

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

**5.
OVERSTRAND SOCIO-ECONOMIC STUDY CLOSE-OUT REPORT**

17/5/5/2/4

A Jacobs

11 May 2017

(028) 313 5075

Hermanus Administration

1. Executive Summary

The need to conduct a socio-economic assessment in order to get a better understanding of the extent and nature of the housing need and demand within the Overstrand Municipal area was identified by the Municipality. After engaging in discussions and meetings with the Provincial Departments of Human Settlements (DoHS) and Environmental Affairs and Development Planning (DEA&DP) funding for the study was approved by Province subject to the Municipality also making a contribution and the study was commenced with during March 2015. A report informing Council of the study was presented at the Council meeting of February 2015, where it was noted. A copy of this report and resolution is attached as Annexures B and C, respectively.

The study was completed at the end of 2016 and the purpose of this report is now to inform Council about the outcome of the study and recommendations made in the final report. A copy of the Executive Summary which includes the recommendations is attached as Annexure A and the full report will be published on the Municipality's website.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance

Provision and maintenance of municipal services

Creation and maintenance of a safe and healthy environment

The encouragement of structured community participation in the matters of the municipality

Promotion of tourism, economic and social development

4. Delegated Authority

None

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

5. Legal Requirements

Constitution of the Republic of South Africa, 1996

Housing Act, 1997 (Act 107 of 1997)

National Housing Code, 2009

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

6. Background/Discussion/Evaluation/Conclusion

Background

As mentioned in the Executive Summary, this report serves to inform Council about the outcome of the socio-economic study and recommendations that were made in the final report.

Discussion / Evaluation

The objectives and output of the study were as follow:

- *To conduct a socio-economic assessment of the households in the Overstrand area;*
- *To understand households' perceptions on matters related to human settlements planning, policy and delivery;*
- *To understand household opinions regarding human settlement development and quality of life;*
- *To assess household demand for various types of housing as well as residents' ability to pay; and*
- *To better understand the affordable housing market within the Overstrand area.*

The study was structured within a mixed research design approach, including both quantitative and qualitative research methodologies. The quantitative approach included the following:

- A household survey conducted in specifically defined geographical areas within the Municipality
- A postal questionnaire distributed with municipal accounts and which was available on the municipal website; and
- The analysis of secondary data pertaining to the whole Municipal area.

Qualitative methodologies were applied in order to arrive at an enhanced and nuanced understanding of perceptions and matters relating to human settlement planning, development, policy, delivery and quality of life. This

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

included a substantive number of focus group discussions and face to face interviews.

Some of the findings from the study is summarised below:

- Majority of heads of households in the lower income areas are young adult males between 30 – 39 years.
- There is an over representation of female household heads if compared with the general characteristics of the general Overstrand population, which is predominantly male with in the age group of 50 years and older.
- 57% of the surveyed households comprises of 3 or less members.
- 20% of these households comprises of only 1 person, which can be explained within the context of strong in-migration from especially the Eastern Cape.
- 25% of these households consist of 5 or more members, which is significant in the light of the small average size of low income housing.
- 31% of household members between the ages of 16 – 64 years are employed full-time and 23% are employed part time.
- Most people live in the town where they are working, with Hawston being the exception.
- Income levels of employed people in Overstrand are disconcertingly low.
- Nearly 70% of surveyed household heads earn R3 500.00 or less.
- Income levels of the majority of household heads surveyed in Gansbaai (81%) and Stanford (79%) earn R3 500.00 and less.
- The percentage of those earning R3 500.00 and below in Kleinmond (69%) and Hermanus (67%) are relatively lower.
- The cumulative income of households remain relatively low with 46% of households surveyed still not being in a position to meet their financial obligations.
- Educations levels in the surveyed households are very low, with only 22% of household heads in possession of a Matric qualification. The study therefore confirms the strong correlation between educational status, unemployment and income.
- Respondents are generally ill informed about settlement planning and municipal policies that inform housing delivery.
- Respondents expressed a strong need for bigger plot sizes as this will enable them to extend their houses, hang laundry, park their cars and have safe place for their children to play.
- Mixed reaction was received at the proposal of only receiving serviced plots.
- Strong dissatisfaction was shown regarding the management and implementation of the municipal housing waiting list and allocation of houses.

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

- Present exclusion of the agri-sector in the planning of future housing demand is an oversight that may compromise effective future housing provision.
- Majority of households have access to municipal services, but backyard dwellers are experiencing limited access.
- Findings on quality of life showed that the majority of respondents are optimistic about the future.
- Increasing social and deviant behaviour was however voiced repeatedly as a factor negatively impacting on their quality of life.
- Slightly more than 40% of surveyed plots have more than one dwelling used for living purposes. The average number of people living on a plot in the low income areas is calculated at 5.52.
- The presence of multiple dwellings on a plot serves as a mechanism to manage overcrowding in dwelling units. These backyard dwellings / structures play a big part in meeting the demand for shelter in the surveyed areas.
- 41% of the surveyed households lived in a one-roomed dwelling and the majority (85%) of these types of dwellings are in backyards and informal areas, accommodating two to three generations households in one room.
- There is definitely a lack in housing options catering for multi-generational households.
- A shortage of affordable bachelor type accommodation was also identified during the study.

The above-mentioned findings have been summarised and the final report contains further detail on it.

Recommendations made in the report to address the above-mentioned findings are summarised below. Comments made by the Directorate Infrastructure and Planning are added after each recommendation:

- It is recommended that plot sizes are increase in future developments to allow for extension of dwellings to counter overcrowding and negative social impact.

COMMENT: This recommendation must be weighed against cost factors and a policy of densification of development. The recommendation will be considered in future development proposals.

- The Municipality must take into account the impact of migration and fertility on population growth, when planning future developments.

COMMENT: Will be taken into account during the updating of the municipal SDF where after the IDP will be adjusted accordingly.

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

- Investing in the upgrade of backyard structures should be considered as this can contribute to the provision of housing.

COMMENT: Dwellings in back yards are privately owned. The recommendation is however supported insofar as what the Municipality can assist in creating an enabling environment (such as the policy of second dwelling units per erf). Checks and balances will also have to be in place in terms of capacity of services, fire and health protection.

- Priority should be given to the development of housing programmes that provide appropriate rental stock for low-income and GAP market beneficiaries.

COMMENT: Agreed. Housing Chapter of IDP already provides for this but the 5-year housing program will have to be adjusted to accommodate this recommendation.

- Affordability of housing programmes focusing on the GAP market should be revisited to align with existing variable income levels of prospective beneficiaries.

COMMENT: Agreed. The Provincial Department of Human Settlements is also attending to this issue. A contribution of R10 million has been approved in order to assist in making the Swartdamweg and Mt Pleasant Gap project more affordable. Principles established with this project will be rolled out to future projects as well.

- A detailed investigation should be conducted into systems and processes associated with the waiting list, beneficiary selection and housing allocation.

COMMENT: Agreed. It must however be noted that the waiting list, beneficiary selection and housing allocation is not only the responsibility of the Municipality, but also involves national and provincial policies and controls. An investigation of this nature should be initiated and conducted at those spheres of government.

- Cognisance should be taken regarding the perceptions of people in the informal settlements regarding ownership.

COMMENT: Noted.

- Formalisation of backyard structures should be investigated as a housing opportunity.

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

COMMENT: See comment above regarding this issue.

- Policy must allow the municipality to employ local resources to address housing need, i.e. caravan parks.

COMMENT: Agreed.

- The policy (BNG Housing) providing subsidy housing to the low-income co-hort, should be revisited and reconsidered.

COMMENT: Agreed. This study was, as has been stated in the Executive Summary, co-funded by the Department of Human Settlements. Said Department has taken note of this recommendation and will promote it on the relevant levels of government.

- Develop a policy pertaining to affordable rental stock as an alternative to the BNG subsidy.

COMMENT: Agreed. This recommendation is currently being promoted and implemented at all levels of government. The current Housing Chapter of the IDP will be amended to reflect more detail. The role of the Municipality is however at issue here. Municipalities in general will not be able to fund shortfalls in especially CRU projects and is not in apposition to maintain or manage these projects.

- Development of a policy that sees the incorporation of the agricultural sector in the planning of future housing.

COMMENT: Agreed and will be included as part of the IDP.

- As a result of the growing pressure of available developable land for housing, the present policies and approaches of protecting fynbos, should be revisited.

COMMENT: This is a very sensitive issue that needs to be addressed with care. Development within protected areas will have to be done with consensus with all interested and affected parties.

- Incorporation of skills training centres at Thusong community centres in collaboration with LED offices, NGO's and private sector, should become a focus point.

COMMENT: Agreed.

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

More detail on the recommendations is available in the final report, which is available on the municipal website.

Conclusion

It is recommended that:

- Council take note of the findings and recommendations made in the final report of the Overstrand Socio-economic Study.
- Council take note that the Housing Chapter within the IDP will have to be reviewed as a result of the findings in the report.
- Council take note that the housing programme as contained in the IDP will have to be reviewed.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

- Annexure A: Socio-Economic Report Executive Summary
Annexure B: Council Report dated February 2015
Annexure C: Council Resolution dated February 2015

RECOMMENDATION TO THE COUNCIL:

1. that the findings and recommendations made in the final report of the Overstrand Socio-economic Study, **be noted**;
2. that the Housing Chapter within the IDP will have to be reviewed as a result of the findings in the report **be noted**; and
3. that the housing programme as contained in the IDP will have to be reviewed, **be noted**.

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Council Meeting 28 June 2017)**

RESPONSIBLE OFFICIAL :	A JACOBS
TARGET DATE FOR IMPLEMENTATION :	28 JUNE 2017
TARGET DATE TO INFORM APPLICANT:	N/A
TARGET DATE TO INFORM OBJECTOR:	N/A

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 June 2017
(Also the agenda for the Mayoral Committee Meeting : 28 June 2017)**

**5.
OVERSTRAND SOCIO-ECONOMIC STUDY CLOSE-OUT REPORT**

17/5/5/2/4

A Jacobs

11 May 2017

(028) 313 5075

Hermanus Administration

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
20 JUNE 2017, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

that the findings and recommendations made in the final report of the Overstrand Socio-economic Study, **be noted**.

RESPONSIBLE OFFICIAL :

A JACOBS

TARGET DATE FOR IMPLEMENTATION :

28 JUNE 2017

TARGET DATE TO INFORM APPLICANT:

N/A

TARGET DATE TO INFORM OBJECTOR:

N/A

A STUDY INTO THE NEEDS AND DEMAND OF AFFORDABLE HOUSING IN THE OVERSTRAND LOCAL MUNICIPALITY

Final Report

January 2017

Authors

Ilse Eigelaar-Meets

Cornie Groenewald

Wynand Louw

Executive Summary

Rationale and background

The rationale for this report is to be sought in an expressed need from the Overstrand Local Municipality to develop a comprehensive understanding of the need and demand for affordable housing opportunities in its area of jurisdiction. This need is primarily due to a lack of exhaustive reliable housing demand and need related information. In order to plan accurately and provide cost-effective and appropriate housing solutions within acceptable timeframes for qualifying income cohorts, access to both quantitative and qualitative data regarding the present housing landscape is imperative.

