



5.1 THE IMPORTANCE OF URBAN MANAGEMENT

IMPROVING URBAN MANAGEMENT IN TOWNSHIPS



Decaying infrastructure

Dumping and refuse

Unsafe public spaces

Derelict public buildings

Informal traders filling the pavements

Planning for taxis

Inadequate storm water system

Poorly maintained sewerage system

- 5.1 The importance of urban management
- 5.2 Origins of urban management breakdowns in townships
- 5.3 Intervening to improve urban management
- 5.4 Conclusion

Managing the regulation, maintenance and operation of infrastructure and the public environment is essential to the success of township regeneration initiatives.

In Module 2, for example, we noted that issues such as crime, unregulated trading and non-performing infrastructure impede the operation of enterprises and markets, preventing townships and their residents from achieving their economic potential.

In Module 4, we learnt that private-sector investors consider regulation and the management of public spaces to be critical factors in how they allocate capital. In other words, good management of public spaces can be

a make or break factor in investment. While considerable variance exists, most observers will agree that a defining feature of South African townships is the frequency and severity of problems associated with lack of urban management, as the above images illustrate.

This module explores the urban management challenge. It defines urban management, reviews its specific functions, explores the historical origins of the present management deficit in townships and isolates the factors that inhibit effective urban management today. The module concludes by exploring ways to confront the urban management challenge.



WHAT IS URBAN MANAGEMENT?

Urban management, broadly defined, is about government's responsibility for the planning, development and day-to-day operations of a city. As we will see, however, effective urban management requires the involvement of private-sector and community organisations.

Virtually all neighbourhoods in South Africa – and indeed, the world over – have certain urban management needs. Effective urban management can be reduced to two domains applicable to private spaces and three applying to public spaces. Lack of attention to any one of these five domains can, and often does, lead to decay.

The two primary functions of urban management in relation to private spaces are to:

- Demarcate and regulate private spaces: This includes ensuring that private spaces are adequately defined and recorded in a way that creates certainty for occupants and reduces the prospects for inter-occupant conflict. It supports the protection of privacy, safety and exclusivity that is ordinarily exercised by the occupants of private spaces. It also covers defining and enforcing rules to maximise positive externalities and to minimise negative externalities.
- Service private spaces with connections to essential public utilities such as water and electricity, ensure that payment is made for such services, and consistently maintain this infrastructure in serviceable condition.

If these functions are not adequately executed, private capital formation in townships is impeded, and individual home or shop owners do

not see much point in maintaining or upgrading their premises. Of course, the extent to which this happens will vary from township to township, and even between neighbourhoods in townships; but a common net result is that the bankable assets of many working-class residents and owners of enterprises are prevented from reaching their potential.

The three primary functions of effective urban management in public spaces are to:

- Regulate public spaces: Ensure that such spaces are indeed public, in the sense that the public in general may use them at their discretion, and will not be deterred by crime or the abuse of such spaces by sectional interests.
- Improve and maintain public spaces and infrastructure: Enhance public spaces by delivering facilities to these areas to make them more attractive, enjoyable and useful to people in adjacent areas. This includes maintaining the quality and operations of public goods in public spaces, such as sidewalks, roads or parks.
- Govern public spaces: Combine government, private and community inputs into the governance and sense of ownership of such spaces. This will support higher levels of integration of effort in public space maintenance and enhancement. It will also allow the parties to reach consensus about priority capital improvements and maintenance, and how such maintenance will be carried out.

When these functions are not adequately executed, public spaces become increasingly dysfunctional.



'Township practitioners frequently report that township citizens are asking for enforcement, and for the state to take charge of creating a clean and safe environment, but that the public sector seems unable to address the vast challenges implied and that "overwhelmed by demand we do nothing."' (B. Leon, 2007)

As a result:

- There is contestation over 'ownership' of the spaces (or selected portions of them) by warring groups such as competing taxi associations, traders or gangs.
- There may be complete appropriation of a public space by a specific interest group.
- The space may lie 'dead' and be a liability to municipal officials while performing no service to communities.
- Capital formation is impeded in adjacent private spaces, with exposure to such spaces being seen as more of a disadvantage than an advantage.

