



Western Cape  
Government

Human Settlements

BETTER TOGETHER.



# Living Cape: A Human Settlements Framework

Prepared jointly by the African Centre for Cities (ACC) University of Cape Town and the  
Western Cape Government



## FOREWORD BY THE PROVINCIAL MINISTER OF THE DEPARTMENT

In 2004 a shift was initiated to move away from housing delivery to human settlement development. This resulted in the Department of Housing being renamed to Department of Human Settlements. Since the change to human settlements, much debate took place on the subject but very little has changed in how development of settlements took place. It was realised that the Province need to develop a Framework that would guide the process on "how" to develop human settlements in future.

My Department was tasked to lead the development of The Living Cape Framework on behalf of the Province. After a lengthy period of research and consultation the Framework is now ready to guide future human settlement developments. The aim of the Living Cape Framework is to improve how people live in urban areas by setting out clearly both what needs to be done differently and how this can be achieved. The Framework proposes three important shifts namely moving from Housing to Sustainable Human Settlements; Low value production to reaping the urban dividend and most importantly for the State to change its role from provider to enabler.

The Framework seeks to improve human settlement integration, delivery and address governance barriers over time. It presents different ways to address human settlement development. Given the complexity and involvedness of integrated sustainable human settlement development, it is evident that the provision of human settlements does not only resides with a single department but collective commitment and support of a range of stakeholders that must embrace a multi sectoral approach. It further suggests that delivery methods be explored by means of innovative testbeds. It is "learning by doing" exploratory approaches that requires business unusual and taking risks at testing different approaches. The Living Cape Framework must therefore be an evolving document and used as a flexible instrument that absorbs new concepts, practices and lessons into its content, as these emerge from the process of its implementation. All of this however needs to be embedded in economic empowerment as cornerstone in taking the process forward.

As I come towards the end of my second term as Minister of Human Settlements, I am confident that I have put the future of human settlement development on a clear path giving impetus and clear direction to changing human settlements and ultimately improve the quality of life of citizens of the Western Cape.



**Bonginkosi Madikizela**

A handwritten signature in black ink, consisting of a stylized 'B' and 'M' followed by a long horizontal stroke.

Minister for Human Settlements  
Provincial Government of the Western Cape

## MESSAGE BY THE ACCOUNTING OFFICER

The development of the Living Cape Framework was one of the key outputs identified by PSG4. The framework considers as a starting point the necessity of economic empowerment as the bedrock of the approach. Importantly, the Provincial Strategic Plan 2014-2019, in particular PSG 4 and PSG 5 are a concerted effort to work across silos and departments. This framework is crafted with the intention of prolonging and deepening the approach. It attempts to reach a common understanding and shared vision of human settlement development across all sectors in the province.

The methodology of developing the framework was done through co-production partnership between the African Centre for Cities and the Western Cape Government. The framework is informed by in depth policy review processes, background papers on major human settlements issues in the Western Cape (by commissioned consultants), interviews and focus discussions with officials, NGOs, community groups and the private sector.

The Framework was approved at Cabinet Bosberaad in May 2017 and was supported as the WCG policy approach for this sector. Cabinet reaffirmed the support and acknowledged that WCG embrace the complexity of settlement development and understands that no one institution can achieve impact and solutions on their own.

The Framework departs from the current housing-delivery model, to improving the quantity and quality of human settlements, as holistic spaces, in urban areas. It calls for a move from discourse to reality by coordinated public investments, demand-driven approaches, working with informality, using land as a strategic asset, building partnerships and through social learning.

The main objectives are to achieve common understanding and shared vision for human settlements across sectors in the province; Integration of core components of human settlements (housing, soft and hard infrastructure, social fabric); overcoming sector and silo approaches to human settlements through area-based neighbourhood development.



**Thando Mguli**

A handwritten signature in black ink, consisting of a series of vertical, wavy lines that resemble the name 'Thando Mguli'.

HOD for Human Settlements  
Provincial Government of the Western Cape

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## ACRONYMS

BEPP	Built Environment Performance Plan
BESP	Built Environment Support Programme
BNG	Breaking New Ground
CBD	City Business District
CBWF	Community-Based Work Fund
CCT	City of Cape Town
CWP	Community Works Programme
CSP	City Support Programme
DoHS	Western Cape Government Department of Human Settlements
EPWP	Expanded Public Works Programme
FLISP	Finance Linked Individual Subsidy Programme
GCM	Greater Cape Metro
IDP	Integrated Development Plan
IRDP	Integrated Residential Development Programme
KPI	Key Performance Indicator
LCF	Living Cape Framework
LUPA	Western Cape Land Use Planning Act (No. 3 of 2014)
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MOD	Mass Participation; Opportunity and access; Development and growth Programme
NGO	Non-governmental organisation
LGMTEC	Local Government Medium-Term Expenditure Committee
PGMTEC	Provincial Government Medium-Term Expenditure Committee
PSDF	Western Cape Provincial Spatial Development Framework
PSG	Provincial Strategic Goals
PSP	Provincial Strategic Plan
PTMS	Provincial Transversal Management System
SA	Strategic Aim
SGB	School Governing Body
SPLUMA	National Spatial Planning and Land Use Management Act (No. 16 of 2013)
SDF	Spatial Development Framework
UISP	Upgrading Informal Settlements Programme
USDG	Urban Settlements Development Grant
WCG	Western Cape Government

## **PART A**

# **THE IMPERATIVE: CHANGING THE HUMAN SETTLEMENTS APPROACH IN THE WESTERN CAPE**





Khayelitsha - Activating underutilised public infrastructure to promote multi-purpose public spaces.

## 1. PURPOSE AND AIMS OF THE LIVING CAPE FRAMEWORK

### 1.1. Introduction

The Western Cape Government (WCG) recognises that there is a clear need to address the challenge of sustainable human settlements. The imperative is to ensure that all investments in human settlements are maximised so as to yield as much social, economic and ecological value as possible. Human settlements investments must contribute to developing equitable and resilient urban areas, active and empowered citizens, and prosperity for the people of the province.

### 1.2. The purpose of the Living Cape Framework

The Living Cape Framework aims to support a departure from the current housing delivery model. The focus of the Framework is explicitly on improving the quality of human settlements. Sustainable human settlements, in this Framework, are understood as holistic spaces which bring together:

- Housing and land
- Social and economic services
- Networked infrastructure
- Communities and social fabric

Seeing human settlements as holistic requires acknowledging the need for integration within human settlements (for example integration between housing and services). It also requires acknowledging important connections between human settlements and broader social, spatial, natural, and economic systems.

The aim of the Living Cape Framework is to improve how people live in urban areas by setting out clearly both what needs to be done differently and how this can be achieved. It is not focused on increasing the supply of state-developed, greenfield housing; while delivery of housing is important, the scope of the Framework goes beyond this. Living Cape does not seek to prescribe a set approach to the development of sustainable human settlements. It aims, instead, to inspire and motivate creative, innovative and adaptive practice on the part of all those involved in human settlements development in the Western Cape.

Living Cape was developed through a long-term collaborative process between WCG officials and researchers at the African Centre for Cities. The key ideas were co-produced by an inter-disciplinary and inter-sector group of stakeholders. Five background research papers were produced to support the process.

### 1.3. The audience for the Living Cape Framework

The audience for the Framework includes all spheres of government, all relevant departments, and non-state stakeholders involved in the building of sustainable human settlements. This includes politicians, WCG and municipal government officials, built environment professionals, the private sector, and civil society. Although called a 'human settlements framework', the Framework's proposals and arguments are not directed solely at the WCG Department Human Settlements (DoHS). While the DoHS can make useful contributions, its mandate and instruments are too narrow to address the challenges of building such settlements on its own. The successful implementation of the Framework will require all stakeholders to work together in very different ways.

### 1.4. Alignment of the Living Cape Framework

The Living Cape Framework aligns with national, provincial and local human settlements initiatives, as set out below.

#### 1.4.1. National alignment

The National Development Plan and the Integrated Urban Development Framework argue for radical change in the way in which human settlement challenges are addressed. Both of these policy documents, as well as the National Treasury's City Support Programme, stress the need for strategic investment, particularly investment in the built environment.<sup>1</sup>

<sup>1</sup> National Planning Commission (2012) National Development Plan – 2030; Department of Cooperative Governance and Traditional Affairs (2016) Integrated Urban Development Framework; National Treasury (n. d.) City Support Programme.

Supporting this, the Spatial Planning and Land Use Management Act (SPLUMA, No. 16 of 2013) mandates local governments to drive spatial planning. The Living Cape supports the need for strategic and aligned investment, driven by local governments and enabled through supportive provincial frameworks.

Over time, the Framework hopes to contribute to the refinement and evolution of South Africa's housing and urban policies.

### 1.4.2. Provincial alignment

The Living Cape Framework aligns with key WCG policies and plans. The Western Cape Provincial Spatial Development Framework (PSDF) is extremely critical of the current mode of housing provision in the province.<sup>2</sup> OneCape2040 calls for job creation to be at the centre of state investment. The Living Cape Framework supports these call: it takes economic empowerment as the bedrock of sustainable human settlements, while working to present a radically different approach to achieving this. Importantly, the Provincial Strategic Plan 2014–2019 (in particular Provincial Strategic Goal 4, Provincial Strategic Goal 5 and the Provincial 'Game Changers'<sup>3</sup>) represents a concerted effort to work across silos and departments within provincial government. This Framework is crafted with the aim of sustaining and deepening this inter-departmental approach to achieving sustainable human settlements in the province.

### 1.4.3. Metropolitan alignment

The City of Cape Town (CCT) has long recognised the problems associated with the current approaches to human settlements, in particular, housing delivery. The CCT has been at the forefront of testing new ways of operating to ensure that public investments are maximised through alignment and coordination. This Framework draws inspiration and lessons from these endeavours.

Two of the CCT's current policy documents have particular resonance: the Integrated Human Settlements Framework and the Transit Oriented Development Strategic Framework.<sup>4</sup> These frameworks call for better utilisation of well-located land, densification of development along movement corridors, creation of livelihood and work opportunities in historically marginalised areas, improved access to social and economic opportunities, the incremental improvement of informal settlements and backyards, and cooperation among stakeholders. In addition, the CCT has, through its Built Environment Performance Plan, highlighted the importance of spatial transformation<sup>5</sup> in the city.

## 1.5. The Living Cape Framework's approach to implementation

For those tasked with implementing human settlements projects and programmes, there are overwhelming incentives to maintain the status quo. Given the ways in which targets are set, performance measures are assessed and grants are structured, a more complex approach is naturally seen as risky and difficult. A policy which departs from conventional approaches to human settlements development must be accompanied by an implementation approach which is willing to do the same.

The following ideas will shape the implementation of the Living Cape Framework:

### Transversal development

The Framework is transversal in nature, and recognises that the complex multi-stakeholder nature of human settlement development requires a whole-of-government approach rather than a sectoral or departmental approach. As a provincial framework, the Living Cape therefore does not vest with any one department but will be dealt with transversally through Provincial Strategic Goal 4. It further recognises that the provincial role relating to human settlements development should be focused on supporting and empowering municipalities to deliver on their human settlement responsibilities and mandates. The Framework further recognises that households themselves, and non-governmental and private organisations, will play key delivery roles in the process.

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<sup>2</sup> WCG (2014) Western Cape Provincial Spatial Development Framework.

<sup>3</sup> Several 'Game Changers' have been prioritised to catalyse the implementation of the PSGs. The Game Changers include Energy Security, Apprenticeships, Alcohol Harms Reduction, Better Living Model, eLearning, After Schools Programme and Broadband.

<sup>4</sup> CCT (2013) Draft Integrated Human Settlements Framework; CCT (2016) Transit Oriented Development Strategic Framework.

<sup>5</sup> Spatial transformation is required to overcome the fragmented urban development patterns that are a legacy of apartheid and of post-apartheid housing and service delivery.

## Incrementalism

Incrementalism is an approach to change which focuses on gradual or small-scale adjustments, undertaken over time. While the desire to fix the whole system of human settlements development at once is appealing, the reality is that the system is complex and dynamic. The best way to intervene in this case is through small changes which incrementally reshape each settlement. The Living Cape Framework must be seen as an evolving document: it must be understood and used as a flexible instrument that absorbs new concepts, practices and lessons into its content, as these emerge from the process of its implementation.

## Test beds of innovation - learning by doing

In order to enable all those involved in decision-making and implementation processes to 'do things differently', real, live projects must be undertaken which build relationships, confidence, and shared learning. The proposal of the Framework is to identify a number of pilot areas over time that can serve as key sites for both demonstrating the Living Cape approach and generating learning about how to apply this approach in different contexts. These sites would then function as 'test beds' of innovation. Pilot projects undertaken at these sites will enable all departments and spheres of government to learn and evolve their approaches collectively. These projects should embrace, test and refine the developments spelled out in the Framework.

It will be important for pilot projects to have processes of documentation, reflection and learning built into them from their early stages, so that the knowledge and experience gained through these projects can be captured for use in future settlements development initiatives. Academic institutions may be able to play a valuable role in the documentation process.

## Social learning and institutionalisation

Social learning is a dynamic process of interaction and the co-creation of knowledge and practice. Through implementing and reflecting on the implementation of innovative integrated projects, all role players will find new ways of working. It is important to ensure that lessons of innovative projects are reflected on, institutionalised, and built on in future policy and implementation work.

