City of Tshwane

Tshwane’s City Strategy

Final Report

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<td>BID</td>
<td>Business Improvement District</td>
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<td>CID</td>
<td>Community Improvement District</td>
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<td>CS</td>
<td>City Strategy</td>
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<td>CTMM</td>
<td>City of Tshwane Metropolitan Municipality</td>
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<td>EDZ</td>
<td>Enterprise Development Zone</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>MFMA</td>
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Executive Summary

The Tshwane City Strategy is a bold initiative by the City of Tshwane Metropolitan Municipality (CTMM) to influence the development path of the City over the next 20 years.

The City Strategy (CS) proposes a substantial programme of public-led investment to develop new patterns of housing, transport links and business opportunities in the northern part of the municipality. This concentration on the North will be associated with linked programmes in six other focus areas.

The CS aims to provide the basis for a social compact and a process of sustainable growth that will offer new opportunities for poor and marginalised communities.

What is Tshwane?

The City of Tshwane is the centre of government in South Africa. It is part of the Gauteng Urban region, the wealthiest and fastest-growing economic region on the African continent. Its population of 2-million people has the highest level of educational attainment in the country, and the city is a national centre of research and learning with four universities, and the headquarters of both the CSIR and the HSRC.

Tshwane, encompassing the former city of Pretoria, is also the archetypal Apartheid city. The majority black population, while required as workers and servants, were pushed out to the periphery. Still today people travel enormous distances to work each day, with buses travelling over 50km from dormitory settlements in the North-West Province, northern Gauteng and Mpumalanga. Over 650,000 people live in the North of Tshwane, where incomes are lower, unemployment is higher and social facilities are thinly spread.

The poverty of the North exists in sharp contrast with the regions to the east and the south, where economic development is of a different order, driven by strong market forces that reach out towards Mid-Rand and Sandton. Wealthy suburbs serve as a different sort of dormitory, for car-borne commuters with jobs in Johannesburg.

The City of Tshwane Metropolitan Municipality, formed in December 2000 when thirteen municipalities were brought together, is unusual amongst local governments because it is efficiently run and financially sound. For various reasons, it stands in 2004 faced with the responsibility of planning major public investment, of a scale that occurs only once a decade.

There are strong, even irresistible, pressures for the municipality to spend its swelling capital budget in the north. It can choose to follow the example of many other local authorities and to roll out municipal services to more and more households, but on a model that is unaffordable. People are unable to pay for the cost of the services provided or for infrastructure maintenance. This burden falls on the shoulders of the municipality which, could potentially over time, lurch into bankruptcy. Is there an alternative route for Tshwane to explore? One that deals creatively and realistically with the plight of the poor, but which delivers beyond the municipal mandate, mobilising the resources of all spheres of government, the economy and communities to create a better life for all.
Tshwane City Strategy: Phase II Report

What is a City Strategy?

A city strategy unleashes a process to develop a sustainable future for a city as a whole. A City Strategy (CS), has a different focus from the Integrated Development Plan (IDP). Where the IDP is dictated by law and must comprehensively guide the municipal budget and activities over a 5-year period; a CS is focussed on a selective set of initiatives that, over 20-30 years, provide a coherent framework of action for a much wider set of role players, in both private and public spheres. A CS thus complements the IDP and does not replace it.

A CS makes a difference by generating interventions of sufficient scale in a few, well-targeted areas. It relies upon the “buy-in” of all stakeholders.

What is the Tshwane City Strategy?

The key elements of the City Strategy are:

Focus I: Infrastructure-led expansion of development potential of the North to tackle poverty

Focus II: Continued sound management and development of the established urban areas (Pretoria Central, Centurion, South-eastern Pretoria, Mamelodi and Atteridgeville/Laudium) by maintaining services and supporting market-driven initiatives to support the overall development of Tshwane

Focus III: Strengthening key economic clusters to gain leverage from growth trends in manufacturing, government and business services

Focus IV: Celebrating the National Capital and Repositioning the Inner City as a vibrant cultural and government centre

Focus V: Building high levels of social cohesion and civic responsibility to maximise development opportunities

Focus VI: Ensuring a Solid Foundation: Modernising the administration for developmental service delivery through phased restructuring and institution building

Focus VII: Ensuring a Solid Foundation: Ensuring municipal financial fundamentals as platform for services and development
Tshwane City Strategy

How does Tshwane implement the CS?

This report outlines how the development of the North can be used as the entry-point into the CS.

An area termed the “Zone of Choice” has been identified as a focus area for strategic investment in the North. This area, running in a broad band to the north of the Magaliesberg, includes the industrial hub of Rosslyn and Akasia in the west, and stretches east to the N1. This area already has a strong formal economic base. It is located close to a variety of resources and amenities at the heart of Tshwane. Bulk and transport infrastructure is in place and the area already has high potential for business growth. The Zone of Choice will be used as a catalyst for further economic and social development in the North. Vacant land is abundant, much of it under public control. Parts of this will be progressively built up with mixed-use housing. Some areas close to work opportunities and public transport facilities are well suited to accommodate high-density housing for low- to medium-income households. These can support public facilities and public space, where small businesses can locate themselves. Residents of the Zone of Choice will ideally be able to find employment within their northern urban environment or will find themselves a short public-transport ride away from the historical CBD.

Transport and mobility play such a pivotal role in opening up the North that it is raised as a strategic intervention in itself. The City can trigger a more equitable and integrated Tshwane through a series of high impact transport interventions affecting the development of the North. Many of these projects will have a direct positive impact on areas to the South and West as they will create new access routes and better connectivity across the region.

Basic needs and related bulk infrastructure programmes will make sure that all households have access to basic services, but higher-level services will be extended strictly according to affordability. Public investment in North, outside the Zone of Choice, will concentrate on creating places of value, nodes which will in turn attract private
investment and provide a base for a wider range of public services and small businesses.

Not all parts of the CS are of equal weight. The CS prioritizes the North, and uses interventions and plans that benefit the North as the basis for action in the other strategic areas. For example:

The CS will rely on the market to drive development in the south and east, but move away from allowing the market to dictate municipal infrastructure requirements. Areas with high quality services will pay proportionately more to support access to services in poor areas. But the municipality will commit itself to a Services Charter that guarantees that services and infrastructure will be maintained at a defined level. A ‘menu’ of municipal services will be offered to meet different community needs and abilities to pay.

Tshwane will honour its status as the Capital City through a programme to revitalize the CBD and to recognize historical and cultural assets. Further investment in affordable and diversified housing options in the inner city will help to make it a more secure and safe environment and attractive for tourism. A formal stakeholder body of the Capital City is needed to include government, business and diplomatic tenants with a vested interest in the future of the city.

The CS introduces important implicit policy and emphasis shifts. These are required to shape an action agenda that has full impact on urban efficiency and the quality of life – specifically targeting the poor. The most important shifts are:

1. From unfocussed, low-impact public expenditure to focused high-impact public investment.
2. From a concentration on individual household infrastructure to balanced investment in public benefit infrastructure and individual households.
3. From a broad intention of compacting and integrating the apartheid city to a more sophisticated and strategic intervention package.
4. From unsustainable patterns of infrastructure investment to an approach that balances growth and maintenance.
5. From unproductive investments to investments with a multiplier effect.
6. From being a development facilitator to directing development. In probably the most important shift, the CTMM will define its strategic role as initiating public investment to which private business can respond.

The CS aims to make the North of Tshwane the focus for the next stage of Gauteng growth. This depends upon finding a practical balance between improving access to municipal services and unlocking development opportunities.

Where do other stakeholders fit in with the CS?

The CS is promoted by the CTMM and its first iteration has been produced by the municipality. But the CS has to become a city-wide project. The report outlines an engagement strategy to draw other stakeholders into the CS process. Government is a particularly important constituency because of its role as the major employer, land owner and tenant. It is suggested that a CS delivery body, including a full range of stakeholders, be formed to manage participation. The CTMM will need to rely on stakeholders to assist in resourcing the CS and in prioritizing foundation and lead projects.
Conclusion

The Tshwane City Strategy is radical - it goes to the roots of our Apartheid legacy. It is an appropriate proposal as we enter the second decade of democracy, proud of our achievements, but aware of how far short they fall of our needs as a nation and our potential as a country.

The City Strategy:

- Outlines a course requiring bold leadership from the state and the public sector, through local government;
- Prioritises real opportunity, not need;
- Recognises the right of the poor to dignity and community respect;
- Provides a basis to involve the municipality and all stakeholders in a social compact
- Expresses confidence in the future of our city and its people.

A bold course
1. Preface

1.1 What makes Cities successful

There is no magic formula for urban success. The economic innovations and cultural conditions that allowed particular cities to bloom in the past remain mostly immune to linear transferral between cities. Even elusive success, when it happens, does not seem to last. History is full of remarkably short-lived and surprisingly rare examples of cities that have risen to capture a golden age, only to lose their dominance, sometimes to succumb to decay and even to disappear. Peter Hall\(^1\) notes how the fifth century saw the rise of Athens, followed by Rome. By the fourteenth century Florence had risen to dominance, followed by London in the sixteenth century, Vienna in the eighteenth and Paris by the late nineteenth century. All these great (Western) cities were capital cities, the seats of considerable civic power, and the leading cultural trendsetters and economic powerhouses of their time. What then are the ingredients of innovation, creativity and intervention that would propel the City of Tshwane into its golden age – fulfilling its vision of becoming the leading international African capital city of excellence?

There seem to be two aspects that mark emergent successful cities. Firstly there is the quality of the strategic thinking underpinning action. A successful city needs a coherent strategy that captures its intent and drives its implementation over decades. Secondly, successful cities seem to have some things in common – visionary individuals, creative organisations and a political culture sharing clarity of purpose. This second set of aspects, identified by Charles Landry\(^2\) is less easy to define and hard to benchmark. Landry noted that leadership was widespread, permeating public, private and civic organisations. Cities followed a determined but not a deterministic path. Success also depends on courage; courageous public-led initiatives complemented by bold private investments, and a range of interconnected projects undertaken both for the public good and for profit. The courage required demands a shared sense of confidence in the future; a confidence that can be built and influenced by the local democratic state as a key actor on the stage of development.

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1.2 Laying a foundation

Tshwane needs a competitive strategy to hold its own in a world increasingly dominated by economic rivalry between urban regions. The welfare of its residents depends on it. Creating better lives for all means better urban management performance than competitor cities so as to sustain and attract proportionally more investment and jobs.

Successful cities, according to current evidence, offer competitive advantages in the following important arenas:

- **Successful cities address the needs of the poor** – as a city that works for the poor works for all. Deliberately dealing with poverty in an urbanised setting holds obvious advantages for the poor in getting access to services and opportunities and to the state as custodian of public service provision. The socio-political consequences of not addressing the needs of the urban poor are perhaps even a greater motivation for action. Yet, the ability of cities to address the conditions of poverty depends on urbanisation being combined with economic growth. Achieving sustained economic growth is therefore a precondition for sustained improvements in the lives of people. Tshwane faces a strategic choice on how to deal with the needs of the poor – there is a tension between investment in subsidised basic services and productive investments in the urban economy. The following three bullet points reflect on the competitive advantages of cities in relation to growing the urban economy.

- **Successful cities provide high quality living experiences** in which people want to settle and invest. A city that works for the poor cannot be a city with a poor living environment. A high quality environment is a reflection of the range of economic opportunities, cultural experiences, sense of safety and a quality physical environment. The availability of a range of effective and efficiently provided public services, transport and amenities are important factors in creating a high quality living experience;

- **Successful cities are well-connected.** Connectivity relates to availability of quality communications infrastructure, mass transit systems and excellent regional and international transport connections. Connectivity is a prerequisite in establishing a foothold in trade and financial flows within a region and global context. Public investments in transport and communications infrastructure are a key factors influencing competitiveness.

- **Successful cities provide agglomeration benefits.** Increasing size generates agglomeration advantages since it stimulates a growing range of economic activity. Competitive agglomeration benefits are influenced by dispensable income, the cost of public services, transport, labour and other input costs, as well as the appropriateness of the labour skills to economic requirements.

**Winning advantages for Cities:**
- Addressing the needs of the poor
- Providing high quality living experiences
- Being well connected
- Providing agglomeration benefits for growing the economy
The above conditions should arguably apply to more than only a select minority of the total Tshwane population in order to qualify it as an urban success story. Tshwane’s reality is defined by a great duality between poverty and prosperity within a spatial economy reflecting high levels of inequality. Creating an urban success story in Tshwane is inextricably linked to resolving the gross municipal service and transport inefficiencies of a large peripherally located urban poor population to the north of Pretoria while sustaining the dynamism and vibrancy of economic activity towards the South. It follows that Tshwane’s context points to a predominant focus on developing a strategy to address this duality as a necessary element of making Tshwane a successful and sustainable city. 

### 1.3 City strategy as an instrument for intervention

The notion of a City Development Strategy, as an instrument to plan and focus leadership, emerged from work by the international Cities Alliance and the World Bank, and has been adopted by the South African Cities Network (SACN). A CDS – or simply a City Strategy (CS) – is seen as an instrument to develop pro-poor urban governance in cities. Ultimately, it is about participatory decision-making to address the challenges of urbanizing poverty, increasing competitiveness and emerging pressures on economic and environmental sustainability. The CS provides a framework for economic growth, making it sustainable and equitable through pro-poor policies, strategies and actions.

The CS approach is based on three important principles - enablement, participation and capacity building. Empowering local authorities and other partners is a necessary condition for the CS exercise. Without the participation of those at the local level – the municipality and the urban poor - sustainable citywide strategies cannot be achieved. This participation must be genuine, resulting in local ownership of the process. For that participation to be meaningful, civil society organizations and city government institutions need solid institutional and technical capacity.

The goals of a CS process include a collective city vision and strategy, improved urban governance and management, increased investment and systematic and sustained reductions in urban poverty.

The most important product of a CS is a citywide strategy that turns the city into an engine of equitable economic development and has a direct impact on poverty reduction, local economic growth and improved governance.  

A City Strategy, has a different focus from the IDP. Where the IDP is focussed at providing a statutory framework to comprehensively guide the municipal budget and activities over a 5-year period; a CS is focussed on a

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3 The IDP should be consulted for a more comprehensive contextual analysis.

4 In this document the term City Strategy (CS) is used.

5 www.unhabitat.org/programmes/ump/cds.asp
selective set of initiatives that, over 20-30 years, serve to provide a coherent framework of action for all role players, municipal, private investors and the community. A CS thus complements the IDP and does not replace it.

