



Buffalo City Metropolitan Municipality

Informal Settlement Upgrading Policy and Strategy



human settlements

Department:
Human Settlements
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CONTENTS

1.	INTRODUCTORY SECTIONS.....	6
1.1.	GLOSSARY.....	6
1.2.	ACRONYMS.....	7
1.3.	INTRODUCTION.....	7
1.4.	BACKGROUND TO THE STUDY.....	7
1.5.	EXECUTIVE SUMMARY.....	8
1.5.1.	<i>Introduction</i>	8
1.5.2.	<i>The Policy</i>	8
1.5.3.	<i>The Strategy</i>	10
1.5.4.	<i>Institutional arrangements</i>	13
1.5.5.	<i>Conclusion</i>	15
2.	POLICY.....	15
2.1.	PREAMBLE.....	15
2.2.	DEFINITION OF AN INFORMAL SETTLEMENT.....	15
2.3.	FOCUS OF THIS POLICY.....	16
2.4.	PROBLEM STATEMENT.....	16
2.4.1.	<i>Growth of informal settlements in BCMM</i>	16
2.4.2.	<i>Current status of informal settlements</i>	17
2.4.3.	<i>Increase in service delivery protests</i>	18
2.5.	CURRENT REALITY IN BUFFALO CITY METRO.....	18
2.5.1.	<i>Demographics</i>	18
2.5.2.	<i>Housing need</i>	18
2.5.3.	<i>Housing delivery rates</i>	19
2.5.4.	<i>Functionality of informal settlements</i>	20
2.5.5.	<i>Accreditation of BCMM</i>	21
2.6.	LEGISLATIVE AND POLICY PRESCRIPTS.....	21
2.6.1.	<i>Millennium Development Goals</i>	21
2.6.2.	<i>The Constitution of the Republic of South Africa</i>	21
2.6.3.	<i>The Housing Act</i>	21
2.6.4.	<i>Breaking New Ground</i>	21
2.6.5.	<i>The National Housing Code</i>	23
2.6.6.	<i>Spatial Planning and Land Use Management Act</i>	23
2.6.7.	<i>Outcome 8 Delivery Agreement</i>	24
2.6.8.	<i>National Development Plan</i>	24
2.6.9.	<i>Eastern Cape Development Plan</i>	24
2.7.	CURRENT BCMM POLICY RESPONSE.....	25
2.7.1.	<i>Integrated Development Plan (2014-2015)</i>	25
2.7.2.	<i>Land Management Policy</i>	25
2.7.2.1.	<i>Introduction</i>	25
2.7.2.2.	<i>Guiding Principles</i>	26
2.7.2.3.	<i>Objectives of the Policy</i>	26
2.7.2.4.	<i>Classification of informal settlements</i>	26
2.7.3.	<i>Regularisation of informal settlements</i>	27
2.7.4.	<i>Electrification of informal settlements</i>	27
2.8.	POLICY FRAMEWORK.....	28
2.8.1.	<i>Policy intent</i>	28
2.8.2.	<i>Vision for informal settlement upgrading</i>	29
2.8.3.	<i>Outcomes</i>	29
2.8.3.1.	<i>Promoting health and safety</i>	29
2.8.3.2.	<i>Promoting economic development</i>	29
2.8.3.3.	<i>Reducing social and economic inequality</i>	29
2.8.4.	<i>Process Principles</i>	29
2.8.4.1.	<i>Incremental development</i>	29

2.8.4.2.	Community participation.....	30
2.8.4.3.	Partnership approach	30
2.8.4.4.	Capacity building and empowerment.....	30
2.8.4.5.	Human rights focused	30
2.8.5.	<i>Policy approach</i>	30
2.8.5.1.	Build on the current regularisation approach.....	30
2.8.5.2.	Make serviced sites available.....	31
2.8.5.3.	Control new land invasions	31
2.8.6.	<i>Policy Guidelines</i>	31
2.8.6.1.	Provide a package of basic services to all informal settlements	31
2.8.6.2.	Alternative land tenure arrangements.....	32
2.8.6.3.	Adopt a multi-sectoral approach to informal settlement upgrading	32
2.8.6.4.	Protect and enhance capital and assets and respond to development priorities	32
2.8.6.5.	Flexible standards and regulations for planning, land, infrastructure and housing.....	32
2.8.6.6.	Community management and control.....	33
2.8.6.7.	Integration and inclusion of areas being upgraded into the wider city	33
2.8.6.8.	Identify and mitigate against known and probable risks	33
3.	STRATEGY.....	34
3.1.	INTRODUCTION	34
3.2.	PRIORITY INTERVENTIONS TO UPGRADE INFORMAL SETTLEMENTS.....	34
3.2.1.	<i>Introduce Incremental settlement areas</i>	35
3.2.2.	<i>Implement a locally administered land tenure system</i>	36
3.2.3.	<i>Implement planning and basic development</i>	37
3.2.3.1.	Planning.....	37
3.2.3.2.	Implementation.....	39
3.2.4.	<i>Implement a development support programme</i>	40
3.2.4.1.	Housing support	40
3.2.4.2.	Development support.....	40
3.3.	UPGRADING STRATEGY AT TWO SCALES.....	41
3.3.1.	<i>Municipal scale – allocate settlements to rounds</i>	41
3.3.1.1.	Conduct a rapid review of all informal settlements.....	41
3.3.1.2.	Demarcate incremental settlement areas (ISA's).....	42
3.3.1.3.	Allocate ISA's to rounds.....	42
3.3.2.	<i>Settlement scale – upgrade in phases</i>	43
3.3.2.1.	Phase 1: Prepare for development	44
3.3.2.2.	Phase 2: Basic development.....	45
3.3.2.3.	Phase 3: Development support	48
3.3.2.4.	Phase 4: Consolidation	49
3.3.2.5.	Phase 5: On-going development	50
3.4.	INSTITUTIONAL ARRANGEMENTS	50
3.4.1.	<i>Institutional coordination</i>	51
3.4.1.1.	Designate incremental settlement champions	51
3.4.1.2.	Establish a rapid review team.....	52
3.4.1.3.	Coordinate interventions with the Community Work Programme stakeholder management committee	53
3.4.1.4.	Align upgrading processes with the Municipalities ward and IDP planning systems	53
3.4.2.	<i>Roles and responsibilities</i>	53
3.4.2.1.	Roles and responsibilities per phase	54
3.4.2.2.	Roles and responsibilities per departments.....	57
3.5.	FUNDING, PROGRAMME AND PLANNING ALIGNMENT	60
3.5.1.	<i>Funding per phase</i>	61
3.5.2.	<i>Funding Sources</i>	62
3.5.3.	<i>Programme and budget</i>	62
3.5.4.	<i>Alignment of plans</i>	69
4.	CONCLUDING SECTION.....	72
4.1.	CONCLUDING STATEMENTS	72
4.2.	REFERENCES	73
4.3.	ANNEXURES	73

TABLE OF FIGURES

FIGURE 1: COMPARISON BETWEEN BCMM AND HOUSING CODE PHASES.....	12
FIGURE 2: UPGRADING OPTIONS OR PATHS	13
FIGURE 3: PROGRAMME FOR UPGRADING OF INFORMAL SETTLEMENTS AT MUNICIPAL SCALE.....	14
FIGURE 4: GEOGRAPHIC SPREAD OF BCMM'S POPULATION: 2001 AND 2011.....	19
FIGURE 5: HOUSING UNITS DELIVERED BY BCMM: 2007 - 2012	20
FIGURE 6: CLASSIFICATION OF INFORMAL SETTLEMENTS.....	27
FIGURE 7: ZONING CATEGORIES FOR INFORMAL SETTLEMENT UPGRADING.....	35
FIGURE 8: COMPARISON BETWEEN BCMM PHASES AND HOUSING CODE PHASES	44
FIGURE 9: UPGRADING OPTIONS DIAGRAM.....	47
FIGURE 10: ROLES AND RESPONSIBILITIES PER PHASE	54
FIGURE 11: ROLES AND RESPONSIBILITIES PER DEPARTMENT.....	57
FIGURE 12: CO-ORDINATING STRUCTURES	60
FIGURE 13: FUNDING PER PHASE	61
FIGURE 14: FUNDING SOURCES - PRIMARY GRANTS	62
FIGURE 15: FUNDING SOURCES - SECONDARY GRANTS	64
FIGURE 16: PROGRAMME FOR UPGRADING INFORMAL SETTLEMENTS	68
FIGURE 17: ALIGNMENTS OF MUNICIPAL PLANS WITH SETTLEMENT CONCEPT PLANS	70

1. INTRODUCTORY SECTIONS

1.1 Glossary

1. 2 Step: An approach to informal settlement upgrading where people are temporarily moved to a piece of land (a Transitional Relocation Area - TRA) and then moved back to the original piece of land after it is developed.
2. Dwelling: A formal residential structure built with brick and block and other approved building material according to an approved building plan.
3. Erf: A portion of land demarcated with geo-referenced corner points, registered with the surveyor general and with an erf number registered with the deeds office.
4. Incremental development: A process of housing and settlement development where houses and settlements are built in a phased and step by step manner over time by a range of role-players. When starting from a situation where people have already occupied a piece of land this is referred to as Upgrading of Informal Settlements; while when starting from a green-field situation it is referred to as Managed Land Settlement.
5. Incremental Settlement Area (ISA): A demarcated portion of land, as provided for in the Spatial Planning and Land Use Management Act (SPLUMA), within which incremental upgrading approaches is allowed.
6. Permission to Occupy: A form of tenure where the municipality is able to formally give households the right to occupy a specifically demarcated piece of land (usually a plot, but it can also be an erf or it could even be a geo-referenced point). Various rules apply to households who obtain Permission to Occupy tenure, which relate to what land use they are able to undertake, what buildings they can erect and where on the plot, how they are able to transact in transferring Permission to Occupy tenure and any other rules relating to noise and pollution etc. .
7. Plot: A portion of land that may or may not be geo-referenced but is shown on a scaled map and approved by the Municipality as a plot, with a plot number noted in the municipal records. A plot is not registered with the deeds office.
8. Policy: Refers to what is being proposed and why it is being proposed in relation to a given situation (e.g. the upgrading of informal settlements).
9. Recognition of Occupation: A form of tenure of tenure where the municipality does not give the households the right to occupy a piece of land but merely recognises that they are on the land by recording their name in a data base. The municipality agrees to consult with the households concerned to find a long term housing solution for them which may include in situ upgrading or relocation.
10. Regularisation: Within the context of Buffalo City Metropolitan Municipality (BCMM), an approach to development where the municipality provides basic services and recognises that the residents are staying in an area.
11. Shelter: A temporary residential structure that is built without building plan approval in a way that it can easily be dismantled if required.
12. Stay/shift: An approach to informal settlement upgrading where people either stay exactly where they are while the area is upgraded around them (stay), or they are required to shift and slightly move within the settlement boundaries onto a new plot (shift).
13. Strategy: Refers to the how a Policy is to be implemented.

1.2 Acronyms

1. BCMM – Buffalo City Metropolitan Municipality
2. BEPP- Built Environment Performance plans
3. BNG – Breaking New Ground
4. CoGTA – Department of Cooperative Government and Traditional Affairs
5. CWP – Community Work Programme
6. ePHP: Enhanced Peoples Housing Process
7. HSDG – Human Settlements Development Grant
8. IDP – Integrated Development Plan
9. ISA: Incremental Settlement Area
10. NDoHS – National Department of Human Settlements
11. NUSP – National Upgrading Support Programme
12. SDBIP – Services Delivery and Budget Implementation Plan
13. SDF – Spatial Development Framework
14. SPLUMA – Spatial Planning and Land Use Management Act
15. UISP: Upgrading of Informal Settlement Programme
16. USDG: Urban Settlements Development Grant

1.3 Introduction

This upgrading of informal settlements Policy and Strategy report is divided into 4 sections.

1. The first introductory section provides a background to the project and an executive summary.
2. The second Policy section looks at why upgrading is being undertaken and what the broad objectives and principles are that the upgrading of informal settlement approach will work towards.
3. The third Strategy sections outlines how upgrading will be implemented within the municipality.
4. The final concluding section summarises the project and includes the references and annexures.

1.4 Background to the study

The study was commissioned by the National Department of Human Settlements (NDOHS), with the support of the National Upgrading Support Programme (NUSP), and in close consultation with the Buffalo City Metropolitan Municipality (BCMM).

The methodology followed in developing this Policy and Strategy included:

- Conducting desk top legislative reviews of national, provincial and municipal policies and legislation affecting informal settlement upgrading
- Developing a video proposing initial proposals for a broad approach that the policy and strategy should follow (the video can be accessed at: <http://www.afesis.org.za/2014-08-05-09-06-19.html>)
- Conducting a workshop with Councillors and Municipal officials; and conducted two workshops with community members drawn from ward committee structures. A copy of the workshop reports is found in Annexure 9 - Workshop reports)
- Held steering meetings where the preliminary policy and strategy was presented

- Developed a draft policy and strategy and presented this to NDOHS, NUSP and BCMM for comment
- Developed the final policy and strategy on the upgrading of informal settlements

1.5 Executive summary

1.5.1 Introduction

The National Department of Human Settlements (NDOHS) with the support of the National Upgrading Support Programme (NUSP) appointed CS Consulting to 1) develop a Policy and Strategy for the upgrading of informal settlements in Buffalo City Metropolitan Municipality (BCMM) and 2) develop upgrading plans for 32 identified informal settlements following a participative planning processes.

This report outlines the Policy and Strategy component of this work. Three workshops were held with Councillors and community representatives in June and July 2014 in East London, King Williams Town and Mdantsane to present the draft Policy and Strategy and obtain further input from participants on what the Policy and Strategy should include. A first draft of the Policy and Strategy was presented to the Municipality through the project steering committee in August 2014 and a final presentation was made in December 2014.

The Policy section outlines what is upgrading and why is it being promoted; while the Strategy section outlines how the upgrading of informal settlements can be done. The last section summarises the Institutional arrangements required for the BCMM to implement the strategy.

1.5.2 The Policy

The BCMM defines an informal settlement as areas where groups of housing units have been constructed on land that the occupants have no legal claim to, or occupy illegally; and unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing). (Informal Settlement Study,2010)

The need for upgrading of informal settlements is being driven from two sides. From the bottom, it can be seen that the existing housing delivery rates of the municipality will not be able to address the demand for housing.

Based on 2008 aerial photos for urban areas, as reported in the Built Environment Performance Plan (BEPP) of 2011, there are 40 500 free standing shacks and 15 000 back yard shacks in Buffalo City Metro (urban areas) creating a total backlog of 55 500 units. From 2001 to 2008 the number of shacks in BCMM grew by 8%.

According to an Informal settlement study that was approved in July 2012, it was estimated that 12,982 informal structures, would require full relocation; 15,285 informal structures would require partial relocation and 2,592 informal structures could be part of a full in-situ upgrade.

The average number of government subsidised houses build per year between 2007 and 20012 was 1 438 houses a year (based on BCMM annual reports).

From the above statistics it can be concluded that it will take more than 50 years to build houses for the backlog and future need. This is equivalent to building about two settlements the size of Mdantsane at present Mdantsane densities.

Municipalities are also being pushed towards upgrading of informal settlements from the top by policy pronouncements from national and provincial government. For example the constitution states that the state must, within its available resources, progressively (i.e. incrementally) realise the right to housing, as well as the right to land, water, and a healthy environment. The Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements of 2004 (known as Breaking New Ground or BNG) specifically commits government to the upgrading of informal settlements. The National Development Plan (2011) recognises the role played by informal settlements and seeks to enhance the existing national programme for informal settlement upgrading by develop-

ing a range of tailored responses to support their upgrading.

More recently, in September 2014, government adopted the Medium Term Expenditure Framework 2014-2019 which includes a new Outcome 8 target for government to assess the upgrading potential of 2 200 informal settlements, and upgrade at least 750 000 households in informal settlements to Phase 2 of the Informal Settlements Upgrading Programme by 2019.

The BCMM's response to this call for informal settlement upgrading from the bottom and the top has been to recognise informal settlements as a reality that will not go away quickly. The 2014/15 Integrated Development Plan calls for a combination of relocation and in-situ upgrading to address these settlements.

The Built Environment Performance Plan of 2013 introduces the concept of Regularisation, where the municipality provides assistance in the form of basic services, access to emergency vehicles, tenure security and an address to informal settlements. The Land Management Policy(2007) of the Metro also sets out procedures to deal with evictions; and the electrification Council resolution 131 of 2012 calls for the electrification of informal settlements in Duncan Village, Mdantsane and elsewhere.

The vision for informal settlements is that:

“By 2035, all informal settlements in Buffalo City Metropolitan Municipality that have been categorized to remain in their existing locations, have been upgraded and received the necessary developmental support from all three spheres of government”

The following Outcomes are identified as part of this upgrading vision:

- Promote health and safety
- Promote economic development
- Reduce socio economic inequality

In order to achieve this vision and these outcomes the following process principles will be followed:

1. Accommodate incremental development
2. Support community participation
3. Engage in partnerships
4. Build capacity and empower stakeholders
5. Adopt a human rights focus addressing basic needs first

The BCMM will follow a broad three pronged approach to respond to and address informal settlements:

- Build on the current regularisation approach – by expanding the existing regularisation approach
- Make serviced sites available – by modifying housing policy to include a (fully and/or semi) serviced sites programme
- Control new land invasion – by using the existing land management policy of the Municipality.

The following Policy Guidelines will guide the upgrading strategy:

1. Provide a package of basic services to all informal settlements
2. Accommodate alternative land tenure arrangements
3. Adopt a multi-sectoral approach to informal settlement upgrading
4. Protect and enhance social capital and assets and respond to development priorities
5. Accommodate flexible standards and regulations for planning, land, services and housing

6. Incorporate an element of community management and control
7. Integrate and include areas being upgraded into the wider city
8. Identify and mitigate against known and probable risks

1.5.3 The Strategy

In order to implement the policy above the municipality will focus on the following four priority interventions:

1. Introduce Incremental Settlement Areas – so as to acknowledge that informal settlements exist, and put in place the legal base from which further upgrading development interventions can follow.
2. Implement a Locally Administered Land Tenure system – so that households' basic tenure rights are recognised and to recognise the citizenship of households; as well as to facilitate the administration of the upgrading process.
3. Implement planning and basic development - so as to address households' basic needs and their dignity as a first step towards longer term upgrading.
4. Implement a development support programme – so that the broad developmental needs (e.g. education, health and safety, employment, etc.) can be met for people living in incremental settlement areas.

The upgrading of informal settlements strategy will be implemented at two scales:

1. The scale of the Municipality
2. The scale of each settlement

At the **scale of the Municipality** as a whole the Municipality will conduct a rapid review of all informal settlements (building on similar reviews done in the recent past), and designate all informal settlements that are identified to be upgraded or have a combination of in-situ upgrade and relocation as Incremental Settlement Areas (ISA's) as provided for in the Spatial Planning and Land Use Management Act (SPLUMA act 16 of 2013). People living in these areas can then have some form of land tenure security and this will also lay the foundation for all future upgrading processes. ISA's will be allocated to rounds (or years) within which the phased upgrading process (as described below) will be followed; with those settlements allocated to round one starting their upgrading planning in year one, and those allocated to round two starting planning in year two, etc. until all settlements have been allocated to a round.

The BCMM will start to provide basic tenure recognition and basic services to each informal settlement in the year after the planning takes place. This will continue until all informal settlements have undergone planning, and received basic tenure and basic services, at which stage the municipality will be able to go back to round one settlements to provide additional upgrading consolidation support.

In order to determine which settlements are allocated to which round the municipality will aim for a spread of settlements from different areas (wards) in each round, using a pro-rata formula to determine how many settlements from an area (ward) can be allocated to a round. Within an area (ward) older settlements will be prioritised for earlier rounds.

At the **scale of each informal settlement**, each settlement will follow a step by step set of upgrading phases depending on the upgrading path that the settlement finds itself on, where:

- Upgrading phases refers to the phased step by step process that will be followed to upgrade the area; and
- Upgrading options refers to the upgrading path that the informal settlement or a part of the settlement finds itself on depending on the local context, ranging from those areas that can be upgraded where they are to those that have to be relocated.