## Demand-driven partnerships

For implementation to work, the ideas set out in the Living Cape Framework must be taken up by local governments and provincial departments. However, it is not possible to force this take-up, or to centralise implementation of human settlements development initiatives. The Living Cape is not a set of prescriptive, top-down instructions requiring compliance. It seeks rather to be a flexible guide which must be customised to address the specific needs of a particular site, neighbourhood or urban area.

## 1.6. Overview of the Living Cape Framework's structure

The Framework is divided into two parts, each of which is subdivided in three and four sections respectively. Part A describes the imperative of changing the human settlements approach in the Western Cape:

- **Section 2 Problem Statement:** Section 2 covers the main challenges in the Western Cape which underpin the development of the Framework. These include the challenges related to economic development and those related directly to human settlements.
- **Section 3 Vision and Strategic Aims:** Section 3 covers the Living Cape Framework's vision and strategic aims, which drive the design of the Framework.

Part B offers guidance for how to bring about this change, giving nine concrete proposals divided into the following sections:

- **Section 4 Integration Guidance for a Living Cape:** Section 4 addresses spatial integration across different scales. There are two proposals which address the city scale and two which address the neighbourhood scale.
- **Section 5 Delivery Guidance for a Living Cape:** Section 5 explores approaches to the improvement of the quality and quantity of housing opportunities which are available.
- **Section 6 Governance Guidance for a Living Cape:** Section 6 focuses on the governance arrangements necessary to support the Framework.

- Section 7 The Way Forward:** Section 7 includes information on how the Framework will be implemented. The WCG is currently developing a more detailed implementation programme drawing on the ideas outlined in section 1.5 above.

Figure 1 (below) summarises the structure of the Living Cape Framework.

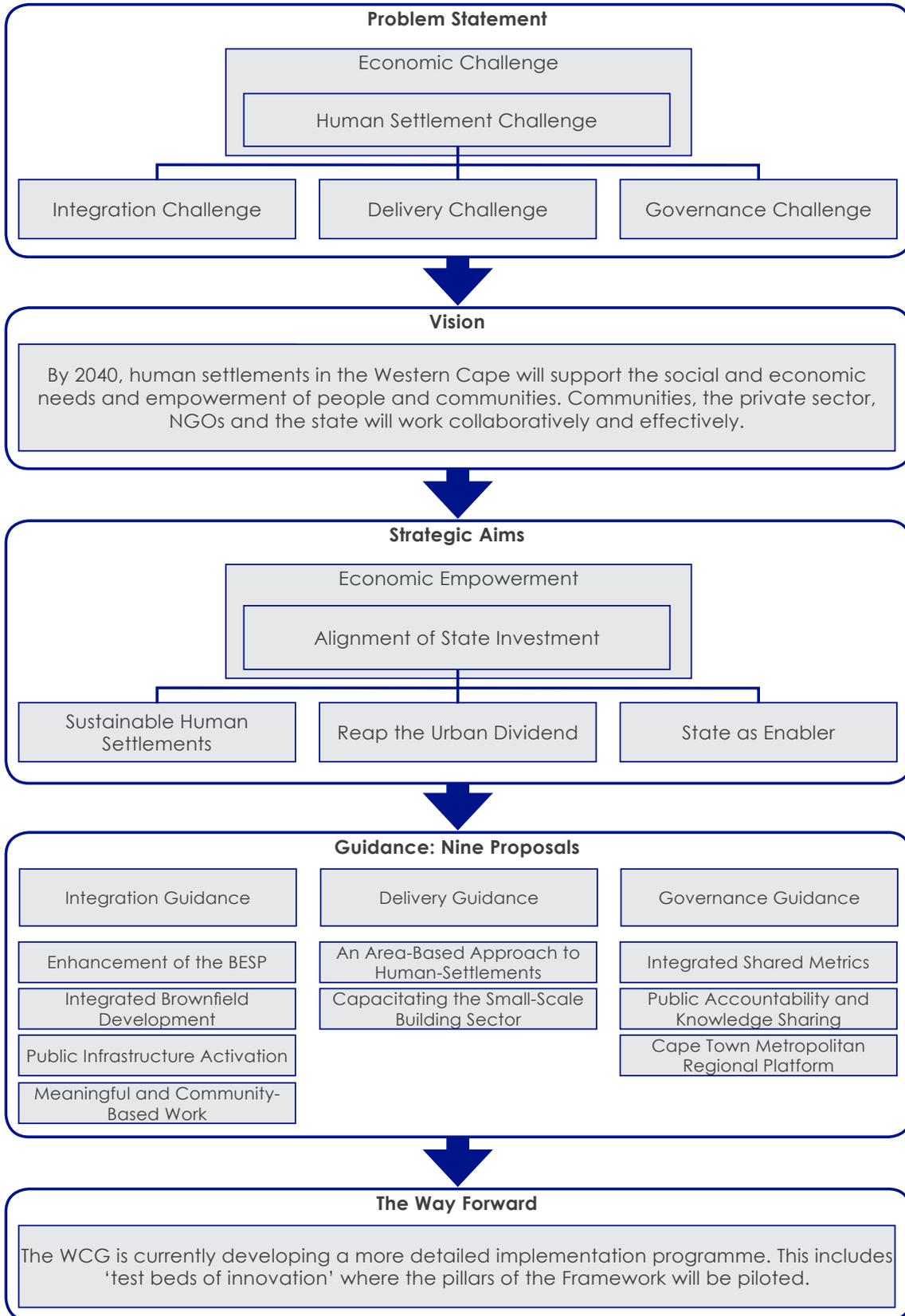


Figure 1. Overview of the Living Cape Framework



Grey water system with newly designed basin, allowing easier access and use in Villiersdorp.

## 2. PROBLEM STATEMENT

The Western Cape is one of the nine provinces in South Africa, situated in the south-western part of the country. The estimated population of the province is 6.2 million, over 95% of whom live in urban areas. As of 2017, 64% live in the CCT, by far the largest city in the region.<sup>6</sup> Over the past two decades in the Western Cape, the state has invested vast amounts of resources in the provision, maintenance and management of roads and transportation, water and sanitation, electricity, education and health facilities, parks and public spaces, housing and other critical elements of human settlements in towns and cities. These investments have contributed in fundamental ways to the development of urban areas, both big and small.

The provision of housing and infrastructure has tended to take the form of large-scale housing projects, consisting of free-standing housing units. This has colloquially been called 'RDP' or 'BNG' housing, but in fact draws on a range of subsidy and infrastructure programmes. These projects are often on the edge of urban areas, adjacent to historical townships and far from urban centres. They are a driving force in the spatial expansion of towns and cities. They represent a huge effort to improve the conditions in which people in the Western Cape live and to prepare for future generations of residents. However, it is widely recognised that the state's investments have not created integrated sustainable human settlements as envisaged by guiding policy documents such as *Breaking New Ground*, the National Development Plan and *OneCape2040*. Neither have these investments been able to keep pace with the need and demand for housing and related services.<sup>7</sup>

Looking toward the future, human settlements planning and policy development must take account of the fact that the Western Cape population is growing, and that a large proportion of the growth will be at the lower end of the market. This growth adds to the existing challenges presented by high levels of unemployment and demands for services. For this reason, the problem statement presented in this section of the Living Cape Framework is set out in terms of two challenges: the economic challenge and the human settlements challenge. The human settlements challenge covers critical issues of integration, delivery and guidance.

### 2.1. The economic challenge to achieve inclusive growth

The Western Cape economy has experienced severe strain. Recent estimates project that the provincial economy will grow by only 1% in 2018.<sup>8</sup> This growth is both slow (thus limiting the fiscal resources available) and unlikely to be inclusive for all who live in the province.<sup>9</sup> In the Western Cape, there is a critical mismatch between the growth of the economy and the skills of the labour force. The majority of the Western Cape's population is in the low-skilled and semi-skilled sectors. Examples of sectors which provide jobs for low-skilled workers include agriculture and manufacturing, both of which have experienced strain in recent years due to a number of global and local factors, such as water shortages in the province and international competition.<sup>10</sup> In contrast, the majority of growth in the province is in the high-skilled sector, such as real estate, insurance and financial services. These are not industries which can absorb large amounts of labour, particularly if it is unskilled. This has led to high levels of unemployment and growing inequality in the province.<sup>11</sup>

In urban areas, high levels of unemployment and inequality have far-reaching social, political and material implications. Households are forced to rely heavily on state grants to meet their basic needs. This reliance stretches the capacity and resources of the state, with negative implications for the quality of service provision. Hostility and frustration in under-served communities increases, as people find it difficult to meet their basic needs and pursue their ambitions and aspirations. Protests, crime and distrust for the state are some of the outcomes which affect urban areas and dilute the positive spin-offs of urban development.

6 PERO (2017) Provincial Economic Review and Outlook.

7 FFC (2012) Housing Finance Options Analysis.

8 PERO (2017) Provincial Economic Review and Outlook.

9 PERO (2017) Provincial Economic Review and Outlook.

10 PERO (2017) Provincial Economic Review and Outlook pg. 5

11 WCG (2012) *OneCape2040*. Note that this unemployment is not high compared to the South African averages. According to PERO (2017), there is growing inequality in the province (as measured by the Gini coefficient). This is most pronounced in the CCT.

## 2.2. The human settlements challenges: integration, delivery, governance

While the economic challenge is the core issue facing the Western Cape, a proposal for change must also confront the current approach to human settlements and understand why it is not working; failures and inadequacies in human settlements development have significant impacts on the ability of people to improve their economic situation. In South Africa as a whole, the challenges faced in providing housing and developing sustainable human settlements are well documented.<sup>12</sup> Many of these challenges are also experienced in the Western Cape. The three critical challenges which create problems in the province are integration, delivery and governance. Each of these challenges is discussed in more detail below.

### 2.2.1. Integration: re-connecting fragmented urban areas

Housing delivery targets and subsidy delivery (rather than urban plans) have largely guided the development of urban areas. While the state's investments in housing and infrastructure have made a significant contribution to improving material access to housing for the poorest households, these developments have reinforced the spatial legacy of apartheid-era segregation and inequality.

Many Western Cape towns have developed along similar spatial pathways. There are small town centres (or CBDs) where most urban economic activity (such as tourism, shopping malls, etc.) is concentrated. There is a historical township (i.e. one constructed in terms of pre-1994 Group Areas planning policy) which is separated from the town centre by a transition or buffer zone. This buffer zone may be allocated to industrial or peri-urban land uses. Informal settlements and new housing projects tend to be located beyond the township, far from the business areas. Figure 2 sets out this typical town structure. This approach has created marginalised housing developments where people and communities have few opportunities for social and economic empowerment. The burden of this spatial fragmentation is carried most heavily by the urban poor and local governments. With limited economic opportunities in townships, the poor spend time and money commuting daily and seasonally to more affluent areas where employment is available.

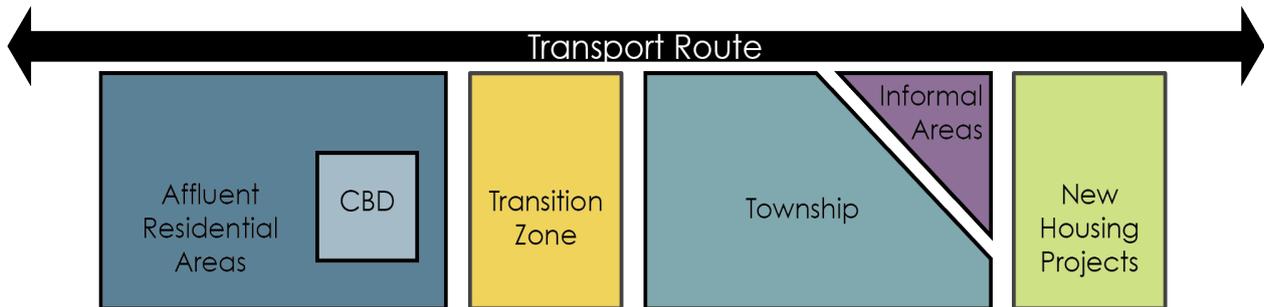


Figure 2. Stylised Structure of Western Cape Towns

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 made worse by the fact that the municipalities struggle to collect rates and service charges in township and subsidised housing areas. In short, human settlements investment is not leading to value creation for either communities, the state or the urban areas as a whole.

**There is a clear need to rethink what 'integrated human settlements' means for the state and communities alike. This will require finding new models and modes of development which create value at the urban scale and in low-income areas.**

<sup>12</sup> See South African Cities Network (2014) *From Housing to Human Settlements: Evolving Perspectives*; The Presidency (2014) *Twenty Year Review: South Africa 1994–2014*; Tissington, K. (2010) *A Review of Housing Policy and Development in South Africa Since 1994*.

## 2.2.2. Delivery: matching housing supply to demand

Housing delivery has been a cornerstone of the developmental state. Since 1994, the Western Cape has delivered well over three hundred thousand subsidised houses.<sup>13</sup> As of 2016, nearly one-third of households lived in state -subsidised 'RDP' housing.<sup>14</sup> This is irrefutably a huge accomplishment, and many low-income families have benefitted from these efforts.

