consider proposals for the development of the municipality. The MSA also requires the alignment of municipal resources and capacity to fulfil the Plan, with a budget project for at least a three-year period. In this way the IDP forms the basis on which annual budgeting is to be based. The Act further stipulates that an IDP be compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation. The MSA also established the spatial development framework ('SDF') as part of the IDP, as a direct legal link to the land use management scheme.

The MSA explicitly lays out the core components of an IDP. As the cornerstone of an IDP, an overarching long-term municipal development vision with special emphasis on the municipality's most critical development and internal transformation needs must be included. An IDP must also have substantive analysis of existing service levels and identification of underserviced communities which should be related to a council's development priorities and strategies for its elected term, including economic development and internal transformation needs. It further requires the inclusion of municipal operational strategies and disaster management plans.

In setting out the process to be followed in the production and adoption of a municipal IDP, the MSA critically entrenched the requirement of *public participation* in the IDP process for local municipalities. This includes, but is not limited to, participative community engagement in the compilation of the IDP and in its adoption. This is evident in the requirement that communities be consulted on their development needs and priorities and participate in the production of the IDP. This engagement is further extended to include other organs of state, traditional authorities, and other role players in the municipality.

A key inclusion in the MSA was the requirement for IDPs to contain key *performance targets* against which the plans and strategies contained in the IDP should be measured. The **Municipal Planning and Performance Management Regulations** (No.796 of 2001) expanded the role of the IDP as a key municipal performance monitoring tool by requiring IDPs to set key performance indicators, which must be reviewed annually. Annual performance targets for each financial year were required, as well as measuring and reporting against relevant nationally prescribed key performance outcomes. These were to be related to the high—level development priorities identified by the IDP and are organisationally entrenched through the establishment of an internal performance audit committee.

2.1.7 Municipal Financial Management Act (2003)
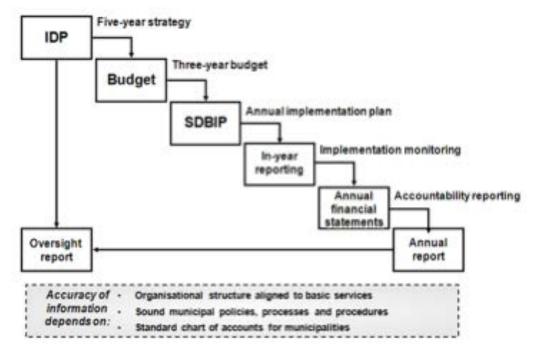
Before 2003, local government finance was characterised by one-year line-item budgets rather than budget alignment with medium-term priorities. This was not supported of strategic planning as it resulted in municipalities allocating resources based on historical commitments rather than current and future priorities. Furthermore, municipal finance practices were not rooted in a culture of performance and regular reporting.

The key objective of the **Municipal Finance Management Act** (56 of 2003) ('MFMA') was to modernise municipal financial management so as to lay a sound financial base for the sustainable delivery of services. The reforms introduced by the MFMA flowed from the 1998 White Paper on Local Government, together with the Municipal Structures Act and Municipal Systems Act.

The MFMA aims to ensure that municipalities' priorities, plans, budgets, implementation actions and reports are properly aligned. Circular 13 of the MFMA (2005) sought to further strengthen the linkages between IDP planning and municipal budgeting through the introduction of the **Service Delivery and Budget Implementation Plan** ('SDBIP'). The intention of the SDBIP is to give "effect to the Integrated Development Plan and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA."

The MFMA, together with the MSA, aims to ensure proper alignment between municipal priorities, plans, budgets, implementation actions and reports. The main components of this planning and accountability cycle are explained below:

1. An IDP is a 5-year plan which sets out the municipality's goals and development plans. It is adopted and reviewed on an annual basis, with performance assessed based on the annual report.

2. A three-year budget, which sets out the allocation of funds, needs to be aligned with the IDP's priorities.

3. The SDBIP is the municipality's annual implementation plan, setting out monthly or quarterly delivery and financial targets aligned with targets set in IDP and budget.

4. The administration reports to Council on the implementation on the budget and SDBIP through regular in-year reports.

5. The annual report reports on implementation performance in relation to budget and SDBIP, and performance in realising IDP priorities.

2.1.8   Breaking New Ground: A Comprehensive Plan for Sustainable Human Settlements (2004)

Since the dawn of democracy, housing planning has been a national and provincial competency, with the exception of metropolitan municipalities. However, national policy as well as provincial allocations have not always been able to satisfactorily respond to the housing demand. This is due in part to the over-arching emphasis of the White Paper (and the RDP) to top-down output maximisation rather than reconciling bottom-up housing demand and diversified housing supply. The challenges inherent in the supply-driven approach became increasingly apparent amid the onset of dramatic urbanisation effects, such as household migration, smaller households and an ever-increasing geographic concentration of employment opportunities. The two spheres of government could not adequately meet the range of housing demand, as the bureaucratic processes as well as framework for housing allocation were not designed to cater for the locally specific and dynamic nature of housing demand.
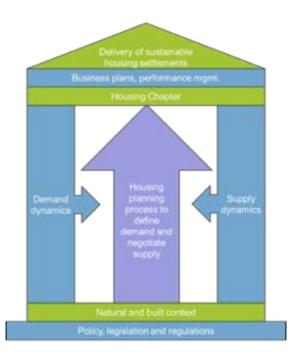
The 10-year review summarised the weaknesses encountered in the first decade of the democratic housing programme:

•   the changing nature of housing demand due to rising unemployment, household formation, urbanization;

•   balancing delivery at scale with creating liveable, well-located human settlements;

•   poor alignment of budgets and priorities between line function departments, municipalities, provincial governments and the national department;

•   a slowdown of housing delivery due in part to capacity constraints and the uneven application of policies across all spheres of government.

In response BNG promoted the concept that *supply* of public housing must respond to housing *demand* and that this relationship is best packaged at the local level. A new plan was necessary to help use the already existing mechanisms to deliver housing in a more responsive and effective manner (NDHS, 2004). This resulted in the preparation of **Breaking New Ground: A Comprehensive Plan for Sustainable Human Settlements** ('BNG') which was approved by Cabinet in September 2004, replacing RDP as the cornerstone of national housing policy.

One of the key strategies to address these challenges is to expand the role of local government by means of ensuring that housing plans are embedded and integrated into each IDP. Until 2004, IDPs had not contained Housing Chapters as this was not a legislated requirement of the Municipal Systems Act governing the IDP processes. This has led to a disjuncture and lack of alignment between planning and housing at the local and provincial levels.

Figure 3. Housing delivery system (simplified)

Source: (NDHS, 2008)

BNG requires that the Housing Chapter of IDPs be considerably enhanced to include a municipal housing needs assessment, the identification of well-located land for housing and densification, linkages between housing and urban renewal, and integration of housing, planning and transportation networks, altogether linked to a multi-year implementation plan. To achieve this, BNG requires that NDHS provides a framework for the Housing Chapter in the IDP[2], supported by additional funding and capacity to be provided to municipalities in order to undertake this task. The need to package housing projects at municipal level, first identified by BNG, was subsequently echoed by the Housing Code[3], the National Development Plan ('NDP')[4], the Integrated Urban Development Framework ('IUDF') and Spatial Planning and Land Use Management Act ('SPLUMA')[5].

In addition, these chapters should establish a clear 'line of sight' between national development (NDP, IUDF) and housing policy (BNG), the Housing Code (see below), annual performance plans of provincial housing departments ('APPs'), 5-year IDPs and associated spatial development frameworks ('SDFs'), annual SDBIPS[6] and, in the case of metros, the annual BEPPs.

2.1.9   Housing Code (2009)

The Housing Act (107 of 1997) sets out that national housing policy may, through intergovernmental consultation, include administrative or procedural guidelines regarding the implementation and application of housing policy. Subsequently the **National Housing Code** (2009) was published in terms of this Act. The Housing Code is an enabler for the successful implementation of the housing policy and therefore for BNG. It contains an extensive description of the housing environment in South Africa and how it has evolved to the point of developing BNG. The Housing Code introduces 16 programmes, one of which providing the policy foundation of the **IDP Housing Chapters Programme** and related implementation guidelines.

BNG advocated that municipalities must accordingly take the lead role in *negotiating the location of housing supply to create integrated human settlements*. This approach envisaged that municipalities would take on a significantly larger role in the housing process, and in doing so, forge

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[2]   This framework was subsequently provided in the form of the Resource Book on Housing Chapters was published in 2008. The purpose of the Resource Book is to provide a practical resource to support the undertaking of planning for housing delivery within the framework of the Housing Act and BNG, and the integrated development processes of municipalities as set out in the MSA. The Resource Book is targeted at municipal officials involved in the IDP and housing planning activities in their municipalities, as well as provincial housing officials.

[3]   The National Housing Code (2009) sets out and regulates the various national housing programmes, introduces 'Housing Sector Plans' as part of IDPs.

[4]   The National Development Plan sets out the broad public sector reform agenda for South Africa, with Chapter 8 establishing key objectives for transforming human settlements, including strong and efficient spatial planning systems that are integrated across spheres of government.

[5]   The Spatial Planning and Land Use Management Act (2013) is a key legislative development which confirms municipal powers and responsibilities in terms of the preparation of SDFs aligned to capital investment frameworks.

[6]   The Municipal Finance Management Act (2003) requires municipalities to develop SDBIPs, which are detailed plans approved by the Mayor for implementing the municipality's delivery of municipal services, and tracking service delivery performance.

closer linkage with spatial planning, social facility provision and infrastructure systems. The mechanism by which this was envisaged to happen was for municipalities to identify or appoint an in-house 'Housing Voice', effectively an official or team of officials dedicated to championing and elevating housing issues within the context of the IDP process, and to ensure that housing priorities are integrated with other municipal programmes.

As a programme, the Programme essentially consists of two inputs:

• The provision of guidelines for the inclusion of housing planning in integrated development processes, including a suggested approach to the formulation of the Housing Chapters in IDP;

• The provision of assistance to all municipalities which do not have sufficient financial and/or human resources for the undertaking of Housing Chapters of IDPs.

The first activity is accounted for through the Resource Book (2008) and Housing Code (2009). However, the nature of provision of assistance to municipalities has evolved with time.

The elevation of the Housing Chapters requirement as part of the IDP in the BNG was seen as problematic by weaker municipalities, who claimed that they do not have the necessary resources or funding to develop the necessary Housing Chapters. To this end, provision was made for a financial mechanism to be made available to municipalities to enhance their human settlements planning capacity as part of their HSDG and USDG grant allocation[7]. Under this programme, municipalities apply for funding, with the amount determined by the type of support required. Further funding must be applied for on an annual basis, changing as capacity increases and the development of Housing Chapters for IDPs improve.

2.1.10   Medium-Term Strategic Frameworks (2009, 2014)

The **Medium-Term Strategic Framework** ('MTSF'), first introduced in 2009, framed National Government's strategic plan for the corresponding electoral term. It reflected the commitments and actions Government would take and targets to be achieved during this period. MTSF 2009-2014 included 12 outcomes, of which Outcome 8 was directed at 'sustainable human settlements with an improved quality of life'. Outcome 8 was linked to four outputs: (1) accelerate delivery of housing opportunities, (2) improving access to basic services, (3) mobilisation of well-located public land and (4) improved property market. Targets associated with Output 1 included (1) upgrading 400 000 households in well-located informal settlements, (2) creating 24 312 CRU units, 20 000 social housing units, 8 487 units through the Institutional Housing Subsidy Programme and 26 600 units through private sector rental housing, and (3) the accreditation of 27 municipalities.

 In the MTSF 2014-2019, "Outcome 8: Sustainable Human Settlements and Improved Quality of Household Life" included priorities such as 1.4 million new or improved housing opportunities, 110 000 gap units, 49 municipalities assigned or accredited with the housing function, 563 000 new subsidy units, 900 000 title deeds transferred and informal settlement upgrading for 750 000 households. Outcome 9 includes specific quantitative targets for municipal functions (e.g. service access targets for water, sanitation and electricity delivery at the household level) without being explicitly linked to the bulk infrastructure mandates of other state entities or the housing programme.

Whereas the MTSF focuses mainly on national and provincial departments rather than local government, the document contends that this is to create an enabling environment for local government to flourish and provide a context for oversight *over* – and support *to* – municipalities.

It does however recognise that, in order to achieve the vision of local government transformation as set out in the NDP, *housing delivery must be driven by municipalities themselves*, requiring "significant institutional reforms to improve the coordination of human settlements development (The Presidency: Republic of South Africa, 2014, p. 27). Specifically, the MTSF places a clear injunction on national and provincial departments to actively coordinate efforts in furtherance of capacitation and progressive accreditation of municipalities with a view towards the ultimate assignment of housing functions to local government.

The MTSF at once provides direction and forms the basis by which the performance of national and provincial departments is monitored. Provincial business plans (i.e. 5-year strategic plans and annual performance plans) are routinely assessed by NDHS against the numerical targets contained in the MTSF. Where there is a lack of alignment, the plans are revised. In practice, however, the NDHS has pointed out that one of the main obstacles of achieving intergovernmental alignment is "not having mastered how to align the three documents: the MTSF, the Five-year Strategic Plan and the Annual Performance Plan" (PMG, 2015).

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[7]   *Up to 5% of HSDG and 3% of USDG may be allocated to building capacity.*

2.1.11 National Development Plan (2012)

The **National Development Plan** (2012) ('NDP') is aimed at providing a long-term vision for South Africa and identifies the role different sectors of society need to play in reaching that goal. In so doing it offers a broad analysis of governance challenges and steps to be taken in addressing these.

In its analysis the NDP is critiques the state of inter-governmental planning generally, and the performance of integrated development planning specifically:

• the NDP found that the quality of IDPs varied significantly across the country: Whereas some municipalities have progressed beyond the statutory requirements of the IDP and SDF by developing long-range strategic plans, others are still struggling to meet the basic requirements of a *credible* IDP. In many cases, a lack of municipal capacity to perform robust planning and implementation hindered the development of a credible IDP and the realisation of its vision;

• given the significant role that national and provincial departments have on local planning outcomes, the NDP found that IDPs have proved largely ineffective in ensuring inter-governmental alignment. The lack of vertical alignment in local planning is particularly evident given the role of provincial human settlements, education, health, public works, mining and public enterprises in shaping local spatial outcomes;

• the NDP notes that municipal spatial planning is often inadequately linked to investment decisions involving bulk infrastructure. Thus, the NDP argues the need to improve the capabilities for spatial governance and revitalise the municipal IDP processes to serve as a practical instrument to guide municipal investment.

The NDP therefore argues that whereas a handful of municipalities are ready to introduce new instruments to shape space (e.g. value-capture instruments), most require continued support in developing basic plans. The NDP advocates for the reform of the planning system to resolve fragmented responsibility for planning in national government, poorly coordinated intergovernmental planning, disconnects across municipal boundaries and the limitations of integrated development plans.

Beyond these direct IDP interventions, the NDP also advocates for advancing *devolution of human settlement power and functions to local government* in order to empower municipalities to adequately address spatial restructuring using housing provision as key tool. The infrastructure, services and economic development planning required to support human settlements is too complex for the delivery functions to be split: planning at local level, housing delivery at provincial level, and water and electricity split between bulk services and reticulation. The NDP found that in practice these arrangements do not work and that in general, human settlements are poorly planned, without adequate coordination between reticulation infrastructure and bulk provision.

It therefore argues that the current system can be improved through clarification of responsibilities in the areas of housing, water, sanitation, electricity and public transport and that relatively large cities should be given greater fiscal and functional powers to coordinate human settlement upgrading, transport and spatial planning. It concludes that the "responsibility for housing should shift to the level at which planning is executed: the municipal level".

2.1.12 Framework for Accreditation and Assignment (2012, 2017)

The South African Constitution clearly sets out the provision for the assignment of functions of local government, listed in Part A of Schedule 4 and Part A of Schedule 5. Furthermore, section 156(4) of the Constitution states that national government must assign the administrative functions to local government if the matter would most effectively be administered locally and if the municipality has the capacity to administer it.

The Housing Act (107 of 1997) introduced the **accreditation programme**. The Act sets out the powers and functions of the three spheres of government and specifically calls for the administrative function of national housing programmes by municipalities through the accreditation process. The Housing Code set out the policy principles, guidelines, norms and standards pertaining to the responsibilities of both national and provincial government in accrediting and assigning municipalities to administer national housing programmes. In 2005 the Human Settlements MINMEC approved the Accreditation Framework which would allow municipalities to be accredited with the housing function.

Much like BNG, the Housing Code recognises the mismatch between the supply and demand of state-assisted housing and suggests that an efficient response to this issue is best packaged at local level. One of the main changes that BNG argued for was the extension of housing accreditation to local municipalities (p.22), increasing the role they play in the housing process quite significantly.

As discussed earlier, BNG promoted a more demand-driven approach to human settlements delivery. Whereas private developers worked within a supply-driven framework (2004, p. 20), meaning they only supplied as many houses as they could or as the budget would allow (regardless of the demand), the new housing programme gravitates away from this framework, moving more towards a demand-driven framework where housing provision will be driven by the demand. The plan also places an increased emphasis on the state to determine the location as well as the nature of housing to be provided, to further strengthen the relationship between the demand for and supply of housing (2004, p. 20). This enables the local municipalities to assume overall responsibility for housing programmes within their jurisdictional areas. It is assumed that this increased responsibility will be taken up by municipalities proactively as it entails greater devolution of resources to them as well as the provision of guidelines and resources.

To this end, the **National Framework for Housing Accreditation and Assignment** was adopted in 2012 which sought to provide legislative process clarification to the impetus of assignment and accreditation[8] (specifically for housing) as set out in the Constitution. As shown in Table 1, the Framework set out that the accreditation process in terms of level 1 and 2 would be managed within the ambit of the Housing Act (1997) while level 3 accreditation (assignment of the function) would be through an Executive Assignment by the MEC in terms of section 126 of the Constitution.

Level 1 accreditation makes a municipality responsible for:

•   subsidy budget planning and allocation, and priority programme management and administration; and

•   priority programme management and administration (for specific priority programmes where agreed).

Level 2 accreditation makes a municipality responsible for the functions above, as well as:

•   programme management and administration responsibilities for all national and provincial housing programmes (NDHS, 2012)

A draft revised Framework published in (2017) provides further details and elaborates on these functions without apparently significantly altering them.

According to PDG's research into HSDG gazetting and operational funding for accredited municipalities, 12 municipalities have been accredited at Level 2 and 16 at Level 1. This is confirmed by the February 2016 update to the Outcome 8 targets, which reports 28 municipalities accredited so far.

Assignment means transferring the full set of functions for implementing national housing programmes from the provincial department to the municipality (NDHS, 2012). According to the 2012 Framework, there was an Outcome 8 target to grant Assignment to 6 metropolitan municipalities by 2014. However, no assignment has occurred to date.

Table 1. Capacity-building priorities per accreditation level

Level 1: Subsidy budget planning	Level 2: Programme management	Towards Assignment: Financial administration
• Developing credible human settlements plans • Spatial planning • Budget allocation tracking • Document management • Project feasibility assessment • Monitoring and reporting • Community participation	• Project tracking • HSS • Linkage to Deeds register • Linkage to Dept. of Home Affairs population register • Reporting system	• Cash flow tracking system • Financial reporting and reconciliation • DORA compliance

(Accreditation and Frameworks, 2017)

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[8]   Accreditation is the delegation of specific functions to a Municipality while Assignment is the full transfer of powers to a Municipality to administer National Housing programmes

2.1.13 Spatial Planning and Land Use Management Act (2013)

Pre-democracy, South Africa had separate planning legislation for the then four provinces and the black homelands. After 1996, in spite of the reforms in government structures and high-level policy (some discussed in this section), existing land use planning laws and mechanisms remained largely unchanged. The NDP recognised that a reform of the planning system was required, recognising the importance of strategic planning:

"a plan-led system is needed to bring focus and allow long-term public interests to guide the development of places."

NDP Vision 2030, p251.

The introduction of the **Spatial Planning and Land Use Management Act** (16 of 2013) ('SPLUMA') sought to aid effective and efficient planning and land use management. SPLUMA was developed to legislate for a single, integrated planning system for the entire country.

The enactment of SPLUMA brought fundamental changes relevant to human settlements:

- Confirming municipalities as authorities of first instance, invalidating inconsistent parallel mechanisms, systems and institutions that existed to deal with land development applications;

- Preparation of SDFs guided by development principles such as spatial sustainability, efficiency, spatial resilience and good administration;

- Strengthening intergovernmental support through enforcement, compliance and monitoring processes.

Establishing municipal planning as the Constitutional responsibility of local government, SPLUMA places substantial responsibilities on local government to effectively plan and implement strategies that will both address the historical apartheid spatial legacy, and shape the future city. Whereas Government as a whole will have to consider the capacity requirements placed on cities, effort is required to ensure that adequate resources (human and financial) be made available if local government is to fulfil its planning role.

Housing is one sector department (alongside environmental affairs and transport) which has a planning component to their functions which manifest in local space. The location and mix of housing projects have direct implications on SPLUMA principles, for example: the incremental upgrading of informal areas, promoting the effective and equitable functioning of land markets, and minimising the long-term financial, social and economic impacts of development. However, there are currently inconsistencies between sectors' plans and municipal plans, limiting integrated planning (*SACN 2015, SPLUMA as a tool for spatial transformation).* Coordination and consensus-building across spheres and sectors are particularly problematic in annual planning and budgeting cycles which are intended to produce aligned strategies, policies, plans and projects for implementation. Intergovernmental cooperation is thus critical to the realisation of spatial transformation.

2.1.14 Integrated Urban Development Framework (2016)

As a response to Chapter 8 of the NDP, the **Integrated Urban Development Framework** (2016) ('IUDF') was introduced to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions.

The IUDF further highlights the need for a more strategic planning approach centred on eight policy levers to achieve four strategic goals, namely ensuring increased access to social and economic opportunities; the promotion of urban dynamism as a driver of inclusive growth; enhanced governance capacity and effective spatial transformation. The document advocates this in light of a perceived misalignment of intergovernmental planning, stating that while SPLUMA provides a framework for spatial planning and land-use management towards spatial transformation, more fundamental changes are required in areas that go beyond the mandates of the Department of Rural Development and Land Reform, and that ensure the necessary linkages between the IDP, capital investment framework, SDF and land-use management framework.

The IUDF further contends that the five-year horizon of IDPs is too limited to address sectors with long-term planning timeframes, such as infrastructure, disaster risk measures and integrated transport. The IUDF advocates for a number of interventions that should be addressed through the municipal IDP, including: the addition of disaster risk reduction as an integral part of the IDP, the joint preparation of integrated strategic land plans linked to municipal IDPs to coordinate government entity land ownership and plans, and a 'holistic economic strategy'. The IUDF also calls for greater consideration of municipal IDPs by national and provincial governments in formulation of their own planning and implementation.

2.1.15   Synthesis

The relationship between the various legislative advances and policy instruments as they relate to human settlements planning and performance monitoring are illustrated schematically below in Figure 4. It is noted that the elements and linkages vary between different municipal categories (e.g. metros and non-metros). Housing Chapters are compiled through desktop review and public participation, and integrated with infrastructure plans, capital budgets and spatial frameworks. Draft Housing Chapters are submitted as part of draft IDPs and IDP reviews to provincial housing departments, who reconcile these with national budget allocations per grant. Alignment between five-year plans, APPS and national instruments such as the MTSF, DORA and the Housing Act is evaluated by NDHS.
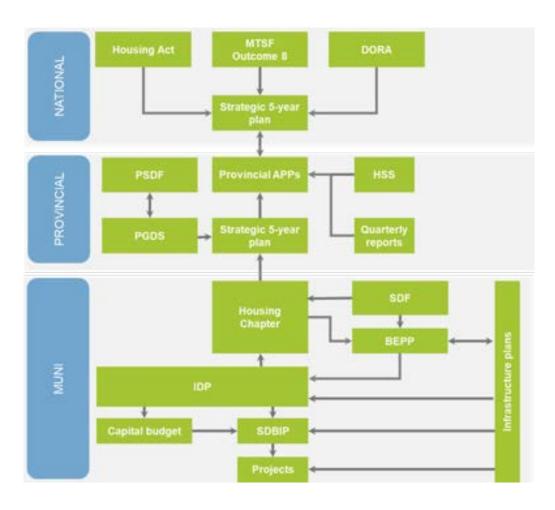
Figure 4. Human settlements planning and reporting framework

Source: Author

2.1.16   Conclusion

Housing-related legislation and policy emerged out of democratic transition in South Africa, informed by extensive research, analysis and negotiation. Since 1994, South Africa has seen numerous shifts in housing policy over the years, which attests both to the socio-economic importance and political imperative of housing provision in the country (Tissington, 2011). According to Charlton and Kihato (2006), the housing policy shifts that have occurred since 1994 were most often reactions to weaknesses in policy implementation or were driven by other agendas such as political pressure or internal departmental politics. The human settlements grant framework – based on intergovernmental transfers – creates a political economy whereby maximising one institution's best interest can disrupt the efficient functioning of the system (National Treasury, 2014, p. 12). This results in a possible disconnect between legislative and policy intent, on the one hand, and implementation and practice, on the other. This apparent disconnect appears to be most salient in relation to three high-level, recurring questions: (1) fiscal decentralisation, (2) public participation and (3) intergovernmental relations as a requirement for integrated development planning.

These are discussed at more depth in the following section, which positions these three emerging strands within broader policy debates.

2.2   Human settlements grant framework

Funding for the planning and implementation of Human Settlements Programmes are secured via (1) municipal sources of revenue, (2) unconditional grants and (3) conditional grants. Whereas a number of well-performing municipalities (usually metros) generate sufficient own revenue to contribute substantially to the implementation of the human settlements programme as part of their capital budget, the vast majority of municipalities are entirely dependent on conditional grant funding (see Figure 5). Grants in turn are governed by the Division of Revenue Act.

2.2.1   Division of Revenue Act

The Division of Revenue Act ('DORA') is an Act of Parliament referred to in section 214 of the Constitution and is passed annually. DORA accompanies the national budget and sets the framework for financial arrangements between the various spheres. DORA allocates funds raised by the government through taxes and income earned in accordance with the Equitable Share formula (based on demographic and developmental aspects of each province or municipality). The primary objective of the equitable share is to ensure that all South Africans have access to basic services. The equitable share allocation process also considers the powers and functions assigned to each sphere of government. This is an *unconditional* transfer i.e. local and provincial governments can decide how they want to use it (Gardner and Graham, 2018). Provincial departments are expected to draw on their ES allocation to fund their internal administration.

2.2.2   Conditional grants

DORA is also the main law governing the implementation of *conditional* grants. Conditional grants are distinct from Equitable Share in that the grant requirements enable NDHS to provide effective oversight and ensure compliance with the National Housing Code:

•   DORA establishes and defines a set of criteria on how these grants may be used. For example, DORA 2017 states that 30% of the HSDG grant must be spent on informal settlement upgrades, in line with the Medium-Term Strategic Framework.

•   DORA prescribes a set of reporting responsibilities for various spheres of government. For example, it is required that provincial housing departments gazette allocations per municipality in order to assist municipalities in reconciling identified need, as expressed as part of the IDP participation process, and allocations from provincial departments to accredited municipalities.

•   Conditional grants are less predictable over the medium-term than unconditional grants. Grant amounts and criteria are amended each year in line with the national budget. The Medium-Term Expenditure framework, covering a three-year period, seeks to provide a measure of predictability and stability over the medium-term. However, the amounts provided in outer years are indicative and subject to annual adjustments (SALGA 2011, pg.1).

The two significant conditional grants which relate directly to the implementation of the national human settlements programme is the Human Settlements Development Grant, and the Urban Settlements Development Grant. These are discussed in turn, below:

2.2.3   Human Settlements Development Grant

The **Human Settlements Development Grant** ('HSDG') is a Schedule 5 grant and the main funding mechanism for the implementation of the national housing programme. It may be used to fund the implementation of the 17 programmes identified in the Housing Code (2009). These include, for example, the Integrated Residential Development Programme and the Upgrading of Informal Settlements. It also includes, as a programme, the 'Housing Chapters of An Integrated Development Plan'. According to DORA, the HSDG may be used for the (1) provision of housing and (2) enhancing human settlements planning capacity (Division of Revenue Act 2017, p. 154) Outputs are measured by – inter alia – the number of units delivered, sites upgraded, title deeds issues and extent of land acquired.

National Treasury allocates a lump sum to the National Department of Human Settlements ('NDHS'), who in turn allocates the HSDG to provincial DHS's based on a prescribed formula (Division of Revenue Act 2017, p. 87). Each provincial DHS, in turn, is expected to submit a provincial business plan to NDHS which (1) is consistent with the Housing Act, Housing Code and DORA; (2) includes targets, budget and delivery statistics and monthly expenditure on Housing Subsidy System ('HSS') and Basic Accounting System ('BAS'); (3) includes projects which are aligned with the IDPs and SDFs of municipalities, and the BEPPs of metros, within the provinces. This, in effect, requires that the respective Mayors meet with their MECs on an annual basis to motivate for funding in relation to priority projects and/or technical assistance in relation to, for example, funding to compile a credible Housing Chapter as part of the IDP[9], and (4) allocates no more than 5% of the provincial allocation for operational ends to support the implementation of the projects contained in the business plan.

[9]   *DORA specifies that up to 5% of HSDG may be allocated to fund capacity-building in support of the implementation of the projects contained in the business plan.*

NDHS must assess the provincial business plans against the HSDG framework, the Medium-Term Strategic Framework (numerical assessment) and project readiness[10] (PMG, 2015). This may be complemented by structured or ad hoc visits to provinces and municipalities as it necessary. Furthermore, it is expected that oversight includes regular interaction between NDHS, provincial departments and accredited municipalities. Finally, it is expected that NDHS submits an annual evaluation report on the financial and non-financial performance of the grant to National Treasury. Once the provincial business plan is approved by NDHS, each provincial DHS must gazette allocations for respective accredited municipalities. These should include allocations, targets and outputs as agreed and approved with the respective municipalities. The purpose of gazetting is to allow municipalities to have a clear understanding of the available allocation in order to inform annual and multi-year planning.

2.2.4 Conditional grants to municipalities

Municipal Infrastructure Grant

The Municipal Infrastructure Grant was introduced as a conditional grant in 2003, replacing all existing capital grants for municipal infrastructure. Administered by the then-Department of Provincial and Local Government, the vision of the MIG programme was to provide a basic level of service through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor. These could include services to housing, social facilities and public municipal services (e.g. 'plot package' of electricity, water supply, sanitation, etc.). It could be used to new infrastructure, and upgrading and rehabilitating existing infrastructure (DPLG, 2007).

It sought to respond to challenge of multiple infrastructure grants which were poorly coordinated, fragmented and managed by different departments, which led to inefficiencies where projects were handed over to municipalities without resources for maintaining and operating the resulting infrastructure. Similar to the **Comprehensive Plan**, the MIG programme sought to be *demand-driven*, with allocations linked to IDPs. It sought to enhance public participation by involving communities in project identification, empower municipalities to conduct the infrastructure planning themselves, and finally to improve the predictability of capital grant allocations (DPLG, 2004, p. 3). The municipal council is expected to approve a 3-year **capital plan** linked to its IDP, including operational and maintenance costs, indicating the amount of each project to be funded by MIG (DPLG, 2004, p. 37)

The amount of MIG funding due to municipalities is calculated by means of a formula and published in DORA[11]. No application is necessary, and the amount is paid automatically, provided certain conditions are met[12]. MIG funds are paid directly into the account of the municipality (DPLG, 2004, p. 9). With exceptions, municipalities are expected to set up a project management unit ('PMU') with a dedicated programme manager.

With financial responsibility residing with municipalities themselves, MIG stood in contrast to the HSDG model. Provincial administrations' responsibilities are limited to supporting and regulating the activities of municipalities, by ensuring that IDPs were properly prepared and municipal capacity is sufficiently developed to effectively manage MIG funds. Other provincial roles include monitoring municipalities' municipal performance and providing technical assistance.

Urban Settlements Development Grant
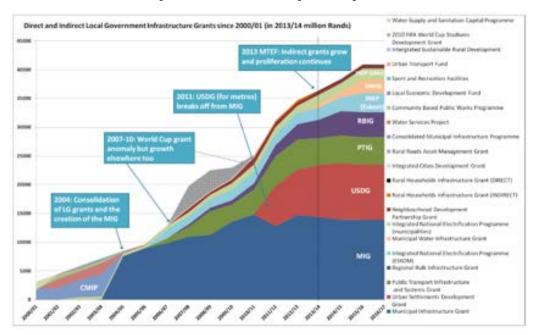
One of the major obstacles to the successful consolidation of the MIG since 2004 has been the failure of national departments to play supporting roles in the grant and of DCOG to provide proper coordination of the relevant departments. It has thus been suggested that planning as a coordinating function could be an alternative mechanism of improving coordination between sector departments, similar to the BEPP (National Treasury, 2014, p. 12).

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[10] *There is a proposal for a four-stage business plan assessment process, which includes assessment against the Spatial Investment Framework (relating to Housing Investment Partners and priority areas).*

[11] *The 'MIG Schedule'*

[12] *Conditions include DORA conditions, cross-cutting conditions outlined in MIG Policy Framework, and sector conditions (DPLG, 2007, p. 16). If a municipality does not comply with the MIG conditions, then MIG funding allocations can be reduced.*

Figure 5. Direct and indirect local government grants

(National Treasury, 2014, p. 9)

Figure 6. Differentiated municipal grant system

(National Treasury, 2014, p. 18)

To this end, grant reform in recent years has resulted in a differentiated system of grants (see Figure 6) as typified by the new generation of grants: USDG and ICDG for metros, and IUDG for metros and qualifying secondary cities.

The **Urban Settlements Development Grant** ('USDG') was introduced in 2011, substituting MIG for metros. It is a schedule 4B grant that is transferred directly to metropolitan cities in order to supplement human settlements-related capital programmes funded from the municipality's capital budget. It is broader than HSDG in that it may be used to fund bulk, link and internal reticulation infrastructure[13]. Whereas the HSDG focuses narrowly on Outcome 8, the USDG includes both Outcome 8 and Outcome 9, the latter associated with the realisation of a responsive, accountable, effective and efficient development local government system (Division of Revenue Act 2017, p. 195).

One of the main motivations for the introduction of the USDG was to provide an instrument that would allow municipalities to purchase land and provide the bulk infrastructure that was stalling housing delivery, including informal settlement upgrading (Charlton; et al., 2014). The grant essentially separates the funding for land and services from that of top structures, which continues to be provided through the HSDG.

The introduction of the USDG did not result in a step-change in funding allocation, but merely shifted the funds away from the housing programme and towards the infrastructure programme. Specific outputs include an increase in bulk infrastructure capacity, provision of basic services to poor households, increase in land provision and the servicing of sites in informal settlements (incl. in-situ and infill projects). The delinking of infrastructure from top structures through the creation of the USDG has provided metropolitan municipalities with funding flexibility to allow for land acquisition and the provision of services in informal settlements, independently of the housing programme.

