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Municipal Guideline for responding to farm residents housing needs in the Western Cape

October 2013

Western Cape Department of Human Settlements

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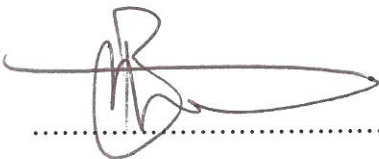
October 2013

FOREWORD BY MINISTER MADIKIZELA

The Western Cape Department of Human Settlements acknowledges that the situation on farms is complex, particularly with respect to the provision of housing opportunities and the associated infrastructure. There is a need to improve access to housing opportunities as well as social and economic opportunities within rural areas.

Working within the national framework of building sustainable human settlements, the Department has developed this Guideline document to assist municipalities to integrate the housing needs of farm residents into their existing planning and policy processes. The guideline presents a variety of housing subsidy options available to farm residents and the steps to be followed by municipalities, to ensure the integration of farm residents housing needs. These steps include ensuring that farm residents are registered on the housing demand databases of municipalities and that municipal beneficiary selection policies are approved, with a quota applicable to farm residents, where relevant. Planning appropriately and building partnerships for housing delivery are further focus areas, highlighting the importance for developing Human Settlements Plans which respond to the needs of the communities being served.

As the Ministry of Human Settlements in the Western Cape we are committed to supporting the achievement of sustainable, integrated human settlements and it is anticipated that this guideline will serve as a useful resource to municipalities working towards this same goal.



Minister Bonginkosi Madikizela

MEC for Human Settlements in the Western Cape

Date: 20/11/2013

TABLE OF CONTENTS

DOCUMENT DESCRIPTION	i
FOREWORD	ii
LIST OF FIGURES	v
LIST OF TABLES	v
DEFINITION OF TERMS	1
1 INTRODUCTION	5
1.1 BACKGROUND	5
1.2 METHODOLOGY	7
1.2.1 Municipal support	7
1.2.2 Municipal consultations	7
1.2.3 Internal consultations (WCDHS)	7
1.2.4 External stakeholder engagements	7
1.2.5 Secondary data analysis	7
1.3 STRUCTURE OF THE GUIDELINE	8
2 CONTEXT IN THE WESTERN CAPE	9
2.1 ANALYSIS OF CENSUS 2011 INFORMATION	9
2.1.1 Income profile	9
2.1.2 Tenure status	10
2.1.3 Records of farm residents	12
3 INTEGRATION OF FARM RESIDENTS HOUSING NEEDS INTO EXISTING PLANNING AND DELIVERY PROCESSES	13
3.1 HOUSING DEMAND DATABASE: REGISTERING FARM RESIDENTS	13
3.1.1 Functionality of the housing demand database platform	13
3.1.2 Raising awareness and registering farm residents	14
3.2 BENEFICIARY SELECTION POLICY: A TOOL FOR IMPROVING ACCESS TO HOUSING OPPORTUNITIES FOR FARM RESIDENTS	15
3.3 MUNICIPAL PLANNING PROCESSES - CONSIDERATIONS WHEN DEVELOPING HUMAN SETTLEMENTS PLANS (HSPS)	16
3.3.1 Sustainability Criteria	16
3.3.2 Alignment	17
Human Settlement Plans are to be aligned to parallel municipal and provincial strategies:	17
3.4 HOUSING ASSISTANCE OPTIONS	17
3.4.1 Off farm housing assistance	18
3.4.2 Basic planning steps	20
3.4.3 On farm housing assistance – as last resort	21
3.5 FUNDING FOR PROJECTS	22
4 PARTNERSHIPS FOR HOUSING DELIVERY	23

4.1	ROLES AND RESPONSIBILITIES OF THE DIFFERENT STAKEHOLDERS IN REGARD TO FARM RESIDENT HOUSING DELIVERY	23
4.1.1	Municipalities	23
4.1.2	Western Cape Department of Human Settlements (WCDHS)	24
4.1.3	Western Cape Department of Agriculture	24
4.1.4	Western Cape Department of Environmental Affairs and Development Planning	25
4.1.5	Western Cape Department of Local Government	25
4.1.6	National Department of Rural Development and Land Reform	25
4.1.7	National Department of Labour	25
4.1.8	Farmers	25
4.1.9	Social Housing Regulatory Authority (SHRA)	26
5	CONCLUSION	27
6	BIBLIOGRAPHY	28

LIST OF FIGURES

Figure 1: Annual household income (farms) in WC based on Census 2011	10
Figure 2: Tenure status (farms) in WC based on Census 2011	10
Figure 3: Tenure status of farm-based, low-income households (WC) based on Census 2011	11
Figure 4: Screenshot: Housing Demand Database	14

LIST OF TABLES

Table 1 Housing demand in the municipalities of the Western Cape	12
Table 2: Housing subsidy options: households earning less than R3 500 per month	19
Table 3: Housing subsidy options: households earning more than R3 500 per month	19

DEFINITION OF TERMS

DEFINITIONS:

For purposes of this National Housing programme, the following definitions for concepts referred to in the document are applicable. These definitions only apply to the contents of this document

Agri-suburb	A residential area developed specifically to accommodate farm workers and their dependants and which forms a functional part of a town. Security of tenure is according to right ownership. Agri-suburbs may be developed on a private, public, or joint-venture basis.
Agri-village	A private settlement of restricted size established and managed by a legal institution that is situated within an agricultural area and where residence is restricted to bona fide farm workers and their dependants of the farms involved in the development. Security of tenure does not include right of ownership, but can include a Trust, Communal Property Association or Sectional Title. The development of agri-villages represents a partnership between farmer, farm worker and state.
Beneficiary:	A person who satisfies the qualification criteria of any of the National Housing Programmes and who applies and is granted a housing subsidy (Part 3 of National Housing Code, 2009)
District Municipality:	A municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality.
ESTA:	The Extension of Security of Tenure Act, 1997 (Act 62 of 1997).
Farm owner:	It means the current registered owner of the farm on which farm workers and occupiers

reside and/or who may have subdivided his/her land and transferred such subdivisions to farm workers/occupiers that previously resided on the farm owner's land (Part 3 of National Housing Code, 2009).