However, the current pace of housing delivery is unable to keep up with the growing demand. The budget for housing delivery is declining relative to the growing need for subsidised opportunities.<sup>15</sup> Currently, the Western Cape is producing about 20 000 subsidised housing opportunities annually.<sup>16</sup> However, the demand for urban housing continues to grow as a result of natural growth, migration and urbanisation. Much of this growth is in market segments which require government subsidisation (i.e. low-income and gap market segments). The current supply-side delivery trends are unable to keep pace with the growing need; many households continue to settle in informal settlements, backyard accommodation and overcrowded houses.

According to PERO (2017), the proportion of households in need has remained relatively constant over the past few years. Table 1 shows that there are many ways to estimate the housing demand or backlog. The table below includes the data from the 2011 census, the 2016 Community Survey and the Western Cape's own 'registered housing demand'. At the current rate of delivery, it would take decades to address this backlog.

**Table 1. Housing Need and Demand**

Estimated number of households	Data source	Year	Definition
296 958	Stats SA, Census	2011	Informal dwellings: shacks in backyards & informal settlements
320 022	Stats SA, Community Survey	2016	Informal dwellings: shacks in backyards & informal settlements
554 512	Western Cape Housing Demand Database	Sept 2016	Registered Housing Demand

There are both demand and supply drivers which contribute to the delivery challenge. On the side of demand, the effective demand for housing (the amount households are willing and able to pay) is negatively impacted by low incomes, high levels of unemployment, and limited access to housing finance. Low-income households simply cannot afford adequate housing provided by the formal private sector. On the supply side, both the state and the private sector experience red tape, high building costs and land constraints, all of which impact on both the scale and speed of housing development. In addition, the state has limited resources such as management capacity and skills to implement complex projects, and limited funding for subsidies and the associated infrastructure. Community dynamics, such as NIMBYism and non-qualifiers<sup>17</sup>, also slow implementation.

**Using the current delivery model for housing and the associated infrastructure, the state will not be able to address the growing housing needs and demands in the Western Cape.**

## 2.2.3. Governance: constraints imposed by the complexity of the state

Many policies have made meaningful inroads into the challenging terrain of human settlements development, clearly articulating the need for a change of approach. However, it has been difficult for government departments and other agencies to adapt how they operate so as to enable a more transversal, integrated and collaborative approach. Thus implementation of these policies has remained constrained. The complexity of the human settlements challenge also contributes to the limited policy achievements, in spite of well-meaning efforts on the part of government to change how it implements human settlements policies. While there is broad recognition from many actors that change is necessary, there are many blockages and constraints to innovation.

13 Compiled from a review of annual reports from 1995 to 2016.

14 PERO (2017) *Provincial Economic Review and Outlook*.

15 PERO (2017) *Provincial Economic Review and Outlook*.

16 Based on data drawn from Department of Human Settlements Annual Reports, 2009/10 to 2016/17. This number includes sites and top structures. It is therefore likely to include double counting, as there are cases where the site and the top structure serve the same beneficiary.

17 'Non-qualifiers' refers to households and people who do not qualify for housing subsidies. There are various conditions for qualification, including income, residence status, etc.

The challenge of progressively affecting the development of human settlements in the Western Cape is felt by all those involved in the process: national, provincial and local spheres of government; all departments involved in human settlements; parastatals and supportive delivery agents (such as contractors, developers, NGOs, CBOs and financial institutions); and communities, community groups and households.

**For meaningful change, all actors must buy in to this process, and change their ways of doing things.**

This is not a straightforward process. Different spheres and departments are operating with different mandates, time frames, budgets, targets and goals. While investment decisions are logical for the relevant department, they are not made in an appropriately sequenced and coordinated manner across towns and the province. For example, well-intended efforts to preserve heritage buildings may conflict with the need for densification or redevelopment.

Within this context, the WCG is constrained by a number of forces including: the processes of other spheres of government and within various provincial departments; the functioning of the market; the concerns and activities of civil society; and the under-development of the necessary skills, capabilities and leadership.

Against a backdrop of budget cuts, there is limited government capacity to implement more resource-intensive processes aimed at changing how human settlements are developed. These capacity constraints are compounded by political apprehension, caused by officials' fear of the risk of failure and non-compliance. There have been many attempts at innovation and change that have not been successful, so these concerns are not unfounded.

**The implication of these governance constraints is that the process of change must be carefully designed. It must respond to the complex and well-established systems of multi-layered governance which hold the current human settlements regime in place. Any processes aimed at achieving strategic change must be implemented iteratively and incrementally. They must work to strengthen integration and coordination both within and beyond the state.**



The vision to create happy, healthy and sustainable livelihoods, through facilitated opportunity growth.

### 3. VISION AND STRATEGIC AIMS OF THE LIVING CAPE FRAMEWORK

The vision for the Western Cape that has guided the development of the Living Cape Framework centres on the paramount need for social and economic empowerment in the province. The strategic aims of the Framework have been formulated to realise this vision, and have driven the process of developing the Framework.

#### 3.1. The Living Cape vision

The Living Cape vision is that:

**By 2040, human settlements in the Western Cape will support the social and economic needs and empowerment of people and communities. Communities, the private sector, NGOs and the state will work collaboratively and effectively to realise this vision.**

This vision underpins the strategic aims outlined below.

#### 3.2. Strategic aims

Two strategic aims arise from the Living Cape vision: economic empowerment, and strategic use of state investments. They respond to the challenges identified in the problem statement set out in Section 2, and they draw on the shared aims and propositions in guiding documents, including the National Development Plan, the Integrated Urban Development Framework and OneCape2040.

Importantly, there are three important scales at which economic empowerment and strategic state investment need to be considered:

- **The local/neighbourhood scale:** investment which serve suburbs and neighborhoods.
- **The urban/town scale:** investment at the scale of the town, cluster of towns, or metro.
- **The regional scale:** investment which spans across urban areas (such as between the metro and the surrounding towns) and between urban areas and peri-urban areas.

##### 3.2.1. Strategic aim 1: Economic empowerment

Economic empowerment and more inclusive urban development are critical to the long-term development of the Western Cape. If the Western Cape is committed to building empowered citizens and sustainable human settlements, economic development must be at the centre of all social policies.

The state must work to invest in human settlements in ways which create economic opportunities for all people. The creation of meaningful opportunities for people to pursue work, livelihoods, business development and careers must therefore underpin the human settlements agenda.

While the Living Cape Framework is not an economic strategy for the Western Cape Province, it recognises the imperative of the economic challenge. The Framework is designed to ensure that human settlements investments support efforts to address this economic imperative. In this Framework we argue that meaningful economic opportunities can be created through, for example, the incremental construction of housing, the ongoing management and servicing of human settlements, and the development of real estate markets. The development and utilisation of appropriate digital technologies, for example financial apps and products suitable for the informal and incremental housing sectors, will be important.

**Economic empowerment must be the cornerstone of any WCG social policy. The human settlements challenge will remain insurmountable if the economic conditions which affect households aren't addressed.**

##### 3.2.2. Strategic aim 2: Strategic use of state investments

In order to use state assets in a strategic and impactful way, it is important for policy implementation approaches to shift from:

- Housing → human settlements
- Low value production → an urban dividend
- State as provider → state as co-provider of infrastructure and enabler of housing

These three important shifts are discussed below.

### Shift 1: Housing → human settlements

In South Africa, it is common to conflate 'human settlements' with 'housing delivery'. However, the focus on housing delivery has not resulted in the full and holistic development of communities. A key aim of the Living Cape Framework is to shift the state's focus from housing delivery to the development of integrated human settlements that enable the sustainable development of communities. In the definition of human settlements, we include:

- **Housing:** This includes land, internal services and structures, and includes property developed by the public sector, the private sector and other institutions.
- **Social and economic services:** This includes education, health, safety, public space, community halls, retail facilities and other social and economic services.
- **Networked infrastructure:** This includes water, sanitation/drainage, waste, transport and energy. The service provision models for networked infrastructure has huge impacts on people and the environment.
- **Social fabric:** This refers to the relationships and networks within and among communities. This is a fundamentally intangible aspect of community life, but has very real consequences for and impacts on a settlement.

**Human settlements development is therefore about investing in people, communities and neighbourhoods in a sustainable, coordinated and efficient manner. Strong planning, respect for natural systems, and participation are key to this endeavour.**

The quality of human settlements therefore depends not only on the quality of housing and basic services, but also on both the range and quality of social and economic facilities available. It also depends on the extent to which households and communities are close to the broader social and economic opportunities of the particular urban node where the settlement is located, and have access to these opportunities. A well-functioning human settlements development sector therefore relies on a complex interplay of market forces, private sector firms, private and public investment, governmental roles and regulations, financing and facilitative interventions, as well as the inputs and responsibilities of households themselves.

### Shift 2: Low value production → an urban dividend

Low value production refers to investing in a way which does not create additional spin-off benefits beyond the investment (and might even add up to less than the sum of its parts). A good example is investment in housing, which costs a lot but yields very little value for people. While the houses do have material value (i.e. shelter), this type of value production does not allow people to use their houses for financial or economic means, and also often hampers or puts strain on their social networks.

The concentration of people in urban areas inherently creates value. This value is not only economic, it is also social and political. It is created through the rapid exchange of goods, services, information, and social/political interaction. This value can be maximised through efficient and strategic investment and coordination by the state. Efforts to ensure that the benefits of concentration are achieved are called 'reaping the urban dividend'.<sup>18</sup>

To maximise urban potential, it is necessary to ensure that investments and contributions made by the state, the private sector and communities work as catalysts for value creation, and that this value is shared by all those living in the Western Cape. To unlock value, different investments and contributions must be made at different scales, drawing together people, places, and economies

(see Figure 3).

<sup>18</sup> The benefits of spatially aligning infrastructure and investments are set out in a number of documents such as the National Development Plan (National Planning Commission 2012), the Integrated Urban Development Framework (Department of Cooperative Governance and Traditional Affairs 2016) and the PSDF (WCG 2014)

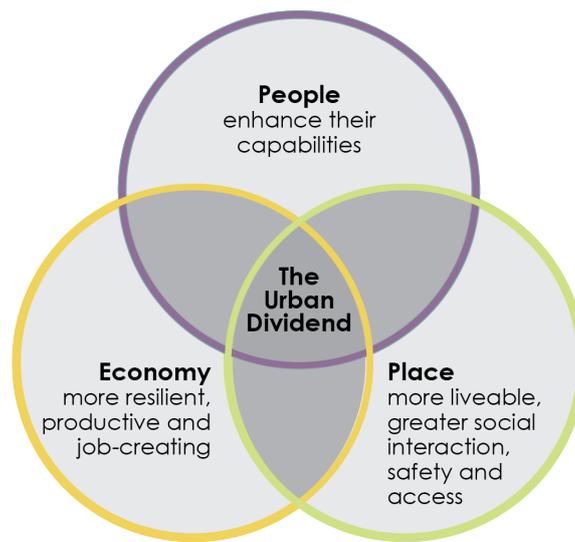


Figure 3 . The Urban Dividend

Source: COGTA (2016) Integrated Urban Development Framework: A New Deal for South African Cities and Towns

### Shift 3: The state as provider of housing → the state as enabler of housing

A range of national and provincial documents argue that the state should not be the provider of housing, but should rather be the enabler of sustainable human settlements development. The state needs to create conditions which support communities and the private sector, and focus its own efforts on aligning important public investments.

The investments which the state makes in urban infrastructure and housing, as well as in the regulatory and development frameworks it puts in place, should work to enable households, communities, and the private sector to play a greater role. More specifically, the state should work to enable these actors to:

- Invest in housing and business, leveraging the public value created by state investments;
- Adapt state investments to suit local needs and demands; and
- Create employment opportunities at the local level.

The state must enable the expansion and improvement of housing opportunities in all human settlements areas, including:

- Informal settlements
- Low-income residential areas
- Middle/high-income residential areas
- High-density mixed-use areas
- New developments

## **PART B**

# **GUIDANCE: NINE STRATEGIC PROPOSALS TO EFFECT CHANGE**





Providing suitable educational opportunities and facilities.

## 4. INTEGRATION GUIDANCE FOR A LIVING CAPE

The focus of integration efforts must be to create functional and sustainable cities, towns and neighbourhoods. There is broad-based awareness that the spatial alignment of state investments is essential to building better urban areas and human settlements. This is evident in national and local policy.<sup>19</sup>

Together with the rest of the country, the WCG has long recognised the complexity of aligning integrated planning, budgeting and decision-making. Three related disjunctures have placed obstacles in the way of effective alignment between the provincial and local spheres of government. First, planning and budgeting cycles of the two spheres are significantly out of sync with each other, which makes alignment in joint decision-making and collaboration highly complex.<sup>20</sup> Second, the two spheres are driven by different responsibilities and priorities in determining the nature and sequencing of the delivery of services and infrastructure.<sup>21</sup> Third, there is rarely integrated planning and implementation at the local level (i.e. the town, suburb or neighbourhood).

The WCG has sought to overcome these issues in a number of ways, including:

- **Integrated Municipal Engagements (previously called IDP Indabas):** Integrated Development Plans (IDPs) have been one attempt to align planning and budgeting across departments and between different spheres of government.
- **Provincial Strategic Plan:** A Provincial Strategic Plan (PSP 2014–2019) has been created which identifies a clear set of priorities that cut across departments; it is intended to drive collaboration between sectors by making the priorities of the provincial government clear.
- **Transversal Management System:** Progress towards achieving the goals of the PSP is managed through a series of decision-making forums called the Provincial Transversal Management System (PTMS). All project management data are uploaded onto a provincial system – BizProjects – which allows for systematic tracking of progress. This PTMS creates the opportunity for cross-departmental learning and ultimately acts as an accountability mechanism for implementation of project-related decisions.