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13   *The USDG supports the development of infrastructure and public services and was established in 2011 as a result of the devolution of the Municipal Infrastructure Grant (MIG) allocation.*

The USDG thus intends to integrate the release of well-located land to the function of planning and funding of the built environment. It also intends to augment and support grant allocations from provinces to municipalities under the HSDG; it must also support integration of HSDG projects into mainstream city development. The USDG also aims to encourage cities to be proactive developers of infrastructure by mobilising domestic capital while at the same time improving the location of development.

In order to access USDG funding, metros are expected to submit an annual Built Environment and Performance Plan ('BEPP'), a Performance Matrix and an SDBIP to NDHS and National Treasury ('NT'). These must (1) be consistent with the Integrated Development Plan, including the Housing Chapter, (2) be consistent and aligned with national priorities and provincial human settlements plans, (3) allocate a minimum of 50% on the provision of individual basic services to households living in informal settlements, and (4) allocate up to 3% of the USDG to procure capacity to support the implementation of the USDG Human Settlements Programme as contained in the MTSF.

The responsibility of NDHS includes the development of indicators for the outcomes and outputs, reviewing and approving USDG performance matrices and BEPP Guidelines. Furthermore, the NDHS is responsible for convening a structured forum to meet with municipalities on a quarterly basis, to monitor and evaluate the performance of the grant, and to provide support to municipalities with regards to human settlements programmes. The NDHS is also responsible for ensuring collaboration between provinces and municipalities, undertaking oversight visits to municipalities, to coordinate and facilitate interaction between national departments, SOEs, provincial DHSs and municipalities.

Although DORA clearly sets out the conditions, mechanisms and responsibilities in relation to the USDG and HSDG grants, the overall implementation of the grant framework is not without its challenges, as described in some detail by the NDHS in its 2015 presentation on the Auditor-General's findings on the 2015/2016 Annual Performance Plan (PMG, 2015). Among the challenges raised include (1) a lack of appreciation that HSDG and USDG are national grants embedded in the NDP and government policy frameworks, (2) a lack of leadership and vision to ensure developmental innovation and initiative to achieve MTSF targets, (3) a lack of alignment between NDHS, PDHS and municipal mandates, (4) poor alignment, consultation, coordination and application of all national grants, including the USDG and HSDG, (5) a lack of consultation with municipalities, (6) a lack of clarity on NDHS' role in providing assistance at the local government level, and (7) non-submission of business plans, incomplete project information, withdrawal or revision of plans due to changes in regional plans, calculation errors in the template, poor or no revision of funding prioritisation, and delivery numbers below expectation.[14]
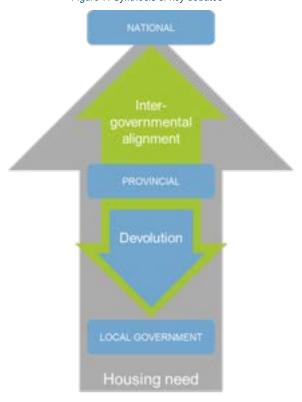
2.3   Key debates

2.3.1   Introduction

This section draws on international literature and documented local experience in order to shed light on the three areas of disconnect between the legislative and policy intent governing the housing sector, and implementation and practice (see Figure 7). These areas – fiscal decentralisation, inter-governmental alignment and public participation - are not discrete but are instead interconnected as complementary normative lenses through which to view the political economy of the housing sector in South Africa – relations of power and agency between citizens, local government, provincial housing departments and national departments.

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[14]   In 2015, the following provinces were listed as having 'high risk business plans': Gauteng, Free State, Limpopo and Northern Cape.

Figure 7. Synthesis of key debates

Source: Author

2.3.2 Fiscal decentralization

This section explores decentralisation, its forms and types, and particularly, devolution as it relates to planning and the IDP. Decentralisation is recognised as the transfer of central government authority to sub-national units to provide public services, and can be within formal political structures, administrative structures, parastatal structures, private sector structures, or a combination (Stanton, 2009, p. 30). In recent years, decentralisation has been referred to as a global governance phenomenon (Carpenter, 2008) and has been advocated for due to its promotion of good governance. According to Feinstein (2015), the benefits of decentralisation include (1) greater democratisation in which government is closer to and more accountable to the people it serves, (2) more choice for voters as they can be more easily consulted and heard, (3) more relevant information about the needs of a region rather than a whole country resulting in greater efficiency, (4) improved checks and balances through greater involvement of the population and the ability to compare services with neighbouring regions, (5) more innovation which enhances development, (6) lower transaction costs, and (7) greater efficiency.

There are four types of decentralisation: political, administrative, fiscal, and market decentralisation.

•   Political decentralisation - political decentralisation is usually guided by democratic local government elections and distributing local policy making power and the authority to make independent decisions both vertically and horizontally. Political decentralisation is seen as effective when there is local participation and individuals are held accountable to their local constituents.

•   Administrative decentralisation - administrative decentralisation relates to the assignment of service delivery powers and functions across levels of government and determining where responsibility is situated. Thus, administrative decentralisation is focused on the extent of central authority transferred to local governments and centres on key management functions of local government, (Stanton, 2009).

•   Fiscal decentralisation – fiscal decentralisation concerns the allocations of financial powers and functions to the lower levels of government, mainly concerning the control and dispersal of financial revenue.

•   Market decentralisation – market decentralisation is related to the reassignment of service delivery authority from central government to other institutions, e.g. the World Bank.

It should be noted that there is no one preferred decentralisation type used by government's globally, but rather a combination of each of the aforementioned types. The manner in which decentralisation is applied in reality is through deconcentration, delegation, and devolution which shed light on the relationships between centre of government and local government:

- Deconcentration concerns central government dispersing responsibility for certain services to regional branches. This is usually through the establishing of 'field' offices by the central government to assist with providing services, (Stanton, 2009).

- Delegation entails the transfer of decision-making and administrative authority for defined tasks from central government to other spheres of government or semi-autonomous institutions. Delegation is always limited to certain activities and the central government remains under control.

- Devolution is regarded as the only true form of decentralisation because of its inherent democratic value, whereby it is also referred to as democratic decentralisation. Devolution confers decision making authority from the central government on local government (Stanton, 2009, p. 42)

The three forms of decentralisation, like the types of decentralisation are not uniform or static. According to Cohen et al. (1999) some local governments experience all three forms of decentralisation at the same time. In addition, many forms of government adopt a mixture of centralised and decentralised authority, as is the case for institutional framework of South Africa. According to Stanton political decentralisation has introduced free, impartial and competitive local elections enabling the replacement of central government appointed officials with popularly elected representatives, whereas administrative decentralisation has led to the distribution of basic service delivery functions among spheres of government (2009). Fiscal decentralisation has resulted in local municipalities being made responsible for managing their own budgets, generating their own revenue and recovering their own costs. Therefore, through decentralisation, South African local governments have received new powers of authority.

However, this is often accompanied by greater service delivery responsibility and challenges:

- Expanded opportunities for *corruption*, with studies finding that the share of sub-national expenditure to total government expenditure is significantly correlated with corruption (Feinstein, 2015);

- *over-bureaucratisation and inefficiencies* due to limited technical capacity: decentralisation may lead to inefficient decisions and use of resources, if there are positive or negative externalities between regions, or if there are economies of scale or scope in fiscal functions (Fjeldstad, 2006);

- if the *capacity* of local institutions is constrained, fiscal decentralisation may transfer tasks to the local level which it is incapable of addressing properly. When examining the IDP process, this issue is seen especially in the consideration to assign and accredit municipalities for housing functions.

In South Africa, the functional competencies of local government should reflect the Constitutional vision of developmental local government as outlined in legislation. However, tensions arise out the current local government functions not enabling it to make the maximum social and economic impact envisaged. This speaks to a mismatch between developmental local government and its associated powers. These aforementioned challenges raise issues regarding the balance between political, administrative and fiscal decentralisation and its associated authorities. A lack of this balance can result in a fragmented system and relations, as well as hamper integrated planning, which will be discussed below.

For municipalities to adequately handle their new-found roles in housing provision, their planning processes as well as techniques need to be adjusted. Although local municipalities originally had the task of compiling integrated development plans, they now have to include housing planning in the integrated development planning process. The Municipal Systems Act (2000) stipulates in Chapter 5 that municipalities are required to plan developmentally, mainly with the goals of achieving local government constitutional obligations (2000, p. 36). It also stipulates that "municipalities must participate in national and provincial programmes as required in section 153(b) of the Constitution" (2000, p. 36). If municipalities are participating in national programmes, then they have to coordinate and align their planning "with, and complement, the development plans and strategies of other affected municipalities and other sectors of the state, to give effect to the principles of co-operative government…" (Government of the Republic of South Africa, 2000, p. 36).

With 28 local municipalities being awarded *housing accreditation*, there is an expectation that their respective IDPs be "considerably enhanced to include municipal housing needs assessments, the identification, surveying and prioritisation of informal settlements, the identification of well-located land for housing, the identification of areas for densification, the linkages between housing and urban renewal and the integration of housing, planning and transportation frameworks, and will link these to a multi-year implementation plan" (NDHS, 2004, p. 21).

2.3.3 Integrated planning

This section looks at the issue of intergovernmental and intersectoral alignment as a key requirement of integrated development planning.

The Integrated Development Plan ('IDP') is the centrepiece of strategic municipal planning in post-apartheid South Africa. The IDP has, through continual legislative entrenchment, become the central tool for municipal planning and a key process of both public participation and accountability in terms of performance monitoring. The IDP as a concept has evolved significantly since its introduction in 1996; however, the Municipal Systems Act remains the legislative foundation of the IDP. Several subsequent legislative and policy documents have built on additional direction without fundamentally altering the original principles of the IDP.

Integrated development planning is referred to as a key instrument that "municipalities can adopt to provide vision, leadership and direction for all those that have a role to play in the development of a municipal area" (Africa et al., 2000, p. 8). Planning is an approach that is *issue-driven*, meaning that planning as well as the sectors involved in it are determined by what the issues that need addressing are within the municipality. This is similar to the approach that the Comprehensive Plan for Human Settlement (introduced later) envisaged, as it too has shifted from providing housing on a supply-driven framework to a demand-driven framework.

To clearly highlight the issue-driven approach of the integrated development planning process, it is suggested that sectors only be considered when they are relevant to particular local priority issues and can make a valuable contribution to these issues (Africa et al., 2000, p. 6). In other words, if a municipal area does not raise the issue of a lack of housing, then the housing sector need not be included in the planning process as they have no direct significant contribution to make to addressing the local issues. This means that attention is given to the different contributions which sectors can make, and not to the sector itself.

IDPs are priority driven. If housing occurs as a priority issue in the local community then planning for housing would have to be done within the scope of integrated development planning, alongside other priority sectors (see Figure 8).
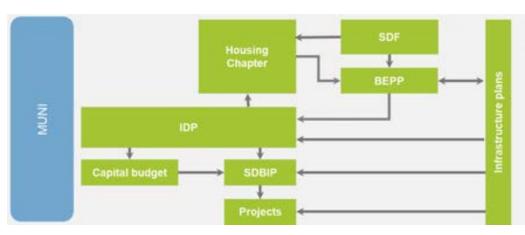
Figure 8. Integrated development planning

Source: Author

However, there is by some accounts a measure of disconnect between the legislative and policy intent behind integrated development planning, and how municipal planning occurs in practice.

Intergovernmental relations as part of integrated planning

According to Mbecke (2016), the term intergovernmental relations (IGR) refer to relations between central, regional, and local governments that facilitate the attainment of common goals. It originated in the United States of America in the 1930s, following a government policy to combat the economic and social chaos during America's Great Depression. From the 1930s to the present, IGR research and practice have been motivated by a strong concern for the effective delivery of public services to clients (Wright 1988:13). The same motivation has prompted the South African government to implement IGR post-apartheid. Whilst the essence of IGR is to facilitate service delivery, collaboration, coordination and cooperation between the three spheres of government are key factors to determining integrated planning and the extent of IGR:

- *Collaboration* – collaboration provides an opportunity to share knowledge, experience and skills with multiple members in order to modify goals and contribute to the development. The process by which IDP projects are chosen and feature in the provincial business plans is

theoretically meant to be informed by collaboration. However, in order to successfully collaborate, there must be sufficient resources, a culture that encourages effective teamwork and cooperation as well as clearly defined responsibilities.

- *Coordination* – coordination entails the organisation of members, in such a manner as to ensure that overall strategic objectives are achieved. Therefore, coordination makes sure that all workers and departments know what they need to achieve and when. In the case of the IDP, national human settlements play a coordinating role with the other spheres of government in ensuring alignment.

- *Cooperation* - cooperation includes partnering with others in terms of resources, capabilities, and competencies in pursuit of mutual interests for the advancement of goals. The cooperation can be seen in the IDP process between the three spheres of government cooperating in achieving an approved IDP and implementation on the ground.

In South Africa, IGR emanates from the Constitution and is organised through the Local Government: Municipal Structures Act, 117 of 1998, the Local Government: Municipal Systems Act, 32 of 2000 and the Intergovernmental Relations Framework Act, 13 of 2005, (Mbecke, 2016). Madzivhandila and Asha (2012:369) argue that the legislation has enabled service delivery to be decentralised to the municipal spheres/levels of government in order to promote and enable local socio-economic development and to facilitate community participation.

However, in reality this has not been as effective as envisaged. Mbecke (2016) observes that the South African government is inefficient because its three spheres do not work together as effectively and efficiently as they should to attain common goals. This speaks to challenges experienced with levels of autonomy and interdependence between national, provincial and local governments. According to Ile (Ile, 2010), IGR challenges in South Africa have been a result of a lack synergizing policies and coordinating policies into action on the ground. A review of local government infrastructure grants by National Treasury found that "although the goal…is agreed to by all stakeholders, they can take very contradictory positions on the means by which to achieve it…**self-maximising behaviour** is neither unique to South Africa's intergovernmental system nor necessarily damaging to its performance. However, acknowledging vested interests is crucial in ensuring fuller and more frank discussions…" (National Treasury, 2014, p. 12). The political economy concepts of self-maximising behaviour and acknowledging vested interests are taken aboard in the summary analysis of the evaluation.

2.3.4   Public participation

This section presents key debates emerging from the literature broadly speaking to public participation. The section attempts to link these debates to public participation within the South African context by examining how they manifest within the planning and delivery of housing within South Africa.

Public participation largely draws from democratic theory. Democracy is intended to inclusively involve and provide people with power and a voice within government action. There is therefore a direct link between public participation and democracy's emphasis on 'rule by the people'. The inclusion of participatory activities and processes into the democratic process of decision making is supported by various scholars who emphasise that public participation is the core of a successful modern democracy (Creighton, 2005).

Public participation is commonly described as a process that provides an opportunity for people to be involved and influence the state's decision-making process (Creighton, 2005; Maphazi et al., 2013; Oranje et al., 2000). This process implies a bottom up, inclusive, people-centred process targeted at entrenching democratic principles. Public participation often seeks to achieve the overall goal of informing better decisions that will be supported by the public involved in the process. However, it is imperative to note that public participation is a tool rather than an end goal. It therefore can be used in various ways to achieve various goals and objectives.

There is no consensus on the terms associated with the process of public participation. 'community' for instance is arbitrarily used to refer to various forms of groupings. Jenkins notes the difficulty in defining the term, however the scholar argues that it is often used exclusively to refer to the groups of people defined within a geographical territory or location within South Africa's housing discourse. Lizarralde and Massyn (2008, p. 2) build on this, however emphasis is also placed on other ways in which the term can be used. The term can refer to a neighbourhood, a slum or a group of NGOs. The authors further challenge the arbitrary use of the word 'participation' and note that this word has been used to refer to civil debates, consultation, delegation of activities, partnerships and political decentralisation (Lizarralde and Massyn, 2008, p. 2).

A common consensus on what these terms refer to is salient not only for comprehension within the academic space, but also for the practical implementation of the process at the grassroot level. Some of the challenges found in the IDP is attributed to the absence of clarity and consensus on the questions, 'what is participation?', 'what does this process look like and what are its characteristics?', 'how is it different from other forms of community engagements and consultation?' and 'who owns the participatory process as delivered through the IDP?'.

Figure 9. Classification of levels of public participation

(Choguill, 1996)

Since participation can take make different forms, it is useful to classify types of participation. The World Bank Group classifies what it refers to as citizen engagement into four dimensions. Similar to public participation, citizen engagement is defined as a two-way interaction between citizens and governments, this relationship grants citizens a stake in decision making with the objective of improving or influencing the outcome of the intervention.

The four dimensions presented above presents informing citizens as the first level of engagement. Choguill (1996) defines this level as the top-down flow of information from the government to the community. This flow of information is often one way thereby limiting the opportunity for the community or public to provide input or feedback. The second dimension is consultation, this process facilitates the voice of different population groups by allowing the public to provide inputs into the decision-making process. This process can be executed through public hearings, meetings, household surveys and interviews and so forth. Collaboration is the third dimension and is described as a more responsive decision-making process to citizens' needs through seeking to secure citizen ownership. It involves jointly working together, through shared responsibilities towards achieving shared goas. Mechanisms for collaboration include citizen/user membership in decision-making bodies, participatory planning and budgeting and etc. Lastly, empowerment is ranked as the highest level of participation. This level involves community members initiating their own interventions and improvements with governmental support particularly at a local level. Choguill (1996) notes that this level of participation may include external support such as non-governmental organisations (NGOs).

It is considered that the dissemination of timeously, accurate and reliable information is a prerequisite for successful engagements at escalating levels (Grandvoinnet et al., 2015, p. 207). However, Fox (2015, p. 15) emphasises that merely achieving this dimension does not suffice as citizen engagement. Fox contends that complementary actions are required to assure that the potential of the information disseminated is realised. Information distribution therefore serves as a supporting tool to effective public participation.

Public participation in South Africa

This section presents the role of public participation in South Africa within local government by focusing on legislative provisions of public participation and the structures in place at a local level to ensure that local government executes its mandated function with regards to community engagement and public participation.

In light of the history of apartheid and the system's exclusion of the majority of the country's population from every aspect of society, the new government sought to address this through various ways including a) prioritising equitable access to housing and services and b) facilitating public involvement in government's decision-making processes. Both priorities are enshrined in the Constitution, (1) granting citizens the right to adequate housing and (2) that local government must encourage the involvement of communities and community organisations in the matters of local government. The Municipal Systems Act further requires that municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory democracy.

South Africa has sought to incorporate this process through various forms of formal participatory mechanisms. In line with the Constitution, there has been a particular focus on what is commonly referred to as community-based planning. The process seeks to empower people and

the community to plan for themselves and enable local government to implement a bottom-up approach in line with its Constitutional mandate (Breakfast et al., 2015, p. 63).

Participation and consultation in IDP processes

Integrated Development Plan (IDP) has been identified as a key process in executing the community-based approach. The IDP methodology provides for public participation as part of its planning process through the structures including the Representative Forum, project task teams and strategy events (DPLG, 2005, p. 31). Figure 10 below presents the participation and consultation process envisioned by the IDP process:
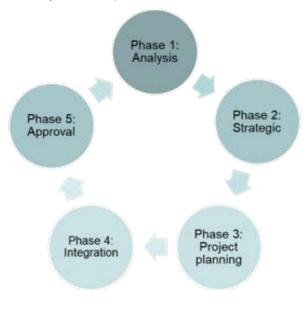
Figure 10. Participation and consultation in the IDP

(NDHS, 2008)

In Phase 1, communities and stakeholders are given an opportunity to be part of the analysis by identifying their problems, possible solutions to the issues identified and priorities (NDHS, 2008, p. 62). Phase 2 strategizes the objectives and ways of achieving the priorities identified in Phase 1. This phase involves public debates and discussions around how to address the priorities. In Phase 3, the planning phase involves the communities affected through consultation on project design, location, services and facilities and who is granted access to the facilities under what conditions. Phase 4 seeks to ensure alignment by checking whether the project proposals align with the priorities, objectives and strategies. This process involves the IDP representative forum, which includes representatives from the municipality, community and stakeholders within the municipality and other spheres and sectors of government. This phase in essence consolidates the first three Phases into a draft IDP document. Lastly, Phase 5 provides the community and stakeholders an opportunity to engage with the draft document and make comments or proposed adjustments. As illustrated above, it is envisioned that participation and consultation within the IDP process occur at all phases.

Housing Chapters are formally defined as a summary of the housing planning undertaken by the municipality and should be used together with the IDP (NDHS, 2008). Similar to the IDP, the chapter is a five-year plan which is reviewed annually with the review of the IDP. As will be discussed further in the next section, it is important to note that the housing planning process is not a separate participatory structure. It is part and parcel of the IDP process and provides communities and stakeholders an opportunity to directly participate in the process of housing planning and delivery as part of the IDP's public participation process. The integration between the two processes is described below.

In light of the IDP and the Housing Chapter as two key processes in place to facilitate public participation, this section presents the conceptualisation of how the two processes are envisioned to coincide. It is important to note that the Housing Chapter guidelines stresses the point that the intention of housing planning as introduced by the Housing Chapter is not to introduce an additional process to the IDP. Instead, the housing planning process seeks to strengthen the housing component, process and product that currently exists within the IDP (NDHS, 2008, p. 62). This is crucial as the process is not intended to run as an additional process but instead seeks to leverage and places emphasis on an existing structure and process.

The housing voice has therefore been introduced as a key feature within the IDP process depicted below in Figure 3 to ensure the alignment of housing planning with the IDP. The housing voice is defined as a person, people or service provider that is responsible for housing planning as part

of the IDP process (NDHS, 2008, p. 62). The person or people identified to play this role are at the core of executing the Housing Chapter as they are tasked with the responsibility of ensuring that housing plans are included in the IDP in the form of a summarised Housing Chapter. As illustrated below, this is the IDP process. The only distinction is the emphasis on the housing planning process in each of the phases. The process is depicted in the brown oval shapes, it runs in parallel with the IDP process and further runs across all five phases of the IDP planning approach.

Figure 11 presents the incorporation of the Housing Voice into the IDP process (NDHS, 2008, p. 64):
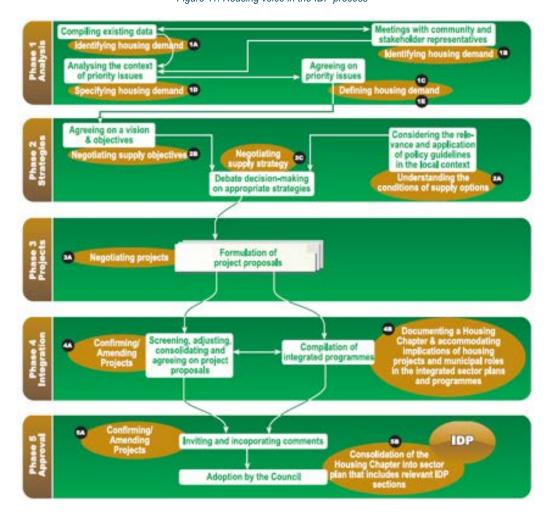
Figure 11. Housing voice in the IDP process

(National Department of Human Settlements (NDHS), 2008)

The figure above provides an example of how public participation would typically feature within the IDP process. The table does not represent how the process is intended to manifest in all the municipalities, instead this merely serves as an illustration of how the process has unfolded in some municipalities as depicted in process plans and IDPs.

A critique of public participation in IDP processes

The section above has outlined the envisioned process of public participation within the IDP process. However, the literature presented below reveals that public participation in practices does not always follow the linear process presented above. There are various challenges that municipal officials face in reality which distort the envisioned process. Theron identifies insufficient capacity as a key challenge to implementing and managing participatory efforts at a local level (2007). This is important as it highlights that while structures for public participation are salient in encouraging participation, there are other necessary factors required to create an enabling environment for public participation. This often results in a dependency on consultants to facilitate the process which can serve as a disincentive for municipal officials to upskill and advocate for participatory development.

Mguni's (2010) study on community participation in housing delivery at the Joe Slovo Settlement in the Western Cape further explores the experiences of public participation in housing planning through the Housing Chapters. The study found that the City of Cape Town experienced

challenges in aligning their Housing Chapters within their IDP, the IDP and the Housing Chapter spoke to different priorities (Mguni and Bacon, 2010, p. 34). Furthermore, the community participation in developing the Housing Chapters was described as inadequate.

The IDP's community-based approach seeks to ensure that the marginalised population of the society and community are included and take part in local governance, thereby empowering people to set their course for their community's future and hold local government accountable (Breakfast et al., 2015, p. 64). This community-based approach model incorporated within the IDP is embedded with two key assumptions, firstly that all citizens are equal and secondly, that there is an inherent interest in citizens being involved in decision-making processes.

Scholars have critiqued this assumption and conceptualisation of citizenship under the term "insurgent citizenship" (Holston, 1998) . This term, alongside other definitions of citizenship including participatory citizenship, inclusive citizenship and active citizenship seek to challenge and reconceptualise the definition of citizenship by exposing the liberal model that assumes that citizens are a "single, all right bearing entity with equal rights and obligations" as conceptualised within the IDP's community-based model (Miraftab and Wills, 2005, p. 202).

Cornwall's (2002) study on locating citizenship further explores this relationship between citizens and the state by exploring the interplay between invitation and demand within the public participation arena. The study examines public participation beyond the boundaries of liberal democracy by highlighting that various factors including legal provisions, governance arrangements, foreign governments and supranational banks and social movements influence the public participation platform made available and the platform chosen by marginalised actors (Cornwall, 2002, p. 2). Failure to take into consideration these varying factors and dynamics within the public participation process can hinder the process, thereby resulting in the process not achieving its desired effects.

These counterarguments therefore highlight the need to expand and recognise platforms of practicing citizenship and involving public participation in both invited and uninvited spaces. In addition, shifting the focus from what mechanisms are available for public involvement to what actually occurs in practice. Therefore, as much as structures for public participation are encouraged, there is a need to examine who takes part in these spaces, on what basis and with what resources? (Cornwall, 2002, p. 2) . These questions are imperative in acknowledging alternative spaces for public participation, how these are occupied, negotiated and in some cases legitimised to positively contribute into existing public participation structures to ensure meaningful public participation. This debate therefore sparks two key questions which apply to the context of this evaluation: a) Is public participation being practised? and b) How is it being practised?

3. Theory of Change

3.1 Preliminary questions

The legislative and policy context which gave rise to the introduction of Housing Chapters, and the eventual establishment of a Housing Chapters programme, was introduced in Section 2. This section seeks to explore some of the key questions which arise in relation to the Housing Chapters programme itself: how did the programme come about? What was its rationale? How is it intended to work? How has the programme evolved since its inception? Does the programme meet the conventional criteria for a programme, that is, a coordinated set of inputs, activities and outputs?

Although these questions will be addressed in greater detail during the course of the data collection phase, this section establishes a baseline of understanding based on available documents and interviews with key stakeholders with varying degrees of involvement with the programme.

3.2 Rationale of the programme

In 2009 the Housing Chapters *programme* was introduced as one of several programmes introduced by the Housing Code. The programme sought to assist municipalities in developing credible Housing Chapters as part of their IDP, a requirement which was introduced by the 2004 Comprehensive Plan but not hitherto required by the Municipal Structures Act.

Ultimately, municipalities who, until 2004, had no prior experience, capacity or mandate to engage in human settlements planning, were expected to produce a credible list of priority housing projects. The housing projects submitted to province would need to be prioritised based on a combination of desktop analysis of housing need, and public participation. Furthermore, these projects would need to be realistic and ready for implementation. The implication for project readiness is the development of a project pipeline to ensure that all environmental and planning approvals would need to be in place, that the requisite bulk and connector infrastructure has been built, and that the intended beneficiaries have been identified and consulted. Within this context, the Housing Chapter may be seen as the documentary 'evidence' demonstrating that the requisite forward planning, participatory processes and regulatory hurdles have been adequately addressed within the relevant IDP cycle.

It was evident soon after the introduction of the housing chapters concept that few municipalities had the in-house capacity to meet the onerous requirements and navigate through the political and administrative complexities intrinsic to housing planning. It was evident soon after the introduction of the Housing Chapters concept that few municipalities had the in-house capacity to meet the onerous requirements and navigate through the political and administrative complexities intrinsic to housing planning. Thus, it was necessary to develop a programme aimed at providing the necessary technical assistance to municipalities to develop the capacity required to prepare credible Housing Chapters. Based on provisional interviews, it is suggested that the nature of technical assistance during the first 'phase' of the programme was systematic, varied and hands-on. Housing Chapters in IDPs were systematically evaluated, gaps identified, and a bespoke set of technical assistance interventions identified for each municipality. Technical assistance included – but was not limited to – the introduction of a financial mechanism whereby municipalities could apply for operational funding in order to create a dedicated position or team of officials to represent the 'Housing Voice' within the municipality. It was also suggested that the nature of technical assistance changed over time as key officials left and the initial momentum behind the programme waned.

Based on a preliminary assessment of available documents and interviews, it is not self-evident that the programme is 'active' as of 2019: the programme does not appear to be supported by dedicated personnel or budget resources, and it is not clear which municipalities continue to draw on the financial mechanism discussed above (see Figure 12). One official intimated that the reason why the programme is effectively 'dormant' is the view that its objectives - that is, the development of in-house capacity to conduct human settlements planning at local government level - has largely been achieved and thus the rationale for the project no longer applied. Another view was that the programme waned after questions were raised about the lack of return-on-investment: funding was not translating into credible Housing Chapters in IDPs.

3.3 Problem statement

The problem statement, based on the above, may thus be stated as follows:

The housing sector in South Africa is characterised by a prevailing disconnect between, on the one hand, the intention of legislation and policy governing the sector, and implementation and practice across spheres. This tension may be understood in terms of three over-arching themes: fiscal decentralisation, public participation and intergovernmental alignment as part of integrated planning. These themes are not discrete but inter-related facets of the inherent complexity of reconciling a rational, internally coherent and developmental framework (ultimately embodied in

the Constitution) with an inherently self-interested and discordant political economy consisting of competing interests and varying capacities across scale and sector. If it is accepted that the realisation of Outcome 8 is contingent upon the successful implementation of such a framework, then the question arises as to whether its implementation is possible unless all facets, participation, intergovernmental alignment and devolution, are addressed in concert.

The explicit rationale of the Housing Chapters programme was to capacitate municipalities through the progressive strengthening of public participation and intergovernmental alignment. It remains to be seen to what extent this programme has contributed towards the realisation of Outcome 8 without concurrent progress towards fiscal decentralisation with regards the housing function.

3.4   Theory of Change

The underlying logic or theory of change is central to evaluation. Within the context of this evaluation, the theory of change is a representation of how the Housing Chapters programme is expected to achieve results and an identification of the underlying assumptions made.

A theory of change must:

• Depict a sequence of inputs the programme will use, the activities the inputs will support, the outputs towards which the programme is budgeting, and the outcomes and impacts expected

• Identify events or conditions that may affect obtaining the outcomes

• Identify assumptions the program is making about causes and effects

• Identify critical assumptions that, based on a review of the literature, the evaluation needs to examine.

There is currently no theory of change for the Housing Chapters programme. However, consideration was given to the non-programme specific housing theory of change introduced as part of the Human Settlements Public Sector Reform Review and Improvement Plan document, hereafter referred to as the "Synthesis Evaluation", which was subsequently shared.[15]

The theory of change is illustrated below. It indicates causal relationships between the national housing / planning system, provincial departments and local municipalities. At system level, national legislation and policy provisions are key inputs to the design of the housing programme nationally. Here, the inputs consist of policy provisions, grant allocations, planning support and review, as well as technical support and devolved responsibility where technical capability is confirmed.

It is important to note that although the Theory of Change explicitly focuses on the national housing system, that is not to ignore the myriad other actors, agencies and factors which play a key role in ensuring that the system operates as intended, in furtherance of Outcome 8. Key ministries include DCOG, DRDLR and National Treasury.

3.4.1   The Housing Chapter and the IDP process

At municipal level, the Housing Chapters programme is designed to ensure that IDP statutory planning (and annual operational plans) integrates the legislative and policy priorities for housing into pre-existing IDP processes and provisions so that the housing programme finds expression in what the municipality actually does annually. With sufficient technical capacity and political support, it is expected that the formulation of the Housing Chapter will involve meaningful and inclusive public participation, coordination across sectors and spatial prioritisation. Based on the aforementioned activities, it is expected that the Housing Chapter adopted as part of the IDP process will give expression to the housing agenda in local and provincial planning processes, and will be aligned to key municipal, provincial plans and budgets, and national policy directives.

3.4.2   Enabling legislation, policies and funding streams

The formulation of a credible Housing Chapter as a product of a participative IDP process is guided by a comprehensive legislative and policy framework, managed by adequately capacitated human settlements planning capacity at municipal level, and funded through the HSDG funding mechanism.

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[15]   *A review of this document suggest that no theory of change was formally developed. A theory of change must include, inter alia (a) a sequence linking the inputs the program will use; the activities the inputs will support, the outputs towards which the program is budgeting; and the outcomes and impacts expected; (b) the assumptions the program is making about causes and effects (Morra Imas and Rist, 2009, p. 150). Since no theory of change exists, the evaluation team will create one and validate it with key stakeholders.*

3.4.3 Impacts, outcomes and reporting

Assuming that the Housing Chapters programme is functioning as intended across the national housing system, with targets and strategies set in the IDP being adequately resourced, then the key outcomes anticipated are integrated planning and implementation at municipal level, the achievement of planned targets in reported results, and ongoing adjustments and revisions to annual plans and budgets in line with policy directives.

3.4.4 Critical assumptions

Beyond causal linkages, *critical assumptions* are indicated in the numbered stars. These are based on the review of the literature, and is subject to further evaluation:

1. Citizens have insights into housing needs not reflected in desktop analysis.

2. Community voice filtering into IDP through effective public participation processes.

3. IGR engagements in IDP processes are regularly held, and systematically inform provincial planning.

4. Provincial housing depts. account for / incorporate draft IDPs into Prov. Housing Sector plans.

5. Grant-assisted human settlements planning results in credible analysis of housing need.

6. Municipalities are requesting, and receiving, grants to improve housing planning capacity.

7. Provincial housing departments are allocating funding for capacity-building support for LG.

8. Funding distributed by NDHS is sufficient to meet housing need.

9. NDHS and DPME provides sufficient and credible reporting to cabinet to inform appropriate NT allocations.
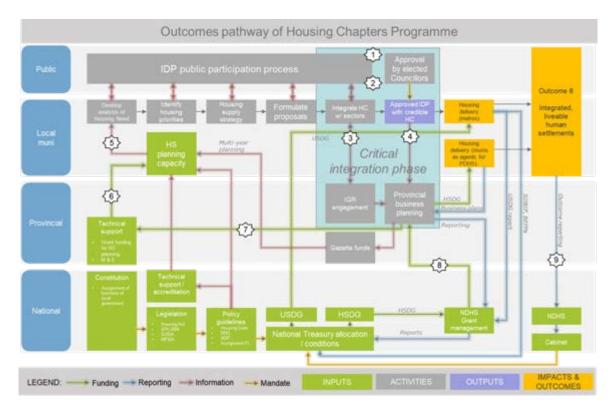
Figure 12. Detailed Theory of Change

4. Methodology and approach

This section provides a high-level overview of the data collection plan of this evaluation to provide the reader with a working understanding of the approach employed in this study. A detailed account of the data collection phase is provided as an annexure to this report.