Farm occupier: A person residing on land which belongs to another person, and who has on 4 February 1997 or thereafter had consent or another right in law to do so, and includes long-term occupiers as defined in ESTA, and other workers in the agricultural sector such as domestic and farm security personnel (Part 3 of National Housing Code, 2009).

Farm resident: Any farm occupier, any farm worker residing on the farm and any labour tenant described in this section and who qualify as beneficiaries (Part 3 of National Housing Code, 2009).

Farm resident subsidy programme: The Programme provides capital subsidies for the development of engineering services where no other funding is available, and adequate houses for farm workers and occupiers in a variety of development scenarios where feasible and practicable (Part 3 of National Housing Code, 2009).

Farm workers: Includes persons which are employed by the farm owner to work on the farm (Part 3 of National Housing Code, 2009).

Labour Tenant: A person registered as a labour tenant in terms of the provisions of the Land Reform (Labour Tenants) Act, 1996 (Act No 3 of 1996).

Local Municipality: A Local Municipality as described in the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

Metropolitan Municipality:	A municipality that has exclusive executive and legislative authority in its area and which is described in section 155(1) of the Constitution as a category A municipality.
Integrated Development Plan:	A development plan which deals with the integration of different strategies and sector plans relating to development, such as economic, spatial, social, infrastructural, housing, institutional, fiscal, land reform, transport, environmental and water plans, to attain the optimal allocation of scarce resources in a particular geographic area, and includes an integrated development plan as defined in section 10B of the Local Government Transition Act, 1993 (Act 209 of 1993).
Sector Plan:	A written strategy or plan which deals mainly with one of the sectors or elements or particular subjects that form part of an integrated development plan and which may be a spatial, economic, land reform, environmental, housing, water or transport plan (Part 3 of National Housing Code, 2009).
Sustainable Rural Settlements:	In accordance with the definition in the Integrated Sustainable Rural Development Strategy (ISRDS) (2000) sustainable rural settlements are "socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who [are] equipped to contribute to growth and development" (Part 3 of National Housing Code, 2009).

Town

A public settlement under the jurisdiction of a municipality and providing for full land ownership. In the context of this programme the term town is used synonymously with agricultural service centre (Part 3 of National Housing Code, 2009).

1 INTRODUCTION

The aim of this guideline is to assist municipalities to integrate the housing needs of farm residents into their planning and policy processes. The guideline presents a variety of housing subsidy options available to farm residents and the steps to be followed to ensure the integration of farm residents housing needs.

Due to the complexities with housing farm residents on the farm, a strong emphasis is placed on utilising the wide range of existing housing options for farm residents off the farm / in towns, as this is more sustainable in the long run.

1.1 Background

The situation on farms is complex, with great inequalities in economic and social relations between farmers and farm residents, this despite the existence of land tenure and labour legislation introduced after 1994. In 2004 the National Department of Human Settlements (NDHS) approved the Comprehensive Plan for the creation of Sustainable Human Settlements which called for a stronger focus on rural housing development. The plan highlights the need for the economic, social and institutional sustainability of farm settlements. The focus of the housing programme is on strengthening existing service centres, towns and villages rather than compounding the problem of unsustainable settlement by the careless creation of new agriculturally based settlements (Housing Code 2009:11).

On 16 October 2012 the WCDHS hosted a Farm Worker Housing Dialogue with various stakeholders including the Department of Agriculture (WCDOA), Department of Rural Development and Land Reform (DRDLR), Department of Environmental Affairs and Development Planning (WCDEADP), District and Local Municipalities, Farm Owners, Representatives of Farm residents unions, and NGOs. This event intended to create a platform which would enable discussions and forward planning for the provision of adequate housing for farm residents within the Western Cape.

The following were the key outcomes from the Farm Worker Housing Dialogue:

- There is a need to conduct research to determine present-day accommodation needs of farm dwellers;
- Government should treat farm residents, as they would all low income households and ensure access to opportunities;
- Partnership development (between farmer, farmer resident and local government) must be enhanced and;
- Municipalities, farm residents and farmers should be informed about the various housing options and eligibility criteria.

In November 2012 a farm workers strike erupted in the Western Cape with workers demanding an increase in their daily wage as well as access to improved living conditions. The protests started in De Doorns and soon spread to fifteen towns within the Western Cape, resulting in the death of two persons and destruction of property (News 24, 2012/12/04).

These events within the agricultural sector elevated the need within the Western Cape Government (WCG) to address the provision of better living conditions for farm residents. The WCDHS tabled their response to the farm residents housing concern at the Western Cape Economic Sector Committee held in January 2013. The Committee concurred with the WCDHS's response which stated that:

- It is not legally feasible to have a separate housing strategy for farm residents.
- On-farm development is not a preferred option because of the complexities in terms of the provision and maintenance of infrastructure and the registration of a pre-emptive right against the title deed of farmers.
- Farm residents need to be registered on the municipal housing demand databases.
- Links between WCDHS and Western Cape Department of Agriculture (WCDOA) should be maintained and this matter should feed into already established committees on rural issues.

In response to the above the WCDHS embarked on the following initiatives during the course of 2013-14:

- Assisting municipalities to ensure farm residents are registered on their Housing Demand Databases (HDDDB);
- Assisting municipalities with drafting beneficiary selection policies that ensure that all groups are systematically included within housing beneficiary selection, including farm residents;
- Raising awareness at IDP indabas about mainstreaming housing opportunities for farm residents into municipal planning;
- Developing a user friendly guideline for municipalities on the integration of farm residents housing;
- Enhancing the functionality of the HDDDB information platform to more accurately capture farm residents.

The Guideline is therefore one component of the response plan above, which focuses on engaging, supporting and informing municipalities and the relevant stakeholders.