This work is constantly being refined and deepened by the Integrated Planning and Spatial Targeting Work Group and the Integrated Management Work Group within the PTMS system. These efforts have produced a great number of successful and innovative collaborative initiatives, strengthened working relationships between departments and contributed to eliminating areas of duplication of effort. They go some way towards addressing the gaps between policies, plans and departmental operations. However, they have not managed to bring about fundamental changes in how policies are implemented by departments, and have not gone beyond the current systems of sectoral investments.

There remains a need to go beyond these technically driven efforts, and to develop both city-wide integration frameworks and catalytic neighbourhood projects centred on creating social and economic value for communities.

This work must be undertaken on two scales:

- **The town/city-scale:** Urban areas are fragmented and require holistic, city-wide interventions to address human settlement needs. Sections 4.1 and 4.2 address the imperative to intervene at the urban/city scale.
- **The neighbourhood scale:** The neighbourhood is where people live, access critical services and amenities, enjoy daily life, build social relationships and much more. The quality of neighbourhoods has a huge impact on people's daily lives and opportunities. Sections 4.3 and 4.4 respond to the imperative to build sustainable communities through local action at the neighbourhood scale.

19 The National Spatial Planning and Land Use Management Act (SPLUMA) calls for inclusive, equitable and efficient planning by the different spheres of government. SPLUMA seeks to support five key pillars: Spatial Justice, Spatial Sustainability, Efficiency, Spatial Resilience and Good Administration. The WCG is committed to integration as set out in the PSDF, which places emphasis on integrated spatial investment, with particular focus on 'hard investments' in towns which are experiencing economic and population growth. The Western Cape Land Use Planning Act (LUPA, No. 3 of 2014) aligns with SPLUMA and reinforces the aim of integrated development.

20 For example, in order for an item to be considered in the province's Annual Performance Plan (and therefore receive funding) a municipality needs to motivate for it in July of a given year; however, the municipality's draft Integrated Development Plan (IDP) will only be complete in February or March of the following year.

21 For example, a municipality may, through its IDP process or internal decision-making, have identified a site and an urgent need for the building of a new school. However, in the context of limited funding and a wider set of responsibilities across the province, the provincial Department of Education may only be able to fund the construction and staffing of a school for that municipality in five or ten years' time.

Importantly, linking the town/city-scale interventions to the neighbourhood-scale activations requires new modes of cross-sector, cross-sphere, and cross-discipline working.

#### 4.1. Enhancement of the Built Environment Support Programme

**Aim: Improve the alignment of spatial planning instruments and built environment investments by extending and strengthening the Built Environment Support Programme<sup>22</sup> for non-metropolitan municipalities, and the Built Environment Performance Plans<sup>23</sup> in the City of Cape Town.**

Spatial alignment of human settlements investments in urban areas is an ongoing challenge. Major aspects of this challenge include:

- **Poor alignment of sector plans:** Although municipalities have 10-year Spatial Development Plans (SDFs) that are supposed to encourage densification and integration, and ensure better access to infrastructure and facilities; in practice, other sectoral plans are often poorly aligned to SDFs (both at municipal and provincial scale). The result is investment that is sector-driven and siloed, and does not create maximum possible value for communities, municipalities and the province.
- **Compliance-based IDPs:** Five-year IDPs, which all municipalities develop, are important documents, but they tend to consist of 'check box' activities, aimed at ensuring that municipalities can get their budgets approved.
- **Integration forums lack sufficient power:** There are various decision-making forums, such as the Provincial Government and Local Government Medium-Term Expenditure Committees (PGMTEC and LGMTEC), which are meant to check municipal SDFs, IDPs and sectoral plans and ensure alignment at municipal and provincial scale. However, at present they are only able to make recommendations and are unable to require the sectoral plans of departments to be changed.

There is widespread recognition that the current approach needs to be improved. High-level planning work is needed to align investments; this is particularly important in growing towns and in the Greater Cape Metro region. The Living Cape Framework has identified a number of mechanisms through which this alignment can be achieved:

- **For metropolitan municipalities such as the CCT, the National Treasury's City Support Programme (CSP) has created the Built Environment Performance Plan (BEPP).** This is a new medium-term planning instrument to incentivise integration among plans. Through demonstrating alignment in their BEPPs, metropolitan municipalities are able to get access to additional flexible funding, such as the Urban Settlements Development Grant (USDG), for strategic investment in infrastructure. This initiative has played a key role in the CCT's shift to a focus on transit-oriented development and the identification of 'integration zones' and 'catalytic projects'.
- **Beyond the metro, there are a number of possibilities for improving alignment which can learn from and build on the BEPP experience.** The National Department of Corporate Governance and Traditional Affairs and the CSP are currently considering developing a simplified BEPP for secondary cities. They plan on separating off part of the Municipal Infrastructure Grant for intermediate city municipalities in a similar way to how the USDG is used for metropolitan municipalities, i.e. as a way to reward performance and allow for more flexibility and strategic use of funds.
- **In the Western Cape, the Built Environment Support Programme (BESP) aims to better align planning and human settlements investments in towns.** The province recognises that human settlements investment has been a driving force in the development of towns, often leading planning and other sectors. Like the BEPP, the overall objective of the BESP has been to restructure and transform urban areas and overcome apartheid planning patterns. However, there is no new planning instrument or additional source of funding which can act as an incentive for municipalities to participate in the programme. Instead, the BESP has worked to strengthen planning tools, namely the SDF, Housing Sector Plans (HSPs), sector plans and IDP. The BESP has proved to be an important platform for transversal, intergovernmental cooperation, and has had some important successes, but in general it has not been able to cover all sectoral plans, or even to compel alignment within the sectoral plans.

<sup>22</sup> The Western Cape's BESP, which began in January 2009, is an initiative to support the alignment of SDFs and sectoral plans at a municipal scale. The BESP started off as a partnership between the Western Cape Department of Environment Affairs and Development Planning and the Western Cape Department of Human Settlements, with a focus on preparing better, and better-aligned, SDFs and Human Settlement Plans; this was subsequently extended to cover other sectoral plans, such as Integrated Transport Plans.

<sup>23</sup> The National Treasury has introduced the CSP for metropolitan municipalities (of which the CCT is the only one in this province). Metropolitan municipalities are now required to develop BEPPs, which deal with how municipalities' investment portfolios can contribute to shaping spatial form in order to make cities more equitable and efficient. BEPPs are essentially about aligning municipal sectoral plans to prioritise spatial transformation.

There is a need to extend the scope and reach of the BESP. To achieve this overall alignment and resultant spatial transformation, the following steps need to be taken:

- **Expand BESP scope:** The scope of the BESP has been broadened to include alignment of a range of sector plans. However, more work is needed to ensure that there is wider departmental buy in and that the following plans are actually aligned:
  - the Human Settlements Plan and the Human Settlements Pipeline
  - the Integrated Transport Plan
  - the Municipal Infrastructure and Growth Plan
  - the Integrated Waste Management Plan
  - the User Asset Management Plans for Education, Health, Social Services, etc.
- **Improve SDFs:** The BESP's emphasis on improving the quality of SDFs needs to continue. SDFs will need to be the primary long-term plan for driving the spatial transformation of human settlements. The various Municipal Growth Potential Studies, based on the Municipal Financial Sustainability of Current Spatial Growth Patterns, should be included to help inform the growth management and strengthen the SDFs and infrastructure plans of each settlement.<sup>24</sup> In order to maintain the impact of SDFs on spatial growth, it is important that the Municipal Planning Tribunal reject proposals that are in contravention of SDFs, except in very exceptional circumstances.
- **Strengthen the PGMTEC and LGMTEC:** The role of the PGMTEC and LGMTEC in ensuring alignment of plans at the provincial and municipal scale needs to be strengthened. This body should be required to check that annual performance plans are aligned to IDPs and SDFs. It should be given the power to ensure that these plans are changed to achieve alignment. In terms of legislation, the structures that exist to facilitate alignment of plans need to be strengthened – e.g. the Spatial Development and Infrastructure Sub-Work Group of Provincial Strategic Objective 4 at provincial scale, and Intergovernmental Planning Committees at the municipal scale.
- **Explore fiscal incentives:** In the longer term, mechanisms should be explored for providing additional flexible forms of funding for strategic infrastructure investments that will have a significant impact on spatial transformation.

24 See WCG (2013) *Municipal Financial Sustainability of Current Spatial Growth Patterns*; WCG (2015) *The Mossel Bay Growth Options Study*.



Expanded Public Works Programme.

## 4.2. Promoting brownfield/infill projects through a portfolio approach

**Aim: Promote brownfield and infill human settlements development projects through a portfolio approach to urban land and asset management. The focus of new housing projects should be on sites which work to overcome the entrenched fragmentation of urban areas in the Western Cape.**

The development of brownfield, infill and well-located greenfield land has been an ongoing challenge.<sup>25</sup> Brownfield and infill development are supported by a number of policies. Breaking New Ground promotes densification and integration. The PSDF calls for 'smart growth' which contains urban sprawl and prioritises infill, intensification and redevelopment.

Despite these policies, the reality is that very little progress has been made in the implementation of such projects. Currently, almost all development is project-driven: a parcel of (greenfield) land is identified, a subsidy programme is selected, a certain number of units are decided on, and the project goes ahead.

There are two main challenges to implementing brownfield and infill projects:

- **Peripheral greenfield development is easier to develop:** Generally, brownfield and infill development is slower, more costly, and more complex. These developments often require working with many stakeholders. There is limited in-house capacity and incentive for the state or developers to undertake projects of this nature.
- **Disposal of land takes place in an ad hoc way:** There is currently no comprehensive plan or strategy for the release or use of state-owned and state-owned enterprise land. As a result, land decisions are made on a case-by-case basis, without taking into account trade-offs between the various mandates of the state (i.e. social development, ecological preservation, economic development and tourism etc.). However, work is currently being done on the 'Immovable Asset Management Acquisition and Disposal' policy, which may lead to a land disposal strategy that is better aligned with the provincial goals and mandates spelled out in the Western Cape SDF and other leading documents.

The Living Cape Framework proposes that the province and municipalities address these challenges by shifting their approach. The following steps need to be taken:

- **Prioritise brownfield/infill development:** This means repurposing existing land, infrastructure and housing grant-and-subsidy systems to invest in well-located land in neighbourhoods that are already rich in opportunity and amenities (like denser middle-class urban neighbourhoods or old, established parts of rural towns). This could also include investment in infill development that connects the old CBDs of towns and villages to their townships and new housing projects. The ideal model for new development projects would be mixed-use, mixed-income, mixed-tenure, on infill/brownfield developments. There is no 'one-size-fits-all' model for integrated brownfield projects, as current conditions and specific contexts will determine the best mix of uses, tenure and design typologies, and infrastructure.
- **Develop institutional capacity:** There is a need to establish the appropriate institutional vehicle to drive brownfield-project development. Options include the establishment of a Special Purpose Vehicle or Special Project Support Unit within the province. In the long term, this mode of delivery would be the norm, rather than the exception, and such institutional capacity would be built into the existing departments tasked with delivery.
- **Ensure transparency and communication:** All projects should be undertaken through transparent processes. In particular, there should be transparency in terms of project process and subsidisation (i.e. hidden subsidies and calculations must be made visible).
- **Use well-located land strategically for the social good:** Municipalities and the province must use their assets to ensure they meet social objectives. While there may be some market housing delivered, projects should focus on the needs of low-income and middle-income communities, providing ownership and rental opportunities for those whose needs are not met by the private market in areas of high opportunity and amenity.
- **Use a portfolio approach to urban asset management:** Urban assets, namely land and property, particularly those which are state-owned, should not be considered on a case-by-case basis, but as part of a portfolio of (public) assets. Decisions about what land should be sold, developed or held, and to what end, should not be made on an ad hoc basis. These decisions should work to balance development goals, with priority given to social and ecological value creation.

<sup>25</sup> Brownfield redevelopment refers to the re-use and revitalisation of abandoned, underutilised or degraded properties. Infill development refers to new development on vacant land within a neighbourhood or between neighbourhoods, that serves to densify the neighbourhood as a whole or integrate divided communities. Greenfield development refers to development on virgin land.

To achieve this it is essential that an asset register be established and tracked in each municipality. The portfolio approach requires that the province and municipalities work together to collect all available assets and identify which are best suited to meeting the various developmental objectives of the state. Figure 4 is a diagrammatic representation of this approach.

