



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



GAUTENG PROVINCE

FINANCE
REPUBLIC OF SOUTH AFRICA

MEGA PROJECTS: CLUSTERS AND NEW CITIES



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Context and Background

Profile Of Gauteng Province

Population



13 million people, over 30% growth since 2001

Economy



Generates 33% of South Africa's GDP, 10% of Africa's GDP

Urbanisation



97% urbanised, 1 million people migrated to Gauteng in the past decade

Housing Demand



Estimated at over 800 000 people

Informal Settlements

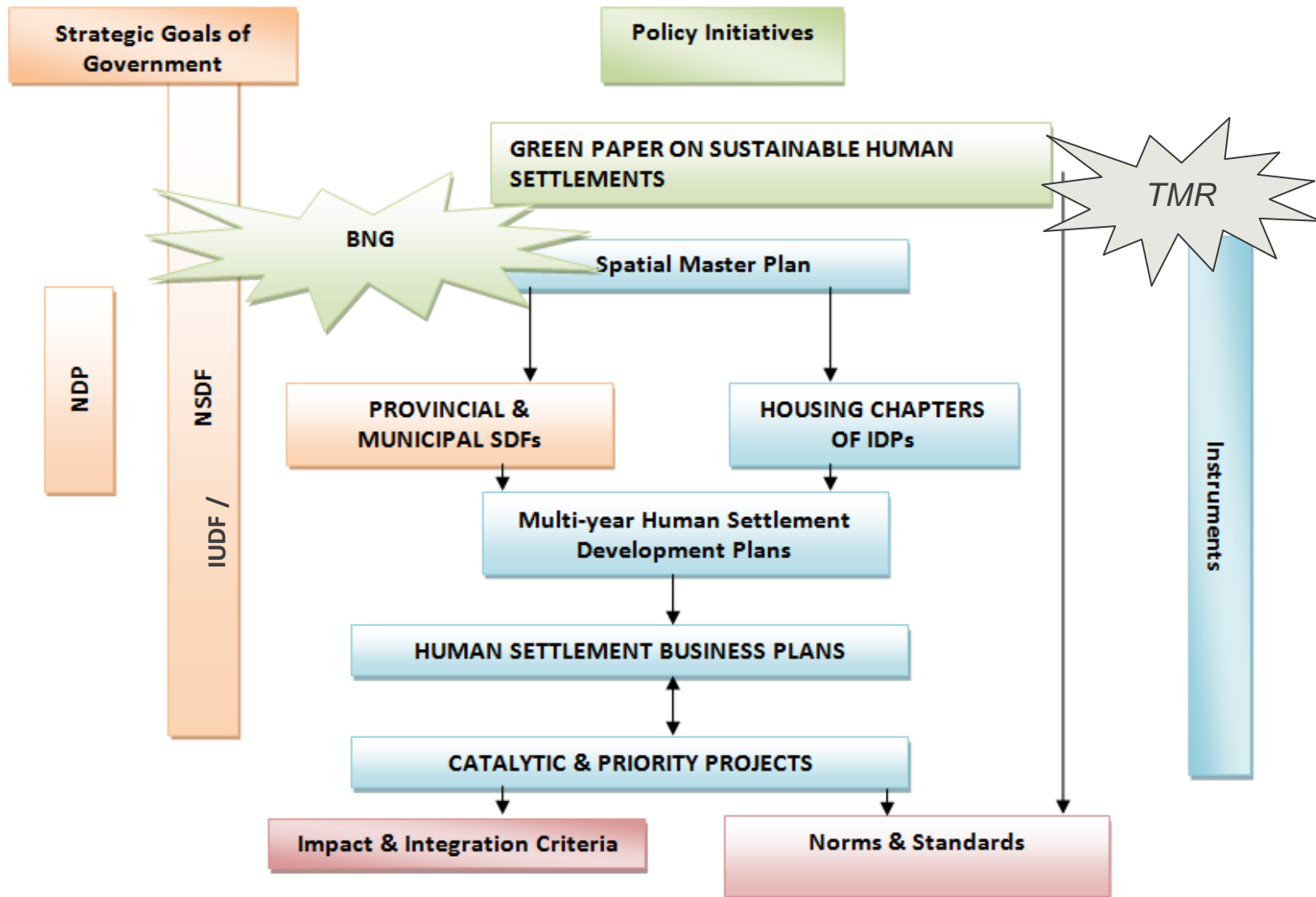


Increased number of households living in informal settlements (Census 2011)

Source: Census 2011

A strong policy and legislative foundation

Enhanced programme alignment



A strong policy and legislative foundation

"Breaking New Ground" (BNG) Policy Intents

Socio-economic interventions

Social development through the provision of social amenities and community facilities



- Parks
- Playgrounds
- Sports fields
- Crèches
- Community halls
- Taxi ranks and
- Municipal offices and clinics.



Economic Development Through provision of basic economic infrastructure



- Transportation hubs
- Trading areas and
- Informal markets
- Light industries
- Business parks

A strong policy and legislative foundation

Radical economic transformation

Decisive spatial transformation

Accelerated social transformation

Transformation of the state and governance

Modernisation of the public service

Modernisation of the economy

Modernisation of Human Settlements and urban development

Modernisation of public transport infrastructure

Re-industrialisation of Gauteng province

Taking the lead in Africa's industrial revolution

Transformation

T

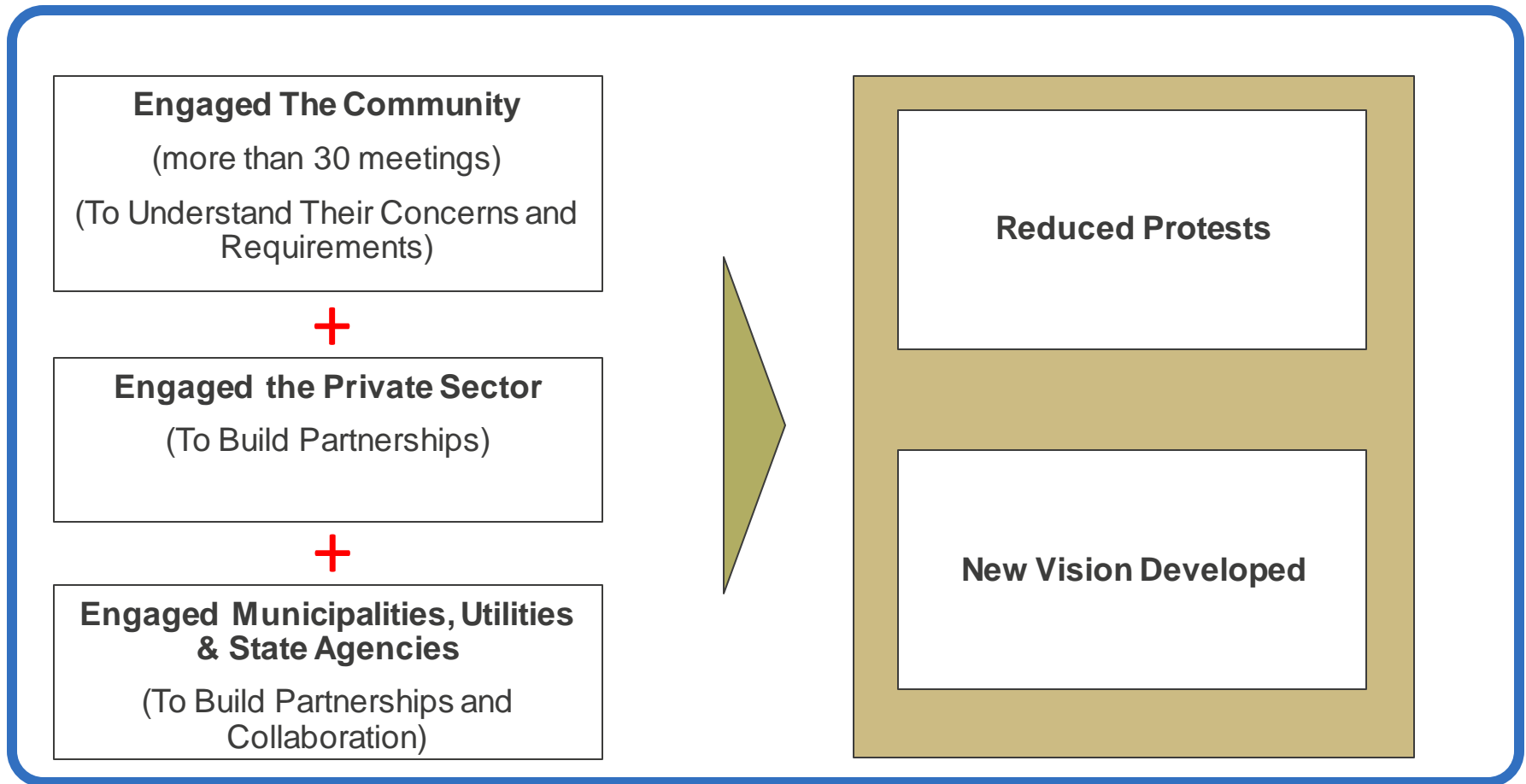
Modernisation

M

Re-industrialisation

R

What we have done so far



We have successfully built relationships with the community and other stakeholders

Situational Analysis

Constraining Environment

Persistent Apartheid spatial, social and economic legacy

- Urban Sprawl
- “Not In My Back Yard” NIMBIY Factor
- High Unemployment Levels
- Skills shortage due to historical educational crisis
- Old and inadequate infrastructure