The evaluation adopted a mixed method approach where a range of qualitative and quantitative data collection instruments were employed. Primary data collection activities included workshops, semi-structured interviews and structured surveys. Secondary data collection took the form of structured reviews of planning documents and associated municipal and provincial plans and reports. The structured review component was based on a standardized evaluation rubric.

A broad range of stakeholders have important insights to contribute to this evaluation. To ensure that the evaluation draws on a sufficient and well-balanced set of inputs, a combination of total sampling, stratified purposive and simple random sampling were conducted to select the stakeholders who will participate.

Stratification of respondents is critical given that the stakeholders to be engaged span three spheres of government, including the NDHS, nine provincial housing departments and 234 local governments. Local government was further stratified by levels of accreditation, context (e.g. metros and non-metros,) and regions.

Table 2. Target population

Stakeholder groupings	Sampling units
NDHS	1
Provincial departments	9
Metros	8
Accredited (non-metros)	20
Non-accredited	206
Total	**244**

Table 3 below indicates how the various sampling methods were applied in order to balance efficiency with representativeness:

Table 3. Sampling strategy

Stakeholder group	Workshop	Semi-structured interviews	Structured survey
NDHS	2 workshops	Purposive sample n=4	n/a
Provincial governments	1 joint workshop	Total sample n=18	n/a
Metros	1 joint workshop	Total sample n=8	Random sample* n=99 (n=234)
Accredited LMs (non-metro)		25% purposive sample n=5	
Non-accredited LMs		5% purposive sample n=10	
External stakeholders	1 workshop	Purposive sample n=9 Snowball sampling	

95% confidence level, +-7.5% confidence interval

4.1   Semi-structured interviews

A key primary data collection instrument is conducting semi-structured interviews with a purposive sample of stakeholders across national, provincial and local government spheres, and external stakeholders.

According to the original data collection strategy, a purposive sample of 54 interviews were targeted, stratified across various stakeholder groups.

Table 4. Interviews completed per stakeholder group

Stakeholder group	Targeted	Completed
Key national stakeholders	4	8
Provincial departments	18	14
Local government	23	18
External stakeholders	9	8
Total interviews	**54**	**48**

As of mid-August, 48 interviews have been successfully completed. This accounts for 89% of the original sample target, varying from 78% of local government stakeholders to 200% for key national stakeholders. The research team encountered particular difficulty in securing and completing interviews with local and provincial government officials, despite repeated assurances.

Figure 13. Interviews

As shown in Table 11 above, the initial stages of the data collection phase focused on interviews with national stakeholders, followed by a shift towards provincial department officials, the municipal officials. The research team engaged seven out of nine provincial departments. Similar breadth was achieved with local government officials, with several (if not all) metros, accredited non-metros and non-accredited municipalities engaged. However, the number of interviews secured with provincial and local officials decline from May (14) to August (5). The final phase of the data collection phase saw a number of interviews with external stakeholders.

All interviews were recorded, and transcripts prepared. Although technically forming part of the report-writing phase, the interviews transcripts have been coded thus far using NVivo software. All semi-structured interviews will be subjected to a thematic analysis using NVivo qualitative analysis software, as informed by the analytical framework for the assessment. Interview data may be utilised to provide direct quotations selected to exemplify key findings emerging in line with the thematic analysis informed by the evaluation questions and analytical framework, and within the context of the Theory of Change.

4.2   Workshops

As shown above, five workshops were to be conducted: two with NDHS, one joint workshop with provincial departments of human settlements, one joint workshop with local municipal officials, and one with external stakeholders. The intended workshop with external stakeholders was dropped in favour of semi-structured interviews. Half-day workshops are proposed, each with a presentation prepared and discussion facilitated by the PDG team (using a semi-structured facilitation guide) with a view towards eliciting discussion and perspectives on the Programme implementation and outcomes. In addition to the semi-structured questions for discussion in these workshops, the provincial workshops also contained a **structured component.** For a short set of questions, the facilitators put forward questions and ask the workshop participants to select their answers from a list. For instance, they may be asked about the quality of public participation in municipal IDP processes, with a list of options from poor quality to high quality. The participants may then discuss their responses to give further insight to why they have chosen their answer. This structured component enabled the evaluation to draw some structured data from these otherwise qualitative and semi-structured engagements.

Workshops broadly followed the following format:

1. Introduction to the original intention of Housing Chapters as part of the municipal IDP process

2. Structured group exercise where participants report on the credibility and potential of Housing Chapters by completing Likert-type questionnaire.

3. Introduction of a simplified Theory of Change, situating the municipal human settlements planning process within the human settlements sector.

Structured group exercise where participants report on the validity of assumptions underlying the theory of change, by completing Likert-type questionnaire.

The following workshops were held:

Table 5. Workshop attendance

Stakeholder group	Date	Attendees
56	3rd of April	15
Provincial departments	11th of June	17
Local government	31st of July	15
Total		47

Across the three workshops, 47 officials attended in total. Attendance were affected by challenges pertaining to securing venues. It was agreed through mutual consent that the coordination around workshops were too onerous for the PSC, and thus the envisaged external stakeholders' workshop was cancelled by mutual agreement, with the preference being for the external stakeholders to be engaged via interviews instead.

All workshops were recorded subject to the same thematic analysis as that of the interviews.

Documentation, written submissions and electronic responses may also be analysed using a common thematic approach. These will serve to corroborate, compare and contrast the experiences expressed by respondents in interviews, and contribute to triangulation of data.

4.3 Structured survey

A key primary data collection instrument is the administration of structured surveys to housing officials within local government. The original data collection strategy targeted a survey sample of 99 out of 234 local municipalities in order to achieve a 95% confidence level and 7.5% confidence interval. Due to low response rates, this was adjusted from 99 to 62 of total population of 234 municipalities. This adjusted sample remains scientifically valid with a 95% confidence level and an 10% confidence interval (see Table 6 below). Thus, truncating the sample size marginally increases the confidence interval by 2.5%, which, given the qualitative nature of the study[16] and the inherent pre-selection bias, falls within acceptable parameters.

Table 6. Survey samples

	Sample size	Confidence level	Confidence interval
Original	99 / 234	95%	+/- 7.5%
Revised	62 / 234	95%	+/- 10%
Completed	62 / 234	95%	+/- 10%

Individuals (housing voice) was identified they were contacted immediately directly and liaised with. Where possible, municipal officials were directly engaged as part of a face-to-face interview.

Due to low response rates, the data collection team requested the contact details of housing and IDP officials from provincial departments. This request was only partially fulfilled in one or two provinces. Further contact details were sourced from municipal websites. The research team opted

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16   *The survey questions are largely based on a qualitative Likert-type scale, ranging from strong agreement to strong disagreement.*

to issue additional rounds of surveying, with each round accompanied by a bulk email followed by telephonic follow-up phones insofar the contact details of housing voices were available.

Figure 14. Survey response rates

Figure 14 illustrates the number of responses received following successive survey rounds. By mid-June, the number of surveys received plateaued at about 56. Responsiveness to four additional rounds in July and August only elicited six additional completed surveys.

Of the 62 surveys received, 23 surveys were submitted via PDF and 39 submitted electronically via Survey Monkey. The data received have been collated into a consolidated Excel spreadsheet.

4.4   Structured review

4.4.1   Municipal planning documents

The structured review process forms the heart of the evaluation, entailing a structured assessment of national, provincial and municipal documents evaluated systematically against an **evaluation rubric**. The structured review includes both qualitative and quantitative elements.
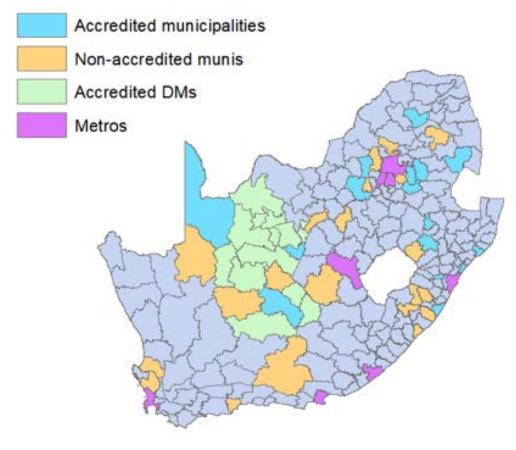
For the municipal documents, we have established a sample of municipalities using a random stratified sampling strategy as per Table 7 below.

Table 7. Sample of municipalities for structured review of key documents

Stakeholder groupings	Number of municipalities*	Sampling
Provinces (N=9)	n=9	Total sample
Metros (N=8)	n=8	Total sample
Non-metro, accredited (N=20)	n=20	Total sample
Non-metro, non-accredited (N=206)	n=21	Random 10% sample, stratified by municipal category, province
Total	**48**	

Municipalities were stratified according to context (i.e. between A and B municipalities) and accreditation (i.e. accredited and non-accredited). Whereas a total sample of metros and non-metro accredited municipalities were added to the sample list, non-accredited B municipalities were randomly sorted. Municipalities were added to the sample list by proceeding sequentially down the randomised list and selecting municipalities until the number of municipalities per province were proportionally reflective of the relative number of non-accredited municipalities per province.

Figure 15. Map showing sampled municipalities

Source: Author

For each municipality in the sampled list (see Figure 15), one year is randomly selected within the three planning periods: 2006-2011, 2011-2016 and 2016-2021. The following planning documents are drawn for this period:

•   Housing Chapter

•   Housing Sector Plan (only where available)

•   IDP (excerpts relevant to human settlements planning only)

•   IDP Process information (as available, insofar relevant to human settlements-related participation)

•   SDBIP (excerpts relevant to human settlements planning only)

•   SDF (excerpts relevant to human settlements planning only)

•   BEPP (metro only, excerpts relevant to human settlements planning only)

•   Municipal capital budget (excerpts relevant to human settlements only)

Using these documents, the reviewer assessed:

•   whether the Housing Chapter is indeed available, updated and duly adopted as part of the IDP process for the period in question;

•   whether the Housing Chapter meets the requirements as established by the Housing Code and Green Book, including the reliability of data and analysis (e.g. housing demand), appropriate mix of supply;

•   internal consistency between the Housing Chapter and the rest of the IDP (incl. SDF and infrastructure sector plans), the SDBIP and/or BEPP instrument (in metros);

•   a clear 'line-of-sight' between the Housing Chapter and the provincial multi-year Human Settlement Plans and APPs, insofar these documents are readily available;

•   a clear 'line-of-sight' between the Housing Chapter and national planning policy and legislation (e.g. SPLUMA).

Table 8. Municipal planning documents reviewed

	IDP	SDF	BEPP	Housing Chapter	SDBIP
Non-accredited	44	10	n/a	9	34
Accredited	46	30	n/a	26	36
Metros	21	18	18	19	21
Total	**111**	**58**	**18**	**54**	**91**

As indicated in Table 8 above, 111 IDPs have been reviewed, 58 SDFs, 16 BEPPs, 54 Housing Chapters and 91 SDBIPs.

4.4.2   Provincial plans and budgets

For each province, the following planning documents were reviewed as available by means of an evaluation rubric (see Table 9):

- Provincial business plans
- 5-year strategic plans
- Annual performance plans
- HSDG gazettes

Table 9. Provincial planning documents reviewed

	Provincial departments	5YSP	APP	Gazette	BP
1	Eastern Cape	2	9	1	5
2	Free State	1	5	0	5
3	Gauteng	1	4	1	5
4	KwaZulu-Natal	1	8	0	5
5	Limpopo	0	1	0	5
6	Mpumalanga	0	0	0	5
7	Northern Cape	0	0	0	5
8	North West	0	3	0	5
9	Western Cape	1	12	1	5
Total		**6**	**42**	**3**	**45**

The review team was able to source and review 6 strategic plans, 42 annual performance plans, 3 gazettes and 45 business plans.

4.5   Analysis of budgets

Business plans were analysed for all provincial departments for the period 2014 to 2020, both qualitatively (using an evaluation rubric) and quantitatively (see Table 10). The analysis was focused on the proportion of funding being allocated to financial interventions generally and Housing Chapters programme specifically. Furthermore, business plans were analysed to determine to what extent HSDG budget allocation aligns to the DORA requirements with regards to, for example, the proportion of funding going to informal settlement upgrades, rental housing and priority projects. Furthermore, a quantitative analysis was conducted to compare the performance of provincial departments in terms of the number of housing units and sites targeted, per year.

Table 10. Budgets analysed

Stakeholder group	Budgets targeted	Budgets analysed	% complete
Provincial departments	9	9	100%
Metros	8	8	100%
Total	**17**	**17**	**100%**

Secondly, detailed budgets for all eight metros were drawn from National Treasury's local government budgets database and analysed to ascertain spending patterns from 2013 to 2021 in relation to USDG and HSDG, in addition to funding in relation to supportive financial assistance.

5. Findings and analysis

5.1 Powers and functions

The Housing Act details the functions of various spheres of government in relation to housing provision. According to the Theory of Change (see Figure 16), whereas municipalities have a clear mandate to ensure the access of communities to adequate housing and services, the specific function of executing national and provincial housing programmes lies with provincial government. However, the policy intent is to progressively enable municipalities to manage a range of national housing programme instruments to allow for better coordinated, integrated and accelerated human settlements delivery. This is in recognition of the pivotal planning, land use management, infrastructure provision, settlement governance and intergovernmental coordination roles of municipalities. The USDG, which is administered directly by metros, is a demonstration of this intent.
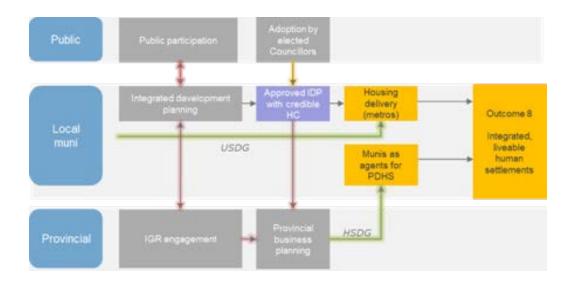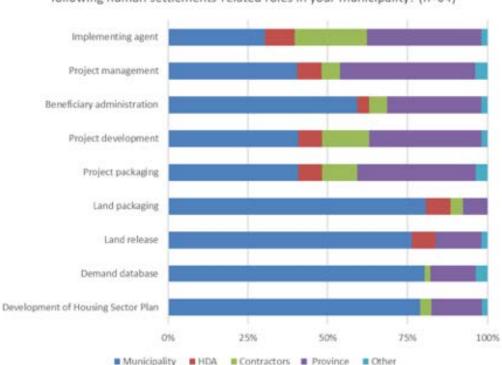
Figure 16. ToC: Powers and functions

Based on the interviews, national stakeholders saw provinces as having the primary responsibility for housing provision, whereas municipalities are responsible for identifying suitable land (I33) based on assessment of need. Provincial departments who receive large HSDG allocations every year are under tremendous pressure to spend their allocation. Ensuring that municipalities have Housing Chapters is seen as a means of mitigating implementation risk. (I98).

Figure 17. Survey results: perceived role of municipality

Better-resourced municipalities (e.g. I13, I82) may take on a more significant role and have structures established to ensure coordination between planning and technical departments (I78). Main housing priorities is identification of land, identification of beneficiaries and sorting out issues of zoning (I14). Some municipalities also package land (I9). However, some of those who have assumed housing functions are reconsidering the arrangement on the basis of affordability concerns in the absence of commensurate funding (I17).

The role of local government in human settlements planning is closely related to the question of accreditation. Accreditation is the recognition by the relevant provincial MEC responsible for housing that whilst a municipality has met certain criteria and standards, the municipality requires additional support and capacity prior to assuming full accountability for the administration of all national housing programmes. Accreditation permits the exercise of functions by a municipality on behalf of the MEC whilst further capacity is being developed.

The purpose of accreditation is to enable municipalities to progressively perform an expanded role in the administration of national housing programmes as provided for in the Act and supported by policy. Roles and responsibilities for municipalities vary significantly from municipality to municipality, even when controlling for level of accreditation. Of the 63 municipalities who responded to the survey, 2 were metros, 4 were accredited non-metros and the remaining 57% were unaccredited. Of these, responsibilities varied significantly. Figure 17 displays that over 75% of municipalities indicated responsibility for land packaging, land release, housing database and the development of a sector plan. About 60% of municipalities indicated responsibility for beneficiary administration. Less than 50% of municipalities indicated responsibility for implementation, project management, project development and project packaging. 36% of respondents indicated that some form of delivery agreement is in place with another entity.

According to the intended structure, the power of MECs to accredit municipalities is posited as a means to encourage local municipalities to develop credible Housing Chapters, which benefits the provincial department's ability to spend their allocations (I26). However, in practice, the role of provincial government in ensuring municipal capacity building is complex. On the one hand, building capacity in municipalities enhances project readiness and community buy-in; on the other hand, accreditation and assignment implies that provincial departments ultimately relinquish control over the disbursement of grant funding. Provincial departments want municipalities to ensure feasibility and facilitate implementation but not assume responsibility or control over where, when and how grant funding is allocated.

Stakeholders who were interviewed from non-accredited municipalities saw their role as administration of housing beneficiaries rather than planning (I42), which they claim requires accreditation, funding and capacity (I107) which these municipalities don't receive. In these instances, the role of planning is left to districts (I38) or external consultants.

Figure 18. Survey results: accreditation

Does your municipality have housing accreditation? (n=64)

- Yes 16%
- No 73%
- No response 11%

Has your municipality formally expressed an interest in further accreditation? (n=64)

- Yes 8%
- No 58%
- No response 34%

What in your view is the likelihood that the municipality will receive (further) accreditation over the next five years? (n=64)

- Not very likely 36%
- Somewhat likely 28%
- Very likely 22%
- No response 14%
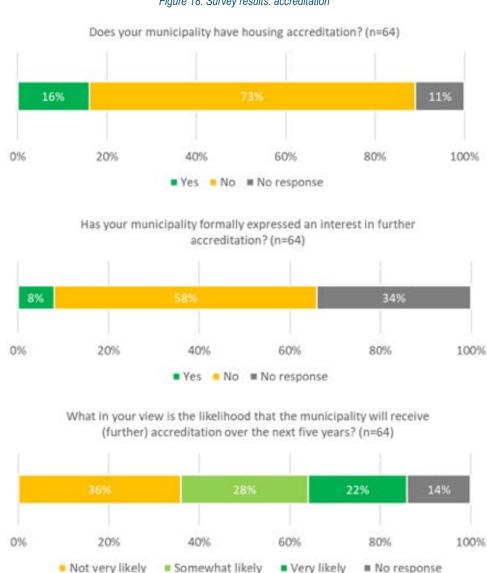
Figure 18 shows that 73% of the respondents indicated that the municipality was not accredited, and 58% indicated that they have not formally expressed an interest in further accreditation. However, 50% of municipalities indicated that accreditation is somewhat (28%) or very likely (22%) over the next five years.

The development of credible Housing Chapters is seen as a key requirement for municipalities to embark on the process of accreditation (I96, I26), particularly Level 1 Accreditation (I93). The Housing Chapters programme was therefore particularly focused on smaller non- accredited municipalities rather than better resourced metros and secondary cities (I29). Human settlements planning was funded not only via the Housing Chapters programme, but in some cases (usually larger municipalities) via the accreditation assistance programme (I91, I94).

In cases where accreditation has been granted, municipalities' status bore little relation to the actual functions they were performing (I101). Even through all metros are at level 2 (I4), their roles vary: whereas metros like eThekwini and Cape Town undertakes 100% of the housing function (I74), NMB develops a plan and packages land, and start installing services, after which they send application to province to commence construction (I39). In some cases, accreditation merely confirmed housing functions which had already been assumed (FFC, 2013). This may be due in part of the view held by some stakeholders that metros and better-resourced municipalities often have greater planning capacity than provincial departments, who are unable to offer a differentiated approach as envisaged by the Accreditation Framework (see Table 1).

The fact that the accreditation process has subsequently stalled (I31) may have implications for the ability and willingness for municipalities to assume responsibility for human settlements planning in general, and the rationale of the Housing Chapters programme specifically.

Accreditation is not a factor. Municipalities should not be encouraged to investment in human settlements planning to get accredited because, firstly, the accreditation process is stalled, and secondly, they should be planning for human settlements regardless of accreditation. The level of human settlements planning required in non-metro and non-secondary municipalities is not that expensive. (I64)

There is a disjuncture about the accreditation process on paper compared to reality. Even though the accreditation framework places human settlements planning capacity, and the HSP, at the centre of the criteria for accreditation, stakeholders (I36) have generally rejected the idea that planning capacity plays any significant role.

Accreditation is about political will. Whether or not you are accredited is about whether national or provincial have the will to accredit it. The factor on whether there is a municipal planning unit is low on the list (I64).

In summary, the key findings are that there is a disjuncture between theory and practice as to the role of municipalities in human settlements planning, and the expected role of provincial departments in determining this role is not mechanistic but subject to varying degrees of capacity in municipal and provincial spheres, and the reluctance of provincial departments in supporting accreditation. The majority of non-accredited municipal respondents perceived the de facto role of municipalities as limited to facilitating province-led housing implementation.

5.2   Human settlements-related grant performance

According to the Theory of Change, National Treasury allocates funding for housing delivery through two mechanisms: the HSDG and the USDG. The HSDG is allocated to National DHS, who in turn allocates to provincial departments as per the requirements stipulated in the Division of Revenue Act. Whereas USDG is allocated directly to metros, HSDG is administered by provincial departments. Whereas the municipality performs the role of delivery agent for the provincial department, the level of agency varies from municipality to municipality based on level of accreditation and associated institutional arrangements. A critical assumption in the Theory of Change is that National Treasury is allocating sufficient funding to housing delivery to progressively realise MTSF Outcome 8 (Assumption 8).
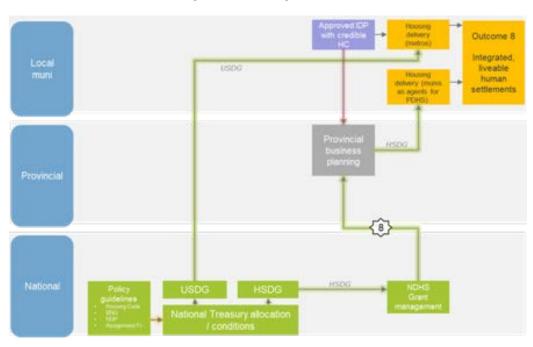
Figure 19. ToC: Funding instruments
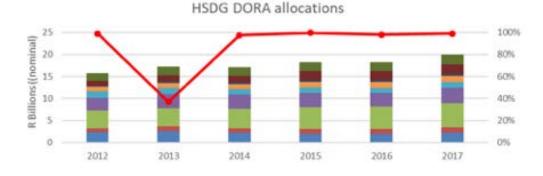
5.2.1 Human Settlements Development Grant

There are broadly four categories of programmes: financial interventions (FI), incremental housing, social and rental housing and rural housing. The Housing Chapters sub-programme is included as a financial intervention, alongside other capacitation-related interventions such as operational capital (ops. cap) and the accreditation programme.

HSDG funds are allocated in the first instance to provinces based on a formula which considers the share of inadequate housing in each province, but also population size and extent of poverty. At some stage re-allocations are made based on under-performance.

Figure 20 shows that the overall allocations to HSDG have remained steady over the period from 2012 to 2017, growing broadly in line with inflation. However, the proportional allocation of HSDG funding to provincial departments have changed over time. Allocations to Gauteng has risen at a higher rate than other provinces, where allocations have been relatively flat or declining (e.g. Eastern Cape. Except for 2013, HSDG spending has remained at or close to 100%. However, it has been shown that provincial departments transfer significant amounts of HSDG funds to implementing agencies like the HDA, the Gauteng Partnership Fund and municipalities, and then report the funds as spent whereas in real terms these funds are being held in the accounts of these agencies (National Parliament, 2018). Revision of business plans did not help as provinces were adept as 'camouflaging and hiding poor performance' (PMG, 2015).

The average annual targeted delivery rate between 2014 and 2017 for both top structures and serviced sites was 187 000, compared to an actual delivery rate over this period of 135 000 units.[17] This translates to a long-run delivery performance of 75%. Provincial departments attribute under-performance to continuous poor performance by contractors and the late payment of contractors (National Parliament, 2018).

Figure 20. Budget analysis: HSDG

Source: DORA

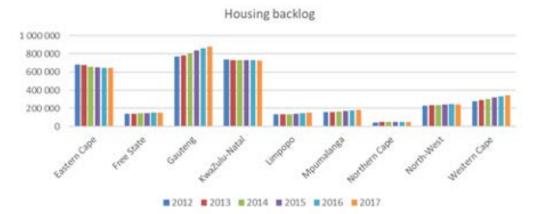*Source: DORA and NDHS Annual Reports*

In order to evaluate the critical assumption regarding the adequacy of overall allocations, HSDG allocations are compared against backlog. Backlogs are shown to have increased in Gauteng and Western Cape, to decrease in the Eastern Cape and KZN, and to be fairly stable elsewhere.

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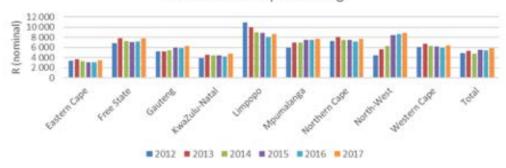
[17]   *The reliability of delivery data is very poor. See Box 1 for detail.*

Figure 21. Budget analysis: backlogs

Housing backlog

Source: (IHS Markit, 2019)

HSDG allocation per backlog
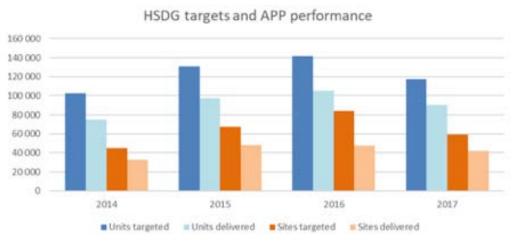
Source: Author's calculation

HSDG funding per backlog unit ranges between R3,000 in the Eastern Cape and R9,000 per backlog unit in the North West. The North West and Limpopo have seen drastic increases in allocations per backlog unit, whereas funding levels in the better resourced, more urban provinces have been fairly stable over time.

Nationally, funding has been ranging at about R5,000 per backlog unit. Based on a crude and conservative estimate of R100,000 per top structure[18], this would imply that, when excluding new household formation, the existing backlog would take twenty years to address based on the existing funding envelope and State-centered delivery model.

Figure 22. Budget analysis: delivery targets and performance

HSDG targets and APP performance

Source: NDHS Annual reports

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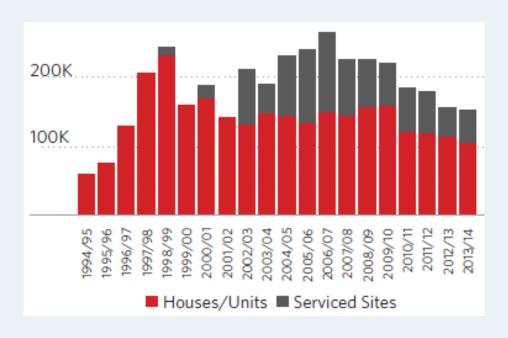
[18]   *The cost of the unit in respect of IRDP houses is estimated at R119,409, which is higher than the subsidy allocation of R90,362 for this type of unit (National Treasury, 2015). The DDG described the subsidy in 2015 as R110 000 for construction, R43 000 for servicing, R6 000 for land. In some instances the cost of building an RDP house was significantly greater (PMG, 2015).*

Put differently, the existing backlog in 2017 was 3.4 million (IHS Markit, 2019)[19] According to the provincial business plans, the average annual delivery target for both units and sites between 2014 and 2017 was 187 000. According to the APP, the actual delivery rate of units and serviced sites averaged over this period was 135 000. Depending on whether the target or the actual delivery rate is applied, the backlog alone will take between 18 and 25 years to address using the current housing delivery model.

Box 1. Long-term delivery rates

Accurate subsidised housing delivery numbers are not easy to find. According to Gardner (2018), the relationship between housing expenditure and actual delivery is not transparent. Units claimed in national statistics are not necessarily clearly recorded in project statistics, and the definition of housing opportunities can differ significantly. The figure below shows the claimed annual delivery of subsidy houses from 1994 to 2013. It shows a long-term decline from a peak in 1998.

Source: Gardner 2018

5.2.2   Urban Settlements Development Grant

The USDG is not a housing grant but was introduced in 2011 as a supplementing capital grant for metropolitan cities, which receive it directly from National(I37).

Based on the budget analysis, USDG allocations to metros rose sharply from 2012 to 2014, and broadly tracking inflation from 2014 to 2017 (see Figure 23). The highest increases in allocations over time has been to eThekwini, Ekurhuleni and City of Cape Town. However, rates of spending have been poor, between 45% and 60%. Underspending is attributed to procurement and project management inefficiencies, poor planning processes and difficulties in monitoring (FFC, 2013).

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19   *The formal dwelling backlog refers to the number of households that are not living in a formal or a very formal dwelling. A formal dwelling unit is a structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling. A very formal dwelling unit is the same as a formal dwelling unit but it has running water and flush toilets within the dwelling.*
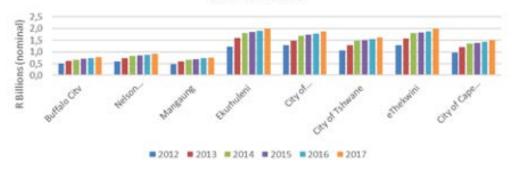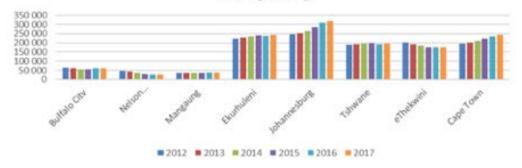
Figure 23. Budget analysis: USDG

Source: NDHS Annual Reports

Source: NDHS Annual Reports
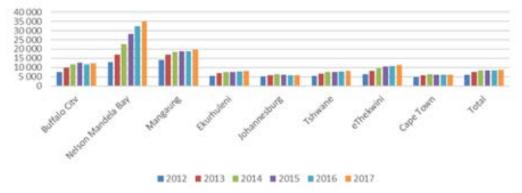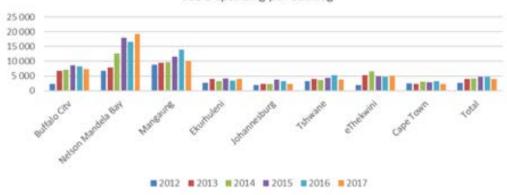
Source: (IHS Markit, 2019)

Source: Author's calculation

The chart above shows that five out of eight metros shoulder the greatest housing backlogs. Whereas backlogs have remained fairly stable in Tshwane and declining in eThekwini, it has risen sharply in Cape Town, Ekurhuleni and Johannesburg. USDG allocations at national level has ranged at between R5,000 and R10,000 per backlog unit. However, these have been heavily disproportionate across metros. Metros with comparatively small backlogs have received a significantly greater allocation relative to need. Nelson Mandela Bay, for example, receive R35,000 of USDG per backlog unit. This may be attributable in part to unspent funds in Cape Town and Johannesburg being reallocated to Buffalo City, Mangaung and NMB on account of poor performance.

The HSDG allocation (which has a near perfect rate of expenditure) has not increased relative to backlog over the last six years, if building cost inflation is taken into account. At current rates, it is unlikely that the existing backlog will be fully addressed in twenty years using a supply-driven housing delivery model. Whereas USDG funding has increased in line with growing backlogs, USDG spending has been between 40% and 60% across metros. It can thus not be argued that the USDG allocation in itself is insufficient to progressively realise MTSF Outcome 8. However, the USDG is not a housing grant but a supplementary capital grant, intended to meet multiple MTSF outcomes. As in situ informal upgrading is more expensive per unit than IRDP (National Treasury, 2015), the shift from IRDP to informal settlement upgrading does not fundamentally change the finding.

Thus, the critical assumption that National Treasury is allocating sufficient funding to housing delivery to progressively realise MTSF Outcome 8 is not supported. This is however contingent on the subordinate assumption that the current supply-driven delivery model remains in place.

5.3   Human settlements planning capacity

According to the Theory of Change, local municipalities draw on the necessary technical support from provincial and national departments, and policy guidelines such as the Housing Code and Accreditation Framework, in order to develop the human settlements planning capacity necessary to produce credible Housing Chapters. The two critical assumptions are that grant-assisted human settlements planning results in the credible analysis of housing need (Assumption 5), and municipalities are requesting, and receiving, grants to improve housing planning capacity (Assumption 6).
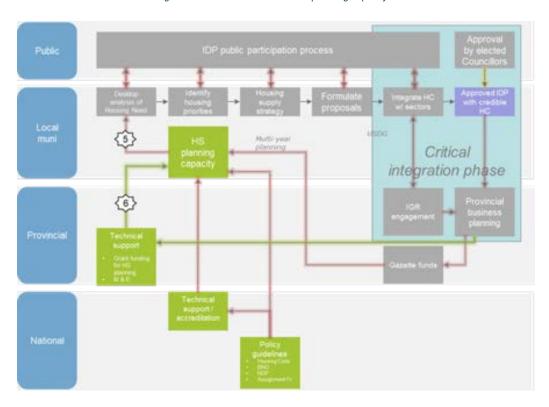
Figure 24. ToC: human settlements planning capacity
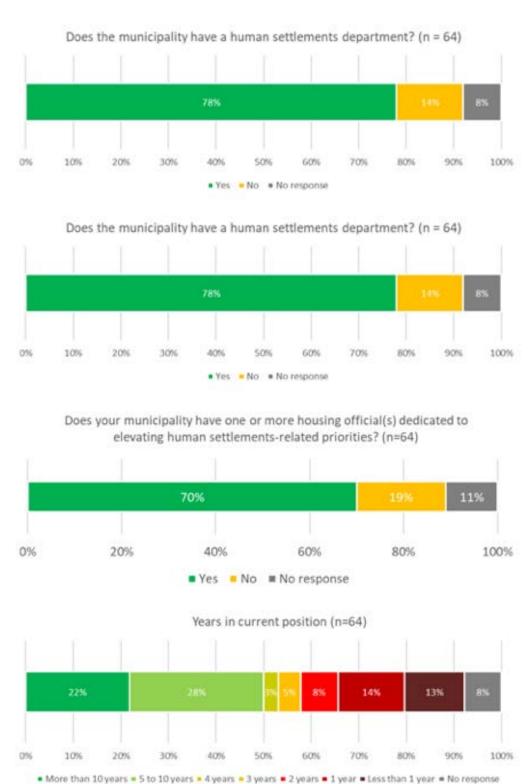
Source: Author
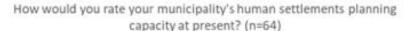
According to the municipal survey, shown in Figure 25, 78% of respondents indicated that the municipality had a human settlements unit, and 70% had one or more housing officials dedicated to elevating human settlements-related priorities. 50% of respondents indicated that they have been in their current position for five years or more. 42% of respondents described their human settlements planning capacity as 'very good' (11%) or 'good' (30%). 52% of respondents described their capacity as 'fair' (36%), 'poor' (13%) or 'very poor' (3%). 54% of respondents indicated positive change in their in-house capacity over the last three years, whereas 25% indicated 'no change'. 7% of respondents indicated a 'moderate' or 'significant decline' in capacity. Only 30% of respondents indicated that the municipality had sufficient financial and human resources to produce a credible Housing Chapter.
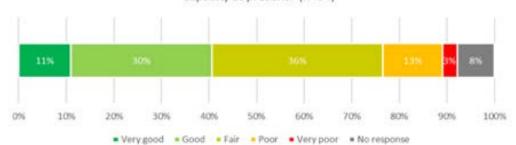
As is evident from the survey results shown throughout this section, a significant proportion of municipal officials failed to answer a number of the questions, particularly those the type of survey questions which assumes a degree of institutional memory and transversal communication. For example, 34% of municipal officials did not answer the question as to whether the municipality has formally expressed an interest in further accreditation (Figure 18). Furthermore, questions which require a subjective or potentially sensitive judgment were also avoided – 23% of respondents failed to respond to the question 'To what extent did the preparation of the Housing Chapter public participation in human settlements planning?' (Figure 48). More than half of respondents did not indicate to what extent the municipality has benefited from assistance to improve its housing planning capacity (Figure 34). Lastly, an interpretation of non-responses may also shed light on the poor visibility of the Housing Chapters programme: whereas only 9% of respondents failed to answer the question whether any technical assistance has been received, a full 44% failed to answer when the question was narrowed to the Housing Chapters programme specifically (Figure 33).

