

SOCIO ECONOMIC SURVEY AT NEWTOWN 2015 - 2016

1. BACKGROUND

- 1.1. The **socio-economic study** was conducted at Newtown Informal Settlements, which is located north of Middelburg town and Mhluzi Township. **The area is demarcated into two Wards (17 & 27)**, headed by two elected Ward Councilors. This informal settlement was **established in 1995, on the Portion 189 of the Middelburg Town and Town Land 287 JS**, which belong to the Municipality. The area is approximately 7km from Middelburg Central Business District and 10km to the industrial nodes of the town. It is linked into CBD and industrial areas by two major routes (Dr Nelson Mandela & Dr Beyer Naude Drive), and is characterized by smaller stands with communal water taps and toilets. The water taps are on pavements at a distance of less than 400m per stand. Some areas have waterborne toilets divided according to the principle of four stands for one toilet. Chemical biological toilets are also used in some areas, including the clinic and squatter control offices. Electricity is provided according to allocation of stand and the availability of lease agreements.
- 1.2. What is **unique** about Newtown is the fact that it is a **“formal”, informal settlement** situated in Mhluzi (Middelburg) Mpumalanga. This idea was **conceived in 1995**, and implemented in **1996**. Like all the previously Blacks only areas, Middelburg was flooded with squatters from all over, wherever the people saw a piece of vacant land. Some of them led to be assisted out of danger of **floods** when heavy rains were experienced. Others were on land reserved for development as well as under the “power lines”, where Eskom put pressure.
- 1.3. Newtown created an opportunity for Council to relocate the squatters from areas such as **Crossroads, Jabulani Hostel, Reabota Hostel, Mathole Garage, Dr Modiba, O.R Tambo Park, Extension 4, Ext 7, Ext 8, Ext 6, Ext 2**, to a **Swimming Pool** and **Elusindisweni Primary School** including **farm evictions** to a place with minimum services, e.g. water and sanitation. In the end, the Municipality managed to relocate all the squatters in the urban area of Middelburg to Newtown. It was expected that when an **individual acquires alternative accommodation, the stands would revert to Council**. The stand was available for as long as no alternative accommodation is available.

2. IDENTIFIED CHALLENGES/ PROBLEMS TO BE ADDRESSED.

- 2.1. In March 2013, at Lekgotla, the issue around the municipality's inability to control the influx into Newtown was raised. Among others, issues such as the duplications of the Lease Agreements for the same stands, at the same time. Subletting and political influences. Allegations of corruption by both the officials and the community were highlighted. Overcrowding was also an additional problem. Illegal connection of electricity was also an issue, shack fire being regular.
- 2.2. It was also alleged that it has become dangerous for some officials to do Law Enforcement, or even attempt to put the control measures in place, or walk or drive around the area. Among others, some alleged that the community leaders have taken over the administration of Newtown.

3. COUNCIL DECISION MAKING PROCESS, ROUTE LEADING TO THE SURVEY

In preparation for the development on Infrastructure in Newtown the following was resolved under Council Resolution **SC16/08/2014**

The Council resolution **SC16/08/2014** reads as follows:

"1. **THAT** the following MIG project not be implemented during the 2014/2015 financial year:

Cemetery	–	R2 000 000
High Mast Lights	–	R1 900 000
MPCC Somaphepha	–	R 500 000

2. **THAT** the funds provided for the projects in 1 above in the 2014/2015 budget be utilized for the installation of water and sewer services at Kwazamokuhle Extention 8.
3. **THAT** it be noted that the Accounting Officer and the Chief Financial Officer have advised Council that the reprioritization mentioned in 2 above may result in unauthorized expenditure as defined in the MFMA.
4. **THAT** Council note that the decision mentioned in 2 above, may result in non-compliance with the MFMA and as a result may become a matter on the Audit Report resulting that the clean audit status of the municipality may not be maintained.

