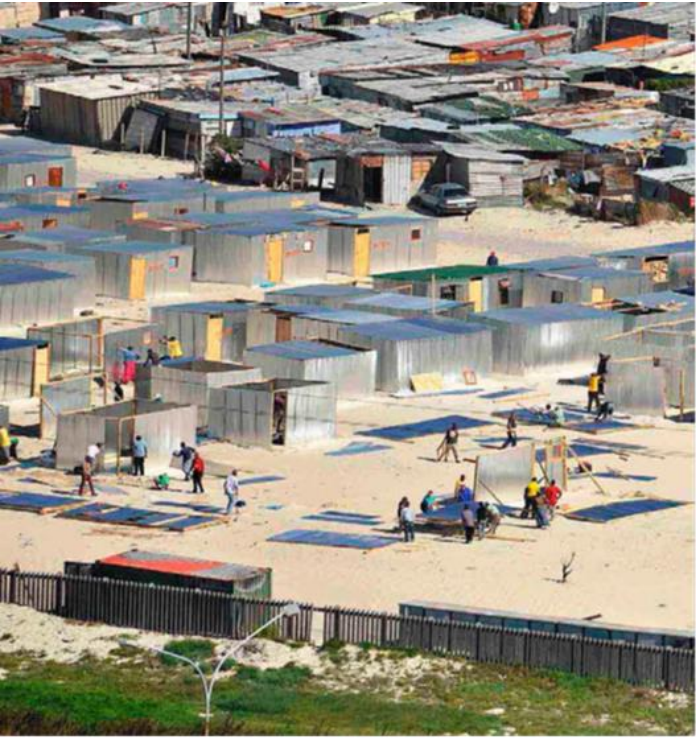


Draft 4: December 2015



# CITY OF CAPE TOWN

## METRO SOUTH-EAST INTEGRATION ZONE: AREA-WIDE STRATEGIC FRAMEWORK



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
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## ACRONYMS USED

ACSA	Airports Company South Africa
APS	Athlone Power Station
BNG	Breaking New Ground
BRT	Bus Rapid Transit
CAPEX	Capital Expenditure
CoCT / <a href="#">CCT</a>	City of Cape Town
CBD	Central Business District
CBO	
CRU	Community Residential Units
CSIR	Council for Scientific and Industrial Research
CTIA	Cape Town International Airport
CTSDF	Cape Town Spatial Development Framework
ECAMP	Economic Areas Management Programme
EDP	(Western Cape) Economic Development Partnership
EDS	Economic Development Strategy
EGS	Economic Growth Strategy
EEDBS	Enhanced Extended Discount Benefit Scheme
GABS	Golden Arrow Bus Company
<a href="#">GVA</a>	<a href="#">Gross Value Add</a>
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IPTG	Integrated Public Transport Grant
ITP	Integrated Transport Plan
IPTN	Integrated Public Transport Network
IZ	Integration Zone
IZSIP	Integration Zone Strategy and Investment Plan
<a href="#">MPBL</a>	<a href="#">City of Cape Town Municipal Planning By-Law, 2015</a>
MSEIZ	Metro South-east Integration Zone
MTIIF	Medium-term Infrastructure Investment Framework
MTREF	Medium-term Revenue and Expenditure Framework
MURP	Mayoral Urban Regeneration Programme
NGO	Non-government Organisation
NMT	Non-motorised Transport
PHP	Peoples' Housing Project
PT	Public Transport
PTOD	Pragmatic Transit Orientated Development
PRASA	Passenger Rail Agency of South Africa
SANRAL	South African National Roads Agency
SDS	Social Development Strategy
<a href="#">SIP</a>	<a href="#">Strategy and Investment Plan</a>
SMME	Small, Medium and Micro Enterprises
TCT	Transport for Cape Town
TOD	Transit Oriented Development
TRUP	Two Rivers Urban Park
UWC	University of Western Cape
WCG	Western Cape Government
WWTW	Waste Water Treatment Works

## 1. INTRODUCTION

### 1.1. Background

To give effect to the spatially targeted and performance-related Integrated City Development Grant (ICDG), the City of Cape Town (CoCT) has identified and endorsed two Integration Zones (IZs) namely, the Metro South-east Integration Zone (MSEIZ) and the Voortrekker Road Corridor Integration Zone (VRCIZ). They are identified and prioritised based on their primary public transport linkages that connect emerging urban nodes with established ones (including the two major metropolitan nodes: the Cape Town and Bellville CBDs).

The IZs represent a joint commitment (between the City and the National Department of Treasury) to plan, fund and implement projects and approaches that are best able to transform the spatial structure of the City. Performance-related funding allocations and monitoring of targets is core to the IZ rationale. This rationale has been extended this year by the further development of Catalytic Urban Development Projects within the IZs.

Work on the IZs support the CoCT's multi-pronged vision to be a prosperous city that creates an enabling and inclusive environment for shared economic growth and development, achieve effective and equitable service delivery, and serve the citizens of Cape Town as a well-governed and effectively run administration.<sup>1</sup>

The City is currently formulating an Integration Zone Strategy and Investment Plan (IZ SIP) for each of the Integration Zones. The overarching aim is to identify a range of prioritized interventions, which may include specific catalytic projects within identified prioritized local areas, as well as integration zone wide interventions (institutional arrangements, adjustments to spatial targeting instruments, and so on). Each of the identified projects or programmes will be identified with a network element as identified in the Urban Networks Strategy (i.e. CBD, Urban Hub, Activity Corridor etc.) as far as is possible. The baseline performance of each zone, and multi-year, measurable outcomes and targets for monitoring and evaluating progress towards achieving stated objectives, will be developed.

Specific objectives of the MSEIZ SIP are to:

- Enhance the MSEIZ's contribution to a more compact and integrated city, with associated efficiency, productive, and resource sustainability gains.
- Use the TOD Strategy as a lever to growth and development through the enhancement of public transport infrastructure (including its institutional arrangements and processes) and the support of appropriate development at appropriate locations.
- Improved housing opportunity to enable productive livelihoods and communities.
- Maximise the investment by various spheres of government and related agencies in the provision and maintenance of infrastructure and public facilities; and encourage private sector and individual entrepreneurship and investment through appropriate infrastructure and facility provision, regulations, and urban management instruments.
- Enhance infrastructure provisions in the MSEIZ.

The objective related to housing opportunity was added subsequent to the Scope of Work for the MSEIZ project. Not only is improved housing opportunity – and specifically the integration of informal settlements – a key objective of various national and local policy and resource frameworks, but also a major focus of City effort and expenditure. Arguably,

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<sup>1</sup> Specific IDP objectives supported by the MSEIZ SIP are outlined in Appendix 1.

productive and dignified communities are not achievable unless citizens have access to appropriate shelter.

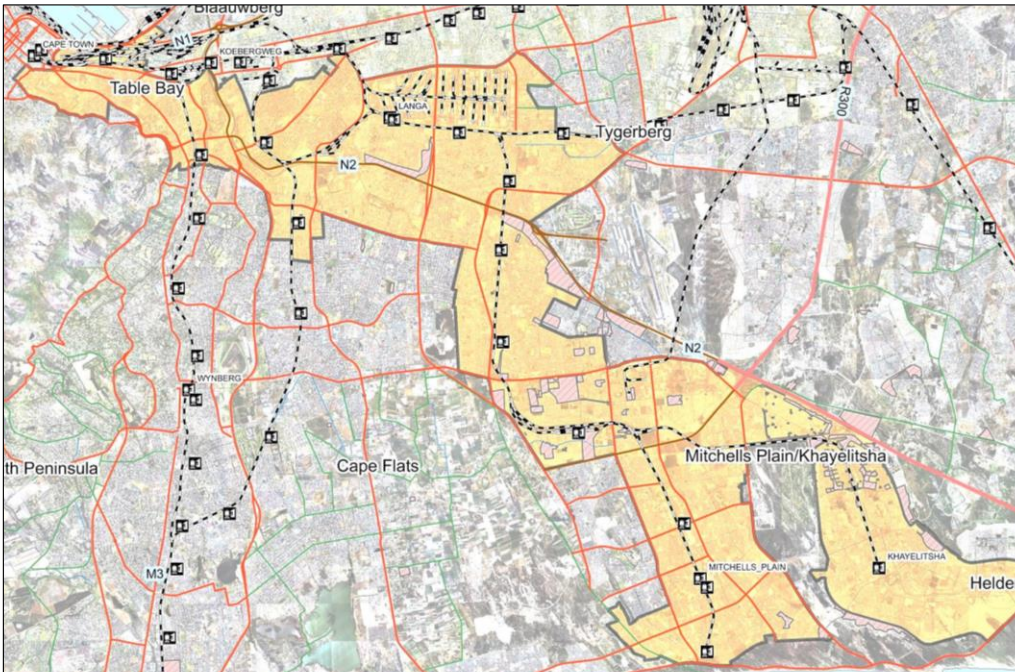


Diagram 1: The MSEIZ

The objectives have been transcribed in more succinct form as outlined in the box below.

1. *A compact urban form for sustainable and productive living.*
2. *Transport Orientated Development to focus guide development.*
3. *Appropriate housing and social facilities for productive lives and communities.*
4. *Focussed public sector investment to facilitate and leverage private sector entrepreneurship.*
5. *Infrastructure provision to unlock development.*
6. *Urban management to support development objectives.*

Box 1: Objectives of the MSEIZ SIP

## 1.2. Purpose of this report

In broad terms, the MSEIZ SIP follows the following phases:

- Identification of IZ objectives.
- A baseline study, including status quo analysis and functional area synthesis.
- Refinement of the IZ boundary and current performance.
- An IZ-wide strategy/ strategic framework.
- Performance Goals (and outcomes) of the IZ.
- Identification of prioritised local areas, and assessment of local areas.
- Prioritised local area strategies and implementation plans.

- Identification of IZ- wide interventions and an implementation framework for IZ- wide interventions.
- A prioritised implementation framework for the study as a whole.
- An IZ Performance Monitoring Framework.

The purpose of this report is to present a strategic framework for the MSEIZ as a whole. The work builds on and is informed by the status quo analysis and functional area synthesis completed to date as well as a further round of theme-based discussions with various functional areas/ service departments active in the area, and investigation of specific themes and issues.

It is anticipated that the strategies presented in this document will introduce the next phase of identifying and prioritising local areas, the assessment of local areas, the preparation of prioritised local area strategies and implementation plans, as well as the identification of IZ- wide interventions and an implementation framework for IZ- wide interventions.

Importantly, the strategic framework will be used to inform a final review and updating of the baseline study.

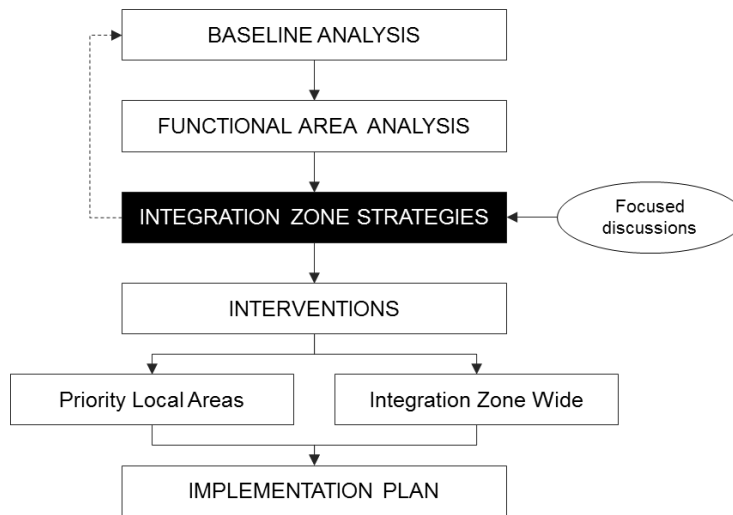


Diagram 2: The MSEIZ SIP process

### 1.3. Structure of this report

The strategies contained in this report broadly follows the following themes:

- Housing and accommodation opportunity.
- Social/ public facilities.
- Economic development/ activity.
- Transport.
- Infrastructure.
- Finances.
- Institutional support.



These themes emerged during the baseline study and subsequent discussions as main “groupings” of issues, responsibility, current initiatives, and resource considerations. In reality, many of the strategies are interdependent. Maintaining the thematic organisation, does, however, assist to allocate focus and responsibility.

The strategy section under each theme is introduced with a short summary of the MSEIZ context as it relates to the theme. Core strategies for the theme follow the contextual summary, each supported by:

- An explanation of the strategy and the issues that it specifically responds to (based on information obtained during the baseline study phase and a subsequent further round of theme-based discussions with various functional areas/ service departments active in the area, as well as investigation of specific themes and issues).
- Proposed spatial focus areas for the strategy; where within the MSEIZ it will be of specific relevance or have a significant impact.
- Key dependencies; matters which can inhibit implementation of the strategy or require addressing for the strategy to be pursued.
- Specific risks; major issues which can nullify the strategy.

Appendix 5 summarises the proposed area-wide strategies for the MSEIZ and their relationship to MSEIZ objectives.

It is envisaged that prioritised sectoral or area-based or catalytic interventions – the next phase of the project – will reflect many of the proposed strategies simultaneously. This report concludes with a first “list” of possible sectoral or area-based interventions.

## 2. HOUSING AND ACCOMMODATION OPPORTUNITIES

### 2.1. Current context

The city as a whole contains some 1.06m housing opportunities (including formal housing, informal units in back yards, and informal units not in back yards). Of these, almost 79% are formal units. The MSEIZ, with 39% of the city's population, contain some 37% of the city's total number of housing opportunities. As indicated in the Status quo report, the number and nature of housing opportunities are highly uneven between the western, central and eastern sections of the MSEIZ. The west contains 1.6% of the City's total housing opportunities, the central area 11.4%, and the east 24.3%. The east alone contains 56% of the City's informal dwellings, the west almost none, and the central area 14.2%.

Cape Town's emerging human settlements pattern suggests that population of poor households are increasing, and that proportionately more households rely on access to informal and public housing delivery. The increase in informal housing is in line with the increase in the population of Cape Town between 1996 and 2011, and the growth in informality is the physical expression of the population growth rate outstripping housing supply. In 1996, 19.2% of Cape Town households lived in informal dwellings. By 2011, this figure had increased to 20.5%.

Growth in informal dwellings largely occurs in the metro south-east, and the establishment of backyard dwellings is mainly prevalent in areas where subsidised housing has been delivered. Large numbers of backyard dwellings also occur in older low income areas of the city.

Specific observations from the baseline work in relation to MSEIZ are:

- The MSEIZ has approximately 31% of Cape Town's formal dwellings, 51% of its backyard units, and 70% of the city's informal dwellings (not in back yards).
- The suburbs of Crossroads, Philippi, Mitchells Plain, and Khayelitsha alone contain 18% of Cape Town's formal dwellings, 36% of its backyard units, and 56% of the city's informal dwellings (not in back yards).
- MSEIZ suburbs with a lower proportion of formal dwellings to total dwellings than the city as a whole (78.4%) are Langa, Gugulethu, Nyanga, Crossroads, Philippi, and Khayelitsha.
- MSEIZ suburbs with a higher proportion of backyard units to total dwellings than the city as a whole (7.0%) are Langa, Hazendal, Manenberg, Nyanga, Crossroads, Philippi, and Khayelitsha.
- MSEIZ suburbs with a higher proportion of informal dwellings (not in back yards) to total dwellings than the city as a whole (13.5%) are Langa, Gugulethu, Nyanga, Crossroads, Philippi, and Khayelitsha.
- High unit densities (above 100 units/ha) occur in Langa, Philippi/Crossroads, Site B, C, and TR Section, and the rest of Khayelitsha.
- Parts of Philippi/Crossroads, Site B, C, and TR Section, and the rest of Khayelitsha are the worst off in terms of the Household Services Index.

Specific issues related to the MSEIZ are:

- Demand for housing accommodation exceeding supply as a result of *inter alia*:
  - Sustained migration into the MSEIZ (specifically the eastern parts).
  - The nature of the product provided (a completed house).
  - The narrow base of delivery agents (the CoCT is the primary deliverer of housing) and inadequate capacity.

- The changing social context of beneficiaries (the growth in the number/ proportion of smaller households).
- Limited City financial/ human resources.
- Slow progress with the incorporation and upgrading of informal settlements.
- Decreasing availability of appropriate land for new housing as well as land to accommodate those currently living in overcrowded conditions and land for decanting (associated with informal settlement upgrading).
- The burden of managing existing rental housing stock.
- The limited development and housing provision by the residents for themselves, coupled to a lack of participation, which may be derived from an expectancy that the State will provide for all needs.
- Ever-decreasing land availability due to unsustainable delivery models and financial instruments.
- Regulatory constraints to compacting the urban form and a lack of mechanisms to encourage increased densities (e.g. Restructuring Grant funding is not available in the central and eastern parts of the MSEIZ).

## 2.2. Proposed strategies

### STRATEGY H1:

#### **Expedite the administrative incorporation and progressive servicing/ upgrading of all informal settlements.**

*This strategy involves the progressive incorporation and servicing of informal settlements – following set milestones as outlined in the City’s four-stage informal settlement upgrading framework<sup>2</sup>.*

*Informal settlements are an essential part of the housing supply process whereby households are investing in their own houses and generating additional income through rentals. While it is recognised that informal settlements provide sub-optimal housing, they serve a critical function in the urban environment where households have secured access at extremely low financial cost and have started to piece together various livelihood strategies. Most of the existing informal settlements in Cape Town generally and the MSEIZ have been in existence for a considerable number of years and the households living in them have made significant investments (in terms of their low incomes) both in terms of funds into their structures and their social capital into the community.*

#### **Related objectives:**

- A compact urban form for sustainable and productive living.
- Transport Orientated Development to focus guide development.
- Appropriate housing for productive lives and communities.

#### **Proposed spatial focus areas:**

- The Southern Corridor Sustainable Neighbourhood Programme which is situated across the MSEIZ; comprising three sub-programmes: N2 Gateway sub-programme, in-situ upgrade sub-programme, and mixed use green field developments sub-programme (this programme in part extends beyond the boundaries of the MSEIZ).<sup>3</sup>

**Comment [JM1]:** Comments included the following:  
 Take note of the City’s Transversal Management Initiative.  
 No reference made to the City’s Integrated Human Settlements Framework, 2014 (IHSF).  
 Strategies should be more deliverable orientated.  
 Description of intent of each strategy is not well defined.  
 H1, H3, H5 is worded ambiguously – should be simple and to the point.

