

Verwysing  
Reference E17/4/5/2  
Isalathiso

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Datum  
Date 22 November 2006  
Umhla



**Departement van Omgewingsake en Ontwikkelingsbeplanning**  
**Department of Environmental Affairs and Development Planning**  
**Isebe leMicimbi yeNdalo esiNgqongileyo noCwangciso loPhuhliso**

**The Programme Steering Committee**  
**Urban Environment Management Programme**  
**Att: The Chair: Ms. Joanne Yawitch and Programme Administrator: Dr. Ranjini Pillay**

**Department of Environment and Tourism**  
Private Bag X447  
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0001

**Dear Ms. Yawitch and Dr. Pillay**

**FORMAL REQUEST FOR APPROVAL OF AMENDMENTS TO BUSINESS PLAN**

**1. PURPOSE**

To obtain approval for amendment of the Business Plan submitted to UEM Programme. The proposed amendment is three fold:

- To produce two manuals namely the *Manual on Urban Restructuring (M2)* and the *Manual on the provision of subsidy and social housing within development applications (M4)* instead of the original three manuals (M1+M2+M3 - please see below);
- To amend the target dates associated with the delivery of the manuals; and
- To make provision for a planned anticipated rollover of R285,839.50 from the 2006 budget to the 2007 budget for the completion of Manuals M2 and M4 which is anticipated to be completed by 31 May 2007.

Reference is made to the enclosed two "Extracts of Business Plans", the original (Annexure A) and the proposed amended plan (Annexure B).

**2. BACKGROUND**

The business plan for the UEM Programme identified the following three manuals as targets for 2006/2007 (please refer to Annexure A: Original Business Plan):

- *Updated Municipal SDF Manual (M1)*
- *Manual on Urban Restructuring (M2)*
- *Manual on the Conservation and Strengthening of Sense of Place of Western Cape Settlements (M3).*

### 3. PROPOSED CHANGES

#### 3.1 Targeted manuals

- These were three of a number of possible manuals initially identified as essential for the implementation of the WC PSDF. Following the discussion with Mr. Leth-Espensen and following an assessment of budgetary constraints, it was decided that the choice of three manuals identified in the Business Plan be revisited.
- An additional manual, which was initially earmarked to be completed in-house, was identified as of particular importance as it required broader professional expertise, and it was decided that the *Manual on the provision of subsidy and social housing within development applications (M4)* should be prioritized, rather than manuals M1 and M3 listed above.
- The proposed amendment to the business plan therefore reflects the delivery of two rather than three manuals as targets for the 2006/2007 budget year.
- Terms of Reference for all four manuals were completed and approved by the Head of Department, however, due to the R500, 000 budgetary limitation, only two of the four manuals were advertised, namely the *Manual on Urban Restructuring (M2)* and the *Manual on the provision of subsidy and social housing within development applications (M4)*.

##### 3.1.1 Motivation for prioritization of M4

The *Manual to facilitate the inclusion of a social and subsidy housing component in all new developments (M4)* is perfectly in line with the UEM-programmes objective of poverty alleviation as well as the intentions of integrated planning and development, benefiting environment and quality of the life of the poor. Internally in WC the motivation for this manual is the following:

The unprecedented population growth rate in urban centres around the world is a dilemma which has at last received attention on the global agenda in recent years. In both developed and developing countries, governments are faced with the insurmountable task of providing adequate housing and services and better quality of lives to an ever-increasing urban population in a sustainable manner.

Like many developing cities of the world, South African cities are faced with the daunting task of addressing increasingly unmanageable levels of urbanisation and urban poverty, reinforced by seemingly unrelated attempts to address challenges in a piecemeal fashion, with its effectiveness severely hampered with changes in policies and political leadership. The unprecedented scale of urban poverty has finally become a priority issue on the global agenda. In 2003, the UN 'Urban Poverty Report' estimated that one billion people lived in urban slums and predicted that the figure would double in 30 years.

Economic and political forces and people's ability to pay for land/space, like most cities around the world, has partly informed the structure of South African cities. In post-apartheid South Africa, the nature of the urban form is characterised by urban sprawl and influenced by the Apartheid planning legacy. Amidst current realities of increased urbanisation, in-migration and its impact on environmental, economic, social and infrastructural systems within the province, the ever-increasing levels of disparity and inequality are reinforced by current settlement patterns, still largely characterised by segregation by race and income. The situation is further exacerbated by a housing backlog where demand far exceeds supply and the limited availability of strategically located land for the poor.