The positive survey results with regards to planning capacity is contradicted by both the interviews and the structured review of Housing Chapters. Either the capacity is over-stated, or it is not adequately committed to developing credible Housing Chapters. One municipal stakeholder indicated that they receive funding for human settlements capacitation, even though they do not perform any functions (I76).
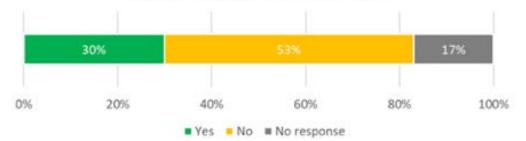
Figure 25. Survey results: capacity

Does the municipality have a human settlements department? (n = 64)

Does the municipality have a human settlements department? (n = 64)

Does your municipality have one or more housing official(s) dedicated to elevating human settlements-related priorities? (n=64)

Years in current position (n=64)

How would you rate your municipality's human settlements planning
capacity at present? (n=64)

| 11% | 30% | 36% | 13% | 3% | 8% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Very good ■ Good ■ Fair ■ Poor ■ Very poor ■ No response

Does your municipality have sufficient financial and human resources for
preparing a credible Housing Chapter? (n=64)

| 30% | 53% | 17% |

0% 20% 40% 60% 80% 100%

■ Yes ■ No ■ No response

How would you describe changes to the municipality's in-house human
settlements planning capacity over the last three years? (n=64)

| 16% | 39% | 25% | 2% | 5% | 14% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Significant improvement ■ Moderate improvement ■ No change
■ Moderate decline ■ Significant decline ■ No response

According to the interviews, municipal planning capacity varies significantly across municipalities. One provincial stakeholder noted that most municipalities in her province didn't have housing voices. The smaller municipalities only had technical departments, resulting in a lack of officials designated for elevating human settlements priorities. The provincial stakeholder indicated that municipalities tend to emphasise capacity problems whilst the underlying problem is lack of commitment and ownership, encumbering the coordination and facilitation of credible human settlements planning (I22). A second stakeholder (representing a province dominated by metros) claimed that metros have sufficient planning capacity to conduct credible human settlements planning (I92). However, a metro stakeholder from the same province argued that it is difficult to directly compare planning capacity between metro and non-metro as infrastructure provision plays a much greater role in human settlements planning. To this end, metros have indicated that engineering capacity (rather than planning capacity) is limited and that the 3% provision from USDG is insufficient (I8).

"The municipality is not a housing delivery agent. It is not a local government function and there is no dedicated unit in the municipality. There is only one official receiving the beneficiary applications and entering that onto the needs register. In terms of human settlements planning, there is no human dealing with this directly. We don't have capacity and if we do it then we need accreditation and funding as well as capacity because we will need to be provided by the department. Right now, we can't render the function." (I107)

As for non-metro municipalities, most stakeholders interviewed claimed that most municipalities are heavily under-capacitated in terms of housing officers and planners (I40, I42). The credibility of human settlements planning also hinge critically on the quality of sector plans, and where the requisite technical skills are missing, this also impacts on the overall quality (I107). The impact of under-capacitation is that Housing Chapters are reduced to a compliance exercise with very poor and outdated information (I105). One such municipality have made some progress in enhancing their human settlements planning capacity by means of organisational structure, specifically ensuring that the official responsible for the HC is also responsible for the overall IDP process (I84). Another non-accredited municipal stakeholder indicated that they receive funding for municipal capacity, even though they don't perform any functions.

> "The funding we receive for capacity is gazetted every year. We use that for internal capacity training as well as consumer education on how to maintain their houses as well as how to use the services sparingly. The capacity is still being enhanced, but the only problem is that we don't perform any functions despite all this capacity. Last financial year we received R700 000 for capacity building." (I101)

One municipal stakeholder claimed that the focus by provincial departments on municipal capacity is complicated by his observation there are cases where municipalities have more capacity than provincial departments. He argued that the biggest obstacle faced by municipalities in terms of human settlements planning is not capacity as such but certainty from provincial departments with regards to multi-year allocations and timeous funding of projects. He intimated that IDPs were not treated with respect by provincial departments. (I15).

In summary, the key finding is that human settlements planning capacity varies significantly across municipalities. The survey results were contradictory, with respondents claiming on the one hand that they had capacity, wand on the other that they did not have the resources necessary to produce credible Housing Chapters. However, the structured reviews and the interviews appear to confirm the latter view, that municipalities are not producing credible Housing Chapters. It is therefore reasonable to infer that (1) requisite capacity does not exist, and that, (2) where capacity does exist, municipalities are reluctant to take ownership of the formulation of credible Housing Chapters.

5.4   Housing Chapters programme design

5.4.1   Relationship between IDP and Housing Chapters programme

The purpose of the Housing Chapters programme, and its intended relationship to the annual IDP process, is discussed in the Literature Review and Theory of Change. However, this section contrasts the policy intention with the practice and perception of provincial and municipal stakeholders. The purpose of this section then is to formulate a narrative of the programme implementation from the perspective of provincial, municipal and external stakeholders.

One provincial stakeholder viewed the Housing Chapter as effectively an attempt to encourage municipalities to revise their five-year Housing Sector Plan on an annual basis, and then to summarise the revised version as a chapter into the annual IDP process. The purpose of the annual review is to increase the responsiveness of the national housing programme to local demand conditions. Whereas the Housing Sector Plan is developed on the basis of guidelines issued by provincial departments, the Housing Chapter is guided by national guidelines. During the annual revision, the municipality identifies needs in the community through participation, and then develop the Housing Chapter. Some municipalities go through this process internally, others rely on service providers appointed by the province and funded via either the HC programme or the accreditation support grant. Some Housing Chapters are treated as a compliance exercise, whereas other municipalities take it seriously, including important sections on, inter alia, housing demand, urbanisation, informal settlements, land identified for housing, municipal services, migration plans, and current as well as planned housing projects (I104, I101, I86, I93).

Technical support for the development of Housing Chapters is formally initiated by the provincial department (e.g. Eastern Cape) but arises in its interaction with municipalities who express the need for support. In this latter case, municipalities will identify the development of Housing Chapters as important as they wish to align to the prescripts of the programme. If they are not building any houses, then a Housing Chapter is usually not identified as a need. In many cases better capacitated municipalities like Steve Tshwete, Polokwane and Buffalo City fund their own Housing Chapters (FG5). However, where there is a housing need, but the municipality doesn't have the capacity to address the need, then a Housing Chapter becomes critical (I29). This is particularly seen as relevant where there is an attempt to contribute towards economic development and

spatial transformation, requiring the buy-in of other departments. It is seen as a means to help assess housing need and come up with a housing strategy and housing plan. These issues are raised with the MEC who makes a determination.

Once approved, funding goes to province and province will work with municipality. The format of technical assistance is typically in the form of procuring service providers to prepare Housing Chapters for one or a cluster of municipalities within a province. In most cases, such as the Eastern Cape and Free State, the provincial departments are instrumental in procuring and managing the service provider. More rarely, funding is provided directly to municipalities.

A project steering committee is set up with the municipality in question and identified project champions. The provincial department performed a key role in drafting the ToR for the service provider to ensure that the framework for the production of housing sector plans are closely followed (I91). These frameworks provide a skeleton as to how a sector plan is meant to look. The province with the service provider follows the IDP-related consultation processes, presenting the HSP at IDP forums and elicit inputs from stakeholders. The project steering committee, comprising of provincial and municipal stakeholders, then review the final document to ensure that all parties are familiar with the details of the plan (I26).

After the draft Housing Chapter is submitted as part of the draft IDP, the Mayor then takes these chapters and goes to the MEC to highlight the various things that have been identified in the municipality as needs. Ideally at this stage the municipality would say that they have done all the necessary identifications and they have also prepared all necessary resources, and all they require is funding that they are requesting via the MEC (I33). Once concluded, the MEC approves any changes to the housing programme project list (Revised Accreditation Framework 2017). The provincial department aggregates the lists of housing projects across municipalities in the province, and then reconciles the projects with its allocation by the National DHS.

5.4.2   Consultant-driven delivery model

Whereas the Housing Chapters programme's rationale, of supporting high quality planning and analysis, is generally supported, the conceptualization of the delivery model is problematic (I64, I91). This is seen as a significant oversight in some interviews, where the view was that the process should have involved training municipal officials in conducting the process themselves instead of dispersing funds to consultants to write the Housing Chapters.

> *They took that approach [to hire consultants] and 10-15 years later the minister is upset because the municipalities cannot write the Housing Chapters. It was not conceptualized to build the capacity; it was conceptualized to build documents. (I36)*

Besides the initial publication of guidelines and an awareness-raising roadshow, there is little evidence from stakeholder interviews that technical assistance extended beyond a funding stream drawn from the HSDG. Indeed, the NDHS acknowledged that the Housing Chapters 'programme' is in fact not a programme at all, and that stakeholders outside of the national department would recognise it as such (I98, FG1).

The failure to involve municipal officials directly into the process of developing the chapters is seen as a significant disadvantage (I36, I26). Although the programme provided for some high-level awareness raising during its early phases, it has never included a sustained programme of ongoing training of municipal officials. One provincial department claimed to be playing a more hands-on role in developing chapters (I91).

Some of the reasons why the housing programme has opted for procuring service providers rather than in-house training include (1) the turn-over of municipal officials, (2) the availability of external funding in removing ownership by the municipality, and (3) municipal SCM problems incentivise municipalities to seek provincial assistance.

Based on interviews, some of the consequences arising from outsourcing the development of Housing Chapters to external service providers is (1) poor horizontal alignment across sectors. The chapter "becomes an island of ideas and not integrated into anything else (I8), (2) a lack of ownership of the process by municipalities (I93, I20).

> *"It is best if the Housing Chapter is developed internally because the custodian is the official who will be implementing the document. What needs to happen is that capacity should be provided so that the official can interact with the chapter itself. If the implementor is not involved in the making of the document, then the implementation is never really successful. They need to involve the custodian of the document in order to strengthen implementation." (I85)*

5.4.3   Demands on municipalities

Some of the interviewees commented that the expectation that the HSP is reviewed on an annual basis is problematic in its frequency. Typically, the process culminates in the same list and the same things getting funded as there is limited fiscal space for new projects. The question arises as to the benefit of reviewing the list annually if in reality there is only funding for a small subset of projects (I64). This generates frustration as the municipality is expected to go through entire process but without any realistic expectation of commensurate funding (I64). Provincial business plans are expected to be built from the bottom up while in reality are highly constrained by the fiscal spaces. To ask which projects are funded each year is too simplistic. There is a multi-year pipeline. Sequencing with budgets and community engagement is very difficult. (I36)

In 2015 a ministerial directive was issued to provinces that no further funding in support of the programme is to be dispersed to provincial departments (FG4). Provincial departments expressed their hope that national will reinstitute funding on the back of this evaluation study (FG1).
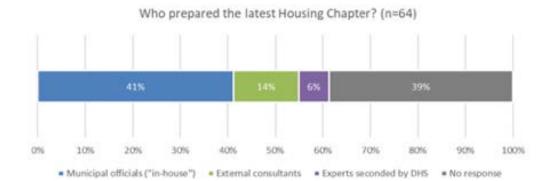
Figure 26. Survey results: formulation of Housing Chapters

5.4.4   Programme monitoring and evaluation

National and provincial government have legislated monitoring responsibilities with regards to the local sphere (Revised Accreditation Framework 2017). According to the Theory of Change, the NDHS and DPME provides sufficient and credible programme monitoring and evaluation to Cabinet to inform appropriate NT allocations in pursuit of the realisation of Outcome 8 (Critical Assumption 9).
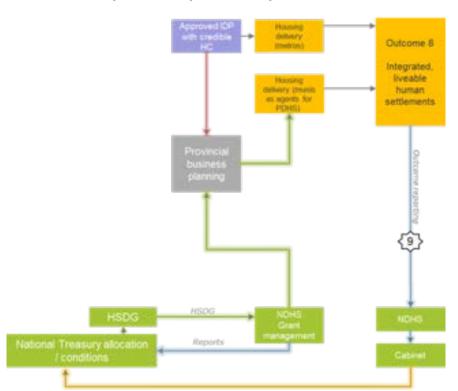
Figure 27. ToC: Programme monitoring and evaluation

Based on our interviews, Housing Chapters were not systematically evaluated over the evaluation period. Introduced before the establishment of the DPME and the adoption of the outcomes-based approach, the Housing Chapters programme was never subject to monitoring and evaluation during the initial phases (I30). Any funding from HSDG Opscap is considered convenient as municipalities are not assessed against measurable outcomes (I99).

However, a once-off systematic evaluation was conducted in 2015 using the Green Book rather than the MTSF, and looking specifically at the quality of the needs analysis (I34) and alignment between actual projects and the DORA requirements. The evaluation found that the department was not seeing return on its investment (I98):

> *"we…couldn't see any value. We could see a need to be met (for MTSF targets) but these people were taking this money away from these housing ops to be created. So HSP was a culprit. It was easy money to spend and not account for because you cannot be measured. So, we said, let's measure, and we conclude it's not working. The directives are therefore informed by that." (I99)*

This culminated in the ministerial directive which ceased further funding. Since 2015 there has been little attention paid to further evaluation of Housing Chapters due to a (1) lack of capacity and (2) the directive (I35).

The results suggest that NDHS and DPME did not systematically sufficient and credible monitoring and evaluation of programme deliverables to Cabinet to inform appropriate NT allocations in pursuit of the realisation of Outcome 8.

5.4.5   Funding the Housing Chapters programme

According to the Theory of Change, provincial housing departments are allocating funding for capacity-building support to municipalities (Critical Assumption 7).

Financial interventions

Of the various HSDG programmes, spending on financial interventions as a proportion of overall HSDG allocation has declined from over 10% in 2014 to about 6% in 2018, as shown in Figure 28. It is only in the Western Cape where there has been a consistent proportional increase in the spend, from 6% in 2014 to nearly 15% in 2018.

Figure 28. Budget analysis: financial interventions

Source: HSDG provincial business plans

OpsCap funding

The purpose of the Operational Capital Budget ('OpsCap') is to facilitate the implementation of human settlements projects funded by other approved human settlements programmes. The focus is to provide funding for additional costs required to plan and implement housing projects, with a specific focus on professional fees not included in the national subsidy quanta. It is used on a discretionary basis and sourced from Province via the HSDG. Thus, OpsCap-funded programmes do not deliver units but are used to 'oil the wheels' of project delivery (National Treasury, 2015).

There are a number of funding instruments in support of building human settlements capacity at municipal level. Better-resourced municipalities indicated that they used their own internal funding to develop Housing Chapters (FG2). Where necessary, metropolitan cities will draw on operational grant funding, whereas accredited non-metros draw on programmes such as the Accreditation Capacitation programme. The Housing Chapters programme is mainly drawn on by non-accredited, non-urban municipalities.
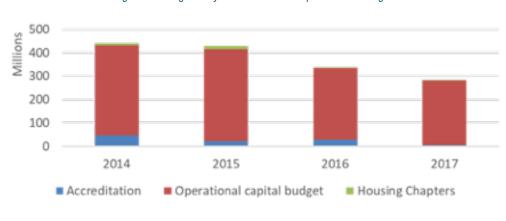
Figure 29. Budget analysis: HSDG-linked capacitation funding

Source: HSDG provincial business plans

Figure 29 shows HSDG allocations to operational funding from 2014 to 2017 based on the provincial business plans. It shows, firstly, that OpsCap is far greater in quantity than accreditation and Housing Chapters funding, and secondly, that funding for capacitation via the HSDG has declined sharply from close to R450mln to R280mln over the period.

According to an external stakeholder familiar with grant administration, OpsCap is best placed to fund the Housing Chapter (I65). Although the HSDG is a capital grant there is an acknowledgement of the operational costs required in funding the capital programme. OpsCap-linked programmes result from the failure or inefficiencies of other programmes, where additional capital is spent on making projects or programmes work where there are clear signs of failure in the original programmes implemented (National Treasury, 2015).

However, a significant proportion of OpsCap funding is retained by provincial departments rather than used to capacitate municipalities. According to one national stakeholder, many provinces 'violate' OpsCap by using it for developing their multi-year development plans instead of drawing on equitable share (I35). This accords with National Treasury's assessment that there is limited control over how the OpsCap programmes are used (National Treasury, 2015).

Housing Chapters

Housing Chapter budget allocations from 2012 to 2019 is shown in Table 11 below. Housing Chapter funding was disbursed to the Eastern Cape on an ongoing basis, and as a once-off intervention to Limpopo (2013-2014), Free State (2012), Mpumalanga (2014) and North West (2012, 2015). The table above reflects the cessation of funding following the ministerial directive in 2015. The directive said that allocation as part of Housing Chapters will require a special application to and approval by the minister.
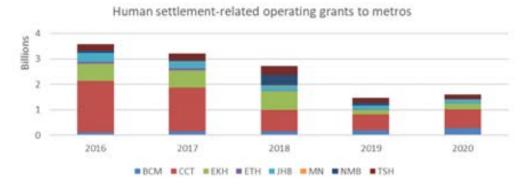
Table 11. Housing Chapter programme budget allocation

Financial Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
EC	20 000 000	7 474 000	6 250 000	4 546 000	1 744 000	0	0	1 200 000
FS	7 629 000	0	0	0	0	0	0	0
GP	150 000 000	0	0	0	0	0	0	0
KZN	8 000 000	0	0	0	0	0	0	0
LIM	0	765 000	400 000	0	0	0	0	0
MP	0	0	1 332 000	0	0	0	0	0
NC	0	0	0	0	0	0	0	0
NW	1 899 000	0	0	2 600 000	0	0	0	0
WC	0	0	0	0	0	0	0	0
Total	187 528 000	8 239 000	7 982 000	7 146 000	1 744 000	0	0	1 200 000

Source: Approved HSDG Business Plans

Operating grants to metros

An analysis of the budget schedules of metros (see Figure 30) indicates (1) that HS-related operating grants are unevenly allocated to metros, focusing predominantly on the City of Cape Town and Ekurhuleni, (2) a marked decline in allocations from 2016 to 2019, (3) a shift from national- to provincial allocations to metros, and (4) a shift from USDG to HSDG funding sources. Taken together, these results may be distorted by the fiscal arrangements between the Western Cape Department and the City of Cape Town. What is significant though is the dominance of HSDG and USDG funding sources in operating grants to metros, and the relatively insignificant allocation of funding via the municipal accreditation and capacitation grants.

Figure 30. Budget analysis: Operating grants to metros
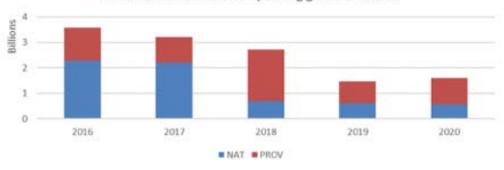
Source: National Treasury LG Budgets

This would correspond with interviews with metro stakeholders, who viewed the Housing Chapters programme as focusing on smaller municipalities, whereas bigger metros have their own resources and capacity (I29).

Figure 31. Budget analysis: Operating grants to metros

Human settlement-related operating grants to metros

Source: National Treasury LG Budgets

HSDG grants to metros
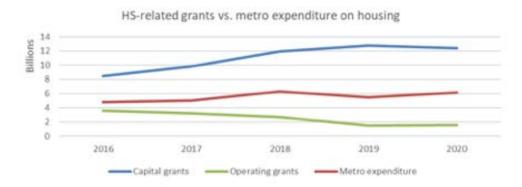
Source: National Treasury LG Budgets

If capital grants to metros are considered in isolation, it is almost exclusively funded through USDG. Other capital grants such as the HSDG and the IUSP is limited but growing.

Figure 32. Budget analysis: Capital grants to metros

Source: National Treasury LG Budgets

It indicates that capital grants to metros (mostly in form of USDG) have been growing in recent years, operating grants have been declining, and overall spending on human settlements by metros have been stable.

In summary, the key finding is that the allocations to municipalities by provincial departments in support of capacity-building has declined over the last few years. This applies not only to Housing Chapters but also Municipal Accreditation Assistance. Opscap funding intended for supporting municipalities are being absorbed by provincial departments. In general, allocations to financial interventions have declined as a proportion of overall funding. There is no indication that this is likely to change in the near future. Thus, the critical assumption that provincial housing departments are allocating funding for municipal capacity-building is not supported by budgetary analysis or interviews.

5.5 Demand, coverage and perceived impact
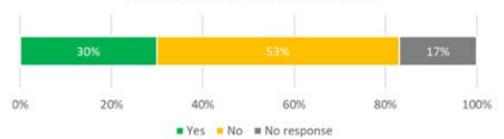
One of the critical assumptions underlying the Theory of Change is that municipalities are requesting, and receiving, technical assistance or funding to improve its human settlements planning capacity.

5.5.1 Demand and coverage
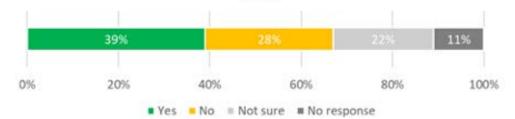
According to the survey results shown in Figure 33, 53% of municipal respondents indicated that they do not have sufficient financial and human resources to prepare credible Housing Chapters. 39% of municipalities have applied for or otherwise requested funding or technical assistance to improve its human settlements planning capacity. 36% of municipalities have received such assistance. The same proportion of respondents (36%) indicated that the municipality has benefited 'to a great extent' (16%) or 'somewhat' (20%) to funding or technical assistance.

Figure 33. Survey results: technical assistance
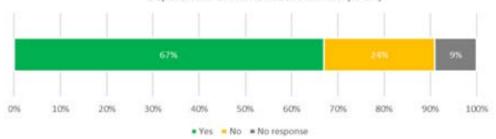
Does your municipality have sufficient financial and human resources for preparing a credible Housing Chapter? (n=64)

30%	53%	17%

■ Yes ■ No ■ No response
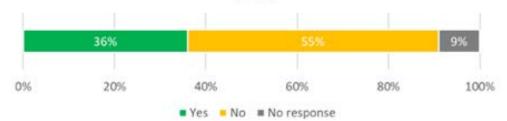
Has the municipality in recent years applied for or otherwise requested funding or technical assistance to improve its housing planning capacity? (n=64)

39%	28%	22%	11%

■ Yes ■ No ■ Not sure ■ No response
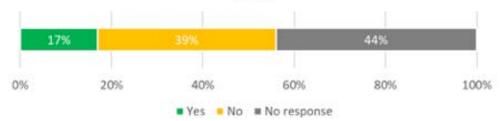
Are you aware of the Housing Chapters Programme run by the National Department of Human Settlements? (n=64)

67%	24%	9%

■ Yes ■ No ■ No response

Has the municipality in recent years received funding or technical assistance specifically aimed at improving its housing planning capacity? (n=64)

36%	55%	9%

■ Yes ■ No ■ No response

To the best of your knowledge, has the municipality ever received funding or technical assistance from the Housing Chapters Programme? (n=64)

17%	39%	44%

■ Yes ■ No ■ No response

Looking at the Housing Chapters programme in isolation, two-thirds of respondents were aware of the Housing Chapters Programme; however only 17% of municipalities have received funding of technical assistance from the programme.

There is a reasonable consensus from stakeholders across provincial and municipal spheres that there is an expressed demand for technical assistance in support of municipalities developing credible Housing Chapters. Provincial stakeholders have indicated that, for them, Housing Chapters played a crucial role in (1) identifying available land and (2) indicating the number of prospective beneficiaries (I23, I40). Some provincial departments confirmed that they still receive a lot of requests for assistance (I89, I88). Several non-accredited municipalities have indicated that they have benefitted from the programme, and that they continue to await future support notwithstanding the 2015 ministerial directive (I18, I75). Some of the advantages which municipalities raised with regards to procurement of service providers by the provincial department include by-passing lengthy local supply chain management processes (I10), overcoming technical capacity limitations (I88) and providing planning direction (I18). However, other provincial departments felt that municipalities were not prioritising or taking ownership of HSPs created on the back of provincial support (I106). The Housing Chapters programme was however perceived to be applicable only to poorly resourced, non-accredited municipalities.

> *"The smaller municipalities had access to that budget. The bigger metros have their own money and capacity. So, when I was at [name of metro], I never applied for budget for IDP chapter, what we did in the process leading up to accreditation and assignment, there was a grant allocated for accreditation process." (I94)*

5.5.2   Perceived impact

Whereas 36% of respondents (see Figure 34) indicated that their municipality has benefited 'to a great extent' (16%) or 'somewhat' (20%) from technical assistance or funding dedicated to improving its planning capacity, only 14% indicated that they have benefited from the Housing Chapter programme.
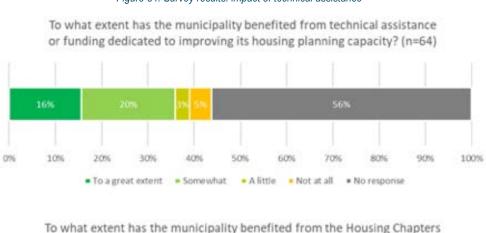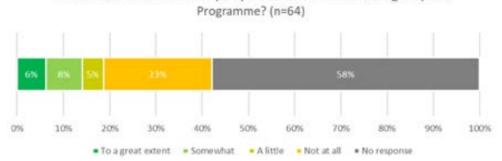
Figure 34. Survey results: impact of technical assistance

The provincial stakeholder from the Eastern Cape, which received the largest share of support through the Housing Chapters programme, indicated that the benefit was short-lived and did not last beyond the period of active funding:

We reached consensus and worked together to ensure that the projects that are in there are credible. We essentially came up with credible HSP's that led to credible business plans for the province. Now that we have no allocation, we are flopping around and spending more time and energy on finding plans and projects that are credible. It has gotten more difficult." (I23)

The HSP would at least indicate the areas where these projects would be implemented, as well as the number of prospective beneficiaries and this then should inform the province before a project can start. We need information beforehand. So, for me, it would have played a major role." (I106)

The IDP Housing Chapters programme has been beneficial for us. It has given us direction because it tells us what we want to do and when we need to do it with regards to housing. I think this programme should continue because it gives you planning direction, and it also helps to predict your future (I83)

One municipal stakeholder described the benefit as:

In terms of service providers, we do get capacitated through continuous engagements with the service provider and we are very involved as the municipality (FG5)

Figure 35 below cross-tabulates the survey results in terms of perceptions of credibility with whether grant funding has been received for human settlements planning capacitation. The relationship between the proportion of respondents who perceived their Housing Chapters as credible in relation to the three dimensions of credibility, and whether grant funding has been received, is within the statistical margin of error. Thus, the critical assumption that grant-funded technical assistance is resulting in more credible Housing Chapters, is not supported by the survey results.
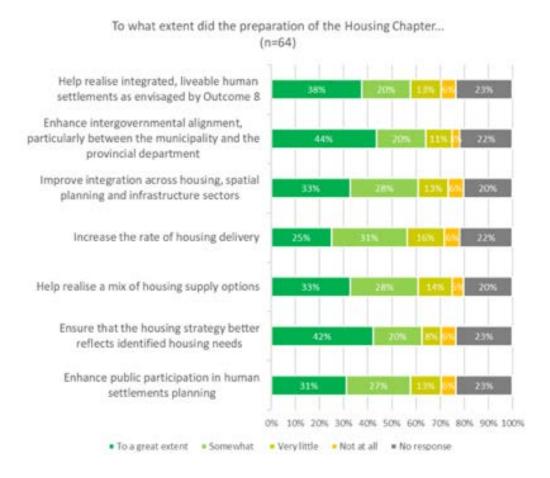
Figure 35. Survey results: perceptions of credibility

However, the majority of municipal respondents appear to have a favourable view as to the impact of Housing Chapters preparation on a range of broader impacts.

Figure 36. Survey results: perceived general impact

In summary, the results support Critical Assumption 6 that non-accredited municipalities are requesting technical assistance or funding to improve its human settlements planning capacity. Municipalities continue to receive support, although not via the Housing Chapter Programme but through other funding mechanisms. The coverage and impact of the Housing Chapters programme has been fairly limited in recent years, perhaps due to the Ministerial Directive in 2015. Its impact is also fairly limited to non-accredited municipalities. Metros and accredited municipalities prefer to draw on alternative funding sources for technical capacitation, such as that linked to USDG operating and the Municipal Accreditation Assistance programme.

5.6   Availability of Housing Chapters

Perhaps the most important indicator of the impact of the Housing Chapter programme is whether municipalities are producing Housing Chapters, and whether these chapters are credible. This section looks at the availability of key documents. The data collection team was provided a list of randomly sampled municipalities and, for each sampled municipality, one randomly selected year within the three evaluation periods: 2005-2009, 2010-2014 and 2015-2019.
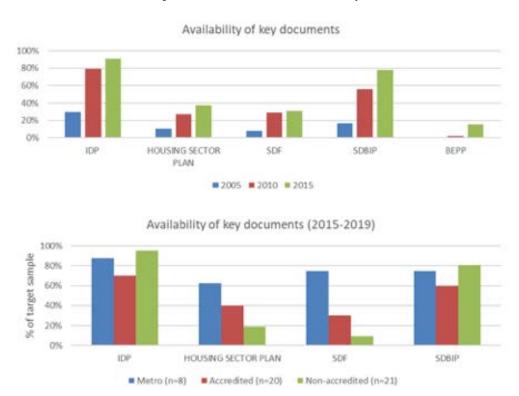
Figure 37. Structured review results: Availability

Figure 37 above indicate the availability of electronic documents sourced through websites and databases. 30% of IDPs were available for the sample years during the first evaluation period, rising sharply to 79% and 91% of sample years during the second and third evaluation period. The availability of housing sector plans increased from 11% during 2005-2009 to 38% in 2015-2019. Spatial Development Frameworks rose from 9% to 31% availability, whereas SDBIPs increased from 17% to 78%. BEPPs were sourced from 88% of metro sample years in 2015-2019.
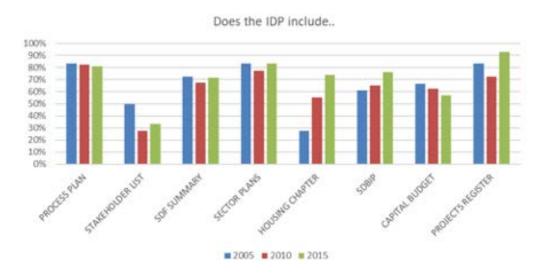
Figure 38: Structured review: IDP quality

Where IDPs were successfully obtained, the proportion of IDPs that contained a Housing Chapter rose from 28% in 2005-2009 to 74% in 2015-2019 (see Figure 38). This broadly corresponds to our survey result, where 76% of respondents indicated that their IDP contains a Housing Chapter. The proportion of IDPs which contained Housing Chapters in the final IDP year was relatively similar across sample groupings. It is also worthwhile noting that the incidence of Housing Chapters has in the final IDP period corresponded with that of other sector plans and summary of the spatial development framework.

Information with regards to the IDP process was more uneven. Although more than 80% of municipalities included a process plan in their IDP, relatively few included a list of stakeholders. This is particularly problematic in non-metros, ranging from 27% for accredited to 33% for non-accredited municipalities.
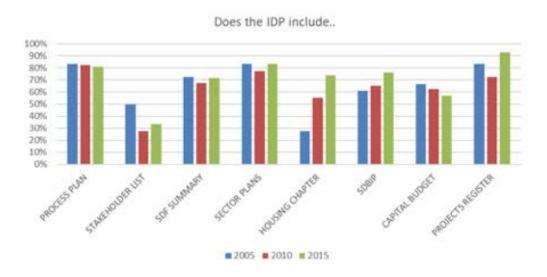
Figure 39. Structured review results: Quality of IDP

Whereas project lists were included in most IDPs across all sample groups, the proportion of IDPs with capital budgets declined over the study period, from 67% to 57%. In the 2015-2019 evaluation period, 86% of metro and about half of non-metro IDPs included capital budgets. The poor link between sector plans and budgets in IDPs was corroborated in some of the provincial interviews (I22)

According to the survey shown in Figure 40, 76% of respondents indicated that their IDP contains a Housing Chapter. This is in contrast to the views of some provincial stakeholders who claimed that most municipalities do not have a Housing Chapter (FG1). Some municipal stakeholders indicated that while they don't have a Housing Chapter, they do have sections in the IDP that speak to programmes and issues related to housing (FG2).
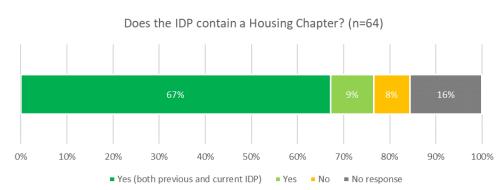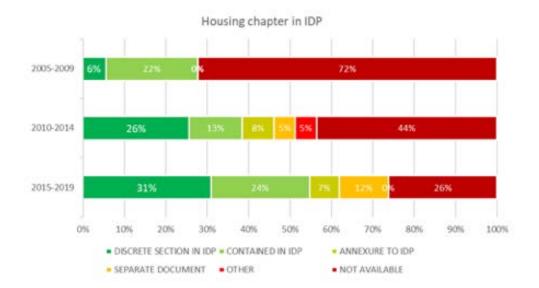
Figure 40. Survey result: Housing Chapter availability

Housing chapter in IDP

The proportion of municipalities with IDP Housing Chapters in one form or another has improved dramatically over the evaluation period, from 28% in 2005-2009 to 74% in 2015-2019. However, the format of the Housing Chapter continues to vary considerably from municipality to municipality. In the final evaluation period (2015-2019), only 31% of municipalities have Housing Chapters as discrete sections in their IDPs. Another 24% has housing-related context headed under other sections. In 19% of IDPs, the Housing Chapters are separate documents or annexed to the IDP.

In summary, a key finding is that approximately three quarters of IDPs have Housing Chapters. However, the format of Housing Chapters has not been systematized and varies from municipality to municipality.

