

DRDLR 2104 SDF Guidelines

*Review Recommendations from the
Perspective of the BEPPs*

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24 November 2017

Table of Contents

1.1. Purpose of the Review.....	1
1.1.1. Focus.....	1
1.1.2. Line of Enquiry.....	1
1.1.3. Note on Parallel Processes	2
1.2. Review Process.....	2
1.2.1. Inputs to the Recommendations	2
1.2.2. Circulation and Comment on this Draft.....	3
2.1. Differentiated Guidelines for Metro's.....	4
2.2. Lessons from the BEPP Approaches, Tools and Processes.....	5
1.1.1 Outcomes led planning	5
2.2.2. Spatial Targeting.....	7
2.3. Planning Processes.....	8
1.1.2 Intergovernmental coordination and stakeholder mobilisation	8
1.1.3 Consolidated Planning, Budgeting and Reporting and Evaluation Processes .	9
1.1.4 Creating Space for Innovation.....	10
2.6. The Content of SDFs in Relation to BEPPs and IDPs	11
1.1.5 Capital Expenditure Framework.....	11
1.1.6 SDF Guideline Content.....	12
1.2 Effecting the Recommendations	14
1.3 Responsibility for Actions	Error! Bookmark not defined.

1. DRDLR SDF Guidelines: NT Recommendations for Review

1.1. Purpose of the Review

1.1.1. Focus

This memorandum focuses on recommendations for the review of the DRDLR 2014 SDF Guidelines with respect to Municipal SDFs in relation to the BEPP process that the NT is engaged with in the Metros. It does not deal with Provincial and Regional SDFs or Precinct Plans.

“Spatial planning and land use management is primarily a municipal function in terms of SPLUMA and the precedent-setting ruling of the Constitutional Court (2010). The BEPP Guidelines do not usurp the municipal function of spatial planning and land use management. They seek to work collaboratively with metropolitan municipalities to share good practice, within the context of efforts by the national government to introduce a more enabling policy and regulatory environment to achieve more compact cities. The planning alignment and reform advocated by the BEPP Guidelines (and its inherent approach, tools and instruments) are part of package of reforms complemented by national regulatory, fiscal, monitoring and reporting reforms. Intergovernmental Cooperation”. (*2017 Framework for the formulation of Built Environment Performance Plans (BEPP)*)

This memorandum has been prepared in the spirit of cooperative government and provides recommendations prepared at the request of the DRDLR who wish to review their 2014 SDF Guidelines. These were prepared at the time of SPLUMA promulgation and have been in use for the past 3 years. In this time the BEPP process has become well established as part of the Cities’ planning and budgeting processes and the valuable learnings and strategic focus that has emerged from this could offer important insights to the Guidelines for SDFs and potentially even amendments to SPLUMA.

At the time of drafting the DRDLR SDF Guidelines were intended for the use by:

1. National, provincial and municipal officials responsible for the development of SDFs, either in- house or outsourced to a service provider
2. Service providers appointed to prepare SDFs
3. Political office bearers responsible for the oversight of SDF preparation, approval and implementation
4. Community and business stakeholders who have an interest in or are affected by SDFs, such as civic associations and the property development industry
5. Public sector officials whose work has a spatial dimension

1.1.2. Line of Enquiry

This memorandum is largely informed by the work of the National Treasury (NT) with Cities on their BEPP processes. The focus of is therefore on the Municipal SDF component of the guidelines, and is largely informed by their use and relevance to metropolitan municipalities. This focus begs the question of whether the 2014 SDF Guidelines are equally applicable to metros, secondary cities and B municipalities or whether a differentiated set of guidelines for metros is required.

The core questions underpinning the proposals for the review of the 2014 SDF Guidelines in this memorandum are as follows:

1. Should there be differentiated guidelines for Metro's in relation to other types of municipalities? Related is the question of whether SDF guidelines are required by Metros given their relatively high levels of skill and capacity and the extent to which planning guidance is covered in the BEPP guidelines.
2. What revisions are required so that the SDF Guidelines better align the guidelines with the outcomes led planning and spatial targeting approaches adopted by the NT in the BEPPs?
3. How can the SDF Guidelines build on the BEPP approaches and learning to provide more consistent direction and support in relation to leveraging and guiding private sector investment by companies, communities and households?
4. Should the definition of a "Capital Expenditure Framework" as set out in SPLUMA be redefined in the Guidelines? Is an amendment to SPLUMA required?
5. Who currently evaluates SDFs and in terms of what mandate? How is the evaluation framework being used currently and by whom? (to be discussed with DRD&LR)

1.1.3. Note on Parallel Processes

At the time of drafting the SDF Guidelines in 2012, the DRD&LR commissioned an "Spatial Planning Outcomes Framework". In 2017 DRDLR initiated 2 new studies that also have a bearing on the 2014 SDF Guidelines:

1. A 10-month process to prepare a Discussion Document on Norms and Standards for Special Planning and Land Use Management in terms of Section 8 of the Spatial Planning and Land Use Management Act. (Appointment awarded June 2017)
2. A 10 month process to Develop a Guidelines for the Application of the Development Principles of the Spatial Planning and Land Use Management Act (appointment awarded in June 2017)

The outcomes of these processes will need to be incorporated into the revision of the SDF Guidelines and ideally also connect with and take on board the lessons and achievements of the BEPP process.

1.2. Review Process

1.2.1. Inputs to the Recommendations

The following inputs, processes and experiences inform the recommendations contained in this memorandum:

1. A series of BEPP review and alignment workshops held with technical specialists, national departments and City BEPP representatives between April and September 2017
2. A questionnaire on the applicability, value and flaws of the current SDF Guidelines was distributed to CT, NMM and Ethekwini. Responses were received from CT only.
3. One on one engagement with selected City BEPP and SDF officials
4. Feedback from metro and b-municipality officials gained during SDF Guideline Training courses conducted between 2015 and 2017.
5. Scoping and review of global best practice on outcomes based metropolitan spatial planning, especially with respect to partnership driven implementation, effective implementation tools and strategies. The substance of this review is not captured in this memorandum but will be compiled as a separate knowledge product by NT.

6. Review of NT, Cities Network, ACC and IUDF documentation, knowledge products and reports.
7. Engagement with key officials at COGTA and DRDLR is an essential part of this review but has not yet taken place. It is hoped that engagement on this draft document can set the framework for a focused interaction to inform the finalization of this draft memorandum.
8. This review is also informed by extensive hands on experience within the BEPP review team in drafting SDF Guidelines, conducting SDF Guideline Training of local government officials as well as preparing SDFs at the Metro, Regional, Intermediate City and B Municipality scales.