This study is guided and underpinned by a philosophy that departs from mere housing provision to a much more holistic understanding of housing demand and needs. This new approach advocated in the Breaking New Ground Housing Policy is framed in the realization that successful housing programmes should be part and parcel of creating an environment conducive for the development of sustainable human settlements.

This study was guided by five research objectives:

1. To conduct a socio-economic assessment of the households within OLM's jurisdiction.
2. To understand households' perceptions on matters related to human settlements planning, policy and delivery.
3. To understand household opinions regarding human settlement development and quality of life.
4. To assess household demand for various types of housing as well as residents' ability to pay.
5. To better understand the affordable housing market within OLM.

To address the defined research objectives in both a time and cost effective manner, this study was structured within a mixed research design approach including both quantitative and qualitative research methodologies. A quantitative approach was followed in the socio-economic and human settlement assessment that included (i) a household survey conducted in specifically defined geographical areas within the Overstrand Local Municipality, (ii) postal questionnaire distributed with municipal accounts to all municipal account holders in the Overstrand municipal area and made available on the municipal web site and (ii) the analysis of secondary data pertaining to the whole of the Overstrand Local Municipality. Qualitative methodologies were applied in order to arrive at an enhanced and nuanced

understanding of perceptions and matters pertaining to human settlement planning, development, policy, delivery and quality of life and included a substantive number of focus group discussions and face to face interviews.

Some Salient Findings

The household survey established the majority of heads of households in the lower income areas surveyed to be young adult males (30-39 years) with an over representation of female household heads if compared with the general characteristics associated with the household heads of the general OLM population which is predominantly male and within the age group 50 years or older.

The survey established households to be in general of modest size, with 57% comprising of 3 or less members. A relative high percentage (20%) of households comprises of one person only, a trend that can be explained within the context of the strong in-migration of single persons from especially the Eastern Cape. A considerable proportion (25%) of households consists of 5 or more members though which is significant, given the general small average size of low cost subsidized housing.

Thirty one percent of household members in the economically active cohort (16 -64 years) are in full time employment with another 23% employed part time. Nearly 17% of household members are unemployed (and looking for work) with Kleinmond registering the highest percentage (18.5%) and Gansbaai the lowest (15%). However, if those not part of the economically active population are excluded, the narrow and expanded rate of unemployment in the survey area increases to 22% and 25.7% respectively. Most workers live in the town where they work with Hawston the exception.

Generally, the income levels of those employed in the Overstrand are disconcertingly low. Nearly 70% of household heads included in the study was employed the month prior to this survey and earned R3 500.00 or less. Income levels are particularly modest in Gansbaai and Stanford where the overwhelming majority of those employed earn R3 500.00 or less monthly (81% and 79% respectively), while the corresponding percentages of those employed in Kleinmond and Hermanus earning R3 500.00 or less, are markedly lower (respectively 69% and 67%). Although the impact of additional incomes was found to have some ameliorating impact on these modest income levels, the cumulative income of households remain low with nearly half (46%) of households surveyed still not in a position to meet their financial obligations, registering a mean shortage of R1 020.54 per month. This unambiguously depicts the desperate financial situation of more than half of the surveyed households.

Educational levels in the surveyed household are depressingly low. Only 22% of household heads have achieved a Grade 12 (Matric) qualification. The strong correlation between educational status, employment and income is confirmed in this study.

Respondents are generally ill informed about settlement planning and policies of the Overstrand Municipality that guide the delivery of affordable housing a reality which seems to be aggravated by apparent regional inconsistencies in human settlement management. Respondents further described communication channels as ineffective and non-transparent with. In general respondents reported to feel marginalised and disempowered in matters relating to housing policy, planning and programmes in the OLM.

Pertaining to housing need respondents voiced a strong need for the increase of the physical size of individual plots or stands of new housing developments. This will allow (1) for extensions to houses to address severe overcrowding of existing dwellings, and, (2) space for children to play, dry laundry and safely park vehicles. The policy of serviced sites (including a wet core) drew mixed reaction. Those that supported this housing option attached conditions, i.e. the plots and slabs provided should be of decent size and strict control should be exercised over the quality of dwellings to be erected to prevent it degenerating into an informal area. Those that rejected this option did so due to a chronic lack of funds and the inability to purchase the necessary building material to construct a dwelling.

Strong dissatisfaction regarding the management and implementation of the municipal waiting list in housing allocation was expressed. Specific dissatisfaction was noted with the implications of the allocation policy favouring certain income categories and family compositions, and a perceived lack of fairness and transparency regarding the management and functioning of such lists.

The present exclusion of the agri-sector in the planning for future housing demand is an oversight that will in all probability compromise effective future housing provision. The impact of present legislation relating to tenure rights of bona fide farm workers on farms is expected to cause an accelerated trend of Overstrand and Strandveld farmers looking for opportunities to relocate some of their workforce, including management, in adjacent towns.

An encouraging finding is the access of a majority of households to municipal services. One aspect of concern is, however, the limited access experienced by back yard dwellers. This group reported consistent struggles to access toilets, water and electricity, all managed by the occupants of the main (formal) house.

Findings on household heads' experience of quality of life showed the majority of respondents as optimistic pertaining to the future. This was somewhat unexpected given the pervasive general low prevailing household income levels and overall sense of material impoverishment and omnipresent food insecurity experienced by a large percentage of respondents. Increasing social and deviant behaviour transpiring within previously stable and safe communities (consistently attributed to marine poaching subculture) was, however, repeatedly voiced as a primary factor negatively impacting on the quality of life of surveyed communities. This was described as a serious issue in all settlements, albeit in varying degree.

Exploring living arrangements of sampled households, slightly more than 40% of plots were found to have more than one dwelling used for living purposes. Households within the lower income bracket tend to share their geographical space with at least one more household (mean number of households per plot 1.63). With the average size of an individual household of 3.39, and an average of 1.63 households per plot, the average number of people that share a plot in low income settlements of the Overstrand is calculated at 5.52.

The presence of multiple dwellings per plot is illustrated as a mechanism that manages overcrowding in dwelling units. Calculations show that should these structures be removed it will add enormous pressure on the occupancy rate of dwellings (the current 2.13 average per dwelling would increase to 6.41 people) and will cause serious overcrowding of main dwellings, many that consists of one room structures or one bedroom. This illustrate the current strategically pivotal role played by so called backyard dwellings in partially meeting the demand for shelter in the sampled areas.

Of the total number of households included in the survey, 41% lived in a one-roomed dwelling. As to be expected the vast majority (85%) of these types of dwellings are in backyards and informal areas with nearly 60% accommodating two and three generation households, suggesting that a significant percentage of children are sharing a room with their parents/one parent and partner. There is definite lack in housing options catering for multi-generational households. A further shortage was also found to exist in reasonably priced bachelor type accommodation specifically tailored for single person households.

Recommendations

Housing Need

- This report repeatedly referred to the impact of the current modest size of plots of subsidy housing options. It is recommended that future plots are increased to allow

for the extension of dwellings to counter current overcrowding and its concomitant negative social impact. Such initiative will significantly improve the human habitability of both the plot and house and will lead to a stronger of community pride.

- In planning for housing need, OLM has to consider both the impact of migration and fertility on population growth for the target population. In this way both short term (migration) and long term (fertility) population growth indicators will be accommodated ensuring a comprehensive planning strategy.

Housing programme development and implementation

- Investing in the upgrade of backyard structures should be considered as a cost and time effective approach that will result in the provision of decent housing to a large group of beneficiaries in a shorter time frame and possibly at a lower cost than what would be the case when following the traditional brick and mortar (green fields) model.
- Urgently give attention to the development of housing programmes that provide appropriate rental stock for both low-income and GAP market beneficiaries. Such programmes should be diversified catering for both single and family units. Currently this is virtually a non-functioning market segment for which a great need exists.
- The affordability of housing programmes focussing on the GAP market for home ownership should be revisited to align with existing variable income levels in the respective towns of prospective beneficiaries. This will ensure affordability and thus financial viability.
- It is recommended that proper and detailed investigation is conducted into current processes and systems associated with beneficiary selection and housing allocation in order to inform the re-design of such processes and structures. It is further important that care is taken that all satellite offices implement and manage this process in a consistent and transparent manner.
- Regarding the upgrade of informal settlements it is important to take cognisance of the general prevailing perception amongst inhabitants of these settlements pertaining to land ownership. It is recommended that the OLM is cognizant of this reality and amicable solutions are negotiated with the effected community in this regard. If ignored and not negotiated this could jeopardise upgrade initiatives and cause social instability.

Housing Policy

- The formalisation of backyard structures as a housing opportunity. Such an initiative will be culturally sympathetic in that it will incorporate practices already embedded in how households within lower income groups organize and create housing opportunities. It will further ensure the management of the quality of such housing opportunities and will enhance the living conditions and thus quality of life of these households.
- Policy must allow local municipalities to employ local resources to address housing need, i.e. Caravan parks in the case of the OLM. In this way standards can be developed and set and thus quality of housing and living conditions can be managed. Care needs, however, to be taken to not over regulate such options to ensure affordability and accessibility.
- There is definite need to reconsider a policy providing subsidy housing to the lower income cohort (BNG subsidy house). The findings presented in this report strongly suggest that the current policy is setting economic and socially vulnerable households up for failure. Its real impact is shown in this report as counter intuitive to the philosophy advocated in the BNG policy and Human Development Strategy. A possible re-engineering of this policy could entail a stronger focus on rental stock for the lowest-income households where rent is determined on a scale based on household income. It is suggested that such a model will ensure greater sustainability for both the beneficiaries and the municipality who then subsequently create a stronger tax base and thus income revenue.
- Develop a policy pertaining to affordable rental stock as an alternative housing opportunity to the BNG subsidy house that will focus on that beneficiary cohort that cannot sustain home ownership successfully. Given the importance associated with home ownership as a basic human right it is recommended that a provision is included in such a policy for the transfer of ownership to a deserving and qualifying beneficiary. It would be important for such a policy to clearly define the criteria for such transfer.
- The development of a policy that sees the incorporation of the agricultural sector in future housing delivery is opportune. Such a policy should be a collaborative initiative between the agricultural sector and the local authority. This could become a replicable model to involve other local external stakeholders in the provision of affordable housing, e.g. marine harvesting and hospitality industries.
- Given the growing pressure on available land for housing (particularly pronounced in Kleinmond) the present policy/approach of protecting the fynbos in the OLM at all

cost should be revisited. It is important to face realities and manage it rather than to see unmanaged gradual expansion and occupation of ecological sensitive flora on urban edges

Economic sustainability

- A final recommendation is the incorporation of skills training centres at Thusong community centres in all towns, in collaboration with LED offices, NGOs and private sector. Given the growing numbers of young individuals and the trend of low out-migration of this group such an initiative could be a valuable socio-economic development programme for the OLM area.