5.7   Credibility of Housing Chapters
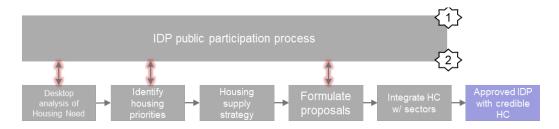
The NDP found that the quality of IDPs varied significantly across the country. Whereas some municipalities have progressed beyond the statutory requirements of the IDP and SDF by developing long-range strategic plans, others are still struggling to meet the basic requirements of a credible IDP.

As far as the Housing Chapter is concerned, its credibility may be understood in terms of three *dimensions of credibility*:

1.   Ready and implementable (aligned to resources, budget)

2.   Legally compliant in terms of MSA

3.   Strategic orientation (responsive to policy imperatives)
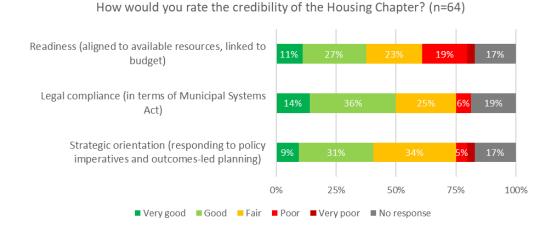
Housing Chapters have to be credible in order to position the housing sector as a whole to ensure demand and supply-side alignment of housing need and housing programme instruments. According to the Theory of Change, credible Housing Chapters are the outcome of an iterative process between desktop analysis and public participation. The process of developing a Housing Chapter is laid out in great detail in the Housing Code. For the purpose of simplicity, the development of Housing Chapters consist of the following components: (1) spatial, quantitative and qualitative desktop analysis of housing need and housing-related issues, (2) the identification of housing priorities, (3) the reconciliation of housing priorities with housing supply options, (4) the formulation of proposals, (5) the integration of the list of housing projects with technical and planning sectors to ensure project readiness, and then, once the feedback has been received from the MEC, adoption by Council of a credible Housing Chapter as part of the annual IDP process.

Figure 41. ToC: development of Housing Chapters

Respondents to the survey (see Figure 42) were asked to rate the credibility of their Housing Chapter across each dimension. 38% of respondents felt that that the readiness of projects included in their Housing Chapter were 'good' or 'very good', 23% responded 'fair' and just over 22% indicated readiness as 'poor' or 'very poor'. Legal compliance with the MSA fared somewhat better, with 50% of respondents indicating 'very good' or 'good', 25% 'fair' and 6% 'poor'. Finally, 40% of respondents indicated that their Housing Chapter was 'good' or 'very good' in terms of responsiveness to policy imperatives. Two important messages emanating from these results are, firstly, that about half of municipalities consider their Housing Chapters credible, and, secondly, that project readiness (rather than legal compliance and strategic orientation) would appear to be the worst performing aspect of credibility.

Figure 42. Survey results: Housing Chapter credibility

These two findings are corroborated by the interviews. National stakeholders felt that few if any of the housing sector plans are credible:

"It is a reasonable assumption to say that right now, all of the HSPs are not credible at all. They are just research documents. A good HSP would also have investment options, identify well-suited land, and at least have an attached programme and project list, and budget talking to it. So, if you consider those criteria, you'll find that those plans are not talking to concrete implementation issues. They are not showing plans of those municipalities, so they are not credible in my opinion." (I99)

"Although you are giving municipalities money, I suspect that maybe money goes to the acquisition of people that will develop projects rather than identifying actual needs. The core funding should go towards the identification of a credible plan rather than hiring people to implement non-credible plans" (I32)

National, provincial and civil society stakeholders felt that the credibility and quality of the plans are being overlooked (I33, I97) and that they have become theoretical, a 'wish list' (I87) without any impact in terms of spatial transformation or implementation (I34, I6). One provincial stakeholder indicated that they are not credible because they were developed by consultants, that they are not aligned to the SDBIP and that the projects implemented are not speaking to integrated human settlements (I22)

In summary, the results suggest that the Housing Chapters are generally not perceived as credible by survey respondents or stakeholders interviewed. Of particular concern is the readiness of the projects contained in the Housing Chapter.
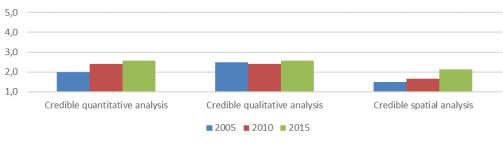
5.7.1   Identification of housing need
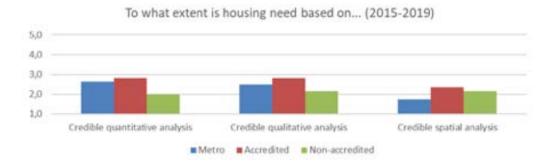
According to the Housing Code, a key component of the Housing Chapter is an analysis section. This section should provide an overview of critical challenges facing the housing sector in the municipal area and identify and describe different types of housing demand. This should be supported by an analysis of the social, economic, environmental, infrastructural and spatial nature of the dynamics and causes of demand.

The purpose of the desktop analysis of the Housing Chapter is chiefly to identify the key issues impacting on housing and to track the demand for housing within the municipality. Housing need has to be based on public participation supported by credible quantitative, qualitative and spatial analysis.

Figure 43. Structured review result: desktop analysis

The structured review of IDPs included a 4-point Likert-type evaluation of the credibility of these dimensions of housing need analysis[20], the results of which indicate a marginal improvement over time in terms of the credibility of quantitative and spatial analysis, although off a very low base.

According to the scoring criteria used in the structured review, a score of 2 indicates, in the case of quantitative analysis, that the analysis is not supported by credible data, that the data cited is outdated (more than five years old), is poorly tabulated and not relevant to findings. Similarly, a score of 2 for spatial analysis indicates that no spatial information was provided on a map, or the map provided was not legible or relevant. In the text, spatial location was based on broad categories such as rural or urban. Qualitative analysis performed marginally better, and have remained steady at about 2.5 across the three five-year periods. A score of 3 indicates that analysis is reasonably supported by observations, that sources are reasonably references and reasonably relevant to findings.

It is evident that the quantitative and qualitative analysis underlying housing chapters produced by metros and accredited non-metros is generally more credible than non-accredited municipalities. Some of the better resourced municipalities include elements like housing demand, urbanisation, land identified for housing, municipal services, as well as planned housing projects (I86). However, municipalities generally perform poorly with regards to spatial analysis. Although some housing chapters do include spatially referenced maps (FG4), these do not always inform the prioritisation of well-located projects. The alignment of housing with the BEPP produced by metros is discussed further below.

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[20]   *The scoring criteria is included as an annexure to this document.*

In summary, the results suggest that housing demand is generally not adequately described and quantified based on credible desktop analysis. Put differently, the quality of desktop analysis is generally poor across contexts, only showing marginal improvement over the evaluation periods.

Housing-related issues

Issues impacting on housing supply and strategy formulation include service levels, housing supply across housing types, land availability and infrastructure issues. Generally, a marked improvement across housing issues are evident over time. Predictably, analysis which is able to draw on Statistics South Africa data such as service levels and housing supply features relatively well. On the other hand, raising of issues relating to infrastructure, which requires internal technical capacity and inter-sectoral alignment, is more varied.

"I get involved when the chapter is developed by providing population data, the growth thereof, the number of indigents and to a greater extent the issues with free basic services and what the plan for service delivery will be. I also advise the Human Settlements Department with issues of indigents and how to integrate the issues of social and economic activities that will be happening in that place that we are planning for." (I13)
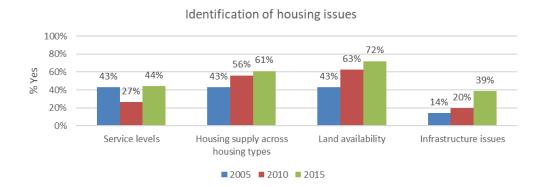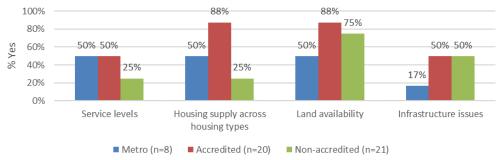
Figure 44. Structured review result: housing issues

Identification of housing issues

	Service levels	Housing supply across housing types	Land availability	Infrastructure issues
2005	43%	43%	43%	14%
2010	27%	56%	63%	20%
2015	44%	61%	72%	39%

Identification of housing issues (2015-2019)

	Service levels	Housing supply across housing types	Land availability	Infrastructure issues
Metro (n=8)	50%	50%	50%	17%
Accredited (n=20)	50%	88%	88%	50%
Non-accredited (n=21)	25%	25%	75%	50%

Policy alignment and level-of-detail

Some municipal stakeholders claimed that they receive housing chapters which are limited in scope. These templates focus solely on the project pipeline without accommodating any discussion on policy background or linking projects to relevant policies and project types. Not only does this reduce the sense of ownership by municipal officials, but it also renders the housing chapter inaccessible as a document for public participation (I16). In better resourced and more complex urban municipalities, the information contained in housing chapters is deliberately kept at a high-level and divorced from the reality on the ground since housing was seen as a politically sensitive debate (I68).

In summary, the structured review and interviews suggest that housing-related issues have been elevated over the evaluation period. There is a growing recognition of the importance of housing mix, land availability and infrastructure issues in ensuring desired human settlements outcomes, particularly among accredited non-metros.

5.7.2 Housing supply strategy formulation

Project readiness is a key dimension of the credibility of Housing Chapters. Project readiness refers to the identification of projects which are feasible, ready and implementable. A project is ready when it is feasible (linked to identified need and available, serviced land) and linked to budget. We identify three criteria to determine the credibility of the housing supply strategy contained in a Housing Chapter: (1) mix of housing supply options, (2) list of prioritised projects and (3) implementation plan.
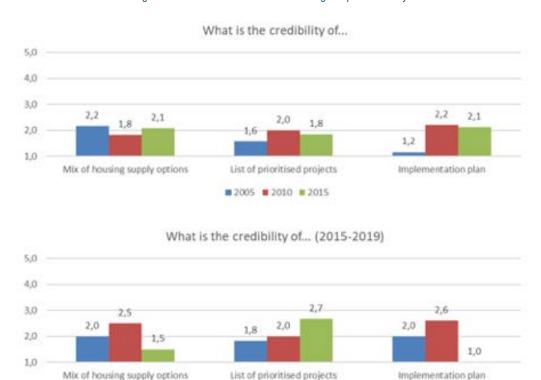
Figure 45. Structured review result: Housing Chapter credibility

The results of the structured review of Housing Chapters in IDPs (see Figure 44 and Figure 45) indicate involved a Likert-type ranking of the credibility of housing mix, list of projects and implementation plan. According to the scoring criteria used in the structured review, a score of 1 indicates that no information has been provided, 2 indicates an incomplete or illegible list, lacking a number of critical fields, and a score of 3 indicates a partial but legible list, lacking one or two important fields.

There appears to be marginal broad-based improvement over time. The difference in credibility across sample groups appear limited; however, metros and accredited municipalities indicate a greater preponderance of housing mix, whereas housing chapters from non-accredited municipalities are more likely to include a legible list of prioritised housing projects. This may be reflective of the fact that, in the case of metros, the housing chapter is more likely to contain programmes than detailed projects (I74, I3). Non-accredited municipalities are also more likely to be predominantly rural or consisting of small towns, where the demand for housing mix (e.g. informal settlement upgrades, social housing) may be insignificant.

What roles do various actors play in project prioritisation? One national stakeholder claimed the plans are principally informed by community need, and that national's role in relation to prioritisation is limited to the quantum of funding. For example, municipalities would request R5bln whereas only R2bln is available. The stakeholder went on to claim that the only reason why prioritisation is ever top-down is due to lack of resources at

municipal level (I97). Provincial stakeholders claim that the project list is little more than a 'wish list' from each municipality as informed by their backlogs. However, projects are funded on the basis of project readiness matrix (PRM) as framed by the human settlements value chain (I26).

"There is this called PRM [Project Readiness Matrix], and if it was done correctly, we wouldn't be sitting here lamenting challenges." (FG4)

However, some provincial stakeholders claimed that they receive projects on project lists that cannot be considered ready as no pre-feasibility study had been completed. They attribute the lack of proper planning to a lack of capacity, political interference and corruption (FG1). Thus, some provincial departments have developed housing pipelines based on the human settlements value chain (see Table X above) to help inform project readiness (FG4, I91).

Alignment of housing projects to stated objectives

According to the Theory of Change, Housing Chapters are expected to play a key role in enhancing integrated planning both across government spheres (vertical alignment) and municipal functions (horizontal alignment).

Figure 46. Structured review result: Housing Chapter alignment

In summary, the results suggest that Housing Chapters generally fail to satisfy the core criteria for credibility. Of particular concern is the feasibility of projects on the project list. Perceptions of credibility of Housing Chapters is generally more positive than the results of the structured review. On the positive side, there has been some improvement in integrating the Housing Chapter into the IDP document. However, the relationship between grant funding and perceived Housing Chapter credibility is not supported by the survey results.

5.8   Housing Chapters and public participation

Housing Chapters are formally defined as a summary of the housing planning undertaken by the municipality and should be used together with the IDP (NDHS 2008). Similar to the IDP, the chapter is a five-year plan which is reviewed annually with the review of the IDP. The housing planning process is not a separate participatory structure. It is part and parcel of the IDP process and provides communities and stakeholders an opportunity to directly participate in the process of housing planning and delivery as part of the IDP's public participation process. One of the Key Evaluation Questions underlying this evaluation study is the impact of the Housing Chapters programme on broader society. One of the main mechanisms by which this impact is intended to be achieved is through the IDP public participation process. The critical assumptions underlying this component of the Theory of Change is that (1) citizens have insights into housing needs not reflected in desktop analysis, and (2) community voices are filtering into the IDP through effective public participation.
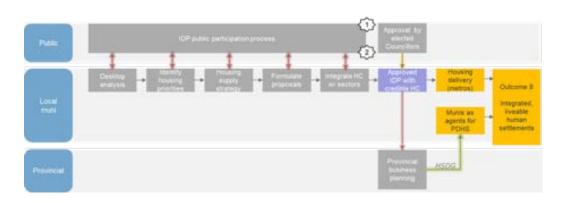
Figure 47. TOC: Housing Chapter formulation and IDP public participation

As discussed in the Literature Review, the community-based approach model incorporated within the IDP is embedded with two key assumptions, firstly that all citizens are equal and secondly, that there is an inherent interest in citizens being involved in decision-making processes. This is in contrast to the instrumental value for public participation, being (1) the identification of housing need, (2) to improve project readiness by securing community buy-in, and (3) to enhance the overall legitimacy of the National Housing Programme specifically and the State generally.

5.8.1   Inherent value of public participation

According to the survey shown in Figure 48, 58% of municipal respondents viewed the preparation of the Housing Chapter as enhancing public participation in human settlements planning to 'a great extent' (31%) and 'somewhat' (27%). 19% responded that the Housing Chapters provided 'very little' (13%) or no benefit (6%) with regards to public participation.
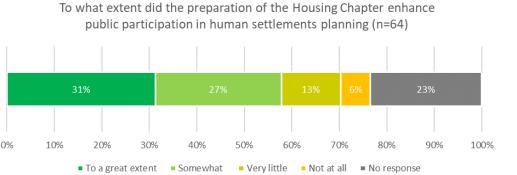
Figure 48. Survey results: impact on public participation

To what extent did the preparation of the Housing Chapter enhance public participation in human settlements planning (n=64)

31%	27%	13%	6%	23%

■ To a great extent   ■ Somewhat   ■ Very little   ■ Not at all   ■ No response

5.8.2   Identifying housing need

One of the founding principles of Breaking New Ground (2004) was the need to reconcile bottom-up housing demand and diversified housing supply. It was recognised that the existing framework for housing allocation was not designed to cater for the locally specific and dynamic nature of housing demand. Thus, BNG requires the Housing Chapter to be enhanced to include, inter alia, a municipal housing needs assessment.

In practice, provincial departments view the accurate establishment of housing need as central to project feasibility. Until recently, the mechanism by which needs are assessed are by means of waiting lists. The expectation has been for municipal officials to engage with communities during the IDP process, holding events in each ward where a request is made for households to complete housing need forms (I103). These forms are then loaded on to municipal waiting lists. Once the housing needs have been identified, the municipality is expected to prepare the necessary resources to be funded via the MEC (I33). Once funding allocations are known, projects are split into funded and unfunded projects. The last phase is then the department being responsible for building whatever has been identified, be it a school or whatever the case may be (I38).

"The ward councillor that shouts the loudest gets heard." (I93)

Interviews raised a number of issues in relation to analysis of waiting lists. Provincial stakeholders have indicated that, while they encourage municipalities to develop waiting lists, these are vulnerable to corruption, low municipal capacity and political interference, where housing need is contrived rather than systematically established and quantified (I40, I28). Completed housing units in some projects are not handed over and occupied on time by approved beneficiaries. The beneficiaries were not approved before the projects commenced and the department did not confirm that all the approved beneficiaries were still alive and still interested in receiving a house. As a result, completed houses are illegally occupied or vandalised (AGSA, 2018). Provincial stakeholders have indicated that the allocation of funding of projects without commensurate need is a major risk which they take on when placing projects on their business plan (FG1).

"There are a lot of factors that come into play when allocating and building houses. Some municipalities will want housing projects without considering the number of people." (FG4).

Not only are waiting lists prone to political manipulation, the bottom-up assessment of housing need is further complicated by the "RDP mentality":

Our people have the RDP mentality installed in them and they tend to disregard whatever it is you say to them that has nothing to do with RDP. You also separate the RDP, middle and high-income beneficiaries, but they all want to be on the RDP list which will all eventually become bigger houses. So, while we do have community education, we may have also instilled the RDP mentality in our citizens. Even when you let them know of the different government programmes, they still want RDP housing, and this skews the demand (FG3).

5.8.3 Provincial housing need register

Both provincial and municipal stakeholders expressed an expectation that the introduction of a housing need registry would circumvent many of the challenges relating to waiting lists which are prone to manipulation(I106).

"The housing needs register could be of assistance in ensuring that the housing chapters are informed by what is needed in the municipality in terms of the various housing typologies or housing delivery programmes. The housing needs register should be elevated to inform the housing plan, as in that way they will be aligned to the budget. I support the housing register approach, but in supporting it I think it needs to be owned by municipalities in order for them to understand their needs within their communities. You can plan for housing as province, but municipalities also plan for basic infrastructure. Elevating the housing need register and ensuring that the planning is integrated will help with the alignment of the various sector plans." (I22)

It is noteworthy that AGSA found that in 2018 one department did not have complete and reliable data on housing need in 2018 despite having received sustained support via the Housing Chapters programme until 2015/2016. The department attributed this to the need for a provincial housing register, which started in 2014. By 2016 data capturing had not started at two-thirds of municipalities, owing to a lack of resources such as questionnaires, computers and data capturers (AGSA, 2018).

If implemented correctly, a housing needs register would also obviate many of the challenges regarding relying on high-level and often outdated Census data to reconcile housing need as identified during public participation. However, there is a risk that the register would displace the usefulness of the housing chapters, as evident in one province (I92).

5.8.4   Housing strategy formulation

When asked whether the housing list is reflective of the housing needs identified during public participation, Figure 49 shows that 67% of municipal respondents indicated that it somewhat or greatly reflective.
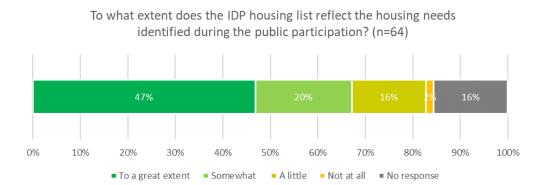
Figure 49. Survey result: impact on public participation

To what extent does the IDP housing list reflect the housing needs identified during the public participation? (n=64)

| 47% | 20% | 16% | 2% | 16% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ To a great extent   ■ Somewhat   ■ A little   ■ Not at all   ■ No response

Stakeholders were asked whether the preparation of housing chapters enhance opportunity for local citizens to play more direct role in identifying housing need and formulating housing strategy. Some felt that the impact of housing chapters was contingent upon the extent to which municipal officials fully understand and take ownership of them (I24). If the housing chapter is not fully understood, they may include projects which are of no benefit to the municipality (I89). For housing chapters to be considered credible and legitimate in the eyes of the community, the ward councillor and ward committee, they need to contain more information with regards to the various types of projects that households may qualify for (I16), and incorporate submissions made by communities (I71). Where housing chapters are insufficiently detailed or reflective of community perspectives, it is that much harder to achieve the cooperation necessary to ensure project implementation (I102). This is particularly problematic in municipalities where the contents of the housing chapter will be completed before asking the citizens for their input (I6). Since provincial departments don't engage with communities directly, it is in their interest for municipalities to do so and cultivate the necessary buy-in to ensure implementation (I27).

5.8.5   Enhancing legitimacy of the National Housing Programme specifically and the State generally

However, there is a risk that the overall programme design – conducting annual public participation on project 'wish lists' with no realistic expectation of funding – may generate a range of unintended consequences undermining the democratic project. Firstly, the annual emphasis of waiting lists and the lack of commensurate project funding may, over time, generate unrealistic expectations and undermine households' determination to improve or invest in their existing living conditions.

However, it should be made clear that the disjuncture between the IDP project list and what happens on the ground isn't exclusively a product of vertical planning alignment and fiscal flows. Within municipalities, IDPs are often neglected as they are not seen to form part of the mainstream artery of implementation, unlike line departments. Many projects get prioritised by sector departments for purely technical reasons, or as a response to ad hoc political pressure. Historically, every line department made its own plan, and varying institutional capacity between departments dictate which plan dominates. This highlights the importance of organisational capacity within the municipality (South African Cities Network, 2014).

Consequently, the programme design may inadvertently be reinforcing a culture of dependency (I43). Furthermore, generating housing expectations without commensurate funding may erode the trust of citizens in the National Housing Programme specifically and in the State generally.

The critical assumptions pertaining to participation are that (1) citizens have insights into housing needs not reflected in desktop analysis, and (2) community voices are filtering into the IDP through effective public participation. The survey results appear to support the assumption that community voices are filtering into the IDP.

However, the assumption that public participation in itself enhances the accuracy of the assessment of needs is questioned. Stakeholders have raised the problems associated with the compilation of waiting lists. The unintended consequence of this is that the needs assessment is skewed by a stated preference for RDP. The instrumental value of the needs assessment as a means to improve housing delivery is questioned as only a small fraction of housing projects are funded.

Participation ostensibly takes place through the integrated development planning (IDP) process, but these IDPs have been weak at directing investments. One conclusion that may thus be drawn is that the instrumental value of public participation is to secure buy-in from communities in furtherance of project readiness. However, there is a risk that the overall programme design – conducting public participation on project 'wish lists' with no realistic expectation of funding – may inadvertently undermine trust and legitimacy in the National Housing Programme specifically and in the State generally.

5.9 Horizontal alignment with municipal planning

One of the Key Evaluation Questions is whether the Housing Chapter is finding expression in municipal planning documents. The municipal IDP is the primary human settlements planning instrument for government as a whole. The IDP includes the municipality's SDF, Land Use Management Strategy, Housing Sector Plan, and infrastructure sector plans. All housing projects must be contained within the IDP and HSP of a municipality. The metro BEPP must be informed by the HSP and reflect integrated human settlements planning. (Revised Accreditation Framework 2017).
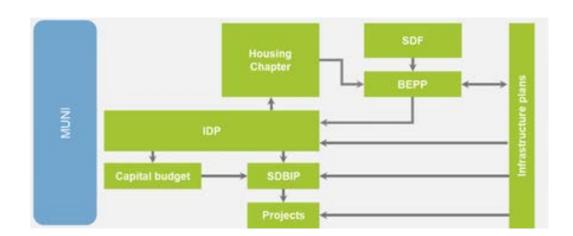
Figure 50. Integrated development planning

5.9.1 Integrated Development Plan

Horizontal alignment between the Housing Chapter and the IDP is essential since housing has a massive impact on the overall functioning and operation of the municipality, even if it is not a delivery mandate for the municipality (I3).
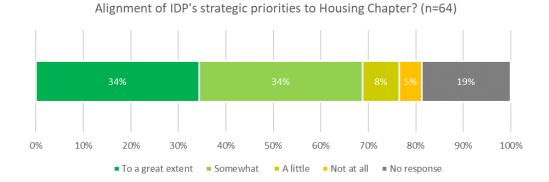
Figure 51. Survey results: alignment of IDP priorities to housing agenda

More than two thirds of municipal survey respondents indicated that their IDP's high-level strategic priorities are greatly or somewhat aligned to the housing needs, issues and supply strategy as articulated the Housing Chapter (see Figure 51). Only 5% of respondents indicated that the IDP priorities are 'not at all' aligned to the Housing Chapter.

The structured review of IDP document generally supports the contention of improved horizontal alignment between the Housing Chapter and the IDP as a whole. The extent to which housing projects and programmes are explicitly aligned to IDP priorities has improved over the three study periods, from 43% to 56%. However, there is significant variation across sample groups, with 88% of municipalities explicitly aligning their projects to IDP priorities, compared to 33% of metro IDPs and 25% of non-accredited municipalities. The extent to which the housing agenda is featured in the document as a whole has improved over the study period, in step with general improvements to the quality of IDPs. However, whereas

improvements to IDP quality has improved across sample groups, the influence of the housing agenda on the overall document varies across sample groups. The housing agenda features most prominently in metro IDPs, and least prominently in non-accredited municipalities. Thus, these results would suggest that variation in horizontal alignment of human settlements planning across sample groups is not attributable to IDP quality alone.
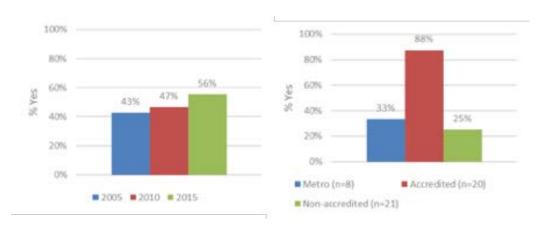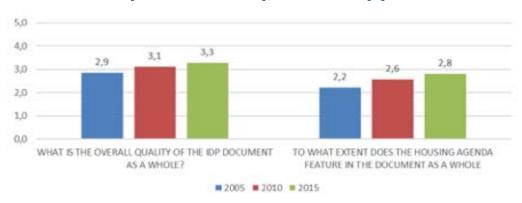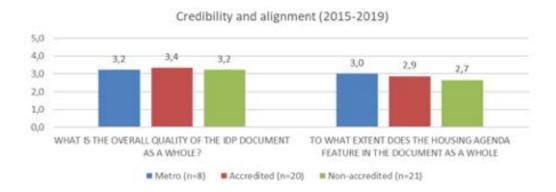
Figure 52. Structured review: Alignment of housing projects to IDP priorities

Figure 53. Structured review: Alignment of IDP to housing agenda
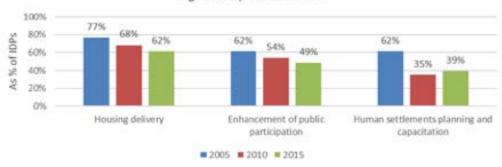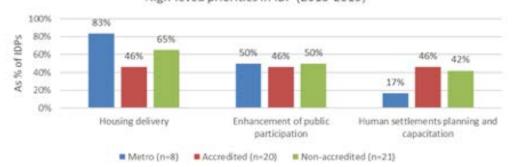
The structured review evaluated the type of housing issues which were elevated to high-level IDP priorities. These included issues relating to (1) housing delivery, (2) enhancement of public participation and (3) human settlements planning and capacitation.

Figure 54. Structured review: IDP priorities

Housing delivery continues to be the most common type of housing issue elevated to an IDP priority, featuring in 62% of IDPs reviewed in the final study period. However, this is markedly down from the 77% in the first and 68% in the second study period. The enhancement of public participation and human settlements planning and capacitation featured as well, although not as significantly as housing delivery. Interestingly, there is an observed decline in the proportion of IDPs which feature improved human settlements planning and capacitation as a high-level IDP priority. When considering the results across sample groups, housing delivery features very strongly in metro IDPs (83%) and non-accredited municipalities (65%), and less significantly in accredited municipalities (46%).

5.9.2   Spatial Development Framework
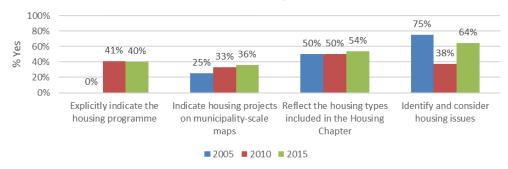
One of the intentions of the Housing Chapter is to enhance alignment between the housing supply strategy and the corresponding spatial framework and sector plans.

The Spatial Development Framework is used to guide and manage spatial growth and development. It is a statutory document required by the MSA and SPLUMA. The new SPLUMA requires the SDF to estimate demand for housing and indicate the planned location and density for future housing developments. The municipality's capital budget must be depicted spatially.

Spatial development frameworks are intended to appear in summarised form in the annual IDP. At minimum, these consists of the statutory structure plan and a description of prevailing spatial characteristics and issues. The structured review of IDP document sought to determine to what extent housing-related aspects featured in these summaries. As indicated in Figure 55, approximately 70% of IDPs reviewed included some form of SDF summary. The key finding is that housing projects are generally poorly represented in spatial development frameworks, and that improvement in this regard over the study periods have been marginal. During the first study period, none of the statutory plan in the IDP reviewed explicitly indicated the housing programme. This has subsequently increased to 41% in the second and 40% in the final period. Furthermore, housing projects appear in an increasing proportion of municipality-scale maps other than the main statutory plan. About half of summaries discuss the various housing types included in the Housing Chapter, and more than half identify and consider housing issues in the written section accompanying the maps.
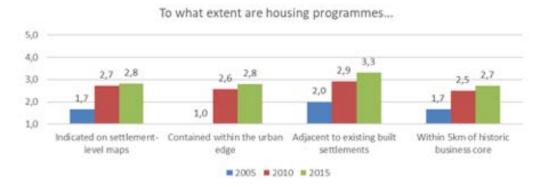
Figure 55. Structured review: SDF summary

Does the SDF summary in the IDP..

The structured review also considered the extent to which the Housing Chapter is reflected in the spatial development framework document. The review found a general improvement in the extent to which housing programmes are indicated on settlement-level maps, are contained within the urban edge, are adjacent to existing built settlements, and are within 5km of historic business cores.

Figure 56. Structured review: SDF document

In summary, there has been a general improvement in the quality of spatial development framework documents across the three periods and across the three sample groups, and a marginal improvement in the extent to which the housing strategy is reflecting in the SDF. In this regard, metro SDFs scored better (3.1) than non-metro municipalities (2.5 and 2.6).

Figure 57. Structured review: Overall assessment of SDF document

Most stakeholders claimed that the alignment between Housing Chapters, sectors and spatial planning was very poor at municipal level (I34, FG5, I107). Poor alignment was attributed to, inter alia, a lack of human and financial resources in planning and technical departments (FG2), and idiosyncratic challenges (FG5).

Lack of capacity may be attributed to poor resources and systems, but also the position of spatial planning within the municipal organisation. The SDF and the IDP are often not seen to be in the 'mainstream artery' of implementation; the capital budget and the line departments are the implementers (South African Cities Network, 2014). In some cases, the SDF is developed in a typically under-resourced and politically isolated department such as Local Economic Development, without the cooperation from technical services (FG2). This is also confirmed in eThekwini (South African Cities Network, 2014). However, lack of capacity is not limited to municipalities, however, but extends to provincial and national departments unable to deploy the necessary technical assistance:

> *"One of the key problems cutting across these, is the issue of spatial planning. Municipalities were complaining that they have no resources, no GIS, and no professionals to assist them. Even though we identified these gaps in municipalities, we are lacking on our side in terms of closing the gaps. We can't go and cater for all municipalities because we don't have enough human capital." (I99)*

Idiosyncratic factors which undermine the municipality's ability to guide spatial planning include mining rights (FG5) and communal land. A 2018 AGSA report on the performance of a predominantly rural province cites communal land disputes as one of the key reasons for slow moving or blocked projects (AGSA, 2018).

5.9.3   Service Delivery and Budget Implementation Plan

The MFMA aims to ensure that municipalities' priorities, plans, budgets, implementation actions and reports are properly aligned. Circular 13 of the MFMA (2005) sought to further strengthen the linkages between IDP planning and municipal budgeting through the introduction of the Service Delivery and Budget Implementation Plan ('SDBIP'). The intention of the SDBIP is to give "effect to the Integrated Development Plan and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA."

The structured review evaluated the SDBIP for the sample municipalities according to a set of criteria included in the annex of this document (see Figure 58 and Figure 59). The review results indicate that very few SDBIPs included relevant and specific performance indicators linked explicitly to issues of housing delivery, human settlements planning or public participation. There has been no discernible improvement since the introduction of the SDBIP in 2005.
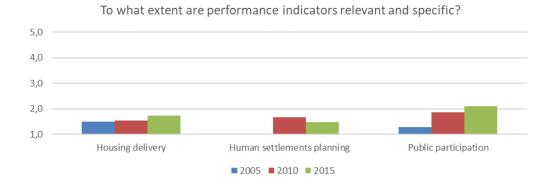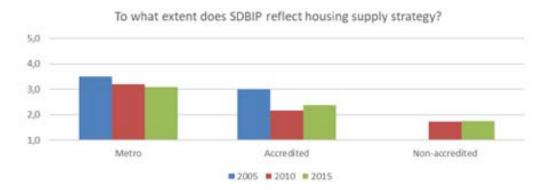
Figure 58. Structured review: SDBIP indicators

However, there is a stark contrast when evaluating whether the SDBIP reflects housing supply strategy in general across sample groups: metros performed relatively well, whereas non-accredited municipalities performed very poorly. This may be due in part to the expectations on the part of metros to submit an SDBIP (alongside the BEPP and Performance Matrix) to NDHS and National Treasury ('NT') in order to access USDG funding.

Figure 59. Structured review: SDBIP alignment

5.9.4   Built Environment Performance Plan

Based on a structured review of BEPPs (Figure 60) produced by metro municipalities, it is found that whereas all of them include prioritised housing projects, only 57% include provincial and national catalytical project, 43% include funding sources per priority housing project, and 14% include a multi-year implementation plan of priority housing.

Figure 60. Structured review: BEPP alignment

The BEPP concept originated from the NDHS and was subsequently taken over by Treasury. Due to the lack of cooperation within this transversal space, one municipal stakeholder indicated that the housing sector plan is attached merely as an annexure to the BEPP, unintegrated and "completely sitting on its own".

"There is no desire to play nicely in this transversal space" (I7)

"Metros are asked very superficially if they will be able to implement projects because the money is available. Any municipal official in their right mind would not say no to an allocation of money, so they try and take on whatever project is on the table that also meets their requirements, so generally this is a top-down process. It has nothing to do with the IDP or the SDF even though they say that. They say that municipalities can approve or disapprove projects, but we know that that is ineffective." (I69)

A number of metro and national stakeholders indicated that integration is encumbered by the inflexible format required by NDHS, and that grants are unilaterally allocated irrespective of alignment to metros' spatial plans (I72, I4). Here, funding is 'pushed through the channels' through the province or via the HAD in support of a "mega project or whatever the flavour of the quarter is." (I69).