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<th>CS</th>
<th>IDP</th>
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<tr>
<td>o Not a masterplan – but a framework for action</td>
<td>o Comprehensive plan</td>
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<td>o Selective focus on strategic leverage areas</td>
<td>o Embracing focus on public sector action</td>
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<tr>
<td>o Longer time horizon</td>
<td>o Short to medium (3-5 year) term</td>
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<td>o Non-exclusive to government action</td>
<td>o Exclusive to public action</td>
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<td>o Mobilisation</td>
<td>o Planning</td>
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<td>o City focus</td>
<td>o Municipal focus</td>
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<td>o Leadership imperative</td>
<td>o Legal imperative</td>
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![Fig.1: The difference between the IDP and the CS](image)

What should a CS be able to achieve? According to the World Bank\(^6\) a CS should provide the framework to achieve the following:

- **"Livable"**- providing a framework committed to ensuring that the poor achieve a healthy and dignified living standard; that provides systems for adequate housing, secure land tenure, credit, transportation, health care, education, and other services for households; and that addresses environmental degradation, public safety and cultural heritage preservation for the benefit of all residents. And to be livable, cities must also become:
  - **"Competitive"**- providing a supportive framework for productive firms, to promote buoyant, broad-based growth of employment, incomes and investment.
  - **"Well governed and managed"**- with representation and inclusion of all groups in the urban society; with accountability, integrity, and transparency of government actions in pursuit of shared goals; and with strong capacity of local government to fulfill public responsibilities based on knowledge, skills, resources and procedures that draw on partnerships.
  - **"Bankable"**- that is, financially sound and creditworthy. Financial health of municipalities requires the adoption of clear and internally consistent systems of local revenues and expenditures, transparent and predictable intergovernmental transfers, generally accepted financial accounting, asset management, and procurement practices, and prudent conditions for municipal borrowing.\(^6\)

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2. Introduction

2.1 Background

Since the establishment of a unitary City of Tshwane\(^7\), the municipality has made steady progress in developing overall strategic capacity and direction to meet the City's challenges. Yet, up to now Tshwane has not had a firm competitive strategy that outlines how it sees the development of the region over the coming decades, nor has it created processes that would create the confidence and common purpose between stakeholders that would be able to unleash the creative energy and innovation that could deliver Tshwane's golden age.

In the initial stages after the 2000 local elections, the Integrated Development Planning Process has been institutionalised within national guidelines for local government planning and budgeting. Planning had to address the challenge of maintaining service continuity while also having to respond to real and often desperate community needs and associated political pressure for basic service delivery. Planning-led action had to contest with a municipal service platform inherited by new City of Tshwane consisting of 13 previously independent local authorities entities amalgamated into a single new institution. These authorities exhibited distinct agendas and work cultures, and were serving areas with different needs. In addition, complex geo-political arrangements related to provincial and local government boundary delineations and contradictory laws between Gauteng and North West Province further complicated the process of creating a city administration with a clear and united purpose.

Thus, the initial IDP has been unable to fully achieve the ideal of integrated planning and budgeting related to a clear understanding of the City's future and desired direction. In many ways, the initial IDP did not sufficiently challenge the inherited culture in service delivery characterised by an internal focus and sectoral and spatial fragmentation. CTMM continued to reflect different and often contradictory aims and ways of working. Interest groups were able to pursue divergent agendas in the new environment.

The IDP did, however, prepare the ground for further work. It set in place a rigorous process of medium term and annual planning and budgeting to common time frames and corporate criteria. At the same time, progress has been made in integrating processes of community planning and participation with the IDP cycle, also involving local politicians.

By 2003, Tshwane started to explore ways of expanding the IDP beyond its immediate internal imperatives. Building on research, thinking, political direction and experience in the preceding years, Tshwane began to solidify its strategy – its priority focus areas – for the Term of Office period. This required

\(^7\) The City of Tshwane was established at the onset of the final phase of post-Apartheid local government democratisation through the amalgamation of 13 previous local government entities. Local elections held on 5 December 2000 marked the birth of the City of Tshwane.
deepening and consolidating the city-futures thinking component and external focus of the IDP. This work also formed the basis for an application for a Restructuring Grant from National Treasury, earmarked for assisting in the implementation and institutionalisation of specific initiatives illustrating the new strategic thinking. The draft strategy was first outlined in the “City of Tshwane Restructuring Grant Application” (dated July 2003) and a draft discussion document “Towards a City Strategy” (dated October 2003).

Towards the end of 2003, the City of Tshwane took stock of its strategy processes, noting that:
- Political leadership had embraced the City Strategy concept;
- Engagement with key stakeholder groups around the key concepts of the strategy had started and there was considerable interest from investors to “get on board”; and
- A first round of strategy and budget integration had taken place (through the vehicle of the IDP and related to capital spending) and “strategic” projects identified during the first round of strategy work had been assessed for alignment.

In order to deepen the City Strategy, it was considered important to review:
- How the City Strategy and RGA process of 2003 had influenced formal and informal discourse at the executive political and administrative management level regarding city future, planning, budgeting and service delivery processes;
- How this work should be integrated with the annual and longer term IDP processes;
- How the integrity of the work could be retained, while allowing for necessary flexibility and service specific or community articulation;
- What tools should be developed to assist the process of merging the City Strategy with annual and longer term IDP/budget processes;
- How ownership of the City Strategy is to be achieved beyond those initially involved, internal and external to the organisation, and how the initial ideas are to be enriched by “new” players;
- How specific initiatives illustrating the new strategic thinking are to be managed;
- How the City Strategy will impact on the future spatial development of the city, and how the Tshwane City Strategy and the work on the National Spatial Development Perspective will inform and “shape” each other.
- How to develop the understanding and a common interpretation of key concepts within the strategy;
- The nature of a structured package of programmes and projects;
- How the sustainability of the strategy is to be tested;
- How the time frames for implementation would be determined;
- How the private and community sector role in on-going refinement and implementation of the strategy could be understood within a framework of public leadership; and
- How the City could engage, direct and re-direct the thinking, planning, investments and efforts of key stakeholders.
Four inter-related work streams (Figure 1) were identified for a second phase of work on the CS.

**2.2 The role and purpose of this document**

This document represents the final technical report outlining Tshwane’s City Strategy. It is not a stand-alone product but a means to engage stakeholders in the CS development process in contributing in the ongoing sophistication of the CS and its implementation.

The purpose of this document is to:
- Provide an overview of CS content;
- Lay a foundation for the next stage in strategy development – notably to inform a process of engagement with key stakeholders;
- Provide a framework to inform critical short term decisions and programmatic choices; and
- Provide a common reference point to for further discussion and work in developing the Tshwane strategy.
2.3 Document Structure

The rest of the Tshwane strategy document outlines specific strategy details, outline of initiatives and implementation details. Section 3 below describes the most important contextual considerations informing section 4; that provides a broad overview of the City Strategy. Tshwane’s CS is led through the initiatives outlined for the North and is covered in section 5. Other strategies required to deliver the North successfully is addressed in section 6. Section 7 creates an implementation programme while section 8 sets out the framework for implementation, concluding with the immediate next steps for taking the strategy forward.

3. The Context

In this section an overview is provided of the most important contextual issues impacting on the development of a strategy for Tshwane.

3.1 Key strategic informants

The City of Tshwane (CTMM) was established following re-demarcation prior to the December 2000 local elections that marked the final phase of local government transformation in South Africa. The new jurisdiction for Tshwane brought together 2 million\(^8\) people on the northern periphery of the rapidly growing urban core of the Gauteng Province with the most densely populated peri-urban areas of North West Province. In effect demarcation linked the developmental needs of a relatively under serviced and poor northern peri-urban population with the tax base and vibrant local economy of a well serviced Pretoria conurbation. The defining restructuring challenge for the CTMM is thus meeting the needs of a greatly expanded population requiring indigent support while sustaining its revenue base.

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\(^8\) 2001 Census put the population at 1.98 million.
The Mayor's 2003/04 Budget Speech articulates the City of Tshwane's dual political imperative towards delivering practical programmes to ameliorate the plight of the less fortunate among our people while continuing to enhance the quality of life of those already in generally better circumstances. This budget statement builds upon Tshwane's long term commitment to build a city of hope and happiness for many and a city of progress and prosperity for all.

The restructuring challenge faced by Tshwane is not unique by South African standards. While it faces the same national challenges in pushing back the frontiers of poverty and in building foundations for sustained growth and development, it does so from a unique position:

- **Scale**: nearly 40% of the total population and an estimated two-thirds of the total black population are concentrated within the northern/north-western periphery settlements of Temba, Winterveld, Shoshanguve and Ga-Rankuwa. Some 681,000 people, containing an estimated 145,000 households lived in this area during the 2001 census.

- **Need**: of the northern areas 33% of households live in informal dwellings and only 46% had access to piped water in their homes in 1996 (although 95% now has access to a water scheme, but not necessarily piped water in the home), 58% (up from 47% in 1996) have access to sanitation and 68% (up from 59% in 1996) have access to electricity. Thus, at the time of demarcation, Tshwane inherited an estimated 72,500 additional households living in this area during the 2001 census. 

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11 Based on 2001 census data.
households requiring basic municipal services that reflects a municipal service access profile more in common with Polokwane and Mafikeng than the rest of urban Gauteng\textsuperscript{12}.

\begin{itemize}
\item \textbf{Governance complexity}; no other Category A metropolitan municipality is also a cross-boundary municipality, incorporating the most densely inhabited parts of the North-West Province with the northern part of Gauteng. In addition to the cross-boundary situation Tshwane also has a strong urban influence upon parts of Mpumalanga. The CTMM thus has an extraordinary complex inter-governmental legislative, financial and service delivery situation to manage;

\item \textbf{Urban efficiency}; metropolitan Pretoria evolved by design into a model Apartheid city – characterised by fragmented and divided urban development which limited access for the majority of people to urban opportunities. This history of political exclusion has led to a city that is spatially sprawling, with low average population densities and marked by great municipal service unevenness and inequality. The basic infrastructure footprint that Tshwane inherited after a century of sunken investment is thus highly inefficient by international standards, suggesting
\end{itemize}

\textsuperscript{12} StatsSA
a relatively high future recurrent cost structure of municipal service delivery. While the distribution of population in general is fairly low by international standards the map below shows clearly how population densities are the highest in areas also most in need of services, as well as areas mostly populated by Black Africans.

**Inequality:** it is estimated that 93%\(^{13}\) of black households earn on or below the minimum household income (MHI) level. It follows that almost all services expansion in the northern periphery would require indigent support. In addition the income profile suggest that 60% of the total households in Tshwane earn on or below the MHI level and would require support in order to afford basic municipal services and would be sensitive to tariff affordability.

From Figure 6 below it can also be seen how much the income profile in the North is poorer than the rest of Tshwane, justifying a focus upon improving the quality of life of communities in this region.

\(^{13}\) TRC Africa
Social exclusion: only three wards out of 76 are racially inclusive of more than one population group. This reflects a resilient and remarkable pattern of racially segregate settlement. Income patterns mirror the race profile. While less than 10% of Whites earn low incomes, 93% of Black Africans earn low incomes. Only 10% of Black Africans earn high incomes while an estimated 85% of Whites earn high incomes. Segregation and poverty thus coincides, suggesting high levels of spatially segregated social exclusion. The divide is starkly expressed in spatial terms. Figure 6 above shows how the level of employment decreases with distance from Centurion in the South.

Capital City: Tshwane plays an important symbolic role as the seat of national government and the Capital City of South Africa, hosting the head offices of national government departments and a significant international ambassadorial community. Tshwane, perhaps more than any other city, represents the public face of South Africa to the world. It is also the chosen site for Freedom Park, the new monument that will symbolise the successful struggle of the South African people for democracy and freedom. There is no other city in South Africa that can make as credible a claim to leadership in the context of the African Union and the New Partnership for Africa’s Development (NEPAD). Already the location of diplomatic missions, many international organisations and agencies have placed their regional or continental headquarters in Pretoria. The city leadership is intent upon putting the City of Tshwane forward as part of a potent force to support South Africa’s efforts to establish and encourage the African Renaissance. Tshwane exhibits the richest collection of high-level institutions in the country, including educational, medical and research institutions. Culturally, the city contains numerous places of historic and cultural significance, related to all facets and periods of South Africa’s history.

3.2 Strategic imperatives

The significance of the Apartheid-city spatial structure of Tshwane poses the greatest challenge; a well developed core, with a strong tax base surrounded by a hinterland of poor and marginalised communities. The formation of Tshwane united this core with its under-serviced periphery at a local democratic institutional level. However, the process of integrating outlying communities with areas of opportunity within the core of the urban economy remains distant. The defining restructuring challenge for the City of Tshwane is to meet the needs of a greatly expanded population, many of whom require indigent support, while sustaining its revenue base.

The complex and diverse developmental challenges that have to be addressed by Tshwane can be simplified into two strategic questions:

How best can Tshwane approach creating a better life for all?
And how should Tshwane establish itself as a successful urban economy?
3.2.1 Creating a better life for all

The focus in creating a better life has been placed upon provision of access to basic municipal services and other practical programmes to improve the lives of the poor.

Up to now Tshwane has focused much of its energy towards the provision of basic municipal services and infrastructure in the North (i.e. Ga-Rankuwa, Mabopane, Shoshanguve, Winterveld and Temba/Babelegi). From the 2003/04 budget a weight of 80% of capital expenditure has been directed into the North. The explicit strategy of Tshwane is therefore to focus its effort into this area, reaching a concentration of poor communities within a large area relatively poorly serviced with municipal infrastructure.

Addressing development in the North though the provision of municipal services infrastructure alone holds major long-term consequences for the sustainability of the municipality. In effect the North is absorbing the bulk of discretionary capital expenditure while committing the City to long-term subsidisation of related recurrent expenditure. While this approach will reach an estimated 34% of the city’s population with municipal services and improve their lives in a meaningful manner, it can be assumed that more than 90% of the households living within the North will require ongoing subsidisation and support to afford municipal services now being provided. In short, the growth of capital expenditure in the North, on the present development model, is not affordable and perhaps not even desirable from a social cohesion and city efficiency perspective. It reinforces Apartheid settlement patterns and locks the City into an extremely inefficient and expensive municipal service system.

An alternative development approach is therefore required towards the development of the North.

3.2.2 Establishing a successful urban economy that would improve the quality of life for all

Tshwane has a wide range of strategies and initiatives in place in support of the local economy in different parts of the City. At the same time it is recognised that Tshwane is an integral part of the largest urban conurbation in sub-Saharan Africa. As such Tshwane; and in particular its Southern and Eastern areas, are of national economic importance. The CS thus needs to both connect Tshwane into the larger national and Gauteng urban economy and address growth within its jurisdiction. Within the local economy, however, it is recognised that the North is a relatively unexplored region holding potential for public sector intervention in economic development. A key emphasis of Tshwane in building the local economy is therefore also towards exploring new initiatives within the North, while implicitly allowing the market to sustain and grow the dynamic southern regions of the City.