In relation to the upgrading phases the following set of activities will be undertaken within the five phases of the upgrading process:

- Phase 1: Preparing for development
 - Conduct a technical and a community based situation analysis exercise
 - Develop upgrading informal settlement concept plans by following a participatory planning process.
- Phase 2: Basic development
 - Provide basic tenure through the provision of Recognition of Occupation certificates and Permission to Occupy certificates.
 - Install basic services and facilities where:
 - ◇ Primary (priority) services include: the provision of communal ablution facilities for clusters of about 25 households; the construction of basic access roads for fire and other emergency services; the construction of basic pedestrian paths and storm water management systems; the provision of communal refuse collection services; and the installation of pre- payment electricity and area lighting; and
 - ◇ Secondary services includes (for example): fire hydrants, lockable storage facilities, traffic calming furniture, communal post boxes, notice boards and signage, child play areas, multi-purpose community halls, fencing, and other services and facilities as determined by the community.
- Phase 3: Development support
 - Support households to build or organise the building of their own houses by providing training in how to build or organise the building of people's own houses, providing examples of house plans, information of where to access building material and builders, advice in establishment of bulk buying schemes, support in organising or accessing local savings and loan schemes, etc.
 - Support businesses to start or expand by providing training in how to run a business or providing appropriate skills related to the type of business (e.g. plumbing, sewing, marketing, etc.), providing access to cheap loans, and developing locations from where businesses can be run at cheap rates, etc.
 - Support social groups such as children (by supporting early childhood development groups), the youth (by providing recreational facilities and after school youth development programmes), the aged, the infirm and people with disabilities (through home based care programmes and improving the accessibility of various government services), women's groups (through targeted training and mentorship programmes), neighbourhood residents (through support to safety and security patrols), orphans (through orphan support programmes), cultural groups like choirs, art clubs etc. (through training and access to space and equipment for them to undertake their activities) and many other sectors and activities as identified.
 - Support community leadership through, for example, provision of leadership and organisation training, the provision of mediation and conflict resolution services, and space from which to conduct meetings.
- Phase 4: Consolidation
 - Upgrade tenure from basic tenure to 'full' tenure, which would normally be individual title deeds, but could also include rental, communal property association or cooperative ownership amongst others.
 - Upgrade services and facilities from: communal ablution facilities to water and sanitation per house; basic access roads and paths to internal surfaced road and storm water; basic 'roof on poles' community halls to fully equipped multi-purpose halls; basic play areas to fully equipped multi-purpose recreation centres.
 - Upgrade top structure from self- built interim shelter to subsidised and approved formal dwelling.
- Phase 5: On-going development
 - Households will continue to use their own resources to maintain and improve their own houses.
 - Government will use its rates and service income as well as other grants and loans from national government to maintain and improve the neighbourhood (e.g. fixing pot holes, maintaining electrical distribution systems, etc.)
 - Government and other stakeholders will, throughout the whole upgrading process, conduct research so as to learn from past experiences and improve future actions, and share these lessons with other communities and role-players.

The following table (Figure 1) compares the similarity and overlap between the above mentioned phases in this BCMM strategy and the phases as described in the Housing Code.

Figure 1: comparison between BCMM and Housing Code phases

BCMM Upgrading phases	Housing Code phases
Phase 1: Prepare for development Collect community and technical data Conduct socio economic survey Develop upgrading plans Conduct detailed studies and designs	Phase 1: Application Motivation and apply for funding
Phase 2: Basic development Install basic services Provide basic tenure recognition	Phase 2: Project initiation Acquisition of land Socio economic survey Conduct geo-tech and environmental impact studies Provision basic services
Phase 3: Development support Provide housing support services Start to provide social, economic and community services and facilities	Phase 3: Project implementation: Housing support services Construct social, economic and community amenities and facilities Relocation assistance
Phase 4: Consolidation Provide tenure upgrade Provide services upgrade Build subsidised houses	Formalisation of land occupational rights Install permanent municipal services Phase 4: House consolidation Build subsidised houses
Phase 5: On-going development	-

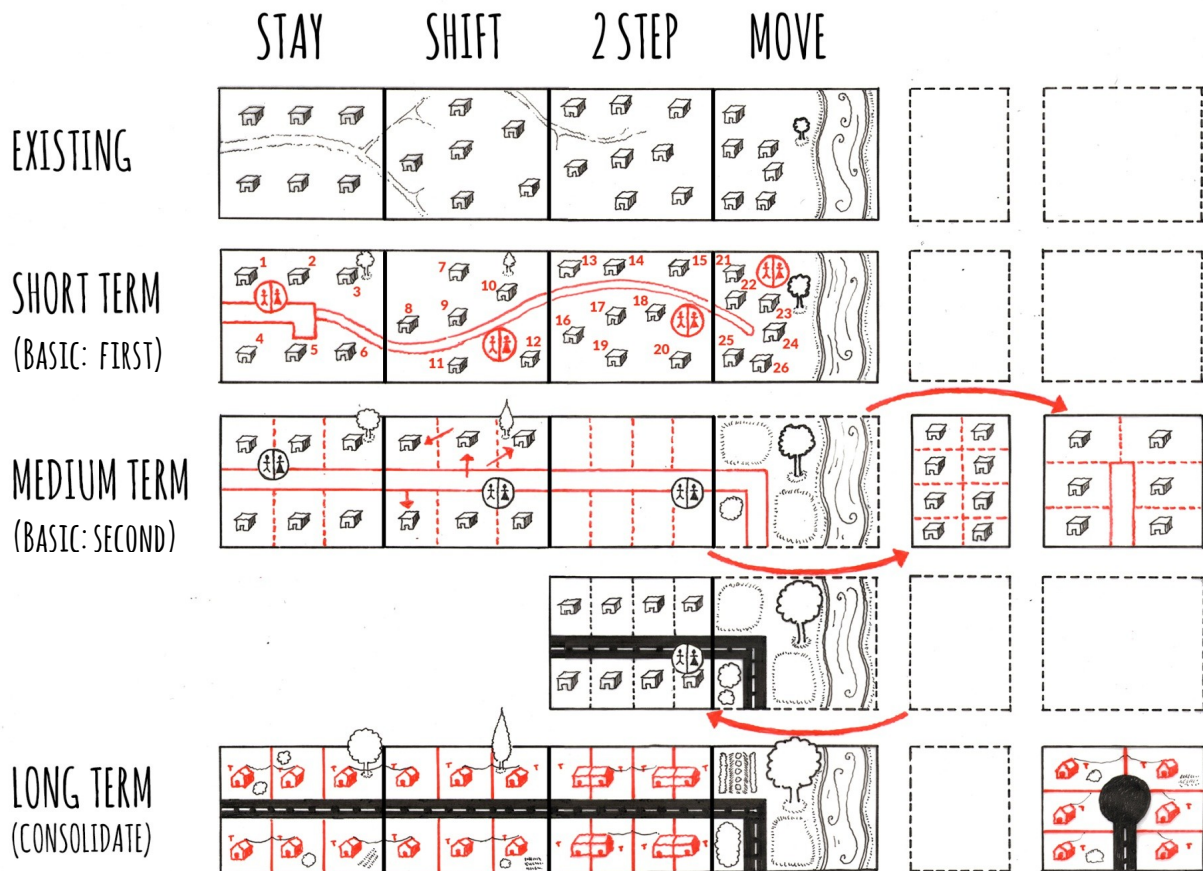
In relation to the upgrading options or path the municipality will consider the following three (or four) upgrading options depending on the local circumstances, where the:

1. Stay/ shift option is used in situations where the municipality is able to bring roads, water and sanitation services into the existing settlement without having to move the existing shacks (stay); or where shacks may need to be moved a little bit without having to move anyone onto a completely new piece of land (shift).
2. Two step option is used in situations, usually at higher densities, where it is difficult for government to bring in roads, water and other services without having to significantly redesign the layout of plots and roads. In this situation government moves people to a Temporary Relocation Area (TRA) as the first step while they then create and develop plots and put in services in the original area so that people can move back (as the second step) when this land is ready.
3. Move option is used when the land is not suitable for people to permanently remain in that area, as it is too steep, close to a river, on top of water or sewer mains, under power lines, within future road reserves, or on land that is earmarked for some other land use. In this situation the municipality finds and prepares alternative land and arranges to move people onto this land.

In all of the above options - at the start while government identifies and arranges alternative land and/or obtains the necessary environmental and town planning approvals - the municipality will ensure that all households have access to interim or emergency services no matter into which upgrading path or option they fall. (However, in situations where peoples' immediate health and safety is at risk the municipality will arrange to move such people and not provide basic services to them in this situation). A set of guidelines is provided to guide how such initial basic services should be provided.

See diagram on the next page (Figure 2) for a diagrammatic summary of these Upgrading Options.

Figure 2: Upgrading options or paths



1.5.4 Institutional arrangements

In order to implement the above policy and strategy the municipality will prioritise the following institutional arrangements:

1. Designate incremental settlement champions within the municipality to coordinate incremental settlement development interventions, where:
 - Within the municipality as a whole the Informal Settlements Upgrading Programme Manager within the Housing Planning and Strategy Department of the Human Settlements Directorate, will be the municipal champion for upgrading of informal settlements.
 - Each department will nominate an incremental settlement champion to act as the link between that department and the upgrading of informal settlements programme.
2. Establish a rapid review team to allocate informal settlements to Incremental Settlement Areas (ISA's) and Rounds of upgrading, so as to kick start the upgrading process.
3. Arrange for projects emerging from the plans to Upgrade Informal Settlements to be incorporated as a sub programme within the Community Work Programme (CWP) stakeholder coordinating committee of the municipality so that these projects can access funding from the CWP.
4. Align informal settlement upgrading with the Municipalities ward and IDP planning systems so that each of the informal settlement upgrading concept plans is informed by and can in turn inform municipal plans. Sector departments will then be responsible for implementing the associated projects.

The main funding sources for the implementation of the upgrading of informal settlement programme of the municipi-

pality are the:

- Upgrading of Informal Settlements Programme (UISP) within the Human Settlements Development Grant (HSDG) where the municipality applies to provincial Department of Human Settlements for project funding. These funds can be used for:
 - In the short term:
 - ◊ Layout planning and obtaining the necessary planning and environmental approvals
 - ◊ Communal toilets
 - ◊ Basic access roads
 - In the medium and longer term
 - ◊ Water and toilets per plot
 - ◊ Improved roads and storm water
 - ◊ Title deeds
- Urban Settlement Development Grant (USDG) where the Municipality decides how to spend funds it receives from National Treasury. These funds can be used for:
 - Pedestrian bridges
 - Pre- payment electricity and area lighting
- Community Works Programme (CWP) where the National Department of Co-operative Government and Traditional Affairs (working with its provincial counterpart) allocates funds to a 'site' (a municipal area) to be managed by a Non- Governmental Organisation (NGO) Implementing Agent for social, physical, environmental and other work opportunities as determined by a local site stakeholder coordinating committee. These funds can be used for:
 - Basic paths and storm water
 - Shack surveys
 - Removal of weeds and cleaning
 - Maintenance of facilities and services
 - Home based care
 - Community patrols
- Social & Economic Facilities Grant (SEFG) where the Municipality applies to the provincial Department of Human Settlements for specific social and economic facility projects. These funds can be used for:
 - Community halls
 - Play areas
- Enhanced People's Housing process (ePHP) where the municipality applies to the provincial Department of Human Settlements for project funding for the:
 - Construction of top structures during phase 4 – the consolidation phase.

The following table (Figure 3) provides an example of how the rounds and phases could be implemented at the scale of the municipality over time.

Figure 3: Programme for upgrading of informal settlements at municipal scale

Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Round 1	Yellow	Green	Green	Red	Red	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Round 2		Yellow	Green	Green	Red	Red	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Round 3			Yellow	Green	Green	Red	Red	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Round 4				Yellow	Green	Green	Red	Red	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Round 5					Yellow	Green	Green	Red	Red	Red	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Code to above figure:

Phase	Code
1. Preparing for development phase	Yellow
2. Basic development phase	Green
3. Development Support phase	Red
4. Consolidation phase	Blue

1.5.5 Conclusion

The Policy and Strategy on Informal Settlement Upgrading in BCMM represents a fundamental shift in the way that the Municipality plans to respond to the approximately 154 informal settlements within its boundary, moving from an approach which sought to eradicate informal settlements by moving informal these residents into new RDP houses to an approach where the municipality will upgrade, where possible, these settlements where they are. The final responsibility now rests with the Council of the BCMM to adopt the Policy and Strategy and to implement the recommendations emanating from it.

2. POLICY

2.1 Preamble

There are approximately 154 informal settlements in Buffalo City Metropolitan Municipality (BCMM) housing an estimated 155 000 people. (BCMM: BEPP, 2013). In line with its Constitutional imperatives, as well as its vision to be “a responsive, people-centred and developmental City”, Buffalo City Metropolitan Municipality will adopt a transformative policy approach towards informal settlements by giving due recognition to the numerous informal settlements within its boundaries. Transformative policy is one in which government strives towards achieving conditions under which the entire population has access to adequate living conditions. (Huchzermeyer et al, 2006). The classification of informal settlements should guide BCMM in deciding which settlements should be prioritised for upgrading and which are earmarked for relocation. The relocation of residents living in informal settlements should only take place as a measure of last resort where conditions are either hazardous or life threatening. The upgrading of informal settlements will include the provision of infrastructure and facilities, the formalisation of land tenure and measures to integrate these informal settlements into the surrounding urban fabric, while seeking to address the larger socio-economic and legal framework. BCMM is also committed to the classification and upgrading of all the informal settlements within its area of jurisdiction in a progressive and phased manner.

The upgrading of informal settlements will be based on the up-scaling of the current regularisation approach which will guide BCMM in its overall policy approach, set clear policy objectives and put in place the necessary institutional arrangements to give effect to the policy. BCMM understands that informal settlements are effectively a permanent feature of the urban and rural landscape for the foreseeable future and will seek to undertake the in-situ upgrading of settlements where this is possible and feasible and to provide the option of relocation as a last resort. It will aim to as rapidly as possible, within available resource constraints, provide for the basic needs of people living in all informal settlements as a priority, before then turning to longer term consolidation of these informal settlements. It will institute measures to progressively upgrade these informal settlements in a participatory manner working very closely with the residents of these settlements by concentrating on providing interim and formal engineering services, alternative forms of security of tenure and protection of existing livelihoods. These will be done by accessing and applying the necessary grants and subsidies available from all three spheres of government through the appropriate instruments.

2.2 Definition of an informal settlement

Informal settlements have been defined by UN-HABITAT (2010) as an individual or a group of individuals living under the same roof in an urban area who lack one or more of the following:

- Durable housing (a permanent structure providing protection from extreme climatic conditions);
- Sufficient living area (no more than three people sharing a room);

- Access to improved water (water that is sufficient, affordable and can be obtained without extreme effort);
- Access to improved sanitation facilities (a private or public toilet shared with a reasonable number of people); and
- Secure tenure (de facto or de jure secure tenure status and protection against forced eviction)

The South African government's National Housing Code of 2009 dealing with the Informal Settlement Upgrading Programme adopts a very broad and inclusive definition for informal settlements. It characterises informal settlements as settlements demonstrating one more of the following characteristics.

- Illegality and informality;
- Inappropriate locations;
- Restricted public and private sector investment;
- Poverty and vulnerability; and
- Social stress.

BCMM defines an informal settlement as:

- Areas where groups of housing units have been constructed on land that the occupants have no legal claim to, or occupy illegally;
- Unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing). (Informal Settlement Study,2010)

The Policy and Strategy dealing with the upgrading of informal settlements is grounded on this BCMM definition.

2.3 Focus of this policy

Whilst the concept of informal settlement is a broad one, which can potentially include rural communities, backyard shacks and the illegal occupants of inner city buildings, the main focus of this policy is on 'conventional' informal settlements (often referred to as 'slums', 'squatter' or 'shack settlements') which are typically located within or adjacent to urban areas and major towns, it being noted that the nature and dynamics of such settlements may vary considerably and that care should be taken in formulating responses that are appropriate to specific local circumstances. It is clear from Outcome 8 of Governments Outcomes based approach adopted in 2010 that the main informal settlement upgrading priority is urban informal settlements with the goal being the "upgrading of 400,000 households in well located informal settlements with access to basic services and secure tenure". Outcome 8 further clarifies what it means by 'well located' informal settlements as follows: "Many of the approximately 2 700 informal settlements are in good locations (i.e. well located close to metropolitan areas and basic services), have high densities and, in 2008, housed approximately 1.2 million households. The key challenge is providing these households with adequate basic services and improved shelter

2.4 Problem Statement

2.4.1 Growth of informal settlements in BCMM

In BCMM, numerous free-standing informal settlements arose during the 1970s and 1980s as a result of the collapse of apartheid influx controls. Many of these settlements such as those in Duncan Village were originally earmarked for demolition, with a view to relocating residents to more peripheral sites such as the township of Mdantsane. Community resistance to forced relocation resulted in the development of strong community organisations and by the mid-1980s, the apartheid government had largely abandoned its 'black spot' removal policy. Population densities within existing black formal residential areas increased dramatically and the demand for accommodation led to the extensive development of backyard shacks for rental purposes.

During the period of political transition, from about 1985 to about 1994, large population movements were observed as South Africa underwent the process of urbanisation as people from rural areas sought to access the political, economic and social opportunities provided by cities. In BCMM, increased densities and rising rentals for backyard shacks sparked the widespread occupation of vacant public land. These illegal occupations were often undertaken under the banner of political organisations. In most cases, government lacked the political will, admin-

istrative capacity and legal frameworks to resist the illegal occupation of land.

Post-1994, the occupation of land was exacerbated by high community expectations, the relatively slow pace of housing delivery during the initial years of democratic rule, and problems associated with having to amalgamate the various housing waiting lists from a range of municipal structures when the new Transitional Local Council was formed in 1996. Whilst state resources were directed to the upgrading of pre-1994 settlements, settlements arising out of the post-1994 occupation of land generally met with considerable political/bureaucratic hostility. These occupations were thought to undermine the state-managed housing delivery process. In South Africa, it has been estimated that informal settlements in the major metros and secondary cities have grown from around 300 in 1994 to over 2700 in 2010. (NUSP Presentation, 2013)

2.4.2 Current status of informal settlements

In BCMM, informal settlements generally take the form of settlements without legal recognition or rights, sprawling at the edge of residential areas, or on pockets of marginal land within and between residential neighbourhoods. Many informal settlements are initiated through the community invading either state/ public or private land due to a latent housing need which is not been met. There are also great differences in the age of the various informal settlements with many such as those in Duncan Village and Cambridge Location having developed over many decades as compared to some of the new informal settlements such as Amalinda Forest or those in Scenery Park which have sprung up after the development of new BNG housing projects in the area.

Residents that live in these informal settlements exist in a permanent state of legal and social insecurity, as they live on land without the consent of the owners, are subject to threats of eviction and many lack access to basic municipal services such as safe water, sanitation, solid waste collection and disposal, stormwater drainage, roads and public transport, electricity, street lightning and public spaces. This insecurity reduces the incentive for residents to invest in the area, and exacerbates social stress and exclusion.

The general characteristics of informal settlements in BCMM are that they are often located on marginal land subject to environmental degradation and hazard. The unplanned nature, poor design and incremental growth of informal settlements complicates conventional service provision. Residents of these settlements often lack basic educational qualifications, and are typically dislocated from the surrounding labour market. Informal enterprises operated by residents in these informal settlements are often ignored by Municipal authorities and are not subjected to municipal by-laws and other restrictions.

Residents have a higher risk of disease and mortality due to household poverty and their negative living environment. Research across informal settlements in South Africa suggest that many of them are at the epicentre of the HIV/Aids pandemic with a 7% HIV annual incidence rate compared to 1,8% in urban informal areas. (NUSP Presentation, 2013) Access to social amenities such as schools, clinics, welfare offices and other community facilities is limited. Public open space is either entirely lacking, or is unsafe and insufficient for community needs. The visible disparity between informal settlements and surroundings areas gives rise to social tensions and fuels crime. Another critical issue is that of illegal electricity connections where connections are made from formal infrastructure and residential dwellings to the informal settlements which has caused widespread problems between residents in the formal dwellings and people living in the informal settlements. The deaths by electrocution of a number of young children caused by loose illegal electrical connections has increased tensions between the two groups. The above mentioned factors coalesce to create situations of extreme poverty and social and economic exclusion.

The residents of informal settlements tend to be poor, and the majority are unemployed. Informal settlements, however, lack basic social amenities such as schools, clinics, community halls and recreational infrastructure, due to official government policies, which preclude the construction of facilities on un-proclaimed land. The extreme social conditions, high unemployment and the absence of social amenities exacerbates social stress, which often manifests in domestic violence, rape and child abuse. The explosion of crime within informal settlements is exacerbated by the institutional vacuum created by the lack of political will and absence of sufficient, effective and credible policing within informal settlements areas. Exclusion, unemployment and poverty have created environments in which residents have lost their self-esteem, pride and human dignity. (SACN/Cities Alliance, 2002)

It is emphasised that the development challenges, basic services backlogs and living conditions within informal settlements vary greatly. According to the Project Preparation Trust (2014), one can identify two main types of urban informal settlements which are also evident within BCMM:

- Very dense informal settlements which are usually located on inner city land or as in-fills within existing suburbs and townships. The top-structures typically encountered in such settlements are usually described as make-shift shacks. It is usually such settlements which are referred to as 'slums'. The shacks in such settlements are usually very close together or may even be virtually continuous with one another with narrow footpaths representing the main form of access, there being limited or no road access. There is typically very difficult to formalise without significant relocations (even if innovative 'densified' housing options and layouts are pursued). The living conditions within such settlements are usually very challenging with high risk associated with fire, crime, undisposed waste, and communicable diseases.
- Moderately dense settlements which are usually located on the urban periphery, adjacent to existing townships or suburbs. Such settlements, whilst they certainly qualify as being informal settlements, have significantly lower densities. The living conditions, whilst challenging, are typically better than very dense informal settlements. Whilst make-shift shacks may be present, there is often also high incidence of more substantial dwellings made of wattle, daub and tin or even blocks and tin.