A Key Evaluation Question is whether the Housing Chapter is finding expression in the IDP. The survey results and structured reviews of IDPs indicate that Housing Chapters are increasingly finding expression in IDPs over the evaluation periods. However, the extent to which housing priorities such as housing delivery, planning capacitation and public participation are elevated to high-level IDP priorities have declined over the evaluation period. Municipal spatial plans are also increasingly likely to integrate housing projects into their plans and maps, but the same cannot be said for strategic alignment between housing and spatial plans. Similarly, housing projects may feature in the BEPP maps, but strategic

alignment appears superficial. Housing-related indicators rarely feature in SDBIPs, a situation which has remained unchanged over the evaluation periods. This suggests a decline in the degree to which municipalities are willing to take political and executive ownership over the housing agenda.

5.10   Vertical alignment with provincial planning

According to the Theory of Change, the integration of a credible Housing Chapter into both the adopted IDP and the provincial business plan constitutes a critical integration phase where the list of housing projects are submitted to and negotiated with the MEC. Two of the critical assumptions underlying this integration is that, firstly, IGR engagements are regularly held, and systematically inform provincial business planning (Assumption 3), and secondly, that provincial housing departments account for and incorporate draft IDPs into provincial business plans (Assumption 4).
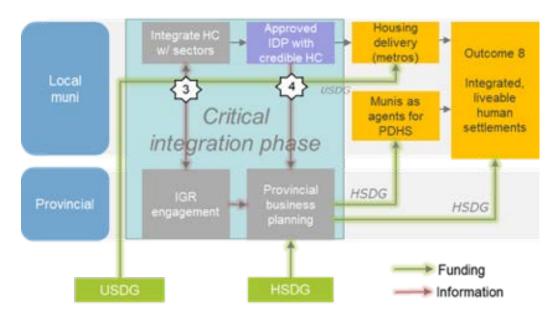
Figure 61. ToC: vertical alignment with provincial planning

5.10.1   IGR frequency and quality

IGR processes between municipalities, provincial departments and NDHS is essential in ensuring that policy imperatives, vertical planning and funding allocations are aligned. But how effective is interaction and negotiation about human settlements plans, between municipalities and provincial departments of human settlements during these spheres' respective planning and budgeting cycles?

The municipal survey posed a number of questions seeking to determine the quality of IGR engagements. The results are shown in Figure 62 below:
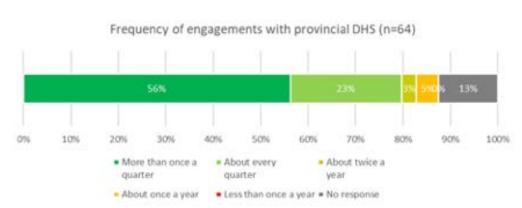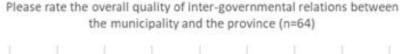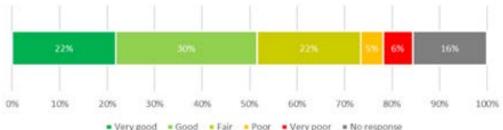
Figure 62. Survey result: provincial IGR

Please rate the overall quality of inter-governmental relations between the municipality and the province (n=64)

According to the survey results, the frequency and quality of communication between municipalities and provincial departments are acceptable. 56% of municipal respondents indicated that they engaged with provincial DHS more than once a quarter, a further 23% engaged about every quarter, 3% twice a year and 5% once a year. 22% of respondents described their relationship with provincial departments as 'very good', 30% 'good', 22% 'fair' and 11% 'poor' or 'very poor'.

According to the stakeholders interviewed, the quality of IGR varies from province to province, and is heavily determined by the IGR skills and the level of commitment by provincial department (I36). Some stakeholders have raised poor interaction between provincial departments and municipalities of particular concern, resulting in the stalling of projects (FG4). In 2015 the provincial heads described the relationship between municipalities and provinces as poor and attributed this to a lack of consultation (PMG, 2015). Stakeholders from predominantly rural provinces indicated practical difficulties in ensuring participation by municipalities in IGR meetings (FG1). This may imply that IGR meetings are held in centralised locations that are far from municipalities in questions.

We've had nasty encounters with the provincial [department] and now there is no real communication between us. You end up becoming reluctant to even review your plans because it won't help with anything, then province tells you that you are not being scored. We live on scores and that is not helpful. (FG2)

5.10.2 MEC feedback

As detailed in the previous sections, municipalities are expected to submit their Housing Chapter (as part of the draft IDP) to the cooperative governance MEC, who circulates it across relevant departments for comment. Integrated planning across departments however are encumbered by silo thinking within departments, with each department looking after their own mandate…we have targets to reach." (FG5). The result is that budget is not always available for the social facilities supportive of integrated, liveable human settlements. These comments are incorporated into the final IDP which is submitted to Council for adoption. The expectation is that the IDP includes feedback from all relevant departments, including feedback on the project list.

Based on the structured review of IDPs, only a subset of IDPs document the feedback received from the MEC, and a smaller subset include feedback relating to housing-related issues. Whereas the proportion of IDPs which include MEC comments have increased over the three study periods, this improvement does not extend to housing-relating issues.
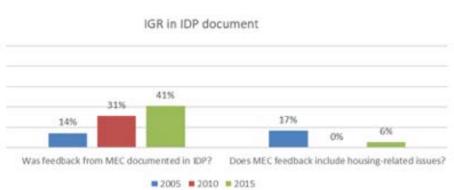
Figure 63. Survey result: IGR in IDP

IGR in IDP document

There is a general concern amongst municipal stakeholders that the quality of feedback is problematic. Whereas one external stakeholder claimed that provincial departments generally to review the Housing Chapters and provide some feedback, it is largely not the iterative process that should ideally be in place (I64). Comments that are received are often very brief (FG5), not rational nor supported by any substantiation (FG2). Some felt that the national and provincial departments view IDPs as a compliance exercise rather than a platform for inter-governmental and inter-sectoral collaboration (FG5).

It is normally a top-down activity...it is no longer an IDP because we are not part of the planning. (FG5)

Some municipal stakeholders claimed that inadequate feedback and support from province results in municipalities feeling discouraged to pursue meaningful planning and review processes. (FG2).

Box 2. Data integrity of provincial business plans

Provincial business plans are reports that set out the work that provincial departments plan to undertake on an annual basis. The work is specified in terms of programmes, number of units, and financial data. Provincial business plans for all provinces from 2014 to 2018 were analysed. The overall quality of the business plans was generally poor. A quantitative analysis of the business plans is provided in earlier sections

In the housing sector, numerous database systems are being run in parallel to track, record and report on housing expenditure and delivery statistics in respect of the human settlements programmes, none of which has any defensible level of data integrity. Generally, data integrity is very bad across, and within, different systems. In short, Government has no trusted source of data on human settlements expenditure and delivery performance (National Treasury, 2015).

5.10.3   Provincial business plans

This section describes a qualitative analysis of the causal link between Housing Chapters and provincial business plans. According to the HSDG grant framework, Mayors meet with their MEC on an annual basis to motivate for funding in relation to priority projects. MECs assess these priorities according to a set of explicit criteria to ensure consistency with the Housing Act, Housing Code and DORA. In theory, the final list is assembled by means of a bottom up process where the provincial list is built up based on the prioritisation of the municipal list. In this way, all projects in the provincial business plan are approved in municipal IDPS. The system design is described as follows:

"HCs are placed at local government with their plans. The targets that are in the IDP are compiled in the business plan of the province. Provinces then submit their business plans, where the national department then puts everything together and this is what [DPME] are monitoring: the MTSF." (I30)

In some municipalities, the funding mechanism approaches this ideal:

"The Human Settlements Sector Plan is a 13-year plan. On a yearly basis, we review and update the plan based on inputs from provincial about changes that we have to incorporate. This is also embedded in the IDP document which reflects housing needs as projects for the next 5 and 10 years. The HSSP is a document on its own, which forms a chapter of the IDP. We then use that for our implementation. When we do our review and update, we submit the plans to the provincial departments, including the district municipality, for them to comment. We are then advised of changes if there are any, and we include them. So, we get inputs that we incorporate, and once it is approved it is made available to the provincial department and it forms part of the provincial agreement."" (I80)

However, stakeholders across the spectrum generally emphasised the disjuncture between the grant design and what occurs in practice: It is the *provincial* sphere rather than the municipality which determines which projects get funded, informed not by high-level IDP objectives but narrowly on identified needs, project readiness and provincial funding priorities (I100, I32, I92).

"The Housing Code says all projects in your business plan must be approved in your IDP, which doesn't happen." (I35)

"We don't really engage on Housing Chapters. Our business plans are based on the housing needs register" (I27)

This disjuncture plays out in three ways: spatial focus, unfunded projects and conflictual timeframes:

One external stakeholder with extensive experience in the provincial and national sphere commented that, when it comes to preparing HSDG business plans, provincial priorities will always tend towards metros, specifically with catalytic projects run by the HDA which gets pushed to the top of the list (I36). This is supported by a 2018 Parliamentary report which found poor alignment between the cash flow projects and the provincial business plans, resulting in huge cash amounts being transferred to implementing agencies and provinces spending funds on unplanned programmes while underperforming in planned programmes (National Parliament, 2018). Fiscal dumping is suggestive of planning deficiency on the part of provinces. There will be a secondary priority to ensure some degree of geographic distribution, and with regards to ongoing projects (I64).

Secondly, the stakeholder claimed that municipalities are encouraged to develop 'laundry lists' of projects out of step with multi-year allocations. Ready but 'dormant' projects are useful to provincial and national departments in their ability to absorb unforeseen re-allocations of grant funding. Several municipal stakeholders however have indicated that this leaves the municipality in a difficult position: housing projects are identified with the community and forwarded to the MEC. However, municipalities are 'lucky' if two out of fifteen projects on their list are funded. The disjuncture between the housing projects on the housing list, and the provincial business plans, is further accentuated amidst tightening fiscal space.

This HSDG is controlled by province and when we plan as a municipality, we end up sitting with unfunded plans and we then have to rely on province for the provision of resources. (FG5)

It is pointless to review the plans. We develop them and we are required to review them annually, but that is pointless because we are not implementing what is in the plan. This is because they don't find expression at provincial level (FG2)

The HC in some municipalities is not that effective because the document is developed fully but not included in the business plan. Sometimes province does not take into consideration what has been put into the plan – which is ultimately the identified needs from the communities – and it then turns into a mere document with no real value .We are discouraged because these are not actual plans but much rather just documents that are not reflective of much. (FG5)

Another stumbling block is when there are projects that are not approved. We suffer because the community comes to us. They (province) are up there with such beautiful policies and not down there with us (FG2)

Thirdly, the link between Housing Chapters and business plans is further weakened due to conflictual timeframes:

"[The HC] gets frustrated by the business plans. If you look at when the business plan is approved and when the IDP should be workshopped, the two documents have opposing time frames. By the time we are meant to comment on the IDP, we don't have business plans to look at with them. So sometimes you will find that there is an IDP that does not have the information that is included in the business plans" (I39)

"Housing Chapters are not credible due to disjuncture between the business plans and the IDP. What should reflect in the Housing Chapter in terms of funding is what is in the business plan, and if that is not reflecting in the chapter because of this problem with the two planning cycles then of course it is not credible." (I104)

For these reasons, the stakeholder claimed that municipalities generally do not feel like their lists determine the provincial HSDG business plans (FG5, I10).

The municipal survey shown in Figure 64 appears to support the contention that project funding reflects provincial priorities. 56% of municipal respondents indicated that, in the most recent IDP cycle, provincial departments' agendas shaped the final list of housing projects 'to a great extent' (25%) or 'somewhat' (31%). This would appear to contradict the intended bottom-up approach as envisaged in the HSDG grant framework.
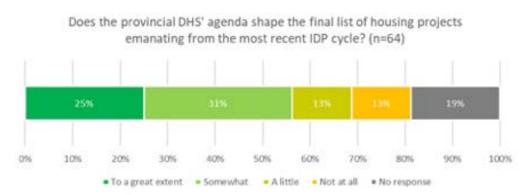
Figure 64. Survey result: provincial agenda and project list

The impact of this disjuncture includes poor alignment between housing delivery and infrastructure provision (FG2), systematically raising and dashing expectations within the community (FG5), disengagement and a lack of municipal ownership over the Housing Chapter (FG5), and diminishing cooperation and trust between provincial and municipal spheres (FG2). These all speak to the legitimacy of Housing Chapters (I28).

> *"I don't know how province deals with their funds. They only ever give us a letter confirming how much has been allocated for which project. They have just given us a letter for the development of the Housing Sector Plan as well as the accreditation process." (I75)*

Provincial stakeholders provided varied responses to the link between municipal planning, Housing Chapters and provincial business plans. Some provincial stakeholders have affirmed that Housing Chapters are part of the IDP, and thus should be developed by municipalities (I26). The role of the provincial department then is to engage the municipalities, and systematically assess the readiness of projects in order to release funding for the next financial year (I106).

However, the same stakeholders continue to advocate for provincial departments to play a role in local spatial planning (which is a municipal competency according to SPLUMA) claiming that provincial departments should provide 'direction in terms of where development should go' (I26). One provincial department constituted of strong metros claimed that their business plans are based on the housing needs register, and that they barely engage with Housing Chapters (I92).

> *"I think it is only theoretical that the chapter in the IDP informs the business planning process at a provincial level and also with national allocations. It actually works in the complete opposite direction in reality." (I4)*

5.10.4   Annual Performance Plans

Do the APPs reflect the Housing Need as expressed in the draft IDP review document, specifically in relation to mix and location of housing projects? To what extent are the provincial APPs aligned to or take account of the housing supply strategies as contained in the Housing Chapters of the draft IDP Review document?

Annual Performance Plans are provided by provincial housing departments on an annual basis. It consists of four parts: (A) strategic overview, (B) purpose, description, objectives, plans and targets per programme, (C) link to other plans and (D) multi-year housing development plan. Section B includes targets against four housing programmes, being (1) administration, (2) housing needs, research and planning, (3) housing development, and (4) housing assets and property management. Section C should include links to other plans, such as HSDG grant allocations per municipality per programme (FS), the institutionalisation of MTSF Outcomes to Programmes (KZN) and alignment to the Provincial Growth and Development Strategy (KZN).

Out of 27 randomly sampled years (stratified across three IDP periods), 10 APPs were successfully sourced, as were 5 out of 9 multi-year housing sector plans for the most recent IDP phase. There was significant variability in the quality of APPs across provinces.
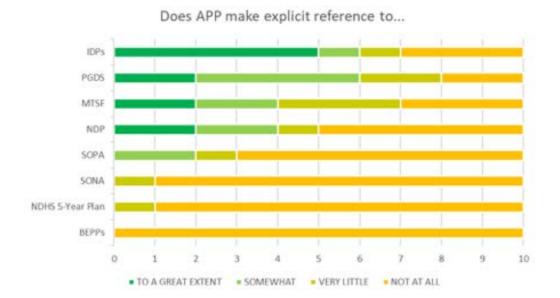
Figure 65. Structured review: Alignment of APP to key policy

7 out of 10 APPs explicitly referred to the IDPs within the province to varying degrees. 3 out of ten did not mention the IDPs. Provincial Growth Development Strategies and the Medium Term Strategic Framework also featured in more than half of APPs. However, the NDP, SOPA, SONA and the NDHS 5-Year Plan were rarely mentioned, and BEPPs were never mentioned.
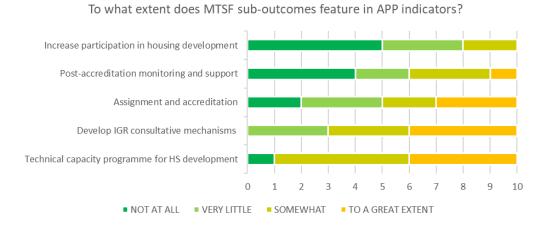
Figure 66. Structured review: Alignment of APP to MTSDG

The most frequently cited MTSF sub-outcomes in APPs were increased participation in housing development, post-accreditation monitoring and support, and assignment and accreditation.

> **In summary, how effective is interaction and negotiation about human settlements plans, between municipalities and provincial departments of human s**ettlements during these spheres' respective planning and budgeting cycles? Are Critical Assumptions 3 and 4 supported by the results?
>
> Critical Assumption 3, that IGR engagements are regularly held, and systematically inform provincial business planning, is problematic as it in fact consists of two assumptions. IGR engagements are indeed regularly held between municipalities and province, although this varies from province to province. However, the survey results and interviews suggest that these IGR engagements do not necessarily inform provincial business planning.

Indeed, Critical Assumption 4, that is, that provincial housing departments account for and incorporate housing priorities from IDP in their provincial business plans, is not supported by the results. It would appear that the causal link between Housing Chapters and provincial business plans run in the opposite direction. In non-metros, MECs may choose to fund only a small subset of projects, and rarely new projects. In metros, national and provincial priorities may result in projects being inserted post-facto in IDPs that were not prioritised in the Housing Chapter.

Lastly, the structured review suggests that the APPs are fairly well integrated to municipal-level documents and to the Medium-Term Strategic Framework. This is particularly evident insofar technical capacitation and IGR elements are drawn into the APP indicators. However, the quality of the indicators (in terms of SMART[21] principles) was very poor.

5.11   Strategic alignment with national policy imperatives

According to the Theory of Change, planning integration between municipal IDPs and provincial business plans is the nexus of IGR. However, the NDHS does have a direct relationship with municipalities. It is expected to monitor the alignment between Housing Chapters and provincial business plans, support the development of municipal planning capabilities, ensure the credibility of the Housing Needs Register, monitor the gazetting of HSDG and operational funding allocations to accredited municipalities and take remedial action against provinces for failing to comply.
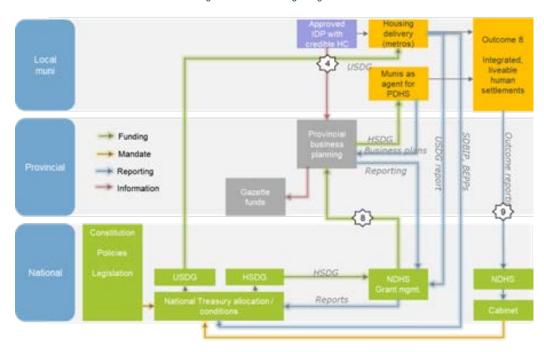
Figure 67. ToC: strategic alignment

In practical terms, the NDHS is thus expected to assess the provincial business plans against the HSDG framework, the Medium-Term Strategic Framework (numerical assessment) and project readiness (PMG, 2015). This may be complemented by structured or ad hoc visits to provinces and municipalities as it necessary. Furthermore, it is expected that oversight includes regular interaction between NDHS, provincial departments and accredited municipalities. Finally, it is expected that NDHS submits an annual evaluation report on the financial and non-financial performance of the grant to National Treasury. Once the provincial business plan is approved by NDHS, each provincial DHS must gazette allocations for respective accredited municipalities every. These should include allocations, targets and outputs as agreed and approved with the respective municipalities.
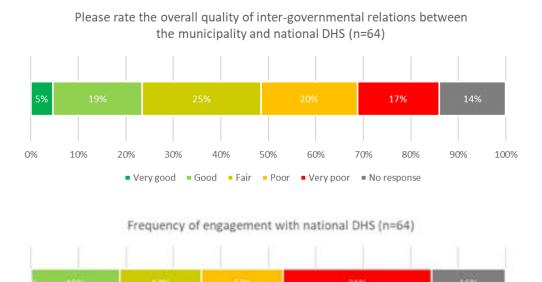
In practice, however, the NDHS has pointed out that one of the main obstacles of achieving intergovernmental alignment is "not having mastered how to align the three documents: the MTSF, the Five-year Strategic Plan and the Annual Performance Plan" (PMG, 2015).

5.11.1   IGR frequency and quality

The quality and frequency of intergovernmental interaction between the municipality and NDHS is more limited compared to municipal-provincial IGR (see Figure 68). Whereas 24% of respondents described their relationship with national DHS as 'good' or 'very good', 37% of respondents described it as 'poor' or 'very poor'. The frequency of interaction was also poor, with 48% indicating that contact occurs annually at best. None of the respondents engaged national more than once a quarter.

[21]   *Specific, Measurable, Achievable, Relevant and Time-bound (SMART)*

Figure 68. Survey result: Municipal-DHS IGR

Please rate the overall quality of inter-governmental relations between the municipality and national DHS (n=64)

	Very good	Good	Fair	Poor	Very poor	No response
	5%	19%	25%	20%	17%	14%

Frequency of engagement with national DHS (n=64)

	More than once a quarter	About every quarter	About twice a year	About once a year	Less than once a year	No response
		19%	17%	17%	31%	16%

5.11.2   Provincial multi-year HSP

The Multi-year HSP is a planning document that is reviewed annually and aligned to the MTSF. It forms part of the APP of the department and is a statutory requirement as set out in the Housing Act. To guide provinces in the development of their MYHSPs, NDHS has developed and approved a framework for the development of the MYHSPs in provinces.

A structured review of five multi-year HSPs from the final evaluation period (2015-2019) suggested a reasonable level of alignment to national strategic priorities as encapsulated in the MTSF and NDP, and provincial priorities as established by the PGDS (see Figure 69). However, there was fairly limited alignment to more recent transversal instruments such as the BEPPs and the IUDF.
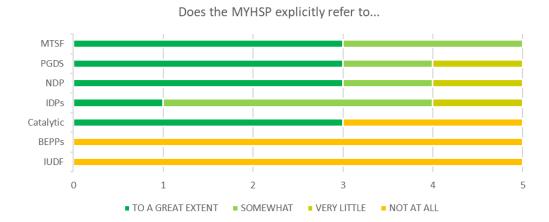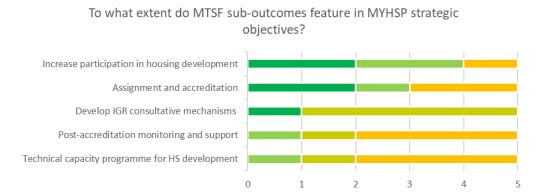
Figure 69. Structured review: MYHSP alignment to key policy

Does the MYHSP explicitly refer to...

	TO A GREAT EXTENT	SOMEWHAT	VERY LITTLE	NOT AT ALL
MTSF	3	2		
PGDS	3	1	1	
NDP	3	1	1	
IDPs	1	3	1	
Catalytic	3			2
BEPPs				5
IUDF				5

To what extent do MTSF sub-outcomes feature in MYHSP strategic objectives?

MTSF sub-outcomes did feature in the MYHSP strategic objectives, albeit with an emphasis on participation, accreditation and IGR rather than technical capacity, monitoring and support. This order of priority is fairly similar to the APP strategic objectives.

5.11.3   IUDF

The **Integrated Urban Development Framework** (2016) ('IUDF') was introduced to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions. It advocates for a number of interventions that should be addressed through the municipal IDP, including: the addition of disaster risk reduction as an integral part of the IDP, the joint preparation of integrated strategic land plans linked to municipal IDPs to coordinate government entity land ownership and plans, and a 'holistic economic strategy'. The IUDF also calls for greater consideration of municipal IDPs by national and provincial governments in formulation of their own planning and implementation.

The structured review of municipal and provincial planning documents suggests that the fairly recent IUDF has not yet been communicated or embedded in these government spheres. None of the MYHSPs explicitly refer to the IUDF. One provincial stakeholder commented on the lack of communication from COGTA, who is responsible for championing the policy. (I22).

5.11.4   MTSF and DORA requirements

According to the Theory of Change, the MTSF at once provides direction and forms the basis by which the performance of national and provincial departments is monitored. Provincial business plans are routinely assessed by NDHS against the numerical targets contained in the MTSF. Where there is a lack of alignment, the plans are revised.
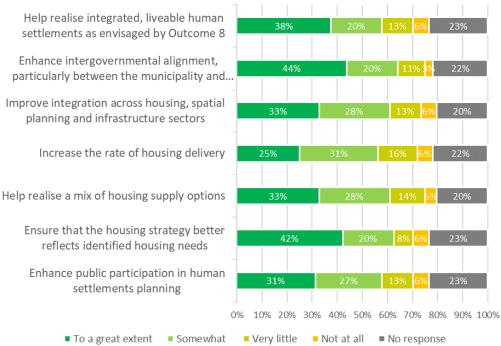
> *"Housing Chapters are placed at local government with their plans. The targets that are in the IDP are compiled in the business plan of the province. Provinces then submit their business plans, where the national department then puts everything together and this is what [DPME] are monitoring: the MTSF." (I95)*

Government's MTSF vision Outcome 8 is for "sustainable human settlements and improved quality of household life". To achieve this, the following priorities determined for 2014-2019 included housing for 1.495 million households, 110 000 affordable gap housing, enhanced institutional capabilities for effective coordination of spatial investment with 49 municipalities accredited, 530 000 title deeds for new subsidy units and 900 000 title deeds for backlog, and informal settlement upgrading expanded to cover 750 000 households.

According to a 2015 assessment, there appeared to be no strategic intention applied to achieving national MTSF targets and outputs. There was a lack of appreciation that the HSDG and USDG were national grants embedded in the NDP and government policy frameworks. There was a reluctance to reprioritize programme focus, and a lack of alignment not only with the national human settlements mandate but also between the provincial and municipal mandate. There seemed to be an attitude of 'if you want us to do this then give us the money. Otherwise we'll keep on as before'. Furthermore, there is poor alignment, consultation, coordination and application of national grants. There had been non-submission of business plans by due dates. Provincial departments attribute these problems to procurement processes, contractors abandoning projects due to payment problems, poor planning and a lack of consultation with municipalities. There was a concern about capacity challenges at provincial level (PMG, 2015).

Figure 70. Survey results: general impacts of Housing Chapter formulation

To what extent did the preparation of the Housing Chapter result in the following impacts (n=64)

According to Figure 70, municipal survey respondents generally indicated that they felt the preparation of the Housing Chapter resulted in a range of impacts in support of Outcome 8. Interestingly, this impact was more keenly felt with regards to improving planning integration (61% respondent indicated positive impact), identifying housing need (62%) and realizing a mix of housing (61%), whereas marginally fewer responded positively to the matter of increasing housing delivery (56%). Overall, however, 58% of municipal respondents indicated that Housing Chapters impact positively to the realization of Outcome 8.

It is important to remember however that the Division of Revenue Act (DORA) seeks to translate the MTSF objectives into funding criteria upon which funding allocations to provincial departments are based and outcomes evaluated. In other words, all provinces and constituent municipalities have to meet a set of generic requirements pertaining to objectives such as title deeds, housing mix and informal settlements, irrespective of local context.

Whereas there is a fairly consistent relationship between targeted and actual delivery of IRDP housing, performance on other programmes aimed to realise MTSF Outcome 8 has varied. Whereas provincial business plans do seem to have successfully prioritised the upgrading of informal settlements, other programmes such as the eradication of title deed backlogs, the provision of technical assistance, affordable rental units and FLISP, remain problematic. This is demonstrated in Table 12 below:

Table 12. 2017/2018 target vs. actual delivery of HSDG programmes

Programme	Annual target 2017/2018	Actual achievement (2017/2018)	Comment on deviation
Number of title deeds registered to eradicate backlog	207 146	38 614	Poor performance by province
Number of title deeds registered for new developments	170 240	1 151	Poor performance by province
Number of municipalities provided with technical assistance for informal settlement upgrading	41	0	None
Number of informal settlements upgraded	446	109 plans developed	None
Number of households living in informal settlements upgraded	189 039	89 670	Poor performance by province
Affordable rental housing units	13 920	3 506	Poor performance by province
Subsidy housing units provided	113 341	86 131	Poor performance by provinces
Number of catalytic projects initiated	8	48	More projects approved

Source: (NDHS, 2018)

Table 13. MTSF targets vs. actual delivery of HSDG programmes

Programme	MTSF target for 2019 (as of 2016)	MTSF target 2019 (as of 2018)	Performance up to September 2018	Performance as % of 2016 target
Additional households living in adequate housing through subsidy and affordable housing segments	745 000	635 000	445 564	60%
Households living in informal settlements provided with upgraded access to basic services	750 000	750 000	609 648	81%
Individual units for subsidy housing	560 000	452 650	410 244	73%
State-led social housing	27 000		12 991	48%
CRU	10 000		6 690	67%
Affordable housing units	110 000		35 000	32%
Number of housing opportunities provided through FLISP	70 000		8 796	13%
Title deeds issued	1.43 million	452 650	380879	27%

(NDHS, 2018)

This has proven to be a source of contention by those interviewed: MTSF priorities regarding housing mix, title deeds and informal settlement upgrading may be laudable as national priorities, there are local specificities and dynamics at play in rural and non-metro settings which may preclude these types of interventions.

For example, more urban municipalities have expressed greater eagerness to take prioritise greater housing mix (I20, i80), with one commenting that "our biggest priority is the upgrading of informal settlements, formalising those that can be formalised and relocating those that can't.' (I14). Municipal stakeholders generally expressed an awareness of and familiarity with programmes other than the IRDP, such as upgrading informal settlements, rental and social housing, and rural housing (I82, I85, I86, I79).

However, many non-metro and provincial stakeholders have indicated that local conditions such as communal land ownership, lack of informal settlements outside of metros, income profiles, distance to economic centres and mining contexts makes it difficult to meet the DORA requirements (FG1, FG2).

One provincial stakeholder elaborated:

"Only the IRDP is useful. We can't use the UISP in a space where there are no informal settlements. FLISP has been useless. Very few municipalities in the country can show any FLISP programmes. The loan was in the definition of FLISP as one from a registered banking institution, and this was [short-sighted] because many people don't qualify. You are then automatically excluding people. They need to delink the loan from a banking institution, and they must instead say it can be underwritten by the employer. We are now going to try this and see if it is going to work. It was almost impossible to implement since inception. Social housing for small municipalities is impossible to achieve. If you have your metros with housing companies, we can't do that as a small muni. We can't afford a high default rate, and the maintenance of these units would be too costly for us. These programmes were superfluous at our level, but the IRDP was great. The affordability at the local community is also a problem. The bulk services, the costs, the consultants, land in itself, unit costs are all already sky high because we are so far out from the city." (I17)

Another point of contention arising from the interviews was the shift from subsidy housing to informal settlement upgrading, which is resisted by some municipalities. One municipal stakeholder claimed that the MTSF and attendant DORA conditions are 'encouraging informal settlements' and 'fueling land invasions' (FG5). However, this resistance to upgrading informal settlements or implementing interventions other than IRDP may also be a result of the culture of dependency discussed in a previous section. Three municipal stakeholders spoke of the difficulty in moving away from IRDP because of the "RDP mentality" where the community "disregards whatever it is you say to them that has nothing to do with RDP". Even once they are separated into "RDP-, middle- and high-income" beneficiaries, all they want to be on is the RDSP(FG2).

These interviews suggest that there may be a lack of strategic alignment between municipal planning context and the MTSF in contexts where these interventions are deemed not appropriate. Whereas MTSF objectives may feature in the IDP, but as we have seen, rarely feature in SDBIPs. This would suggest, as one external stakeholder indicated, that MTSF alignment may in certain instances be about compliance rather than strategic alignment. (I29).

In summary, the results indicate that (1) the quality and frequency of IGR between municipality and national is generally poor, that (2) the quality of the provincial business plans are very poor whereas the MYHSP do superficially refer to the MTSF, (3) that policy documents not linked to the HSDG (e.g. IUDF, NDP) do not feature in provincial planning documents, (4) that the extent to which MTSF features in provincial documents may be compliance-based rather than reflective of strategic alignment, and (5) that this may be attributable in part to the fact that the MTSF outcomes and DORA requirements are set nationally and based on delivery targets that may not reflect the relative needs in particular municipalities to best address their human settlement challenges.

6.   Conclusion

6.1   Theory of Change

Key Evaluation Question: Assess the relationship between Housing Chapters and the IDP

According to the Theory of Change, the Housing Chapters programme is designed to ensure that IDP statutory planning (and annual operational plans) integrates the legislative and policy priorities for housing into pre-existing IDP processes and provisions so that the housing programme finds expression in what the municipality actually does annually. With sufficient technical capacity and political support, it is expected that the formulation of the Housing Chapter will involve meaningful and inclusive public participation, coordination across sectors and spatial prioritisation. Based on the aforementioned activities, it is expected that the Housing Chapter adopted as part of the IDP process will give expression to the housing agenda in local and provincial planning processes, and will be aligned to key municipal, provincial plans and budgets, and national policy directives.

The formulation of a credible Housing Chapter as a product of a participative IDP process is guided by a comprehensive legislative and policy framework, managed by adequately capacitated human settlements planning capacity at municipal level, and funded through the HSDG funding mechanism.

The Housing Chapters programme functions as intended across the national housing system, with targets and strategies set in the IDP being adequately resourced, then the key outcomes anticipated are integrated planning and implementation at municipal level, the achievement of planned targets in reported results, and ongoing adjustments and revisions to annual plans and budgets in line with policy directives.

6.2   Synthesis of findings

6.2.1   De facto role of local government in human settlements planning

The evaluation has found that there is a disjuncture between theory and practice as to the role of municipalities in human settlements planning, and the expected role of accreditation in determining this role is not systematic but subject to varying degrees of capacity in municipal and provincial spheres, and some reluctance on the part of provincial departments to proactively and meaningfully support accreditation. The vast majority of non-accredited municipal respondents perceived the de facto role of municipalities as limited to needs assessment and identifying suitable land to ensure project readiness for provincial departments rather than meaningful integrated development planning.

6.2.2   Public participation

Key Evaluation Question: Assess the impact on broader society through public participation as provided for in Housing Code

The evaluation has found that, whereas community voices are filtering into the IDP, the assumption that public participation in itself enhances the accuracy of the assessment of needs is questioned. Stakeholders have raised the problems associated with the compilation of waiting lists. The unintended consequence of this is that the needs assessment is skewed by a stated preference for RDP. The instrumental value of the needs assessment as a means to improve housing delivery is questioned as only a small fraction of housing projects are funded. One conclusion that may thus be drawn is that the instrumental value of public participation is to secure buy-in from communities in furtherance of project readiness. However, there is a risk that the overall programme design – conducting public participation on project 'wish lists' with no realistic expectation of funding – may inadvertently undermine trust and legitimacy in the National Housing Programme specifically and in the State generally.

6.2.3   Municipal planning capacity

The evaluation has found that human settlements planning capacity varies significantly across municipalities. The survey results were contradictory, with respondents claiming on the one hand that they had capacity, and on the other that they did not have the resources necessary to produce credible Housing Chapters. However, the structured reviews and the interviews appear to confirm the latter view, that municipalities are not producing credible Housing Chapters. It is therefore reasonable to infer that (1) requisite capacity does not exist, and that, (2) where capacity does exist, municipalities are reluctant to take ownership of the formulation of credible Housing Chapters.

6.2.4   Credibility of Housing Chapters

The evaluation found that whereas approximately three quarters of IDPs have Housing Chapters, these generally fail to satisfy the core criteria for credibility. There is no statistically significant relationship between the disbursement of grant funding in support of human settlements planning capacity, and the credibility of Housing Chapters as perceived by survey respondents.