Creating a successful urban economy that that will create jobs requires a high level of productive investment from the municipality. However, there is an inherent tension in providing municipal resources to grow the economy and
providing household access to municipal services. If too much emphasis is placed upon a social expenditure programme Tshwane may undermine the ability of the local economy by creating an unsustainable municipal financial burden. However, if the needs of the poor are completely discarded social and political instability will in turn undermine the local economic base. The contradictions between these strategic challenges must be managed through the relative emphasis placed upon them over time. There is an implicit recognition that the priority emphasis placed upon social expenditure since 1994 now needs to be supported by growing productive investment that will provide people the means to earn a better standard of living.

3.3 Illustrating the scale of the challenge

'It's about infrastructure – but it's also about jobs'

In reviewing its role in the City Strategy, the municipality naturally concentrates its attention on the areas over which it has greatest control and influence. It looks first to improving its efficiency and success as a provider of services and infrastructure for its citizens and businesses. The backlogs in housing, in water, in roads and in sanitation remain significant. But these are challenges the municipality knows about, are part of existing development programmes and will make incremental progress. The municipality aims to provide houses, water, roads, sanitation and community facilities directly. Increasing urbanization increases the magnitude of the challenge, but not its nature.

When it comes to jobs, the greatest need identified in SA today, the municipality is on less familiar ground. Jobs are a spin-off from municipal activity, not their immediate aim. Yet local government is still tasked with promoting economic and social development under legislation.

In June 2003, the government, business and labour met at the Growth & Development Summit and agreed that they would “aim to halve unemployment by 2014.” What might this mean in Tshwane? Trends in the 1996 and 2001 Census data suggest the size of the challenge the city may face in creating jobs. If these trends continue to 2014, the rate of unemployment will rise to 49% from its current levels, of around 32%. Some 880 thousand people will be employed (compared with 654 thousand in 2001), but 837 thousand people will be unemployed, compared with 306 thousand in 2001.
Tshwane Labour Force - assuming 4,2% annual growth

Fig. 7: Employment and joblessness in Tshwane, if present trends continue

Fig. 8: Additional jobs needed to halve unemployment by 2014
Tshwane City Strategy: Phase II Report

Given this sort of growth in the labour force, how many ‘additional’ jobs would have to be created to halve unemployment by 2014 – that is, to reduce it to 16%?

Based on these trends and assumptions, 567 thousand ‘additional’ jobs would be needed, on top of the 226 thousand jobs we would expect to be created on the present growth/jobs trajectory of the City.

Using the trends between 1996 and 2001, we would expect the Tshwane economy to create about 16 000 net new jobs in 2004, rising to about 20 000 by 2014.

To reach the goal of halving the unemployment rate over ten years, some 50 000 new jobs would be needed in 2004, rising to 85 000 jobs per year by 2014.

While the high growth rate of the labour force may be overstated – it assumes no slackening in urbanization – it is clear that that a very different sort of economy is needed in Tshwane if the employment goal for the Second Decade of Freedom is to be met. This new, work-creating economy cannot be formed by the municipality alone – although the municipality will have a crucial role to play in making sure that infrastructure and services expand to support it.

Employment growth is an important goal of the City Strategy. All stakeholders in the local economy, and their leaders, will have to cooperate and work together to make better progress in creating job opportunities for those who want to work.

Base and Comparative Data

<table>
<thead>
<tr>
<th>Annual growth rates, 1996 to 2001</th>
<th>Tshwane</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>3.4%</td>
<td>2%</td>
</tr>
<tr>
<td>Workforce</td>
<td>4.5%</td>
<td>4%</td>
</tr>
<tr>
<td>Employment</td>
<td>2.3%</td>
<td>1.3%</td>
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</table>

Source: Statistics South Africa, Census 2001 and Census 1996

It is clear that Tshwane faces an extraordinary overlay of developmental challenges that require careful strategic intervention. Tshwane’s restructuring challenge goes much deeper than institutional and service delivery restructuring; it is also about bringing about a socially sustainable community through quality in service delivery and ensuring financial viability. Yet, at the same time it is as much about municipal performance as it is about growing the economy of Northern Gauteng, providing livelihoods and dignity to all.

Summary of the restructuring challenges:
- Address an inequitable service delivery reality located in a highly inefficient urban form
- Meet the developmental needs of a predominantly indigent population requiring support in a sustainable manner
- Revitalize and grow a local economy to provide a livelihood and dignity to all
4. Outlining Tshwane’s Strategy

4.1 Starting points

It is important to note that the approach to the development of the CS rests on two important starting points:

- The CS is not the “vehicle” or conduit for all development and management issues in Tshwane. There is a danger in attempting to present the CS as comprehensive. The CS is deliberately focused at identifying those interventions with the highest impact and priority; and
- The CS does not replace the IDP.

4.2 Strategic focus areas towards delivering the IDP

Strategic focus areas for the organisation are:

- To encourage economic growth and development, thereby making the economy of Tshwane globally competitive and more focused;
- To establish new local government structures to ensure democratic, responsible and equitable governance, as well as effective service delivery;
- To manage the physical integration of the city and to improve on the quality and liveability of the urban and rural environment;
- To ensure the community’s well-being by addressing poverty and making essential services and facilities available, accessible and affordable;
To ensure a safe and secure environment by making community safety services both available and accessible;
- To enhance Tshwane’s national status as the administrative capital of South Africa;
- To build Tshwane’s international image and reputation as the African Centre of Excellence; and
- To care for the natural and cultural resources by preserving, utilising and enhancing them.

4.3 The broad strategy

Tshwane’s City Strategy focuses selectively on issues over 20-30 years that can provide a coherent framework of action for all role players; municipal, central and provincial government, private investors and the community. It is not intended to be comprehensive, focussing rather on key leverage points that would ensure maximum strategic impact. In the work on Tshwane’s Strategy a number of such key leverage points have already been identified. These seven strategic objectives are:

Focus I: Infrastructure led expansion of development potential of the North to tackle poverty

Focus II: Continued sound management and development of the established urban areas (Pretoria Central, Centurion, South-eastern Pretoria, Mamelodi and Atteridgeville/Laudium) by maintaining services and supporting market-driven initiatives to support the overall development of Tshwane

Focus III: Strengthening key economic clusters to gain leverage from growth trends in manufacturing, government and business services

Focus IV: Celebrating the National Capital and Repositioning the Inner City as a vibrant cultural and government centre

Focus V: Building high levels of social cohesion and civic responsibility to maximise development opportunities

Focus VI: Ensuring a Solid Foundation: Modernising the administration for developmental service delivery through phased restructuring and institution building

Focus VII: Ensuring a Solid Foundation: Ensuring municipal financial fundamentals as platform for services and development
Tshwane wants to be able to provide a decent quality of life to all its residents by 2020. Yet, a decent quality of life becomes somewhat meaningless without the dignity of being able to have a sustainable livelihood. Thus, by 2020, the City has to achieve two important goals – it needs to be a city that is able to provide a sustainable package of services and that enables people to have a decent livelihood. The Tshwane Strategy “house” provides the backdrop for a (draft) narrative:

**Focus I: Infrastructure led expansion of development potential of the north to tackle poverty**

**A Mobile City**

By 2020 we need to be able to move people seamlessly across our City and into other parts of Gauteng. Not only that, but a large part of the economic strategy is based on having exceptionally good road freight accessibility. We thus need to put a road-based commuter mass transit system in place that can provide a seamless interface with taxi and commuter rail. We will look at expanding light rail networks – but believe our best change is in road based rapid transit systems. Our transport system is also a key catalyst for developing our poorer communities. We plan to use transport as the main creator of economic opportunities for poor people.

**Dealing with the North**

Our key medium-term (5 year) focus is to develop the potential of Tshwane's underdeveloped North. We realise that the full potential of this area will only
be realised through concerted public leadership, commitment and publicly led investment. Key drivers include:

- The extension of rudimentary services to households that currently do not have access to basic services through the incremental upgrading of services to full service levels;
- Community training and job creation initiatives will be maximised in service extension programmes;
- A high focus on the provision of public facilities and high quality public spaces in clusters at strategic nodes where people interact;
- The provision of social welfare housing in association with public facility clusters.
- Investment incentives to assist in the sustainability, stability and further development of existing and new industrial areas, including Babelegi and Rosslyn.
- Facilitating increased access of the north to the rest of Tshwane through integrating different modes of transport, completing critical gaps in the public transport network, and exploring the possibility of a freight airport.
- Maximising the natural assets of the north to attract investment.
- Providing increased SMME support, as well as support to major job creation initiatives and investments.
- Supporting Blue IQ initiatives, including Dinokeng and the Gauteng Automotive Cluster, ensuring that the developmental benefits and job creation opportunities of these initiatives are maximised.
- Active support and assistance to ensure the viability and further growth of urban agriculture.

In order to deal with the North we know we need to:

- Review the “menu” and level of municipal services currently provided.
- Manage the impact of recurrent subsidies through service delivery innovation and efficiency improvements.
- Undertake inter-disciplinary and inter-governmental planning and budgeting.
- Win external co-operation and assistance. We are committed to the north and have already adjusted municipal resource allocation to reflect this commitment. However, the extent of need in the north is of a magnitude that will require maximum external assistance and inter-governmental and inter-agency co-operation.
Focus II: Continued sound management and development of the established urban areas (Pretoria Central, Centurion, South-eastern Pretoria, Mamelodi and Atteridgeville/Laudium) by maintaining services and supporting market-driven initiatives to support the overall development of Tshwane

A Quality City
The engine room of Tshwane is, and is likely to remain, the well developed centre and southern areas. Continued development of these established urban areas (Pretoria Central, Centurion, South-eastern Pretoria, Mamelodi and Atteridgeville/Laudium) by maintaining services and expediting market-driven initiatives to support the overall development of Tshwane will be crucial. We will continue to generate most of our redistributive revenue from these areas and simply cannot allow the undermining of our ability to tax people in return for excellent services. Yet, we need to go beyond maintaining quality services and infrastructure in these areas. Our economic development and job creation performance depends on the quality of life we offer to investors and entrepreneurs. We know most of our future jobs will be created by people that choose to locate their businesses where they choose to live. By ensuring we provide a quality urban environment we underwrite our economic future.

Focus III: Strengthening key economic clusters to gain leverage from growth trends in manufacturing, government and business services

A City of Opportunity
The most important goal of the city – to allow access to a job opportunity to everybody that wants to work - is as important. Yet, the City cannot employ more people itself because every job in the Municipality has to be paid for by its community. The City is planning to explore a partnership that draws on the availability of national research and training institutions in the city to invest in people.

A Trading City
We also anticipate that trade within SADC will greatly increase over the next decade. Our plan is to locate many of these trade linkages in our City. We have three we aspects to build on to make this a reality. Firstly, we are located on the most important road freight nexus – accounting for the largest amount of cross border road freight transport in Africa. Secondly, we have the largest concentration of foreign trade representatives living in any City in Africa – we want them to see Tshwane as the most desirable regional city to live in and to in invest in. Thirdly, we will create spaces that serve the merchant, wholesale and manufacturing community and the cluster of
professional services they require – a business networking facilitation approach.

A Manufacturing City
However, we also need to look after the needs of people that currently look for work. Here we know the automotive manufacturing industry presents us with great advantages. We therefore seek to exploit opportunities from agglomeration in the automotive sector.

A Services Centre
As we anticipate growth in the service sector we want to stream young people through innovative skills programmes to empower them to become employable in the future service sector.

Focus IV: Celebrating the National Capital and Repositioning the Inner City as a vibrant cultural and government centre

A culturally rich City
We are fortunate in having a South African City. The Inner City area in particular, constitutes a rich concentration of historic and cultural places (reflecting different periods of our history and cultures), and government and other institutions. Specific drivers for celebrating the National Capital and repositioning the Inner City as a vibrant cultural and government centre include:

- Support for Inner City residential development that would evolve into a vibrant 24 hour urban environment.
- Working with national government to ensure a common vision and approach to developing the Capital City, maximising its role as the leading international African capital city and celebration of its cultural and heritage assets, including increased public access to these assets and a programme of reinvestment in government owned properties.
- Continued active support for Inner City residential development to increase choice in living environment and as a basis for the commercial viability of the CBD.
- Active support for new public investment – and public confidence – in the Inner City, including the DTI Campus and new Civic Centre.
- Actively supporting Tshwane as an African capital of excellence (including its potential role in accommodating the Pan African Parliament and head quarters for NEPAD).
- Working towards retaining important government activities, such as the head office location of the RED.

Yet, our economic development strategy seeks to take advantage of the location of foreign trade missions attached to embassies in Tshwane. We believe that enhancing the capital city status by promoting our cultural assets and marketing our connectivity into the world will be crucial underpinnings of our future.
Focus V: Building high levels of social cohesion and civic responsibility to maximise development opportunities

A Strong City
Community strength and resilience comes from levels of trust and reciprocity between groups. We know from research and practical experience that the levels of social cohesion and civic responsibility have a significant impact on the ability of a community to develop and make effective use of its resources and those invested in it. Social cohesion is an important precondition for economic growth and, particularly in the South African context, an important part of nation building and establishing dignity in people. Building social cohesion and civic responsibility go hand in hand with the extension of infrastructural and social facilities.

A Secure City
Safety and Security, together with cleanliness, are often cited as the most important factors in getting investment into a city. The often quoted zero-tolerance approach of New York City in turning around crime and grime is based upon addressing these two factors. Perceptions of personal safety have as much to do with visible policing as getting the city, especially the central city, to work for 24-hours a day. Safety brings inner-city residential occupation and fosters a quality city living culture. Developing a culture of city living is part of our vision of introducing social mobility and choice. A secure city is thus not only a functional necessity but underpins elements of economic and social development strategies.

Focus VI Ensuring a Solid Foundation: Modernising the administration for developmental service delivery through phased restructuring and institution building

A Well Run Municipality
A well functional municipal institution that visibly delivers quality services at a reasonable cost is a crucial confidence builder to communities and businesses. Like other metropolitan areas and secondary cities, Tshwane is facing the difficult dual task of building a new institution while having to restructure the city and rolling out services to areas largely neglected in the past. Major aspects of the institutional strategy are in place; most notably in relation to the completion of the placement process.

