

# BUILT ENVIRONMENT PERFORMANCE PLAN 2016-17



NOVEMBER 2015

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# PART A - Introduction

## PURPOSE OF THE BEPP'S

[1]

Large urban municipalities have a critical role to play in supporting more inclusive economic growth in South Africa, especially in a constrained fiscal context as is currently being experienced. Metropolitan municipalities, in particular, have the responsibility to guide spatial development through urban planning instruments, infrastructure investments and service delivery programmes that shape the built environment of South African cities. There is consensus that a fundamental spatial transformation is required to enable South African cities to contribute effectively to national economic and social development objectives. A key planning instrument used to achieve the required economic and social development objectives and long term spatial transformation is the Built Environment Performance Plan (BEPP).

The BEPP is a requirement of the DORA in respect of infrastructure grants related to the built environment of metropolitan municipalities. It remains one of the eligibility requirements for the Integrated City Development Grant (ICDG) that is an incentive grant that rewards the application of infrastructure grants in terms of a spatial targeting approach at a sub-metropolitan level. The BEPP is thus also an instrument for compliance and submission purposes for the following infrastructure grants:

- ICDG - Integrated City Development Grant, Schedule 4B (supplements municipal budgets);
- USDG – Urban Settlements Development Grant, Schedule 4B (supplements municipal budgets);
- HSDG – Human Settlements Development Grant, Schedule 5A (specific purpose allocations to provinces);
- PTIG – Public Transport Infrastructure Grant, Schedule 5B (specific purpose allocations to municipalities);
- NDPG – Neighbourhood Development Partnership Grant
- INEP– Integrated National Electrification Grant, Schedule 5B (specific purpose allocations to municipalities)

The BEPP is intended to contribute to and enhance existing statutory planning instruments and that it does not duplicate or replace them.

The Municipal Systems Act set out the requirements for the IDPs. The IDP covers functional and institutional planning, as well as the Spatial Development Framework as regulated by SPLUMA. The Budget and SDBIP are requirements of the MFMA. The linkages between the plans are generally weak and the results of all of this planning seldom yields the outcomes and/or impacts that we seek as a nation or at the city level. The BEPP is a response to this challenge given that it is designed within a results and performance based framework that starts with identifying the results, outcomes and impacts at the start, followed by a planning approach and method that is directly informed by results, outcomes and impacts. The plan then influences the allocation of capital, institutional arrangements and operational funding and results in implementation of the plan – service delivery and spatial transformation that positively contributes to inclusive economic growth and the reduction of poverty and inequality over the long term.

The BEPP is updated annually, within a long term planning horizon to 2030, with intermediate milestones in 2020 and 2025. The BEPPs for the 2016/17 MTREF can and should be a key component of the IDP for the next term. The expectation from National Treasury was that it would take at least 3 years to establish a credible and funded BEPP, and the 2016/17 BEPPs will be the third generation BEPPs.

1 Guidance Note for the Built Environment Performance Plan (BEPP) 2016/17 – 2018/19

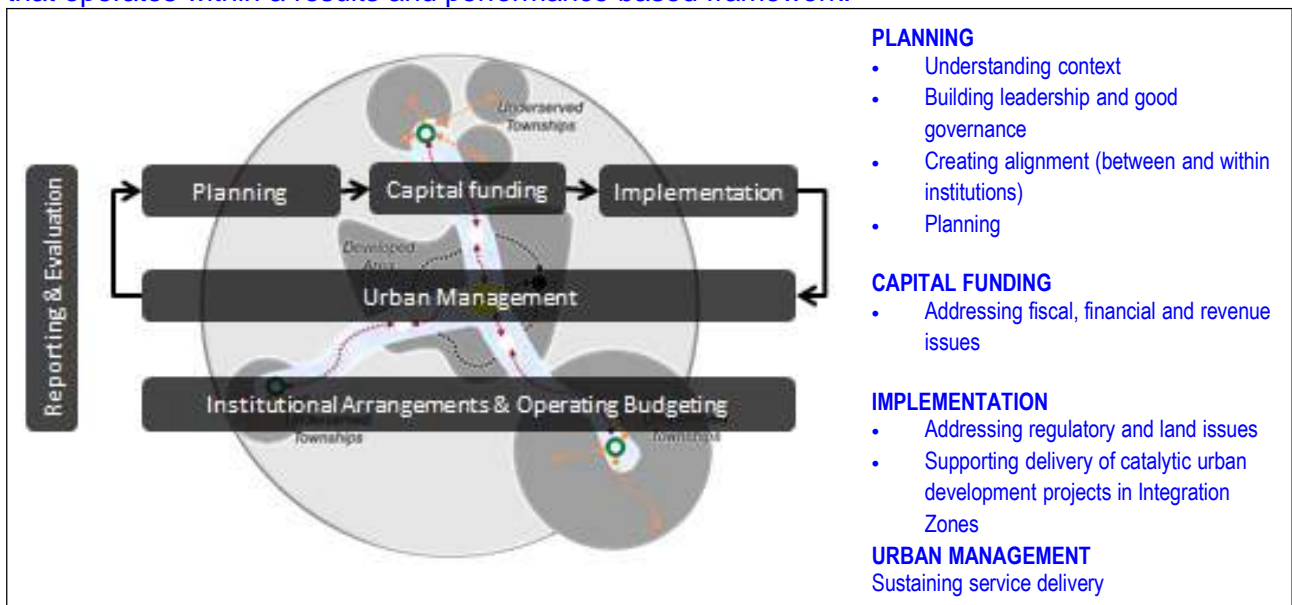
The BEPPs address how functional integration improves overall sustainable development; what development trade-offs are made and why; the planning methodology and practice, and institutional issues that are required to sustain this. The planning method adopted by the BEPP is based on integrated, transit oriented development as articulated in the Urban Network Strategy within a planning process that is “outcome-led” responding to agreed indicators of improved built environment performance. The product of the planning approach is the identification of a pipeline of catalytic urban development projects within Integration Zones, as well informal settlements and marginalised areas which collectively will support the achievement of targets associated with building more productive, liveable, inclusive and sustainable cities. The performance of the built environment will be assessed in terms of the continued refinement of the urban transformation outcome and impact indicators and metropolitan reporting reforms led by the CSP.

The BEPPs are a key instrument within the context of the CSP intervention logic that acknowledges that cities can attain economic growth and a reduction of poverty and inequality through changes in the intergovernmental system. This requires provincial and national government and State Owned Companies to create an enabling environment for city transformation through aligning policy, fiscal, regulatory and support mechanism. Cities need to be well governed and transform their urban spatial form to be more compact, efficient, inclusive, productive and sustainable to contribute to inclusive economic growth and a reduction of poverty and inequality. The CSP effects these intergovernmental changes by intervening in 8 key areas across 5 components as depicted on Diagram 2. The key point of the intervention logic is that changes in the outcomes and impacts at city level require changes from all within the intergovernmental system, not just from cities themselves.

While the focus of the 2014 BEPP processes was on planning for spatial transformation, in 2015 the focus shifted to packaging and accelerating the implementation of a pipeline of catalytic urban development projects within the integration zones to achieve this goal. This required programme and project management leadership and discipline from a range of functions across the metropolitan municipalities. Moreover, the economic and fiscal context required, and continues to require that this includes bold, new approaches to programme financing and implementation – and particularly far deeper and more productive partnerships with investors, developers and households. The fiscal package announced by the Minister of Finance in 2015 will continue to develop further in 2016. Part of this fiscal package includes cities being supported over this period to increase their own investments in general, and in integration zones in particular so as to contribute to spatial transformation. Cities also have a range of non-investment interventions that can contribute to spatial transformation.

The format of the BEPPS reflects the purpose of the BEPP in terms of the Built Environment Value Chain and intervention logic

The Built Environment Value Chain is based on the general logic and process of having a direct link between planning, budgeting, implementation, urban management, reporting and evaluation that operates within a results and performance based framework.



The evolution of the Built Environment Value Chain and intervention logic over the last 2 years requires a few changes to the format of the BEPP as reflected below:

<b>2015/16 MTREF</b>	<b>2016/17 MTREF Built Environment Value Chain</b>
A. Introduction	<b>A. Introduction</b> Standardised section on Role of the BEPP
B. Strategic Review of the Built Environment	<b>B. Planning for the Built Environment</b> B1 Context B2 Leadership and Good Governance B3 Infrastructure Review B4 Planning Alignment B5 Planning for Transit Oriented Development B6 Planning for the Development of Informal Settlements and Marginalised Areas
C. Strategies and Programmes	
E. Institutional & Financial Arrangements	<b>C. Addressing Fiscal, Financial and Revenue Issues</b>
	<b>D. Implementation</b> D1 Addressing Regulatory & Land Issues D2 Supporting the Delivery of Catalytic Urban Development Projects in Integration Zones D3 Supporting delivery in Informal Settlements and Marginalised Areas
	<b>E. Institutional Arrangements &amp; Operating Budget</b> E1 Process and mechanism for integrated planning E2 Cities Support Implementation Plan E3 Operating Budget
	<b>F. Sustaining Service Delivery</b> F1 Infrastructure Management F2 Urban Management
D. Outcomes and Outputs Annexure A: Performance Matrix	<b>G. Reporting &amp; Evaluation</b>

## **FOCUS OF BEPP 2016/17 – 2018/19**

[2]

The identification and planning of Urban Networks and Integration Zones was the key focus of the 2014/15 BEPP. Subsequently the 2015/16 BEPP guidelines encouraged the refinement and consolidation of the planning of the urban network and Integration Zones done the year before, and went a step further by requiring the identification, packaging and implementation of catalytic urban development projects within the Integration Zones. In addition there was a specific focus on the upgrading and development of informal settlements and other marginalised areas.

The work started over the last two years should be refined and consolidated. There are, new focus areas for the 2016/17 MTREF which will enable cities to progress further along the built environment value chain as outlined in the Progression Model. The main focus areas for the 2016/17 MTEF BEPPs are:

- Prioritisation of Integration Zones
- Developing a strategy for the *prioritised* Integration Zone that includes both investment (financing options for the pipeline of catalytic urban development projects) and non-investment

elements (land and development rights regulation, partnerships for precinct planning and management, etc. as outlined in further detail in the following section);

- Implementation of key catalytic urban development projects
- Improving intergovernmental planning alignment – effecting changes in metropolitan spaces at the metropolitan sphere requires changes in planning from the provincial and national sphere, as well as State Owned enterprises;

## APPROACH

The BEPP approach is to spatially target, integrate and align the spatial investment programs of the key sectors of the economy, transport and housing. <sup>[3]</sup> The BEPP is intended to be a reference point for national and provincial spheres and other key stakeholders to make informed decisions and investments in the built environment. The BEPP not only facilitates these investments, but is a compulsory pre-requisite for the disbursement of very significant DORA <sup>[4]</sup> allocations for numerous capital grants, namely the Urban Settlements Development Grant, the Integrated City Development Grant, the Human Settlements Development Grant, the Public Transport Infrastructure Grant, the Public Transport Operations Grant, the Integrated National Electrification Program, and the Neighbourhood Development Partnership Grant. Six of these are capital grants, and make up about 60% of eThekwini's Capital Budget, while the Public Transport Operations Grant appears in the Operating Budget.

## DEFINITIONS OF INFRASTRUCTURE

The BEPP has “Infrastructure”, in its broader meanings, as a central focus.

Though there is not a legislated definition of infrastructure, in practice it includes the production of all physical assets (land, engineering services, and buildings) that serve as the platform for economic, social, and residential activities. The NDP refers to infrastructure in this broader sense. At a more specific level, the Division of Revenue Act (DORA) 2014-15 makes numerous references to infrastructure in text and tables, in a wide range of capital grants, and over numerous social and technical sectors.

Infrastructure includes Core Infrastructure, Economic Infrastructure, Social Infrastructure, and Mixed Use. <sup>[5]</sup> The following are regarded as Infrastructure Projects: <sup>[6]</sup>

- Economic Infrastructure is the result of own investment and that of other spheres and the private sector in Land Production, Public Spaces, and Buildings for Industry, Retail, Office, Mining, Ports, Airports, Freight Systems, and Agriculture developments. Economic Infrastructure also includes PPP's and site-sharing where public and private investments will result in a range of public and private services being offered on the same site (e.g. commercial and social services being offered at transport interchanges).
- Social Infrastructure is the result of own investment and that of other spheres and the private sector (including households) in Land Production, Public Spaces, and Buildings for: Residential Uses; the provision of Municipal Social and Emergency Services, and; the provision of Other Government Services (particularly Safety & Security, all levels of Education and Health care, justice, Social Grants Pay-Points, Basic Recreation, clusters of Social Facilities, and Government Malls)
- Mixed Use Infrastructure includes projects aimed at accommodating a mix of Economic and Social uses, either vertically or adjacent to each other, in either Brownfields projects such as urban redevelopment, or in Greenfields locations.
- Core Infrastructure includes construction or expansion of: Sewer or Water Treatment Works. Sewer or Water Trunk Mains, Water Reservoirs, Pump Stations, Electrical Substations,

3 Guidance Note for the Built Environment Performance Plans for 2014-15. NT. Nov 2013

4 Division of Revenue Bill. Government Gazette No. 38458. Feb 2015

5 Guidance Note for the Built Environment Performance Plan 2015/16 – 2017/18. Oct 2014, National Treasury

6 Cities-PPF Policy Framework. NT and DBSA. Draft. Apr 2015

Alternative Energy Installations, Freeway Interchanges, Road Bridges, Arterial and Collector Roads, Public Transport Routes and Facilities, and ICT networks, all aimed at social, economic or mixed uses.

The project cycles of all infrastructure projects include associated statutory planning, building and environmental approvals

## BEPP PREPARATION PROCESS

The BEPP preparation process follows the annual municipal integrated development planning and budget cycle, and culminates with Council approval.

