

NATIONAL URBAN RENEWAL PROGRAMME (URP)



THE PROGRESS MADE TOWARDS THE IMPLEMENTATION WITHIN THE KHAYELITSHA AND MITCHELL'S PLAIN NODAL POINTS: A PROVINCIAL PERSPECTIVE

PURPOSE

The purpose of this report is to reflect the current status, progress and achievements on the national Urban Renewal Programme (URP) within the Khayelitsha and Mitchell's Plain Nodal Points for the **July Cabinet Lekgotla 2003** meeting.

BACKGROUND

URP entails the co-ordination of investment in economic and social infrastructure, human resource development, enterprise development, the enhancement of the development capacity of local government, poverty alleviation and the strengthening of the criminal justice system. Identified anchor projects contribute towards urban and economic renewal, social renewal and law enforcement.

The aim of the programme is to co-ordinate many complementary and competing initiatives in a node and to co-ordinate action in a node with reference to a whole range of spheres and sectors. Co-ordination is done in a holistic approach through the steering structures of the three spheres. The programme is focusing on giving people access to houses, clean water and sanitation, electricity, health and recreation facilities, roads, affordable and efficient public transport and other social infrastructure. URP has a number of pillars for example empowerment, integration, partnerships, identification of anchor projects and focusing on developmental local government.

In October 2000 the national Cabinet approved the Urban Renewal Strategy, as urban renewal initiatives were, up till then, driven by various institutions in a diverse and unco-ordinated fashion. On national level eight urban renewal pilot areas were identified. In the Western Cape

Khayelitsha and Mitchell's Plain were identified as nodal points. With the implementation of projects during December 2001 / January 2002 the Urban Renewal **Strategy** became a **Programme**.

The national Department of Provincial and Local Government (DPLG) is the national co-ordinator of this programme. At present DPLG is finalizing a policy document on sustainable urban regeneration and growth to guide the Urban Renewal Programme.

From January 2002, DPLG established and chairs an Urban Renewal Forum (URF). This Forum meets monthly in Pretoria and comprises of representatives from national departments, some provinces, as well as urban nodal municipalities. The Western Cape Province is represented on this Forum by an official from the Department of Local Government. A further document yet to be finalised by DPLG is the Terms of Reference of the Urban Renewal Forum.

The Provincial Cabinet mandated the Department of Local Government on 22 May 2002 to act as the technical champion on provincial level. Whilst the Premier was appointed to act as political champion on provincial level. However the Premier (Mr MCJ van Schalkwyk) delegates the day-to-day responsibilities to the Provincial Minister of Local Government and the Department of Local Government to act respectively as the political and technical champions on provincial level. On nodal level the mayor (Clr NC Mfeketo) and the municipal manager (Mr WA Mgoqi) of the City of Cape Town were respectively designated as political and technical champions. On national level the political champions are as follows:

- Minister of Finance - Mr Trevor Manual
- Minister of Safety and Security - Mr Charles Nqakula
- Minister of Transport - Mr Dullah Omar
- Deputy Minister - Mr C Gillwald

It is important to note that there is currently three urban renewal related initiatives within the City of Cape Town, making it necessary for the City to appoint an Urban Renewal Programme Co-ordinator, who has drafted an interim institutional delivery framework to seek alignment between these three projects, namely the national Urban Renewal Programme, the German Programme (German Development Bank – Kreditanstalt fur Wiederaufbau) and the Cape Renewal Strategy

(Provincial Programme). The German Programme and Provincial Programme have different focus areas as well as specific aims within the URP nodes. The German Programme is focused on the heavy end of renewal infrastructural projects, such as the provision of water, electricity, etc. Whilst the Provincial Programme is focused on the soft end of renewal infrastructural projects, such as graffiti removal, etc.

PROGRESS TO DATE

Over the last two years, several URP processes have taken place within and outside the City's operations, for example community summits. These processes had several obstacles to move forward for example lack of co-ordination, no clear political direction and limited financial commitment. A clear institutional arrangement for managing implementation was only approved in March 2003. Over the past four months there were four political champion's meetings on the following dates, namely 3 March, 18 March, 14 April and 20 June 2003. The Executive Committee in the City recently established a **sub-committee** on Urban Renewal under the championship of the Mayor. The Strategic-Director: Service Delivery in the Mayor's office heads a **Task Team** of officials and other stakeholders who are developing the framework, guiding principles and institutional arrangements. This Urban Renewal Task Team consists of City officials, Province, Wesgro, Khayelitsha Development Forum (KDF), Mitchell's Plain Development Forum (MPDF) and the Provincial Development Council (PDC). The Task Team has been meeting since 3 March 2003. On 8 April 2003 the **Multi-Stakeholder Steering Committee** met for the first time. This Multi-Stakeholder Steering Committee consists of the City, Province, National, Private Sector, KDF, MPDF, Parastatals, NGO's, etc.

