

# **AN EVALUATION OF THE USE OF PERFORMANCE MEASUREMENT IN SPATIAL PLANNING**

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Assignment submitted in partial fulfilment of the requirements for the degree of  
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## **DECLARATION**

I, the undersigned hereby declare that the work contained in this assignment is my own original work, and has not previously, in its entirety or in part, been submitted at any university for a degree.

**SIGNATURE**

**DATE**

## SUMMARY

Every city in the world can be characterised by some degree of racial or class segregation, manifested in distinct spatial forms. South African cities, however, are segregated to an extent not found elsewhere. Planning, and in particular spatial planning, can be used as a tool in helping to solve our country's development problem by the integration of our cities and to ensure that a city functions in a sustainable manner. A requirement in the Municipal Systems Act is that spatial frameworks must be developed to direct planning in this direction. The Metropolitan Spatial Development Framework (MSDF) was developed to fulfil this function in the Cape Metropole.

Integrated Development Planning constitutes a new approach to planning and is seen as a tool to assist local governments to plan and implement plans more effectively in order to meet their developmental objectives more easily. Performance management systems can be used as a tool to measure if governments are performing with regard to their goals set out in various plans.

The South African IDP policy has a performance management system in place to ensure that outcomes and achievements of municipalities are aligned to the development priorities and objectives as set out in the IDP. It is believed, therefore, that a performance management system can ensure accountability for the achievement of important results.

The purpose of this study was therefore to describe and evaluate current performance management systems as well as the current key performance indicators for spatial planning in the Cape Metropole. The 'Planning Indicator Study' was selected to serve as a case study. It was concluded that the key performance indicators set out to measure spatial planning in the CMR mainly meet the requirements set out in theory with some exceptions. One of the biggest problems is that gaps in the Metropolitan Spatial Development Framework (MSDF) create problems with the indicators proposed in the Planning Indicator Study.

## OPSOMMING

Alle stede in die wêreld kan gekenmerk word deur 'n sekere graad van ras- of klas segregasie, wat manifesteer in duidelike ruimtelike vorme. Suid Afrikaanse stede is gesegregeer in 'n mate wat op geen ander plek gevind word nie. Beplanning, en spesifiek ruimtelike beplanning, kan gebruik word om die land se ontwikkelingsprobleme te help oplos deur stede te integreer en om te verseker dat stede op 'n volhoubare wyse funksioneer. 'n Vereiste in die Wet op Munisipale Sisteeme is dat ruimtelike raamwerke ontwikkel moet word om sodoende beplanning in hierdie rigting te rig. Die Metropolitaanse Ruimtelike Ontwikkelingsraamwerk (MROR) is ontwikkel om hierdie funksie in die Kaapse Metropool te vervul.

Geïntegreerde Ontwikkelingsbeplanning stel 'n nuwe benadering tot beplanning daar wat plaaslike owerhede help om meer effektief te beplan en te implementeer, met die doel om hul ontwikkelingsdoelwitte makliker te bereik. Prestasie bestuur sisteme kan gebruik word om te meet of regerings presteer met betrekking tot hul doelwitte gestel in verskeie planne. Die Suid Afrikaanse Geïntegreerde Ontwikkelingsplan (GOP) beleid stel 'n prestasie bestuur sisteem daar om te verseker dat uitkomst van munisipaliteite in lyn is met die ontwikkelingsprioriteite en doelwitte soos uiteengesit in die GOP. Daar word dus geglo dat 'n prestasie bestuur sisteem verantwoordbaarheid kan verseker vir die bereiking van belangrike resultate.

Die doel van hierdie studie was om die huidige prestasie bestuur sisteme asook die sleutel prestasie indikatore ten opsigte van ruimtelike beplanning in die Kaapse Metropolitaanse Area (KMA) te beskryf en te evalueer. Die 'Beplanning-indikatore Studie' is gekies om te dien as 'n gevallestudie. Die gevolgtrekking van die studie was dat die sleutel prestasie indikatore wat geïdentifiseer is om ruimtelike beplanning te meet in die KMA, hoofsaaklik voldoen aan die vereistes soos uiteengesit in die teorie. Die grootste probleem met die indikatore wat voorgestel is deur die studie is dat die gapings wat in die Metropolitaanse Ruimtelike Ontwikkelingsraamwerk (MROR) bestaan, probleme veroorsaak met die identifisering van voldoende indikatore.

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## **CHAPTER ONE: INTRODUCTION**

South Africa, like any other developing country, is characterised by enormous development problems that include poverty, limited job opportunities and structural income inequalities as well as spatial segregation. These problems are inter alia a result of the way in which planning was done in the past, in other words the application of Apartheid-policies that led to a better position for whites in the society. In response to this predicament, government is putting various mechanisms and measures in place to turn the situation around.

The current reality in South Africa is that local governments face increased pressures and reduced resources, which means that they have to deliver more and better services with fewer funds. A big part of the service delivery challenge for local governments are providing desired services at affordable prices. The other challenge lies in reassuring local taxpayers that their resources have been well spent. To accomplish this objective government must improve the performance of staff, and the organisation as a whole and link that which staff actually contributes to their policy objectives. This approach is described as performance management.

The importance and need for metropolitan planning, and planning on local government level, in the development of cities have become evident over the last century. South Africa has not escaped the metropolitan development process and the resulting problems that went hand in hand with this. Since 1995 South African local government structures have undergone major changes. Cape Town has adopted the unicity model as an answer to organisational sustainability (Adapted from Koopman, 2000: iii).

According to the Planning Profession Bill (RSA, 2001) *“planning means an area of expertise which involves the initiation and management of change in the built and natural environment across a spectrum of areas, ranging from urban to rural and delineated at different geographical scales (region, sub-region, city, town, village, neighbourhood), in order to further human development and environmental sustainability, specifically in the following fields:*

- *The delimitation, regulation and management of land uses;*
- *The organisation of service infrastructure, utilities, facilities and housing for human settlements;*
- *The co-ordination and integration of social, economic and physical sectors which comprise human settlements,*

*“through the synthesis and integration of information for the preparation of strategic, policy, statutory and other developmental plans within the South African development context.”*

According to the Muni-SDF (Municipal Spatial Development Framework) of the City of Cape Town (1999:14) *“an important realisation is that the current poor performance of the city is by no means inevitable and that it can, over time, be significantly improved. Positive planning is central to this. The failure of planning in the past does not negate its importance today. Planning is essential to:*

- Give direction to public spending and decision making
- Ensure the efficient use of scarce resources
- Mobilise unutilised or under-utilised resources
- Co-ordinate and integrate the public and private investments in the city to maximise their impact
- Protect nature and prevent ecological breakdowns
- Protect the reasonable rights of individuals
- Establish appropriate institutional, procedural and other mechanisms to promote positive city development.”

According to an article on the website of the American Planning Association “What is Planning” *“the goal of city and regional planning is to further the welfare of people and their communities by creating convenient, equitable, healthful, efficient, and attractive environments for present and future generations”* (<http://www.planning.org/edu/field.htm>).

Planning, as seen before, can be used as a tool in solving some of our country's development problems by the integration of our cities. It is however important to measure if government actually achieve the goals set out in their plans. Performance management systems can be used as a tool to measure if government is performing with regard to the goals set out in various plans.

There has been considerable increase in focus on performance in local government, as reforms over the past decade or so have introduced market relationships and private sector management practices. According to Sanderson (1998:2) a number of factors can be seen to lie behind the development of evaluation and performance review in local government, namely:

- **Fiscal stress** – in a context of resource constraints, authorities have been forced to review budgets, prioritise spending areas and decide how savings might be made, thus encouraging a greater focus on performance in relation to objectives.
- **Public Private Partnerships (PPP's)** – as more services have been designated for PPP's, authorities have had to develop clear specifications of levels of service required and subsequently to monitor delivery against targets, thus engendering a stronger focus on desired outcomes.
- **Politicisation** – increased politicisation of local government has made elected members place more emphasis on achieving what they regard as their most important political objectives and therefore has generated a stronger interest amongst members in performance review.
- **Central government requirements** - in South Africa's case, performance management in local government is required by law which are enforced by the central government.

- **Managerialism** – over the past two decades, managerialist thinking and practice has gained an increasing hold across the public sector, an important component being the need for performance management.
- **Consumerism** – an increasing appreciation that people are customers of services or citizens with expectations and rights has helped to promote a focus on outcomes as experienced by customers/citizens and on the need to assess performance in these terms.
- **Enabling** – as authorities have increasingly been required to work with other agencies and build partnerships to promote achievement of their objectives, attention has focused more on specifying objectives and assessing the extent to which these are being achieved through partnership arrangements.
- **Competitive bidding** – in a context of general resource constraints, authorities have increasingly been required to bid for specific programme resources with a requirement to specify planned achievements and to monitor and evaluate actual performance.

Many countries have subsequently experimented with the development of output and outcome focused performance management systems for the public sector. It is important for government to continuously measure itself as to how it is progressing towards reaching the objectives and goals they have set. This can only be effectively done if there are clear performance indicators set at the outset.

According to Armstrong (2000: 430), *“performance management can be defined as a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.”* Performance management in a business is therefore concerned with a holistic approach towards enabling the business to function effectively in its environment, as well as the general direction in which it intends to proceed in order to achieve long-term goals.

The White Paper on Local Government (1998) was developed within South Africa's constitutional framework, to combat the problems and challenges that local governments in South Africa are facing. The vision for a new developmental local government system is outlined in the White Paper and some tools for realising this vision are identified. They are:

- Integrated development planning and budgeting
- Performance management
- Working together with local citizens and partners (Adapted from Department of Provincial and Local Government, 2001:5).

This process is different in a number of ways (Adapted from the Planact, 1998:3):

- It is based on participation: under the new planning process, all stakeholders in the city are invited to participate. Planning is no longer reserved for experts.
- It is based on principles of political democracy: the democratically elected government, operating under the new Constitution, leads the new planning process. An illegitimate government no longer controls planning.
- It views the city as a whole, not as separate units: the new planning process will look at the entire city as a whole and share resources fairly. Planning will no longer waste resources.

Integrated Development Planning constitutes a new approach to planning which aims mainly, but not only, to do away with the apartheid legacy. The Integrated Development Planning process is seen as a tool to assist local governments to plan and implement the plans more effectively in order to meet their developmental objectives more easily.

The South African IDP policy has a performance management system in place to ensure that outcomes and achievements of municipalities are aligned to the

development priorities and objectives as set out in the IDP. It is believed, therefore, that a performance management system can ensure accountability for the achievement of important results.

Thus, performance management should be used to ensure that local government plan, monitor, review and improve their integrated development plans. *“This means that performance on IDP’s be constantly assessed to ensure effective and efficient service delivery to local citizens, and that there is effective participation of citizens in government processes”* (Department of Provincial and Local Government, 2001: 5).

After adopting the White Paper on Local Government in 1998, a policy framework for performance management was developed. Chapter six of the Municipal Systems Act (32 of 2000) outlines the details of the performance management system and the core components thereof. Additionally, section 40 of the Municipal Systems Act of 2000 proposes performance management as a required management mechanism for local government.

It is required in this Act (no 32 of 2000 section 38) that the performance management system of a local government must be in line with its vision, priorities and targets as identified by the IDP. Within the planning process in the IDP, planning is the first step in the cycle. Issues, goals and strategies are identified in this step of the planning process. But it is only in the fourth step, namely monitoring and review, that performance management can be applied.

Performance indicators can be used to measure the implementation and impact of projects and to ensure that it correspond with the goals set out in the first step because indicators enable us to measure performance and make judgements about effectiveness. Section 44 in the Municipal Systems Act (32 of 2000) proposes guidelines in setting key performance indicators. These guidelines are discussed further in Chapter 4.4.

## 1.1 PROBLEM STATEMENT AND GOALS

*“There is no city in the world that is completely integrated. All cities are characterised by some degree of racial or class segregation, manifested in distinct spatial forms. South African cities, however, are segregated to an extent not found elsewhere. This is the result of years of colonialism, which was later entrenched by apartheid policies. The apartheid city was created through a mixture of national and local policy in South Africa. At national level, urbanisation strategies led to the broad shape of South African cities. This phenomenon was gradually entrenched through local level politics and strategies. The final result was a city that was segregated along racial, class, geographic and other lines”* (Planact, 1998:4).

The development of a spatial plan, as part of the IDP, aims, inter alia to mainstream the poor into the economy. The importance of spatial planning is to ensure that a city functions in a sustainable manner. A requirement in the Municipal Systems Act is that spatial frameworks must be developed to direct planning in this direction. It is proposed in IDP policy and the Municipal Systems Act that key performance indicators must be developed to fulfil this function.

The Cape Metropolitan Region (CMR), like the rest of South Africa, has entered a period of considerable change and adapted to new political, economic and social circumstances. The result was the Metropolitan Spatial Development Framework (MSDF), which proposed guidelines for the spatial development of the CMR into the 21<sup>st</sup> century. The MSDF originated in 1991. According to Cape Metropolitan Council (1996:ix) *“the MSDF is a product of a lengthy, inter-active and participatory process”* and *“it originated from a need for co-ordinated responses to planning and development in the CMR.”* The MSDF is based on the following principles (Cape Metropolitan Council, 1996:5):

- Management for sustainability
- Creating quality urban environments
- Containing sprawl
- Residential intensification

- Urban integration
- Redressing imbalances.

## **1.2 MOTIVATION FOR THE STUDY**

The purpose of this study is therefore to evaluate current performance management systems in the CMR regarding spatial planning in order to contribute to the development of indicators for spatial planning in the Cape Metropole.

The **aim** of this study is:

- to investigate the legal requirements regarding performance management in South Africa.
- to examine the current reality in the Cape Metropole with regards to spatial planning objectives and the application of this in practice
- to evaluate the current performance management systems in place regarding spatial planning.

## **1.3 METHOD**

This study is descriptive and analytical in nature. The focus was on finding out the nature of performance management practices that are used for spatial planning and how it is applied in the Cape Metropole. Qualitative data was used for this purpose including books, articles and other relevant subject literature. Other necessary information was gathered through informal interviews with staff of the Cape Metropolitan Council and the Cape Town City Council. Expert opinions regarding performance management were also gathered by conducting interviews with performance management consultants.

The planning and performance management theory provided in the first half of the assignment would be used to evaluate the current performance management practices for spatial planning in the Cape Metropole.

## **1.4 CONCEPTS AND DEFINITIONS**

In many cases, the terminology of performance measurement can be confusing. The language of performance measurement includes terms such as effectiveness, efficiency, outcomes, outputs, productivity, quality and inputs. In one sense or another, all of these terms represent measures of performance, but each measures different aspects of performance. In this assignment, I will use the following key definitions (Adapted from Parker, 1993:3 and Department of Provincial and Local Government, 2001:22):

**Inputs** are the resources that an agency uses to produce services, including human, financial, facilities or material resources (e.g. number of dollars expended or tons of material used).

**Outcomes** are the quantified results, or impacts, of government action. Comparing outcomes to objectives through the use of measures assesses progress. Outcomes are the effects - both intended and unintended - of the agency outputs on a particular population or problem area. Outcomes are not outputs: an output is the quantity of a service or goods produced; an outcome is the result or impact of the output.

**Outcome measures** are tools, or indicators, to assess the actual impact of an agency's actions. An outcome measure is a means for quantified comparison between the actual result and the intended result.

**Outputs** are the goods and services produced by an agency (e.g. number of students trained or miles of roads repaired).

**Output measures** are tools, or indicators, to count the services and goods produced by an agency. The number of people receiving a service or the number of services delivered is often used as measures of output.

**Efficiency measures** are indicators that measure the cost, unit cost or productivity associated with a given outcome or output.

**Performance indicators** are essentially statements that describe the dimensions of performance, which are considered key performance indicators when assessments and reviews are undertaken.

**Input indicators** refer to economy and efficiency measurements. Economy refers to costs an organisation incurs to purchase the means to achieve outputs. Efficiency refers to the resources utilised to produce the actual output.

**Output indicators** are indicators that measure whether a set of activities or processes yields the desired tangible results. They are effectiveness indicators.

**Outcome indicators** are indicators that measure the quality or the impact of the outputs on the achievement of the over all objective. They are impact indicators.

It is clear that South African cities like Cape Town have serious development backlogs which manifested in serious spatial inequalities. One way of solving these problems is through effective, integrated planning. The IDP is one attempt made by the South African government to try and solve its development problems. It is however important that strategies and plans, eventually meet the goals that was set out. Performance measurement is therefore used to measure if plans are successful in reaching their goals.

The next chapter will be devoted to planning theory and background. It is important to have adequate theoretical planning knowledge in order to effectively evaluate if plans are successful.

## **CHAPTER TWO: PLANNING ISSUES**

### **2.1 WHAT IS PLANNING?**

Planning is one of those concepts that are difficult to capture in one definition and various writers also have different opinions on what constitutes planning. The reason for this is that planning can be seen as an all-embracing activity, as one would see in the following definitions. What follow here are the definitions on planning from the point of view of some well-known writers in the planning field:

Conyers and Hills (1992:3) defines planning as a continuous process, which involves decisions, or choices, about alternative ways of using available resources, with the aim of achieving particular goals at some time in the future.