1.2 Methodology

1.2.1 Municipal support

During March 2013 the Directorate Policy and Research in the WCDHS consulted with all municipalities of the province on the Housing Demand Data Improvement Programme (HDDIP) and used the opportunity to emphasise the importance of registering farm residents on the Housing Demand Database (HDDDB) and adopting the provincial Framework Policy for the Selection of Beneficiaries. This was undertaken through district-level workshops with local municipalities. This was an opportunity to identify the support needs of municipalities.

1.2.2 Municipal consultations

Focused consultation workshops were conducted with the West Coast and Cape Winelands district municipalities, to consult on the content of the Guideline. The aim of these consultations was to gain input from municipalities in the development of the guideline.

Draft versions of the guideline were presented to a municipal workshop held by SALGA in August 2013, as well as the Farm Worker Housing Summit hosted by Berg River Local Municipality in October 2013.

1.2.3 Internal consultations (WCDHS)

Internal consultations on drafting of this Guideline were held with the Directorates Affordable Housing, Project Administration, Operational/ Implementation units, including Regional Directors and Planning as well as the Chief Financial Officer.

1.2.4 External stakeholder engagements

Several stakeholders were also consulted during the course of developing the guideline: The National Department of Human Settlements, Stellenbosch Agricultural Society, PLAAS (Institute for Poverty, Land and Agrarian Studies - UWC), Western Cape Department of Agriculture and Future of Agriculture and the Rural Economy Process (FARE) panel.

1.2.5 Secondary data analysis

Census 2011 data on the Western Cape agricultural sector was analysed and is presented as a context to the guideline. Further information was obtained from the Western Cape Department of Agriculture.

1.3 Structure of the Guideline

This document has the following sections:

- Section 2 , gives a background to farm residents housing in the Western Cape and discusses the aims and methodology of the Guideline;
- Section 3, gives an overview of the context of farm residents housing in the Western Cape;
- Section 4, describes a process for integrating farm resident housing needs into municipal planning processes;
- Section 5, discusses partnerships for housing delivery and the roles and responsibilities of different stakeholders and
- Section 6, provides a conclusion.

2 CONTEXT IN THE WESTERN CAPE

The WCDOA estimates that there are 175 000 farm workers in the province. The number of farm workers in the Western Cape declined over recent years by approximately 34 000 or 15%, decreasing from 223 175 in 2002 to 189 489 in 2007. The majority (26 422) of the jobs that were shed were seasonal employment opportunities and only 1 422 of the jobs were full time employment opportunities (Department of Agriculture, 2010).

The trend in declining numbers of farm workers is not limited to this province as it is estimated that nationally the numbers of farm workers dropped by 300 000 (or 27%) between 1993 and 2007, including both casual and permanent workers. Approximately half of these workers left between 2002 and 2007 alone (ibid).

Despite this shrinkage, the farming sector remains significant as the Western Cape is responsible for 20.8% of South Africa's gross farm income, while being home to almost 24% of the farm workers in the country. This further suggests that farming in the province is relatively more labour intensive than is the case in the rest of the country (ibid).

2.1 Analysis of Census 2011 information

Data from the Census 2011 was analysed to inform the contextual analysis. Census 2011 indicates that the population of the Western Cape stands at just over 5.8 million. Of this number, 92% live in urban areas, while 8% are rural. While in percentage terms this appears to be relatively small, it equates to an estimated 450,000 people.

Using Census, income and tenure status was analysed, the results of which are shown below. It should be noted that this analysis includes all households where the settlement type is characterised as "farm", and thus includes farmers and farm workers, and other farm-resident households. Census 2011 does not allow for a distinction between these groups. We can therefore only draw a very rudimentary set of conclusions of the situation on farms and in particular the situation facing low income farm residents.

2.1.1 Income profile

In terms of the income profile of the population that live on farms, the graph below (figure 1) shows that the average (median) income per household is in the range of R19 601 and R38 200 per annum, in 2011. This is equivalent to a monthly income of between R1 633 and R3 183, which falls well within the income threshold of less than R3 500 per month, necessary to qualify for a government housing subsidy.

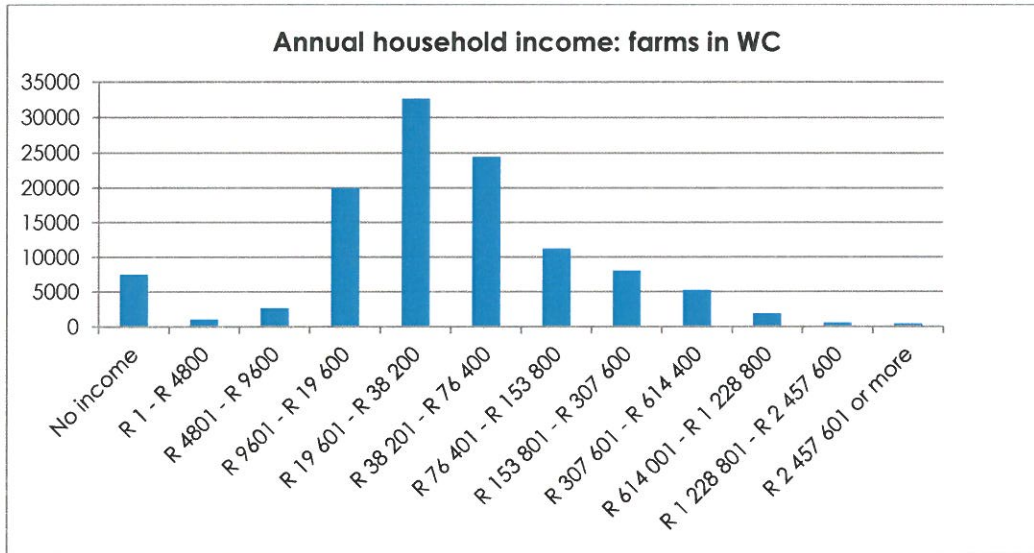


Figure 1: Annual household income (farms) in WC based on Census 2011

Overall, 55% of households living on farms earn less than R3 200 per month, suggesting that a relatively high percentage of farm residents may potentially qualify for a housing subsidy, assuming the other criteria are met. It is worth noting however that these income estimates are based on 2011 figures and do not take account of the recent wage increase to farm workers, averaging at 52%. The wage increase, which came in to effect on 1 March 2013, will have a significant impact on the proportion of farm resident households that qualify for most housing subsidies available.