At the political champion meeting of 14 April 2003 the identified **Quick Wins projects (2002/2003)** as well as the **Anchor projects (2003/2004)** for both Khayelitsha and Mitchell's Plain were approved. The identified Quick Wins and Anchor projects for both Khayelitsha and Mitchell's Plain conform to the community needs and priorities. The Quick Wins projects will be financed with the dedicated Urban Renewal portion of the City's Equitable Share Fund. This allocation includes R8,851 million for Khayelitsha and R4,614 million for Mitchell's Plain in the 2002/2003 financial year. These funds must be spent by the end of June 2003. It is the National Government's intention in granting these funds to the City that they be used to support the development of the Urban Renewal Programme. At the fourth Political Champion's meeting the Political Champions

decided that a Business Plan regarding Urban Renewal for the Khayelitsha and Mitchell's Plain Nodal Points should be compiled by officials within the City of Cape Town. A first draft of the Business Plan must be tabled by the end of July, with the completion thereof set for 20 August 2003.

The different roles and responsibilities of the **KDF and MPDF** were as follows: Identify and articulate community needs; popularise the programme; ensure community ownership and participation in the programme; form part of structure driving URP within the City; be the voice of communities with regards to URP; partner in development with various partners and role players; propagate for a people centred approach to development; mobilise resources; and education / training of members and the community.

The **City of Cape Town** has the following roles and responsibilities: Ensure incorporation of the URP into the IDP and its reflection in the municipal budget; implementation of the programme and various projects in spirit of URP with special focus on sustainability; foster partnership with various partners and role players; play a developmental role; manage and drive URP; drive (jointly with KDF and MPDF) project implementation; finalise business plans and secure adequate resources; ensure community involvement in project identification and implementation; mainstream URP into core business of the City; avail and manage resources; overall monitoring and evaluation of the programme (with other spheres); make appropriate resource allocations; co-ordination role with guidance from DPLG and the IDP; resource unlocking role at municipal level (various departments); lobby for resources from various provincial departments (re-direct existing funds); create awareness at a local level for all departments; ensure URP finds expression in IDP; and ensure the full participation of council political structures.

The **Provincial Government** has a co-ordination role vis-à-vis the various departments within the Provincial Government, with guidance from DPLG and the IDP; resource unlocking role at provincial level (various departments); lobby for resources from various provincial departments (re-direct existing funds); create awareness at a provincial level for all departments; ensure URP and CRS finds expression in the IDP; political intervention through the political cluster; drive service delivery, especially health and education; monitoring and evaluation; key link to DPLG with

regards to upward reporting; direct support to the nodes; make and influence decisions on provincial resource allocation.

The **National Government** is responsible for policy and strategy formulation; direct support to nodes with regards to human and financial resources; lobby for additional resources to nodes; programme management; overall management performance monitoring; support to provinces and nodal municipalities; and sharing of national perspective.

A national document to clarify the roles of political champions, has materialized during March 2003.

FUNDING

A total amount of **R300 000 000.00** was allocated as transfer payments by the Provincial Government of the Western Cape for the 2002/2003 financial year to the City of Cape Town as a whole, whilst the National grant allocations to the City of Cape Town for the 2002/2003 financial year was **R216 000 000.00**. However, these figures are only indicative of the general flow of funding from national and provincial government to projects in the City as a whole and is not aimed at the two nodes only. It should be stressed that these figures are for the entire metropolitan area and not only for the two nodes of Khayelitsha and Mitchell's Plain.

The Department of Local Government initiated a process since March 2003 to determine the budget and funding commitments of each department within the Province for the 2003/2004 financial year; proposed projects and initiatives that will directly or indirectly benefit the nodes for the same financial year; as well as other plans that will support the two Western Cape Renewal Nodes. A total amount of **R1 398 077 042.00** of total budget was allocated by the Provincial Government for the 2003/2004 financial year to the two nodes of Khayelitsha and Mitchell's Plain. The provincial allocations to the Khayelitsha node is **R710 709 723.00**, whilst the allocations to the Mitchell's Plain node is **R687 367 319.24**. The provincial departmental allocations to the **Khayelitsha node** are as follows:

▪ Department of Social Services and Poverty Alleviation	-	R 205 490 341.00
▪ Department of Community Safety	-	R 7 720 300.00
▪ Department of Local Government: CMIP	-	R 13 461 715.00
LED	-	R 1 000 000.00

