

## TRAINING MODULE 3: PLANNING REFORMS I OUTCOMES LED PLANNING

### Slide 1

This training module is intended to distill and communicate the “outcomes-led planning” approach that has been established by the Department of Planning, Monitoring and Evaluation in 2010, and is implicit in the formulation of the National Development Plan.

The outcomes approach is designed to ensure that government is focused on achieving the expected real improvements in the lives of all South Africans.

Monitoring and Evaluation of outcomes creates the basis for accountability and learning.

---

### Slide 2

The aim of this training module is to provide an overview of the “outcomes-led planning” approach, that forms part of the ongoing processes of planning, budgeting, fiscal, and reporting reform. It is meant to offer public and private sector stakeholders within the built environment insight into the purpose, tools, and application of outcomes led planning. Outcomes-led planning is framed in relation to the national policy and legislative objectives for spatial transformation in South African Cities. Spatial transformation seeks to achieve inclusive economic growth and overcome the social and economic dysfunction of apartheid spatial planning, including poverty and unemployment.

This training module includes a review of the BEPP outcomes-led planning approach and tools, and the related indicator components.

The training module is informed by insights on the purpose, application and mechanisms of outcomes-led planning, gained from:

- the preparation of the 2013 Department of Rural Development and Land Reform Spatial Development Framework Guidelines (in terms of SPLUMA);
  - a subsequent review of the guidelines arising from the 2017 BEPP evaluation process; the compilation of the Integration Zone Toolkit (2017);
  - contributions to spatial targeting working training modules in 2013;
  - Urban Hub Precinct Evaluations for the National Treasury’s Neighbourhood Development Partnership Programme;
  - as well as the Cities Support Programme.
- 

### Slide 3

#### Outcomes-led planning: Definition and Purpose

Outcomes-led planning means planning backwards from the outcome we need to achieve. It starts with identifying what outcome must be achieved to improve lives and then working out what outputs will ensure we achieve it, what activities we must do to achieve the outputs, and what resources are needed to achieve the activities.

You can access the source documents directly from the Urban Reforms Knowledge Series by clicking on the links in the document. These source documents should be read in conjunction with this training module.

While the focus is on the rationale, purpose and methodology of outcomes-led planning, this overview also makes reference to the related BEPP Integrated Outcome Indicators that are central to the outcomes-led approach. Outcomes-led planning implies the clear articulation of desired outcomes and impacts, practical measurement indices, and coherent reporting.

The component of the Outcomes-Led approach are:

- Focus on results
- Makes explicit and testable the chain of logic in our planning
- Links activities to outputs and outcome and to test what works and what doesn't
- Ensures expectations are as clear and as unambiguous as possible
- Provides a clear basis for discussion, debate and negotiation
- Enables learning and regularly revising and improving policy strategy and plans through experience
- Make co-ordination and alignment easier
- We need to go beyond the work we do and interrogate the impact it has.

---

#### Slide 4

The triangle on screen demonstrates these links more clearly:

- Step 1: Problem Analysis – A Clear understanding of the problem
- Step 2: Theory of Change – A Clear understanding of the assumptions behind choices about the key levers of change and what we should focus on
- Step 3: Intervention Logic – The assumptions of what results must be achieved
- Step 4: Clear Indicators, Baselines and Targets – Identifying indicators to provide a basis for monitoring and evaluating results

Some important concepts embedded in an outcomes-led approach are:

- “monitoring”
- “evaluation”
- And “indicator”

---

#### Slide 5

These two diagrams show the relationship of outcomes to the various plans in metropolitan municipalities.

---

#### Slide 6

### The Spatial Restructuring Imperative

Change is not happening as rapidly and effectively as we require. Despite all the achievements since 1994, significant levels of poverty, unemployment and inequality persist. We have made some progress. Government has successfully improved access to services and increased its expenditure on service delivery. However, we are still not achieving the outcomes necessary to ensure adequate progress in creating a better life for all.

Radical new ways of working are imperative to redirect built environment development trajectories towards more compact, inclusive, productive, and sustainable cities, that have good governance as their foundation. Two case studies are outlined in The Urban Reforms Knowledge Series available on the National Treasury document repository – these are:

- Government capacity and stability, Leadership and Trust - by Portland, USA
- Compliance Driven Versus Enabling Developmental State - by Massive Small, UK

Take some time to read through them.