1.2.2. Circulation and Comment on this Draft

This draft recommendation memorandum was workshopped at the November PSC and is now presented at the Project Steering Committee and PATT for comment and input before being finalised and submitted to the DRDLR.

Draft

2. Recommendations

2.1. Differentiated Guidelines for Metro's

While the substance, issues and complexities of metropolitan planning differ significantly from those of non-metro municipalities, the need for a differentiated set of guidelines for Metros is arguable. Given their higher levels of capacity and skills, Metro's probably require SDF guidelines the least. Rather than tailoring separate guidelines for metros, it could be argued that the DRDLR Guidelines should focus on the smaller, less well-resourced municipalities (typically the non-metros).

Having said this, the take up of training courses by municipal planners in the MISA funded SDF Guideline Training courses included officials from Metros such as Ekurhuleni and Mangoch. The City of Cape Town reported that they had referred to and found the 2014 SDF Guidelines useful and had carried out a self-evaluation of their latest SDF against the SDF Guideline evaluation framework.

Feedback from metros also highlighted that the 2014 SDF Guidelines serve as a helpful template for discussions with political leadership and sector departments and provide a framework for maintaining technically sound content and focus on SDFs (i.e. managing political interference in the scope and content of SDFs).

Aside from the differentiation of metro planning requirements, there are strong motivations for some differentiation of the SDF Guidelines to deal with the diversity of municipal circumstances among non-metro municipalities. Specific instances include, among others:

- Municipalities incorporating significant areas under traditional leadership
- Municipalities that are largely rural, lacking a significant town or urban centre
- Municipalities that are dominated by mining towns associated with failing or closed mining areas.

The IUDF refers to the United Nation's Rural-urban continuum and the strong interdependence between cities and rural towns. It adopts the categorization of municipalities into 4 groups; Metros, Intermediate Cities and Small Towns and Villages.

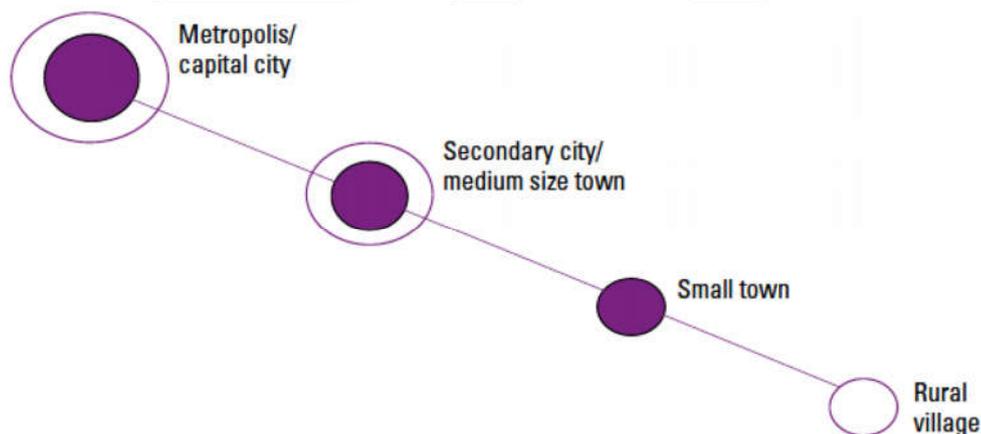


Figure 1: Rural - Urban Continuum (source: IUDF Discussion Document, Sept 2017, citing UN 2005)

Notwithstanding the substantive and resourcing differences between these types of municipalities, expanding and complicating the guidelines or developing separate guidelines is not recommended, especially given the guidance and compliance overload experienced by municipalities. Rather, the suggestion is that where additional support or special circumstances warrant it, that supplementary guidance notes are developed in support of the core generic SDF guidelines.

2.2. Lessons from the BEPP Approaches, Tools and Processes

1.1.1 Outcomes led planning

The SPLUMA principles are clearly spelt out and the 2014 SDF Guidelines attempt to translate the application of these principles to the various scales of planning covered in the guideline. However, this is an area in which the 2014 SDF Guidelines could be more explicit and is noted as a gap in the 2014 SDF Guidelines. Presumably the work recently commissioned by DRD&LR to prepare “Guidelines for the Application of the Development Principles of the Spatial Planning and Land Use Management Act” should provide more explicit guidance that can either be incorporated into updated SDF Guidelines, or serve as a supporting guidance document. It will be important that this work offers guidance on how to translate the SPLUMA principles into effective planning proposals, implementation strategies and to connect these back to clear impact and outcome indicators.

Connecting with and aligning with the outcome indicator system developed by the NT may be a helpful guide for the effective translation and measurement of SPLUMA principles. However, these indicators are largely applicable to metros and somewhat applicable to secondary cities (but not necessarily their wider municipal areas) and thus an area where differentiated guidance may be required.

To achieve the spatial transformation objectives implied by the SPLUMA principles (more compact, sustainable, inclusive settlement), SDFs need to be underpinned by a strong and measurable change management strategy to guide the state and a robust and democratic decision-making system to enable broad and deep participation in its realization. The notion of evidence based planning that goes beyond generalized normative statements is key here.

The spatial targeting and investment coordination emphasis of the BEPP process is focused on **achieving** inclusive economic growth for South Africa. It further takes a spatial targeting approach that recognizes that metros house the bulk of the South African population and economy. Spatial transformation of the metros is central to achieving the integration and sustainability impacts that underpin resilient and inclusive economic growth.

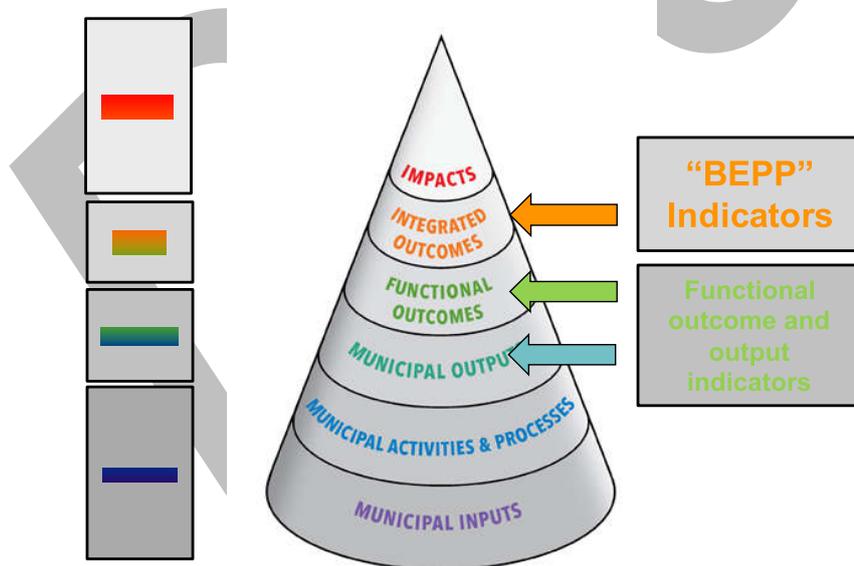


Figure 2: Planning and Results at the City Level

The BEPP Outcome Indicators have been developed against a rigorous monitoring and evaluation framework that aims to clearly stipulate the desired developmental results (impacts) of achieving

specific outcomes. These link back to the outputs, activities and inputs by stakeholders effecting change in the spatial structure of cities (government and the private sector).