<sup>2</sup> The City’s informal settlement upgrading framework is attached as Appendix 2.

<sup>3</sup> The Southern Corridor Sustainable Neighbourhood Programme is an agglomeration of a large number of projects; grouped together to enable more flexible resource allocation and beneficiation of those in need in the event of local individual project circumstances changing.

- The suburbs of Crossroads, Philippi, Mitchells Plain, and Khayelitsha, which contains more than 56% of the city's informal dwellings (not in back yards).

**Key dependencies:**

- The full integration of initiatives (within the Southern Corridor Sustainable Neighbourhood Programme) respectively led by the Western Cape Government and the CoCT.
- Allocation of sufficient resources to informal settlement upgrading, including facilitators, resources for minimum initial services, planning, services to each site, support for top structure development, the mobilisation of resources external to the CoCT (NGOs, etc.), and resources for public facilities/ space improvement.<sup>4</sup>
- Availability of new settlement areas elsewhere in the city (to accommodate new growth) to ensure that sufficient land is available in the vicinity of informal settlements for decanting/ relocation associated with in-situ upgrading (estimated to be up to 40% of the households in most informal settlements).<sup>5</sup>
- Acceptance of the informal settlement upgrading framework and the densities/ space implications associated with upgrading by beneficiary communities.
- Amendments to inhibitive stipulations of the Housing Code.
- The involvement and commitment of NGOs and CBOs.
- The “Urgent Housing” clauses in the Municipal Planning By-Law (MPBL), 2015, should be unpacked and resourced to speed up the processing of human settlement applications.
- Review of Supply Chain Management criteria is required for the appointment of consultants in order to avoid poor quality land use applications.

**Specific risks:**

- Addressing the need to relocate informal settlements in the path of Phase 2B of the BRT service may impact on agreed priorities and draw available resources.<sup>6</sup>
- Project managers are currently severely overloaded with work and additional human resources capacity is required.

**STRATEGY H2:**

**Support high-density incremental housing as the primary public sector approach for meeting the housing/ accommodation needs of lower income households.**

**Comment [JM2]:** Comments included: strategy framework should address high density incremental housing in more detail.

*Incremental housing involves a range of “types”, including:*

- *Providing an initial “core” structure (comprising a slab, party/ fire wall, and wet core) in a manner which allows for incremental expansion and multi-unit construction in both green-fields and in-situ upgrading projects.*

<sup>4</sup> Despite the considerable focus on the incorporation and servicing of informal settlements in City policy documents (including the IDP), it appears that available resources – both financial and human – is totally inadequate. The City's 2015/16 Budget indicates an amount of R79.6m for backyard service provision and informal settlement upgrading (excluding the provision for electricity). This is less than the amount budgeted for District 6 and slightly more than that provided for the upgrading of concrete roads in Gugulethu. A review of human resources in the Human Settlements Department indicates what could be perceived as complete under-resourced capacity given the scale and complexity of the informal settlement upgrading task.

<sup>5</sup> Despite the limited extent of public land available for both decanting and new settlement development in the city as a whole, the City's 2015/16 Budget indicates that an amount of only R52.9m has been allocated for city-wide land acquisition for *all* municipal purposes (which would include land for housing).

<sup>6</sup> Some of the informal settlements to be potentially affected by the planned BRT infrastructure are located along portions of Lansdowne between Duinefontein and New Eisleben Road and portions east of Mew Way. Another area of potential conflict between existing informal settlement and planned infrastructure includes the Nolungile station area where shacks have located within the road reserve.

- Providing an initial “core” structure which is incrementally developed into a multi-storey/ multi-unit block of flats.
- How to plan upfront for the provision later on of second units in BNG projects (through the careful positioning of the initial unit on the land parcel).

The City will not have sufficient capital funding to provide all households in need with a fully subsidised house.<sup>7</sup> To meet present and future demand, “less” will have to be provided to more beneficiaries. At the same time, to achieve higher densities – and concomitant urban efficiency gains – the less will have to be provided in a manner which facilitates higher density building form over time.

**Related objectives:**

- A compact urban form for sustainable and productive living.
- Transport Orientated Development to focus guide development.
- Appropriate housing for productive lives and communities.

**Proposed spatial focus areas:**

- All informal settlement upgrading projects as well as new green-fields/ infill development.
- The Southern Corridor Sustainable Neighbourhood Programme; comprising three sub-programmes: N2 Gateway sub-programme, in-situ upgrade sub-programme, and mixed use green field developments sub-programme (this programme in part extends beyond the boundaries of the MSEIZ)<sup>8</sup>.

**Key dependencies:**

- Development of/ agreement to a range of incremental housing typologies and associated institutional and regulatory adjustments to respond to a new approach.<sup>9</sup>
- Appropriate support arrangements to enable beneficiaries to complete/ extend houses over time, including enabling future beneficiaries to build multi-storey incremental structures which would assist with the increasing of densities. This can be achieved by, amongst others, giving future beneficiaries access to readily available and affordable building material as well as a generic building plan.
- Amendments to inhibitive stipulations of the Housing Code.
- Public-private partnership arrangements with firms throughout the supply-chain, for example, engaging in a mutual agreement with firms that supply building materials.

**Specific risks:**

- Broad political agreement to/ respect for the shift in the overall housing delivery approach.
- Inadequate incremental housing typologies could result in achieving limited vertical density (or adherence to “simple” conventional site-and-service models as the main approach to incremental housing).

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<sup>7</sup> Work on the City’s Integrated human Settlement Framework indicates a need to increase housing delivery to some 30 000 opportunities per annum for a sustained period of more than two decades in order to need demand. Within the current funding regime, at best a third of the annual demand could be delivered should the focus be on a complete, fully subsidised house.

<sup>8</sup> It is understood that many projects are already “committed”, and conforms to the current BNG typology and norms. However, of the 30 000-31 000 properties potentially available through the Southern Corridor Sustainable Neighbourhood Programme (a mixed of in-situ upgrading and green-field infill development), approximately 2/3 will be in the form of serviced sites. There is thus a substantial beneficiary community who can benefit from the incremental building approach/ model over the short to medium term.

<sup>9</sup> The Urban Design Branch of the Spatial Planning and Urban Design Directorate has begun to prepare a High-density Incremental Housing Typology, responding to different contextual circumstances. The initiative is, however, small and arguably deserves considerably more corporate support and resources. Examples of this work are attached as Appendix 3.

- Community participation and buy-in.
- Funding to provide basic infrastructure to facilitate higher densities **and** accommodate future growth.
- Higher densities put more pressure on availability of space to locate infrastructure.

### STRATEGY H3:

#### **Broaden the base of housing/ accommodation delivery, both in terms of delivery agents and technology used.**

*This strategy responds to the current narrow base of housing/ accommodation delivery, both in terms of providers and the technology employed: the City is the primary “deliverer” of housing – private sector delivery for households with incomes < R6 400 pm is almost non-existent given affordability and creditworthiness issues with a few Peoples’ Housing Projects (PHPs) – and the technology used “conventional”.*

*It would include:*

- *Community based incremental housing initiatives where communities are supported with professional resources (including project management capacity and material depots).*
- *An incremental building model where factory-made components are available for completion of an initial core structure.*

#### **Related objectives:**

- A compact urban form for sustainable and productive living.
- Transport Orientated Development to focus guide development.
- Appropriate housing for productive lives and communities.

#### **Proposed spatial focus areas:**

- All informal settlement upgrading projects as well as new green-fields/ infill development.
- The Southern Corridor Sustainable Neighbourhood Programme; comprising three sub-programmes: N2 Gateway sub-programme, in-situ upgrade sub-programme, and mixed use green field developments sub-programme (this programme in part extends beyond the boundaries of the MSEIZ).

#### **Key dependencies:**

- Amendments to inhibitive stipulations of the Housing Code.
- Community buy-in and mobilisation.
- NGO involvement to assist with restrictions on human resources.
- Administrators, officials and consultants should be well versed on the latest technology and green / sustainable building materials and methods.

#### **Specific risks:**

- Perceptions that community based initiatives cannot deliver housing “at scale”.

### STRATEGY H4:

#### **Assist individual land owners to provide additional housing stock.**

*This strategy incorporates a range of circumstances, including:*

**Comment [JM3]:** Comments included: Strategy is too vague and should be addressed in more detail.

- The formalisation of existing backyard units and establishment of new backyard units for rental. Most of the existing units are not authorised (i.e. building plans have not been approved), and do not comply with minimum building standards.
- Proactive building of additional units on existing sites, for rental/ subdivision and sale (or straight subdivision and sale).

There is insufficient direct delivery management capacity within the City to tackle the annual requirement for housing into the future. Accordingly, it is essential to recognise and build on the willingness of households to invest in housing for themselves and to deliver additional housing to others.

**Related objectives:**

- A compact urban form for sustainable and productive living.
- Transport Orientated Development to focus guide development.
- Appropriate housing for productive lives and communities.

**Proposed spatial focus areas:**

- Backyard formalisation in areas where backyard units already occur.
- Proactive building of additional units on existing sites or through the subdivision of existing sites: in all areas as proposed in the City's Densification Policy.

**Key dependencies:**

- The introduction of enabling regulations (e.g. Zoning Scheme over-lay zones) and the introduction of measures to facilitate and fast-track the planning authorisation process.
- The draft amendments to the MPBL that propose second dwellings as of right, and an overlay for 3<sup>rd</sup> dwellings need to be supported.
- The availability of agreed building/ typologies and guidelines.
- The availability of building support to owners.
- The availability of monitoring resources from the City.
- Availability of services to accommodate increased densities.
- Amendments to inhibitive stipulations of the Housing Code.

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**Specific risks:**

- The administrative burden of managing a financial incentive programme.
- Resistance from current property owners to densification (particularly in better-off areas).

**STRATEGY H5:**

**Support higher density development by social housing institutions and private developers (in the form of apartments/ rooms to let) focused on priority transport corridors and at key sites/ nodes.**

*This strategy focuses on the provision of higher density housing – for a range of income levels – at nodes and along routes connecting nodes in support of Transit Oriented Development (TOD). It targets both social housing institutions and private developers.*

**Related objectives:**

- A compact urban form for sustainable and productive living.
- Transport Orientated Development to focus guide development.
- Appropriate housing for productive lives and communities.

**Proposed spatial focus areas:**

- Two Rivers Urban Park (TRUP), specifically the eastern edge of the site).
- Athlone Power Station (APS), specifically vacant parts of the site surrounding the main building).
- Khayelitsha CBD.
- Mitchells Plain Town Centre/ The Promenade area (specifically the eastern edge of this linear system).
- The proposed False Bay coastal nodes.
- The Denel/ Swartklip site.
- Transport interchanges and rail stations.
- Local or District nodes as identified in the Cape Town Spatial Development Framework or District Plan.

**Key dependencies:**

- Agreement on the nodes/ routes to be prioritised.
- Alignment of city planning instruments to assist housing delivery supportive of nodal planning objectives.<sup>10</sup>
- An expanded package of **clearly defined and lucrative** incentives (including reductions in land price where public land is utilised) **and agreed-upon guidelines on how private developers will be involved**.

**Specific risks:**

- Lack of appetite by social housing institutions to increase their portfolios (through building more projects).
- **Lack of public sector appetite to reduce land price and introduce incentives in order to enable long term household and city benefits.**<sup>11</sup>
- **Higher densities put more pressure on availability of space to locate infrastructure.**

**STRATEGY H6:**

**Support initiatives that enable lower income households to participate more fully in the housing market.**

*This strategy responds to a number of constraints that inhibit the full participation of lower income households in the housing market. It includes inter alia:*

- *The backlog in the provision of title deeds to owners of subsidy houses.*
- *Mechanisms to reduce the costs and time frames for secondary transactions in the lower income housing market.*
- *The creditworthiness challenges of lower income households.*
- *Appropriate financial products for lower income households.*

**Related objectives:**

- A compact urban form for sustainable and productive living.

<sup>10</sup> Khayelitsha CBD and Mitchells Plain Town Centre were not designated as Restructuring Zones or areas for social housing (thereby qualifying for additional subsidies). The original motivation for defining these areas, located in "traditional" parts of the city (such as Voortrekker Road), appear to be social integration, enabling people from "township" areas to live closer to work opportunities in older parts of the city. Circumstances have changed, however, with considerable demand for accommodation types beyond the BNG house in areas such as Khayelitsha CBD and Mitchells Plain Town Centre. In effect this minimises opportunities for upward mobility within these already depressed areas and takes away the social capital and related potential financial benefits much needed to help regenerate these areas.

<sup>11</sup> The issue of land price is critical. It is understood that negotiations for the City purchasing the Denel/ Swartklip landholding – arguably a key site in meeting many of the eastern section of the MSEIZ's current challenges – were delayed (prior to a recent land invasion) as a result of the land owner's demand for a high land price.



- Transport Orientated Development to focus guide development.
- Appropriate housing for productive lives and communities.
- Urban management to support development objectives.

**Proposed spatial focus areas:**

- All lower income housing areas.

**Key dependencies:**

- Establishment of a dedicated task team to develop a package of interventions.
- Partnership with private sector financial institutions.

**Specific risks:**

- Willingness of the private sector to participate.

**STRATEGY H7:**

**Support the transfer of City rental stock to occupants/ management agencies.**

*This strategy focuses on the responsible transfer of the City's remaining public rental portfolio to owners (where feasible) and management agencies; and concomitant reallocation of the substantial City resource required for on-going management currently.*

*The City owns 43 500 rental units occupied by 340 000 residents. More than 50% of these units are located within the MSEIZ. The City faces significant challenges in terms of rental collection, administration and maintenance. In addition this public rental stock is subject to inter-generational entitlement, and occupation is not necessarily a function of socio-economic need.*

*A "modernisation" project is underway to improve the management of this stock including improved systems, processes and equipment, maintenance and rent collection processes. A Community Residential Unit Programme is being undertaken aimed at upgrading the existing rental units and providing new rental units. During March 2013 the City made approximately 16 000 rental units available for transfer to qualifying tenants in terms of the Enhanced Extended Discount Benefit Scheme (EEDBS). The units for sale are single row type cottages and "maisonettes" in various locations across the city. The large majority of the remaining units are three to four storey walk up's where the disposal of the stock is more difficult due to the ongoing management arrangements for the stock. A number of options exist; for example sectional title or small land-lords. However, all of these have significant challenges.*

*The public rental portfolio has limited impact on the housing circumstances of households in the City and consumes substantial City resources (particularly human resources). The issue is how to dispose of the remaining units in a responsible manner.*

*This strategy does not imply not supporting rental accommodation. Arguably, the City needs more rental opportunity, across housing categories and specifically in TOD locations. Rather, it is aimed at enabling individual property ownership where appropriate, sharing the responsibility for rental management with purpose-built institutions, and releasing resources to assist in meeting the growing demand for the development and enablement of new housing opportunity.*

**Related objectives:**

- Appropriate housing for productive lives and communities.
- Urban management to support development objectives.

**Proposed spatial focus areas:**

- All Council rental units.

- Possible prioritisation of newly renovated Community Residential Units (CRU) for transfer to management agencies.<sup>12</sup>

**Key dependencies:**

- The on-going management – post transfer – of specifically City owned “walk up”/ apartment units (e.g. through the establishment of sectional title/ small landlord arrangements).
- A clear understanding of transfer options for the rental stock portfolio (e.g. which properties can be sold to the private sector/ individual families, which can be sold to social housing institutions/ management agencies, which can be put under the management of small landlords, which cannot be transferred/ privatised).

**Specific risks:**

- Reluctance on the part of social housing institutions/ management agencies to take over City rental stock.

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<sup>12</sup> It is understood that the multi-year, multi billion Rand upgrading of CRU programme/ project has not been accompanied by a parallel initiative to relieve the City’s significant challenges in terms of rental collection, administration and maintenance.

### 3. SOCIAL AND PUBLIC FACILITIES

#### 3.1. Current context

It is estimated that 37.8% of the residents of Cape Town are living in impoverished circumstances. The MSEIZ is home to the largest concentration of people in the city who are rated worst off in terms of the Socio-economic Status Index (specifically the area from Langa south-eastwards towards Khayelitsha).

Poverty is multi-dimensional and manifests in a variety of ways. Key for people who are poor is a lack of access to basic utilities such as water, electricity and sanitation, as well as a lack of access to public and social facilities, all of which improves quality of life and assists in developing cohesive and sustainable communities.

People who are poor require a greater degree of state intervention and public facility provision owing to their inability to access these privately. Furthermore, poor people often live in areas of greater density, over-crowding, and undignified spaces. All of which implies they require greater public space to undertake recreational and related activities.

In addition, people who are poor lack assets with which to generate future incomes and reach their full potential. State investment in assets such as hospitals, clinics, libraries, schools, early childhood development centres, sports facilities and multi-purpose facilities facilitate a healthy, robust and educated community which is better able to take care of their future needs. Research indicates a high correlation between childhood opportunities and future success, health, and social adjustment; all of which impacts on long-term poverty alleviation efforts and the creation of stable and healthy communities.

In its Draft Social Development Strategy (SDS) the City has identified a set of levers to address the multi-faceted nature of poverty and to support the most vulnerable through enhancing access to social services. These are:

- Continue to reorient service delivery towards the poor.
- Provide free primary health care treatment.
- Facilitate access to housing assets.
- Focus on early childhood development.
- Champion the issues of vulnerable

The draft strategy is silent on the infrastructure and facility requirements to meet these objectives.

Since 2010 the CoCT has undertaken a number of studies to determine the extent to which the social facilities meet resident needs in the city as a whole. The analyses were initially based on the schedule of standards for the provision and clustering of social facilities, public institutions and public recreational spaces which the Council for Scientific and Industrial Research (CSIR) had developed for the City in 2007.

The main objectives of these analyses were to:

- Identify those locations where the existing supply and demand for social facilities and recreational space are not balanced.
- Identify the optimal areas of location for any new facilities that may be required.
- Model and analyse current and future facility provision in terms of accessibility, location and sufficiency.

A further phase of this work is currently in progress within the City. This work is focussing on ground-truthing, identifying potential gaps in the work to date, and developing operational

tools and systems to implement findings. Between October 2013 and November 2014 the City used the studies to develop a 15-year infrastructure priority capital budget, the status of which is not known.