5. **THAT** Rand Water be appointed to implement the following projects at the amounts as indicated:

5.1.	Sanitation	Newtown	
		2014/2015	R 7 867 700
		2015/2016	R 3 307 400
		2016/2017	<u>R 3 307 400</u>
			<u>R14 482 500</u>
5.2.	Water	Newtown	
		2014/2015	R 4 875 000
		2015/2016	R 3 097 200
		2016/2017	<u>R 3 097 200</u>
			<u>R11 069 400</u>
5.3.	Water and Sewer Services		
	Kwazamokuhle Extension 8		R4 400 000 (2014/2015)

provided that MIG funds for the 2015/2016 and 2016/2017 financial years are indeed received.

6. **THAT** a Service Level Agreement attached as **ANNEXURE B** to the Mayoral Committee Agenda, be approved for signature by the Municipal Manager or the Deputy Municipal Manager.”

In an attempt to resolve the problems identified, it was resolved at Lekgotla that a verification exercise be conducted, which led to submission of a report to Council in this regard, hence the Council resolution **M18/09/2014**. This led to a follow-up process of a socio - economic survey.

3.1. The Council resolution **M18/09/2014** reads as follows:

- “1. **THAT** Council take note of the report by the Executive Director: Community Services on the Newtown Verification Process.
2. **THAT** the Executive Director: Community develop a comprehensive plan on the whole process of Newtown redevelopment
3. **THAT** the Executive Director: Community Services develop a Security Plan to prevent land invasion in Newtown.
4. **THAT** the process, between Finance and Human Settlements Departments, commence to address the discrepancies in their records.
5. **THAT**, upon confirmation by Human Settlements Services, the details of the accounts be amended according to occupants and lease agreements.
6. **THAT** the costs of evacuation in Newtown be accommodated within the budget provision of the Human Settlements Services.
7. **THAT** the Executive Director: Community Services be requested to submit a further progress report in terms of paragraph 2 and 3 above with time frames on the implementation thereof.”

3.2. According to Council resolution **M11/07/2015** the Newtown Informal Settlement Socio Economic Study had to be conducted and it was decided as follows:

- “1 **THAT** the report by the Executive Director: Community Services regarding the Newtown Informal Settlement Socio Economic Study, be noted.
2. **THAT** the Socio Economic Survey questionnaire attached as **ANNEXURE A** to the Agenda, be customized to the Municipal and used for the Survey.
3. **THAT** the recruitment of field workers be handled administratively with preference given to the relevant Ward Residents who meet the criteria.”

The main focus was on whether the occupants were legally complying, e.g. valid lease agreements who is where, how did the occupation happen. How many vacant stands? etc.

4. THE PURPOSE OF THE SOCIO ECONOMIC STUDY

The purpose of the socio economic study was to establish the following which could not be established by the verification process: (Refer to the report leading to **M11/07/2015**)

- i. Households per stands
- ii. Size of households per stands
- iii. Household income” ”
- iv. Gender characteristics per stand
- v. Age characteristic per stand
- vi. Educational characteristic per stand
- vii. Others e.g. migration, dwelling types, etc.

This meant that socio-economic status could be determined. It covered areas not covered by the verification.

5. PREPARATIONS FOR THE SOCIO ECONOMIC STUDY (SURVEY)

- 5.1. Budget = **R150 000** rands, could have been more if it was done in-house. Actual expenditure on the items mentioned below:

Remuneration for the field workers = R129 124 @R15.00 per completed questionnaire.

Reflector **vests** and **caps** = R6976.80

Printed **questionnaires** = R8486.01

- 5.2 The **total expenditure** indicated above of **R144586.81**, inclusive of the data collectors' salaries. The internal staff were paid from the normal Council budget.

6. SOCIO ECONOMIC STUDY METHODS

6.1. Recruitment:

- Minimum requirement: Matriculation, must reside in Wards 17 or 27. Employed 30 data collectors.

6.2. Sampling: The whole of Newtown stands. (According to the layout plan.)

- Target: **2550 stands** with the assumption that **one stand** accommodates **one family**.