2.1.2 Tenure status

The graph below shows the tenure status for households living on farms.

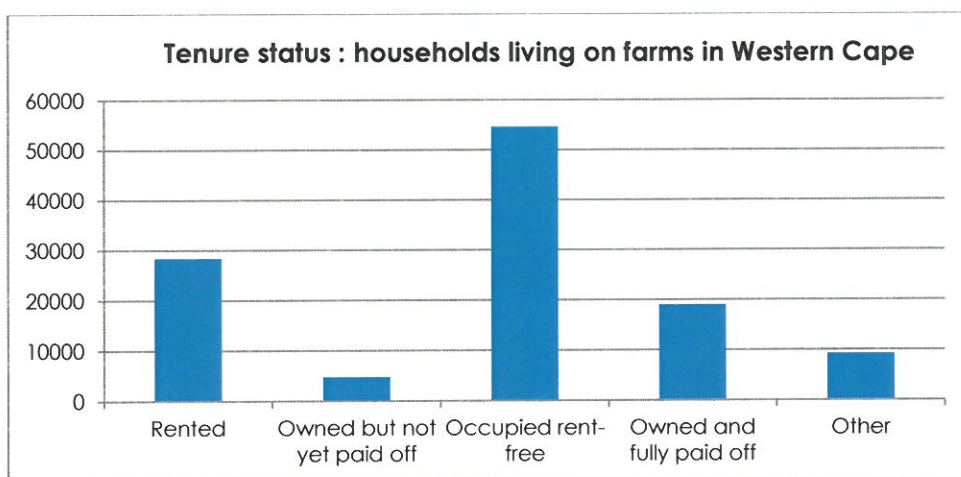


Figure 2: Tenure status (farms) in WC based on Census 2011

As shown above, a significant proportion of households reside "rent free", while many also rent, according to Census 2011.

The graph below takes a closer look at lower income groups, which are assumed to be comprised mainly of farm workers. The graph shows that most households in the lower income categories, earning less than R38 200 per annum, (or less than R3 200 per month) are occupying their current accommodation "rent free". Overall 57% of households earning between R1 - R38 200 per annum reside in "rent-free" accommodation, presumed to be provided by the farmer in most cases.

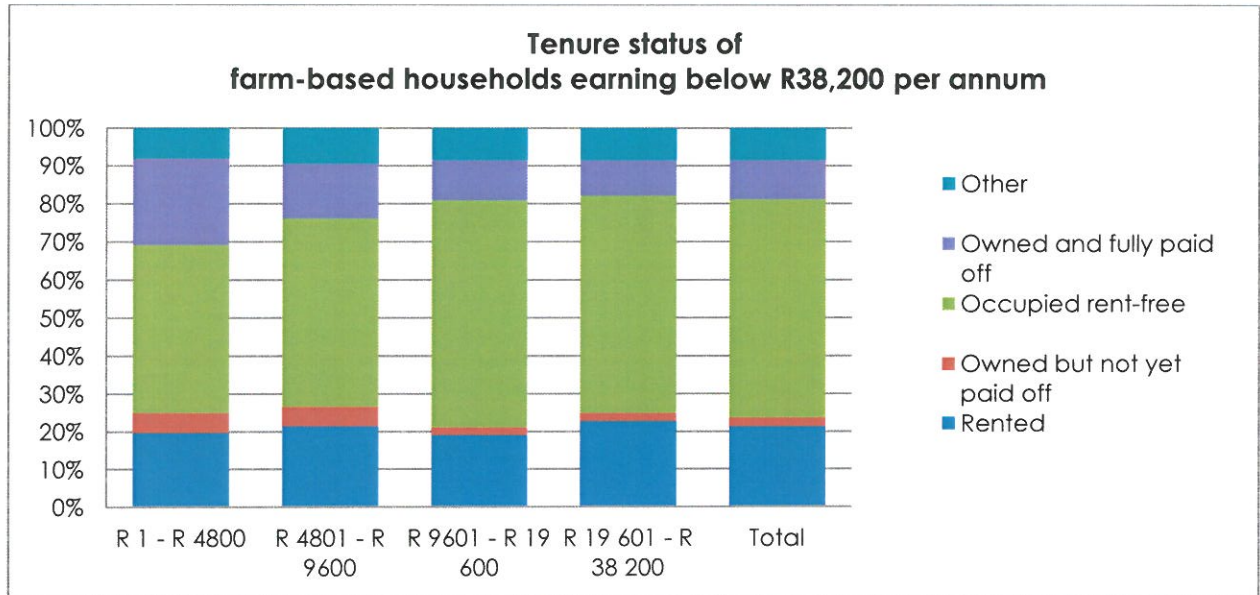


Figure 3: Tenure status of farm-based, low-income households (WC) based on Census 2011

The graph above also shows that an estimated 20% of poor households pay rent for the accommodation while 10% own their house and 2% live in houses which they own, but have not fully paid off.

Within the above income range (between R1 per month and R3 183, which excludes households with no income, 87% potentially qualify for a housing subsidy in 2011, based on income and tenure status alone. This is an estimated 50 000 households. If we include households with no income this estimation swells significantly. This figure is likely to be affected by the wage increases, and it's expected that many households now earn more than R3 501 per month. None-the-less, the analysis suggests significant levels of demand potentially exist amongst farm residents.