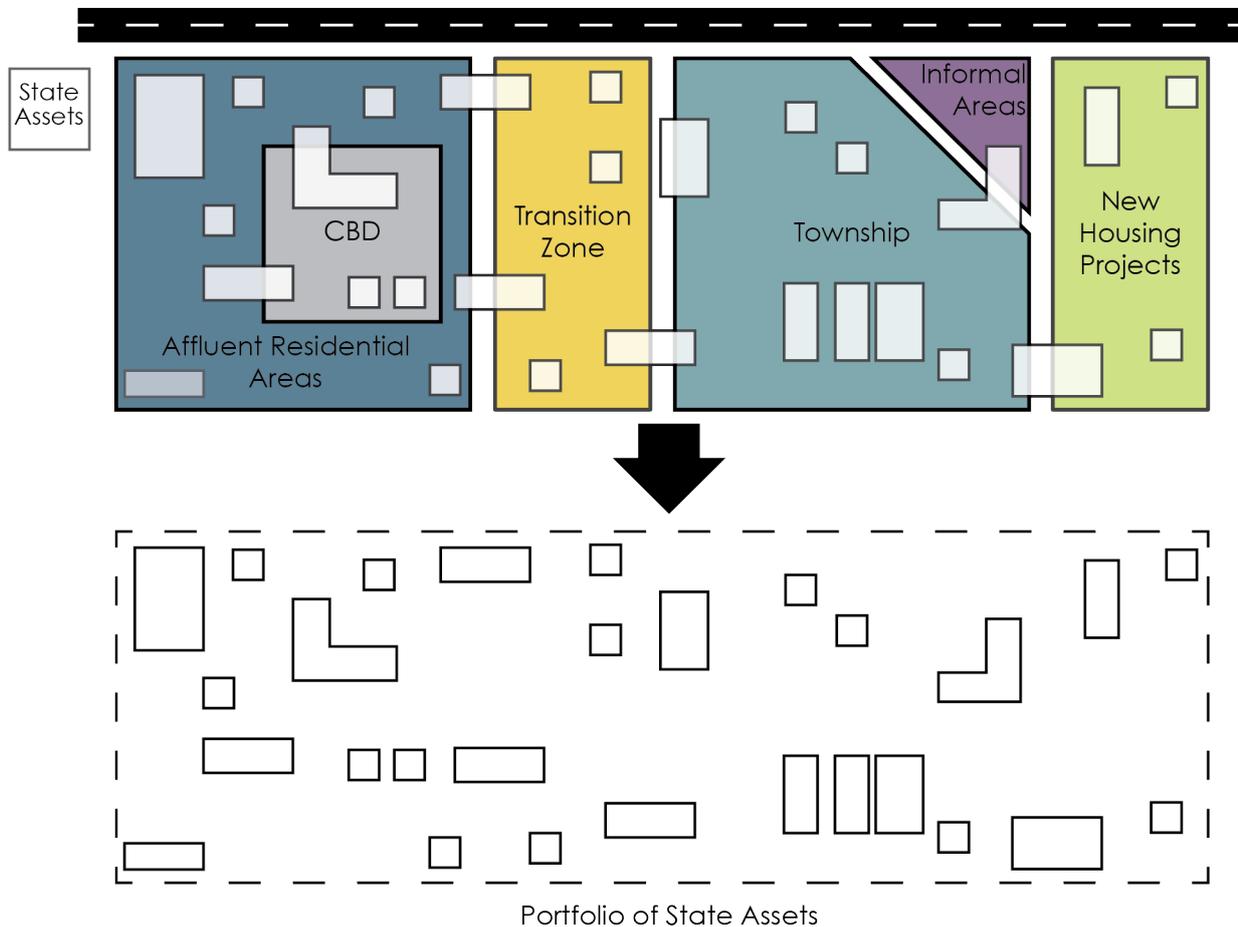


Figure 4. Portfolio of Urban Assets

This proposition has the potential benefits of:

- **Spatial integration:** Integration, improved access to opportunities and resources, and greater social equity are a few of the important opportunities created by spatially integrated developments, which address the spatial distortions created by apartheid planning through integrating people and communities. In metro/large town areas, developments can be located within the CBD/old 'middle-class' areas, while smaller towns and villages can aim to fill in the areas between the town centre and the distantly located 'locations' and RDP projects.
- **Municipal fiscal sustainability:** The long-term costs of greenfield development – to households, municipalities and the economy – are high. Developments located in brownfield/infill sites will likely have significantly lower operational costs in the long term, despite the higher upfront costs.

### 4.3. Activating under-utilised public infrastructure

**Aim: Optimise under-utilised public spaces through strategic and well-designed investments. Large school sites are a suggested starting point for this intervention, and are the focus of the proposal below. However, other under-utilised public infrastructure, such as redundant buildings, parks or pools, should also be considered.**

Large site sizes for schools contribute to spatial sprawl and tie up large tracts of land that are typically under-utilised. While recently developed schools have tended towards smaller sites, schools in historic township areas tend to be characterised by the following features:



Knysna Ethembeni - Recreational activities to allow for constructive community building.

- **Large sites:** Provincial norms and standards set sizes for schools, and include land for sports fields for every school site regardless of whether there are funds to develop such facilities or sports teachers to run sports programmes. Many schools in the Western Cape currently exceed these norms.
- **Low coverage:** Typical school sites feature centrally placed, 1–2-storey buildings, with very low coverage (between 10–20%).
- **Mono-functional use:** School sites typically only have school buildings and school facilities on them. The mono-functional use of school sites limits the ability of schools to withstand negative impacts that may arise because of demographic changes in communities (since income from fees and subsidies is linked to the number of students). School facilities are rarely multi-purpose (such as being a classroom by day and a community hall by night) and there are very few cases of facility-sharing among schools. This leads to duplication and redundancy of resources.
- **Reluctant School Governing Bodies:** Schools are governed by individual School Governing Bodies (SGBs). SGBs are reluctant to release school land for other uses.<sup>26</sup>

This school design and management structure creates a number of problems, including:

- **Increased management and operating burdens:** The centralised but fragmented ownership, management, maintenance and operation of social facilities works against efficient use of resources.
- **Under-utilisation:** Demographic changes in large sprawling urban areas result in school facilities being under-utilised in established areas, and new schools being built in other areas. School sites are not located where they are most needed, with over-supply in some areas and an under-supply in others. As a result, operating costs per learner are higher than they would be if resources were more equitably distributed, while maintenance costs and backlogs in construction of new facilities are growing.
- **Safety:** School premises generally feature fenced perimeters with unused edges, and large areas of unmanaged land that are difficult to secure; this can result in an unsafe environment. Perceptions of danger are worse in low-income schools.
- **Vandalism:** Vandalism is common on large and uncontrolled school properties. The schools asset maintenance database indicates that 25% of the Western Cape Education Department's (WCED) annual maintenance budget for emergency maintenance goes to repairing damage caused by vandalism. In 2016/17 there was no allocated budget for fencing, due to limited funds. So it can be expected that the emergency maintenance budget used to repair damage caused by vandalism will increase.
- **Limited resources:** SGBs in poor communities rely on the operational subsidy from the WCG for day-to-day maintenance and operations. This subsidy is in most cases inadequate to meet the needs of schools. All additional income is derived from fees (set by the school) and fundraising, both of which are limited within poorer communities.

In order to address these problems, the Living Cape Framework argues for the following investments in under-utilised school sites:

- **Perimeter development:** Development of the perimeter of school sites can contribute to safety and security, as well as provide opportunities for social activation. If multi-storey housing was provided, by wrapping two sides of the perimeter of existing school sites with a mix of one-two storey semi-detached houses and two- to four-storey walk-ups, almost 16% of the registered housing backlog within the Greater Cape Metro region could be met. This is a powerful way to increase safety, housing opportunities and efficient use of resources. Figure 5 shows the potential impact of this perimeter development on different types of school site.
- **Spatial clustering of facilities:** Clustering of facilities and investments on schools sites or other public spaces can stimulate more productive, intensive and socially positive use of these spaces. The potential impact of this spatial clustering could be increased by the sharing of public amenities between schools, other social services and municipal facilities (playing fields, libraries, halls, gardens, and so on). One of the processes which align closely with this is the WCG Department of Cultural Affairs and Sport's Mass Participation; Opportunity and access; Development and growth (MOD) Programme.<sup>27</sup>

<sup>26</sup> This is in part because the land holding costs for school land, such as rates and capital works (including extensions and major repairs and fencing), are carried by the Department of Public Works (the custodian), and not the Department of Education (the user department) or by SGBs. In terms of the South African Schools Act (No. 84 of 1996), SGBs have decision-making powers over land utilisation that they can exercise with the approval of the MEC for Education.

<sup>27</sup> Since 2010 the Department of Cultural Affairs and Sport has rolled out 181 MOD Programme centres across the province. The MOD Programme is central to the vision of the Department to create a socially inclusive, creative and active Western Cape. MOD programmes bring together different government departments and stakeholders to provide centres for sport, recreation arts and culture. Centres are located in community schools, and serve the community as a whole through activities that take place after school hours.

Rationalising the land acquisition, security, maintenance and letting of public facilities in this way can achieve significant savings in government spending. These savings can then be used to develop such social clusters into high-quality, safe havens of learning, social engagement, sport, culture and service delivery. At the same time, these efforts can stimulate local and neighbourhood-scale community development and empowerment.

Implementation of this approach therefore offers clear benefits which, if correctly aligned, can accrue to all stakeholders: the WCG Department of Public Works (as Custodian), the Department of Education, SGBs, the Department of Human Settlement, Social Housing Institutions, the Department of Social Development, and communities themselves.

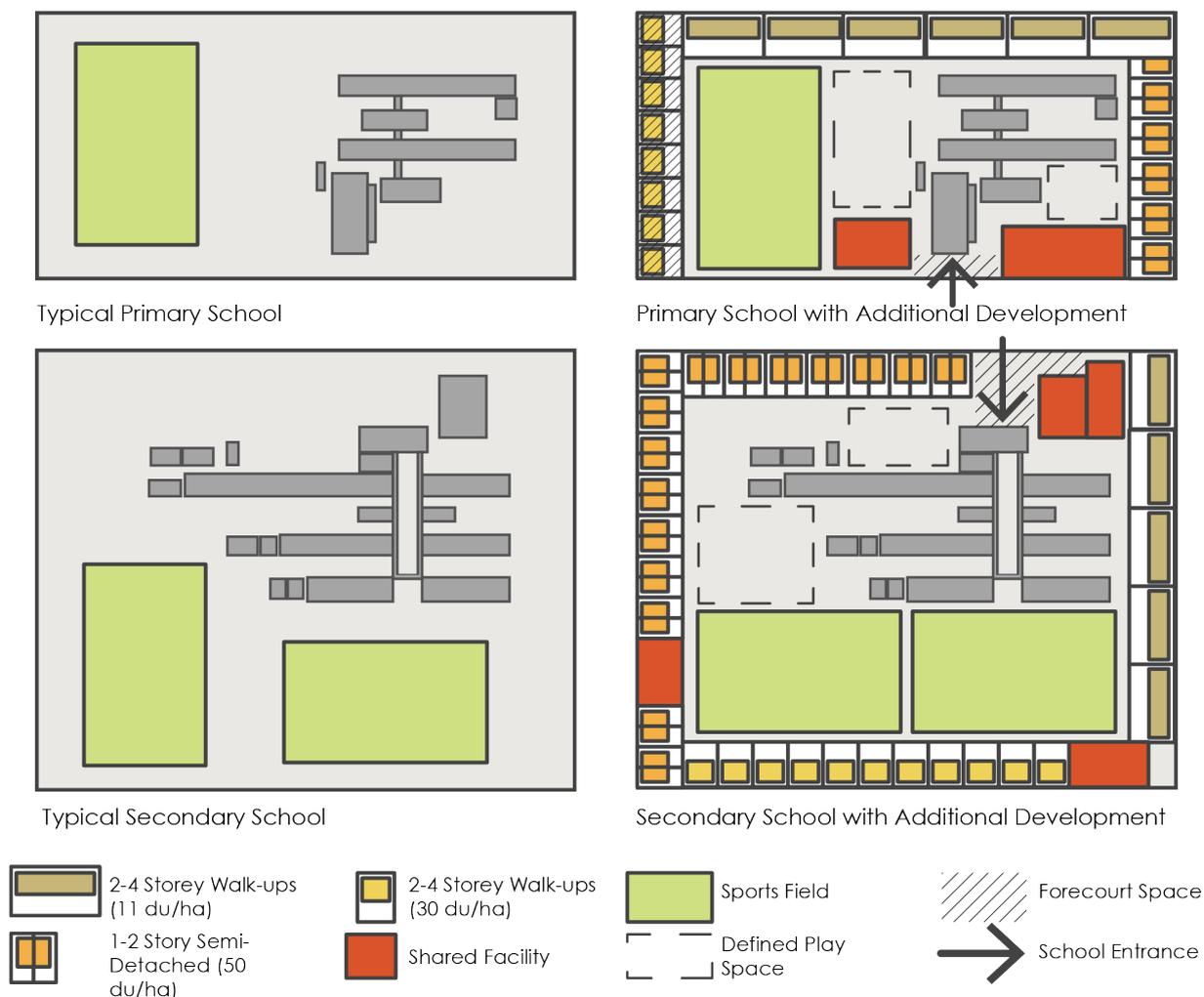


Figure 5. Potential Developments on the Perimeter of School Sites

#### 4.4. Providing opportunities for meaningful and community-based work

**Aim: Restore dignity to the public environment and to low-income communities through a Community-Based Work Fund (CBWF) to fund initiatives to create sustainable jobs linked to the management and maintenance of human settlements services. Ensure that funds spent on human settlements circulate within communities to create value.**

At the core of the development of human settlements are the infrastructure and services which are needed to sustain the functioning and development of communities and towns. The current model for the maintenance and management of infrastructure services is not sustainable, for the following reasons:

- **It is siloed:** The maintenance and management of infrastructure and facilities occurs in a silo-based way, with different line departments having different logics as to how they maintain their infrastructure/facilities or provide their services. For some services, local government employees directly manage and maintain infrastructure and facilities, but most functions are sub-contracted out.