Issues emanating from the studies requiring further attention include:

- The results are outputs of a model based on “rational choice”, i.e. the software is based on the assumption that people will always “act rationally” and go to their closest facility. However, this may not always be true in a real world for a range of reasons. The model indicates where facilities should be located based on rational choice, and clearly identifies imbalances requiring further investigation.
- Land reservation for future use needs to be agreed upon, both in terms of a methodology to identify need and processes to secure and reserve the land. The CSIR work only took operational and/ or developed sites and facilities, or the current supply, into consideration. Zoned, but unutilised sites, as well as other un-zoned, but possible vacant land was excluded from the analysis. Work needs to focus on the total land availability and the need for facilities.
- There is an increased need for public and social facilities in the IZ, more so than the rest of the City. The *Evaluation of community social facilities and recreational space in City of Cape Town: current and future provision for 2016 and optimal location of new facilities* (Report number: CSIR/BE/PSS/ER/2010/0041/B), prepared by the CSIR sets out the differentiation for all public/ social facilities (Space Planner outputs: Social Facility Demand for planning districts in the City of Cape Town).
- Council must determine how the capital budget should be allocated with respect to:
  - The backlog as indicated by the analysis results, both total and optimised.
  - Utilisation rates.
  - The provisioning of new growth areas with respect to the development of social facilities and parks.
- An approach of developing fewer and bigger facilities may result in a reduction in service standards.
- The need for clustering and sharing facilities and resources.

### 3.2. Proposed strategies

#### STRATEGY S1:

#### **Obtain consensus on commonly agreed upon planning policies, principles, tools and management.**

*The current backlog for social facilities where there are Schedule 4 concurrent Constitutional competencies is not based on credible and widely accepted statistics. The reason for this is three-fold:*

- *Firstly, the City and the relevant Provincial sector departments have institutionalised different sets of planning principles, policies and tools. The facilities which are mostly affected in this regard include libraries, educational facilities and health. The latter is further hampered by policy disagreements on which authority is responsible for particular elements of health care provision such as Primary Health Care.*
- *Secondly, there appears to be some detachment between planners and implementers or staff in the field. District field staff is under-consulted on the pragmatism of certain planning policies, requirements and decisions.*
- *Finally, the City uses a more pragmatic approach to land use and population statistics than that of the Provincial authorities. This results in Provincial planning being more conservative resulting in an extended (rather than compact) spatial form.*

*Operational and field staff are more pragmatic regarding the ability of the staff and management to cope with the workload each facility requires. This is particularly relevant for schools where the weaker management structures in the schools lead to a desire for smaller and more containable schools. The Education Department also uses an over-capacity measurement (size of teaching space/ number of children) which is not included in the modelling undertaken by the CSIR for the City.*

*Unless parties agree to the roles, responsibilities, functions, administrative boundaries, along with a uniform planning model, the planning, funding, implementation and operation of social facilities will not be sustainable and feasible.*

**Related objectives:**

- Appropriate social facilities for productive lives and communities.
- Urban management to support development objectives.

**Proposed spatial focus areas:**

- The roles, responsibilities, functions, planning methodologies and implementation strategies for the City and Provincial planning districts are to be investigated, reviewed and commonly defined. This is proposed for the MSEIZ as a whole as well as the rest of the City.

**Key dependencies:**

- Roles are clarified, and responsibilities and functions between the City and the Provincial Administration are clear and unambiguous.
- The Provincial planning boundaries for social facilities are aligned with the municipality boundaries.
- Regular field interventions and engagements between all decision-making parties.
- Agreement and strong, active support by all executive managers and politicians in the City and Province. Executive managers and politicians need to actively take ownership of these initiatives to ensure that joint planning takes place and there is adherence to a uniform planning model that can be used by both the City and Province in accordance with the City's SDS.

**Specific risks:**

- Lack of commitment and enforcement of the commitment to co-operation and common planning tools and methodologies, and allowing the current undesired status quo to continue and persist.

**STRATEGY S2:**

**Review and refine the capacity of catchment areas in line with planning districts and collaborate with Province on data, planning, norms and methodologies.**

*Given the issues raised in Strategy 1 it flows that the current backlog estimates, as well as projected future demands, are not agreed to and will be disputed by either party. Based on a foundation of common planning tools and methodologies, as well as mutually agreed upon planning districts, ground-truthed statistics are required to determine the expected future under-provision of the various facilities in the MSEIZ.*

*It is suggested that further field research and ground-truthing is required to determine user behaviour, map the current level of access, as well as the land and facility requirements which can be translated into a comprehensive social development strategy for the MSEIZ which includes a strong focus on infrastructure, facilities and assets.*

*In the work undertaken by the CSIR the modelling is based upon “what the rational person will do”. The model assumes that individuals will use the facility nearest to them based upon transport routes and nodes. The modelling does not take into consideration that people may not always use their nearest facility for reasons particular to the individual’s set of needs or aspirations. Further work is required to determine if there are any physical, social or economic hindrances to people using facilities within their immediate catchment area and district.*

*The continued strain on the City’s fiscus requires alternative strategies to be identified and applied in order to deal with the backlog. These include:*

- *Accepting the current level of access to services in areas provided for, and rather invests in other areas where there is a backlog of unserved populations.*
- *Concentrating on ensuring that well-served new development areas are built reducing space standards and/ or developing multi-level facilities.*
- *Seeking opportunities for sharing and clustering.*
- *Redeveloping facilities that are not well used and surplus to requirements.*
- *Consulting with communities regarding priorities and space availability.*
- *Accepting longer access travel distances and thus locating new facilities close to the area of need but somewhat beyond an acceptable travel distance which is the current standard.*

**Related objectives:**

- Appropriate social facilities for productive lives and communities.
- Urban management to support development objectives.

**Proposed spatial focus areas:**

- All City and Provincial planning districts and catchment areas are to be investigated, reviewed and commonly defined. This is proposed for the MSEIZ as well as the rest of the City.

**Key dependencies:**

- Development of clearly delineated planning districts and planning principles for social facilities which are ground-truthed through field research that is undertaken to determine user behaviour. A scanning of the environment to determine any physical or infrastructural impediments to accessing nearest facility; and thereafter assist community members to go to their nearest facility.
- The determination of housing development locations and requirements (irrespective of greenfield, *in situ* upgrading or brownfields) and thereafter define the space requirements for facilities will ensure that land for facilities is reserved in conjunction with the land reservation for housing.
- Facility planning is based upon the permanent population of the specific district and catchment area, with the assumption that people from neighbouring areas may also use the facility for a variety of reasons, including, service and management levels, physical impediments to access and social imperatives such as kinship and other social networks.
- Political and administrative will to advance and adhere to the revised norms.
- Assuming impediments are nullified, ascertain from modelling where the facilities should be located based upon rational choice and clearly identified areas of imbalance.
- Norms and standards are agreed upon between the relevant authorities.
- Improvement and greater efficiencies in the management of social facilities to allow for larger numbers, greater efficiencies and lower maintenance costs.

**Specific risks:**

- Lack of commitment and enforcement of new or revised norms from politicians and officials.
- Lack of commitment and enforcement of the commitment to co-operation and common planning tools and methodologies, and allowing the current undesired status quo to continue and persist.
- City can currently only provide planning on its infrastructure network areas, which does not align with/to the planning districts.

**STRATEGY S3:**

**Address the lack of resources allocated to social facilities in the MSEIZ by reviewing resource allocation and management.**

*There is a premium on suitable and readily available land required for meeting the backlog and future demand for public facilities. Land is a highly contested resource and social facilities are often overlooked owing to the current pressures and demands to use land identified for social facilities for housing purposes.*

*Owing to the non-alignment of planning tools, processes and budgets, the extent of land required for meeting the backlog or future need is largely unknown. Land use management processes are lengthy and involved, particularly for state land, which is often more difficult to access than private land. Work to date only shows the catchment areas for facilities according to current norms and standards, but does not identify specific land parcels for the various facilities.*

*Strategies for addressing the resource dearth include:*

- *Rationalising land in the MSEIZ to contribute to securing and optimising open space and encouraging multifunctional use thereof. There is an increasing trend towards co-ordinated inter-governmental service delivery which includes the sharing of delivery nodes where there are complimentary uses (e.g. institutional uses).*
- *Investigate locating social facilities at or in close proximity to public transport facilities, such as BRT nodes. The location of facilities in the area is informed by various criteria which are influenced by access, which is in turn informed by the dominant transport modes. In the MSEIZ non-motorised and public transport are the dominant modes of transport.*
- *Encourage public-private partnerships for the provision of social facilities. The identification and development of short, medium and long term incentives (for example tax incentives, land swaps, etc.) to promote and facilitate private sector initiatives and collaboration. This may entail value capture options such as purchasing private land at reduced prices in the current/present market, prioritisation of the delivery of infrastructure and services, rates holidays and development contributions.*

**Related objectives:**

- Appropriate social facilities for productive lives and communities.
- Urban management to support development objectives.

**Proposed spatial focus areas:**

- Provision of open spaces in Philippi for sport and recreation uses considering the lack of open space in Philippi/ Browns Farm to the north.
- The Khayelitsha CBD has been recently bolstered by the new Regional Hospital but it remains a large unfriendly space. With significant additional public facility

investment the functioning of the Khayelitsha CBD will improve (also as a choice residential location).

- The Denel/ Swartklip landholding must be acquired for green-field development. The site provides an opportunity to provide social facilities in accordance with norms on both a community and regional scale.
- The addition of social facilities at the Mitchell's Plain CBD will ensure a greater mix of uses.
- BRT nodes can be sites for "pop-ups" for social and state services which are traditionally centralised, such as Home Affairs, the Department of Labour and social awareness (health, education) institutions/ campaigns.

**Key dependencies:**

- Further study is required into the optimal distribution and use of existing resources, ensuring vertical and horizontal integration and fully aligned budgets and planning of the different spheres of government.
- Prior to any decision to build/ sell/ close or renovate a facility the actual current usage trends and demand in the area closest is analysed and understood. Options regarding maximizing the footprint, expanding on site, or using other underutilised facilities must be ascertained prior to making a decision on new build on vacant land
- Identify and develop a mix of options, alternatives or initiatives to accommodate social facilities, as well as technologies and delivery mechanisms.
- An integrated strategy for the provision of social facilities in the MSEIZ, along with initiatives which can increase and enhance the availability of funding for the provision of social facilities.
- Agreement to cluster for security, operations, maintenance and efficiency purposes and the development of an integrated plan for each facility and intervention based upon a natural clustering as opposed to strict planning districts.
- Use of non-traditional recreational areas as part of public open space for recreation, such as the existing stormwater detention ponds, should be promoted. This will potentially free up land identified as open space for new infrastructure or can be alienated in order to accrue capital for development within the MSEIZ.

**STRATEGY S4:**

**Support the establishment of an "edu-campus" or campuses.**

*The need for education and training across all segments requires a stronger presence and more public and private education facilities, ranging from:*

- *Pre-school to higher education.*
- *Standard secondary schools to special schools (e.g. for particularly gifted children, for Mathematics performers – offering "Admaths" and "master' classes").*
- *FET-colleges to satellite Universities, with a particular focus on training and incubating.*

**Related objectives:**

- Appropriate social facilities for productive lives and communities.

**Proposed spatial focus areas:**

- Parts of the Denel/ Swartklip landholding.
- Highly visible and accessible nodes, ideally along the N2 including the APS site, Cape Town International Airport (CTIA), or Mew Way.

**Key dependencies:**

- Appropriate land and public sector infrastructure support.



**Specific risks:**

- The specific requirements of edu-campuses (including security/ “gatedness” similar to industrial estates).

## 4. ECONOMIC DEVELOPMENT AND ACTIVITY

### 4.1. Current context

Baseline studies on the general national and regional economic context for the MSEIZ indicated:

- Depressed economic conditions and prospects.
- An economic shift from manufacturing-led to service industries, knowledge industries, and consumerism.
- The industry servicing the consumer market (e.g. warehousing) is increasingly capital rather than labour intensive.
- An unabated inflow of lower to unskilled workers flooding a saturated demand for their limited skill sets.
- Increasing social instability, resulting in high levels of crime.
- An at times difficult, unfriendly business environment (ease of doing business in SA rank down from 56<sup>th</sup> to 64<sup>th</sup>).
- Private sector fixed investment spend remains muted due to low confidence levels.

Documents on the Cape Town space economy between 2001 and 2005 -by Van Heyningen in 2007<sup>13</sup> and by Turok and Sinclair Smith (one prepared with Shand in 2010<sup>14</sup> and the most recent dated 2012<sup>15</sup>), concluded that:

- The historic city centre maintained its economic dominance. Cape Town remains a monocentric city, with a larger scale of activity and more valuable economic functions in the centre than in outlying nodes. The city centre accounted for about a quarter or a third of the city's formal economy, depending on how it is measured. It has a diverse local economy rather than a highly specialised structure, which seems to be a source of strength and resilience.
- Deconcentration and decentralization to suburban nodes have gained a disproportionate share of new activity, especially through space intensive, lower-value land uses such as light industry, routine office functions and shopping malls. There is little evidence of industry-specific localisation economies. Older industrial areas with more run-down environments and congested roads are struggling in comparison with newer business parks.
- The pattern of growth remains skewed away from the Cape Flats in the south-east (where most of the city's poor live) towards the high-income suburbs. The lack of formal industrial and commercial development in the Cape Flats is very striking considering the sizeable resident population (the area has 42% of the city population but only 3.5% of all economic property).

The status today is unchanged, but for an increased share of decentralized shopping mall and office space, and a particularly strong performance by Century City. Despite increasing decentralized "mall" activity in the metro south-east, activity in the traditional mall-nodes and corridors (specifically to the north of the N1) is still outpacing it. Mall development in the metro south-east has not succeeded in bringing mixed-use to these areas (but capture grant-supported spending and middle-income growth).

#### Comment [JM4]:

The national Doing Business reports are done based on the ease of doing business in the country's primary economic node - in the case of SA this is Johannesburg.

However, a sub-national Doing Business study was undertaken in 2014/2015 which provides a much more nuanced perspective on the ease of doing business and provides a comparison between metros

See  
<http://www.doingbusiness.org/Reports/Subnational-Reports/south-africa> for more info

<sup>13</sup> Van Heyningen. Planning districts socio-economic analysis. October 2007, Strategic Development Information and GIS Department, City of Cape Town.

<sup>14</sup> Turok, Sinclair-Smith & Shand. Draft analysis of the Cape Town Spatial Economy: Implications for spatial planning, October 2010.

<sup>15</sup> Ken Sinclair-Smith & Ivan Turok. The changing spatial economy of cities: An exploratory analysis of Cape Town Development Southern Africa Vol. 29, No. 3, September 2012.

The disparity between the metro south-east and the rest of the city remains ever increasing. In relation to broad city sustainability, it appears crucial that new economic activity be attracted to the less affluent areas in the city and that existing businesses be retained.

In general terms, the space economy of Cape Town can be depicted in four broad zones/ areas:

- The Cape Town CBD and environs.
- The area north of the N1 freeway.
- The area between the N1 and N2 freeways.
- The area south of the N2 freeway.

In terms of two main measures of the CoCT's Economic Areas Management Programme (ECAMP)<sup>16</sup>, location potential and market performance, the Cape Town CBD and the area north of the N1 is largely defined as a growth zone, the area between the freeways as one of opportunity and growth, and the area south of the N2 as a transition zone; that is low potential and low performance, with a prevalence of blight and a need for repositioning.

Between 2000 and 2011 the largely office based economic sectors in Cape Town – including finance, insurance, real estate and business services, personal services, and general government, grew by a total of R36.9bn. This growth corresponded with the completion of 1.82 million m<sup>2</sup> of new office and banking space since, which is roughly equivalent to the addition of three Bellville CBDs to the city's urban fabric.

Since 2005, some 65% of new office developments in Cape Town have concentrated in only four of the 41 office nodes across the city, namely Century City (25.5%), Tygervalley (21.8%), Salt River (10.7%) and the Cape Town CBD (6.8%). Selected decentralised nodes surpassing the CBD in terms of new office development reflects a long-term shift towards a polycentric city. However, the lack of office development in the Metro South-east remains. A more recent trend is the development of higher density residential development associated with traditional and newer office nodes.

Between 2000 and 2011, Cape Town's industrial Gross Value Add (GVA) grew by R9.3bn (R5.6bn of which was in manufacturing and R3.7bn in transport and storage). This growth in industrial activity corresponded with the completion of an additional 3.6 million m<sup>2</sup> of gross internal floor space, roughly equivalent to the addition of an industrial area three times the size of Montague Gardens.

Two thirds of new industrial space added in Cape Town since 2005 are concentrated in nine of the 36 industrial and mixed-use nodes. Some 36% of overall industrial development occurred in only three nodes Blackheath (16%), Brackenfell (13%), and Airport Industrial (7%). On the other end of the spectrum, very high levels of vacancy and limited private-sector investment persist in industrial areas perceived as inaccessible (Atlantis) or dangerous (Philippi).

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<sup>16</sup> The CoCT's ECAMP uses a purpose-built diagnostic model to beneficiate a wide range of raw City data (together with open source and proprietary data) into actionable information about changing area-specific conditions in more than seventy business areas across the city. ECAMP uses two composite indicators, location potential and market performance. Each of these composite indicators comprise of a subset of indicators conceptually linked to the composite indicator.

## 4.2. Proposed strategies

### STRATEGY E1:

Apply “bottom-of pyramid” thinking to solutions for conditions of abject poverty and rampant unemployment.

Given the current quantum and expected increase of jobless and poor people, this strategy is geared at enabling households to improve their dire socio-economic position incrementally. Specific focus areas include:

- Household urban agriculture.
- Questioning the public transport “pay-by-distance” pricing model that penalises those the furthest away from opportunity.
- Leverage the home that is generally regarded as the cornerstone of wealth-creation and the construction industry which is a labour-intensive growth industry (though cyclic) through:
  - Incremental and self-help housing construction offers the best opportunity to the largest number of jobless people to engage in a market where demand vastly exceeds supply.
  - Recognising that the title deed and bond are critical tools in enabling financial leverage of that asset.
  - Recognising that interventions for appropriate self-help and self-paced housing should cut through all supply chain considerations, from planning to occupation and extension.
- Evaluating and monitoring the “degree of welfare” of households and systematically assisting/ guiding them to continuously make tangible gains albeit in small increments.<sup>17</sup>
- Support the identification, development and roll-out of training programmes that can reduce the skills gap and that are geared towards the creation of jobs.
- Support for Small, Medium and Micro Enterprises (SMMEs), in particular in the informal economy as it is a lease on life for many poor households.<sup>18</sup> This strategy will involve:
  - Adequate, safe and easy-to-access trading and workspaces.
  - Identify and track even the smallest start-ups.
  - Hands-on nurturing and mentoring and continuous training, with incubation capacity. There is a huge demand for small business incubation facilities which should preferably be provided, rolled out and managed in partnerships with the private sector.
  - A focus on retention and expansion.
  - Provide wider access to markets and the supply chain.
  - Facilitate the development of community owned logistics and management.
  - The City of Cape Town actively supporting local and small enterprises through preferential procurement policies.