5.2 ORIGINS OF URBAN MANAGEMENT BREAKDOWNS IN TOWNSHIPS

Before seeking solutions, it is important to understand the reasons for the lack of good urban management in townships.

HISTORICAL FACTORS

Some of today's urban management problems can be traced back to the initial construction of townships. In some cases, the technologies used were inadequate, and have subsequently collapsed. A broader problem, however, has been the neglect of necessary maintenance and repairs to public infrastructure. This problem became more acute after 1976 when the apartheid state focused mainly on stamping out political protest and strictly controlling the lives of township residents, rather than maintaining basic services.

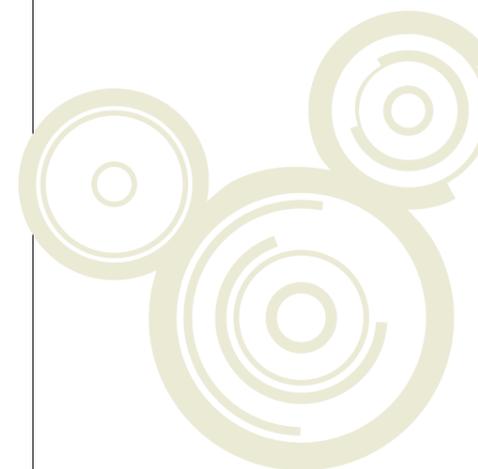
A more fundamental problem, of course, was apartheid itself – a system in which by design, most local government income went into maintaining a high quality of public environment for a small portion of the population. Township infrastructure investments were premised on the

ability to control the growth of these townships, with little provision for expansion.

In many cases this neglect was compounded during the township uprisings that spread throughout the country between 1976 and the early 1990s, as communities deliberately targeted public facilities as part of campaigns of resistance against apartheid.

The net result was that the post-1994 democratic local administrations inherited township infrastructure that was old, decaying and unable to accommodate growing populations.

The capacity of local government to address this inherited backlog has in turn been constrained by two other factors: first, the demanding process of navigating post-1994 institutional transformation, and second, the need to extend service delivery to other urban areas, particularly new housing developments and informal settlements that have expanded on the wave of rapid urbanisation.





CURRENT FACTORS

Historical legacies aside, a set of contemporary factors continues to inhibit urban management improvements in townships.

Insufficient resource commitment

In most cases, the budgeting for township management functions is done on a 'historical projection' basis and this leads to a perpetuation of underestimating (and inadequate budgeting) for operating expenses.

Inadequate allocation for operating expenses is often compounded by a propensity to focus public-sector expenditure on new capital projects (usually public infrastructure elements such as sports complexes, halls etc.) which in turn demand additional funds to operate and maintain. As a result, if the total allocation for operating expenses to a township is not increased to match the additional maintenance and operation costs required by new projects, new public-sector capital expenditure can actually exacerbate resource scarcity and force authorities to reduce the standards of urban management in the older parts of the township.

Failure to integrate public-sector initiatives

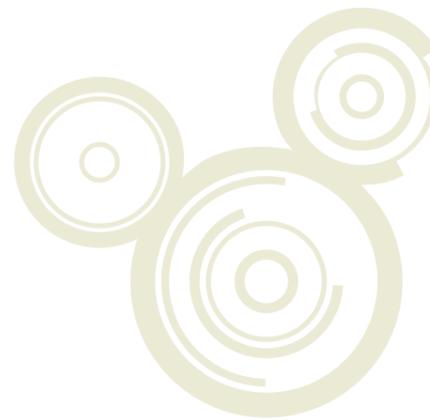
Another factor inhibiting effective urban management is the failure to establish management systems and processes needed to ensure that various departmental functions work together to deliver services. Effective execution of urban management functions in townships requires an array of municipal, provincial and national government functions to be combined and coordinated, as shown in the following table.