6.3. Questionnaire (English version):

- Questionnaires compiled departmentally and the numbering arranged in numerical sequence.
- Printing of the Questionnaires done externally.

6.4. Interviews:

- Each data collector was expected to use the method of interview for each household. The ages for interviewee should be above 18 years.
- Door to door visits and interview of households targeting all the stands in Newtown.
- (2550 stands) which exceed because of illegal stands created.

6.5. Data Collection

- **30 data collectors** recruited and employed on a contract basis.
- They were expected to wear **black and orange reflective vests** in line with the Municipal branding,
- They were provided with **branded caps** and
- **Clip boards** as well as **black pens**,
- **Questionnaires distributed** by **coordinators** who were nominated from the staff within the department. The same coordinators had to collect the **completed** questionnaires **twice a day**.
- Data collection commenced in September 2015 to November 2015 (± 3 months).
- The sorting of questionnaires and capturing was done in-house (± 3 months).

7. Data Management

7.1. Data **sorting** and **capturing** took **3 months** to complete, because more questionnaires had to be captured. All the Housing Department Staff were involved.

7.2. Compiling the **report took ± 2 months** to analyze interpret and compiling the report, due to the system problems.

8. ANALYSIS AND INTERPRETATION (Refer to Annexure B).

- 8.1. Analysis was done by computer through the in-house (Council) software from our Information Communication Technology (ICT) Department.
- 8.2. Comparison of the captured information from the computers was done within the Housing department and The Executive Director Community Services.
- 8.3. Analysis of the information with regard to its relevance to the purpose of the study was also done in-house. Refer to topic number 4 (Council resolution **M11/07/2015**).
- 8.4. The analyzed information was interpreted according to the stated objectives and simplified. (**Refer to Annexure B**) and topic number 4 of this report.
- 8.5. **Findings** Chart 1-10.

8.5.1 Chart 1 :- Housing.

References : Refer to chart 1

- Majority for RDP houses 76%.
- 17% prepared to build own houses, provided they get own stands.
- Surprisingly, 6% prefer remaining in the informal settlements.

8.5.2 Chart 2 :- Dependency levels per age groups / stand.

- Highest 0 – 12 = 65%
- 0 – 18 = 81%

8.5.3 Chart 3 :- Households / stands

- Majority = 2 households / stands = 812
- 2nd highest = 1 household / stand.
- 3rd highest = 3 households / stand.

8.5.4 Chart 4 :- Stands Occupational status

- Legal occupation = 72%
- Illegal occupied = 19%
- Empty stands = 9%

8.5.5 Chart 5 :- Households / adults age / stand

- Majority, which is 18 – 35 years = 57%
- Largest is 18 – 59 years at = 96%
- A very young community

8.5.6 Chart 6 :- Households / income levels

- Highest R0 – R3 500 means that 80% of the households will qualify for RDP housing.
- Between R3 501 – R10 000 per month = 20%
- Very poor community, in-terms of income.
- A variety of programmes can be utilized for the area e.g RDP, GAP market, FLISP, Credit linked, Rental and Social Housing.

8.5.7 Chart 7 :- Nationalities per household.

- South African citizens = 98%
- Foreigners do not pose a threat to this community.

8.5.8 Chart 8 ; -Type of dwellings

- Highest number (62) corrugated iron for main dwellings.
- Second is (25%) with corrugated iron in the backyard.

8.5.9 Chart 9 :- Households / Ward

- Highest (54%) in ward 27

8.5.10 Chart 10 :- Employment

- Highest (56%) unemployed.
- Second (34%) private sector.
- Need for Local Economic Development.

8.5.11 Chart 11 :- Migration (internal)

- Majority from Mpumalanga (67%)

8.5.12 Chart 12 :- Educational level / household

- Highest level is secondary school (43%)
- Second level (33%) is primary school.
- There is a great need for educational facilities.

8.5.13 Chart 13 :- Gender / Stand

- Majority (59%) are male

The information indicates the success obtained after the verification exercise.