**Comment [JM5]:**

This is quite a general statement and isn't always true - the impact of a incremental and self-help housing programme beyond initial construction phase jobs is dependent on how that programme is structured - see Robbins et al

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Urban management to support development objectives.

<sup>17</sup> A service provider such as the Stellenbosch University's School of Public Leadership's Peace-Prosperity Project could assist. A slightly different (less robust) application in Philippi is supported by the Bertha Foundation. The program relies on a mobile phone application and extensive and frequent surveying, monitoring evaluation and feedback.

<sup>18</sup> The new department of Small Business Development promises financial and non-financial support.

**Proposed spatial focus areas:**

- Initially focused/ concentrated on communities in the MSEIZ who are most dependent on subsidized housing (introduced by “default” in new developments but eventually implemented retrospectively as well).
- Provision for SMME development at BRT nodes.

**Key dependencies:**

- Sustained support over a long time period (and learning through doing).
- Sufficient/ appropriate CoCT resources.
- A bond registration procedure similar to the one developed by the FNB/ Khaya Lam project.
- The development of an appropriate financial “bond” product with extension potential.
- A housing subsidy residing in an account that is linked to building expenses alone, i.e. at a communal supplier (at wholesale costs) with communal logistics/ training, and so on.

**Specific risks:**

- Expectations associated with housing delivery.
- Complexity of securing the full value chain associated with housing development.
- Changes to the Housing Code.

**STRATEGY E2:**

**Pursue private sector investment in any industry, but with a preferable focus on growth and labour intensive industries.**

*Manufacturing, though losing share to other sectors, remains the most appropriate industry for job creation and therefore needs to be supported. The textile, wood working, food processing (given the proximity of the Philippi Horticultural area), bio-chemical and computer related industries, alternative energy and spinoffs from incremental and modular building could be targets. The concept of industrial “hives” ~~needs~~ needs to be revived, but also the chain from education (skills training) through to incubation, production and sales. The Agro-processing sector is one of the 9 priority sectors within the City and has tremendous potential. The most appropriate strategies to drive the development of this sector should be investigated.*

**Comment [JM6]:**

This nature of these hives need to be clarified as the term means different things to different people - they seem to work best as suggest where they service the whole chain of enterprise establishment and development - they are also more successful when they respond to market failures in the value chains that they service

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.

**Proposed spatial focus areas:**

- Developable areas of the CTIA (specifically the Symphony Way interface/ corridor).
- The area south of the N2 including KTC, Barcelona and Kanana (should a lasting solution be found to house residents occupying polluted land elsewhere).
- Parts of the Denel landholding.
- Khayelitsha Industrial area.
- Philippi Industrial area.

**Comment [JM7]:**

Is Philippi Industrial area included here?

**Key dependency:**

- Appropriate land.
- Slow industrial growth.
- DTI programmes and initiatives.
- Create more awareness on business support services available to the public.
- Develop innovative solutions to create a friendlier environment for businesses to grow and prosper.
- Increased confidence levels within the less affluent areas by creating an enabling environment for investors. This can be done by “getting the basics right” and through better urban management which can be achieved through public-private partnerships.

**Specific risks:**

- The specific requirements of manufacturing (including security/ “gatedness” and large space needs) and perceptions about its compatibility with “compact cities” approaches.
- Competition with other land uses.
- The trend for manufacturing to become less labour intensive.
- Remnants of many failed or abandoned initiatives (and associated negative investor/ public sector perceptions).
- The possibility of the manufacturing sector having reached its peak and absolute demand.
- Increase in crime, with an apparent inability of the security and justice sectors to respond appropriately.

**STRATEGY E3:**

**Support and consolidate “Township Tourism” to think bigger.**

*Township tourism is particularly strong in Langa and Khayelitsha. The industry and its attractions should be marketed, and made more accessible, to local tourists (Cape Town to national) as well.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.

**Proposed spatial focus areas:**

- Given the mostly short duration of most visits to Cape Town, the CTIA should perhaps become a point of departure, with short trips to Langa/ the APS site, Khayelitsha, Mitchell’s Plain and the False Bay coastline.
- Philippi Cement Factory site.

**Key dependency:**

- Perceptions of security.
- The accreditation of tourism establishments.
- Capture the local, provincial and international tourist markets by coordinating efforts with major tourist marketing agencies and private sector companies and by linking known tourism products / attractions with unknown / newer tourism products / attractions.

**Specific risks:**

- Crime and security.
- Often high pricing for services inappropriate for the local market.

**STRATEGY E4:**

**Support existing nodes, precincts, and corridors to accelerate and strengthen upward mobility and potential for agglomeration benefits.**

*Counter-intuitively, the focus of economic development should be on enabling upward mobility of the middle market. The major reasons for the reluctance of the private sector to invest in the MSEIZ in anything other than retail seems to be the lack of a critical mass of higher-end neighbourhoods (including higher end skills) and security issues. Business nodes need to be regenerated/ developed to facilitate business confidence. This should involve:*

- *Alignment of city planning instruments to assist compact, integrated development.*
- *Nodal master planning with a package of rights.*
- *Place-making, creating safe, clean and attractive nodes to be proud of.*
- *Generous development incentives for the private sector in lieu of confidence and desired market segments.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus **and** guide development.

**Proposed spatial focus areas:**

- Woodstock-Salt River that is showing the long awaited revival.
- Mitchell’s Plain Town Centre/ The Liberty Promenade area; the 3<sup>rd</sup> largest “mall-node” in the metropolitan area.
- Khayelitsha CBD, that offers close to a clean slate for further development, and with a number of developments in the pipeline.
- Philippi, although restricted owing to land invasion, may provide opportunities due to the historical activities.

**Key dependencies:**

- Security, cleanliness and attractiveness, **i.e. an enabling business environment.**
- A thorough understanding of the markets that needs to be targeted.
- Well-functioning local agencies (e.g. PEDI).

**Specific risks:**

- The middle-markets’ disposition towards high-density inner-city living and living within station precincts.
- Security.
- Perceptions of risk in key areas (i.e. Philippi).

**STRATEGY E5:**

**Clarify the nodal/ corridor structure along the N2 Freeway.**

*This strategy will include the assessment and feasibility of a longer term need/ demand for a more “complete” node (i.e. a Century City-type development, inclusive of office facilities) along the N2 representing “N2-City”, and clarifying the role of different sections along the route. An ideal location would be where freeways intersect with major arterials, with available and adequate space for development, within higher-end residential*

~~neighbourhoods~~neighbourhoods with substantial growth potential and, particularly for offices, located between substantial growth poles and deemed to be accessible from both. All substantial mixed-use nodes are anchored by a mall of regional proportions.

The CoCT's 2006 discussion document "Future Cape Town" (which preceded the finalisation of the CTSDf) identified the potential role of restructuring and redevelopment of the N2 Freeway as a means to unlock the economic benefits that currently exist at either end of the route, and sharing them with communities along the route. In the process, greater integration of the Metro South-east into the mainstream of economic activity would result. For instance, the document argued that areas around off-ramps could be redeveloped as activity areas, and possible new off ramps or destinations, for work, shopping and recreation and interaction.

Arguably, the Cape Town International Airport could contribute significantly to the City's joint objectives of TOD and spatial transformation and requires consideration as a key node. Traditionally, the ACSA (and other stakeholders) has had a limited view of the CTIA's role and its managers' mandate: an international airport with infrastructure and operational processes in place – and managed to – support aviation within the framework of specific international and national standards. Albeit the airport contributes significantly to the economy and development; broader city development and spatial transformation issues are not the primary business of the airport and its management team. What happens in the broader surround of the airport is the responsibility of others, and these other stakeholders must put things in place in a manner supportive of airport operations and standards.

Potentially, the ACSA and the CTIA's recent exploration of the aerotropolis approach – through a pre-feasibility study testing the relevance of the concept to future planning and management of the facility – can fundamentally affect the airport's role in broader city development. The aerotropolis approach or urban typology is receiving increasing support internationally and nationally as a means to strengthen the economic contribution of airports and their regions. In brief, it entails a dense central multi-modal, multi-functional core (referred to as an "airport city") with interdependent activities (commercial, manufacturing, leisure, and so on) firmly and consciously linked to it in a variety of ways (e.g. via motor ways, public transport, freight systems). The airport and interdependent activities and places are maximised to mutual benefit. In relation to management and planning across the public and private sectors, the airport and its linkages becomes a key driver of development and management, supported by formal agreements, partnership, and joint investment and action. Within a sub-region, infrastructure, land use, and the economy are centred on the airport.

Aerotropolis thinking has led to – or revealed – a fundamental shift in ACSA's view of the CTIA. A key conclusion of the pre-feasibility study is that the CTIA is potentially a critical – and perhaps the most critical – potential TOD node in the city. This is by virtue of the airport's location centrally to the metropolitan area, its location in association with the area of highest need for accessing public transport, the size of landholding, considerable existing public and private investment, and also aerotropolis thinking, promoting a dense, mixed urban growth centre – termed an "airport city" – as hub to the aerotropolis. Given the traditional view of the CTIA as a relatively single purpose facility divorced from development in its surrounding area, this thinking of the airport as a development and public transport node does not feature strongly in Cape Town's planning, including the CTSDf, the Integrated Transport Plan, or planning for further roll-out of the BRT.

In many ways, a key contribution of the CTIA aerotropolis work urban development thinking and practice, its innovation, and a crucial contributing factor to success, could be the extent to which two main current paradigms of urban development thinking – aerotropolis and TOD – could be merged and applied.



*The change in ACSA and the CTIA's "view of itself" is very significant. In the context of the Cape Town space-economy, the dearth of investment in anything but housing in the eastern Metro South-east has been a concern for many years. Despite urban growth continuing unabated and some decentralised development, the pattern of growth remains skewed away from the metro south-east (where most of the city's poor live) towards the high-income suburbs. The lack of formal industrial and commercial development in the metro south-east is very striking considering the sizeable resident population.*

*Also, institutional development in support of business and development management in support of further growth – in the form of district development partnerships, "improvement districts", and so on – has largely focused on the opportunity rich parts of the City. Similar governance arrangements and jointed action has not occurred in the metro south-east.*

*Arguably, no one individual player in this area has been strong enough ~~to~~ to attract investment which restructures the city, and the CTIA – as the strongest of them all – has traditionally focused on a specific role, the safe movement of air traffic. All could change now that ACSA is in a position (and mandated by government) to play a broader developmental role, with spheres of government, state entities and the private sector. In other words, the CTIA (and ACSA) is becoming a partner to the City and Province in more than air traffic. In governance terms, this is a major opportunity to attract the kind of investment and jointed action which has eluded the metro south-east to date. Development of the CTIA is supported by a spatial framework/ master plan and precinct plans, prepared in parallel to World Cup 2010 preparations. It could be maintained that this plan is largely informed by the traditional paradigm of the airport: an international airport with infrastructure and operational processes in place – and managed to – support aviation within the framework of specific international and national standards.*

*The plan was not prepared with a view to the CTIA fulfilling a broader role; that of an airport city or significant TOD node, integrated with surrounding communities. This broader role may require reconsideration of the nature of activity and density of use allocated in the current plan to different precincts, and its general urban character.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.
- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- The TRUP-CTIA corridor with mostly linear development potential along the M5 and N2.
- The CTIA-Somerset West corridor (including Stellenbosch), promising counter flow traffic, but located relatively far outside the Cape Town CBD.
- The CTIA aerotropolis, where the CTIA forms the centre of a network comprising *inter alia*:
  - The False Bay coastal nodes.
  - The TRUP/ APS areas.
  - The UWC/ Bellville axis.

**Key dependencies:**

- Concerted support for investment which feeds off the energy of the N2 Freeway.
- Broad understanding and support for the aerotropolis approach, and specifically the CTIA forming an "airport city" which is also a significant TOD node.
- Review of existing planning (at different scales) to accommodate the CTIA as a TOD node.

**Specific risks:**

- On-going negative perception of the Metro South-east.

## 5. TRANSPORT

### 5.1. Current context

Baseline studies highlighted the following key issues with respect to transportation in the MSEIZ:

- The central and specifically eastern parts of MSEIZ has some of the highest residential densities and therefore trip origins in the city. According to the City's Pragmatic Transit Orientated Development (PTOD) land use scenario this pattern will be strengthened in future.
- Work opportunities, or trip destinations, are concentrated in three corridors radiating from Cape Town CBD, i.e. to the north-east, the east and the south. In future a corridor between the CBD and the airport, as well as between Bellville and Somerset West could also provide more trip destinations.
- The areas considered to be well served by public transport, i.e. the PT1 and PT2 zones, have been indicated to be around the existing rail stations in the MSEIZ.
- The busiest sections of the Cape rail lines are located in the MSEIZ. Demand exceeds capacity on a number of sections – the old signalling system, old infrastructure and outdated rolling stock is contributing to the situation. Cable and equipment theft is a major problem. Fare system still consists of paper tickets, i.e. no smart cards. Train sets have reduced in number during the last 15 years. Some stations are in a poor condition. Rail linkages to the northern suburbs of CoCT are indirect.
- Traffic flows on the major roads in the corridor are high – sections of N2 exceed 100 000 vehicles per day. Demand exceeds capacity during the peak periods, and the spare capacity during off peaks is limited as it is being taken up by business traffic.
- Seven of the ten busiest routes of the contracted bus services are in the MSEIZ. The next phase of the Cape Town BRT service (the Wetton-Landsdowne Road Corridor) is planned to be rolled out in the MSEIZ. Further BRT trunk routes are planned as future phases in the MSEIZ.
- NMT facilities in the MSEIZ generally are of a lower standard than those in other (higher income) areas of the city.

The proposed transport strategies consider the findings of baseline studies as well as the CoCT's Integrated Transport Plan (ITP) and Integrated Public Transport Network (IPTN).

### 5.2. Proposed strategies

#### STRATEGY T1:

**Proceed (together with the WCG and SANRAL) with the planning and upgrading of the major roads in the MSEIZ.**

*This applies especially to the N2, the N7, the M5, the R300, Vanguard Drive, Modderdam Road, New Eisleben, Stock Road, Govan Mbeki and the other major routes. New road links should be completed such as Sheffield Road between Philippi and Ottery. The major freight routes should be defined and it should be ensured that adequate capacity for freight and business traffic is available. A program of priorities should be developed.*

#### Related objectives:

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.

- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- Specific routes are the N2, the N7, the M5, the R300, Vanguard Drive, Modderdam Road, New Eisleben, Stock Road, Govan Mbeki, and Sheffield Road between Philippi and Ottery.

**Key dependencies:**

- Sufficient funding for road improvements (given the current overwhelming emphasis on public transport infrastructure investment).

**Specific risks:**

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**STRATEGY T2:**

**Complete the work on the business plan for BRT services, to understand the cost implications of the service and to determine the level and quality of service that can be sustained in the medium and longer term.**

*This refers to the Wetton-Lansdowne Road Corridor (and feeder routes) in the short term, but in the medium term also to the other trunk routes which have been identified for the MSEIZ, especially the north/ south linkages. Indications are that the current level of subsidisation (associated with the first phase of MyCity services) could not be affordable and a degree of down scaling might be required or less costly alternative operational strategies must be developed. Feeder services supporting the identified trunk routes should be provided.*

*It is absolutely critical that public investment in transport infrastructure be undertaken in the most efficient manner supportive of further, broad development and livelihood opportunity. Work undertaken by the City to assess and cost the bulk infrastructure requirements for three medium term spatial growth options along the western and north-eastern growth corridors underscores the proportional cost of transport infrastructure investment as compared to other services.<sup>19</sup> The capital cost of transport infrastructure amounts to more than 50% of all infrastructure investment (transport, stormwater, water, wastewater, and electricity). The operating and maintenance cost of transport infrastructure amounts to approximately 85% of the cost of operating and maintaining all infrastructure services.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.
- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- The Wetton-Lansdowne Road Corridor (BRT implementation Phase 2B).

**Key dependencies:**

- Detailed business planning should inform planning, design and implementation of BRT services

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<sup>19</sup> Cape Town Growth Options Bulk Infrastructure Review, CoCT assisted by AECOM, 2012.

**Specific risks:**

- Insufficient business planning may result in a service which is not sustainable.
- Delay could lead to a more problematic implementation environment (i.e. increased informal settlement along the route, requiring relocation of households).
- The potential impact of delays on the management of the current contracted services (given uncertainty) is not known.

**STRATEGY T3:**

**Ensure that the various modes of transport are integrated and utilised as effectively as possible.**

*Golden Arrow Bus Company (GABS) and Sibanye operate the scheduled bus services in terms of the National Land Transportation Act Licensing Agreement in the CoCT area. Coverage of the city and the MSEIZ by the two companies is generally very good. The buses serve as feeders to the rail lines, and also operate trunk services in competition (in parallel) with the rail lines. Of the ten busiest routes in the City, seven routes originate or pass through the MSEIZ. Due to the rollout of the BRT services across the City, the planning of new conventional bus services has slowed down. Both GABS and Sibanye are stakeholders in the MyCiTi service as Vehicle Operating Companies. Both companies represent a considerable resource which could contribute to the sustainability and functionality of the new BRT system.*

*It is anticipated that current minibus taxi services will play an important supportive role to BRT services. The issue around the licencing of minibus taxis should be resolved – to proceed with a situation where approximately half of the minibus taxis are not licenced, cannot be considered acceptable. Further, enforcement of the rules of the road for all traffic, but especially for minibus taxis, must be improved in the interests of traffic safety. Enforcement will also ensure the improved ridership on the formal public transport services. Plans need to be prepared and executed to achieve this.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.
- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- The whole of the MSEIZ.