FUNCTION	INSTITUTIONS EXECUTING THE FUNCTION
Demarcation and regulation of private spaces	Municipal health, planning and building control departments; South African Police Service (SAPS) and municipal police; liquor licensing boards; provincial planning authorities
Servicing of private space	Municipal water, roads, sanitation and electricity departments; Eskom, Telkom, postal services
Regulation of public spaces	SAPS and municipal police; municipal transportation regulatory authorities; informal trade management; recreation and health departments; education authorities
Delivery, maintenance and governance of public spaces and infrastructure	Municipal water, roads, sanitation, electricity, parks & recreation; informal trade management and health departments; transportation authorities; education authorities; SAPS; national departments operating facilities in townships (e.g. Health, Social Development, Home Affairs and Justice)

Integrating the public sector for effective urban management

The distribution of functions between a large array of different institutions – each with its own internal systems, budgets and priorities – creates a significant institutional challenge. Township renewal practitioners typically encounter a host of problems associated with the integration of public-sector resources.

There is no shortage of service providers in terms of urban management service delivery, but rather the issue is one of the lack of coordination of the different inputs into urban management. There are some overlaps, and some gaps. In some instances, there may be a mismatch between the type of urban management service required from that available. Also, the various service providers operate in a silo environment. There is no clear common prioritisation of areas requiring more intense effort. In a sense, there are many cocktails but no barman!
(L. Pernegger, 2006)



THE LIMITS OF COMMAND-AND-CONTROL AND LAISSEZ-FAIRE MODELS

Given the scale of the township urban management challenge relative to municipal urban management capacity, approaches based on a traditional 'control and command-based' mode (where the public sector commands and other sectors passively wait for state delivery) are likely to fail. Instead the mobilisation of the capacity and of groups outside government is needed and this requires the adoption of 'negotiated ways of enforcing bylaws and partnership-based approaches'.

A shift in management style is required to bring about effective governance of public places in townships. This shift requires that urban management goes beyond the classic notion of participatory urban planning. It involves joint actions with end users of public amenities and services. Most importantly it includes them in their effective involvement in the implementation, operation and maintenance of public facilities.

In a study done on Warwick Avenue, it was noted that the adoption of either the enforcement or the laissez-faire management approach by public authorities (or the swing from one of these approaches to the other) undermines the ability of the public authority to form effective partnerships with the groups whose collaboration is essential to achieving the effective management of public space.

Planning and regulatory system inadequacy

An array of weaknesses in the planning and regulatory systems of government, include:

- Ambivalence in public-sector responses to formal and informal processes.

- Failure to connect municipal strategic policy planning with regulatory systems.
- The legislative and regulatory framework is in a mess and/or is negatively framed.
- The regulatory framework is often ignored and dismissed by groups.

In the study of informal trade in Warwick Avenue, it was noted that a set of planning failures contributed to the municipality's difficulty in adapting to the reality of informal traders occupying public spaces, such as the pavements.

The original planning did not anticipate and allow for such uses, nor were planning frameworks subsequently modified. These inadequacies were compounded by planning that did not realistically respond to the dynamics of pedestrian movement.

As a result, convenient pedestrian routes intrude through open spaces. Having not been anticipated, no infrastructural or management attention is assigned to these routes, as a result they are notoriously unsafe and host opportunistic locations for spontaneous informal economy activity'.

These planning failures laid the basis for a catch-22 problem: a lack of public infrastructure needed by the users of the public spaces, since to provide the necessary infrastructure would imply acting in contravention of the existing land use plan. The facilities required in response to informal trade in a public space, including waste disposal, are not provided at the right place because they do not form part of an approved land use plan.



5.3 INTERVENING TO IMPROVE URBAN MANAGEMENT

This section reviews a range of responses that have been adopted by township practitioners to overcome the urban management problems discussed above. It discusses how to determine priorities, approaches to secure the required resources and ways to institutionalise improvements.

right priorities and getting the greatest impact for a given level of effort.