2.4.3 Increase in service delivery protests

It is against this background that research from Municipal IQ's Hotspots Monitor shows clear evidence that most service delivery protests continue to occur in informal settlements in the large metros. Cities such as Johannesburg, Ekurhuleni, Cape Town and even Buffalo City Metro have experienced a number of service delivery protests over the past few years in addition to a number of fairly specific cases in the provinces of the North West, Mpumalanga and the Eastern Cape.

Municipal IQ concludes that in fact there is a strong statistical link between high levels of migration and service delivery protests. Urbanization, essentially the influx of poor migrants to cities, is prompted by the search for jobs, and therefore is most pronounced in areas of economic growth. But this results in an irony – although service delivery protests are commonly perceived as an indication of a failure of local government, Municipal IQ has found a strong link between municipal productivity (a measure of local government success) and service delivery protests – those in search of jobs move to successful cities where they perceive there to be economic opportunity.

Unfortunately, most migrants find themselves unemployed, living in one of the many hundreds of informal settlements on the periphery of these large metros, effectively marginalized from both access to economic opportunity, as well as housing and services. The rapid growth of informal settlements as well as the metros' (until recent) unwillingness to accept them as a permanent reality in their midst has meant a slow response to the service delivery needs of communities in these areas.

Municipal IQ points out that it is worth remembering that the communities living in informal settlements are essentially excluded from society – they have access neither to economic nor social opportunity and find themselves on the outside looking in. This sense of relative deprivation, and inequity within an urban context, is key to understanding why protests take place. People will wait for service delivery, but not if it seems that everyone else in their municipality is getting services before them. (Municipal IQ, undated article).

2.5 Current reality in Buffalo City Metro

2.5.1 Demographics

According to census data, the number of households in the Eastern Cape has increased from 1,481,640 in 2001 to 1,687,385 in 2011. At the same time the total population has increased from 6,278,651 in 2001 to 6,562,053 in 2011. Households have grown faster than the individual population and household sizes have continued to decline from 4,7 in 1996, to 4,2 in 2001 and 3,9 in 2011. Driving the growth in the trend towards smaller average household sizes is the noticeable increase in the proportion of one-person households. In 2001, 16% of all households were comprised of one person living alone while in 2011, 25% of all households were comprised of one person.

The total number of households in the Eastern Cape living in formal dwellings has increased by 303,196 over the ten years between 2001 and 2011. Over the same period of time, the total number of households living in shacks not in backyards has declined by 39,502. In 2001, 51% of households in the province lived in formal dwellings. By 2011 this had increased to 63%. The proportion of households living in shacks not in backyards has declined from 9% in 2001 to 6% in 2011. (Housing Development Agency, 2013)

The population of Buffalo City Metropolitan Municipality has been estimated at 755 200 according to Census 2011 (see Figure 4: Geographic spread of BCMM's population: 2001 and 2011). This reveals a growth of approximately 7,2 % from the last census of 2001 which estimated a population of approximately 704 855. Census 2011 also shows an average household size of 3,2 persons which has decreased from 4,2 in 1996 and 3,6 in 2001. Based on the average household size, there are an estimated 236 000 households in Buffalo City Metro. The geographic spread of the BCMM population according to the last two official censuses were broken down as follows:

Figure 4: Geographic spread of BCMM's population: 2001 and 2011

Area	Census 2001	Census 2011
KWT and surrounds	184 246	106 267
East London area	204 862	294 653
Mdantsane area	168 284	164 681
Rural South	63 967	66 422
Rural North	80 536	123 164
Total	704 855	755 200

Source: BCMM BEPP (2014)

The trends emerging from a comparison of the last two censuses conducted in Buffalo City Metro Municipality reveals the following:

- A huge decline in the population living in the King Williams Town area probably caused by de-industrialisation
- A massive increase in the populations in the East London and rural north areas based on the economic and social prospects in the East London area and the easy access to land in settlements in the rural north as evidenced by the example of the growth of Newlands and other settlements
- The decline in the average household size leading to a greater demand for new housing
- The increase in population especially in the East London area is manifesting in the growth in the number of informal settlements as formal housing supply has clearly not kept up with demand

2.5.2 Housing need

According to the Buffalo City Metro Built Environment Performance Plan (2014), the estimated 20 year housing need is 42 000 houses including an immediate backlog of around 25 000 units. The Buffalo City Metro Built Environment Performance Plan (2011), states that an estimate of dwelling numbers and types across Buffalo City based on 2008 aerial photography indicates that, within the urban areas, there are some 40,500 free-standing informal dwellings as well as about 15,000 identified backyard shacks. This analysis suggests that there are some 55,500 informal dwellings in total in the urban areas in Buffalo City. Comparative analysis done comparing data between 2001 and 2008 indicates broadly growth of some 8% in the number of informal dwellings in Buffalo City over that period. The spatial locations of the demand manifested by the creation of informal dwellings is primarily within the core of Greater East London (Duncan Village, Nompumelelo, Scenery Park, Reeston) and Mdantsane, with smaller settlements being associated with townships such as Zwelitsha and Dimbaza in the King William's Town/Bhisho area. (BEPP: BCMM, 2011)

2.5.3 Housing delivery rates

An analysis of housing delivery by the Buffalo City Metropolitan Municipality over the past five years gives a clear indication that the demand for subsidized housing is far exceeding the supply thereof through the conventional government housing delivery system. The Metro delivers on average approximately 1400 new subsidized dwelling units per year with the funds allocated to it from the Provincial Department of Human Settlements. The table below (Figure 5: Housing units delivered by BCMM: 2007 - 2012) illustrates the performance of the Metro over the past five years in the construction of new subsidized dwelling units.

Figure 5: Housing units delivered by BCMM: 2007 - 2012

Financial year	No. of housing units delivered by BCMM
2011/12	833
2010/11	1925
2009/10	1170
2008/9	1043
2007/8	2219
Five year average	1438

Source: BCMM Annual Reports (2007 -2012)

Based on the current rate of housing delivery, it will take approximately 50 years to deal with the backlogs and demand for new housing in the Metro. At the same time, land is a scarce resource and well located land with access to bulk infrastructure to house people is in short supply. It is projected that the land requirements to house people adequately is in the order of 2420 hectares at a density of 50 dwelling units per hectare. This will equate to the Metro having to build housing to the equivalent of a new township two times the size of the present Mdantsane which took more than twenty five years to build.

2.5.4 Functionality of informal settlements

According to Mark Misselhorn (2008), it is important that any analysis of the current situation regarding informal settlements is based on an appreciation for why they exist and what functionality they afford to those who reside in them. Whilst informal settlements are all different and sweeping generalizations are not easy to make, one recurring factor in their formation is that they typically provide an initial point of access into the urban environment for incoming migrants, or for those moving from other parts of the city. More importantly, they afford such access at a very low financial cost and the barriers to entry are low. The nature of this access can be further unpacked into a number of elements such as:

- Access to employment and other economic / livelihood opportunities (which are often modest or survivalist in nature);
- Access to social facilities (e.g. education and health care);
- Access to the political system (access to ward councillors and the space to vote and lobby);
- Access to the legal system (or improved access to it);
- Potential access to housing and infrastructure (e.g. through waiting lists for housing projects or through rudimentary / illegal services and connections available).

Informal settlements thus serve a critical function as 'holding places' where people can access the urban environment at extremely low financial cost and piece together various livelihood strategies there. Some residents of informal settlements might remain permanently and even ultimately gain access to formal housing, whilst others might reside temporarily for specific purposes which, once fulfilled, result in them moving elsewhere in the city or returning from whence they came.

This does not mean that all informal settlements are well located, but in many cases they are, and where they are not, they typically still afford better access opportunity than the next best option (e.g. continuing to remain at a traditional rural homestead or at a more peripheral location on an urban boundary). Notwithstanding these negative factors, many informal settlements in BCMM are well located in relation to economic activities. They accordingly provide affordable and flexible accommodation for poor households. Settlements have also been established through community/household initiatives, and typically have been developed through the application of fairly significant individual and household capital. The level of organisation required to achieve the establishment of these areas is an extremely valuable source of active social capital.

2.5.5 Accreditation of BCMM

In March 2010, Buffalo City Metro was also accredited to perform Level One housing functions by the accreditation panel and the MEC for Human Settlements in the province. In essence, accreditation involves the delegated authority to exercise functions relating to the administration of national housing programmes at the municipal sphere. This should enable the Metro to plan the implementation of the range of their developmental functions on a coordinated basis. In order for accreditation to be effected, the Metro must have the capacity required to take on the additional functions.

The three levels of accreditation are:

- Level One: Beneficiary management, subsidy budget planning and allocation, and priority programme management and administration (Delegated functions)
- Level Two: Full programme management and administration of all housing instruments/programme [in addition to Level One] (Delegated functions)
- Level Three: Financial administration [in addition to Level Two] (All functions – Level one, two and three are assigned)

The Level One accreditation status delegated to Buffalo City Metro means that they have to undertake the full range of functions relating to the following:

- Subsidy budget planning and allocation, and priority programme management and administration: includes the delegation of housing subsidy budgetary planning functions across National and Provincial housing programmes and projects; the delegation of subsidy/fund allocations, and the delegation of project identification functions. The annual budget will be published in the Division of Revenue Act (DORA), providing the municipality with budget certainty.
- Priority programme management and administration includes the delegation of programme and project evaluation and approval functions for (a) specific priority programme(s); and for contract administration, subsidy registration (where agreed), programme management including cash flow projection and management and technical (construction) quality assurance functions for the priority programme(s).

Municipalities may, on an annual basis, progressively increase the complement of priority programmes that they administer, as incremental steps towards Level Two. This is therefore the most significant step that can be made within the capacity constraints that exist at the Metro level and the extensive requirements of the national housing programme, both in terms of delegating responsibility and enabling integration and coordination to take place. In this regard, beneficiary management, the definition of local housing priorities, and the management of all public stock remain a municipal function even with the addition of Level One accreditation functions.

This will include focused internal capacity to commission, produce and implement housing strategies, plans and budgets. The Metro will also be required to do the range of tasks associated with project identification and preliminary project assessments.

Despite being accredited at Level One in 2010, BCMM has not yet managed to reach Level Two for the past four years. Most Metros and some secondary cities have already reached Level Two accreditation and some are applying for Level Three assignment. However, in terms of the new proposed staff structure for BCMM, the Human Settlements Department will become a new Directorate within the Metro with dedicated capacity for informal settlement upgrading. It can thus be inferred that once this dedicated capacity is put in place, BCMM will play a more significant role in the Upgrading of Informal Settlements Programme by making applications for informal settlement upgrading projects to the Provincial Department of Human Settlements.

2.6 Legislative and policy prescripts

The following legislative and policy prescripts are applicable to the upgrading of informal settlements within BCMM:

2.6.1 Millennium Development Goals

The Government of the Republic of South Africa is a member of the United Nations Millennium Development Goals (MDGs), which seek to provide significant improvement to the lives of at least 100 million slum dwellers by 2020. Therefore, the Upgrading of Informal Settlements Programme (UISP) is consistent with this convention with its primary aim of catering for the special development requirement of informal settlements. Through its implementation, the UISP can also indirectly pursue other MDGs such as: (1) Eradicate extreme poverty and hunger, (2) Achieve universal primary education, (3) Promote gender equality and empower women, (4) Reduce child mortality, Improve maternal health, (5) Combat HIV/AIDS and other diseases and (6) Ensure environmental sustainability.

In this light, it is clear that the UISP plays a crucial role in achieving global development objectives. It is envisaged that the MDG's will transform into the Sustainable Development Goals (SDG's). The idea of the SDGs has quickly gained ground because of the growing urgency of sustainable development for the entire world. Although specific definitions vary, sustainable development embraces the so-called triple bottom line approach to human wellbeing. Almost all the world's societies acknowledge that they aim for a combination of economic development, environmental sustainability, and social inclusion, but the specific objectives differ globally, between and within societies.

2.6.2 The Constitution of the Republic of South Africa

The Constitution of South Africa, Act 108 of 1996 defines the fundamental values, such as equality, human dignity, and freedom of movement and residence, to which the housing policy must subscribe. In terms of Section 26 of the Constitution, every citizen has the right to have access to adequate housing. The state is required to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. Furthermore, the constitution states that no person may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions. Section 25 of the Constitution states that government "must take reasonable legislative and other measures within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis."

Other sections of the constitution that have relevance for upgrading informal settlements are Section 24 that states that everyone has the right -to an environment that is not harmful to their health or well-being, and Section 27 dealing with health care, food, water and social security, which states that everyone has the right to have access to -sufficient food and water. Section 39 says that when interpreting the Bill of Rights, a court, tribunal or forum -must promote the values that underlie an open and democratic society based on human dignity, equality and freedom.

2.6.3 The Housing Act

In 1997 the Housing Act (Act No. 107 of 1997) was promulgated resulting in the legislation and extension of the provisions set out in the White Paper of 1994 on Housing. This gave legal foundation to the implementation of government's Housing Programme. The Housing Act aligned the National Housing Policy with the Constitution of South Africa and clarified the roles and responsibilities of the three spheres of government: National, Provincial and Municipal. Section 2(1) (a) of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development. In terms of the Housing Amendment Act 4 of 2001, Section (1) the Minister is responsible to (i) evaluate the performance of the housing sector against set goals and equitableness and effectiveness requirements and (ii) take any steps reasonably necessary to create an environment conducive to enabling provincial and local governments, the private sector, communities and individuals to achieve their respective goals in respect of housing development and promote the effective functioning of the housing market.

2.6.4 Breaking New Ground

In September 2004, Cabinet approved the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements (commonly known as BNG or the Breaking New Ground Strategy). The new human settlements plan reinforces the vision of the National Department of Human Settlements (NDOHS) to promote the achievement of a non-racial, integrated society through the development of Sustainable Human Settlements and quality housing.

The BNG shifts the strategic focus of housing policy from the simple delivery of low cost housing to the delivery of low cost housing in settlements that are both sustainable and habitable. Through this policy shift, the NDOHS is:

- emphasising the development of social housing options;
- implementing inclusive housing policy requirements;
- promoting the upgrading of informal settlements; and
- simplifying the administration of the housing subsidy programme and extending the reach of this programme.

Some of the transformative aspects of the Breaking New Ground policy on informal settlements include:

- in situ upgrading of informal settlements;
- making funding for land rehabilitation available;
- encouraging local municipalities to purchase well-located land that is occupied or unoccupied;
- making provision for household support in the case of relocation;
- creating provision of social and economic facilities and infrastructure development;
- funding the provision of basic infrastructure; and
- encouraging / permitting permission to occupy forms of tenure.

2.6.5 The National Housing Code

According to the revised National Housing Code of 2009, there are six incremental interventions or programmes delivered through the NDoHS, namely the Consolidation Programme, Emergency Programme, Integrated Residential Development Programme, Enhanced People's Housing Process, Upgrading of Informal Settlements Programme (UISP) and Incremental Interventions.

The UISP deals with the process and procedure for the in situ upgrading of informal settlements as it relates to the provision of grants to a municipality to carry out the upgrading of informal settlements within its jurisdiction in a structured manner. The grant funding provided will assist the municipality in fast tracking the provision of security of tenure, basic municipal services, social and economic amenities and the empowerment of residents in informal settlements to take control of housing development directly applicable to them. The Programme includes, as a last resort, in exceptional circumstances, the possible relocation and resettlement of people on a voluntary and co-operative basis as a result of the implementation of upgrading projects.

2.6.6 Spatial Planning and Land Use Management Act

The Spatial Planning and Land Use Management Act (SPLUMA) No. 16 of 2013 states that municipalities, in its Spatial Development Framework plans should "identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable" (in section 21 (k)).

The SPLUMA goes on to say that the land use scheme of the municipality should "include provisions that permit the incremental introduction of land use management and regulation in areas under traditional leadership, rural areas, informal settlements, slums and areas not previously subject to a land use scheme." (24(c))

One of the development principles of the SPLUMA goes so far as to say that: "land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas" (section 7(v)).

In SPLUMA, incremental upgrading of informal areas means the progressive introduction of administration, management, engineering services and land tenure rights to an area that is established outside existing planning legislation, and may include any settlement or area under traditional tenure.

2.6.7 Outcome 8 Delivery Agreement

The Outcome 8 delivery agreement of 2009 dealing with Human Settlements provides the most important policy shift towards informal settlement upgrading. Output 1 dealing with the delivery of housing opportunities stated as its goal to achieve the upgrading of 400 000 households in well located informal settlements with access to basic services and secure tenure within South Africa. The target set for the Eastern Cape was the upgrading of 59 400 households living in informal settlements. It recognized that many of the approximately 2 700 informal settlements across South Africa are in good locations (i.e. well located close to metropolitan areas and basic services), have high densities and, in 2008, housed approximately 1.2 million households. The key challenge is providing these households with adequate basic services and an improved shelter. It was recognized that many municipalities do not have the knowledge and/or resources (capacity) to implement informal settlement upgrading. There has also been a new commitment on the part of Government to focus more attention and resources on the upgrading of informal settlements through setting up the National Upgrading Support Programme.

In September 2014 national government adopted the Medium Term Expenditure Framework (MTEF) 2014 – 2019, which included a new set of Outcome 8 targets, which includes the target of: “750 000 households in informal settlements upgraded to Phase 2 of the Informal Settlements Upgrading Programme by 2019.”

Based on this MTEF, the National Department of Human Settlements on the 17 October 2014 signed the second Social Contract with a number of stakeholders involved in the human sector. This social contract stated: “We, the signatories of this Social Contract jointly undertake to work together to deliver in the next 5 years [amongst other things to] ... install basic services and infrastructure in 2000 informal settlements.”

2.6.8 National Development Plan

The National Development Plan (2011) recognises the role played by informal settlements and seeks to enhance the existing national programme for informal settlement upgrading by developing a range of tailored responses to support their upgrade including the following:

- Significantly expand the national programme on informal settlement and municipalities to introduce local level programmes
- Develop legal instruments to regularize informal settlements and to recognize rights of residence
- Agree on minimum health and safety standards and then progressively upgrade these standards as ‘regularized informal settlements’ are brought into the mainstream urban fabric
- Focus on developing community organization to support participatory regularization and upgrade programme
- Ensure that funding arrangements and programmes channel resources into community facilities, public infrastructure and public spaces and not just into housing.

2.6.9 Eastern Cape Development Plan

In October 2014, the Eastern Cape provincial government adopted the “Eastern Cape Vision 2030 Provincial Development Plan” which had been developed by the Eastern Cape Planning Commission, through a participatory process. In relation to the upgrading of informal settlements the plan states:

“Based on the proposals in the NDP, the province should create mechanisms to recognise rights of residence and allow for the incremental upgrade of tenure rights. Minimum health and safety standards should be progressively upgraded as regularised informal settlements are brought into the mainstream urban fabric. In addition, funding arrangements and programmes need to channel resources into community facilities, public infrastructure and public spaces, and not just into housing. This can only take place if there is dedicated local capacity to upgrade informal settlements, supported by the Province.”

2.7 Current BCMM policy response

2.7.1 *Integrated Development Plan (2014-2015)*

According to the BCMM's Integrated Development Plan (2014/15), the Metro as part of its ongoing efforts to assist communities who reside in informal settlements within and on the fringes of the main urban settlements within Buffalo City Metro, undertook a study of such settlements in the 2010/11 financial year.

BCMM's informal settlements have been categorised in order of type and priority of intervention (full relocation; partial relocation and partial in-situ upgrading; full in-situ upgrading). The recommendation from the Informal Settlement Study was approved by Council on 31 July 2012 (BCM 232/12)

The following categories were identified:

- Settlements recommended for FULL RELOCATION – approximately 12, 982 informal structures, which would require relocation.
- Settlements recommended for PARTIAL RELOCATION AND PARTIAL IN-SITU UPGRADING - approximately 15, 285 informal structures, which will be partially relocated or upgraded.
- Settlements recommended for FULL IN-SITU UPGRADING – approximately 2,592 informal structures, are suitable for full in-situ upgrading

The IDP recognises that informal settlements will be a reality in BCMM for many years as they are a fast and affordable way of providing shelter. The question is raised as to what to do with the informal settlements while they wait to be formalised in-situ or to be relocated to a formal development. BCMM acknowledges that informal settlements will remain for many years increasing in size through densification and expansion, making conditions worse.

The acknowledgement that informal settlements are here to stay for the foreseeable future, builds on the new regularisation approach that was introduced by BCMM in the 2013 Built Environment Performance Plan that aims to address the immediate poor living conditions of people living in informal settlements (see section 2.7.3 for more on this). The new approach of regularization is used to distinguish it from formalisation as it recognises that informal settlements need assistance while waiting for formalisation which currently cannot keep up with demand. Regularisation is mainly an engineering response to informal settlements in that it involves the provision of basic water and sanitation facilities and refuse collection services. Formalisation on the other hand involves the legalisation of informal settlements through township establishment.

In relation to the development of an Informal Settlement Upgrading policy and strategy, the BCMM IDP 2013/14, states that:

“The National Upgrading Support Programme proposes to supply technical assistance to support BCMM in developing a stronger informal settlement upgrading policy and strategy.

This policy and strategy will provide a coherent framework for current BCMM activities as it moves towards including incremental upgrading of informal settlements as a major part of its human settlements programme. The policy and strategy will also include institutional arrangements for coordinated planning and implementation across the metro.”