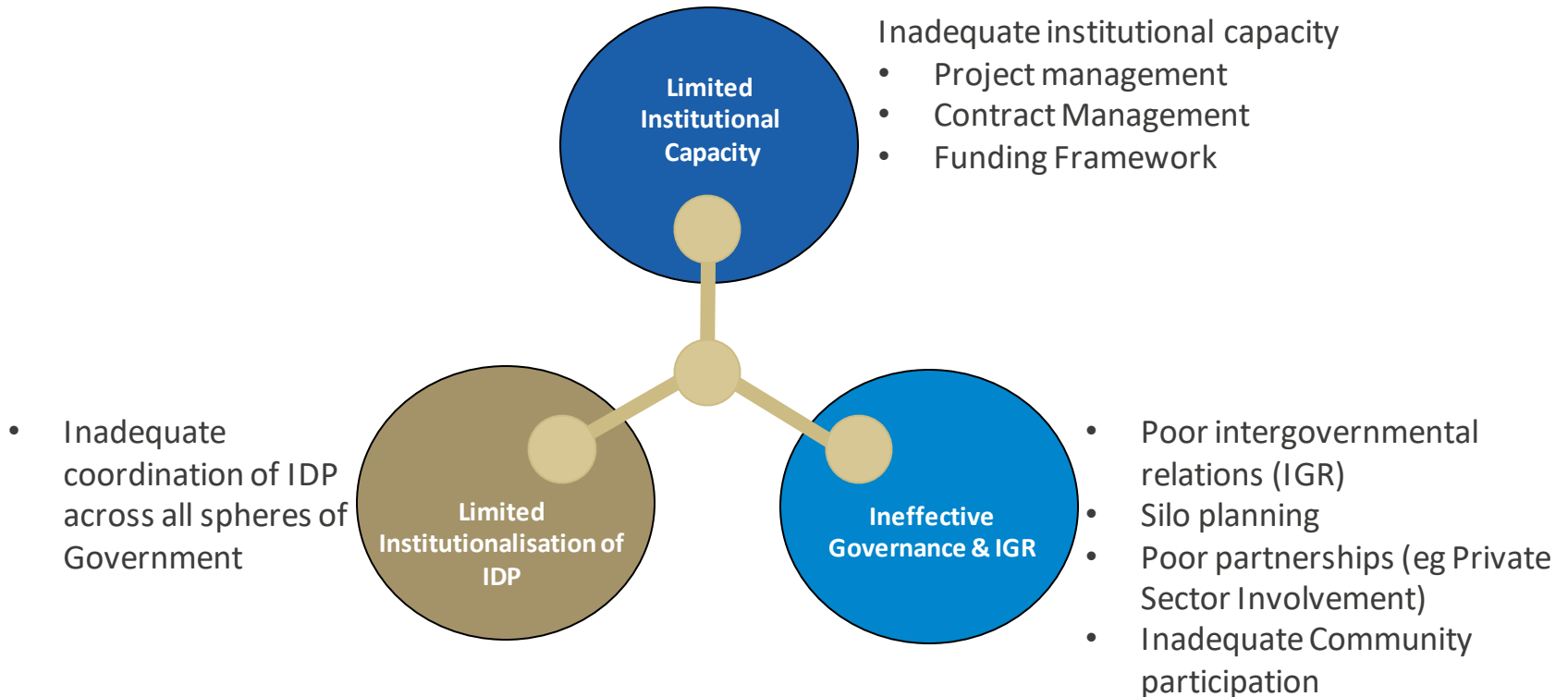
Resource constraints

- Funding shortfall
- Institutional Capacity
- Poor quality of delivery
- Depleting natural resources
- Old, delapidated infrastructure

Services backlogs

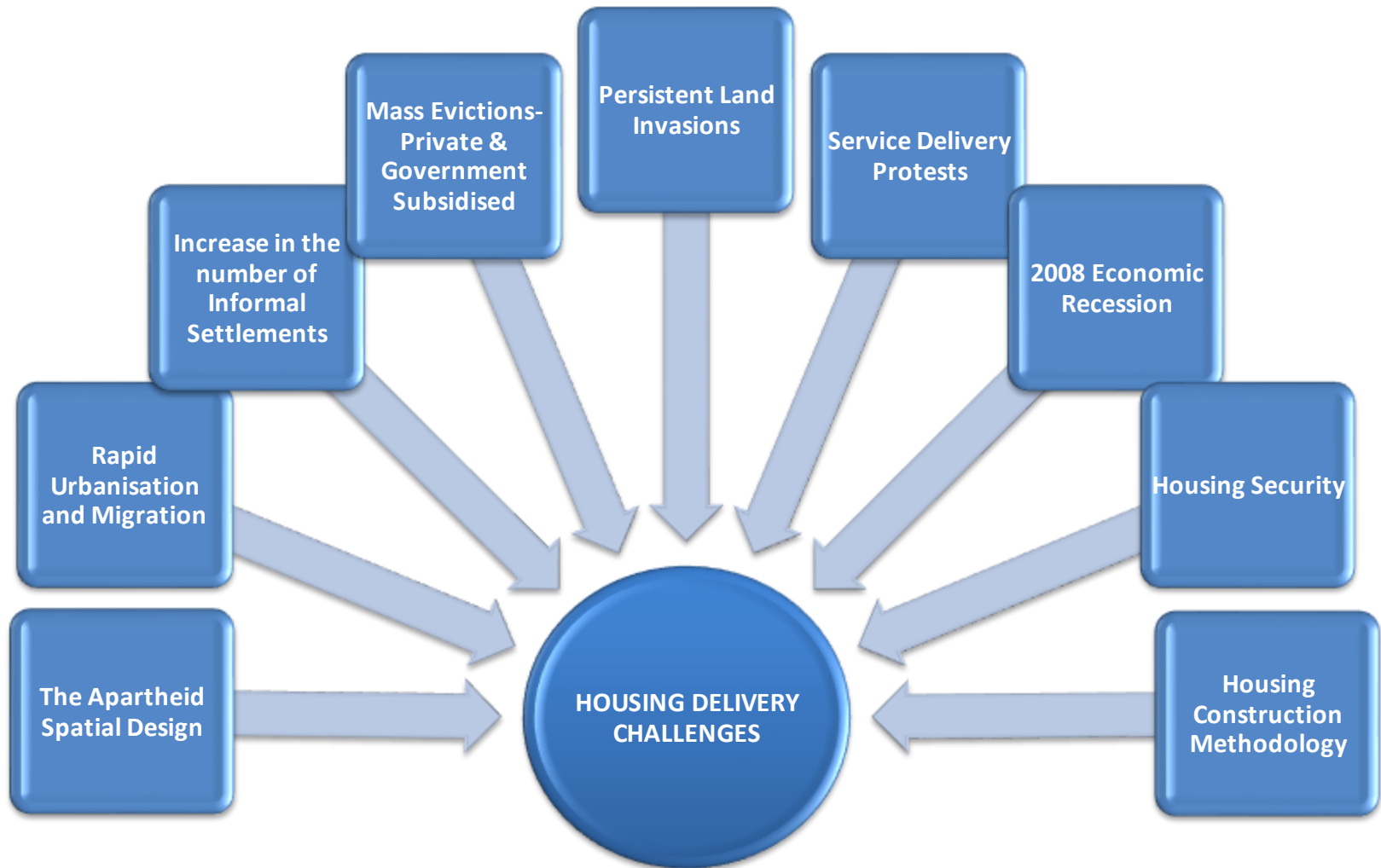
- Demand exceeds supply
- Mushrooming informal settlements
- Poor quality of housing stock
- Inadequate infrastructure

Weak Implementation structure/framework



Resulting in slow delivery & service delivery protests

Prevalent housing delivery challenges



Selected achievements over the past 20 years

Housing Opportunities

- Over 1 million housing opportunities delivered since 1994

Mixed Housing Development Approach

- Developments included precinct approaches with economic and social integration such as in Fleurhof

Urban Renewal

- Urban renewal initiatives launched in Bekkersdal, Evaton, Alexandra, Tembisa and Winterveldt

Current human settlements developments

- Danville, Alexandra, Cosmo City, Chief Mogale, Obed Nkosi, Chief Albert Luthuli, Golden Gardens amongst others

What Is The New Thinking?

The Mega Projects Strategic Levers (Objectives)

1	Integrated development planning
2	Radical spatial transformation
3	Mixed housing typologies
4	Security of tenure
5	Urban renewal
6	Strengthening institutional capability
7	End-user management

The Mega Projects Strategic Levers (Objectives)

1	Integrated development planning	<ul style="list-style-type: none">– Improve Governance<ul style="list-style-type: none">- MINMEC – Ministerial Forum- Premier’s Coordinating Council- MEC-Member of Mayoral Council – Departmental IGR Forum- Gauteng Infrastructure Coordinating Council (GICC) - Provincial IGR Forum- Human Settlements Mega Projects Inter-Departmental Task Team- Centralised PMO– Enhance institutional arrangements for planning, budgeting and Implementation– Funding models
2	Radical spatial transformation	<ul style="list-style-type: none">- Mixed land use management- Densification and infill development- Infrastructure development- Human Settlements Mega Projects

The Mega Projects Strategic Levers (Objectives)

3	Mixed housing typologies	<ul style="list-style-type: none">- Affordable housing- Special housing- High density- Serviced stands- Inclusionary housing
4	Security of tenure and choice	<ul style="list-style-type: none">- Sectional title schemes- Rental housing schemes- Homeownership- Proclamations and opening of Township Registers- Transfer and Title Deeds Registration- Effective and efficient rental and bond disputes resolution mechanisms
5	Urban renewal	<ul style="list-style-type: none">- Contain urban sprawl- Promote infill development and densification- Enhance transportation and mobility- Rebuild infrastructure (roads, stormwater, sewer, electricity and public amenities)- Integrate residential and economic development

The Mega Projects Strategic Levers (Objectives)

6

**Strengthening
institutional
capacity**

- **Property Management Agency**
- **Gauteng Partnership Fund**
- **Social Housing Institutions**
- **Regulatory Authority**
- **Rental Housing Tribunal**