248

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
17 February 2015
(Also the agenda for the Mayoral Committee Meeting : 26 February 2015)**

Proposed
✓

10. PROPOSED SOCIO-ECONOMIC STUDY FOR OVERSTRAND MUNICIPAL AREA

17/5/5/2/4

BG Louw / A Cairns

(028) 316 3724

Corporate Head Office

22 January 2015

1. Executive Summary

The need to conduct a socio-economic assessment in order to get a better understanding of the extent and nature of the housing need and demand within the Overstrand Municipal area, was identified by the Municipality. Although the Municipality has a functional housing demand database or waiting list, there remains a gap in the information available to provide an accurate and detailed picture on housing need and demand. It has been identified that there is a particular lack of reliable information on informal settlements, backyard dwellings and households that fall within the affordable housing market (households earning between R3 500.00 and R18 000.00 per month).

The purpose of this report is to inform Council of the progress with regards to the proposed Socio-Economic Study after engaging in discussions and meetings with the Provincial Departments of Human Settlements (DoHS) and Environmental Affairs and Development Planning (DEA&DP).

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure and Planning;
Engineering Services

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment
The encouragement of structured community participation in the matters of the municipality
Promotion of tourism, economic and social development

4. Delegated Authority

None

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
17 February 2015
(Also the agenda for the Mayoral Committee Meeting : 26 February 2015)**

5. Legal Requirements

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
Overstrand Municipality Supply Chain Management Policy
National Housing Code, 2009

6. Background/Discussion/Evaluation/Conclusion

Background

As mentioned in the Executive Summary, this report serves to inform Council on the progress of the discussions and engagements with DoHS and DEA&DP with regards to the undertaking of a Socio-Economic Assessment in the Overstrand Municipal Area.

Discussion and Evaluation

The Municipality approached the Provincial Departments of Human Settlements and Environmental Affairs and Development Planning with regards to the undertaking of a Socio-Economic Study. A Terms of Reference (ToR) as a basis for the study was compiled, copy attached as Annexure A, outlining the scope of the study. The objectives and output of the study are as follows:

- *To conduct a socio-economic assessment of the households in the Overstrand area;*
- *To understand households' perceptions on matters related to human settlements planning, policy and delivery;*
- *To understand household opinions regarding human settlement development and quality of life;*
- *To assess household demand for various types of housing as well as residents' ability to pay; and*
- *To better understand the affordable housing market within the Overstrand area.*

The output of the assessment would be a comprehensive housing demand and needs database as well as recommendations for human settlement development within the Overstrand Municipal Area.

It is important to understand that the communities in the Overstrand Municipal Area will be directly affected by the undertaking of the study, as it will involve surveys of households. The surveys, which will entail interviewing members of households, will be conducted by people appointed by the Provincial

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
17 February 2015
(Also the agenda for the Mayoral Committee Meeting : 26 February 2015)**

Resource Team of the Department of Human Settlements. The latter is a unit which enables them to undertake studies such as these to assist municipalities. It was indicated during the various discussions that the services of the PRT could be used, on condition that the Municipality funds a portion of the costs.

It is therefore imperative that Ward Committee Councillors and members of Ward Committees inform their different communities regarding the proposed study and that there will be people conducting interviews to complete questionnaires. Interviewers will be sourced from the local communities.

After finalisation of the ToR, it was forwarded to the Overberg Professional Resource Team (PRT) by the Department of Human Settlements, requesting a quotation. A copy of the quotation received from the PRT is attached as Annexure B. The total cost of the study amounts to R887 506.50 excluding VAT, which was acceptable to all parties involved and therefore accepted as such.

The agreement between the Municipality and Provincial Departments of Human Settlements and Environmental Affairs and Development Planning, is that the Municipality will make a substantial contribution towards the cost of the study. A request was subsequently made to the Provincial Minister of Human Settlements to use the amount of R400 000.00 from the Separate Operating Account (SOA) to fund the study. A copy of the request is attached as Annexure C. Approval was received from the Minister on 21 January 2015, of which a copy is attached as Annexure D. The balance will be paid by the Departments of Human Settlements and Environmental Affairs and Development Planning.

A Memorandum of Understanding was concluded between the Municipality and the Departments of Human Settlements and Environmental Affairs and Development Planning, of which a copy is attached as Annexure E, for the undertaking of the Socio-Economic Study.

Conclusion

In light of the above discussion, it is therefore recommended that the proposed Socio-Economic Study which will be conducted by the Provincial Professional Resource Team (PRT) as a joint venture between the Municipality and Provincial Departments of Human Settlements and Environmental Affairs and Development Planning, **be supported by Council.**

7. Financial Implications

The total cost of the study amounts to R887 506.50 excluding VAT. Approval was received from the Provincial Minister of Human Settlements to utilise

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
17 February 2015
(Also the agenda for the Mayoral Committee Meeting : 26 February 2015)**

R400 000.00 from the Separate Operating Account (SOA) for the partial funding of the Study. The balance will be paid by the Departments of Human Settlements and Environmental Affairs and Development Planning.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Finance Department

The amount of R400 000.00 will be disbursed from the Separate Operating Account in terms of the approval granted by the Department of Human Settlements, to be reported on in terms of Section 11(4) of the Local Government Municipal Finance Act, 2003 (MFMA).

10. Annexures

- Annexure A: Copy of Terms of Reference
- Annexure B: Copy of Quotation
- Annexure C: Letter to Minister
- Annexure D: Approval from Minister
- Annexure E: Copy of MoU

RECOMMENDATION TO THE COUNCIL:

1. that the proposed Socio-Economic Study by the Professional Resource Team of the Department of Human Settlements, be noted; and
2. that the conditions of the approval for the utilisation of the funds from the Separate Operating Account as per Annexure D attached to this item, be adhered to.

RESPONSIBLE OFFICIAL :

B LOUW / A CAIRNS

TARGET DATE FOR IMPLEMENTATION :

26 FEBRUARY 2015

TARGET DATE TO INFORM APPLICANT:

11 MARCH 2015



Terms of Reference [Draft v2] Overstrand Socio-economic study with a focus on human settlements

Department of Human Settlements

1. Introduction

Overstrand Local Municipality (OLM) is responsible for planning and executing housing programmes in its area of jurisdiction, in collaboration with national and provincial government. In order to do this, the Municipality must, on a yearly basis, include a housing chapter in its Integrated Development Plan (IDP) which addresses its Housing Settlements Plan and provides a Housing Programme for the following 5 years.

The Plan and Programme need to be informed by a credible set of housing data which addresses housing backlogs, income patterns and the geographic distribution of the population. In order to make an assessment of housing needs, it is necessary to have fairly detailed information on population statistics, age distribution, household size, preferences and demands.

The Municipality has identified the need to conduct a socio-economic assessment in order to better understand the extent and nature of housing need and demand within its jurisdiction. While the Municipality has a functional housing demand database ('waiting list') and has accessed external data sources such as Census 2011, there remains a gap in the information available to provide an accurate and detailed picture on housing need and demand. It is in this context that the Municipality wishes to procure the services of experts in the field to carry out the necessary research. There is a particular gap in terms of information on informal settlements, backyard dwellings and households that fall within the affordable housing market (earning between R3,500 and R18,000 per month).

2. Context

Overstrand Municipality is a local municipality located within the Overberg District Municipality, in the Western Cape Province. The Municipality covers a land area of approximately 2 125 km², with a population of 80 432 people. Key results from Census 2011 showed the following:

- The total number of households in 2001 was 18 437 and 28 010 in 2011. This shows a 51% increase in the number of households within the Municipality which in turn influences housing demand.
- Overstrand Municipality had an increase in household income from 2001 to 2011.
- The percentage of economically active people has stayed the same over the period 2001 to 2011 (66%).
- Overstrand's unemployment rate in 2011 was 23.3% and youth unemployment was 31.1%. In 2001 the unemployment rate was 22% and youth unemployment was 29.3%.
- In 2001 the Municipality had a total of 83.6% formal dwellings and in 2011 there was a total of 80.1% formal dwellings.
- In 2011 there were 791 units of houses/flats/rooms in backyards, 4723 informal dwellings (shacks in backyards) and 5334 shacks in informal/squatter settlements.

According to the Municipality's housing demand database, there are 12,321 records/applicants awaiting housing opportunities.

3. Motivation for housing needs research

Housing plays an important role in economic development and poverty reduction. Housing policies are therefore crucial to the nation's future. For policies to make a difference, they must be well-informed, evidence-based and responsive to demands and real needs, as well as social problems relevant to housing.

According to UN-HABIT a housing profile is an important first step to inform and engage policy and decision-makers, and provide them with the evidence needed to design their choices and support critical decisions. Developing a housing profile should be regarded as the basis for a broad housing sector reform that aims to improve its overall performance as well as the functioning of its various components (Acioly & Horwood, 2010:1).

Tomlinson (2003), states that the demand for housing can be interpreted either as effective demand, or the need for housing defined according to criteria and a policy framework. In the case of effective demand, the concern is with households being able to express their preferences for alternative types of housing. In the case of need, the policy framework prescribes the housing opportunities that households will receive. He further states that effective demand can be described as housing need backed up by the ability and willingness to pay.

Increasing urbanisation and population growth contributes highly to increasing urban demand for housing in South Africa. It is therefore important for municipalities, provinces and national government to have an indication of housing demand in order to create and support interventions that will respond to the demand (Delpont, 1998:1). Understanding the profile of households within municipalities, spatial location and the diversity of housing types within a municipality as well as the housing need, fundamentally influences a municipality's ability to plan appropriately.

Overstrand Municipality has identified that pinning down its housing demand has been extremely difficult because of, amongst other things, a lack of reliable demand-related information (including income), the increase in backyard dwellings, and the increase in the number of households living in overcrowded conditions. Having identified these gaps and challenges the Municipality needs to quantify the housing need and demand in their area and this can be achieved by conducting a socio-economic assessment, with a focus on human settlements.

Of particular interest to the Municipality are those households which may not be captured on the housing demand database, such as backyarders, as well as households in informal settlements and households that fall within the affordable housing market.

The demand for housing can be attributed to a number of factors including increasing urbanisation and population growth, new household formation, increasing or decreasing household incomes, and lack of end-user finance to obtain loans. In order to gauge housing demand and need, the Municipality therefore wishes to undertake a socioeconomic study to inform housing planning and delivery.