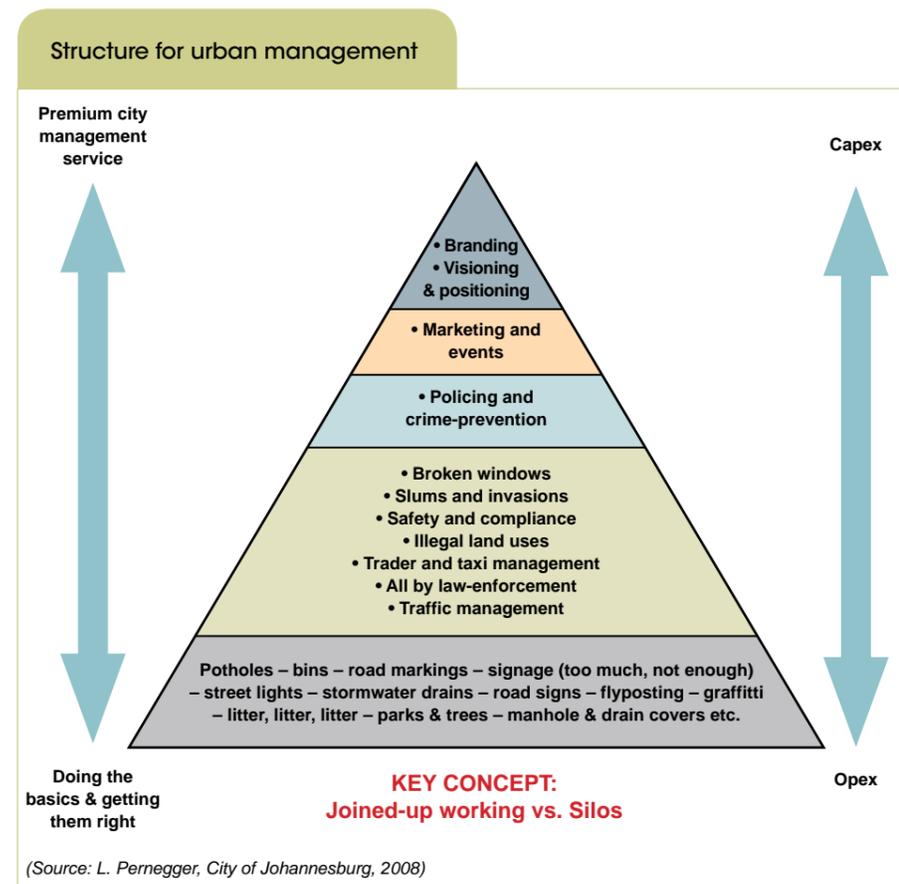
An assessment of case studies suggests that project managers have adopted a combination of the following approaches in selecting their urban management starting points.

SELECTING PRIORITY POINTS OF INTERVENTION

To avoid being paralysed by the vast scope of the township urban management challenge, which requires sustained effort over a long period of time, practitioners need to carefully select the starting points for intervention. This means choosing the

Focus on getting the basics right

Many township development practitioners emphasise that it is important to focus initially on getting the basics right and progress from there to higher levels of urban management. This is shown in the illustration below.



The bottom level of urban management consists of simple maintenance issues such as cleaning of stormwater channels, fixing potholes and removing litter. The second level deals with the enforcement of bylaws such as illegal dumping and informal trading. The third level is about policing and crime prevention. The highest levels are concerned with place marketing the managed area to outsiders.

As one moves from 'getting the basics right' to offering 'a premium service', it is likely that operational budgets will require augmentation of capital items. Working effectively across silos is also a key ingredient for successful urban management.



on informal trader management, while the approach in the Violence Prevention through Urban Upgrading Programme (www.vpuu.org) was to focus on crime. The basis for the selection of focus needs to be rationally and empirically grounded – and informed by the particular conditions applying to the township in question. Once authority has been asserted over one of the most entrenched and fundamental issues, it becomes much easier to assert authority and achieve success elsewhere.

Value for money and leverage

How should township renewal managers select priority interventions? Priorities should be chosen on the basis of which interventions offer the greatest 'bang for the buck', or maximum value-for-money. Initially, this can be assessed in one of two ways:

- expected direct social returns (e.g. improvements in services to the poor)
- expected direct economic returns (and possibly later, indirect social returns) such as increased investment in the area, council revenues and so on

Another way of selecting priorities is to compare the leverage effects of different interventions. In some cases, public-sector operating expenditure can stimulate ancillary operating or capital expenditure, which may be either desirable or undesirable. Where such expenditure is desirable the original operating expenditure is seen to be 'leveraging' investment; where it is undesirable, terms such as 'unsustainable knock-on effects' usually come into play.

For example, consider the introduction of new crime-prevention measures. If such measures increase investor

Spatial focus

A number of the township development initiatives with an urban management component have a spatial focal point or area as their initial starting point. In Mitchells Plain and Khayelitsha, for example, urban renewal programmes focus on specific nodes and precincts.

The logic for the selection of such initial focus areas can be based on factors such as the assessed density of economic opportunity, intensity of movement (e.g. footfall) or intensity of problem indicators (e.g. crime). Such approaches allow for the consolidation of urban management improvements and create the platform for cascading successes into other areas over time.

Issue focus

Another approach is to focus on a specific issue. The Warwick Avenue initiative, for example, focused particularly (but not exclusively)





confidence, leading to the establishment of a shopping centre in an area that investors might not have previously considered – and later the shopping centre owners also decide to add to the crime-fighting effort by dovetailing their private security efforts with those of SAPS – the original investment has been leveraged for good effect.

There is little local empirical evidence on which types of urban management interventions yield the optimum value for money and leverage effects. However, evidence from the UK's New Deal for Communities Programme suggests that crime-reduction interventions yielded the highest returns in the communities assessed.

Most township renewal interventions reviewed adopt an amalgam of these prioritisation approaches. For example, the Violence Prevention through Urban Upgrading Initiative in Khayelitsha focuses on crime-targeted interventions in priority locations.

STRATEGIES FOR SECURING THE NECESSARY RESOURCES

In the context of severe resource and capacity constraints, and an environment of competing priorities, how is it possible to raise the level of urban management in townships? A review of South African practice to date shows that township renewal practitioners have adopted a mix of four methods for securing the resources needed for improved management.

Strategy 1: Obtain value for money and efficiency gains

Given the scarcity of public-sector operational resources, obtaining value for money is crucial. The starting point for strategies of this type is to identify areas where public urban management resources are being wasted. Examples

might include maintenance and security costs for a public facility that is not being used, or spending to maintain vacant, unused land that could be sold to private investors.

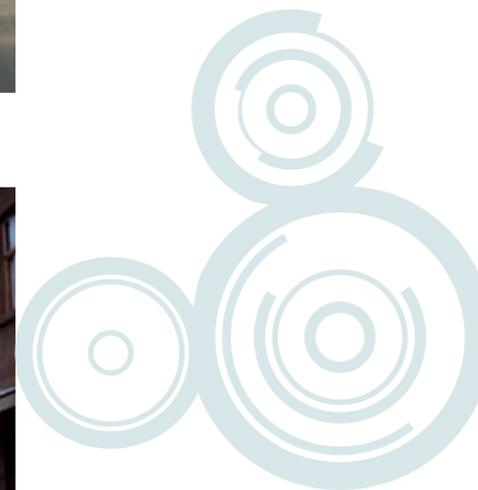
Another possible course of action is to seek efficiency gains. Many commentators (e.g. Pernegger, 2006) emphasise the need to minimise the duplication of effort that occurs when different departments function as 'silos'. Multipurpose centres, for example, can provide not only greater efficiency for township residents, but also lead to substantial savings in operating expenditure (e.g. shared security and grounds maintenance) for the line departments involved.

Strategy 2: Increase the allocation of public resources

A complementary strategy to the one discussed above is to seek to secure increased resource allocation to urban management functions. It may be preferable to assemble township operating budgets from scratch, focusing on identifying urban management needs and assembling the township operating expenditure from this base.

The value for money and leveraging assessments discussed earlier can also support increased operating expenditure allocations on specific priorities. In the KwaMashu Town Centre, for example, a study on financing the required urban management improvements investigated the available options and documented evidence in support of the argument that increased municipal operating expenditure allocations were pivotal to improving the management of this commercial node.

In some cases, private-sector investors in a development may specify urban management preconditions. This can



HOW TO SECURE THE NECESSARY RESOURCES

STRATEGY 1:
Obtain value for money and efficiency gains

STRATEGY 2:
Increase the allocation of public resources

STRATEGY 3:
Capture complementary revenue streams

STRATEGY 4:
Mobilise urban management partnerships

serve to mobilise additional operating expenditure allocations, since the municipal treasury will usually be keen to secure the revenue associated with such investments.