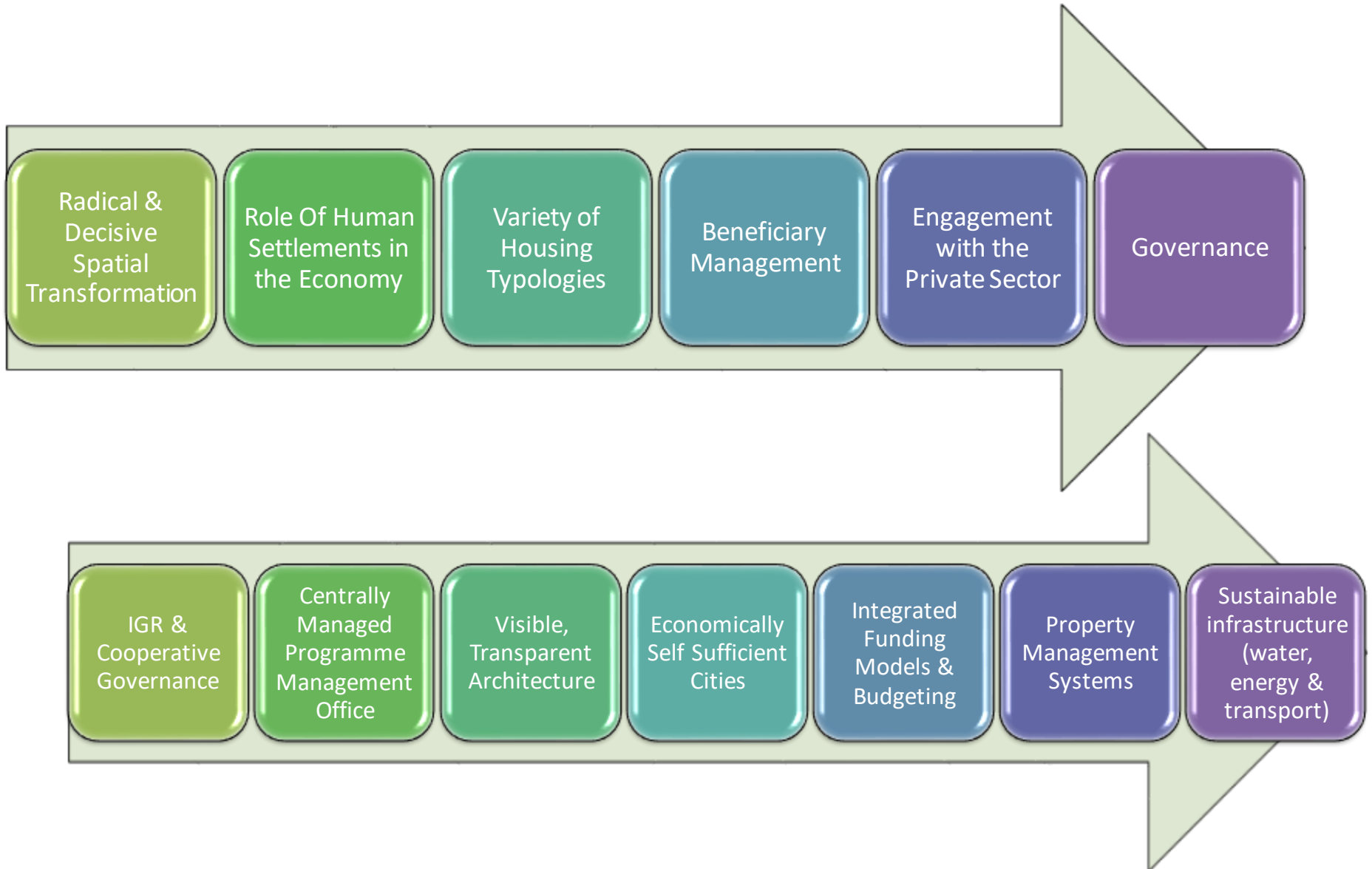
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**End-User
Management**

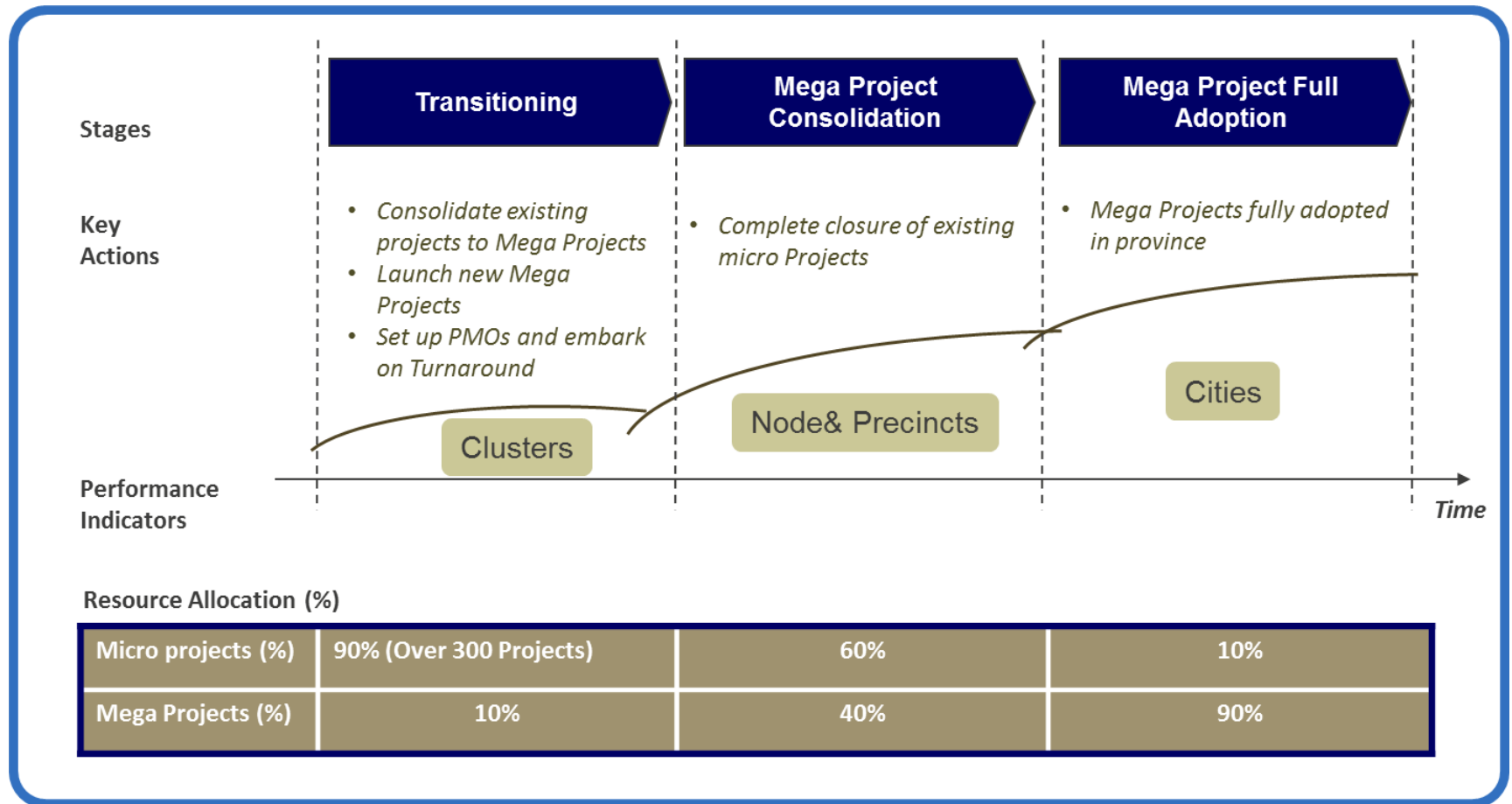
- **Measures to prohibit urban sprawl / anti-slum**
- **Socio-economic analysis**
- **Biometric Technology**
- **Consumer Education**
- **Marketing and communication**