Modernising the administration will require high levels of change management and communication to ensure change readiness, buy-in and commitment at all levels.
Focus VII: Ensuring a Solid Foundation: Ensuring municipal financial fundamentals as platform for services and development

A Financially viable Municipality
A sound financial basis is a critical ingredient in implementing any strategy. Tshwane is no exception. We are now in the position to use the sound fundamentals evident in our financial base towards implementing our strategy.

Key drivers for ensuring municipal financial fundamentals are:

- Strengthening systems for consistent credit control.
- Providing a strong indigent support programme.
- Managing the external debt burden.
- Prudent management of capital and operating expenditure.
- Sustaining cash reserves (surpluses).
- Maintaining strong internal financial controls.

Ensuring strong municipal financial fundamentals as a platform for services and development will require careful management of the expenditure impact of infrastructure extension, specifically through balancing service levels and the rate of project rollout.

4.4 Explicit strategic shifts

Articulating Tshwane’s City Strategy goes beyond simply outlining a series of strategic objectives that can be mechanistically linked to programmes and projects. Perhaps the most important part of the way Tshwane is thinking about strategy is the approach underpinning delivery on the strategic objectives. The real innovation in Tshwane’s Strategy relates to the policy shifts informing strategic thinking. Unless these shifts are widely shared and clearly articulated, the impact of the strategic objectives will be lessened.

In the first cycle of democratic local government Tshwane focussed upon implementing a boundary that integrates the previously disparate parts, establishing a vibrant local democracy and making inroads at bringing basic municipal services to all. The biggest challenge in providing access to basic municipal services so far has been in the peri-urban northern areas, affecting the 72 500 households requiring basic municipal services.

However, it is implicit in Tshwane's strategic thinking to move beyond the development focus of the first democratic decade. It is understood that, unless the development approach changes, the City would be financially and socially unsustainable. Tshwane’s Strategy thus introduces some important implicit policy and emphasis shifts.
Developing an urban policy context

The State had to adopt a more coherent approach to the urban question from the 1920’s in terms of both governance and infrastructure provision. The 1920 and 1922 urban revolts and the economic depression of the 1930’s fuelled the rate of urbanisation. This gave birth to policies of increasingly formalised separate development and regulated supply of infrastructure which found full expression in the policy of Apartheid. Regulating supply took the form of containment of urban growth through influx control policies, access control thorough the pass laws system and control over supply and access to urban housing. In parallel attempts were made to discourage urbanisation through economic decentralisation strategies. The strategy of regulating infrastructure supply was in place up to the late 1970’s when urbanisation pressure effectively started to overcome state attempts at control. As a consequence the Riekert Commission attempted to regularize urban “insiders” and create institutions to shift the recurrent cost of infrastructure provision to African townships. In an attempt to bolster insufficient funding for infrastructure, Regional Services Councils (and dedicated RSC levies are still in place) were established to bring the rate of infrastructure provision in line with the increasing rate of urbanisation. Policies of separate development, however, required a high degree of infrastructure duplication and resulted in highly inefficient urban form. From 1985 the state’s funding strategy increasingly not only failed to keep pace with urbanisation, but also resulted in a relative decline in the rate of capital flows in relation to the escalation of operating expenditure – a direct result of the perpetuation of the inefficient Apartheid City and the cost of its servicing.

By the late 1980’s it was clear that the approach of controlling urbanisation through influx control and other means had failed. Attempts were made to increase the supply of housing to the poor through several large-scale housing projects such as Cato Manor in eThekwini and the iSLP in Cape Town and several within the Gauteng region. Interestingly the state attempted to fund this spurt of development outside the state system through inter alia the sale of strategic oil reserves and through mechanisms such as the Independent Development Trust. However, the state also attempted to manage the cost challenge by reducing the housing product through site-and-service schemes. The overall patterns of development, however, still followed the Apartheid city’s inefficient pattern of infrastructure provision and spatial economy. In the end municipal budgets still had to absorb the recurrent costs of service provision, an increasingly difficult task.

The introduction of the new democratic era in 1994 introduced first the RDP (1994) and then a new Urban Development Strategy of the Government of National Unity (November 1995) – the most current formal policy position on the urban question. These policies were introduced at the time as the local government transformation process that would roll out over three stages up to local elections in 2000. The post-Apartheid urban policy framework achieved the successful democratic reform by integrating previous racially based local government systems into a single system of local governance with a consolidated municipal tax base. Also, the fragmented system of racial local government entities in South African cities were progressively rationalised into unitary metropolitan municipal institutions by 2000. However, the restructuring of the Apartheid City proved to be a more elusive goal.

The Urban Development Strategy and numerous other documents called for interventions to achieve spatial efficiency through inter alia, the creating of compact cities through physical development interventions such as densification and integration through high density corridors – most of which failed to make a sufficient impact. Urban efficiency was also sought through legislative reform and the introduction of a statutory planning framework. However, the challenge of housing and municipal service infrastructure delivery remained daunting as the structural deficiencies evident by the mid-1980’s of the Apartheid city proved resilient. Major transportation and bulk service development shaped our cities during decades of sustained infrastructure investment following the spatial logic of locating poor (black) dormitory townships on the edges of the city. There would have had to be a trade-off between the pace of housing delivery and urban reform – and in the first 10 years of democracy the emphasis has been on providing basic services and housing
opportunities at the fastest possible pace. The problem with this approach has been that it has largely reinforced the urban form and infrastructure inefficiencies of the Apartheid City with the same devastating impact on municipal costs structures and affordability.

The first attempt at addressing municipal sustainability has been legislative. Out of a suite of reform legislation (Municipal Demarcation, Electoral and Structures Acts) the Municipal Systems and Municipal Finance Management Acts focus specifically on the creation of more efficient municipal service delivery systems. Municipal efficiency is sought by introducing new Public Management type reform in accountability (through public participation), planning (IDP), performance (performance management and reporting) and service delivery (alternative mechanisms for service delivery). The MFMA, in addition, focuses on efficient resource allocation and resource management in pursuing municipal sustainability. However, despite legislative reform municipal sustainability remains fragile as the impact of municipal systems and finance reform fails to overcome the structural inefficiencies of the Apartheid city.

While provision of basic services continues, driven by Central Fiscus housing and municipal infrastructure grant mechanisms, municipal operating expenditure continues to experience problems because municipalities are required to manage and service the new service expansion. Unsurprisingly the cost of municipal services is increasingly becoming a social burden, reflected in low payment levels for municipal services. Despite communications campaigns such as Masakhane and more aggressive service cut-offs, payment levels remain persistently poor. In order to manage the cost of service on the poor local tax reform is sought (Property Rates Act) and the provision of a package of free basic services provided to poor households (horizontal redistribution) while a central grant mechanism provides a degree of vertical fiscal redistribution to the municipal level (Equitable Share). While all these legislative reform, fiscal redistribution mechanisms undoubtedly contribute to the quality of life of the urban poor, it is less certain if these policy measures will redress the inherent problems of the Apartheid City.

The importance of local economic development has always been recognised, but is currently receiving increasing priority attention, especially after the President's May 2004 State of the Nation Address. The experience of urbanisation in many other developing countries shows the process of urbanisation has not delivered growth – it has resulted in the urbanisation of poverty. In order to address issues of urban poverty serious attention is given to local economic development programmes and addressing growth impediments such as safety and security. A recent inner city focussed investment tax incentive (Accelerated Depreciation Allowance) now joins Urban Renewal Programmes, focussing primarily at townships, in an attempt to provide a platform for stimulating job creating economic growth. In addition several mega-projects are being earmarked, aiming at providing a growth catalyst to urban economies; i.e. Blue IQ projects such as the Gautrain, the Automotive Cluster in Tshwane, International Convention Centres in Durban (eThekwini) and Cape Town, the Coega deepwater port near Port Elizabeth (Nelson Mandela) and an EDZ in East London (Buffalo City). The recent release of the National Spatial Development Framework (2003) aims to create a national urban investment logic for such investments. The NSDF's logic towards large public sector investments (that is over and above the general objective of ensuring basic services to all places) in stimulating economic growth is that it should concentrate investment in areas with the highest potential to stimulate economic growth and alleviate poverty – the major urban centres and within areas of high potential within these centres.

How best then can Tshwane respond to current policy initiatives and more importantly, what urban policy changes should Tshwane shape to take it into the future?
The key inter-related policy shifts inherent to Tshwane’s Strategy are:

a) **Move beyond development facilitator to development initiator:** Probably the most important shift, Tshwane is beginning to define its strategic role as initiating public investment to which private business can respond. Tshwane’s job is no longer only to guide the private sector, but also to lead through public led investment. A good example of public led investment is the Gautrain project that will be of sufficient importance to create business opportunities in various ways that would not have existed unless the public sector invested in this initiative.

b) **Move beyond a predominant emphasis in public resource allocation from low impact projects addressing equity in municipal services to high impact and high quality/value projects with the potential to grow the economy and alleviate poverty through creating economic opportunity:** Tshwane’s approach until now has been dominated by the creation of universal access to municipal services. The shift in emphasis does not mean that Tshwane will now cease to improve household access to municipal services, but that it would carefully weigh the priority of such projects against productive investments that can grow the economy and create jobs.

c) **Move beyond a focus of investing in household infrastructure to investing in community infrastructure:** This approach suggests that priority should shift from an emphasis to provide full municipal services to individual households in favour of increasing expenditure in public infrastructure and social facilities that would result in broad-based public benefit. High visibility projects such as public transport, creating transport interchanges, clustering public facilities such as clinics, decentralised municipal offices, libraries in nodes where the whole community can benefit every day.

d) **Move beyond a reluctant acceptance of the existence of dormitory suburbs to embrace projects that would transform these into places of value:** Rather than accepting the current inefficient urban form and its implicit financial unsustainability, this approach seeks to encourage creating places of opportunity that will support wide range of densification in places that benefit from access to concentrated public investment in services and infrastructure; i.e. create economic opportunities at important interchanges and nodes receiving clusters of social facilities and allow higher density residential development to grow around these places.

![Fig 11: Changing intervention focus of different strategies](image)
e) **Move beyond enforcing a lack of household choice by creating opportunities for social mobility:** Rather than assuming communities have no choice but to accept the long commuting distances, high associated cost of living and absence of owning property with real value, also present alternatives to people whereby the advantages that different places can offer are optimised. The creation of urban and social integration through creating opportunities through choice to the urban poor is thus a key objective. This approach means an incremental roll-out of full municipal infrastructure whereby high potential areas will be prioritised. For example, target areas in Ga-Rankuwa closest to the developing Automotive Cluster to encourage people to move closer, creating a denser and more efficient urban form. Similarly, allowances should be made to create opportunities for the poor close to the economic opportunities in the South (Centurion) and places that offer access to municipal services infrastructure (between Mamelodi and Pretoria-West). This does not mean that communities in, for example, the far north-western corner of the Winterveld are forgotten – as these areas need to be assisted with access to basic municipal service levels. Full municipal services will only be expanded in such areas once areas with high potential have been appropriately developed – hence the need for incremental improvements in household access to municipal service infrastructure.

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<tr>
<td>Unfocused low-impact public expenditure</td>
<td>Focused high-impact public investment</td>
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<td>Individual household infrastructure creation</td>
<td>Balanced investment in public benefit infrastructure and individual households</td>
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<td>The broad intention of compacting and integrating the apartheid city</td>
<td>A more sophisticated and strategic intervention package</td>
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<td>Unsustainable patterns of infrastructure investment</td>
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<tr>
<td>Unproductive investments</td>
<td>Investments with a multiplier effect</td>
</tr>
</tbody>
</table>

Fig. 12: Summary of strategic shifts

e) **Move beyond investment in infrastructure to investment in services:** Infrastructure is only a means to an end – the end is the provision of efficient and quality services. It is crucial to view the role of the municipality as a service provider, not as an infrastructure developer. This approach means that Tshwane will place as much priority emphasis on maintaining its current infrastructure base as a means to service provision as it will on creating new infrastructure. Economic growth depends on providing consistent quality services, requiring no loss of existing infrastructure capacity through asset stripping practices. It also reflects an understanding that the maintenance of, for example, a electricity substation in Menlo Park is as important than providing a new substation in Babelegi.
g) **Move beyond social investment towards productive investment:**
Social services are important in the lives of people, but not as important as having access to a sustainable livelihood. The provision of social services will therefore be moderated to create the space for Tshwane to invest in projects and initiatives that will generate a productive multiplier effect from public investment. For example, a new community hall will not receive the same level of prioritisation as the creation of an informal market in a well located public space.

### 5. The North

#### 5.1 Making the case

The “North” represents the entry point to the Tshwane City Strategy – it is here that need and opportunity merge. The “north-south” legacy of Tshwane is acknowledged in current work undertaken by the City Planning Division:

> "The Apartheid legacy in Tshwane is one of polarisation between the majority of city's inhabitants - mainly impoverished black people residing in the remote north-western areas (along the periphery of the previous homelands and almost 50 km from the city centre) - and the relatively affluent, predominantly white population in the south and east, living conveniently close to economic opportunities"

Metropolitan Spatial Development Framework for the City of Tshwane, 2004:18-19

During July 2004, a rapid planning workshop was held to consider:

- The nature of the strategy towards different parts of the North (as described below);
- First, larger scale, draft urban design responses to the “Zone of Choice” - the area identified as the core for the strategy of the North;
- The key levers or “starting points” to implement a strategy related to the different parts of the north;
- The relationship between this strategy and other facets of the emerging Tshwane CS; and
- Critical leadership choices that need to be made in relation to developing the North.

The workshop concluded that there is a need to recognise the North as a place of extraordinary opportunity in relation to people, nature, land and infrastructure.
The extraordinary dualistic tension in Tshwane between North and South is one of the developmental characteristics of the city and thus virtually defines itself as a priority strategic issue. Greater Pretoria has for decades been critiqued for its inability to incorporate the dense peri-urban dormitory settlements on its border (a consequence of past influx control policies) some of which were located within the former Bophuthatswana Bantustan. The municipal demarcation has created the institutional basis for addressing the effects of past urban policies. It is therefore also to be expected that addressing the condition of the North to be a priority political challenge and legitimate electoral expectation.

The definition of the objectives of a strategy that deals with the condition of the North is critical. “Developing the North” can mean many different things. In order to understand the objectives of the strategy cognizance must be taken of the South African development experience since 1994.