2.7.2 *Land Management Policy*

2.7.2.1 Introduction

The Land Management Policy was formulated by Buffalo City Municipality in 2007 to deal with illegal land occupations and to manage informal settlements in its area of jurisdiction.

It acknowledges that the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (Act No. 19 of 1998, as amended – commonly known as “PIE”) is, and will remain, the legal framework for the management of illegal land occupation. However, the intention of this policy was to set out a more structured approach to responding to, and addressing problems associated with, illegal land occupation and informal settlements. The policy does not look at how to proactively address informal settlements.

2.7.2.2 Guiding Principles

The Land Management Policy is guided by the following principles: -

- The Policy reflects the vision and commitment of the whole municipality, and all Directorates of the municipality will work to achieve the successful implementation of the Policy.
- The Land Management Policy and the Housing Policy are two elements of an integrated strategy to address the problem of homelessness in Buffalo City.
- The necessary resources to achieve the desired outcomes will be set in place to achieve the Land Management Policy's objectives.
- The Policy will integrate community participation into its processes, particularly in terms of problem identification and consultation around problem resolutions.
-
- The Policy will give Councillors and officials clear direction on how to address land management problems procedurally.
- The Policy will establish a clear framework for integrated coordination, strategizing and decision-making around land management issues in the Municipality. In this regard: Decisions on how to resolve any particular informal settlement problem will be made collectively by Directorates and Divisions that bear relevant responsibilities.
- Such collective decision-making imparts formal commitment and responsibility to the individual Municipal structures participating in the collective decisions.

2.7.2.3 Objectives of the Policy

- Elimination of significant and high priority informal settlements by 2014.
- Elimination of all informal settlements as appropriate serviced land and housing becomes available, as soon as possible.
- Prevention of new informal settlements being allowed to develop.
- Prevention of existing informal settlements being allowed to grow in an uncontrolled manner.

2.7.2.4 Classification of informal settlements

The Land Management Policy proposed the following categories (see Figure 6) for the classification of informal settlements within Buffalo City Metro.

Figure 6: classification of informal settlements

Priority Level	Reason for Classification	Implication for Planning
High priority	Where the settlement poses a danger to existing land assets, the households in the illegal settlement, an identifiable social or economic development, or sensitive environmental assets.	Relocation (voluntary or through court order) is to take place. The goal is to resettle within 12 months. The case is to be dealt with the application of capacity and funding required from the current budget, if necessary requiring a change in the annual plan.
Medium priority	Where the settlement meets some of the following criteria: significant size; located in an area of high economic value; is in a state of flux or under growth pressure; where resolution will enhance planned socio-economic development or environmental conservation,	May apply to areas of relocation or formalization. These areas will be prioritized in the forward planning of BCMM. All such areas should be addressed for permanent settlement within 5 years.
Low priority	Where none of the above criteria can be identified to any significant degree.	May apply to areas of relocation or formalization. These areas are to be included in the forward planning of BCMM as capacity and budget resources allow, for permanent settlement within the goals of the Land Management and Housing Policy.

2.7.3 Regularisation of informal settlements

In the Built Environment Performance Plan (BEPP) of 2013, the BCMM introduced an additional approach, over and above the approach as outlined in the Land Management Policy, namely, 'regularisation' to deal with the pressures from informal settlements in the short term. Regularisation of informal settlements involves the following:

- Roll-out of basic services (standpipes, VIP toilets, grey water treatment, stormwater control, electricity or alternative energy supply)
- Improving layout and access for emergency vehicles
- Ensuring some form of tenure starting with the a statement that no one, whether they qualify for a housing subsidy or not, will be removed (if the settlement is not earmarked for relocation)
- Providing an official residential address for each shack
- Implementing urban management to ensure continuous levels of service delivery (BEPP, BCMM 2013)

There is ample evidence to suggest that BCMM has indeed embarked on the classification and regularisation approach with many informal settlements receiving some form of basic services such as water standpipes, communal ablution blocks and the roll out of electrification to some areas.

2.7.4 Electrification of informal settlements

Council Resolution 131/12 issued a mandate to the Electricity Department to electrify informal dwellings within Duncan Village. The Electricity Department, through the Energy Committee convened the Finance, Development Planning and Housing Directorates to identify areas within BCMM which met the requirements for electrification.

The Energy Committee focused on shack electrification not only in Duncan Village but has expanded the focus generally to all informal areas within BCMM. They have considered Mdantsane as a potential high impact area to conduct a pilot project and based on information at the disposal of the Directorate of Infrastructure, which includes the following:

-
- BCMM informal settlement study
 - BCMM shack survey
 - BCMM informal settlement upgrade pilot project and de-densification plan

The Directorate of Development Planning and Management have identified suitable areas which could meet the required Electrification guidelines with some minor work done. The project for the electrification of informal settlements has started with a pilot project to test the viability of such electrification before launching a full rollout plan for all settlements.

2.8 Policy Framework

2.8.1 Policy intent

This Upgrading of Informal Settlements Policy seeks to build on the regularisation approach currently adopted by BCMM. It recognises that there needs to be a radically different approach to addressing the informal settlement challenge in BCMM. According to the Project Preparation Trust (2014), the historical approach to dealing with informal settlements which was characterised by a philosophy of 'eradicating' informality and was premised on formalisation and the delivery of 'RDP' style housing (a formal and very slow process which delivers a top-structure, full level of service and title deed) is now recognised as being unworkable at scale and unsustainable for various reasons. It cannot on its own address the informal settlement 'backlogs'. It also often produces a range of negative unintended consequences (such as relocations and loss of livelihoods).

This new Upgrading of informal Settlements Policy promotes more rapid, participative and broad-based responses led in most instances by the provision of basic services to informal settlements (in-situ) along with basic, functional tenure. Whilst the provision of low-income housing forms part of the overall informal settlement response, it will typically only constitute a small part of the overall delivery given the long timeframes, high costs and range of other challenges associated with it. It is accepted that formalisation and subsidised housing provision will often not be achievable in the short term and will either be deferred or, in the case of marginal land, may not be achievable at all.

The policy is premised on a desire to include all informal settlements in BCMM into the state's service delivery programmes, even those where formalisation may not be possible in the near term with interim and incremental improvements afforded a high priority.

The new approach is informed by and reflected in the National Outcome 8 Delivery Agreement, which sets a target of providing 400, 000 households in well-located informal settlements with basic services and secure tenure by 2014. The intention is clearly to move away from a historical pattern where only a few settlements benefited from a relatively high level of state investment (conventional housing and tenure delivery), towards a more inclusive and incremental situation where all or most settlements benefit by means of meaningful quality –of-life improvements.

Previous studies conducted on urban informal settlements within BCMM including the Informal Settlement Study and the Mdantsane Infill Study have resulted in the classification of these informal settlements into a number of different categories. These include:

- Settlements recommended for full relocation as a high, medium and low priority
- Settlements recommended for partial relocation and partial in-situ upgrading
- Settlements recommended for full in-situ upgrading as a high and low priority

BCMM will thus adopt a transformative policy approach towards informal settlements by firstly, giving due recognition to the numerous informal settlements within its boundaries. For those settlements that have been classified for in-situ upgrading, BCMM will upgrade infrastructure and facilities, formalise land tenure and seek to integrate the informal settlements into the surrounding urban fabric, while also, attempting to address the larger socio-economic and legal framework. A programme for those settlements that are targeted for relocation will also need to be developed by BCMM.

2.8.2 Vision for informal settlement upgrading

“By 2035, all informal settlements in Buffalo City Metropolitan Municipality that have been categorized to remain in their existing locations, have been upgraded and received the necessary developmental support from all three spheres of government”

2.8.3 Outcomes

To address the vulnerabilities of people living in formal settlements in BCMM, the upgrading programme will seek to address poverty through aiming to simultaneously achieve the following three interlinked outcomes.

2.8.3.1 Promoting health and safety

Health and environmental problems linked to the absence of proper services in informal settlements can affect the whole of BCMM. Problems of inadequate water supply, sanitation, solid waste disposal, and storm water drainage, affect the people living in informal settlements first, but also create negative spill-over's beyond their boundaries. These include deteriorating water quality and the spread of disease. Accordingly, a key upgrading policy imperative is to provide a healthy and secure living environment.

2.8.3.2 Promoting economic development

Unhealthy living conditions, lack of access to education, and domestic and community violence decrease the productivity of the urban labour force and impede economic growth. Upgrading informal settlements in BCMM by improving living conditions and human capital will ultimately support the productivity and economic growth of the Metro. Poverty reduction policies and programmes boost the local economy by raising consumption. The upgrading of informal settlements also has a profound economic impact, as the home is often the most important productive asset of the poor. The investment in local public goods implicit in upgrading activities furthermore catalyses private investment by residents. Interventions within informal settlement upgrading projects must focus on employment and income generation activities which address the income and consumption aspects of poverty, whilst promoting self-esteem and social integration.

2.8.3.3 Reducing social and economic inequality

/Material security remains a fundamental pre-requisite for social justice, community building and empowerment. Social and economic inequalities are on the increase in BCMM manifesting most strongly in the disparities between informal settlements and surrounding neighbourhoods. These inequalities lead to social and sometimes political clashes. Accordingly, upgrading programmes in BCMM must include a focus on the development of social infrastructure, the introduction/ enhancement of social service programmes and the development of social capital. These activities often seek to boost community ownership of assets, in order to enhance the long-term sustainability of interventions.(SACN/Cities Alliance, 2002).

2.8.4 Process Principles

The following process related principles underpin how upgrading of informal settlements will happen in BCMM:

2.8.4.1 Incremental development

Upgrading processes need to be conducted in a phased and incremental manner. This involves identifying immediate, interim and longer term actions that can be taken to address:

- The immediate needs of communities (like the provision of interim basic services, and the provision of some form of basic tenure recognition through, for example, the issuing of recognition of occupation certificates); as well as

- Interim arrangements, like the re-blocking of plots, the provision of internal water and sanitation and social facilities, to
- Longer term interventions like the upgrading of top structures through, for example the Enhanced People's Housing Process.

2.8.4.2 Community participation

The communities living in informal settlements in BCMM need to be given a chance to participate in the whole upgrading cycle from participating in collecting and analysing the data that will be used to inform decisions, influencing the content of the plans that will be developed, to monitoring the implementation of the plans and evaluating the success of these plans..

2.8.4.3 Partnership approach

Partnerships need to be encouraged between all role-players, especially between the various informal settlement communities and BCMM, in planning for and implementing the informal settlement upgrading process. Partnerships (or integration) also needs to be supported within the different line Departments in the Municipality including planning, engineering, human settlements and community services. The municipality also needs to partner with various government departments such as the Provincial Department of Human Settlements to access funding through the Upgrading of Informal Settlement Programme.

2.8.4.4 Capacity building and empowerment

It is important to build the capacity of and empower all stakeholders to be able to undertake and engage in informal settlement upgrading initiatives in BCMM. Towards this end:

- For the communities, a planning methodology should be followed that places a large emphasis on involving the communities in the planning process and allows the community to make their own informed decisions on how the upgrading will happen.
- Community members should also be drawn on to implement upgrading projects thereby gaining valuable experience working on these projects.
- Government officials (provincial and local) from appropriate departments need to be involved in upgrading process so they are able to learn from experiences and develop a strong Upgrading of Informal Settlements Programme in BCMM and the Province.

2.8.4.5 Human rights focused

In order to address the constitutional imperatives of dignity and equality, along with the other human rights enshrined in the constitution, initial focus needs to be given to addressing the basic needs of people living in all informal settlements. Once this basic foundation has been set, BCMM will be in a position to progressively work towards the enhanced realisation of all these basic human rights.

2.8.5 Policy approach

The following three pronged policy approach to addressing informal settlements is proposed for BCMM:

2.8.5.1 Build on the current regularisation approach

BCMM will build on the current regularisation approach by implementing a programme for the in-situ upgrading of all informal settlements that have been categorised to remain in their present locations to be funded from the Upgrading of Informal Settlement Programme Grant, the Provision of Social and Amenities Grant and the Urban Settlement Development Grant (amongst others).

Building on the requirement of the SPLUMA (2013) Act 16, which requires Municipalities, in their Spatial Development Framework (SDF) plans to designate areas where incremental approaches to upgrading and regularisation will be adopted, BCMM will designate all informal settlements that have been categorized for in-situ upgrading as incremental settlement areas which will allow for blanket tenure security for people living in these areas. .

The BCMM will also continue to roll-out basic services including a package of services that includes standpipes, VIP toilets or waterborne sanitation where possible, grey water treatment, stormwater control, electricity or alternative energy supply to informal settlements that have been classified for in-situ upgrading. The current layouts of informal settlements will be improved to ensure access for emergency and refuse vehicles. BCMM will also ensure that continuous maintenance of the installed services takes place.

2.8.5.2 Make serviced sites available

BCMM will make new (fully or semi) serviced land parcels available for phased incremental settlement development (and other forms of settlement development) to accommodate new people moving into the Metropolitan area, people needing to be relocated from those informal settlements that have been earmarked for removal and others in need of accommodation. This will complement BCMM's existing housing policy and ten year implementation plan which proposes the delivery of subsidised houses, the upgrading of existing informal and rural settlements, the opening up of land for the private sector and the initiation of a social housing support programme.

2.8.5.3 Control new land invasions

BCMM is to utilize the existing Land Management Policy to deal with new land invasions and also redirect these communities to the newly developed serviced sites that will be made available. This should be done to prevent informal settlements that are set up in inappropriate locations such as environmentally sensitive areas, marginal land without access to services and to prevent the sterilization of land that is earmarked for new housing developments.

2.8.6 Policy Guidelines

In order to give effect to the vision, outcomes, process principles and policy approach as outlined above, the following policy guidelines should be applied to all urban informal settlements within BCMM:

2.8.6.1 Provide a package of basic services to all informal settlements

BCMM will provide basic services and facilities at the scale of the informal settlement that contribute towards health and safety within the community and addresses human dignity. The prioritisation of this infrastructure will be undertaken through the participatory planning process, but BCMM will make every effort to ensure that the following minimum levels of service are provided prior to looking at additional infrastructure:

- Priority level 1
 - a. Communal standpipes
 - b. Communal ablutions
 - c. Priority storm water drainage

- Priority level 2:
 - a. Additional storm water drainage, and footpaths
 - b. Communal plug points
 - c. Electricity per shack
 - d. Basic access for emergency vehicles
 - e. Facilities for refuse removal

These services and facilities are to be funded through, amongst others, the Urban Settlement Development Grant (USDG) allocated to BCMM and the Upgrading of Informal Settlement Programme (UISP) managed by the Provincial Department of Human Settlements.

2.8.6.2 Alternative land tenure arrangements

Land tenure security is one of the most essential aspects of the upgrading programme in BCMM, as it provides the social and economic security for informal settlement residents to occupy the land without being evicted. Security of tenure also provides the impetus for residents to begin investing physically, socially and economically in the settlement, which is a fundamental aspect of incremental upgrading. Tenure is also one of the most complicated issues to resolve in an incremental in-situ upgrading programme, as tenure rights in this context need to be flexible as households move between informal and formal and do so at different paces. Various tenure options exist and the tenure options chosen in an upgrading should be suited to the local context. See the discussion on tenure in *section 3.2.2 on Implementing a locally administered land tenure system* for more information on this.

BCMM will designate informal settlements that have been classified for in-situ upgrading as Incremental Settlement Areas in order to give some form of security of tenure. This will signal the start of the upgrading process where the Metro will have to zone the land correctly, purchase the land if it is in private ownership and provide the package of basic services to residents living in the informal settlements.

2.8.6.3 Adopt a multi-sectoral approach to informal settlement upgrading

International best practice indicates that upgrading of informal settlements is not just about physical and structural upgrading, but about the social and economic development of the residents and about protecting and improving people's livelihoods in a meaningful way. In BCMM, this will require a range of complementary developmental initiatives to address the underlying issues of urban livelihoods, land tenure, cooperative governance, social inclusion and integration. It is imperative that any upgrading programme aims to both protect and enhance existing capital and respond to development priorities.

2.8.6.4 Protect and enhance capital and assets and respond to development priorities

As informal settlement upgrading requires a range of complementary developmental initiatives to address the underlying factors of urban vulnerability – which underlie the growth of informality; it is imperative that these development initiatives are identified in the context of existing human, social, economic and physical capital inherent within the specific community as well as the perceived community needs. A developmental approach which aims to protect and enhance existing community capital and engage cooperatively in prioritizing needs, is critical if the development is to be sustainable.

For example in many older well established informal settlements in BCMM, residents may have made considerable individual and community investments into property and social and economic networks. This, for instance may include local spaza shops, taverns/shebeens an “informal” church, or social networks to support child care needs.

2.8.6.5 Flexible standards and regulations for planning, land, infrastructure and housing

Rigid standards and regulations in the context of in-situ upgrading often tend to have a range of adverse effects if not applied cautiously. Building and infrastructure standards and regulations are often developed and enforced by BCMM primarily for the reason of ensuring the safety and security of residents and may include standards for road widths, setbacks from the street, building materials, water reticulation etc. The standards for planning, land, infrastructure and housing are often defined in the context of efficiency (affordability, finance and cost recovery), equality (access), quality and sustainability, which are outlined in detail in the Guidelines for Human Settlement Planning and Design (otherwise known as the Red Book). Whilst these guidelines are useful, and in the case of Red Book are far more progressive in providing recommendations for alternative engineering solutions, they often tend to be too rigid in the context of in-situ upgrading.

As in-situ upgrading is incremental, the gradual transition from informal to formal is often predicated on the transition for being unplanned/unregulated to planned/regulated –and it is precisely this transition which needs to be managed most cautiously, as formalizing too quickly and rigidly can potentially have a range of negative impacts. For example when applying standardized road widths there is often some degree of de-densification required, as the roads can assume as much as 40% of the informal settlement.

One of the most important things to consider when looking at standards and regulations is to consider possible cost effective alternatives, in participation with the community. For example this may include the use of waterless toilets, which do not require sewer lines to operate. It is however important to note that financial affordability is usually not the main constraint to adopting flexible standards, but rather institutional capacity and political will.

2.8.6.6 Community management and control

BCMM is responsible for enforcing regulations and by-laws, but as experience indicates informal settlements are often solely regulated by their own internal mechanisms. For example access to land in an informal settlement is often managed by either the local landlords or by an area committee.

At a social level this may also include the area committee dictating the time which “shebeens” or taverns must close at night. In such cases there is often a decision on what are acceptable standards of living, which may include who has “rights” to the settlement, the distance between informal dwellings (although this is often prescribed by the council) or acceptable behaviour. There may however also be cases where certain individuals or groups govern undemocratically, such as shacklords whose own commercial interest may dictate who has access to the settlement.

In the case of in-situ upgrading the roles of various local level institutions, such as the local area committee, need to be carefully understood in reference to community regulations, as incremental upgrading will often result in more formal regulations, which the state will impose – and this can stifle/ undermine the development of the settlement.

2.8.6.7 Integration and inclusion of areas being upgraded into the wider city

In order for BCMM to integrate the informal settlements being upgraded into the wider city, it is imperative to understand how historical development planning has defined the boundaries/ parameters dividing the informal settlements from the wider city. Many informal settlement residents often describe experiences of isolation from the wider city and even experience stigmatization from the surrounding neighbourhoods. Where possible an in-situ upgrading programme should aim to integrate with the wider city through improved transport networks, access to local livelihood opportunities (i.e. a market or factory) and socially through shared communal spaces, such as sport fields or community centres.

Integration is closely related to improving livelihood outcomes through the upgrading process through enhancing household assets and capital through improved economic opportunities, stronger and new social networks and even new dimensions in human capital.

2.8.6.8 Identify and mitigate against known and probable risks

In the process of upgrading an informal settlement, known and probable risks must be identified and mitigated against in order to ensure that the upgrading process achieves sustainable outcomes. Known and probable risks could include environmental risks (fires, flooding or climate change), economic risks (negative effects of commodification or disruption of local livelihoods), social risks (crime and domestic abuse) or health risks (HIV/Aids), which if not identified and mitigated against could potentially undermine the sustainability of the upgrading process.

This process of identifying known and probable risks is typically undertaken in the pre-planning phase of the project in participation with the community, so as to ensure that mitigation strategies are closely linked to the planning and implementation of complementary development initiatives, which can then simultaneously reduce vulnerability. For example, minimizing relocation by opting to develop in-situ can reduce costs by as much as 10 to 15 times and will also help protect existing social networks and local livelihoods. If the settlement is very dense and is at-risk of flooding, the option of medium density housing or narrower roads would help the issue of density, whilst an education programme to help communities to live with flood risk, would help prevent relocation. (Adapted from DAG, 2007)

3. STRATEGY

3.1 Introduction

The Policy section (section 2) of the Upgrading of Informal Settlements Policy and Strategy looked at why upgrading of informal settlements is important and broadly what the municipality hopes to achieve through upgrading. This Strategy section (section 3) now looks at how the municipality will go about upgrading informal settlements.

Accepting that informal settlements are a reality and are not easily going to go away, and noting the policy pre-prescripts from national government to support informal settlement upgrading, the following strategy will be followed to upgrade informal settlements in the Buffalo City Metropolitan Municipality.