Accountability for preparing the 2016-17 BEPP rests with the Secretariat of the Integrated City Development Forum. It represents a collective of key municipal entities, and is co-chaired by two DCM's, and enjoys the support of the Ethekwini CSP Coordinator from NT. The Forum was deliberately and consciously used as the internal institution to develop the BEPP. That rationale is that integration begins at home, and that integrated analysis and decision-making will result in better-integrated development

For the production of this BEPP, the ICDG Forum focused on:

- Identification of Prime Investment Corridor within the Urban Integration Zone
- Catalytic projects

## PROPOSED MILESTONES FOR PREPARATION OF THE 2016-17 BEPP

MILESTONE	DATE
Meetings of the ICDG Forum	Monthly
Engagements with departments to obtain BEPP inputs	Aug 2015 - Mar 2016
Submission of the 1st Draft BEPP to the National Treasury	Nov 2015
BEPP Review	Feb - Mar 2016
Comments on Draft BEPP	Apr 2016
Submission of Final Draft BEPP to Council	Apr - May 2016
Submission of the Approved BEPP to NT	May 2016

## ADOPTION OF THE BEPP BY THE ETHEKWINI COUNCIL

The Draft BEPP 2016-17 will be presented to the Executive Committee in May 2016, and then to the full Council. The IDP 2016-17 and the SDF 2016-17 will be presented to the same structures on the same dates. Extracts from the minutes of these proceedings will be availed once they have been published.



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- Spatial Development Framework 2015-16 Review. EMA. May 2015

## ACRONYMS

BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
BoP	Back of Port
CBD	Central Business District
CBO	Community-Based Organisation
CIF	Capital Investment Framework
CMDA	Cato Manor Development Association
CMPR	Central Municipal Planning Region
CRU	Community Residential Units
CSIR	Council for Scientific and Industrial Research
CSP	Cities Support Program
DCM	Deputy City Manager
D'MOSS	Durban Metropolitan Open Space System
DBSA	Development Bank of South Africa
DCM	Deputy City Manager
DORA	Division of Revenue Act
DPSA	Department of Public Service Administration
DSW	Durban Solid Waste
DTP	Dube Trade Port
DWA	Department of Water Affairs
EIA	Environmental Impact Assessment
EMA	eThekwini Metropolitan Authority
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
ETA	eThekwini Transport Authority
EWS	eThekwini Water Services
FAP	Functional Area Plans
FAR	Floor Area Ratio
GDP	Gross Domestic Product
HDA	Housing Development Agency
HPPTN	High Priority Public Transport Network
HSDG	Human Settlements Development Grant
IAMP	Integrated Infrastructure Asset Management Plan
ICDG	Integrated Cities Development Grant
ICT	Information & Communications Technology
IDP	Integrated Development Plan
ILO	International Labour Organisation
IMR	Infant Mortality Rate
INEPG	Integrated National Electrification Programme Grant
INK	Inanda Ntuzuma KwaMashu
IRPTN	Integrated Rapid Public Transport Network
ITP	Integrated Transport Plan
IZ	Integration Zone
KPI	Key Performance Indicator
KSIA	King Shaka International Airport
KZN	KwaZulu-Natal
KZNPGDS	KwaZulu-Natal Provincial Growth and Development Strategy

LED	Local Economic Development
LEFTEA	Less Formal Township Establishment Act
LUF	Land Use Framework
LUMS	Land Use Management System
MCP	Municipal Climate Protection Programme
Metro	Metropolitan Municipality
MFMA	Municipal Financial Management Act
MSA	Municipal System Act
MTERF	Medium Term Expenditure and Revenue Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NDPP	Neighbourhood Development Partnership Program
NEMA	National Environmental Management Act
NGO	Non-Government Organisation
NHBRC	National Home Builders Registration Council
NHRA	National Heritage Resource Act
NMPR	Northern Municipal Planning Region
NMT	Non-Motorised Transport
MOF	Ministry of Finance
NPC	National Planning Commission
NSDP	National Spatial Development Perspective
NT	National Treasury
PPF	Project Preparation Facility
PPP	Public-Private Partnership
PPT	Project Preparation Trust
PSP	Professional Service Provider
PTIG	Public Transport Infrastructure Grant
RFP	Request for Proposals
ROI	Return on Investment
SCM	Supply Change Management
SCM	Supply Chain Management
SDBIP	Service Delivery Business Implementation Plan
SDF	Spatial Development Framework
SDP	Spatial Development Plan
SEZ	Special Economic Zone
SIP	Strategic Infrastructure Projects
SMME	Small, Micro and Medium Enterprises
SMPR	Southern Municipal Planning Region
SOE	State Owned Entity / Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
TEU	Twenty Foot Equivalent
UN	Urban Network
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
WMPR	Western Municipal Planning Region
WSA	Water Services Authority
WSDP	Water Services Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

# PART B – Spatial Planning and Project Prioritisation

## PART B 1 – Integration Zones

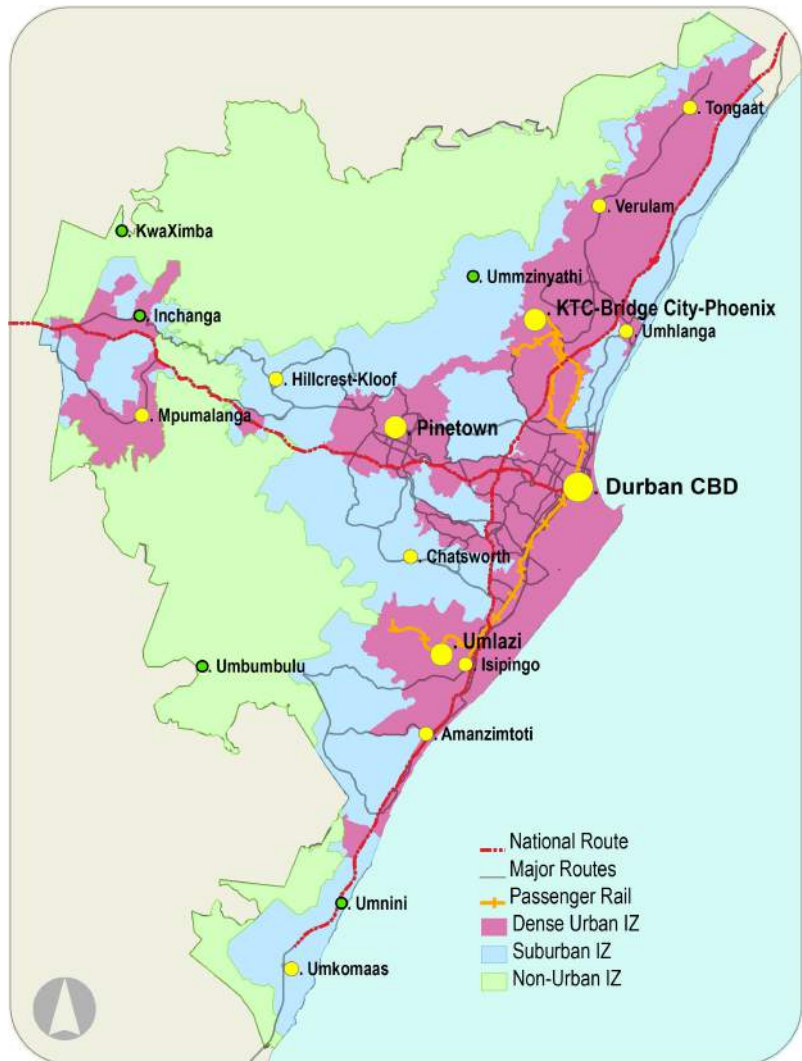
The UN is a City tool to make further strategic sense of the Metropolitan Program Groups (see Part B4 – Planning Alignment) , and to clarify the spatial and investment sense of the IDP’s plans, objectives, and emphases. At a program and project level, the UN is an aid to clarify spatial targets, priorities, and budgets, particularly of Catalytic Projects, and also as an aid to differentiating investment responses for Incremental Programs according to where they are located in the UN.

### Integration Zones

One of the aims of last year’s BEPP was to refine and develop the Integration Zone concept so that it deals not only with objectives of integration and connections of land uses, class, race, and culture, but also deals with the related municipal support functions of planning, regulation, budgeting and administration, so that these too move toward becoming internally integrated. The rationale for this is that integrated development is more likely to occur and at better quality when the municipality as a key agency in enabling integration is itself practising the same approach within.

This BEPP also sets out to deal with the Integration Zones from a comprehensive view of spatial targeting. Its spatial targeting departure point is that integration should not be limited to only selected spaces making up the core of the urban fabric, but that integration can and must occur within the whole city – within dense urban areas, suburbs and non-urban areas. These have been mapped as three distinct Integration Zones.

A key point of this BEPP is that each of the Integration Zones requires an appropriate integration intervention and investment program, and where an appropriate balance is struck between stimulating growth, meeting social pressures, and meeting constitutional and legal obligations.



## **Urban IZ's Composition, Features, and Broad Development Strategy**

The Urban IZ is a two to four km wide belt structured around the metropolitan, provincial, and national movement system. It includes all of the significant urban centres, economic zones with high concentrations of infrastructure, jobs, and economic activities, and the adjoining residential areas.

In addition to existing high-intensity uses, The Urban IZ contains numerous opportunities for intense brownfields or greenfields urban development, including almost all of the Catalytic Projects. This IZ also contains 90% of jobs (i.e. almost all), and 48% of the residences (i.e. roughly half). This IZ occupies about a quarter of the municipal extents.

The broad development strategy is to:

- Install core infrastructure and establish institutional arrangements and funding models to drive the City's own Catalytic Projects and to enable the Catalytic Projects led by others
- Commission the first phase of the IRPTN and improve regional routes
- Maximise residential densities, and promote higher levels of LED to support the new densities
- Fully upgrade informal settlements
- Maintain existing infrastructure and buildings
- Find opportunities to expand, intensify or redevelop properties for economic uses and high density residential.

## **Suburban IZ's Composition, Features, and Broad Development Strategy**

The Suburban IZ is a one to two km wide low-density residential belt beyond the Urban Zone. It is home to 1.6 million people (about 43% of the population), on a third of the municipal extents. Commuting to work and higher order social facilities is the norm. There tends to be a reasonable level of local engineering services. This IZ comprises are townships and informal settlements which came about through apartheid planning which rely on public transport, and which tend to suffer from backlogs or inefficiencies in local social facilities. This IZ also comprises former Indian and white suburbs that rely on private transport.

The broad development strategy is to:

- Improve the connectivity of the suburbs to the Urban Zone.
- Improve the quality and effectiveness of existing facilities and in some cases to build new ones.
- Promote higher densities through typologies that are appropriate for residential suburbs
- Promote LED
- Quickly provide informal settlements with universal access to basic services alongside the slower upgrading program.

## **Non-Urban IZ's Composition, Features, and Broad Development Strategy**

The Non-Urban Zone comprises low-density traditional areas, as well as densifying traditional areas, commercial farming and other open space and which in the past used to be isolated from the other parts of the city. Typically there are very basic services only, and poor or expensive connectivity to the city is a constant feature. The Non-Urban IZ supports traditional lifestyles, agriculture and nature conservation, and is home to 8% of the population (one in every twelve persons) 313 000 people in total, and about 43% (or nearly half) of the municipal extents.

The broad development strategy is to:

- Improve local social facilities and access to basic households engineering services (water, electricity, sanitation) according to the applicable non-urban standards
- Provide higher order social facilities and economic opportunities in selected nodes
- Improve connectivity (roads and internet)
- Encourage sustainable livelihoods and access to agri-processing and distribution.

## Development Intentions per IZ

INTENTION	DENSE URBAN	SUBURBAN	NON-URBAN
LOCATION	<ul style="list-style-type: none"> <li>- <u>Spines</u>: Most areas either side of the most of N2 and N3 corridors, along major rail- and road-based public transport, the CBD and all secondary &amp; tertiary CBD's (i.e. UNS 'Nodes')</li> <li>- Areas bordering the spines extending approx 2km away.</li> <li>- Includes the major townships and their Hubs, many informal settlements, some suburbs and the old line suburbs</li> </ul>	Other suburbs, some informal settlements, industries, and townships	Areas outside the urban edge
INVESTMENT STRATEGY	<ul style="list-style-type: none"> <li>- Universal access to basic services according to standard</li> <li>- Maintenance of infrastructure</li> <li>- Provision of social facilities to standard</li> <li>- PT &amp; movement system improvements</li> </ul>		
	<ul style="list-style-type: none"> <li>- Investment in core metropolitan infrastructure – WTW, WWTW., Freeway Interchanges: Port, Airport, IRPTN Trunks &amp; Freight Routes, SIP</li> <li>- Bulk infrastructure upgrades and expansion, incl. ICT</li> <li>- High density of investment, and by a wide range of investors</li> <li>- PPP's where possible Comprehensive, detailed planning</li> <li>- Deliberate rezoning for high densities</li> </ul>	<ul style="list-style-type: none"> <li>- Improved feeder PT</li> <li>- Interim Services to Informal settlements</li> </ul>	<ul style="list-style-type: none"> <li>- Improved complementary PT</li> <li>- Monitoring of growth</li> </ul>
LAND USES & FEATURES	<ul style="list-style-type: none"> <li>- Economic,</li> <li>- High-density Residential</li> <li>- Mixed Use</li> <li>- Higher Order Social Facilities</li> <li>- Busy</li> <li>- High densities of investment, people and-or jobs</li> <li>- Coarse and fine-grain economic uses</li> <li>- District Community Services clustered with Sub-Metropolitan services</li> </ul>	District Community services at key locations	
		<ul style="list-style-type: none"> <li>- Primarily Residential</li> <li>- Intensive Uses at key intersections</li> </ul>	<ul style="list-style-type: none"> <li>- Residential</li> <li>- Subsistence &amp; Commercial Agriculture</li> <li>- Agri-processing</li> <li>- Cultural &amp; Eco-tourism</li> </ul>

INTENTION	URBAN	SUBURBAN	NON-URBAN
<b>CONTRIBUTIONS TO ECONOMIC HEALTH</b>	<ul style="list-style-type: none"> <li>- Improved Rates Revenues</li> <li>- High Sales of Water and Electricity</li> <li>- Improved City GDP</li> <li>- Job Retention &amp; Creation in Manufacturing, Logistics, Retail, Services, Finance</li> </ul>	<ul style="list-style-type: none"> <li>Job Retention &amp; Creation in Domestic Employment, Services, Retail</li> </ul>	<ul style="list-style-type: none"> <li>Job Retention &amp; Creation in: Tourism, Agriculture, Agri-Processing Environmental</li> </ul>
<b>PROPERTY DEVELOPMENT FEATURES</b>	<ul style="list-style-type: none"> <li>- High FAR</li> <li>- Extensively Developed</li> <li>- No Vacant or Underdeveloped Properties</li> <li>- Property Improvements, Extensions, and Redevelopments</li> </ul>	<ul style="list-style-type: none"> <li>- Formalisation &amp; Regularisation</li> <li>- Property Improvements</li> <li>- Moderate FAR</li> </ul>	<ul style="list-style-type: none"> <li>- Low FAR</li> <li>- Infrastructure for agricultural, environmental &amp; tourism uses</li> </ul>
<b>WHAT GETS INCLUDED</b>	<ul style="list-style-type: none"> <li>- Up to 2km either side of Major Movement Routes, which is a short PT hop or 30 min walk</li> <li>- IZ expands to include cadastral extents of all significant existing economic uses because Economic is a key use</li> <li>- IZ includes an 800 m radius at rail stations because Investment interest will spatially expand around stations once they function as key points of mixed and intensive use</li> <li>- IZ expands to include Informal Settlements because of Inclusivity agenda</li> <li>- IZ expands to include POS because future development possibilities and-or interface with wider corridor</li> </ul>	<ul style="list-style-type: none"> <li>From edges of Urban up to urban edge</li> </ul>	<ul style="list-style-type: none"> <li>From urban edge to metropolitan boundary</li> </ul>

## **DEVELOPMENTAL STRATEGIES FOR DIFFERENT PARTS OF THE URBAN IZ**

The Urban IZ has a Southern Arm, a Northern Arm, the Pinetown Complex and the Western Complex.