- **It is capital-intensive:** Many maintenance activities (e.g. collecting waste and maintaining roads) are carried out in a capital-intensive (as opposed to labour-intensive) way that is unsuitable in a context of high unemployment.
- **It is reactive:** The focus of maintenance is on responding to problems and complaints rather than on regular and widespread preventative maintenance. This results in rapid loss of asset value. Some functions (such as the rehabilitation of rivers/ wetlands or reduction of fire risk in informal areas) are not carried out regularly, but as once-off programmes funded by special funds.
- **It provides limited meaningful work opportunities within communities:** The challenge of employment, particularly dignified and meaningful employment, has not been met. There is a particular shortage of low-skilled jobs.
- **It leads to a high cost of provision for the state:** High up-front capital costs slow the delivery of critical services, leading to backlogs and unmet needs. The lack of integration between different maintenance functions and the focus on reactive repairs rather than preventative repairs are also not resource-efficient.
- **It requires complex monitoring processes:** The monitoring of work done by local government employees, and by contractors and their employees, is a complicated task, and many functions (such as collecting waste from public open space) fall between the cracks. The net result is inadequate levels of maintenance and management of human settlements services.
- **It leads to lack of ownership by communities:** Communities are disconnected from infrastructure maintenance and management systems, leading to a lack of ownership of these networks and systems. The result is that there are high levels of vandalism and disregard for infrastructure (across all income levels and neighbourhoods).

To address the problems inherent in the current model of settlement management and maintenance, the two conversations about job creation in communities and more effective maintenance and management of human settlements services must be brought together. At the centre of these conversations must be a more in-depth understanding of how to develop effective models for small-scale, community-based enterprises and social initiatives. This will contribute to both the fiscal sustainability of local governments and a (potentially) more innovative and progressive approach to urban development, drawing on both state and community resources.

These models should aim to stimulate and support community-based maintenance and management initiatives run by local community-based development organisations, to ensure that a full range of effective maintenance and management functions can be undertaken in a responsive way that is subject to community control and can create local jobs (particularly low-skilled jobs) and stimulate local economic development. The community-based development organisations could either directly employ community workers or use local sub-contractors. These job opportunities could include waste management (including the recycling of waste), minor road and storm water maintenance, minor repair of water mains, emptying of pit latrines, street sweeping, trimming and cleaning of road verges and public open space, managing facilities (e.g. community halls and sports fields), and local ecosystem rehabilitation. Carrying out regular preventative maintenance in this way will result in better-quality living environments and reduce the loss in asset value of state-provided infrastructure.

The following steps need to be taken to activate and support community-based management and maintenance initiatives:

- **Build on the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP):** These existing works programmes are both incredibly important and already contribute to job creation. However, the EPWP has been criticised for many reasons, in particular because of the short time frames of the work opportunities offered, the low pay, and the lack of community involvement in setting local priorities. Many of these issues have been addressed in the (much smaller-scale) CWP. The lessons learnt from the CWP and EPWP should inform future revisions, expansions, and possible merging of the two programmes. In line with the need for shared metrics (see Section 6.1 of this Framework), all WCG departments should continue to report on the ways in which they contribute to meaningful and sustained job creation.

- **Develop micro, social and community enterprise models:** In addition to the list-based works programmes, small enterprises and artisanship, two historical characteristics of the Western Cape economy, should be supported. Small-scale and community-based enterprises should form the basis of this strategy, and its focus should be on creating employment opportunities through human settlements development, operation and management. This long-term service delivery is already being undertaken (although often inconsistently) by large contracted firms. However, little of this money is returning to communities or contributing to local economies and meaningful employment.
- **Develop innovative infrastructure models:** It is important that the two steps described above do not reduce the number of permanent state jobs. These steps need to lead to the creation of new jobs through more labour-intensive industry. Therefore, it is important that the WCG explores and promotes new models of infrastructure and facilities which are suitable for local-level maintenance and management. In particular, labour-intensive maintenance methods should be prioritised over capital-intensive methods, where appropriate. There have been studies showing that labour-intensive methods can provide the same quality at lower costs.
- **Develop a community-based procurement system:** It is essential to amend provincial and municipal procurement processes to ensure that small-scale enterprises are able to be contracted by the provincial and local government and are not discriminated against by procurement processes.

Community-based management and maintenance of human settlements therefore has numerous potential benefits, including:

- **Creation of significant numbers of local long-term and sustainable jobs:** These are jobs which are close to where people live. These jobs will largely be unskilled, which is where the bulk of the unemployment challenge lies. They are also jobs which are not easily displaced or impacted by global trends.
- **Increased preventative maintenance:** An approach can be adopted which is more cost-effective and extends the life of infrastructure.
- **More responsive service delivery:** Local community workers are permanently based within the community and have a vested interest in the outcomes of their work. This results in better-maintained infrastructure, facilities and public open space, and is also potentially more cost-effective than hiring external contractors with no community links.



Sibanye Community Based Planning workshop - Area Based Planning, Moorreesburg, Swartland. December 2018.

## 5. DELIVERY GUIDANCE FOR A LIVING CAPE

More and better housing opportunities are needed in the Western Cape. This should be achieved both through incremental development of existing areas and strategic infill, brown-field and greenfield projects.

The focus of many of the current state housing programmes has been on producing new housing (i.e. supply), generally through the development of large-scale projects, and the most important indicator of their success has been the number of sites and top structures which have been developed and transferred. This approach has perpetuated a view of human settlements which focuses on houses and not communities, on supply rather than demand, and on targets rather than outcomes.

The two proposals set out in this section of the Living Cape Framework address this challenge to shift the focus of the state from the delivery of new housing to the facilitation of improved quality and quantity of housing opportunities. It is noted that these two proposals must be read in conjunction with the integration proposals set out in Section 4 as housing is only one aspect of the development of sustainable human settlements.

### 5.1. An area-based approach to human settlements interventions

**Aims: Ensure that all typologies of areas contribute to the development of integrated human settlement opportunities. Improve the quality and quantity of housing opportunities and supporting services and facilities in all types of areas.**

Over the past twenty years the state's housing delivery-focused investment in human settlements has been characterised by the following features:

- **New housing delivery:** Targets are achieved by building new units.
- **Greenfield sites:** Most new units are developed on greenfield sites.
- **Subsidies:** Specific housing subsidy programmes (such as the Finance Linked Individual Subsidy Programme (FLISP), the Integrated Residential Development Programme (IRDP), the Upgrading Informal Settlements Programme (UISP) etc.) that each target a narrow range of housing needs, and that are often dysfunctional.

The outcomes of this approach have been:

- **Proliferation of large-scale and mono-functional developments:** These projects are often on the periphery of urban areas, which reproduces and sustains the apartheid structure of urban areas. New developments frequently lack the social services, public facilities and transport access that people need. Relocation of households from areas where they have existing social and infrastructure networks to these new developments means a loss of the neighbourhood support and community resources that these networks have given them.
- **A broken housing ladder:** Backyarders and informal settlement inhabitants have no recourse to improve their opportunities in situ, instead depending on long waiting lists and luck to be allocated a house. A 'housing ladder' which allows households to have a range of housing options within a neighbourhood and to choose options which best suit their desires, needs and life stages (e.g. single young adults, students, married couples with children, pensioners) is either broken or absent.
- **Neglect of existing areas:** Existing areas (of all income levels) could benefit from improved human settlements investments, such as infrastructure retrofitting or upgrading for sustainability and resilience.
- **Lost opportunities:** There are many lost opportunities to capitalise on both existing areas as critical providers of housing opportunities and households' own ability to contribute to the provision of their housing.

There is an urgent need to create an area-based approach to human settlements, which embraces the development of neighbourhoods and communities, as well as the construction of housing units.

An area based approach embraces:

- **Complexity:** Human settlements are complex. Area-based investment works to confront a myriad of complex issues and relationships, working towards integrated, holistic and cross-sectoral improvement.

- **Scale:** Human settlements face different challenges at different scales. The plot, block, neighbourhood, suburb, town, city and regional scales are all important for different reasons.
- **Spatial alignment of investments:** An area-based approach can use geographically bounded areas to target an array of investments and interventions aimed at whole-of-society solutions.
- **A holistic market approach:** An area-based approach recognises the inter-relationships of all types of housing. It maximises options, choice and upward mobility for households (i.e. it is a demand-driven/supply-supported approach).

Rather than focusing on abstract numbers or targets, area-based approaches focus on balanced value creation for:

- **People:** Human settlements are about people. But people are often overlooked while human settlements development focuses on the 'hard stuff'. An area-based approach can overcome this and focus on creating social and economic benefits for communities.
- **Places:** Place is the physical location where people live. Places provide the context (opportunities and constraints) within which individuals, businesses, non-governmental organisations and the state are able to operate.

A human settlements approach which sees all neighbourhoods as important contributors to human settlements development in towns and cities is essential. This section of the Living Cape Framework focuses on the key human settlements strategy for each neighbourhood typology.

Strategic investment in all types of neighbourhoods enables:

- **Greater scope for human settlements opportunities:** The trend to focus only on new development areas overlooks the untapped potential of existing areas.
- **Differentiation in investment strategy:** By getting a clear understanding of what types of interventions are possible and desirable in different types of area, the effectiveness of investments can be radically increased, and investments can be made in a more nuanced manner.
- **Linkages between areas:** Area-based approaches allow for careful consideration of how neighbourhoods physically link together, and allow for mobility, social integration and multi-scaled development.
- **Participation:** Area-based structures such as Ward Committees and local development forums are powerful sites of democratic practice. Area-based approaches make it easier to involve as many stakeholders as possible in settlement development and management, while simultaneously being supported from the extremely local level to national policy level.
- **Mobility and choice for households:** An area-based approach can embrace the dynamic needs of households. By investing in all types of areas, more, and more diverse, opportunities are created which households can choose from.
- **Building out of bankruptcy:** Investing in under-serviced neighbourhoods and empowering their residents creates the potential to transform what are currently drains on the municipal budget into productive contributors to local productivity and revenue. This in turn allows such communities to hold the municipality to account on local investment, increasing active and productive citizenship.

This approach requires officials to engage differently with the problems they are facing. They will need to engage directly with local communities and neighbourhoods; different neighbourhoods will need significantly different strategies and these strategies will need to be amended on a regular basis to reflect new thinking and emergent needs.<sup>28</sup>

This section sets out how an area-based approach can be applied in different types of human settlement, using a modification of the CSIR's (1999) typologies:<sup>29</sup>

- Informal settlements
- Low-income residential areas
- Middle/high-income residential areas
- High-density mixed-use areas
- New developments

28 Cameron, J., Odendaal, N. & Todes, A. (2004) 'Integrated area development projects: working towards innovation and sustainability'.  
29 Du Plessis, C. & Landman, K. (2002) *Sustainability Analysis of Human Settlements in South Africa*.



Finding sustainable solutions to informal settlement realities.

### 5.1.1 Informal settlements

**Neighbourhood description:** Areas where planning standards are not followed and shelter construction does not conform to building standards.

Informal settlements exist in urban and rural contexts, both in large and small settlements. They are most prominent in high growth-potential towns where people come in search of social and economic opportunities. They face tenure insecurity, inadequate social and networked services, and inadequate shelter. Overall, people often live in precarious conditions which compromise their quality of living.

Informal settlements provide affordable shelter for a significant portion of the urban population. They serve as an important part of urban areas. The WCG recognises that a paradigm shift on informal settlements is needed. It needs to be recognised that informal settlements are here for the foreseeable future. Accordingly, strategic actions need to be taken through which their conditions can be improved and their potential unlocked.

The 2016 Western Cape Informal Settlement Support Plan serves as guideline for the upgrading of informal settlements in the province. The Vision Statement of this Plan clearly states the objectives to be achieved: 'By 2030, informal settlements in the Western Cape Province are expected to be transformed into liveable, integrated, vibrant and resilient neighbourhoods'.

Priorities for the development of informal settlements include:

- **In situ upgrading with a focus on security of tenure, services, public infrastructure, and incremental housing opportunities:** This includes enabling alternative forms of tenure security, unlocking private land assets that are suitable for development and serving the livelihood needs of the community; planning for neighbourhood development; and providing emergency and basic services. The overall aim is to support incremental and affordable housing opportunities for people living in informal settlements.
- **Enhancing quality of life and active citizenship:** By supporting the social capital within informal settlements, the community as a whole can be uplifted. This requires shifting mindsets in government and society towards recognising community agency and civic responsibility, and includes supporting local entrepreneurship and livelihood strategies, promoting holistic human development, and supporting and enhancing citizen capability and involvement in planning, decision-making, implementation and monitoring.
- **Strengthening sector capability, governance and resources:** Equipping government to deal appropriately with informal settlements is essential to the success of this shift. This requires providing adequate financial resources for upgrading, improving municipal capability for coordinating and implementing upgrading programmes and enhancing provincial capability for monitoring, oversight, technical guidance, and learning/support. Partnerships between public/private/non-governmental/community organisations are also critical. The role of micro-finance and community finance for housing consolidation should be supported and expanded.