The outcomes are framed around three intermediate impacts, namely to direct investment so that SA cities become more inclusive, productive and sustainable. These are not inconsistent with the SPLUMA principles that can be grouped under these three overarching headings.

INCLUSIVE	PRODUCTIVE	SUSTAINABLE
SPATIAL JUSTICE	EFFICIENCY	SPATIAL SUSTAINABILITY
SPATIAL RESILIENCE		
GOOD ADMINISTRATION		

With respect to alignment and coordination, it is essential that the array of planning and budgeting legislation, policies and guides connect around a common set of objectives. The IUDF vision and strategic goals provide a robust and inclusive set of objectives that can be connected back to the SPLUMA, BEPPs and other sector plan aims could be adopted across departments, processes and policy instruments to build a common platform for cooperative planning and impact evaluation.



Figure 3: IUDF Vision and Strategic Goals (DCGTA, 2017)

The IUDF strategic goals unpacked are closely aligned with the SPLUMA principles.

- **Access:** To ensure people have access to social and economic services, opportunities and choices.
- **Growth:** To harness urban dynamism for inclusive, sustainable economic growth and development.
- **Governance:** To enhance the capacity of the state and its citizens to work together to achieve social integration.
- **Spatial transformation:** To forge new spatial forms in settlement, transport, social and economic areas.

2.2.2. Spatial Targeting

In terms of SPLUMA Chapter 4(16) an SDF must outline arrangements for prioritizing, mobilizing, sequencing and implementing **infrastructure** and land **investments** in “priority spatial structuring areas” that are identified (demarcated) in the SDF.

The principle of spatial targeting is therefore clearly set out in SPLUMA and is a requirement for all municipal SDFs. Evidence is that this has proven difficult to implement as very few post 2013 (SPLUMA) SDFs articulate such clear prioritization. In this sense the SDF requirements are not vastly different from the emphasis of the BEPPs on integration zones, informal settlements, economic nodes and marginalised areas.

SPLUMA and the 2014 SDF Guidelines are however not clear on how SDFs should formulate arrangements for prioritizing, mobilizing, sequencing and implementing this or the methods and tools available for this. The most tangible evidence of municipalities meeting this requirement has been achieved through the spatial targeting efforts linked with Metro BEPPs.

The BEPP process is pushing boundaries with respect to testing new models and modes of development that create value at the urban scale and in relation to the spatial transformation of low income areas within them. Underpinned by an outcomes based planning approach, the BEPPs approach to spatial targeting, the development of the Built Environment Value Chain (BEVC) and Intergovernmental Programme Pipelines are three tools that offer scope for broader inclusion in SDF processes and products.

There is merit in giving consideration to expanding the SDF Guidelines to include recommendations on spatial targeting, project prioritization and implementation (as identified in Chapter 26.4) that takes lessons from the BEPP processes and approach adopts or adapts tools such as the BEVC and outcome indicators.

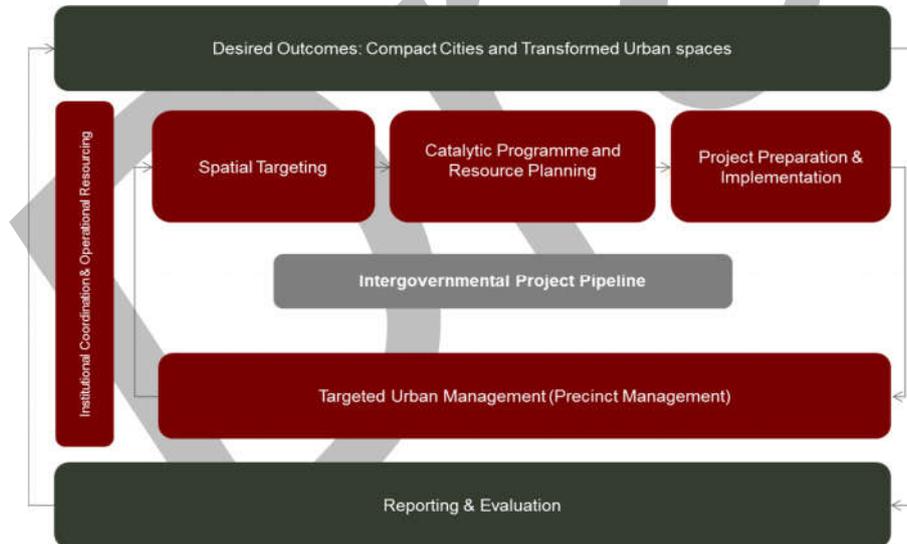


Figure 4: Built Environment Value Chain

Given that this requirement applies to all types of municipalities, the spatial targeting and BEVC methodologies used for the Metro’s may need to be simplified and tailored for application to non-metro municipalities. This recommendation links with the recommendations relating to the Capital Expenditure Framework in section 2.6 below.

2.3. Planning Processes

1.1.2 Intergovernmental coordination and stakeholder mobilisation

To achieve SPLUMA objectives SDFs need to connect with strategies, programs, budgeting, projects and implementation. This requires the scope and mandate to connect disparate sector and sphere activities in space. The central role of an SDF is to provide an integrated spatial direction for municipalities that is outcomes led and makes explicit connections with budget prioritization and implementation. An SDF must synthesise what is required to connect the investments of sectors (public and private) in space (who should invest where, and why) to achieve spatial transformation and inclusive growth. This requires “joined up thinking” and genuine intergovernmental coordination. It is in this context that opportunities can be created for integrated solutions.

Taking an “outcomes based” approach, SDFs should demonstrate the spatial implications of divergent objectives and unintended impacts of one sector on another and highlight the catalytic potential of spatially coordinated efforts. It is widely accepted that a lack of coordination is resulting in one sector’s policies, funding regimes and practices exacerbating affordability challenges for other sectors (e.g. housing projects burdening municipal infrastructure or public transport viability). While the SDF cannot address the institutional, political and resourcing aspects that underlie these practices, it must reflect on the spatial consequences and frame an appropriate spatial response.