How We Will Deliver

CRITICAL ELEMENTS OF THE MEGA PROJECTS PARADIGM



THE ENVISAGED TRANSITION PROCESS



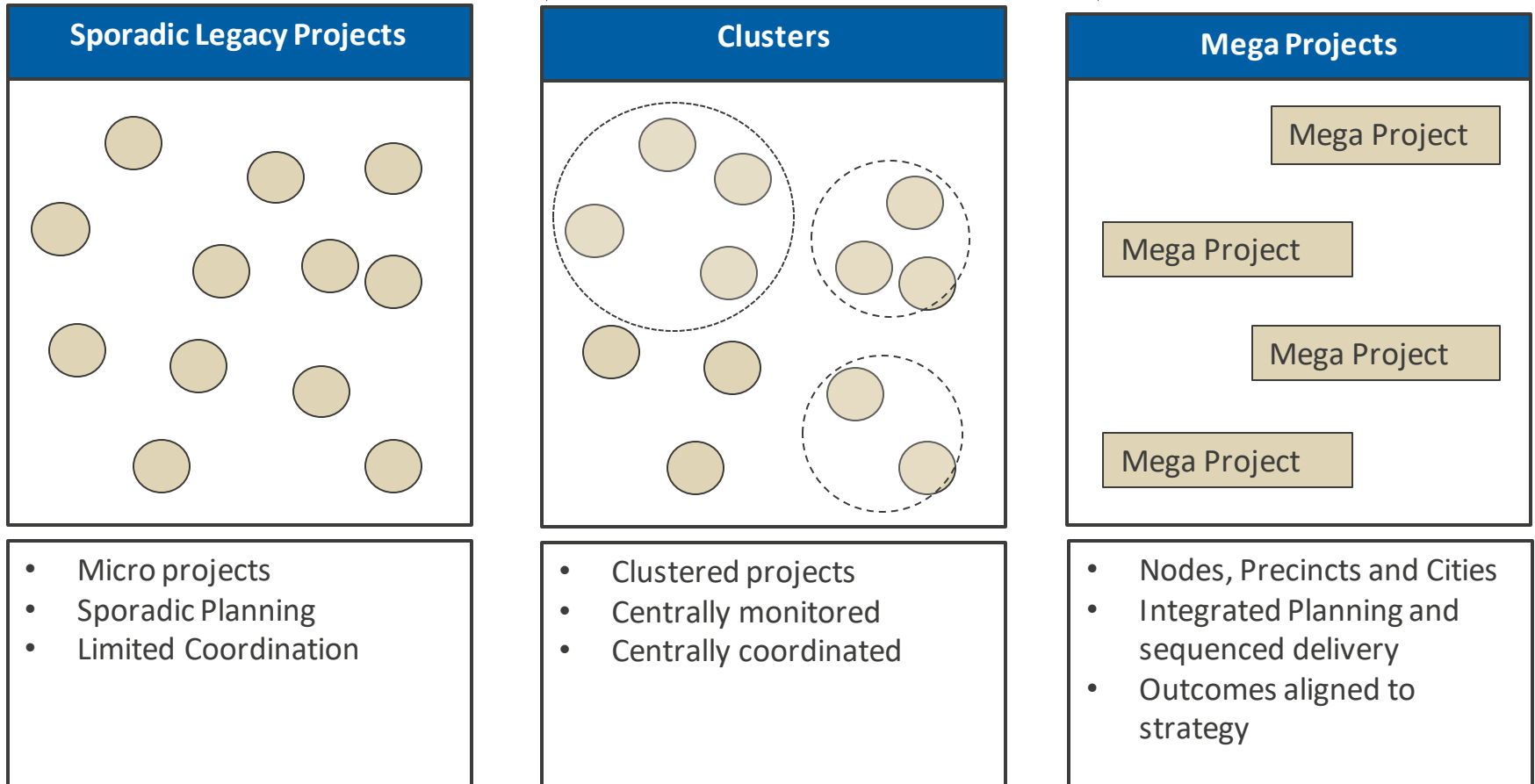
CLUSTER

We are moving away from sporadic legacy projects to new Mega Projects

Transitioning To



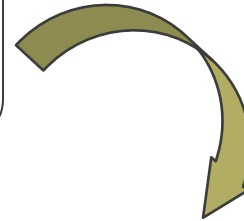
Transitioning To



A NEW PARADIGM– DEVELOPMENT CORRIDORS

3 Macro Interventions

- Spatial Reconfiguration
- Township Economy Revitalisation
- Massive Infrastructure investment