The format of Housing Chapters has not been systematized and varies from municipality to municipality. Housing Chapters are generally not perceived as credible by survey respondents or stakeholders interviewed. Housing demand is generally not adequately described and quantified based on credible desktop analysis. Of particular concern is the readiness of the projects contained in the Housing Chapter. The quality of desktop analysis is poor and have only shown marginal improvement over the evaluation periods. On the positive side, there has been some improvement in integrating the Housing Chapter into the IDP document. Housing-related issues have been elevated over the evaluation period. There is a growing recognition of the importance of housing mix, land availability and infrastructure issues in ensuring desired human settlements outcomes, particularly among accredited non-metros.

6.2.5   Funding mechanisms

Key Evaluation Question: Assess the role of the HSDG as funding instruments for the Housing Chapters

The evaluation found that the Housing Chapters programme functions best when applied to poorly resourced non-accredited municipalities, whereas the Municipal Accreditation Assistance programme may be better suited for non-metro municipalities in the process of accreditation. The complexity and balance of capacity with metros would indicate that more flexible USDG offers the preferred funding instrument for capacity-building.

However, there is a perception amongst stakeholders that OpsCap funding is poorly monitored and vulnerable to abuse, Funding intended for municipalities are being absorbed by provincial departments for internal purposes. Perceptions of malfeasance and poor return-on-investment may explain why OpsCap allocations have declined in recent years. Within the OpsCap envelope, funding for Housing Chapters programme and Municipal Accreditation Assistance has diminished dramatically.

Thus, the critical assumption that provincial housing departments are actively allocating funding for municipal capacity-building could not be confirmed by budgetary analysis or interviews.

6.2.6   Horizontal alignment

Key Evaluation Question: Do Housing Chapters find expression in municipal planning documents such as the IDP, the BEPP and the SDBIP?

The survey results and structured reviews of IDPs indicate that Housing Chapters are increasingly finding expression in IDPs over the evaluation periods. However, the extent to which housing priorities such as housing delivery, planning capacitation and public participation are elevated to high-level IDP priorities have declined over the evaluation period. Municipal spatial plans are also increasingly likely to integrate housing projects into their plans and maps, but the same cannot be said for strategic alignment between housing and spatial plans. Similarly, housing projects may feature in the BEPP maps, but strategic alignment appears superficial. Housing-related indicators rarely feature in SDBIPs, a situation which has remained unchanged over the evaluation periods. This suggests a decline in the degree to which municipalities are willing to take political and executive ownership over the housing agenda.

6.2.7   Vertical alignment

Key Evaluation Question: Do Housing Chapters find expression in the provincial business plans?

The evaluation found that whereas IGR engagements are indeed regularly held between municipalities and province, these engagements do not necessarily inform provincial business planning. The assumed causal link between Housing Chapters and provincial business plans have been found to run in the opposite direction. In reality HSDG business plans are primarily informed by provincial priorities which focus primarily on spending their HSDG allocations at all costs. It is through this frame that most other actions and interactions by provincial departments can be traced, including its preference for existing, multi-phase 'mega-projects' rather than new, smaller projects, flexibility rather than transparency with

regards to multi-year allocations, and encouraging municipalities to maintain an expansive pipeline of project opportunities irrespective of funding availability in the short- to medium-term.

6.2.8   Strategic alignment

As alignment between municipalities and national strategic imperatives, the evaluation found that (1) the quality and frequency of IGR between municipality and NDHS is generally poor; (2) whereas provincial MYHSP do superficially refer to the MTSF, policy documents like the IUDF which is not linked to the HSDG do not feature in provincial plans; (3) that the extent to which MTSF features in provincial documents may be compliance-based rather than reflective of strategic alignment, and (4) that this may be attributable to a combination of weak IGR communications coupled with the perception that the MTSF outcomes and DORA requirements are universal, out of touch with non-metro environments and not sufficiently differentiated and flexible across local contexts. The evaluation found that the extent to which NDHS is enforcing compliance to national policy imperatives as reflected in legislation and policy documents is weak, and that NDHS and DPME do not systematically provide sufficient and credible monitoring and evaluation of programme deliverables to Cabinet to inform appropriate NT allocations in pursuit of the realisation of Outcome 8.

6.3   Critical assumptions

Before reaching a conclusion as to the impact of the Housing Chapters programme on broader society, it is first necessary to take stock of the findings on the critical assumptions in the Theory of Change.

Table 14. Validation of critical assumptions

No.	Critical assumption	Finding
1	Citizens have insights into housing needs not reflected in desktop analysis.	Supply-driven delivery model may induce maximising behaviour amongst households.
2	Community voice filtering into IDP through effective public participation processes.	Supported by findings.
3	IGR engagements in IDP processes are regularly held, and systematically inform provincial planning.	IGR engagements are regularly held, but do not systematically inform provincial planning.
4	Provincial housing depts. account for / incorporate draft IDPs into Prov. Housing Sector plans.	Contradicted by findings.
5	Grant-assisted human settlements planning results in credible analysis of housing need.	Neither supported nor contradicted by findings. Statistically insignificant relationship suggests limited impact.
6	Municipalities are requesting, and receiving, grants to improve housing planning capacity.	Supported by findings, although the HSDG allocation in support of technical capacitation is declining.
7	Provincial housing departments are allocating funding for capacity-building support for LG.	Not clear. OpsCap is poorly monitoried and overall allocations continues to decline.
8	Funding distributed by NDHS is sufficient to meet housing need.	Funding relative to backlogs and building costs have declined over long-term. Backlogs won't be fully resolved under current delivery model alone.
9	NDHS and DPME provides sufficient and credible reporting to Cabinet to inform appropriate NT allocations.	Not supported by findings. Tracking of MTSF outcomes of variable quality, particularly integrated spatial outcomes.

6.4   Revisiting the Theory of Change

Based evaluating the validity of the causal links and critical assumptions underlying the Theory of Change, it is possible to graphically illustrate the evaluation findings in the figure below.

The Housing Chapters programme does ensure that IDP statutory planning (and annual operational plans) integrates the legislative and policy priorities for housing into pre-existing IDP processes and provisions so that the housing programme finds expression in the draft IDP. However, due to the disjuncture between the housing list and the provincial business plan, the IDP ceases to drive development in the municipality. It becomes a wish list divorced from reality, and, although the underlying public participation does give voice to the community, the outcome of the process is very weakly linked to what gets funded, and thus what happens on the ground.

Due to varying levels of planning capacity and systems, the formulation of the Housing Chapter rarely results in coordination across sectors and spatial prioritisation. Thus, the Housing Chapter does find expression in the draft IDP but not in provincial planning processes. These in turn are principally informed by compliance with DORA requirements, funding allocations on a year-on-year basis, and ministerial policy directives. The key lens through which projects are funded is to ensure HSDG allocations are fully spent through project readiness.

The formulation of a credible Housing Chapter was once funded through the HSDG mechanism, with its coverage limited to a subset of poorly-resourced, non-accredited municipalities. This ceased in 2015 due to poor return-on-investment.

Although provincial departments and municipalities have expressed a need for funding support, the extent to which this support has ensured more credible Housing Chapters remain unconfirmed. This may be attributable to the delivery model of the Housing Chapters programme, which relied on the appointment of external service providers rather than in-house training. The credibility of Housing Chapters have not been systematically monitored over time, and no adjustments or refinements have been made to the program since its inception.

Figure 71. Theory of Change outcomes

6.5   Impact on broader society

6.5.1   The housing sector as a political economy

Housing-related legislation and policy emerged out of democratic transition in South Africa, informed by extensive research, analysis and negotiation. Over the years since 1994, South Africa has seen numerous shifts in housing policy, which attests both to the socio-economic importance and political imperative of housing provision in the country. Housing processes are increasingly expected to contribute to, or even drive, further developmental objectives. However, it is important to be reminded that the national housing programme in itself is not a silver bullet for South Africa's structural inequality manifested spatially within its built environment.

The summary conclusion based on the above synthesis of findings is that, whereas the elevation of human settlements planning into public participation may have inherent value in terms of democratic norms, the extent to which the Housing Chapter concept benefits broader society is encumbered by both the deficiencies in the housing delivery model and those associated with integrated development planning processes, such as the formulation of unfunded 'wish lists'.

While South Africa's housing paradigm is described in policy as a government-aided, private sector-driven approach, in practice is implemented as a state-dominated housing provision approach for lower income households who are deemed to comprise a part of the officially-defined 'housing backlog' (Gardner, 2018). The housing policy shifts that have occurred since 1994 were most often reactions to weaknesses in policy

implementation or were driven by other agendas such as political pressure or internal departmental politics (Charlton and Kihato, 2006). Even in the absence of a fundamental reform from a State-directed supply-driven model to a true demand-driven public housing model, the effectiveness of the Housing Chapters programme would be significantly strengthened were the Housing Act's call for the progressive delegation of housing functions to local government to hold sway over parochial interests. A determination as to the current and potential impact of the Housing Chapter programme can only be made if the analysis gets beneath the formal structure to reveal the underlying interests, incentives and institutions that enable or frustrate the realisation of Outcome 8. By adopting a political economy lens, the evaluation can support more effective and politically feasible recommendations, as well as inform more realistic expectations as to what can be achieved. This evaluation found that this political economy extends beyond the public sector and includes the relationship between Citizen and State:

6.5.2   Provincial departments

Seeking to retain and expand future grant allocations, provincial departments are motivated by ensuring existing allocations are fully spent. It is politically rational that the need for flexibility and leverage supersedes transparency and multi-year commitment:

•   It is in the interest of provincial departments to ensure that municipalities do the necessary groundwork to ensure there is a pipeline of possible projects that is in excess of the funding envelope. Municipalities are thus encouraged to formulate Housing Chapters in furtherance of identifying demand and land, and securing community consent through public participation.

•   It is not in the provincial departments' interest to provide technical capacity beyond that which is required for project readiness, except to comply superficially to HSDG reporting requirements. It is not in the interest of provincial departments to proactively accredit municipalities.

•   It is in the provincial departments' interest to maintain the perception of bottom-up, participation-led compilation of provincial lists of beneficiaries and funded projects, whilst ensuring leverage over municipalities and a flexible and discretionary relationship between IDP housing lists and provincial business plans.

•   It is not in the provincial departments' interest to capacitate municipalities beyond that which is required to meet the objectives above; thus, when tasked with municipal capacitation, it is in the provincial departments' interest to opt for consultant-driven technical assistance rather than in-house training and capacitation.

6.5.3   Local government

Seeking to accumulate agency and control within their remit, municipalities are motivated by assuming responsibilities linked to funding:

•   The progressive enhancement of human settlements planning capacity, culminating in the formulation of a credible housing sector plan, is a key requirement for accreditation. As the accreditation process has now stalled indefinitely, the relationship between progressive capacitation and the accreditation and eventual assignment of functions has ceased. It is accordingly no longer in the interest of municipalities to commit the scarce in-house human or financial resources needed to produce Housing Chapters that are credible.

•   It is not in the interest of senior officials or politicians to take ownership of the Housing Chapter specifically and human settlements delivery in general, as their agency is limited with regards to project selection or securing multi-year budget allocations.

•   Receiving technical assistance in the form of external service providers to prepare Housing Chapters assist with ensuring compliance and coordination between municipality and province, without requiring political ownership or resources from the municipality.

•   Municipalities make decisions based on limited information given poor quality of provincial plans, intentions and uncertainty with regards to multi-year allocations. It is not in the short-term interest for municipal political leadership to be transparent with constituents with regards to multi-year funding envelopes, waiting lists and incremental housing.

6.5.4   Households

Seeking to accumulate agency, improve existing material conditions and secure future income streams, it is rational for potential beneficiaries to identify need and participate in such a way as to maximise the likelihood of receiving a standard RDP unit within a reasonable period of time, rather than provide an accurate and balanced picture of demand:

- Due to the highly standardised, supply-driven housing delivery model, households are incentivised to describe their need in terms of the programmes which are most advantageous in terms of asset value, ownership rights and familiarity. Under certain circumstances, households are incentivised to overstate their need to meet the IRDP requirements, since (unlike a true demand-driven system) households face no trade-off or opportunity cost when describing need. Self-identified need outside of a market may under certain circumstances drive location and family formation decisions. Once the RDP unit is received, it may be demolished to build a unit suited to household need or provide for backyarding for additional income.

- Eligible households are incentivised to engage in human settlements-related public participation processes as a means to gain information and ensure continued placement on the waiting list.

- It is rarely in the interest of households to cooperate with or indicate demand for incremental housing programmes, as this is seen to jeopardise the primary motivation stated above.

Table 15. Political economy of the housing sector context

Beneficiaries	Local munis	Provincial depts
Seeking to accumulate agency, improve existing material conditions and secure future income streams, it is rational for potential beneficiaries to identify need and participate in such a way as to maximise the likelihood of receiving a standard RDP unit within a reasonable period of time. Due to the highly standardised, supply-driven housing delivery model, households are incentivised to describe their need in terms of the programmes which are most advantageous in terms of asset value, ownership rights and familiarity. Under certain circumstances, households are incentivised to overstate their need to meet the IRDP requirements, since (unlike a true demand-driven system) households face no trade-off or opportunity cost when describing need. Self-identified need outside of a market may under certain circumstances drive location and family formation decisions. Once the RDP unit is received, it may be demolished to build a unit suited to household need or provide for backyarding for additional income. Eligible households are incentivised to engage in human settlements-related public participation processes as a means to gain information and ensure continued placement on the waiting list. It is rarely in the interest for households to cooperate with or indicate demand for incremental housing programmes, as this is seen to jeopardise the primary motivation stated above.	Seeking to accumulate agency and control within their remit, municipalities are motivated by assuming responsibilities linked to funding. The progressive enhancement of human settlements planning capacity, culminating in the formulation of a credible housing sector plan, is a key requirement for accreditation. As the accreditation process has now stalled indefinitely, the relationship between progressive capacitation and the accreditation and eventual assignment of functions has ceased. It is accordingly no longer in the interest of municipalities to commit the scarce in-house human or financial resources needed to produce housing chapters that are credible. It is not in the interest of senior officials or politicians to take ownership of the housing chapter specifically and human settlements delivery in general, as their agency is limited with regards to project selection or securing multi-year budget allocations. Receiving technical assistance in the form of external service providers to prepare housing chapters assist with ensuring compliance and coordination between municipality and province, without requiring political ownership or resources from the municipality. Municipalities make decisions based on limited information given poor quality of provincial plans, intentions and uncertainty with regards to multi-year allocations. It is not in the short-term interest for municipal political leadership to be transparent with constituents with regards to multi-year funding envelopes, waiting lists and incremental housing.	Seeking to retain and expand future grant allocations, provincial departments are motivated by ensuring existing allocations are fully spent. The need for flexibility and leverage supersedes transparency with regards to MEC's decisions. It is in the interest of provincial departments to ensure that municipalities do the necessary groundwork to ensure there is a pipeline of possible projects that is in excess of the funding envelope. Municipalities are thus encouraged to formulate housing chapters in furtherance of identifying demand and land, and securing community consent through public participation; It is not in the provincial departments' interest to provide technical capacity beyond that which is required for project readiness, except to comply superficially to HSDG reporting requirements. It is not in the interest of provincial departments to proactively accredit municipalities. It is in the provincial departments' interest to maintain the perception of bottom-up, participation-led compilation of provincial lists of beneficiaries and funded projects, whilst maintaining leverage over municipalities and a flexible and discretionary relationship between IDP housing lists and provincial business plans. It is not in the provincial departments' interest to capacitate municipalities beyond that which is required to meet the objectives above; thus, when tasked with municipal capacitation, it is in the provincial departments' interest to opt for consultant-driven technical assistance rather than in-house training and capacitation;

6.5.5   Summary evaluation finding

For the Housing Chapters programme to have an impact on Outcome 8, the intended formal structure, as represented by the Theory of Change, requires evidence of a significant causal link between:

- the Housing Chapters programme of the DHS;

- the formulation of the Housing Chapter as part of the IDP informed by national priorities, public participation and desktop analysis;

- the preparation of provincial business plans on the basis of the Housing Chapter;

- the funding and implementation of the provincial business plans; and

- the progressive realisation of Outcome 8 of the MTSF.

Based on analysis of the data collected, this evaluation:

• could not establish a significant causal link between the Housing Chapters programme and the sustained and progressive enhancement of human settlements planning capacity at local government level;

• could not establish a significant causal link between the Housing Chapter, the provincial business plans and housing implementation.

Thus, while the elevation of human settlements issues in public participation processes may have inherent value, this evaluation could not by means of the Theory of Change confirm the *instrumental value* of the Housing Chapters programme in helping realise progressive realisation of integrated, liveable human settlements.

7. Recommendations

7.1 Introduction

Enormous progress has been made in housing and human settlement delivery. The sector has been instrumental in improving the quality of life of millions of South Africans. The sector has proven itself responsive and capable at the policy level, as evident in its ability to move decisively into the informal settlements upgrading space.

For the Housing Chapter programme, the question is whether or not the programme is having the intended impact, that is, the progressive realisation of Outcome 8. The second question is whether the scale of the intended impact is commensurate with the cost of the programme, which includes direct costs, administrative costs and opportunity costs. This study could not confirm that the programme achieved the intended impact in relation to Outcome 8. Since the programme is not actively administered, the programme's direct costs are effectively limited to HSDG allocation to the programme, which in turn ended in 2015. Thus, the study finds no impact but also no direct cost. However, the existence of the Programme may incur broader indirect costs: (1) the existence of the Housing Chapters programme in the Housing Code creates the perception that active mechanisms exist whereby municipalities are receiving technical assistance in furtherance of human settlements planning capacitation, thus crowding out initiative by DHS in proactively addressing evident weaknesses in this area; (2) the expectation on municipalities to produce Housing Chapters on an annual basis compels these entities to commit scarce resources to the preparation of documents which, in some ways, serves the interest of the MEC rather than the municipality itself; (3) the public participation requirement of the Housing Chapters component of the annual IDP process creates expectations on behalf of potential beneficiaries that the housing list arising from the process will be drawn into the provincial business planning process, and, as the study have found this expectation to be largely based on a fiction, the failure to meet these expectations may in time undermine the credibility of the National Housing Programme.

The question arises as to whether the causal weakness between the programme and Outcome 8 may be attributed to a flawed or outdated theory of change: the theory of change would be flawed if one or more causal relationship or assumption were misplaced or outdated if something in the environment has changed to call into question the validity of those underlying assumptions and relationships. The latter has been confirmed.

The weakness of the causal link between the Housing Chapter programme and Outcome 8 is primarily due to the disconnect between, on the one hand, the legislative framework and intended formal structure, and a political economy presiding over a problematic human settlement delivery model.

As it is fair to assume that the overall delivery model is not likely to fundamentally change in the short to medium term, proposed interventions aimed at addressing weaknesses in the causal chain should be politically feasible (in being cognisant of the political economy). This evaluation study concludes with a set of recommendations that are politically feasible given the existing housing environment. This section consists of an unranked list of high-level and discrete proposals to stimulate discussion and reflection rather than a comprehensive strategy of mutually-supportive interventions.

7.2 Rationalise municipal human settlements planning processes

7.2.1 Elevate role of 5YHSPs to secure multi-year IGR commitment to project pipeline

Elevate the status of the 5YHSP as the primary IGR planning and budgeting alignment instrument. Focus technical assistance on the development of credible 5YHSPs rather than annual plans, and ensure that MECs provide Mayors with clarity on the medium-term funding envelope and the provincial department's capacity to deliver housing units, to ensure that the project pipeline in the 5YHSP is reasonably aligned to the envelope.

DHS should ensure that the Terms of Reference for 5YHSPs are systematised across provinces and closely aligned to reflect national priorities. Consultant-driven technical assistance should be limited to the development of high-quality, credible 5YHSPs supported by clear guidelines, a DHS toolkit and data resource hub (see below).

Non-metro municipalities should be required to make use of systematised and pre-populated templates, ToRs and guidelines in the development of their 5YHSPs. Metros however should be given the latitude to develop their own 5YHSPs provided that they meet a set of core criteria, particularly in relation to alignment to longer-term frameworks such as the City Development Strategies. Funding in support of the development of credible 5YHSPs by metros through direct grants from National should continue to be made available.

7.2.2   Reduce scope and status of annual Housing Chapters

If in practice the Housing Chapters do not inform business plans, then the question arises as to what their purpose is? It is recommended that National DHS advocate for a shift in the perceived role of the Housing Chapter: instead of being expected to direct the implementation of subsidy housing, Housing Chapters should be about the role of human settlements in the growth of the municipality – in other words, to inform other sectors where houses are likely to be built and the anticipated impacts on other services and transport networks. Thus, the annual Housing Chapters should serve to report, firstly, on progress of projects in the five-year project pipeline, using, by way of example, an accessible version of the Project Readiness Matrix[22]; secondly, to identify through public participation processes how these projects can best be supported through sector programmes (e.g. transport, infrastructure, social facilities). The burden of annual Housing Chapters on both planning capacity may be significantly reduced and credibility enhanced if DHS provides templates pre-populated with key quantitative and spatial data. Over time, the function of the Housing Chapter should progressively be integrated into the IDP for reasons other than HSDG grant allocations. This would form part of a broader shift away from regarding the subsidy as a lever to promote liveable human settlements. It should also facilitate engagement with private developers (e.g. where infrastructure, public transport is needed).

With regards to public participation, it is recommended that the role of the Housing Chapters is de-linked from the identification of housing need. One of the key observations from this evaluation study is that the purpose of public participation in relation to Housing Chapters is being crowded out by the narrow preoccupation with identifying need and land in order to assist provincial department's project implementation targets, rather than supporting integrated planning itself. This is not only inefficient on the part of the municipality, but raises false expectations amongst residents. The reliance on and administration of waiting lists as a mechanism to ascertain need has also been shown to be highly problematic. The roll-out of a centralised provincial housing register obviates the need for provincial departments and municipalities to rely on public participation processes to identify need. The annual public participation component of the Housing Chapter process should form an integral part of the overall IDP process, focusing not on identifying housing projects themselves but rather on ancillary issues to those projects such as social facilities, environmental issues and transport. Public participation on the identification and prioritisation of housing projects should instead happen once every five years to assist the municipality and provincial department to negotiate a 5-year project pipeline.

7.3   Enhance National DHS' capacity to provide direct technical assistance to municipalities

7.3.1   Establish unit within DHS to provide direct technical assistance to non-metros

Consolidate capacity-building financial interventions under one roof actively resourced and administered by DHS. Establish actively managed and adequately resourced municipal planning resources unit within NDHS to provide direct technical assistance directly to non-metros, thus mitigating gate-keeping by provincial departments. Harness available IGR mechanisms to ensure transparency and provide robust oversight over negotiations between the provincial department and the respective municipalities with regards to the five-year project pipeline. Ensure that the envisaged DHS unit works closely with its M&E unit to expeditiously unblock bottlenecks regarding the technical implementation of projects.

7.3.2   Develop within DHS a differentiated planning toolkit

Assemble a common toolkit consisting of Housing Chapter templates differentiated across urban/rural and accredited/non-accredited contexts. This may include but is not limited to standardised terms of reference for 5YHSPs. One of the key objectives of providing a standardised toolkit is for DHS to provide more specific definitions for key terms used in human settlements policy, including 'sustainable human settlements', 'well-located', 'spatial efficiency', 'built environment, and 'upgrading'. Currently, guidelines are generally expressed using policy jargon inaccessible to most practitioners and out of touch with the reality on the ground. This encumbers the expedited transfer of information and knowledge.

7.3.3   Develop within DHS a centralised data resource hub

Significant variation in the credibility of quantitative and spatial analysis across municipalities confirm the need for the establishment of a centralised national human settlements data resources hub. Significant efficiencies will be gained if poorly resourced local municipalities are relieved of the responsibility to gather and collate requisite data in-house, or pay consultants to do something which can be automated at a national level. In its place, National DHS becomes the custodian of the quantitative and spatial data required to generate credible five-year plans and annual Housing Chapters.

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[22]   *The readiness matrix is a tool that was used to check the state of readiness of all the projects in the provinces' business plans. It helped classify the projects as to whether they were high or low risk, and determined the level of readiness (PMG, 2015).*

Quantitative data

This data hub should be linked to the toolkit so that Housing Chapter templates are automatically pre-populated with recent and reliable mid-year population estimates, population growth forecasts, income and service levels at ward level for respective municipalities. This may require closer partnership with Statistics South Africa. This may in time be linked to operational systems such as HSS and BAS once the latter has reached a requisite level of data integrity. With regards to housing registers specifically, the DHS should make sufficient resources available to finalise the completion of the provincial housing registers, enabling departments to base their planning to address the housing need in the province on more reliable and complete information, and reducing the burden on municipalities and IDP public participation processes. This also requires close cooperation with the Department of Home Affairs to access the population register. In time, the housing register should remain accessible to municipalities to guide their planning.

Spatial data

The data hub should also include a fully functional repository of spatial data linked to the Master Spatial Plan for Human Settlements (as developed by the HDA). This will allow municipal planners to get access to municipal and district-level spatial data relevant to their planning. This central repository of spatial data could in time as a tool to assist municipalities in channelling housing development. Such a tool could also assist with land acquisition and negotiations. It is conceivable that the centralisation of spatial data will vastly improve National Department's efforts to spatially evaluate the alignment of projects to national spatial imperatives.

7.3.4 Strengthen monitoring and evaluation capacity within duly capacitated DHS unit

Significantly improve the capacity of National DHS to provide oversight to municipal-provincial negotiations, and to monitor and evaluate provincial business plans emanating from those processes. A more robust role by National DHS must be supported by a systematic process of remedial action in terms of HOD performance, interventions and bilateral meetings with underperforming provinces. DHS should improve the evaluation of business plans on creation of sustainable and integrate human settlements with the aim to realise Outcome 8 of the MTSF. This would require not only enhanced capacity and political support within DHS, but also on strengthened collaboration between national and provincial treasuries. DHS should strive to provide assistance to those provinces who demonstrate a lack of capacity and are struggling to monitor conditional grant expenditure and projects. This may include assisting provincial department to put in place the measures necessary for the continuous monitoring of conditional grants to ensure that poor performances by contractors, failure to achieve targets and late payment of contractors are addressed expeditiously. As a transitional arrangement ahead of the recommended cessation of provincially administered operational capital funding, it is recommended that any disbursement to provincial department is made conditional on progress towards progressive delegation to better resourced municipalities.

7.4 Reformulate delivery model for technical assistance to municipalities

One of the key findings arising from the evaluation is the limited impact that the current consultant-driven delivery model has on municipal capacity, and the adverse impact on ownership by the municipality of the human settlements planning process. It is recommended that the delivery model for providing technical assistance to municipalities in pursuit of municipal human settlements planning shift from being primarily consultant-driven to in-house training and annual workshops, supplemented by providing access to a centralised pool of data and policy resources. DHS could, for instance, hold an ongoing series of workshops which take municipalities through the process of aligning the 5YHSP to sector plans and report on project-tracking metrics as per the fixed HSP pipeline. Technical assistance should however be conditional on political and executive commitment to designate municipal official to document the Housing Chapter process in order to mitigate the impact of staff turnover. The DHS should facilitate peer review sessions to allow municipalities to share good practice and to encourage credible and transparent processes for the identification and prioritisation of housing projects. Ultimately, it is recommended that DHS commissioned a bespoke study on alternative differentiated technical assistance delivery models based on international and local best practice.

7.5 Streamline the Housing Code to core programmes and discontinue provincially administered funding for municipal planning capacitation

The Department wants to revise the code and streamline the Housing Code programmes to only the basic value chain instruments (PMG, 2018). This is supported given constraints to the Department's capacity to implement all its programmes. Allowing a multiplicity of overlapping programmes allows room for deviation from what the DHS provides as policy guidelines. Following the 80/20 principle, this evaluation recommends that the number of programmes is reduced to a smaller but more manageable number to focus on core programmes. Within the context of this evaluation,

it is recommended that all funding instruments intended for municipal capacitation which is routed through the provincial departments is phased out. In the short term, the Ministerial Directive with regards to Housing Chapters funding should be sustained and no further allocations made to provincial departments. In the medium term, the funding mechanism should be removed entirely from the Housing Code. In the long term, all HSDG funding aimed at municipal planning capacitation should be discontinued and replaced by direct technical assistance (in the case of non-metros) and a combination of direct technical and financial assistance (in the case of metros).

7.6   Proposed sequencing of recommendations

It is proposed that the recommendations are implemented in a phased approach. From a process perspective, national DHS takes the necessary measures to provide robust oversight with regards to provincial-municipal business planning engagements. At the same time, national DHS prioritises the development of internal capacity to provide oversight and provide direct technical assistance to municipalities, whilst sustaining the moratorium on Housing Chapters funding to provincial departments. In the medium-term, systematise and elevate the status of the 5YHSP as a primary document guiding human settlements planning at municipal level and securing provincial commitments. Reformulate the technical assistance delivery model by NDHS to municipalities from consultant-driven to focusing on the provision of centralised templates, guidelines and data repositories. Extend direct assistance in the form of workshops to those municipalities who formally committed to taking political and executive ownership of the technical assistance process. Having rationalised planning processes and developed in-house technical assistance capacity, the Housing Chapters programme can be removed from the Housing Code. In the long term, an elevated 5YHSP and the availability of direct technical assistance will create the conditions necessary to discontinue all HSDG-linked OpsCap funding via provincial departments.

Table 16. Phasing of recommendations

Type	Short term	Medium term	Long term
Municipal human settlements planning processes	Strengthen oversight w.r.t province-municipal 5YR planning IGR	Systematise and elevate status of 5YHSP	Reduce scope of annual Housing Chapters as part of IDP
Technical assistance	Strengthen national DHS' capacity to provide direct technical assistance to municipalities, including standardised 5YHSP templates for non-metros	Reformulate technical assistance delivery model for Housing Chapters to focus on guidelines, data and workshops.	
National Housing Programme	Discontinue Housing Chapter funding to provincial departments. Make other non-core funding to provincial depts. contingent on accreditation.	Remove Housing Chapters programme from Housing Code	Discontinue HSDG OpsCap funding

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Annexure A: Logical framework

For this evaluation, a logical framework has been developed to supplement the Theory of Change (TOC). The main purpose of this logical framework is to identify indicators that will be used to measure and test the most relevant inputs, activities, outputs and assumptions from the TOC. The indicators were also guided by sub-questions linked to the key evaluation questions (see below).

Evaluation sub-questions

Based on insight gained from the preceding sections and introductory interviews with key stakeholders, the evaluators were able to "unpack" the key evaluation questions into sub-questions. The value of sub-questions is that they help guide the choice of indicators and data collection activities towards the right avenues of inquiry.

Sub-questions were specifically developed for the implementation/impact-related questions. They are presented on the next page.

Evaluation design	Key Evaluation Questions (KEQs)	Sub-questions	Methods
Design/ clarificatory	1. What is the legislative framework for the development of IDPs?		The evaluation question will primarily be addressed through a documentary analysis of legislation informing the development of IDPs (e.g. MSA, MFMA, SPLUMA, Housing Act, DORA, etc) and policy review (e.g. BNG, Housing Code, NDP, UDF etc). This largely descriptive clarification during the review phase will be an informant to the instrument development for the data collection phase where the operationalisation of this legislation in practice will be the focus of KEQs 4-7.
Design/ clarificatory	2. What is the relationship between the programme and the IDP?		The evaluation question will be addressed using the aforementioned legislative description as a point of departure for the relationship between the IDP, the Housing Chapters programme and the intended role of the Housing Chapter in the IDP. Documentary and policy review will be supplemented with semi-structured interviews with key stakeholders at NDHS during the review phase to provide a largely descriptive understanding of the intended relationship. This will be an informant to instrument development for the data collection phase focusing on KEQs 4-7.
Design/ clarificatory	3. What is the role of the HSDG and/ or USDG as funding instruments in the programme?	Where municipalities have assumed responsibility of housing planning, is the provincial housing department providing the necessary support where possible? To what extent do municipalities request and receive grants to improve housing planning capacity, as envisaged by Housing Chapters programme? How do these differ between accredited and non-accredited municipalities? To what extent is HSDG, USDG and MIG funding drawn on in pursuit of enhancing human settlements planning capacity at municipal level, respectively? On what basis are applications for grant-funded technical assistance evaluated, and to what extent are planning outcomes systematically monitored and evaluated? To what extent has HSDG and USDG-funded technical assistance enhanced the credibility of Housing Chapters, their impact on the overall municipal budget, and impact on provincial business plans ('APPs').	The evaluation question will be addressed by describing the history and evolution of the HSDG and USDG as funding instruments provided for in the DORA and in terms of the policy provisions of the Housing Code. Documentary and policy review will be supplemented with semi-structured interviews with key stakeholders during the review phase to provide a clarification of the intended role of these funding instruments. This will be an informant to instrument development for the data collection phase focusing on KEQs 4-7.

Implementation/ impact	4. How does the programme provide for public participation in provisions outlined in the IDP?	How and to what extent did the statutory public participation process for the IDP accommodate broader consultation and decision-making in the identification, prioritisation and final formulation of human settlements projects? To what extent do municipal officials have clearly assigned responsibilities for facilitating public participation with regards to *human settlements planning* specifically? To what extent have municipal housing officials conducted meetings with community and stakeholder representatives in order to identify housing demand? To what extent were public representatives involved in prioritising human settlement issues? To what extent were public representatives involved in formulating project proposals? To what extent did the municipality exert effort to inform and invite comment from the public? Which level of public participation best describes the quality and depth of public participation? (e.g. empowerment, partnership, conciliation, diplomacy, informing, self-management) Where significant differences in the quality and depth of public participation exist between municipalities, what are the apparent drivers of good practice, or hindrances?	KEQ 7 will be addressed during the data collection phase in relation to the provisions of the Housing Chapters programme for public participation processes. It is expected that the review phase will have set out the public participation provisions of the IDP, so that the data collection phase presents the reality of the Housing Chapters programme against those intentions as determined through interviews, workshop engagements and questionnaires from a representative sample of municipalities. KEQ 7 will be answered in relation to the consistency and/or disjuncture between the intentions and the realities of these public participation processes in practice.
Implementation/ impact	5. How does the programme find expression in the IDP processes?	To what extent do municipalities produce HC of the nature intended by the HC guidelines? Does the HC provide an overview of critical challenges of the housing sector in the municipal area? Is housing demand adequately described and quantified based on a reconciliation of public participation and credible desktop analysis, including different types of housing demand? Does the HC describe how the housing objectives and strategies address broader IDP objectives and strategies, and vice versa? Does the HC summarise the identified housing supply options chosen to meet housing demand? Does the HC provide summary of prioritised housing projects, including objectives, indicators, subsidy programme, target group, spatial location, estimated timeframes for implementation, budget and sources of finance? Are the human settlements-related project proposals accommodated by the other sector plans, specifically the spatial development framework and infrastructure services? Does the HC include a broad action plan for delivery including all priority housing projects and requisite institutional arrangements for municipal management? What are the key factors driving the production of stronger and weaker Housing Chapters across municipalities?	The evaluation question will be addressed during the data collection phase in relation to the intended expression of the Housing Chapters programme set out in relation to IDP processes during the review phase. This will rely on qualitative data from the workshops and interviews to explain the extent and quality of the engagement on housing issues, planning and strategies as part of the IDP processes. KEQ 6 will be answered in relation to what is stated or implied about the intended expression of the Housing Chapters programme in IDP processes during the review phase.