**Key dependencies:**

- Satisfactory agreements with the various operators. These agreements should ensure that there is an indication towards appropriately integrated scheduled services, not only in terms of operations (timetabling) but also business management principles (communication, fare management, etc.).

**Specific risks:**

- Insufficient integration of the minibus taxi industry will undermine the sustainability of the BRT service.

**STRATEGY T4:**

**Support and encourage PRASA with the roll out of their modernisation program.**

This includes the upgrading of the signalling system, the upgrading of stations (facilities, communication with users, etc.), the acquirement of additional (new) rolling stock, upgrading of the fare system, the general improvement/ securing of the rail Right of Way. If it is agreed that the rail service is the backbone of public transport services, then adequate capacity should be available and safety and security should be available to users. The Mitchells Plain and Khayelitsha lines have been identified as “Super Corridors” by PRASA which means that these lines will be prioritised in the PRASA Modernisation Programme. It must be ensured that the upgrade of these corridors remain a priority. An ideal would be for agencies to work towards a single transport authority with a single ticketing system and aligned use of the station precincts.

The CoCT should assist PRASA with the planning and implementation of the identified new rail links. For the purposes of the MSEIZ, the most important one is the Blue Downs link to improve the south to north linkage, but investigation into the Airport link, the Philippi to Southfield link and the Khayelitsha to Somerset West link, should proceed. PRASA also calls for support in the following areas:

- Relocation of informal households in the rail reserve (in so doing, protecting the rail reserve and other assets).
- Provision of safe street-to-street access.
- Appropriate law enforcement.
- Communication: Public and Stakeholder Engagement.

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**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.
- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- Existing and planned rail corridors.
- Key stations along the “Super Corridors”. One of these is the Heideveld Station where Retail and Residential developments are being planned for on both PRASA and City owned land (Ref: TCT PRASA MoA Project 3.5)

**Key dependencies:**

- Integration of rail and BRT planning, including the integration of passenger rail services with existing public transport networks, facilities and operations.
- Collaboration on projects where the CoCT and PRASA own abutting land parcels.
- Prepare and align relevant CCT/TCT projects/responses with PRASA’s modernisation programme.

**Specific risks:**

- Perceived competition between some rail corridors and the BRT service.

**STRATEGY T5:**

**Support improved NMT facilities across the MSEIZ.**

NMT facilities in the MSEIZ are generally of lower reach and standard than in other parts of the city, whilst many residents are captive to this mode. A dedicated program of improving NMT facilities should be developed and implemented.

*Pedestrian fatalities/ injuries on especially the N2 are unacceptably high. Continued effort must be undertaken to ensure the implementation of identified mitigation measures, as well as continuously monitoring for any additional black spots.*

*Effective measures for keeping pedestrians out of the freeway reserves (e.g. the N2 and R300) should be developed and implemented. Repairing the fencing adjacent to these roads has to be addressed. Programs which include the involvement and co-operation of councillors and residents need to be put in place.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.
- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- The route system of the new BRT service (including interchanges), existing/ planned urban nodes, and social facility clusters.
- The N2 and R300 freeway corridors (for pedestrian safety).

**Key dependencies:**

- Appropriate arrangements for pedestrians to cross the freeways safely.
- NMT facilities should be a non-negotiable part of the planning/ implementation of the new BRT service as well as associated nodal planning and the planning for the redevelopment of existing nodes or the development of new nodes.

**Specific risks:**

- Resource constrains (and the prioritisation of other transport modes above NMT).

**STRATEGY T6:**

**Support further development of the CTIA to ensure its global and local connectivity and contribution to development.**

*The City's Economic Growth Strategy (EGS) acknowledges the key role that the CTIA plays in the regional and City economy. Although significant work has been undertaken to ensure its performance in terms of international standards, the spatial and socio-economic surround of the airport present many challenges. ACSA is busy with an investigation into the feasibility of the aerotropolis concept for CTIA, pursuing both global and local connectivity and contribution to development. In view of the numerous advantages of the concept for the MSEIZ, it should be supported. Measures to further the concept will be identified in the near future and the City should play an active role in the process moving forward and the implementation of associated measures, also on the transportation side.*

**Related objectives:**

- Focussed public sector investment to facilitate and leverage private sector entrepreneurship.
- Transport Orientated Development to focus guide development.
- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- The CTIA site as well as its linkages to areas served by the airport, or serving the airport (for example TRUP/ the APS, Epping Industrial, UWC, the Mitchells Plain

Town Centre/ Liberty Promenade, Khayelitsha CBD, and proposed False Bay coastal nodes).

**Key dependencies:**

- An institutional arrangement/ agency who could lead the common interest of different specialist areas/ nodes that have an interest in the aerotropolis concept.

**Specific risks:**

- The CTIA is surrounded by predominantly low income residential areas with low levels of living and relatively low direct benefit from the airport and associated infrastructure.



## 6. INFRASTRUCTURE

### 6.1. Current context

The City's Infrastructure is valued at more than R21.2bn and forms its key fixed asset. It is a dominant feature of the budget: allocations to Utility Services and TCT in 2015/16 represents just over R4 377m (76% of the total capital budget). Bulk purchases – of electricity and water from suppliers – to the value of over R700m forms a large component of the City's total operating expenditure of R31 687m in 2015/16. Of the City's total staff costs of R8.9bn approximately 40% is apportioned to Utility Services and TCT.

In line with national and provincial policy, infrastructure-led growth is a key strategic priority of the City. Three of the six strategic levers in the City's EGS focus directly on infrastructure provision and management: maintaining and upgrading basic service infrastructure to ensure sustainability, expanding public transport and consolidating the transport integration process, and maximising opportunities to enhance infrastructure financing.

Keeping pace with infrastructure needs is a challenging task for a number of reasons:

- On-going new informal settlement formation.
- The significant resources to provide new/ upgraded bulk infrastructure, and the need to balance this provision with internal networks/ distribution services.<sup>20</sup>
- The inherently slow process of providing infrastructure to informal settlements/ backyard areas (negotiations for the removal/ moving of structures, etc.).

### 6.2. Strategies

#### STRATEGY IN1:

**Support on-going work to integrate infrastructure service provision and land use planning.**

*This strategy would include:*

- *Work to prepare a Medium-term Infrastructure and Investment Framework (MTIIF) and associated business case for the city. The MTIIF aims to enable evidence based, considered resource allocation and decision-making in relation to city infrastructure planning, implementation, and management. The desired outcome of the MTIIF would be aligned infrastructure planning, implementation and management: both in relation to citizen need, the City's strategy (whether sectoral, cross sectoral or spatial), and the City's resource prerogatives (environmental, human, and financial).*
- *Annual infrastructure risk assessments and evaluation of planned CAPEX on residual risk.*

*It would appear that the City is following a dual or three-pronged strategy in focusing major development spatially. On the one hand there is a focus on the Metro South-east, supporting investment in traditionally neglected areas. On the other, well off areas closer to the CBD is the focus of major planning initiatives, and more recently the broader Voortrekker Road Corridor area.*

*This trend is illustrated in a recent report exploring and prioritising catalytic projects in the city<sup>21</sup>. Interesting is:*

<sup>20</sup> Appendix 3 illustrates the extensive investment in bulk infrastructure as opposed to major infrastructure which could be required as related to internal distribution (see for example proposed expenditure on backyard/ informal settlement upgrading in Appendix 2).

- *The number of projects located in traditionally well-off areas.*
- *That the major mixed use projects – ones that could be regarded as truly nodal in character – are within or closer to the CBD area and the Voortrekker Road Corridor whereas those in the eastern parts of the Metro South-east are both limited in scope and not necessarily large nodal interventions.*

*To an extent, this is to be expected. As indicated in the Status Quo phase of the MSEIZ project – and based on ongoing ECAMP assessment – the rating of large parts of the MSE remains low in terms of locational and market potential. What would appear important though – should there be a real commitment to bring opportunity closer to deprived areas of the MSE – is that areas with good locational and market potential closest to the eastern parts of the MSE be prioritised. The Athlone Power Station immediately comes to mind.*

*This kind of spatial prioritisation of projects closer to needy areas appears specifically significant in relation to two other observations made in the Catalytic Projects report.*

- *The first is that most of the proposed Catalytic Projects are either severely or moderately constrained by infrastructure capacity constraints. Most of the infrastructure capacity constraints that exist are related to Transport and Roads, and Waste Water; both defined as generally the most expensive and requiring the longest lead times of the infrastructure services.*
- *The second is that there is a very large portfolio of Catalytic Projects being considered, with a total yield possibly beyond what the market can sustain.<sup>22</sup>*

*In short, the City does not have access to the infrastructure resources required, or there is not sufficient demand, to support a large number of catalytic (and specifically nodal, mixed use) interventions. Again, should there be a real commitment to bring opportunity closer to deprived areas of the MSE, the location of a few priority focus areas is absolutely critical.*

*It would appear that the Catalytic Projects report disregards this issue of spatial location – prioritising between already well-off and deprived areas. While acknowledging the spatial transformation underpinnings of defining catalytic projects, the report acknowledges that “we have amended the Weighting Criteria provided by the City slightly to enable more comprehensive consideration to projects (such as certain projects in the CBD and Inner City) which in our opinion could contribute significantly to the programme objectives.” It specifically highlights infrastructure constraints as “concentrated in the Inner City where the Voortrekker Road Corridor and the Metro South East Corridor converge on the CBD.” It then makes (relatively extensively) the case that “a number of projects in the CBD or immediate surrounds are constrained by the capacity of the Green Point Marine Outfall Sewer both physically, environmentally and from a regulation perspective by the discharge permit issued by the Department of Water and Sanitation. The Catalytic Projects that share this catchment are Somerset Precinct, Ebenezer Depot, Gallows Hill, Three Anchor Bay and District 6. The provision of additional Waste Water Treatment capacity is likely to be a significant cost and time constraint on the development not only of the Catalytic Projects but also Private Sector developments in the CBD and surrounds. Whilst it will exacerbate the problems related to the capacity constraints on the Green Point Marine Outflow, the development of these*

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<sup>21</sup> Catalytic Projects in Cape Town that Support Transit Orientated Development, National Treasury CSP Support to the City of Cape Town (prepared by KPMG with the assistance of a “TOD Game-changer Workgroup”, dated 4 September 2015).

<sup>22</sup> The Catalytic Projects report outlines this issue as follows: “There appears to be a limited understanding of the property market in terms of supply and demand. Disposal of property without consideration of the propensity of the market to absorb supply could result in downward pressure on price and reduced viability of projects resulting in delays to development.” Further, it suggests: “It is unlikely that more than 7 or 8 major Catalytic Projects could be undertaken in a decade given the examples of the rate of implementation of property development at the V&A Waterfront and Century City.”

*properties could contribute to the funding for the much needed expansion of sewage and waste water facilities in the CBD.”*

*What the report fails to do is to state that despite extensive further development opportunity in the CBD, infrastructure constraints and associated decision-making, could support – possibly for the first time – a more forceful restructuring and transformation of the city by focusing available resources on areas closer to the MSE.*

*This kind of city-wide investment prioritisation is perhaps beyond the scope of the MSEIZ project. Nevertheless, it is unlikely that catalytic development in the MSE will occur unless such investment is prioritised in a manner which directs the market.*

**Related objectives:**

- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- All areas of the MSEIZ with specific emphasis on the central and eastern parts.

**Dependencies:**

- The extent to which underlying land use models offer critical choices to leadership (or reflect an extrapolation of the status quo).
- An accelerated process of land reservations is required for identified projects.
- Improved and accelerated authorisation processes which affects implementation, for example, wayleaves for other service providers (such as TCT) take many months to process making implementation very difficult.

**Specific risks:**

-

**STRATEGY IN2:**

**Support catalytic infrastructure investments critical to unlock improved livelihood opportunity and further development potential of the MSEIZ.**

*This strategy refers to:*

- *Extensive multi-year bulk infrastructure investments fundamental to maintain or extend access to basic services.*
- *Major investments in infrastructure which will enable increased access between the MSEIZ and the rest of the city.*

*Often the impact of these projects is not limited to one area (or IZ).*

**Related objectives:**

- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- Across the MSEIZ.
- APS site.
- The CTIA.
- Khayelitsha CBD.

**Dependencies:**

- Sufficient capacity gains associated with bulk infrastructure to accommodate current and future need.

**Specific risks:**

-

**STRATEGY IN3:**

**Obtain a clear understanding of infrastructure capacity for key nodes (working as part of integrated teams).**

*The CoCT, in line with national urban development objectives, has adopted TOD as a key transversal development and management strategy to reverse previous anomalies in the city's urban form and achieve urban space economy and operational efficiencies. TOD pursues inter alia:*

- *Compact urban regions with short commutes.*
- *The development of mixed use neighbourhoods that promote walking.*
- *Prioritisation of non-motorized transport networks.*
- *Dense (connected) networks of streets and paths.*
- *A focus of development near high-quality public transport.*

*To support TOD nodal and network development, a clear understanding of the infrastructure capacity of nodes is required. The work should be undertaken as part of integrated teams with land use/ transport planners.*

**Related objectives:**

- Infrastructure provision to unlock development.

**Proposed spatial focus areas:**

- Prioritised nodes across the MSEIZ (APS, Mitchells Plain Town Centre/ Liberty Promenade, Khayelitsha CBD).

**Dependencies:**

- Sufficient resources to undertake the work (emphasising the need for a clear understanding and prioritisation of the nodal structure).

**Specific risks:**

- Insufficient infrastructure capacity to support TOD.

## 7. FINANCE

### 7.1. Current context

The City's capital budget increased from R5 606m in 2013/14 (January 2014 adjustments budget) to R6 081m in 2014/15 (an increase of 8.5%). Capital transfers from National Government, the WCG and other transfers and grants amount to R2 813m (46.3%) in 2014/15 and increased slightly to R2 899m and R2 842 for 2015/16 and 2016/17 respectively. Borrowings amounted to R2 346m, R2 511m and R 2 386m over the MTREF and has been provided for in terms of affordability levels as determined during MTREF modelling. Internally generated funds have been provided for over the MTREF amounting to R848m, R699m and R623m for each of the respective financial years.

The following trends can be observed from the City's overall budget over the last five (5) financial years:

- The gap between the operating and capital budgets of the city has increased progressively over the last 5-years. This leads to an increase in the Opex: Capex Ratio which means that the cost of operations for every R1 spent on capital projects has increased.
- The average annual increases in the operational budget are approximately 9.7% over the last 4-years which are above inflation. In comparison, the capital budget has decreased in two (2) of the last five (5) financial years with an average annual increase of 4.2% measured over the last 4-years.

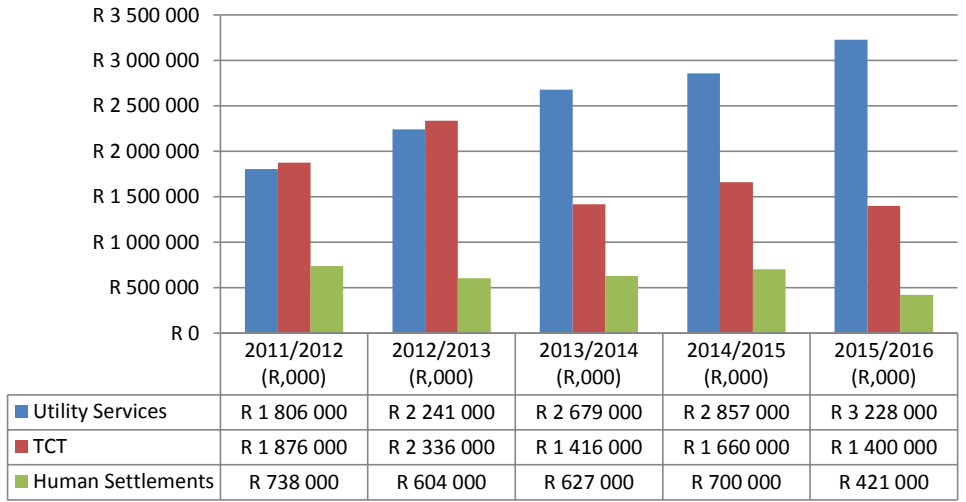
Expenditure emphasis is on those votes responsible for infrastructure development e.g. Utility Services and Transport for Cape Town. This allocation in 2014/15 represented just over R4 524m or 74.4% of the total budgetary allocation. Utility Services – including the services responsible for the provision of electricity, solid waste, water and sanitation – received the largest allocation of R2 872m in 2014/15, 47.2% of the budget. The second highest allocation amounting to R1 652m or 27.2% was made to TCT, followed by Human Settlements at R688m, Corporate Services at R359m and Community Services at R241m. In the outer years the majority of the allocations were also made to infrastructure development: R4 907m (79.1%) in 2015/16 and R4 666m (78.4%) in 2016/17.

The following can be observed from the overall major capital expenditure trends of the City of Cape Town for the last 5-years:

- The capital budget for utility services has increases substantially every year for the last 5-years. An average annual increase of approximately 15.8%, measured over the last 4-years.
- The capital budget for Transport also increased substantially in two (2) of the last 5-years but decreased on average by 3.2% per annum measured over the last 4-years.
- The capital budget for Human Settlements decreased substantially in two (2) of the last five (5) financial years with an average annual decrease of approximately 10.6% over the last 4-years.

The abovementioned capital expenditure trends are graphically depicted in the diagram below.

### CCT MAJOR CAPITAL EXPENDITURE TRENDS



Source: Budgets published on the CoCT website.

In relation to the MSEIZ, it is estimated that:

- Of the total CoCT USDG budget of over R4bn over the MTREF period, some R3.2bn (almost 80%) is earmarked for the MSEIZ.
- Of the total CoCT IPTG budget of almost R2.5bn, more than R2.2bn (over 90%) is earmarked for the MSEIZ.

Given this short overview, the following challenges are experienced from a financial perspective:

- There is inadequate funding to deal with functions and services decentralised from Province to the City.
- Inadequate funding is available for some services whilst significant funding is provided for other specific services. It was highlighted in the section on Housing that inadequate funding affects the supply of housing in the MSEIZ area which contributes to the fact that the demand for housing exceeds the supply of housing.
- Funding is linked to specific “building forms” as opposed to opportunities.
- Funding is linked to projects as opposed to programmes.
- Grant funding makes provision for the capital cost of infrastructure provision but not the operational costs to maintain the infrastructure.
- The integration of “effort” (design, planning, resources and implementation) currently appears to be poor and thus needs to be improved. For example, there seems to be little integration between land use and transport planning, between backyard servicing and BRT nodes, between MURP and BRT nodes, between land acquisition and BRT nodes, etc. There is a need to increase collaboration and integration in BRT planning, between backyard servicing and BRT nodes, between MURP and BRT nodes, between land acquisition and BRT nodes, etc.
- TOD has been stated as a policy objective but it appears that current financial priorities do not mirror the importance of this objective. TOD has been stated as a policy objective and the broad principles of TOD must be embraced to mitigate against pursuing mobility.