This section starts by looking at the following priority interventions that the municipality will undertake to upgrade informal settlements:

1. Introduce Incremental Settlement Areas
2. Expand the locally administered land tenure system
3. Implement planning and basic development
4. Implement a development support programme
5. Coordinate incremental upgrading interventions

After summarising these priority interventions the strategy steps back a little and looks at how upgrading of informal settlements is undertaken at the following two scales:

1. The scale of the municipality as a whole where informal settlements are allocated to rounds or years for when planning for upgrading will take place (see section 3.3.1 for more information); and
2. The scale of each informal settlement, where the following five phased upgrading process will be implemented (this process is described in more detail in section 3.3.2 of this document and in Annexure 5 dealing with upgrading phases):
 - a. Phase 1: Preparing for development
 - b. Phase 2: Basic development
 - c. Phase 3: Development support
 - d. Phase 4: Consolidation
 - e. Phase 5: On-going development

3.2 Priority interventions to upgrade informal settlements

This section unpacks the following four priority interventions which the municipality will undertake to upgrade informal settlements:

1. Introduce incremental settlement areas – so as to acknowledge that informal settlements exist, and put in place the legal base from which further upgrading development interventions can follow.
2. Implement a Locally Administered Land Tenure system – so that households basic tenure rights are recognised and to recognise the citizenship of households; as well as to facilitate the administration of the upgrading process.
3. Implement planning and basic development - so as to address household's basic needs and their dignity as a first step towards longer term upgrading.
4. Implement a development support programme – so that the broad developmental needs (e.g. education, health and safety, employment, etc.) can be met for people living in incremental settlement areas.

3.2.1 Introduce Incremental settlement areas

It is proposed that the municipality designates informal settlements as Incremental Settlement Areas (ISA's). These ISA will give expression to the clauses in the Spatial Planning and Land Use Management Act (SPLUMA number 16 of 2013) which states that municipalities, in their Spatial Development Framework Plans should "identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable" (in section 21 (k)). It is noted that regulations to give 'teeth' to 'incremental upgrading areas' are still being developed, but the Metro can pre-empt the finalisation of these regulations by identifying such areas.

The municipality will acknowledge that people are living in informal houses within these ISA's and commit to the progressive upgrading of these areas on the understanding that through a participative process, some households will need to be relocated and some will be able to remain. The underlying land use zoning of these areas will not be affected.

Rules will be developed for these areas for dealing with:

- Who can live in these areas through a locally administered tenure system (see the next priority intervention area, section 3.3.2 dealing with a locally administered land tenure system for more on this.)
- What land use can be undertaken and what buildings can be built on this land. The municipality will acknowledge that people are residing / living on this land in temporary shelters.

The Metro's planning department is currently updating their land use zoning scheme, and they will be introducing a new zoning category for 'Public housing zone 1A'. This zoning category will make it possible for people to live in temporary shelters without the need for building plan approval, and in certain instances, with building plan approval, to live in more permanent dwellings.

The following figure (Figure 7) summarises the relevant rules that will apply to different zoning categories.

Figure 7: zoning categories for informal settlement upgrading

'zoning' category	Tenure	Land use activities	Spatial demarcation	Construction
ISA – Incremental Settlement Areas	Rules applicable to Locally administered land tenure system	Only residential; with the understanding that non enforcement of stopping people to undertake other activities does not imply acceptance of these other land uses; and that the municipality is able to use health, safety, environmental and other legislation to stop other land uses.	An outer boundary and: Shack point number; or plot number.	Only shelter – within plots (or at least 1 meter away from neighbour if no plot), and at least 2 meters from an outer boundary.
Public housing 1A	Rules applicable to locally administered land tenure system	Only residential, public open space, and road. For other identified consent uses (like crèche, spaza shop, etc.) the household needs to get approval. Non enforcement of consent (or other) activities does not imply acceptance of these other land uses	An outer boundary and: Plots (permanent) – where convinced plots will not change when converted to erven.; or Plots (provisional) – where plot boundaries likely to change in future.	On plots (provisional) – only shelter. On plots (permanent) – shelter or dwelling.
Public housing 1B	Rules applicable to locally administered land tenure system; or rules applicable to the registrar of	Residential and other consent land uses with approval (e.g. crèches)	Erven	Dwelling

Note that the term zoning category in the instance of Incremental Settlement Areas does not refer to a land use zoning category found in the municipal zoning scheme, but rather to a broad category of where more incremental settlement is accommodated.

Note further that the term plot refers to a plot layout that has been approved by the municipality but for which no general plan has been approved. The term erven refers to a layout which has been approved in a general plan and which has been registered in the deeds registry with erf numbers.

The term shelter refers to a shack which can be built without getting building approval, and the term dwelling refers to a structure for which building plan approval needs to be obtained.

See annexure 3 for more on Incremental Settlement Areas.

3.2.2 Implement a locally administered land tenure system

Within ISA's as described in the previous section, the municipality will put in place mechanisms to manage both: 1) who is able to stay within these ISA's; as well as 2) what they are able to do and what buildings they are able to erect.

From a 'tenure' perspective, the municipality will follow a phased/ incremental approach to securing tenure for households, starting with **Recognition of Occupation** where the housing department will record the names of all people living in shacks in ISA's. At this stage the Metro is not giving the people in these areas the right to stay on the land (as in some instances the land may not even be owned by the municipality, and the necessary environmental and other planning processes have not been undertaken) but merely recognising that they are on the land, and committing to work with them to either upgrade them where they are or move them to more appropriate land. The municipality will work towards keeping a list (with ID numbers etc.) of who is staying on a particular shack together with a geo-referenced point for the shack. Households will be able to obtain a 'card' proving that they have been recorded on the occupation list.

In future, once the municipality has ensured that they have ownership of the land or they at least have some agreement with the existing land owners of the land that the households can stay in the area, and that they have satisfied appropriate environmental and other planning legislation, then the municipality may issue households with some form of **Permission to Occupy** certificate. This certificate will highlight certain rules by which people need to abide when staying on the land, which could include for example the rules associated with the Public residential zoning 1A described above and in annexure 3 dealing with ISA's.

Over time these permission to occupy certificates can be converted to lease agreements, or even to individual title, after the necessary planning and township establishment processes are completed.

This creates a whole new set of functions that the municipality is expected to perform that they would not have performed in the past. The new activities that the municipality would be expected to perform as a result of implementing this locally administered tenure system include:

- Identifying and keeping records of shacks/ plots within informal settlements and ISA's
- Identifying and keeping records of households within informal settlements and ISA's
- Providing and keeping records of who has been issued recognition of occupation certificates indicating which plot they are recognised as occupying
- Administering and keeping a paper trail of any changes to records and recognition of occupation certificates as a result of, for example:
 - Changes in who is occupying plots
 - Changes in land use of plots
 - Changes in buildings constructed on the plot
- Providing and maintaining changes to Permission to Occupy certificates in instances where the municipality is able to give occupation rights to households.
- Dealing with disputes as a result of failure on the part of households (and the municipality) to follow the rules associated with the locally administered tenure system.

The municipalities Human Settlements Department is already keeping records of the following type of information:

- Shack count surveys listing who is living in various informal settlements at the time of the shack count
- who is living in municipal rental accommodation
- who is on the municipal housing waiting list

This Locally Administered Tenure System will be an extension of this work. The municipality will develop more detailed procedures for this system that specifies the roles and responsibilities of the municipality and other role-players (like the community leadership and ward committee and councillor) in managing this Locally Administered Tenure System.

See section 3.2.1 and annexure 3 on Incremental Settlement Areas for more information on what this locally administered land tenure system will entail.

3.2.3 Implement planning and basic development

In order for informal settlements to be placed on the path of long term upgrading, the municipality needs to organise itself in such a way that they are able to:

1. Conduct the necessary participative planning to identify what actions they will take for the upgrading of each informal settlement; and
2. Manage and oversee the implementation of the agreed on upgrading and developmental actions, in a way that accommodates learning and adaptation in the upgrading process.

These two steps – planning or preparing for upgrading; and basic development - are the first two phases of upgrading approach as described in more detail in section 3.3.2 of this report on upgrading in phases at settlement scale.

Informal settlements that are being planned at the same time as part of a Round of Upgrading of informal Settlements should be allocated to smaller clusters or groups of informal settlements to make it easier for the municipality to engage with the leadership of each informal settlement. A cluster of informal settlements would be about 5 informal settlements that are located relatively close together making it easier for the leadership of these settlements to attend cluster planning and steering committee meetings.

The cluster steering committee will play a role both in the planning and implementation phase. The following considerations need to be taken into account when undertaking this planning and implementation within a round of informal settlements.

3.2.3.1 Planning

One of the first activities that gets done as part of phase 1 of any round of informal settlement upgrading is the development of upgrading plans following community participation procedures.

The municipality needs to establish a multi-disciplinary socio-technical team to facilitate this process. Examples of the type of skills needed on this team include:

- Town planners
- Social facilitators
- Socio-economic surveyors
- Environmentalists
- Engineers
- Conveyancers

The town planners and social facilitators are the main role-players with the other team members playing a more supportive role. This team can include municipal officials and/ or consultants appointed by the municipality. The town planning department within the municipality will play the coordinating role for this planning team.

Each informal settlement community should also elect its own informal settlement committee to represent the community in the upgrading process. It is important that the community representatives participating in the planning cluster meetings report back to their respective informal settlements. Special attention needs to be given to monitor and provide support to informal settlement representatives to ensure that they are adequately reporting back and getting mandates from their communities.

The socio-technical team and the community representatives should then form a settlement planning steering committee. This steering committee is then responsible for undertaking the planning exercise for the informal settlement.

The informal settlements in a round can be clustered into groups of about 4 or 5 informal settlements that are close together and combined meetings can be held with these clusters and the technical team to reduce the number of meetings.

Ward committee members as well as ward councillors affected by the upgrading process should also be invited to participate in these clustered planning steering committee meetings.

The following are examples of the type of activities that form part of this participatory planning exercise:

1. Conduct technical situation analysis
2. Conduct community situation analysis.
 - a. Undertake asset mapping to determine what assets the community has access to that can be built on.
 - b. Conduct a community visioning exercise
3. Develop community plans for:
 - a. Physical interventions (for basic development)
 - i. Proposed phased infrastructure and services interventions at the settlement scale
 - ii. proposed phased infrastructure and services interventions at a wider neighbourhood scale
 - b. Development support interventions
 - i. Household support (housing saving and loans, advice in building own houses, etc.)
 - ii. Business support (small business training and access to small business finance, etc.)
 - iii. Community support (e.g. early childhood development, home based care, etc.)
 - c. What future consolidation and upgrading actions could be undertaken. Note however, that the initial upgrading plan does not have to go into details as to how these future consolidation and upgrading interventions will be undertaken. Such detailed planning will be undertaken at the time of the upgrading.
4. Based on the community situation analysis, the community plans and the technical information, the socio-technical team can then produce a draft upgrading plan. The content of this draft upgrading plan should include:
 - a. A layout plan showing where initial interventions will take place.
 - b. An engineering services report with budget
 - c. A tenure administration report
 - d. An implementation and management framework
 - e. A programme and a budget
5. The draft plan is then circulated to municipal departments and other government departments for comment and feedback. The draft plan is adjusted based on this feedback.
6. This plan is then presented to the community for their comments and approval.
7. The community approved plan is then presented to the municipality for approval. Once approved, the necessary funding is secured and the plans implemented.

The participatory planning approach as outlined above is based on the Asset Based Community Development (or ABCD) approach to development. The Municipality will adopt the ABCD approach as part of its informal settlement upgrading process. See annexure 7 for more information on the ABCD approach.

3.2.3.2 Implementation

The planning team established in phase 1 (the Preparation phase) within the municipality and with outside role-players like officials from other government spheres and departments together with community representatives should 'evolve' to become a revised socio-technical team to implement the plan that was developed during the preparing for development phase.

During the implementation phase, the cluster committee will continue to play a role in overseeing the implementation of the plans that have been developed. Further more detailed upgrading planning may also need to be undertaken.

The implementation committee will be active for a long period of time, starting from the basic development phase, continuing through the development support phase and into the consolidation phase.

The main participants of the implementation cluster committees from the municipalities side will depend on what activities are being undertaken; for example if communal toilets are being constructed the engineering department will be involved, while if small business training and support is being discussed and provided, the Local Economic Development department will be present.

This Implementation team could include for example:

- Programme / project managers
- Social facilitator
- Other socio-technical skills as required by the plan (e.g. engineers, town planners, land surveyors, conveyancers, architects, organisational development specialists, conflict resolution specialists, etc.)

The same representative committee from the community that was involved in the planning process should form part of this programme implementation steering committee. It is important to make sure this committee regularly gets mandates from and reports back to the community, including conducting regular elections for the committee.

The same clustered arrangement of informal settlements from a particular area should also be maintained, with ward committee and ward councillors also invited to these clustered implementation steering committees.

The role of this implementation team is to:

- Make sure that projects that are identified in the planning exercise are implemented according to the necessary steering measures as appropriate
- Deal with any challenges that emerge during implementation
- Identify and follow up any opportunities for additional upgrading intervention
- Oversee any further planning that may be necessary for follow up interventions identified
- Plan for and conduct any review and monitoring exercises to learn lessons from previous interventions
- Feed information from the implementation process into larger scale oversight and incremental settlement steering committees and forums
- Share their experiences with and learn from other communities that are also involved in upgrading processes.

These clustered implementation steering committees will continue to play a role long into the future as the upgrading process continues over time.

In parallel to participating in these cluster steering committee meetings, the leadership of informal settlements need to also attend and participate in the municipal ward committee process. It is within and through ward committee structures, and the Integrated Development Planning (IDP) process that the municipality undertakes its short and medium term planning and project steering activities.

3.2.4 Implement a development support programme

In the upgrading of informal settlements (or any incremental settlement development approach) government needs to support and help people to help themselves, as described in phase 3: the development support phase (see the 'phase 3: development support' section in section 3.3.2.3 below and see annexure 5 which deals with the upgrading phases). This requires the municipality to perform very different roles and functions from what it is used to in conventional land servicing and housing (top structure) RDP type housing development approaches.

The Development support programme can be broken up into two broad categories:

1. Housing support – to help households to build their own houses.
2. Development support – to help different groups within informal settlements (and neighbourhoods generally) to improve their conditions.

3.2.4.1 Housing support

In informal settlement upgrading processes (and incremental settlement processes in general) the provision of the top structure often comes much later in the settlement development process, in phase 4 - the consolidation phase.

Basic services, basic tenure and development support phases occur earlier on in the process. During the development support phase, the role of government in housing development is to support households to build their own homes. This requires a very different mode of operation from government in the way that housing products are provided.

Housing support functions include for example:

- Provision of examples of building plans
- Training in house construction
- Para legal advice in how households can enter into contracts with small builders
- Establishment of a bulk buying support system
- Establishment and management of construction tool libraries
- Acting as 'gateway' or 'switchboard' through which the private sector, social institutions, employers and others can channel donations, such as second hand building material etc.

The skills profile of the housing department within the municipality at the moment is not geared towards the provision of these types of housing support services. The Municipality must, therefore, establish, within the upgrading informal settlements section, a housing support unit to provide this type of housing support services.

The municipality will consider the establishment of a centralised housing support office that can act as a one stop shop for all housing support related services, from both a housing consumer and a housing producer perspective.

3.2.4.2 Development support

Upgrading of informal settlements is not just about basic services and housing; it is about upgrading the overall lives of all groups and people living in that area. As part of its development support function the municipality will also need to re-look at how it supports other groups and sectors like, for example:

- Community leadership through skills training and space for meetings, etc.
- Small business owners and unemployed through small business advice, training and support, etc.
- Drug addicts and recently released prisoners through rehabilitation programmes
- Youth through youth programmes
- People with HIV/Aids through HIV/ aids programmes
- Aged through old age homes and programmes for aged.
- Cultural and sports groups through facilities and special cultural and sporting programmes
- Savings clubs and stokvels through financial training and advice.

The Upgrading of Informal Settlements section of the Municipal Human Settlements Department will play a coordinating function in this broader upgrading initiative, but the actual work that will need to be undertaken will be undertaken by other relevant departments at both the municipal, provincial and even national level.

How the municipality will coordinate these development support services and functions within the municipality will be picked up on in more detail in section 3.4 dealing with Institutional arrangements.

3.3 Upgrading strategy at two scales

These priority interventions are drawn from the processes as described in this section that looks at how upgrading of informal settlements will be undertaken at the scale of the city as a whole and at the scale of each informal settlement.

The municipality will address the Upgrading of Informal Settlements at two scales:

1. At the scale of the city as a whole the municipality will allocate informal settlements that will be upgraded to rounds of upgrading where each round signifies the year in which the planning for upgrading will start for a given set of informal settlements; and
2. At the scale of individual informal settlements, each set of informal settlements that has been allocated to a round will be upgraded in a 5 phased upgrading process.

To see a summary motivation for this rounds and phases approach see the video on upgrading of informal settlements found at:

<http://www.afesis.org.za/2014-08-05-09-06-19.html>

3.3.1 *Municipal scale – allocate settlements to rounds*

At the scale of the Metro as a whole, the Municipality will allocate informal settlements to rounds (or years) within which participatory planning will start. In order to achieve this the municipality will:

1. Conduct a rapid review of all informal settlements
2. Demarcate all informal settlements as Incremental Settlement Areas (ISA's) so that the people living in these areas can have some security of tenure and be treated as citizens of the Metro, and to lay the foundation for all future upgrading processes.
3. Allocate ISA's to rounds, within which the upgrading phases and process as described in section 3.3.2 dealing with Upgrading informal Settlements at the scale of the settlement can be followed, in a way that addresses peoples dignity and basic needs as a first step towards longer term upgrading.

3.3.1.1 Conduct a rapid review of all informal settlements

The Municipality will conduct a rapid review of all informal settlements across the whole metropolitan area, including those in urban, peri-urban and rural areas. This review will build on and not repeat the rapid reviews that have already been conducted.

The planning department will start by circulating within the municipality a list and map of all informal settlements based on studies that have been conducted as well as any new information on new informal settlements.

The planning department will then take the lead in establishing a rapid review team which will be made up of representatives from appropriate municipal departments such as planning, engineering, human settlements, environmental, disaster management and land administration. This team will have the task of:

1. Identifying the necessary basic information relevant to each informal settlement including:
 - a. Who owns the land
 - b. What its present zoning status is
 - c. What plans there are for the land
 - d. What bulk services are available in the area including: water, sanitation, roads, electricity. etc.
 - e. How many shacks are on the land
2. Determining a recommended outer boundary for each informal settlement
3. Recommending what category the settlement should be allocated to. These categories include:
 - a. Relocate: Those informal settlements that need to be relocated.
 - b. Remain: Those informal settlements that can remain and be upgraded where they are.
 - c. Combined Relocate and Remain: Those informal settlements where there will be a combination of relocation and remaining, depending on local conditions (e.g. on steep slopes, close to streams or under power lines)
4. Recommending interim emergency interventions for each informal settlement while the residents of the informal settlement wait for further planning and upgrading to take place. This could include, for example, provision of communal toilets and water points.
5. Classifying all informal settlements to determine the extent to which the settlement falls within a likely environmental 'hotspot' area. (See annexure 2 for more information on environmental 'hotspots'). Environmental hotspots include:
 - a. On steep slopes
 - b. Within unique vegetation area
 - c. Close to river / watercourse
 - d. Within priority water catchment area
 - e. Within or close to biodiversity areas

3.3.1.2 Demarcate incremental settlement areas (ISA's)

The draft list of informal settlements with proposed outer boundaries that will be produced by the rapid review team will then be circulated to all departments within the municipality for comment. After an agreed comments period this set of maps of informal settlements with outer boundaries should be finalised and be used to designate Incremental Settlement Areas (ISA's). See section 3.2.1 on designating Incremental settlement areas and also see annexure 3 for more on Incremental settlement Areas.

These designated Incremental Settlement Areas will also be categorised into the three categories listed earlier:

- a. Relocate
- b. Remain
- c. Combined relocation and Remain

Issues relating to the land ownership status of the land, and bulk services availability in the area should not be taken into account when determining whether to demarcate an area as an ISA. The process of transferring land ownership and accessing bulk and connector services will be part of the plans that get developed for the upgrading of these areas.

3.3.1.3 Allocate ISA's to rounds

Incremental Settlement Areas that are earmarked to a) remain, and b) combined remain and relocate will then be allocated to rounds for future upgrading. A round refers to the year in which planning will commence for a given set of informal settlements.

About 30 settlements can be allocated to a round. This figure is based on the pilot project that is being undertaken in 2014 to plan for the upgrading of 32 informal settlements across the metro. If 30 settlements are allocated to round in a year this will mean that the just over 150 informal settlements within the city's urban edge will all be able to be planned within a five year period.

Settlements in round 1 will start planning in year 1, settlements in round 2 will then start planning in year 2, with rounds 2, 3 4 5 and onwards in years 3, 4, 5 and onwards until all identified informal settlements have been allocated to rounds.

When determining which settlement is allocated to which round the following considerations will be considered:

- Start with list with both 1) upgrade and 2) combined upgrade and relocate
- Aim for spread of settlements from different areas (wards) in each round
- Use pro rata to determine how many settlements from an area/ ward in each round
- Within an area (ward) allocate older settlements to earlier rounds

(See annexure 3 on Incremental settlement areas and annexure 4 Upgrading to rounds for more on allocation to rounds).