4. Objectives and output

The objectives of this research are:

1. To conduct a socio-economic assessment of the households within OLM's jurisdiction.
2. To understand households' perceptions on matters related to human settlements planning, policy and delivery.
3. To understand household opinions regarding human settlement development and quality of life.
4. To assess household demand for various types of housing as well as residents' ability to pay.
5. To better understand the affordable housing market within OLM.

The output will be a comprehensive housing demand and needs database as well as recommendations for human settlements development within OLM.

5. Key research questions

- What is the socio-economic profile of OLM?
 - Demographic profile and notable changes over time
 - Income and employment status
 - Distribution of households by housing type? (backyards, informal dwellings etc.)
 - Housing needs and demand
 - Geographic/spatial distribution of housing types
 - Access to services
 - Distribution of 'Non-qualifiers' (households that do not qualify for a housing subsidy for a range of reasons – e.g. income, nationality)

- Public opinion and /or awareness
 - Of existing housing options/policies
 - Demand for rental housing
 - Demand for Gap housing and rental
 - Understanding of requirements for accessing housing options (e.g. Gap housing/FLISP)
 - Acceptability of 'new' housing options (e.g. enhanced serviced sites)
 - Housing preferences
 - Willingness and ability to make a contribution towards housing in future (if so, what kind of contribution?)
 - Role of communities in planning for housing
- Housing market analysis (focus on affordable housing)
 - What is the demand and supply of housing types in OLM?
 - How well is the housing market functioning and what is the role of government in the housing market?

6. Methodology

It is proposed that the research comprise three main types of analysis:

i. Analysis of existing data and secondary information

It is proposed that the research begin with an analysis of existing data and secondary information to develop an initial socioeconomic and housing profile for OLM. Data sources should include, but not be limited to the following:

- Census 2011
- Other Statssa data sources (e.g. income and expenditure data)
- OLM data (such as housing demand information and delivery figures)
- Existing research and literature which may be relevant
- Analysis of affordable housing market information

A key element of this research is broadening the understanding of the affordable housing market. To this end, the Municipality wishes to better understand the housing market within its jurisdiction. This will involve some secondary analysis of existing market information to analyse trends among households that earn between R3,500 and R18,000 per month, on the demand side, and housing available to this market (be it rental or ownership opportunities) on the supply side. This analysis should provide a high level picture of the functioning of the affordable housing market and can be informed by deeds information, financial sector data and Census 2011 etc.

ii. Household survey

A representative sample of households is to be surveyed from within OLM. The household surveys aim to collect information on the current living

conditions, housing need and demand, as well as perceptions of the households.

Service providers are expected to provide a detailed methodology including a proposed sample size, indicating significance levels and reliability of the sample size. The following are key considerations:

- The sample will be drawn from a particular market segment (low income and affordable) and geographical areas to be determined in consultation with the municipality.
- A sampling frame is to be prepared using Census 2011.
- The sample may be stratified along geographical lines.
- A household questionnaire is to be designed and administered at each of the selected households.
- This questionnaire is to be designed in partnership with OLM. It should collect data on household characteristics, home ownership, and consumption, sources of income and employment, etc, as well as inward and outward migration.
- Data quality checks should be in place to ensure data integrity.
- Analysis of the data should be done, focusing on key variables identified by the Municipality.
- A spatial / geographic representation of the survey findings will also be critical.
- A detailed research report and survey database should be provided as an output of this process.

7. Deliverables

a. Inception Report

- i. Detailing project plan, methodology and outputs.
- ii. Specify roles and responsibilities.
- iii. This should be presented to the steering committee.

b. First Draft Report (Analysis of existing / secondary data)

- i. This should include the literature review and analysis of secondary data and should be presented to the steering committee.
- ii. This should be a stand-alone report which provides a contextual analysis based on information gathered, but will also form the basis of the socio-economic assessment and guide the questionnaire design.
- iii. The analysis should cover the low-income as well as the affordable housing market.
- iv. The findings from this report will identify gaps and needs and inform the next stage of the project.

c. Socio-economic assessment questionnaire and sampling approach

- i. This includes a first draft of the questionnaire to be developed in consultation with the steering committee.
- ii. The technical sampling approach should be agreed upon at this stage.
- iii. The field work and quality assurance plan should also be presented.

- iv. Fieldwork is to take place after agreement on the approach.
- v. Regular updates are to be provided to OLM on progress in the data collection, capturing etc.

d. Socio-economic assessment draft report

- i. The selection of key indicators for analysis will be done in consultation with the steering committee.
- ii. The first draft analytical report will be presented to the steering committee as a written report and PowerPoint presentation.
- iii. The report is to be refined after receiving comments.

e. Final Report

- i. This should include key elements from the three draft reports and provide recommendations to the OLM. It should be presented to steering committee.
- ii. A final PowerPoint presentation should be prepared, to accompany the final report
- iii. All data gathered and methodological tools should be provided to steering committee in format to be agreed upon.

f. Close-out report

- i. A project management close out report, highlighting processes followed and project implementation.

8. Expertise required

- a. An understanding of human settlements environment within Western Cape
- b. Social science and economic research experience (preferably with a focus on human settlements / built environment)
- c. Survey research expertise and experience
- d. An understanding of human settlements policy and planning will be an advantage
- e. Quantitative analysis experience
- f. Excellent report writing and analytical skills
- g. Presentation skills
- h. Project management skills

9. Project duration

TBC

10. Reporting lines

TBC

11. Budget

TBC

12. Proposal / Bid structure

Service providers are to include the following in their bid / proposal:

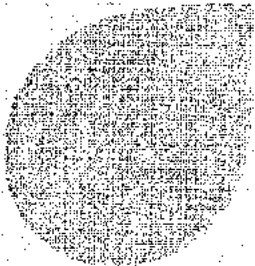
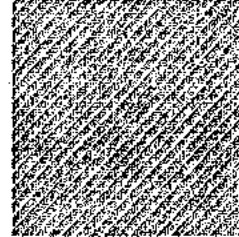
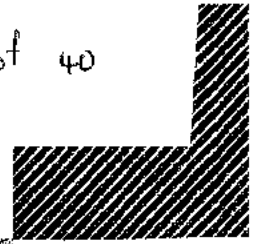
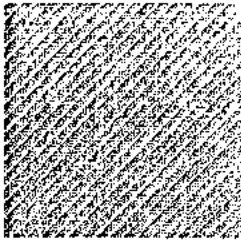
- CVs of team members and identification of project leader
- Relevant previous experience
 - Include two contactable references
- Demonstrated understanding of problem statement and research objective
- Clear methodology
 - Proposed approach to the research
 - Some indication of a proposed sample size for survey
- Time frames and level of effort at each stage of the project
 - Clear milestones and deliverables
- Budget
 - Indication of man-hours and detailed costing (hourly rates etc)
 - Proposed payment structure

References

1. Abrahams, G., B., Gildenhuys & R. Tomlinson. 2003. *The changing nature of South African housing demand*. Mega-Tech. Pretoria.
2. Acioly, C. & C. Horwood. 2010. *A practical guide for conducting: Housing Profiles*. UN-HABITAT. Kenya.
3. Delport, R. 1998. *Housing target within reach*. Finance Week. Sandton, December 18.
4. Overstrand Municipality. *Integrated Development Plan Review for 2013/14*. Pages 10-11.
5. World Bank. 1993. *Housing: Enabling markets to work*. A World Bank Policy Paper. World Bank. Washington, D.C.
6. http://beta2.statssa.gov.za/?page_id=993&id=overstrand-municipality. Accessed on the 24 February 2014.
7. <http://www.overstrand.gov.za/> Accessed on the 24 February 2014.

253

ANNEXURE B
Page 12 of 40



aurecon

Overberg Professional Resource Team

Request for Quotation 6: Overstrand Socio-economic study with a focus on Human Settlements.

Reference: 110420/RFQ6
Prepared for: Western Cape Government
Revision: 0
30 October 2014



Western Cape Government

BETTER TOGETHER

Contents

1. BACKGROUND	2
2. INTRODUCTION	2
3. PROBLEM STATEMENT.	2
4. SCOPE	3
5. METHODOLOGY	3
5.1 METHODOLOGY TO DETERMINE THE HOUSING MARKET PROFILE	3
5.2 ANALYSIS OF EXISTING DATA AND SECONDARY DATA	4
5.3 PRIMARY RESEARCH - HOUSING SURVEY	6
6. COST PROPOSAL	14
6.1 COST ESTIMATE	14
7. PROGRAMME	16
8. TEAM MEMBERS	17
9. REFERENCES	17
10. CONCLUSION	17
11. ANNEXURE A	18
12. ANNEXURE B	23
13. ANNEXURE C	29
14. ANNEXURE D	33

1. BACKGROUND

The Western Cape Government Department of Human Settlements (WCDoHS) in collaboration with Overstrand Municipality issued a Request for Quotation (RFQ) to the Professional Resource Team (PRT) to submit a quotation for an Overstrand Socio-economic study with a focus on Human Settlements.

Overstrand Municipality is a local municipality located within the Overberg District Municipality, in the Western Cape Province. The Municipality covers a land area of approximately 2 125km², with a population of 80 432 people. Key results from the Census 2011 showed the following.

- Total number of households increased from 18 437 in 2001 to 28 010 in 2011. This represents a 51% increase in the number of households.
- The household income increased from 2001 to 2011.
- The percentage economically active people remained stable from 2001 to 2011.
- Overstrand's unemployment rate in 2011 was 23,3% and youth unemployment was 31,1%. IN 2001 the unemployment rate was 22% and youth unemployment was 29,3%.
- In 2001 the Municipality had a total of 83,6% formal dwellings and in 2011 there was a total of 80,1% formal dwellings.
- In 2011 there was 791 units of houses/flats/rooms in backyards, 4 723 informal dwellings (shacks in backyards) 5 334 shacks in informal/squatter settlements.

According to the Municipality's housing demand database, there are 12 321 record/applicants awaiting housing opportunities.

2. INTRODUCTION

The Human Settlements Plan of the Overstrand Municipality needs to be informed by a credible set of housing data which address housing backlogs, income patterns and the geographic distribution of the population.

Subsequently, the Municipality identified the need to conduct a socio-economic assessment in order to understand the extent and nature of the housing need and demand within its jurisdiction.

3. PROBLEM STATEMENT

The demand for housing can be attributed to a number of factors including increasing urbanisation and population growth, new household formation, increasing or decreasing household incomes, and lack of end-user finance to obtain loans.

Overstrand Municipality has identified that pinning down its housing demand has been extremely difficult because of, amongst other things, a lack of reliable demand-related information (including income), the increase in backyard dwellings, and the increase in the number of households living in

overcrowded conditions. Having identified these gap and challenges the Municipality needs to quantify the housing need and demand in their area and this can be achieved by conducting a socio-economic assessment, with a focus on human settlements.