Over recent years, academics have been challenging the application of responsive techniques to the urgent dilemma of improving the quality of life of dwellers of urban areas, and have highlighted the need for a proactive identification of a sustainable long-term solution to urban settlement problems.

In a bold move from the predictable and unsustainable to the visionary and sustainable, the Western Cape Provincial Spatial Development Framework (WC PSDF) attempts to redress the imbalances evident within our Province characterised by social injustice, environmental unsustainability and economic inequality.

One of the key objectives of the WC PSDF is to end the Apartheid structure of settlements. Following international trends, the WC PSDF introduced a policy that requires that *all development applications include a social and subsidy housing component to facilitate integration of communities and redress the imbalances in the spatial, economic and social structures prevalent in the Western Cape*. The policy attempts to create access and opportunities to strategically located housing options to low-income communities otherwise largely predestined to unsustainable peripheral settlements far from social and economic networks.

### **3.2 Costs and time frames related to delivery**

As this submission also proposes the change of the programme deliverables it is also requested that realistic targets be identified in order to facilitate the reporting process.

The original 2006/2007 business plan (Annexure A) depicted activities related to the manuals listed in Section 2. Due to the late approval of UEM funding for various reasons the targets identified in the original business plan were unattainable. If reporting continues as per the current business plan, deliverables will never be met as much of the time frames for delivery have already lapsed.

Annexure B indicates the proposed changes to the business plan. It is proposed that targets be identified as of the date of fund approval, that is, September 2006. Activities related to the achievement of the amended deliverables would therefore be realistically attainable. It must be pointed out that the Terms of Reference drafted for all the manuals (Manuals 1-4) implicitly required that the product be delivered by May 2007 for the latest.

The cost to undertake the Manual on Urban Restructuring (M2) amounts to R375, 573.00, inclusive of costs (Please see Annexure C). The detailed work plan for the manual (M2) is attached, indicating a list of activities and how the funds will be spent. At this stage it is clear that by the financial year end, 31 March 2007, a total of R131, 356.00 will be spent and Phase 1 of the project completed. We confidently anticipate the completion of the *Manual on Urban Restructuring* before 31 May 2007 and can account for the full spending of R375, 573.00 by then. The roll over for this manual is anticipated to be R223, 839.50.

The balance of the allocated R500, 000.00, that is, R124, 427.00 will be spent on the *Manual on the provision of subsidy and social housing within development applications (M4)*, pending approval by the UEM Project Steering Committee. It is anticipated that at least 50% of this total will be spent within this financial year. The anticipated roll over for this manual is approximately R62, 000.

The total rollover from the 2006 budget is therefore approximately R285, 839.50. We are confident that pending approval by the PSC to undertake the *Manual on the provision of subsidy and social housing within development applications (M4)*, both manuals can be completed by 31 May 2007 and that the allocated budget of R500, 000. 00 will be spent by then.

## **4. IMPLICATIONS**

The remaining two manuals, i.e. *Updated Municipal SDF Manual (M1)* and the *Manual on the Conservation and Strengthening of Sense of Place of Western Cape Settlements (M3)* remains of importance to the implementation of the WC PSDF. Options for the funding of these two manuals are currently being explored.

The implications of the changes make for a more meaningful reporting process and align the spending of the approved budget with, in the Department's view, the most pressing issues affecting the Western Cape, that is, the alleviation of poverty and the preservation of the environment.

## 5. RECOMMENDATION

This Department urgently requests approval the following amendments to the Business Plan:

- The amendment of the Business plan to reflect the targeted delivery of two rather than three manuals;
- The application of approved UEM Programme funds to research pertaining to *the provision of subsidy and social housing to development applications* as opposed to manuals M1 and M3 reflected in the original business plan; and
- The amendment of target dates associated with the delivery of the manuals to facilitate true and accurate reporting.

Kind regards



ACTING CHIEF DIRECTOR

CHIEF DIRECTORATE: ENVIRONMENTAL AND LAND PLANNING

27/11/2006