---

## Slide 7

### Planning for Built Environment Outcomes in Cities

The NDP was explicit about the need to trigger a virtuous cycle of development enabled by a vision for social cohesion – this comprises active citizenry, strong leadership, and effective government.

The MSA is relatively open-ended on which explicit spatial restructuring strategies should be pursued. Both the IUDF and the BEPP processes have attempted to remedy this, by giving greater clarity on the desired end state of spatial transformation.

SPLUMA and the SDF Guidelines clarify many previously contentious matters of spatial planning and land use management, but fall short of specific built environment outcomes, outputs and activities, required to realise these principles and values in practice.

It is accepted that legislation should not go as far as prescribing a planning approach, but Guidelines could do so, especially when the outcomes we seek have been difficult to attain. Furthermore, the SPLUMA and SDF Guidelines do not make provisions for monitoring and review beyond general statements on alignment, compliance and quality.

SDFs need to be underpinned by a strong and measurable theory of change and resultant strategy, and a robust and democratic decision-making system to enable broad and deep participation in its realization. Evidence-based planning that goes beyond generalized normative statements is key. Reforming the planning regulatory environment is not sufficient to achieve spatial transformation, but it is necessary.

Spatial transformation is a long-term project. Once achieved, however, it would fundamentally:

- transform job and livelihood prospects;
- reduce travel time and cost between home and work;
- and increase mobility for poor households to access better job and education opportunities.

This in turn will reduce poverty and inequality.

---

## Slide 8

### Outcomes-led planning, spatial targeting, budgeting and reporting in the BEPP

Aiming to resurrect and renew the aspirations of the NDP, the 2016 Integrated Urban Development Framework from COGTA sets out strategic goals and policy levers to realise these.

The IUDF has the following four strategic goals:

- Spatial integration - new spatial forms in settlement, transport, social and economic areas.
- Inclusion and access - ensuring people have access to social and economic services, opportunities and choices.
- Growth - harnessing urban dynamism for inclusive, sustainable economic growth and development.
- Governance - enhancing the capacity of the state and its citizens to work together to achieve spatial and social integration.

Formulation of the spatial transformation outcome statements and the integrated, transformational outcome indicators started in 2013. Work on the functional outcome and output indicators started in 2016/2017. This process marked the start of Outcomes-Led Planning and culminated in the issuing of the MFMA Circular 88 2017.

---

#### Slide 9

The spatial transformational outcome statements and indicators, informed urban network planning in metros. This resulted in identifying spatially targeted areas at a sub-metropolitan scale. These spatially targeted areas are:

- the Inner City or Central Business District;
- the Primary Hub within the largest disadvantaged township or area;
- the Corridor that linked these areas otherwise known as the Integration Zone;
- Informal Settlements that will be upgraded in-situ;
- Marginalised Areas;
- and Economic Nodes

These areas have become the focus of the intergovernmental co-ordination, planning, budgeting and implementation.

These projects are referred to as the Intergovernmental Programme Pipeline in the BEPP, which contributes to infrastructure-led growth, by spatially targeting public investment in specific areas. This is covered in the training module on Infrastructure-led Growth through Spatially Targeted Public Investment.

The planning and budgeting approach do not exclude other parts of the metro, but prioritise these through spatial targeting. This informs the identification of Catalytic Land Development Programmes within the Integration Zones.

---

#### Slide 10

#### Articulating Desired Outcomes in a Results-Based Framework

The BEPP guidelines have required Metros to adopt a results-based approach; to work in terms of a specific intervention logic that follows a spatially targeted planning approach; and require institutional behavioral change to achieve the desired outcomes and impact.

Spatially transformed cities are well-governed, inclusive, productive and sustainable. The diagram unpacks the theory of change of the desired outcomes.

The BEPP challenge is to:

- establish a clear line of sight between setting outcomes, knowing how to measure and report these upfront;
- establish planning and budgeting for interventions and investments that build towards these transformations;
- implementing them;
- and managing the product to sustain the result.