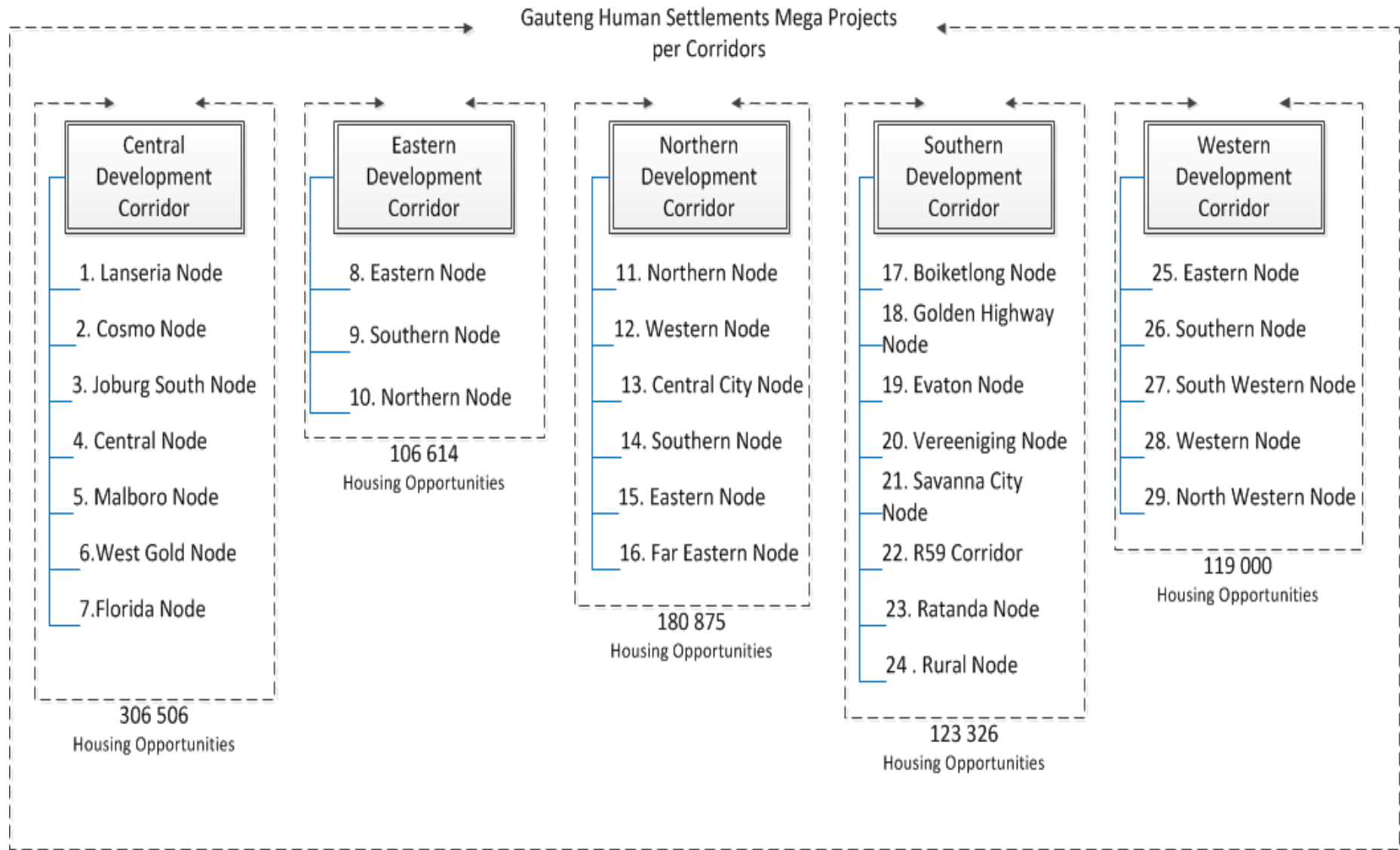


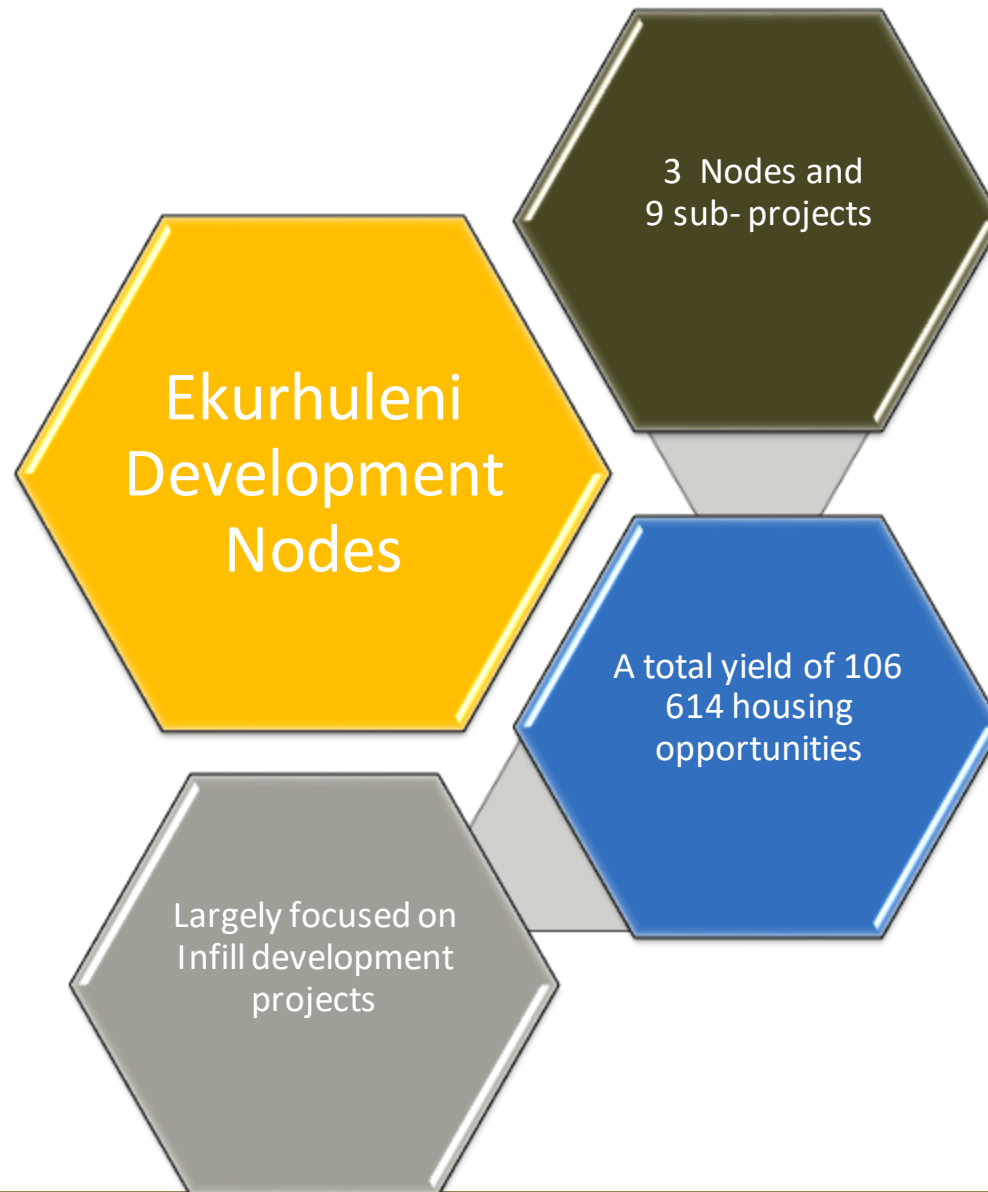
5 Development Corridors

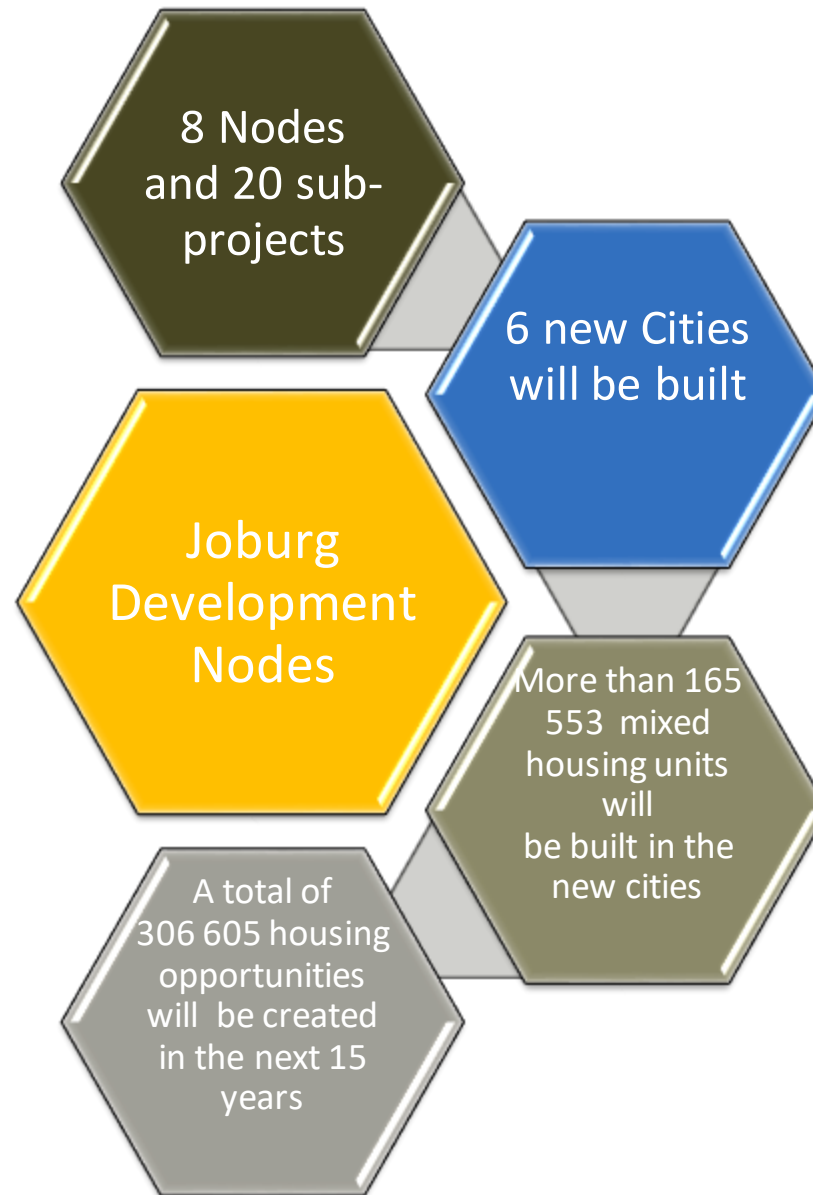
- Central Development Corridor – Financial Services, ICT, Pharmaceutical HUB
- Eastern Development Corridor – Manufacturing, Logistics, Transport HUB
- Northern Development Corridor – Administrative, Automotive, Research, Innovation, Knowledge HUB
- Western Development Corridor – Agriculture, Green Economy, Mining Tourism HUB
- Southern Development Corridor – Agro processing, Hydroponics, Manufacturing, Logistics, Tourism HUB