While the Municipality has a functional housing demand database and has accessed external data sources such as Census 2011, there remains a gap in the information available to provide an accurate and detailed picture in housing need and demand. Of particular interest to the Municipality are those households which may not be captured on the housing demand database, such backyarders, as well as households in informal settlements and households that fall within the affordable housing market.

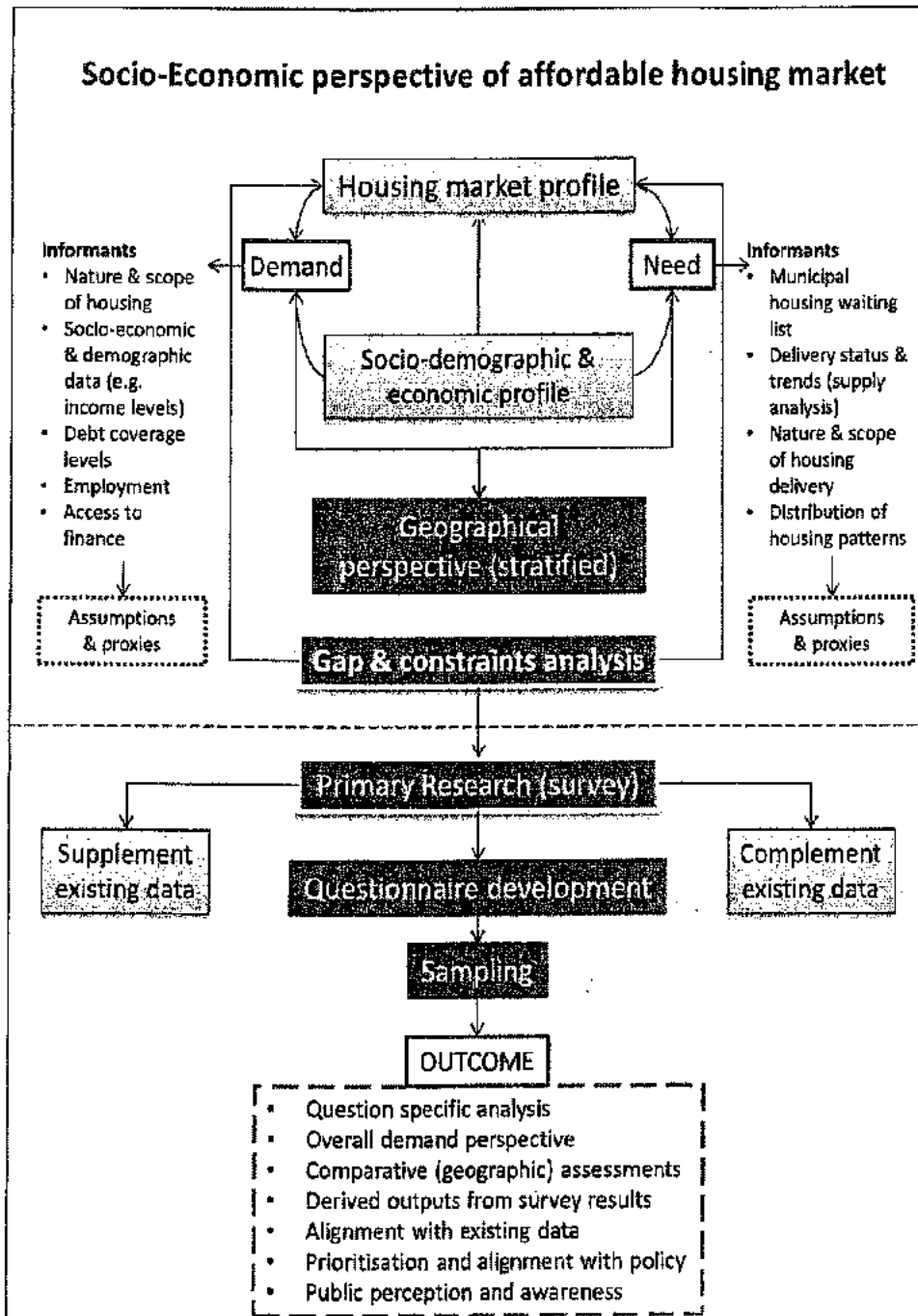
4. SCOPE

A research study needs to be conducted to particularly address the gap in terms of information on informal settlements, backyard dwellings and households that fall within the affordable housing market (earning between R3500 and R18000 per month).

5. METHODOLOGY

5.1 METHODOLOGY TO DETERMINE THE HOUSING MARKET PROFILE

The proposed methodology linked to several outcomes to determine the housing market profile of the Overstrand Municipal area is indicated in the figure below.



5.2 ANALYSIS OF EXISTING DATA AND SECONDARY DATA

A need exists to develop a profile of the housing market in Overstrand using secondary (existing) data that is complemented and supplemented by primary survey data. The key outcome of the secondary data analysis is an understanding of the demand and need for affordable housing. The need is understood by various Informants that include the Municipal waiting list, delivery status (linked to

supply), the nature and scope of housing delivery and the distribution of affordable housing patterns, needs information, financial sector data and Census 2011 etc. It is ideal that an assessment of trends related to these informants is also conducted if the data therefore is available.

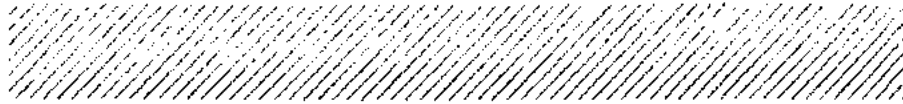
In terms of demand, the informants may include the nature and scope of housing and understanding the socio-economic and –demographic characteristics of households (e.g. income levels), etc. The market profile could be enhanced by understanding the status of employment, ability to access finance (as aligned to the type of affordable house) and ability to cover debt (or alternatively access a loan to bridge the subsidy for which the household may qualify). We will consider assumptions where applicable and if possible use proxies to enhance the outcome of the analysis. The use of proxies will apply to both the demand and needs analysis.

It would be possible to prepare a socio-economic profile of the housing market based on sub-places as defined by Statistics South Africa. The limitations in the data are important to understand and should be considered in the context of the scope of the analysis. This approach will enable a stratified profile for different areas within the Municipal area and is an output of the secondary data analysis.

A further outcome is to identify gaps and constraints in the analysis of the market for affordable housing. This is an essential outcome of the secondary analysis in order to ensure the questionnaire developed for the primary research provides the required data for assessment.

The objectives of the primary research are to supplement and complement the outputs achieved from the secondary data analysis. Agreement on sampling and the finalisation of the questionnaire is important to ensure overall validity and to achieve the outcome. It is essential that the required outputs of the primary research address various outcomes of the assignment which cover the following:

- Specific analysis of questions included in the primary survey;
- Create an overall demand perspective and socio-economic profile of the affordable housing market;
- Prepare comparative assessments based on the geographical stratification of the survey area and the objectives of the research;
- Derive outputs from survey results such as the ability of households to afford the finance to partly cover the purchase of a house;
- Align the survey results with existing data obtained through the secondary research part of the assignment;
- Consider the outcomes in terms of prioritisation and alignment with housing policy
- Understand the public perception and awareness of affordable housing options, policy, willingness to pay, etc.



5.3 PRIMARY RESEARCH - HOUSING SURVEY

5.3.1 Research approach

The research procedure will be scientifically designed and implemented in order to ensure the credibility, consistency and relevance of all collated data, the interpretation of information and the dissemination of findings. A quantitative research approach will be used with face-to-face personal interviewing in-house. Overall the approach adopts a sampling process with a random starting point and a systematic identification of respondents following the adoption of a selection process. More detail of the research design and survey methodology is presented below.

5.3.2 Universe

The universe is defined as all households that are residents of Overstrand Municipality with a household income of less than R18 000 per month. In other words their annual income cannot exceed R216 000.

The base data as per Census 2011 serves as a point of departure.

Sub-areas	INCOME PER MONTH R0 - R3500										INCOME PER MONTH R3501 - R18 000				Sub-Total	TOTAL
	Income per annum										Income per annum					
	No income	R1 - R4800	R4801 - R9600	R9601 - R19 600	R19 601 - R30 200	R30 201 - R42 000	R42 001 - R76 400	R76 401 - R153 800	R153 801 - R276 000	R276 000	R42001	R76 401	R153 801	R276 000		
Lebanon	3	0	0	0	6	9	0	0	0	0	0	3	3	1	7	25
Highlands	0	0	0	0	0	6	1	0	0	0	0	3	3	0	8	15
Betty's Bay	69	6	6	39	48	11	179	100	159	52	311	490	490	52	311	490
Overstrand NJ	255	6	21	231	345	31	369	281	234	71	586	1475	1475	71	586	1475
Rooiels	3	0	3	0	0	1	0	0	0	0	0	5	5	5	22	29
Arabella Country Estate	3	0	0	0	0	0	0	0	0	0	0	3	3	4	9	19
Kleinmond	447	204	153	324	405	35	1566	313	357	135	805	2373	2373	135	805	2373
Pringle Bay	60	3	0	21	33	8	126	76	90	32	197	323	323	32	197	323
Fishervan	30	3	0	12	24	7	78	59	81	23	164	239	239	23	164	239
New ston	150	33	90	306	459	46	1077	413	294	38	745	1832	1832	38	745	1832
Census River	339	0	24	57	135	32	567	286	455	215	967	1553	1553	215	967	1553
Hermanus	303	18	30	168	336	50	805	457	627	245	1328	2234	2234	245	1328	2234
Sand Bay	393	3	9	51	75	20	551	178	321	129	628	1179	1179	129	628	1179
Sand Bay	1284	291	483	1254	1895	81	5088	729	321	38	1088	6176	6176	38	1088	6176
Zwelitse	228	108	75	246	384	23	1054	205	114	28	347	1411	1411	28	347	1411
Stantord	774	96	204	579	741	61	2456	551	447	88	1086	3541	3541	88	1086	3541
Gans Bay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Birkenhead	15	0	0	9	24	7	55	62	72	22	156	214	214	22	156	214
Van Dyks Bay	87	3	18	30	63	12	213	105	153	37	295	508	508	37	295	508
Franskrakstrand	0	0	0	6	9	1	16	5	5	2	11	26	26	2	11	26
Beardscheiders Bosch	138	36	30	21	78	9	312	81	57	9	147	459	459	9	147	459
Pearly Beach	3	0	3	0	0	1	10	5	3	0	8	18	18	0	8	18
Wolvenget	4584	810	1149	3363	4876	434	15238	3928	3819	1175	8972	24139	24139	1175	8972	24139
Total							163,04%				16,95%					
Percentage																

Table 1 indicates that there are potentially 24139 families in Overstrand earning below R18 000 per month. A survey covering the identified households must be conducted to address the gap in terms of information on informal settlements, backyard dwellings and households that fall within the affordable housing market range.