If there is a need to further differentiate settlements to determine which settlements are allocated to a round after categorising informal settlements as described above, it is proposed that this be done in a transparent manner using a random allocation method. This is to avoid any further conflict over which settlements to allocate to which round.

3.3.2 Settlement scale – upgrade in phases

At the scale of each informal settlement, and once the municipality has determined which settlements will be upgraded in which year, the municipality can then focus on starting to undertake participative planning exercises to start the upgrading process in those settlements in the first round.

Those settlements that have been allocated to rounds will then follow the following upgrading phases:

1. Phase 1: Prepare for development
2. Phase 2: Basic development
3. Phase 3: Development support
4. Phase 4: Consolidation
5. Phase 5: On-going development

Note that these phases are similar but are not exactly the same as the phases as outlined in the Housing Code.

1. Phase 1: Application
2. Phase 2: Project initiation
3. Phase 3: Project implementation.
4. Phase 4: Consolidation

The following figure (Figure 8) compares the similarity and overlap between the upgrading phases in this BCMM strategy and the upgrading phases in the Housing Code.

Figure 8: Comparison between BCMM phases and Housing Code phases

BCMM Upgrading phases	Housing Code phases
Phase 1: Prepare for development Collect community and technical data Conduct socio economic survey Develop upgrading plans Conduct detailed studies and designs	Phase 1: Application Motivation and apply for funding
Phase 2: Basic development Install basic services Provide basic tenure recognition	Phase 2: Project initiation Acquisition of land Socio economic survey Conduct geo-tech and environmental impact studies Provision basic services
Phase 3: Development support Provide housing support services Start to provide social, economic and community services and facilities	Phase 3: Project implementation: Housing support services Construct social, economic and community amenities and facilities Relocation assistance
Phase 4: Consolidation Provide tenure upgrade Provide services upgrade Build subsidised houses	Formalisation of land occupational rights Install permanent municipal services Phase 4: House consolidation Build subsidised houses
Phase 5: On-going development	-

Each of the five phases in this BCMM phased upgrading approach are summarised below. For more detail on each of these phases see annexure 5 on Upgrading phases.

3.3.2.1 Phase 1: Prepare for development

For each informal settlement, the start of the upgrading process involves the Municipality engaging with the community to prepare them to engage in future upgrading phases; collating as much socio-technical data as possible on the settlement: and conducting a participative planning exercise.

1. Awareness raising and capacity building

The Municipality will inform the informal settlement community of what will be happening in the upgrading process; and provide capacity building support to help them establish a functioning representative committee.

The municipality will also engage surrounding communities and the ward committee structures to get their views on upgrading of the settlement and inform them of the upgrading process.

2. Data collection

The municipality will collect the necessary background information of each informal settlement, including for example base maps, information on land ownership, availability of bulk and connector infrastructure, etc.

It is advisable that a survey be conducted on all shacks in the affected informal settlements to determine who is living in which shack. This will assist in providing the basis for the Locally Administered Land Tenure data base that will be implemented in the basic development phase.

If funding permits a comprehensive socio-economic survey should also be conducted, or at least a random sample survey.

3. Participative planning

One of the more important steps during phase 1: preparing for development, is for the municipality to undertake a participative planning process with each informal settlement. This approach will follow a community based planning process and look at:

- a. how the plots and roads will be laid out, taking into account the existing settlement layout pattern,
- b. what priority infrastructure investments will be provided and at what stage,
- c. how land tenure will be provided and managed,
- d. what development support will be provided by government and others and
- e. when and how the above will be provided, and with what funds (a programme and budget)

The Asset Based Community Development methodology provides a useful methodological approach on which to base this planning process. (See Annexure 7 for more information on ABCD).

4. Environmental impact studies

Some of the identified development interventions will trigger the need for basic environmental assessment reports so as to obtain environmental approval or authorisation. The following provides a few examples of the more likely interventions that will require further studies:

- The construction of infrastructure of certain lengths for bulk transportation of water, sewerage or storm-water.
- The construction of dams, canals and bridges within water courses

See annexure 1 on environmental legislation applicable to informal settlement upgrading for a list of likely activities that could trigger the need for various studies. These studies need to be budgeted for, both in terms of time and money to conduct the studies.

The municipality should consider appointing one environmental consultant to conduct environmental studies for all informal settlements that are being planned within that round of settlements so as to benefit from economies of scale when conducting these studies.

Note that these studies are for projects that have been identified for basic development that trigger the need for environmental studies. For projects that will be implemented at a later stage in subsequent phases like the consolidation phase, the environmental studies can be undertaken prior to these projects being implemented.

3.3.2.2 Phase 2: Basic development

Once the participative plan is prepared the Municipality will immediately start to provide identified and agreed basic development products for which funding has been secured. More detailed planning will need to be conducted for those prioritised basic development projects before these projects can be implemented. These products include the following:

1. Basic layout and land use
2. Basic tenure
3. Basic services and facilities
4. Basic houses

The following summarises each of these basic products:

1. Basic layout and land use

The first decision that needs to be made is to determine which areas or shacks within a settlement will

For those areas that are to remain, there are two options for how these areas could be upgraded:

- Stay/ shift or pure in-situ upgrading where water, roads and paths and other interventions are brought into an informal settlement without significantly moving people from where they are presently staying. The re-blocking approach adopted by many organisations affiliated to the Slum/ Shack Dwellers International falls into this category. In this situation the shack could either:
 - stay exactly where it is where it is, with a plot and road/ path network created around the shack (this usually occurs in low density settlements); or
 - be required to move within the settlement onto a new plot and road layout superimposed over the existing shack settlement layout (This usefully occurs in medium density settlements).
- The two-step upgrading approach where households are temporarily removed to a temporary relocation area (TRA) while the area is re-planned, and then the households move back to the original portion of land that has now been replaced. When this is done in phases and only a portion of the settlement is moved to the TRA and back again at a time, this is called 'roll over' upgrading. This two- step approach occurs mainly in higher density situations where it is very hard to do more 'pure' in situ upgrading.

Other portions of the settlement may however not be able to be upgraded in-situ and the Municipality will have to find alternative land where these people can be relocated to.

See Figure 9: Upgrading options diagram at the end of this section for a summary of the upgrading options that are available to the municipality. Also see Annexure 6 dealing with upgrading options or paths, for more detailed information relating to this diagram.

The outer boundary of the informal settlement should be demarcated, and where possible, and over time, individual plots should be shown on a locally administered plan (i.e. the plots are not necessarily registered as official erven at this stage).

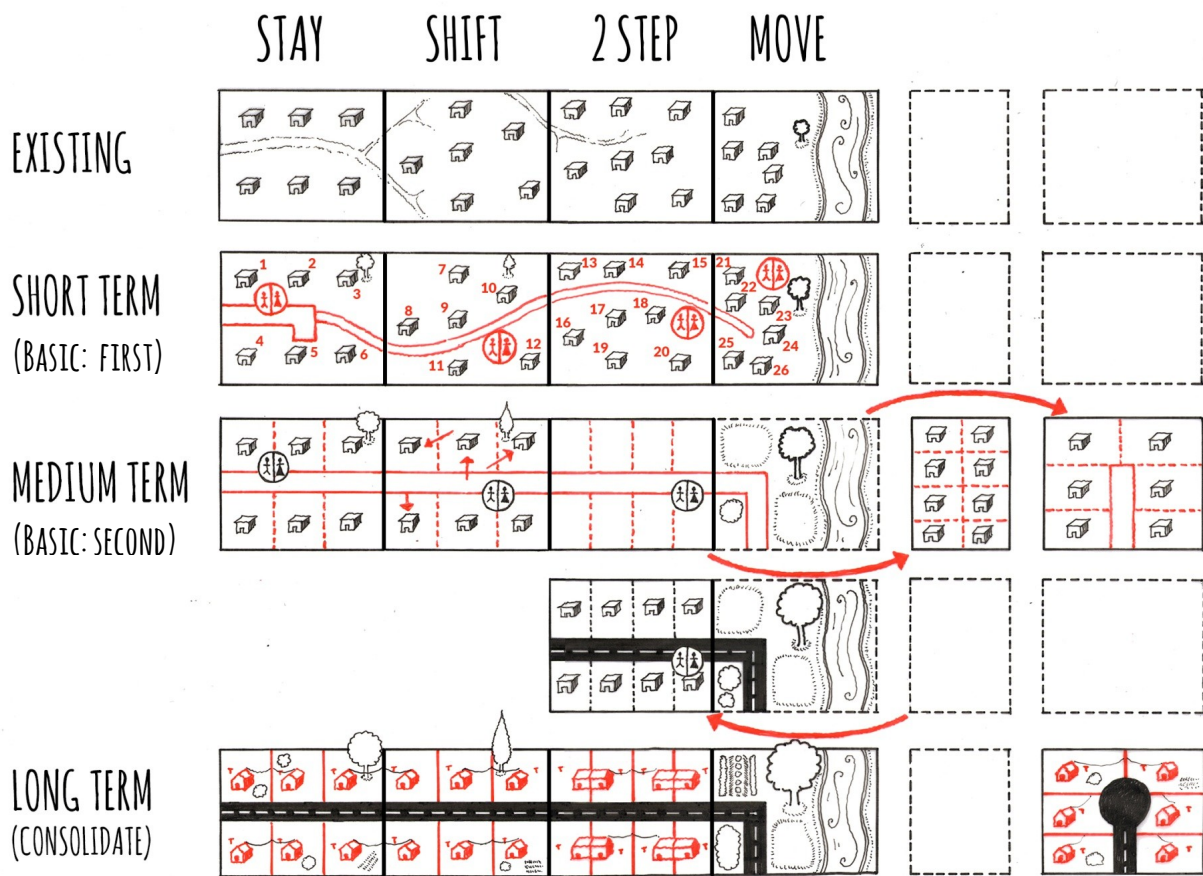
As part of the basic planning phase the municipality should determine which parts of the settlement should be demarcated for which of the above long term upgrading or relocation options.

In instances where the municipality has not yet produced an appropriate layout plan for the area to be upgraded, nor have they obtained the necessary environmental and other legislation approval, or there the Transitional Relocation Area (TRA) is not yet ready, then the municipality will provide at least a basic level of services to the households living in that informal settlement (no matter which long term upgrading path they are on).

The municipality and community can make use of the set of guidelines found in annexure 8 on guidelines for layout of informal settlements to guide planning decisions for layout interventions.

In terms of basic land use see the Annexure 3 on Incremental Settlement Areas which goes into more detail on the land use rules which would apply in these areas.

Figure 9: Upgrading options diagram



2. Basic tenure

The municipality will work towards keeping a record of who is occupying which plot/shack within each informal settlement. The municipality may on request and if appropriate issue some form of recognition of occupation to these households.

Examples of how tenure can be recognised includes:

- A council resolution indicating that certain named households can stay within a designated portion of land
- The issuing of a services statement and/or the linking of a geo-referenced electricity pre- payment meter number to a household account.
- The issuing of a recognition of occupation certificate as per an approved set of rules for Incremental Settlement Areas
- The provision of a lease agreement allocating a specific portion of land to a specific household

If the land is owned by another government department (e.g. the Department of Rural Development and Land Reform, the Department of Public Works, etc.), or a parastatal (like Transnet) or by a private person or entity, then a process needs to be put in place to purchase and/or transfer the land into the name of the municipality, or at least enter into an appropriate Land Availability and Development Agreement that will allow the municipality to undertake upgrading interventions on the land. .

See section 3.2.2.on locally administered tenure and annexure3 on Incremental settlement areas for more on basic tenure.

3. Basic services and facilities

The Municipality should provide basic services/ facilities (specifically at the neighbourhood scale) that contribute towards health and safety within the community and addresses human dignity.

The prioritisation of this infrastructure will be undertaken through the participatory planning process, but the municipality should make every effort to ensure that the following minimum level of services are provided prior to looking at additional infrastructure:

- Priority level 1
 - a. Communal standpipes
 - b. Communal ablutions
 - c. Priority storm water drainage
- Priority level 2:
 - a. Additional storm water drainage, and footpaths
 - b. Communal plug points
 - c. Electricity per house; and
 - d. Any other set of infrastructure interventions as determined by community and municipality

See the Basic Development phase of annexure 5 on upgrading phases for more on basic services.

1. Basic housing

Basic housing, includes for example, the provision of additional shack building materials for those households that had to relocate their shacks for various reasons (e.g. within a road reserve).

Note, however, that housing related support and intervention will mainly be picked up in phase 3 the development support phase and phase 4 the consolidation phase.

3.3.2.3 Phase 3: Development support

Once the first level of basic development support is provided, or at least in the process of being provided, the municipality, working in a coordinated manner with other relevant government departments and structures, will start to provide development support services to

1. Leadership of the community
2. Households in need of housing support
3. Businesses in need of business support
4. Community structures (like sports clubs, people with HIV/aids, the aged, etc) in need of community support

Much of this support will be provided to help households and the community help themselves (e.g. housing support, business support) and also support those sectors that require special attention (e.g. the aged and children).

1. Leadership support

Leadership support refers to support to the community leadership structures within the informal settlement, as a continuation of the capacity building support started in previous phases. This includes training in the roles of and skills required by portfolio holders (chairperson, secretary, treasurer, etc.), negotiation skills, as well as training in the upgrading development process.

Support is also provided to the incremental settlement area steering committee which is responsible for overseeing the implementation and monitoring of the upgrading programme for the informal settlement. Such support could involve, for example provision of a venue, cell phone allowance to leadership structures, support in conducting of socio-economic surveys, etc.

2. Household support

Support to households can come in the form of:

- Advice offices for rates and services payment and advice on and administration of indigent discounts
- A land administration service that assists with the issuing and transfer of basic tenure recognition mechanisms (e.g. occupation certificate issued as per the incremental settlement land tenure policy and strategy).
- A referral and Information system where households are advised where they can go to receive additional assistance from government departments, as well as for discounts on building materials and information on which building contractors can be employed.

3. Business support

This includes support to local small and medium businesses, like retail, manufacturing and service businesses in the form of cheap space from which to operate, a referral system of where they can go to receive small business training and advice, and the issuing of recognition of prior learning certificates, etc.

4. Community support

Support to community groups like youth groups, early childhood development structures, sports clubs, cultural groups (choir, sports clubs etc.), associations for the aged, community policing forums, etc. in the form of space and equipment to operate, subsidies to fund operational costs, training and capacity building, networking facilitation, etc.

The development support phase of annexure 5 on upgrading phases goes into more detail on development support.

3.3.2.4 Phase 4: Consolidation

The consolidation phase is where government comes back in future to those informal settlements and households that have received basic development support and provides further consolidation upgrading support for those that qualify.

The municipality will initially focus on the provision of basic development products and development support to as many informal settlements as possible, before they will come back to provide consolidation upgrading support to those that received the basic development products first.

The necessary detailed planning and design and environmental and other studies will need to be undertaken prior to these projects being implemented.

1. Upgrading at neighbourhood scale:

Upgrading occurs at the scale of the neighbourhood in the form of the upgrading of services and facilities. Services are upgraded from, for example, communal toilets to a toilet connection per site, and facilities are upgraded from, for example, a roof on poles multi-purpose meeting space, to a multi-purpose community hall.

2. Upgrading at household scale:

Upgrading also occurs at the scale of households, in the form of:

- Upgrading the house and on-site services for those households that qualify for housing subsidies; and
- Upgrading of tenure, by changing, for example from a recognition of occupation certificate to individual title deeds.

Government subsidies are only used for upgrading at the household scale for those households that qualify for housing subsidy support. Those that do not qualify for a housing subsidy will have to use their own resources to upgrade their homes.

The following provide a summary of the housing programmes that are most applicable for upgrading of the house.

- The consolidation phase (phase 4) of the Upgrading of Informal settlements programme as per the Housing Code
- The top structure component of the Enhanced Peoples Housing Process.
- The housing voucher programme (once it is finalised) should also be considered.

The consolidation phase of annexure 5 on upgrading phases goes into more detail on consolidation.

3.3.2.5 Phase 5: On-going development

The on-going development phase is not so much a new phase but more a continuation of previous phases into the future.

The on-going development phase in many instances actually starts once the municipality takes responsibility for providing basic development products and development support.

It is important that the settlement programme steering committee, discussed in the development support phase, continues overseeing the phased and incremental development of the houses and neighbourhood.

1. Maintain and improve at neighbourhood scale: The municipality (and appropriate government departments) are responsible for the on-going maintenance of the services and facilities provided in previous phases.
2. Maintain and improve at household scale: Households are responsible for maintaining and improving their own houses and plots/ erven.
3. Reflection and learning: At regular intervals in the development process, reflection and learning should be encouraged and facilitated so that subsequent development interventions build and improve on what was done previously.
4. Affordability for households: Development interventions must take into account how affordable the initial intervention is for the households affected as well as the on-going costs of operating and maintaining the facilities and services provided.
5. Financially sustainable for government: It is important that the municipality, and affected government department are able to continually and sustainably provide the products and services. This is either through direct user charges or through some form of subsidisation from local and/or national taxes.

As indicated at the start of this section on phases you can find more information on each of the phases described above in Annexure 5 dealing with the upgrading phases.

3.4 Institutional arrangements

With an understanding of the priority interventions for informal settlement upgrading and the upgrading interventions at the scale of the city as a whole and at the scale of each settlement, attention now turns to how the municipality will organise itself to deliver these priority interventions, and unpack what roles and responsibilities various role-players will need to play at different phases of the upgrading process.

This institutional arrangements section is divided into two parts:

- Institutional coordination, which looks at what the municipality needs to do to coordinate all aspects of the upgrading of informal settlements programme; and
- Roles and responsibilities, which looks at the roles and responsibilities of the various departments and structures within the municipality when it comes to upgrading of informal settlements.

3.4.1 Institutional coordination

As a minimum in order to coordinate informal settlement upgrading initiatives within the Metro, the Municipality will undertake the following:

1. Designate an incremental settlement champion within the municipality to coordinate incremental settlement development interventions:
 - a. Within each department; and
 - b. Within the municipality as a whole
2. Establish a rapid review team to allocate informal settlements to incremental settlement areas and rounds of upgrading, and to get the incremental settlement development process moving
3. Establish a Community Work Programme coordinating committee to manage much of the upgrading interventions.
4. Align informal settlement upgrading with the Municipalities ward and IDP planning systems.

Other coordinating intervention can then be identified, arranged and facilitated at a later stage by the incremental settlement steering committee of the municipality. This could include for example:

- The establishment of incremental settlement forum involving government, private sector and civil society
- The establishment of a community of practice
- The establishment of any other dedicated structures that are identified like a youth coordinating committee, a HIV/Aids support group, etc.

3.4.1.1 Designate incremental settlement champions

The Human Settlements department (led by the upgrading of informal settlements unit) will take the lead in driving the upgrading of informal settlements programme within the Metro as a whole. Each department will also designate an incremental settlement champion to drive and coordinate any upgrading activities within that department.

1. Within departments

Each municipal department should establish a dedicated unit (for those departments that are more involved in informal settlement upgrading like housing and engineering) or an incremental settlement champion from within the department (for those departments that are not as involved in the upgrading process) who will be the coordination point for all incremental settlement related functions within that department. The upgrading of informal settlements is a long term process and requires ongoing commitment from each department.

2. Within the municipality as a whole

The Municipal human settlements department, as the lead department within the municipality, will call quarterly steering committee meetings of all incremental settlement champions within the municipality to coordinate all interventions within incremental settlement areas.

This upgrading of informal settlement inter-departmental steering committee will be responsible for ensuring that the necessary municipal stakeholders attend appropriate cluster planning and cluster implementation steering committees (see section 3.2.3 on implementing of planning and basic development as well as section 3.4.2.2 on planning and implementation for more on these committees.)

3.4.1.2 Establish a rapid review team

One of the first set of activities that the municipality will need to undertake is to undertake a rapid review of all informal settlements as described in section 3.3.1 dealing with allocating informal settlements to rounds; and also see annexure 5 on phases.

A multi-disciplinary team will need to be established to undertake a rapid review to determine:

- The existing situation in relation to who is occupying the land.
- The existing situation with respect to land ownership, availability of bulk services like water, sewerage, roads, electricity, etc.)
- The outer boundary of settlement so area can be designated as an Incremental settlement area (if appropriate)
- Which category settlement to be allocated 1) remove, 2) remain, or 3) combined remain and remove
- The round to which settlement will be allocated
- Environmental hotspots within informal settlements
- Emergency/ interim interventions required for each informal settlement

The Planning department, working with the upgrading of informal settlements unit in the Human Settlements department of the Municipality will take the lead in coordinating this rapid review team. Departments that need to be involved include:

- Planning
- Human settlements
- Disaster management
- Land Administration
- Environmental
- Roads, storm water
- Water and sanitation
- Planning and land administration
- Metro police
- Community health
- Refuse removal
- Electricity

It is proposed that each department, seconds for the period of the review a staff member to participate in the rapid review process. Necessary consultant capacity may also need to be secured to assist in this exercise.

The rapid review team needs to also do a rapid assessment of each settlement to determine what immediate actions could be taken even before any further planning is undertaken. This includes for example: putting in emergency water standpipes, arranging for refuse container skips, etc.