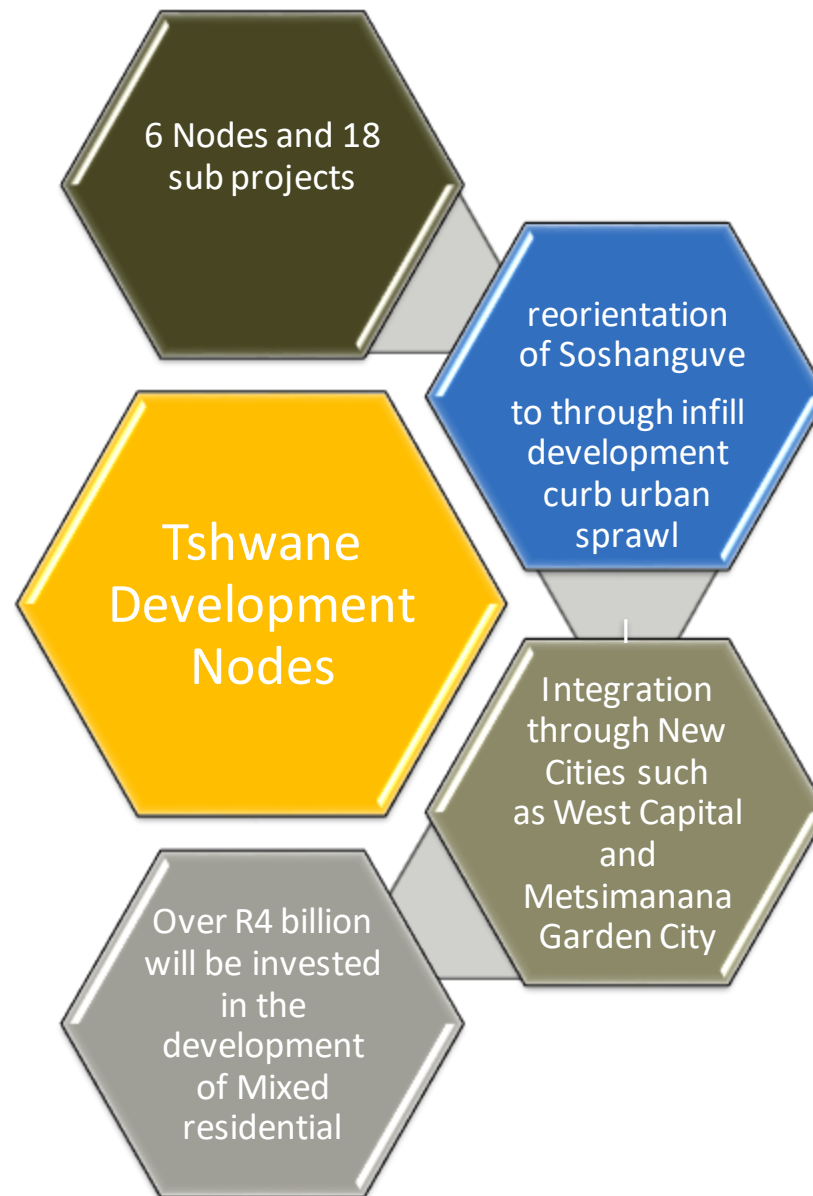
Source: Premier's Speech 2015

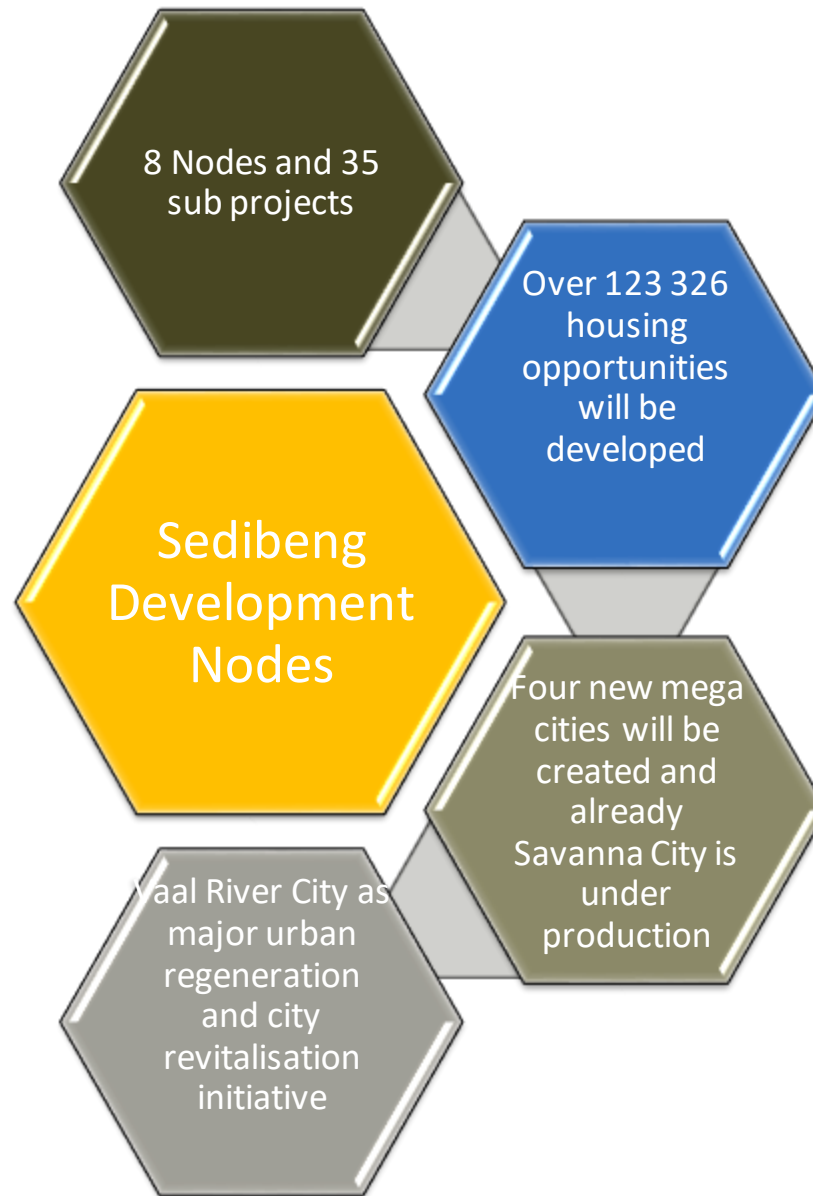
A NEW PARADIGM – CORRIDOR DEVELOPMENT

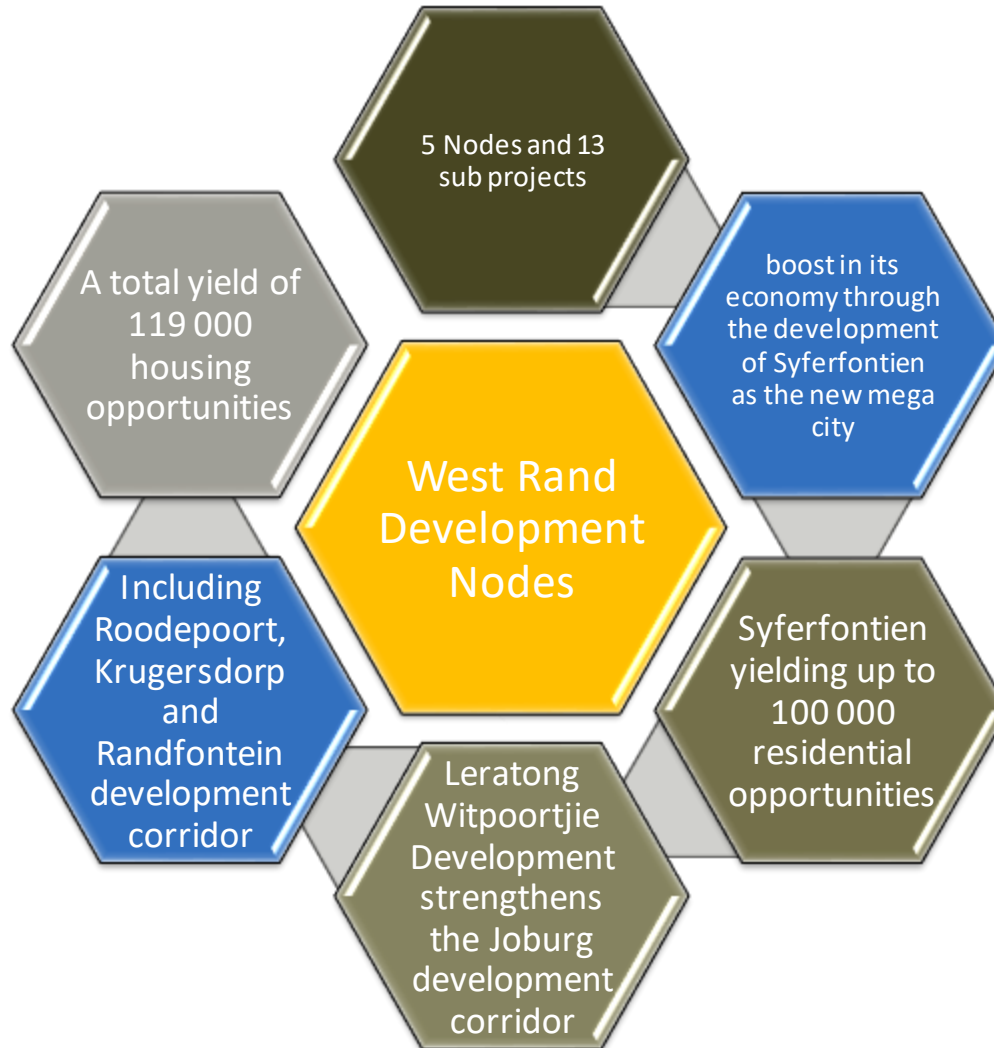












Government & Office
Park



Human



Integrated

Food Systems



Education



Elements of a Precinct:
Economically
Sustainable Human
Settlements with Job
Opportunities, Buying
Power, that is Cultural
& socially Diverse.

Health Care



Light industry /
Manufacturing



Settlements

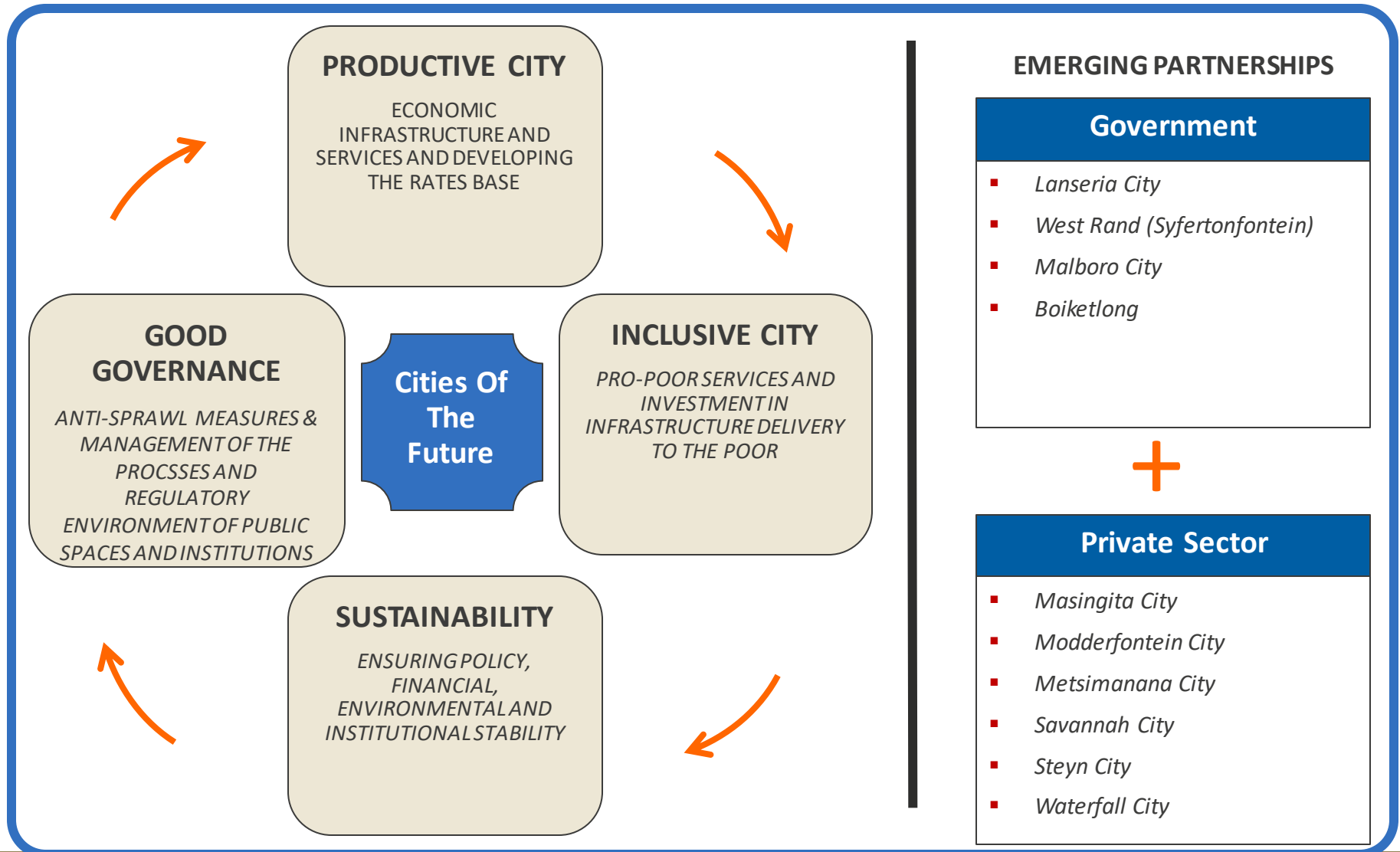


Transport Network

Retail

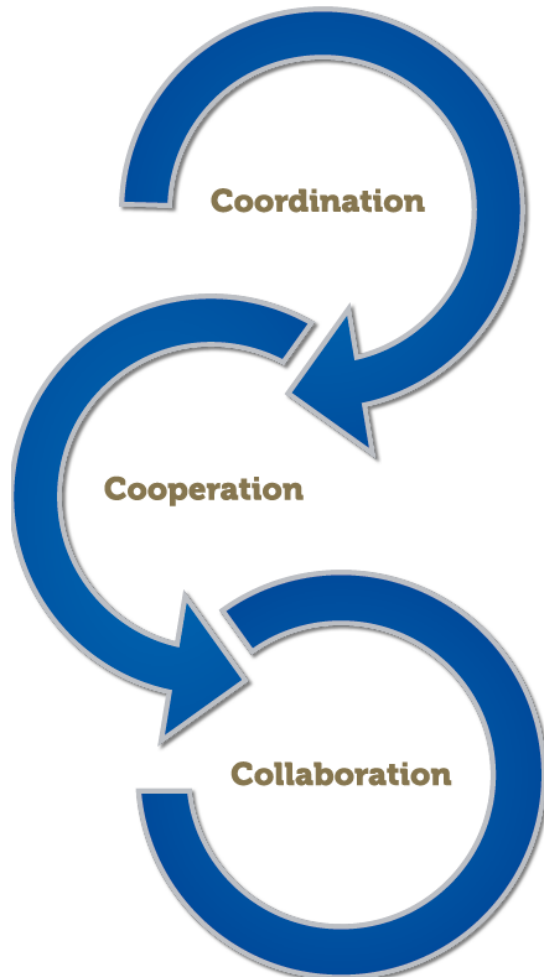


A NEW PARADIGM – CITIES OF THE FUTURE



The Operating Model

REPOSITIONING HUMAN SETTLEMENTS – THE 3 C PROTOCOL



REPOSITIONING HUMAN SETTLEMENTS

■ Coordination

- Coordination happens at all spheres of government, as well as within Departments.
- Will include the private sector (such as developers, financial institutions, retailers, academia, etc.)