Under the guidance of the RDP and the Municipal Infrastructure Investment Framework (MIIF) a Basic Needs approach was established from 1994 to provide access to minimum levels of service. In terms of this approach, government would direct its limited resources to the poorest households. A core tenet of the “basic needs” approach has been that consumers of municipal services should pay for services; and where they cannot, that the municipality would implement some form of subsidy mechanism. The assumption in this strategy is that the affordability of services is achieved through the moderation of service levels. The implicit logic of the basic needs approach suggests that the pace of expanding basic services and thus the growth of the total municipal expenditure base would have to keep track with the affordability of the total municipal account to the community as a whole. The ability of the community to pay more for municipal services is a factor of the pace at which household incomes grow, which is in turn linked to the rate at which growth in the local economy raises income levels. Municipalities are therefore expected to balance their ability to expand services to the poor, by definition requiring indigent support, with the total affordability within the municipal account and the Equitable Share. In reality the basic needs approach has resulted in many people not being able to pay for services, or in increasing household debt to pay the municipal account. Cities that expanded services in an unsustainable manner experience rapidly deteriorating liquidity and growing deficits. The basic needs approach is currently problematic for the following reasons:

- In some areas within the North basic services levels are exceeded in favour of intermediate or even full service levels. In effect affordability is not moderated with service levels. Few households can afford the payment levels for these services, even with indigent support programmes, risking deteriorating payments levels and municipal cash crisis;
- The pace at which the roll out of basic services programmes proceeds risks outstripping the ability to raise operating expenditure for cross subsidization, with the same financial consequences;
- Tshwane potentially has an unsustainable ratio between the number of indigent households requiring subsidies and a relatively small base of

“The future of Tshwane vests here - a future of a city intrinsically tied to the Gauteng Region, Africa and the rest of the world, but also proud and strong of and in itself . . . .”

Potentially, the North represents the nation’s most significant urban renewal and intervention prospect ... a powerful expression of our settlement development and management values, our “African-ness”, and transforming the lives of many.

It is an extraordinary opportunity ... We have to ask ourselves what the consequences of not acting now will be.
middle and high income households that could contribute to subsidization; and
- A lack of a clear understanding of the costs of services and leads to a failure to structure property tax and tariff policies correctly. As a consequence increases are kept artificially low, risking deteriorating services and infrastructure.

A key indicator of sustainability is the affordability of the municipal account to individual households. Should the burden on the non-indigent households continue to rise, then deterioration in payment levels can be expected. It would seem that a total municipal account of 15% of household income represents a resistance level after which payments deteriorate. When comparing the municipal account of 129 suburbs in Tshwane it emerged that 77% of households spend close to or less than 15% of their estimated monthly income on municipal services (see Fig. 13). It can thus be concluded that the remaining 23% of non-indigent households would increasingly find it difficult to meet their municipal obligations. It is therefore imperative to contain overall municipal expenditure within the affordability means of the community as a whole.

In the process of preparing its Restructuring Grant Application, Tshwane considered shifting towards a new approach that comes to terms with the financial constraints of infrastructure provision. This “demand responsive” approach is based on the municipality having to take full responsibility for providing infrastructure sustainably. Typical strategies now being considered include:

- Introducing an incremental approach to infrastructure provision, starting with basic services and then incrementally increasing services levels over time;
- Providing a differentiated range of services level options, allowing communities to decide on a service level that is affordable to them. In addition differentiated service levels introduce additional choice as people can move to an area that meets their needs and ability to pay;
- Pacing the rate of construction to allow sustainable subsidization;
Implementing tariff and rates policies that enable fair distribution of the payment burden and cross subsidization between rich and poor households;

- Implementing credit control policies to introduce a culture of payment; and
- Implementing efficiency measures to bring the unit cost of service down.

There is also a growing realization that the provision of housing and infrastructure to individual households may be overemphasized. Building houses does not necessarily create vibrant communities. It is also recognized that the pattern of housing development has entrenched the spatial economy and inefficiencies of the Apartheid-city form. Municipalities have been responding by supplementing housing and related infrastructure provision by concentrating investment in public spaces, where the whole community can benefit, not only individual households. At the same time experiments with new forms of developments, at higher densities and well located land is taking place, laying the foundation for more efficient municipal service delivery systems.

The key developmental challenge is therefore to address the needs of the North by:

- avoiding unsustainable provision of municipal services;
- providing services households can afford by moderating the levels of services;
- concentrating on investing in communal facilities and infrastructure;
- encouraging visible public investment that generates efficiencies through concentrating developments within emerging urban nodes;
- refining tariff and property tax structures that allows optimum distribution of resources;
- bias productive investment to increase access to opportunity, mobility and job creation in SMME and labour intensive enterprises; and
- implementing efficiencies to manage the total cost of municipal services.

5.2 Defining the North

The North does not represent a homogeneous area. The following distinct areas – representing different challenges and opportunities – were identified:

- The “Far North”
- The Zone of Agriculture
- The “Middle North”
- The West and East Capital

Fig. 14: The conceptual parts of the North
The “Zone of Choice”

Altogether, the North is distinct in its great natural appeal, its dynamic mix of cultures and people and its environmental diversity. Its untapped resources and social potential are “alive with possibility”. The North has been divided into five parts, each of which will require an approach from the CS that is tailored to its particular needs and qualities.

“Far North”: Its western parts, towards Winterveld have much natural beauty and can sustain low density subsistence farming. Its character is very much rural. In the eastern part, a mix of peri-urban informal and formal housing connects to the industrialised area of Babelegi, Temba, and Hammanskraal. Poverty is high in these marginalised communities.

In the heart of the North lies a vast area of land used for different sorts and scales of agriculture – the “Zone of Agriculture”. To the west of this significant resource lies another distinct area, of peri-urban housing, with high population density and a mix of housing types and sizes. Here unemployment is generally high, but many households are able to maintain decent homes. Ga-Rankuwa, Shoshanguve and Mabopane are the names of settlements in the “Middle North”.

It has been agreed to include Atteridgeville, west of the historical CBD, and Mamelodi, east of the CBD, into the concept of the North. Both areas suffer from the same problems as the communities in the North and are marginalised from the formal economy. These areas are called the “West and East Capital” for the purpose of the CS.

An area that has been termed the “Zone of Choice” has been identified as a focus area for strategic investment in the North. This area, running in a broad band to the north of the Magaliesberg has the most potential for new development that will benefit the most people in the North. This area already has a strong formal economic base. It is located close to a variety of resources and amenities at the heart of the Tshwane Municipality. Bulk and transport infrastructure is in place and the area already has high potential for business growth. The Zone of Choice will be used as a catalyst for further economic and social development in the North. Vacant land is abundant, much of it under public control. The Zone of Choice includes the industrial hub of Rosslyn and Akasia in the west, and stretches east to the N1. It is separated from the historical CBD only by the natural boundary of the mountain range.

5.3 An implementation narrative for the strategy for the North

Vacant land and underutilised land within the Zone of Choice need to be progressively built up with mixed-use housing. Some areas close to work opportunities and public transport facilities are well suited to accommodate high-density housing for low- to medium-income households. These can support public facilities and public space, where small businesses can locate

Key policy shifts for the North

- Continued basic service provision, but differentiating - using a graded model - between places best assisted with rudimentary services and those requiring a higher order of services up to full services
- A movement system that provides access to a full range of urban opportunities
- Creating places of value through identifying a hierarchy of foci for public investment
- Differentiating the public housing options and creating opportunities for choice and social mobility
themselves. Other areas further-off and less accessible should target medium- to high-income households which use private transport. Land close to high value amenities has the potential to generate good value for cross-financing social housing by building lower density high income homes. Residents of the Zone of Choice will ideally be able to find employment within their northern urban environment as businesses and industry will also find the area attractive as their mobility and communication needs will be met. Residents furthermore have the choice to work in the historical CBD, served by efficient public transport. Car owners will not be delayed by traffic jams though constructing a third access route through the Magaliesberg to distribute traffic flows, and link Mabopane directly to Centurion.

Several factors make the focus area an attractive choice for private as well as corporate investors.

- Upgraded rail links and potentially a light rail system, connecting up to the Gautrain, will allow rapid movement into the zone from Johannesburg International Airport. The rail network to Hammanskraal and to Mabopane should provide passenger and freight mobility.

- Road based movement within the area should be supported by a hierarchical system of roads which complement each other's functions to the benefit of the passenger. The Platinum Corridor will remain the highest order east-west link. Five new access-ramps and a number of bridges will ensure that it is integrated into the economy and no longer acts as an obstacle to intra-urban travel. The highway will facilitate fast movement and heavy-freight transport to the rest of Gauteng. The PWV9 North-South link is essential to open up movement and much untapped development potential in the western parts.

- Natural resources such as the koppies west of Bon Accord Dam, the dam itself and the Apies River floodplain must be protected through sensitive and regulated use in order to preserve their natural balance and to add value to the urban environment.

Public infrastructure investments, shopping centres and an attractive and socially and spatially integrated urban environment recommend the area as the site for the permanent home of the Pan African Parliament.

The development of the Zone of Choice is at the heart of the new economy of the North. But its growth will also benefit the north-western housing areas. Professionals now based in these areas will have the opportunity to relocate to a vibrant urban environment while retaining close ties to their family structures in the townships. It can be anticipated that some elderly people and youngsters will remain in the established areas, which will influence the menu of services that is provided in clusters at easily accessible locations.

Some areas require a higher order of services due to their central location and population density. Others can do with smaller nodes that provide basic services. In all cases, small business will be encouraged to cluster around these areas where public facilities support transport interchanges. A hierarchy

Fig. 15: Illustrating the clustering of facilities
of nodes will develop over time, driven by the changing needs of communities and levels of infrastructure.

In general, the distinct neighbourhood character of the north-western housing areas should be maintained, providing a choice between this suburban living and urban living in the new areas of higher-density settlement. As the Zone of Choice gathers momentum, areas to the immediate north of the Rosslyn can be used for the extension of industry and can become an attractive residential location for people from Ga-Rankuwa, Shoshanguve and Mabopane. Infill housing should provide a range of housing choices coupled with services and shops.

Residents of Mabopane and Shoshanguve will benefit from employment opportunities that emerge close by in the agriculture/tourism area to the north and north-west. The main tourist attraction of this area is the national heritage site of the Tshwaing crater. Nature conservation provides a context to enhance rural living. Existing small scale farming needs to be retained and upgraded, while some farmers can be expected to take advantage of the growing number of tourists who want to experience the whole range of South Africa’s nature, landscape and heritage. A number of resorts located across the North can support the tourism focus by offering overnight accommodation and other facilities.

Areas west of the Temba/Babelegi/Hammanskraal node will also benefit from the spin-offs from Agri-Tourism. Employment opportunities can flow from nature conservation and tourism through-traffic. The region should be opened up by a movement link from Mabopane to Babelegi, connecting these communities smoothly with the rest of Tshwane.

The agricultural centre of the North can potentially be restructured into functional compartments with common support centres. [The viability of this development will be enhanced by the warehousing and export opportunities provided by the new airport.] Diversified agriculture, which can respond quickly to changing market demands, is supported by the availability of water, irrigation technology, soil conditions and the geology. Supporting infrastructure and services should be clustered around existing and artificial hydro ponds/dams at the urban edge. Sharing these facilities within Agri-Industry hubs increases the efficiency of resource use, communication and learning and will provide an attractive base for secondary industry and SMMEs.

Agricultural land that is particularly vulnerable to land invasion must be protected by new landscaped cemetery parks and intensive tree planting.

Atteridgeville and Mamelodi must be tightly interwoven into the central core of urban opportunities.

- Atteridgeville will benefit hugely from the new pass through the Witwatersberg and the extension of the PWV9 as it will now be
connected both with the complete North-South corridor and the historical city centre. New housing estates with schools and shops can be built on vacant land nearby since Atteridgeville's new status will make living and investing in this area an attractive alternative.

- Mamelodi’s existing industry will benefit from the diversification of the motor industry as it is distributed along a spatial belt that stretches from Rosalyn to Mamelodi. Mamelodi also requires links with the eastern economy of the City.

Fig. 18: Current situation: Fragmentation

Fig. 19: CS strategy: Integration

Fig. 20: CS strategy: Refocusing development

As a whole, the northern system has the ability to sustain itself as a substantial contributor to the City with diverse and strong links to the historical centre. It can accommodate a vibrant mix of social class and heritage. It will be able accommodate a variety of living and working spaces that are in accord with the needs of households and individuals as they progress through life. The area can support social mobility and choice, features unknown to generations of South Africans. Natural resources must be protected; their use controlled for public benefit. Intensive agriculture and small-scale farming can supplement food and contribute to employment in the North. Physical mobility needs can be optimised by a selection of few high-impact transport interventions. Unemployment will be tackled over time by ensuring that everybody has access to learning facilities, which open the door to the diverse employment opportunities, ranging from primary production to high tech services. The northern star of Tshwane will shine as brightly as those of the south, the east and the CBD.
Figure 22: Integrated Spatial Strategy
6. Key Supporting Strategies

6.1 Overview

In this section the most important supporting strategies towards the successful development of the North is outlined. These strategies are less comprehensively outlined than the approach to the North, yet carry significant priority weight insofar they support the success of the North.

6.2 Mobility Strategy

The City can trigger a more equitable and integrated Tshwane through a series of high impact transport interventions affecting the development of the North. Transport and mobility play such a pivotal role in both opening up the North for development that it is raised as a strategic intervention in itself.

The extension of the PWV9 southwards can open up a North-South axis for the flow of people and goods. Such an activity road will draw investors who want to capitalise on the mostly untapped development potential of the western reaches of the City. This attractive location is close to the capital core, and linked to its southern decentralised nodes and the Zone of Choice. This area will be built up progressively offering commercial opportunities and new housing options.

Toll fees on the N1, from the N4 junction to Babelegi, presently hinder business development all along this corridor. The toll should be removed to allow free access between the Eastern Capital and the North. Industry in Babelegi will be revitalised and will profit from close functional connections to the Zone of Choice.

The construction of a freight airport in the North would be a catalyst for wide development. Such an investment will put the Zone of Choice prominently onto the provincial map as an asset for the region.

The new Platinum Highway currently does little for economic development in Tshwane. It moves trucks through the area with speed and efficiency, but it acts as a barrier to local flows of people and commerce. More access ramps on and off the highway, with bridges across it, will allow new movement channels within the Zone of Choice. Businesses will gain an advantage by being close to the highway and its cross-roads. Over time, clusters of investment will bring new life along the road transforming it into a corridor of opportunity to support the local economy.
The Zone of Choice is Tshwane’s meeting place for the North and the South. It is a developing gem of investment diversity which also provides an attractive living environment. In this role it can have significant positive impact on the Gauteng economy as a whole. The creation of a link between the Zone of Choice and the path of the Gautrain acknowledges this importance and opens up choices for everyone.

Efficient public transport is an absolutely central element in the development of the North. This calls for the early establishment of a well-resourced Transport Authority. Strong links between the developing Zone of Choice and the Capital Core and with the eastern and western parts of the capital (Mamelodi, Atteridgeville) will provide access and alternatives.