▪ Department of Transport and Public Works	-	R 16 380 334.00
▪ Department of Health	-	R 60 925 313.00
▪ Department of Agriculture	-	R 85 000.00
▪ Department of Education	-	R 297 837 000.00
▪ Department of Cultural Affairs and Sport	-	R 3 519 720.00
▪ Housing	-	R 104 290 000.00

The provincial departmental allocations to the **Mitchell's Plain node** are as follows:

▪ Department of Social Services and Poverty Alleviation	-	R 199 469 431.00
▪ Department of Community Safety	-	R 6 198 175.24
▪ Department of Local Government: CMIP	-	R 16 225 000.00
▪ Department of Transport and Public Works	-	R 61 222 485.00
▪ Department of Health	-	R 73 059 628.00
▪ Department of Agriculture	-	R 40 000.00
▪ Department of Education	-	R 311 117 000.00
▪ Department of Cultural Affairs and Sport	-	R 1 935 600.00
▪ Housing	-	R 18 100 000.00

(See Annexure A: Audit of projects in Khayelitsha and Mitchell's Plain)

This information will be further refined and used for a number of strategic purposes, such as negotiations with potential donors for "top up" funding, further engagements with those departments that are still not prioritizing the nodes sufficiently, as well as streamlining processes within the municipality in such a way that they have the required capacity to utilise the resources as soon as they become available. This information is also vital for assessing whether the programme is achieving one of its key objectives, that of piloting approaches to inter-sectoral and inter-sphere planning, budgeting and implementation.

During a special meeting of the Provincial Cabinet on 18 June 2003, the Cabinet resolved that the Department of Local Government should draft a Strategic Plan for the Urban Renewal Programme (URP) in Khayelitsha and Mitchell's Plain. The aim of the Strategic Plan will be to provide strategic direction to provincial departments with the prioritization of projects and funds in terms of the reprioritization focus of the URP. This Strategic Plan, accompanied by a detailed budget, will be

discussed during a Special Closed Cabinet meeting on 16 July 2003. In preparation of the Special Closed Cabinet meeting on 16 July 2003, the Provincial Minister of Local Government, Mr Cobus Dowry, has called for a meeting of the cabinet committee on URP on 8 July 2003. The purpose of the meeting would be to consider the Draft Strategic Plan and the provincial budgetary details for the programme. Furthermore, the provincial departments are also requested to provide information on "new" money for "new" projects being committed to the URP nodes due to its priority status and not expenditure which would have been directed there anyway, regardless of any special programme. Therefor departments are advised to consider and identify possible reprioritization options for the current financial year, as well as the MTEF-period, as this programme are based on the reprioritization of budgets towards the nodes.

PROVINCIAL / MUNICIPAL PLANNING ALIGNMENT INITIATIVE

As soon as a strategic plan/business plan from the City of Cape Town is available, the necessary interaction will be arranged to align provincial and city budgets.

STRATEGIC THRUSTS

The provincial strategic thrusts of the programme in the two nodes as contained in the draft strategic plan, are as follow:

- Fighting crime effectively;
- An environment to be proud of;
- Education, training and skills development;
- Promoting local economic development;
- Efficient and user friendly transport systems;
- Labour intensive methods of construction;
- Focus on youth programmes; and
- Well managed safety nets.

FUTURE PLANS, INITIATIVES AND CHALLENGES

Future plans and priorities for 2003 – 2005 are as follows: visible progress with implementation of anchor projects; compilation of a 10 year Business Plan for Khayelitsha and Mitchell's Plain; further analysis of the Provincial budget regarding nodal projects; piloting approaches to inter-sectoral and inter-sphere planning, budgeting and implementation; establishment of the Provincial

Inter-Departmental Task Team (PIDTT) via the Provincial IDP Assessment Committee; provincial government wide marketing of the URP; and the signing of a Memorandum of Understanding (MOU).

Challenges for 2003 – 2005 includes an indication of key focus areas from the City of Cape Town within a broad strategy indicating required optimal value-adding for provincial involvement over the next 10 years; and alignment of the provincial budget regarding nodal projects.

This programme has had a slow start due to inhibiting circumstances and the institutional framework only being cleared by the City in March 2003. However, the last three months have seen vigorous intervention from national and provincial government to re-direct and stimulate the programme and to enhance the involvement of the nodal communities. These events and initiatives will lead the way towards greater performance with the implementation of the programme in the year ahead.

Signed by SP Naudé on behalf of

HEAD OF DEPARTMENT

Date: 3 July 2003