---

#### Slide 11

#### BEPP and Built Environment Value Chain

The Built Environment Value Chain, depicted in the diagram, is an intervention logic that structures the BEPP as a plan and planning process. The starting point is the identification and definition of the integrated outcomes. The BEVC is an intergovernmental process aimed at achieving the identified set of built environment outcomes in cities. The BEVC activities are linked together in a logical sequence, and form part of an iterative process, rather than a linear process.

---

#### Slide 12

#### Planning and Spatial Targeting

The starting premise of the BEPP is that spatial targeting of investment is necessary to achieve coordinated public intervention that maximises and leverages limited public resources.

The metro BEPPs and city plans must identify, quantify, plan, budget, and coordinate implementation, within spatially targeted areas. The BEPP processes have made significant strides towards improved intergovernmental coordination and planning.

---

#### Slide 13

#### Results of Spatial Targeting

There are 2 outputs resulting from spatial targeting – namely, the Intergovernmental Programme Pipeline and the Catalytic Land Development Programme.

#### The Intergovernmental Programme Pipeline

Inclusive economic growth and more efficient urban form will not be possible without understanding the plans and programmes - particularly investment plans - of all spheres of government. Metros should coordinate, guide, and align these programmes and projects to the Metro's plan for better outcomes.

All spheres and entities who have projects within cities should be able to provide Metros with their lists of capital projects over the medium term, to include in an intergovernmental project pipeline.

### **The Catalytic Land Development Programme**

A CLDP is developed out of the precinct plan, or spatially targeted area. This programme, and the projects within it, undergo preparation towards implementation.

CLDPs are defined as programmes that:

- Enable integration
- Are game changers
- Involve major infrastructure investment and blended finance
- And, Require specific skills and Multiple stakeholders

The catalytic programme preparation process is aimed at delivering a series of built environment projects to be implemented by either national, provincial, municipal government, or the private sector. This will progressively put cities on the path to achieving transformed urban spaces.

The catalytic programmes require a city-level portfolio management approach. The metro's CLDP portfolios will be amalgamated at the national level by National Treasury for the purpose of:

- providing specialist technical support,
- aligning public investment across the spheres and entities,
- and attracting private sector funding.

---

### **Slide 14**

Limited public resources require prioritisation. Metros should enable investment into CLDPs through individual project partnership arrangements, using public expenditure to influence the location of investment by firms and households. Although the government cannot dictate the market, it does play a crucial role in creating the economic environment for growth, stability, stagnation or decline. Government can modify policies to motivate, facilitate and provide incentives for collective private action in a development cluster.

Sustainable urban management approaches for priority precincts cannot be underestimated. It is an important lifecycle approach that will assist to secure transformative outcomes. Urban management does not follow capital investment, but is a continuous activity in the precinct. Urban management can be understood to be the day-to-day operations in a precinct, such as:

- Cleaning and waste removal,
- traffic, transport and trader management
- security services
- and can extend to place-making, marketing and social services.

Effective urban management requires a partnership approach - with the private sector, households and businesses – tailored to the particular context of the priority precinct. The

objective is to achieve inclusive, vibrant, safe, and investment-friendly precincts, owned by the community active within them.

---

#### Slide 15

#### Reporting and Built Environment Indicators

The ultimate impact sought in the BEPP process - echoed in the NDP, SPLUMA, IUDF and the MFMA Circular 88 - is *inclusive economic growth brought about by spatial transformation*.

The table shows how 4 integrated transformational outcome areas, and general results statements, have been incorporated into the monitoring and reporting framework for the 2018/2019 BEPPs, as per the requirements of the MFMA Circular 88, 2017.

The core city transformation outcomes that must inform government planning, budgeting, implementation and reporting are:

- Targeted investments in integration zones;
- Reduction in urban sprawl;
- New housing options with social diversity;
- And, Affordable and efficient public transport services

---

#### Slide 16

#### Institutionalising Outcomes-Led Planning

The MFMA Circular 88 2017 started the process of institutionalising the outcomes-led approach. Subsequent updates of the circular have entrenched it. The annual budgeting process over the last seven years has also institutionalised the outcomes-led approach.