To be effective and transformative, SDFs need to connect with all stakeholders investing and planning within municipal space and establish the spatial platform for integration and collaboration across spheres and departments. This notion of planning, budgeting and implementing as one government is an underpinning rationale for the Built Environment Value Chain and Intergovernmental Project Pipelines, core components of the BEPPs. This tool for intergovernmental coordination in planning, budgeting and reporting has been identified as one of the most important benefits of the BEPP process. Translating this into meaningful reform of the planning and budgeting systems across government, and finding ways to entrench this in the preparation and evaluation of SDFs is something that is implied by SPLUMA but will require regulatory reform to achieve.

The IUDF Implementation Plan highlights the urgency for “highly coordinated, systematic and collaborative approach by the various levels of government, the private sector and civil society, as well as an understanding of the respective roles and responsibilities needed to achieve the common vision of spatial transformation. It also calls for leadership and strong political will to oversee and support the implementation of the IUDF” (2017, p7).

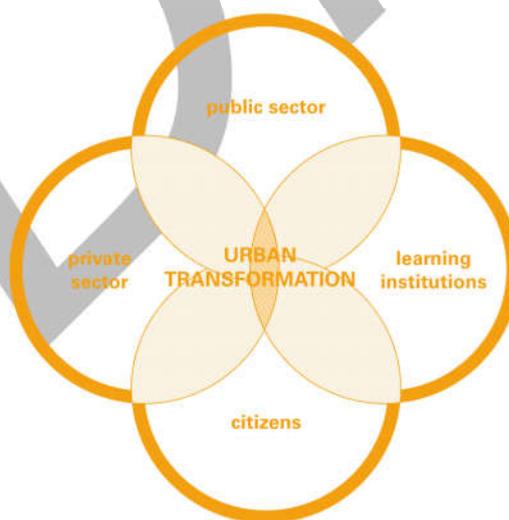


Figure 4: Stakeholder Participation and Collaboration (IUDF Implementation Plan, 2017)

SPLUMA and the 2014 SDF Guidelines require that municipalities incorporate the plans and projects of all spheres of government in their SDFs. This typically requires municipalities to negotiate and confront divergent and sometimes conflicting logics which propel various stakeholders differ and at times.

All stakeholders operating within municipal boundaries need to be reminded that the constitutional mandate for spatial planning and land use management lies with municipalities. Rather than municipalities having to solicit for cooperation from these agencies, all sectors, spheres and agencies planning, budgeting and implementing projects should be required to report to and obtain approval from municipal authorities before funds are allocated to them.

Legislative reform and more rigorous reporting protocols for national and provincial sector departments and SOE's was a consistent call from Metros negotiating the BEPP process. There is a clear need to incentivize cooperation and collaborative planning by these stakeholders with municipalities. This would also assist in balancing the reporting and consultation burden that currently is skewed towards municipalities and give more meaningful effect to Chapter 3 of SPLUMA. This is not something within the DRDLR mandate however NT could potentially incentivize such collaboration and cooperation through the expansion of spatial budgeting beyond municipalities and into sector departments and SOEs.

1.1.3 Consolidated Planning, Budgeting and Reporting and Evaluation Processes

This issue is being addressed in a separate knowledge product, however it was flagged as a critical concern by metros in the BEPP process and it is important that such concerns raised are given consideration in the review of the SDF Guidelines as well as any associated regulatory reform processes such as amendments to SPLUMA and MSA.

A "Reporting Reform Process" is underway as part the BEPP and related NT support processes. To date this work has focused on the refinement of impact and outcome indicators for the built environment and these have largely been entrenched in the BEPP process.

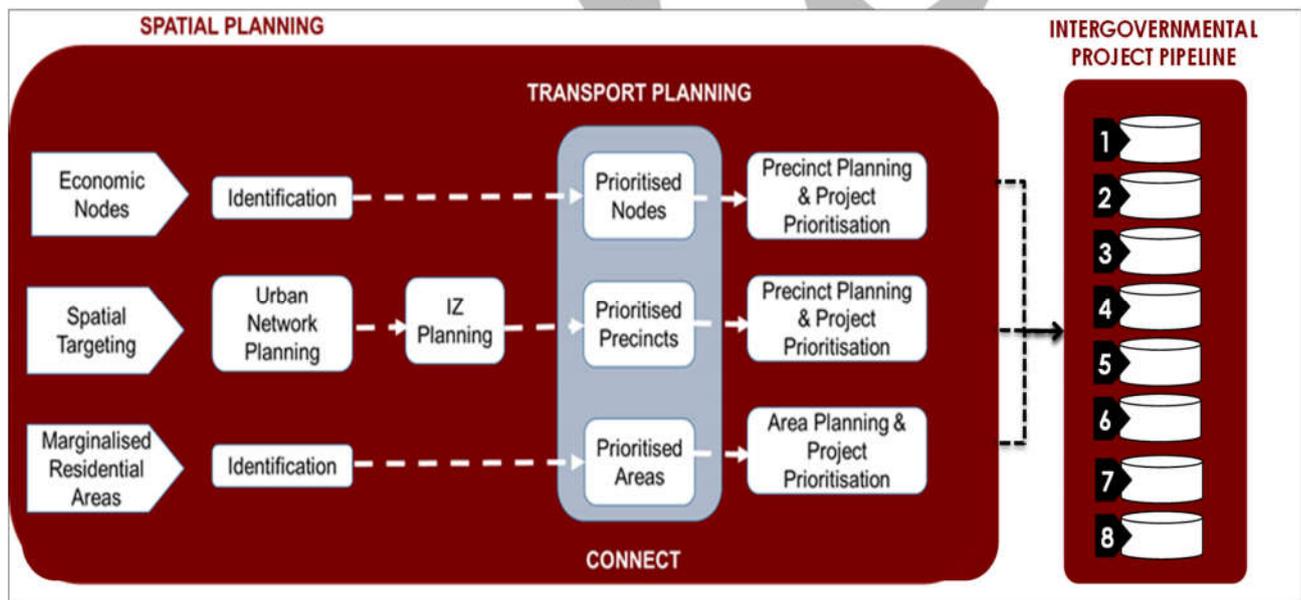


Figure 3: Spatial Targeting and an Intergovernmental Project Pipeline (2017/2018 BEPP Guidelines)

Cities nevertheless note that while built environment reporting requirements remain fragmented and onerous with IDP, SDBIPs, mid year performance reviews, BEPP preparation and evaluation taking place across separate sectoral silos, measured against different benchmarks and targets.

Coherent and effective planning of built environment investment is further hampered by a lack of timeous communication on the plans and budgets of sector plans and SEOs (dealt with in Section 2.3 above) and transparency on the part of CFOs and budgeting departments within cities. Calls for rationalization of reporting and evaluation processes and data have been repeated. This has a direct bearing on the formulation of meaningful “capital expenditure frameworks” and implementation plans in SDFs.