Figure 20 shows a number of transport interventions that acknowledge the existing infrastructure. It proposes a direction for public transport users to improve their access and mobility:

- Conversion of freight lines to passenger rail (especially the line to Hammanskraal);
- New rail connections (deriving maximum potential from the construction of the PWV9 extension and the airport);
- Links to the route of the Gautrain
- New railway stations;
- New multi-nodal interchanges
- PWV9 road extension; and
- Investment in bus transport and interchanges.

Figure 23: Public Transport intervention
6.3. The South and East

6.3.1 A strategy towards the South and Eastern areas in relation to that for the North

A basic tenet underpinning Tshwane’s strategy is that not all areas in the City require the same response. The result is a spatially differentiated approach to parts of the City. Two variables differentiate the strategic response. Firstly, addressing the opportunity presented by the North provides a lens through which the rest of the City is viewed. Secondly, the public investment requirement in parts of Tshwane determines the scope of the strategic response.

Developing the North sustainably depends on generating real municipal revenue growth in other parts of Tshwane. The needs of the North present an investment paradox. While it is in the interest of the North that other parts of Tshwane generate sufficient revenue growth to subsidise basic services provision, the encouragement increased investment in support of growth outside the North paradoxically undermines the viability of investment in North itself. The search for a middle way that releases resources for developing the North while enabling the South and East to sustain vibrant growth is central to Tshwane’ strategy in the South and East.

What kind of public investments do the rapidly growing South and East of Tshwane require? In the past, the South and East benefited from a deliberate public investment strategy that created preconditions for rapid market-driven property development. This approach cannot realistically be expected to continue. In contrast the CS explicitly leaves development to the market, recognising the private investment momentum in these areas. The municipality is allowed to withdraw, where possible, from expanding bulk infrastructure with public resources; releasing capital for expenditure in the North. However, CTMM cannot simply disinvest through the withdrawal of all resources as such a step will undermine the property tax and tariff revenue base in South and East. What is suggested as that the nature of public investment in the South be changed.

6.3.2 Applying urban lifecycle thinking to Tshwane

While the strategy for the North outlined in the previous section emphasises a spatial development strategy, the older and generally more developed Southern and Eastern parts demand a completely different approach (i.e. Centurion, Menlyn, South-eastern Pretoria, and Laudium). In these areas continued sound management and responsible development of the established urban areas are required by maintaining services and supporting market-driven initiatives to facilitate overall development of Tshwane. The approach to the South and East does not mean that Tshwane abandons these parts of the City to fend for themselves. The municipality has an ongoing responsibility to manage and maintain services and infrastructure in these areas. The strategic response towards the South and East is requires

Key policy shifts for the South and East

- Move away from allowing market forces to dictate municipal investment requirements;
- Move towards a social pact whereby all areas, including the South and East will receive a defined package of municipal services whereby:
  - Areas with high quality services will contribute proportionally more to support services access to the poor and un-serviced;
  - In return municipal service levels and infrastructure will be maintained at defined levels.
- Allow the market to exploit development opportunities in the South and East, but at a realistic cost to the City as a whole.
the establishment of a transparent and reciprocal service provision and maintenance relationship between the Municipality and citizens.

The approach towards the South and East is based on urban lifecycle thinking. An urban lifecycle approach underpins most municipal infrastructure and financial planning. It is based on a generic and predictable lifecycle of services infrastructure that requires an initial capital investment to be built. Once a facility or infrastructure has been brought into service, it requires ongoing operating budget expenditure to operate and maintain it. At the end of the economic lifespan if such a facility or infrastructure it can be anticipated that maintenance cost will escalate rapidly. At some point a decision is required to either decommission the infrastructure or to reinvest in a further cycle of capital investment.

Different parts of Tshwane are currently in different stages of the lifecycle curve. The North is still going through a period of municipal service asset creation. The East is generally older and requires less investment in new infrastructure, but faces increasing demands for upgrade, expansion and replacement. The Centre is the oldest part of the City and is approaching a point where it requires recapitalisation and reinvestment.

The investment and service delivery strategy for the City as a whole needs to be balanced in order to ensure that the needs and demands of the all the parts of the city can be met in an equitable and sustainable manner. While urban lifecycle thinking assists in creating understanding of the differentiated investment needs of different parts of the city, it can only work if also linked to an explicit service delivery and revenue strategy.

6.3.3 Establishing a social pact

Reciprocity in relation to the South and East and the rest of Tshwane is based on an explicit understanding of the contributions that can be expected from and the benefits due to citizens, households and service beneficiaries. Much of such a pact is already implicit in Tshwane’s services delivery and tariff policies. The social pact for Tshwane is based on the following clear understanding between stakeholders:

- All citizens must contribute to the social good, of which the municipality is the main custodian;
Citizen contribution will increase in proportion to consumption of municipal services, property value and access to a customized services offering;

- A citizen’s expected benefit from municipality will proportionally decrease with level of contribution to facilitate subsidization of the poor. A decreasing benefit is based on the observation that there is growing independence from municipally provided services and infrastructure in parts of the city;¹⁴

- All citizens do have the right to receive some benefits and service from the Municipality; whereas
  - areas with high quality services will contribute proportionally more to support services access to the poor and unserviced areas;
  - In return, municipal service levels and infrastructure in areas with high quality services will be maintained at defined levels.

### 6.3.4 Framing an action agenda towards the South and East

A social pact as outlined above is dependent on creating a few specific building blocks; these are:

- A defined service offering and equitable service standards in the form of a Municipal Services Charter;
- Allowing for the introduction of customised service configurations whereby defined services are provided against special payments;
- Development of a planned asset maintenance programme to support performance against a Services Charter;
- Ringfencing financial resources within the budget planning framework to support a planned asset maintenance programme; and
- Establishing a progressive municipal tariff and rates policy regime, including provision for rates surcharges and tariff levies in support of a sustainable municipal revenue framework.

**Services Charters** are mechanisms to promote “customer relations” in the public sector through:

- Establishing a social pact between providers of municipal services and recipients;
- Improving awareness of the availability and quality of municipal services on offer;
- Establishing a platform for a municipal performance commitment and accountability in relation to specified service standards; and

¹⁴ As income increases, communities adjust their service expectation. Higher income groups are more likely to use private doctors rather than municipal clinics, enjoy private gardens rather than public parks, use private swimming pools for recreation rather than municipal pools and are more likely to hire hospitality venues rather than municipal halls.
Implementing a customer support strategy to enable service users to claim specified services as set out in the Charter, provide feedback on service quality and have complaints resolved.

Customer care initiatives are usually used in conjunction with public choice strategies that allow communities to customise the package of municipal services for their particular area. The establishment of CiDs and BiDs are examples of customised service arrangements of this kind.

A public choice and service charter approach need to be supported by finding practical ways in which to bring access to municipal administration closer to communities. A decentralised administrative approach – “area management” – is required to facilitate an efficient and responsive administrative solution.

Delivering the CS in the North is dependent on aggressively achieving service efficiency. Exploring ways to find optimal service provision arrangements is therefore a key element of supporting the CS.

However, it is important to ensure that public choice strategies are applied within an equitable services policy framework. The framework suggested for the delivery of services to individual households needs to balance the city-wide affordability of services with the needs of indigent households. There is therefore an inevitable link between service level and income level. In a society where there is no support for the indigent, a highly inequitable service profile can be expected where the high income areas will have access to high quality municipal services and the poorest segments of the city will have virtually no services access. The integration of Tshwane into a single authority with a single tax base now creates the ability to provide subsidised services to the poor with a consumption–differentiated tariff structure where the higher consumers can subsidise smaller users of services. The basic structure of this model assumes that the poor will be provided with free rudimentary and subsidised basic services in return for curtailing consumption levels to an affordable minimum amount of usage. The higher income households consume more and pay a premium for higher consumption through a sliding tariff structure. This means that each progressively higher level of consumption is priced more expensively. It follows that high-end consumers will generate a surplus which the city can distribute equitably to lower income households.
The framework suggests that four levels of services be offered to individual household and business consumption units:

- **Rudimentary level of service:** Rudimentary levels of services are the minimum package of municipal services to ensure access to necessities of life and maintenance of environmental health standards.
- **Basic equitable level of service:** A basic level of equitable services is the minimum common service package that the city can provide to all its residents in an affordable manner.
- **Full package of municipal services:** A full package of municipal services is provided in areas with higher property values where people pay more through rates and service charges; and
- **Customised service levels:** Where communities can customise the package of municipal services for their particular area against defined payment arrangements.

The services strategy aims to:

- Ensure all residents have access to municipal services;
- Target rudimentary services at informal settlements, indigent households and households which fall below the minimum household income (MHI) level;
- Target basic services at households which are on the minimum household income level and communities which broadly fall into the city’s urban renewal programme;
- Provide full services to those who are on and above the minimum household income who are able to afford them;
- Reconsider provision of services beyond full basic services towards reducing, withdrawing or privatising services;
- Allow customised services for above-average income households, where it is feasible to charge a premium for these services; and
- Utilising the premium charged customised services to generate subsidies to finance services in low income communities and to support the indigent.

### 6.4. *The Capital City*

Central Tshwane has successfully gone through a transition to make it a truly African city.

Already, the central city is a place where the people have claimed ownership – they may live elsewhere, but they come to the city to work, to shop, to meet one another and to look out for opportunities. The city centre provides the full range of goods and services that people demand. Its functioning can be improved, the environment can be made more safe and pleasant, but the centre of Tshwane, like any great capital city, is accessible and alive.

Beyond its natural assets, the vibrant capital is rich with cultural heritage, but much of this has not been exposed to common discourse and usage. The
celebration and exposure of these assets and stories will continue attracting local and foreign visitors and reinforce the status and pride of Tshwane as a capital city.

Its wealth also lies in the range of housing opportunities available and the convenient access it provides to all sorts of amenities and work opportunities. Further investment into affordable and diversified housing options within the city will ensure the continuation of its growing vibrancy.

The focused presence of government institutions in the CBD is a crucial element in the maintenance of Tshwane’s capital city status. The concentration of these functions in the inner city makes them more accessible to the common person and the visitor, and this clustering creates economic opportunities for business. It serves the needs of less mobile people who depend on focused customer flows. Government remains the most significant “tenant” of the inner city. By staying on and contributing to the revitalisation of the centre, government builds the confidence of other investors.

How can an inner city be created that is successful and works for all? International and national experience has shown that Partnerships around a common interest in the promotion of the CBD are very effective. A formal stakeholder body of the Capital City is needed to champion and direct the interventions above.
7. Outlining a programme of action

7.1 Overview

Implementation of the CS involves a structured package of programmes and projects.

This concluding section of the report is devoted to three elements:

- A prioritisation framework for programmes and projects
- Criteria to ensure that all CTMM activities are aligned to support the City Strategy
- Assisting investors and stakeholders to align their activities to support the City Strategy

7.2 Prioritization Framework

Two types of projects need to be emphasised within the short-term; firstly highly visible lead projects that will build confidence in the City Strategy and secondly, projects that lay the foundation of post-election delivery.

2004/05 projects of the CTMM have been selected and included in the IDP Review and Budget. Towards 2005/06, the project selection process can be influenced more strongly by the City Strategy. This will include making use of a projects prioritisation system and allowing for the wider participation of stakeholders outside the CTMM.

The entry point to the City Strategy is to prioritize the North. What this could mean in practice is set out above in section 5.

This priority weighting does not mean that only programmes dealing with the North get addressed. It means that a directed effort will be made to advance programmes and projects in the North while interventions in the other strategic areas are used to balance and support this thrust. In many cases, interventions to develop the North will also benefit other regions within Tshwane and allow progress in the full range of strategic priorities.

Programmes will be developed that are based in each of the strategic focus areas. But each programme will give the greatest priority to actions and projects within it that support the full strategy to make the North a new development node within Tshwane. Other areas will position themselves to latch onto spin-offs from the projects directed at meeting the needs of the north.
For example: areas in the south will also benefit hugely from the opening of the western access route from Centurion, through the Magaliesberg, to Mabopane and Rosslyn. Development interventions in the south will be framed to take advantage of this new artery. This asset, so vital to the north, will also be the vehicle to address medium and longer term concerns within the CS along the western reaches of Tshwane.

The CS allows, and requires, the North to be used as a lens for programmes ‘located’ in any part of the house.

Programme selection becomes crucial to give effect to the above priorities.

The range of programmes for priority delivery under the CS is outlined in detail above in Section 4.3 – “The broad strategy”. It is useful, however to summarise the key factors that may be used to prioritize interventions.

**Which projects?**

The City Strategy relies for its success upon the realization of a set of projects that can set Tshwane on a new course. Initially, these need to cover both of two areas:

- Lead projects that will build confidence in the City Strategy
- Foundation projects that will lay the basis for post-election delivery

The projects selected must give effect to the policy shifts identified section 4.4, above. Through the City Strategy, and by drawing on the combined strength of its different partners and stakeholders, the CTMM is able to change its role and increase the impact of its actions. The following principles are proposed:

**Project Principles**

1. Projects must involve building on existing strengths and drawing on the expertise within the CTMM.

2. Projects must draw in partners with capacity and resources that are external to the CTMM. The CS is a strategy for the City as a whole, not only the CTMM.

3. Projects must be of a sufficient scale to have real impact.

4. Projects must offer the possibility of leverage – they must offer ways for others to participate, they need to enhance their multiplier / crowding effect by being correctly located and timed.

5. Lead projects must be packaged so that they are inspiring and help to build wide support and enthusiasm for the City Strategy.

6. Lead projects must be implemented in tandem with projects that lay the foundation of post-election delivery.
7. Every one of the strategic focus areas in the City Strategy must have Lead or Foundation projects within it which involve the participation of the CTMM.

8. Every one of the key stakeholders must, in time, but swiftly, be proactively engaged so that they contribute to one or more of the City Strategy projects.

2004/05 projects of the CTMM have been selected and included in the IDP Review and Budget. Towards 2005/06, the project selection process can be influenced more strongly by the City Strategy.

