MODULE 5

IMPROVING URBAN MANAGEMENT IN TOWNSHIPS

Sonny Schmidt

OVERVIEW

Urban Management:

- Definition
- Functions
- Importance
- Inhibitive Factors
- How to confront the challenge... Lessons Learned

DEFINING URBAN MANAGEMENT

Definition:

 The Planning, Development and day-to-day Operations of a City

Please note:

Government responsibility, but

Effective Urban Management requires involvement of:

- Private Sector
- Community Organisations

FUNCTIONS OF URBAN MANAGEMENT (1)

Two Domains ('spheres of influence'):

- The private domain (private spaces: property/facility on privately owned land)
- The **public** domain (public spaces: property/facility on public owned land)

FUNCTIONS OF URBAN MANAGEMENT (2)

Urban Management in the Private Domain:

- demarcate and regulate private spaces
 (development control: to create certainty about
 ownership, to protect privacy, safety and exclusivity)
- provide private spaces with essential services
 (water, sewers, electricity, refuse removal, etc),
 collect payment for services provided and
 maintain in a serviceable condition

FUNCTIONS OF URBAN MANAGEMENT (3)

Urban Management in the Public Domain:

- regulate the use of public spaces...
 ensure that the public may use them at their discretion
- improve and maintain public spaces and infrastructure...
 make more attractive, more enjoyable
- **govern** public spaces...
 Government, private and community inputs to create sense of ownership, consensus about priorities

IMPORTANCE OF URBAN MANAGEMENT (1)

What if ...

Insufficient Urban Management in the **Private** Domain:

 Private capital formation in Townships is impeded (home or shop owners do not see much point in maintaining or upgrading their premises)

Net Result:

Bankable assets of working-class residents and owners of enterprises prevented from reaching their potential

IMPORTANCE OF URBAN MANAGEMENT (2)

What if

Insufficient Urban Management in the **Public** Domain:

- Conflict over 'ownership' of public spaces...
 warring groups; violence; unsafe for public
- Specific interest groups 'take ownership'
- Public spaces lie 'dead' and perform no service to communities
- Capital formation is impeded in adjacent private spaces

IMPORTANCE OF URBAN MANAGEMENT (3)

What if

Townships become increasingly ...
- and ultimately –
completely
dysfunctional!

DYSFUNCTIONAL TOWNSHIPS



INHIBITIVE FACTORS ('Constraints') (1)

- Insufficient 'resource' commitment
- Failure to integrate public sector initiatives
- Inappropriate management approaches
- Planning and regulatory system inadequacy

INHIBITIVE FACTORS ('Constraints') (2)

Insufficient 'resource' commitment

- Competing priorities for municipal budgets
- Easier to get budgets for high profile new investments than for standard maintenance expenditure
- Difficult to plan and budget for maintenance
- Low rates income collected from township areas (due to predominance of low-income residential uses)

INHIBITIVE FACTORS ('Constraints') (3)

Failure to integrate public sector initiatives

 no culture and practice of partnerships (see Table on p.78)



INHIBITIVE FACTORS ('Constraints') (4)

Inappropriate management approaches

- Laissez Faire (What must be ...)
- Control and Command

Shift needed to

- Negotiated ways of (by)law enforcement
- Partnership Approaches

Need to go beyond 'participatory' urban planning to effective involvement

INHIBITIVE FACTORS ('Constraints') (5)

Planning and regulatory system inadequacy

ambivalence in public-sector responses to informal processes...

the vast majority of economic activity is from less-formal sector but our regulatory frameworks and by-laws don't quite know how to deal with this...

Lessons learned "How to ..."

- Determine priorities
- Secure required resources
- Institutionalise improvement

Lessons learned "How to ... determine priorities"

Three <u>approaches</u> to selecting urban management priorities in townships

- 1. Get the basics right
- 2. Select spatial focus areas
- 3. Select priority issues

Lessons learned "How to ... determine priorities" Method 1: Get the basics right



Lessons learned "How to ... determine priorities" Method 2: Selecting spatial focus areas

Start at

- Key nodes (KTC approach)
- Key corridors





Lessons learned "How to ... determine priorities" Method 3: Selecting priority issues

Issues that leverage maximum support and /or have major cascade/multiplier effects:

- Crime
- Cleaning
- Greening...

Lessons learned "How to ... secure required resources"

Four strategies to secure the 'resources' needed for better urban management

- 1. Obtain value for money and efficiency gains, &
- 2. Increase the allocation of public resources to township urban management, &
- 3. Capture complementary revenue streams, &
- 4. Mobilise urban management partnerships with the private sector, user groups, NGOs and community organisations.

Lessons learned "How to ... secure required resources" (1)

1. Obtain value for money and efficiency gains:

 Identify urban management wastages unused public facilities, dead spaces: use what you have!

 Double-up: clustering of facilities save on security, cleaning, management

Lessons learned "How to ... secure required resources" (2)

- 2. Increase the allocation of public resources to township urban management:
 - Zero-based budgeting, &
 - Using leverage and gearing calculations to demonstrate the need, &
 - Using cost-benefit analyses (see DBSA Report)

Lessons learned "How to ... secure required resources" (3)

3. Capture complementary revenue streams:

 Public land and building incomes channelled into urban management activities (ring-fencing of income & revenue)

Lessons learned "How to ... secure required resources" (4)

- **4.** Mobilise urban management partnerships with the private sector, user groups, NGOs and community organisations. Supplementary resources to be gained:
 - Financial contributions
 - Supplementary services
 - Supplementary management
 - 'Sweat equity'

Lessons learned "How to ... secure required resources" (4)

Urban management partners typically mobilised

- Property owners e.g. commercial property investors
- Informal traders (contracting with traders associations or cooperatives to provide cleaning, security and management service for informal markets)
- Small businesses (formal/informal agreement with business to provide security and cleaning service for a precinct).
- Taxi operators- (contract with taxi association to provide management and security services for taxi rank)
- Sports clubs (sports clubs provide maintenance service in return for use rights)
- Community groupings
- Church or religious groups

Lessons learned "How to ... institutionalise improvements"

Direct execution by the municipality, or

The White Paper on Municipal Service Partnerships identifies five generic **options** for the delivery of municipal services:

- 1. Service contracts
- 2. Management contracts
- 3. Leases
- 4. BOTs
- 5. Concessions

(see DBSA Report)

CONCLUSION

- Improving Urban management is a precondition for township development
- It requires intervention at a number of levels: regulation, servicing and maintenance of public and private space
- Given resource constraints, need to focus on correct priorities
- Several strategies to mobilise the resources need for urban management improvements: all need to be applied simultaneously
- Institutionalisation is key to sustaining efforts over the long term

Where do we start?



Where do we start?

What do we have?

Immovable Asset Register (see Treasury Guidelines)

What do we want to do?

- Zero based budgeting
- Life cycle costs

What can we do?

Prioritisation (given available Budget)

Who is going to do it?

Implementation plan (Institutionalisation)