The implementation of the rapid responses identified by the rapid review team will then be implemented by the appropriate department (e.g. water and sanitation, or roads and storm water etc.).

- Two options will be considered for how to obtain funds to pay for projects that emerge from this exercise:
- The first is for each department to ring fence a portion of its existing budget for this exercise; and
- The second is for one of the departments to take responsibility for administering a contingency fund that all departments can access as motivated by the rapid response team.

This rapid review team will be most active at the start of the whole informal settlements upgrading programme, but it can also perform the function of an emergency response team that can respond to emergencies like a flood, a fire or similar. The response team will immediately visit the affected site to conduct an investigation and determine what actions need to be taken such as providing temporary accommodation in local community hall, provision of food parcels, etc. They can also see if the emergency provides the team with an opportunity to re-block the settlement in a more planned manner in preparation to future upgrading.

3.4.1.3 Coordinate interventions with the Community Work Programme stakeholder management committee

The incremental nature of phased provision of basic services and facilities and development support, provides a unique opportunity to use the Community Work Programme (CWP) of government to provide the following necessary basic development products and development support:

- Storm water and roads/ pathways construction: Consideration can be given to using paving slabs in situations where temporary paths are required.
- Communal sanitation
- Vegetation and refuse removal
- Home based care

See the section on CWP in “Figure 14: Funding sources - primary grants” in section 3.5.2 for more information on what the CWP can be used for.

The CWP is coordinated nationally by the Department of Cooperative Governance and Traditional Affairs. The provincial department of Local Government and Traditional Affairs has appointed an Implementing Agent (Dhlahla Foundation) from the non-governmental sector to manage the implementation of this programme within the Buffalo City Metropolitan Municipality.

The Local Economic Development department within the Municipality is responsible for working with the provincial government and the Implementation Agent to coordinate the implementation of the CWP process.

A CWP stakeholder management committee has been established to coordinate the implementation of the CWP in the BCMM and to 1) identify beneficiaries to be part of the CWP and 2) identify work opportunities. This committee meets on a regular basis (at least quarterly) to coordinate CWP (and other Expanded Public Works programme - EPWP) interventions. The participants of this CWP stakeholder steering committee include:

- The provincial government department responsible for the CWP
- Municipal departments that are affected by the implementation of the CWP (e.g. waste removal, environmental, water and sanitation, roads and storm water, etc.)
- Other provincial departments also involved in similar initiatives such as home based care, and early childhood development,
- Community representatives nominated by CWP structures within communities
- Implementing agent responsible for implementing the CWP

3.4.1.4 Align upgrading processes with the Municipalities ward and IDP planning systems

The plans developed and projects identified during the preparation phase of the Upgrading of informal settlement process need to find their way into Municipal IDP plans and annual budgets so that they can be implemented.

Ward committees play an important role in developing and overseeing the implementation of IDP plans from a ward perspective. It is up to the leadership of informal settlements, through participation in ward meetings, to monitor that their upgrading projects are reflected in the municipalities. IDP. See section 3.2.3 dealing with Implementation planning and basic development for more on the relationship between cluster (planning and implementation) steering committees and ward committees.

Municipal departments on the other hand also play an important role in ensuring that sector plan requirements for upgrading of informal settlements are reflected in the IDP. See section 3.5.4 for more on alignment of plans.

3.4.2 Roles and responsibilities

This section dealing with the roles and responsibilities of different departments and structures within the municipality approaches the issue of roles and responsibilities from two perspectives:

1. Roles and responsibilities per phase
2. Roles and responsibilities per department

Figure 10: Roles and responsibilities per phase

3.4.2.1. Roles and responsibilities per phase

The following table identifies the roles and responsibilities of various role-players during different phases of the upgrading process. The role-players are shown in **bold**.

Phase	Government	Community	Other
Rapid review phase	<ul style="list-style-type: none"> Collect basic information on all informal settlement (engineers, planners, etc.) Define outer boundaries of informal settlements (planners, engineers, environmentalists) Categorise settlements according to those that can remain and those to be relocate (planners, engineers, environmentalists) Identify settlements that fall within environmental 'hotspots'. (environmentalists) Formally designate identified informal settlements as Incremental Settlement Areas. (Planners) Conduct awareness raising on upgrading process in all informal settlements (social facilitators) 	<ul style="list-style-type: none"> Collaborate with rapid review team Leadership keep community updated 	<ul style="list-style-type: none"> Share information with government
Prepare Phase	<ul style="list-style-type: none"> Collect more detailed technical information on identified settlements (engineers, planners, environmentalists, conveyancers, etc.) Facilitate participatory planning (planners, social facilitators) Conduct basic organisational development with community leadership (social facilitators) Conduct socio-economic surveys (social facilitators, researchers) Conduct necessary environmental studies for those settlements where 'trigger' activities are likely to be undertaken (environmentalists) 	<ul style="list-style-type: none"> Organise community leadership structures Collect community information – community enumeration Participate in participatory planning process Participate in organisational development events 	<ul style="list-style-type: none"> Share additional information with government – NGO's, churches, businesses, academics. Provide contract support to government – researchers, social facilitators, build environment professionals, etc
Basic	<ul style="list-style-type: none"> Rezone to residential zone 1A where appropriate (planners) 	<ul style="list-style-type: none"> Participate in 	<ul style="list-style-type: none"> Building and

Phase	Government	Community	Other
development phase	<ul style="list-style-type: none"> Implement a locally administered tenure system (land and data base administrators) Develop standard designs for generic interventions like communal ablution facilities, storm water drainage, and road/ path paving, electricity etc (engineers) Fundraise for, design and install basic services and facilities like water, sanitation, refuse, storm water, roads, refuse, electricity, community halls, etc (engineers, architects, project managers, etc.) Oversee Community Work Programme / Working for Water programmes in (and adjacent to) incremental settlement areas (engineering and other appropriate skills) Use the same clusters of informal settlements that were established as part of the planning phase to establish upgrading steering committees, and arrange for these committees to meet every two months to monitor and steer the implementation of upgrading projects. (engineering departments) 	<p>development monitoring and steering committees, CWP committees and other implementation structures.</p> <ul style="list-style-type: none"> Leadership to get mandates from and report back to community. Provide labour for basic developments interventions. (e.g. CWP projects) 	<p>engineering services contractors</p>
Development Support Phase	<ul style="list-style-type: none"> Provide secretariat support to settlement upgrading steering committee (project management unit) Administer locally administered tenure system provided in previous phases (land and housing data base administration unit). Administer land use and building control (land use management staff) Oversee incremental settlement LED support programmes (LED specialists) Oversee community policing programme (Municipal police) Oversee community health programme (municipal health) Provide housing development support and advise (human settlements department) 	<ul style="list-style-type: none"> Participate in development monitoring and steering committees Leadership to continually report back and get mandates for projects and activities. Keep Municipality updated with changes in land tenure, use and construction. Improve shelter and homes 	<ul style="list-style-type: none"> Organisational development support – NGO's etc Other government departments ?? LED, HIV/Aids, aged, youth, etc

Phase	Government	Community	Other
Consolidation phase	<ul style="list-style-type: none"> Plan for and upgrade services and facilities (engineers, architects, project managers, etc) Plan for an upgrade tenure (town planners, land administration, conveyancers, land surveyors, etc) Rezone to residential zone 1A or 1B where appropriate, and rezone other land uses. (town planners) Plan for and upgrade houses (housing specialists) 	<ul style="list-style-type: none"> Help maintain neighbourhoods (refuse, etc) Participate in upgrading sub committees set up under monitoring and steering committee Provide labour for upgrading interventions 	<ul style="list-style-type: none"> Consultants provide built environment development skills (engineers, conveyancers, etc) Building and engineering services contractors
Ongoing development phase	<ul style="list-style-type: none"> Maintain the services and facilities. (engineers, property managers) Collect rates and services. (rates and services clerks) Arrange for further upgrading and improvements over time (planners, project managers). Maintain the deeds register - if converted to individual ownership (deeds office); or the locally administered tenure system. (conveyancers) 	<ul style="list-style-type: none"> Maintain and improve houses and plots Pay rates and services. Keep deeds office updated on changes in land ownership 	
Overall coordination and implementation	<ul style="list-style-type: none"> Establish, participate in and act as secretariat for municipal inter departmental Upgrading informal settlement steering committee (development support) Undertake further actions as determined by the upgrading steering committee that could include, for example: <ul style="list-style-type: none"> Establish and oversee a community of practice and an innovation forum. (development support) Conduct on-going evaluations and case studies during and after phases and for innovative projects (researchers, publicists) Arrange to share lessons and experience through events, publications and other media (development support researchers, communication experts) 	<ul style="list-style-type: none"> Leadership to participate in coordinating structures Participate in evaluations, exchange visits and sharing of lessons. 	<ul style="list-style-type: none"> Participate in community of practices Participate in innovation forum

3.4.2.2 Roles and responsibilities per departments

Each municipal department will perform different roles within the upgrading process. The following figure (Figure 11) is broken up into Directorates and Departments within Directorates. For those departments that play a leading role in the upgrading process roles are further categorised according to programmes with the department. The table is based on directorates and departments as depicted in Section G: operational plan of the 2014/15 Integrated Development Plan.

Figure 11: Roles and responsibilities per department

Directorates	Roles (within departments)
Human settle-ments	<p><u>Housing planning and Strategy department</u> (including Programme manager for Informal settlement upgrading)</p> <ul style="list-style-type: none"> • Strategic planning and strategy programme <ul style="list-style-type: none"> ◦ Develop strategy for and establish a development support programme: Informal settlement upgrading programme ◦ Develop and maintain data base of builders, material suppliers, etc ◦ Conduct / oversee case studies/ research/ documentation of incremental settlement development ◦ Arrange sharing and learning events and opportunities (workshops, radio, newsletters, facebook) ◦ Arrange study visits/ exchanges ◦ Coordinate organisational development and social facilitation ◦ Work with Housing administration programme to manage locally administered tenure system • Housing administration programme: <ul style="list-style-type: none"> ◦ Work with informal settlement upgrading programme to manage locally administered land tenure system <p><u>Housing delivery and implementation department</u></p> <ul style="list-style-type: none"> • Manage top structure consolidation phase • Manage certain infrastructure projects in basic development and consolidation phases. <p><u>Settlement special projects department</u></p> <ul style="list-style-type: none"> • Manage identified informal settlement upgrading projects as Flagship projects • Manage identified informal settlement projects and initiatives as social economic projects
Development and spatial planning	<p><u>Development planning department</u></p> <ul style="list-style-type: none"> • City and regional planning programme <ul style="list-style-type: none"> ◦ Coordinate and participate in rapid review ◦ Conduct participatory planning ◦ Develop 'local' layout plan for settlement ◦ Coordinate planning and 'township establishment process' for consolidation phase (when area upgrade to formal layout) • Spatial norms and standards enforcement programme <ul style="list-style-type: none"> ◦ Develop and administer Incremental settlement, and incremental zoning land use rules <p><u>Urban and Rural Regeneration department</u></p> <ul style="list-style-type: none"> • Township regeneration programme <ul style="list-style-type: none"> ◦ Participate in rapid review ◦ Participate in planning process <p><u>Property management department</u></p> <ul style="list-style-type: none"> • Property disposal and acquisition programme <ul style="list-style-type: none"> ◦ Participate in transfer of Municipal property consolidation phase to households when tenure upgraded

Directorates	Roles (within departments)
Development and spatial planning	<ul style="list-style-type: none"> • Building management programme <ul style="list-style-type: none"> ◦ Maintain community halls
Infrastructure	<p><u>Water, wastewater and scientific services department</u></p> <ul style="list-style-type: none"> • Water services programme <ul style="list-style-type: none"> ◦ Participate in rapid review ◦ design and install communal ablutions ◦ provide a maintenance service ◦ develop guidelines for engineering standards for informal settlements • Sanitation programme <ul style="list-style-type: none"> ◦ Participate in rapid review ◦ design and install communal ablutions ◦ provide a maintenance service ◦ develop guidelines for engineering standards for informal settlements <p><u>Electrical energy services department</u></p> <ul style="list-style-type: none"> • Electrical development and assets programme <ul style="list-style-type: none"> ◦ Participate in rapid review ◦ informal settlement electrification (private) ◦ informal settlement electrification (public) ◦ provide an electrical maintenance service • Customer services and revenue collection programme <ul style="list-style-type: none"> ◦ Deal with enquiries and payments for pre- payment meters <p><u>Roads, project implementation unit and construction department</u></p> <ul style="list-style-type: none"> • Participate in rapid review • Manage community works programme (related to paths and storm water)
Municipal services	<p><u>Solid waste management department</u></p> <ul style="list-style-type: none"> • Collect refuse • research and implement recycling and other waste management programmes <p><u>Community amenities department</u></p> <ul style="list-style-type: none"> • develop and maintain play areas • develop halls • develop sports facilities <p><u>Parks, cemeteries and crematoria department</u></p> <ul style="list-style-type: none"> • Vegetation control • Manage a working for water, working for waste programme (to remove alien vegetation etc)
City manager's office	<p><u>Expanded public work programme department</u></p> <ul style="list-style-type: none"> • Manage expanded public works programme <p><u>Knowledge management and innovation department</u></p> <ul style="list-style-type: none"> • Collate and circulate information on informal settlements <p><u>Legal services and municipal courts</u></p> <ul style="list-style-type: none"> • Provide advice on tenure related matters and deal with disputes and any other legal matters relating to informal settlements.
Executive support services	<p><u>Sports services and special programmes department</u></p> <ul style="list-style-type: none"> • Oversee community sports services • Special programmes (e.g. HIV/aids)

Directorates	Roles (within departments)
Health public safety and emergency services	<u>Municipal health services department</u> <ul style="list-style-type: none"> • Mobile clinics etc <u>Public Safety and protection services department</u> <ul style="list-style-type: none"> • Law enforcement to deal with disputes within informal settlements <u>Emergency services department</u> <ul style="list-style-type: none"> • Participate in rapid review • Provide fire service to informal settlements • Provided disaster relief • Plan for mitigation of disasters
Finance	<ul style="list-style-type: none"> • Collect fees if required
Economic development and agencies	<u>Trade, industry and rural agrarian department</u> <ul style="list-style-type: none"> • small business support • skills development /training • work with waste department to support waste and recycling projects • work with human settlement department to support small businesses in construction sector
Environmental unit	<ul style="list-style-type: none"> • participate in rapid review to identify ISA's • Identify informal settlements that fit into environmental hotspot areas • Develop environmental management frameworks for hotspot areas • Monitor that necessary environmental studies are undertaken for interventions that trigger need for study.
Land administration	<ul style="list-style-type: none"> • Participate in rapid review (land) • Assist with tenure processes
Enterprise Project Management Office (EPMO)	<ul style="list-style-type: none"> • Funding planning and coordination

In order to implement the upgrading process, the municipality will also have to work with a number of interdepartmental structures and structures where communities and the municipality need to collaborate in order to achieve upgrading outcomes. (see Figure 12 below)

Figure 12: Co-ordinating structures

Coordinating structure	Roles (of co-ordinating structure)
Cluster Steering Committee	<p>Planning phase</p> <ul style="list-style-type: none"> • Coordinate collection of data on informal settlements • Plan for the upgrading process • Oversee the socio economic survey <p>Implementation phase</p> <ul style="list-style-type: none"> • Oversee the sourcing of funds for implementation • Monitor that plans are implemented and make necessary steering measures. • Undertake further planning for additional upgrading and consolidation activities. • Review and evaluate experience in the upgrading process
Ward committees	<ul style="list-style-type: none"> • Oversee the upgrading process per settlement. • Note that informal settlement committees need to participate in ward committee structures as separate Area committees. • Assist in dealing with any disputes that may emerge in the upgrading process.
Ward councillor	<ul style="list-style-type: none"> • Oversee the upgrading process in his/her ward. • Send a representative to participate in cluster steering committee meetings
Council	<ul style="list-style-type: none"> • Approve policy • Formally approve plans
Incremental settlement coordinating committee (made up of Upgrading champions from each Municipal department)	<ul style="list-style-type: none"> • Coordinate all upgrading of informal settlement activities within the municipality • Identify additional coordination activities that may be necessary such as 1) the establishment of a municipal wide upgrading forum involving other government departments and programmes, communities, civil society, academics, and the private, 2) the establishment of a Community Work Programme for informal settlement task team, 3) the development of an HIV/aids and informal settlement programme, 4) undertaking evaluation and learning exercises, 5) and any other activity identified by the committee.
Rapid review team	<ul style="list-style-type: none"> • Conduct rapid review of all informal settlements at the start of the upgrading process for all informal settlements so as to allocate informal settlements to rounds and identify emergency interventions. • Oversee the implementation of emergency interventions.

3.5 Funding, programme and planning alignment

The following section unpacks where the funding will be secured for the various phases and activities. It is broken into the following sub sections:

1. Funding per phase
2. Funding sources
3. Programme
4. Planning alignment

3.5.1 Funding per phase

The following figure (Figure 13) summarises in broad terms what funding will be used at different phases of the upgrading process. See the section 3.5.2 below on funding sources for a more detailed breakdown of exactly what funding sources can be secured from government.

Figure 13: Funding per phase

Phase	Funding sources
Rapid review	<ul style="list-style-type: none"> Municipality to use its own departmental funds to conduct the review
Preparation	<ul style="list-style-type: none"> Households start to save for their future settlement needs and contribute towards the operation costs of local community based organisations The Municipality is allocated and applies for and accesses funds from national and provincial government to conduct the necessary planning exercises and to upgrade bulk infrastructure in the area in preparation for future settlement upgrading.
Basic development	<ul style="list-style-type: none"> Government accesses funds from government programmes to install communal toilets and electrify the settlement, etc Households use their own resources to make improvements to their own houses The community contributes voluntary time towards basic development Employers contribute funds to assist households to improve their shelters and houses (purchasing paint and planting trees, etc)
Development support	<ul style="list-style-type: none"> Municipality funds a housing support and locally administered land tenure service Different departments provide funding for small business training and support, community health programmes, early childhood development etc. Employers provide cheap loans to employers to make improvements to their households
Consolidation	<ul style="list-style-type: none"> Government provides funding for upgrading of the services and for those households that qualify funds for improving the houses they have already developed.
On- going development	<ul style="list-style-type: none"> Households continue to improve and maintain their houses Organised communities continue to maintain the neighbourhood (street cleaning, provision of child play equipment etc) The municipality continues to provide on-going municipal services (e.g. refuse removal, management and maintenance of community halls etc)
Overall	<ul style="list-style-type: none"> The municipality uses its own resources to cover staffing costs and other on-going costs

3.5.2 Funding Sources

The following tables summarise possible funding sources that are applicable for the upgrading of informal settlements.

The first table (Figure 14) lists primary grants that are most directly applicable. The second table (Figure 15) lists possible secondary grants that may be applicable in certain instances. The tables generally (unless specified) focus on grants that can be accessed by the municipality (and government more generally) and not grants that could be accessed by the community or civil society etc.

Figure 14: Funding sources - primary grants

Name of programme	What is funded	Who applies to whom	Amount
USDG Urban settlements development grant – from treasury and administered by Human settlements	<ul style="list-style-type: none"> Engineering services; Bulk infrastructure Community Halls 	Metro is allocated funds. Projects must be in the IDP.	Determined per project
HSDG (human settlements development grant) – UISP Upgrading informal settlements programme	<p><u>Phase 1: application</u></p> <ul style="list-style-type: none"> application and business planning <p><u>Phase 2: project initiation</u></p> <ul style="list-style-type: none"> Land acquisition Socio economic surveys Geotech study Interim services Pre planning <p><u>Phase 3: implementation</u></p> <ul style="list-style-type: none"> Project management Housing support services Relocation assistance Town planning and establishment Permanent engineering services Social and economic facilities Land rehabilitation Land relocation <p><u>Phase 4:</u></p> <ul style="list-style-type: none"> Complete social economic facilities Top structure from other funding (e.g. EPHP) <p><u>Relocation grant :</u></p> <ul style="list-style-type: none"> Move material/ enrol school etc 	<p>If category 2 - Metro to Province</p> <p>If Category 3 – Metro to National HS</p> <p>Metro applies for funds for projects.</p>	<p>Per site:</p> <p>Phase 1: up to R8 261.68</p> <p>Phase 2& 3: Up to R28 112.50</p> <p>Phase 4: R110947, as per other subsidy programmes (e.g. EPHP).</p> <p>Relocation: up to R1461.46</p>

¹ Housing support services = 1) Training and education on housing rights and obligations, 2) capacity building of housing beneficiaries, 3) assistance with the selection of housing options, 4) management of building materials, 5) relocation assistance

² Relocation = moving costs for households, support registering social benefits, relocation food

Name of programme	What is funded	Who applies to whom	Amount
HSDG – EPHP enhanced peoples housing process	<p>Mainly geared to provision of top structure funding.</p> <p>Also for:</p> <ul style="list-style-type: none"> • Land • Services <p>A separate Capacity building grant is also available.</p> <p>Facilitation grant – for preparing for ePHP</p> <p>Establishment grant – for site office during ePHP implementation</p>	<p>If category 2 - Metro to province</p> <p>If Category 3 – Metro to National HS</p> <p>Metro applies for funds for projects.</p>	<p>As from 1 April 2014</p> <p>Land: Actual land costs</p> <p>Services</p> <p>A grade: R34401</p> <p>B grade: R43626</p> <p>House = R110947</p> <p>Facilitation grant = 3%</p> <p>Establishment grant = 2.5%</p>
HSDG – social and economic facilities	<p><u>Phase 1: needs assessment</u></p> <ul style="list-style-type: none"> • Surveys <p><u>Phase 2: interim business plan</u></p> <ul style="list-style-type: none"> • Business planning <p><u>Phase 3: final phase</u></p> <ul style="list-style-type: none"> • Final business plan • Basic ablutions • Medical use • Community hall • Community park / playground • Taxi and traffic furniture • Sports • Small business space 	<p>If phase 2 - Metro to province</p> <p>If phase 3 – Metro to National HS</p> <p>Metro applies for funds for projects.</p>	<p>Up to maximum amounts (including project management and ablutions):</p> <p>Medical care facilities: R742 611.02</p> <p>Community hall: R2 681 688.36</p> <p>Taxi rank: R1 266 830.16</p> <p>Sports facilities: R1 903 502.31</p> <p>Small business facilities: R1 182 090.29</p>
EPWP – Integrated Grant for Municipalities	<ul style="list-style-type: none"> • Roads • Basic water and sanitation • Waste • Social • Safety • Health • Tourism • Parks <p>Also includes the National Youth Service Programme (NYS) which trains young people to be artisans of the built environment.</p> <p>The Vuk'uphile programme trains contractors in labour intensive techniques, is also linked to the EPWP. The Metro already has experience with using this programme.</p>	<p>Municipalities apply to Dept Public Works</p> <p>Metro is allocated funds</p>	
Integrated national electrification Programme (Municipal) grant	Provision of electricity to households	<p>Municipality applies to Dept of energy</p> <p>Metro is allocated funds.</p>	

The following table provides a list of possible secondary funding sources that may be applicable and relevant for various aspects of the upgrading process. This list is in no particular order.