### 5.1.2. Low-income residential areas

**Neighbourhood description:** Pre-1994 'townships', consolidated site-and-service areas and post-1994 subsidised housing areas which are largely comprised of state-built housing and informal backyard structures.

A mixed legacy of apartheid and the RDP-housing programme, low-income residential areas are important parts of most towns. They often cover the greatest physical area and provide housing opportunities, through formal and informal avenues, to the majority of urban residents. In many of the Western Cape's urban areas and towns, low-income areas are spatially segregated from the town cores.

Low-income areas experience underinvestment in the management and maintenance of social, economic and networked infrastructure. In many low-income areas, people live in backyard structures adjacent to formal houses. These backyards tend to be poorly serviced and made from inadequate materials. The formal housing in low-income areas tends to be good quality. However, the housing market remains under-developed as financial institutions are reluctant to issue loans in these areas. While the state has invested substantially in these areas, they require additional support in order to meet these challenges and realise their full potential.

Priorities for the development of low-income residential areas include:

- **Improving the conditions of backyards through support and regulation:** Backyard 'rooms' are an important part of the economy in low-income areas. However, their conditions should be regulated to ensure a basic level of adequacy. The first step in improving backyard accommodation is to create more appropriate regulation and to identify areas where bulk capacity upgrades are needed.
- **Asset creation for home owners:** These houses are not serving their owners as financial assets, nor are they enabling home ownership for households in the gap market. This challenge can be attributed to the limited effective demand of households (i.e. lack of savings and finance), the backlog in titling of township properties, and a lack of knowledge about these markets. The key action which the state can take to improve this situation is to support the title deed restoration programmes which are under way. These should be accompanied by development of an improved understanding of township property markets (particularly for the urban areas in the Greater Cape Metro region).
- **Reversing 'building to bankruptcy':** A critical challenge in providing low-income and affordable housing is the ongoing operational costs borne by the local government. It is necessary to reverse the trend of human settlements investments made by all spheres of government to create unmanageable burdens on local government budgets and works, and justify perpetual under-investment. It is important that households in low-income areas pay rates (even if this amount is very small). This will have the joint effects of improving the financial sustainability of municipalities and enabling citizens to exercise citizenship and hold the municipality accountable for service provision.

### 5.1.3. Middle/high-income residential areas

**Neighbourhood description:** Areas which are largely residential and suburban.

These areas tend to form part of larger urban areas where there is a stronger middle class, or of resort areas where higher-income earners own homes that are used seasonally. Middle and high-income residential areas tend to be low-density, car-dominated, and inaccessible. Compared to many low-income areas, there is an oversupply of social and economic services.

Priorities for the development of middle/high-income residential areas include:

- **Incremental densification and diversification of well-located areas:** Local governments should enable diversification of land uses and small-scale subdivisions in middle and high-income residential areas. An assessment of bulk capacity should be undertaken and the outcomes communicated to communities so that people are made aware of whether they are in an area which can cope with further densification (both so that they can densify on their plot if they want to, and so that they do not block projects which seek to increase density).
- **Restricting the enclosure of public space:** Local governments should reject applications which lead to the enclosure of public space and the segregation of parts of towns and cities. Where possible, efforts should be made to work with developers who are intent on building gated or enclaved estates, and guide them away from such plans. Guidelines for reviewing middle- and high-income large-scale development approvals should be developed by the province.

#### 5.1.4. High-density/mixed-use areas (core areas)

**Neighbourhood description:** CBDs, historic core areas, high-level transport corridors, areas which are well located relative to economic opportunities and infrastructure.

These areas tend to be aligned with historical nodes and corridors, and concentrated in larger towns and the metropolitan area. They not only provide services to people who live there, but concentrate economic opportunities and services, attracting people from surrounding neighbourhoods and rural areas.

High-density mixed-use areas are important parts of urban areas. However, they often exclude the poor due to their high pricing. Available land in these areas tends to be used for high-income housing or commercial developments, rather than affordable options. While core areas aggregate social and economic services, many town centres do not exhibit optimal functioning as they cater to car users rather than public-transport users.

The enhanced functioning and development of core areas helps to overcome the apartheid spatial structure of urban areas. It also ensures that urban areas and state investments provide more value to more people, ensuring the urban dividend is reaped by all.

Priorities for the development of high-density/mixed-use areas include:

- **Land audit:** The state needs to have a firm understanding of available and well-located land for the development of sustainable human settlements. The state should take a 'portfolio approach' to its land holdings, using land strategically as a social asset (see Section 4.2 of this Framework).
- **Proactive and aggressive densification in well-located areas:** Restructuring areas should be given preference for bulk infrastructure upgrades and investments. Audits and assessments of available well-located land should be undertaken in order to better understand the potential for densification in each area.
- **Disincentivising land holding and speculation:** Under-utilised state and private land should be developed whenever possible. Land which is not developed (or is under-utilised) and is in well-located areas should be taxed more heavily by the local government.
- **Concentration of public and development facilities:** Core areas should congregate services and opportunities to enable people travelling long distances (often by public transport) to have easy and affordable access to them. It is essential that the state aim to locate its essential services (health, education, grant pay-out points etc.) within vibrant commercial areas.
- **'Substantive heritage':** There must be a balance between the need to preserve important sites and buildings for heritage reasons and the imperative of spatial transformation. Heritage restrictions should focus on the substance of the heritage site or issue, rather than on bureaucratically driven conservation. More effort is needed to find ways to strike this balance.

### 5.1.5. New developments

**Neighbourhood description:** Large areas of land which are being planned by the state or private sector to cater to unmet need and demands.

New development areas are often on the periphery, far from social and economic opportunities. They require high levels of up front investment in infrastructure and services. There tends to be an absence of support networks in these areas.

However, whether these areas are new greenfield sites or large brownfield or infill sites, some key guidelines can be followed to ensure sustainable and integrated settlements.

Priorities for new developments include:

- **Demand-responsiveness:** It is essential that new developments respond to the housing demands in the area. Most importantly, new housing developments should not be constructed in areas with declining demand.
- **Accessibility:** For new developments, accessibility should be a major focus. Developments should work to integrate themselves into existing urban fabric, with particular attention paid to public and non-motorised transport.
- **Alternative (green and people-oriented) infrastructures:** New developments should seek, wherever possible, to embrace the New Climate Economy's<sup>30</sup> calls for sustainable infrastructure provision. Projects which provide sustainable infrastructure for water, sanitation, energy and mobility should be prioritised and encouraged.
- **Densification:** New developments should work to combat low-density sprawl. Where applicable, a 'minimum-density threshold' should be met for projects to proceed. On well-located land, multi-storey development should be prioritised.
- **Mixed development:** Projects should aim to provide mixed-use, mixed-income and mixed-tenure options when developing new neighbourhoods and areas.

## 5.2. Capacitating the small-scale building sector

**Aim: Enhance the capacity of the small-scale building and development sector so that it can fully contribute to the incremental development of homes and neighbourhoods and the supply of semi-skilled work opportunities.**

The construction sector is a significant and growing sector of the Western Cape economy.<sup>31</sup> Incremental development is an important aspect of developing sustainable and resilient settlements. The need for households to develop and upgrade their own housing units is increasing, and they will need support in doing so. And while a few households have the skills to either construct or incrementally develop their homes themselves, most rely on small-scale builders to assist them. These builders play a vital role in the long-term and incremental development of neighbourhoods. They enable households to modify their housing to suit their changing needs, and invest in their properties to grow their asset bases. Using small-scale builders, all of this can be done in an affordable way, aligned to the pace and needs of the households. Currently, however, small-scale builders face numerous challenges which have greatly restricted the role they can play in housing delivery. Key challenges include:

- **Low levels of training:** Many small-scale builders have low levels of formal training and technical grounding in design and building skills.
- **Insufficient business management skills:** Small-scale builders generally have insufficient business management skills (this includes a lack of capacity to comply with legislated requirements).
- **Can only access work through personal contacts:** Small-scale builders are generally reliant on personal networks for securing opportunities to build structures, and are generally unable to access larger, more profit-generating projects (particularly publicly funded projects).

30 Floater, G., Dowling, D., Chan, D., Ulterino, M., Braunstein, J., McMinn, T. 'Financing the Urban Transition: Policymakers' Summary'  
31 PERO (2017) *Provincial Economic Review and Outlook*

- **Dependence on limited local supply chains:** Small-scale builders are dependent on local material supply chains and larger hardware stores because of a lack of transport and reliance on delivery of materials.
- **Limited access to financing options:** Because they lack collateral and have limited access to financing options, small-scale builders generally have a lack of working capital to grow their businesses, and are often subject to risky financial arrangements when sub-contracting to a main contractor.<sup>32</sup> There is also a lack of financial instruments supporting incremental building and upgrading.

A range of interventions are needed to address these challenges, and to help enhance the capacity of the small-scale buildings sector to play a larger role in the delivery and upgrading of housing:

- **Skills development and capacity building for informal builders:** There is a need for training for builders. The basic training should focus on basic technical skills. More advanced training should focus on financial education and budgeting, and on enterprise support and entrepreneurial development, including training in legal requirements and understanding bureaucratic processes. These programmes should be supported by the state but be rolled out in partnership with education bodies, community-based organisations, the public and private sector (public-private partnerships). Skills development programmes could be co-financed and endorsed/ promoted by these state and private sector organisations, to enhance their credibility.
- **Knowledge and information sharing for informal builders and home owners:** Through accessible public platforms, informal builders and home owners wanting to incrementally upgrade their properties should be provided with information about building regulations, approval processes and options for accessing support. Home owners also need access to information on how to find suitably skilled small builders, and on choices of design and material supply options. The Housing Support Centres used in People's Housing Projects (which generally offered advice on building design/construction, choice of small builders, materials suppliers and finance options) provide a useful model of how to provide support for incremental building processes.
- **Material supply chain:** Small-scale builders and developers need access to affordable construction materials. Supply chain improvements should focus on local materials which are easily accessible (rather than materials which are bespoke or imported). Material supply chain reforms should focus on improving access to and lowering costs of sustainable building materials.
- **Innovative financing models:** To improve access to long- and short-term finance, new financial instruments supporting incremental building, micro developments and upgrading need to be explored. These models could include the development of micro-financing for home owners; finance for small-scale builders to start or grow their business, and small landlord finance for the development of new rental accommodation.
- **Regulatory reform to enable small-scale builders and developers:** Building regulations should be revised to facilitate incremental upgrading; in some cases, local variations may be appropriate. Building approval processes need to be streamlined and simplified in order to facilitate entry into the market. Importantly, standard contract agreements need to be developed that meet the needs of small-scale builders and protect them in sub-contracting arrangements with larger contractors. The involvement of small-scale builders in larger projects (through joint ventures, consortiums or partnerships, or through parcelling larger projects into smaller pieces) needs to be promoted.

By implementing these strategies, the following benefits can be achieved:

- **Increased scale of delivery:** The strengthening and expansion of the small-scale building sector will result in increased delivery capacity within the sector.
- **Affordability:** The promotion of small-scale builders and incremental processes will result in more affordable housing options for households who cannot access mortgage loans or housing subsidies.
- **Increased employment:** A growing small-scale building sector will result in increased employment opportunities, as the small-scale building sector is much more labour-intensive than large-scale contractors.
- **Growing local economies:** Increased small-scale building will stimulate local supply chains and transport networks, thus contributing to local economic growth.

32 Construction Industry Development Board (2013) *Sub-Contracting in the South African Construction Industry*.



Providing safe and sufficient public transport.

## 6. GOVERNANCE GUIDANCE FOR A LIVING CAPE

Governance and decision-making are an essential part of change. Governance is essentially about how national, provincial and local government departments and other key stakeholders (such as civil society) work together to collectively make and implement decisions. Section 2 of the Living Cape Framework discusses the problems that existing governance structures experience when trying to implement an integrated approach to human settlements development. It has been difficult for government departments and other agencies to adapt how they operate so as to enable a more integrated and collaborative approach. This has held back the implementation of human settlements policies. Change is needed in governance structures and management processes before any significant progress can be made.

The proposals set out in this section all aim to strengthen integration, accountability and collaboration of governance structures and mechanisms across the region.

### 6.1. Integrated assessment and shared metrics of accountability

**Aim: Create a new integrated assessment system which moves away from departmental or single sector-driven, output-focused metrics and targets.**

Currently, most public investment in human settlements is not well coordinated, with different departments and spheres of government undertaking investment in different areas at different times. This investment tends to be driven by their own budget cycles and sectoral financial logics. Although there have been attempts at undertaking integrated projects, this is not the norm. One of the main underlying reasons for this is the nature of the indicators that measure and drive what departments do.

Key problems relating to indicators are:

- **The current focus on output indicators:** Currently, most indicators used by the national and provincial government are output indicators that measure the numbers of outputs produced. The focus tends to be on quantity, rather than quality of provision. The overall impact of human settlements interventions on the quality of the urban environment and quality of life of residents is generally not measured.
- **Different departments have different indicators:** The fragmentation of delivery is perpetuated by single-sector indicators that focus on outputs of departments, and not on integrated outcomes. Each department works towards meeting its own targets and Key Performance Indicators (KPIs). This is often referred to as 'target chasing'. Targets are often defined and assessed along sector lines (for human settlements, for example, the focus is on the number of serviced sites and the number of top structures which are developed).