2.1.3 Records of farm residents

To add to the contextual analysis, it is worth reflecting on the statistics of applicants registered on the housing demand database of the non-metro municipalities in the Western Cape. The housing demand in the Western Cape (excluding the City of Cape Town) can be summarised as follows (as at August 2013):

Total records across the databases of 24 non-metro municipalities i.e. those "still awaiting housing opportunity" in the WC	241 781
Number of records where person's address contains "farm" (non-metro)	9 398

Table 1 Housing demand in the municipalities of the Western Cape

There are 241 781 entries on the housing demand databases of municipalities. Of the number of records listed, only 9 398 of addresses for registered entries contain the word "farm". This pattern is probably due to the combined result of insufficient information on municipal databases about whether entries are farm residents or not and the relatively low levels of registration amongst farm residents. Being registered on the municipal housing demand database is a first step in gaining access to most government housing subsidy programmes and therefore it's imperative that municipalities actively engage with farm residents in this regard. It is also important for municipalities to record whether entries have farm residences or not.

3 INTEGRATION OF FARM RESIDENTS HOUSING NEEDS INTO EXISTING PLANNING AND DELIVERY PROCESSES

The contextual analysis highlights the income and tenure profile of farm workers (in 2011), which suggests that many of these households potentially qualify for housing subsidy opportunities. The analysis further highlights the importance of integrating these needs into existing housing planning and delivery processes as part of an effort to create sustainable long-term opportunities.

A fundamental step in realising the housing demand goals for farm residents is the integration of farm residents housing needs into the housing demand database and the beneficiary selection processes. This is especially important as it is acknowledged that farm residents may not have been incorporated into the housing demand databases of municipalities, historically and municipalities are encouraged to actively respond by registering these households and adequately recording their residences as being on farms. The sections below provide more detail on the steps to be followed in this regard.

3.1 Housing Demand Database: Registering farm residents

The WCDHS developed a web-based database which allows municipalities to capture and manage their housing demand data, i.e. register prospective applicants/beneficiaries and update their information. Through the Western Cape Housing Demand Improvement Programme (HDDIP), each municipality has essentially been provided with their own web-based system to capture and report on beneficiary registration. It is imperative that all persons seeking housing assistance be registered on the municipal housing demand database in order to be considered for housing opportunities. This is relevant for most of the housing programmes stipulated in the National Housing Code. Furthermore, an up-to-date housing demand database allows the municipality to develop housing project plans and pipelines which respond more appropriately to the real demand in the municipality.

The web-based system is up-and-running in all 24 municipalities of the Western Cape. Staff at these municipalities has been trained on the system and the Department provides on-going support via telephone and email. During the course of March and April 2013, the WCDHS held further consultation sessions with all municipalities in the province, where the importance of registering farm workers was also emphasised.

3.1.1 Functionality of the housing demand database platform

The housing database information platform has the following functionalities relevant to farm residents:

- The platform is designed with security measures to prevent data tampering, thus ensuring the credibility of municipal housing demand data;
- The platform allows for the capture of farm residents within a municipality – Capture Address field and Application Classification field on the database as illustrated in the diagram below;

Figure 4: Screenshot: Housing Demand Database

- the latter allows for the easy identification of farm residents for beneficiary selection purposes;
- the database platform allows municipalities to generate reports with their respective housing demand data which can be used to profile their farm residents and assist them to understand the scope and nature of the farm residents housing need.

3.1.2 Raising awareness and registering farm residents

It is imperative that municipalities drive a process that would facilitate the registration of farm residents on their housing demand database by utilising initiatives such as:

- mass communication (updating and new registrations) - letters, notices in local newspapers, announcements via community radio stations, advertisements at local libraries and community halls;
- registration drives by visiting farms;
- the communication of registration drives by contacting farmers' associations and farm worker unions.

The Western Cape Housing Demand Database platform can be accessed on the following link: <http://wchddb.westerncape.gov.za>

For questions or further assistance with the housing demand database, please contact Cassandra Gabriel: 021 483 8420 or Cassandra.Visser@westerncape.gov.za or Brian Shelton: 021 483 3341 or Brian.Shelton@westerncape.gov.za

3.2 Beneficiary Selection Policy: A tool for improving access to housing opportunities for farm residents

In 2012 the WCDHS adopted a framework of norms and standards for municipalities to select beneficiaries from their housing demand databases for subsidy projects called the "Western Cape Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects". This Framework Policy defines core elements to be used for beneficiary selection for housing projects and sets out the principles to be used in the design of institutional arrangements for selection. Municipalities would need to include these elements in their Beneficiary Selection Policies.

In selecting beneficiaries, according to the Framework Policy, a municipality should make sure that particular groups of beneficiaries are not excluded when its Selection Policy is routinely implemented. One of the main principles of beneficiary selection which is to be routinely applied is selecting beneficiaries in the order in which they registered on the database to receive a subsidy house (i.e. registration date order). Because the residents of farms live outside of the towns in the municipality they may not have been exposed to adverts etc by municipality to register for housing and/or may not have easy access to the facilities in which registration occurs to the same extent as people living in towns. A farm resident will thus tend to have a later registration date compared to a town resident of the same age.

The WCDHS wants to avoid the situation where elderly farm residents are not selected for projects in towns because their registration dates are too recent. It is especially important that middle aged and older farm residents who are evicted from farms are not all excluded from selection because their registration dates are too recent. Middle aged and elderly farm residents still staying on farms should also be given opportunities to receive a subsidy in a town project if they wish to.

The Department has thus suggested to municipalities that they include in their Beneficiary Selection Policies a quota of a fixed share of the housing opportunities in a housing project to be set aside for farm residents who are middle aged or elderly and have resided on farms for a significant period of time in the recent past.

In concrete terms, the suggestion is that

- the quota of 5% of opportunities in each housing project apply to farm residents who are 55 years of age or older;
- farm residents must have resided on farms for 10 years or more out of the last 13 years;
- the quota is of a limited size, depending on the size of the housing project,
- the quota should be filled in registration date order;
- the municipality should collect evidence confirming the length of residence on farms and the location of residence to ensure the beneficiary meets the requirements of the quota;
- the following can be submitted as evidence by people registering: employment contract/s with date of start of employment, current or last pay slip for the employee, payslips indicating rental charged for accommodation on the farm;
- municipalities should consider what other evidence can be submitted, and include a list of evidence in their Beneficiary Selection Policy.

