

NEGATIVE FACTORS INFLUENCING HOUSING DELIVERY.

The challenges facing E/Cape housing delivery must be seen against the following strategic approaches, initially undertaken for developmental reasons:

- **Use of PHP delivery vehicle – (60% of E.C. projects are PHP)
(slow delivery due to extended consultation process)**
- **Majority of Developers are Municipalities**
- **Use of Emerging Contractors**
- **40 sq.m. size unit on 30sq.m National Norm
Allocation – (Unfunded extra 10m²)**

The negative impact of these factors has been building up over the years to what is now possibly the highest point

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1. Administrative and Process-Related:

- Delays in Municipal Procurement Processes for blocked projects
- Non submission of individual beneficiary applications by developers.
- Conveyancing Delays.
- Delays in EIA & NHBRC Approvals
- Tendency for bigger municipalities to use own funding and submit claim much later

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2. CONSTRUCTION MANAGEMENT

- ✦ Inadequate Contractor skills-depth – Skills-flight to larger centers (CHDM; ADM; ORTDM & ANDM)
- ✦ Site-labour turnover
- ✦ Material Supply & Capacity Constraints (CHDM; ADM; ORTDM & ANDM)
- ✦ Site-establishment & related logistics
- ✦ Inaccessibility due to bad roads
- ✦ Water availability in the deep rural projects

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3. STAKEHOLDER & INSTITUTIONAL FACTORS

- Municipal shortfall – its capacity to deliver houses
- Lack of dedicated focus & commitment – Unfunded mandate
- Lack of HR resourcing at both Provincial and Municipal level
- Inadequacies in technical & financial over-sight capabilities
- Administrative lapses
 - e.g. Non-availability of officials for scheduled project management meetings at municipal level.
- Some projects without Project Coordinators
- Document management and archiving shortfalls, with resultant difficulties linked to project close-out

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4.START-UP DELAYS IN THUBELISHA IMPLEMENTATION

- **ORTDM** : Should have started in Sept. 2006 and will now start in January 2007 only.
- **BCM** : Only started in July 2006
- **Rest** : subject to information –gathering and/or procurement processes
- **Limitation of project management approach adopted, as opposed to construction management which allows for fulltime site presence, support & supervision**

HOUSING RECOVERY INTERVENTIONS

Ongoing interaction:

Interaction with Municipalities involved through our project management team to assist in resolving identified bottle-necks. e.g. Road Access problem that was impacting negatively on the Hillside project in the Ukhahlamba District is now operational once more, with construction vigorously underway.

Outstanding Beneficiary Registrations

Department is following up with municipalities to clear the backlog of outstanding individual application forms. This involves finding alternative beneficiaries where the original applicants can no longer be found, or close off projects at current progress mile-stones. Also issued a circular with a time-line of 30 Sept. 2006 to enforce the finalisation of beneficiary applications. Processes to put developers on terms are already underway.

Outstanding Transfers

Timeline set for 31 March 07 to clear transfer backlog.

Involvement of Thubelisha

Appointment of Thubelisha within existing Memorandum of Agreement to assist with cross-cutting problem areas:

HOUSING RECOVERY INTERVENTIONS

Taking over the implementation of some of the unblocked projects:

- In some of the projects it turns out that the original Developer (municipality) is no longer able to proceed with the project in spite of additional funding having been provided for unblocking, due to emerging contractor non-performance.
- The involvement of Thubelisha / Established Contractors involvement allows for a number of advantages:
 - Speedier Procurement Processes
 - Bulk material purchases
 - Outsourcing of additional resources to reinforce existing construction corps