In order to change the way departments function, it is imperative to change the way they are assessed. This requires:

- **The adoption of cross-sectoral human settlements outcome indicators:** There needs to be a move away from single-sector output indicators towards cross-sectoral indicators that measure the outcomes of human settlement investments in a more holistic way. The United Nations Sustainable Development Goals Urban Indicators provide a range of potential human settlements outcome indicators, and these have been tested for appropriateness and feasibility in the context of the Western Cape.<sup>33</sup>
- **The institutionalisation of cross-sectoral indicators as KPIs:** Cross-sectoral human settlements outcome indicators should be turned into KPIs to guide the plans and activities of provincial government departments.

This will result in:

- **The promotion of integrated human settlement interventions:** Using more integrated metrics that take a more holistic approach towards human settlements, with different departments working together, will help to promote integrated human settlements interventions.
- **Better assessment of the success of human settlements interventions:** Implementing an integrated assessment framework with cross-sectoral outcomes indicators and KPIs will facilitate the implementation of more integrated projects, and will help in assessing to what extent interventions are contributing to the creation of integrated human settlements.

<sup>33</sup> Mistra Urban Futures & City of Cape Town (2015) *UN Sustainable Development Goals Target 11: Urban Indicators Pilot*. Cape Town Pilot Project.

## 6.2. Public accountability and knowledge governance

**Aim: Create a transparent online platform where the progress (and challenges) of policies, plans and projects is made accessible to the public, and the public can track progress and have input into implementation.**

The state has a responsibility to provide information, communicate and engage with the public about its policies, plans and projects. Public participation is central to the national and provincial policy commitments. Information publications, multi-stakeholder platforms, helpdesks, social media platforms and consumer education are used to share information about policies and programmes. These are laudable efforts which work to ensure engagement with the public.

However, there remain a number of challenges to successful communication and engagement with the public, including:

- **Mistrust and hostility:** Many stakeholders remain unaware of how the state operates, why particular decisions are made, and how to ensure that their voices are genuinely heard. There is mounting pressure on the state from community and civic groups, caused in part by the broader public's lack of understanding of and information about government processes. There have also been a number of court cases against the WCG related to right-to-housing issues.
- **Lack of true accountability:** The lack or limited amount of information makes it impossible for communities and their allies to hold the state accountable. Conversely, it also makes it difficult for the state to hold civil society accountable for its actions, and to expect civil society organisations to understand the constraints under which the state operates.

There is a need for more robust and dedicated systems of public accountability, sharing and debate. The success of an integrated, holistic governance approach depends on the general public developing a better understanding of how the state operates, and having regular opportunities to track and give input into government processes. The WCG has committed itself to improving public engagement and partnerships. This commitment is articulated in many policy documents, most importantly in OneCape2040. At a national level, the Integrated Urban Development Framework and the National Development Plan both call for greater public engagement in state processes. They recognise that the shift from 'housing' to 'human settlements' and from 'state as provider' to 'state as enabler' both require greater public awareness of the constraints, efforts and opportunities which the state faces, and greater public engagement in human settlements processes.

Creating stronger and more effective systems of public accountability and engagement requires:

- **Transparency data platform:** An internet-based platform for public sharing of information is needed. On this platform, the state should share detailed and accessible information on policies, plans and projects. A public platform that supports a knowledge repository would enable wider and deeper public accountability and governance. This requires changing the ways in which knowledge is created and utilised. The principle of 'Designed for Sharing' is central. All policies, plans and projects should be documented in a manner which facilitates sharing. All relevant information should form part of a clear and accessible online portal.
- **Partnerships for accountability:** Civil society and other stakeholders must be prepared and willing to engage meaningfully with this data platform; they must have the skills and tools to understand and make use of the content which the state shares with them. This requires education and learning as a supplementary effort. By ensuring that stakeholders have the tools, resources and skills to engage with public platforms, state efforts can be maximised. The state must build knowledge and accountability partnerships with civil society. Civil society must help the state to better understand how to ensure that its work is easily understandable and accessible through dedicated partnerships. The state must also accept that confrontation and tension are inevitable and can be used to strengthen, rather than erode, partnerships. All stakeholders must embrace a 'learning-by-doing' approach to accountability and knowledge governance. No one party has all the answers, and creative and bespoke solutions are needed.

By embracing this shift, it is possible to achieve:

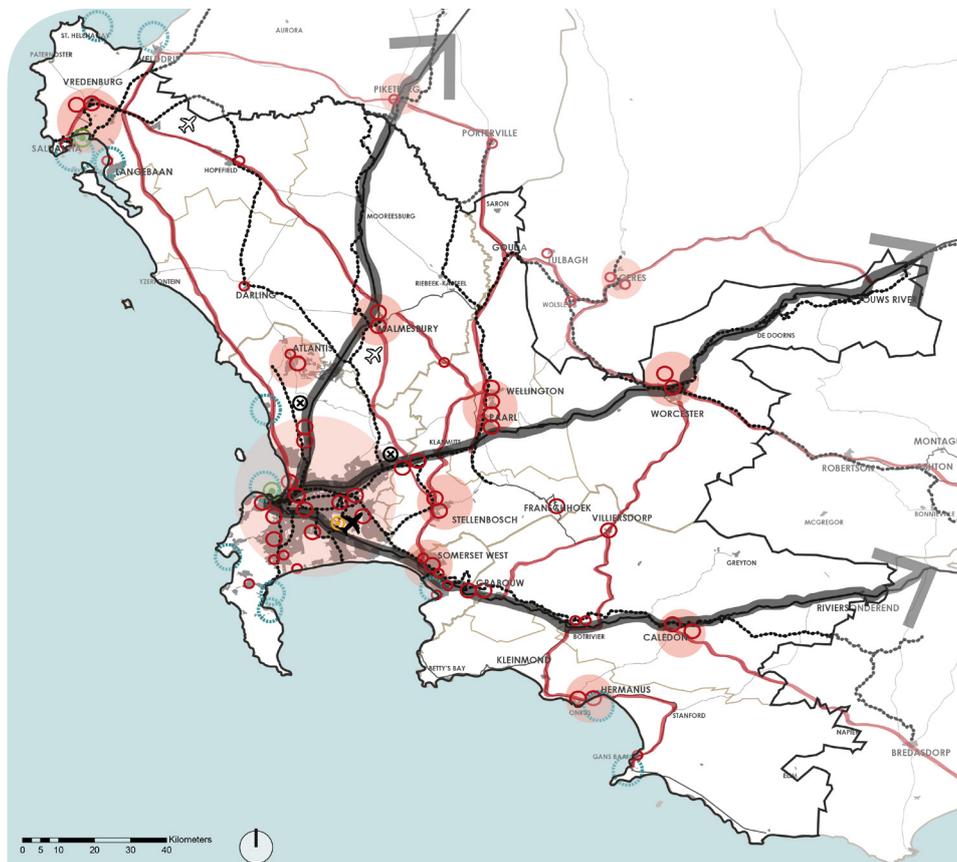
- **Greater trust and less hostility:** Transparent and easily accessible communication with the public, and an active commitment to accountability, can achieve greater trust and alignment of goals between the state and civil society.

- **A more informed and engaged citizenry:** A stronger understanding by the public of the constraints and challenges faced by the state can lead to greater engagement between state and citizens.
- **More accountable public officials and politicians:** The government will learn to better respond to criticism and recognise conflicting perspectives. This will help to create a more accountable public sector.
- **Public accountability:** The public's ability to hold government officials, politicians, and the private sector accountable to promises and values will be strengthened.
- **Knowledge governance:** There will be increased efforts to create and manage knowledge by and for a wide range of stakeholders.

### 6.3. The Greater Cape Metro regional knowledge platform

**Aim: Build the Greater Cape Metro region into an internationally recognised innovation hub built on a regional knowledge platform. It is imperative to embrace the strategic importance of Cape Town and its surrounding urban areas within the province and invest to support its growth and development.**

The Greater Cape Metro region (GCM, also referred to in WCG policy documents as the Cape Town functional region, the Cape Metro region, or the Cape Town city-region) includes the functional urban areas of Cape Town and the surrounding urban municipalities. It also includes a number of municipalities and has a blurred and overlapping boundary with the adjacent Greater Saldanha Region (see Figure 6).



**Figure 6. The Space Economy of the Greater Cape Metro Region**  
 Source: WCG (2016) Greater Cape Metro Regional Spatial Implementation Framework –  
 Draft for Comment, 2016

The GCM is a critical driver of economic capital, human capital and knowledge capital in the province. It is also home to 81% of the Western Cape's population, which is projected to increase by 1.23 million by 2040 (most of which will be in the CCT).<sup>34</sup>

The GCM is currently not operating as a strategic and coordinated entity.<sup>35</sup> It is characterised by:

- **Lack of municipal alignment:** The strategic spatial relationship between the CCT and the surrounding towns is not being addressed. Surrounding towns could learn much from the innovations made in and lessons learned by the CCT.
- **Lack of inter-governmental alignment:** The relationship between the CCT and the provincial structures is marked by a lack of consensus and mutual support. There are mounting tensions over roles and responsibilities, as well as mandate creep.
- **Lack of coordinated regional address of challenges:** The following challenges for the GCM have been identified: socio-spatial segregation in key towns; a sprawling and low-density multi-nodal network; mismatch between where people live and where there are economic opportunities; and a lack of investment in regional networks. These important regional trends have been identified, but not addressed. By ignoring these challenges, the province risks undermining the strategic potential of the functional region. It also fails to recognise the inter-relationships between the CCT and the surrounding urban areas.

Building city-region governance structures is a global trend, and many useful lessons can be drawn from developed and developing countries. In the developing world, the importance of addressing human settlements challenges at the scale of the city-region is increasingly recognised. There is a need to create a strong knowledge, coordination, and joint decision-making platform at the regional level which can support development, particularly in the urban domains where the majority of people live and work. This platform will be used to improve the development of human settlements in urban areas through knowledge production, knowledge sharing, and coordination of investment efforts.

A regional knowledge platform will support the achievement of:

- **Continuous research and development:** Research is a vital part of learning. The platform can be used to develop research among diverse stakeholders, including the public sector, the private sector, the four universities in the GCM and NGOs.
- **Standardised data collection and analysis:** Collecting the same data across municipalities, and analysing it in the same way, will allow for a clearer understanding of the regional development of the GCM. At the moment, each municipality collects data and analyses it in their own way (if at all). By streamlining this process, a regional development agenda can be developed in a coordinated and mutually supportive way. This will enable regional data collection and analysis to establish a baseline for evidence-based planning and monitoring towards desired spatial transformation and human settlements outcomes.
- **Innovative knowledge sharing to promote open source systems:** The sharing of open source and accessible data with the public is essential (as discussed in Section 6.2 above). The GCM stakeholders will need to promote the sharing of information and data, and the GCM network should regularly update content on the provincial platform to reflect new data and initiatives.
- **Joint projects with potential for up-scaling:** Joint projects should be established that work across municipalities. These projects should provide insights into innovative and resilient ways of addressing human settlements and urban challenges. Lessons from these projects should be documented and shared on the knowledge platform and more widely.

The knowledge platform will create a number of benefits for the province, including:

- **Shared (social) learning:** It will enable shared learning and support amongst the municipalities in the functional urban region.
- **Regional integration of the space economy:** Regional integration based on shared knowledge will increase the development potential and competitiveness of the province. The new SPLUMA and provincial LUPA have introduced a three-sphere system of integrated planning with renewed emphasis on regional planning. This shift aligns and supports these efforts towards regional integration.
- **Innovation:** Innovation is based on the introduction of new methods, ideas, techniques, designs, and products that add value, particularly in response to pressing challenges. The knowledge platform will be an important way for stakeholders to share and support innovation strategies across the region.

34 These data are based on the draft GCM regional plan. This document defines the functional area as including Saldanha; it is a generous spatial delineation of the GCM.

35 See OECD (2008) *OECD Territorial Reviews: Cape Town, South Africa*.

## 7. CONCLUSION

The Living Cape Framework works to distil the incredible complexity of the human settlements challenge into nine strategic proposals, as set out in Figure 1. These proposals fall into three spheres - Integration, Delivery, and Governance. Together these interventions address human settlements holistically and strategically. They compel us to break open and reconfigure the present model of human settlements development, and resist the path dependency which continues to produce inequitable and inefficient urban areas.

If this Framework is to be effective and transformative, all of the stakeholders involved in the development of sustainable human settlements will need to work together. This means working across spheres and departments within government. It also means working in new and innovative ways with the private sector and civil society. In short, a whole-of-government and whole-of-society effort is needed.

While this might sound simple, even obvious, it is undeniably complex and challenging. The logics which propel various stakeholders differ and, at times, are in deep conflict with each other. The future of this Framework rests on the ability and willingness of all stakeholders to grapple with these challenges. It requires a strong change management strategy to guide the state, and a robust and democratic decision-making process to enable broad and deep participation in its realisation.

Earlier in this document, we outlined the principles which will guide implementation. We argued that a framework of this nature must be implemented transversally, incrementally and through 'test beds of innovation'. Through actually 'doing' this work and developing strong institutional arrangements, the many stakeholders involved, from both the state and beyond, can learn and iterate together. The next phase of realising this Framework requires identifying these test beds and launching their development. Equally, it requires broader sharing and mainstreaming of the Framework so that other stakeholders can take hold of pieces which resonate with their own needs and projects and test their development. In this way, the Framework can act as a catalyst, inspiring far-reaching change.



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