A key recommendation was for the formulation of a transparent annual budget pipeline, outlining the sequence, timing and cut off dates for budget formulation, motivation and allocations that would enable the drafters of SDFs to engage with, lobby and influence budget allocations across all spheres and agencies operating within the municipal jurisdiction so that investment can be better aligned with SDF priorities. This is underscored by feedback from some of the Metros that one of the most useful diagrams in the 2014 SDF Guidelines is Figure 2 which contextualizes SDFs in relation to institutional, budgeting and planning processes across scales of government.

For the purposes of the 2014 SDF Guidelines and possible SPLUMA amendments, the NT would be well placed to provide input on how reporting on spatial outcomes may be rationalized. Commitment from DRDLR to align with the rationalization of reporting as well as outcome indicators would certainly free up the drafters of SDFs to direct their resources towards more effective SDFs and more importantly implementation of SDF proposals rather than multiple reporting and compliance processes.

1.1.4 Creating Space for Innovation

SPLUMA is premised on the very real need to effect spatial transformation across the country. Change is difficult and requires reprogramming of systems, institutions and behaviours. Apart from the financial incentives referred to in relation to the capital expenditure framework (proposed to be reframed as the “Capital Investment Framework”), change requires the demonstration of successful projects.

In order to change behavior, real, live projects must be undertaken which build relationships, confidence, and shared learning. SDFs need to shift from an overwhelming focus on compliance to emphasis on innovative delivery of spatial transformation projects. Space needs to be created to allow innovation and part of this is “permission” to make mistakes. The punitive environment created by audit cultures and compliance stifles much needed innovation. Projects that enable all departments and spheres of government to learn and evolve collectively should be emphasised. These projects must embrace, test, and refine the application of SPLUMA principles and achievement of spatial transformation outcome indicators as outlined in the BEPP process. It will be important for new projects to have processes for documentation, reflection and learning built into them from the early stages of the projects and to feed this back into the performance measurement processes of government.

Related to this is the often-misguided notion that large-scale catalytic projects offer some sort of silver bullet for the economic woes of municipalities. This is problematic in various scenarios. On the one hand SDFs based on the realization of such unrealistic megaprojects or ‘big-bang’ projects (convention centres, international sports precincts, technoparks and so on) quickly become redundant as the ideas are not tested and don’t materialize. Or if they do materialize, they don’t deliver on the promised economic growth, increased municipal revenues or spatial inclusion outcomes.

The other scenario that often arises is that the SDF may make no mention of such projects and are not able to respond coherently such projects introduced randomly by politicians or the private sector. What is required in this instance is a clear project evaluation framework to assist in testing whether mega-project proposals will indeed contribute to achieving the SDF objectives (by implication the SPLUMA principles of spatial justice and so on). The NT project pipeline process offers useful tools for conducting a staged project evaluation process to limit perverse outcomes on large scale, high-risk projects.

At the same time, it must be recognized that development management is complex and messy and requires careful and interactive intervention. While the desire to fix the whole system at once is appealing, the reality is that municipal built environment systems are complex and dynamic. The best way to intervene to achieve spatial transformation is often through the coordinated and appropriately directed implementation of many small and incremental changes.

The 2014 SDF Guidelines make reference to the concepts of “Massive Small” and incrementalism but are thin on guidance on how SDFs can incorporate these concepts. Current global literature and best practice is rich with evidence of the necessity of inclusive, participatory development as well as the benefits of many small actions over chasing mega-projects to achieve spatial transformation. The SDF Guidelines need to expand on approaches, methods and policies that can be incorporated into SDFs.

2.6. The Content of SDFs in Relation to BEPPs and IDPs

1.1.5 Capital Expenditure Framework

“The burden of spatial fragmentation is heavily carried by the urban poor and local governments. With limited economic opportunities in townships, the poor spend time and money commuting daily and seasonally. For many struggling towns, they are ‘building into bankruptcy’, developing housing projects with high long-term operational costs for the local governments. This fiscal burden is exacerbated by the fact that the municipalities struggle to collect rates and service charges in township and subsidized housing areas. In short, human settlements investment is not leading to value creation for communities, the state, and the urban areas at large” (2017 Living Cape WC Human Settlement Strategy, Draft).

The disconnect between SDF proposals and the fiscal and institutional capacity of the state is one of the central weaknesses of spatial planning and often the reason that they remain paper products with little to no impact on investment decisions by the state and private sector. Developing the financial and developmental literacy of planners as well as expanding the spatial literacy of CFOs is central to more effective, impactful spatial planning.

While the spatial proposals in SDFs need to be ambitious in their objectives if the principles of SPLUMA are to be achieved, implementation frameworks need to recognize fiscal constraints and implementation capacities and accommodate more strategic, inclusive and increment approaches to achieving these challenging outcomes. Whether large scale and catalytic or strategic and incremental, the long-term financial impacts of spatial proposals need to be fully understood.

One of the most significant gaps in the 2014 SDF Guidelines is clarity and direction on the Ch 21(n) requirements for a “capital expenditure framework” and Ch 21(p) implementation plan. The BEPP guidelines, and associated toolkits and guidance notes provide valuable guidance for metros on these topics. Specifically the work of the NT on Fiscal Impact tools has enhanced the understanding of the negative spatial outcomes of poorly located and fragmented budget planning, allocation and implementation. This is something that needs to be expanded in the SDF Guidelines.

The work on BEPPs suggests that the content, process and tools making up the BEPPs are in effect the “capital expenditure framework” of the SDF. Several metros have explicitly stated this as their approach.

This proposition has been debated in several forums as part of the 2017/2018 BEPP review process and there is general agreement that this is worth considering. In this event, the terminology would need to be amended as “capital **expenditure** framework” excludes a more holistic view on public and private investment in spatial transformation. It is recommended that this term be changed to “capital investment framework”, with its definition, purpose and application being drawn largely from the NTs BEPP framework. This notion is highlighted in Figure 5 below where the CIF can function as the link between clearly stated spatial planning outcomes, public investment (departmental and agency budgets) and private investments managed through the municipal land use management system.

The preparation of “Long Term Financial Plans” by municipalities offers further opportunity to connect planning and budgeting processes. A supplementary guidance note in support of revised SDF Guidelines could provide a template for how such LTFP’s are prepared and who should be involved. The central message here is that LTFP’s should not be prepared by finance departments in isolation but rather by an interdisciplinary team including spatial planners, transport planners, human settlement and infrastructure planners.