■ Cooperation

- The intention of creating cooperation as a protocol is to ensure that relationships and engagements with all stakeholders are concretely formalised. (eg. MOUs, SLAs, Joint Ventures, Cooperation Agreements, Funding Agreements, etc.)

■ Collaboration

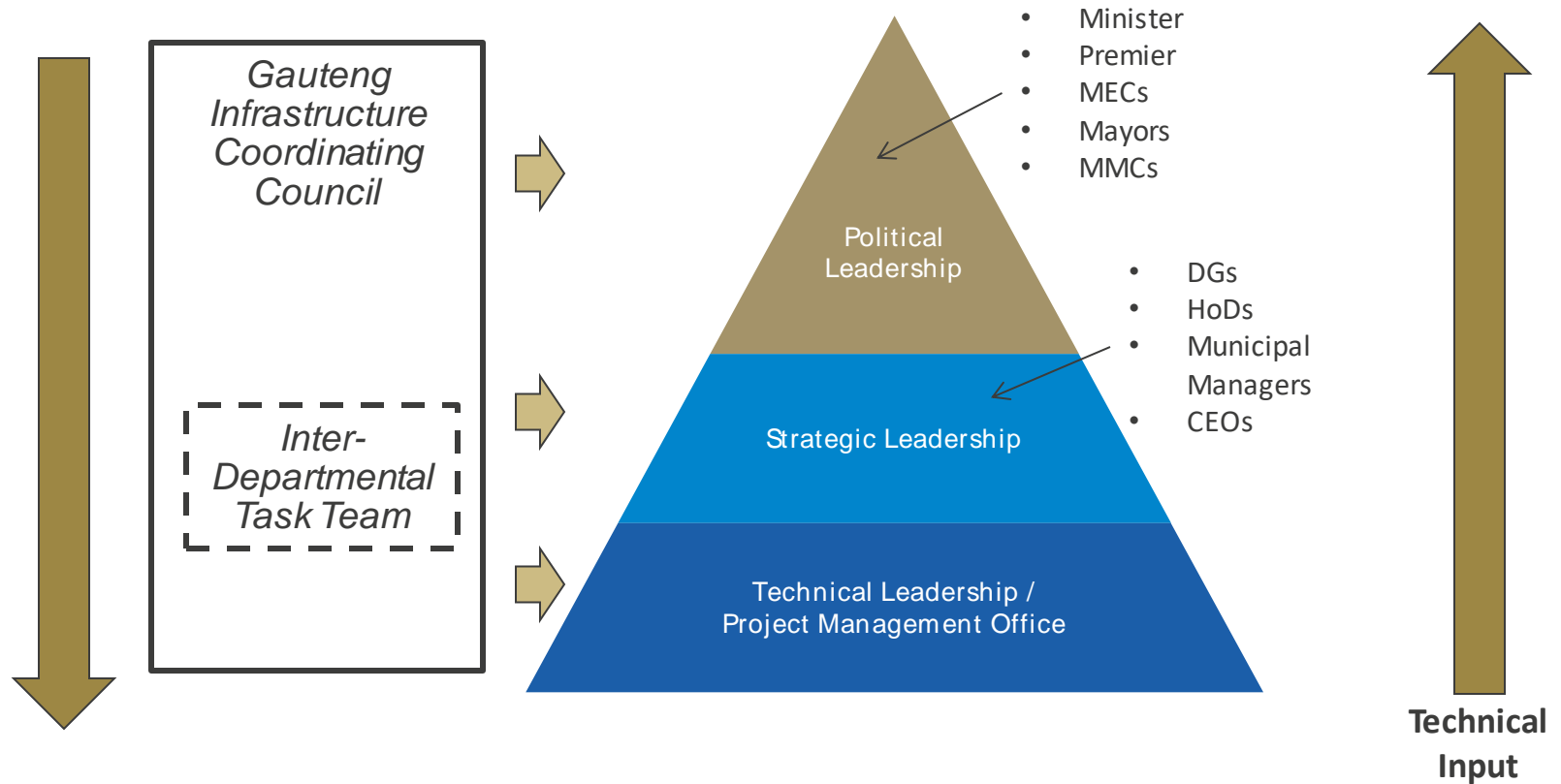
- Focuses on creating an enabling environment for the formation of partnerships with the private sector
- Collaboration also factors in the concept of teamwork at inter- and intra- departmental levels

HIERACHY OF INSTITUTIONAL ARRANGEMENTS

Establishment of the

Inter-Departmental Task Team as a sub-committee of the Gauteng Infrastructure Coordinating Council to enhance Intergovernmental Relations (IGR) and Co-operative Governance

Strategic Direction



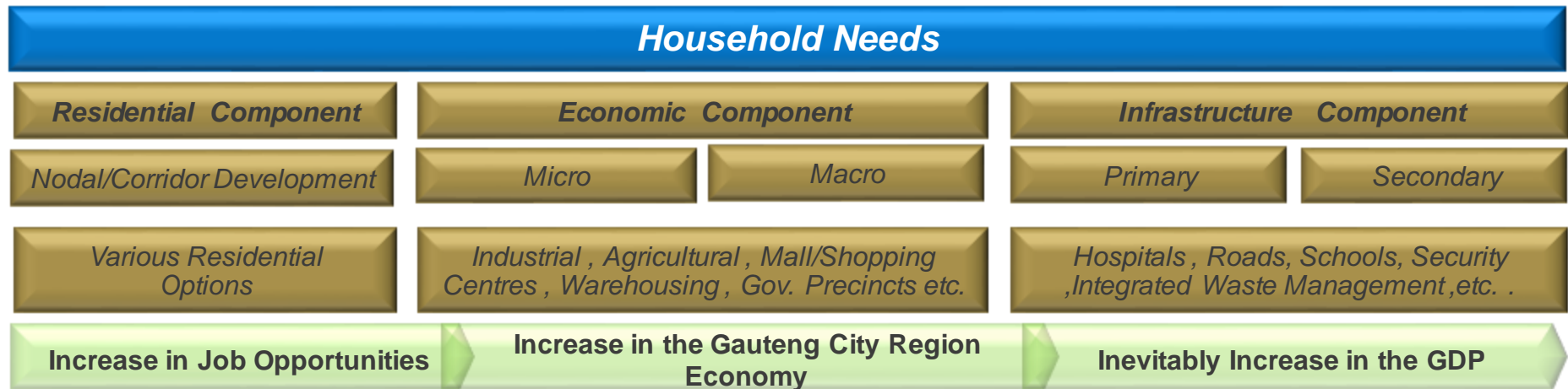
THE PROPOSED HOUSING VALUE CHAIN MODEL

Household Needs

Integrated Funding Model

Standardisation of Methodology and Governance with a Collaborative Approach

THE PROPOSED HOUSING VALUE CHAIN MODEL



THE PROPOSED HOUSING VALUE CHAIN MODEL

Integrated Funding Model

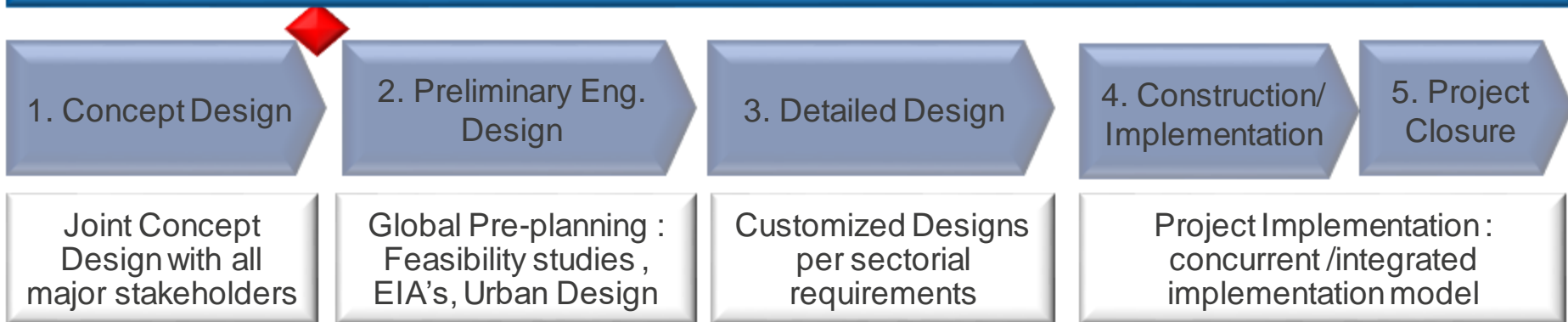
*Central Planning Budget for Human
Settlements Mega Projects*