Table 1 also shows that of the total households earning less than R18 000 per month, 63% are earning less than R3500 per month (15 218 households). The remaining 8922 households (37%) is categorised as earning between R3501 and R18 000 per month.

5.3.3 Sample design

Budget and time constraints make it impossible to survey 24 139 households; hence an alternative a scientifically based sample should be considered. The proposal is to consider the margin of error as a starting point to determine the sample size. A 95% confidence level will be used for determining the significance level by which the sample is drawn from the universe. This implies that 95 times out of a 100 the sample drawn from the population would be representative of the characteristics of the population. The margin of error describes the precision of the population estimate.

In order to obtain a margin of error of less than $\pm 3\%$, which would be considered appropriate for the nature and scope of the research, we propose a sample size of 1500, which translates to a margin of error of $\pm 2,53\%$. The sample size represents 15,2% of the households identified through the 2011 South African Census Survey.

Table 2 indicates a proportional division of the sample between the different areas in Overstrand Municipality. The proportional division indicates larger samples are drawn from the larger strata and small samples from the smaller strata. It is also suggested that all areas with 13 or less identified households be omitted from the survey.

Table 2 Sample of 1500

	No income	R 1 - R 4800	R 4801 - R 9600	R 9601 - R 19 600	R 19 601 - R 38 200	R 38 201 - R 76 400	R 76 401 - R 153 800	R153 801 - R216 000	TOTAL	
Lebanon	0	0	0	0	1	0	0	0	2	
Highlands	0	0	0	0	0	0	0	0	1	
Betty's Bay	4	0	0	2	3	7	10	3	30	
Overstrand NU	16	0	1	14	21	19	15	4	92	
Roosies	0	0	0	0	0	0	1	0	2	
Arabella Country Estate	0	0	0	0	0	0	0	0	1	
Kleinmond	28	13	10	20	25	22	22	8	147	
Pringle Bay	4	0	0	1	2	5	6	2	20	
Fisherhaven	2	0	0	1	1	4	5	1	15	
Hawston	9	2	6	19	29	29	18	2	114	
Orrus River	21	0	1	4	8	20	28	13	97	
Hermanus	19	1	2	10	21	32	39	15	139	
Sand Bay	24	0	1	3	5	12	20	8	73	
Zwelffne	80	18	30	78	105	50	20	2	384	
Stanford	14	7	5	15	24	14	7	2	88	
Gans Bay	48	6	13	36	46	38	28	5	220	
Birkenhead	0	0	0	0	0	0	0	0	0	
Van Dyks Bay	1	0	0	1	1	4	4	1	13	
Franskransstrand	5	0	1	2	4	7	10	2	32	
Beardscheeders Bosch	0	0	0	0	1	0	0	0	2	
Pearly Beach	9	2	2	1	5	6	4	1	28	
Wolvengat	0	0	0	0	0	0	0	0	1	
	285	50	71	209	303	271	237	73	1500	
Survey Sample	1500	Total No. of Households								24140

The idea is to geographically stratify the sample in line with the distribution of households in the different areas. Starting points within agreed upon area will be selected using a geo-demographic sampling grid. Geographical maps of the areas will be obtained from Overstrand Municipality. Practically it will imply that certain streets and erven will be selected based on a formula. Informal areas are more challenging but the same methodology applied elsewhere would apply. In other words, select a starting point and use a systematic random sampling approach to identify and survey respondents. Depending on the size of the settlement, the area could be sub-divided into strata and a selection of households identified from each stratum using the methodology of a starting point and systematic random sampling and surveying.

The survey team will aim to achieve a response rate of approximately 85% since the intention is to conduct the survey in the evenings and over weekends when most residents are at home. The sampling approach and where applicable the method of substitution should contribute to achieving a high response rate. The response rate target is well above the 60% to 70% norm generally achieved for structured interview surveys. This implies, given a required sample size of 1500 and an overall expected response rate of 85%, that the number of contacts required comprise ± 1800 respondents (households).

Further debate with Overstrand municipality will be required in terms of the sample selection. Issues to be discussed would be the representation of the sample based on population group and neighbourhood. Specific neighbourhoods will have to be identified to qualify for the initial universe criteria of households earning less than R18 000 per month. This exercise was not conducted for the purposes of this quote.

5.3.4 Selection of Respondents

A systematic random selection technique will be used to draw the sample from each of the identified strata based on a random sampling table. Considering the fact that not all the maps of the different towns in the area have stand numbers, a different procedure will be required. In each residential area all the streets will be numbered and randomly selected. Each house or erven will also be re-numbered and selected on a random basis. Respondents that live in flats or similar types of developments will also be randomly selected to partake in the survey. The number of respondents selected from a block of flats will be determined by obtaining an indication of the proportion of single dwellings to an estimate of the number of flats within a particular stratum.

5.3.5 Interview procedure

The fieldworker will visit each selected household in order to ascertain whether or not the selected respondent will participate in the survey. A qualifying question ensures that the contact is either the head of the household or his/her spouse and that the respondent is willing to partake in the survey. The household will be substituted if there is an unwillingness of the resident to participate in the survey or after three visits a non-response is registered. The substitution procedure will be implemented as follows: First the fieldworker chooses the house on the right hand side of the original house. If there is no reply or the person is unwilling to participate, the fieldworker approached the household on the left hand side of the original house. If no response is forthcoming, the same procedure is repeated, first

the house on the right hand side is selected and then the house on the left hand side until the fieldworker obtains a response. Each interview should be of a duration that keeps the attention of the respondent, will further enhanced the response rate and ensures that the data collected addresses the objectives of the research.

5.3.6 Questionnaire Design pre-testing

The questionnaire will be designed to elicit as much data from selected respondents. The survey instrument will be compiled with inputs from officials of Overstrand-municipality. The questionnaire will be pre-tested among a selected group of households to ensure that the questions are balanced, correctly understood and that an adequate reflection of responses was obtained. Overall the questions will be of a quantitative nature.

The test is conducted to assess the reliability of each set of attributes. In this context reliability is defined as the extent to which a measurement taken with a multiple-item reflects mostly the so-called true score of the dimension (e.g. preference for rental housing) that is to be measured, relative to the error. The assessment of scale reliability is based on the correlations between the individual items or measurements that make up the scale, relative to the variances of the items. We will apply tests of reliability where applicable to assess the attributes. The nature and scope of the question will dictate to what extent a test can be applied and what the appropriate test would be,

5.3.7 Survey Deployment and Administration

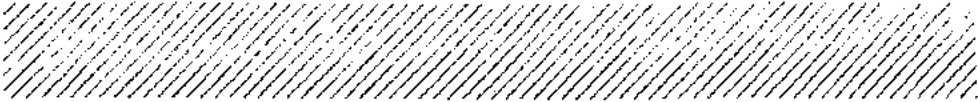
Fieldwork for the survey will be conducted between February 2014 and March 2014. A total of 13 field workers from the different communities will be trained and used. The identification process of the field workers will be agreed with the municipality. It might be a good idea to make use of the existing database of registered unemployed local residents at the Municipality.

It is envisaged that the rate of interviewing will be two respondents per hour per field worker. Fieldwork will mainly be conducted during the hours of 16:00 and 20:00 on weekdays and over weekends to ensure a higher response rate. Making use of local residents as field workers will also contribute to making it possible to work at these hours.

Table 3 below indicates the number of field workers required and where they will be deployed.

Table 3

	Total		Number of surveyors required	Number of surveys per person	number of hours per field worker
Lebanon	2	Not to be surveyed			
Highlands	1	Not to be surveyed			
Betty's Bay	30				
Overstrand NU	92		1	122	61
Rooiels	2	Not to be surveyed			
Arabella Country Estate	1	Not to be surveyed			
Kleinmond	147		1	147	74
Pringle Bay	20	Not to be surveyed			
Fisherhaven	15	Not to be surveyed			
Hawston	114				
Onrus River	97		2	105	53
Hermanus	139				
Sand Bay	73		2	106	53
Zwelihle	384		3	128	64
Stanford	88		1	88	44
Gans Bay	220		2	110	55
Birkenhead	3	Not to be surveyed			
Van Dyks Bay	13	Not to be surveyed			
Franskraalstrand	32				
Baardscheeders Bosch	2	Not to be surveyed			
Pearly Beach	28				
Wolvengat	1	Not to be surveyed	1	54	
	1500		18		



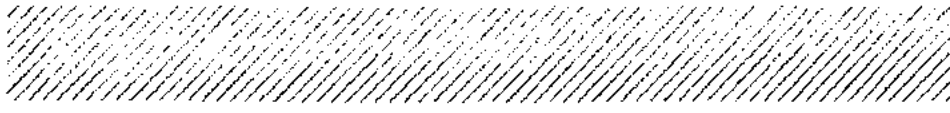
The questionnaires will be checked within 24 hours after completion and if found problematic, either rejected outright or referred back to the fieldworker concerned for clarity. The completed questionnaire will automatically upload to a "electronic cloud" which is connected to the Aurecon office in Century City Cape Town. Once the completed questionnaire is found to be acceptable by the fieldwork director, the questionnaires will be submitted for coding and data capture. The information will be captured in tabular format using spreadsheet software and then validated and analysed using advanced statistical analysis software.

The checking and coding process will be undertaken concurrently with the fieldwork. This process ensures that tests for authenticity, which includes omissions, duplication and logic, is appropriately dealt with prior to the data analysis. A 10 percent back-check will be conducted to ensure the validity of the fieldwork process and the data obtained through the survey interviews. A random sample of 100 respondents will be selected and telephonically contacted to verify certain information.

5.3.8 Quality Control

The quality control of the survey is crucial in order to get credible results. Three quality control measures are currently envisaged:

- After the training session a pilot will be conducted among a selection of households to ensure fieldworkers understand the questions, are able to explain the context and operate the survey technology.
- Tablets will link-up with a "cloud" linked to the Aurecon server in Century City. Every day the progress will be updated i.e. number of surveys completed, where the surveys were conducted etc. In this way field workers will be monitored and if discrepancies e.g. survey at the wrong house, are identified the matter can be addressed in a very short space of time.
- Aurecon ISO approved standards will also apply to all processes and reports.



6. COST PROPOSAL

6.1 COST ESTIMATE

Please refer to the cost breakdown in the table 4 below.

The rates of the proposed professionals required for this project are indicated as well as the number of envisaged hours allocated per task.