The role and purpose of an SDF as prescribed in SPLUMA and the BEPP content requirements are summarized for reference in Annexure 1.

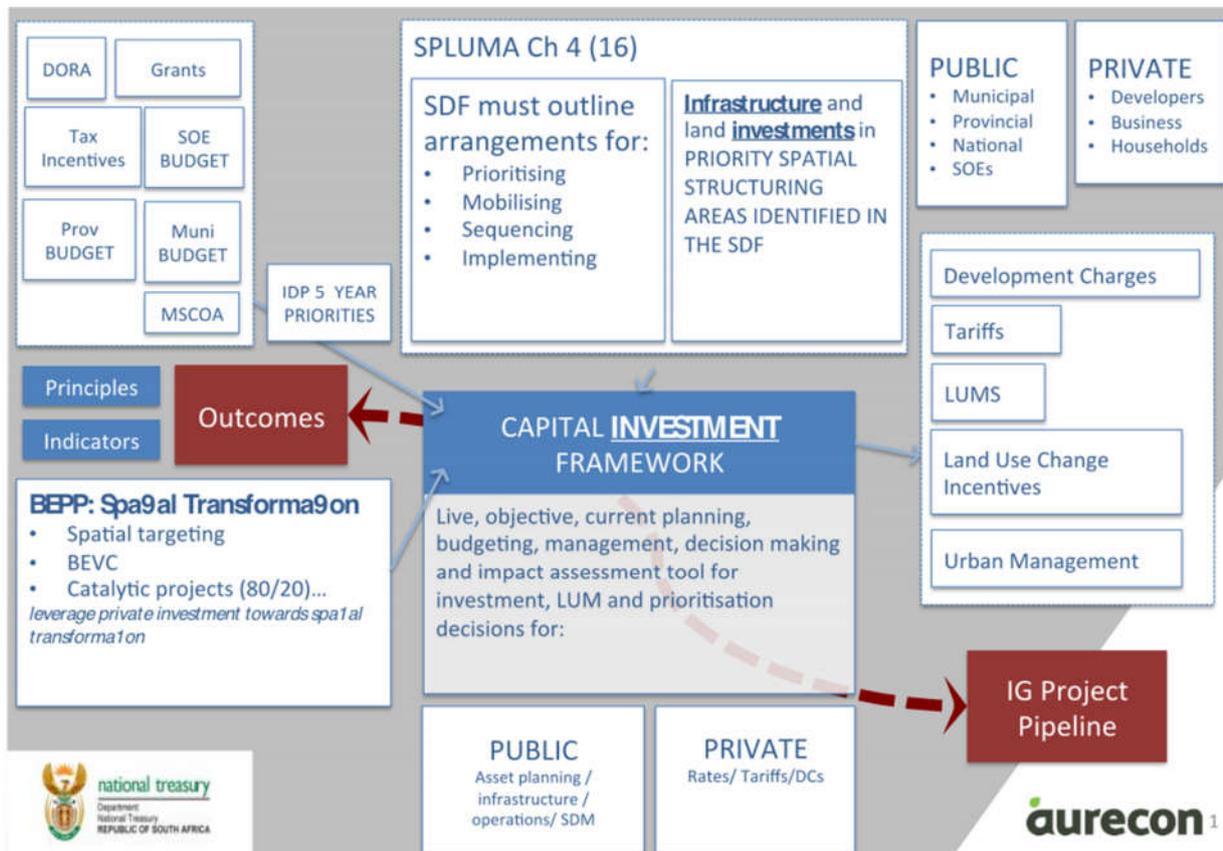


Figure 5: The Notional Role of a Capital Investment Framework

1.1.6 SDF Guideline Content

Finally, the “Spatial Strategy”, covered under “MSDF Elements” (Figure 18) needs to be more clearly explained. The diagrammatic representation of the link between a clearly articulated statement of the spatial challenges (legacy issues, current challenges and future risks) and the elements of a strategy (redress x legacy issues, address “y” current challenges and mitigate “z” future risks) suggests that these each need to be independent chapters. The diagram of the “Elements of an SDF” needs to be amended to clarify that this is simply a guide to framing the spatial strategy statement. This should also be elaborated in the supporting explanatory table that follows Figure 18. A proposed amendment to Figure 18 is supplied below with the change highlighted in yellow.