**When?**

The timing and sequencing of projects and balancing their implementation with one another are as important as the identification of the key levers that will drive the strategy, and their priority emphasis. Tshwane does not have the resources to give equal priority to all aspects of the City Strategy all the time. Below is a basic outline of how the 5-year election cycles can be positioned:

a) **Towards the election:** Two types of projects need to be emphasised; firstly highly visible lead projects that will build confidence in the City Strategy and secondly, projects that lay the foundation of post-election delivery. Very little time is left to influence pre-election budgets, as the IDP and budget is set for 2004/05. The emphasis should therefore be to review initiatives on the current budget and possibly the 2005/06 budget cycle.

b) **Way points for 2005-2010** – In the period 2005 to 2010 Tshwane should concentrate on achieving all the key shifts in the content of its strategic delivery agenda. Also, *this is the period to ensure lead and seed projects get successfully off the ground*. These are the key interventions that will have the scale and impact that needed to make the city strategy real. The main focus during this election cycle is to achieve an emphasis shift towards economic development and productive investment lead projects.

c) **Way Points for 2010-2015** – Due to their more significant lead times, delivery of major public led infrastructure investments should be targeted for delivery from 2010. These projects require significant flows of funding, requiring intergovernmental budget and priority alignment; they need significant planning and preparation and also usually deal with complex technical matters. Also, the level of funding demands a once a decade spurt of resource procurement – it cannot be maintained for more than a few years at a time. Tshwane is not able to position its self for such significant investments as yet. The time up to 2010 should be directed at ensuring an intense phase of delivery.
**d) Way Points for 2015-2020** – consolidation cycle – after 2015 the emphasis should be towards fine tuning and repositioning the City for a new set of challenges.

**With whom?**

The CTMM is a large and complex organization, which often exhibits typical “silo” tendencies – people do not communicate across their areas of operation and expertise. The CS cannot be implemented with full impact on a silo basis. Projects need to be well co-ordinated internally and inter-linked with other activities undertaken by the municipality. This aspect of co-ordination is dealt with below, on page 64. The CTMM needs to act together in implementation and in its dealings with external role players and partners.

The CS needs to include City stakeholders – such as business and the government departments based in Tshwane, the learning and research communities, the diplomatic community, trade unions, CBO’s etc. Some CS projects will be best framed and implemented under non-CTMM leadership.

- The CS is much broader than a municipal plan.
- In many areas, the CS requires the CTMM to act in concert with other stakeholders.
- There are some projects, important for the future of the City, that do not depend on municipal leadership. The level of municipal participation needs to be set at the appropriate level.
- There are some stakeholders, significant tenants, owners or operators, that the CTMM needs to recruit and maintain as supporters of the CS. These are identified in Section 9.5 above on the initial engagement strategy. The CTMM can be pro-active in suggesting projects, related to the CS, with which they might become involved – as leaders or as participants.
- Lead projects need to cover and involve all the major stakeholders.

**What results?**

There are some activities undertaken by the municipality that are essential for the future (and present) of the City – but which do not, by their nature, change anything. These are ‘transactional’ projects or processes. Some transactional processes underpin particular lead projects within the CS and are essential to it.

Equally, there are areas where the municipality leads and where the impact of its participation is transformative – here it makes a real difference to the future trajectory of the City.

This is where the CTMM needs to begin in identifying and designing the high-profile lead projects for the CS. As other stakeholders are engaged
in discussions over the CS, additional lead projects may emerge in which the role of the CTMM is less direct. In some cases, for example in the case of Blue IQ projects within Tshwane, the projects already exist but may be challenged to improve their alignment with the Tshwane City Strategy.

The different dimensions of impact and engagement need to be understood. The CTMM engages in different action programmes in different capacities – sometimes as the leader, sometimes and a participant and maybe even as an observer.

- Lead projects for the CS are not always led by the CTMM
- Projects that promote transactional efficiency may not themselves be lead projects, but may provide a vital support to lead projects, or the balance of the CS
- The CS is not only about lead projects – it can also include these “foundation projects” that lay a base for the success of the CS in the future
- But the CS is also not about all projects. The CS aims at overall impact, not comprehensive coverage. A wide range of projects will continue to flourish within the IDP.

**Which resources?**

There is no point in identifying as lead projects, proposals that do not yet have the required levels of political and financial resources.

The CS is about implementation. That means that only implementable projects – with sufficient resources to make a major impact – should be selected. The mix of lead projects will change over time. The identification and management of resources is dealt with above in Section 9.3, but the availability of resources is a specific factor in deciding on the prioritization rank of a project.
7.3 Summary of foundation and lead projects for the CS

Focus I: Infrastructure led expansion of development potential of the north to tackle poverty

- **Transport: Connectivity Programme** – road and rail links and enhancing the public transport system
- **Basic needs and related Bulk Infrastructure programme**
- **Creating Places of Value Programme** - developing nodes to focus public spending

**Transport:**
- Create access to and over Platinum Highway
- Resurrect plans to extend the PWV9
- Linking Gautrain to Zone of Choice
- Establish integrated public transport capacity
- Drop N1 tolling (from N4 to Babelegi)
- Develop a dedicated freight airport

**Environment:**
- Rethink agriculture
- Protect sensitive areas

**Economy:**
- Promote clustering of economic activity
- Creating places of value through identifying a hierarchy of foci for public investment;
- Incentivise Eco- and Agri-tourism
- Promote the creation of Agri-Industry hubs
- Promote linkages between agriculture and complementary, secondary and developmental opportunities

**Social facilities and service delivery:**
- Continue basic service provision, but using a graded model for the Middle North
- Develop and differentiate the public housing options in the Zone of Choice
- Promote the clustering of facilities in the North
### Focus II: Continued sound management and development of the established urban areas (Pretoria Central, Centurion, South-eastern Pretoria, Mamelodi and Atteridgeville/Laudium) by maintaining services and supporting market-driven initiatives to support the overall development of Tshwane.

- Customer Care Programme – maintain services and infrastructure in these areas
- Public service maintenance
- Promotion of Batho Pele and a service charter

### Focus III: Strengthening key economic clusters to gain leverage from growth trends in manufacturing, government and business services

**Note:** Much of the economic benefit of the CS is derived from and triggered by the initiatives in the other focus areas.

- Public led investment – particularly in the Zone of Choice to illustrate the City's intent in creating a northern wave for Tshwane spatial economic development.
- Public Private Partnerships - leveraging off public assets.
- Small business development as part of CS – support for business in the Zone of Choice and in the nodes. Public led investment to attract business to the Zone of Choice.
- Partnership project on the learning/IT cluster, using the Tshwane Digital Hub.

### Focus IV: Celebrating the National Capital and Repositioning the Inner City as a vibrant cultural and government centre

- Places of Reflection and Celebration – revitalise existing public spaces and create new special places;
- City Living - Inner City Housing Programme – affordable and diversified housing opportunities within and around the central city;
- Capital City Partnerships - launch a high profile initiative
- Continue to support housing opportunity creation within the inner city
- Expose the tourism and cultural assets of the Capital (including affordable tourism accommodation)
- Maintain government presence (if government has to move, promote the Zone of Choice)
- Explore opportunities that will link the east and west capital with the inner city
- Establishment of a “Capital City Development Bureau”
Focus V: Building high levels of social cohesion and civic responsibility to maximise development opportunities.

**Note:** Much of the social-cohesion benefit of the CS is derived from and triggered by the initiatives in other focus areas (e.g. spatial integration, equity of access)

- **Mayoral Imbizo Programme** – a city-wide process of dialogue.

- Projects related to the Imbizo programme

Focus VI: Ensuring a Solid Foundation: Modernising the administration for developmental service delivery through phased restructuring and institution building

- **Municipal Operations Programme**
- **Institutional Restructuring Programme**

- Decentralised service centres – start in the North, Atteridgeville and Mamelodi
- Establish a Tshwane 2020 City Development Body
- Popularise the City Strategy
- Build partnerships and partnership bodies with the private sector, local government departments, provincial government and national government for delivery
- Build monitoring capacity

Focus VII: Ensuring a Solid Foundation: Ensuring municipal financial fundamentals as platform for services and development

- **Services Charter and Equitable Services Programme**

- Develop dedicated capacity at the centre (too vague)
- Plan for “CS top slice”
- Introduce ward based allocations for 2005/06
- Develop partnerships
- Ring fence capital budget resources to ensure acceptable asset maintenance levels in the South
- Develop a progressive municipal tax and tariff regime, including provision for surcharges linked to services and levies linked to defined benefits
- Review terms on which developers engage with the City (e.g. introduce differentiated model for dealing with cost recovery re bulk and link infrastructure)
Tshwane City Strategy: Phase II Report

Project specification

For each project, the goals, scope and outcome should be specified as a first step.

The first levels of programmatic detail for the City Strategy will emerge from project selection.

Final project choices cannot be confirmed until external partners have been substantively engaged and recruited to participate in the CS. Roll out plans should include the following for each project:

- Name of the Programme:
- Name of the Project:
- 1 Management responsibility (Political & Administrative champions within the CTMM and key people responsible for implementation – CTMM and external)
- 2 Purpose of the project
- 3 Relationship to other projects and programmes
- 5 Deliverables (Current, Short-term and Medium-term [3-5 years]; long term)
- 6 Partnerships (Internal and External partnerships)
- 7 Instruments
- 8 Dependencies
- 9 Resources available

7.4 Criteria to ensure that all CTMM activities are aligned to support the City Strategy

The CTMM needs to ensure that all of its work is aligned with the CS, not simply on a "ticking basis" (as in the 2004/5 budget), but on the basis of effective project integration and support.

On the one hand, this requires that all city employees are educated on the City Strategy and what it means. On the other hand, it requires that senior managers of the CTMM interrogate all existing and new projects in the light of the CS and its objectives.

Spread the story within the CTMM

All council employees must understand the CS in general terms, so they know what it is and how it should affect their work.

People who prepare proposals and make decisions need to understand the 'rules' and the reasons for them.
Apply a “City Strategy Filter” to all programmes and projects

The aim is to ensure that all activities of the CTMM should support the CS, to a greater or lesser degree - No activities or projects should undermine the CS

New programmes and projects need to ask:
- Does this support the CS or undermine it?
- Can it be done differently to lend more support to the CS?
- How can it be related to other CS projects?

Existing activities need to be reviewed using a similar lens and altered, where possible and sensible, to promote the CS.

It follows that monitoring and evaluation exercises undertaken by the CTMM as part of its normal operations should introduce CS issues into all assessments.

Support for the CS requires a particular approach within the organisation. It requires strong discipline from management to ensure that all programmes are subjected to a CS ‘filter’.

Bring all city staff into the CS as participants

Link Batho Pele to the CS. The CTMM needs to use all opportunities to publicise and popularise the CS. It can do this directly, through its programmes – and indirectly through its people. City staff can be engaged not only at work but also in the private lives as citizens and family members. The CS is for everyone.

Rules of thumb

Each department needs to develop its own “rules of thumb” to ensure that the CS is given full expression through its activities. For example, these might say:

- If you have grant money, prioritise the north.
- If you build houses, put them in or close to the Zone of Choice
- Cluster public facilities
- Build major, high quality, public facilities at transport interchanges/nodes
- Be very careful how you allocate or sell public land, especially in the Zone of Choice.
- ....

Frequently Asked Questions

Each department can further promote the CS by developing responses to an internally generated list of “frequently asked questions”. For example:

- How is the IDP different from the CS?
Tshwane City Strategy: Phase II Report

- How do we use the story on the north and the City Strategy to prioritise our activities within the budget?
- How do we get business involved?
- What other parts of the CTMM should we be talking to?

The CS is a high-level strategic intervention – but it is implemented on the ground. People must talk about these issues, or the implementation will fall far short of potential.

The City Strategy can itself be used as a tool within the CTMM to promote its agenda of Batho Pele.

7.5 Assisting investors and stakeholders to align their activities to support the City Strategy

The CTMM has to engage with investors and stakeholders so that they, through their activities, lend support to the CS – or at least do not unknowingly undermine it!

The engagement strategy is discussed above as part of the overall framework to implement the CS.

The CS is, to some extent, an organic project, so stakeholder engagement will have to be a constant feature. But once the first phases of engagement have been completed, it is necessary to give clear indications to business people, to communities, to trade unions to learning institutions and to government departments on what the CS is and have they can contribute to its success.

The CS is supposed to be a catalyst. Its action programmes are designed to attract other stakeholders and to produce a multiplier effect to make CTMM investment more effective. Action programs need to be of a sufficient scale to have this effect. It is not just words, it is works.

Have a document and tune it to different audiences

- After the initial round of stakeholder engagements, a formal document (2005) should be produced to set out a consensus view of City Strategy. Ideally, this would be issued by a partnership body. By 2005/6, the City should set out what it will do to advance the CS itself.

- There should also be a shorter, accessible public document.
Support a Tshwane City Partnership body that manages the CS.

The formation of a partnership body for the CS is a key recommendation for the engagement strategy.

The partnership body needs to publicise the CS to gain appreciation for its aims. The CS is enriched by public participation. Opportunities should be created, pro-actively, for investors to participate.

Before investors make a move, before owners decide to re-develop, they should ask “How does this fit in with the City Strategy?

The involvement of the national and Gauteng departments of public works, who own and manage most of the huge government holdings of buildings and property is crucial.

The CTMM has great powers to influence stakeholder actions through its regulatory and enforcement functions.

It needs to be clear that the CTMM will act itself to promote the CS, not just hope that developers and others follow it.

Have a publicity campaign for the CS.

It is particularly important to educate citizens and all community organisations on the City Strategy. There needs to be a programme for schools – linked with learning and libraries.

Rules of thumb

The CTMM also needs to plan to boost and support the CS. Guidelines might be:

- Refer to the City Strategy always, in speeches and publicity
- Cover all the stakeholder bases, regularly, to recruit new enthusiastic participants
- Publicise how new investments support the City Strategy
- Consider incentives for particular types of investment in the North
- ....

Frequently Asked Questions

The CTMM must pay close attention to how business (in particular) is reacting to the City Strategy, as one key intention is to use the CS as a way to increase employment in Tshwane. These questions need to be confronted:

- How do we interact with business in a pro-active manner?
- What economic developments are underway in the north and the zone of choice now that the CS can connect together or reinforce?
APPENDIX TO SECTION 7: List of provisional projects for the North

Note: The projects outlined below need to be negotiated with a wide range of stakeholders and are therefore preliminary. A priority list of these projects has been identified which recognises the integrated nature of intervention.