- The under-provision of social facilities in large parts of the MSEIZ is not assisting in establishing sustainable communities or a TOD environment.
- Human settlements and utility services are largely addressing current needs wherever located in the MSEIZ. The CoCT must ensure that it continuously looks forward to ensure adequate planning.
- Whilst the CoCT received an adequate grant allocation for the development of top structures, the operational total life-time costs are not considered sufficiently when installing the capital infrastructure and bulk works required.

The next section introduces the proposed financial strategies to address the challenges in the MSEIZ.

## 7.2. Proposed strategies

Strategies can be categorised in many ways. When analysing any IDP and its identified projects and budgets, one way to view it, is to categorise the projects into “back-ward looking” initiatives (for example, addressing existing backlogs, operational, maintenance and management needs, etc.) and “forward-looking” initiatives (for example, addressing growth which include any form of new or “green-field” development) initiatives. There are also initiatives that would be cross-cutting and hence support other initiatives in various sectors irrespective of it being “backward-looking” or “forward-looking”. In this report the funding strategies presented has been grouped similarly as follows:

- Cross-cutting strategies
- “Backward-looking” strategies
- “Forward-looking” strategies

From a scale point of view strategies can be also categorised as:

- High Level Strategies; and
- Area Specific Strategies

The High Level Strategies are not directly related to or within the scope of the MSEIZ agenda, but they are strategies that have a direct impact on the challenges facing the MSEIZ. These strategies can thus be viewed as “external forces” (to the MSEIZ) and are highlighted in this report to indicate the impact that they have on performance and development in the MSEIZ. These strategies would have to be elevated to and addressed by a higher level in the municipality (for example, the BEPP level).

Area Specific Strategies are directly related to the scope of the MSEIZ.

The categorisation of the strategies identified below is shown in the following table:

	STRATEGY		CATEGORY		
	No.	DESCRIPTION	CROSS-CUTTING	“BACKWARD-LOOKING”	“FORWARD-LOOKING”
HIGH LEVEL STRATEGIES	1.	Support the identification and implementation of initiatives to use existing financial resources more optimally.	Yes	Yes	Yes
	2.	Support the implementation of lean operational and management processes and procedures within the City and Provincial Government Departments.	Yes	Yes	Yes
	3.	Support the review and establishment of funding grant criteria that promotes and enable integrated development between multiple sectors.	Yes		Yes
	4.	Support the review and update of existing policies to develop an Integrated Development Charges Policy for the City.	Yes		Yes
MSEIZ	5.	Support the identification, development and implementation of financial incentives to unlock the	Yes		Yes

**METRO SOUTH-EAST INTEGRATION ZONE: AREA-WIDE STRATEGIC FRAMEWORK**

	<u>availability of high value land for development in the MSEIZ.</u>			
<u>6.</u>	<u>Support the development and maintenance of a central database of all local and international, private and public funding providers, funding programmes and grants.</u>	<u>Yes</u>		<u>Yes</u>
<u>7.</u>	<u>Support the allocation and alignment of funds and financial incentives to encourage Transit-Oriented Development in the MSEIZ area.</u>			

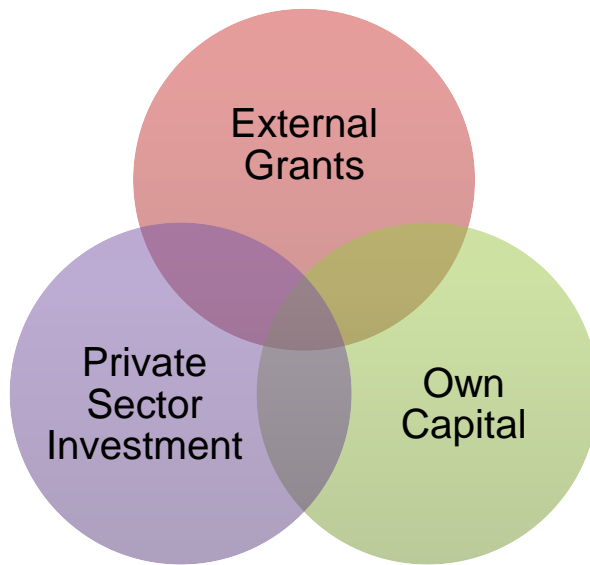
<b>STRATEGY</b>		<b>CATEGORY</b>		
<b>No.</b>	<b>DESCRIPTION</b>	<b>CROSS-CUTTING</b>	<b>"BACKWARD-LOOKING"</b>	<b>"FORWARD-LOOKING"</b>
1.	Support the identification and implementation of initiatives to use existing financial resources more optimally.	Yes	Yes	Yes
2.	Support the implementation of lean operational and management processes and procedures within the City and Provincial Government Departments.	Yes	Yes	Yes
3.	Support the identification, development and implementation of financial initiatives to unlock the availability of high value land for development.	Yes		Yes
4.	Support the review and establishment of funding grant criteria that promotes and enable integrated development between multiple sectors.	Yes		Yes
5.	Support the development and maintenance of a central database of all local and international, private and public funding providers, funding programmes and grants.	Yes		Yes
6.	Support the review and update of existing policies to develop an Integrated Development Charges Policy for the City.	Yes		Yes

The management of public funds should be done within the framework of, amongst others, the following key objectives:

- Knowledge and understanding of all public and private sector funding programmes and / or grants available.
- Eliminate wasteful (irregular and unauthorised) expenditure at all levels of government.
- Eliminate corruption at all levels of government.
- Adequately align the City's IDP and approved budget with Provincial and National budgets.
- Appropriate allocation of funds within and between all sectors, within and between all spheres of government.

Funding strategies essentially need to find the right mix between three main categories of funding, namely, external grants, own capital and private sector investments.





External Grants such as USDG and PTIS (Public Transport Infrastructure & Systems Grant) have already been accessed for numerous projects in the city and the city is continuously engaging Provincial and National Government on these various types of grants. Own capital from the City's budget is another source but is limited as discussed earlier. Ways and means to increase the City's own capital should be investigated. One way to increase the amount of own capital would be to seek opportunities to reduce operational budgets (create savings) without compromising productivity and operational efficiencies and reallocate these savings to the City's capital budget. These strategies are high level and outside the MSEIZ scope but has an impact on development in the MSEIZ. Private sector investments are the third main source of funding, however, there are certain "push factors" and "pull factors" that would influence the decision of the private sector to invest in the MSEIZ area. Funding strategies to attract private investment to the area will thus have to focus on these "push" and "pull factors".

The High Level Strategies are discussed below as Strategies F1 to F4. The Areas Specific Strategies are discussed as Strategies F5 to F7

**STRATEGY F1 (High Level Strategy):**

**Utilise financial resources optimally to achieve urban development goals.**

**Introduction**

*It is not uncommon to find in most reports today mention of the "lack of funding" as one of the key challenges or reasons for the lack of or slow pace of development and implementation of prioritised initiatives. In government, as in all other facets of life, there is only so much funding going around and each financial year there is increased competition for a bigger "slice of the funding cake". However, unless the "funding cake" gets bigger, for one entity to get a bigger "slice of the funding cake", essentially means that someone else will be getting a smaller "slice of the funding cake". Although there might be valid reasons to substantiate this reallocation of funding resources, it does not happen without short, medium and long term consequences (i.e. positive and negative consequences) for both entities. Ideally one should strive to create a win-win situation for all parties involved.*

One way to contribute to a win-win situation is to ensure that the existing financial resources are used wisely and optimally. This can be achieved by means of, amongst others, the following:

- Avoiding irregular expenditure of public funds, as defined by the Municipal Finance Management Act, Act 56 of 2003. Initiatives to improve monitoring and control should be expanded and improved.
- Avoiding unauthorised expenditure of public funds, as defined by the Municipal Finance Management Act, Act 56 of 2003. Initiatives to improve monitoring and control should be expanded and improved.
- Regularly reviewing and ensuring that all internal governmental processes and procedures are efficiently structured to eliminate “waste” and optimise the use of financial resources. This is also a strategy that is discussed in more detail later on in this section of the report.
- Ensure that the City’s IDP and approved budget is adequately aligned with priorities and budgets of Provincial Departments.

**Motivation:**

One of the benefits of implementing this strategy would be that savings would be created which can be allocated to unfunded priorities in the City’s capital budget.

**Related objectives:**

- Urban management to support development objectives.

**Proposed spatial focus areas:**

- This would be applicable to and affects the entire MSE IZ area.

**Key dependencies:**

- Agreement and strong, active support by all executive managers and politicians in the City. Executive managers and politicians need to actively take ownership of these initiatives.
- Improved inter-governmental cooperation is required between the City and Provincial Departments.

**Specific risks:**

- A lack of unified agreement, support and ownership by Executive Managers and politicians for these initiatives would lead to ongoing irregular and unauthorised expenditures and ongoing inefficient internal processes and procedures.
- A lack of inter-governmental coordination leads to duplication of efforts and disputes which directly impacts growth and development in this area. Disputes relating to social and public facilities and services where both Province and the City are involved are good examples of this.

**STRATEGY F2 (High Level Strategy):**

**Support the implementation of lean operational and management processes and procedures within the City and Provincial Government Departments.**

**Introduction**

*This strategy involves improving operational processes and procedures as well as the management and control of these processes and procedures. The strategy essentially looks “inwards” to the internal operations of the city and its various departments, units and*

districts. ~~This strategy is essential to ensure the optimal use of financial resources, as mentioned in the previous strategy.~~

Operations management has become a profession and science in itself. Although its roots can be traced back to the manufacturing industry, other industries including the services industry has realised the benefits of applying the operations management tools and techniques to the reduction of costs and improvement of the “bottom-line”. Reviewing, redesigning and restructuring of operational processes and procedures contribute to eliminating “waste”. “Waste” in this context refers to, for example, anything related to duplication of efforts or other “red tape” that increases the strain on human resources to perform optimally, unnecessary meetings, unbalanced allocation of human resources in the organisational structure, unnecessary internal authorisation procedures, outdated technology which slows down work processes, etc.

These operational management tools and techniques can equally be applied in government institutions. Although government is not profit driven, it is still responsible to deliver services in the most cost efficient way possible.

**Motivation:**

This report has identified in several of its sections the lack of human and financial resources to address the needs in the MSEIZ. A lack of resources (financial, human and others) are not only addressed by adding more resources, but are also addressed by optimising the use of the existing resources.

Although this is a high level strategy, it is essential to ensure the optimal use of financial resources, as mentioned in the previous strategy. This can be achieved by, amongst others, seeking to optimise the productivity of human resources. This strategy addresses the following high level strategic objective that applies to all levels of government:

- Eliminate wasteful (irregular and unauthorised) expenditure at all levels of government.

**Related objectives:**

It will also address the following MSEIZ specific objective:

- Enhance the MSEIZ’s contribution to a more compact and integrated city, with associated efficiency, productive, and resource sustainability gains.

In achieving the abovementioned objective, the strategy creates a saving in operational funding through the elimination of “waste”, which can then be reallocated to other identified priorities.

**Proposed spatial focus areas:**

- This would be applicable to and affects the entire MSEIZ area.

**Key dependencies:**

- Agreement and strong, active support by all executive managers and politicians in the city. Executive managers and politicians need to actively take ownership of these initiatives.
- Operational “champions” need to be identified to drive these initiatives.

**Specific risks:**

- Inefficient operational processes and procedures increase costs which reduces the availability of funds for priority projects.

**STRATEGY F3 (High Level Strategy):**

**Support the review and establishment of funding grant criteria that promotes and enable integrated development between multiple sectors.**

**Introduction**

*There are various grants and funds available from various Provincial and National sources in almost every sector of the built environment. These grants have clear and specific criteria which guides and governs its intended use. This strategy seeks to support the review of these grant criteria in order to promote, enable and ensure that multiple sector needs can be developed in an integrated manner. For example, if funds are set aside for investment in primarily Integrated Public Transport Systems, can some of these funds be allocated and used to develop land uses (such as higher density housing or social facilities, etc.) around and in support of these Integrated Public Transport Systems that will essentially improve the sustainability of the IPTS.*

**Motivation:**

Although this is a high level strategy, it would benefit the MSEIZ and other areas in the medium to long term if some level of flexibility can be built into the grant criteria, especially if it supports or enhances the sustainability of the project for which the specific grant is originally intended.

**Related objectives:**

- Urban management to support development objectives.

**Spatial Focus:**

Proposed spatial focus areas:

- This would be applicable to and affects the entire MSEIZ area; however, specific focus should be given to the biggest or largest projects/ initiatives in the area, for example, the City's Integrated Public Transport System and the areas directly around this system.

**Dependencies & Risks**

Key dependencies:

- Agreement on applicable grant criteria.
- Agreement on "primary" and "secondary" uses of a grant. A secondary use need to be related and/or be in support of the primary use. For example, the sustainable operation of a public transport system requires densification of other land uses in the direct vicinity of these public transport nodes and interchanges. Developing higher densities would thus benefit the transport system which should justify some form of "cross-subsidisation".

Specific risks:

- Unequal budget allocations or an incomprehensive approach in the allocation of funds would increase the unsustainable operation of the overall system. For example, a lack of densification would lead to an unsustainable public transport system which essentially means that there is no return on the money invested in the public transport system.

**STRATEGY F4 (High Level Strategy):**

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**Support the review and update of existing policies to develop an Integrated Development Charges Policy for the City.**

**Introduction**

*The City of Cape Town, on 29 May 2014, approved the “Development Charges Policy for Engineering Services”. This policy’s primary goal is to recover a portion of the infrastructure related costs arising from new developments in the city.*

*The impacts of developments, however, extend beyond the provision of adequate engineering services. It also puts pressure on other sectors such as the provision of social and or public facilities.*

*This strategy proposes that the current policy be reviewed and restructured to become an Integrated Development Charges Policy that not only covers the provision of engineering services but also social, educational, health, recreational and other public facilities in line with the existing guidelines of the Province on the “... Provision of Facilities within Settlements of the Western Cape”.*

**Motivation:**

*This will have to be approached carefully and wisely due to the fact that it might be perceived as putting additional pressure on developers. However, this could create a partnership with the private sector in the funding of other supporting land uses that is required when large housing developments are undertaken.*

**Related objectives:**

- Urban management to support development objectives.

**Spatial Focus**

Proposed spatial focus areas:

- This strategy would be applicable to, affects and benefits the entire MSEIZ area.

**Dependencies & Risks**

Key dependencies:

- Agreement and strong, active support by all executive managers and politicians in the City.
- Support from Provincial and National Treasury.

Specific risks:

- Putting an increased financial burden on developers might make developments unfeasible and can be perceived negatively by various stakeholders.
- Another risk is that the current undesired status quo will continue or persist if this strategy is not investigated and pursued further.

**STRATEGY F5:**

**Support the identification, development and implementation of financial incentives to unlock the availability of high value land for development.**

**Introduction**

A common thread in the various themes identified for the MSEIZ is the challenge of procuring land for various needs, being it housing, social and other land uses. This strategy seeks to identify, develop and implement financial initiatives to unlock the availability of land for development.

**Motivation:**

Private land is normally expensive which makes it not feasible to purchase for public projects. This creates a trend that cheaper land is purchased and/or used by the public sector which is not optimally located for the intended use and which leads to a distorted spatial pattern with many other undesirable consequences. By law, the government can expropriate land but this process in itself can be very slow. The question is what other alternatives can be explored?

It is believed that “out-of-the-box” (but still realistic) initiatives can be identified for further investigation. This includes, for example, identifying and developing short, medium and long term incentives (for example tax incentives, land swaps, special / lower / reduced property rates and taxes, exemption from development contributions, etc.) which will compensate private sellers in the future (short, medium and/or long term) for selling their land at reduced prices in the current/present market. This type of initiative should essentially answer the following question: How can we buy prime land in the current market at a reduced price whilst still ensuring the seller receives the actual fair market value of the property?

**Related objectives:**

- Urban management to support development objectives.

**Spatial Focus**

Proposed spatial focus areas:

- This would be applicable to and affects the entire MSEIZ area
- Specific focus should be given to the suburbs of Crossroads, Philippi, Mitchells Plain, and Khayelitsha, which contains more than 56% of the city’s informal dwellings (not in back yards).

**Dependencies & Risks**

Key dependencies:

- Agreement and strong, active support by all executive managers and politicians in the city. Executive managers and politicians need to actively take ownership of these initiatives.
- Private sector support.
- Support from Provincial and National Treasury.

Specific risks:

- The only risk is that the current undesired status quo will continue or persist if this strategy is not pursued.

**STRATEGY F6:**

**Support the development and maintenance of a central database of all local and international, private and public funding providers, funding programmes and grants.**

**Introduction**

In many instances the lack of funding is related to the following:

- A lack of knowledge of where to look for funding. Thus not knowing what funding sources (public and private as well as local and international) is available or can be accessed.
- Secondly, a lack of capacity to develop appropriate business plans to access the various funding sources that are available in the market.

This strategy thus proposes that a comprehensive database should be developed and maintained of all funding providers or sources, both in the public and private sectors as well as both locally in South Africa and internationally.

Following on from this would be the creation of capacity to prepare business plans based on the qualifying criteria of the respective funding providers in order to procure funds for projects.

**Motivation:**

A central and comprehensive database would increase the knowledge base and would capacitate relevant stakeholders on where, how and when to access funding for development.

**Related objectives:**

- Urban management to support development objectives.

**Spatial Focus:**

Proposed spatial focus areas:

- This strategy would be applicable to, affects and benefits the entire MSEIZ area.

**Dependencies & Risks**

Key dependencies:

- Capacity to research and regularly update a funding source database.

Specific risks:

- A lack of knowledge of all available funding sources and options will strengthen the lack of funds available for priority projects.

**STRATEGY F7:**

**Support the allocation and alignment of funds and financial incentives to encourage Transit-Oriented Development in the MSEIZ area.**

**Introduction**

The primary goal of Transit Oriented Development (TOD) is to create compact and sustainable communities by focussing development around key new or existing rail stations<sup>23</sup>.