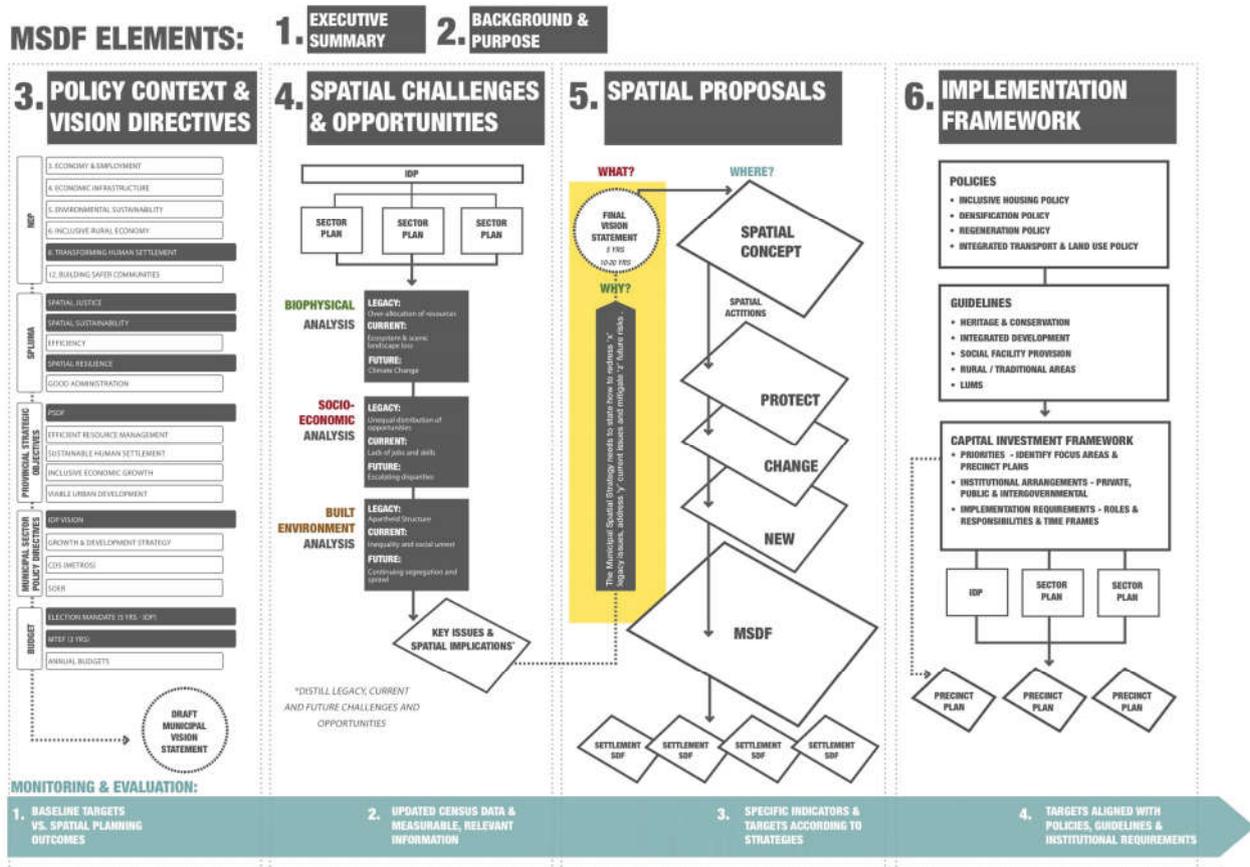


Figure 6: Proposed Amendments to SDF Guideline Content Proposals

3. Action Agenda

1.2 Effecting the Recommendations

Once the recommendations have been debated and refined, it is essential that the focus shifts to action (rather than more talk and policy review). The following provisional action items are proposed for consideration:

1. Drive the adoption of the 4 IUSF Outcomes as the core of all policy, planning and budgeting decisions, budget allocations and performance monitoring across departments and spheres of government.
2. Distil and document the relevant BEPP approaches, methods, tools and guidance applicable to the generic SDF spatial targeting, budgeting and implementation requirements. This could take a number of different forms:
 - a. a stand alone guide for SDFs, BEPPs, IDPs planning, budgeting and implementation
 - b. the basis for the review of SPLUMA and MSA to incorporate the recommendations into SDF legislation and
 - c. A **process** of convergence of the SDFs, BEPPs and IDPs to a streamlined set of spatial planning, budgeting, implementation and reporting efforts

The third option is recommended as optimal, but also the option requiring the most commitment and effort from stakeholders. It will require that sector, departmental and political agendas take second place to effecting the long overdue spatial transformation of South African settlements.

3. Endorse the recommendation to converge, align and clarify the BEPP approach, processes and tools with the SPLUMA requirements for a “capital expenditure framework”, implementation framework and spatial prioritisation in SDFs. Stakeholders also need to clarify the role of the IDP in relation to the SDF Implementation and the BEPP approach. (Refer to NT knowledge products: “Strategic planning led budgeting” for further input).
4. Amend the SPLUMA and associated guidelines to change reference to a “capital expenditure” in an SDF to refer to a “capital investment framework”

1.3 Stakeholder Roles in Implementing Recommendations

Once the recommendations are refined and endorsed the PATT should agree on implementation roleplayers, timeframes and feedback.

ANNEXURE 1: BEPP CONTENT REQUIREMENTS & SPLUMA SDF CONTENT REQUIREMENTS

Sub-Section of BEPP	Key BEPP Content Requirement	Related Content Requirement of an MSDF in terms of SPLUMA
A. Introduction		
Institutionalising the BEPP in the Municipal Planning System	Standardised section on Role of the BEPP outlining planning alignment between BEPP, IDP and MSDF	<p>12 (1) [...] each municipality must prepare spatial development frameworks that –</p> <ul style="list-style-type: none"> (c) represent the integration and trade-off of all relevant sector policies and plans (d) guide planning and development decisions across all sectors of government (f) contribute to a coherent, planned approach to spatial development in the national, provincial and municipal spheres (g) provide clear and accessible information to the public and private sector and provide direction for investment purposes <p>21 (c) A MSDF must include a longer term spatial development vision statement for the municipal area which indicates a desired spatial growth and development pattern for the next 10 to 20 years</p> <p>21 (b) A MSDF must include a written and spatial representation of a five-year spatial development plan for the spatial form of the municipality</p> <p>21 (m) Provide the spatial expression of the coordination, alignment and integration of sectoral policies of all municipal departments</p>
(Strategic Review of the Built Environment)		

<p>Current Performance for the Built Environment</p>	<p>Summarise & quantify major trends & pressures in the BE sectors & identify impediments to growth & development & their implications for spatial development; including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Economic Infrastructure Review <input type="checkbox"/> Basic Infrastructure Review <input type="checkbox"/> Residential Infrastructure Review <input type="checkbox"/> Land & Housing analysis & projected demand <input type="checkbox"/> Community Infrastructure Review <input type="checkbox"/> Transportation Review <input type="checkbox"/> Sustainable Development Review <input type="checkbox"/> Impact of Sector reviews of spatial form 	<p>21 (g) A MSDF must include estimates of economic activity and employment trends and locations in the municipal area for the next five years;</p> <p>21 (h) A MSDF must identify, quantify and provide location requirements of engineering infrastructure and services provision for existing and future development needs for the next five years;</p> <p>21 (e) include population growth estimates for the next five years;</p> <p>21 (f) A MSDF must include estimates of the demand for housing units across different socio-economic categories and the planned location and density of future housing developments;</p> <p>21 (j) A MSDF must include a strategic assessment of the environmental pressures and opportunities within the municipal area, including the spatial location of environmental sensitivities, high potential agricultural land and coastal access strips, where applicable</p>
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B. Spatial Planning and Targeting

<p>B1 Spatial Targeting</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Urban Network identification <input type="checkbox"/> Identification and of Integration Zones <input type="checkbox"/> Marginalised residential areas (Informal settlements, Townships) and identification and prioritisation <input type="checkbox"/> Economic nodes and identification and prioritisation and the analysis supporting this 	<p>12 (1) [...] each municipality must prepare spatial development frameworks that –</p> <p>(h) include previously disadvantaged areas [] informal settlements, slums, and land holdings of state-owned enterprises and government agencies and address their inclusion and integration into the spatial, economic, social and environmental objectives of the relevant spheres;</p> <p>(i) address historical spatial imbalances in development;</p> <p>(k) provide direction for strategic developments , infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;</p> <p>21 (d) A MSDF must identify current and future significant structuring and restructuring elements of the spatial form of the municipality, including development corridors, activity spines and economic</p>
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	<ul style="list-style-type: none"> <input type="checkbox"/> Noting of priority marginalised residential areas and economic nodes outside of the priority Integration Zone(s) and rationale 	<p>nodes where public and private investment will be prioritised and facilitated</p>
<p>B2 Planning for priority spatial targeting areas</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Integration Zone plan(s) and precinct plans for the priority precincts within these integration zones <input type="checkbox"/> Strategy & programmes for priority informal settlements, <input type="checkbox"/> other priority marginalised residential areas and economic nodes within the priority Integration Zone(s) <input type="checkbox"/> Logic and presence of strategies for prioritised other marginalised residential areas and economic nodes outside of the Integration Zone <input type="checkbox"/> Demonstrate public transport and human settlements planning coordination in the priority spatial targeting areas 	<p>21 (i) identify the designated areas where a national or provincial inclusionary housing policy may be applicable;</p> <p>21 (k) A MSDF must identify the designation of areas in the municipality where incremental upgrading approaches to development and regulation will be applicable;</p> <p>21 (l) identify the designation of areas in which –</p> <ul style="list-style-type: none"> (i) More detailed local plans must be developed;

