Case study

INDUSTRIAL SPACE REVITALISATION

A Case-Study on Area-Based Integrated and Transversal Planning for Key Economic Spaces

EXECUTIVE SUMMARY

The CSP IPs support initiative was aimed at demonstrating the value of a public sector being more responsive and accountable for the performance of industrial parks, through a model of a metro-led, area-based integrated, participatory and transversal planning.

The IPs selected were Devland (City of Johannesburg), Babelegi (City of Tshwane), Wadeville (Ekurhuleni), and Jacobs (eThekwini). The industrial spaces were chosen for their strategic location, next to large and marginalised human settlements with existing economic activity that was under threat from job losses. Since 2019, these metro industrial park revitalisation (IPR) pilots have catalysed new ways of city and national engagement, resourcing and governance.



THE PROBLEM

South Africa has many well-located industrial spaces ("industrial parks")¹ that are failing to realise their full economic and social potential. Of the spaces found in metros, 57% are shedding jobs and firms, instead of creating or retaining jobs. Some of the worst performing industrial parks are owned or managed by public sector entities, which appear not to value the economic, social and financial contributions of these spaces.

FACTORS AFFECTING PERFORMANCE OF INDUSTRIAL SPACES



1 These are designated areas of land that have been developed and zoned for industrial business activity.





Local government's planning, service provision, regulatory and urban management functions place it at the centre of industrial space revitalisation. Besides the metros, the Department of Trade, Industry and Competition (dtic) is the lead public sector economic actor for industrial space revitalisation.



THE METRO INDUSTRIAL SPACE REVITALISATION PROGRAMME

Following requests from four metros, the industrial park revitalisation (IPR) pilots were initiated in December 2019, with the objective of building the capacity of cities:

- To retain and expand investment by firms, through "getting the basics right".
- To retain and expand employment opportunities in proximity to townships and informal settlements.
- To put in place institutional urban management mechanisms to ensure the effective and ongoing management of these spaces.
- To build community awareness regarding the value of these spaces in terms of employment generation and economic inclusion and development.
- To build local business networks to facilitate access to available incentives, markets and business support.

The IPR pilots were included in the City Support Implementation Plans entered between National Treasury and city managers, and the participating metros had to agree upfront to include outputs from the Industrial Space Revitalisation Plan in their respective city plans and budgets, and to allocate city project leads to drive the implementation of the pilots and revitalisation plans. An Industrial Park Revitalisation Framework was developed, based on learning from stakeholder engagements and business retention and expansion (BR&E) surveys.

INITIAL DESIGN OF THE METRO INDUSTRIAL SPACE REVITALISATION PROGRAMME



STEP1
Initiate project



STEP 2
Scope and plan BR&E



STEP 3

Undertake the BR&E survey and compile reports



STEP 4

Obtain stakeholder feedback and develop action plan



STEP 5

Mobilise resources, plan and align budgeting



STEP 6

Set up institutional arrangements



STEP7

Implement and manage strategy and project



STEP8

Review, reflect and re-design

Note: BR&E refers to business retention and expansion surveys

METRO INDUSTRIAL SPACE REVITALISATION FRAMEWORK



The envisaged strategic role and function of the industrial space for owners and stakeholders.

Industrial Park Revitalisation **Planning**

Management

Financial sustainability

Governance



Operations

Master Plan/Revitalisation Plan

Prescribes standards & specifications



Ground-truth industrial landscape



Firm and sector mapping



Map bottom-of-pyramid (bop) economic actors



Business retention & expansion survey



Sector, cluster, circular economy interventions

Eco-Industrial Imperative cuts across all levels

Getting the Basics Right **LEVEL**

LEVEL

LEVEL





Land rights Encumbrances



Land Governance



















management

Basic Services & Infrastructure



water management

Land parcel

information

Environmental health & safety



Land-use

and zoning

Occupational/workplace safety



Built form and urban design interventions, including public realm upgrades, mixed-use nodes, market areas

By-law enforcement



Fire & emergency services



Built **Environment** and Infrastructure **Provision**



Roads inside industrial



Transitoriented development



Non-motorised transport linkages





Broadband (ADSL & fibre optic)



Wi-Fi & 5G



A resounding message from the metro industrial space revitalisation pilots was that many of the reasons for these spaces under-performing lie directly at the door of the public sector.

COMMIT TO TRANSVERSAL COLLABORATION



Build trust and consensus among like-minded individuals through involvement in their respective programmes.

RECOGNISE THE ECONOMIC IMPORTANCE OF INDUSTRIAL SPACES



Treat the spaces as strategic national assets and prioritise their revitalisation (especially by political leaders).

BUILD CAPACITY AND INSTITUTIONAL MODELS TO MANAGE INDUSTRIAL SPACES



Develop capacity and encourage peer-to-peer learning to share good practices (consider the Municipal Services District Model).

REINVEST PARK REVENUE WITHIN INDUSTRIAL PARKS



Reinvest park revenue (from rental, rates and services) in infrastructure and services.

BUILD RELATIONSHIPS WITH NEIGHBOURING COMMUNITIES



Engage with and get community buy-in, to value and protect these spaces.

ADOPT A PHASED INTEGRATED APPROACH



Crowd in stakeholders and focus 70% effort on safety and security, services and infrastructure and land governance.

CUSTOMISE IPR PLANS TO SPECIFIC SITE NEEDS



Base IPR plans on bottom-up engagement with users and neighbours of the space (no one-size-fits all approach).

Case study Executive Summary

INDUSTRIAL SPACE REVITALISATION: Area-Based Integrated and Transversal Planning for Key Economic Spaces

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