The cumulative result is a total proposed fee of R990,110.91 (Val inclusive). The fee also makes provision for the following:

- 1 Inception meeting
- 1 Meeting with Councillors in preparation to identify field workers
- 5 Project Steering Committee Meetings
- 13 Field workers allocated as per table 3
- 13 Tablets will be supplied for the projects duration
- Field workers will be remunerated at R75 per completed survey and a bonus of R1000 will be offered for a fully functional returned tablet.
- 1 Training session
- Running a Pilot and processing test results
- All travelling costs

The fee proposal is based on a certain sample size which is subject to a margin of error. Should the client require a reduction in the cost and is satisfied to forgo some of the error, the sample size could be reduced. What is also important to note is the size of the sample in different areas. If an area specific analysis is required, then the sample has to be large enough to provide credible and valid findings. Therefore the trade-off is between margin of error, area specific analysis and a general analysis encompassing the data collected from all the areas.

Project	Socio-Economic Study with a focus on human settlements	Project Manager	Review and Data Analyst	Development Economist/Statistical Analyst	Database Software Architect	Survey Director	Field Workers
TOTAL FREE							
a) Inception Report	Project Meeting (27 hrs @ 1000)	R 1,050.00	R 850.00	R 1,050.00	R 750.00	R 500.00	R 50.00
	Travel cost (R50m x 2 x R4.50)	R 450.00		5.0			
	Printing project Plan, Methodology and outputs, Study Report and reports/minutes	R 900.00					
	Participation to Steering Committee (27 hrs @ 1000)	R 42,000.00		21.0			
	Travel cost (R50m x 2 x R4.50)	R 450.00		6.0			
	Literature review & analysis of secondary data covering the local economy and adjacent markets.	R 900.00					
b) Final Draft Report (Appendix F) including their secondary data	Participation to Steering Committee (27 hrs @ 1000)	R 111,180.00		30.0			
	Travel cost (R50m x 2 x R4.50)	R 450.00		5.0			
	Travel cost (R50m x 2 x R4.50)	R 900.00					
	Small questionnaire Design, sample representativity assurance Plan	R 58,900.00		18.0			
	Participation to Steering Committee (27 hrs @ 1000)	R 12,450.00		5.0			
	Travel cost (R50m x 2 x R4.50)	R 2,070.00					
	Conduct interviews (participatory) involving with Municipality to identify field workers	R 50,000.00		20.0			
	Travel cost (1150m x 2 x R4.50 x 2 persons)	R 12,400.00					
	Travel cost (1150m x 2 x R4.50 x 2 persons)	R 2,070.00					
	Travel cost (1150m x 2 x R4.50 x 2 persons)	R 26,900.00					
	Travel cost (1150m x 2 x R4.50 x 2 persons)	R 2,070.00					
	Travel cost (1150m x 2 x R4.50 x 2 persons)	R 2,600.00					
	Conducting by household	R 2,500.00					
	Printing of site return of visitors (117 x R1000)	R 19,000.00					
	Running of PC	R 40,000.00					
	Travel cost (1150m x 2 x R4.50 x 2 persons)	R 2,070.00					
	Survey (6 weeks)	R 118,000.00					
	1500 interviews x R75	R 112,500.00					
	Meeting with PSC to select key indicators (27 hrs @ 1000)	R 2,450.00					
	Travel cost (R50m x 2 x R4.50)	R 900.00					
	Drill report	R 100,200.00					
	Participation to PSC with Power point slide (27 hrs @ 1000)	R 2,450.00					
	Travel cost (R50m x 2 x R4.50)	R 900.00					
	Final Report/summary transfer	R 50,400.00					
	Participation to PSC with Power point slide (27 hrs @ 1000)	R 2,450.00					
	Travel cost (R50m x 2 x R4.50)	R 900.00					
	Project Management close-out report.	R 31,500.00					
Total number of hours							
Rate per consultant							
Sub-total							
Disbursements (2.5%)							
Sub-total							
Add 14% VAT							
Total (Not Inclusive)							

7. PROGRAMME

Please refer to the next page for the programme which also reflects the project milestones and deliverables.

ID	Task Name	Task Mode	Duration	Start	Finish	2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
1	1 Overstrand: Socho Economic Study	Task	205 days	Fri 9/26/14	Sun 7/12/15																						
2	1.1 Receive instruction to proceed with Work	Task	0 days	Fri 9/26/14	Fri 9/26/14																						
3	1.2 Inception Report	Task	11 days	Thu 10/2/14	Thu 10/16/14																						
4	1.2.1 Inception Meeting	Task	1 day	Thu 10/2/14	Thu 10/2/14																						
5	1.2.2 Detailing Project Plan	Task	7 days	Fri 10/3/14	Mon 10/13/14																						
6	1.2.3 Inception Report	Task	0 days	Mon 10/13/14	Mon 10/13/14																						
7	1.2.4 Presentation to Steering Committee	Task	1 day	Thu 10/16/14	Thu 10/16/14																						
8	1.3 First Draft Analysis Report	Task	39 days	Mon 10/20/14	Thu 12/11/14																						
9	1.3.1 Literature Review	Task	14 days	Mon 10/20/14	Thu 11/6/14																						
10	1.3.2 Draft Analysis Report	Task	21 days	Fri 11/7/14	Fri 12/5/14																						
11	1.3.3 Analysis Report	Task	0 days	Mon 12/8/14	Mon 12/8/14																						
12	1.3.4 Presentation to Steering Committee	Task	1 day	Thu 12/11/14	Thu 12/11/14																						
13	1.4 Socio Economic Assessment	Task	95 days	Mon 1/19/15	Fri 5/29/15																						
14	1.4.1 Draft Questionnaire	Task	14 days	Mon 1/19/15	Thu 2/5/15																						
15	1.4.2 Create database Platform	Task	14 days	Fri 2/6/15	Wed 2/25/15																						
16	1.4.3 Electronic Questionnaire	Task	0 days	Thu 2/26/15	Thu 2/26/15																						
17	1.4.4 Meeting with Councilors	Task	0 days	Thu 2/26/15	Thu 2/26/15																						
18	1.4.5 Training Field workers	Task	2 days	Mon 3/2/15	Tue 3/3/15																						
19	1.4.6 Running a pilot	Task	3 days	Wed 3/4/15	Fri 3/6/15																						
20	1.4.7 Survey	Task	60 days	Mon 3/9/15	Fri 5/29/15																						
21	1.5 Socio Economic Draft Report	Task	19 days	Mon 6/1/15	Thu 6/25/15																						
22	1.5.1 Draft Final Report/Software Transfer	Task	7 days	Mon 6/1/15	Tue 6/9/15																						
23	1.5.2 Final Report	Task	0 days	Wed 6/10/15	Wed 6/10/15																						
24	1.5.3 Presentation to Steering Committee	Task	1 day	Thu 6/25/15	Thu 6/25/15																						
25	1.6 Close-out Report	Task	11 days	Fri 6/26/15	Sun 7/12/15																						
26	1.6.1 Draft Project Management Close-out Report	Task	7 days	Fri 6/26/15	Mon 7/6/15																						
27	1.6.2 Close-out Report	Task	0 days	Sun 7/12/15	Sun 7/12/15																						

Task	Project Summary	Inactive Milestone	Manual Summary Rollup	Deadline
Task	Project Summary	Inactive Milestone	Manual Summary Rollup	Deadline
Split	External Tasks	Inactive Summary	Manual Summary	Progress
Milestone	External Milestone	Manual Task	Start only	
Summary	Inactive Task	Duration-only	Finish-only	

8. TEAM MEMBERS

- 8.1.1 Project Manager: Johan Keuler**
Refer to Annexure A for complete CV.
- 8.1.2 Research Specialist and Statistical Analyst: Prof Jonathan Bloom**
Refer to Annexure B for complete CV
- 8.1.3 Survey Manager: Lindilizwe Mngxekeza**
Refer to Annexure C for complete CV
- 8.1.4 Data Specialist: Kevin Johnson**
Refer to Annexure D for complete CV
- 8.1.5 Review and data Analyst: Prof Jonathan Bloom**
Refer to Annexure B for complete CV

9. REFERENCES

- City of Cape Town, Langa Hostels Survey, Contact Person – Peter Ocroft, Tel (021) 400 2120, 084 555 5006, peter.oscroft@capetown.gov.za
- Cape Winelands District Municipality, Survey of Households in the CWDM area, Contact Person - Mr Ben Nieuwoudt Tel.: (082 440 0505)

10. CONCLUSION

This document represents the best estimated quotation that we can provide at this time. Should further discussion be required please contact us in order to finalise.



Johan Keuler PrCPM (Project Leader)

Date: 30 October 2014



Navrae: Briand Louw
Enquiries:

Laerwysing: 17/5/214
File Reference:

Datum: 3 November 2014
Date:

KANTOOR VAN DIE MUNISIPALE BESTUURDER /
OFFICE OF THE MUNICIPAL MANAGER

Head of Department
Department of Human Settlements
Private Bag X9083
CAPE TOWN
8001

Dear sir,

**OVERSTRAND SOCIO-ECONOMIC STUDY: REQUEST TO UTILISE FUNDS FROM
THE MUNICIPAL SEPARATE OPERATING ACCOUNT FOR HOUSING**

The Overstrand Municipality has been in several discussions and meetings with officials from the Departments of Human Settlements and Environmental Affairs and Development Planning regarding the undertaking of a Socio-Economic Study in the Overstrand Municipal Area. The study is required to provide a better understanding regarding the extent and nature of the housing need and demand within the area. Although the Municipality has a functional housing demand database, there remains a gap in the available information to provide an accurate and detailed picture on housing need and demand. Therefore the need for a more detailed study has been identified. A Terms of Reference was compiled as a basis for the study, of which a copy is attached.

Using the Terms of Reference as basis, as mentioned above, a quotation was requested by your Department from the Overberg Professional Resource Team (PRT) to ascertain the cost of the socio-economic study. A copy of the Quotation that was received from the PRT is attached for easy reference. The total cost of the study amounts to R887 506.50 excluding VAT. The agreement between the Municipality and the Provincial Department of Human Settlement is that the Municipality will make a substantial contribution towards the cost of the study.

A request is therefore hereby made to use the amount of R400 000.00 from the Separate Operating Account to fund the study.

Yours sincerely,


CC GROENEWALD
MUNICIPAL MANAGER



Angela.SomersErasmus@pgwc.gov.za
tel: +27 21 483 8385 fax: +27 21 483 5433
27 Water Street, Cape Town, 8001
www.capegateway.gov.za

ENQUIRIES: Ms A Somers

The Executive Mayor
Overstrand Municipality
PO Box 20
HERMANUS
7200

Dear Sir/Madam

OVERBERG: OVERSTRAND MUNICIPALITY: APPLICATION FOR MINISTERIAL APPROVAL TO UTILISE FUNDS FROM THE (SOA) SEPARATE OPERATING ACCOUNT FOR FUNDING TO COMPLETE SOCIO-ECONOMIC STUDY IN THE AMOUNT OF R 400 000.00

Your correspondence dated 3 November 2014 in the above-mentioned regard refers.