The Planning Reforms Seminar in June 2018 confirmed that the BEPP approach, plan, and process will be used to strengthen the SDFs, IDPs, Budgets and SDBIPs. Given the changes in planning and reporting requirements, COGTA announced the review of IDP Guidelines and the review of the Municipal Planning and Performance Management Regulations. Furthermore, COGTA adopted the BEPP process for 2 pilot Intermediate City Municipalities - Polokwane and uMhlatuze - with less onerous requirements than for metros.

By 2018 there was sufficient evidence and consensus on which reforms worked and which did not. These lessons could be used to strengthen the existing legislative planning, budgeting, and reporting instruments.

As a result, preparation to transition out of the BEPPs started in late 2019 for the 2020/2021 MTREF and was done in four main ways:

- Working with the metros.
- Introducing an urban spatial perspective into the annual budgeting process in 2018.
- Issuing MFMA Circular 88 in 2017, and the resultant updates in 2019 and 2020, to institutionalise the reforms.

- Using the BEPP Guidelines to produce a Toolkit for Spatial Targeting, and using the BEPP knowledge products to develop training for officials involved in planning, budgeting, and reporting.
- 

#### Slide 17

The MFMA Circular 88 Addendum 2 of 2020 outlines the lessons learnt from the BEPPs and planning reforms, covering:

- the approach or method;
- the practice of how officials ran the institutional processes;
- Outcomes-Led Planning and spatial targeting as key approaches for all relevant metropolitan plans - these plans include the Growth & Development Strategy or City Development Strategy, the MSDF, longer term sector strategies, the City Infrastructure Delivery Management System, the Long Term Financial Model and Strategy, and last but not least the IDP.
- Strategy-Led Budgeting, ensuring that scarce financial resources are aligned to key priority outcomes in the municipality.
- Spatial targeting, and its influence in relevant provincial, national and SOE plans and budgets.

Metropolitan municipalities did their last BEPPs for the 2020/2021 MTREF and part of their work involved outlining how they were going to institutionalise the approach, method, process, content, and practice in their municipalities.

The commitments regarding institutionalisation will be monitored in the 2021/2022 MTREF plans and budgets. MFMA Circular 88 Addendum 2 outlined the key content and processes that should be in the 2021/2022 IDP. The Intergovernmental Programme Pipeline and Catalytic Land Development Programmes should be brought into the IDP.

---

#### Slide 18

Translating the lessons learnt into practical activities and outputs requires that we focus on the following going forward, until Outcomes-Led Planning is successfully institutionalised:

- **Planning Approach:** The planning approach is outcomes-led, using predetermined outcomes that can measure the performance of the built environment, to inform the planning process..
- **Planning Content:** The planning content is the substance of the plan and the related key outputs of the plan.
- **Planning Practice:** Planning practice is about the professional agency of planners, built environment practitioners, municipal financial practitioners, and monitoring and reporting practitioners.
- **Planning Process:** The planning process is the collective activities that constitute the Built Environment Value Chain..

The planning reforms are being worked into oversight, monitoring and evaluation processes. The Urban Reforms Knowledge Series sets out the criteria to assess the extent to which longer-term frameworks, strategies and the IDP incorporate planning reforms. Support will



be provided to all stakeholders, so that the planning reforms outlined are successfully implemented and institutionalised.

The BEPP Guidelines will be turned into a toolkit for spatial targeting, to provide technical guidance for both longer-term and term-of-office planning. Existing and new knowledge products provide another form of support, as does technical support from the Cities Support Programme. Work has started on bringing professional institutes on board to promote continuing professional development for municipal finance, planning and engineering officials. Specialist capacity-building and training institutions such as Municipal Institute of Learning and the Tshwane Leadership and Management Academy are being engaged to do training and capacity-building. Tertiary education institutions are being approached to incorporate the planning reforms into curriculum development.

During 2019 and 2020, National Treasury, in collaboration with the other stakeholders mentioned, worked with COGTA to develop metro-specific IDP Guidelines and the complementary IDP Assessment Framework, which incorporates the planning, budgeting, and reporting reforms. This has been approved by COGTA for implementation.