Strategy 3: Capture complementary revenue streams

A third mechanism for securing additional resources is to use public assets to generate revenue streams, which in turn are used to fund supplementary urban management activities. In strategies of this type, sustainable revenue streams are generated by the development of local public assets, such as the leasing of public land or facilities. All or part of this revenue can subsequently be allocated to improve urban management. The scope and potential of this strategy is frequently wide, as is evident from the Mitchells Plain case study.

Strategy 4: Mobilise urban management partnerships

In this approach, the resources of actors in the private sector, nongovernmental organisations and community groups are mobilised into effective area-based public management partnerships. (Note that this approach should be distinguished from the various forms of outsourcing of urban management functions to the private sector, cooperatives and community-based organisations.) The case study material reveals that many different stakeholder constituencies have been mobilised into such partnerships, including:

- property owners
- informal traders
- small businesses
- taxi operators

- sports clubs
- community groupings
- and church or religious groups.

The supplementary resources successfully mobilised from these constituencies include financial contributions, supplementary services, supplementary management and 'sweat equity'.

Synthesis of resource strategies

The case studies provided with this Sourcebook generally contain a mix of the four approaches discussed above, varying according to specific requirements. Township practitioners seeking to achieve urban management improvements will need to consider and assess all four strategies and identify the mix that is appropriate in a given context.

INSTITUTIONALISING URBAN MANAGEMENT PERFORMANCE

Township urban management is a complex, multidimensional field requiring long-term efforts from a wide range of actors in the public, private and community sectors. Durable institutional arrangements for improved urban management performance in any township need to involve:

- the municipal, provincial and national government departments responsible for aspects of urban management
- private-sector operators and users
- community-sector partners

The Mitchells Plain case study represents one approach to institutionalising urban management arrangements in a township.

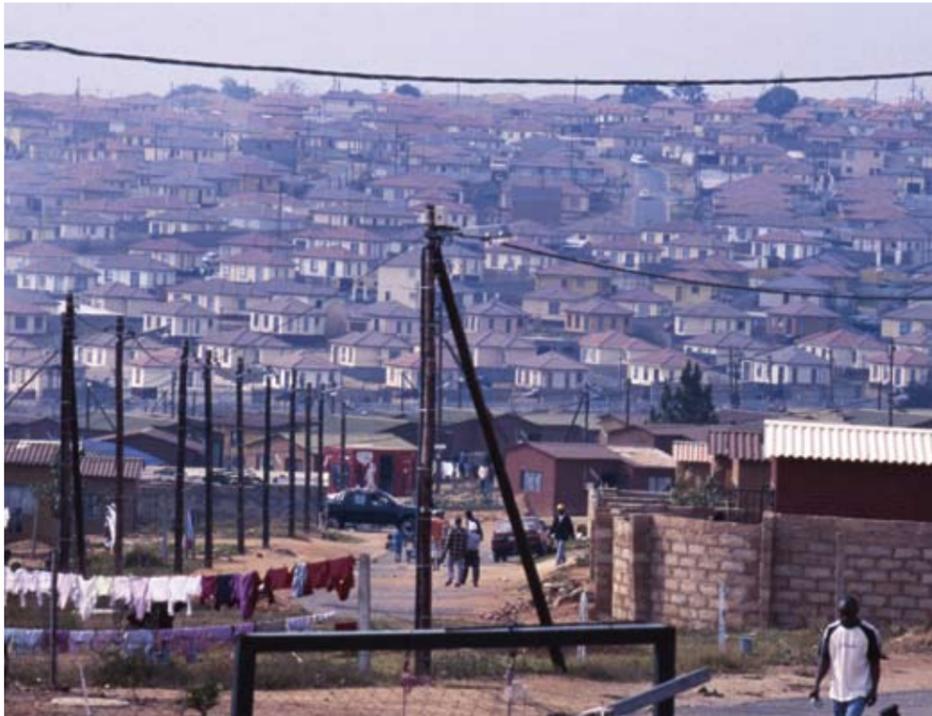


IMPLEMENTING URBAN MANAGEMENT

Once the required resources have been secured, choices need to be made about the institutional mechanisms through which the urban management interventions are to be applied. Direct execution of such functions by the municipality itself is one option. The White Paper on Municipal Service Partnerships (MSPs) (2000) identifies five other generic options for the delivery of municipal services, and notes that if 'they are well structured and properly implemented, MSP arrangements can lead to significant improvements in the efficiency of service delivery. Greater efficiency means that significantly more services can be delivered while still remaining within the council's overall budget limits.'