Implementation/impact	6. How does the programme find expression in the BEPPs, SDBIPs as instruments that translates IDP strategies into annual plans?	Is the housing supply strategy and list of prioritised housing projects reflected in the BEPP and SDBIP, along with targets for implementation over time? Where this is / is not the case, why is this so?	The evaluation question will be addressed during the data collection phase using a structured review of BEPPs and sampled SDBIPs to understand how the Housing Chapters' programme finds expression and the quality thereof in annual planning. This will be supplemented with qualitative inputs from the workshops and interviews primarily. KEQ 5 will be answered in relation to the intended expression of the Housing Chapters programme in municipal planning set out during the review phase.
Implementation/impact	7. How does the programme find expression in the Business Plans?	How effective is interaction and negotiation about human settlements plans, between municipalities and provincial departments of human settlements during these spheres' respective planning and budgeting cycles? Do the APPs reflect the Housing Need as expressed in the draft IDP review document, specifically in relation to mix and location of housing projects? To what extent are the provincial APPs aligned to or take account of the housing supply strategies as contained in the Housing Chapters of the draft IDP Review document? Do the Housing Chapters contribute to the realisation of national outcomes via the provincial APPs? (e.g. Sustainable Human Settlements, Integration, Upgraded Informal Settlements, etc.).	The evaluation question will be addressed during the data collection phase using mixed methods arising from the workshops, interviews, questionnaires and documentary review to unpack the extent and quality of expression of the Housing Chapters' programme in housing Business Plans. The extent and quality of expression will be judged against the intention (or implied expression) set out during the review phase.

Annexure B: Indicators

The TOC elements presented below are the same as in the main TOC diagram. Whereas logical frameworks often present columns from left to right with the inputs, activities, inputs and so on, this would not be helpful given the non-linear structure of the TOC. It is assumed here that the reader understands the logical flow from the TOC diagram.

Thus, the TOC elements are listed starting with activities in the public sphere, moving to municipal and finally provincial sphere of activities. The inputs and outputs that are most salient for this evaluation are presented thereafter. Assumptions are listed after the TOC elements to which they relate.

* Note: some indicators are expressed at the level of the individual municipality, individual IDP, or individual provincial department. This is done to make it clear what exactly the team will measure. Data collected on these indicators will be analysed and reported in an analytically useful way, using percentages (e.g. % of municipalities with a given attribute), cross-tabulations (e.g. number of IDPs per province with a certain rating), etc.

TOC element	Indicators for investigation	Means of verification (primarily)	Subquestion link (if any)	Nvivo codes
Activities: Public Sphere				
IDP participation process	Nr of meetings held with municipality residents during development of IDP (all meetings from start to approval of 5-yr IDP)	Municipal survey IDP process information (if available)	To what extent have municipal housing officials conducted meetings with community and stakeholder representatives in order to identify housing demand?	IDP participation – whether housing issues feature in the process
IDP participation process	% of municipalities where draft Housing Chapter (or full IDP) was distributed for comment through 1 or more medium (e.g. paper copies, public website, reader-friendly summary format e.g. flyer or shareable electronic image)	Municipal survey	To what extent did the municipality exert effort to inform and invite comment from the public?	
Assumption 2: Community voice filtering into IDP	No indicator proposed	Municipal interviews	No related subquestions	IDP participation as channel for community voice on housing
Meetings with community (human settlements-specific)	Nr of meetings held with municipality residents focusing on housing related matters during development of IDP 2016-2021, - Disaggregated by IDP planning phase (consultation, drafting, approval etc.); and - Disaggregated by nr of meetings where elected representatives (councillors; ward committee members) attended / led the meeting	Survey Municipality dept of HS meeting records (if available)	To what extent have municipal housing officials conducted meetings with community and stakeholder representatives in order to identify housing demand? To what extent were public representatives involved in prioritising human settlement issues? To what extent were public representatives involved in prioritising human settlement issues? To what extent were public representatives involved in formulating project proposals? To what extent did the municipality exert effort to inform and invite comment from the public?	IDP - Role of public representatives

TOC element	Indicators for investigation	Means of verification (primarily)	Subquestion link (if any)	Nvivo codes
Meetings with community (human settlements-specific)	Perceived quality of participation (see rubric) on human settlements planning in municipality	Interviews with provincial DHS officials – using structured component to elicit respondent's rating Focus group with municipal officials (structured component)	Which level of public participation best describes the quality and depth of public participation? (e.g. empowerment, partnership, conciliation, diplomacy, informing, self-management)	IDP participation – depth and quality – low (and why) IDP participation – depth and quality – high (and why)
Assumption 1: Citizens have insights into housing needs not reflected in desktop analysis	Perceived value of citizen participation in informing housing planning (Likert-type) vs. desktop analysis.	Municipal survey	No related subquestions	Municipal perceptions of value of citizen participation
Activities: Municipal Sphere				
Desktop analysis of housing need	Extensiveness of Analysis section of Housing Chapter in IDP (see rubric for ratings of Extensiveness)	Municipal IDPs (structured review)	Does the HC provide an overview of critical challenges of the housing sector in the municipal area? Is housing demand adequately described and quantified based on a reconciliation of public participation and credible desktop analysis, including different types of housing demand?	Views on Housing Chapter value (and why) Views on Housing Chapter credibility / quality (and why)
Identify housing priorities	Inclusion in Housing Chapter of clear prioritisation of housing issues (Analysis section)	Municipal IDPs (structured review)	Overarching question on alignment of policy and practice	How Housing Chapters are used / not used by province
Housing supply strategy	List and description in Housing Chapter of housing supply options that have been chosen (Strategy section)	Municipal IDPs (structured review)	Does the HC summarise the identified housing supply options chosen to meet housing demand?	
Formulate proposals	Clear prioritisation of prioritisation of housing projects in Housing Chapter (Projects section) (see rubric for how this will be measured)	Municipal IDPs (structured review)	Does the HC provide summary of prioritised housing projects, including objectives, indicators, subsidy programme, target group, spatial location, estimated timeframes for implementation, budget and sources of finance?	
Formulate proposals	Completeness of housing project summaries in terms of objectives, indicators, subsidy programme, target group, etc (see rubric)	Municipal IDPs (structured review)	Does the HC provide summary of prioritised housing projects, including objectives, indicators, subsidy programme, target group, spatial location, estimated timeframes for implementation, budget and sources of finance?	
Integrate HC with sectors (municipal)	Inclusion of a clear discussion on how IDP objectives and strategies relate to housing (Strategy section)	Municipal IDPs (structured review)	Does the HC describe how the housing objectives and strategies address broader IDP objectives and strategies, and vice versa?	

TOC element	Indicators for investigation	Means of verification (primarily)	Subquestion link (if any)	Nvivo codes
Integrate HC with sectors (municipal)	Number of priority housing projects in IDP, also mentioned in spatial development framework	Municipal IDP and SDF (structured review)	Are the human settlements-related project proposals accommodated by the other sector plans, specifically the spatial development framework and infrastructure services?	
Integrate HC with sectors (municipal)	Completeness of broad action plan for delivery of priority housing projects (Integration section)		Does the HC include a broad action plan for delivery including all priority housing projects and requisite institutional arrangements for municipal management?	
Integrate HC with sectors (provincial)	Alignment between IDP Housing Chapter and provincial housing priorities (using rubric)	Provincial interview (structured component)	To what extent has HSDG and USDG-funded technical assistance enhanced the credibility of Housing Chapters, their impact on the overall municipal budget, and impact on provincial business plans ('APPs')?	Factors determining Housing Chapter quality – financial assistance Factors determining Housing Chapter quality – technical assistance
Integrate HC with sectors (provincial)	Alignment between IDPs and provincial business plans	Municipal IDPs and provincial APPs (structured review)	To what extent has HSDG and USDG-funded technical assistance enhanced the credibility of Housing Chapters, their impact on the overall municipal budget, and impact on provincial business plans ('APPs')?	
Activities: Provincial Sphere				
IGR engagements	Rating (Likert-type) of quality of relationship with provincial DHS	Municipal survey	No related subquestions	
Assumption 3: IGR engagements in IDP processes are regularly held, and systematically inform provincial planning	Number of meetings held between provincial DHS and local government (regarding Housing Chapters) in producing IDP 2016-2021	Municipal survey	No related subquestions	IGR mechanisms – provincial-municipal
Assumption 6: Municipalities are requesting, and receiving, grants to improve housing planning capacity	Frequency (e.g. annually) with which municipalities request grants for technical assistance	Municipal survey	To what extent do municipalities request and receive grants to improve housing planning capacity, as envisaged by Housing Chapters programme? How do these differ between accredited and non-accredited municipalities?	
Assumption 6: Municipalities are requesting, and receiving, grants to improve housing planning capacity	Frequency (e.g. annually) with which municipalities receive grants for technical assistance	Municipal survey	To what extent do municipalities request and receive grants to improve housing planning capacity, as envisaged by Housing Chapters programme? How do these differ between accredited and non-accredited municipalities?	

TOC element	Indicators for investigation	Means of verification (primarily)	Subquestion link (if any)	Nvivo codes
Gazettes funds	Existence of records of gazetting from provincial government	Records of gazetting (all provinces, 2017-2019)	To what extent do municipalities request and receive grants to improve housing planning capacity, as envisaged by Housing Chapters programme? How do these differ between accredited and non-accredited municipalities?	
Gazettes funds	Distribution of gazetted funds among municipalities per province (e.g. all municipalities vs. only non-accredited municipalities)	Records of gazetting (all provinces, 2017-2019)	To what extent do municipalities request and receive grants to improve housing planning capacity, as envisaged by Housing Chapters programme? How do these differ between accredited and non-accredited municipalities?	
Gazettes funds	Source of gazetted funds per municipality per province (HSDG, USDG, MIG, other)	Records of gazetting (all provinces, 2017-2019)	To what extent is HSDG, USDG and MIG funding drawn on in pursuit of enhancing human settlements planning capacity at municipal level, respectively?	
Assumption 7: Provincial housing departments are allocating funding for capacity-building support for LG	See Activity: 'Gazettes Funds'			
Assumption 8: Funding distributed by NDHS is sufficient to meet housing need	No indicators proposed - not the focus of this evaluation			
Provincial business planning	Extent of alignment (see rubric) between municipal IDP and provincial APP in terms of housing need, including mix and location of housing projects	Municipal IDPs (structured review) and Provincial APPs (structured review)	Do the APPs reflect the Housing Need as expressed in the draft IDP review document, specifically in relation to mix and location of housing projects?	
Provincial business planning	Provincial view on the quality of municipal Housing Chapters in IDP (Likert-type)	Provincial interview (structured component)	To what extent has HSDG and USDG-funded technical assistance enhanced the credibility of Housing Chapters, their impact on the overall municipal budget, and impact on provincial business plans ('APPs')	
Assumption 4: Provincial housing depts. account for / incorporate housing strategies incl. in Draft IDPs into revised APPs	Extent of alignment (see rubric) between municipal IDP and provincial APP in terms of housing supply strategies	Municipal IDPs (structured review) and Provincial APPs (structured review)	To what extent are the provincial APPs aligned to or take account of the housing supply strategies as contained in the Housing Chapters of the draft IDP Review document?	

TOC element	Indicators for investigation	Means of verification (primarily)	Subquestion link (if any)	Nvivo codes
Outputs				
Approved IDP with Housing Chapter	Existence of Housing Chapter in approved IDP	Municipal IDP		
Approved IDP with Housing Chapter	Alignment between Housing Chapter content (housing supply strategy and list of prioritised housing projects) and BEPP and SDBIP (see rubric for Alignment)	Municipal IDPs; BEPPs and sampled SDBIPs (structured review)	Is the housing supply strategy and list of prioritised housing projects reflected in the BEPP and SDBIP, along with targets for implementation over time?	
Approved IDP with Housing Chapter	Inclusion of housing supply project targets in BEPP and SDBIP	BEPPs and sampled SDBIPs (structured review)	Is the housing supply strategy and list of prioritised housing projects reflected in the BEPP and SDBIP, along with targets for implementation over time?	
Inputs				
Elected Councillors	See activities "Meetings with community" and "IDP participation process"		No related subquestions	
HS Planning capacity (internal)	Municipal internal HS planning capacity (likert-scale) in light of accreditation status (non-accredited, level 1, or level 2)	Survey (municipal self-rating); Provincial interview (structured component)	No related subquestions	
HS Planning capacity (internal)	Perceived improvement / decline in municipal internal HS planning capacity (likert-scale) over last 3 years	Survey (municipal self-rating); Provincial interview (structured component)	No related subquestions	
HS Planning capacity (supplemented by technical assistance)	Total municipal HS planning capacity, including tech assistance provided in current year (likert-scale) in light of accreditation status (non-accredited, level 1, or level 2)		No related subquestions	
Assumption 5: Grant-assisted human settlements planning results in credible understanding of housing need	See Input: 'HS Planning capacity (internal)' and Input: 'Technical Support: Effectiveness'			
Technical support – Grant Funding for HS planning	See activity: 'Gazettes Funds' and input: 'Technical support: effectiveness'		No related subquestions	
Technical support: effectiveness	Municipality's rating of satisfaction with technical support from provincial DHS	Municipal survey	Where municipalities have assumed responsibility of housing planning, is the provincial housing department providing the necessary support where possible?	

TOC element	Indicators for investigation	Means of verification (primarily)	Subquestion link (if any)	Nvivo codes
Technical support: effectiveness	Municipality's rating (Likert-type) of influence of HSDG and USDG-funded technical assistance on municipal human settlements planning	Municipal survey	To what extent has HSDG and USDG-funded technical assistance enhanced the credibility of Housing Chapters, their impact on the overall municipal budget, and impact on provincial business plans ('APPs')	
Technical support: effectiveness	Provincial officials' rating (Likert-type) of influence of HSDG and USDG-funded technical assistance on municipal human settlements planning	Provincial interviews (structured component)	To what extent has HSDG and USDG-funded technical assistance enhanced the credibility of Housing Chapters, their impact on the overall municipal budget, and impact on provincial business plans ('APPs')	
Technical support: M&E	Existence of a documented framework or criteria by which provincial DHS evaluates applications for grant-funded technical assistance	Provincial interviews (structured component)	On what basis are applications for grant-funded technical assistance evaluated, and to what extent are planning outcomes systematically monitored and evaluated?	
Technical support: M&E	Existence of a national DHS framework for monitoring and evaluating municipal IDP Housing Chapters	Provincial interviews (structured component)	No related subquestions	
Technical support: M&E	Existence of a national DHS framework for monitoring and evaluating municipal IDP Housing Chapters	Provincial interviews (structured component)	No related subquestions	
Technical support: Accreditation	Existence of an Accreditation Unit in provincial DHS	Provincial interviews (structured component)	No related subquestions	
Technical support: Accreditation	Municipal awareness of existence of Accreditation Unit in provincial DHS	Municipal survey	No related subquestions	
Technical support: Accreditation	Number of municipalities accredited at level 1 and 2 (disaggregated by type of municipality)	Record to be requested from DHS	No related subquestions	
Elected Councillors	No indicators proposed		No related subquestions	

Annexure C: Scoring criteria

	1	2	3	4
QUANTITATIVE	No quantitative analysis available.	Analysis is not supported by credible data. Data cited is outdated (>5 years), poorly tabulated or not relevant to findings.	Analysis reasonable supported by credible data. Data is reasonably referenced and reasonably relevant to findings.	Analysis is well-supported by credible and referenced recent data. Findings are strongly supported by data.
QUALITATIVE	No qualitative analysis available.	Analysis is not supported by credible data. Data cited is outdated (>5 years), poorly tabulated or not relevant to findings.	Analysis reasonable supported by observations. Sources are reasonably referenced and reasonably relevant to findings.	Analysis is well-supported by credible and referenced recent data. Findings are strongly supported by data.
SPATIAL	No spatial location is provided.	No spatial information provided on map, or map provided is not legible or relevant. In text, spatial location based on broad categories (e.g. rural / urban).	Spatial information provided at indicative level on map, which is legible. Extent of projects not shown. Point features only. In text, spatial location provided per administrative boundary (ward, suburb, settlement)	Spatial information provided at detailed level on map, which is legible. Spatial information shown as polygons, where scale justifies.
LIST	No list provided.	Incomplete or illegible list, lacking a number of critical fields. No detail provided.	Partial but legible list, lacking one or two important fields. Detail provided in some areas.	Complete and legible list including all critical fields. Includes detailed descriptions.
IMPLEMENTATION	No implementation plan provided.	Implementation plan not legible, has critical fields missing, lacks multi-year fields.	Implementation plan is legible and multi-year, but only partially populated.	Implementation plan is legible, complete, reflects multi-year planning, is fully populated and allocates roles and funding sources.
POLICY ALIGNMENT	No alignment evaluated or discussed.	Interventions are weakly aligned to higher-order strategic objectives. Alignment is evaluated at summary level as a compliance measure, without any detail provided. Critical policies, legislation or documents missing from alignment.	Interventions are broadly aligned to higher-order strategic objectives. Alignment is evaluated at summary level, with minimal detail provided.	Interventions are clearly aligned to higher-order strategic objectives. Alignment is evaluated in detail, with discrepancies identified and discussed.
INDICATORS	No indicators or targets provided.	Indicators do not align, or are partially available. Great discrepancy between actuals and targets.	Some indicator targets missing. Some discrepancy between actuals and targets.	All indicators populated and aligned. No significant discrepancy between actuals and targets.

Annexure D: Research methodology and fieldwork report

Structured surveys

A key primary data collection instrument is the administration of structured surveys to housing officials within local government.

The draft survey was first sent to the PSC and project manager on the 5th of April in order to elicit feedback, and re-sent on the 15th of April. The survey was revised on the basis of feedback, and re-submitted on the 17th of April. In order to obtain contact details of municipal managers for all municipalities across the country, a data set was eventually sourced from National Treasury, received on the 23rd of April.

The original data collection strategy targeted a survey sample of 99 out of 234 local municipalities in order to achieve a 95% confidence level and 7.5% confidence interval. Due to low response rates, this was adjusted from 99 to 62 of total population of 234 municipalities. This adjusted sample remains scientifically valid with a 95% confidence level and an 10% confidence interval (see Table 3 below). Thus, truncating the sample size marginally increases the confidence interval by 2.5%, which, given the qualitative nature of the study[23] and the inherent pre-selection bias, falls within acceptable parameters.

Table 17. Survey samples

	Sample size	Confidence level	Confidence interval
Original	99 / 234	95%	+/- 7.5%
Revised	62 / 234	95%	+/- 10%
Completed	62 / 234	95%	+/- 10%

The structured survey was first circulated to municipal managers on the 25th of April, attached to a NDHS letter of introduction, a PDF copy of the survey and an electronic link to the online survey.

The details of the survey rounds were as follows:

- 25th & 26th of April

- 9th of May

- 24th of May

- 12th of June

- 5th of July

- 9th of July (the survey period was extended to the 12th of July)

- 14th of August

Individuals (housing voice) was identified they were contacted immediately directly and liaised with. Where possible, municipal officials were directly engaged as part of a face-to-face interview.

Due to low response rates, the data collection team requested the contact details of housing and IDP officials from provincial departments. This request was only partially fulfilled in one or two provinces. Further contact details were sourced from municipal websites. The research team opted to issue additional rounds of surveying, with each round accompanied by a bulk emails followed by telephonic follow-up phones insofar the contact details of housing voices were available.

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23   *The survey questions are largely based on a qualitative Likert-type scale, ranging from strong agreement to strong disagreement.*
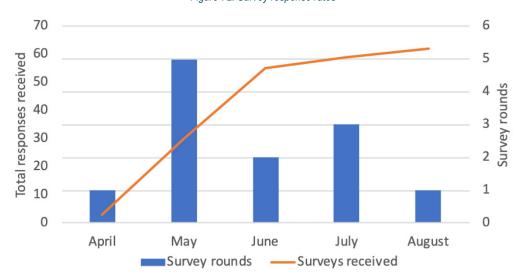
Figure 72. Survey response rates

Figure 3 illustrates the number of responses received following successive survey rounds. By mid-June, the number of surveys received plateaued at about about 56. Responsiveness to four additional rounds in July and August only elicited six additional completed surveys.

Of the 62 surveys received, 23 surveys were submitted via PDF and 39 submitted electronically via Survey Monkey. The data received have been collated into a consolidated Excel spreadsheet.

Semi-structured interviews

A key primary data collection instrument is conducting semi-structured interviews with a purposive sample of stakeholders across national, provincial and local government spheres, and external stakeholders.

The PSC committed to provide the necessary links to key stakeholders, including provincial housing officials. PDG provided the PSC with a list of questions to assist the PSC to determine which official is best placed to respond to them. The service provider used the interviews with key national departmental stakeholders during the review phase as an opportunity to identify relevant counterparts at provincial level as well as external stakeholders. Provincial department officials were requested to provide contact details for relevant counterparts at local municipal level, and external stakeholders. External stakeholders were requested for referrals to other key stakeholders.

According to the original data collection strategy, a purposive sample of 54 interviews were targeted, stratified across various stakeholder groups.
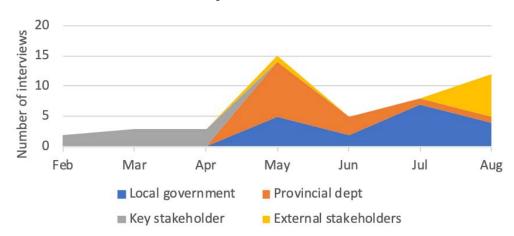
Table 18. Interviews completed per stakeholder group

Stakeholder group	Targeted	Completed
Key national stakeholders	4	8
Provincial departments	18	14
Local government	23	18
External stakeholders	9	8
Total interviews	54	48

As of mid-August, 48 interviews have been successfully completed. This accounts for 89% of the original sample target, varying from 78% of local government stakeholders to 200% for key national stakeholders (see Table 4). The research team encountered particular difficulty in securing and completing interviews with local and provincial government officials, despite repeated assurances.

As purposive sampling is a selective, non-probability sample selected based on characteristics of the population and objective of the study, and given that all stakeholder groups have been engaged to various degrees, it is possible to adjust the original purpose sample targets per strata without undermining the ability to respond comprehensively to the evaluation questions. It is anticipated that additional and follow-up interviews will be held with selected persons during the subsequent report-writing phase; however these additional interviews are not accounted for in this fieldwork report. Rather, these will be noted in the final report and associated documentation.

Figure 73. Interviews

As shown in the figure above, the initial stages of the data collection phase focused on interviews with national stakeholders, followed by a shift towards provincial department officials, the municipal officials. The research team engaged seven out of nine provincial departments. Similar breadth was achieved with local government officials, with several (if not all) metros, accredited non-metros and non-accredited municipalities engaged. However, the number of interviews secured with provincial and local officials decline from May (14) to August (5). The final phase of the data collection phase saw a number of interviews with external stakeholders.

All interviews were recorded and transcripts prepared. Although technically forming part of the report-writing phase, the interviews transcripts have been coded thus far using NVivo software. All semi-structured interviews will be subjected to a thematic analysis using NViVO qualitative analysis software, as informed by the analytical framework for the assessment. Interview data may be utilised to provide direct quotations selected to exemplify key findings emerging in line with the thematic analysis informed by the evaluation questions and analytical framework, and within the context of the Theory of Change.

Workshops

A key primary data collection instrument is the convening of workshops with various stakeholder groups.

Half-day workshops were proposed, each with a presentation prepared and discussion facilitated by the PDG team (using a semi-structured facilitation guide) with a view towards eliciting discussion and perspectives on the Programme implementation and outcomes.

According to the original data collection strategy, four workshops are envisaged during the data collection phase (i.e. excluding the close-out presentation with the NDHS steering committee). Four were to be held during the data collection phase. As described in the previous section, the workshop with external stakeholders gave way to interviews with external stakeholders instead.

In addition to the semi-structured questions for discussion in these workshops, the provincial workshops contain a structured component. For a short set of questions, the facilitators will put forward a question and ask the workshop participants to select their answers from a list. For instance, they were asked about the quality of public participation in municipal IDP processes, with a list of options from poor quality to high quality. The participants discussed their responses to give further insight to why they have chosen their answer. This structured component enabled the evaluation to draw some structured data from these otherwise qualitative and semi-structured engagements.

Workshops broadly followed the following format:

1. Introduction to the original intention of Housing Chapters as part of the municipal IDP process

2. Structured group exercise where participants report on the credibility and potential of Housing Chapters by completing Likert-type questionnaire.

3. Introduction of a simplified Theory of Change, situating the municipal human settlements planning process within the human settlements sector.

4.   Structured group exercise where participants report on the validity of assumptions underlying the theory of change, by completing Likert-type questionnaire.

5.   Facilitated discussion of results

The workshops were organised at suitable dates and times to maximise the likelihood of respondents' attendance. The team relied on the communication and logical support of the evaluation steering committee to ensure that respondents attend these sessions.

The following workshops were held:

Table 19. Workshop attendance

Stakeholder group	Date	Attendees
National stakeholders	3rd of April	15
Provincial departments	11th of June	17
Local government	31st of July	15
Total		**47**

Across the three workshops, 47 officials attended in total. Attendance were affected by challenges pertaining to securing venues. It was agreed through mutual consent that the coordination around workshops were too onerous for the PSC, and thus the envisaged external stakeholders' workshop was cancelled by mutual agreement, with the preference being for the external stakeholders to be engaged via interviews instead.

All workshops were recorded subject to the same thematic analysis as that of the interviews.

Documentation, written submissions and electronic responses may also be analysed using a common thematic approach. These will serve to corroborate, compare and contrast the experiences expressed by respondents in interviews, and contribute to triangulation of data.

Structured review of planning documents

The structured review process forms the heart of the evaluation, entailing a structured assessment of national, provincial and municipal documents evaluated systematically against an **evaluation rubric**. The structured review includes both qualitative and quantitative elements.

Sampling
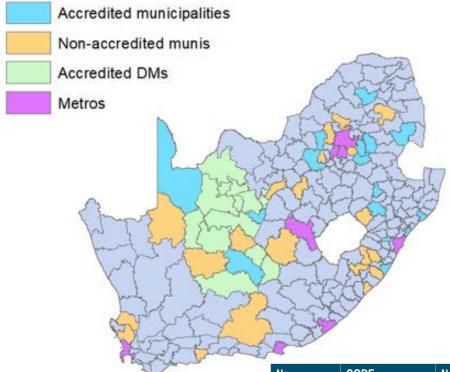
For the municipal documents, we have established a sample of municipalities using a random stratified sampling strategy as per the table below.

Table 20. Sample of municipalities for structured review of key documents

Stakeholder groupings	Number of municipalities*	Sampling
Provinces (*N*=9)	*n*=9	Total sample
Metros (*N*=8)	*n*=8	Total sample
Non-metro, accredited (*N*=20)	*n*=20	Total sample
Non-metro, non-accredited (*N*=206)	*n*=21	Random 10% sample, stratified by municipal category, province.
Total	**48**	

Municipalities were stratified according to context (i.e. between A and B municipalities) and accreditation (i.e. accredited and non-accredited). Whereas a total sample of metros and non-metro accredited municipalities were added to the sample list, non-accredited B municipalities were randomly sorted. Municipalities were added to the sample list by proceeding sequentially down the randomised list, and selecting municipalities until the number of municipalities per province were proportionally reflective of the relative number of non-accredited municipalities per province.

Figure 74. Map showing sampled municipalities

The sampled list is as follows:

Table 21. List of sampled municipalities

Nr	CODE	NAME
Non-accredited municipalities		
1	EC101	Dr Beyers Naude
3	KZN433	Greater Kokstad
4	NC074	Kareeberg
5	MP314	Emakhazeni
6	NC082	Kai !Garib
7	WC013	Bergrivier
8	WC043	Mossel Bay
9	MP311	Victor Khanye
11	FS185	Nala
12	EC154	Port St Johns
13	KZN235	Okhahlamba
14	NC076	Thembelihle
15	LIM476	Fetakgomo/Greater Tubatse
16	EC155	Nyandeni
17	KZN435	Umzimkhulu
18	NW396	Lekwa-Teemane
20	GT484	Merafong City
21	EC443	Mbizana
22	FS162	Kopanong
23	LIM366	Bela-Bela
24	NW372	Madibeng

Nr	CODE	NAME
Accredited municipalities		
1	CPT	City of Cape Town
2	NMB	Nelson Mandela Bay
3	BUF	Buffalo City
4	MAN	Mangaung
5	JHB	JHB
6	TSH	Tshwane
7	EKU	Ekurhuleni
8	ETH	eThekwini
9	KZN292	Kwadukuza
10	KZN252	Newcastle
11	KZN232	Emnambithi
12	KZN282	uMhlathuze
13	KZN225	Msunduzi
14	KZN216	Hibiscus Coast
15	LIM354	Polokwane
16	MP313	Steve Tshwete
17	MP307	Govan Mbeki
18	MP312	eMalahleni
19	MP326	Mbombela
20	NW373	Rustenburg
21	NW402	Tlokwe
22	NC091	Sol Plaatje
23	DC9	Frances Baard DM
24	DC7	Dr Pixley Ka Isaka Seme DM
25	DC8	Siyanda DM
26	NC083	//Khara Hais
27	DC45	John Taolo Gaetsewe DM
28	NC073	Emthanjeni

Municipal planning documents

For each municipality in the sampled list, one year is randomly selected within the three planning periods: 2006-2011, 2011-2016 and 2016-2021. The following planning documents are drawn for this period:

• Housing Chapter

• Housing Sector Plan (only where available)

• IDP (excerpts relevant to human settlements planning only)

• IDP Process information (as available, insofar relevant to human settlements-related participation)

• SDBIP (excerpts relevant to human settlements planning only)

• SDF (excerpts relevant to human settlements planning only)

• BEPP (metro only, excerpts relevant to human settlements planning only)

• Municipal capital budget (excerpts relevant to human settlements only)

Using these documents, the reviewer assessed:

• whether the Housing Chapter is indeed available, updated and duly adopted as part of the IDP process for the period in question;

• whether the Housing Chapter meets the requirements as established by the Housing Code and Green Book, including the reliability of data and analysis (e.g. housing demand), appropriate mix of supply;

• internal consistency between the Housing Chapter and the rest of the IDP (incl. SDF and infrastructure sector plans), the SDBIP and/or BEPP instrument (in metros);

• a clear 'line-of-sight' between the Housing Chapter and the provincial provincial multi-year Human Settlement Plans and APPs, insofar these documents are readily available;

• a clear 'line-of-sight' between the Housing Chapter and national planning policy and legislation (e.g. SPLUMA).

Table 22. Municipal planning documents reviewed

	IDP	SDF	BEPP	Housing Chapter	SDBIP
Non-accredited	44	10	n/a	9	34
Accredited	46	30	n/a	26	36
Metros	21	18	18	19	21
Total	111	58	18	54	**91**

As indicated in the table above, 111 IDPs have been reviewed, 58 SDFs, 16 BEPPs, 54 Housing Chapters and 91 SDBIPs.

Provincial planning documents

For each province, the following planning documents were reviewed as available by means of an evaluation rubric:

• Provincial business plans

• 5-year strategic plans

• Annual performance plans

• HSDG gazettes

Table 23. Provincial planning documents reviewed

	Provincial departments	5YSP	APP	GAZETTE	BP
1	Eastern Cape	2	9	1	5
2	Free State	1	5	0	5
3	Gauteng	1	4	1	5
4	KwaZulu-Natal	1	8	0	5
5	Limpopo	0	1	0	5
6	Mpumalanga	0	0	0	5
7	Northern Cape	0	0	0	5
8	North West	0	3	0	5
9	Western Cape	1	12	1	5
Total		**6**	**42**	**3**	**45**

The review team was able to source and review 6 strategic plans, 42 annual performance plans, 3 gazettes and 45 business plans.

Table 24. Availability of provincial APPs and 5-year plans

	APP 2005-2009	APP 2010-2014	APP 2015-2019	MYHSP
EC	2008	2010	2018	Y
FS	2005	2011	2018	Y
GP	2007	2014	2019	Y
KZ	2006	2010	2015	Y
LP	2008	2012	2015	N
MP	2009	2012	2019	N
NC	2005	2013	2016	N
NW	2008	2014	2016	N
WC	2009	2010	2015	Y
Count	2	3	5	5
%	22%	33%	56%	56%

Analysis of business plans and budgets

Business plans were analysed for all provincial departments for the period 2014 to 2020, both qualitatively (using an evaluation rubric) and quantitatively. The analysis was focused on the proportion of funding being allocated to financial interventions generally and Housing Chapters programme specifically. Furthermore, business plans were analysed to determine to what extent HSDG budget allocation aligns to the DORA requirements with regards to, for example, the proportion of funding going to informal settlement upgrades, rental housing and priority projects. Furthermore, a quantitative analysis was conducted to compare the performance of provincial departments in terms of the number of housing units and sites targeted, per year.

Table 25. Budgets analysed

Stakeholder group	Budgets targeted	Budgets analysed	% complete
Provincial departments	9	9	100%
Metros	8	8	100%
Total	17	17	100%

Secondly, detailed budgets for all eight metros were drawn from National Treasury's local government budgets database, and analysed to ascertain spending patterns from 2013 to 2021 in relation to USDG and HSDG, in addition to funding in relation to supportive financial assistance.

Overall completions

Taken together, structured reviews have been completed on the targeted sample, for each of the three planning cycles between 2005 and 2019.

Table 26. Structured reviews

Stakeholder group	Reviews targeted	Reviews completed	% complete
Province	9	9	100%
Metros	8	8	100%
Non-metro accredited	20	20	100%
Non-metro, non-accredited	21	21	100%
Total	58	58	100%

Limitations

Limitations and data collection challenges

Overall there were a number of challenges experienced over the course of the data collection phase. The biggest challenges, in order of importance, are:

1. low survey response rates from municipal officials;

2. difficulty in securing interviews with municipal officials; and

3. delays in scheduling workshops.

Areas that have fared better has been completion of structured reviews and quantitative analysis of business plans and budgets, and responsiveness from national and external stakeholders for interviews.

Disestablishment of municipalities in sample list

Longitudinal analysis extending from 2005 to the present IDP period was encumbered by changes to municipalities:

Action	Municipality	Detail	Year
Amalgamations	Emnambithi uMhlathuze Hibiscus Coast Tlokwe //Khara Hais	merged with Indaka LM to form Alfred Duma LM Merged with part of Ntambanana LM Merged into Ray Nkonyeni LM Merged with Ventersdorp LM to form JB Marks Merged with Mier LM to form Dawid Kruiper DM	2016 2016 2016 2016
Renamed	Siyanda DM	Re-named. Now ZF Mgcawa DM	2013
Newly formed	Dr Beyers Naude Fetakgomo Tubatse	Newly formed Newly formed	2016 2016

This implies that the remaining sample size is:

IDP phase	Original sample size	Adjustment	Remaining
1	49	-2	47
2	49	-1	48
3	49	-4	45
	147	-7	140