The Framework Policy for the Selection of Beneficiaries can be obtained from Mr Paul Whelan (WCDHS)

Email: Paul.Whelan@westerncape.gov.za

Tel: 021 483 3772

3.3 Municipal Planning Processes - Considerations when developing Human Settlements Plans (HSPs)

The Department recommends a process whereby the housing needs of farm residents are integrated into municipal planning processes. The standard project approval processes as applicable to other housing programmes have to be followed.

When developing HSPs for housing development projects the following considerations are to be taken into account:

3.3.1 Sustainability Criteria

The main purpose of the Sustainability Criteria (SC) is to ensure that the policy principles of the Provincial Strategic Objective 6 (PSO 6), strategically aligned to key national and provincial objectives and outcomes, are reflected in all new human settlements projects.

It is to be applied early in the development of housing projects and thus is best understood as a planning tool as opposed to a project approval tool.

The SC takes the form of a check list, which includes the following:

- Clear indication of human settlement need – housing demand (HDDIP, Census, own research);
- Availability of land;
- Evidence of sufficient funding for bulk services;
- Existence of sufficient existing bulk infrastructure capacity to accommodate additional demand from project, or approved plans in place to upgrade;
- Critical environmental risk;
- Proximity to nearest centre of economic and social opportunities

Municipalities should consider all of the above factors when making decisions and planning for new housing developments, including those which may be directly related to farm residents housing. In general, municipalities should be guided by the need to achieve the greatest impact, particularly in light of demand being much greater than supply.

3.3.2 Alignment

Human Settlement Plans are to be aligned to parallel municipal and provincial strategies:

- SDF – spatial development framework
- DMP – disaster management plan
- IDP – integrated development plan
- EMP – Environmental management plan
- PSDF – provincial spatial development framework (under review)
- PSO 6 – provincial strategic objective 6

3.4 Housing Assistance Options

The National Housing Code 2009, provides a range of housing programmes for consideration by municipalities. The majority of these are off-farm or in-town developments which typically allow for better integration. The housing programmes provide options for households of different income levels, catering for a relatively wide range of needs.

To be considered for one of the range of housing options, farm residents must meet the general qualifying criteria for governments housing subsidies which include:

- Over the age of 18, married or co-habiting and not the owner of a property;
- Single with financial dependents (able to prove dependency);
- A South African citizen, or in possession of a permanent residence permit;
- Legally competent to sign a contracts;
- Not the beneficiary of a government housing subsidy;

- Not married to someone who is a beneficiary of a previous government housing subsidy.
- For different income categories, refer to Table 2 and Figure 5 below.

The Western Cape Policy on the Settlements of Farm workers, published in 2000, also focusses on on-and off-farm settlement options which includes agri-villages and agri-suburbs. This policy does not deal with housing subsidy options as such, but rather focusses on settlement options. This document can be accessed at:

www.westerncape.gov.za/files/documents/2004/3/policy.

This next section of the guide provides an overview of these options. The National Housing Code, 2009, volume 5, gives a detailed description of the subsidy programmes.

3.4.1 Off farm housing assistance

“Off the Farm” refers to the development of housing opportunities within towns or any other land that falls within the urban edge of a municipality and this can be done through a range of housing programmes within the National Housing Code.

The diagram and tables below illustrate the various housing subsidy options that can be utilised.

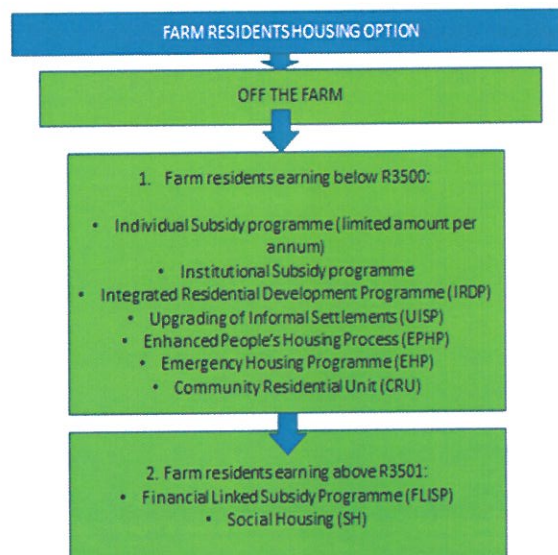


Figure 5: Off the farm housing subsidy options

Below is an overview of housing subsidy options for those earning less than R3 500 per month.

Table 2: Housing subsidy options: households earning less than R3 500 per month

Category 1: Farm residents earning below R3 500 per month	
a)	Individual Subsidy Programme <ul style="list-style-type: none"> Beneficiary applies to the Department for subsidy linked to credit from finance institutions to purchase an existing house, Or acquire existing property equal to the value of the subsidy (money which is paid to the seller) Also applies to owners with serviced sites for construction of top structure under certain circumstances.
a)	Integrated Residential Development Programme (IRDP) <ul style="list-style-type: none"> Provides for mixed use and mixed income projects providing for low income and affordable housing Involves private sector participation
b)	Upgrading of Informal Settlements Programme (UISP) <ul style="list-style-type: none"> Provides for upgrading of informal settlements
c)	Enhanced Peoples Housing Programme (EHPH) <ul style="list-style-type: none"> For building of top structure on serviced and own sites Allows for active participation of beneficiary throughout the process Requires community organisation to give support Includes sweat equity
d)	Emergency Housing Programme (EHP) <ul style="list-style-type: none"> Provides for temporary assistance of people in emergency situations Not for funding normal housing projects Could be applied for farm evictions
e)	Community Residential Units (CRU) <ul style="list-style-type: none"> Targets households earning below R3 500 Covers public & grey hostels as well as public rental stock Management of rental stock outsourced by municipalities

Households, whose income exceeds R3 500 per month, have the following options.