<table>
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<tr>
<th>Environment</th>
<th>Economy</th>
<th>Social Facilities</th>
<th>Housing</th>
<th>Transport</th>
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<tbody>
<tr>
<td>• Protection of koppies at Onderstepoort and utilise sensibly</td>
<td>• Support the clustering of industry and business along the Platinum Corridor stretching from Rosslyn (to the airport) to Mamelodi</td>
<td>• Providing social facilities in clusters according to need and densities as exposed as possible, where new housing is build</td>
<td>• Developing new mixed-use high density residential development:</td>
<td>• Creating access to and over the Platinum Highway (PWV2):</td>
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<td>• West and north-east of Rosslyn Industrial (between the R566 and the freight rail line)</td>
<td>- at the north-west corner of Doornpoort residential area with access to the airport</td>
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<td>• South of Rosslyn Industria and west of Akasia</td>
<td>- at the R101 intersection</td>
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<td>• South of the Onderstepoort koppies and the Bon Accord Dam stretching down to the Heatherdale agricultural holdings</td>
<td>- at the PWV9 intersection</td>
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<td>• Right below the Bon Accord Dam between the R566 and the R101 junction</td>
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<td>• East of Bon Accord Dam including Anlin, Wonderboom and Doornpoort (much of the space could be dedicated for airport use)</td>
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<td>• Creating activity road opportunities at visible sections of the Platinum Corridor</td>
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<tr>
<td>Zone of Choice</td>
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<td>• (Expanding or relocating the existing airport to support international freight movement)</td>
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<td>• Regenerating Bon Accord Dam and use water resource</td>
<td>• Cluster business along the visible sections of the Platinum Corridor</td>
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<td>• Creating access to and over the PWV2 at the height of the M35</td>
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<td>• Protecting the Apies River flood plain and use adjacent open space</td>
<td>• (Promote warehousing close to the airport)</td>
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<td>• Creating a west-east road connection between the R101, passing north of the Wonderboom area and linking to the N1</td>
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<td>• Attract major job generators such as the Pan African Parliament</td>
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<td>• Creating a road link up from Zambesi road through Wonderboom, past Doornpoort residential, past the Platinum Corridor intersection, connecting to the Doornpoort area</td>
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<td>Zone of Choice</td>
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<th>Tshwane Metro</th>
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<td>- In response to the new train connections, build train stations and reinforce multi-nodal interchanges</td>
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<td></td>
<td>- Invest in major bus routes and interchanges</td>
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<td>- Creating a passenger rail or road based public transport connection between Mabopane and Temba</td>
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<td>- Convert the freight rail line connecting Mamelodi to Garankuwa into a passenger rail</td>
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<td>- Construct a passenger rail line parallel to the PWV9 from Rosslyn down south</td>
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<td>- Extend the PWV9 beyond Mabopane to the North</td>
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<td>- Constructing the PWV9 pass through the Witwaterberg linking the western areas of the North with the western areas of the South-East</td>
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<tr>
<td>Garankuwa, Soshanguve, Mabopane</td>
<td>• Protecting the environmentally sensitive area around the Nooitgedacht dam/Sand river</td>
<td>• Promote activity road status where existing formal and informal business have settled</td>
<td>• Providing social facilities in clusters according to a grid logic in hierarchical form according to need and densities as exposed as possible</td>
<td>• Developing new mixed-use high density residential development: South of Garankuwa and Medunsna North-east of Garankuwa (Sjambok Zyn Ouderkraal Erf 258) South of Soshanguve (Klipfontein Erf 268 JR)</td>
<td>• Paving access roads to facility clusters</td>
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<td>• Protecting the Sout Pan River course</td>
<td>• Facilitate the clustering of businesses around the facility clusters through the development of public space</td>
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<td></td>
<td>• Creating Eco-Tourism opportunities around the Tshwaing crater</td>
<td>• Placing cemetery parks along the urban edge east of Soshanguve</td>
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<td>• Creating a resort at the Nooitgedacht dam</td>
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<td></td>
<td>• Creating a resort on the urban edge of Klip/Kruisfontein to the agricultural zone connected with the river resource</td>
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<tr>
<td>Winterveld/Tshwaing</td>
<td>• Establishing a multi-purpose resort at Tshwaing</td>
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<td></td>
<td>• Supporting Winterveld rural agriculture including Winterveld into Eco-tourism</td>
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<tbody>
<tr>
<td>Temba, Babalegi, Hammanskraal</td>
<td>• Create a resort attached to the Hammanskraal dam and the Apies river stream</td>
<td>• Revitalising the Babalegi Industry through the creation of functional links to the Zone of Choice Industry</td>
<td>• Providing social facilities in cluster according to a grid logic in hierarchical form according to need and densities as exposed as possible</td>
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<tr>
<td>Atteridgeville and Mamelodi</td>
<td>• Supporting the functional link between auto motor industry in Mamelodi and the Zone of Choice</td>
<td>• Developing new mixed-use high density residential development: South of Magaliesberg and Witwatersberg along the freight rail line North of Atteridgeville/Saulsville and south of the Witwatersberg</td>
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<td>Zone of Agriculture</td>
<td>• Monitoring water quality of Apies River</td>
<td>• Promoting the organisation of agricultural industry around Agricultural-Industry Hubs centring around hydro ponds and dams</td>
<td>• Social facilities are clustered at the Agri-Industry Hubs</td>
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<td>• Monitoring soil quality</td>
<td>• Promoting diversified agricultural production ranging from herbs to leather and meat production</td>
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<td>• Building farming support centres, warehousing and education and research facilities as well as secondary industry within the Hub vicinities</td>
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<td></td>
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<td>• Promote 'farm' tourism</td>
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<td></td>
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<td>• Promoting the expansion of irrigation technology</td>
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8. Implementation Framework: The way forward

8.1 Overview

A strategy only has impact if it is implemented. The broad sweep of initiatives outlined in Tshwane’s Strategy requires a significant implementation effort. In many ways the next steps towards implementing the CS also address the implementation framework. Four implementation measures are required to be actioned towards turning the Tshwane CS into reality:

- Adopting a range of strategic delivery modes
- Securing resources;
- Creating appropriate institutional mechanisms;
- Roll out an engagement strategy with key stakeholders.

8.2 Adopting a range of strategic delivery modes

Delivering on a strategic concept at the scale envisaged by Tshwane requires harnessing a very wide range of strategic delivery modes. The premise of Tshwane’s CS is that the City will adopt an interventionist approach towards ensuring appropriate action.

Existing planning mechanisms are dependent on control and compliance organisational tools. The IDP broadens the scope of delivery modes for the City through management arrangements and systems seeking greater integration and alignment. The CS expands the role of the City beyond a development agent, facilitator or even coordinator by positioning it as an active player in the development arena through direct intervention. Broadening the City’s role will require changes in the manner in which development programmes are organised, resourced and delivered.

The intention is not to adopt any specific implementation mode, but to explore all in different circumstances to find the most effective solution.
8.3 Resource Framework

The CS calls for the preparation of an aggressive public investment programme – with a “hands-on” approach from the municipality to influence the character of new private investments. The resourcing strategy probes the viability of the current municipal investment pattern in Tshwane to look beyond meeting basic needs to encompass asset maintenance in the future and the philosophy of public investment. In essence the strategy calls for:

- Facilitating growth and change through an aggressive public led investment programme;
- Redirecting capital as a lever for facilitating and directing public infrastructure investment;
- Reviewing the current service delivery agenda and menu, to place more emphasis on balancing the creation and maintenance of infrastructure and services;
- Balancing the response to the need for the roll out of individual household services with the delivery of clustered public infrastructure investments; and
- New approaches to the structuring of the capital budget in the immediate term.

Provisional work has been undertaken to determine an appropriate resourcing strategy to support the Tshwane CS. The basic structure of the resource agenda is two-fold – focusing firstly on securing the sources of funding and secondly on the framework for resource prioritisation.

Tshwane anticipates raising its capability to secure and spend capital resources significantly during the post-2005/06 election cycle to enable it to achieve a transformational impact. While it is recognised that such a “bulge” in investment can only be sustained once every decade and perhaps longer, it is crucial to ensure that resources will be allocated to the right priorities.

The realistic funding ceiling using conventional municipal resources is estimated at some R2 billion per annum. The ambition is to secure more than double this amount in real terms, in addition to the municipal resources, through a variety of funding mechanisms. Tshwane will explore a range of funding options with its financing partners over the next years in packaging a sustainable and realistic resource capability.

Securing resources at the scale required cannot however be done by the municipality alone. Tshwane will require the support of both Gauteng
Province and National Government towards resourcing a strategy of national importance.

Significant funding can only be raised if there is clarity and commitment towards the application of the investment. Yet, confidence in creating a bold funding agenda will require changes in the approach to resource application within the City of Tshwane. The basic resource focus areas flowing from the CS are:

- Creating access to basic municipal services
  - Bulk and link
  - Connection
  - Investing in public places
  - Modal interchanges
  - Public squares
  - Clustering of public service facilities
- Major city-level infrastructure investment that will improve urban efficiency
  - Metropolitan road system – mobility improvements, unlocking depressed areas and creating access points
  - Public transport
  - Public housing

In order to ensure focussed allocation of resources, Tshwane plans to structure its capital budget so as to create the most appropriate balance between basic needs, productive, remedial and crisis responsive expenditure.

It follows that a structured prioritisation of capital resources needs to be mirrored in the way the capital budget is prioritised. The approach followed is to segment the capital budget according to funding source and priorities so as to ensure the funding of CS projects are both clearly “top-sliced” and prioritised in a coherent manner.
8.4 Enabling delivery vehicles and optimal institutional arrangements

Institutionally the Tshwane CS will require:

- A review of service delivery arrangements and mechanisms
- Careful assessment of internal versus external delivery mechanisms
- Consideration of the introduction of special purpose vehicles (SPVs) or Agencies
- The creation of strong program and project management capacity at the “centre”
- The alignment of support services with a new “delivery agenda”

8.5 Engagement Strategy

Delivering on the Tshwane CS will require a carefully designed inter-governmental and public engagement strategy. In this context the involvement of a range of influential stakeholders is required, such as, inter alia;

- Government (Office of the President, Dept of Public Works, Gauteng Provincial Government)
- The “big” business sector
- The parastatals
- Transport authorities and transport service providers
- Neighbouring Provincial and local authorities
- The Diplomatic community
- The Tshwane citizen
- The Council and its staff
- The “learning community”
- The media

The inter-governmental and public engagement strategy will unfold at different levels and in a phased manner. Care will have to be taken when considering the entry points into the engagement process, the sequence in which stakeholders are approached, the structure of agendas and the difference between information sharing, consultation and negotiation.

Effective engagement requires that the CTMM has a sound understanding of where key stakeholders are at in terms of their own plans and agendas. But care must be taken to preserve the integrity and focus of the CS. When “influencers and shapers” are brought into a City Development Partnership or forum it should be on the basis of a City Strategy agenda, with agreed terms of reference and firm time frames. A dedicated secretariat is needed to manage the initial engagement and ongoing follow-up involvement.

An “engagement document”, written in a manner appropriate to the audience in question is useful to define the terms of engagement with different
stakeholders. The CTMM should make sure that the CS initiative is supported by a well structured supportive media strategy. Early successes in the form of tangible results that can be “owned” by all will assist the CS to gain acceptance.

**Approach to government**

First stage information sharing needs to emphasise the importance of the CS for the capital city, for the province and for the country. The scale of the interventions has to be large in order to realise the anticipated positive outcomes. Inter-governmental involvement is essential and the CTMM needs the views and inputs from government, which, in Tshwane, occupies a special role as the largest employer and property-owner.

In a second stage, the agenda shifts to consultation and negotiation over how roles and responsibilities can be shared. This extends to government participation in CS structures, the alignment and integration of planning and resourcing processes, and project specific initiatives.

**Approach to “big” business**

First stage information sharing should present the CTMM’s more detailed thinking on the City over the next 20 years, in parallel with probing and listening in relation to business thinking and planning. The process should aim to identify those with a vested interest in the City’s future and those who would like to come on board as supporters of the CS approach.

The second stage of engagement would bring representatives onto CS structures, and begin to open up areas for consultation, negotiation, partnership and co-management.

**Approach to parastatals and transport**

A similar approach should be adopted as for “big” business but given the importance of transport issues in the CS, the relevant National Departments such as DPE and Transport need to be involved at relevant stages in a common discussion.

**Approach to neighbouring authorities**

Inform neighbouring and Gauteng local government institutions by means of well structured and correctly timed one-on-one communication at an early stage. Demonstrate openness to discussing and considering the consequences of the Tshwane CS for the Gauteng urban region. The engagement should also start a process of reviewing the nature of Tshwane’s participation in “their” initiatives.

**Approach to the diplomatic community**

A high level joint session can be used to inform the diplomatic community of CS thinking. The CTMM needs to listen to their needs, thinking and plans. It can ask how and where they see themselves contributing and benefiting (inner city initiatives, public space programs, celebrating the capital, building social cohesion, facilitating investment). Bear in mind that although they may have similar needs, there may be competing interests among them. Bring a representative grouping onto CS structures.
Approach to the “learning community”
Inform them with the view to getting them involved in the process of establishing Tshwane as the knowledge and learning centre of Africa

Approach to the media
Give the media the big picture and a framework for rolling out the story as it starts unfolding. Create an air of confidentiality, yet at the same time foster a spirit of partnership. Devote quality and structured time to the media - and demand that they do the same.

Approach to the Council Staff-member and citizen
Give the ordinary person a message of hope, a message indicating that the city fathers (and mothers) have the interests of generations to come at heart. The focus of the CS is on the next generation, not the next election! Indicate that the CS will not detract from current delivery commitments. Give them something to be proud of, something they can identify with and “sell”.

Where to from here?
- Develop the popular or plain language version of the 20 year CS by end October 2004
- Get Council approval
- Agree on the details of a first round of high level engagements to be completed by end June 2005
- Get all staff on board
- Plan the media strategy for the period until end June 2005
- Decide on the nature of partnership structures required to manage the process
- Build in-house capacity to manage and support the process

In summary
The goal of the initial engagement strategy is to position the City of Tshwane so that it can oversee a programme of interventionist public investment that will move the City onto a path that it has set for itself.

As the CS unfolds, the process will make a meaningful impact on urban efficiency and the quality of life – specifically targeting the poor. The CS has an approach of “non-competition” to existing expenditure but it anticipates shifts in the focus and pace of capital expenditure. Successful engagement around the CS is itself dependent on managing the traditional IDP process effectively. The IDP must become resource driven and move away from its present character of expectation building. The debate must shift from needs (which are without limit) to priorities (which involve choices and clear assessment.)

The result of the engagement strategy will be a layered ring-fencing of resources across the City, which are marshalled with increasing effectiveness to realise the objectives of the CS. The process is not an easy one. It calls for a different engagement mind-set from the CTMM. And delivery is dependent on a strong “centre” and the right institutional vehicles.
8.6 Next Steps

In reality the development of a CS remains a living, evolving and iterative process. At this point in the CS’s stage of refinement the following issues require adoption by the Mayoral Committee to ensure forward momentum:

- The foundations of the City Strategy as outlined in the Tshwane Strategy House;
- The policy shifts required to give effect to the strategy;
- The institutional arrangements proposed to give effect to the strategy;
- The resourcing approach outlined in the report; and
- The core elements of the public engagement plan proposed in support of the City Strategy.