Approval has been granted for your Council to utilise funds in the amount of **R 400 000.00** from your Separate Operating Account (SOA) for funding to complete the Socio-Economic Study in Overstrand.

The following conditions will apply:

- a) The funds herewith authorised may only be used as requested for in terms of the application and for the purpose to utilise funds from there SOA to fund the Socio-Economic Study within the Overstrand Municipal Area.
- b) Your Council must provide written confirmation on completion of the project as well as a statement of all funds drawn from the Separate Operating Account for the purpose as set out in this approval, to the Directorate: Grant and Municipal Performance Management. The statement of all funds drawn must be accompanied with supporting documentation substantiating the purpose of such withdrawals;

Yours sincerely

A handwritten signature in black ink, appearing to read "B Madikizela", written over a horizontal line.

MR B MADIKIZELA
PROVINCIAL MINISTER FOR HUMAN SETTLEMENTS: WESTERN CAPE
DATE: 20/01/2015

281

ANNEXURE B
Page 34 of 40

MEMORANDUM OF UNDERSTANDING

Between the

**WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS AND
ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING**

and

OVERSTRAND MUNICIPALITY

**SUBJECT: THE BUILT ENVIRONMENT SUPPORT PROGRAM
Undertaking a socio-economic study**

Preamble

The Parties:

Desiring to, through mutual co-ordination, prepare a socio-economic study in Overstrand.

The Human Settlements Plan (HSP) and Spatial Development Framework (SDF) of the Overstrand Municipality needs to be informed by a credible set of housing data which address housing backlogs, income patterns and the geographic distribution of the population. Subsequently, the Municipality identified the need to conduct a socio-economic assessment in order to understand the extent and nature of the housing need and demand within its jurisdiction.

Now therefore the Parties agree as follows:

1. Definitions

For the purpose of this Memorandum of Understanding (MOU), unless the context indicates otherwise:

- a. MOU means the agreement set out in this document and the Annexure/s attached hereto between the municipality, the 2 Departments
- b. PGWC means Provincial Government Western Cape
- c. SDF means the Spatial Development Framework
- d. HSP means the Human Settlement Plan
- e. BESEP means the Built Environment Support Program
- f. MEC means Member of the Executive Committee
- g. DoHS means the Western Cape Provincial Department of Human Settlements
- h. DEA&DP means the Western Cape Provincial Department of Environmental Affairs and Development Planning
- i. Relevant parties mean the Overstrand Municipality, Western Cape Department of Human Settlements, and Department of Environmental Affairs and Development Planning
- j. Service Provider means the service provider appointed in terms of this Memorandum of Understanding.

2. Purpose of MOU**2.1 The aim of this MOU is:**

To formulate a partnership agreement between the relevant parties to prepare and produce a socio-economic database as input to a credible Spatial Development Framework and Human Settlement Plan for the Overstrand Municipality.

2.2 The objectives and priorities of this MOU are:

- a. To define the roles, responsibilities and commitments of key role players in preparing the socio-economic report as part of the BESP.
- b. To establish cooperative and mutually beneficial relationships amongst partners and other partners whose participation has been determined to be vital to ensure the successful conclusion of the study.

2.3 The Parties agree to act in common pursuit of the aims and objective of this MOU as well as the BESP, which shall be implemented in accordance with the Minimum Requirements published in Regulation 1113 of 30 November 2007 and presented on 15 February 2008, of the Inter-Governmental Relations Framework Act, No. 13 of 2005.

3 Parties to MOU

The Parties to this MOU are as follows:

the Department of Human Settlements, as represented by the Head of Department, jointly with the Department of Environmental Affairs and Development Planning as represented by the Head of Department; and the Overstrand Municipality, as represented by the Municipal Manager.

4 Roles and responsibilities

The parties will:

- Jointly appoint and manage the service provider
- Jointly fund the socio-economic study
- DHS to arrange for the payment of the service provider, via DEADP
- Attend Project Committee Meetings
- Work with the Overstrand Municipality to further this socio-economic study. This would include working with existing consultants that might have been appointed by the municipality.
- Monitor and evaluate incorporation of the socio-economic study into the SDF and HSP.

4.3 The role and responsibilities of the Overstrand Municipality regarding the MOU are:

- Jointly manage the activities of the Service Provider on municipal level.
- Assist in the establishment of the Project Committee and make available relevant officials to serve and participate in meetings;
- To chair the relevant Project Committee Meetings
- Provide a venue for the Project Committee Meetings
- To attend Project Committee Meetings

- To make the necessary information available to the Service Provider
- To ensure cooperation between relevant consultants appointed by the municipality and the Service Provider;
- Make relevant officials available whom will work with the Service Provider/Project Committee
- Co-fund the project, based on their SoA arrangement.
- Verify quality work undertaken.
- Prepare Council for presentations on this work.

5 Workplan

5.1 The Parties agree to the following Workplan:

- 5.1.1 **Objective:** The creation of a socio- economic database as input for a credible SDF and HSP within a 10month period.
- 5.1.2 **Outcome:** A municipality that is spatially equitable and efficient, thereby facilitating the creation of sustainable human settlements.
- 5.1.3 **Output:** a credible socio-economic housing database for the Overstrand Municipality
- 5.1.4 **Responsibility:** DHS, DEA&DP, and Overstrand Municipality
- 5.1.5 **Timeline:** End product (Socio-economic Report) developed by the end of the October 2015.
- 5.1.6 Service Provider to submit detailed project plan for the municipality one month after date of appointment; to be signed off by Project Committee

6 Contributing resources

The Parties agree to contribute the financial and non-financial resources and associated costs as follows:

The Department of Human Settlements and Environmental Affairs and Development Planning:

- Personnel to attend all meetings relevant to the project plan.
- Personnel to undertake any task flowing from the Working Group Meetings or Core Team Meetings
- Funding for the Service Provider

The Overstrand Municipality

- Dedicated Personnel to attend Project Committee Meetings
- Personnel to undertake any tasks flowing from the Project Committee Meetings

7 Managing the MOU

The Parties undertake to establish and maintain regular Steering Committee meetings (between DEADP, DoHS and Overstrand with the Service provider), for the effective management and implementation of this MOU (as contained in the RfQ – Annexure 1).

8 Good faith and reasonableness

8.1 In their dealings with each other for purposes of this MOU, the Parties:

- a. undertake to act in good faith and reasonably; and
- b. warrant that they shall not do anything or shall refrain from doing anything that might prejudice or detract from the powers or functions of each other, especially in terms of MFMA and PFMA.

8.2 This MOU does not make any legal or otherwise enforceable commitments on behalf of any of the Parties, nor does it in any way limit any statutory powers and functions of the Parties.

9 Dispute resolution

9.1 Any disagreement or dispute arising between the Parties with regard to interpretation, implementation or breach of this MOU shall be settled as follows:

- a. A disagreement or dispute must be initiated in writing notice describing its inability to fulfill requirements of MOU and establish a date at the earliest convenience, but not more than 15 days, to mutually resolve the issue.
- b. The Parties must initially make all reasonable efforts to settle any such difference or dispute through consultation and negotiation.
- c. If the difference remains unresolved, any Party may refer it for arbitration by an arbitrator agreed to by the Parties.
- d. If the Parties fail to reach agreement on the appointment of an arbitrator, the political principal must nominate an arbitrator. If the political principal is a Party to the MOU, the Cabinet member responsible for provincial and local government must be requested to nominate an arbitrator.
- e. The arbitrator must conduct the arbitration in a manner that the arbitrator considers appropriate in order to determine the matter fairly and quickly, but must deal with the substantial merits with a minimum of legal formality.
- f. The arbitrator's determination is final and binding on the Parties.
- g. The Parties to the disagreement/dispute must share the costs of the arbitration equally.

- h. If a Party is not satisfied with the determination of the arbitrator, Chapter 4 of the IGR Act will apply to settle a dispute.
- i. The Arbitration Act, 1965 (Act 42 of 1965) does not apply to settle disputes.

10 Confidentiality

- 10.1 Any Party shall treat information furnished by another Party for purposes of the execution of this MOU, as confidential.
- 10.2 Subject to this clause, the Party(ies) so furnished with information shall not disclose such information to another person without the prior written consent of the other Party and shall take reasonable steps to ensure that such information is not disclosed to another person.

11 Duration, execution and amending the MOU

- 11.1 This MOU will commence on the date of its signing and will remain in effect until mutually terminated by all the Parties in writing.
- 11.2 This MOU consists of this agreement as well as any attachments to it.
- 11.3 There are no other conditions, representations, whether oral or written and whether expressed or implied, applicable to this MOU, save for those contained in this MOU.
- 11.4 No amendment, alteration, addition or variation of this MOU shall be of any force or effect unless reduced to writing and signed by the Parties. Such changes shall be incorporated as an Addendum to this MOU.

12. Domicilium

The Parties choose the physical addresses set out hereunder as their domicilia citandi et executandi for all purposes under this MOU:

- a. **The Department of Human Settlements**
27 Wale Street,
Cape Town,
8001
- b. **The Department of Environmental Affairs & Development Planning**
Atterbury House,
Riebeeck street,
Cape Town,
8001
- c. **Overstrand Municipality**
Magnolia Avenue
HERMANUS
7200

Annexure B
Page 40 of 40

287

12.2 Notice of change of address must be given in writing, by the Party concerned and delivered by registered mail to the other Parties.

13. Signatures of the Parties

Signed at on this day of 2014

Signature:.....
Name:

.....
Department of Human Settlements

As Witnesses:

- 1.
- 2.

Signed at on this day of 2014

Signature:.....
Name:

.....
Department of Environmental Affairs & Development Planning

As Witnesses:

- 1.
- 2.

Signed at on this day of 2014

Signature:.....
Name:

.....
Overstrand Municipality

As Witnesses:

- 1.
- 2.

5.4**PROPOSED SOCIO-ECONOMIC STUDY FOR OVERSTRAND MUNICIPAL AREA****(ITEM 10, PAGE 248 : INFRASTRUCTURE AND PLANNING PORTFOLIO – MAYORAL COMMITTEE MEETING : 26 FEBRUARY 2015)****RESOLVED (UNANIMOUSLY):**

1. that the proposed Socio-Economic Study by the Professional Resource Team of the Department of Human Settlements, **be noted**; and
2. that the conditions of the approval for the utilisation of the funds from the Separate Operating Account, **be adhered to**.

RESPONSIBLE OFFICIAL :**B LOUW / A CAIRNS****TARGET DATE FOR IMPLEMENTATION :****26 FEBRUARY 2015****TARGET DATE TO INFORM APPLICANT:****11 MARCH 2015**