Table 3: Housing subsidy options: households earning more than R3 500 per month

Category 2: Farm residents earning above R3501 per month	
a)	Finance Linked Subsidy Programme (FLISP) <ul style="list-style-type: none"> Assist households to acquire existing residential property or vacant serviced residential stands linked to a building contractor Assist households within income categories of R3 500 to R15 000 with obtaining mortgage finance from financial institutions Subsidy based on beneficiary income utilised to reduce capital amount owed on the mortgage Beneficiaries who cannot access mortgage finance from a financial institution, may be able to access a serviced site under the IRDP, under certain circumstances.
b)	Social Housing <ul style="list-style-type: none"> Targets low-to-medium income persons Only covers rental options

- Requires management by a Social Housing Institution
- Housing provided for only in nationally defined restructuring zones

The Western Cape Policy on the Settlements of Farm workers, 2000, under “off- farm settlement”, includes the agri-village option. This represents a private settlement exclusively accommodating the local farm worker community which is situated within an agricultural area, and within which residents’ tenure is protected by a lease or notarial deed of servitude. Agri-villages are generally not advised, particularly if they are unsustainable and limit access to economic and social opportunities found in towns. Municipalities need to consider all the sustainability criteria when contemplating agri-village developments.

3.4.2 Basic planning steps

Below are the basic steps to follow to ensure the integration of farm residents in housing projects. These steps do not necessarily take place in consecutive order, and some steps will run parallel, but they provide a general sense of the process to follow:

Step 1 – Ensure that all farm residents are registered on your housing demand database.

Step 2 - Ensure that your municipal Selection Policy is aligned with the Provincial Beneficiary Selection Framework and signed off by your local council. If needed a quota for farm residents should be included.

Step 3 – Planning:

Scenario 1: Municipality identify a housing project to be included into your housing pipeline which includes a quota for farm residents.

Scenario 2: An example of farmer contribution: farm owner approaches you with a capital contribution for the construction of top structures for his/her farm residents within existing or future planned housing projects. In this scenario you will service the land as usual within an IRDP project and utilise the farmer’s capital for the construction of the top-structure.

Step 4 - You submit your housing pipeline to the WCDHS for comment and approval.

Step 5 - If pipeline is approved by the WCDHS, the department compiles a Departmental Business Plan for submission to the National Department of Human Settlements (NDoHS) for their approval.

- Step 6 - You sign off on the Business Plan before final submission of the Departmental Business Plan to the NDoHS.
- Step 7 - The WCDHS submits the signed off Departmental Business Plan to NDoHS and National Treasury for their approval.
- Step 8 - Once the Business Plan is approved by NDoHS and National Treasury, the Municipal Council must sign off the project pipeline as part of their IDP (Integrated Development Plan).
- Step 9 - Once this pipeline is included in the municipality's IDP the municipality can proceed with rolling out implementation.
- Step 10 - Where necessary, the selection of beneficiaries should include an appropriate quota for farm residents as determined by your Beneficiary Selection Policy.

Municipalities need to have a relatively clear sense of housing needs within the municipal area in order to plan appropriately. Thus, understanding the extent of need amongst farm residents and accommodating this in the beneficiary selection process are important fundamentals in the delivery process.

3.4.3 On farm housing assistance – as last resort

“On the Farm” refers to the development or renovation of housing opportunities on the farm owners' farm through the Farm Residents Subsidy Programme. This programme is an *option of last resort*. The National Housing Code gives a detailed description of three different types of “on the farm” developments.



Figure 6: On the farm housing options

The on-farm options are generally not advised due to challenges in terms of the provision and maintenance of municipal services. This is the case where farms are far from towns and the cost of servicing units would be prohibitive to most municipalities. There is also the issue of access to other services that are typically more accessible in towns (such as social services, schools etc).

A further challenge is the pre-emptive right clause against the title deed of farmers. If the farmer acts as housing developer or offers individual ownership development for farm residents, a pre-emptive right clause will be put against the title deed of the farmer. Unlike the standard pre-emptive right that is valid for 8 years and set in the National Housing Act, the period over which the farm residents housing pre-emptive clause is valid is determined by the Provincial Minister for Human Settlement and is likely to be longer. In the event that the farmer sells the farm or dies he or she will be legally responsible for the investment by the state in terms of the pre-emptive clause. In practice, the title deed restriction will apply to the next farm owner.

3.5 Funding for projects

Funding for farm residents housing on and off the farm is based on the same principles as any other housing programme. Projects will thus be funded as part of the municipal allocation. Municipalities must therefore submit their project applications to the WCDHS for approval and funding allocation. There is no ring fenced funding for farm residents housing.

4 PARTNERSHIPS FOR HOUSING DELIVERY

Current housing policy allows for private sector participation in housing delivery. Members of the private sector participate as developers, contractors, financiers, professionals, and building materials retailers and manufacturers. Many companies/corporations also provide housing support for their workers. Partnerships of this nature hold benefits for both municipality and private company in terms of cooperation: sharing of responsibilities, decisions, power, risks, rewards etc.

Both municipalities and the WCDHS are approached from time to time by farmers and local companies/corporations for assistance with housing developments for their employees. In some instances the farmers/companies offer to provide the land and capital for a housing development and seek to claim subsidies from the municipality or the Department after the completion of the project. The type and share of contribution by the private partners vary from one project proposal to another. The municipality remains the primary point of entry for these partnership arrangements.

All projects, including any which may be farm residents' housing projects, must be included in a municipal housing pipeline and in line with the municipal Human Settlements Plans and Integrated Development Plans. This applies to both on and off farm housing options.

The Department encourages partnerships in the delivery of housing. The roles and responsibilities of the key stakeholders in partnerships are summarised below. These are general responsibilities in terms of housing delivery more broadly, but also apply to partnerships in terms of farm residents housing.

4.1 Roles and responsibilities of the different stakeholders in regard to farm resident housing delivery

4.1.1 Municipalities

Municipalities must take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to ensure that the constitutional right to housing is realised.

These include:

- actively pursuing the development of housing,
- addressing issues of land, services and infrastructure provision,
- creating an enabling environment for housing development in its area of jurisdiction.

Municipalities will play a central role in the provision and management of basic services. Municipalities must facilitate the development of rural settlement plans as a component of the IDP Housing Sector Plans. They will also play an important monitoring and enforcement role through the IDP review processes, and their municipal building inspection function.