9. CHALLENGES

- 9.1. Delay in acquiring the software for capturing the data.
- 9.2. Withdrawal of some data collectors due to other job offers
- 9.3. Unhappiness from the data collectors regarding the remuneration paid per questionnaire and late payment of the field workers.
- 9.4. Increase in overtime for the coordinators who have to work after-hours and weekend to assist the process.
- 9.5. Data capturing taking too long to complete resulting in overtime for the staff to capture the data.
- 9.6. Information loss, resulting in delays on analysis and interpretation.
- 9.7. Recruitment processes that took long before the appointment could be done.
- 9.8. Delayed reporting due to poor systems in place and manual interpretation.

10. LESSONS LEARNED

- 10.1. Not to rely too much on internal resources, e.g. software.
- 10.2. Appoint external Service Providers to do the whole or part of survey.
- 10.3. Not to take a too big sample, e.g. the whole of Newtown.
- 10.4. Hire a consultant to develop a questionnaire, capture, analyze and interpret data.

11. STUDY RECOMMENDATIONS

1. **THAT** the 1074 stands in the Newtown extension are too few, a huge increase should be accommodated, hence additional 1000 stands per year will be needed over a 10 years period.
2. **THAT** to accommodate 8364 households in the development would pose a big challenge to the Municipality over a 10 year period.
3. Newtown alone cannot accommodate the demand for houses for the current number of households. So, other areas within the Municipality will have to absorb them. Projects should not allocate Newtown only.
4. A separate strategy would need to be developed for securing the existing vacant stands and the new ones where the infrastructure has been installed. This report has been compiled, still circulating for comments.

5. Better long term and short term planning, and project management. A comprehensive Plan for Newtown development also completed, circulating for comments. This should be a plan for over ten years. The findings from the study can be replicated to other informal settlements.
6. A variety of programmes need to be pursued for housing purposes:
 - 6.1. **Project linked** – Green field development for RDP housing. About 75 units (75%) for every 100 units or stands allocated for the construction of top structure. 25% should be reserved for the sale of stands or stands with outside toilet and a water tap.
 - 6.2. **Peoples Housing Project:** Still RDP but will require a support organization. Can be started at 100 units per annum for Newtown and the rural areas.
 - 6.3. **Informal Settlement Redevelopment**, e.g. developing houses in situ or resurveying pegging, new top structures on the existing area after the completion of Town Planning processes. The rate should be at 1000 stands allocated for Town Planning purposes per year.
 - 6.4. The infrastructure should allow for at least 500 to 1000 units per annum preparing for housing. Either the Human Settlement Department or other stakeholders should be persuaded to commit their resources for the Newtown development of Infrastructure over a period of 5-10 years.
 - 6.5. At least 500 top structures for Newtown per annum over a 5 year period.
 - 6.6. The areas like Rockdale should be at 500 units per annum.
 - 6.7. Kwazamokuhle can be allocated 300 units per annum for Ext 8 and 9 areas.

12. CONCLUSION

- 12.1. Although the survey took longer to prepare for collect data, sorting data, capturing the data, analyzing and interpreting it, it still provided a better profile than a smaller sample. It was necessary to cover the whole area, so that the information obtained should represent the position closest to the truth.
- 12.2. One needs to better assess the resources available before venturing to do a study as big as that one in Newtown, still doing the project in-house provided a better opportunity for ownership of the information. The only problem was the time. It was expected that only 2 550 households will be visited, instead the study revealed 8 364. This meant that only 2 550 lease holders expected, the others were Subletted.
- 12.3. It is with pride that the Municipal leadership is thanked for having trusted the staff to do this project in-house. This was very necessary; hopefully the entire department would be able to utilize the information obtained for the benefit of the community and Council. The Corporate departments are thanked for developing the software for capturing the study. The housing Department is thanked for participating in coordinating the data collection, data capturing, analysis and interpretation particularly Mr July Mnisi.