Figure 15: Funding sources - secondary grants

Name of programme	What is funded – applicability to upgrading	Who applies to whom	Amount
NDPG Neighbourhood development partnership grant	1) Planning and 2) catalytic projects (wifi, public transport, halls, etc). In Buffalo City the grant is targeted at Mdantsane, and many of the possible interventions, like public transport and wifi can also be used by the informal settlements.	From treasury. Allocated to the metro. Must be in IDP and BEPP	Determined per project
ISDG Infrastructure skills development grant	Capacity of young professionals in built environment sector (engineering, planning etc) . The Human Settlements department of the municipality and other departments could motivate for additional funds for additional staff to be involved in this upgrading of informal settlements. Project.	From Treasury. Allocated to the Metro. Must be in IDP and BEPP	Determined per application
ICDG Integrated city development grant	Incentivise compact development in focused areas. Must be part of sub metro spatial restructuring zone This is a new grant. Metro may be able to designate certain informal settlements as part of a focused development area and access funds for supporting compact development.	From Treasury. Allocated to the metro. Must be in IDP and BEPP.	No details yet provided.
HSG- CRU Community Residential Unit	Public sector rental accommodation. In consolidation phase, the metro could consider upgrading informal settlements into rental accommodation.	If phase 2 - Metro to province If phase 3 – Metro to National HS The metro applies for projects.	Contact the provincial department of human settlements for updated amounts in the new subsidy quantum
HSG – Emergency housing	Provides secure land and/pr basic services and/or shelter. Only in emergencies or exceptional need. Where existing shelter been destroyed/ damaged, and households face immediate threat to health and safety, or face/have been evicted. May be applicable where informal settlements are affected by fire/ flood or other emergency. Maybe able to make case that certain steep areas / flood plains etc. face threat of mud slide/ flood, etc.	If phase 2 - Metro to province If phase 3 – Metro to National HS The metro applies for projects.	Contact the provincial department of human settlements for updated amounts in the new subsidy quantum

Name of programme	What is funded – applicability to upgrading	Who applies to whom	Amount
HSDG – IRDP Integrated residential development programme	<p>Not for upgrading but can be used for areas where people will be relocated to.</p> <p>Generally split into:</p> <p>1) Services component; and</p> <p>2) Top structure component</p>	<p>If phase 2 - Metro to province</p> <p>If phase 3 – Metro to National HS</p> <p>The metro applies for projects.</p>	<p>As from 1 April 2014</p> <p>Land</p> <p>Actual land costs</p> <p>Services</p> <p>A grade: R34401</p> <p>B grade: R43626</p> <p>House: R110947</p>
HSDG – RHS Rural housing subsidy	<p>Not for upgrading of informal settlements, except where informal settlement is located on communal land.</p> <p>Used for infrastructure and housing as determined by the rural community.</p> <p>Note that the national department of human settlements has been considering the approval of a new Rural Household Housing Subsidy Voucher Scheme. Households can use vouchers to access building material and other services. This scheme would be a very useful scheme for the top structure component of the upgrading process if it was approved and expanded to be applicable in informal settlements.</p>	<p>If phase 2 - Metro to province</p> <p>If phase 3 – Metro to National HS</p> <p>Municipality applies for projects.</p>	<p>Contact the provincial department of human settlements for updated amounts in the new subsidy quantum</p>
HSDG – SHP Social housing Programme	<p>Generally not applicable to upgrading of informal settlement areas. Can only be used in an area zoned as a restructuring zone for social housing.</p> <p>In theory could be used for consolidation phase if it is envisaged that an area will be upgraded to a social housing institution. The CRU programme may be more applicable in many such contexts.</p>	<p>If phase 2 - Metro to province</p> <p>If phase 3 – Metro to National HS</p>	<p>Contact the provincial department of human settlements for updated amounts in the new subsidy quantum</p>
HSDG - FLISP Finance Linked Individual Subsidy programme	<p>It is conceivable that in the consolidation households who are able to get individual title deeds, and whose household income is above R3 500 but below R15 000, will be able to apply for a subsidy amount that decreases as their household income increases.</p>	<p>A financial institution applies to the provincial housing department on behalf of the household.</p>	<p>The amounts are based on a Sliding scale where the higher the income of the household the lower the subsidy. As of 2014 if household income just over R3 500 a month you can access R87 000 grant and if it's just under R15 000 you can access R10 000 grant where the maximum house price that can be subsidised is R300 000.</p>

Name of programme	What is funded – applicability to upgrading	Who applies to whom	Amount
MHSCG - Municipal Human Settlement Capacity Grant	New grant available for metros that have received level3 accreditation. Developing planning and implementation capacity in municipal government (for metros). Build capacity in municipalities to deliver and subsidise the operational cost of administering the human settlement programme. Metro can consider using the grant to fund human resource capacity for upgrading of informal settlements.	Provided by Treasury.	Amount will be determined by treasury.
EPWP Expanded Public Works Programme – social sector for provinces	Early childhood development Home community based care School nutrition Community crime prevention Mass literacy Could be considered for informal settlements as part of a larger programme to provide above mentioned services within the development support phase.	Provincial departments apply to Dept of Social Development (assisted by dept of education and health)	
Non State Sector – CWP Community works programme	Can be used in three areas: Infrastructure sector: construction of roads, storm water, etc Social sector: early childhood support, support to aged, etc. HIV/ Aids sector: Environment sector – e.g. cleaning, vegetation control, etc. This programme has huge potential to be used in informal settlement upgrading where communities can be involved in 1) determining their own development priorities, and 2)providing labour for construction/ implementation. Used for: Labour: provides basic daily stipend (not wage) on a regular basis. Seen as work of last resort. ‘ Coordination: Coordinate and build capacity of community structures to be involved in programme.	Available to Civil society (not to Municipalities). Apply to various departments depending on sector. Overseen by COGTA	Amount determined by project
Municipal Disaster grant	Provide disaster relief. These funds can only be accessed when there is a disaster like a flood or a fire in an informal settlement area. The funds are used for overnight accommodation and food parcels etc while alternative solutions are found for households. From an upgrading informal settlement perspective, it is important that opportunities for rebuilding informal settlements after disasters are used to help provide more order to informal settlements.	Municipality applies to CoGTA	Funding depends on the nature and scope of the disaster.
Public transport infrastructure grant	Grant used for: Public transport Non motorised transport (pedestrian, cycle) The metro could consider using some of the funds allocated to non motorised transport to provision of pavements in and around informal settlements.	Municipality apply to Dept Transport	Amounts depends on the need.

Name of programme	What is funded – applicability to upgrading	Who applies to whom	Amount
Thusong Service centres (TSC)	<p>TSC's are one-stop centres where local, provincial and national government, as well as other sector service providers, offer services and developmental information to local communities.</p> <p>Typical services provided include those from the departments of Home Affairs, Labour, South African Social Security Agency (SASSA), Social Development, GCIS, and the department of Health as well as tele-centres, the Post Office, libraries, agricultural extension offices and municipal services. Community Development Workers, the South African Police Service, NGOs and community-based organisations, also offer services through the centres.</p> <p>The municipality can consider establishing such centres in areas like Mdantsane and King Williams Town, which can provide development support (as per phase 3 of the BCMU upgrading strategy). These centres can be used by residents of informal settlements and others.</p>	The metro applies to the national department of public works.	
Working for water / waste programme	<p>Removal and control of alien vegetation.</p> <p>Many informal settlements are located in marginal lands like next to streams and there are a lot of weeds and other invasive species in these areas. Mdantsane Informal settlements, which all are on tributaries of the Buffalo river, would benefit from such a programme.</p> <p>There are related programmes like the working for land and working for wetlands that may also be applicable in certain instances.</p>	Apply to the department of water affairs and forestry. DWAF partners with other departments like dept of Environment.	Amount depends on nature and size of the programme needed for the specific context.

Note that many other government departments may have various grants that could be accessed for various activities that may be relevant for various projects within and around informal settlements. This includes for example, but not limited to:

1. Sports, arts and culture – sports facilities programmes
2. Science and technology - innovation grants for alternative toilets and electricity etc.

Figure 16: Programme for upgrading informal settlements

3.5.3. Programme and budget

The following table summarises how the phases can be implemented per round over the years.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Rd 0	rapid review																									
Rd 1	Prepare																									
	Basic																									
	Support																									
	Consolidate																									
	Ongoing																									
Rd 2	Prepare																									
	Basic																									
	Support																									
	Consolidate																									
	Ongoing																									
Rd 3	Prepare																									
	Basic																									
	Support																									
	Consolidate																									
	Ongoing																									
Rd 4	Prepare																									
	Basic																									
	Support																									
	Consolidate																									
	Ongoing																									
Rd 5	Prepare																									
	Basic																									
	Support																									
	Consolidate																									
	Ongoing																									
Over	Overall																									

Notes on Programme

Please note the following points in relation to the above programme (Figure 16):

1. Costing estimates to calculate funding implications of this table are based on amounts drawn from Figure 14: Funding sources - primary grants
2. The planning for the upgrading of 32 informal settlements that is being conducted in 2014 is assumed to be year 1.
3. The rapid review exercise to allocate all 154 informal settlements identified by the Metro will then be undertaken at the start of year 2, so that the next round of about 30 informal settlements can be identified.
4. Dark grey cells indicate when the bulk of funding will be used for a particular phase, while the slightly lighter grey cells indicate a less intense expenditure for a phase, with the very light grey cells indicating much less expenditure.
5. The consolidation period per phase is phased over a longer period of time per round as the Municipality is only able to access a limited number of top structure funds per year. Each year only a few top structures are developed per round. The estimate of how many houses the municipality can build a year assumes the Municipality is able to double its average top structure capacity from 1 400 to 2 800 a year. The estimate also assumes that only about 80% of the households in informal settlements will be able to be upgraded in situ. Housing for those that are relocated to new land is not taken into account. Of those households that can be upgraded in-situ, it is further assumed that only about 80% of these households will qualify for a top structure subsidy.
6. This programme does not take into account people living in backyard shacks or other inadequate accommodation. It also does not take into account any new informal settlement areas that may be developed in future. It does not take into account natural population increase over this period nor any in or out migration that may occur.

Note that this programme more indicative at this stage. The actual programme and budget will be calculated over time as more detailed plans and budgets are developed as the upgrading strategy of implementing rounds and phases is implemented.

3.5.4 Alignment of plans

Informal settlement plans developed through the informal settlement upgrading process in phase 1: preparation, are informed by previous plans of the Metro (like the existing IDP and sector plans); and they also help inform subsequent plans developed by the municipality (like future IDP and sector plans, as well as project implementation plans).

The following table (Figure 17) summarises how informal settlement concept plans are informed by and help inform various plans within the municipality.

Figure 17: Alignments of municipal plans with settlement concept plans

Plan type	How plan type influences Upgrading Informal settlement concept plan	How Upgrading Informal settlement concept plan influences plan type
Growth and development strategy (G&DS)	The G&DS is the long term development plan for city and includes as one of its targets that all people have access to housing.	Upgrading of informal settlements needs to be reflected in the future municipalities long term plans
Integrated Development Plans (IDPs); IDP review plans; Medium term Expenditure Frameworks and Annual budgets.	<p>The IDP has identified the need to develop an informal settlements policy and strategy.</p> <p>The IDP is then translated into a MTEF and annual budgets. The annual budgets determine what projects will be implemented during the year.</p>	<p>The new BCMM IDP will be developed after the next Local Government elections in 2016 and the municipality must ensure that the rounds identified are incorporated the new 5 year IDP.</p> <p>In the mean time, the Municipality must ensure that the existing IDP review process takes into account the new projects for basic informal settlement upgrading. These plans/ projects need to be reflected both in the ward plans and the sector plans (e.g. water, electricity, etc). The annual IDP needs to be revised to reflect the projects identified in the concept plan.</p> <p>The projects must then be reflected in the MTEF and in the annual budget plans.</p>
Spatial Development Framework (SDF) plans and Local SDF's	The SDF has identified an urban edge within which future urban growth is to be focused. All informal settlements all within this urban edge and are recognised as part of the cities densification strategy.	When the existing SDF is reviewed (a date for this still needs to be determined), the municipality must ensure that all informal settlements as determined by the rapid review process are reflected as incremental settlement areas in this SDF. These ISA's must then also be reflected in any revised local SDF plans.
Sector plans such as: <ol style="list-style-type: none"> 1. Housing Sector Plans. 2. Buffalo City Local economic development strategy. 3. Buffalo city Integrated Sustainable Human Settlement Plan. 4. BCM Integrated Environmental management plan. 5. Electricity master plan. 6. Integrated transport master plan. 7. BCMM integrated waste management Plan. 8. BCMM disaster management plan. 9. Water services 	The informal settlement upgrading concept plans need to take into account what is reflected in the various sector plans. For example, sanitation for informal settlements will be affected by the bulk water and sanitation capacity of the existing bulk infrastructure.	Each of the various sector plans will be reviewed and revised at different times. The existing sector plans will therefore not necessarily be changed but they will need to be revised when these revisions and reviews take place. In the mean time each sector department will have to make sure that the upgrading projects are reflected in the IDP and annual IDP plans and budgets.

Plan type	How plan type influences Upgrading Informal settlement concept plan	How Upgrading Informal settlement concept plan influences plan type
Built Environment Performance Plans (BEPP)	Existing and previous BEPP have not affected the concept plans for the upgrading of informal settlements. BEPP's in effect summarise all existing plans of the municipality.	Projects need to be in the BEPP to gain access to various grants such as: ICDG - Integrated City Development Grant USDG – Urban Settlements Development Grant HSDG – Human Settlements Development Grant PTIG – Public Transport Infrastructure Grant NDPG – Neighbourhood Development Partnership Grant INEP – Integrated National Electrification Grant
Service Delivery and Budget Implementation Plans (SDBIP)	The existing SDBIP does not affect the policy and strategy as the SDBIP only looks at how to implement plans that are in the IDP and ready to be implemented.	Future SDBIP's must reflect the projects that have been identified in the concept plans and have been incorporated into the municipal IDP.
Project Business plans	The concept plans for informal settlements are not affected by any existing project business plans.	Project Business plans need to be developed by the municipality for projects that are identified in the concept plans, and are reflected in annual budgets and that have secured funding for implementation.
Project evaluation reviews	The municipality needs to conduct evaluation and reviews of the projects that they implement as part of future upgrading processes. These reviews should then influence future upgrading concept plans for settlements being upgraded in future.	The review exercises of upgrading projects should compare what was implemented with what was reflected in the concept plans.

Informal settlement upgrading concept plans

The plans that the municipality develops in phase 1 of the upgrading process are referred to as informal settlement upgrading concept plans (or concept plans for short). Concept plans identify what priority basic development interventions are required to place informal settlements on the path towards long term upgrading and include a basic proposed layout and list of basic projects.

The municipality will need to follow the following process to ensure that these concept plans are formally approved and converted into actual projects on the ground.

1. Approval of concept plans
 - a. Community approves concept plans
 - b. Municipal departments approve concept plans
 - c. Council approves concept plans
2. Modification of 5 year IDP plans
 - a. Wards incorporate projects identified in the concept plans into their ward plans
 - b. Sectors incorporate relevant projects from concept plans into their annual budgets

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- c. The annual plans within the 5 year IDP is revised to incorporate the projects identified in the approved concept plans that have been included in the ward based plans and sector plans.
 3. Built Environment Performance Plans (BEPP) and Service Delivery and Budget Implementation Plans (SDBIP)
 - a. The BEPP for future years reflects the plans for upgrading that are reflected in the annual IDP and budget.
 - b. The SDBIP then also reflects the projects found in the IDP and shown in the BEPP
 4. Project plans and contracting
 - a. Business plans are then developed for projects as reflected in the SDBIP. The SDBIP is then used as a performance monitoring tool to monitor the implementation of projects
 - b. The procurement process of the municipality is then followed for both identifying consultants to develop designs for the identified projects and then once designs have been developed to secure the necessary contractors to implement the projects. This includes projects going through the Bid Specification Committee, the Bid Evaluation Committee, and the Bid Adjudication Committee process.
 5. Project implementation and monitoring:
 - a. Project steering committees are then established to monitor and steer the implementation of identified projects. See section and Figure 12: Co-ordinating structures (in section 3.4.2.2) and see section 3.2.3 on implementing project planning and basic development for more on how these project steering committees will operate.

4. CONCLUDING SECTION

4.1 Concluding statements

The Policy and Strategy on Informal Settlement Upgrading in BCMM represents a fundamental shift in the way that the Municipality will respond to the approximately 154 informal settlements within the municipal boundary, moving from an approach which sought to eradicate informal settlements by moving informal settlement residents into new RDP houses to an approach where the municipality will upgrade, where possible, these settlements where they are.

In order to achieve this shift the municipality will start by recognising the existence of these informal settlements and then consciously provide basic services and amenities through a phased and incremental approach. The long term upgrading goal is for all residents of informal settlements to be accommodated in fully fledged integrated, sustainable human settlements.

This Policy and Strategy builds on the current “regularisation” approach where the municipality has already started to provide informal settlement residents with access to basic services, and in addition proposes a new approach of making (semi) serviced land available to accommodate the ever growing number of people needing accommodation. At the same time, the management of new land invasions, especially by people seeking to jump the housing queues, will be firmly controlled using the existing land management policy of 2007.

The Policy and Strategy also identifies the strategic interventions that need to be made for these informal settlements to be upgraded. It sets out a programmatic approach to systematically deal with all informal settlements over a period of time that requires long term commitment from the political and administrative leadership. The institutional arrangements are clearly defined and the roles and responsibilities of all role players are outlined to make the Policy and Strategy an achievable goal.

The final responsibility now rests with the Council of the BCMM to adopt the Policy and Strategy and to implement the recommendations emanating from it.

4.2 References

- Buffalo City Metropolitan Municipality 2007-2012: Annual Reports
- Buffalo City Metropolitan Municipality 2011: Built Environment Performance Plan
- Buffalo City Metropolitan Municipality 2013: Built Environment Performance Plan
- Buffalo City Metropolitan Municipality 2014: Built Environment Performance Plan
- Buffalo City Metropolitan Municipality: Council Resolution 131/12 November 2012
- Buffalo City Metropolitan Municipality: Informal Settlement Study 2010
- Buffalo City Metropolitan Municipality 2014-2015: Integrated Development Plan
- Development Action Group 2007: Upgrading Informal Settlements – South African Policy and Praxis
- Huchzermeyer, M and Karam, A. 2006: Informal Settlements- A Perpetual Challenge
- Misselhorn, M. 2008: Position paper on Informal Settlement Upgrading – Part of the strategy for the second economy for the Office of the SA Presidency
- Municipal IQ – undated article
- National Development Plan 2011
- Outcome 8 Delivery Agreement 2009
- Project Preparation Trust 2014: Informal Settlements : Rapid Assessment and Categorisation
- South African Cities Network and Cities Alliance 2002: People and places – An overview of urban renewal.

4.3 Annexures

The annexures include:

1. Annexure: Environmental legislation applicable to informal settlement upgrading
2. Annexure: Environmental hotspot checklist
3. Annexure: Incremental settlement Areas
4. Annexure: Upgrading rounds
5. Annexure: Upgrading phases
6. Annexure: Upgrading options or paths
7. Annexure: The ABCD approach
8. Annexure: Guidelines for layout of informal settlements
9. Annexure: Workshops report

These annexures are found in a separate Annexure document.