This strategy thus seeks to allocate, integrate and align funds and financial incentives in the MSEIZ area with the City's focus on TOD. This financial strategy will address the following objective of the MSEIZ:

<sup>23</sup> www.transitorienteddevelopment.org; TCT, May 2014. Integrated Public Transport Network Plan 2032. City of Cape Town.

“Use the TOD Strategy as a lever to growth and development through the enhancement of public transport infrastructure (including its institutional arrangements and processes) and the support of appropriate development at appropriate locations.”

### **Motivation**

According to the TOD Institute (www.transitorienteddevelopment.org) the following benefits can be derived from the implementation of TOD:

- “Higher quality of life with better places to live, work, and play
- Greater mobility with ease of moving around
- Increased transit ridership
- Reduced traffic congestion, car accidents and injuries
- Reduced household spending on transportation, resulting in more affordable housing
- Healthier lifestyle with more walking, and less stress
- Higher, more stable property values
- Increased foot traffic and customers for area businesses
- Greatly reduced dependence on foreign oil, reduced pollution and environmental damage
- Reduced incentive to sprawl, increased incentive for compact development
- Less expensive than building roads and sprawl
- Enhanced ability to maintain economic competitiveness”

The City of Cape Town’s Integrated Public Transport Network Plan (dated May 2014) recognises TOD as “... the best long term development strategy to address spatial inequality, transport affordability and to arrest sprawl. It is driven by the integration of sustainable public transport and strategic land use intervention and built on the principles of affordability, accessibility, efficiency, intensification and densification.”

### **Related objectives:**

- Urban management to support development objectives.

### **Spatial Focus**

It is proposed to spatially focus this strategy on the following areas:

- Areas around high order public transport nodes and the remainder of the PT1 and PT2 zones in the MSEIZ
- Specific focus should be given to the suburbs of Crossroads, Philippi, Mitchells Plain, and Khayelitsha, which contains more than 56% of the city’s informal dwellings (not in back yards).
- Alignment of financial incentives around the following public transport interchanges that are being upgraded by the city as it relates to the MSEIZ:
  - Khayelitsha CBD
  - Lentegeur & Mandalay Station
  - Mitchell’s Plan Station
  - Nolungile
  - Nyanga
- Alignment of financial incentives with the PRASA project priorities identified in its Western Cape Regional Strategic Plan (2012) as it relates to the MSEIZ area:
  - A new line from Nolungile Station to Kuilsriver Station through the Blue Downs area
  - Development of principle stations that have been identified to receive enhancements to improve the convenience in using the station and its facilities.



### **Dependencies & Risks**

#### Key dependencies:

- Review, update and alignment of the relevant spatial plans and the municipal planning by-law (zoning scheme) with TOD in the MSEIZ are required to enable implementation of TOD in the area.
- Regular interactions between key transport and land use stakeholders are required to plan and execute this strategy.

#### Specific risks:

- The current undesired status quo will continue to exist if this strategy is not actively pursued by all affected stakeholders.

## 8. INSTITUTIONAL ARRANGEMENTS

### 8.1. Current context

Discussion with various service departments during the preparation of baseline studies and the strategic framework revealed:

- Lengthy “arms-length” negotiations between services involved in decision-making about locating specific facilities.
- Uncoordinated area coordination, largely reliant on the goodwill of individual staff members.
- Well-resourced teams to manage some issues while other area based initiatives are under-resourced.
- Confusion between area coordination and area management, whether both focuses on an administrative/ political delineation of areas, or areas defined through the nature of the challenge addressed.
- Considerable focus on institutional arrangements to support some services (e.g. the BRT) while other services are under-resourced (e.g. social and public facilities generally).

### 8.2. Proposed strategies

#### STRATEGY IA1:

**Clarify and refine the City’s institutional mobilisation in relation to area coordination/ management.**

*This strategy focuses on strengthening integrated planning and service delivery for specific areas of the city, building on detailed area knowledge, and group thinking/ decision-making in relation to day-to-day issues and longer term challenges. It is believed that at least two broad kinds of area intervention are needed, not to be confused with each other:*

- *Permanent “wall-to-wall” area-coordination institutional arrangements, where different services plan for the future and deal with day-to-day issues together, build detailed area knowledge, and form a close relationship with communities and other delivery partners (e.g. NGOs). The boundaries of these areas would nest with the political system – comprising wards and sub-councils – as far as possible. Within area coordination teams, on-going decision-making around issues such as the land/ accommodation needs for specific community facilities should be resolved.<sup>24</sup>*
- *Special purpose planning/ coordination/ implementation teams addressing specific issues within (ideally) a limited timeframe and a spatial area determined by the nature of the issue. These would include:*
  - *Deep-seated, multi-dimensional community decline/ malaise (e.g. The Mayoral Urban Regeneration Programme/ MURP).*
  - *Driving new projects (e.g. the redevelopment/ development of a node).*

#### Related objectives:

- Urban management to support development objectives.

<sup>24</sup> As long ago as 2000, the Cape Town Unicity Commission, in its final report BUILDING A UNIFIED CITY FOR THE 21ST CENTURY: A summary of the proposed service delivery and institutional change proposals for the term of office of the new City of Cape Town”, recommended (under section 8 RESTRUCTURING THE ADMINISTRATION TO DELIVER: INTEGRATED AREA CO-ORDINATION/ MANAGEMENT AND NETWORKING): “8.1.1. That a system of integrated area co-ordination be introduced to ensure that the activities of the different services are co-ordinated and aligned at a local level. These co-ordination areas may be aligned with political (area committee/ sub-council) areas.”

**Proposed spatial focus areas:**

- The whole of the MSEIZ (for area coordination).
- Areas of specific social need (as identified in the MURP).
- Prioritised nodes for redevelopment/ development.

**Key dependencies:**

- Corporate acceptance of an area-coordination institutional model.
- Corporate understanding of the different but interdependent roles of wall-to-wall and area specific area coordination initiatives.

**Specific risks:**

- Resistance to an area co-ordination model specifically from the utility services (who will claim that utilities can only be coordinated/ managed based on an internal service logical which doesn't nest well with other services.<sup>25</sup>

**STRATEGY IA2:**

**Support strengthening collective action – including planning, project implementation, management, and advocacy – by key development nodes/ actors within the MSEIZ.**

*This strategy responds to different specialist areas/ nodes in the MSEIZ fulfilling important roles but each “fending” for itself as opposed to building on the potential of the areas/ nodes working in concert as a spread, networked system of commercial, education, and public facilities. The aerotropolis idea could potentially be the driving idea in the formation of the network.*

**Related objectives:**

- Urban management to support development objectives.

**Proposed spatial focus areas:**

- A network to be defined, but provisionally comprising the APS, Epping Industrial, CTIA, UWC, Mitchells Plain Town Centre/ Liberty Promenade, Philippi East, and Khayelitsha CBD, and major routes between them.
- Other areas could be included following clearer understanding of the relationship between areas.

**Key dependencies:**

- An institutional arrangement/ agency who could lead the common interest of different specialist areas/ nodes.<sup>26</sup>
- Understanding the interdependencies (existing and potential) between different areas/ nodes.

**Specific risks:**

- Long term commitment to the idea.

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<sup>25</sup> The Unicity Commission faced this resistance; to which it responded: “8.1.2. That individual service area boundaries do not need to be aligned with those of the area co-ordination system, but will be dictated by individual service logics. However, each service must be able to report according to area coordination boundaries.” The word “report”, in this case, referred to more than reporting data; it referred to being able to “respond” according to area coordination boundaries (e.g. to an issue of where best to locate public facilities).

<sup>26</sup> It has been suggested that the Western Cape Economic Development Partnership is ideally placed to fulfil this role.

**STRATEGY IA3:**

**Explore the potential area/ facility management capacity associated with BRT institutional arrangements.**

*This strategy recognises the significant resources that have been mobilised to develop and implement institutional capacity in support of the planned BRT system (Phase 2B) serving the MSEIZ, including local industry partnership (in the form of the taxi industry), route management capacity, fleet management capacity, facilities management capacity, and so on. It would appear logical – within the context of resource constraints, and the underlying objectives of TOD, to explore the broader area/ facility management capacity associated with BRT institutional arrangements, and specifically the potential role of these organisations to fulfil asset management functions in support of social/ public facilities at BRT interchanges.*

**Related objectives:**

- Urban management to support development objectives.

**Proposed spatial focus areas:**

- The Phase 2B BRT network and nodes within the MSEIZ.

**Key dependencies:**

- A broader understanding of TOD and the success factors for long-term BRT sustainability.
- Limited/ sectoral interpretation of role/ purpose of BRT institutional arrangements.

## 9. OPPORTUNITIES FOR AREA-BASED INVESTIGATIONS

During the status quo and strategic framework stages of work on the MSEIZ, a “long” list of potential area-based initiatives/ interventions have emerged for further planning and investigation, summarised in the table below.

NO.	INITIATIVES/ INTERVENTIONS	COMMENT
1.	Two Rivers Urban Park (TRUP) housing.	<ul style="list-style-type: none"> <li>The WCG (in agreement with the CoCT) is responsible for concluding a Development Framework and Precinct Plans for the TRUP.</li> <li>A tender for service providers was issued (it is understood that an award will be made soon).</li> <li>Particular concerns in relation to the broader MSEIZ are:                             <ul style="list-style-type: none"> <li>The relatively low focus on providing housing opportunity (specifically along the eastern edges of the broader site) in the tender specifications.</li> </ul> </li> </ul>
2.	Re-development of the Athlone Power Station.	<ul style="list-style-type: none"> <li>Council previously agreed to a Draft Development Framework completed for the APS site (prepared as part of the pre-feasibility study).</li> <li>A tender for service providers to prepare a final Development Framework and associated land use/ environmental authorisation applications was recently issued.</li> <li>Particular concerns in relation to the broader MSEIZ are:                             <ul style="list-style-type: none"> <li>The perceived diminished potential to accommodate key city-wide public attractions on the site (specifically as the V&amp;AW is establishing a facility for African Art).</li> <li>The growing significance of the site to offer increased housing opportunity/ choice (at high densities).</li> <li>The potential of the site to illustrate TOD (specifically as it is part of the MSEIZ indicated in ECAMP as having locational and market opportunity for private sector development).</li> </ul> </li> </ul>
3.	Reviewing/ clarifying the nodal hierarchy of the MSEIZ.	<ul style="list-style-type: none"> <li>A nodal hierarchy was previously prepared as part of the CTSDf.</li> <li>New developments/ initiatives, specifically the proposed BRT system, PRASA recapitalisation, Blue Downs Rail Link, invasion of parts of the Philippi node, and CTIA aerotropolis, brings the current hierarchy into question.</li> <li>A review should be done in parallel with the review of the CTSDf.</li> <li>The nodal hierarchy should also define the tertiary/ quaternary level.</li> </ul>
4.	Broadening the base of housing/ accommodation delivery, both in terms of delivery agents and technology used.	<ul style="list-style-type: none"> <li>The City is the primary deliverer of housing.</li> <li>There appears to be an opportunity for a multitude of smaller community based initiatives where the City becomes an enabler rather than deliverer of housing.</li> </ul>
5.	Community-level community facility clusters/ hubs.	<ul style="list-style-type: none"> <li>The opportunity exists for an expanded version of the City's Dignified Places programme, focused on the tertiary/ quaternary level in a nodal hierarchy.</li> <li>Rather than just public space, the programme should focus on integrating local social/ public facilities, space, economic development infrastructure, and housing.</li> <li>Smaller clusters/ hubs present a specific opportunity to pilot new housing typologies, draw on the “energy” of NGOs and communities, and build on planned expenditure associated with social/ public facilities.</li> </ul>
6.	Khayelitsha CBD.	<ul style="list-style-type: none"> <li>The Khayelitsha CBD represents a significant investment in infrastructure and facilities. The site will be further reinforced by the proposed BRT route.</li> <li>A review of existing planning for the site is required, concluding in a comprehensive business plan to promote higher density housing in the area.</li> </ul>
7.	Further development of Mitchells Plain Town Centre/ Liberty Promenade.	<ul style="list-style-type: none"> <li>The Mitchells Plain Town Centre/ Liberty Promenade represent a significant investment in infrastructure and facilities. The area will be further reinforced by the proposed BRT route.</li> <li>A review of existing planning for the area is required, concluding in a comprehensive business plan to promote higher density housing in the area (specifically the eastern north-south fringe of the area).</li> </ul>
8.	Review of the Denel landholding Development/ Design Framework.	<ul style="list-style-type: none"> <li>It is understood that the CoCT has withdrawn from negotiations to purchase the Denel landholding.</li> <li>The site nevertheless remains significant in providing opportunity for the eastern part of the Metro South-east.</li> <li>The previous Development/ Design Framework should be reviewed, also with reference to the aerotropolis initiative, strategy to establish an edu-campus or campuses, support for manufacturing, and significant need to acquire land for decanting associated with in-situ upgrading of informal settlements.</li> </ul>
9.	Business Plans for the development of Khayelitsha/ Mitchells Plain coastal nodes.	<ul style="list-style-type: none"> <li>Meaningful and safe access to the coast remains a priority for the eastern parts of the MSEIZ, bringing new opportunity with economic potential, including eco-tourism and market driven development which increases choice and brings a new range of</li> </ul>

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		income groups to the area or retain existing residents with the means or desire to invest in coastal areas.
10.	The potential area/ facility management capacity associated with BRT institutional arrangements.	<ul style="list-style-type: none"> <li>• Considerable resources have been mobilised to develop and implement institutional capacity in support of the planned BRT system (Phase 2B) serving the MSEIZ.</li> <li>• It would appear logical to explore the broader area/ facility management capacity associated with BRT institutional arrangements, specifically the potential role of these organisations to fulfil asset management functions for social/ public facilities at BRT interchanges.</li> </ul>

## 10. NEXT STEPS

Next steps in the MSEIZ study would focus on:

- A review of the Draft Strategic Framework by the CoCT internal project team.
- Adoption of the Strategic Framework as a basis for further work.
- Commencement of the “Interventions” work phase through the selection and prioritisation of area-based initiatives/ interventions (and associated sectoral studies) for further planning and investigation.

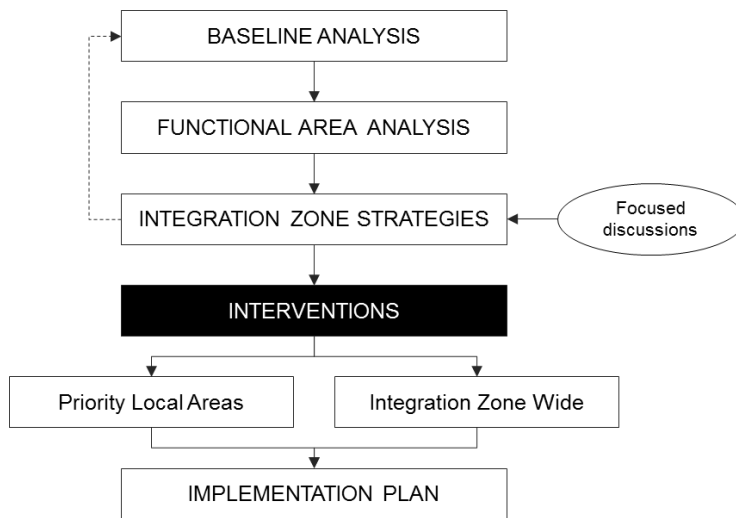


Diagram 3: The next phase in the MSEIZ SIP process

## APPENDICES

### Appendix 1: The City's IDP

The CoCT pursues a multi-pronged vision to:

- Be a prosperous city that creates an enabling and inclusive environment for shared economic growth and development.
- Achieve effective and equitable service delivery.
- Serve the citizens of Cape Town as a well-governed and effectively run administration.

In striving to achieve this vision, the City's mission is to:

- Contribute actively to the development of its environmental, human and social capital.
- Offer high-quality services to all who live in, do business in, or visit Cape Town as tourists.
- Be known for its efficient, effective and caring government.

The City's vision and mission is further elaborated through five "pillars" or focus areas, namely:

- The Opportunity City.
- The Safe City.
- The Caring City.
- The Inclusive City.
- The Well Run City.

Each pillar has a detailed set of objectives to demonstrate the approach to realising this vision. All are significant and essential to the vision, however of particular to relevance to the MSEIZ SIP are the following objectives:

#### The Opportunity City

- Objective 1.1: Create an enabling environment to attract investment that generates economic growth and job creation.
- Objective 1.2: Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development.
- Objective 1.3: Promote a sustainable environment through the efficient utilisation of resources.
- Objective 1.4: Ensure mobility through the implementation of an effective public transport system.
- Objective 1.5: Leverage the City's assets to drive economic growth and sustainable development.

#### The Caring City

- Objective 3.1: Provide access to social services for those who need it.
- Objective 3.2: Ensure increased access to innovative human settlements for those who need it.
- Objective 3.4: Provide for the needs of informal settlements and backyard residences through improved services.

#### The Inclusive City

- Objective 4.2: Provide facilities that make citizens feel at home.