The South Arm up includes Durban CBD, the Umlazi Primary Hub up to the Umgeni River. Its functions are logistics, industry, port, and residential.

The Pinetown Complex comprises Pinetown and surrounding suburbs. Its functions are industry and residential. The South Arm and the Pinetown Complex are already developed, although not optimally so in every location.

The development strategy for the Southern Arm and the Pinetown Complex here is one typical of brownfields strategy, namely identification of inefficiencies and sub-optimal uses, identification of opportunities for infill, densification and intensification, and intervention to redevelop where it will be catalytic to do so. Although these spaces are largely brownfields, there are a significant individual greenfields sites (especially the old airport site).

The North Arm runs from the Umgeni River and includes the Bridge City / KwaMashu Primary HUB and the Aerotropolis. Its functions are airport and logistics, and residential. The Western Complex comprises Mpumalanga, Hammarsdale, Cato Ridge and Harrison Flats. Its functions are logistics, agri-business and residential, and it plays a gateway / linkage role relative to the N3.

The North Arm and the Western Complex have significant tracts of greenfields. The development strategy would be typical for that of greenfields, i.e. infrastructure investment, mobilisation of private and public investor interest, accompanied by investment incentives. In the North Arm there are greenfields opportunities for economic and residential uses in the greater Aerotropolis precinct. The Western Complex has significant greenfields opportunities for economic development in response to the N3 corridor and the freight route from the Port.



## PART B 2 – Prime Investment Corridor

Since the last BEPP, some preliminary work was done to identify a narrower spatial target for strategic investment. This is referred to as the Prime Investment Corridor (PIC). It has not yet been adopted by the ICDG Forum, and is due for discussion and resolution before the Final BEPP.

The PIC lies entirely within the Urban Integration Zone., and so it shares all of the features and investment intentions. The difference is that the PIC aims at more intensive uses, and greater density of jobs, trips, residents, and investment than anywhere else.

The PIC includes:

- The South Durban Basin / Back of Port
- The Port, Durban CBD and Inner City Neighbourhoods
- The Pinetown CBD
- Cornubia and DTP
- C3 and C1
- The other corridors connecting these areas

The PIC also includes some standalone pockets that are connected to the core of the PIC by limited access routes. The pockets include

- Mpumalanga, Cato Ridge, and Shongweni, all in the West
- Lovu in the South

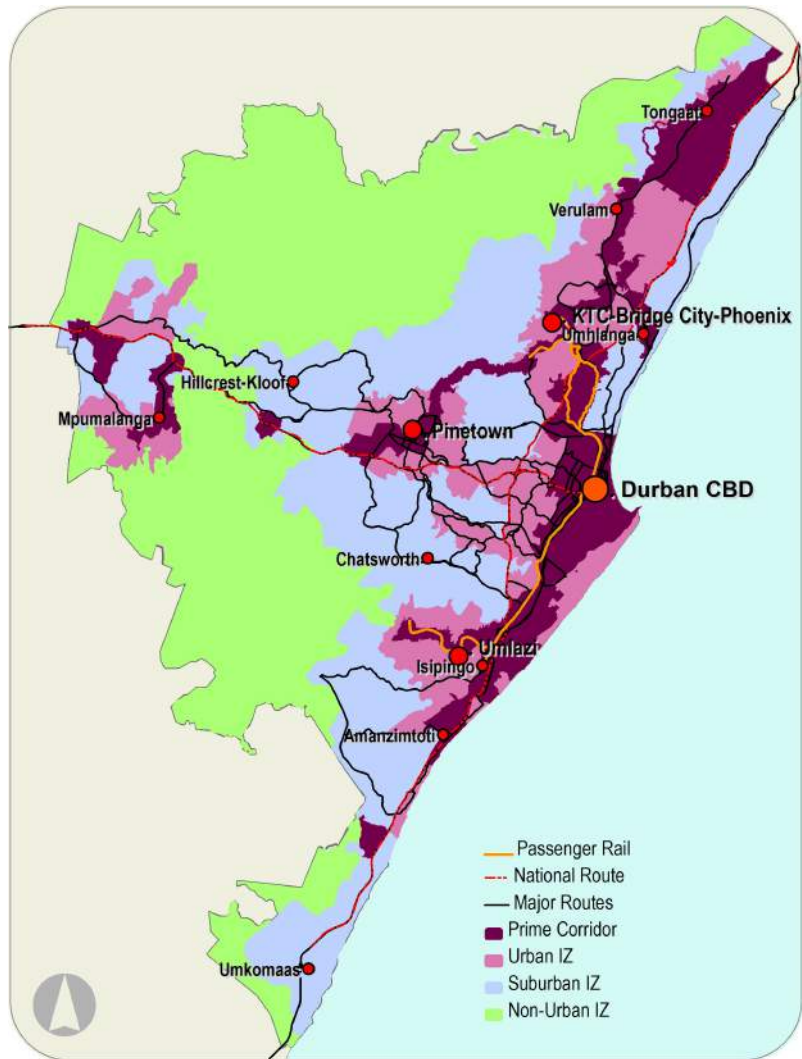
The PIC includes already developed brownfields for maintenance, infill, intensification and redevelopment, as well as greenfields opportunities for intensive investment.

The spatial extents of the PIC are:

- Up to 400m either side of Major Movement Routes
- PIC expands to include all significant existing economic uses
- PIC includes an 800 m radius at rail stations
- PIC expands to include Informal Settlements
- PIC expands to include POS

The PIC is 28,672 Ha in extent, approximately 12% of the metropole’s extents of 229,162 Ha.

The PIC did not take cadastral extents of underlying land parcels into account. That is an item for the next iteration of the PIC.



## PART B 3 – Primary & Secondary Urban Network

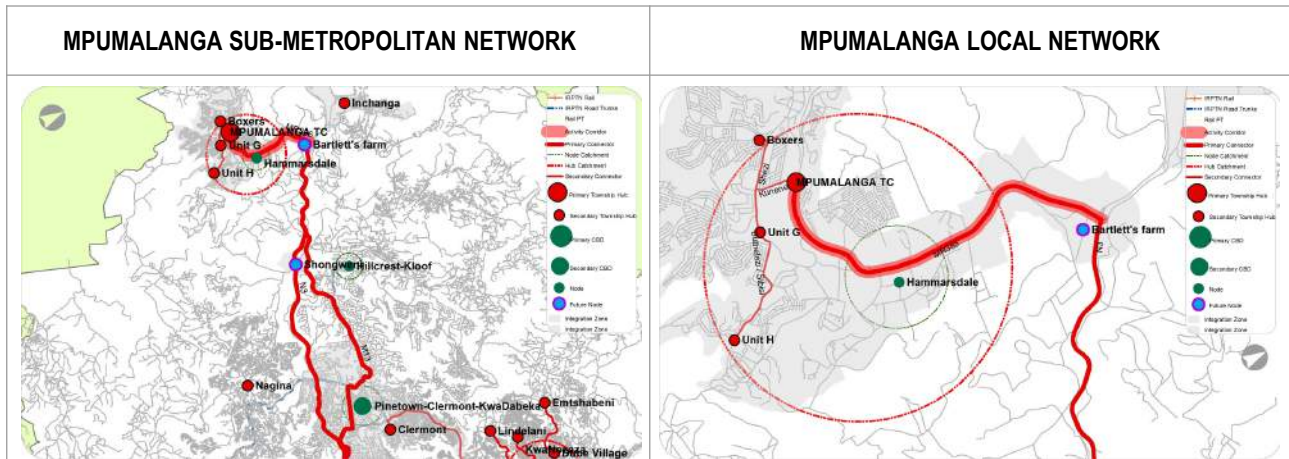
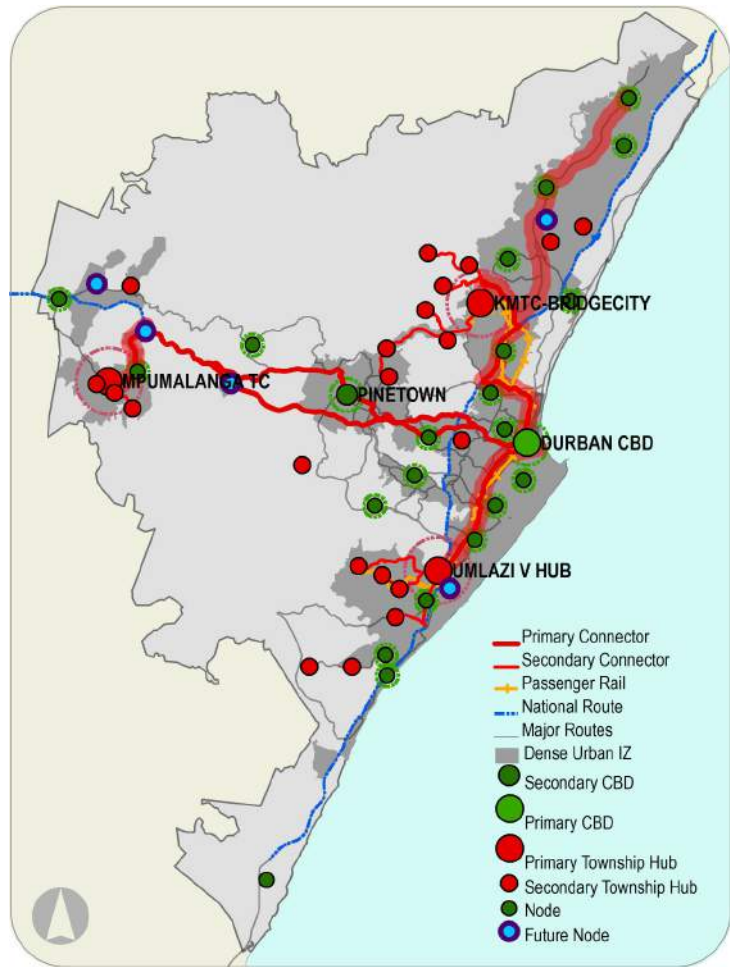
In addition to the Integration Zones, the Urban Network consists of the other significant Urban Elements that are lined to each other.

The Urban Network manifests at Metropolitan, Sub-Metropolitan and Local & District scales.

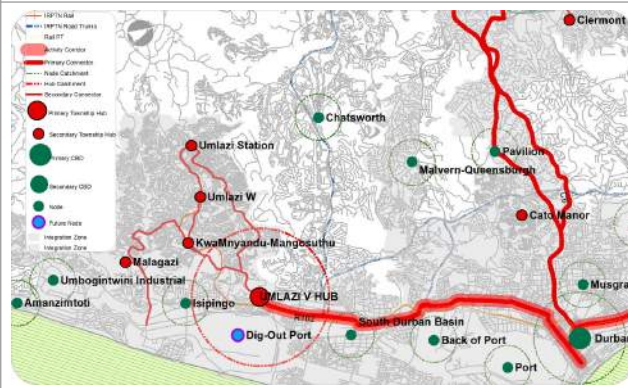
At the Metropolitan scale, each Primary Township Hub connects to the CBD via Primary Connectors.

At the Sub-Metropolitan scale, each Primary Township Hub relates to a sub-metropolitan movement system and to a context of Economic Nodes.

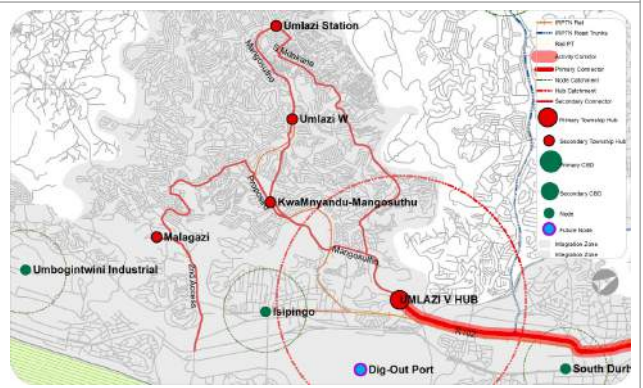
At the Local & District scale, each Primary Township Hub is connected to Secondary Township Hubs by Secondary Connectors.