In the Western Cape, municipalities are developers and thus have the authority to manage the beneficiary selection or allocation process. Municipalities are also responsible to register housing subsidy applicants on their respective housing demand databases and ensure the verification of that data.

The municipality remains the primary point of entry for these partnership arrangements.

4.1.2 Western Cape Department of Human Settlements (WCDHS)

The Provincial Department of Human Settlements must act within the framework of national housing policy and create an enabling environment by promoting and facilitating the provision of adequate housing in its province, including the allocation of housing funds to municipalities. The Provincial department plays a support and oversight role in respect of municipalities at various stages of the housing delivery process.

The provincial department assists municipalities with management and use of the Housing Demand Database and developing their own Beneficiary Selection Policies.

The planners from the WCDHS provide support to all local municipalities in the compilation of their Human Settlement Plans (HSP), a sectoral strategy directing sustainable human settlement within local municipal areas, aimed at achieving sustainable and integrated human settlements. Provincial planners are responsible for evaluating these HSPs and advising the MEC regarding the credibility of these strategies.

Farm resident housing is generally addressed during the compilation of the HSP, which include the identification of specific projects catering to this need as well as the development of beneficiary selection criteria which incorporates farm workers into the general housing demand list for the relevant local municipality

4.1.3 Western Cape Department of Agriculture

This Department is responsible for farm worker development and agricultural skills training to farm workers. It provides general support to the agricultural sector and conducts research and analysis which informs its support approach.

4.1.4 Western Cape Department of Environmental Affairs and Development Planning

DEADP is responsible for Spatial Development Planning (PSDF, Municipal SDFs) etc. It also issues Environmental Planning Authorisations.

4.1.5 Western Cape Department of Local Government

The Department is responsible for municipal support in terms of Integrated Development Plans (IDPs). It is also responsible for municipal capacity building, monitoring and governance.

4.1.6 National Department of Rural Development and Land Reform

The Department is responsible for rural development initiatives including cooperatives, smallholder farmers and issues related to security of tenure. It is also tasked with ensuring the protection of informal land rights and the Institution of land tenure enquiries.

4.1.7 National Department of Labour

The Department is responsible for inspections, compliance monitoring and enforcement of labour legislation in the work place. The department is also responsible for Sectoral Determination 13 (Farm Workers).

4.1.8 Farmers

Farmers can play an important role by facilitating their workers to register on the housing demand data base held by the relevant municipality and providing the workers with information regarding the qualifying criteria for subsidised housing.

It is important that farmers understand the profile and housing needs of their workers and farm residents, particularly in terms of the income levels, tenure status and other factors which relate to the general criteria for qualifying for government housing subsidies as stated in 3.4 of this document.

Once the farm residents have been profiled, the farmer will have a clearer sense of the housing options that may be most suitable for the households in questions.

Farmers should work in partnership with municipalities to understand the HSPs and IDPs of municipalities and how these instruments could be used to assist farm workers with housing.

Regarding on-farm housing, essentially, the farm owner can play the following two roles in the development of housing for farm residents on his/her farm:

-
- Farmer as developer: The farm owner will assume the role of implementing agent and will be responsible for compiling the project application in collaboration with the beneficiaries that will benefit from the development. The farmer will provide rental opportunities for farm workers and will be responsible for the maintenance of the stock. Farm workers that will benefit from the housing development project on the farm will occupy the housing units in terms of a formal rental arrangement or a right to occupy the unit.
 - Farmer as land donor: The farm owner is prepared to sub-divide his or her land into smaller farm portions and transfer each portion to an individual farm worker/occupier. These individual farm workers and/or occupiers therefore qualify for individual subsidies.

On farm development is not a preferred option because of the complexities in terms of the provision and maintenance of bulk infrastructure and the registration of a pre-emptive right against the title deed of farmers. There is also the issue of access to other services that are typically more accessible in towns (such as social services, schools etc) than on-farms, which tend to be located a distance from the town.

4.1.9 Social Housing Regulatory Authority (SHRA)

In the event that the institutional housing subsidy or social housing subsidy is used for farm worker housing, the SHRA (Social Housing Regulatory Authority) is to be consulted. SHRA accredits and regulates qualifying Housing Institutions and provides the necessary support grants where applicable.

The SHRA's role is to:

- Provide advice and support to the Department in its development of policy for the Social Housing sector;
- Promote an enabling environment for the growth and development of the Social Housing sector;
- Assist in the process of the designation of Restructuring Zones. Social Housing can only be developed within Restructuring Zones in order to benefit from the Restructuring Capital Grant provided by the SHRA for the development of Social Housing projects.

The SHRA should be consulted for further information regarding the establishment of a housing institution. More information is available at: <http://www.shra.org.za/>

5 CONCLUSION

The WCDHS is aware of the challenges facing the municipalities in the delivery of housing opportunities to farm residents. The Department has therefore developed a guideline to assist municipalities and farmers to better respond to farm worker housing needs. The aim of the guideline is to focus on the existing tools and resources that municipalities have at their disposal to support municipalities to ensure better long term outcomes.

“Off the Farm” options, which refer to the development of housing opportunities within towns or any other land that falls within the urban edge of a municipality, are encouraged. The aim is to promote integrated, sustainable developments where households have access to a wider range of services, typically found in towns.

Farmers, private companies and or municipalities who wish to assist farm residents should therefore consider making use of the off-farm development options for which a variety of subsidy instruments can be used. The municipality is the main entry point for partnerships in housing delivery. The alignment of housing developments with the municipal IDP and HSP, as well as other relevant planning tools is important.

The on farm housing subsidy option should only be considered as an option of last resort because of complexities related to the provision and maintenance of services by municipalities and registering pre-emptive rights against the title deed of the farmer in the Deeds Office.

It is therefore recommended that farm residents be included in existing projects and future planned projects (i.e. projects in the housing pipeline) to ensure the integration of their needs into municipal planning and delivery processes.

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