**The Well-Run City**

- Objective 5.2: Establish an efficient and productive administration that prioritises delivery

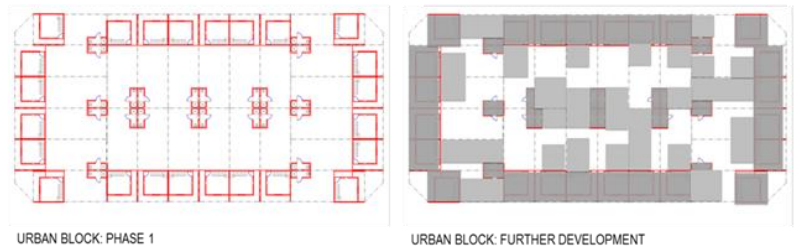
## Appendix 2: The City’s informal settlement upgrading framework

Stage	Services provided by the City	Milestone to be reached by the community
One: Administrative incorporation.	The City unilaterally installs minimum services (communal) to all informal settlements to maintain health and safety standards and registers all units and households in the settlement. This is undertaken in consultation with the community.	Cooperate with the City.
Two: High level feeder road and infrastructure.	The City develops and implements a high level plan for the settlement that provides a ring road and feeder water sanitation, electrical and storm water. In addition it divides the settlement into local sub-areas. The plan may require relocations of households within the settlement and to other areas. Relocation will be minimised as much as possible.	<ul style="list-style-type: none"> <li>• A community structure is established by the community</li> <li>• A consultation process is undertaken to approve the high level plan and agree the re-location plan.</li> </ul>
Three: Interim tenure and services to each site.	Each sub-area is allocated a facilitator who works with the households to define and peg site boundaries. This may require the relocation of some households. Pegged sites are recorded and interim tenure provided to each site. A plan is drawn up for the sub-area. Once 80% of sites have been pegged, those sites where this has occurred receive services, a wet core and slab. Roads in the area receive a gravel surface.	<ul style="list-style-type: none"> <li>• Work with the facilitator to agree boundaries for each household.</li> <li>• Agree relocations if required.</li> </ul>
Four A: Ongoing support for top structure development.	A range of support services are made available to households to build their top structure including plans, materials and technical advice. Sites are registered in the Deeds Registry and households receive the title deeds.	-
Four B: Investment in the public environment.	Households are required to pay for services. As long as a 95% payment rate is achieved consistently each year the City will invest in the area through tarring roads, parks etc. The investment activities are agreed with the community.	<ul style="list-style-type: none"> <li>• Payment of rates and service charges.</li> <li>• Agreement of a five-year investment plan with the City.</li> </ul>

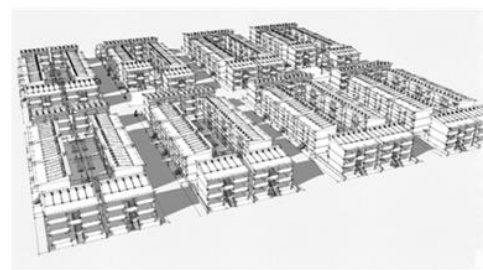
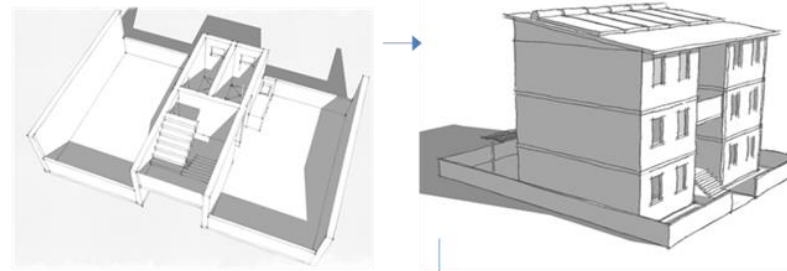
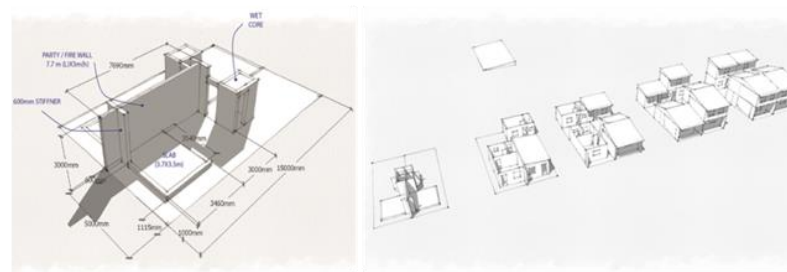
**Appendix 3: Examples of incremental housing**



*Providing up to three additional units on an existing site in Mitchells Plain*



*Planning upfront for additional units in BNG projects*



- A minimalist load bearing structure and wet core incrementally developed into a three-storey multi-family block comprising six 33m<sup>2</sup> units (two bed, one bed or studio).
- 30% of the units are on the ground floor.
- Overall density of 308 du/ha (net).

**Appendix 4: Major capital programmes/ projects within/ impacting on the MSEIZ (excluding service infrastructure)**

PROJECT	PROJECT TERM	CURRENT STAGE	PROJECT COST	BUDGET ALLOCATED	LEAD SERVICE/ AGENCY	COMMENT
District 6	2 years	Implementation	R78.87	2015/16: R75.72 2016/17: R3.12	CoCT: Human Settlements	Restitution (compensation) to qualifying beneficiaries.
Langa Community Residential Units (CRU)	3 years +	Construction/ planning	R270.2m	2015/16: R57.2m	CoCT: Human Settlements	Building of new and upgrading of existing social rental housing units.
Backyarder/ Informal Settlement Upgrading	3 years +	Implementation/ planning	R79.6m	2015/16: R79.6m	CoCT: Human Settlements	Servicing of backyard units and informal settlements.
Kuyasa Regional Library	1 year	Implementation	R78.14m	2015/16: R9.81	CoCT: Community Services	New regional library.
Land acquisition for municipal purposes	On-going	Various negotiations	R52.9m	2016/17: R52.9m	CoCT: Finance	Land acquisition to support predominantly human settlement development.

## Appendix 5: Catalytic infrastructure projects within the MSEIZ

Highlighted projects indicate projects with an impact larger than the MSEIZ.

PROJECT	PROJECT TERM	CURRENT STAGE	PROJECT COST	BUDGET ALLOCATED	LEAD SERVICE/ AGENCY	COMMENT
<b>TRANSPORT</b>						
Rail modernisation	3 years +	Planning and implementation	Multi billion		PRASA	Rolling stock recapitalisation, operational/ signalling system recapitalisation/ upgrading, safety improvements, rail corridor modernisation (including station upgrades/ property development).
Blue Downs Rail Link	3 years +	Planning			PRASA	Major rail link and associated facilities between the Metro south-east and northern corridor.
Integrated Bus Rapid Transit System	-	-	R314.56m	2015/16: R20m	CoCT: TCT	Provision of city-wide infrastructure.
Integrated Rapid Transit Control Centre	3 years +	Implementation	R248.73m	2015/16: R11.46m 2016/17: - 2017/18: R10m	CoCT: TCT	Control systems for managing/ monitoring MyCity bus movements and operations.
Integrated Rapid Transit Fare Collection	3 years +	Implementation	R761.41m	2015/16: R133.41m 2016/17: R58.35m 2017/18: R75m	CoCT: TCT	Systems for automated MyCity bus fare collections.
Integrated Bus Rapid Transit System Phase 2B	3 years +	Planning	R4 177.14m	2015/16: R272.33m 2016/17: R450.98m 2017/18: R512.26m	CoCT: TCT	Provision of BRT infrastructure (Wynberg to Mitchells Plain/ Khayelitsha).
Lentegeur/ Mandalay Station Public Transport Interchanges	1 year	Implementation	R54m	2015/16: R12m	CoCT: TCT	Taxi, bus, commuter parking, trading, and ablution facilities.
Metro South-east Public Transport Facility	3 years +	Planning	R284.5m	2015/16: R3m 2016/17: R52m 2017/18: R52m	CoCT: TCT	Improved taxi, MyCity, and NMT facilities between Metro south-east suburbs, the Cape Town CBD, and northern/ southern corridors.
Mitchells Plain Transport Interchange	1 year	Implementation	R171m	2015/16: R29m	CoCT: TCT	Taxi, bus, commuter parking, trading, and ablution facilities in town centre.
Nolungile Public Transport Interchange	3 years +	Planning	R171.74m	2015/16: R10m 2016/17: R10m 2017/18: R10m	CoCT: TCT	Taxi, bus, NMT, trading, and ablution facilities.
Gugulethu concrete roads	2 years	Implementation	R64m	2015/16: R40m 2016/17: R24m	CoCT: TCT	Upgrading of concrete roads in Gugulethu.
<b>ELECTRICITY</b>						
Observatory Main Sub-station upgrade	1 year	Planning	R69.45m	2016/17: R69.45m	CoCT: Utility Services	Replacing existing 66kvcables, power transformers, and switchgear to maintain service and accommodate load growth.

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Athlone-Philippi overhead line undergrounding	1 year	Implementation	R86.7m	2015/16-17/18: R7.6m	CoCT: Utility Services	Replacing a section of the Athlone-Philippi 132kv overhead line and removal of towers to enable further development of the Jo Slovo settlement.
Bofors (Epping) Main Sub-station upgrade	1 year	Implementation	R96.5m	R59.8m	CoCT: Utility Services	Replacing existing 66kvcables, power transformers, and switchgear to maintain service and accommodate load growth.
Grassy Park High Voltage Network re-arrangement	2 years +	Planning	R100m	2017/18: R75m	CoCT: Utility Services	The Erica Electricity Intake Point at Mitchells Plain is required to meet load growth in the southern peninsula, Gugulethu and Mitchells Plain (where the load already exceeds the capacity of infrastructure).
Grassy Park High Voltage Network re-arrangement	1 year	Planning	R50m	2016/17: R50m	CoCT: Utility Services	Replace existing transformers and switchgear to provide capacity for load growth.
Eskom Investment Programme	3-5 years	Planning and implementation		2015/16-17/18: R600m	Escom	Essential and critical infrastructure expansion for servicing the metro south-east and surrounding areas.
<b>WATER AND SANITATION</b>						
Athlone Waste Water Treatment Works Phase 1	3 years +	Implementation	R210.5m	2015/16: R0.5m 2016/17: R20m 2017/18: R40m	CoCT: Utility Services	Capacity extension.
Cape Flats Waste Water Treatment Works	3 years +	Implementation	R108.32	2015/16: R135m 2016/17: R206.5m 2017/18: R263m	CoCT: Utility Services	Rehabilitation of structures.
Cape Flats 111 Bulk Sewer	3 years	Implementation	R182.03m	2015/16: R75m 2016/17: R94m 2017/18: R10m	CoCT: Utility Services	New wastewater sewer from Athlone to Cape Flats WWTW.
Borchards Quarry Waste Water Treatment Works	3 years +	Implementation	R275.61m	2015/16: R52m 2016/17: R66m 2017/18: R66.5m	CoCT: Utility Services	Various improvements and capacity rehabilitation.
Mitchells Plain Waste Water Treatment Works	2 years	Implementation	R164.51m	2015/16: R65.01m 2016/17: R12m	CoCT: Utility Services	Upgrading of dewatering facilities, inlet works, and blowers.
Mitchells Plain Waste Water Treatment Works Phase 2	2 years	Implementation	R107.9m	2015/16: R48.5m 2016/17: R41.5m	CoCT: Utility Services	Rehabilitation of Reactors 1 and 2.
Increase in treatment capacity of Zandvliet Wastewater Treatment Works	3 years +	Implementation	R899.1m	2015/16: R135m 2016/17: R206.5m 2017/18: R263m	CoCT: Utility Services	Capacity extension.
Regional resources development	3 years +	Implementation	R120.15m	2015/16: R3m 2016/17: R3m 2017/18: R10m	CoCT: Utility Services	Provision of facilities to comply with health and safety regulations
Philippi Collector	3 years +	Implementation	R133.46	2015/16: R1.7m	CoCT: Utility Services	Providing adequate sewer disposal facilities to the

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Sewer				2016/17: R1.6m 2017/18: R63.57m		greater Philippi area.
Water supply at Baden Powell to Khayelitsha	3 years +	Implementation	R113.3m	2015/16: R135.94 2016/17: R206.5m 2017/18: R263.23	CoCT: Utility Services	Augmenting water supply to the Khayelitsha area.
<b>INFORMATION SYSTEMS/ TECHNOLOGY</b>						
Dark Fibre Broadband infrastructure	3 years +	Implementation	R1.33bn	2015/16: R180.85m 2016/17: R180.85m 2017/18: R180.85m	CoCT: Corporate Services	
WCG Broadband Connectivity	3 years +	Implementation	R53.23m	2015/16: R7.3m	CoCT: Corporate Services	
Digital Inclusion Project	3 years +	Implementation	R100m	2015/16: R32m 2016/17: R7m	CoCT: Corporate Services	
<b>DISASTER RISK MANAGEMENT</b>						
Integrated Contact Centre	3 years +	Implementation	R107.9m	2015/16: R44.5m 2016/17: R3m 2017/18: R3m	CoCT: Corporate Services	Integrated management of crime/disasters.

## Appendix 6: Summary of proposed strategies

The table below summarises proposed area-wide strategies for the MSEIZ and their relationship to MSEIZ objectives.

No.	STRATEGY	RELEVANT MSEIZ OBJECTIVES
<b>1.</b>	<b>HOUSING AND ACCOMMODATION OPPORTUNITIES</b>	
H1.	Expedite the administrative incorporation and progressive servicing/ upgrading of all informal settlements.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Transport Orientated Development to focus guide development.</li> <li>• Appropriate housing and social facilities for productive lives and communities</li> </ul>
H2.	Support high-density incremental housing as the primary public sector approach for providing in the housing/ accommodation needs of lower income households.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Transport Orientated Development to focus guide development.</li> <li>• Appropriate housing and social facilities for productive lives and communities.</li> </ul>
H3.	Broaden the base of housing/ accommodation delivery, both in terms of delivery agents and technology used.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
H4.	Assist individual land owners to provide additional housing stock.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Urban management to support development objectives.</li> </ul>
H5.	Support higher density development by social housing institutions and private developers (in the form of apartments/ rooms to let) focused on priority transport corridors and at key sites/ nodes.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Transport Orientated Development to focus guide development.</li> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
H6.	Support initiatives that enable lower income households to participate more fully in the housing market.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
H7.	Support the transfer of City rental stock to occupants/ management agents.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
<b>2.</b>	<b>SOCIAL AND PUBLIC FACILITIES</b>	
S1.	Obtain consensus on commonly agreed upon planning policies, principles, tools and management.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
S2.	Review and refine the capacity of catchment areas in line with planning districts and collaborate with Province on data, planning norms and methodologies.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
S3.	Address the lack of resources allocated to social facilities in the MSEIZ by reviewing resource allocation and management.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
S4.	Support the establishment of an “edu-campus” or campuses.	<ul style="list-style-type: none"> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Urban management to support development objectives.</li> </ul>
<b>3.</b>	<b>ECONOMIC DEVELOPMENT AND ACTIVITY</b>	
E1.	Apply “bottom-of pyramid” thinking to solutions for conditions of abject poverty and rampant unemployment.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
E2.	Pursue private sector investment in any industry, but with a preferable focus on growth and labour intensive industries.	<ul style="list-style-type: none"> <li>• Focussed public sector investment to facilitate and leverage private sector entrepreneurship.</li> </ul>
E3.	Support and consolidate “Township Tourism” to think bigger.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
E4.	Support existing nodes/ precincts/ corridors to accelerate and strengthen upward mobility and	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> </ul>



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	potential for agglomeration benefits.	<ul style="list-style-type: none"> <li>• Transport Orientated Development to focus guide development.</li> </ul>
E5.	Clarify the nodal/ corridor structure along the N2 Freeway.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Transport Orientated Development to focus guide development.</li> </ul>
<b>4.</b>	<b>TRANSPORT</b>	
T1.	Proceed (together with the WCG and SANRAL) with the planning and upgrading of the major roads in the MSEIZ.	<ul style="list-style-type: none"> <li>• Focussed public sector investment to facilitate and leverage private sector entrepreneurship.</li> <li>• Infrastructure provision to unlock development.</li> </ul>
T2.	Complete the work on the business plan for BRT services, to understand the cost implications of the service and to determine the level and quality of service that can be sustained in the medium and longer term.	<ul style="list-style-type: none"> <li>• Transport Orientated Development to focus guide development.</li> </ul>
T3.	Ensure that the various modes of transport are integrated and utilised as effectively as possible.	<ul style="list-style-type: none"> <li>• Transport Orientated Development to focus guide development.</li> <li>• Urban management to support development objectives.</li> </ul>
T4.	Support and encourage PRASA with the roll out of their modernisation program.	<ul style="list-style-type: none"> <li>• Focussed public sector investment to facilitate and leverage private sector entrepreneurship.</li> <li>• Infrastructure provision to unlock development.</li> </ul>
T5.	Support improved NMT facilities across the MSEIZ.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Transport Orientated Development to focus guide development.</li> </ul>
T6.	Support further development of the CTIA to ensure its global and local connectivity and contribution to development.	<ul style="list-style-type: none"> <li>• Transport Orientated Development to focus guide development.</li> <li>• Urban management to support development objectives.</li> </ul>
<b>5.</b>	<b>INFRASTRUCTURE</b>	
IN1.	Support on-going work to integrate infrastructure service and land use planning.	<ul style="list-style-type: none"> <li>• A compact urban form for sustainable and productive living.</li> <li>• Transport Orientated Development to focus guide development.</li> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Focussed public sector investment to facilitate and leverage private sector entrepreneurship.</li> <li>• Infrastructure provision to unlock development.</li> <li>• Urban management to support development objectives.</li> </ul>
IN2.	Support catalytic Infrastructure investments critical to unlock improved livelihood opportunity and further development potential of the MSEIZ.	<ul style="list-style-type: none"> <li>• Transport Orientated Development to focus guide development.</li> <li>• Appropriate housing and social facilities for productive lives and communities.</li> <li>• Focussed public sector investment to facilitate and leverage private sector entrepreneurship.</li> <li>• Infrastructure provision to unlock development.</li> </ul>
IN3.	Obtain a clear understanding of infrastructure capacity for key nodes (working as part of integrated teams).	<ul style="list-style-type: none"> <li>• Transport Orientated Development to focus guide development.</li> <li>• Focussed public sector investment to facilitate and leverage private sector entrepreneurship.</li> <li>• Infrastructure provision to unlock development.</li> </ul>
<b>6.</b>	<b>FINANCE</b>	
F1.	Utilising financial resources optimally to achieve urban development goals.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
F2.	Support the implementation of lean operational and management processes and procedures within the City and Provincial Government Departments.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
F3.	Support the identification, development and implementation of financial initiatives to unlock the availability of high value land for development.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
F4.	Support the review and establishment of funding grant criteria that promotes and enable integrated development between multiple sectors.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
F5.	Support the development and maintenance of a central database of all local and international, private and public funding providers, funding programmes and grants.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>

**METRO SOUTH-EAST INTEGRATION ZONE: AREA-WIDE STRATEGIC FRAMEWORK**

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F6.	Support the review and update of existing policies to develop an Integrated Development Charges Policy for the City.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
7.	<b>INSTITUTIONAL ARRANGEMENTS</b>	
IA1.	Clarify and refine the City's institutional mobilisation in relation to area coordination/ management.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
IA2.	Support strengthening collective action – including planning, project implementation, management, and advocacy – by key development nodes/ actors within the MSEIZ.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>
IA3.	Explore the potential area/ facility management capacity associated with BRT institutional arrangements.	<ul style="list-style-type: none"> <li>• Urban management to support development objectives.</li> </ul>