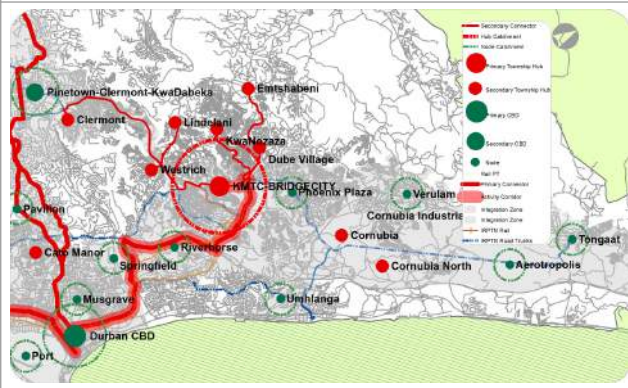
### UMLAZI SUB-METROPOLITAN NETWORK



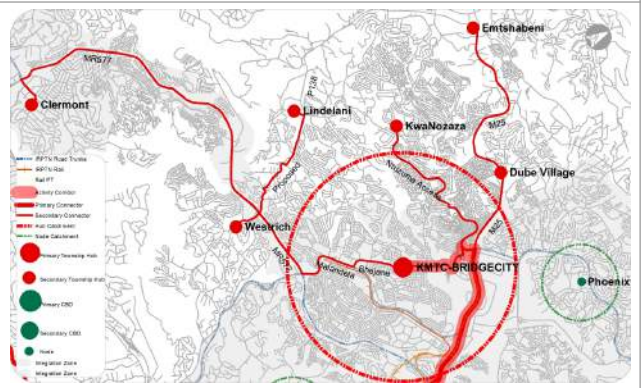
### UMLAZI LOCAL NETWORK



### INK SUB-METROPOLITAN NETWORK



### INK LOCAL NETWORK



## PART B 4 – Corporate Spatial Prioritisation Method

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A Corporate Spatial Prioritisation Method for Programs and Projects is under development. The model starts from the identification of the corporate strategic projects, the establishment of a working group to conduct the prioritisation exercise, the mapping of key spatial investment locations (which largely overlaps with the spatial targets of the BEPP), and corporate development and adoption of a set of vertically integrated, spatially weighted Prioritisation Models.

The set of Spatial Prioritisation Models comprises Housing Spatial Prioritisation Model (HSPM), an Economic Spatial Prioritisation Model, the Municipal Services Financial Model, and a Corporate Spatial Prioritisation Model. They are in different stages of development.

The HSPM is a well-developed and reasonably mature model, first developed in 2012, and the subject of ongoing development since then. Most of the locational indicators for the spatial target in this and previous BEPP's were derived from the HSPM. A key feature of the HSPM is that it is rooted in GIS. Another is that model outputs are closely reviewed by an experienced and skilled team for anomalies in the mechanics of the model. The model ranks projects relative to each other. The HSPM has been used mainly to assess the ISU and Greenfield Programs. Although the criteria are largely similar for the ISU (mainly Suburban) and Greenfields Prioritisation, their weightings vary considerably. Aspects requiring development are to establish abstract benchmarks of what is an optimal ISU project and an optimal Greenfields project, and to measure and assess projects against the benchmarks, rather than to measure project only against each other. The relative method only yields answers on what are the apparently best picks, but does not fully answer the question of how effective or desirable the project might be in absolute terms. Creating an abstract benchmark will also assist to reference the HSPM outputs against all corporate priorities. The other improvement planned for the HSPM model is to align it more closely with the Integration Zones.

The Economic Spatial Prioritisation Model (ESPM) is an emerging one. Its origins are the Durban Investment Dashboard (DiD), which tracks major private sector interest in property developments for economic uses. It is intended that the ESPM will be developed during the coming months. Some of the performance aspects that the DiD already tracks are Rates Returns, Permanent Jobs, and Temporary Jobs, Investment Value, and these indicators are likely to be the departure point for establishing prioritisation criteria.

The MSFM (Municipal Services Finance Model) is a strategic budgeting tool which allows for the formulation of development scenarios and to understand their impact on the capital and operating budgets of the municipality. The MSFM has four main pillars, namely Social Spend, Economic Spend, Asset Management Spend and Spend on the Administration.

The Social Spend essentially covers the developmental aspect through consideration of public housing, social services (such as clinics, libraries, Sizakala centres, recreation etc) and engineering services including water, sanitation, electricity, solid waste, roads provisions etc. The Economic category considers the spend required to achieve a certain economic growth rate in the local economy and is based on a regional economic model. The Asset Management component indicates the state of existing infrastructure and the monies required to maintain and replace such infrastructure as well as the growth of the infrastructure base to deal with population and economic growth. The costs of administering the municipality are also determined through running the model.

eThekwini has customized the MSFM to its own specific circumstances and hence it is producing very accurate results. Such a model would be very usefully applied at the front end of the strategic budgeting process where one could set goals for housing and service delivery and economic growth and social service backlog eradication. Such a process could be run with Council Committees to achieve input at a political level. Once a sustainable scenario is agreed (this is achieved through multiple runs of the model with different goals being set and understanding the implications of each) then the model will provide the budget envelopes for all municipal departments. The MSFM is a non-spatial model so the spatial strategy needs to provide the geographic direction of development while the MSFM provides a Development Scenario which is achievable within the capital and operating budgets of the municipality as well as a clear funding strategy which deals with borrowing and liquidity issues.

The Corporate Spatial Prioritisation Model (CSPM) is in the development stage. Its logic is that the nature, impact, location, and size of a project are what count most, and timing and technical factors should be taken into consideration after that. The CSPM is applicable to Core Infrastructure, Social Infrastructure and Economic Infrastructure. It deals with Core Infrastructure differently, in that the location of Core Infrastructure is very often different to the locations where its impacts are felt. The current version of the CSPM attempts to measure Social and Economic Infrastructure with the same criteria, although it consciously recognises that some of the criteria apply more to Social and other more to Economic. The question though is whether to adopt a universal model (i.e. compare social to economic to core), or to rather follow an MSFM approach. The CSPM also needs to be developed to confirm what qualifies as a Corporate Project.

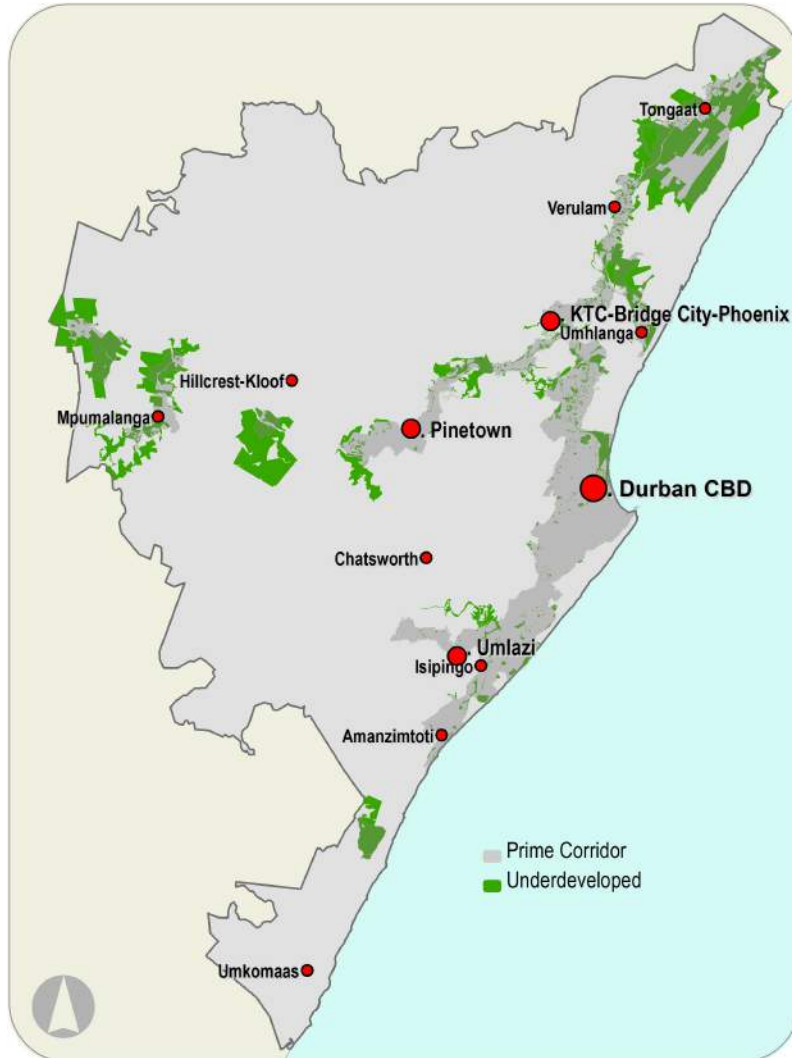
A key feature of the CSPM is that it uses simple points systems based on objectively measurable project features, and in this sense, there is a benchmark or perfect project. Further work is also needed to develop and gain acceptance of the model, and to foster the understanding that the CSPM is only a fairly simple but effective first assessment, that it has to be run by an experienced and skilful group, and that model outputs must be tested by a formal cost benefit analysis / due diligence before significant resource commitments are made for implementation. Agreement has been reached in the ICDG Forum on the need for the CSPM, and on the process to develop it further.

**Add updates to by 31<sup>st</sup> May 2016.**

## PART B 5 – Starting Line-up of Land Development Opportunities in PIC

A rapid desktop appraisal was done of the underdeveloped land in the PIC. The purpose of the appraisal was to identify a base-line / starting line-up of land development opportunities that would

then be looked at more closely, to give a sense of the magnitude and characteristics of the land development opportunities, and to help define the scope of successive analyses



The appraisal ignored zoning, ownership, flood and other environmental sensitivity, known development intentions, site size. These filters could all be applied in successive analyses, depending on the scope of the analyses.. The appraisal also did not examine developability (slope, geotech, availability of engineering infrastructure, site access), as this too is envisaged for a successive analysis.

The appraisal also included all properties that had a significant intersection with the PIC, and did not cut off the portions of the parcels that fell outside the PIC. The appraisal was done by a visual inspection on the most recent available aerial photos and manually tagging sites after visual inspection. Amongst the limitation of the method is that the aerial photo are two years old.

Area	No.	Hectares
North	2,944	9,391
South	888	2,284
West	528	9,996
<b>Total</b>	<b>4,360</b>	<b>21,671</b>

In the West PIC pockets, the majority of the land seems to be underdeveloped, and there is a mix of large, medium and small parcels. In the North PIC, there are extensive tracts of

underdeveloped parcels around DTP and Cornubia, also with a mix of parcel size. In the Durban and Pinetown CBDs, Port, BoP and South Durban basin, there are no significant tracts, and the land that is undeveloped are small parcels.

A more detailed process is underway to identify land development opportunities.

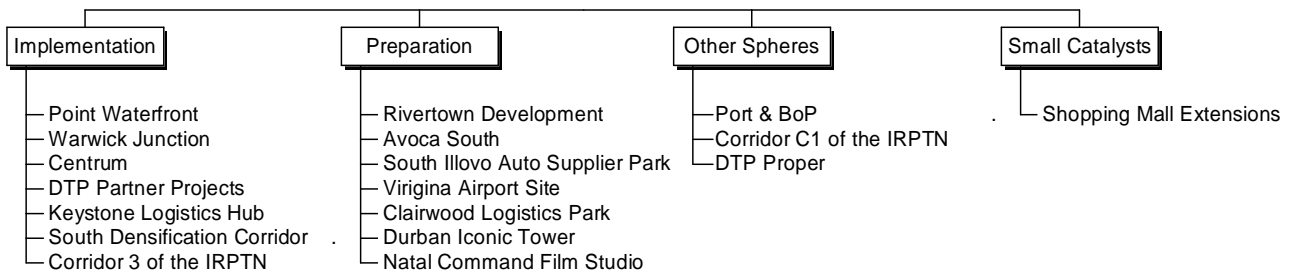
## PART B 6 – Catalytic Projects

Catalytic Projects:

- Are integrated, that is mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems;
- Are strategically located within integration zones in cities; and re game changers in that the nature and scope of the projects are likely to have significant impact on spatial form.
- Require major infrastructure investment;
- Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment;
- Require specific skills across a number of professions and have multiple stakeholders.” [7]

EThekwini’s pipeline of Catalytic Projects is grouped into four sub-pipelines, namely those:

- In or near Implementation, and over which eThekwini has substantial control.
- In Preparation or in need of it.
- Led by Other Spheres, particularly SIP 2
- Small Catalysts



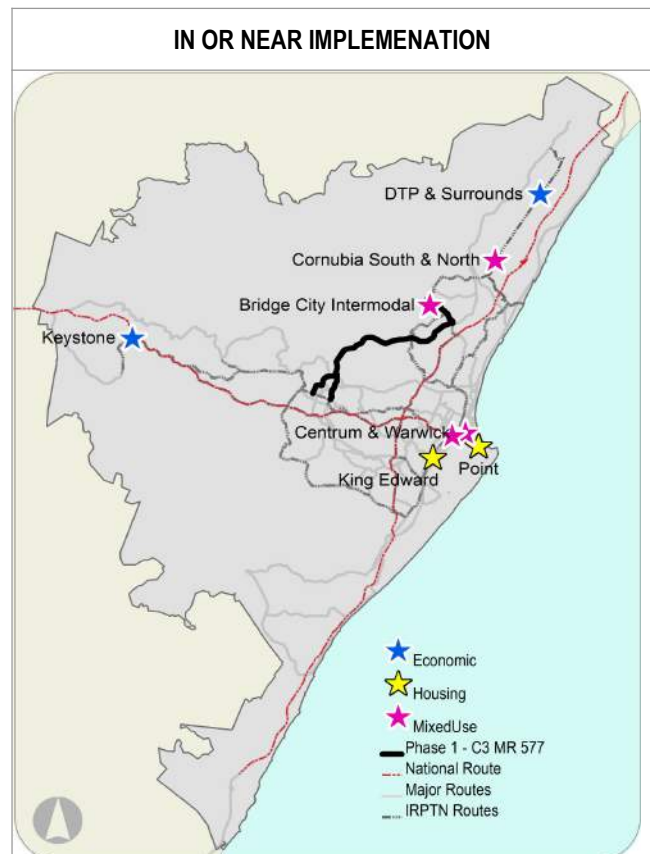
Only those in or near Implementation are summarised in this BEPP. More info on them, as well as info on the other catalytic projects are contained in the Annexure “Catalytic Projects within the City of Ethekwini Municipality”.

projects in or near Implementation” are so-called because:

- They all fall within the Urban IZ
- They could be in the Implementation Phase, alternatively they are well advanced in the Preparation Phase, or they have been strongly prioritised politically
- They are intended for substantial completion within a decade

In last year’s BEPP, the projects were estimated to lead to significant:



- Fixed capital formation (R 74 Bn)
- New lettable FAR (8 Mill m<sup>2</sup>)
- New dwellings for a range of income groups (52,000 HH)



- Rates revenue (R 3 Bn p.a.)
- Permanent jobs (206,000)

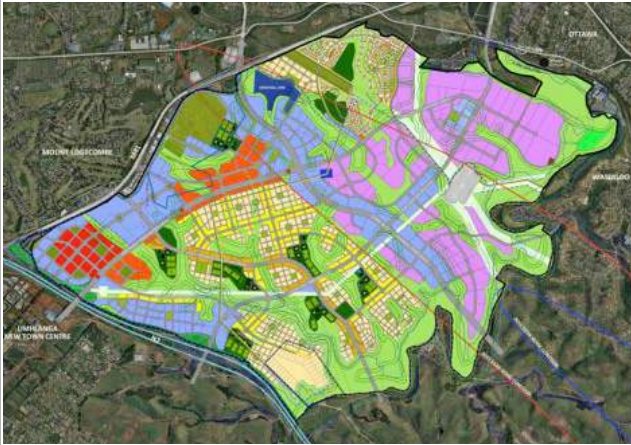
**Insert updates to the above by 31<sup>st</sup> May 2016.**

SUMMARY DATA ON CATALYTICS IN OR NEAR IMPLEMENTATIONB							
Project	Lettable FAR	Res Units	Proj Val	Private As %	Public Shortfall	Rates P.A.	Permanent Jobs
Point Waterfront	<b>Insert map and text by 31<sup>st</sup> May 2016</b>						
Warwick Junction							
Centrum							
Cornubia							
Dube Trade Port							
Keystone Logistics Hub							
Southern Densification Corridor							
Corridor C3 of the IRPTN							
<b>Subtotal</b>							
	SQM	No.	R Bn	%	R Bn	R Bn	No

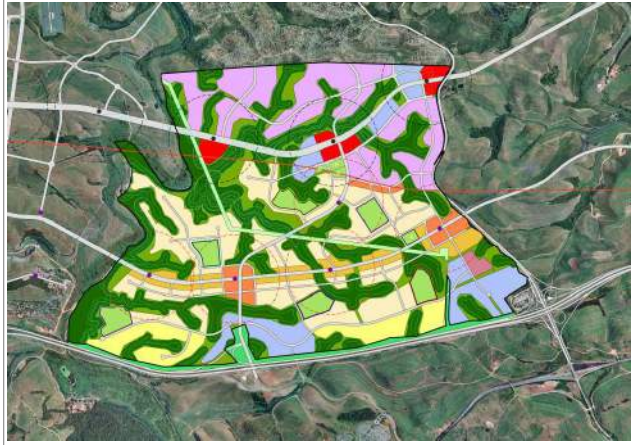
POINT WATERFRONT		WARWICK	
			
R 15.0	Private Investment	R 250	Mill Private Investment
R 0.50	Bn Public Investment	R 250	Mill Public Investment
R 15.5	Bn Total Investment	R 500	Mill Total Investment
R 0.61	Bn Rates p.a.	R 500	Mill Total Investment
7,500	Permanent Jobs	R 3-5	Bn Future Phases.
0.75	Million SQM Lettable Floor Area		
	FDI		
	International Tourism		



**CORNUBIA SOUTH MIXED USE**

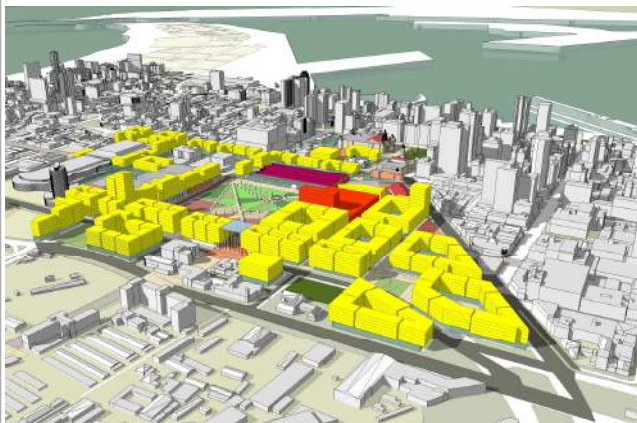


**CORNUBIA NORTH MIXED USE**

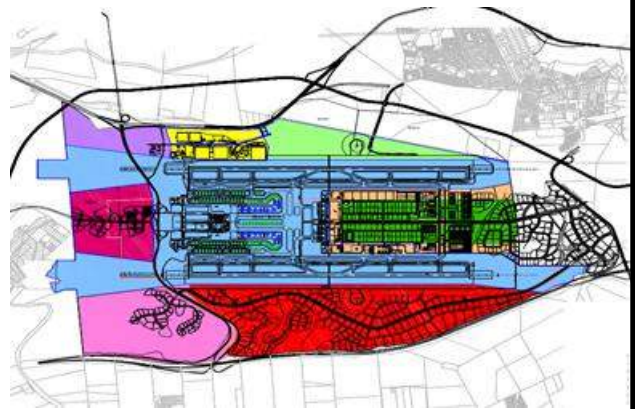


24	Bn Private Investment
14	Bn Public Investment
38	Bn Total Investment
48,500	Permanent Jobs
40,000	Dwellings, half through subsidies
1.63	Million SQM Lettable Floor Area

**CENTRUM**



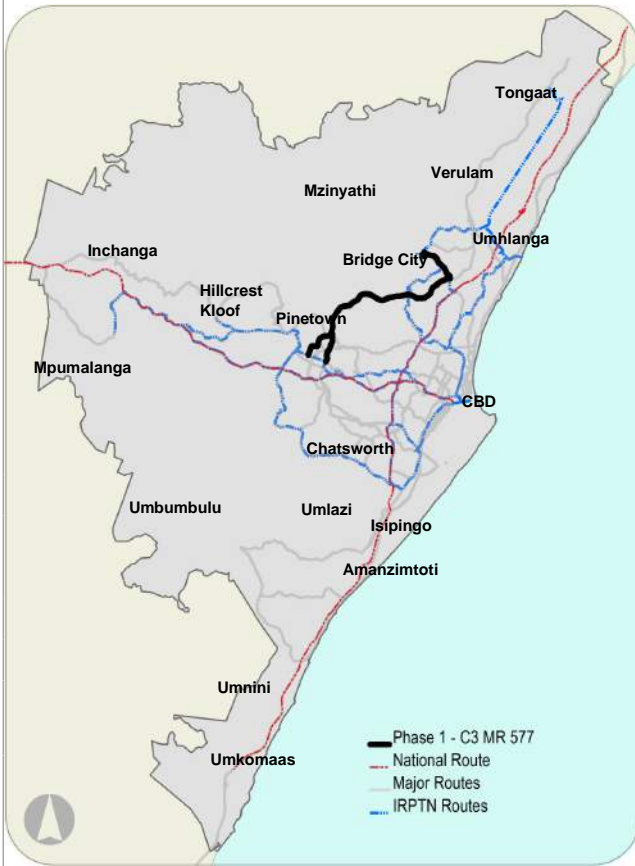
**DUBE TRADE PORT**



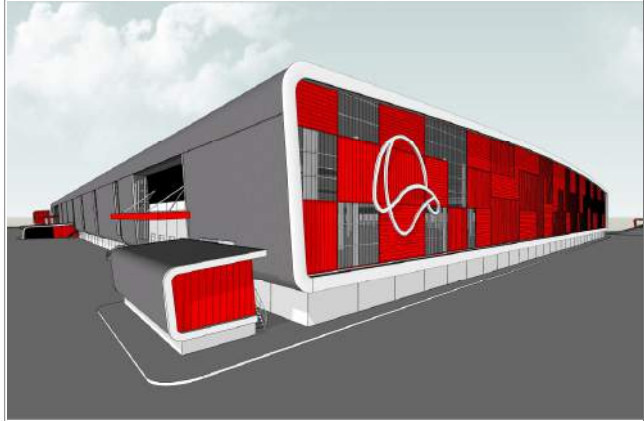
R 19.0	Private Investment
R 6.0	Bn Public Investment
R 25.0	Bn Total Investment
R 0.29	Bn Rates p.a.
7,500	Permanent Jobs
0.75	Million SQM Lettable Floor Area
	Library & Council Chamber
	PT Multi-Modal

R 32.0	Private Investment
R 2.0	Bn Public Investment
R 34.0	Bn Total Investment
120,900	Permanent Jobs
3.71	Million SQM Lettable Floor Area

**CORRIDOR 3 ON MR 577 FROM BRIDGE CITY TO PINETOWN**



**KEYSTONE INDUSTRIAL**



R 4.04	Private Investment
R 0.35	Bn Public Investment
R 4.39	Bn Total Investment
R 0.10	Bn Rates p.a.
14,400	Permanent Jobs
0.50	Million SQM Lettable Floor Area
	Western Sub-Metro Catalyst On SIP2

**SOUTHERN DENSIFICATION CORRIDOR**



Residential Densification around Rail  
 25,000 Residential Units Intended  
 Mixed use Opportunities at Stations  
 Pilot project...King Edward Node

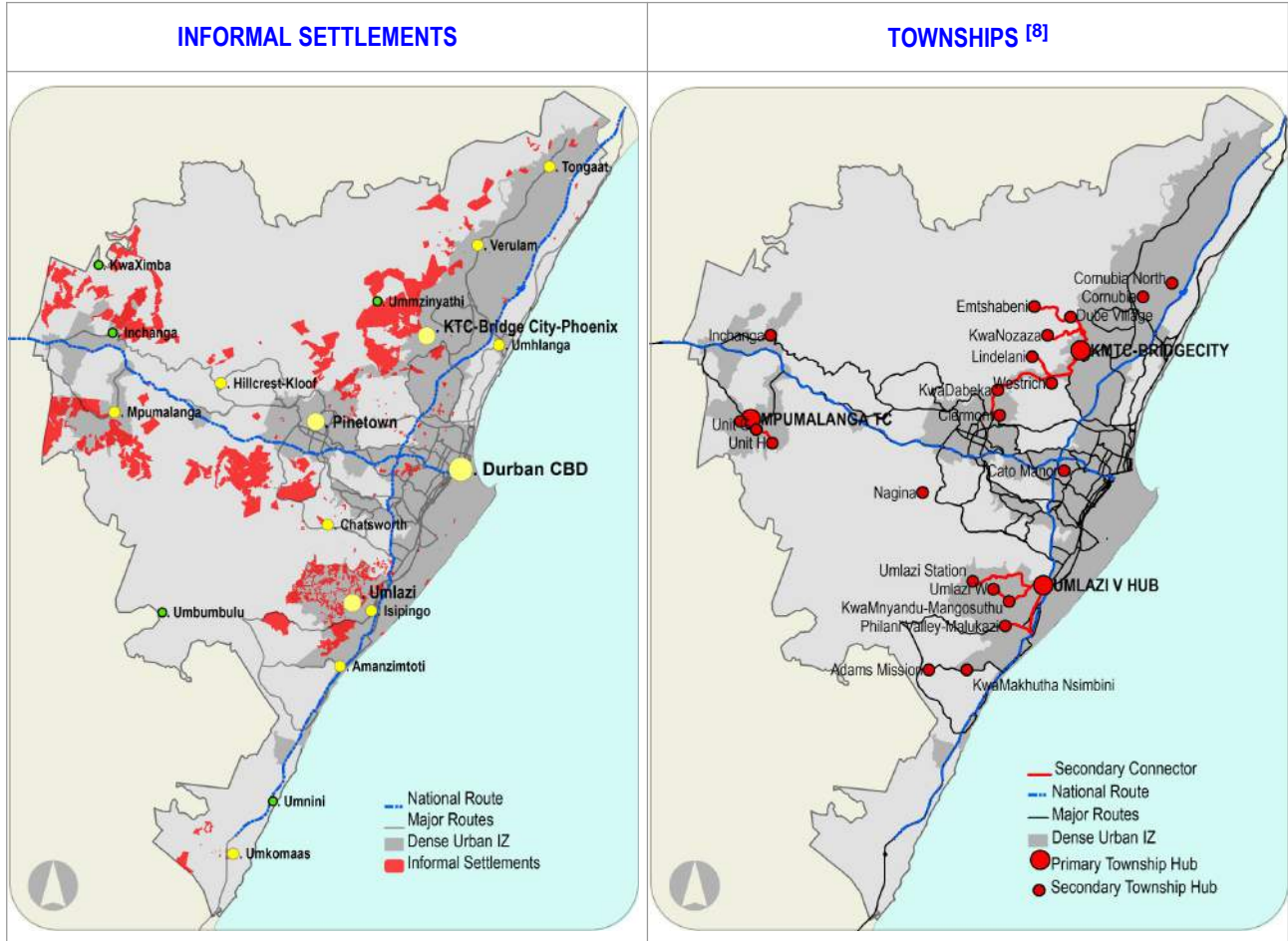
**KING EDWARD NODE**



650 New Units  
 Old Sports Club  
 325 Mill, Private or PPP

## PART B 7 – Marginalised Areas

The settlement pattern of Informal Settlements tends to be outside of the Urban Integration Zones, with the exception of Umlazi, Clermont, Cato Manor, Newlands, Clare Estate and Mpumalanga, which have almost all of their informal settlements within the Urban IZ. It is both a concern and a reflection of legacy, class issues and urbanisation dynamics that many informal settlements are not located within the Integration Zone.

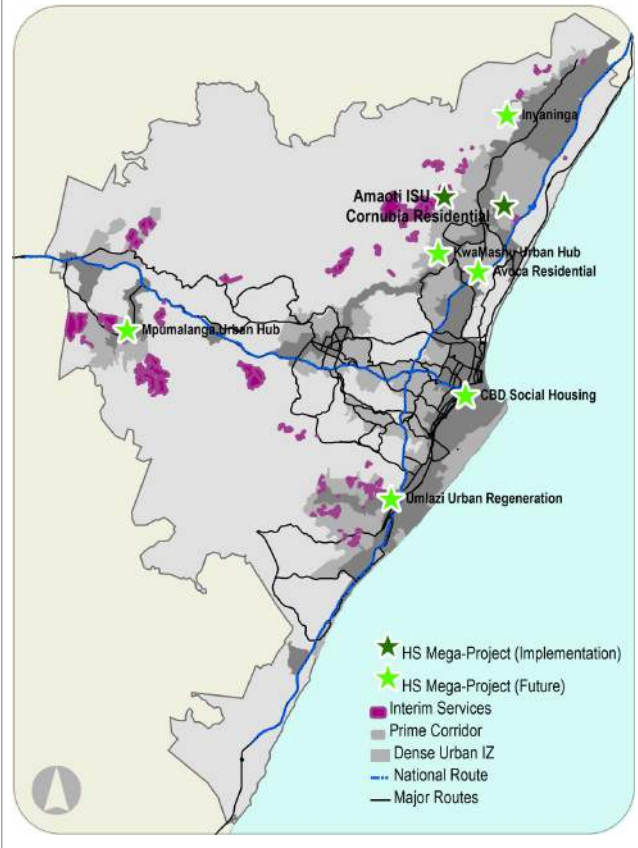


The majority of Townships now fall within the Urban Zone. This goes beyond a tweak on how the lines on the maps are drawn, but instead reflects that the city has started to develop to the point where Townships are increasingly functionally part of the urban core. This is particularly true of parts of Umlazi and Clermont.

There is a reasonably strong spatial relationship between Townships and Informal Settlements, in that the Informal Settlements of Mpumalanga, Umlazi, and INK surround the Townships.

<sup>8</sup> Source: EtheKwini's Urban Network. There are additional Townships, in Pinetown South, and Hambanathi in Tongaat. There is also a question whether Comubia should appear here, and it is likely to be removed through a review of the Urban Network to be conducted before the Final BEPP.

**MEGA HS PROJECTS & BASIC SERVICES PROGRAM**



There are two programs which attempt to deal with Human Settlements issues at scale, namely the mega Human Settlements projects Program, and the Basic Services Program (which is also known as the Interim Services Program). The Mega Projects tend to be either very well located, in the Prime Investment Corridor, or well located, in the Urban IZ. Mega-Projects will attract significant levels of public investment.

The Basic Services Program responds to informal settlements that are less well located, either in the Suburban or Non-Urban IZ's. The intention here is to ensure social equity by providing universal access to basic engineering services, social amenities, and secure tenure (in the form of freedom from eviction).

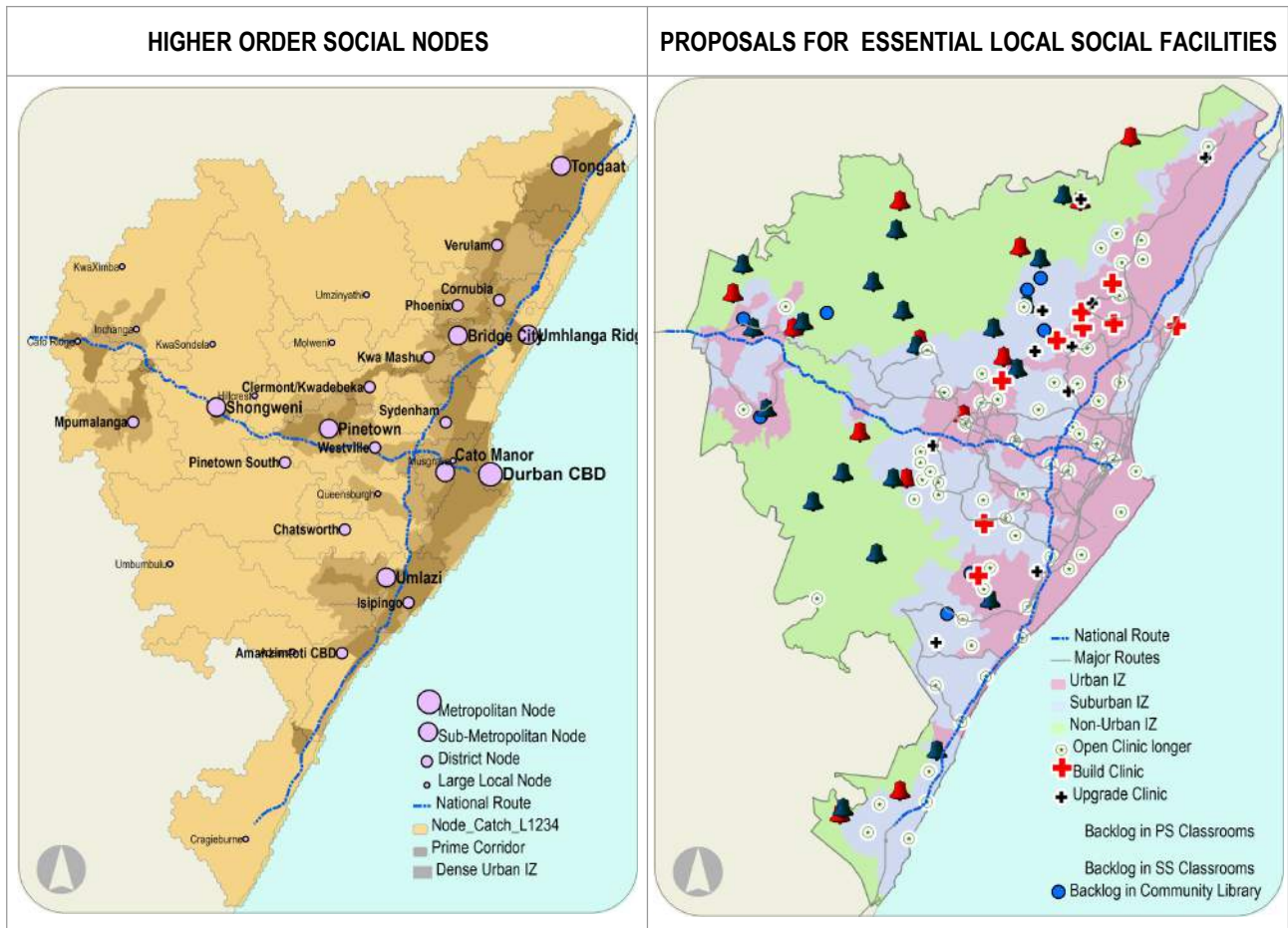
**PRIORITY STANDALONE ISU'S**

**Insert map by 30<sup>th</sup> November 2015**

The city has two significant Incremental HS Programs, In Situ Upgrades, and Greenfields HS Projects. The spatial targets for each of the the Incremental HS programs have been derived from the Housing Spatial Prioritisation Model (HSPM)

EThekwini has steadily been developing its GIS-based HSPM since 2011, when it first considered an explicit set of spatial criteria for choosing which candidate projects to develop further, and to inform the planning and typology brief for selected candidates. The HSPM's principles have been used as an aid to mapping of the IZ's.





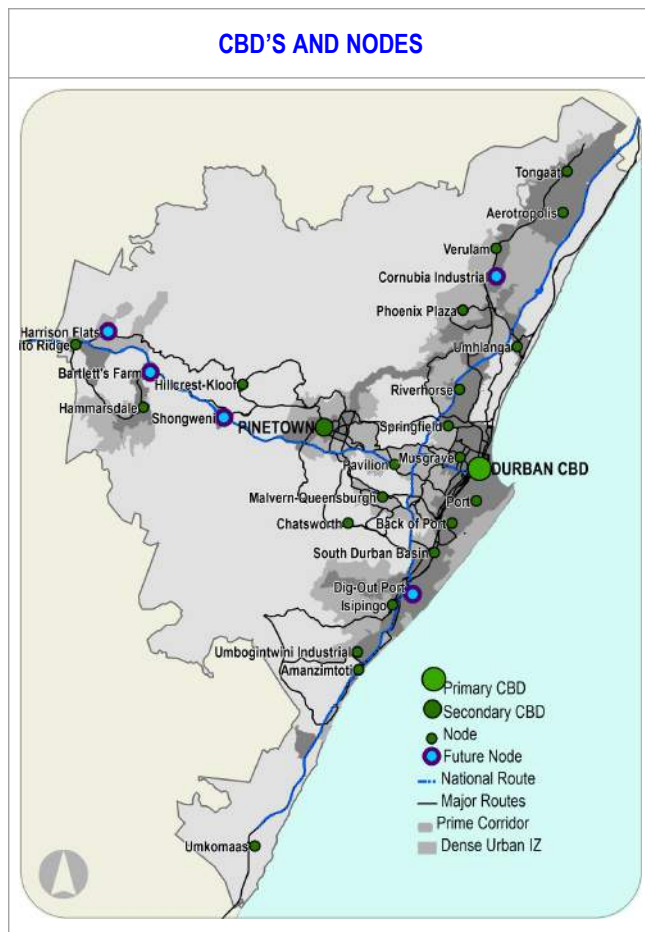
The clustering of local, but especially higher order facilities in accessible development nodes will be promoted to allow for shared services, such as parking and security, and to benefit residents who can make a single trip to access a range of services. Clustering a range of facilities will mean that more people will visit the social service node which in turn can promote small business opportunities. A policy on the multi-use of facilities has been drafted. This means that facilities will be designed to have multiple uses in order to improve levels of usage throughout the day. [9]

The distribution of proposed additional capacity of essential local facilities tends to follow the pattern of the Integration Zones.

In the Non-Urban IZ, primary and secondary education and community library backlogs are highly prevalent, in the Suburban IZ, and in the townships within the Urban Integration Zones the need is for Primary Health Care

<sup>9</sup> Integrated Development Plan - 5 Year Plan: 2006/07 to 2010/11 - 2010/2011 Annual Review. Draft. eThekweni Municipality. 2010

PART B 8 – CBD’s, Nodes and Future Nodes



The city’s Urban Network identified CBD’s, Nodes and Future Nodes. These terms have been used here to denote what the BEPP Guidance Note refers to as Urban Centres and Economic Growth Nodes.

Most of the CBD’s and Nodes are the subject of attention, either via the Catalytic Projects, or the NDPG Program, or via the municipal-funded Urban Renewal Program.

## **PART B 9 – Local Area Planning**

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Ethekwini has a hierarchy of plans, from the SDF at the metropolitan scale, to Functional Area Plans (FAP's) at the precinct and corridor level.

### **CATALYTIC PROJECTS FAP'S**

**Insert map and text by 31<sup>st</sup> May 2016**

### **INTEGRATION ZONE FAP'S**

**Insert map and text by 31<sup>st</sup> May 2016**

### **INFORMAL SETTLEMENTS FAP'S**

**Insert map and text by 31<sup>st</sup> May 2016**

### **TOWNSHIP FAP'S**

**Insert map and text by 31<sup>st</sup> May 2016**

### **FAP'S FOR CBD'S, NODES AND FUTURE NODES**

**Insert map and text by 31<sup>st</sup> May 2016**

## **Part B 10 – Project Preparation**

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The Projects that are selected for description in this section are significant ones that:

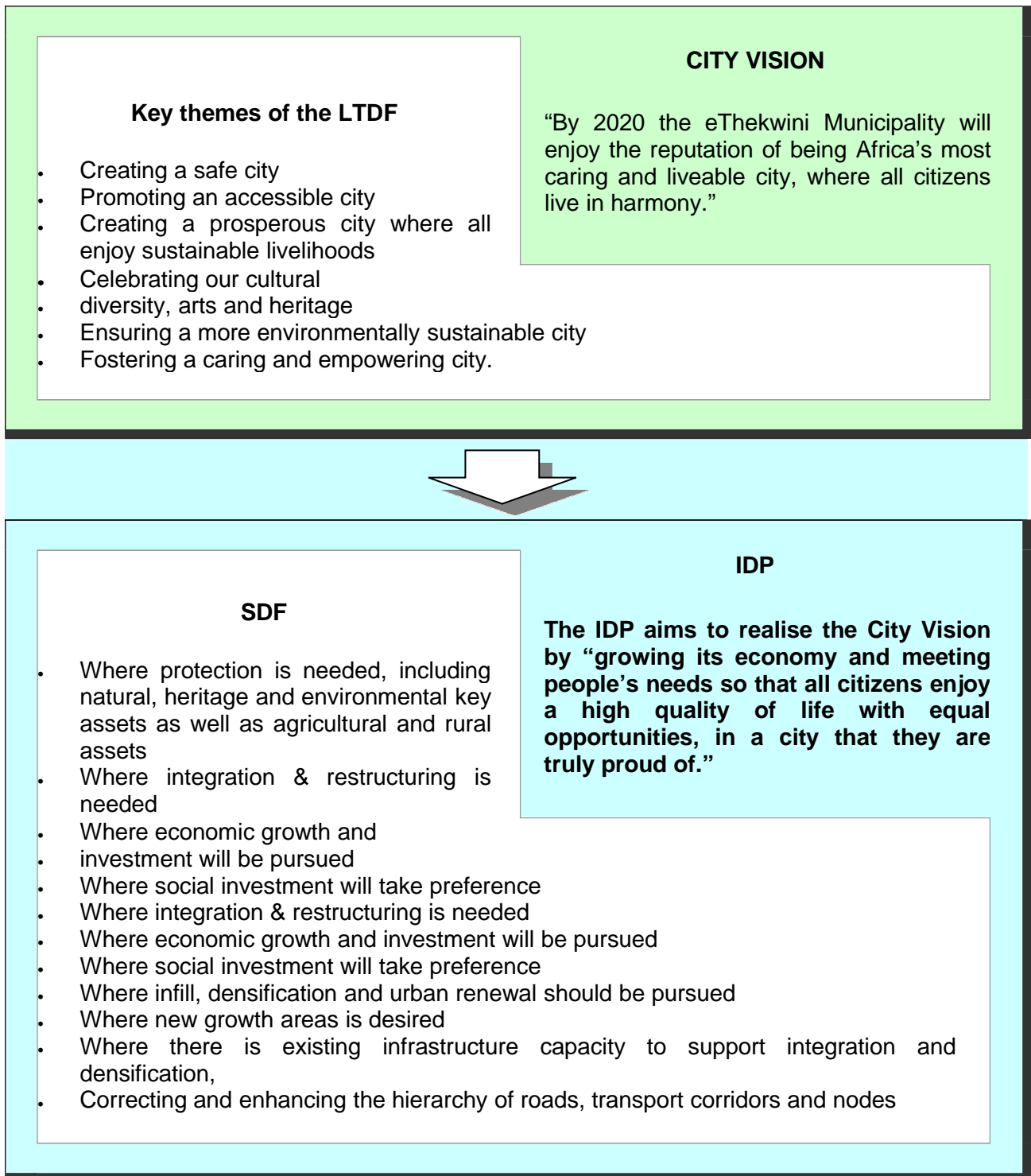
- Are key, non-standard, and complex
- Require external financing
- Have been or are the subject of Fiscal impact Assessment / Capital Projects Assessment by National Treasury

**Insert map and text by 31<sup>st</sup> May 2016**



## Part B 11 – Planning Alignment between BEPP, IDP and SDF

### LONG TERM VISION AND THE SPATIAL DEVELOPMENT STRATEGY



## THE EIGHT IDP PLANS

The IDP has eight plans. Each plan has objectives. While all eight plans and their objectives are significant and essential, the ones with a direct spatial output are shown in bold text, the ones with indirect spatial output are shown in regular text, and the ones with little spatial relevance in greyed out small text.

PLAN	OBJECTIVE
<b>1 Develop &amp; Sustain our Spatial, Natural &amp; Built Environment</b>	<b>Develop, manage and regulate the Built &amp; Natural Environment</b>
	<b>Plan for climate protection</b>
2 Develop a Prosperous, Diverse Economy and Employment Creation	Provide Economic Leadership and Intelligence
	<b>Facilitate Private Sector Investment and Partnerships</b>
	<b>Facilitate Key Infrastructure Development &amp; Maximise Local Benefit</b>
	Facilitate Development in Priority Nodes and Corridors
	Enterprise and Sector Development
	Develop a Competitive Tourism Sector
	Facilitate Sustainable Livelihoods
3 Create a Quality Living Environment	<b>Meet infrastructure and household service needs and backlogs</b>
	<b>Address community service backlogs</b>
4 Foster a Socially Equitable Environment	<b>Promote the safety of citizens</b>
	<b>Promote the health of citizens</b>
5 Create a Platform for Growth, Empowerment and Skills Development	Human Capital Development
	Develop City as a learning City
	Foster healthy and productive employees
6 Embrace our Cultural Diversity, Arts and Heritage	Promote Access and Inclusivity
	Create economic participation through socio-cultural empowerment
7 Promote Good Governance & Responsive Local Government	<b>Ensure accessibility</b> and promote governance
	Create an efficient, effective and accountable administration
8 Be a Financially Accountable and Sustainable City	<b>Budget strategically and sustainably</b>
	<b>Grow and diversify revenues</b>
	<b>Ensure value for money expenditure</b>
	Follow sound financial management & reporting

## RELATIONSHIPS OF METROPOLITAN PROGRAM GROUPS TO METROPOLITAN PLANNING INSTRUMENTS



## **ADJUSTMENTS TO OTHER SPATIAL TARGETING INSTRUMENTS**

### **Priority Housing Development Area (PHDA)**

Cornubia is a designated PHDA. Confirmation will be obtained internally if there are other PHDAs. Because Cornubia is wholly contained within the Phase 1 Integration one and is also a High-Intensity Zone within the Integration Zone, no adjustment to the spatial definition of PHDA is presently suggested.

Catalytic Housing Projects in the Second generation will be proposed as PHDA's.

### **Social Housing Restructuring Zone (SHRZ)**

EThekwini has numerous SHRZs. They were designated in two Phases several years apart. All fall within the Urban IZ, except Chatsworth, which is in the Suburban IZ. A further SHRZ will be proposed to amalgamate the existing SHRZ's and to extend it.

### **Urban Development Zone (UDZ)**

The greater part of the Durban CBD is a UDZ. Because the Durban CBD is wholly contained within the Phase 1 Integration one and is also a High-Intensity Zone within the Integration Zone, no adjustment to the spatial definition of the UDZ is presently suggested.

### **Special Economic Zone (SEZ)**

EThekwini does not presently have an SEZ, although the Aerotropolis has been identified locally and nationally as a candidate. If it were to be designated as an SEZ, it would fall wholly within the High-Intensity Zone.

### **Industrial Development Zone (IDZ)**

EThekwini does not have an IDZ. It appears unlikely that government will support new IDZ's, and instead is likely to consider converting existing IDZ's to SEZ's. Consequently, no IDZ is proposed for eThekwini.

### **Adjustments to SDF and Land Use Management System (LUMS)**

One of the principles for the definition of the Dense IZ is that its extents should be based on intensifying and prioritising already intense and-or approved economic, mixed, and intense residential land uses as described in the SDF, Sub-metropolitan Spatial Development Plans (SDP's), and LUMS.

This principle has been applied, to the SDF, but SDP's and LUMS have not yet been reviewed for their alignment with the IZ's. The assumption that the IZ's accurately and comprehensively interpret the other planning instruments has not been deeply tested,

Pending exercises are:

- The sideways integration of Sector Plans to each other
- The upward integration of sector Plans into the IDP, SDF, SDP's and BEPP
- Review of LUMS to check and correct its alignment with the Integration Zone.

## **PART C – Intergovernmental Project Pipeline**

### **PART C 1 – Key Projects**

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#### **PRIORITISED PROJECTS**

**Insert map and text by 31st May 2016**

#### **HIGH LEVEL COST ESTIMATES**

**Insert text by 31st May 2016**

## MTEF ALLOCATIONS TO CATALYTIC PROJECTS IN IMPLEMENTATION

CATALYTIC PROJECT Individual Project	MTEF COMMITMENTS				NEXT STEPS PLANNED IN CAPEX/SCM
	16/17	17/18	18/19	MTEF	
<b>CORNUBIA</b>	<b>25.0</b>	<b>75.0</b>	<b>0</b>	<b>100.0</b>	MOA for cost sharing for design work
Cornubia Blvd Bridge at Town Centre	25.0	75.0	0	100.0	
<b>WARWICK JUNCTION</b>	<b>36.5</b>	<b>70.0</b>	<b>30.0</b>	<b>136.5</b>	BSC BSC BSC BSC MOA Precinct Plan
Bovine Market Facility	8.0			8.0	
Widening of Theatre Lane and Brook St	5.0			5.0	
Repair of damaged drains	1.5			1.5	
Impounded Goods Storage Facility	6.0			6.0	
Taxi Facility with ancillary infrastructure	6.0	30.0	30.0	66.0	
Detail design of Sport Village	5.0	15.0		20.0	
Tram way to construction	5.0	25.0		30.0	
<b>SOUTH DENSIFICATION CORRIDOR</b>	<b>6.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	SCM to start soon SCM to start soon
King Edward Mixed Use Development	3.0			3.0	
Montclair Mixed Use Development	3.0			3.0	
<b>KEYSTONE</b>	<b>100.0</b>	<b>10.0</b>	<b>128.0</b>	<b>328.0</b>	Design and QS Costing complete
MR385 upgrade	100.0	100.0	128.0	328.0	
<b>POINT WATERFRONT</b>	<b>130.00</b>	<b>311.0</b>	<b>95.0</b>	<b>537.0</b>	Final BOQ October 2015
Water and Sanitation (Inl DPDC bdy)	15.0	30.0		45.0	
Water and Sanitation (out DPDC bdy)	30.0	80.0		110.0	
Promenade Extension	85.0	115.0	45.0	245.0	
Internal Roads – rehab & upgrades		40.0		40.0	
On Street PT Facilities		13.0		13.0	
Electricity		27.0		27.0	
Stormwater		6.0		6.0	
Ushaka Pier Extension			50.0	50.0	
<b>CENTRUM</b>	<b>2.5</b>	<b>55.0</b>	<b>35.0</b>	<b>92.5</b>	BSC Once basement done
Geotech for basement parking	2.5			2.5	
Bulk Services (Water and Sanitation)		30.0		30.0	
Electricity		25.0		25.0	
Public Realm Upgrades			35.0	35.0	



## **PART C 2 – Institutional Arrangements & Operating Budget**

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### **LEADERSHIP, GOOD GOVERNANCE AND PLANNING (STRATEGIC & OPERATIONAL)**

#### **ICDG Forum - Composition and Reporting**

EThekwini has an ICDG Forum co-chaired by two Deputy City Managers (Treasury, and Economic Development & Planning) and attended by senior staff from Planning, Human Settlements, Economic Development, Transport, Water Services, Roads & Stormwater, Treasury, and Corporate Strategy. The Forum is served by a part-time Secretariat comprising two senior staff, and supported by a resource person availed by National Treasury. The City Manager is periodically briefed on the progress of the Forum.

The Forum inputs and reviews the work of the Secretariat on the identification of the UNS and IZ's, the itemising of the ICDG budget, and presentations to NT.

#### **ICDG Secretariat**

The Secretariat needs additional resources. There are two temporary contract appointments, but permanent staff and a panel of consultants are needed (alternatively easy access to the CSP panel)

#### **Teams for Catalytic Projects**

An issue has been identified around how to best drive the development within the Urban IZ, but particularly the mechanisms for Catalytic Projects. It is suggested that each catalytic Project has its own dedicated team, and that the best suited form of the team chosen for each project based on its scope and stakeholders.

There are known precedents that need to be unpacked and analysed:

- The project matrix model, which features the establishment of a Project Steering Committee
- The CMDA model, an agency of different spheres of government
- The ABM model, primarily a planning and referral agency of municipal line departments (and consequently not in control of significant capital budgets)
- Strategic Projects, a municipal entity set up to coordinate 2010 projects
- The International Convention centre, a company wholly-owned by the municipality, for the specific purpose of developing and operating a municipal asset
- The Durban Investment Promotion Agency, a municipal agency for the specific purpose as described by its name.
- The Effingham Development Company, a joint venture of the municipality and private sector, for the purpose of developing Riverhorse Industrial and Bridge City
- An international case study with which the municipality is familiar is the IPOC model from Curitiba.

Interim arrangements have been made to focus staff resources on the Catalytic Projects. For each, a team of two or more staff have been assigned, though several members serve more than one Project.

#### **Request for TA**

The municipality requests Technical Assistance to assess the precedents listed above and others, and to formulate an institutional response for the managing the development of the Catalytic projects and Urban IZ.

## **INSTITUTIONAL ARRANGEMENTS FOR CAPITAL PROGRAM MANAGEMENT**

EThekwini has a capital monitoring entity (Capmon) in the office of the City Manager which monitors the capital spend of the municipality, and which also monitors a key precursor to spend, namely the procurement process. Capmon holds weekly budget meetings with multiple service units, to coordinate spend, procurement, and related processes.

The City Manager's office is also monitoring the "Top 150" capital projects. These projects have been selected because of their budget quantum and-or because of their urgency. The Top 150 follows a similar process as Capmon. In parallel to Capmon and Top 150, the municipality is preparing itself to implement IDMS, which is concerned not only with spend and procurement, but also with the remainder of the project cycle and with comprehensive program management.

Intended for the forthcoming twelvemonth is the formulation of a single corporate spatial plan linked to the budget. The ICDG process is the fulcrum for this. The single corporate spatial plan will demand a synthesis of and a spatialisation of sector plans, and refinement and simplification of the SDF and SDPs. At present, service units determine their own budgets with loose reference to the IDP and other corporate strategy instruments. An intention of the single spatial plan is to ensure the conscious and corporate selection and prioritisation of programs.

### **Supply Chain Management and Procurement Plan**

Like many other municipalities, eThekwini uses a three-committee system for making decisions on the award of expenditure over R 200,000:

- Bid Specification
- Bid Evaluation
- Bid Adjudication

Each committee is independent of the other.

The SCM process shifted over to Treasury during 2012, and one of the first actions after the shift was the process to compile a single procurement schedule. Service units were requested to submit procurement planning information for the remainder of the 2012-13 financial year as well as the procurement plans for the 2013-14 financial year. This information was consolidated into a single plan.

In order to assist with the process of recording procurement plan information, as well as tracking the procurement through the bid committee process, an IT system was configured using the JD Edwards software. The system is ready for use and can be used to assist with the continuing procurement scheduling and tracking of procurement status.

In the interim (prior to system readiness), in order to monitor the procurement for the top 150 capital budget line items, a spreadsheet system was used in order to record and monitor procurement information. This information was reviewed at frequent top 150 Capital project meetings chaired by the City Manager.



## **INTER-SECTORAL MUNICIPAL & CONSULTATION WITH PG, SOE'S & NATIONAL DEPARTMENTS**

### **PARTNERSHIPS**

#### **Community Services**

Because the function for community services falls across several government units, there is an opportunity for partnership between the municipality and provincial departments in Health, Education, Emergency Services, and Social Grants. The DPSA's "Geographic Accessibility Study of Social Facility and Government Service Points for the Metropolitan Cities of Johannesburg and eThekweni" points to the need for greater partnerships and coordination between other government departments (e.g. Labour, Social Development) to establish and maintain a presence at Thusong Centres.

#### **Education**

There is an existing Memorandum of Agreement with the Department of Education whereby the municipality acts as Implementing Agent on infrastructure at schools, and on the management of schools sportsfields as community facilities. The implementation agency and the management arrangement on fields are not general throughout the city, but rather on a case by case. The MOA's ad hoc secretariat is not currently functioning due to no resources being available, and this needs to be corrected if the content of the MOA is to be acted upon, and if it is to be upscaled spatially and extended functionally into school upgrades through fund-raising from private sector, and to examine the possibility for utilising USDG funding to improve schools. In addition, the MOA's ad hoc secretariat should also be exploring the potentials for utilising halls, parking, and classrooms as community facilities, and the secretariat should also examine how new community facilities, particularly libraries, parks, clinics, and supportive facilities such as crèches and public transport stops could be located on (preferably) or adjacent to school grounds. The secretariat should also be examining how schools could benefit from existing community halls and libraries run by the municipality.

#### **Health**

There is also an agency arrangement between the municipality and Health around primary health care for the construction and operation of clinics. This arrangement seems to be functional when it comes to construction, but there appear to be areas of duplication on the operations side, arising primarily from pre-democracy when the former City of Durban ran its own clinics. A stronger partnership seems to be needed to clarify and coordinate roles, and as with education, to explore and arrange how best to cluster clinics with other uses.

#### **Home Affairs**

There appears to be functional partnership with Home Affairs on the sharing of office space with the municipality to offer a wider range of public services at one place, via the Thusong Centres.

#### **Human Settlement**

For the development of Cornubia South (underway) and Cornubia North (proposed), a functional partnership has been established between municipality, landowner, Housing Development Agency, and DHS. The partnership is served by a full-time secretariat comprising municipal officials.

#### **Multi-use and Economic**

Mention is made elsewhere in this document about the joint venture with private sector around Bridge City and Riverhorse Industrial. Riverhorse Industrial is complete, and at Bridge City the JV succeeded to attract significant private and state investment, and aims to continue to do so until the project is complete.

## **RISK MITIGATION STRATEGIES**

**Insert text by 31st May 2016**

## **OPERATING BUDGET IMPLICATIONS**

**Update by 31st May 2016**

## **CITY SUPPORT IMPLEMENTATION PLAN**

### **Purpose and Scope**

The purpose of the CSIP is to contextualise, identify, describe, conceptualise, prioritise, motivate, prepare, identify resources needed for, budget for, identify the scale of other resources required for, and design implementation arrangements for the development programs that are of significant corporate and national interest and as a result of which have been described in the BEPP. In the current BEPP and forthcoming BEPP, these programs include Catalytic Projects, Integration Zones, Marginalised Areas (Informal Settlements, Townships, and Inner City Areas), and Economic Growth Nodes. It is envisaged that the CSIP will be developed over two or more successive editions

### **Elements of the CSIP Edition # 1**

- Formulation and agreement of a corporate investment vision
- An Implementation Plan for the development of the significant corporate projects over the next 15 years, in three phases of 5 years
- Monitoring and Evaluation of Pipelines of Significant Corporate Projects
- Outline Design of CSIP Version 2

### **Internal Alignment**

In order to achieve internal alignment, the CSIP will seek to make inputs to and take inputs from:

- Corporate Planning issues, particularly the SDF, IDP and Capital Investment Framework, and coordination, responsiveness to and integration of the CSIP Version 1 and the BEPP 2016-17 and BEPP 2017-18 with the Municipality's Package of Plans.
- Infrastructure Master Plan.
- From a strategic and developmental point of view, the Capital Budgeting system, and recommendations on reforms to the budgeting processes and budget format in order to best reflect the CSIP.

A draft Scope of Work for the CSIP has been developed, and appears as an Annexure.

## PART D – Capital Funding

### PART D 1 – Spatial Budget Mix

#### THE VALUE OF PROGRAM AND PROJECTS BY IDP PLAN

The table below analyses the eThekwini MTERF according to the IDP's Eight-Point Plan. The main Plan is "Plan 3 : Quality Living Environment" making up 85% of the total budget on average and is broken down to allow interpretation of its emphasis. The Thematic Program "Plan 2: Prosperous, Diverse Economy & Job Creation" is broken down here because of its likely interest to National Treasury in its capacity as one of the main funding sources of the Program. The MTERF shown is what is currently approved. EThekwini's budget cycle for the next MTERF ending 2018-19 is in progress. By April 2016 it is anticipated that the next draft MTERF Budget will have been through council and public processes. Council will adopt the Budget by end May 2016.

	2015-16	2016-17	2017-18
<b>Plan 1: Spatial, Natural &amp; Built Environment</b>	<b>19.759</b>	<b>5.325</b>	<b>3.500</b>
Integrate spatial planning system	19.759	5.325	3.500
Long term sustainability of the natural resource base			
<b>Plan 2: Prosperous, Diverse Economy &amp; Job Creation</b>	<b>225.322</b>	<b>267.097</b>	<b>361.410</b>
Key Infrastructure	2.000	16.750	48.500
Neighbourhood Development	70.000	60.000	60.000
Town Centre Renewal	61.000	68.000	101.500
Rural Development	19.000	2.000	15.000
Strategic Projects for 2015 and Beyond	39.645	30.400	51.000
Managing the Informal Economy	3.765	55.265	33.790
Support & Grow the Tourism Sector	10.500	18.000	19.000
Support and Grow the Fresh Produce Industry	18.724	16.250	32.080
Plant & Equipment	0.688	0.432	0.540
<b>Plan 3: Quality Living Environment</b>	<b>5136.562</b>	<b>5465.514</b>	<b>5897.670</b>
Housing and Interim Services	1229.930	1239.835	1243.986
Public Transport & Freight	1014.874	1030.540	1158.516
Water	730.156	793.119	809.667
Sanitation	641.736	653.900	692.921
Solid Waste	84.198	126.271	145.527
Roads & Stormwater	626.487	701.667	702.999
Electricity	636.422	666.152	691.100
Community Services Backlogs	289.825	418.417	591.263
Public Spaces			
<b>Plan 4: Socially Equitable Environment</b>	<b>89.198</b>	<b>79.304</b>	<b>82.240</b>
<b>Plan 5: Empowerment of Citizens</b>	<b>17.200</b>	<b>4.799</b>	<b>4.300</b>
<b>Plan 6: Cultural Diversity, Arts and Heritage</b>	<b>27.869</b>	<b>90.999</b>	<b>56.368</b>
<b>Plan 7: Good Governance &amp; Responsive Government</b>	<b>345.197</b>	<b>357.735</b>	<b>386.639</b>
<b>Plan 8: Financially Accountable &amp; Sustainable City</b>	<b>112.886</b>	<b>136.440</b>	<b>187.105</b>
<b>TOTAL</b>	<b>5,973.992</b>	<b>6,407.213</b>	<b>6,979.232</b>

## THE APPLICATION OF GRANT RESOURCES BY GRANT PROGRAM & MUNICIPAL PROJECT

	ICDG	USDG	HSDG	PTIG	NDPG	INEP
<b>Plan 1: Spatial, Natural &amp; Built Environment</b>						
Integrated spatial planning system						
Long term sustainability of the natural resource base						
<b>Plan 2: Prosperous, Diverse Economy &amp; Job Creation</b>						
Key Infrastructure						
Town Centre Renewal & Neighbourhood Development						
Strategic Projects for 2015 and Beyond						
Managing the Informal Economy						
Support & Grow the Tourism Sector						
Support and Grow the Fresh Produce Industry						
<b>Plan 3: Quality Living Environment</b>						
Housing and Interim Services						
Public Transport & Freight						
Water						
Sanitation						
Solid Waste						
Stormwater						
Roads						
Electricity						
Community Services Backlogs						
Public Spaces						
<b>Plan 4: Socially Equitable Environment</b>						
<b>Plan 5: Empowerment of Citizens</b>						
<b>Plan 6: Cultural Diversity, Arts and Heritage</b>						
<b>Plan 7: Good Governance &amp; Responsive Government</b>						
<b>Plan 8: Financially Accountable &amp; Sustainable City</b>						

## PART D 2 – Long-term Investment Strategy

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Long-term strategy for intergovernmental project pipeline  
Insert text by 31st May 2016

## PART D 3 – Operating Budget Support to BEPP Programs

### SPATIAL PLANNING AND PROJECT PRIORITISATION

Insert text by 31st May 2016

BEPP Program	2016-17	2017-18	2018-19	Total
Catalytic				
Informal Settlements				
Townships				
Inner Cities / Urban Centres				
Economic Growth Nodes				
<b>Total</b>				

### PROJECT PIPELINE

Insert text by 31st May 2016

BEPP Program	2016-17	2017-18	2018-19	Total
Catalytic				
Informal Settlements				
Townships				
Inner Cities / Urban Centres				
Economic Growth Nodes				
<b>Total</b>				

### IMPLEMENTATION

Insert text by 31st May 2016

BEPP Program	2016-17	2017-18	2018-19	Total
Catalytic				
Informal Settlements				
Townships				
Inner Cities / Urban Centres				
Economic Growth Nodes				
<b>Total</b>				

### URBAN MANAGEMENT

Insert text by 31st May 2016

BEPP Program	2016-17	2017-18	2018-19	Total
Catalytic				
Informal Settlements				
Townships				
Inner Cities / Urban Centres				
Economic Growth Nodes				
<b>Total</b>				

# PART E - Implementation

## PART E 1 – Catalytic Projects

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The catalytic projects already in the implementation phase and those that will move into the implementation phase in 2016/17 are:

- Cornubia
- Warwick Upgrade
- Southern Densification Corridor
- Keystone
- Point Waterfront
- Centrum
- Brickworks (Avoca South)
- Natal Command Film Studio

## PART E 2 – Land Release Strategy

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**Insert text by 31st May 2016**

## PART E 3 – Procurement Approach

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**Insert text by 31st May 2016**

# PART F - Sustaining Service Delivery

## PART F 1 – Infrastructure Asset Management

The goal of Infrastructure Asset Management is to deliver required levels of service cost-effectively through the management of assets. National Government legislated the need for local government to formulate Asset Management Programs. An Integrated Infrastructure Asset Management Plan (IAMP) is being established that will involve the management of the strategic assets: Electricity, Water & Sanitation, Roads, Transport, Parks & Leisure, Storm Water, Solid Waste and Property & Buildings. IAMP analyses the life cycle of an asset and predicts when maintenance needs to be done before the asset deteriorates beyond meeting the communities' needs or when it needs to be replaced.

The high cost value, high use value and long life of infrastructure points to a need for infrastructure to receive specific and focused management attention. The total replacement value of the infrastructure is more than R 180 billion. The Municipality is on a drive to introduce good municipal asset management practices, e.g.:

- Balancing new infrastructure with maintenance of existing
- Greater emphasis on proactive rather than reactive maintenance
- Precautions to not over-commit funds to new infrastructure.

Managing the demand for new infrastructure is also being promoted, e.g., by reducing:

- The loss of municipal water through replacing water pipes & repairing leaks
- Water theft
- Water pressures in the pipe network.

Consideration is also being given to alternative supply projects, e.g.:

- Reducing the dependence on river water through the re-use of water from treatment works
- Research into seawater desalination.
- Electricity from methane gas at municipal landfill sites and other alternative energy sources.

Asset Group	Replacement Value (R Bn)
Roads	58.500
Water	23.400
Buildings	23.400
Electricity	20.700
Sanitation	18.000
Coastal & Drainage	17.100
Other (uShaka etc)	12.600
Land	1.440
Fleet	1.350
Durban Solid Waste	1.080
Computers	1.080
Parks	1.080
ETA	0.720
<b>Total</b>	<b>180.450</b>



## **PART F2 – Urban Management**

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### **PRECINCT MANAGEMENT APPROACH FOR INTEGRATION ZONE PRECINCTS AND GROWTH NODES**

**Insert text by 31st May 2016**

### **KEY LAND USE MANAGEMENT INTERVENTIONS**

**Insert text by 31st May 2016**

### **PRIVATE SECTOR INVESTMENT APPROACH, INCLUDING THE ALIGNMENT AND RESTRUCTURING PROPOSALS FOR INCENTIVES**

**Insert text by 31st May 2016**

## **PART F3 – Transport Management**

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Transport management approach to Integration Zone routes

**Insert text by 31st May 2016**

## **PART F4 – Precinct Management**

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### **PRECINCT MANAGEMENT ENTITIES**

**Insert text by 31st May 2016**

### **LINKAGE BETWEEN MUNICIPAL SERVICE DELIVERY AND PRECINCT MANAGEMENT ENTITIES**

**Insert text by 31st May 2016**

## **PART G – Institutional Arrangements & Operating Budget**

### **CROSS CUTTING INSTITUTIONAL ARRANGEMENTS**

**Institutional arrangements that do not form part of a specific BEPP Section**

**Highlighting the linkages between institutional arrangements for specific BEPP Sections and the implications thereof**

**Insert text by 31st May 2016**

### **CONSOLIDATED OPERATING BUDGET**

**High-level description of the Operating Budget, with specific reference to the BEPP Sections**

**Insert table by 39<sup>th</sup> November 2015**

## **THEORY OF CHANGE**

**Obtain Clarity from NT and insert text by 31st May 2016**

## **REPORTING ON THE ACTUALS FROM THE PREVIOUS BEPP**

**Obtain Clarity from NT and insert text by 31st May 2016**

## PART H – Reporting & Evaluation

### PLANNED OUTCOMES

#### High Level / City-Wide Development Objectives and Desired Outcomes

EThekwini is formulating its performance indicators in response to the “Guideline for Framing Performance Indicators for the Metros in South Africa”. NT has assigned a coordinator, with whom there has been interaction to develop KPI’s. A number of rounds of edits and discussion have occurred. For the municipal-wide KPI’s, the populating of Annexure G has been slow since many of the KPI’s have never been measured before and therefore new systems need to be put in place. Where KPI’s are similar, the service unit representatives have provided baselines and targets.

#### Sector Development Outcomes and Outputs as per Sector Plans

Each of the Eight IDP Plans has performance Indicators and budget. Sector Plans are unpacked into the Eight Plans. Plan 3 – Quality Living Environment, receives about 85% of the capital budget, and its indicators and targets are shown below.

ITEM	MEASURE	UNIT
<b>3.1. Integrated housing &amp; interim services to informal settlements</b>		
The number of consumer units receiving fully subsidised housing	7,200	No.
<b>3.2. Rental and Gap housing strategy</b>		
New family units in hostels	100	No.
Sale of Council rental stock	600	No.
Upgrade & refurbishment of units in R293, ex-own affairs, & Lamontville	2,900	No.
<b>3.3. Address Infrastructure backlogs</b>		
An updated proxy indigent register	1	%
Built Environment Performance Plan	100	%
Additional consumers with access to a free basic level of Potable Water	1,000	No.
Additional consumers with access to a free basic level of Sanitation	16,200	No.
Additional consumers with new prepaid Electricity Connections	12,000	No.
Additional consumers with new conventional Electricity Connections	1,000	No.
Additional consumers collecting free basic Electricity (65kWh/month).	85,000	No.
Additional consumers with a once/week, kerb-side Refuse removal service	170	No.
Municipal landfills in compliance with the Environmental Conservation Act	100	%
Properties below the eThekwini level of service with Stormwater solutions	440	No.
Sidewalks constructed	9	Km
Unsurpassed Road converted to surfaced	10	Km
Public Transport Ranks constructed	2	No.
Streams maintained by Zibambebe contractors	150	Km
Higher order routes covered by an all inclusive, integrated contract	400	Km
Roads maintained by Zibambebe contractors	2,400	Km
<b>3.4. Infrastructure asset management</b>		
Integrated Asset Management Plan Level 1	100	%
Integrated Infrastructure Asset Management Plan Level 2 - All Sectors	50	%
Demand management -The % of non-revenue water loss.	35	%
<b>3.5. Integrated Human Settlement Plan (Sustainable Community Facilities)</b>		
Implement Access Modelling - Social facility pre-implementation plan Phase 3	100	%
<b>3.6. Implement an effective public transport plan for the Municipality</b>		
Detailed Design of Phase of the (IRPTN) Project.	100	%
Passengers using accessible scheduled public transport services	80,000	No.
Passengers using scheduled public transport services	26,000,000	No.
Develop an Integrated Freight and Logistics Strategic Framework and Plan	50	%

## **Outcomes and Impact for Each integration Zone**

The Performance Indicators and the system by which to measure and report on them are being developed in conjunction with NT.