B4 Institutional Arrangements	<ul style="list-style-type: none"> □ Identify / confirm institutional transversal arrangements planning and implementation in the priority spatial targeting areas. 	
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Sub-Section of BEPP	Key Content Requirement	Related Content Requirement of an MSDF in terms of SPLUMA
C Catalytic Urban Development Programme & Preparation		
C1 Catalytic Urban Development Programme Preparation	<ul style="list-style-type: none"> □ City-wide inter-governmental project pipeline to be presented as per Annexure 2 □ Catalytic urban development programme identification (including human settlement and public transport investment alignment) □ Project preparation for Catalytic Urban Development Programme(s) □ Complete Catalytic Urban Development Programme Register as per Annexure 1 	<p>12 (6) Spatial development frameworks must outline specific arrangements for prioritizing, mobilizing, sequencing and implementing public and private infrastructural and land development investment in the priority spatial structuring areas identified in the spatial development framework</p> <p>21 (m) provide the spatial expression of the coordination, alignment and integration of sectoral policies of all municipal departments</p> <p>21 (p) include an implementation plan comprising of –</p>
C2 Intergovernmental Project Pipeline	<ul style="list-style-type: none"> □ Prioritised projects in the catalytic urban development programme □ High level cost estimates for all projects 	<p>(i) Sectoral requirements, including budgets and resources for implementation</p> <p>(iv) specification of implementation targets, including dates and monitoring indicators</p>
C3 Institutional Arrangements	<ul style="list-style-type: none"> □ Leadership, good governance and planning (strategic & operational) □ Inter-sectoral municipal coordination & consultation with PG, SOE's & National Departments responsible for asset creation for service 	

	delivery directly to the public (e.g. SAPS) <input type="checkbox"/> Risk mitigation strategies	
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Sub-Section of BEPP	Key Content Requirement	Related Content Requirement of an MSDF in terms of SPLUMA
D Catalytic Urban Development Programme Resourcing		
D1 Long Term Financial Sustainability	Investment strategy for the catalytic urban development programme	21 (n) Determine a capital expenditure framework for the municipality's development programmes, depicted spatially
D2 Resourcing the Metro's Project Pipeline / Spatial Budget Mix	<ul style="list-style-type: none"> <input type="checkbox"/> Present a resourcing plan (capital and operational) for the prioritized catalytic urban development programmes over each phase of the project preparation process. <input type="checkbox"/> The BEPP should present the high level allocation of capital budget to each of the three spatial targeting areas from all funding sources, within the context of the Metro's total capital budget, a possible template for presenting this information is set out in Annexure 3. The Spatial Budget Mix should also include allocations for infrastructure upgrades, refurbishments, operations and maintenance. <input type="checkbox"/> Current expenditure in each prioritized Integration Zone, broken down into IZ-wide projects and prioritized IZ precinct projects 	<p>21 (p) Include an implementation plan comprising of:</p> <p>(i) sectoral requirements, including budgets and resources for implementation</p>
D3 Institutional Arrangements	<ul style="list-style-type: none"> <input type="checkbox"/> Leadership, good governance and planning (strategic & operational) <input type="checkbox"/> Strategy led budgeting 	

Sub-Section of BEPP	Key Content Requirement	Related Content Requirement of an MSDF in terms of SPLUMA
E Implementation		
E1 Land release strategy	<input type="checkbox"/> Approach to land release for catalytic urban development programmes with land implications	
E2 Procurement approach	<input type="checkbox"/> Procurement approach for catalytic urban development programmes	
E3 Regulatory Reform Programme	<input type="checkbox"/> Identify regulatory reform required to stimulate investment or remove barriers to investment in the priority precincts, or spatially targeted areas more broadly, and the plans in place to implement these reforms <input type="checkbox"/> Identify related incentive schemes planned or in place to promote private sector investment in the priority Integration Zone(s) and precincts.	<input type="checkbox"/> 21. (l) identify the designation of areas in which – (ii) shortened land use development procedures may be applicable and land use schemes may be so amended 21 (p) include an implementation plan comprising of – (iii) necessary amendments to a land use scheme
E4 Institutional Arrangements	<input type="checkbox"/> Leadership, good governance and planning (strategic & operational) <input type="checkbox"/> The institutional implementation arrangements/plans for the catalytic urban development programmes and the priority precinct intergovernmental project pipelines within them; including those that are already in the implementation phase and those that will move into the implementation phase. <input type="checkbox"/> Risk mitigation strategies	21 (p) include an implementation plan comprising of - (iii) specification of institutional arrangements necessary for implementation; (v) specification, where necessary, of any arrangements for partnerships in the implementation process

	<input type="checkbox"/> City Support Implementation Plan	
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Sub-Section of BEPP	Key Content Requirement	Related Content Requirement of an MSDF in terms of SPLUMA
F. Urban Management		
F1 Urban Management	<ul style="list-style-type: none"> <input type="checkbox"/> Precinct management approach for priority Integration Zone precincts and Economic Nodes – existing initiatives and progress with precinct management plans. <input type="checkbox"/> Private sector investment approach, including the alignment or and/or restructuring proposals for incentives 	
F2 Institutional Arrangements and Operating Budget	<ul style="list-style-type: none"> <input type="checkbox"/> Linkage between municipal service delivery and precinct management plans and entities 	
G. Reporting & Evaluation		
G1 Reporting	<ul style="list-style-type: none"> <input type="checkbox"/> Performance for city reported outcome indicators for 2016/17 (WG8, WG13, WG17, CC1, CC3, CC3, IC1, IC2, IC3, IC4, IC5, IC6, IC7, and PC4) <input type="checkbox"/> If required, the proposed approach and timelines for the population of outstanding indicators for each year until 2020/21Consolidation of all the individual BEPP Sections into a Theory of Change 	<p>21 (p) include an implementation plan comprising of -</p> <ul style="list-style-type: none"> (iv) specification of implementation targets, including dates and monitoring indicators;
G2 Evaluation	Self-assessment in terms of the evaluation framework set out in the supplementary guideline to be issued	