The White Paper lists the options as follows:

- **Service contract:** The service provider receives a fee from the council to manage a particular aspect of a municipal service. Service contracts are usually short-term (one to three years). Examples include repair and maintenance, or billing and collection functions. Evidence suggests that this type of arrangement is a starting point for involving community-based and non governmental organisations in municipal service provision. Other arrangements are considered as capacity and experience are developed over time.
- **Management contract:** The service provider is responsible for the overall management of all aspects of a municipal service, but without the responsibility to finance the operating, maintenance, repair, or capital costs of the service. Management contracts are typically for three to



five years. Management contracts typically specify the payment of a fixed fee plus a variable component, the latter being payable when the contractor meets or exceeds specified performance targets. The service provider normally does not assume the risk for collecting tariffs from residents; however, high collection rates could be a trigger for incentive payments to the service provider. An example may be contracting the management of a water utility.

- **Lease:** The service provider is responsible for the overall management of a municipal service, and the council's operating assets are leased to the contractor. The service provider is responsible for operating, repairing, and maintaining those assets. In some cases, the service provider may

be responsible for collecting tariffs from residents and assume the related collection risk. The service provider pays the council rent for the facilities, which may include a component that varies with revenues. Generally, the service provider is not responsible for new capital investments or for replacement of the leased assets. Leases are typically for eight to 15 years. Examples include the lease of a municipal market, port or water system.

- **Build/operate/transfer (BOT):** The service provider undertakes to design, build, manage, operate, maintain, and repair, at its own expense, a facility to be used for the delivery of a municipal service. The council becomes the owner of the facility at the end of the contract. BOT agreements may be used to develop new facilities or expand existing ones. In the latter case, the service provider assumes the responsibility for operating and maintaining the existing facility, but may or may not (depending on the contract) assume responsibility for any replacement or improvement of the facility. A BOT agreement typically requires the council to pay the service provider a fee (which may

include performance incentives) for the services provided, leaving responsibility for tariff collection with the council.

- **Concession:** The service provider undertakes the management, operation, repair, maintenance, replacement, design, construction, and financing of a municipal service facility or system. The service provider often assumes responsibility for managing, operating, repairing and maintenance of related existing facilities. The contractor collects and retains all service tariffs, assumes the collection risk, and pays the council a concession fee (sometimes including a component that varies with revenue). The municipality remains the owner of any existing facilities operated by the concessionaire, and the ownership of any new facilities constructed by the concessionaire is transferred to the municipality at the end of the concession period.

The appropriate choice depends on specific conditions in a township, including the scope of the urban management intervention(s), municipal capacity and the capabilities of potential partner agencies.





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5.4 CONCLUSION

Improving urban management is a crucial precondition for developing South African townships. While the urban management deficit in these areas has deep historical roots, an array of contemporary problems also needs to be overcome if improvements are to be realised.

This requires intervention at a number of levels, including the regulation and servicing of private space, and the governance, regulation, servicing and maintenance of public space. The constraints to improvements in these fields include resource scarcity, institutional complexity, an overemphasis on capital expenditure, regulatory complexity and inappropriate urban management styles.

Given resource constraints it is crucial to identify correct priorities at the outset. Urban management improvements hinge on the unlocking of resources and this requires innovation. Typically interventions at this level entail an amalgam of mobilising additional operating expenditure, achieving more value for money, tapping new revenue streams and establishing partnerships to expand the range of development contributors.

Since urban management requires sustained effort over the long term, institutionalising such arrangements is key to success. A number of South African examples show how this can be done.

