

**- RESEARCH REPORT -**

**THE CRITICAL SUCCESS FACTORS IN TOWNSHIP  
ESTABLISHMENT THROUGH THE PROCESS OF THE  
PROVINCIAL LAND USE ORDINANCE 15 OF 1986**

by  
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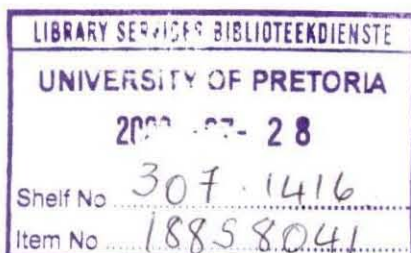
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## **RESEARCH REPORT**

# **THE CRITICAL SUCCESS FACTORS IN TOWNSHIP ESTABLISHMENT IN ORDER TO MINIMIZE THE RISK OF PROJECT DELAYS AND COST OVERRUNS THROUGH THE PROCESS OF THE PROVINCIAL LAND USE ORDINANCE 15 OF 1986**

## **ABSTRACT**

A study, as part fulfilment of the MBA requirements, was undertaken to establish the critical success factors within the township establishment process through the Town-planning and Township Ordinance 15 of 1986.

The study included a literature survey and evaluation of current practises to get a thorough understanding of the present requirements and procedures available to developers to do township establishment. This created a knowledge base from which a guideline was extracted to determine what activities are critical to the township establishment process in terms of the Township Ordinance

This was supported by personal interviews and questionnaires with experienced relevant role players i.e. developers, project managers, engineers and town planners to draw on their experiences with regard to the factors which they deem critical to the successful establishment of a township.

The study found that there are four critical success factors that can have a detrimental impact on the profitability of a project. These factors include the quality of the professional team, preliminary investigations, geotechnical and environmental investigations. However, with the current skill shortages and lack of enthusiasm experienced within the local and external governmental bodies, obtaining statutory approval from these authorities seems to have a more significant impact on the timely transformation of land into residential, commercial or industrial stands.

The findings of the study concluded that the crux of a successful township application lies in the pro-active management, integration and coordination off all activities within the scope of the professional team, local and external bodies. Obtaining statutory approval from local and external authorities is becoming increasingly difficult as local authorities lack the necessary expertise and enthusiasm to facilitate the application process. This places further emphasis on the pro-active management of all activities to optimize the township establishment process in order to minimize the risk of project delays, cost overruns and loss of income. .

It is therefore recommended that careful consideration supported by further research be conducted to identify the managerial activities and requirements to manage the township establishment process successfully within the present environment of an uncoordinated approach, acute shortage of skills, lack of knowledge and even corruption as a new simplified bill will not necessarily remove all the present short comings. This should include the structures required to develop the necessary capacities within the governmental authorities to facilitate the process.



## **Definitions:**

**Township Development:** Active form of investment where land is converted into residential, industrial or commercial stands with the sole purpose of making a profit.

**Township Establishment:** Process of converting land into residential, industrial or commercial stands through the process of the Provincial Land Use Ordinance 15 of 1986. The process falls within the wider township development process.

**Township:** Land developed as residential, industrial or commercial stands.

**Acts:** Legislation affecting land and land use which is introduced into parliament and passed into law at a national level. (Cloete 1998:31)

**Ordinance:** Legislation affecting land and land use which is drafted by provincial level government and affect activities on a province wide basis. (Cloete 1998:31)

**By-Laws:** "These are laws and regulations formulated by municipalities in accordance with provisions of Acts and ordinances, e.g. aesthetical control of buildings, parking regulations, health by-laws, etc."(Cloete 1998:40)

**Town Planning Scheme:** Land-use-management document prepared by the local authority that deals with local matters such as building lines, zoning and special uses. Purpose of which is to ensure the orderly development of the area within its jurisdiction to promote the general welfare of the community.

**Zoning:** Restrictions imposed on the erection and use of buildings or the use of land.

**Guide Plan:** Planning framework that direct, guide and control development activities within the local authority's jurisdiction.

**Local Authority:** City or town council governing the establishment of new townships.

**Applicant:** Land owner other than the local authority who has submitted or intend to submit a township application.

**Cadastral:** Erf boundaries as surveyed by a qualified land surveyor and recorded by the Surveyor-General.

**Erf:** Land registered in the deeds registry of an approved township as an erf, lot, plot or a stand. (Town-Planning and Township Ordinance 15 of 1986)

**Boundary and Bulk Contributions:** Monetary contribution paid to the local authority for the utilisation of their bulk engineering services as set out in the Service Agreement.