---

#### Slide 19

Having institutionalised many of the planning, budgeting and reporting reforms in the IDP for term-of-office planning, attention is now focused on reforming longer-term planning.

Besides the National Development Plan, longer term planning is not common practice in government. National sector departments are required to produce 5 year Strategic Plans aligned to the Medium Term Strategic Framework. The Annual Performance Plan process is focused on annual plans in the context of 3 year rolling plans and budgets. M&E is focused on annual performance. Metropolitan municipalities on the other hand have a tradition of planning for the longer term, with metropolitan spatial development frameworks (MSDFs) based on at least a 10-year time horizon.

All metropolitan municipalities have started implementing the City Infrastructure Delivery and Management System (CIDMS) and related Framework for Infrastructure Delivery and Procurement Management. The complementary Long Term Financial Model & Strategy, if correctly implemented, should span a 40-year time horizon.

COGTA has agreed that the CIDMS replaces any guidelines that it has issued on infrastructure asset management since the CIDMS is based on the full life-cycle management of infrastructure assets. It makes the important and direct link of the MSDF informing the spatial location of infrastructure development.

National Treasury has clarified that the various infrastructure guidelines it has issued serves the functions as set out in the Table. Please take some time to review the respective guidelines and their purpose.

---

#### Slide 20

Another trend in some metropolitan municipalities is the development of longer-term sector strategies. The MSDF Guideline requires all sector strategies to be integrated and informed by the spatial strategy. Some metros, such as Johannesburg and Cape Town, have

successfully incorporated spatial targeting from the BEPP into the MSDF or other longer-term plans.

The discontinuation of the BEPPs necessitates finding the relevant longer-term plan in which the integrated outcome indicators would best be placed.

Many metropolitan municipalities have used their BEPPs as the MSDF requirement for a Capital Expenditure or Investment Framework, until such time as the Department of Agriculture, Land Reform and Rural Development provides clarity.

SPLUMA section 21 (n) requires that an MSDF must determine a capital expenditure framework for the municipality's development programmes, depicted spatially. The MSDF Guideline 2017 requires the municipality to develop a capital investment framework that articulates how the spatial proposals are to be achieved sequentially, with attention to what key interventions need to take place, where they need to occur, and by whom. This difference between the requirements of the MSA Regulations, the MSDF Guideline and SPLUMA requires urgent clarification from COGTA and the Department of Agriculture, Land Reform and Rural Development.

COGTA has agreed that the following metropolitan longer term plans, frameworks, and strategies will be used to contribute to the "District Development Model One Plan" - which is a longer-term plan:

- Economic Recovery Plan
- City Development Strategy / Growth & Development Strategy,
- MSDF,
- CIDMS and Long Term Financial Model and Strategy, and
- Longer-term sector strategies

The One Plan and other longer-term plans mentioned above will be used to inform the term-of-office IDP.

The planning, budgeting, and reporting reforms collaboration continues to work on the reforms to longer term planning during 2021 through the Joint Steering Committee for Planning, Budgeting and Reporting Reforms.

---

## Slide 21

### Concluding Observations

A concern relating to the durability of the outcomes-led planning approach, is that the timeframes for the realization of outcomes and impacts go beyond the political term of office.

This is exacerbated by highly fluid city leadership, both political and senior management, resulting in a loss of Institutional memory and reinventing the "strategic wheel."

Related, is the question of accountability beyond local government and developing more effective ways for government to share both the responsibility and accountability of change with an "active citizenry" and an engaged "private sector".

The challenges of intergovernmental coordination have been reviewed elsewhere - but in relation to outcomes-led planning, it is important to highlight concerns flagged by municipalities who are at the delivery coal face, and being measured against outcomes that they cannot control.

MFMA Circular 88 2019 and subsequent updates in 2019 & 2020, set the foundation for all sectors to work together and be measured by the Built Environment Indicators.

Metropolitan monitoring and evaluation is essential to measuring progress towards achieving the Sustainable Development Goals and a prerequisite for transparent, accountable, and effective metropolitan governance.

A highly capable and sophisticated metropolitan staff complement is essential to meet these goals.

Moving forward, it may be worth considering tools that are not necessarily big bang, big cost – but can achieve the desired outcomes, enabling inclusive investment by all.