Healy (1983:5) states that the notion of planning symbolizes end-directed, forward looking, co-ordinated activities as opposed to the short-term marginal adjustments and atomised decision-making commonly associated with incrementalism.

When the history of planning as a profession is investigated, a significant shift from regional planning to development planning is noticeable, as can also be seen from the quote below:

*“The purpose of development planning is to facilitate economic growth and employment creation within an urban area, and contribute to the area’s tax base. Many would add that it is also intended to enhance a community’s ability to assume greater control over its economic destiny. The origins of development planning lie in the ineffectiveness of regional planning and the structural transformations, which has created economic problems in many cities. While there is consensus on the relationship of development planning to structural transformations, its relationship to regional planning is often debated”* (Tomlinson, 1994:38).

The definition of and characteristics that Welch (2001), subscribe to spatial planning include the following issues:

*“Planning is concerned with the right use of land in the interests of the community that lives on it and embodies a process aimed at organising all the functions of human living into a coherent whole.”*

Characteristics:

- Planning is comprehensive and emphasises the interaction and interrelationships between the parts and the whole.
- Planning is dynamic in that it takes cognisance of change, sequences and innovation over time.
- Planning attempts to understand the person-environment relationship: where environment is taken to include both natural and built environments.
- Planning attempts to integrate land uses in such a way as to achieve a dynamic equilibrium.
- Planning attempts to achieve optimum accessibility for all within the urban system; accessibility is in turn directly related to land values (economics) and its productivity.
- Planning attempts to provide equal opportunities to gain access to services and facilities for all members of society.
- Planning strives to create an articulated system for the benefit of all.

The Strategic Marketing Committee of the Association of Collegiate Schools of Planning (1997:223) suggest that one should not focus on topic areas when trying to define the field of planning, but rather on key themes cutting across many different speciality areas. Certain generic themes may provide the binding elements for planning's internal diversity while simultaneously distinguishing the planning field from other fields. These crosscutting generic themes are:

- A focus on the improvement of human settlements
- A focus on interconnections among distinct community facets, economic, natural, social sectors and private and public enterprise.
- A focus on the future and pathways of change over time
- A focus on identification of the diversity of needs and distributional consequences in human settlements

- A focus on open participation in decision making
- A focus on linking knowledge and collective action.

This definition of planning has a strong focus on the spatial aspect of planning, but planning can also be seen as even more encompassing than this. Important issues that has been left out, is the focus on human development and environmental sustainability.

## **2.2 CHALLENGES PLANNERS FACE**

From the above discussions, it is quite clear that planners therefore attempt to improve the quality of life of the people they plan for. The community is therefore the client of the planner and a planner must take the community's needs in consideration when they plan. According to Moller (1996:7) quality of life in this sense implies the adequacy of the following:

- Income
- Social services such as health-, education- and recreational services
- Physical services such as water-, sewerage-, and electricity provision
- An effective physical structure of the city, and
- A pleasant environment implying the sensible management of the natural and cultural environment.

As introduction to the various problems that planners face, it is important to recognise that the postmodern era in which we live, create problems of its own. It is characterised by a world which is very complex, uncertain, multi-textured, ever changing and often chaotic. The city also displays a celebration of irony, incoherence, inconsistency, ambiguity and is tolerant of diversity and difference. The postmodern city emphasise human consciousness, symbolic meaning, the importance of language, local differences and cultural and gender diversity (Liebenberg, 2002: unpublished document). A number of South African cities can be regarded as postmodern cities. In addition to the challenges of the post modern city,

the problems a planner face in a developing country like South Africa, can be very complex:

- Population growth can be considered one of the biggest problems in South Africa. Planners must accommodate the growing number of people in an effective way. A very closely linked issue to population growth is poverty which is exacerbated by the growing population. Goodwin (1994:50) states *“that it is a demographic reality that the majority of future population increases in South African cities, through both natural increase and migration, will occur amongst the poor and that people have no option, because of land availability, but to seek land in the urban fringe.”* This will increase the squatter problem even more and it won't increase the quality of life of the poor.
- Urbanisation is another serious planning problem that has a direct influence on the quality of people's lives and it influences spatial patterns in our cities. As our cities grow bigger and bigger, people settle on the periphery of our cities which increase sprawl. One of the consequences of this is that valuable agricultural land gets lost.
- The shortage of housing is a direct result of above-mentioned problems. A very large number of people are informally housed in South Africa. In addition, there is a lack of affordable housing options and the vast majority of the population cannot afford their own homes.
- This obviously causes that most poor people live in squatter camps which holds a threat to the environment. Not alone is that a pollution problem but also one where the environment is destroyed in order to get necessary things to survive like firewood. This on its own threatens sustainability. One of the main objectives is to ensure sustainable development.

It is clear from the issues mentioned above that effective mechanisms dealing with land use and land development will solve some of the problems. There have also been growing concerns about the human and environmental costs of these urban forms, and a desire to direct development in a way which is more efficient and cost-

effective and which can preserve the qualities of places. Spatial planning is the tool to ensure that development takes place in a sustainable, holistic and integrated way.

### **2.3 THE NATURE OF APARTHEID PLANNING**

With the application of the Apartheid policy from 1948, the government tried to control development which aimed to keep different races separate. The government then passed a series of laws to ensure that different races stay separate. Some of these laws included the Land Act of 1913 and the Group Areas Act of 1950. But *“laws alone were not enough to bring about the comprehensive control that apartheid needed. Planning became a key tool or instrument of control”* (Planact, 1998:5). Through the former town planning schemes, zoning schemes and structure plans, the separation of land uses and low-density housing were enforced. These schemes had the unintended implication of strengthening racial segregation in our cities and towns.

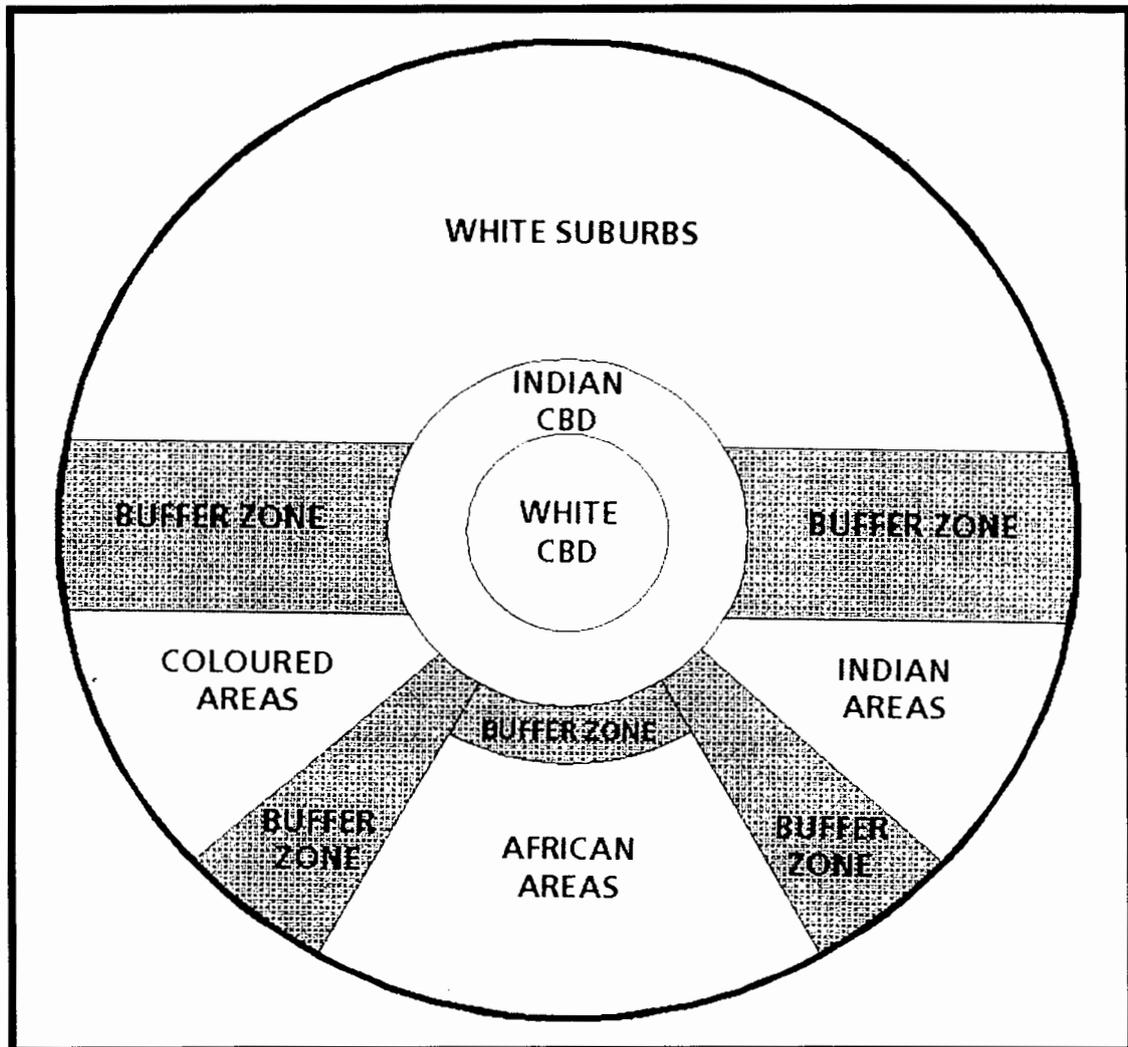
*“Apartheid was therefore associated with a certain type of urban plan. Apartheid town planning was a deliberate effort by a small group of people to shape cities in a certain way”* (Planact, 1998:7). This type of planning, as well as other forces such as economic and market forces, human attitudes (the NIMBY factor), colonial policies and ideal city models (such as the Garden City model), produced what is called the apartheid city.

The one outstanding character of South African cities is that they all can be considered as apartheid cities. This was created by national but also local policies that were applied in South Africa in the apartheid years. But there is no city in the world that isn't to some degree characterised by spatial segregation. Thus, no city in the world can claim that they are a completely integrated city. The model of the apartheid city (Figure 1) explains the main features of this type of city, like Cape Town in South Africa.

Racial segregation of residential areas is one of the main features where each race lived separate from each other. Buffer zones were created to act as barriers between different race groups. The Central Business District (CBD) was also

exclusively for white use and only in later years other races could open businesses on the fringe of the existing CBD's. Furthermore, white suburbs could be found near the CBD while other race groups were consigned to the periphery. As said before, this situation was created inter alia by the way in which planning was done in the past.

**FIGURE 1: A MODEL OF THE APARTHEID CITY**



Source: Planact, 1997:7

With the features of the Apartheid city in mind it is also important to note that spatial planning is linked to economic under-performance. According to Dewar & Todeschini (1999:8) *“the physical structure and form of the city affects the potential for growth and more efficient operation in the informal and small business sector,”* and *“an*

*understanding of the interrelationships between urban structure and economic activity can enable the identification of strategic actions to remove spatial obstacles which are disadvantaging small-scale businesses and establish the physical and spatial preconditions for employment creation within the private sector.”*

## **2.4 INTEGRATED DEVELOPMENT PLANNING (IDP)**

Apartheid has left us with a legacy of problems in our cities which is difficult to solve with our scarce resources and limited capacity. *“But apart from the high level of fragmentation caused by apartheid, local government in South Africa suffered severe problems in terms of status, finance, capacity and legitimacy”* (Harrison, 2001:175). South Africa has decided to address these problems through Integrated Development Planning. The theory behind the IDP is that it is more than a plan, it should also empower people and build capacity. Planning is done in a very different way because integration is the key notion in the IDP and this means that activities must be approached in a holistic way.

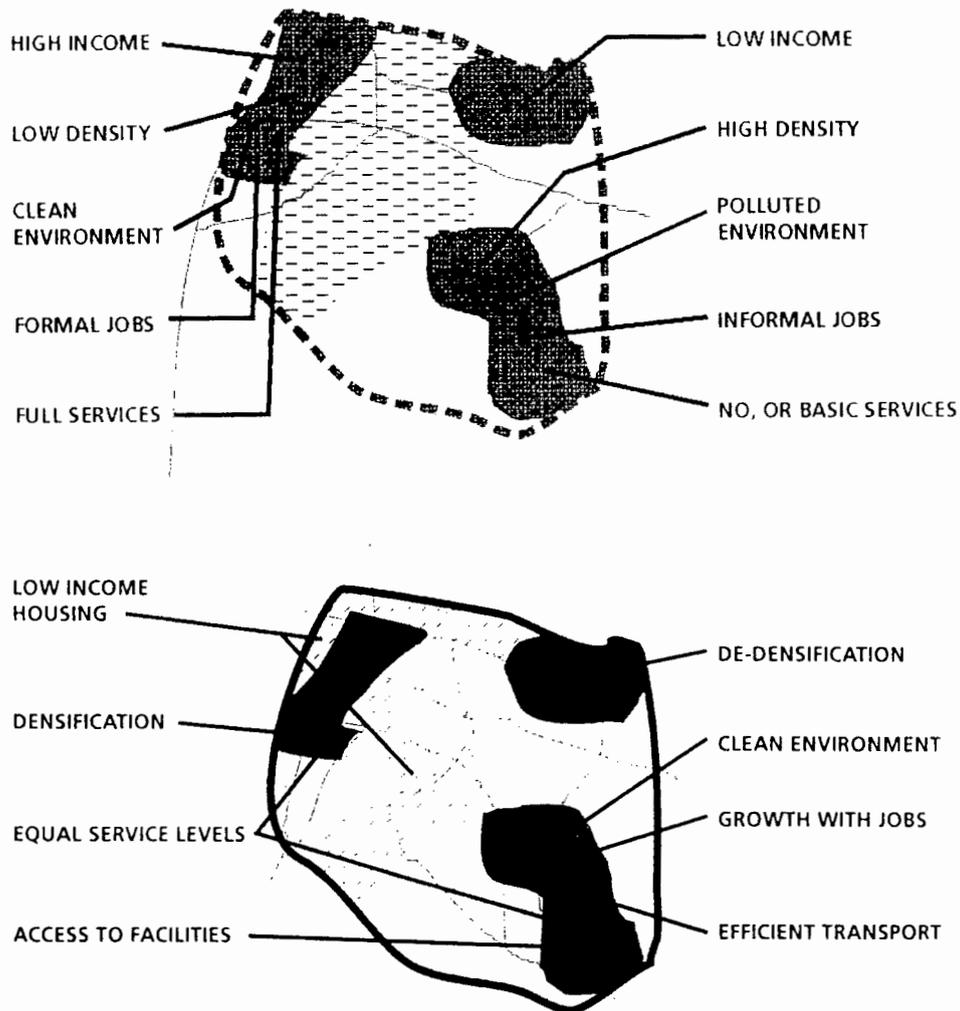
According to the Planact (1997:18) *“Integrated development planning is a process which aims to maximise the impact of scarce resources and limited capacity through planning development interventions in a locality, strategically and holistically. The outcome of such a process is an integrated development plan, which is then acted upon, evaluated and modified on an on-going basis.”* But Harrison (2001:177) does not portray such a optimistic view of the IDP, he states that *“at face value the role of the IDP might seem relatively uncomplicated, but there are tensions and ambiguities in the conceptualisation of the IDP that relate to the politics of its creation, and to the more general ambiguities surrounding the role of local government in South Africa.”*

According to Planact (1998:10) Integrated Development Plans should be based on three important principles:

- Equality: the planning of new cities must be based on the constitutional principles of equality and the guarantee of certain human and socio-economic rights.
- Effective use of resources: the new planning should make decisions about the city which ensures the effective use of our limited resources.

- Participation: integrated development planning must ensure that everyone has the opportunity to participate in planning the new city.

**FIGURE 2: APARTHEID CITY VS INTEGRATED CITY**



**Source: Planact, 1997:8, 13**

## **2.5 SPATIAL PLANNING**

It can be seen from the discussion on all the problems apartheid planning created and the challenges planners face, that there is a desperate need for planning that can integrate our cities on every level possible: physically, socially and economically. The IDP can be seen as a new approach to planning in the new era in South Africa but the spatial plans are the actual instruments that will ultimately help to transform

our cities. According to Healy (1999:10) the culture of spatial planning as it has arrived in our time has been woven together out of 3 strands of thought:

1. Economic planning which aims to manage the productive forces of nations and regions
2. Management of the physical development of towns which promotes health, economy, convenience and beauty in urban settings and
3. The management of public administration and policy analysis, which aims to achieve both effectiveness and efficiency in meeting explicit goals, set for public agencies.

According to Watson (2001:5) there have been three important contextual changes which led to the increased emphasis on spatial planning in recent times:

- Firstly, in an environment of enhanced global competition, there is the realisation that the creation of high quality urban places gives a major competitive edge to cities attempting to attract foreign investment.
- Secondly, the international environmental lobby has been successful in persuading governments that global sustainability is dependent on local action, particularly in relation to encouraging city forms which are less car-dependant, and which value and conserve open space systems.
- Thirdly, as cities become increasingly diverse in terms of their population and cultural composition, and more spatially divided in terms of the location of wealthy and poorer residents, planning is being seen as an important tool to overcome problems of spatial exclusion.

According to Muller (2002) spatial planning is, or should be, one facet of integrated planning, dealing in a coordinated way with issues on the spatial or physical plane, such as:

- Land-use planning (the arrangement, location and juxtaposition of industries, hazardous sites, commercial and residential uses, and public facilities)
- Land supply and availability and access to land and security of tenure

- Housing planning (how much, where, which types)
- Infrastructure planning (water, electrical, storm water and water reticulation, sewage removal, waste disposal sites)
- Transport planning (roads, railways, bus routes, bicycle routes)
- Appropriate growth and development management
- Planning for land reform
- Sustainable resource use (water, agriculture, forestry)
- Protection of urban edges against urban sprawl
- Protection of environmentally sensitive areas (wetlands, steep slopes, flood plains, coastal areas, water catchments areas, places of natural beauty)
- Protection of historical, cultural places
- Mitigation of natural disasters (floods, wind storms, rock and mud slides)
- Phasing of development (growth corridors)
- Redevelopment of existing urban fabric (densification, upgrading of previously disadvantaged and inner city areas, integration of racially bounded areas, and informal residential areas into the urban fabric)
- Subdivision of land
- Urban design
- Standards of infrastructure and building, including densities.

All this is linked to planning for employment, financial resources etc. This list has been based inter alia on issues mentioned by Healey in her book "Collaborative planning: Shaping places in Fragmented Societies" (1997:72-77).

The question that can be asked is; "why is spatial planning important in the South African context?" Spatial planning is important because it can help to:

- Contain sprawl. Through the establishment of an urban edge, sprawl can be contained and the environment can be protected which creates a balance between the natural environment and the built environment.
- Integrate a city. Through mixed land uses and densification, the opportunities for all the people in a city are more equitable.

- Promote sustainability. If all the elements mentioned above is used in spatial planning, a city will function in a more sustainable manner.

It is also argued by Behrens and Watson (1996:10) that within the current South African context, where levels of poverty, unemployment and spatial inequality have reached alarming proportions, the development and management of urban settlements generally should be motivated by three overarching concerns:

1. The first concern is for the satisfaction of human needs and for an improvement in the human condition
2. The second is for establishing a sustainable relationship between urban settlements and their surrounding natural environment, and
3. The third is for the most effective use of resources.

In conclusion it is clear that spatial planning has a very important role to play in replanning the South African city, but only as part of a Local Authority's Integrated Development Plan. Only through spatial planning can issues such as sprawl, integration, sustainability, equal distribution of services and the identification of land for low cost housing and land reform projects, be effectively addressed.

## **CHAPTER THREE: CONCEPTUAL OVERVIEW OF PERFORMANCE MANAGEMENT**

Before the researcher attempts to evaluate the current performance management systems of the Cape Metropole regarding spatial planning, it is very important to first understand the concept of performance management and key performance indicators within the context of local government. This chapter will also concentrate on a model of performance measurement in local government and the possible advantages and disadvantages of performance measurement.

Performance management can be broken down in the following applications: performance, development and management. It is important to clarify what these concepts mean in order to put forward an integrated definition of performance management.

### **3.1 DEFINITIONS OF PERFORMANCE, DEVELOPMENT AND MANAGEMENT**

#### **3.1.1 Performance defined**

First of all, it is important to clarify what is meant by performance, because if performance cannot be defined, it cannot be planned, measured, managed or improved. It is important to note that performance can be measured on an individual basis or on an organisational basis. In this case, the organisational performance is of greater importance because this paper is focused on the performance of the public sector, which can be seen as representing an organisation. Just note that individual performance can have a great influence on the performance of an organisation.

According to Armstrong (2000:3), *“performance is not an one-dimensional construct, but performance is a multi-dimensional construct, the measurement of which varies depending on a variety of factors.”* Armstrong also states that it is important to determine whether the measurement objective is to assess performance outcomes or behaviours. Another definition of performance by Rothwell (1994:26) emphasises the outcomes rather than behaviours. *“Performance means something performed an accomplishment.... The important point to understand is that performance is*

*synonymous with outcomes, results, or accomplishments. Performance should thus not be confused with behaviours, work activities, duties, responsibilities, or competencies.”*

As said before, individual performance is an influential factor in an organisations' performance. According to Newstrom & Davis (1993:17) a person's potential performance can be seen within the context of the following factors: motivation and ability. *“The interaction of motivation and ability determines a person's potential performance in any activity.... The potential for human performance has to be mixed with resources, and a worker must be given the opportunity to perform to get organisational results.”*

Figure 3 shows the role of organisational behaviour in work systems. Human ability is a result of the interaction between an individual's knowledge and skill, whereas human motivation represents the interaction between attitude and situation. Potential human performance is the result between an individual's ability and motivation. Potential human performance is one of the inputs of organisational results. The other inputs are resources and opportunity. Organisational results are thus the output of potential performance, resources and opportunities.

**FIGURE 3: EQUATIONS SHOWING THE ROLE OF ORGANISATIONAL BEHAVIOUR IN WORK SYSTEMS**

1.	Knowledge X skill	=	ability	
2.	Attitude X situation	=	motivation	
3.	Ability X motivation	=	potential	human
			performance	
4.	Potential performance X resources X opportunity	=	organisational results	

(Source: Adapted from Newstrom & Davis 1997:17)

The assumption can be made from the above explanation that the answer to performance management in the public sector lies in the motivation of the individual public servant.

It can therefore be said that performance is a multi-dimensional construct, synonymous with currently obtained results, outcomes, conduct and deeds – the products of the process of transforming inputs (resources and opportunities) into outputs (organisational results).

A more comprehensive view of performance is achieved if it is defined as embracing both behaviour and outcomes. This is well put by in Armstrong (2000:3): *“Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right – the product of mental and physical effort applied to tasks – and can be judged apart from results”*.

This definition of performance leads to the conclusion that, when managing the performance of teams and individuals, both inputs (behaviour) and outputs (results) need to be considered. This is the so-called mixed model of performance management, which covers competence or capability levels and achievements as well as objective setting and review.

### **3.1.2 Development defined**

Development, in any meaningful sense must begin with and within the individual. *“Human development is a process in which ability can increase through the dynamic and complex interaction between the individual’s perceived ability, his/her motivation and the way in which the person is managed. Development is interdependent on the way the person is managed; on the values and attitudes of the manager towards the person being developed and the extent to which the latter is provided with support and developmental opportunities”* (Human, 1991:251). Unless motivation comes from within, efforts to promote change will not be sustainable by that individual.

According to Gilley (1989:5) development reflects, apart from the focus on the individual, *“a philosophical commitment to the professional advancement of people within the organisation.”* Development opportunities which are aligned with the organisation’s vision and long-term goals will enhance the skills, knowledge, learning and innovative capability of people at every level, allowing the organisation, as well as individuals to prosper.

In the context of local government’s developmental role, development has been defined as *“the process of improving the quality of all human lives. Three equally important aspects of development are (1) raising people’s living levels - their incomes and consumption levels of food, medical services, education, etc., through relevant economic growth processes; (2) creating conditions conducive to the growth of people’s self-esteem through the establishment of social, political, and economic systems and institutions that promote human dignity and respect; and (3) increasing people’s freedom by enlarging the range of their choice variables, as by increasing varieties of consumer goods and services”* (Todaro,1994:670)

Development is about people, their needs and their circumstances. In its most simplistic form, development means change. Change in the macro environment of any public institution results in uncertainty because it involves people. For a very long time, development was viewed as modernisation and industrialisation. Today, development is seen from a more holistic point of view: development addresses the poverty of the people. Planning, as the management of change, is a basic management function where each manager or planner is involved with and can deal with various developmental issues.

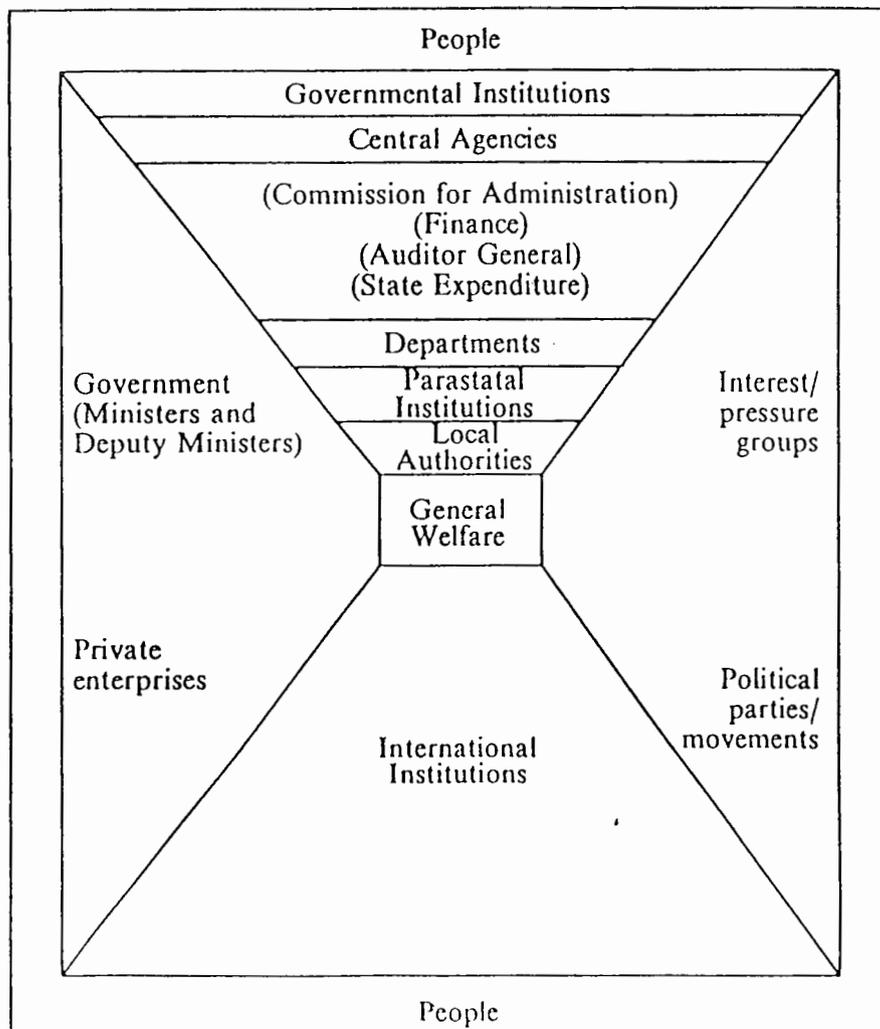
### **3.1.3 Management defined**

According to Bowman & Jarrett (1996:2) management is about making the most of resources, maximising staff potential, equipment, time, money and space. Taking in consideration the planning theory presented in Chapter 2, it is quite evident that planning is linked to management and that planning can be seen as part of the management process.

According to Van der Merwe (1992:113) there is no simple or readily available formula or technique for measuring good management or performance in the public sector. Numerous factors have to be taken into account, including the environment in which government institutions operate, as set out in Figure 4.

What is needed from the above definitions is a process that brings it all together and it is here that the performance management approach can make a contribution. *“Performance management is an approach to management which harnesses the endeavours of individual managers and workers to an organisation’s strategic goal”* (Curtis, 1999:263).

**FIGURE 4: ENVIRONMENT OF LOCAL GOVERNMENTS**



Source: Van der Merwe 1992:123

### 3.2 PERFORMANCE MANAGEMENT DEFINED

In moving towards a definition of performance management, it is important to recognise that performance management may be viewed narrowly as a set of tools and techniques which can be used by managers and politicians to manage performance within their own organisation. But it can also be viewed more widely as a pattern of thinking that result from a wide-ranging set of changing political, economic, social and ethical pressures that have impacted on local authorities in ways that are far more extensive than simply the deployment of specific techniques.

*“In this broader context, performance management is not just a process for ensuring those public service organisations and their employees are well placed to produce the performance which society requires of them. But it is also part of the process by which performance itself is defined, by which criteria of performance are established and by which societal, political and managerial judgements are made of those who are performing. Performance management does not only create the performance required of local authorities – it also ensures that local authorities are well enough managed to produce the required performance”* (Rogers, 1999:2).

Rogers (1999:3) states further that performance management can be summarised in its crudest manifestation, as an approach, which is based on just four basic principles:

- Management by **objective**.
- Management by **accountability**.
- Management by **number**.
- Management by **reward and punishment**.

*“Accountability is very important in the South African context of local government performance because accountability is the essence of South Africa’s democratic form of government. Accountability involves an obligation to explain or justify actions. The objective of accountability is not to assign blame but to discover why something went wrong, how it can be rectified and how its recurrence can be prevented”* (RSA, 2000:24).

Performance management is first and foremost a function that serves accountability. It can be one of the most cost-effective means of promoting transparency and openness in the way governing bodies operate and improves their performance. Public reporting on government effectiveness and efficiency is fundamental to good governance.

In attempting to define performance management in a way that has contemporary significance for local authorities, it is important to locate it within the contextual circumstances of local government. *“Governmental institutions face a complicated web of relationships; they have a large number of different client groups; there are many influences to take into account in decision-making; they are subject to all sorts of policies, procedures, rules and regulations in the areas of financial management and personnel management and administration; the bottom line of profit does not exist; financial performance and the impact of service on the general welfare of the people in difficult to assess; policy objectives are generally vague and shift with changes in the political environment”* (Van der Merwe,1992:113). Refer back to Figure 4.

It is obvious from the foregoing that any general assessment or review of the performance of an individual government department is an extremely complex matter which requires careful and balanced quantitative and qualitative judgements, based on detailed information about the resources at its disposal in relation to all the services delivered by the department concerned, as well as all its activities in the policy and legislative fields.

As a consequence of these conditions, it is necessary to attach a number of qualifications to any definition of performance management. At the same time recognising that, if performance management is to be a useful tool for local governance and services and services delivery, such a definition must be more wide-ranging than those provided above.

*“An alternative way of considering performance management is to think of the fundamental organisational conditions that need to be achieved if a local authority is to successfully manage all the key aspects of its performance. Figure 5 expresses*

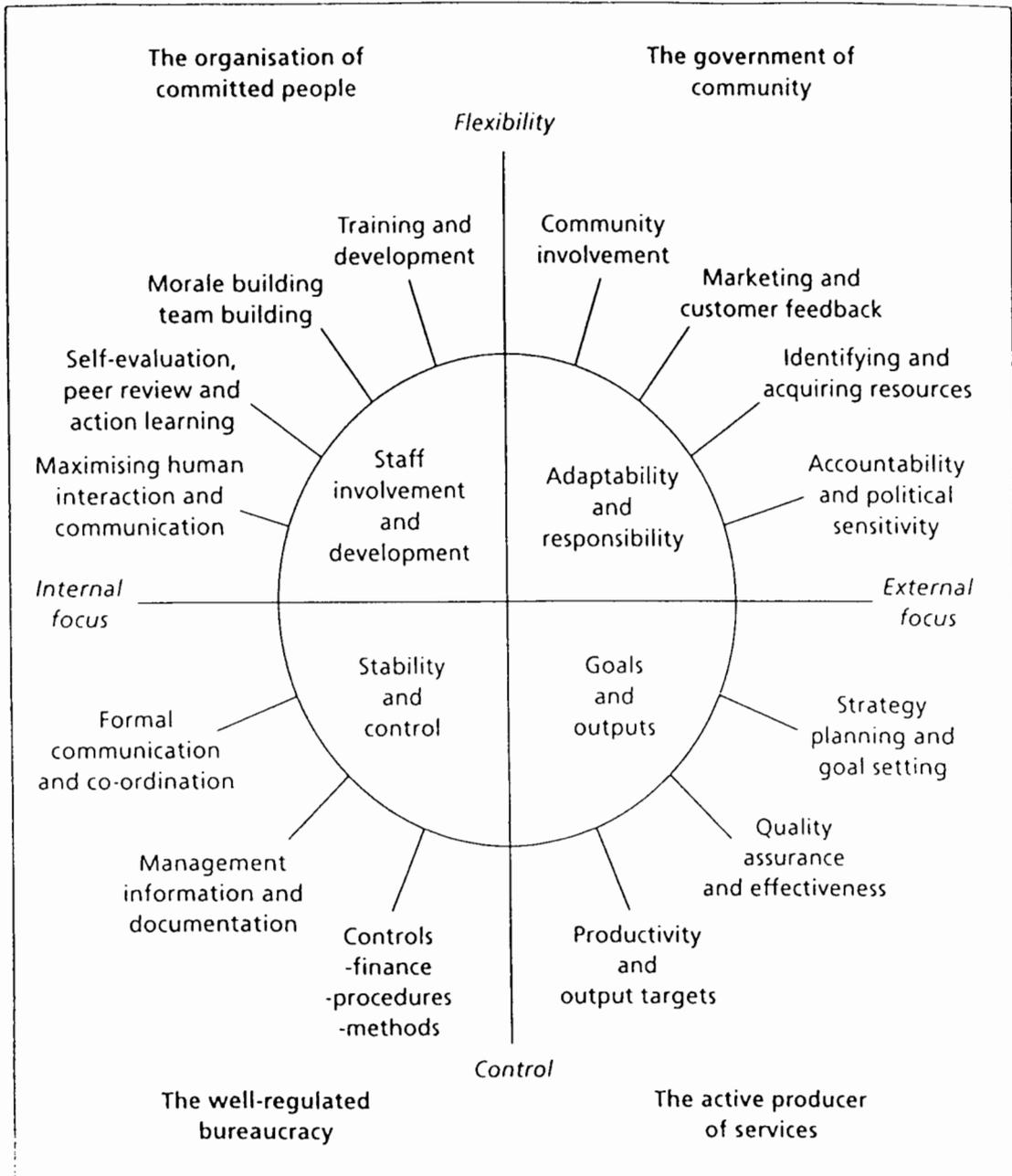
*one way of viewing\*these conditions in a simplified way. The model uses two axes: one focuses on what is happening either inside or outside the organisation, the other represents the need for both control and flexibility. The four quadrants produced represent the four main conditions for managing performance in local government” (Rogers, 1999:11).*

- **The need for stability and control** – the well-regulated bureaucracy represents the need to have a well-ordered organisation. This is achieved by developing control systems for regulating the way in which resources are used and accounted for and procedures and methods of working are developed and sustained in the organisation.
- **Goals and outputs** – the active producer of services represents that part of organisational management that requires a focus on planning and monitoring what the organisation achieves for its community in terms of specified goals, outputs and service standards. This involves activities such as strategic and operational planning, developing procedures for assuring the quality and effectiveness of the outputs delivered as well as ensuring that the resources of the organisation are used productively and effectively. The focus is on what is happening externally – that is, the services that are delivery to the community – and also on control, in the sense of ensuring that the planned services are actually delivered.
- **Staff development and involvement** – sustaining a focus on goals and outputs cannot be achieved without actively involving the staff of the organisation. The staff needs to be committed to the current goals and outputs and they need to be able to respond to the changing goals of the organisation over time. In other words, the staff must be able to continuously adapt and improve performance. This quadrant labelled as the organisation of committed people focuses on change and flexibility of staff within the organisation. The management activities involve training and development activities.

- **Adaptability and responsiveness** – the government of community represents the requirement for all local authorities to have the capacity to work with their communities. They also have to be able to adapt and respond to the demands of their external environment. The managerial implications are that local governments should be more flexible and creative in the way they use and acquire resources (Adapted from Rogers, 1999:11-12).

This representation of performance management illustrates two important issues. First that the four conditions of management are in tension with each other. Management requires not just a focus on what is happening inside the authority, but also what is happening outside. Both the internal and external environments are equally important and there needs to be a balance between the two. The second issue is that a model of performance management should have an appropriate focus on all four quadrants. A balanced focus on all four aspects of management is not easy and requires constant review and adjustments.

**FIGURE 5: MODEL FOR PERFORMANCE MANAGEMENT IN LOCAL GOVERNMENT**



Source: Rogers, 1999:12

### **3.3 THE BALANCED SCORECARD APPROACH**

The balanced scorecard approach is presently the most popular approach to performance measurement. Contrary to more traditional approaches to performance measurement, the balanced scorecard provides an easier way to link an organisation vision and strategies to what the employees actually do.

The following section is adapted from the video compiled by Kaplan and Norton (2001). It provides a theoretical background on the balanced scorecard approach to performance measurement. It is important to understand this approach because the City of Cape Town uses it as their performance measurement system. In order to evaluate their performance measurement system, one must have a thorough understanding of the basics of the balanced scorecard. Although this method was designed for private companies, it can be adapted for a public authority's use.

The traditional way of performance management was to measure a company's financial output and it worked well in the industrial era. This way of performance measurement is out of step with the skills and competencies companies are trying to master today. Quite a few managers and academic researchers tried to remedy the inadequacies of this type of performance measurement and some went so far as to say that financial measures should not be looked at.

However, the balanced scorecard approach combines financial with other measures, as the following statement shows:

*"During a year-long research project with 12 companies at the leading edge of performance measurement, we devised a 'balanced scorecard' - a set of measures that gives top managers a fast but comprehensive view of the business. The balanced scorecard includes financial measures that tell the results of actions already taken. And it complements the financial measures with operational measures on customer satisfaction, internal processes, and the organisation's innovation and improvement activities – operational measures that are the drivers of future financial performance" (Kaplan and Norton: 2001).*

This balanced scorecard allows managers to look at the business from four important perspectives. It provides answers to four basic questions:

- **Customer perspective:** how do customers see us?
- **Internal perspective:** what must we excel at?
- **Innovation and learning perspective:** can we continue to improve and create values?
- **Financial perspective:** how do we look to shareholders?

It is thus clear that the balanced scorecard minimises the information overload by limiting the number of measures used. This forced managers to focus on the handful of measures that were most critical.

### **3.3.1 The customer perspective**

Many companies today have a corporate mission that focuses on the customer. How a company is performing from its customer's perspective has become, therefore, a priority for top management. The balanced scorecard demands that managers translate their general mission statement on customer service into specific measures that reflect the factors that really matter to customers.

Customers' concerns tend to fall into four categories: time, quality, performance and service, and cost. Lead time measures the time required for the company to meet its customers' needs. Quality measures the defect level of incoming products as perceived and measured by the customer. Quality could also measure on-time delivery, namely the accuracy of the company's delivery forecasts. The combination of performance and service measures how the company's products or services contribute to creating value for its customers.

To put the balanced scorecard to work, companies should articulate goals for time, quality, and performance and service and then translate these goals into specific measures.

### **3.3.2 The internal perspective**

Customer-based measures are important, but they must be translated into measures of what the company must do internally to meet its customers' expectations. Just note that when the balanced scorecard approach is applied in a local authority context, that a local authorities clients can also be seen as customers. Managers need to focus on those critical internal operations that enable them to satisfy customer needs. The second part of the balanced scorecard gives managers that internal perspective.

The internal measures for the balanced scorecard should stem from the business processes that have the greatest impact on customer satisfaction – factors that affect cycle time, quality, employee skills and productivity for example. To achieve goals on cycle time, quality, productivity and cost, managers must devise measures that are influenced by employees' actions. Since much of the action takes place at the department and workstation levels, managers need to decompose overall cycle time, quality, and product and cost measures to local levels.

### **3.3.3 The innovation and learning perspective**

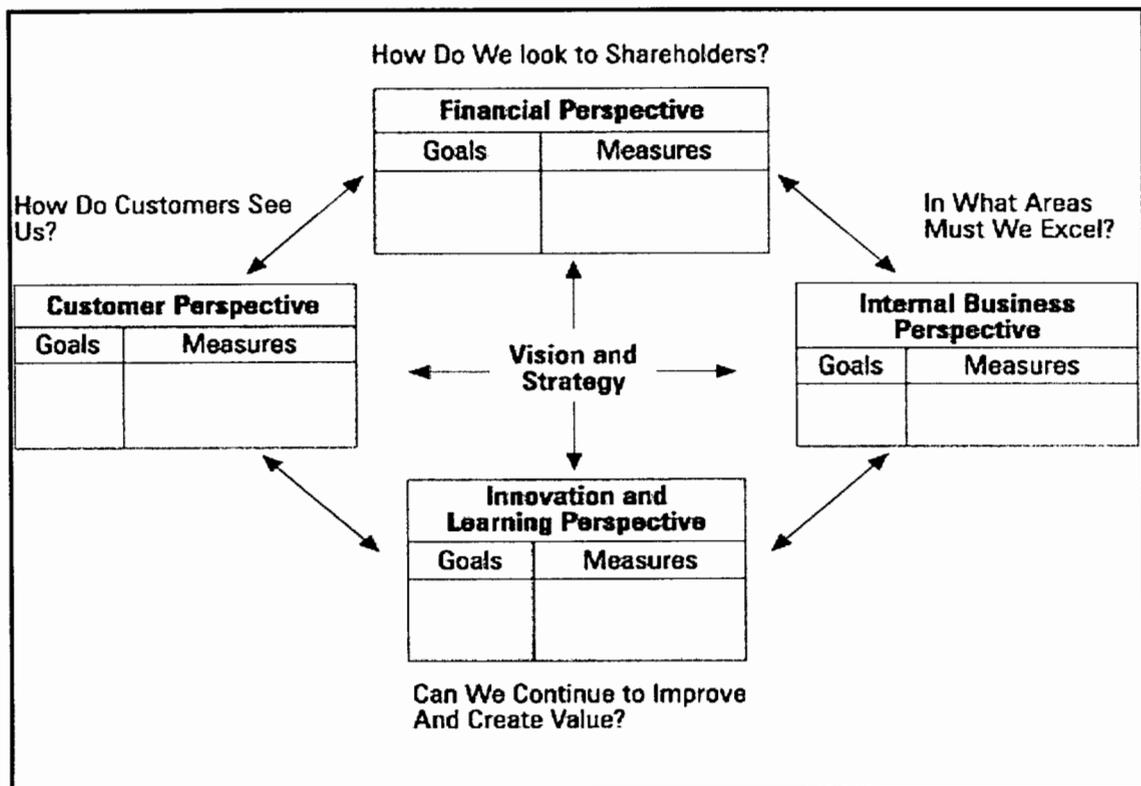
The customer-based and internal business process measures on the balanced scorecard identify the parameters that the company considers most important for competitive success. But the targets for success keep changing.

A company's ability to innovate, improve and learn ties directly to the company's value. That is, only through the ability to launch new products, create more value for customers and improve operating efficiencies continually can a company penetrate new markets and increase revenues and margins – in short, grow and thereby increase shareholder value.

### 3.3.4 The financial perspective

Financial performance measures indicate whether the company's strategy implementation and execution are contributing to bottom-line improvement. Typical financial goals have to do with profitability, growth and shareholder value. Many critics argue that the terms of competition have changed and that traditional financial measures do not improve customer satisfaction, quality, cycle time, and employee motivation. In their view, financial performance is the result of operational actions, and financial success should be the logical consequence of doing the fundamentals well.

**FIGURE 6: KAPLAN AND NORTON'S BALANCED SCORECARD APPROACH**



Source: Sim & Koh, 2001

Key result areas, also known as key performance indicators, are used to measure each perspective's goals. Such key result areas or key performance indicators indicates or shows the level of performance, progress or development in a specific area.

### 3.4 KEY PERFORMANCE INDICATORS (KPI'S)

As said before, it is important for local government to continuously measure itself as to how it is progressing with regards to the achievement of critical success requirements. This can only be done if clear and effective performance indicators are set. *“Indicators are measurements that tell us whether progress is being made in achieving our goals. They essentially describe the performance dimension that is considered key in measuring performance. The ethos of performance management as implemented in local governments internationally and as captured in local legislation, relies centrally on the use of key performance indicators”* (Department of Provincial and Local Government, 2001:14).

For the purpose of this study a far more sophisticated definition of indicators are required. According to the International Institute for Sustainable Development (2000) *“an indicator quantifies and simplifies phenomena and helps us understand complex realities. They are bits of information that summarise the characteristics of systems or highlights what is happening in a system. Indicators are aggregates of raw and processed data but they can be further aggregated to form complex indices”* (International Institute for Sustainable Development, 2000).

According to the same Institute, when a collection of indicators is combined mathematically, the resulting number is called an index. An index itself can be used as an indicator, one that greatly simplifies the complex information contained in all of the index's constituent parts. A common example includes the Consumer Price Index (which combines the prices a sample of goods and services commonly bought to compare the average price of goods from year to another) or the Human Development Index (which combines life expectancy, adult literacy and standard of living).

*“Indices are highly aggregated measures that combine indicators most important to describe the performance of an institution, region or economic sector. Indices simplify complex systems to often just one number. This can be useful for decision-makers, but if important pieces of information are missing or improperly represented*

*in an index, that can give a false signal to decision-makers”* (International Institute for Sustainable Development,2000).

It is also important to set specific criteria for the selection of indicators. The following criteria have been selected by the Cape Metropolitan Council (2001) based on extensive knowledge of the indicator literature and practical experience with performance management.

- **Policy relevance**

Can the indicator be associated with one or several issues around which key policies are formulated? Unless the indicator can be linked by readers, to critical decisions and policies, it is unlikely to motivate action.

- **Simplicity**

Can the information be presented in an easily understandable, appealing way to the target audience? Even complex issues and calculations should eventually yield clearly presentable information that the public understands.

- **Validity**

Is the indicator a true reflection of the facts? Was the data collected using scientifically defensible measurement techniques? Is the indicator verifiable and reproducible? Methodological rigor is needed to make the data credible for both experts and lay people.

- **Time-series data**

Is time-series data available, reflecting the trend of the indicator over time? If based on only one or two data points, it is not possible to visualise the direction the community may be going in the near future.

- **Availability of affordable data**

Is good quality data available at a reasonable cost or is it feasible to initiate a monitoring process that will make it available in the future? Information tends to cost money or at least time and effort from many volunteers.

- **Ability to aggregate information**

Is the indicator about a very narrow or broader policy issue? For practical reasons, indicators that aggregate information on broader issues should be preferred. For example, forest canopy temperature is a useful indicator of forest health and is preferable to measuring many other potential indicators to come to the same conclusion.

- **Sensitivity**

Can the indicator detect a small change in the system? We need to determine beforehand if small or large changes are relevant for monitoring.

- **Reliability**

Will you arrive at the same result if you make two or more measurements of the same indicator? Would two different researchers arrive at the same conclusions?

According to the “Introduction to Performance Management for Local Governments in South Africa” and “Performance Management: A guide for Municipalities”, which was compiled by the Department of Provincial and Local Government (2001:17) Key Performance Indicators must be consistent with the following principles:

- **Measurability**

Can data be generated speedily and easily at reasonable cost?

- **Simplicity**

Measure one dimension of performance at one given time? Avoid combining too much in one indicator.

- **Precision**

Measure only those dimensions that the municipality intends to measure.

- **Relevance**

Measure only those dimensions that enable the municipality to measure progress in terms of its objectives.

- **Adequacy**

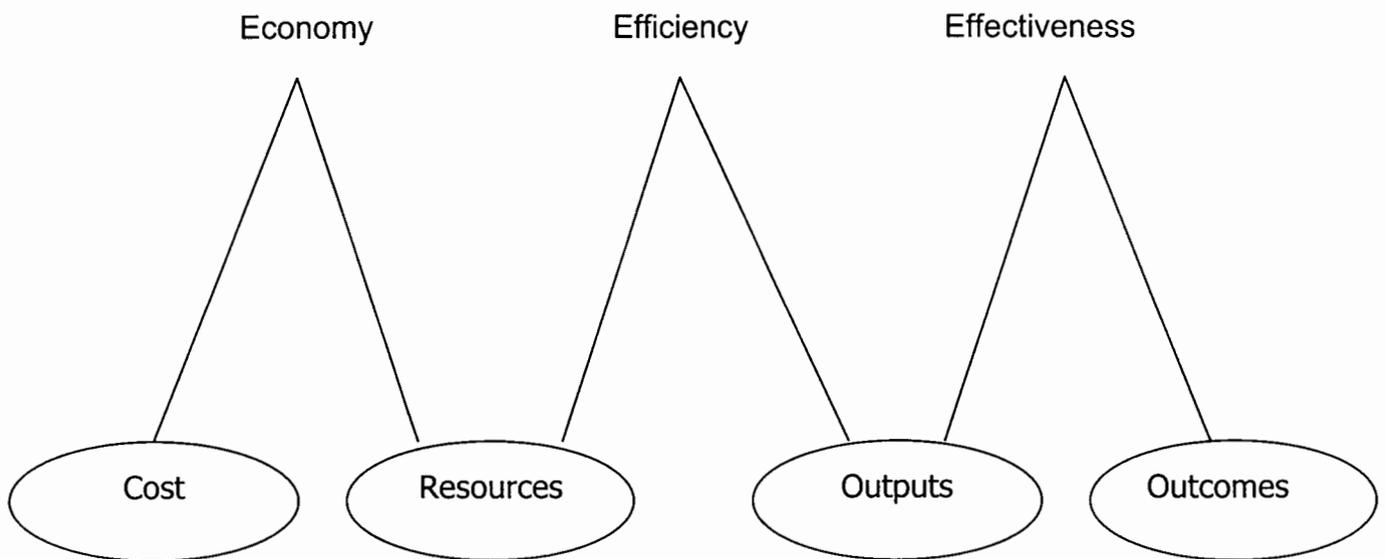
Measure quality, quantity, efficiency, effectiveness and impact.

- **Objectivity**

State clearly what is to be measured, without ambiguity.

The performance indicators need to cover all key aspects of performance, including inputs (efficiency), outputs (effectiveness) and outcomes (quality and impact). The 3E's model (Figure 7) is a tool that could be used to measure different aspects of the work of an organisation. These include the cost involved to produce outputs, the outputs achieved in relation to the resources and the final outcome of a service in relation to its objectives (Department of Provincial and Local Governments, 2001:15)

**FIGURE 7: 3E'S MODEL FOR KPI'S**



**Source: Department of Provincial and Local Governments, 2001:15**

### 3.5 PLANNING INDICATORS

Within the context of this assignment, it is important to look at the various development and spatial indicators that is currently being used. The Population Crisis committee (1990) collected data on 10 indicators for the 100 largest metropolitan areas in the world. Each of the indicators accounts for 10 points on the study's 100-point scale of "urban liveability" – the higher the score the higher the liveability standard (LS). These 10 indicators are the following (Gelderblom & Kok, 1994:141-143):

- **Public safety:** number of murders per 100 000 residents. Cape Town has the highest murder rate.
- **Food costs:** percentage of income spent on food. Washington is the city with the lowest food cost proportion (9%).
- **Living space:** conditions in terms of living space like the level of overcrowding. Nigeria has the worst conditions with 5,8 persons per room but South Africa does not leave a better picture with 5 persons per room.
- **Housing standards:** percentage of homes with water and electricity. The worst housing standards are found in the Witwatersrand, South Africa with 28%.
- **Communications:** number of telephones per 100 persons. The worst situation is found in Zaire with zero telephones per 100 residents.
- **Education:** percentage of children aged 14-17 years in secondary school. Again the Witwatersrand is in the worst position with an attendance rate of only 25%.
- **Public health:** infant deaths per 1 000 live births. The worst public health conditions are found in India with an Infant Mortality Rate of 157.
- **Peace and quiet:** a 10-point scale of the level of ambient noise, which ranges from a score of 1 (a threat to human health) to a score of 10 (entirely without noise). Pakistan has the highest index of ambient noise (9).
- **Traffic flow:** average speed in rush hour traffic.
- **Clean air:** based on five alternative measures of pollution of the atmosphere.

Cape Town's "liveability score" was 58 in 1990, which meant that the conditions in the city were labelled as "fair". Although Cape Town living conditions were not rated as being poor, it certainly cannot be considered good. Therefore it is important that any planning attempts that are being made must be measured to ensure that it has the desired impact.

Other well-known planning and development measures are Quality of Life (Moller, 1996:7), the Human Development Index and the City Development Index (Interview with Smith, 2002 & UN – HABITAT, 2002).

### **3.6 ADVANTAGES AND DISADVANTAGES OF PERFORMANCE MEASUREMENT**

The major purpose of performance measurement in the public sector revolves around the concept of enhanced accountability. Parker (1993:2) identified the following key advantages of performance measurement:

- **Measurement clarifies and focuses long term goals and strategic objectives.** Performance measurement involves comparing actual performance against expectations and setting up targets by which progress toward objectives can be measured.
- **Measurement provides performance information to stakeholders.** Performance measures are the most effective method for communicating to legislatures and citizens about the success of programs and services.
- **Performance measurement enhances decision-making.** The process of developing performance measures allows governments to determine agency mission, set goals for desired results and identify methods of measuring how well the results are achieved.

According to Ammons (1998:30) when properly developed, monitored and reported, performance measures can influence the effectiveness and efficiency of government operations:

- **They can contribute to improved management,**
- **Offer systematic evidence in defence of worthwhile public operations that find themselves under attack and**
- **Influence the public's perception of its local government.**

Performance measurement can also cause local governments to limit their systems by measuring only resource inputs and workload. These two measures are important but input is a poor measure of performance because the efficiency, effectiveness and quality of the service delivered are not measured. Thus, these measures have little managerial or policy value.

Sanderson (1998:8) argued that excessive reliance on performance measurement systems to secure accountability and organisational control has distorting and potentially dysfunctional consequences.

- **Dealing with complexity.** As attention is focused on standard of specific services for consumers and on aspects of performance, which are readily measurable, there is a danger that those, which are more difficult to measure, will be neglected. The measurement of the broader social welfare impacts of public services, for example something like quality of life is difficult. The desired outcomes are not susceptible to easy quantification and measurement, they are complex economic and social values.
- **The myth of measurement.** The degree to which measurement of outcomes presents difficulties varies according to the nature of the service context, the importance of outcomes on the collective level and whether they are intermediate or final outcomes. Thus, in certain circumstances the outcome of a service can be captured to a large degree by quantifiable measure of service quality and customer satisfaction.

One cannot really argue the fact that a performance management system has quite a number of advantages for organisations and in particular for public service institutions. The reason is that the implementation of a performance management system in the public service will force the public service to be more accountable.

Post 1997 public service legislation has begun to incorporate values like accountability towards stakeholders and responsibility for stated objectives. Furthermore, in 1998 and 2000 specific legislation initiating and guiding the application of an inclusive performance management system for local government was formulated. However, despite these formal guidelines, very few local governments have succeeded in the implementation of a performance management system or in realising the full benefits that can be obtained through performance management. The next chapter will analyse the legislation pertaining to performance management in South Africa in order to understand government's expectations of a performance management system.

## **CHAPTER FOUR: LEGISLATIVE AND POLICY FRAMEWORK OF PERFORMANCE MANAGEMENT IN SA**

There is an emerging global trend relating to performance and evaluation of government whereby Public Administrations world-wide will in future be required to monitor and evaluate their performance as a result of new systems of management, which requires continuous evaluations of actions and performance. Performance management is a well-known practice in the private sector in South Africa, but a relatively new phenomenon in local governments. But South Africa's public service, like those of many other countries, has come to recognise the advantages that can be derived from performance management.

This chapter will analyse the legislation pertaining to performance management in South Africa in order to understand government's expectations of performance management. The legislative requirements regarding performance management evolved as follows:

### **4.1. THE BATHO PELE WHITE PAPER OF 1997**

Within the South African context, government is attempting to create a performance management culture and ethos into the public service. The groundwork for performance management has been laid with the Constitution (Act 108 of 1996) that outlined basic principles, which should underpin the public service, and later the Batho Pele White Paper (1997), developed by the Department of Public Service and Administration.

The Batho Pele White Paper required national and provincial government departments to, among other functions, develop performance management systems that include the setting of service delivery indicators and measurement of performance. In doing so, the departments were guided by the following Batho Pele principles (Department of Provincial and Local Government, 2001:6):

- Consultation
- Service standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Redress
- Value for money

The performance management system for the new local government is based on above principles. Note the similarities between above principles and the criteria for indicators in paragraph 3.4 of Chapter 3.

#### **4.2. THE WHITE PAPER ON LOCAL GOVERNMENT OF 1998**

Within the constitutional framework, the White Paper on Local Government was developed as an extension of the Batho Pele vision of local government. The White Paper outlined the vision for a new developmental local government system. It spelled out the framework and programme in terms of how the inherited local government system will be transformed. The White Paper (1998:5) identified the following tools for realising a developmental local government:

- Integrated development planning and budgeting
- Performance management
- Working together with local citizens and partners.

According to the White Paper (Department of Provincial and Local Government, 2001:5-7), performance management is critical in ensuring that:

- Plans are implemented
- Resources are used efficiently and optimally, and
- The implementation has the desired effect.

#### **4.3. THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT AND THE MUNICIPAL SYSTEMS ACT OF 2000**

The Municipal Structures Act (117 of 1998) together with the Municipal Systems Act (32 of 2000) are pieces of legislation developed to take the vision of the White Paper on local government further. According to the Municipal Structures Act, section 19 stipulates that a municipality must annually review:

- The needs of the community.
- Its priorities to meet those needs.
- Its processes for involving the community.
- Its organisational and delivery mechanisms for meeting the needs of the community.
- Its overall performance.

The Municipal Systems Act (32 of 2000) provides the most comprehensive national framework for performance management in local authorities. The Municipal Systems Act (MSA) requires all municipalities to:

- Develop a performance management (PM) system.
- Set targets, monitor and review performance based on indicators linked to their IDP.
- Publish an annual report on performance for the councillors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
- Conduct an internal audit on performance before tabling the report.
- Involve the community in setting indicators and targets and reviewing municipal performance.

**TABLE 1: INTEGRATION OF CORE COMPONENTS OF MUNICIPAL SYSTEMS ACT AND THE PM REGULATIONS WITH THE CHARACTERISTICS OF PERFORMANCE MANAGEMENT SYSTEMS** Source: Smit, 2002: unpublished masters thesis

**1. Established Performance Management Framework**

*The municipality must establish a PMS in accordance with the IDP framework (MSA, section 38)*

*The system must be developed to provide early warning on under-performance (MSA, section 41 (2))*

**2. Performance planning**

*Appropriate performance indicators and targets must be set whereby performance can be planned and measured (MSA, section 41)*

*The system must demonstrate how it is to operate and be managed from the planning stage up to the stages of performance review and reporting (PMR, regulation 7)*

*The PMS must clarify the processes Of implementing the system within the framework of the IDP process (PMR, regulation 7)*

**3. Key performance indicators (KPIs) and performance targets**

*Specific, measurable targets must be set for each development priority and objective (MSA, section 41 (1b))*

*The KPI must measure the efficiency, effectiveness, quality and impact of the performance Of the municipality, administrative component, structure, body or person for whom a target has been set (PMR, regulation 12)*

**4. Shared and delegated responsibility for performance**

*The system must define the roles and responsibilities of all role-players, including the local community, in the functioning of the system (PMR, regulation 7)*

**5. Monitor and measurement of performance on individual, team and organisation level**

*The mechanisms, systems and processes for monitoring must provide for reporting to the municipal council at least twice a year (PMR, regulation 13)*

*Meganisms must be implemeted to enable monitoring of the PMS (MSA, section 40)*

*The PMS must determine the frequency Of reporting and the lines Of accountability for performance (PMR, regulation 7)*

**6. Performance review and report**

*The municipality must appoint a performance audit committee to review reports and the PMS (PMR, regulation 14)*

*Performance must be reviewed at least once a year (MSA, section 41 (1c))*

*Reports on performance must be made available to the council, administrative personnel and the community (MSA, section 41 (1e))*

**7. Performance improvement through organisational development**

*The PMS must be designed to provide for corrective measures where under-performance has been identified. (PMR, regulation 13)*

*Implement necessary steps to improve performance (MSA section 41 (1a,b,d))*

*Foster a culture of PM under political and administrative municipal personnel (MSA, section 38c)*

Chapter Six of the Act outlines the details of the PM system and identifies the core components. Section 38 and 39 describe the establishment of a PM system, while section 40 refers to the establishment of mechanisms for monitoring and adapting the system (Burger & Ducharme, 2000:2).

As Table 1 illustrates, the requirements and prescriptions of the Municipal Systems Act correspond undoubtedly with the elements of a well-integrated PMS. However, despite the excellent guide given to the managers of local authorities, this sphere has delivered few PM success stories. Since the fault lies not with the instructions given, a study of the organisational and environmental conditions that may influence the successful implementation of PMS need to be undertaken (Smit, 2002).

#### **4.4. MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (2001)**

It is also useful for the purposes of this assignment to quickly summarise some aspects of the Municipal Planning and Performance Management Regulations (2001) that highlights the involvement of the local community in the establishment, implementation and controlling of the performance management system.

Sections 3-5 of the Municipal Planning and Performance Management Regulations of 2001, in terms of the Municipal Systems Act (32 of 2000), refers to the adoption of a performance management system which involves the setting of key performance indicators.

In section 5 of the Local Government: Municipal Planning and Performance Management Regulations 2001 the following key performance indicators are prescribed:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal
- The percentage of households earning less than R1100 per month with access to free basic services

- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in term of the municipality's IDP
- The number of jobs created through municipality's local economic development initiatives including capital projects
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan.

#### **4.5. INTEGRATED DEVELOPMENT PLANNING (IDP)**

*“Integrated Development Planning (IDP) is seen as the primary tool which local councils could use to achieve their developmental objectives. IDP is a process meant to help local role players to plan better and effectively implement plans in the municipal area”* (Department of Provincial and Local Government, 2001:7).

The IDP process can assist municipalities to (Department of Provincial and Local Government, 2001:7):

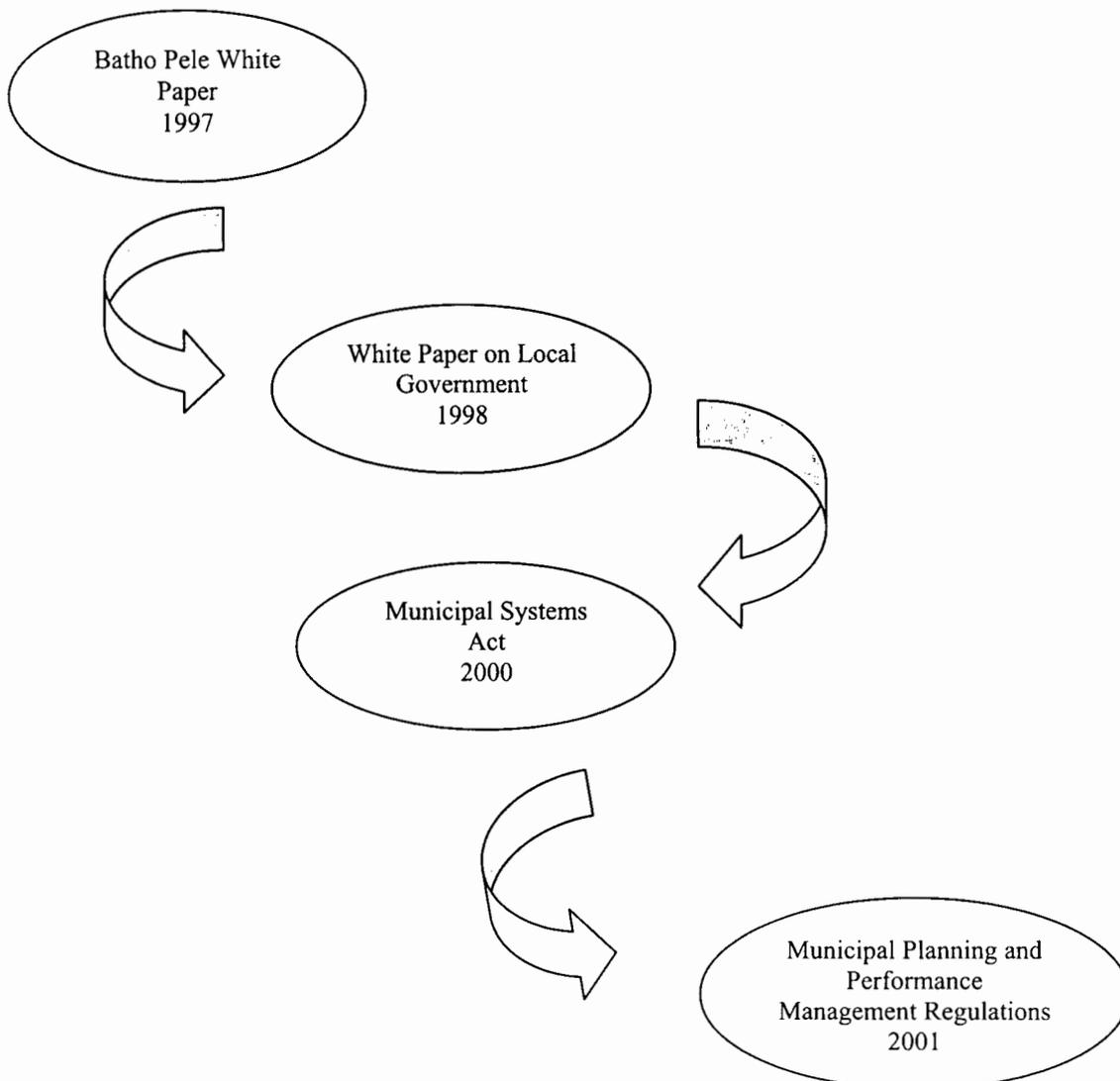
1. Identify their needs and developmental priorities
2. Set developmental objectives
3. Set local key performance indicators and targets consistent with their budget.

On the other hand, performance management is aimed at ensuring that municipalities monitor their integrated development plans and thereby continuously improve their operations, performance and accountability. This means that performance on IDP's is constantly assessed to ensure effective and efficient service delivery to local citizens, and that there is effective participation of citizens in government processes.

#### 4.6 CONCLUSION

The analysis of the performance management legislation accentuates the requirements that local government must meet in terms of performance management systems. The implication of this legislation for spatial planning is that the outcome and impact of spatial plans and land use planning policy will require evaluation and monitoring. This implies a thorough understanding of urban trends and conditions and highlights the need to collect meaningful information on urban trends and conditions. This knowledge is then applied in formulating, reviewing and amending urban planning policies and programmes.

**FIGURE 8: FLOWCHART SHOWING THE EVOLUTION OF PM LEGISLATION IN SOUTH AFRICA** Source: Compiled by Schierschmidt, 2002



## **CHAPTER FIVE: CASE STUDY: CAPE TOWN**

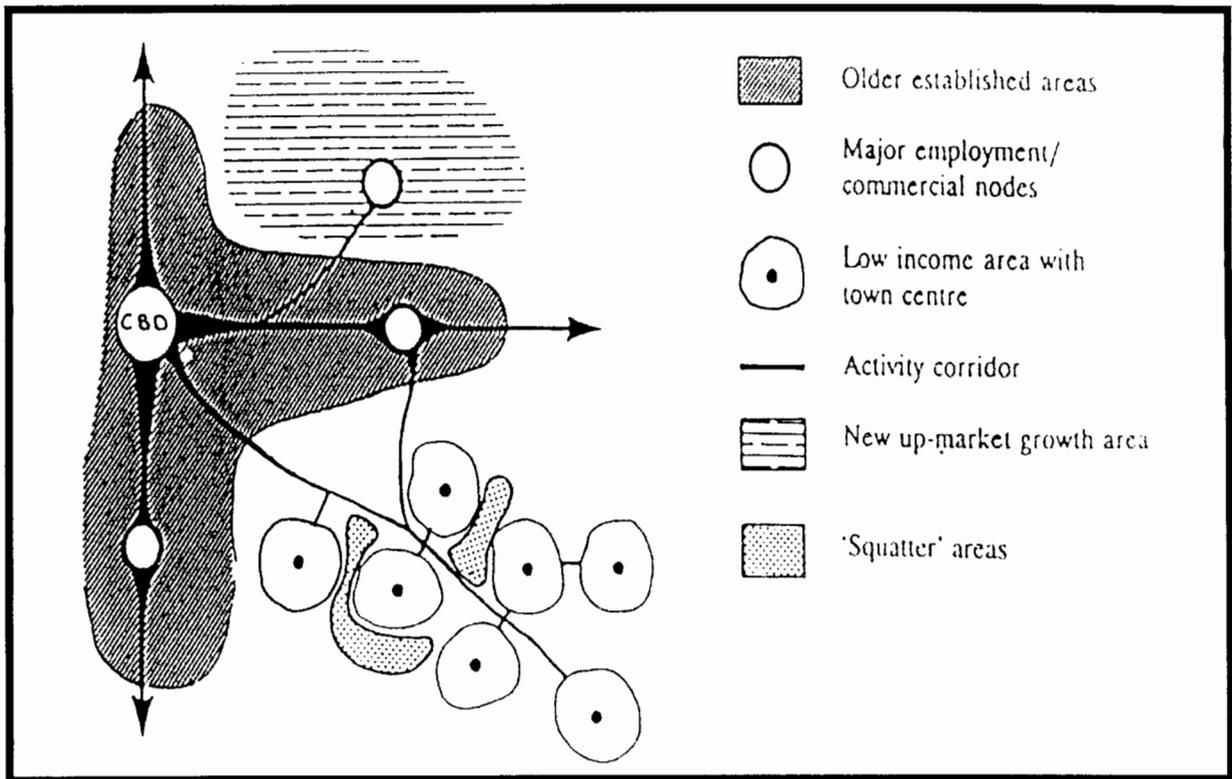
### **5.1 THE HISTORY AND PROBLEMS OF CAPE TOWN**

*“For over hundred and fifty years, attempts have been made to control the entry of people to Cape Town and by the mid-1980’s, the city had a more comprehensive set of influx controls than any other metropolitan area in the country” (Dewar & Watson, 1990:2). The origin of these controls came from two sources. I already referred to the first one namely apartheid which attempted to keep different races separate. According to Dewar & Watson (1990:2): “the second source is a planning-based belief that large cities have negative consequences and that their growth should be controlled.”*

A wide variety of measures which, directly or indirectly have been used to regulate the influx of african and coloured people to Cape Town, were introduced. During the Twentieth Century large volumes of legislation have been passed in an effort to ensure that africans cannot live in the city. In this way, the coloureds had an advantage above the african people through the coloured labour policy. This policy stipulated that all employers in the Western Cape had to employ coloured labour unless permitted to do otherwise.

Cape Town, along with other major cities in South Africa, displays characteristics of the Apartheid city, even to this day. But Cape Town has also its own, unique features. One explanation for Cape Town’s unique features is its outstanding geographical form. Table Mountain and the Atlantic Ocean on the one side of the city are the reason for Cape Town’s unique spatial form. According to one theory, conventional cities grow outwards in circles from one central point, but in the case of Cape Town, growth took place along the most important roads, as stated by the sector theory (Green: 1995,140). See Figure 9.

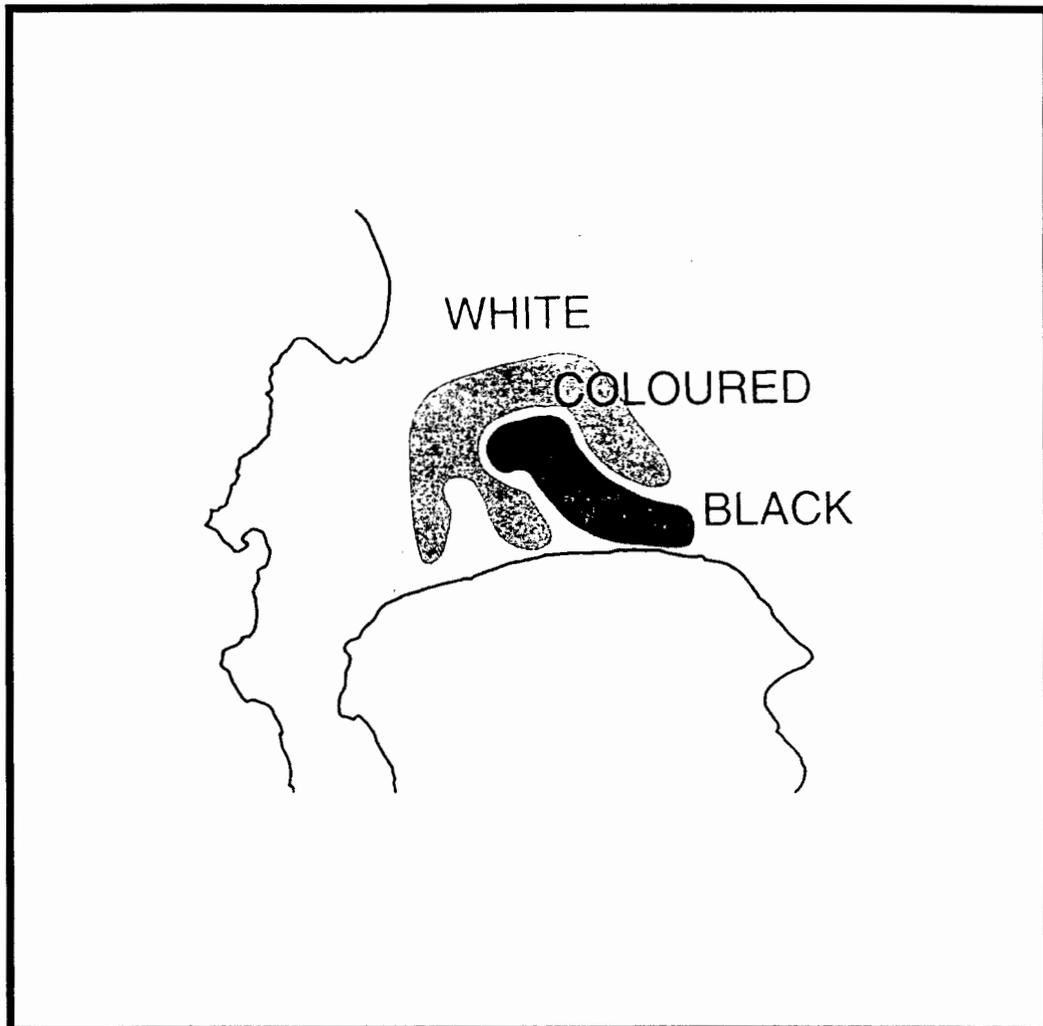
**FIGURE 9: AN EXAMPLE OF THE SPATIAL PATTERN IN CAPE TOWN**



**Source: Green: 1995,140**

The second reason for Cape Town's unique spatial form is its history with regard to the coloured people. A coloured neighbourhood, District Six, developed near the central business district. But with the application of apartheid policies, coloured people were forcefully removed from District Six and other areas such as Newlands, Rondebosch and Claremont and relocated to the Cape Flats which were far from shops and work. This contributed to the racial inequalities in the city where the white population lives near opportunities. Then you will find that the coloureds live on the outer fringe of the white neighbourhoods and the black population lives the furthest away. See Figure 10.

**FIGURE 10: SCHEMATIC ILLUSTRATIONS OF SPATIAL INEQUALITIES ALONG RACIAL LINES**



Source: CMC, 1996:18

This brings us at the unique nature of problems in the CMR. In order to propose a spatial development framework, one must understand the spatial problems which impede development in this region. The following section on the problems in the CMR was adapted from the MSDF (CMC, 1996:15-16):

1. High levels of unemployment and poverty exist in the CMR. It is estimated that 36% of the economically active population is unemployed.

2. The rapid and sustained population growth in the CMR can be seen as a major spatial development constraint. With a population growth rate of between 1,8% and 5%, the fastest growth occurs in the poorest sectors of the society.
3. The lack of adequate and affordable housing can be seen as a major problem in the CMR. The lack of housing is worsened by the rapid population growth and the new immigration trend from other provinces and other African countries. It is estimated that only 31% of the population is adequately housed.
4. Inadequate public transport is a big constraint because it creates a car-dependant population which on its own promotes sprawl. This has a variety of consequences like traffic congestion and pollution, to mention just a few.
5. The lack of basic services like water, electricity, sanitation, health care and education are also development constraints in the CMR.

Above stated problems are similar to those identified by Dewar & Watson in 1990. It is obvious from the foregoing that planners in Cape Town has a big challenge ahead namely to face and solve its spatial problems. After a quite lengthy process of about 10 years, the CMC finally put forward the MSDF Technical Report in 1996. The MSDF's sole purpose was to address the spatial development problems in the CMC.

## **5.2 THE SOLUTION: A METROPOLITAN SPATIAL DEVELOPMENT FRAMEWORK ?**

*“The MSDF is a policy document that was put forward to guide spatial planning and development in Cape Town in order to ensure that the city would function in a sustainable manner. The main purpose of the MSDF is to guide the form and location of physical development in the CMR on a metropolitan scale. The framework is based on a defined vision of a well-managed, integrated, metropolitan region in which development is intensified, integrated and sprawl-contained” (CMC, 1996:ix).*

The importance of the MSDF is that it provides (CMC, 1996:ix):

- Direction for physical growth at metropolitan scale
- Spatial direction to the RDP projects
- A framework for co-ordinated action between public, private and community sectors; and
- The basis for the preparation of policies, programmes and development strategies at local and metropolitan levels.

The MSDF and related policies were drafted as a means of achieving these principles. The principles summarised in Table 2 need to be differentiated in terms of the level and scope of their application. Since the MSDF Technical Report was drafted in 1996, the Draft Statutory Plan was adopted in 1998, the Statutory MSDF in 1999, the MSDF Handbook in 2000, the Draft Cape Town Muni-SDF of 2001 and the Draft Tygerberg Spatial Development Framework in 2001. The latter two plans were based on the main elements of the MSDF, but also proposed elements that contrasted with the MSDF plan, such as alternative positions for the urban nodes.

**TABLE 2: A SERIES OF PRINCIPLES, GOALS AND SPATIAL GUIDELINES WHICH WAS DEVELOPED TO FORM THE BASIS FOR FUTURE PLANNING AND DEVELOPMENT:**

<b>Development Principles</b>	<b>Goals for planning and development</b>	<b>Spatial guidelines</b>	<b>Non-spatial Guidelines</b>
Equality of opportunity	Equity and access	Urban integration	Co-ordinating spatial planning
Social justice	Vitality and choice	Containing sprawl	Focusing public investment
Sustainable development	Sustainability	Management for sustainability	People-driven development
Openness and	Openness and	Residential	Planning linked to

accountability	accountability	intensification	budgeting
	Efficiency		
	Uniqueness		
	Adaptability		
	Safety		
	Social well-being		
	Prosperity		

Source: CMC, 1996:27

### 5.3 STRUCTURING ELEMENTS

The vision of the CMR is to create an integrated, compact, equitable and sustainable metropolitan region. For the CMR to achieve its vision, goals and underlying principles, the framework must address the spatial inequalities that exist across the metropolitan region. Concerning the Inner CMR, the aim was to integrate the physically separate and isolated areas, particularly the Cape Flats and the Metro South East with older established parts of the Inner CMR, to control sprawl and protect the historical, natural and agricultural assets of the CMR.

In order to do this, parts of the framework have been described as structuring elements. These are no more important than other parts of the framework. However, the critical distinction of the structuring elements is that, in order to function, a logical spatial pattern on the ground in relation to one another must be formed. This will form the spatial context within which other aspects of the framework can fit.

Four basic metropolitan structuring elements have been identified (CMC, 1996:34) and are as follows:

1. Urban nodes
2. Activity corridors
3. Metropolitan open space system (MOSS)
4. Urban edge.

According to the MSDF (CMC, 1996:34), it is necessary that performance is monitored in all stages of the planning and development process of these structuring elements and that those adjustments are made.

### **URBAN NODES**

With the existing patterns of development, unequal distribution of urban facilities, separation of people by race and income in mind, and the goals set out in Table 2, opportunities for economic growth must be created. To address above-mentioned problems, it is required that public investment must be focused in specifically area's that are seen as urban nodes.

Urban nodes focus public investment for a number of the following reasons (Adapted from the CMC, 1996:34-35):

- The activities mutually reinforce one another and there are generally high concentrations of people, which help to increase the potential of the node.
- Nodes are highly accessible areas with modal interchanges. These modal interchanges (places where different forms of transportation intercept) provide good locations for commercial activities such as shops, offices and informal sector activity as well as community facilities and a wide range of services.
- Nodes can change investment patterns through the agglomeration of opportunities that are offered. This would encourage business, both large and small, to locate in this destination to capture the passing trade. In this sense the nodes should serve as catalyst for development.

Urban nodes can give social, economic and physical character to a residential area or suburb that distinguishes it from other areas. Urban areas around nodes should offer a full range of activities within a pleasant environment, rather than monotonous dormitory suburbs, industrial estates or office parks. Important nodes in the CMR that already exist include Cape Town CBD, Bellville and Claremont and the outlying town of Atlantis and Stellenbosch. A new metropolitan node was identified namely at Phillippi, but the Draft Muni-SDF and the Draft Tygerberg Spatial Development Framework proposals differed from that of the MSDF.

### **ACTIVITY CORRIDORS**

As said before, the CMR is characterised by a number of problematic spatial patterns and trends but at the same time with various opportunities in the form of vacant land, population and economic growth etc. With this in mind and also the goals, principles and guidelines set out in Table 2, it is clear that the promotion and development of activity corridors in specific locations can be seen as important to overcome these problems. The corridors are viewed as a critical part of the new planned regional structure within which intensification and integration can occur.

Activity corridors should perform the following functions (Adapted from the CMC, 1996:40-41):

- They link the major urban nodes within the CMR
- They support the development of mixed land uses
- They support the development of higher density rates and activities, which require higher thresholds and which tend to locate in the corridor
- Activity corridors have extensive public transport systems, which are able to function efficiently due to the large number of people, i.e. high effective demand. The large number of people also renders a higher order and larger variety of public transport services feasible

- The benefits of agglomeration lead to the situation whereby a variety of economic activities can occur due to the large number of people who pass through the area.

One criticism on the proposed activity corridors was that there were too many corridors identified, and all of them were not economically viable.

### **METROPOLITAN OPEN SPACE SYSTEM (MOSS)**

*“Open space is principally the unbuilt component inside the urban edge, that serves a variety of purposes and functions. A metropolitan open space system (MOSS) is an inter-connected and managed network of open space, which supports interactions between social, economic and ecological activities, sustaining and enhancing both ecological processes and human settlements.”* (CMC, 2001:2-3) MOSS comprises public and private:

- a) Human-made or delineated spaces
- b) Undeveloped spaces
- c) Disturbed natural spaces and
- d) Undisturbed or pristine natural spaces.

The MSDF (CMC, 2001:2-4) define the purposes of MOSS as the following:

- MOSS is intended to promote general amenity and recreation (both active and passive) for the enjoyment of the local population and for tourists. It is important to note that not all areas of MOSS are suitable for public access. However these areas are included in MOSS as part of the passive recreation system.
- MOSS should provide the urban environment with variety, character and visual relief to improve living environments, especially for previously disadvantaged communities within the CMR, who do not have the personal opportunities for access to green space. It is thus recognised that green space has both a psychological and social importance.

- MOSS is important ecologically in preserving existing habitats for different plant and animal species as well as protecting the bio-diversity of towns and cities. This especially through the idea that MOSS should incorporate green space that has continuous links.
- MOSS promotes nature consciousness through direct experience and environmental education.
- Green space has economic and productive importance for both the tourism and agricultural sectors. Areas of high conservation have a greater attraction for tourism activities. However, different natural areas can offer different tourism experiences and it is therefore important to preserve a range of open space. Production in a city to meet its populations is of vital importance and this can be reinforced by the need for the poorer sectors of the population to produce their own food. This is especially true for those people coming into the city in search of work from the rural areas, who have no work experience other than that of agriculture.
- Green space is seen as an important cultural dimension where people from different cultures are able to perform a variety of activities and ceremonies. For example the initiation ceremony and the gathering of traditional herbs.

## **AN URBAN EDGE**

An urban edge is an integral part of the principle of containing sprawl, intensifying development and integrating urban areas. Urban edge can be seen as a growth management policy instrument.

Within the MSDF (CMC, 1996:59) it was agreed to identify urban edges in the CMR with the intention to establish limits beyond which urban development would not be permitted. But development cannot be halted until the edges have been finalised. A set of criteria has been identified to assist with the evaluation of development applications:

- Existing structure plans should not be used as the only guides to edge demarcation. Other criteria as listed below need to be taken in consideration.
- Where urban development rights were assigned before the MSDF was statutorily approved, such land can be included within the final edge.
- Urban development should be allowed in areas abutting on or adjacent to the existing extent of urban development where utility services are already in place.
- Safety zones should inform the location of the edge and urban development.
- Areas such as floodplains, wetland, aquifers, high water table area, large dams, coastal zones, vleis and river corridors should be excluded from urban development.
- All currently cultivated land and agriculturally zoned land should be protected from urban development.

It is clear from this chapter that Cape Town has a unique spatial form due to the history of the city. The MSDF, a planning and development document was drafted to ensure that future development, in particular spatial development, will try to be more equal and to the benefit of all the citizens of Cape Town. The next chapter will be devoted to the specific measures that Cape Town City Council introduced in order to ensure accountability in future developments.

## **CHAPTER SIX: CASE STUDY: STRATEGIES IN PLACE**

### **6.1 DESIGNING A PERFORMANCE MEASUREMENT FRAMEWORK FOR CAPE TOWN**

After taking the above performance management literature and legal requirements in account, a performance measurement framework was developed for the City of Cape Town. Kaplan and Norton's Balanced Scorecard was adapted as the framework for Cape Town (Department of Provincial and Local Government, 2001:22).

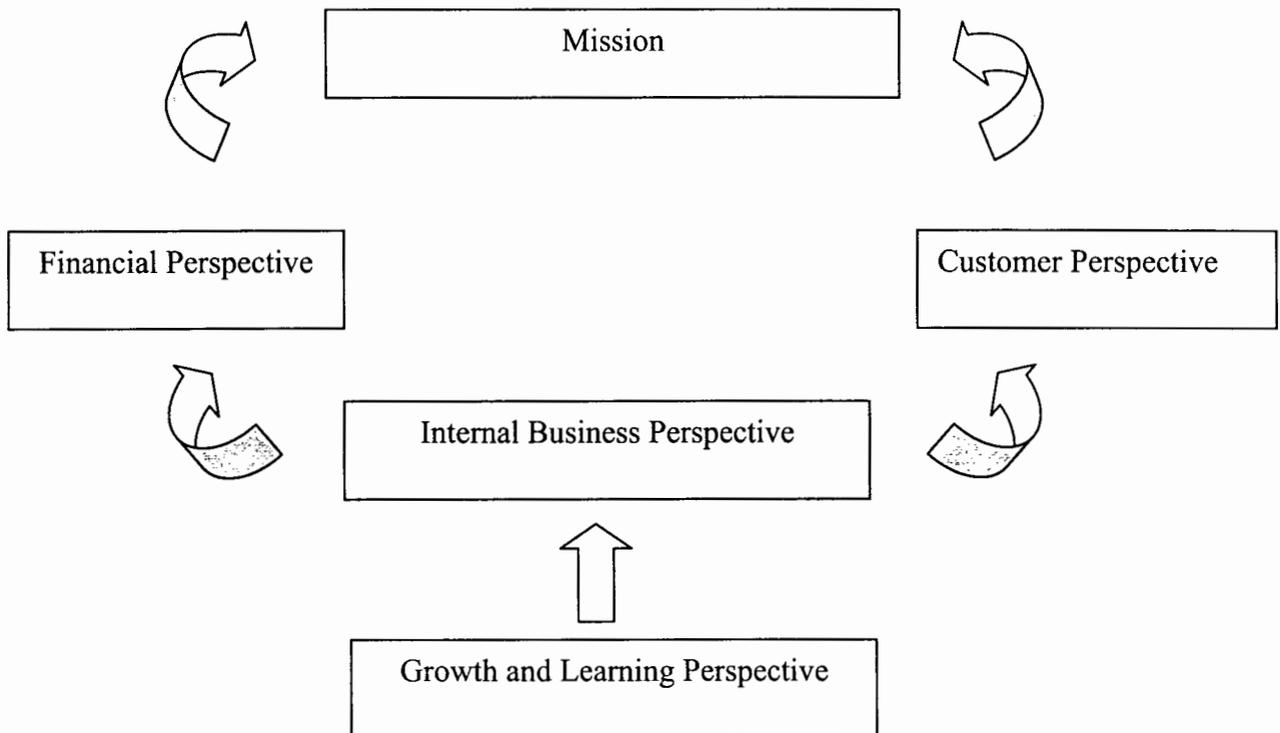
The original Kaplan and Norton model (Department of Provincial and Local Government, 2001:22) focuses on:

- whether the strategy and policy are correct
- whether resources are spent appropriately
- whether internal processes yield results and
- the impact on society.

A strategic scorecard like the balanced scorecard approach translates the organisation's strategy into a set of perspectives and indicators that enable measurement of the strategy. A scorecard offers a simple way of measuring strategy. It has 3 components (Informal interview with Pienaar, 2002):

- perspectives
- performance signals
- measures.

**FIGURE 11: KAPLAN AND NORTON'S REVISED BALANCED SCORECARD FOR THE PUBLIC SECTOR**

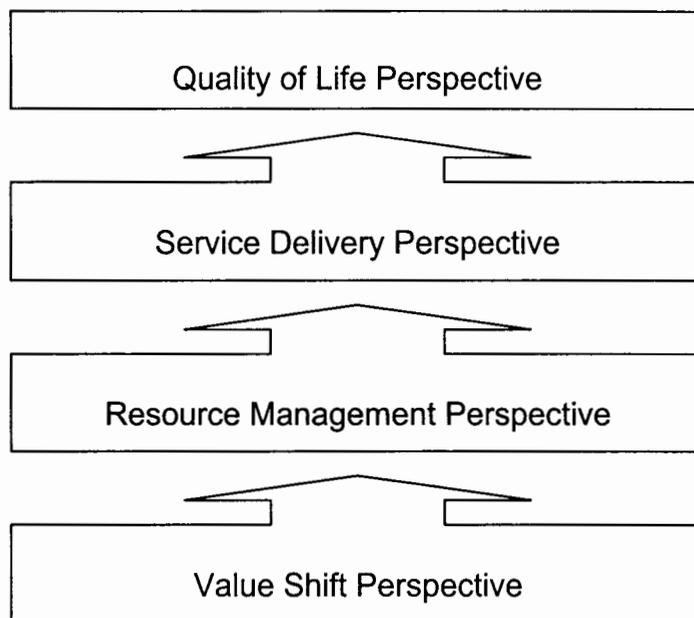


**Source: Department of Provincial and Local Government, 2001:22**

It is said that running an organisation without a scorecard is like driving a car without a dashboard. A scorecard offers a number of benefits (Informal interview with Smith, 2002):

- it provides executive consensus on what the strategy is
- it gives executives a tool with which to measure those who report to them
- because it is simple it, is an ideal medium for communicating strategy
- it provides a tool to plan, measure, monitor and review:
  - change
  - transformation
  - implementation of IDP

**FIGURE 12: CITY OF CAPE TOWN'S PERFORMANCE MEASUREMENT MODEL**



**Source: Department of Provincial and Local Government, 2001:22**

Figure 12 indicates an adapted balanced scorecard model for the City of Cape Town. The perspectives in Figure 12 represent the different aspects of the City of Cape Town's overall vision and strategy (Performance Management Project of City of Cape Town, PowerPoint Presentation: 1999):

The vision of the City is "to work for all" – this puts the communities of Cape Town at the front of the strategy. The philosophy of developmental local government aims to enhance the quality of citizen's lives which can be achieved by putting people first. Furthermore, the priority needs of communities can only be satisfied through equitable service delivery. To ensure successful delivery the necessary resources must be available. Resources, delivery and development are all driven by the values of the organisation.

## **6.2 BACKGROUND TO THE PLANNING INDICATOR STUDY OF THE CAPE METROPLITAN COUNCIL**

Through interviews with Pauline van der Spuy and Sherine Rosenberg at the CMC (2002) I found that there were indicators designed to measure spatial planning in the CMR. The CMC decided to design indicators in order to measure the outcomes of spatial plans in the CMR. Current legislation requires performance measurement as part of any governments' system of management. In November 2000 a workshop was held which included representatives from the CMC line departments, where it was decided to monitor and evaluate Metropolitan Growth and Development. The Planning Indicator Study originated at this workshop.

The Planning Indicator Study of the Cape Metropolitan Council (CMC, 2001) involved the development and design of a Planning Information Indicator System for the CMR comprising a series of user-friendly indicators and indices to monitor and evaluate the outcome of spatial planning policy in the CMR in terms of:

- The extent to which spatial planning policy has contributed to improving the quality of life for CMR residents, as well as
- The extent to which land is being used and developed in a more efficient and prudent manner.

An IDP is in the process of being completed for the CMR. Once this new IDP has been finalised, the spatial goals and objectives must be incorporated into the existing indicators. The model developed will therefore allow for any additional indicators to be created if the need arises out of the new IDP.

Performance measurement in local governments is a global trend that emerges worldwide. Locally, performance management is required by law, as discussed in Chapter 4. The implication for spatial planning is that the outcome and impact of spatial plans and land use planning policy will require evaluation and monitoring. This implies a thorough understanding of urban trends and conditions and highlights the need to collect meaningful information on urban trends and conditions. This

knowledge is then applied in formulating, reviewing and amending urban planning policies and programs.

Indicators are one of the tools used to monitor urban trends, as well as to measure and communicate urban performances. They can assist in analysing policy trends and in thinking more systematically about impacts of policies. They are powerful tools for clarifying values and informing decisions with regards to development planning.

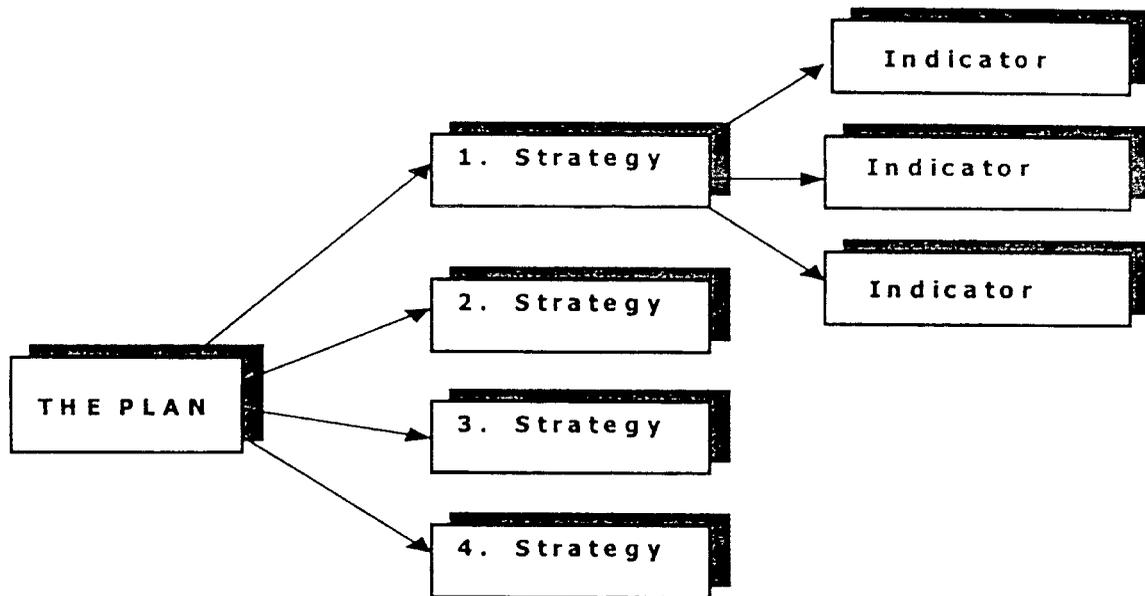
### **PURPOSE OF THE STUDY**

According to the Cape Metropolitan Council (2001:1-1), the essential purpose of this study is twofold:

- Firstly, the purpose is to develop an evaluation model comprising a set of strategic indicators to monitor and measure the extent to which the main spatial strategies for the CMR have an effect on land use and physical development. The structuring elements of the MSDF have been used as a starting point and these represent 'the plan'. 'The plan' is underpinned by various strategies. Specific conformance indicators would monitor each of these strategies.
- Secondly, the purpose of this study is to determine the performance of the CMR in terms of achieving its spatial goals. An evaluation model will also be developed, comprising a set of goals, objectives and strategic indicators to measure the plan's performance.

The relationship between the plan, the strategies and indicators is known as the cascade approach and is graphically illustrated in Figure 13.

**FIGURE 13: THE RELATIONSHIP BETWEEN A VISION, STRATEGIES AND INDICATORS**



Source: CMC, 2001:1-2

### **DIFFERENT PHASES**

This study was divided into two phases. Phase one aims to identify those indicators required to measure the extent to which actual urban development conforms to the strategies (which are the structuring elements) identified in Chapter 5. The changes in land uses that the strategies are trying to achieve, will then be identified. The indicators required to measure the extent to which these changes have been achieved was identified.

In order to evaluate the extent to which the land use change conforms to the 4 spatial strategies, it is important to clarify which changes in spatial structure should be monitored.

1. Densification
2. Greater mix of uses
3. Increase in commercial, industrial and retail activities

4. Public transport along corridors and in nodes
5. Extent of encroachment beyond the urban edge
6. The extent to which MOSS is being implemented.

Indicators for each of the land uses changes presented above are identified. Indicators are considered tools for evaluating and communicating the performance of particular phenomena against their objectives. As such, indicators “*assess conditions and trends in relation to goals and targets, respond to a set of objectives and policy-goals and indicate if objectives have been reached or are likely to be reached*” (CMC, 2001:1-2).

In this sense, the evaluation should be considered an integral part of urban management. It is therefore imperative that the most appropriate indicators or set of indicators must be identified. Moreover, it is important that all relevant role players buy into the process of using indicators as management toll. It is also essential that any indicator should be under constant review in order to ensure that it remains relevant and is able to measure change.

The indicators identified in Table 3 will measure the degree to which land use changes are actually occurring in the CMA. If these changes are occurring in the CMA, it can be deducted that the plan (MSDF) is having an impact on physical development. Once the specific indicators have been identified, the information is to be gathered and the findings can be mapped on a Geographical Information System (GIS).

**TABLE 3: CONFORMANCE INDICATORS**

Source: CMC, 2001:2-8 to 2-10

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS</u></b>
Densification	Erven holding multi-story buildings  Number of approved rezoning  Approving building plan  Number of approved sub divisions  Take up of vacant land  Persons per ha  Average land value per m <sup>2</sup>
Greater Mix of Uses	Land use mix  Number of rezonings to other uses
Increase commercial, industrial and retail activities.	Major developments  Number of commercial erven Number of industrial erven Number of residential erven Rezoning from other use to industrial.
Increased use of public transport	Number of passengers using taxis on major routes.  Number of passengers using trains on major routes.
Encroachment on the edge	New Townships establishment  Growth of informal housing townships in the

<p>The extent to which Metropolitan green areas are being protected.</p>	<p>buffer zone.</p> <p>Development that has occurred on the edge.</p> <p>Rezoning/ subdivision of land within the urban edge buffer zone that has been rezoned from agricultural use to urban uses.</p> <p>Areas of CMA that has formal conservation status</p> <p>Amount of land (in m<sup>2</sup>) that has ecological value</p> <p>Amount of land in m<sup>2</sup> in designated MOSS areas that have been rezoned to other uses.</p>
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Phase two, which entails the identification of performance indicators, aims to:

1. Identify which of the goals of the MSDF, SDF and Cape Town City vision are spatially measurable
2. Present a set of indicators to measure the performance of each spatially measurable goal.

Some of the goals are qualitative and cannot be accurately measured in quantitative terms. For the purposes of this study, only those particular goals that can be measured and plotted spatially and that relate directly to spatial planning will be taken into consideration. According to the CMC Planning Indicator Study (2001:3-2) only three of the performance goals are spatially measurable:

1. Equity of access

Access to opportunities and facilities for the whole of the CMA population needs to be created in such a manner that it is equitable, convenient and affordable.

This is in order to address the spatial imbalance created by past planning, as well as to create a more efficient urban environment.

## 2. Efficiency

The MSDF states that land uses and service provision should seek the most efficient use of financial, human, environmental and institutional and achieve the greatest public needs. However, it is felt that this definition actually refers to the capital layout and operational cost of a service or facility relative to its level of use.

## 3. Sustainable Management of Land Uses and infrastructure

This means the integration of social, economic and environmental factors in planning, implementation and decision-making so as to ensure that development serves the present and future generations on an ongoing basis without damaging the natural resource base. The term also refers to the useful economic life of all infrastructure and social facilities.

The evaluation of the performance goals will be based on monitoring the extent to which the objectives for each of the identified goals have been achieved. The performance indicators, as prepared by the study, are outlined in Table 4.

**TABLE 4: PERFORMANCE INDICATORS AS PROPOSED BY THE STUDY**

**Source: CMC, 2001:3-4 to 3-8**

<b><u>GOAL</u></b>	<b><u>OBJECTIVES</u></b>	<b><u>POSSIBLE INDICATORS</u></b>
Equity of Access	Increase access to social and institutional services, green recreational and open space facilities and commercial and business activities <sup>2</sup> .	% of people who live 800 m from educational facilities  % of people who live 800m from institutional and social facilities  % of people who live 800m

		<p>from institutional and social facilities.</p> <p>% of people who live 800m from sporting, recreational, natural and open space facilities.</p> <p>% of people who live 800m from areas of employment.</p>
	<p>Increase access to employment opportunities</p>	<p>Number of people who work within walking distance (800m) of their place of residence.</p> <p>Distribution of employment areas</p>
	<p>Increase in access to public transport</p>	<p>Number of people who live 10 minutes (800m) walking distance from a train station.</p> <p>Number of people who live 10 minutes (800m) walking distance from a bus station.</p> <p>Number of people who live 10 minutes (800m) walking distance from a taxi rank.</p> <p>Number of people who live 10 minutes (800m) walking distance from a major public transport corridor (i.e. Voortrekker Road).</p>
	<p>Increase access to public and private investment</p>	<p>Amount of public and private investment in different areas.</p>
	<p>Increase local investment</p>	<p>Level of occupancy of</p>

<p>Efficiency</p>	<p>opportunities.</p> <p>Promote efficiency of land use.</p> <p>Promote public transport and road use efficiency and improve mobility</p>	<p>buildings in the vicinity of large developments.</p> <p>The number/location of new investments.</p> <p>Amount of developable land parcels within the CMA boundary.</p> <p>To measure the increase in land prices.</p> <p>Modal split: proportion of work trips undertaken between public and private transportation.</p> <p>Number of passengers using buses on designated routes.</p> <p>Number of passengers using taxis on taxi routes.</p> <p>Number of train passengers</p> <p>Investment in public transport.</p> <p>Car ownership.</p> <p>Bus routes that are viable or under utilized (not feasible.).</p> <p>Train routes that are viable / under utilized (not feasible).</p> <p>Most utilized taxi routes (no. of trips on a particular route.)</p>
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Sustainable Management of Land Uses and Infrastructure	Reduction in trip lengths	<p>Average daily time in minutes for a work trip.</p> <p>Average km a person travels per day.</p>
	Reduce infrastructure costs	Length of infrastructure per capita. This needs to be linked to a time measurement so as to monitor performance increases or decreases.
	Appropriate maintenance of infrastructure and social facilities	The operational budget spent per item of infrastructure and social function.
	Protect ecologically green areas.	Amount of land (in m <sup>2</sup> ) that has ecological value, i.e. protected nature reserves, private nature reserves, protected green areas and public open space.
	Protect the amount of agricultural valuable land.	<p>Amount of agricultural land (define agricultural land) within the boundaries of the CMA.</p> <p>Rezoning of land both inside and outside the CMA that has been rezoned from agricultural use.</p>
	Efficient operation levels of infrastructure and social facilities	<p>Number of vehicles per route section i.e. Average Daily Traffic (ADT)</p> <p>The average number of passengers per train trip.</p>

<p>Promote the efficient use of inputs</p>	<p>Per capita consumption of water (litres/ person)</p> <p>Determine of people's lives have improved over the last 12 months</p> <p>Level of carbon dioxide in the air.</p>	<p>The average number of passengers per bus trip.</p>
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This chapter presented the reader with the specific case study of the Cape Metropolitan Council and the performance indicators that were designed to measure spatial planning in the Cape Metropole. The next chapter, namely the evaluation and conclusion, evaluated this case study with regards to the theory presented earlier on. Theory is after all the basis on which all practical examples can be evaluated.

## **CHAPTER SEVEN: EVALUATION AND CONCLUSION**

*“Evaluation of the outcome or impacts of spatial plans and other land use planning policies is relatively new to spatial planners. This is therefore an area of literature, which is currently not well developed. However in future public administrations worldwide will be required to evaluate their performance as a result of new systems of management, which requires continuous evaluation of actions and performance”* (CMC, 2001:6). In order to evaluate the performance of plans, it is important that the indicators set to measure the plans' performance, are coordinated with requirements set out in the theory.

It is important to note that there is a difference between evaluating the performance of a whole planning system and evaluating the performance of a plan. Different indicators will be used to evaluate these two different aspects. The evaluation of the planning system will include the measurement of aspects like: *if the requirements set out in legislation have been met or how are staff spending their time.* When evaluating the plan, measurement will include *if goals have been realised or is there movement in the direction of the goals.* One must remember that a plan has a long-term vision – usually about 20 years – and goals are set accordingly. Yearly measurement of outcomes can only at most measure direction of movement.

### **7.1 THE PERFORMANCE MANAGEMENT MODEL OF THE CITY OF CAPE TOWN**

Although the evaluation of this assignment mainly focuses on the Planning Indicator Study of the CMC, it is also important to evaluate the overall performance management model of the Cape Town City Council. It was clear in Chapter Two that planning has a very strong integrated nature that involves many factors, and not just spatial planning. In Chapter 3.3, the balanced scorecard approach to performance measurement was described. Then in paragraph 6.1, the revised balanced scorecard for the public sector as proposed by Kaplan and Norton, as well as a special performance management model for the Cape Town City Council, was discussed.

The balanced scorecard approach to performance measurement is an approach that was designed for the private sector, where organisational strategies are aimed at profit making. The balanced scorecard approach cannot be applied in the public sector just as it is. The context and strategies of the public and private sector are totally different. Therefore it is important that the balanced scorecard must be adapted for the public sector, as well as for a specific city, if necessary.

The model of the Cape Town City Council has many strengths. The fact that it was kept simple makes it easier to communicate the city's vision and strategy to all the citizens; it is also easy to measure it by using key performance indicators.

The coherence between the objectives of a specific performance measurement model of a local government and the IDP, which is the plan for the future, is relatively important. The IDP and legislation propose a more developmental local government where the performance measurement model of the Cape Town City Council focuses on enhancing the quality of life of all urban citizens. It is clear that both have the same objective: to put people first.

However, despite the excellent framework provided, few local governments have managed to meet the expectations expressed in the legislation. Various environmental and organisational factors can account for the lack of or misapplication of performance management systems in local governments. One important factor focus on the competence of managers charged with the application of performance management system (PMS). Performance management (PM) will only succeed with competent people driving the process. As PM is still a relatively new concept in SA public service, special attention need to be paid to establish whether local government managers possess the skills and knowledge needed to implement a PMS.

The previous chapter highlighted two specific focus points with regard to the evaluation of spatial plans:

- Conformance of land use change with the plan
- Plan performance which means the extent to which the goals of the plan are being achieved.

## 7.2 EVALUATION OF THE PLANNING INDICATOR STUDY

In Chapter 1, according to the Planning Professions Bill's definition on planning, a few important aspects must be considered to enable successful planning. The first is sustainable development which means *"the integration of social, economic and environmental factors into planning, implementation and decision-making so as to ensure that development serves present and future generations"* (Planning Profession Bill, 2001). The two factors that are quite important in these definitions are sustainability and integration. I feel that the third performance goal in Table 4, "sustainable management of land uses and infrastructure", covers the two important factors namely sustainability and integration.

As explained in Chapter 2, there has been a significant shift from regional planning to development planning. In paragraph 2.2, from the definition on development planning, the facilitation of economic growth and employment creation are seen as the main purposes of planning. This requirement of development planning is fulfilled in the performance indicators (Table 4), where three objectives are set in this regard, namely:

- to increase access to employment opportunities
- to increase access to public and private investment, and
- to increase in local investment opportunities.

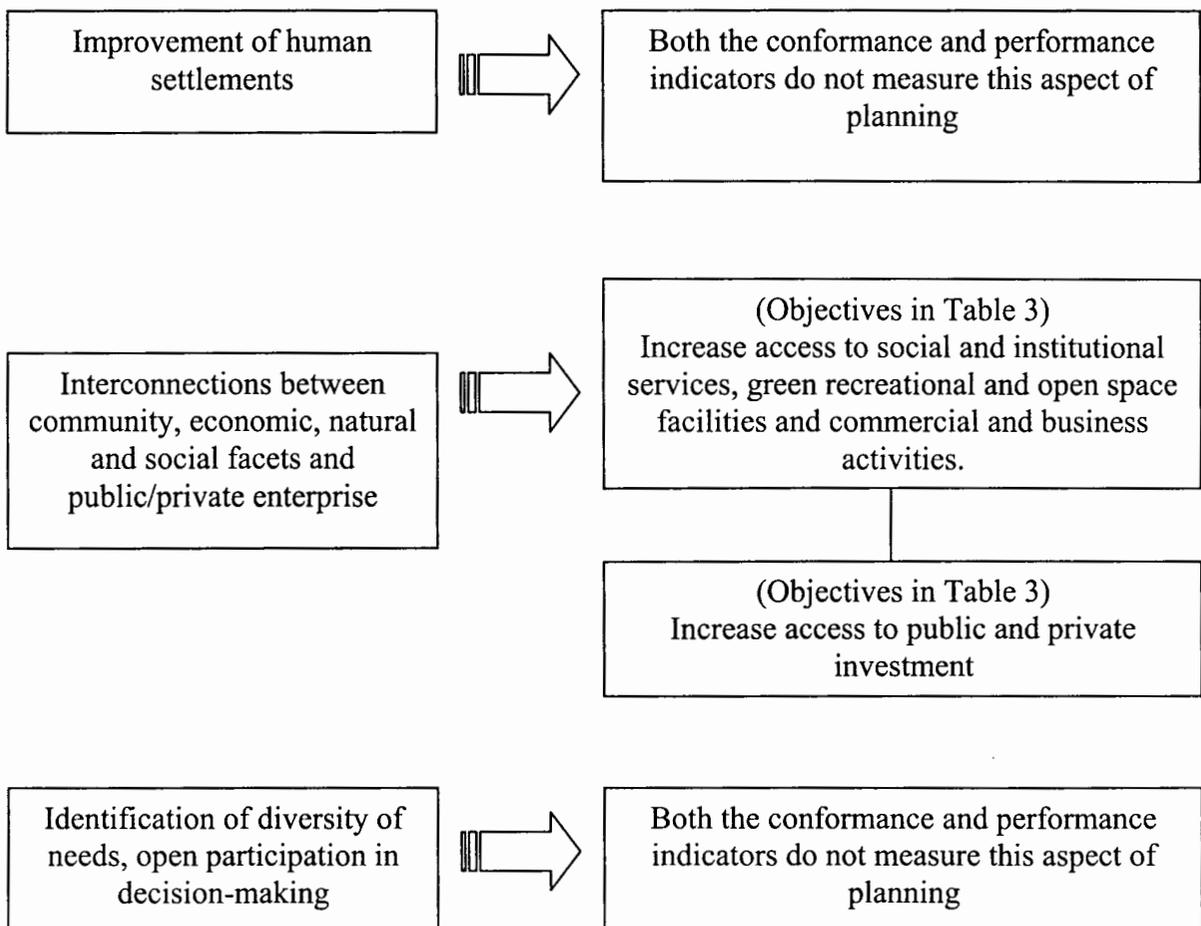
However, only formal business opportunities seem to be important. There should also be a role for Small, Micro and Medium Enterprises (SMME's) and for the informal economy, of which the growth can also be measured.

When looking at the generic themes of the Strategic Marketing Committee of the Association of Collegiate Schools of Planning (1997:223), it is evident (see: Table 5) that the indicators proposed in the Planning Indicator Study do not cover all the themes. Table 5 compares the generic themes of planning (on the left) and (on the right) the indicators provided by the Planning Indicator Study. The purpose of the comparative table is to observe whether the study covers all the necessary generic themes of planning.

In paragraph 2.5 Behrens and Watson (1996:10) points out that the development and management of urban settlements should be motivated by three concerns of which the first is; satisfying human needs and, improving quality of life. There is no indication that the Planning Indicator Study measured the basic needs of people.

**TABLE 5: COMPARISON BETWEEN THE GENERIC THEMES OF PLANNING AND THE INDICATORS PROPOSED BY THE CMC**

**Source: Strategic Marketing Committee of the Association of Collegiate Schools of Planning, 1997:223 and the CMC, 2001**



In paragraph 2.3, the nature of apartheid planning and the features of apartheid cities are described. As said before, Cape Town can be considered as a very good example of an apartheid city and therefore any planning initiatives must be aimed at integrating the city. In Chapter 5.2 the MSDP is discussed along with the measures

taken by Cape Metropolitan Council to correct mistakes made in the past. Basic metropolitan structuring elements were identified (CMC, 1996:34) to guide spatial planning in the Cape Metropole to ensure a more integrated city, namely:

1. Urban nodes
2. Activity corridors
3. Metropolitan open space system (MOSS)

As said before, the MSDF represents 'the plan', while these structuring elements are seen as the spatial strategies to underpin 'the plan'. Specific (conformance) indicators are set out (see: Table 3) to measure to what extent the main spatial strategies have on land use and physical development. In paragraph 6.2 of Chapter 6, six changes in land use were identified and the indicators that will monitor the extent to which the land use change conform to the spatial strategies.

The ways in which the conformance indicators are designed are quite good. The reason for this view is that it is important that indicators are actually linked to the strategies and plan of an organisation, which is in this case the MSDF. As explained earlier, the indicators are designed directly according to the development objectives set out in the MSDF. The only critique on this point is that if a gap exists in the MSDF, it would be reflected in the Planning Indicator Study.

A question that can therefore be asked is if the MSDF is sufficient in addressing the problems of the CMA. When comparing the MSDF with the Draft Muni-SDF it seems as if more attention could have been given to more detailed aspects such as the equitable distribution of various levels of interchanges and centres (City of Cape Town, 1999:23). Another question is if the MSDF is still adequate to guide spatial planning in the CMA in the 21<sup>st</sup> century. The MSDF Technical Report was published in 1996, was drafted even before that and left unchanged since then. Maybe the Muni-SDF and Tygerberg SDF which was developed since, are more appropriate than the MSDF which seems to be relatively inflexible. Circumstances in the CMA have changed since the early 1990's which probably makes a new public participation process necessary and that will also help to identify the changing needs of the people.

Two other aspects that are important for a more integrated city is equity and efficiency. These two aspects are quite well measured by the performance indicators set out in Table 4. I feel that informal retail is an aspect that has been neglected by the Planning Indicator Study and that this aspect must be promoted and measured under “increase commercial, industrial and retail activities” and under “equity of access.”

Another point that can be questioned is on what grounds the CMC decided on the walking distance of 800 m in 10 minutes under “access to public transport” (Table 4)? According to the Muni-SDF (1999) a person takes 12 minutes to walk 1 km but to walk 800m in 10 minutes, one has to walk quite fast. A distance of 600m in 10 minutes would possibly be a more appropriate measurement of access to public transport.

Another area that also needs to be measured, is how planners actually spend their time. This can be done under “the efficient use of inputs” in Table 4. Possible indicators could be on the one hand if planners are busy with development control and zoning schemes or on the other hand are they addressing the problems identified by the MSDF.

The overall evaluation of the Planning Indicator Study shows that the indicators are successful in measuring if future spatial plans will address the problems linked to the apartheid city and that sustainability and integration lies at the core of it. One of the biggest problems is that the few gaps in the MSDF create problems with the indicators proposed in the Planning Indicator Study. If the MSDF is updated and more attention is paid to detail in the MSDF and the indicators in the Planning Indicator Study is changed accordingly, the whole study would be more successful.

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