*Sectorial Detailed
Design Budget*

*Sectorial Implementing
Budget*

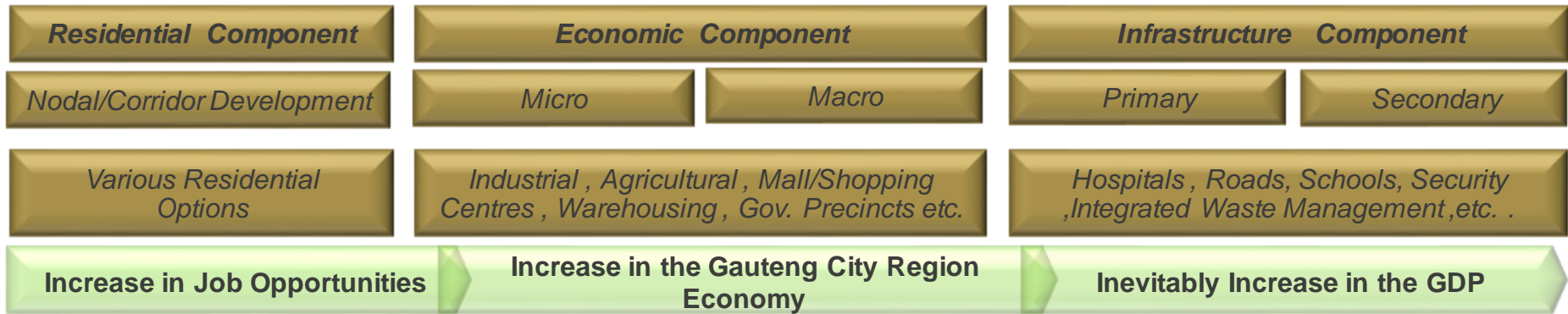
THE PROPOSED HOUSING VALUE CHAIN MODEL

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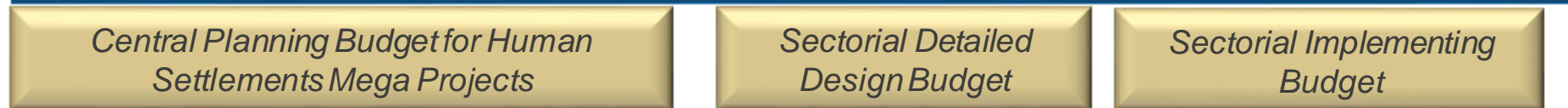


THE PROPOSED HOUSING VALUE CHAIN MODEL

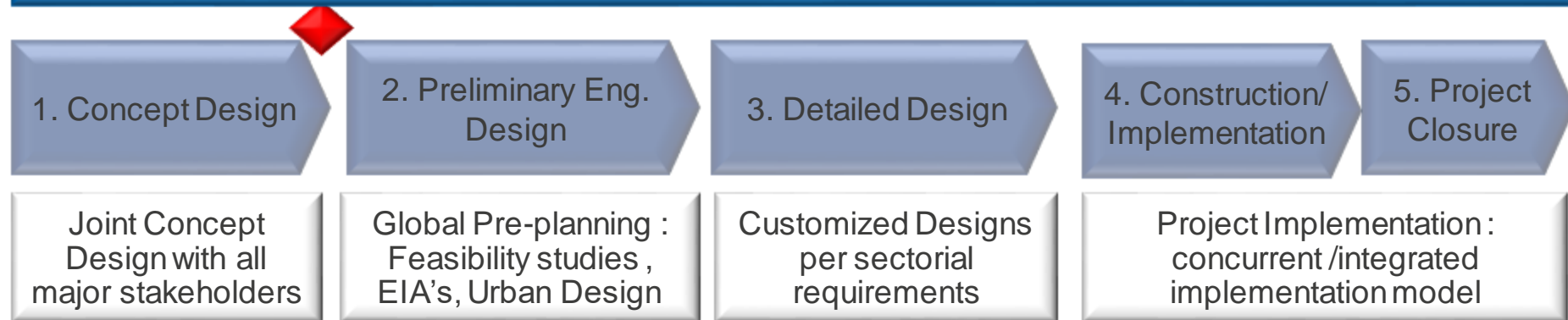
Household Needs

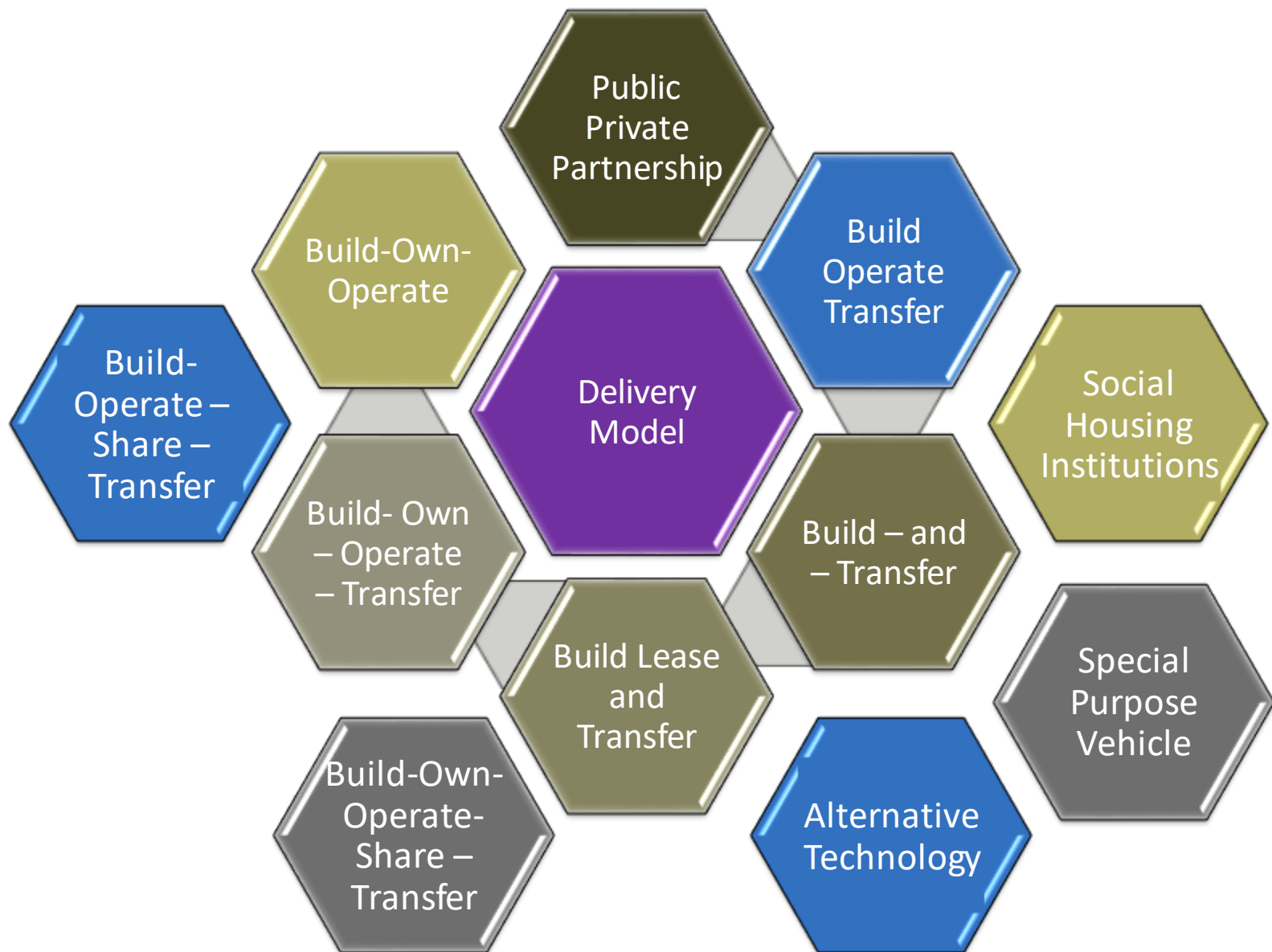


Integrated Funding Model



Standardisation of Methodology and Governance with a Collaborative Approach







COMPLEX PROJECTS REQUIRES A COMPLEX APPROACH

Scope

- Pre-Planning and Detailed planning of neighbourhoods, precincts and towns
- Engineering designs for bulk, link and internal infrastructure
- Installation of residential, social and economic Infrastructure
- Construction of residential units, social and economic amenities
- Social facilitation and community engagements

Product

- Serviced residential stands
- FLISP housing
- residential units for the GAP market
- Fully bonded residential units
- Social houses
- Affordable Rental residential units
- Social amenities (libraries, clinics, schools, etc)
- economic amenities (shopping centres, etc)

Typologies

- Free standing stands
- Semi-detached houses
- walk-ups (up to 4 storey high)
- High-rise (Towers)

Delivery Models

- Turnkey developments
- Build Operate Transfer
- Community led development
- Build and Transfer
- Build lease and transfer
- Build own operate and transfer
- Build own and operate
- Build operate share and transfer
- Build own operate and transfer
- Cooperatives

Technology

- Conventional building method
- Alternative building methods (green building)
- Green economy

Tenure Form

- Leasehold
- Full title ownership
- Rent to buy
- Sectional title

Funding Mix

- Grants
- Mortgage loans
- Equity finance
- Investments
- Pension fund
- Insurance
- Stokvels

Partnerships

- Government
- Business
- NGO
- Parastatals
- Community based organisations
- Academia
- Social

THE TURNAROUND AGENDA

We have already embarked on a number of initiatives to turn around the Department

Current Turnaround Initiatives

Non-Exhaustive

Organisation & Capacity

Comms & Stakeholders Management

Core

Project Delivery (PMO)

Beneficiary Management Process Enhancements

Support

Payment Process Optimisation

Audit Issues Rectification

Next Steps

THE NEXT STEPS

Item	Duration
▪ Consolidate and finalise the PMO Design	3 months
▪ Conduct research on funding model and risk analysis on service stands	3 months
▪ Research and develop anti-sprawl measures	3 months
▪ Improve urban renewal initiatives including Kliptown	
▪ Research the best options for CRUs and Hostels	

COLLABORATIVE PARTNERSHIPS

With state utilities and state agencies





GAUTENG PROVINCE

HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA