

City of Tshwane
DRAFT 2016/17 IDP Review
March 2016

***“Culminating the 1st Decade of Game Changing of Tshwane
Vision 2055”***

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1. INTRODUCTION, CONTEXT AND OVERVIEW

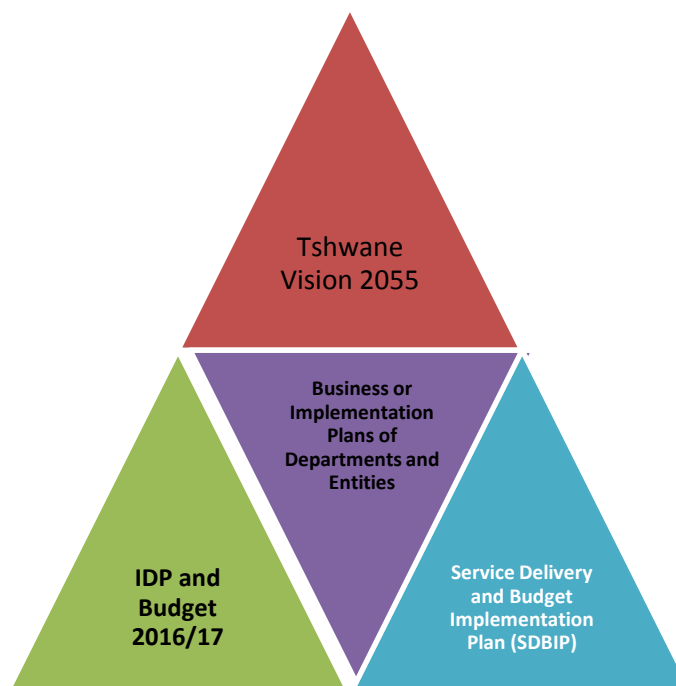
Introduction

The Municipal Systems Act states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which (a) links, integrates and coordinates plans and takes into account proposals for the development of the municipality; (b) aligns the resources and capacity of the municipality with the implementation of the plan; and (c) forms the policy framework and general basis on which annual budgets must be based.

In line with the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA), the City of Tshwane has developed the draft five-year IDP for 2016/21 which is supported by the 2016/17 Service Delivery Budget and Implementation Plan, the Medium-term Revenue and Expenditure Framework for the 2016–2019 financial years, as well as departmental business plans that capture their core operations and enable institutional performance monitoring. All the plans presented in this review are premised on the principles and outcomes of Tshwane Vision 2055.

The diagram above demonstrates that Tshwane Vision 2055 is the compass document for all City of Tshwane work. This plan has guided the review of the five-year Integrated Development Plan.

Figure 1.1: Relationship between City of Tshwane plans



Strategic focus of the draft 2016/21 IDP

The 2016/21 term of office will conclude the end of the First Decade of Game Changing for the City of Tshwane as per the Tshwane Vision 2055 which is

In 2055, Tshwane is liveable, resilient and inclusive and its citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms and are partners in the development of the African capital city of excellence.

Tshwane Vision 2055 sets a long-term development agenda to guide all future initiatives of the City. The long-term vision of the City and has identified the following desired outcomes for 2055:

- Outcome 1: Resilient and Resource Efficient City
- Outcome 2: A growing economy that is inclusive, diversified and competitive
- Outcome 3: Quality infrastructure development that support liveable communities
- Outcome 4: An equitable city that supports happiness, social cohesion, safety and healthy citizens
- Outcome 5: An African capital city that promotes excellence and innovative government solutions
- Outcome 6: South Africa's Capital With an Activist Citizenry

With the above outcomes in mind, the City needs to ensure that it diligently implements the proposed strategic actions as contained in the Tshwane Vision 2055. For this reason, it is proposed that the theme for this IDP and all the work that will be carried out in this term of office be:

Culminating the 1st Decade of Game Changing of Tshwane Vision 2055

This theme brings to the emphasis the need for the City to develop strategies and implement in line with the six Outcomes of the Tshwane Vision 2055 and through the implementation of its operational business plans as well as the SDBIP, the following strategic objectives are sought to be achieved:

1. Provide sustainable services infrastructure and human settlements
2. Promote shared economic growth and job creation
3. Ensure sustainable, safer communities and integrated social development
4. Promote good governance and an active citizenry
5. Improve financial sustainability
6. Continue institutional development, transformation and innovation

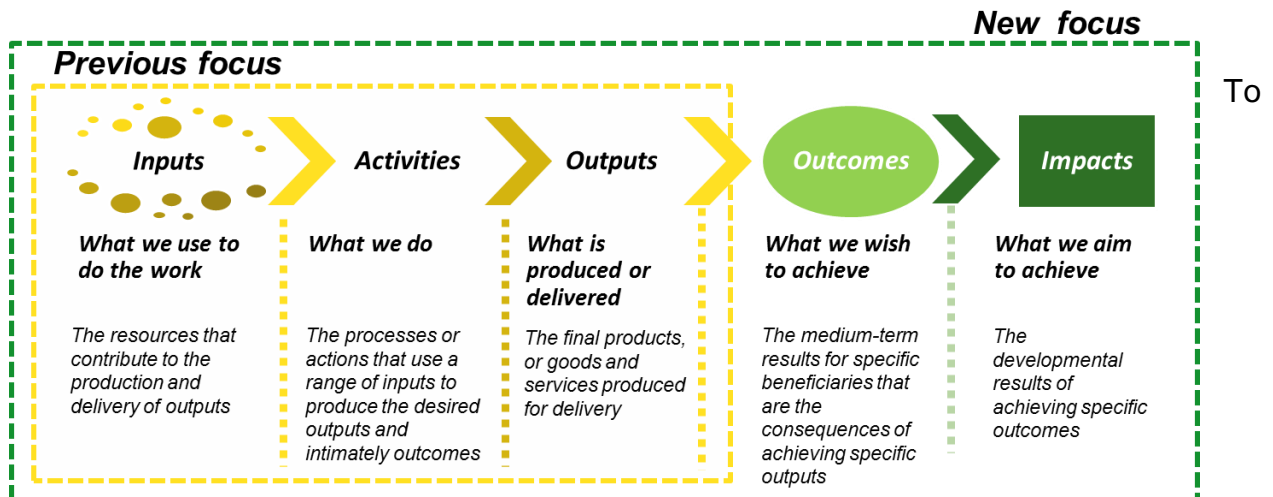
In 2055, Tshwane is liveable, resilient and inclusive and its citizens enjoy a high quality of life, have access to social, economic and enhanced political freedoms and are partners in the development of the African capital city of excellence.

The vision sets six outcomes that need to be achieved over the next four decades. These are:

1. A resilient and resource-efficient city
2. A growing economy that is inclusive, diversified and competitive
3. A city with quality infrastructure development that supports liveable communities
4. An equitable city that supports happiness, social cohesion, safety and healthy citizens
5. An African capital city that promotes excellence and innovative governance solutions
6. South Africa's capital with activist citizens who engage with and are aware of their rights and present themselves as partners in tackling societal challenges

The emphasis on the Tshwane Vision 2055 in the 2016/21 IDP brings about a shift in the strategic planning processes of the City whereby emphasis is on the outcomes and desired impact as opposed to the previous emphasis on the outputs and activities. This means that the big catalytic initiatives need to be identified for the term of office and upfront, the desired impact as identified in this document needs to be supported by understanding the context, development of implementation strategies, proposed programmes and actions. This shift as discussed can be summarized in the diagram below:

Figure 1.1: Change in strategic focus for the IDP



achieve the above, the strategic planning process needs to ensure that

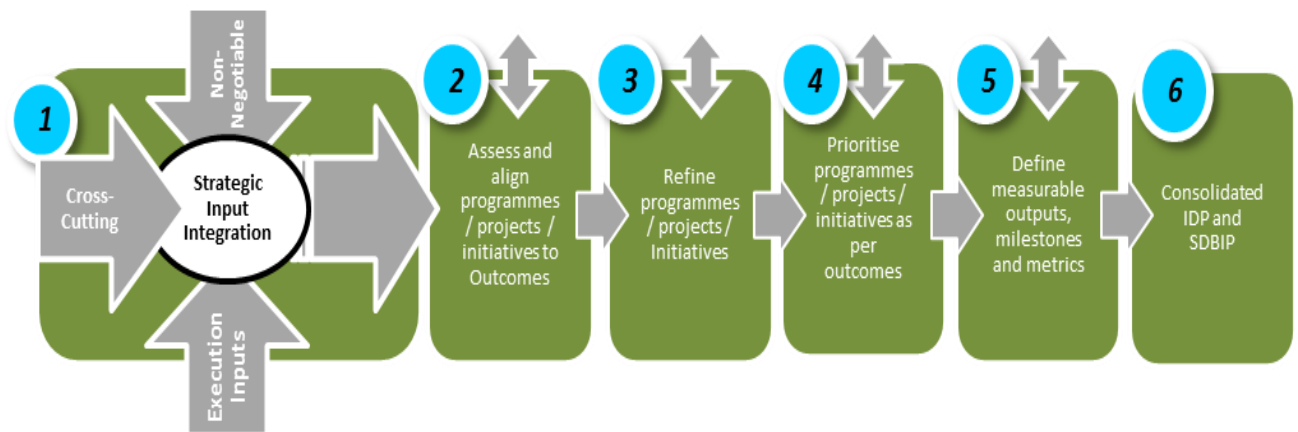
- Budget allocation to outcomes is based on weighting and prioritisation
- Outcomes may have one or more programme associated with it
- Departments propose projects that will assist in achieving programme goals
- Projects are prioritised based on the impact and benefits
- Project budgets are allocated to departments responsible for its delivery
- As means of achieving monitoring and improvements, departments not winning any projects are evaluated for constraints and challenges
- Delivery agreements or interdepartmental partnerships are required for projects that need to be delivered by more than one department

The above proposed logic to strategic planning was started in the development of this draft IDP and will continue to be employed as the term of office proceeds.

Process followed towards the development of the draft 2016/21 IDP

The process followed in the development of the draft 2016/21 IDP document is in line with the legislative requirements of both the Municipal Systems Act and the Municipal Financial Management Act. Further, the process has allowed for a streamlined strategic process to be achieved as outlined in the section above. The summary of the strategic planning process is as per the diagram below:

Figure 1.3: strategic process towards the development of the Draft 2016/21 IDP



The above strategic planning process has been internally focused and has allowed of rigorous strategic planning discussion among the administration and the Mayoral Committee and the identified programmes together with their measured have been agreed upon

As part of the finalisation of the document, the City will engage with all the relevant stakeholders to solicit views and inputs into the City's plan for the 2016/21 term of office. The following engagement processes were embarked upon toward the development of this document

Mayoral Lekgotla I: Strategic Agenda Setting:

The Mayoral Committee convened a Lekgotla meeting in August 2015 where the agenda for the 2016/21 financial year was set. The Lekgotla resolved on the approach towards the development of the IDP and thus set a strategic path towards the strategic planning for the new term of office.

Strategic Planning towards Outcomes Based Planning

Between September 2015 and February 2016, the departments of the City, led by nominated SEDs held sessions per each of the Tshwane Vision 2055 six outcomes with an intention to achieve the following:

- To engage in a strategic discussion based on thBetween September 2015 and February 2016, the departments of the City, led by nominated SEDs held sessions per each of the Tshwane Vision 2055 six outcomes with an intention to achieve the following:
- To engage in a strategic discussion based on the identified Tshwane Vision 2055 Outcomes;
- To develop an understanding of current development trends that may influence the development proposals for implementation actions/programmes and projects for 2016/21. These need to include economic, political, environmental and social factors;
- To develop strategic proposals and implementation action/ programmes and projects for inclusion in the 2016/21 IDP;
- To align the 2016/21 proposals to other Outcomes of the Tshwane Vision 2055;
- To set out a phased approach to the identified actions/programmes/projects with clear budgetary requirements
- To identify risks that the City may face in implementing the identified action/programmes/ projects and develop mitigating measures for these;

- To identify institutional arrangements that will facilitate the achievements of the 2055 Outcomes;
- To consolidate the discussions into the Outcome Strategy, input into the 2016/16 IDP Discussion Document and ultimately the Outcome Plan and outlined in the sections below;
- To communicate the outputs outlined above to the City Manager's Forum and the Lekgotla in Marche identified Tshwane Vision 2055 Outcomes;
- To develop an understanding of current development trends that may influence the development proposals for implementation actions/programmes and projects for 2016/21. These need to include economic, political, environmental and social factors;
- To develop strategic proposals and implementation action/ programmes and projects for inclusion in the 2016/21 IDP;
- To align the 2016/21 proposals to other Outcomes of the Tshwane Vision 2055;
- To set out a phased approach to the identified actions/programmes/projects with clear budgetary requirements
- To identify risks that the City may face in implementing the identified action/programmes/ projects and develop mitigating measures for these;
- To identify institutional arrangements that will facilitate the achievements of the 2055 Outcomes;
- To consolidate the discussions into the Outcome Strategy, input into the 2016/16 IDP Discussion Document and ultimately the Outcome Plan and outlined in the sections below;
- To communicate the outputs outlined above to the City Manager's Forum and the Lekgotla in March

Intergovernmental Engagement

In February 2016, the City engaged with its provincial counterparts, as per the IDP July-to-July Road Map of provincial COGTA and the approved IDP process plan. The objectives of the discussions were to:

- Solicit progress on the provincial projects for 2015/16 FY
- Provide a platform for provincial departments to articulate their priorities for the 2016/17 financial year; and
- Address issues of dependency and ensure alignment with provincial and national counterparts.

This engagement will be continued toward the finalisation of the IDP and input from national and provincial departments will be used to ensure that there is an integrated approach to development for the communities is achieved.

Business Plan Development Process

Following the discussion of the Lekgotla I, the provincial discussions and the strategic planning discussions on the outcomes based planning processes in January 2016, all departments and municipal entities prepared and submitted the draft proposals for implementation in 2016/21 with an emphasis on 2016/17 FY in preparation for the Budget Steering Committee which was held on February 2016.

These proposals were aimed at effecting the resolutions of the Lekgotla of August 2015 in preparation for the development of the draft 2016/21 IDP and to show alignment with the outcome based work that the departments have been undertaking.

The business plans were assessed by the Budget Steering Committee which was established in line with Section 21(1) of the Municipal Financial Management Act. The recommendations of the Budget Steering Committee were tabled to the Mayoral Lekgotla of February 2016 at which the final budget determination was provided. This was the basis for the development of this draft IDP together with the IDP scorecard as contained herein.

Mid-Year Review and Adjustment Budget

The mid-year performance report together with the 2015/16 SDBIP adjustments were tabled to Council in February 2016. These confirmed the advances made in implementing the 2015/16 IDP during the first half of the financial year as well as deliverables for the 2016/17 financial year. This information was used to establish the baseline during the 2016/21 planning cycle.

Mayoral Lekgotla II: Priorities and Budget Confirmation

In March 2016, the Executive Mayor Convened a Budget Lekgotla which achieved the following among others:

- Considered the development progress in line with the key service delivery streams for the City with an emphasis of addressing Auditor General's findings for 2014/15
- Considered a summative evaluation of the work done by the City since 2011 FY as an input into the development proposal for the 2016/21 term of office
- Engaged on the 6 Outcome Strategies as discussed and developed by management towards the development of the 2016/21 IDP
- Considered the financial position of the City and made recommendations on how work moving forward can be funded
- Considered the spatial implications of the proposed projects of the City towards spatial justice

The Lekgotla agreed on the following proposed priority areas for the upcoming term of office:

- Embark on an aggressive implementation of strategy – 'consolidating the people's capital.
- Mainstream pilots projects of the City into programmes of the City that are funded. These include the Tshepo 10 000, Kuka Maoto approach towards addressing urban management as well as the accelerated formalization programme of Re Aga Tshwane
- Continue strengthening the financial position of the City through liquidity improvement: tilting the scale of expenditure to revenue towards financial resilience and to be able to fund future plans of the City
- Escalate the implementation of catalytic projects:
 - West Capital
 - Caledonian
 - BPO Park
 - Power stations
- Implement urgently the accelerated urban management model and realign functions between the regions and departments as proposed
- Replicate successful township revitalisation programmes in the City and develop an approach toward township development

- Reduce non-revenue water and electricity
- Temba and Rooiwal Water Treatment Plant and Reservoir upgrade to be completed within agreed timeframes
- Realise the rollout of TRT infrastructure and increase ridership

To complement the above, the City is still committed to inclusive economic development and job creation, poverty alleviation, sustainable environmental development and promoting safety to the residents. This IDP revision document provides details in terms of quantifiable plans on how the above will be achieved.

Chapter overview

This section provides a brief overview of the contents of each chapter of this draft IDP . As stated above, consideration has been made to ensure that the document is in line with Chapter 5 of the Municipal Systems Act regarding process towards the development of the IDP and the contents thereof.

Introduction, Context and Overview: this chapter places the IDP in context and it positions it at the first IDP for the 2016/21 term of office. The chapter emphasises the role of the Tshwane Vision 2055 as a strategic guiding document towards the development of the plans and implementation in 2016/21. The process towards the development of the IDP is also captured in this chapter with the six strategic objectives as adopted in 2013/14 still being the guiding principles for the next term of office. The chapter concludes by giving a summary of the contents of each of the chapters in the 2016/21 IDP review.

Situational Analysis: the aim of the situational analysis chapter is to reflect on the developmental progress made in the City and to allow for a realistic view of the developmental challenges that the City is confronted with. Much of the information that is contained in this chapter based on the statistical information as per the StatsSA and updates have been provided with sources such as the IHS Global Insight data for 2016. The overall development in the City is as per the table below:

Total Population	2015	% growth
	3 152 162	3.1%
% people with Functional literacy (15 years and older)	Pop groups	%
	Asian	94.8%
	Coloured	95.5%
	White	98.8%
	African	88.8%
	Total	91.2%
Total number of people employed	Formal	Informal
	982.866	140.843
	Total : 1,123.709	
Unemployment Rate	21.1%	
HDX by population group	0.71	
Gini coefficient	0.64	
Total people living below poverty line	478,533	
People with access to basic services	Service	% / #
	Sanitation	78.37%

	Waste management to formal households	77%
	Water	80.73%
	Electricity	79.81%
	Informal settlements with rudimentary services	100%

Strategic Context chapter highlights the strategic pillars that guide the development plans for 2016/21. The chapter is drafted taking into consideration the changing development trends as well as some of the commitments that have been made which affect the City.

The strategic context chapter also seeks to align the planned proposals of the City to the Performance Management Framework of the City of Tshwane by making proposals on impact, outcome, input and output indicators and these will be contained in the various document of the City.

The Chapter also introduces the key programmes that will be implemented for each of the Tshwane Vision 2055. These are a direct contribution towards the outcome based planning as was developed and presented to management and the Lekgotla.

Governance and Institutional Arrangements: the chapter articulates the broad governance and institutional framework of the City and links this to the governance model of the City. Further, it outlines some of the key administrative transformation areas that have made it possible to implement the model within the legislative context. The chapter seeks to communicate the separation of power model in the City and to inform of other institutional arrangements that will improve accountability.

Inter-Governmental Alignment: Intergovernmental Relations (IGR) refers to the complex and interdependent relations amongst the national, provincial and local spheres of government as well as the coordination of public policies amongst these three spheres. In essence, this means that the governance, administrative and fiscal arrangements operating at the interface between national, provincial and local governments must be managed to promote the effective delivery of services.

This chapter aims to reflect the city's continuous strengthening of intergovernmental relations. The chapter also reflects on the State of the Nation and State of the Province addresses. It also addresses the MEC: Provincial Government's comments on the 2015/16 IDP and the input of the MEC is used to improve and strengthen processes moving forward

Community Participation chapter examines the City's participatory planning processes toward the development of this document and beyond. A high level summary of the progress made against the 2013/14 community issues is provided and these are at the backdrop of the following summary of established community priorities:

- Provision new infrastructure and maintenance existing one (water, sanitation, roads and storm water and electricity);
- Housing provision and the upgrading of informal settlements;
- Provision of social amenities / infrastructure (Sport and recreational facilities, parks, clinics, libraries) and accompanying programmes;
- Economic development and job creation; and
- Safety and security.

The chapter concludes by indicating the public participation processes that will be followed post the tabling of the draft 2016/17 document to Council.

Spatial Development Framework (Summary): outlines high level interventions of the metropolitan spatial development framework and Capital Investment Programmes into the City's settlement restructuring agenda. This chapter sets out the spatial restructuring elements of the City together with the key capital projects to support these. The MSDB is anchored by the following development concept pillars:

Performance Management: highlights performance management structures of the City that will ensure delivery against the planned deliverables for the 2016/21 term office. The chapter seeks to communicate some of the key monitoring and evaluation structures and systems that will be used in monitoring and evaluation of the work that is done by the City.

City Of Tshwane Draft Performance Scorecard for 2016 – 2021: this chapter highlights some of the key performance measures towards the implementations of the Tshwane Vision 2055. The scorecard is framed to give effect to the MayCo agreed programmes in support of Vision 2055 Outcomes as outlined in the strategic context chapter.

Financial Plan Chapter outlines the focus of the draft medium term budget expenditure framework (MTREF) in terms of the allocation of resources towards the implementation of this draft revised IDP and also presents the draft tariffs proposed for 2016/17.

2. SITUATIONAL ANALYSIS

Introduction

This chapter seeks to present the City of Tshwane in its context as the capital City of South Africa and to provide a discussion on the socio-economic development status of the City. The information contained in this chapter is sourced from:

Census 2011 by Statistics South Africa: a principal means of collecting basic population and housing statistics required for social and economic development, policy interventions, their implementation and evaluation. South Africa has conducted three Censuses (1996, 2001 and 2011). Census 2011 was the third Census to be conducted since the post democratic elections in 1994 and a number of population and household attributes were measured and variety of indicators generated. This will provide Tshwane specific profile results on all Census topics; demographics, migration, education, general health and functioning, labour force, mortality, and households.

Stats SA: Quarterly Labour Force Survey, Quarter 4, 2015: a household-based sample survey conducted by Statistics South Africa (Stats SA). It collects data on the labour market activities of individuals aged 15 years and above who live in South Africa. However, this report only covers labour market activities of persons aged 15–64 years.

IHS Global Insight (2016): an independent service provider with whom the City have a Service Level Agreement to provide the City with socio economic data on a regular basis. These are generated through various models and allow the City to have a view of the socio economic development in the city. This source of information have allowed the City to compare the changes over a number of years and have utilised this source over the last number of IDP reviews.

City of Tshwane Social Facility Planning Using Accessibility Analysis Project report: 2015/16: The study was conducted by the Council for Scientific and Industrial Research (CSIR) Built Environment Unit. The project as a whole sought to identify those areas across all the regions where the supply and demand for facilities is not balanced in terms of the current facility supply and the current population distribution and taking service provision standards into account. The study also provides recommendations of where interventions should be targeted.

City of Tshwane in Context

Globally, cities are the driving force for economic development and social progress, and in the South African context it is at the level of local government that the actual realisation of the rights enshrined in the Constitution and the achievement of the desired South Africa

as contained in the National Development Plan—a national strategic document towards 2030 is achieved.

Cities have historically driven growth in South Africa. According to Turok (2012) Cities have consistently outpaced the rest of the country in terms of economic and employment growth. This is because they tend to be more productive in terms of the value of the goods and services they generate and the efficiency with which they are produced. According to the World Bank (2009) this partly reflects the ‘agglomeration economies’ that benefit large concentrations of economic activity, including: matching business requirements for labour, premises and other resources; sharing infrastructure, services and information; and mutual learning between firms and other institutions. This implies that city-regions will have an even more relevant role as engines of economic growth and social cohesion. Tshwane, like other capital cities around the globe, is a core driver of national growth and development. Tshwane’s economy will have to grow massively if it is to fulfil the NDP targets of eliminating poverty.

The City of Tshwane is home to a range of higher-value functions such as corporate headquarters, financial and business services and manufacturing, and high-order public services, such as national departments, universities and major hospitals. To be more specific, the City accommodates more than 30 Johannesburg Stock Exchange (JSE) listed companies, home of national government departments, three Universities and host 134 foreign embassies and missions, giving it the largest concentration of diplomatic and foreign missions in the world after Washington DC in the USA.

A key milestone in the history of Tshwane was the amalgamation of 13 smaller municipalities on 5 December 2000 to form the City of Tshwane Metropolitan Municipality. This amalgamation was not simply an exercise in spatial integration; more importantly, it was a deliberate step to develop an integrated economic base to deepen socio-economic transformation. At the time the City of Tshwane adopted the slogan “Re a Tshwana”¹, which means “We are the same”, to signify unity.

As part of the continued commitment of the South African government to improve service delivery and ensure economic growth for all its citizens, the Municipal Demarcation Board resolved to re-determine the boundaries of the Metsweding District Municipality (which was made up of the Nokeng tsa Taemane and Kungwini Local Municipalities) and the City of Tshwane Metropolitan Municipality so that they would form a new single metropolitan municipality effective from 18 May 2011. Today, Tshwane covers just more than 33% of the total land area of Gauteng’s 19 055 square kilometres, has 7 administrative regions, 105 wards and 210 councillors.

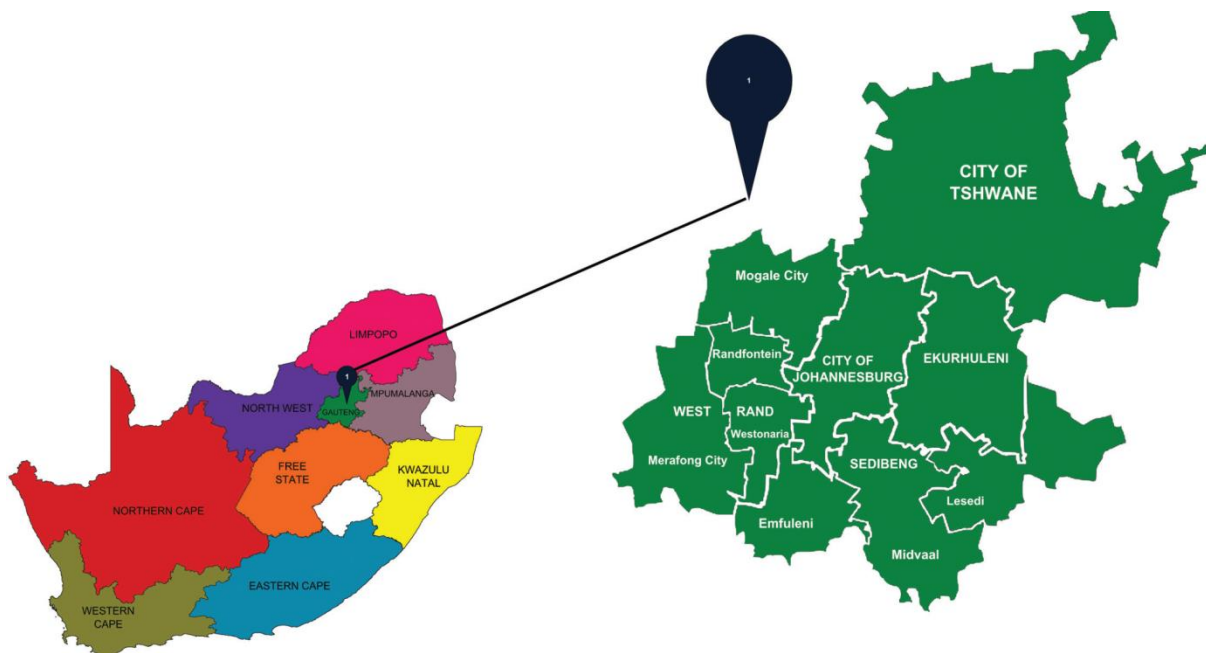
To position and brand the new City of Tshwane, a new slogan was adopted – “Igniting excellence”. This shows that the City maintains its commitment to improve the quality of life of all residents while advancing Tshwane’s competitiveness and marketability across the globe. Tshwane is the administrative capital of the Republic of South Africa. It is also

¹ Tshwane Vision 2055

regarded as the diplomatic capital, as over 130 diplomatic missions are located in Tshwane.

Tshwane is the largest of the three metros in Gauteng in terms of geographic space, that is, 6 345 square kilometres, which makes it the third largest municipality in the world. Although this offers opportunities for a vast number of land uses and development, it poses big challenges in terms of infrastructure development for basic services such as water, sanitation, electricity and social facilities. Due to the vastness of the area, urban sprawl is also a concern and puts a huge burden on infrastructure provision.

Figure 2.1: Location of Tshwane



The population of Gauteng totals 13.1 million which is 24.4% of South Africa's total population of 53.7 million. Tshwane makes up more than 3.1 million of the total provincial population. The map below depicts the location of Tshwane in the Gauteng Province. As already alluded above the City of Tshwane is divided into seven administrative regions, the population per regions is as follows, Region 1 (Old North West) with 867 548, Region 2 (Old North West) with 359 715, Region 3 with (Old Central Western) with 649 831, Region 4 (Old Southern) with 409 831, Region 5 (Nokeng tsa Taemane) with 98 504, Region 6 (Old Eastern) with 641 388 and Region 7 (Old Kungwini) with 125 998.

Table 2.1: Population comparison across municipalities in Gauteng

Name	Area km ²	Population 2013 ²	Population 2014
Johannesburg	1 648	4 716 564	4 786 431
Ekurhuleni	1 928	3 299 497	3 371 728
Tshwane	6 357	3 125 607	3 152 162
Sedibeng	4 185	939 453	963 953
West Rand	4 095	833 696	839 905

Source: IHS Global Insight (2016)

Tshwane's more than 3.1 million residents (marginal increase from 3 125 607 in 2013 to 3 152 162 in 2014) are distributed over seven planning regions that the City of Tshwane instituted to improve service delivery to residents. The operationalisation of this regional model is aimed at improving coordination and alignment of services rendered to residents and stakeholders of Tshwane.

The following map reflects the seven planning regions, which are responsible for functions such as health services, waste management, library services, sports, recreation and culture, horticulture, customer care and cemeteries.

Table 2.2: Tshwane population distribution by planning region

Region	Percentage of the population
1	27.5%
2	11.4%
3	20.6%
4	13.0%
5	3.1%
6	20.3%
7	4.0%

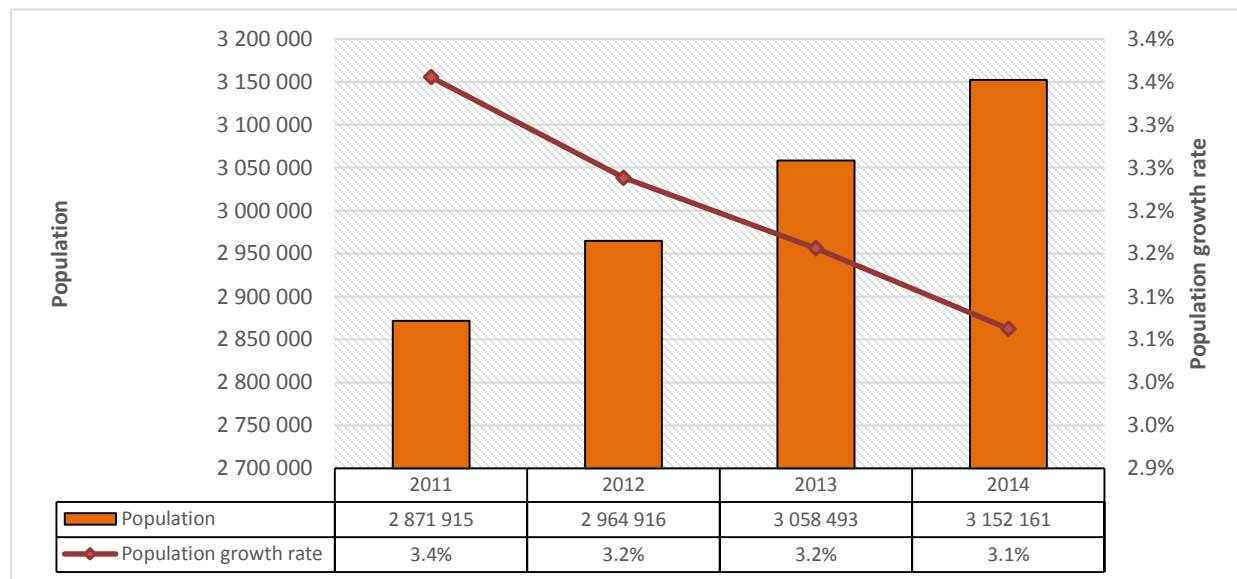
Source: IHS Global Insight (2016)

Thus regions 1, 6 and 3 have the highest population concentrations. The overall population growth for the City of Tshwane between 1996 and 2014 was 2.9 percent.

Demographics

The City of Tshwane continues to be a diverse and culturally vibrant capital City. In 2011 the total population of Tshwane was 2.9 million and has since increased to below 3.2 million in 2014. For the period 2011-2014, Tshwane's population grew by 280 246. Figure 2.4 below provided an overview of how the total population in Tshwane has been changing over the 2011 – 2014 period. As indicated in the figure, total population in the City has been increasing at a declining rate. In 2011 the growth rate was determined to be 3.4%, which has since decreased to 3.1% in 2014. This could indicate that either the birth rate or immigration to the city declined.

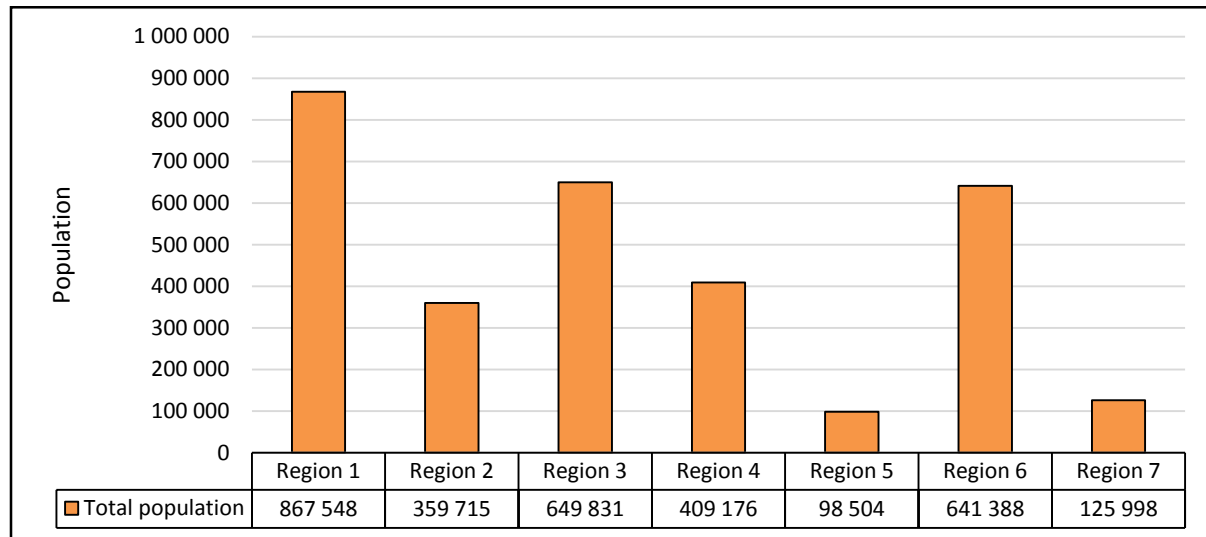
Figure 2.4: Tshwane's population and population growth, 2011–2014



Source: IHS Global Insight (2016)

Figure 2.5 below, indicates the total population in Tshwane disaggregated by Tshwane's 7 regions. As indicated in the figure, region 1 has the largest population in Tshwane accounting for approximately 28 percent of the total population. Region 5 and 7 are the least populated regions in Tshwane, accounting for approximately 3.1 and 4 percent respectively of the total Tshwane population. The large concentration of economic opportunities in region 4, primarily within the financial and professional services sectors, is a potential justification for the large population growth percentage in comparison with all other 6 regions in Tshwane.

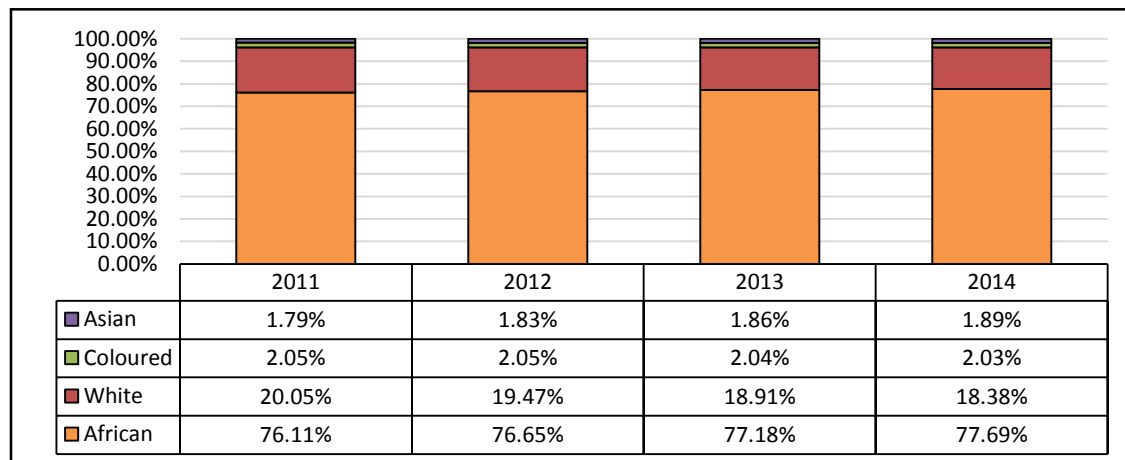
Figure 2.5: Tshwane’s population by Regions, 2014



Source: IHS Global Insight (2016)

The following Figure 2.6 reveals the demographic breakdown of the City of Tshwane in percentages, the largest population group residing in the City of Tshwane is African accounting for approximately 77.6 percent. This is followed by the White population group accounting for approximately 18.4 percent, the Coloured population group accounting for approximately 2.03 percent and smallest population group is the Asian population group accounting for only 1,89 percent of Tshwane’s population.

Figure 2.6: Percentage contribution of population groups to Tshwane’s total population, 2011–2014

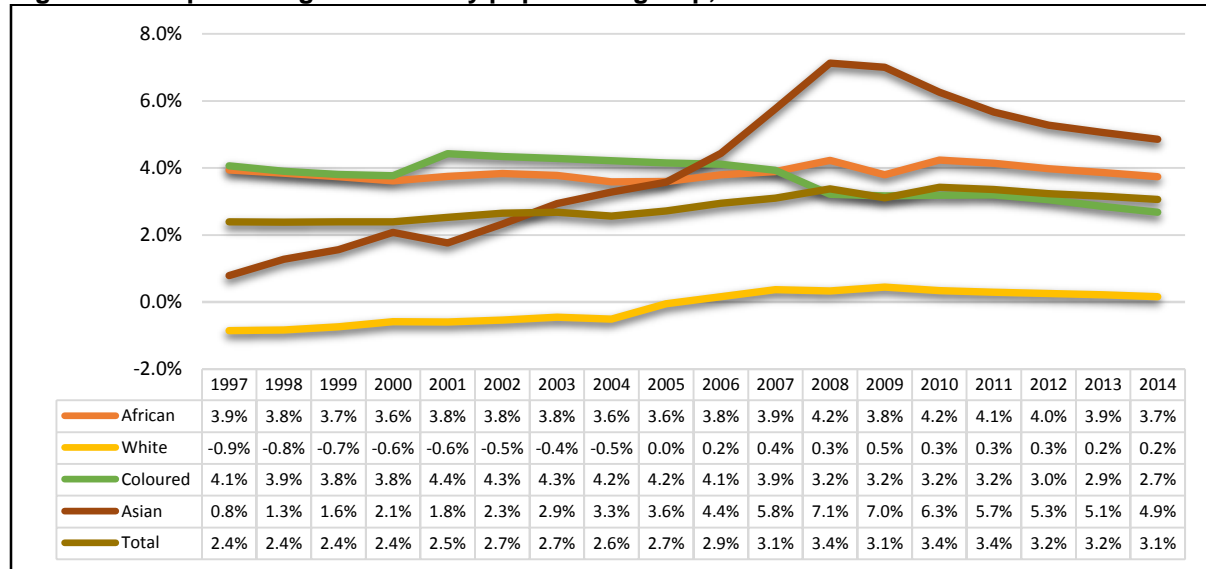


Source: IHS Global Insight (2016)

The overall population growth rates in Tshwane, as reflected in Figure 2.7 below indicates disaggregated by population groups. As indicated in the figure, the fastest growing population group in Tshwane is the Asian community peaking at 7.1 percent per annum

growth in 2008, the growth rate has shown a declining trend since 2008 but still remains the fastest growing population group. The second fastest growing population group is the African group which on average grew at rate of 3.8 percent per year. Interestingly, the White population group recorded negative growth for the period 1997 – 2005 and only regained the positive growth trajectory (though marginal) from 2006 to 2014.

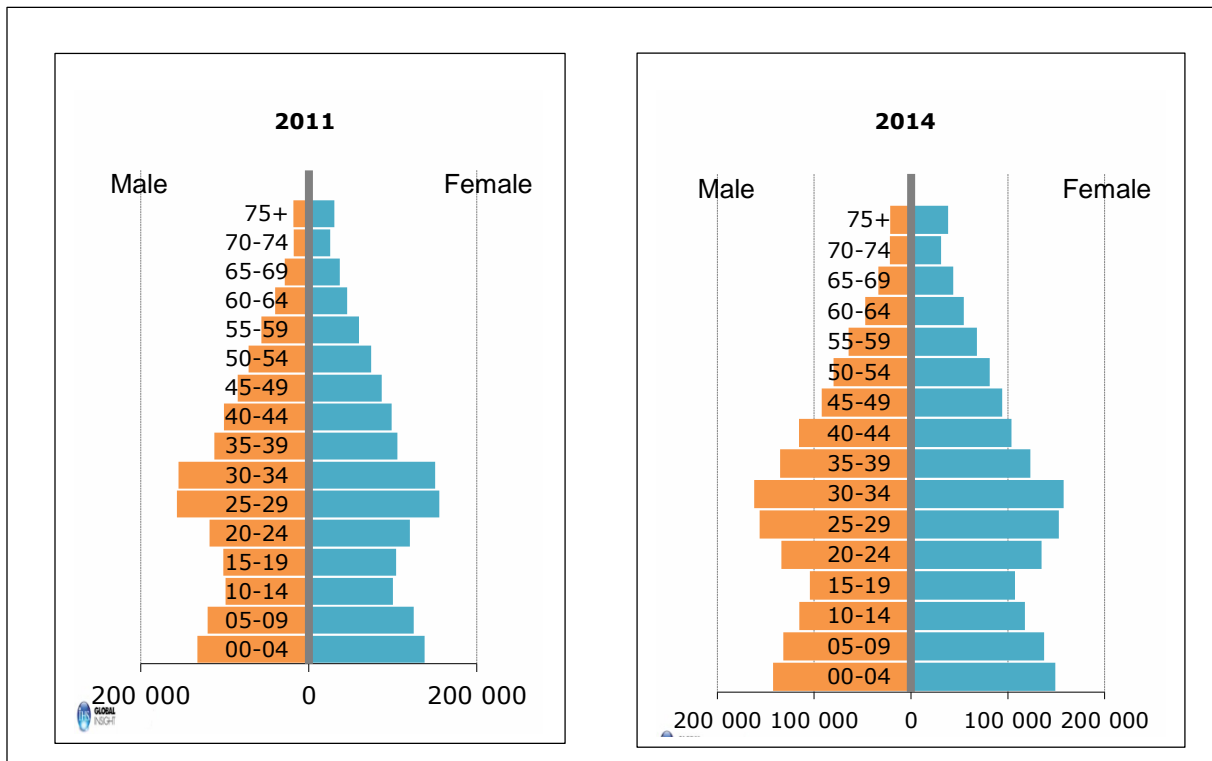
Figure 2.7: Population growth rate by population group, 1997–2014



Source: IHS Global Insight (2016)

The population pyramid for the City of Tshwane is reflected in Figure 2.8 and provides the 2014 population pyramids. As indicated in the figure, there is a youth bulge in Tshwane’s population profile; this is likely due to the large student population in the City resulting from the large concentration of higher education institutions. Approximately, 61 percent of Tshwane’s population is younger than 35, with 35 percent being between the ages of 15-34. Senior residents (65+ age group) in Tshwane only account for approximately 6 percent of the total population. On average, the gender breakdown is evenly distributed across all age bands as illustrated in the figure.

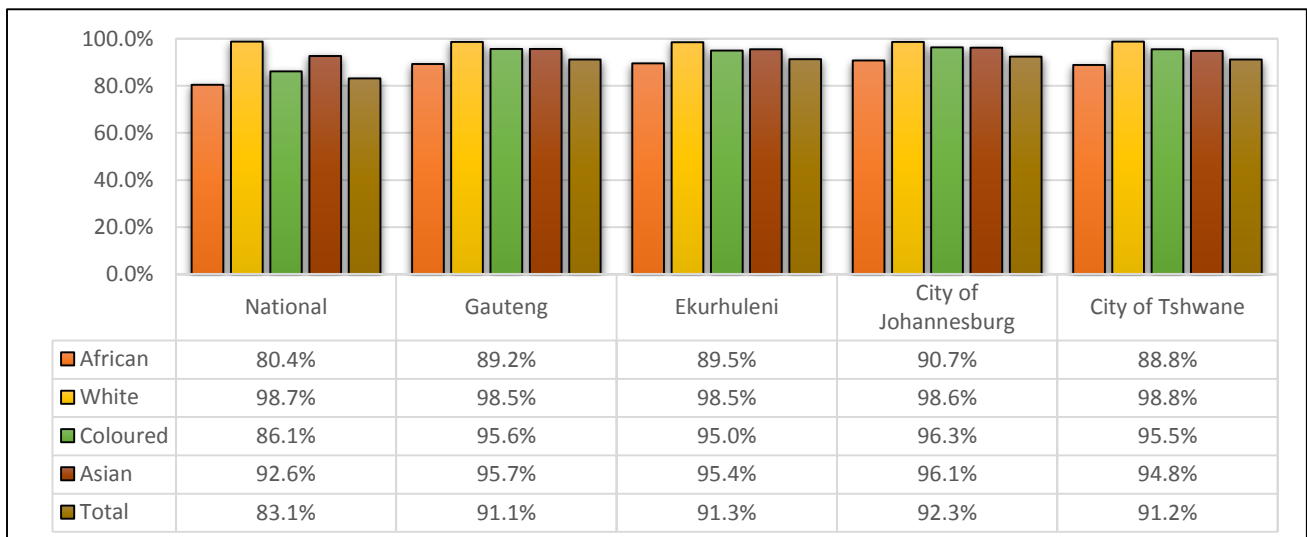
Figure 2.8: Tshwane's population pyramid



Source: IHS Global Insight (2016)

Education

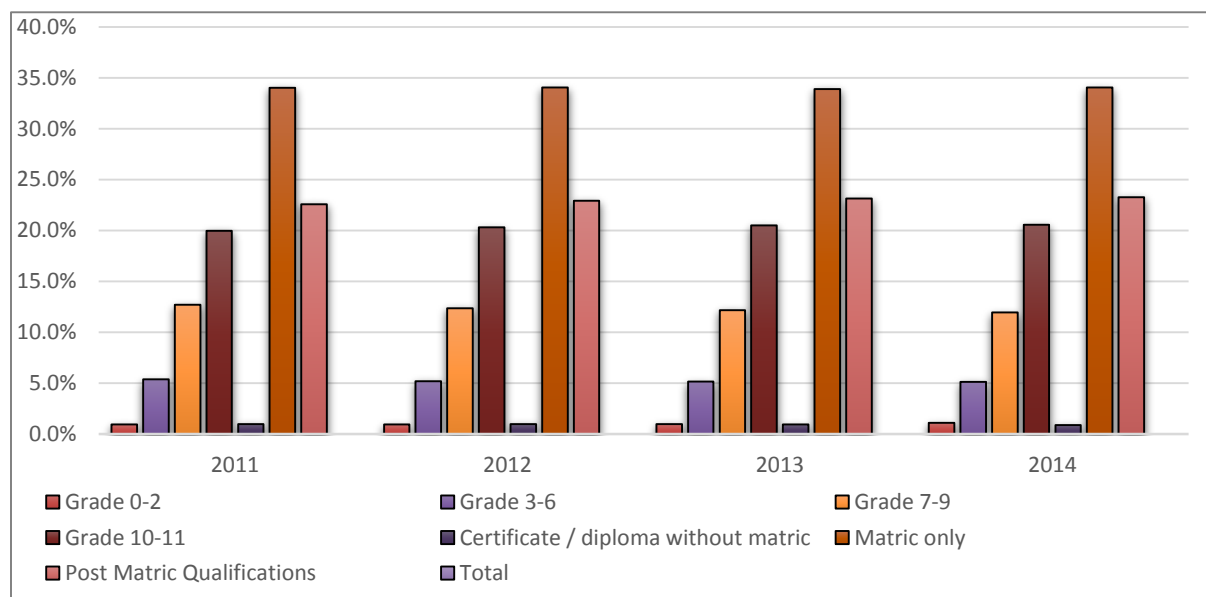
FIGURE 2.9: FUNCTIONAL LITERACY (15 YEARS + POPULATION), 2014



Source: IHS Global Insight, 2014

The functional literacy rate for the total population in Tshwane's for the total population, people 15 years of age and older was recorded at 91.2 percent (measure from the age of 15 years and children below this age are still considered minors and assumed to be attaining their 'basic education' as per the standards Department of Education in line with international labour law). The African population group's functional literacy level continues to be the lowest among all other population groups in the country, Gauteng and all three Metro's in Gauteng. South Africa's historical legacy of systematic social injustice has gravely fragmented social balances in the country this explains the lower literacy among the African population in the country.

Figure 2.10: Highest levels of schooling for the population aged 20 years and older in Tshwane



Source: IHS Global Insight (2016)

The City of Tshwane being government's administrative capital and a city with the largest concentration of higher education institutions in the country boasts a relatively better educated population than other metros in the country. As indicated in figure 2.10, the percentage of persons with no schooling or grade 2 represents a marginally small part of the City's population, at approximately 3.9 percent in 2014. Tshwane has a large concentration of persons with matric and post-matric qualifications currently recorded at 57.3 percent.

FIGURE 2.11: TSHWANE LEVEL OF SCHOOLING PROFILE BY REGION, 2014

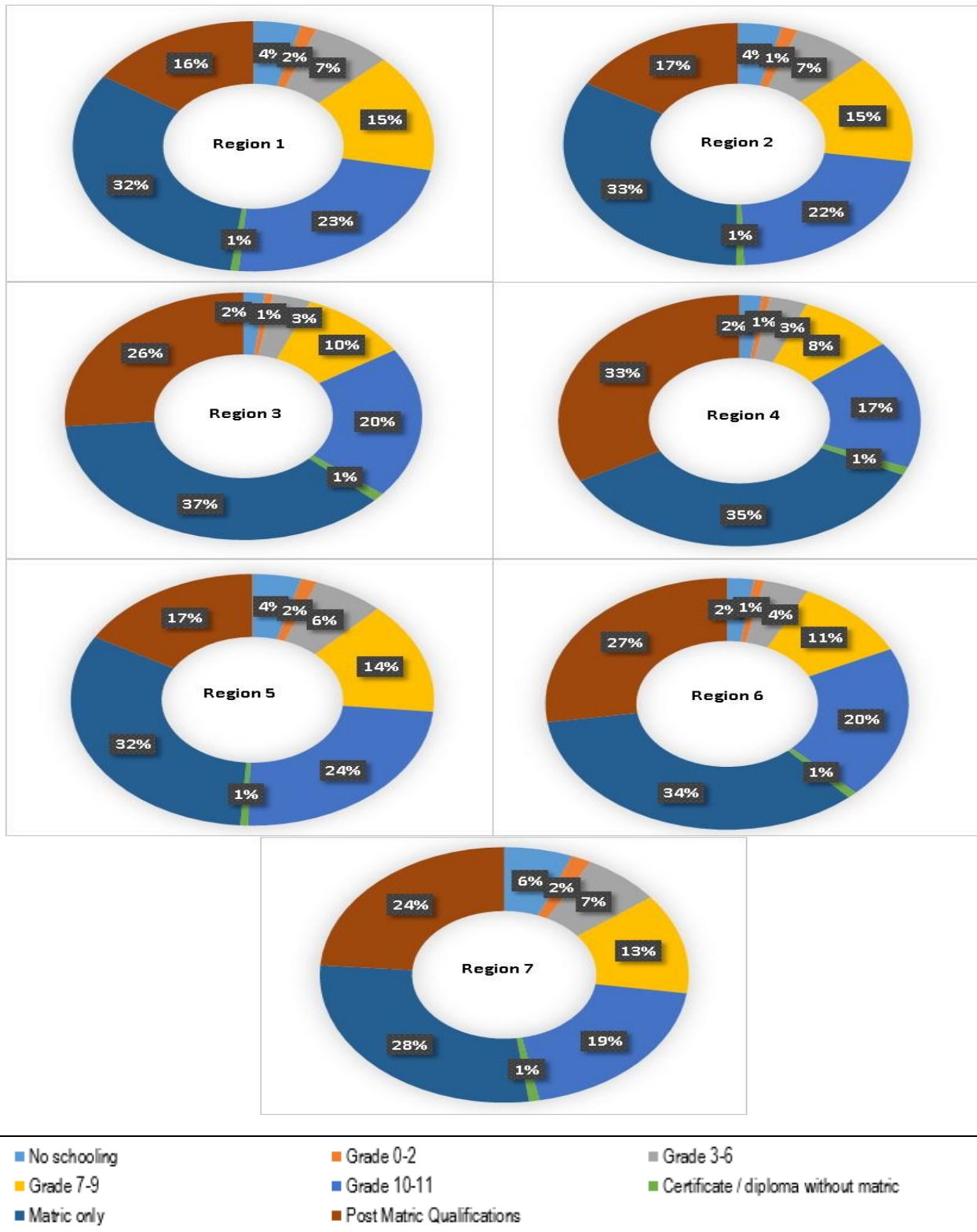
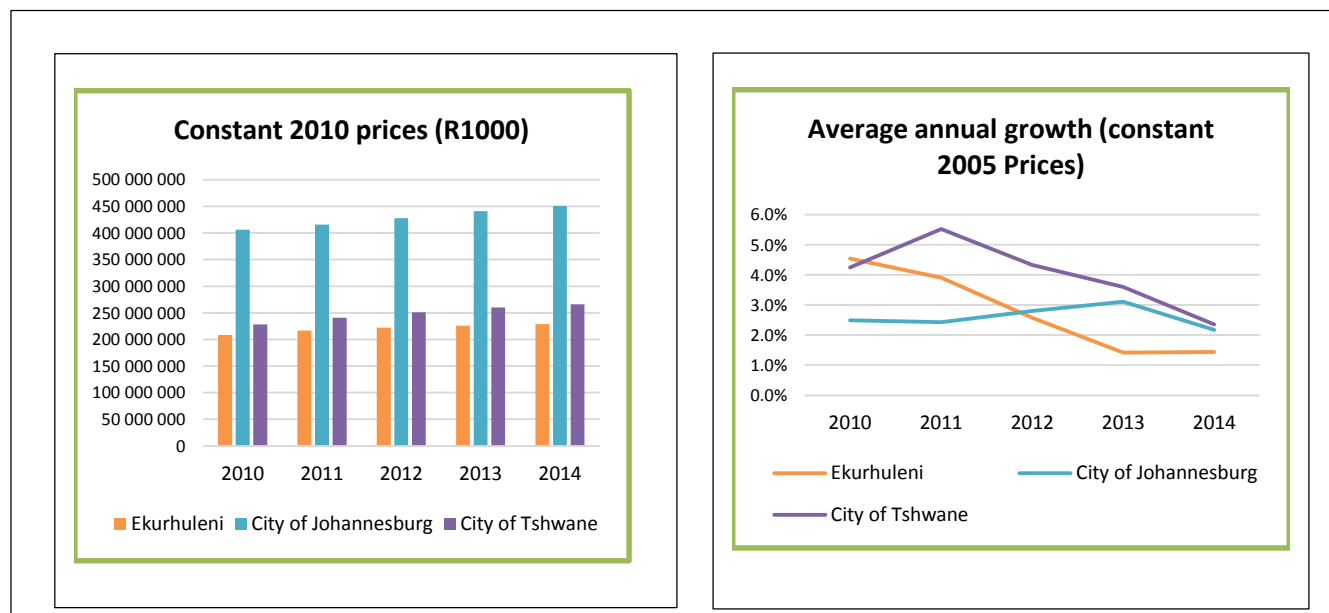


Figure 2.11 indicates the education profile of the City of Tshwane disaggregated by region. As indicated in the figure, on average, 33 percent of the population in each region have attained a Matric qualification. This holds with the finding that functional literacy levels in Tshwane are at levels higher than National average and Gauteng. Furthermore, region 4 has the highest concentration of post-matric qualifications accounting for approximately 37 percent whilst region 1 has the lowest concentration accounting for approximately 16 percent of the population. The fact that Region 4 comprises of more affluent areas in Tshwane such as Centurion and Irene whilst Region 1 is the opposite (though with a large concentration of agricultural holdings and industrial zones) justify the two extreme ends highlighted in figure 2.11.

The economy

The City of Tshwane is the fourth biggest municipality in South Africa and second biggest in Gauteng in terms of gross value added by region with gross value add of R243.4 billion. In 2014, City of Tshwane contributed 25 percent to the provincial economy. Moreover, Tshwane accounted for 9 percent of the Country’s economic compared as compared to 15 percent for the City of Johannesburg. Furthermore, the economic output of the City of Tshwane has expanded at an annual average of 4.0 percent per annum over the last five years, outstripping the national GDP growth average by at least one percentage point between 2010 and 2014. Overall no city in the Gauteng City Region outperformed the growth rates recorded by the CoT in the last five years.

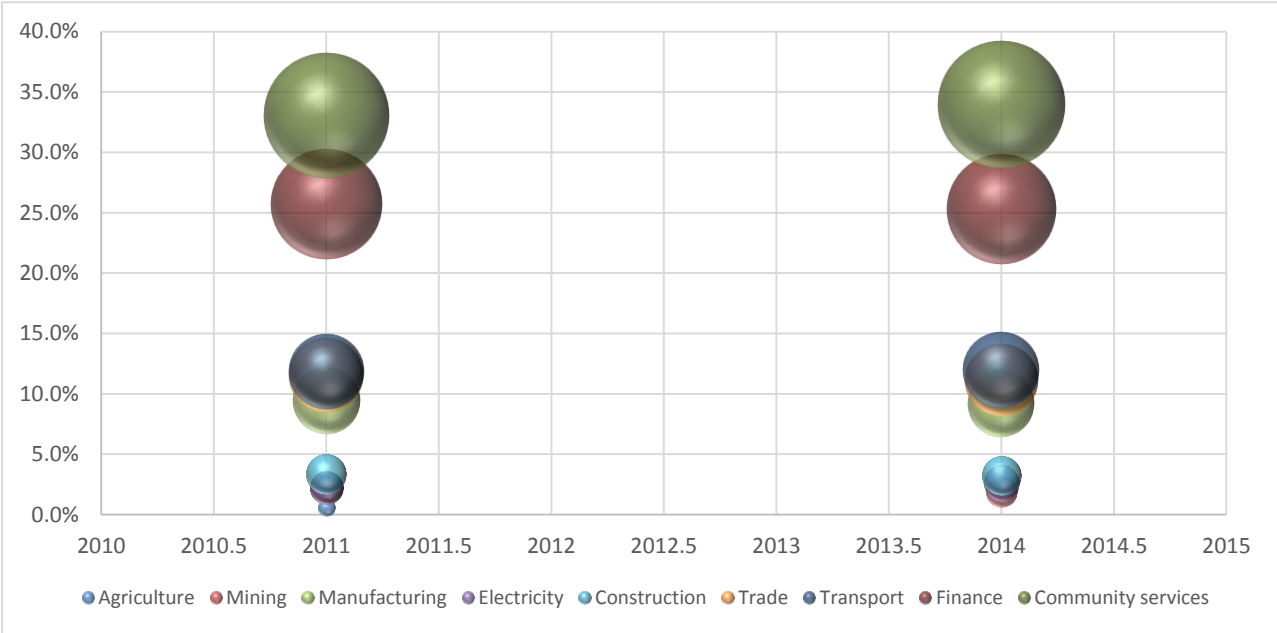
Figure 2.12: Economic Overview – GVA and GVA Growth



Source: IHS Global Insight, 2016

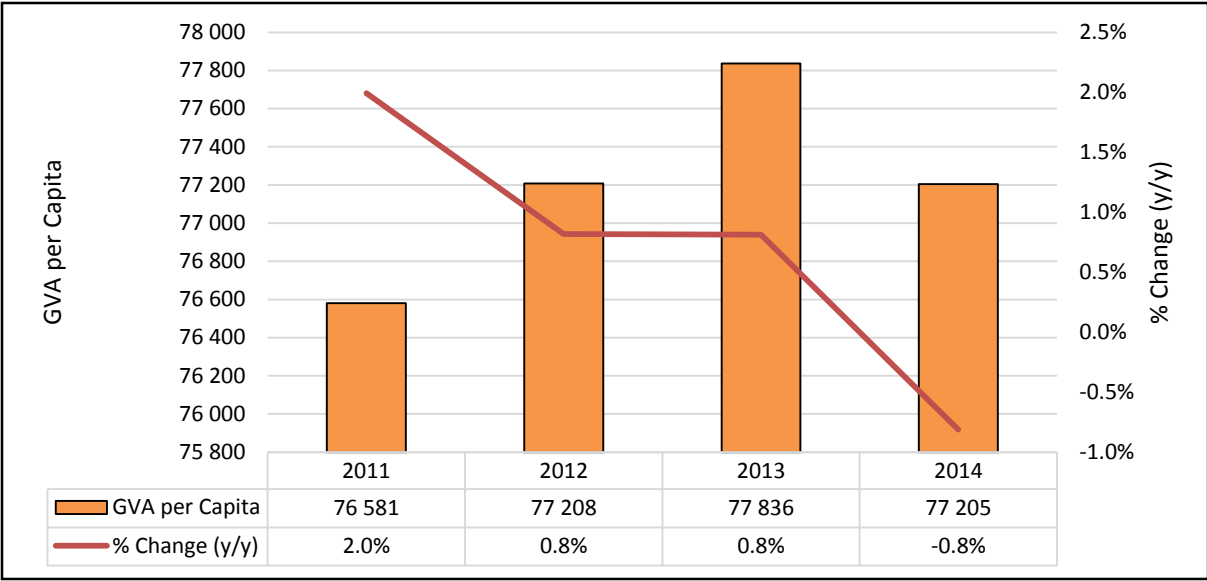
Tshwane has a diversified, emerging as a vibrant economy with significant community services, finance and transport. Tshwane has a large government sector (community services), reflecting the presence of national and provincial departments and parastatals. The sector recorded 34 percent contribution to Tshwane’s GVA in 2014. As depicted in figure 2.13 below, the five main sectors in 2014 were community services (34.0 percent), finance (25.4 percent), transport (11.8 percent), Trade (11.1 percent) and manufacturing (9.3 percent). Overall, the significant sectors of growth in Tshwane include government, social and personal services, construction, trade, transport and finance with the green economy and research and innovation and development representing crucial multi-dimensional and dynamic sectors of growth.

Figure 2.13: Contribution to GVA (constant 2010 prices)



Source: IHS Global Insight (2016)

Figure 2.14: GVA per Capita, 2011 to 2014 (constant 2010 prices)



Source: IHS Global Insight (2016)

Figure 2.15: Proportion of Tshwane GVA-R by Region, 2011 and 2014.

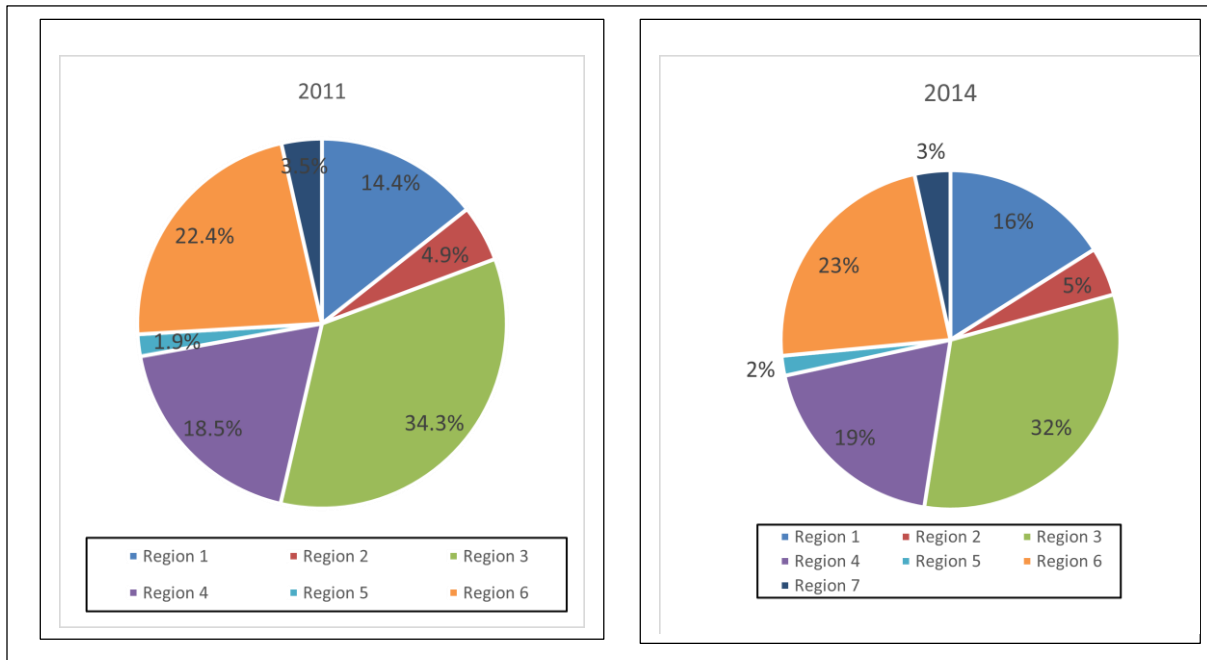
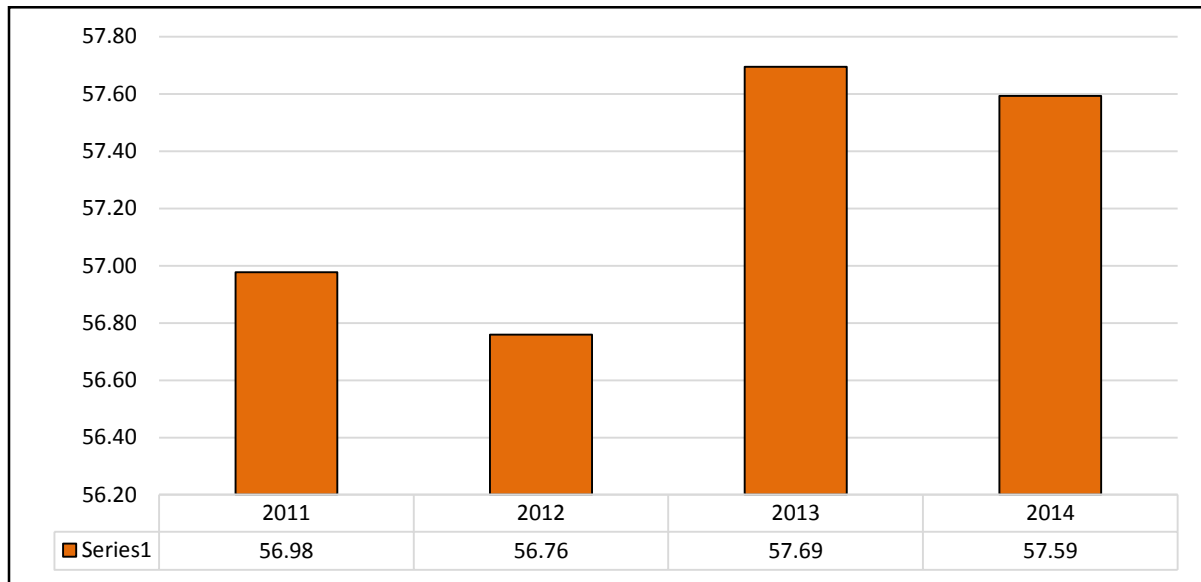


Figure 2.15 above summaries the GVA and contribution by all regions in the City of Tshwane, this figure further illustrates the change in GVA contribution in 2011 and 2014. It can be noted from the figure that the Regional contribution to Tshwane’s GVA only changed marginally over the period. Region 3 is still relatively dominant in Tshwane in terms of GVA contribution with a 32 percent contribution although this has fallen from 34.3 percent from 2011. Region 6 is the second largest contributor at 23 percent, this contribution has not changed over the last ten years. Region 5 (old Nokeng tsa Taemane) and Region 7 (old Kungwini) are the regions with the lowest contributions to Tshwane’s economy, the regions contributed 2 and 3 percent respectively.

Tress index

The tress index is an economic indicator that measures the level of concentration or diversification in an economy. The closer the index is to 100 the more concentrated is the economy. Comparing the four years reviewed, concentration in Tshwane increased from 56.98 in 2011 to 55.11 in 2013 and 57.59 in 2013. See figure 2.16 below.

Figure 2.16: Tshwane's tress index, 2011–2014



Source: IHS Global Insight (2016)

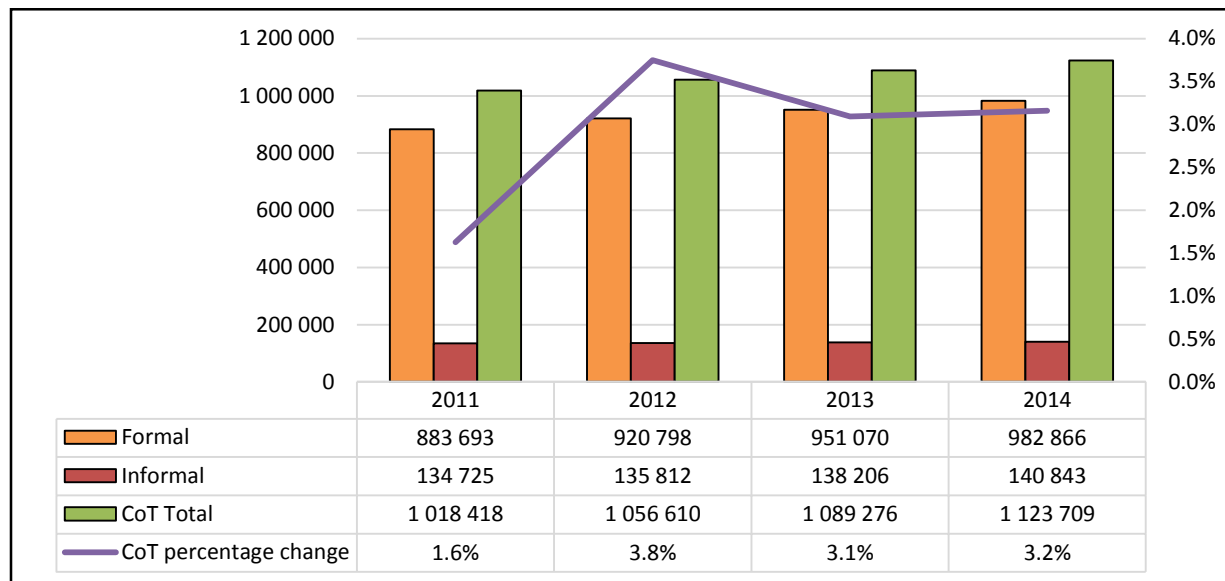
Labour

The employment level in Tshwane increased from about 1,02 million people in 2011 to 1,12 million in 2014, a slight increase from 1.08 in 2013; an average growth rate of 2,9%. As can be expected, formal employment constituted the largest proportion, seeing a steady increase after the 2007/08 global financial crisis.

The figure below indicates growth in total employment in Tshwane disaggregated by formal and informal sector. Formal employment is employment that is registered in some way. This employment can take place in a business, in the public sector or in a non-government organisation (NGO). A person in formal employment can be self-employed, an employer, an employee or a working family member. On the other hand, informal employment is not registered – a person in informal employment can be employed, self-employed, an employee or a working family member in the informal sector.

The City have through its own job creation initiatives facilitated the creation of more than 120 000 jobs as at June 2015.

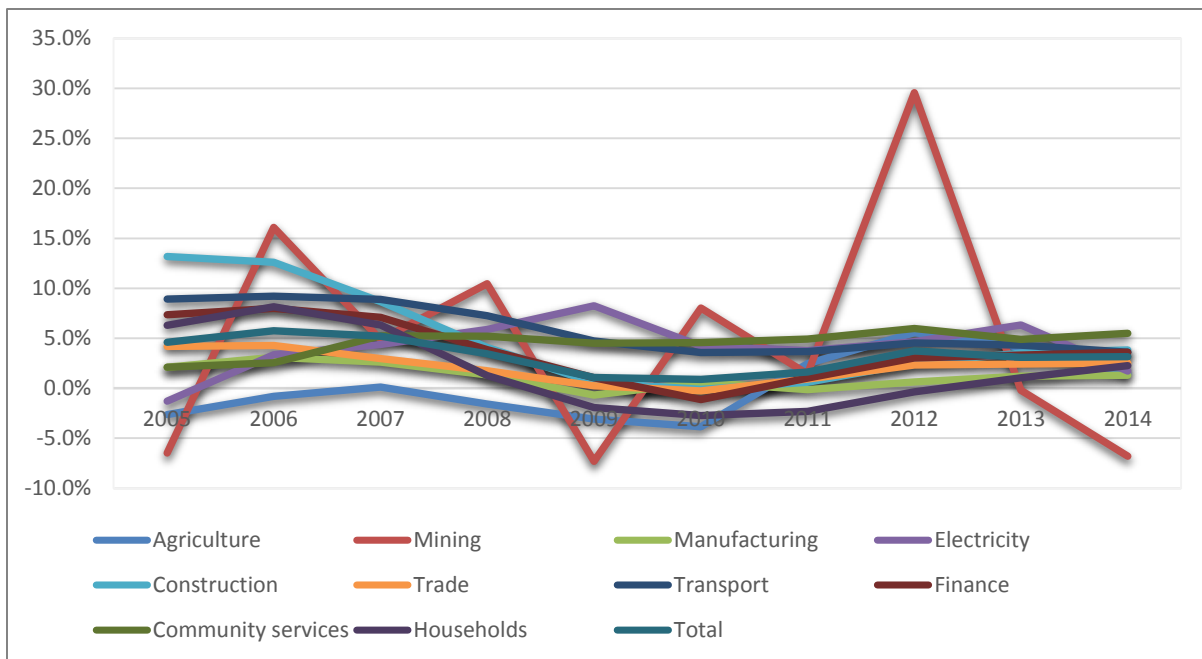
Figure 2.17: Employment in Tshwane, formal and informal sector, 2011–2014



Source: IHS Global Insight (2016)

The percentage change in employment in Tshwane has been unstable, more so in the mining sector, which recorded a change of -3% in 2011 to 22% in 2012 and -1% in 2013. This can be attributed to the labour market tension in the mining sector following the 2012 platinum mining strike. The agriculture sector performed well from 2011 to 2012, with the percentage change in employment in the sector increasing from 11% in 2011 to 16% in 2012. This performance was however short-lived, as the percentage change decreased to 0% in 2013, which resulted in a 1.8% decline in average employment (year on year) over the 2007–2010 period. Tshwane did however experience gains (in absolute terms) in overall employment between 2011 and 2014: 99 173 formal employment numbers has been recorded. The overall employment in the city increased from 1.02 million people in employment to 1.12 million in 2014. The figure below indicates the performance of Tshwane’s total employment (year on year) per sector.

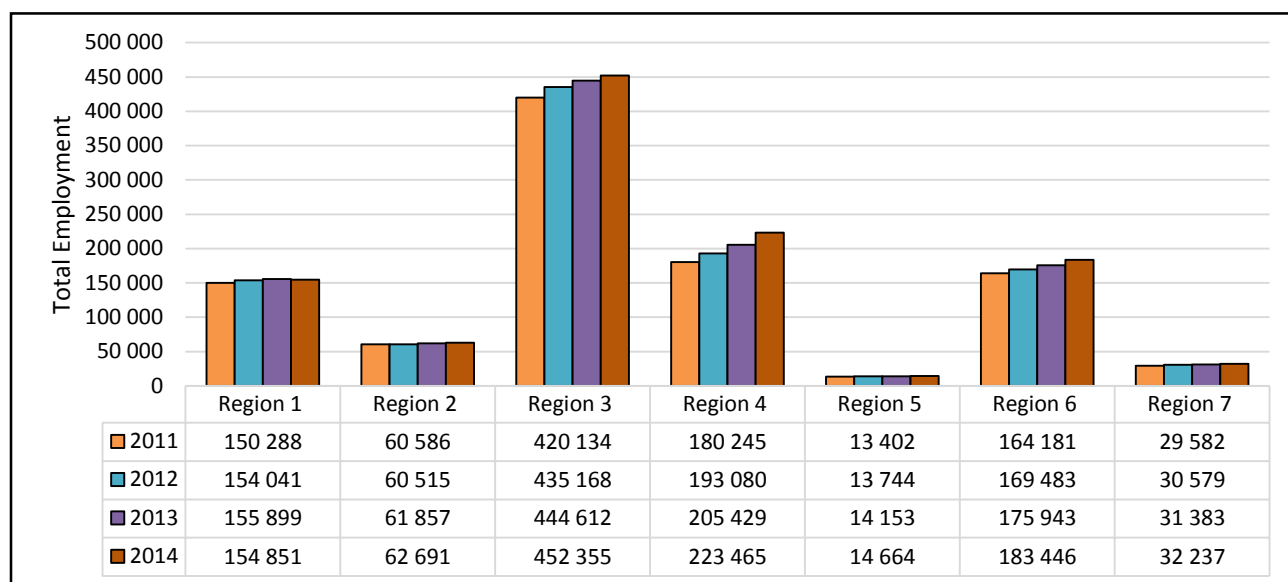
Figure 2.18: Tshwane’s year-on-year percentage change of total employment by industry (official definition), 2011–2014



Source: IHS Global Insight (2013)

Figure 2.18 indicates how total employment disaggregated by economic sectors has been performing over the period 2005 - 2014 period. As indicated in the figure, the City of Tshwane recorded average growth in employment of approximately 3.3 percent over the reviewed period. It should be noted that employment growth saw a drastic decline over the global financial crisis period, in 2007 South Africa recorded a 4.4 percent year-on-year employment growth, which declined to 0.6 percent during the crisis. Tshwane has been no exception as its year-on-year employment growth declined from 6.2 percent in 2007 to 0.01 percent in 2010. Tshwane’s informal employment sector was hit hardest by recession period compared with the formal sector, sustaining a negative average growth rate of 2.1 percent compared with a 2.2 percent average year-on-year percentage change in the formal sector employment

Figure 2.19: Total Employment per Region, formal and informal sector, 2011–2014

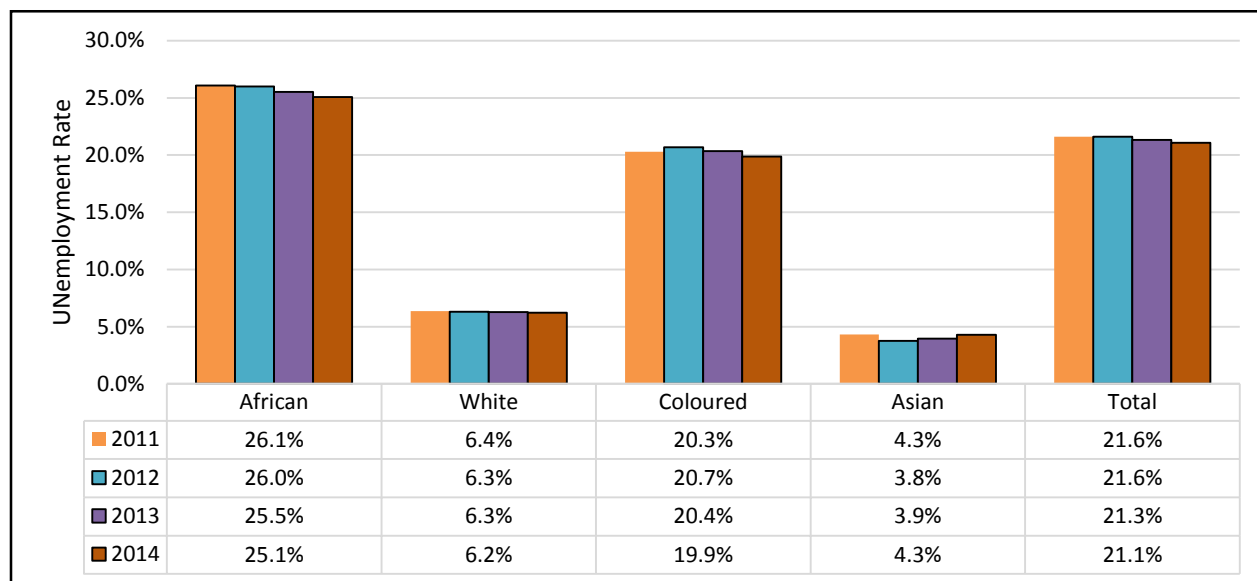


Source: IHS Global Insight (2016)

Unemployment rate

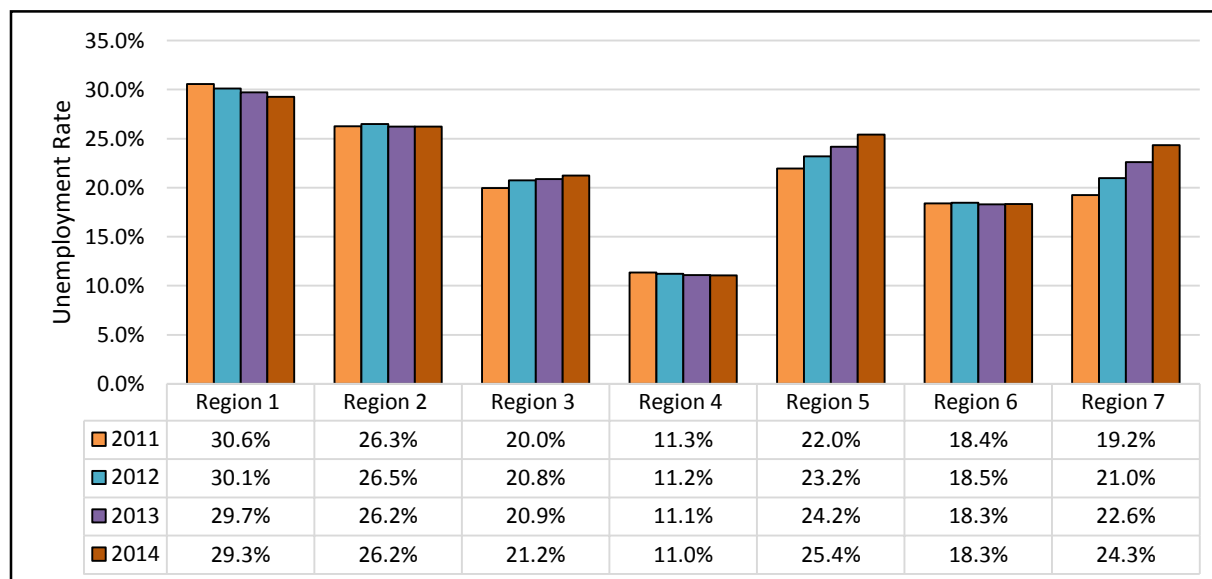
The unemployment rate in Tshwane declined. In 2011, the unemployment rate was 21.6 percent, and improved slightly to 21.1 percent in 2014. The unemployment rate disaggregated by population group also saw some improvement over the reviewed period. The African population recorded an improvement from 26.1 to 25.1 percent, the White population from 6.4 to 6.2 percent and the Asian population unchanged at 4.3 percent, the Coloured population improved slightly from 20.3 to 19.9 percent. The figure below indicates the changes over the 2011–2014 period.

Figure 2.20: Unemployment rate (official definition) by population group, 2011–2014



Source: IHS Global Insight (2016)

Figure 2.21: Unemployment rate (official definition) by population group, 2011–2014



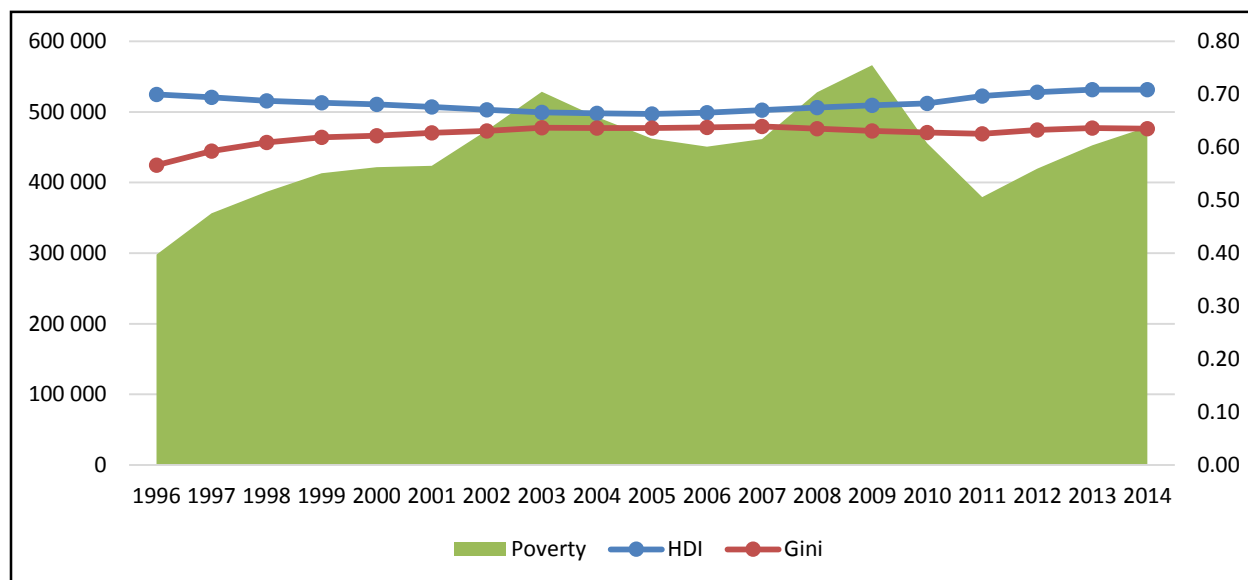
Source: IHS Global Insight (2016)

Social welfare indicators

Tshwane experienced some improvement on some of its social welfare indicators, i.e. the Human Development Index (HDI) and poverty rate. However, inequality in Tshwane

seems to have worsened since 1996. The figure below indicates the performance of Tshwane’s social welfare indicators for the period 1996–2013.

Figure 2.22: Performance on key welfare indicators in Tshwane, 1996–2014



Source: IHS Global Insight (2016)

Social welfare is qualified by the Human Development Index (HDI), the Gini coefficient and people living in poverty.

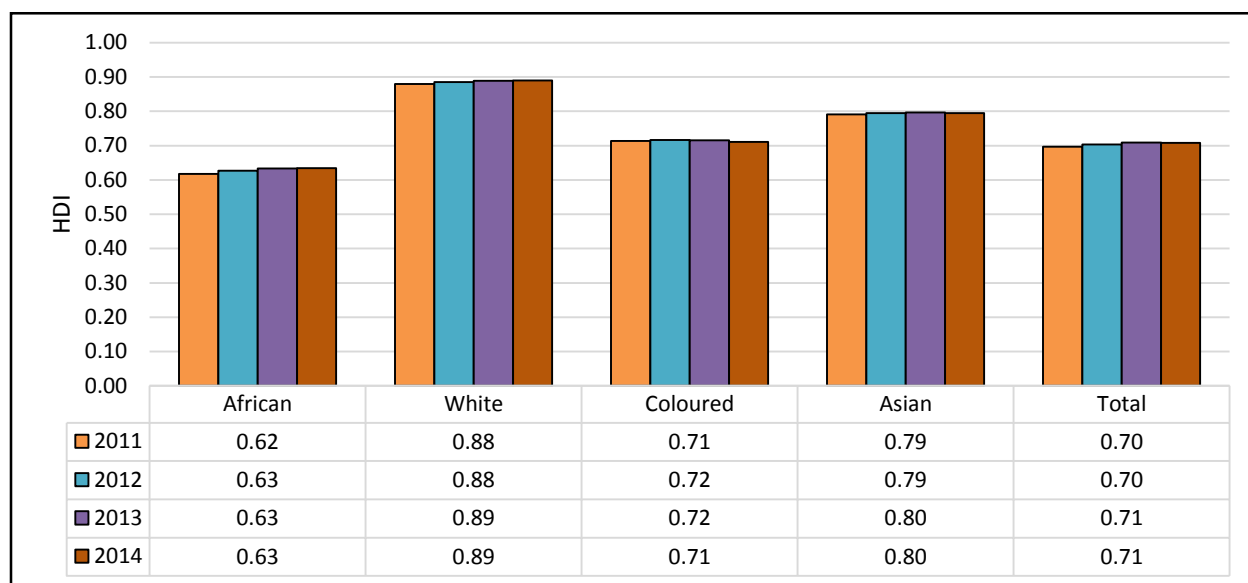
Human Development Index (HDI): The HDI is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development:

- A long and healthy life
- Knowledge
- A decent standard of living

A long and healthy life is typically measured using life expectancy at birth. Knowledge is typically measured using adult literacy and/or the combination of enrolment in primary, secondary and tertiary schools. A decent standard of living is typically measured using gross domestic product (GDP) per capita. The HDI is valued between 0 and 1, with 0 indicating no human development and 1 indicating a very high level of human development.

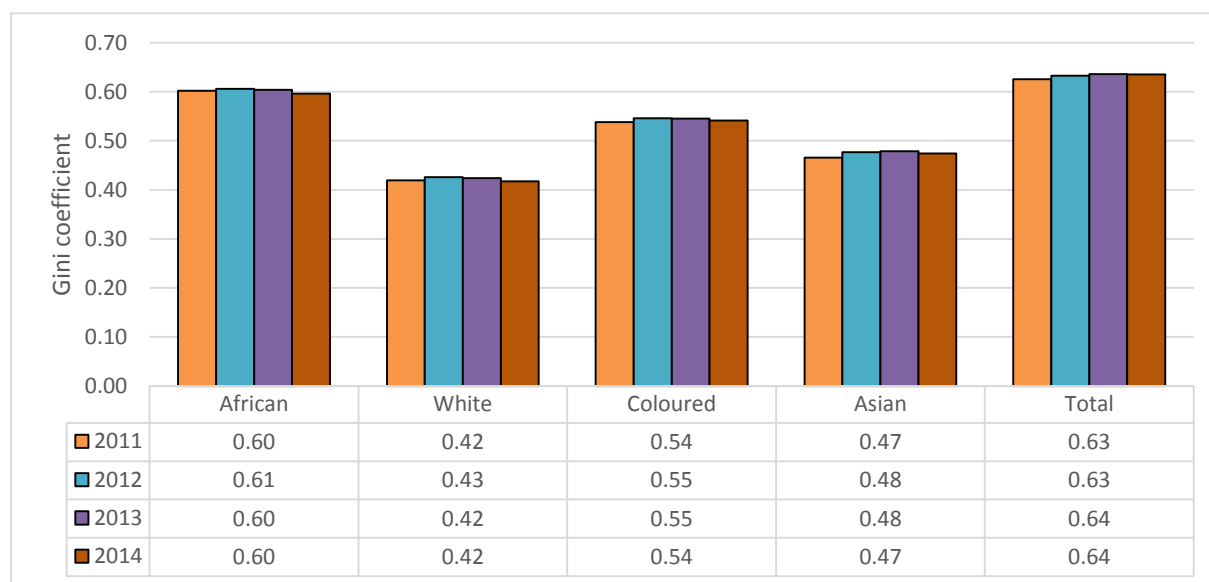
The figure below indicates changes in the HDI disaggregated by population group over the 2011–2014 period. As indicated in the figure, the HDI across the White, Black and Asian population improved, and the HDI of the Coloured population remained unchanged.

Figure 2.23: Tshwane Human Development Index by population group, 2011–2014



Source: IHS Global Insight (2016)

Figure 2.1: Tshwane Gini coefficient by population group, 2011–2014



Source: IHS Global Insight (2016)

Gini coefficient: The Gini coefficient is a summary statistic of income inequality which varies from 0 to 1. If the Gini coefficient is equal to 0, it means that incomes are distributed in a perfectly equal manner, indicating a low variance between high and low-income earners in the population. If the Gini coefficient is equal to 1, income is completely

unequal, with one individual in the population earning income, while everyone else earns nothing. As indicated in the figure below, the Gini coefficient in Tshwane worsened slightly over the 2011–2014 period. However, it remained unchanged for the Black, Coloured and Asian population. Only the White population’s Gini coefficient worsened over the reviewed period, but contributed to an overall average Gini coefficient outlook in Tshwane.

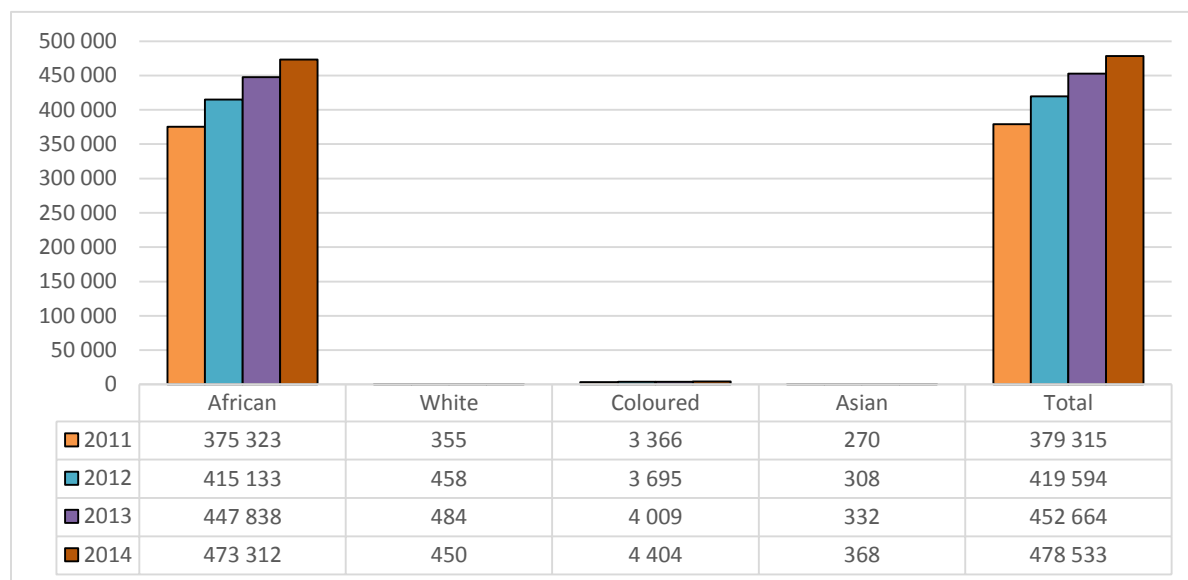
People living in poverty

The number of people living in poverty is the number of people living in households that have an income less than the poverty income.

The poverty income is defined as the minimum monthly income needed to sustain a household and varies according to the size of that household. The larger the household, the larger the income required to keep its members out of poverty. This measure allows for economies of scale in larger households.

The figure below indicates the number of people in Tshwane living below the poverty line, disaggregated by population group. As indicated in the figure, the number of these people increased. This is also evident from the increase in the number of indigent people registered as such on an annual basis. As one would expect, the African population had the largest proportion of people living below the poverty line.

Figure 2.2: People living below the poverty line in Tshwane by population group, 2011–2014

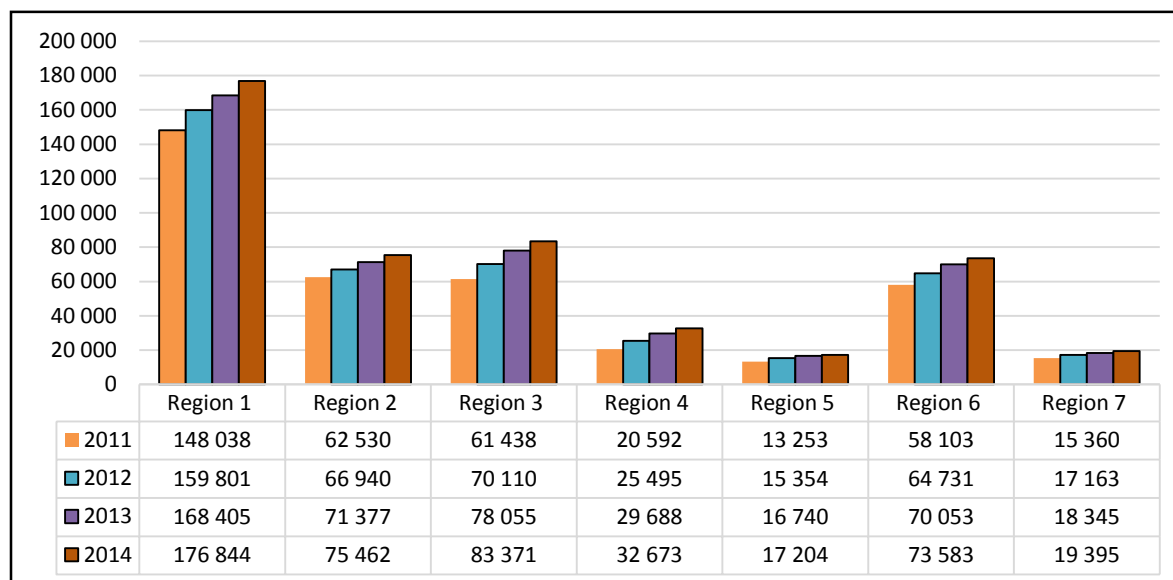


Source: IHS Global Insight (2016)

To reduce deprivation and poverty, the City is channelling resources in a balanced manner to areas where people are living below the poverty line. Evidence of this is the allocation of capital funding for social infrastructure to deprived areas so as to ensure that all settlements have access to basic and social services. This will be continued and

intensified so that ultimately the poor rise on the ladder of prosperity and become self-sufficient

Figure 2.3: People living below the poverty line in Tshwane by population group, 2011–2014



The figure above depicts the number of people living below poverty line in regions in Tshwane. Region 1 and 3 had highest number of people in living poverty, this is partly attributed by highest concentration of residents thus a significant number of the population have low levels of education, high unemployment, very low incomes and poor living standards. In view of the specialised nature of the industrial areas, there are limited job opportunities for unskilled labourers in the regions.

Access to basic services: as at June 2015

In responding to the above analysis, it is through the IDP and its supporting programmes that the city focused on and ensured sustainable provision, expansion and maintenance of basic services. In the past two years, including 2014/15, the city has been a construction zone of big and small projects such as amongst operation re-claim, the A Re Yeng system, the Free Wi-Fi project and Re Aga Tshwane. Various projects and programmes for putting in new infrastructure, replacing and upgrading old infrastructure have also be implemented and rolled-out; all these ensured the city’s commitment to changing the city for the better for its residents.

The previous plans of the City, the strides made in ensuring access to basic services was reported; focus on this plan is to also give progress on the targets set in 2011/16 IDP and to demonstrate how such progress has contributed to the development of Tshwane and its communities. The following is an overview of some of the initiatives that have been introduced and implemented during 2014/15 financial year:

Water, Sanitation and Waste Management

At the beginning of the current term of Council in 2011, the City targeted to increase households in formal areas will have access to water through a metered connection; the target was therefore that by 2015/16, 78.77% of formal households will have access to water through a metered water connection. By the end of 2014/15 financial year it was reported that 80.73% of households (735 842hh) had access to metered water connection. The City has also provided rudimentary water services in the form of Jojo tanks and water tankers to households living in informal areas. This indicates therefore that by the end 2014/15 financial year the City has achieved and exceeded the term target by 1.96%. This initiative are being continued in the 15/16 financial year and beyond.

With regard to sanitation, the target which was set in 2011 was to have 77.67% (707 990hh) of households with access to waterborne sanitation. It was therefore reported in 2014/15 that the percentage of households with access to waterborne sanitation has already increased to 78.37% (714 403hh) and is still a priority for the City.

However, the City is continuously facing land invasions, which place a burden on the roll-out of water and sanitation services to communities so as to clear the backlog. Land invasions also impact on the facilitation of sustainable human settlements through the provision of sites, services and housing. Furthermore, certain major bulk service delivery projects have been compromised by communities who hamper the construction process.

With regards to Non-Revenue Water (NRW) it has been noted that the components affecting non-revenue water (NRW) are varied and are primarily related to matters such as metering, reactive and preventative maintenance, loss minimisation, retrofitting, water theft, effective meter reading and billing, etc. Other secondary issues such as water quality, rehabilitation of water resources, social awareness, minimising pollution etc. are also considered to play an important role in management of water demand (and therefore may affect non-revenue water). In an effort to reduce non-revenue-water, interventions have been put in place which involves amongst others: continuous investigation of various factors leading to water loss and the implementation of initiatives to assist with the reduction of non-revenue water. In this instance, the City together with Rand Water have investigated and replaced outdated bulk water meters at a number of its bulk intake points. This have led to a new baseline of NRW although with historically reported information, the city has been able to reduce NRW.

The City has continued to provide improved delivery of its services in terms of waste removal. Concerted efforts have been made to ensure that adequate supplies of waste management facilities and infrastructure are provided. Since the beginning of the Council's term, the city managed to replace 85 l bins with 240 l bins in all old townships. Weekly waste removal services is also provided to all formalised and proclaimed areas in Tshwane, and informal areas are receiving a rudimentary waste removal service through the collection of 85l bins, plastic bags, removal of communal skips and clearing of illegal dumping sites on a weekly basis or when required.

Electricity

The 2011 census results recorded that 88.6% households had access to electricity. It would seem as indicated by census 2011 that Tshwane had the highest percentage of households with access to electricity for lighting. Although this seems to be a good achievement, this figure could have included households with illegal connection who were not accounted for in the City's billing system. To ensure a sustainable electricity supply, the City has since 2011 focused on investment in bulk infrastructure and network upgrading, thus ensuring an increase in access to household with electricity from 68.3% to 79.71% (726 630hh) by the end of 2014/15 financial year. During 2014/15 alone, 9152 new electricity connections were delivered in order to address electricity backlogs.

Furthermore, in the 2011/16 IDP, the City committed to reduce non-revenue electricity to 10% annually. The reduction of non-revenue electricity has not been realised as targeted. This relates to electricity distribution losses which comprise technical and non-technical losses; it is also defined as the difference between electricity purchased and electricity sold. However, the City has introduced several initiatives to reduce non-technical losses, amongst those initiatives include:

- Weekly cable operations to remove illegal connections
- Daily meter audits
- Normalisation of prepaid meters that are not buying electricity
- Strengthening of network and refreshment
- Installation of tamper-proof boxes

Roads and Storm water and Transportation services

The City faces public transport challenges as a result of inefficient land use practices of the past and perpetuated urban sprawl. Thus, by far most of the poor households are located far from economic opportunities.

The challenges regarding public transport centre on reliability, convenience and safety of public transport services; lack of coordinated and integrated public transport modes as well as inadequate non-motorised transport facilities. These challenges are juxtaposed with aging road network infrastructure and backlogs in terms of complete roads provision, especially in the townships and rural areas of Tshwane.

To address the above, the City has by June 2015 delivered 30.57% and exceeded the target set for new roads to be constructed to address the backlog for roads for the term. This was supported by the provision of appropriate storm water drainage systems to contribute to the eradication of the backlog and 48.79% out of a total backlog for storm water against a target of 47.23% set for the term. The City has continued investing in expanding its road network, specifically reducing the roads and infrastructure backlogs.

Development of the TRT (A Re Yeng) system delivered 12.07km of bus lanes in 2014/15, this included 7 TRT stations and 61 feeder stops; 30 diesel buses were also delivered. The CBD Hatfield route has been in operation for well over a year now and has

contributed to addressing the public transport need. This is central to addressing the transport infrastructure backlog, and it is supplemented by the construction of non-motorised transport facilities, especially in the inner city.

TRT integration with other modes of transport

The TRT trunk network integrates with other modes of public transport at six key nodes: Kopanong, Wonderboom (Rainbow Junction), Pretoria Station, Belle Ombre, Hatfield and Denneboom. To improve the accessibility of non-motorised transport (NMT), the trunk and feeder network will also incorporate NMT infrastructure by means of the bicycle lanes.

The TRT system is designed to comply with universal access design standards, thereby also benefiting persons with disabilities. Universal access infrastructure is installed in stations, feeder stops, buses and NMT infrastructure.

The intention of the TRT service is to replace all competing road-based public transport services within its corridor of operations. Affected existing operators will be compensated or incorporated into the bus operating entity (or entities) that will be responsible for TRT operations.

Housing and human settlement

Meeting the demand for housing remains one of the City's biggest challenges, as can be evidenced by the existence of informal settlements. The City has formalised 47 informal settlements by June 2015. Unfortunately due to the in migration into the city and the fact of land invasions taking place regularly, it has negatively affected the rate of formalisation. Informal settlements and informal dwellings are likely to continue to exist, because the "big city" is a magnet for internal and international migrants who seek education and job opportunities, as well as access to health services.

To address the challenge of informal settlements and improve living conditions, the City has continued to provide rudimentary water and sanitation services to informal areas. During 2014/15 year, 16 informal settlements have been formalised to meet proclamation requirements. A concerted effort has been made to provide alternative tenure options by means of community residential units (CRUs) and social housing, during the year under review, 48 community residential units developed totalling 289 community residential units since the initiative started in 2013/14. Although the implementation of this initiative has not gained full momentum, the City has put measures in place to ensure the programme stays on track and is responsive to housing need during the MTREF.

Furthermore, 234.49 hectares of land was acquired for human settlement purposes; also in an effort to provide security of tenure to residents, 3 821 title deeds were registered to new homeowners and 1 374 housing beneficiaries were allocated houses. The City are continuing the process to ensure that security of tenure continue as a priority.

Shared economic growth and job creation

The City has made enormous strides in creating work opportunities for unemployed and unskilled Tshwane residents; specific focus was on the unemployed youth. The Expanded Public Works Programme (EPWP) and Tshepo 10 000 initiatives were the key vehicles used to address the challenges of unemployment and lack of economic opportunities in Tshwane. Through these targeted interventions, the City created short-term labour-intensive work opportunities and opportunities for small business development. The City initially committed to create 40 000 EPWP work opportunities for the period, and had significantly exceeded that target.

The City committed to SMME and entrepreneurial support, this resulted supporting 5 649 SMMEs during 2014/15 year. This year also saw the City winning the best project Metropolitan & District/ Local category with its Youth and Greening EPWP Project called “Vat Alles”, at the National Department of Public Works’ Kamoso Awards. Since the start of the City’s term, a total of 122 328 job opportunities were facilitated by the City. This was supported also by the facilitation of the private sector investment of over R10 billion in developments. The City hopes to sustain the good work done into the future in order to successfully deal with unemployment within our span of control.

Social development and security

Social cohesion and the safety of citizens in Tshwane are key objectives in the IDP. Over the current term the City of Tshwane has developed and operationalized two new libraries and developed and upgraded a number of sport and recreational facilities, including the Giant Stadium, 13 additional parks were developed in line with the two parks per ward programme. As for safety and security, the City has started to expand metro policing by rolling out police operations and visibility in all wards, thus executing about 2 950 policing initiatives to reduce crime and related incidents.

The implementation of emergency services programmes has also contributed to a decline in safety incidents in Tshwane. The health status of residents has been improved by ensuring that all health facilities for which the City is responsible are providing PMTCT programmes. The City has also consistently achieved its target on immunisation of children under the age of one year. Through the implementation of the City’s indigent policy, more poor households have been supported with free basic services and social support. This has contributed to an increase in the number of households on the city’s indigent register.

The following table summarises the City’s key achievements since the 2011/12 financial year.

Summary of the City's key achievements since 2011/12 financial year

Achievements 2011/12	Achievements 2012/13	Achievements 2013/14	Achievements 2014/15
<ul style="list-style-type: none"> • 80 132 households in informal areas received plastic bag waste removal services. • 9 415 households benefited from the formalisation programme. • 18 268 households received electricity connections in formalised areas. • 2 339 households received full waterborne sanitation connections. • 57 km of storm water drainage and 33 km of road were provided. 	<ul style="list-style-type: none"> • 131 237 households in informal areas received plastic bag waste removal services. • 7 informal settlements were formalised. • 6 106 electricity connections were provided in formal areas. • 14 915 electricity connections were provided to address backlogs. • 49 468 meters for prepaid electricity were installed. • 9 845 water connections were provided in informal areas. • 9 845 sanitation connections were provided in informal areas. • 62 km of road was developed. • 71 km of storm water drainage was provided. • 1 700 UDS sanitation devices were provided in Winterveld 	<ul style="list-style-type: none"> • All informal settlements were provided with rudimentary waste removal services on a weekly basis, either through plastic bags collection, communal dump site clearance or skips. • Over 700 000 households were provided with a weekly waste removal service. • 36 informal settlements were formalised. • 19 668 electricity connections were provided in formal areas as well as informal areas as part of backlog eradication. • 13 786 meters for prepaid electricity were installed as part of the security of revenue project. • 14 292 households were connected to water. • 1910 households were connected to sanitation. • More than 71 km of roads was constructed. • Nearly 88 km of storm water drainage was constructed. • 27 new parks were developed in line with the two-parks-per-ward programme. 	<ul style="list-style-type: none"> • Provision of rudimentary waste removal services to all informal settlements continued and was sustained on a weekly basis, either through plastic bags collection, communal dump site clearance or skips. • 16 informal settlements were formalised. • Over 731 342 households were provided with a weekly kerbside removal • 2 072 households provided with sanitation services • 2 216 electricity connections provided in formalised areas, • 9 152 houses were provided with electricity to eradicate backlogs • 12.07km of TRT bus-way lanes roads were constructed, • 62,452km of roads were provided in the proclaimed areas, • 37,761 storm water drainage system were provided in the proclaimed areas, • 16 informal settlements/township were formalised, • 48 community residential units were developed

Achievements 2011/12	Achievements 2012/13	Achievements 2013/14	Achievements 2014/15
<ul style="list-style-type: none"> • 23 397 jobs were created. • Applications were submitted to access the jobs fund. This is anticipated to assist with the job creation focus for the remainder of the five-year term. 	<ul style="list-style-type: none"> • 20 386 EPWP job opportunities were created. • 1 505 jobs were created. • R2 billion of investment in Tshwane was secured. • 60 fresh produce entrepreneurs were supported. 	<ul style="list-style-type: none"> • 32 524 income-earning opportunities were facilitated. • 6 335 SMMEs were supported. • Investment in Tshwane to the value of more than R2 billion was facilitated. 	<ul style="list-style-type: none"> • 44 516 new income earning opportunities were facilitated, • 5 649 SMMEs were supported by the City, • About R2.1 billion worth of investments was facilitated, • 325 Tshepo 10 000 cooperatives were supported through mentorship/training in all 105 wards
<ul style="list-style-type: none"> • 89 666 indigent households received access to free basic services (100 kWh electricity and 12 kℓ water). • 1 307 indigent households were linked to exit interventions that provided work and training opportunities to indigent households, which supported the restoration of dignity to poor households. • 98% of children were immunised. • The PMTCT programme was fully implemented. 	<ul style="list-style-type: none"> • 10 454 newly registered indigent households received free basic services. • 2 078 indigent households exited the indigent register due to the indigent support and exit programme. • All fixed clinics implemented the PMTCT programme. • 91% of pregnant women were tested for HIV. • 95% of children younger than 1 year were immunised. • 2 library facilities were developed. • 1 sports facility was developed. 	<ul style="list-style-type: none"> • 7 654 newly registered indigent households received free basic services. • 2 370 indigent households exited the indigent register due to the indigent support and exit programme. • All fixed clinics implemented the PMTCT programme. • The Stanza Bopape Library was opened in Mamelodi and replaced the old library. • Upgrading of the Giant Stadium (20 000 seats) was completed. 	<ul style="list-style-type: none"> • About 4 653 ECD pupils benefited from the City's annual ECD programme, • 75,742% of children under 1 year of age were immunised, • 2 435 indigents households exited the indigent register, • 13 were developed in line with 2 parks per ward programme, • PMTCT programme fully implemented

Achievements 2011/12	Achievements 2012/13	Achievements 2013/14	Achievements 2014/15
<ul style="list-style-type: none"> Ward committee elections took place and ward committees were appointed. Intensive outreach took place for the IDP and the development of Tshwane Vision 2055. Outreach was also planned for public input on the TGDS 2055. A customer service environmental audit was completed in Regions 5 and 7 to improved customer care in those regions. 	<ul style="list-style-type: none"> 105 ward committees were trained in 20 training interventions. All ward committees met as planned. 	<ul style="list-style-type: none"> Training programmes were scheduled in all seven regions to train ward committees on identified core skills. Online payment for traffic fines was made possible through the e-Tshwane portal. 100 km of a test broadband network was completed in various regions of the City. The programme to provide free Wi-Fi, especially at tertiary education institutions, gained momentum. 	<ul style="list-style-type: none"> Ward committees were formed in all 105 wards. However, due to court processes, ward committees were halted and suspended effective from November 2014 due to the finalisation of the court processes declaring the election of the Ward Committees invalid. The Council took a resolution to have Transitional Ward Based Consultative Forum Meetings which ensured a platform to reach the community while awaiting new elections of the Ward Committees

Detailed account of the City's performance for the year 2014/15 can be obtained for the 2014/15 Annual Report of the City.

Conclusion

The above is a reflection of the City of Tshwane's commitment to ensure that it delivers on the following priorities:

- Building local economies to create more employment, decent work and sustainable livelihoods;
- Improve the City's services and broaden access to them;
- Build more united, non-racial, integrated and safer communities;
- Promote more active community participation; and
- Ensure that the City becomes more effective, accountable and clean, and that it works together with national and provincial government.

3. STRATEGIC CONTEXT

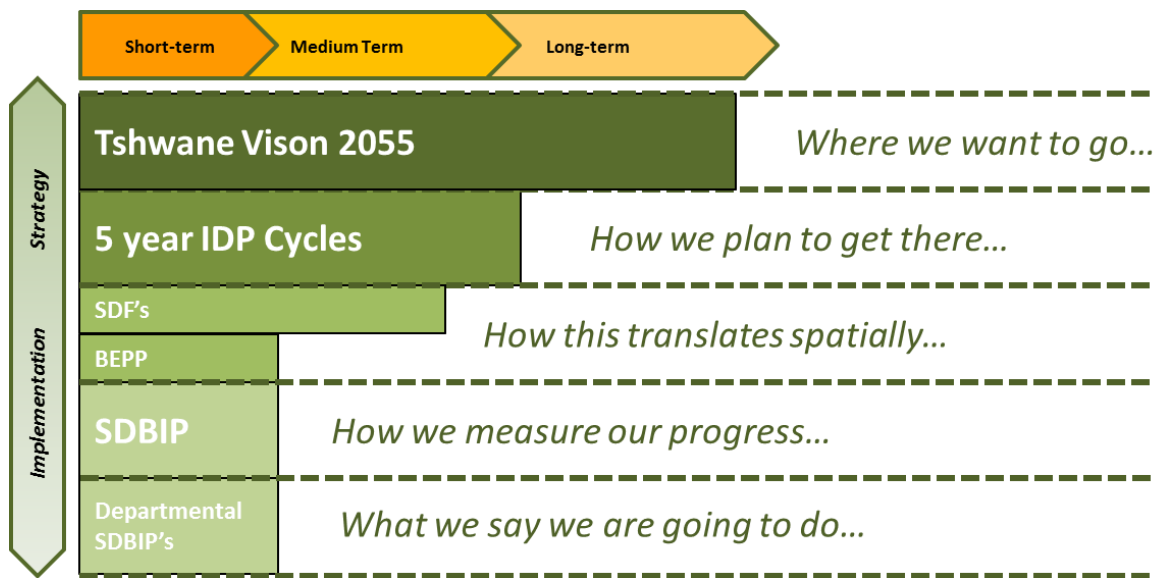
Introduction

The chapter highlights the strategic pillars that guide the development plans for 2016/21 term of office. Among these is the city’s commitment to align to national government outcomes as they relate the local government, the Tshwane 2055 Strategy: its principles and outcomes.

In reflecting on this, the chapter will demonstrate how the City will ensure that through its programmes and projects, work towards achieving the objectives of the Tshwane Vision 2055

The core strategic plans and planning instruments that drive the City’s strategic direction are indicated in the below diagram:

Figure 4: Strategic Planning Documents to support Vision 2055



Context for the strategic context

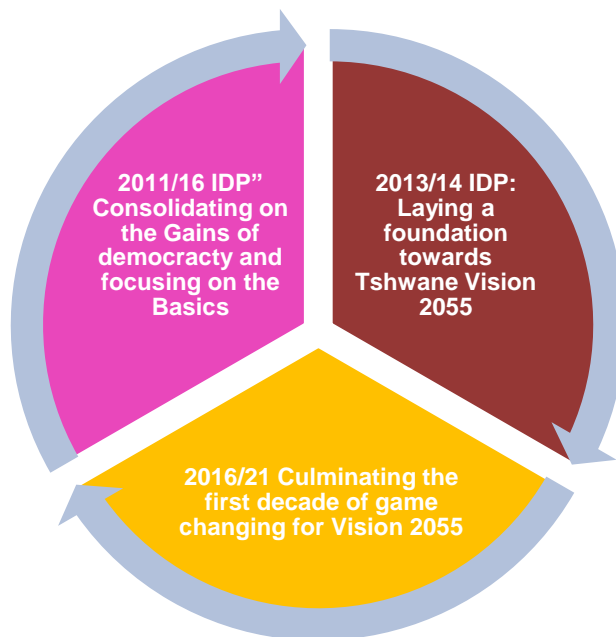
The 2016/21 IDP review marks the first IDP for the 2016/21 term of office. The IDP seeks to emphasise the work that the City will carry out over the next five years to deliver on the “First Decade of Game Changing” for the Tshwane Vision 2055. Whilst the 2011/16 IDP term focused delivering on the basic functions of local government and in expanding access to these, the 2016/21 term of office will continue with this with an added emphasis on doing this in an integrated manner that will allow the City to achieve its impact for each

of the outcomes.. In its development, key events shaped the development of this draft IDP including:

- National commitments which have an impact in how the City delivers its services. These include the Sustainable Development Goals, the COP 21 agreements—with specific emphasis on actions to be taken by Cities and the African Commitments as facilitated by the African Union;
- The imperative to turn local government around towards improved service delivery;
- the emphasis on the provincial Transformation, Modernisation and Reindustrialisation initiatives as led by the Premier of Gauteng;
- the need to ensure that equitable universal access to services is realised for all households in the City; and
- the City's financial position which is influenced by global economic conditions and the by some of the financial improvements that need to be made

The above considerations are factored in the development of the 2016/21 IDP with its targets and the financial plan as contained. Further, the strategic emphasis of the term seeks to conclude on the short term imperatives whilst the key strategic interventions as identified and planned for to lay a foundation for the Capital that all would like to see in 2055. Conceptually, the evolution of the IDP during the term is captured in the diagram below:

Figure 3.1: Conceptual Evolution of the IDP since 2011



Tshwane Vision 2055 long term strategic focus

Tshwane Vision 2055 Outcomes were approved by Council in 2013 as part of carving the long term vision for the city. The approved outcomes are as follows:

Outcome 1: A resilient and resource efficient City

Outcome 2: A growing economy that is inclusive, diversified and competitive

Outcome 3: Quality infrastructure development that supports liveable communities

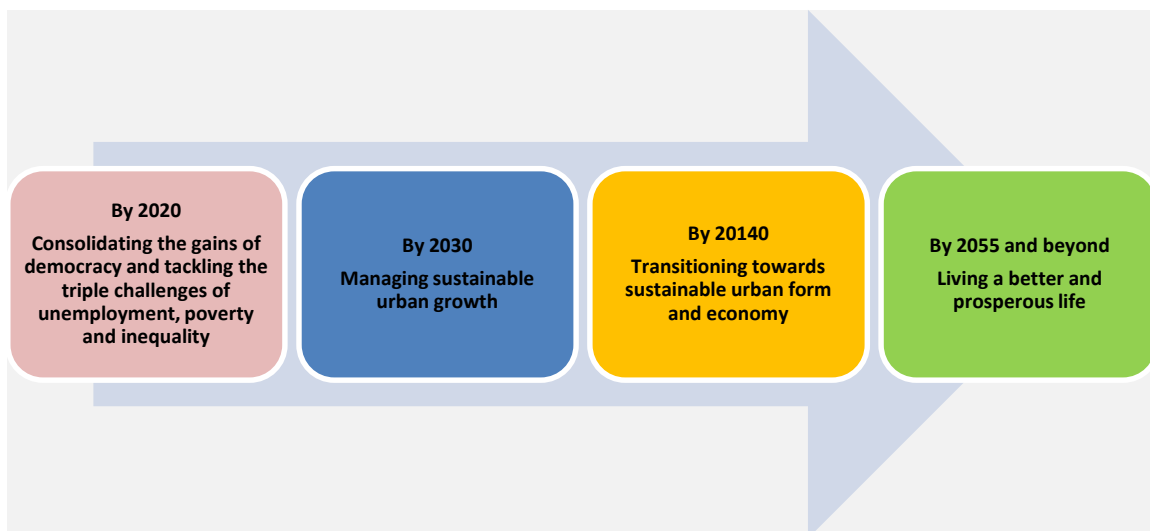
Outcome 4: An equitable City that supports happiness, social cohesion, safety and healthy citizens

Outcome 5: An African Capital City that promotes excellence and innovative governance solutions

Outcome 6: South Africa's Capital with an activist citizenry that is engaging, aware of their rights and presents themselves as partners in tackling societal challenges

These outcomes are long term in nature and have been designed to incrementally measure the success of the City in the four "decades of game changing" as depicted in the diagram below:

Figure 3.2: Key Milestones for the Decades of Game-changing



To implement the Tshwane Vision 2055 within the current term of Council, the 2016/21 IDP aligned the **strategic objectives** as approved by Council are still relevant and these are used as building blocks for the development of the Service Delivery and Budget Implementation Plans for the term.

1. Provide Sustainable Services Infrastructure and Human Settlements;
2. Promote Shared Economic Growth;
3. Ensure Sustainable, Safer Communities and integrated Social Development;
4. Promote Good Governance and Active Citizenry
5. Improve financial Sustainability; and
6. Continue Institutional Development, Transformation and Innovation

The Tshwane Vision 2055 outcomes and strategic actions as well as the IDP strategic objectives are used as the framers for the City's identified long term catalytic projects which were introduced during the 2011/16 term of Council and are the implementation tools of the Tshwane Vision 2055 and have been recognised as the anchor that will keep the Vision alive.

It should be noted that the City is still working on a process to develop the operational plans, developing systems and confirming monitoring and evaluations mechanisms towards the development of credible indicators which can be used to measure whether the planned indicators and targets will achieve the desired impact. This process will be concluded before the first review of the IDP and therefore the proposed indicators in the sections to follow are nominal.

Outcome 1: A resilient and resource efficient City

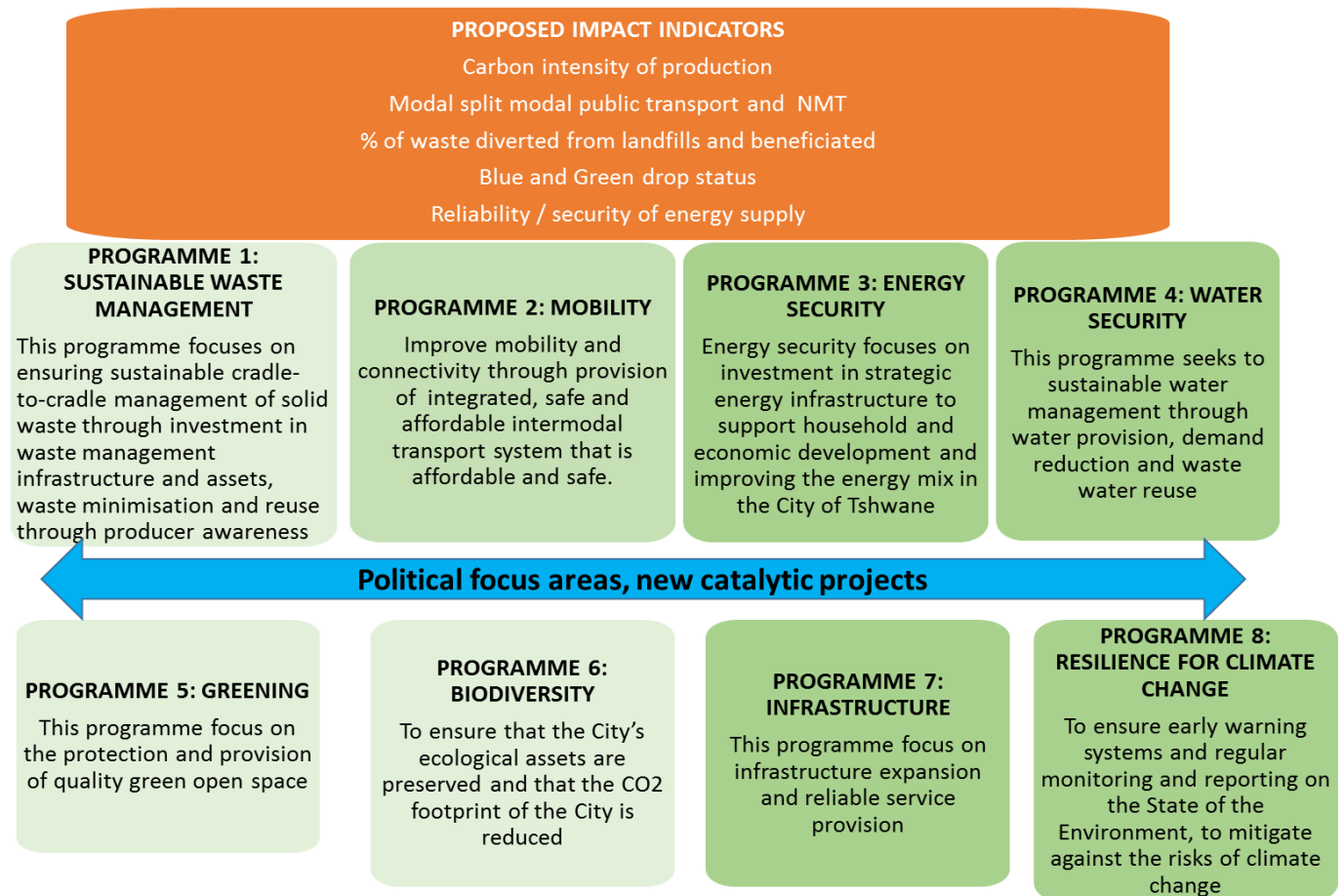
“To achieve its long term goals the city needs to ensure financial and environmental resilience. This is necessary in the light of the shocks and changes within global and regional context and should be balanced with maintaining or improving the city's performance.”

The outcome focuses on provision of green infrastructure in provision of basic services and transportation, safeguard its water and energy security in a manner that protects the natural environment. Some of the programmes that the city is pursuing include demand-side management for water and energy, reduction of waste to landfill sites, expanding on the roll-out of non-renewable energy infrastructure and smart infrastructure technologies.

The outcome has identified the following strategic actions for the first decade for Vision 2055:

- Sustainable water resource utilisation;
- Reducing the ecological footprint of the City and greening of the city;
- Investing in low carbon infrastructure;
- Sustainable waste management;
- Ensuring the prevention of pollution and the conservation and sustainable use of the natural environment; and
- Supporting the smart economy through infrastructure development and operations

In line with the above, the City has identified the following programmes for the Outcome.



The figure above shows the proposed impact indicators to be monitored, programmes as well as indicators that will be measured throughout the term of office. The details of each of the programmes as outlined above is discussed in detail.

Outcome 2: A growing economy that is inclusive, diversified and competitive

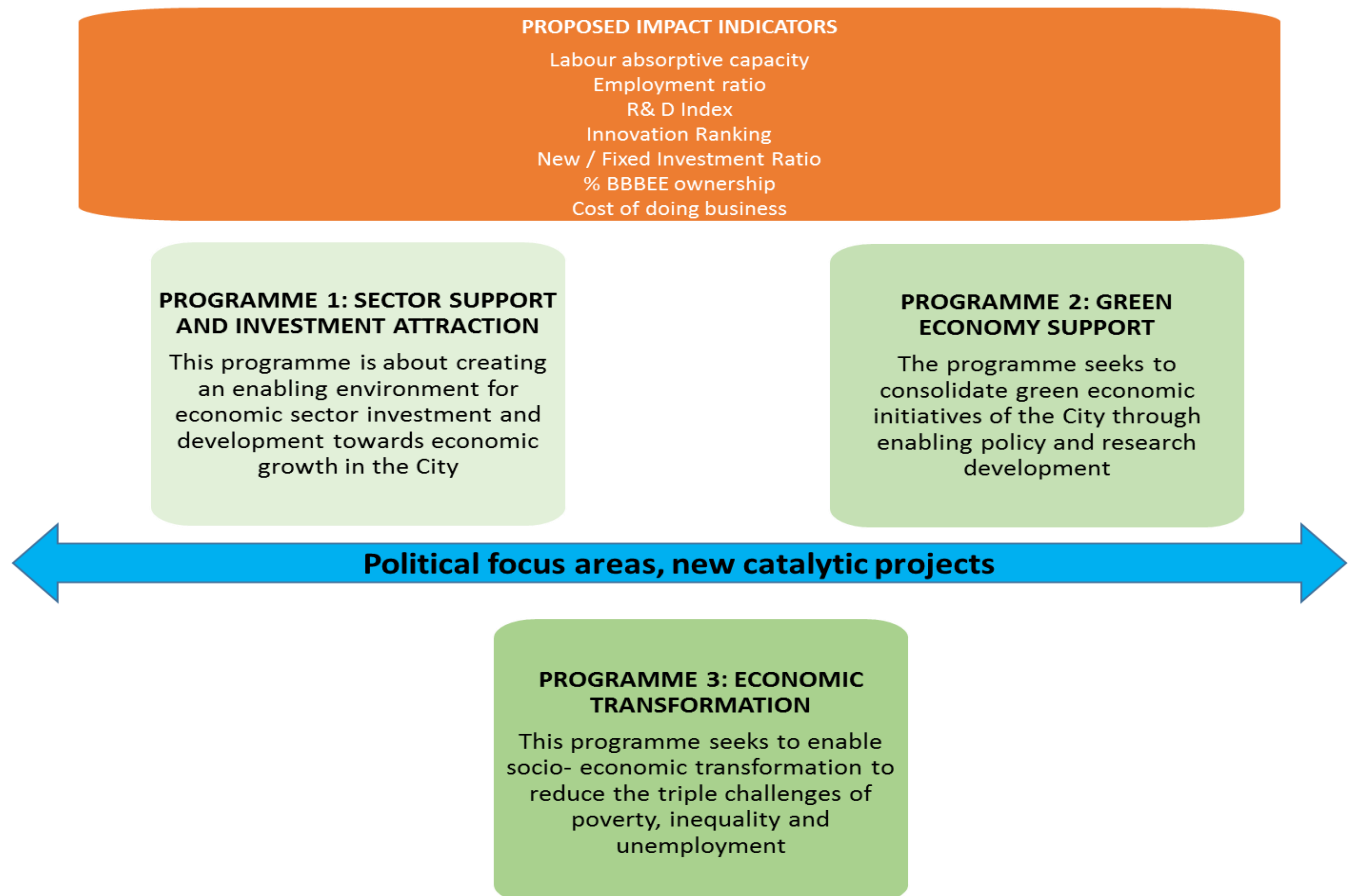
*“By 2055 Tshwane will be an **inclusive, diversified and competitive economy** that is highly productive, and labour absorbing which simultaneously creates an entrepreneur-driven base and overcomes structural barriers to the entry of the youth into the economy. The future economy should acknowledge both the formal and informal sector, build private and public partnerships and be driven by a world-renowned knowledge-economy. The foundation of this economy will be built on doing no harm to the environment through promoting the green economy.”*

The city aims to promote the knowledge-economy and to leverage on centres of knowledge that are within its space while it harnesses on its strategic location in the

national and international markets and to grow its share in the agriculture and tourism sectors of the economy. This outcome seeks to bring into effect the implementation of the Sustainable and Inclusive Growth Strategy for the City and also to ensure that township economic revitalisation is achieved. The following strategic actions are identified in the Tshwane Vision 2055:

- Promote the City’s competitiveness;
- Improve the cost of doing business & creating an enabling environment;
- The provision of quality economic development infrastructure;
- Infrastructure investment in marginalised areas;
- Entrepreneurship;
- Innovation & R&D;
- Agriculture/agro-business;
- City procurement; and
- Supporting the smart economy through infrastructure development and operations

The diagram below summarises the proposed programmes for the first decade of game changing:



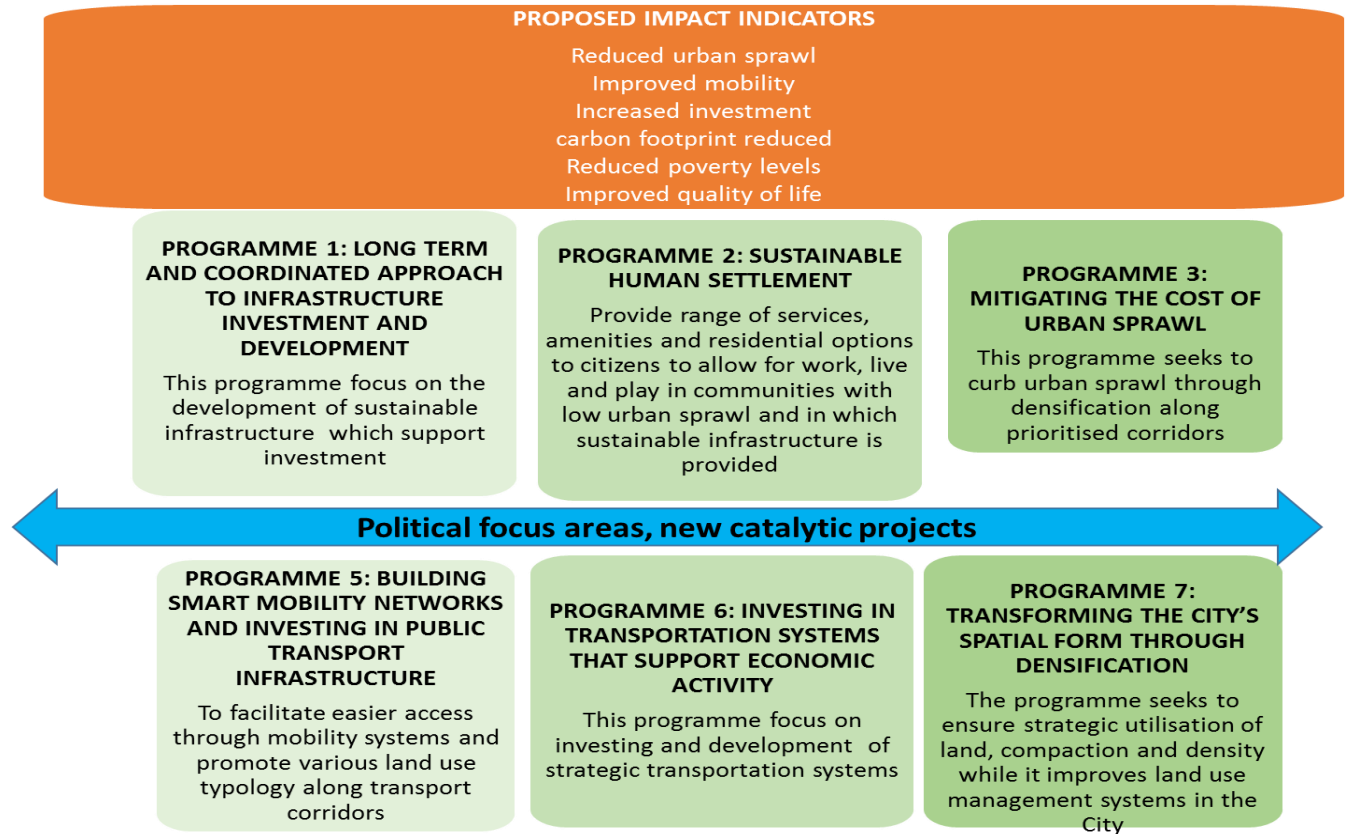
Outcome 3: Quality infrastructure development that supports liveable communities

*“Towards 2055, the city will provide **quality infrastructure** to ensure the reliability of services provided and that the cost of delivering these services is efficient for both the consumers and the City. The provision of quality infrastructure will promote the development of **liveable communities** where infrastructure development is used as a lever towards social and economic development.”*

The role of local government is to facilitate social and economic development within its area of jurisdiction through, among other means, infrastructure development. Such investments should not only stimulate the economic activity but should also have an impact on liveability at a household level through improved mobility and connectivity. While investing in efficient and reliable public transportation, attention is also paid to ensuring spatial reform which can be achieved through the promotion of mixed used transit orientated development, along corridors and economic nodes. The following are the strategic focus areas for the Tshwane Vision 2055 for this outcome

- Modernisation of City Transport & mobility systems;
- Improvement in land use management
- Broadband Infrastructure investment to support access to economic opportunities;
- Rural development;
- Sustainable human settlements; and
- Water, sanitation, energy and roads & stormwater backlogs
- Renewable/sustainable energy.

The following programmes are proposed for the 2016/21 term of office



Outcome 4: An equitable city that supports human happiness, social cohesion, safety and healthy citizens

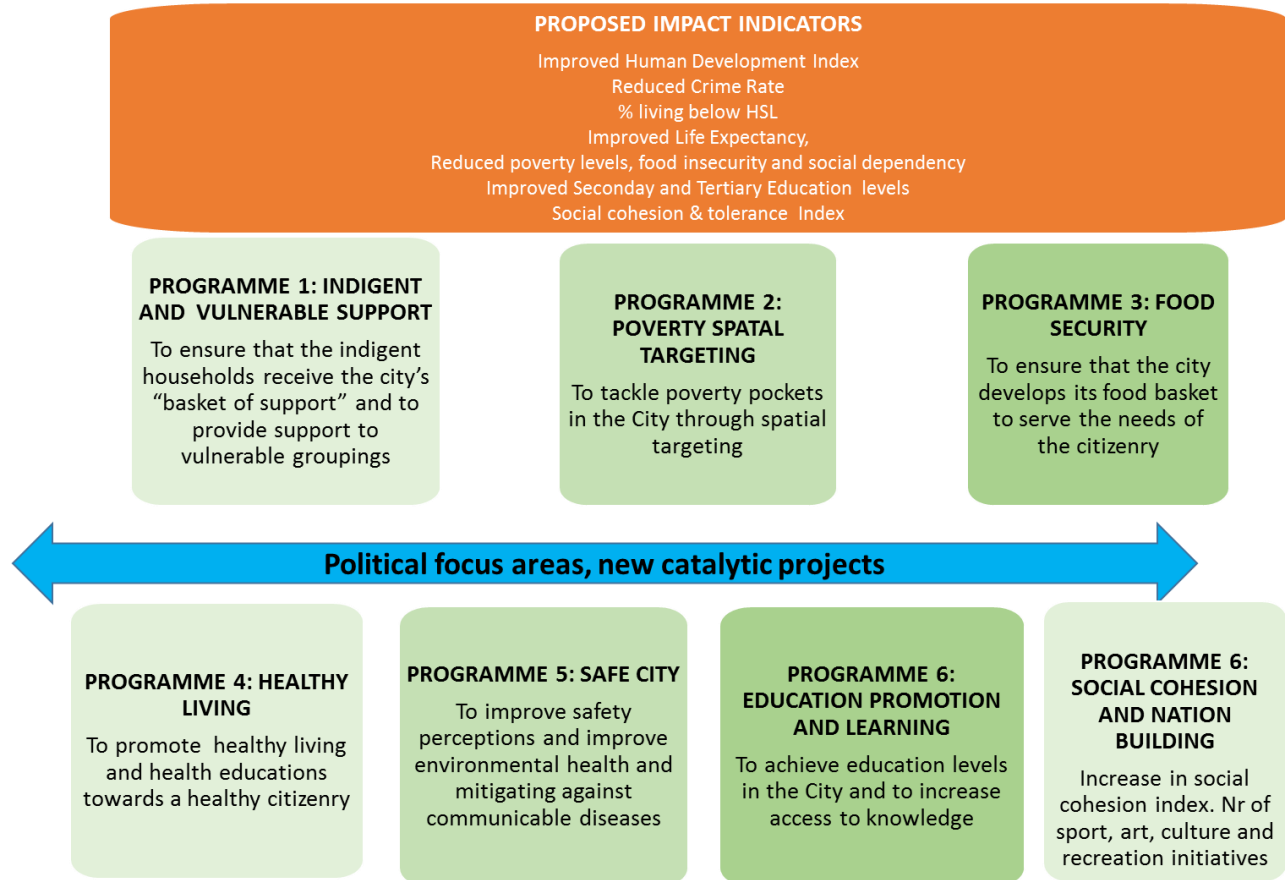
“In 2055, Tshwane will have overcome the past that was riddled with inequality, poverty and much of the social challenges that we face today. The remnants of divisions shown by a lack of tolerance between population groups will be replaced by social cohesion where people residing in the city feel that they belong, and participate in its social and economic spheres. Safety, improved health outcomes and healthy living will be achieved through mutual efforts by all who live in the city.”

The outcome is focused on poverty alleviation and safety measures towards achieving a liveable city, also linked to this is the universal access to basic services for all its citizens. The Tshwane Vision 2055 identified the following strategic actions for the first decade of game changing:

- Transform poorest communities, reduce inequalities by promoting access to economic opportunity and income.
- Provide access to social infrastructure and services.
- Promote literacy targeting low-literacy adults, learners and children attending early childhood development (ECD) within the City.

- Create opportunities for the able bodied to be self-sufficient while enabling a basic level of care for the vulnerable.
- Raise the level of social cohesion across the City decade on decade.
- Improve the health profile and life expectancy within the City.
- Improve the public safety profile of the City.

The following programmes are proposed for the 2016/21 term of office:



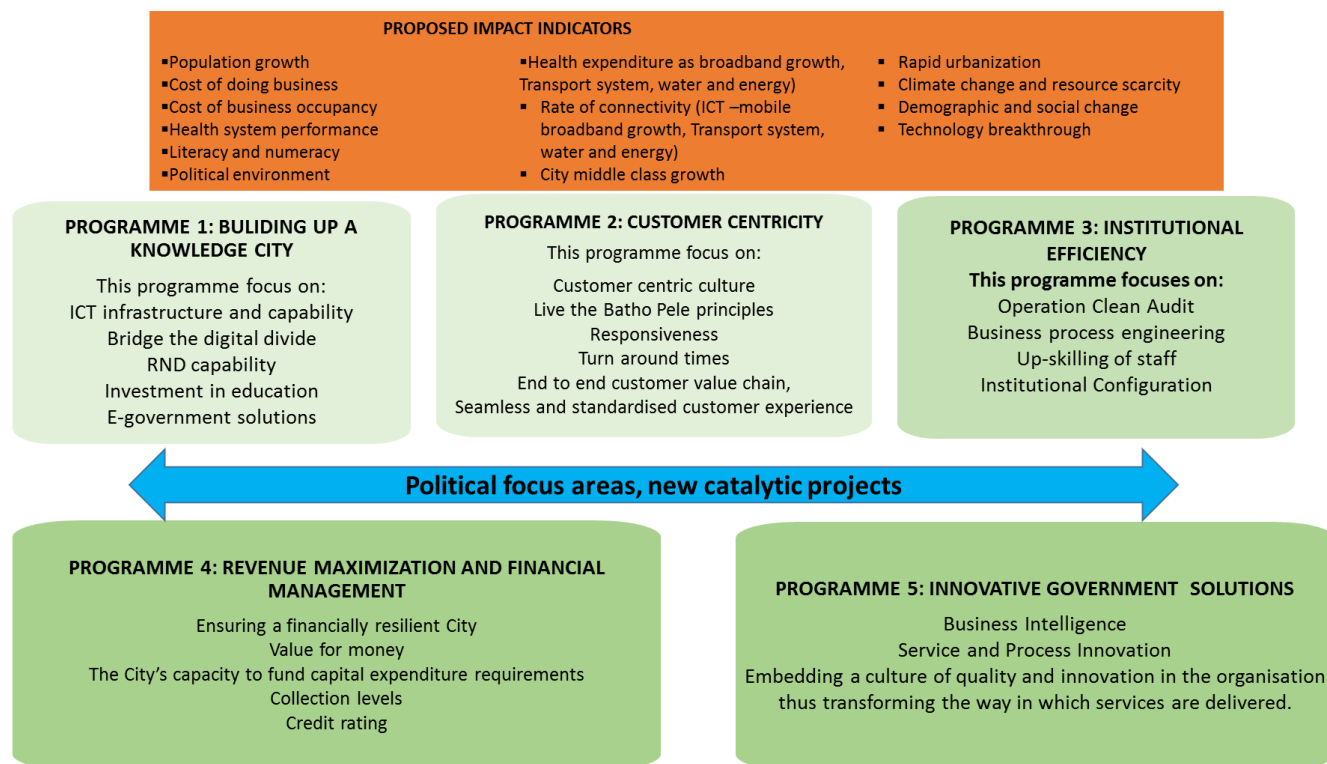
Outcome 5: An African Capital City that promotes excellence and innovative governance solutions

*By 2055 Tshwane will be a beacon of **excellence and innovation** through capitalising on the knowledge base that exists in the city and partnering with the institutions of knowledge to develop innovative solutions to challenges faced by the city while we strengthen our financial base through sound financial management. Our realisation that the city-government alone does not have all the solutions to the problems that society faces, will lead us to develop **strong partnerships** with communities who are our developmental partners and they will be afforded an opportunity to fully take part in governance and development matters of the city.*

To deliver on it's this outcome; the city will continue to ensure that it attracts the right skills and improve its human resources policies and practices to “ignite excellence.” While this is done, the city is strengthening the involvement of citizens in the planning and budgeting processes. The 2016/21 IDP and Budget development processes is based on the needs of the communities and steps have been taken to respond to every community issues raised through legitimate processes. The Outcomes is about:

- promoting the City of Tshwane as an African **capital city of excellence.**
- **‘smart governance’**
- the human elements of **‘smart people.**
- smart governance requires the City to be **transparent, ensure participatory decision-making, and work with partners to deliver quality services.**
- City to have access to human capital with the right skills, competence, and developmental attitude needed to drive Tshwane Vision 2055.
- implementing **innovative government solutions** that transforms service delivery

The following programmes are proposed for the 2016/21 term of office:



Outcome 6: South Africa’s Capital with an activist citizenry that is engaging, aware of their rights, and presents themselves as partners in tackling societal challenges

*“Our success within the city region is determined by our ability to define our role within the Gauteng city-region and to harness the opportunities that this institution presents. Tshwane will be a key player within the city region and will realise that challenges, ideas and solutions do not know municipal boundaries. Our position in terms of our role and the role of our stakeholders will allow for the support of citizens to be aware of their Constitutional rights yet become full **participants** in fulfilling their responsibilities as citizens of the city, demonstrated by their action in tackling issues faced by the city and seizing the opportunities granted by the growth of the city.”*

To achieve this outcome, the city will strengthen efforts towards collaboration with communities, civic society and other extra-parliamentarian organs to ensure that the rights of the citizens are realised in line with the objects of all spheres of government. Part of this work will include a continuation of strengthening the ward committee system of local government by capacitating and collaborating with this structure. The following programmes are proposed for the Outcome:

- Improvement in participatory governance by measuring:
 - Level of participation through promoting access to and right to the City
 - Community lead developmental initiatives implemented and sustained
 - Representation in the City lead planning activities
- Active citizenry and sustainable city development
 - Establishment of digital platform for engagement and interaction with the City

With this strategic focus, the City proposes the following programmes to be implemented:

PROPOSED IMPACT INDICATORS

Increased and strengthened participation of the City's citizenry through meaningful engagement

Increased the communities participation as partners in planning and development projects

Improved the citizen satisfaction level

PROGRAMME 1: CIVIC EDUCATION PROGRAMME

This programme focuses on the civic education programme for communities to participate in the planning and development of the City

PROGRAMME 2: DIGITAL CITIZEN PROGRAMME

This programme focuses on the identification and development digital participation models to deepen participatory governance.

Key Priorities for 2015/16 IDP

During March 2016 the City discussed priorities for the term of office 2016/21. These are informed among others:

- The need to finalised on the project that were started in 2011/16;
- Continued provision of basic services
- The limiting financial position of the City;
- The need to improve on the City's performance and monitoring as per the AGs areas of emphasis

Based on this, the City commits to the following:

- Embark on an aggressive implementation of strategy – 'consolidating the people's capital.
- Mainstream pilots projects of the City into programmes of the City that are funded. These include the Tshepo 10 000, Kuka Maoto approach towards addressing urban management as well as the accelerated formalization programme of Re Aga Tshwane
- Continue strengthening the financial position of the City through liquidity improvement: tilting the scale of expenditure to revenue towards financial resilience and to be able to fund future plans of the City
- Escalate the implementation of catalytic projects:
 - West Capital

- Caledonian
- BPO Park
- Power stations
- Implement urgently the accelerated urban management model and realign functions between the regions and departments as proposed
- Replicate successful township revitalisation programmes in the City and develop an approach toward township development
- Reduce non-revenue water and electricity
- Temba and Rooiwal Water Treatment Plant and Reservoir upgrade to be completed within agreed timeframes
- Realise the rollout of TRT infrastructure and increase ridership

Conclusion

This section has discussed the strategic planning framework for the City of Tshwane and has communicated some of the proposed focus areas as well as the programmes for the 2016/21 term of office. The priorities above informed the development of this draft IDP and the MTREF for the 2016/21 financial year and will ensure that the commitment made in the current term is achieved.

4. GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

Introduction

On 9 June 2011 the Tshwane Metropolitan Municipal Council, adopted a governance model, aimed at separating the roles and functions of the legislative and executive wings of the Council. The rationale for implementing the model included the following:

- The need to enhance service delivery through improving the institutional arrangements of the City
- Improved oversight of the Council through the development of oversight committees
- Allowing for an iterative decision-making process in the executive and legislative arms of the Council

This chapter articulates the City's broad institutional framework in relation to the governance model and provides details on the roles and responsibilities of the constituents of the model. This includes the outline of the oversight arrangements of Council, administrative arrangements of the City, both in terms of departments and municipal entities and the regional services model as well the role and responsibilities of the Shareholder unit of the City

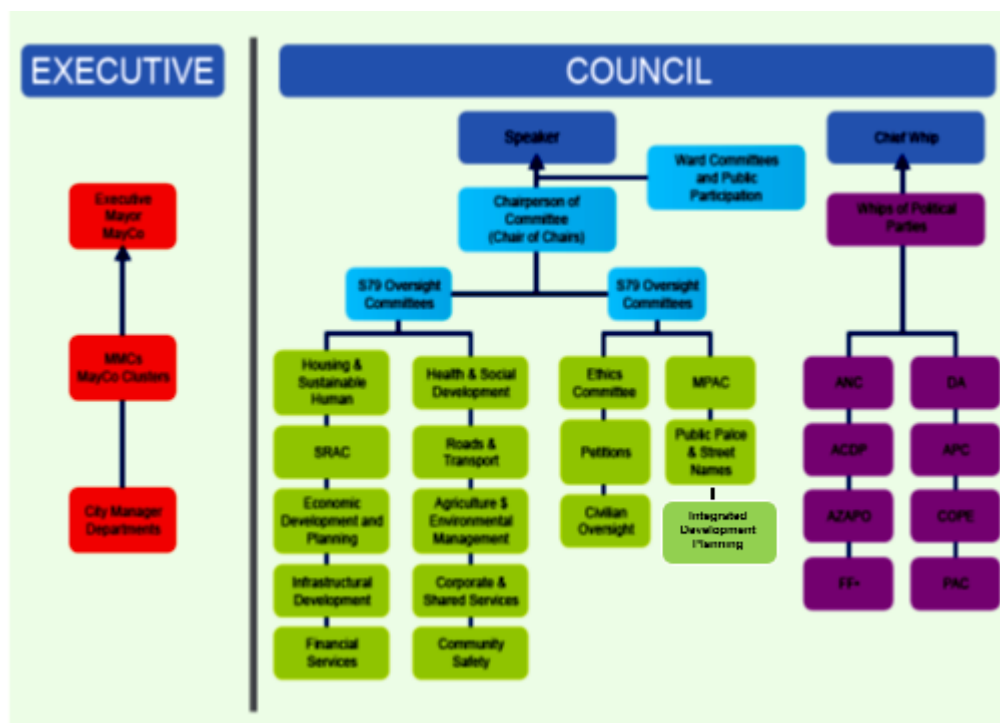
City of Tshwane governance model

The governance model adopted by Council at the start of its elected term in June 2011, consists of the legislature, made up of the Speaker of Council, Chief Whip and Section 79 Portfolio and Standing Committees; the executive branch, which consists of the Executive Mayor and members of the Mayoral Committee (MMCs); and the administration, which is led by the City Manager. This model has been implemented and consistently applied in the affairs of the City throughout its term of governance.

The model intends to ensure that the City executes its functions through the leadership of the Executive Mayor while the legislature oversees the activities of the executive branch for transparency and accountability.

The following diagram depicts the City of Tshwane's governance arrangements.

Figure 4.1: Tshwane governance structures



Legislature

The legislature consists of the Council, the Speaker of the Council, Councillor AWM Mosupyo-Letsholo, the Chief Whip, Councillor SJ Mabona, and two sets of Council committees: Section 79 portfolio committees and standing committees.

a) Council

The Council consists of 210 elected councillors, of which 105 are ward councillors and 105 are proportional representation councillors. The role of the Council, in line with the Municipal Systems Act, 2000 (Act 32 of 2000), is to engage in meaningful discussion on matters related to the City's development.

The Council is responsible for approving municipal by-laws, the IDP, the budget and tariffs. Further, the Council, through its various committees, monitors and scrutinises delivery and outputs as carried out by the executive branch. In relation to public participation, the Council is responsible for facilitating stakeholder and community participation in the affairs of the Municipality as described by the Municipal Structures Act.

b) Portfolio Committees Council

As part of the core of this Council’s model and its commitment to the separation of powers, sixteen Section 79 oversight and/or standing committees have been established and adopted by the Council with the following responsibilities:

- Scrutinising reports referred to them by the Council emanating from the Executive Mayor and/or Mayoral Committee and advising the Council accordingly
- Overseeing the performance of the executive branch and departments on behalf of the Council
- Providing an advisory legislative role

The Section 79 oversight committees are chaired by councillors who are designated full-time councillors and these chairpersons are elected by the Council.

The City of Tshwane’s Council has approved the following Section 79 oversight and/or standing committees:

- Service Infrastructure
- Transport
- Housing and Human Settlement
- Health and Social Development
- Sport and Recreation
- Community Safety
- Integrated Development Planning
- Agriculture and Environment
- Economic Development and Spatial Planning
- Corporate and Shared services
- Finance

The following councillors are the chairpersons of committees in the City of Tshwane governance model.

Table 4.1: Chairpersons of committees

Name	Committee
Samuel Mashola	Community Safety
Refiloe Kekana	Finance
Nomthandazo Maseko	Sport and Recreation
Aaron Maluleka	Economic Development and Planning
Ryder Mokgothadi	Infrastructure
Selopi Tlometsane	Agriculture and Environment
Joe Mkhize	Corporate and Shared Services
Conference Ntuli	Roads and Transport
Derick Mosito	Housing and Human Settlement
Alphina Ndhlovana	Health and Social Development

Name	Committee
Johnny Mohlala	Integrated Development Planning

Standing committees

Standing committees are permanent committees established to deal with Council-related matters. They are delegated some decision-making powers, and are required to submit reports to the Council. Councillors chair all standing committees except the Audit Committee, which is chaired by an independent person in line with the prescriptions of the Municipal Finance Management Act (MFMA).

The standing committees and their chairpersons are as follows:

Table 4.2: Chairpersons of standing committees of the Council

Chairperson	Committee
Oscar Mathafa	Municipal Performance Audit Committee
Dolly Ledwaba	Civilian and Oversight
Noki Makitla	Petitions
Joan Muller	Rules and Ethics
Sizwe Mthethwa	Public Places and Street Names

Executive Mayor and Mayoral Committee

The Executive Mayor, Councillor Kgosientso Ramokgopa, assisted by the Mayoral Committee, heads the executive branch of the City. The Executive Mayor is at the centre of the system of governance since executive powers are vested in him by the Council to manage the daily affairs of the City. This means that he has overarching strategic and political responsibility. Each member of the Mayoral Committee is responsible for a particular portfolio, as listed below.

Table 4.3: Members of the Mayoral Committee

Member of Mayoral Committee	Portfolio
Councillor Petunia Mashaba	Environmental Management
Councillor Subesh Pillay	Economic Development and Spatial Planning
Councillor Thembi Mmoko	Corporate and Shared Services
Councillor Terence Mashego	Community Safety
Councillor Dorothy Mabiletsa	Finance
Councillor Eulanda Mabusela	Health and Social Development
Councillor Joshua Ngonyama	Housing and Human Settlements
Councillor Jacob Masango	Services Infrastructure

Member of Mayoral Committee	Portfolio
Councillor Nozipho Makeke	Sport and Recreation
Councillor George Matjila	Transport

Institutional arrangements to improve administration

Over the duration of the Council term, a number of processes have been introduced to ensure that the administration of the Council improves its processes through better planning, budgeting and reporting. This in turn has enabled the legislature to engage better with the proposals of the administration and thus perform oversight more efficiently.

Among these, is the establishment of the Mayoral Sub-committees chaired by MMCs which have over the duration of the term allowed for more engagement on the development and institutional plans as presented by departments. These sub-committees have brought about better interdepartmental planning and have allowed for accountability by departments on Council commitments. The key Mayoral Sub-committees and their constitution are as follows:

Table 4.4: Chairpersons of Mayoral Sub-committees

Member of Mayoral Committee	Mayoral Sub-committee
Councillor Dorothy Mabiletsa	Governance
Councillor Nozipho Makeke	Health and Social Development
Councillor Subesh Pillay	Infrastructure and Planning

Revenue and Performance Committee

In 2013/14, a Performance, Revenue and Expenditure Mayoral Sub-Committee chaired by the Leader of Executive Business supported by the MMC for Finance was established. This structure is tasked with the following:

- Monitoring key operational and capital expenditure throughout the financial year to identify risks and develop mitigation measures
- Monitoring the overall performance of the City in line with its approved plans and budget
- Overseeing the administration processes for planning and budgeting and performing the functions of the Budget Steering Committee as set out in the Municipal Systems Act through the delegation of the Executive Mayor

This committee has been instrumental in advising the Mayoral Committee on the financial and strategic directives for the 2015/16 financial year.

Municipal entities

Municipal entities are separate legal entities headed by a board of directors and utilised by a municipality to deliver services to its community. They are accountable to the municipality. The City is serviced by three municipal entities which must perform according to service delivery agreements and performance objectives set by the Municipality. The following table lists the entities servicing the City of Tshwane.

Table 3.5: Municipal entities of the City of Tshwane

CEO	Entity
Anthony Ngcezula	Housing Company Tshwane (HCT)
Zimasa Socikwa (Acting)	Sandspruit Works Association (SWA)
Solly Mokgaladi	Tshwane Economic Development Agency (TEDA)

Administrative arrangements

The City Manager of the City of Tshwane is Mr J Ngobeni, who is the Accounting Officer, as defined by the Municipal Structures Act. The responsibilities of the City Manager include managing the financial affairs and service delivery in the municipality. During 2015 the institutional structure of the City has been scrutinised to determine shortcomings either in terms of legislative requirements or from a functional perspective. The aim was to improve the overall functionality and to support the successes with the implementation of the regionalisation model. It also lead to the streamlining of functions within the City to improve service delivery and accountability. The council at its meeting held on 27 August 2015 approved a re-alignment and adjustment of the macro organisational structure of the City. The City Manager and his deputies constitute top management, which is comprised as follows:

Table 4.6: Administrative arrangements of the City of Tshwane

Name	Position
Jason Ngobeni	City Manager
Strategic Executive Director: Ernest Shoji	Office of the City Manager
Obed Thenga	Group Audit and Risk
Umar Banda (Acting)	Chief Financial Officer
Steven K Ngobeni	Chief of Police: Tshwane Metropolitan Police Department
Dumisani J Otumile	CIO, Group Information and Communication Technology
Joan K de Beer	Strategic Executive Director: Emergency Services
Mokgokela Frans Boshielo	Deputy City Manager: Governance and Support Services
Bruno Seabela	Strategic Executive Director: Group Legal
Gerald Shingange (Acting)	Strategic Executive Director: Corporate and Shared Services

Name	Position
Nomasono Ndlovu	Strategic Executive Director: Communication, Marketing and Events
Zukiswa Ncunzana	Strategic Executive Director: Research and Innovation
Strategic Executive Head:	Office of the Executive Mayor
Shaakira Karolia: Chief Economist:	
Mapiti Matsena: Strategic Executive Head	Office of the Speaker
Kgaugelo Mkhwebane: Strategic Executive Head	Office of the Chief Whip
Lindiwe Kwele	Deputy City Manager: Strategy Development and Implementation
Tembeka Mhleka	Strategic Executive Director: Economic Development
Makgorometje Makgata	Strategic Executive Director: City Planning and Development
Dorah Nteo	Strategic Executive Director: Clean Development Mechanism Desk
Mayur Maganlal	Strategic Executive Director: City Strategies and Performance Management
Pule Mmutlana (Acting)	Strategic Executive Director: Group Property Management
Lisa N Mangcu	Deputy City Manager: Infrastructure and Community Services
Mpho Kekana	Strategic Executive Director: Health and Social Development
Mthobeli Kolisa	Executive Director: Environmental Management
Doctor Tshwale	Strategic Executive Director: Sport, Recreation, Arts and Culture
Amolemo G Mothoagae	Strategic Executive Director: Housing and Human Settlements
Robert Maswanganye (Acting)	Strategic Executive Director: Electricity and Energy
Stephens Notoane (Acting)	Strategic Executive Director: Water and Sanitation
James Murphy (Acting)	Strategic Executive Director: Transport
Imelda Matlawe (Acting)	Strategic Executive Director: Tshwane Rapid Transport
Dr Ndivho Lukhwareni	Deputy City Manager Service Delivery and Coordination
Nava Pillay (Acting)	Strategic Executive Director: Regional Operations Centre
General Manganye	Strategic Executive Director: Community and Business
Vacant	Strategic Executive Director: Division Rural Economic Initiatives Implementation Coordination

The diagram below shows the City’s organisational structure.

Figure 4.2: City of Tshwane organisational structure



Operation Clean Audit Committee (OPCA)

The City has committed itself to achieve a clean audit, and over the term it has instituted structures to ensure that the issues raised by the Auditor General are addressed and do not recur in following years. This committee meets on a monthly basis to track reports. In the 2014/15 financial year, the committee has been reconfigured to be driven directly by the City Manager, supported by the Deputy City Manager: Strategy Development and Implementation and the Group Chief Financial Officer. This process has been enhanced in 2015/16 to be supported by the Management Letter Planning Committee (MLAP) which sit on a weekly basis to deal with the overall matter of performance and reporting and assist in addressing audit issues as they are identified.

In this financial year, the OPCA will focus particularly on addressing the following matters:

- Ensuring that the City achieve a clean audit for financial and non-financial matters
- Developing a management letter action plan and tracking thereof through MLAP
- Reducing the assets under construction to improve the financial management of the organisation
- Ensuring that all supporting plans such as asset plans and IT management plan are in place

Audit and Performance Committee

The objective of the Risk Committee is to assist the accounting officers in carrying out their responsibilities related to corporate accountability, investors, the community and the associated risks in terms of management, assurance and reporting. This entails not only rendering assistance to the accounting officers but also dealing with risk, improving the control environment of the municipal entities, minimising unforeseen risks and managing risks.

The role of the Risk Committee is crucial to the implementation of a successful risk management programme in the municipal entities. The Risk Committee is an oversight structure that deals with overseeing the full implementation of risk management processes in all the entities.

Moreover, the Risk Committee is responsible for assisting the municipal entities to address their oversight requirements of risk management and evaluating and monitoring the entities' performance with regard to risk management. Management has the responsibility for risk management, specifically implementing risk management processes.

The Risk Committee has scheduled quarterly meetings and is chaired by an independent external person appointed by the City Manager. The Risk Committee consists of the following members:

- Four independent members
- Four Deputy City Managers
- Service Delivery Coordination and Transformation Manager
- Group Chief Financial Officer
- CEOs of municipal entities
- Chief of Emergency Services
- Chief of Police
- Chief Legal Counsel
- Chief Risk Officer
- Chief Audit Executive

The Risk Committee deal with the occupational health and safety report, section 24 results report, insurance report, fraud and whistle-blowing incidents report, progress

report on investigations, security management matters in the City, strategic risk register for all municipal entities and for the City, and it developed the Risk Committee Charter.

The City has identified the following as key risks:

- Security management in Tshwane
- The lengthy period taken to conclude investigation of cases
- Human resource capacity in forensic and risk management.
- Reputational risk of the City of Tshwane
- The number of cases and/or litigations against the City

The Shareholder Unit

The Shareholder Unit (SHU) is tasked with the reviewing, monitoring and overseeing the affairs, practices, activities, behaviour and conduct of the municipal entities (MEs) to satisfy the City of Tshwane that the MEs' affairs and businesses are being conducted in the manner expected and in accordance with the commercial, legislative and other prescribed or agreed norms. It is headed by Zimasa Socikwa.

The SHU will deliver on the above by "getting the balance right", in other words, through using the principles of enterprise governance, which is defined as follows:

"the set of responsibilities and practices exercised by the board and executive management with the goal of providing strategic direction, ensuring that objectives are achieved, ascertaining that risks are managed appropriately and verifying that organisation's resources are used responsibly"

Through enterprise governance, the SHU ensures that the entire accountability framework of the MEs to the City of Tshwane is monitored through both dimensions of enterprise governance – conformance and performance – that need to be in balance.

It is important to note, as illustrated by the figure above, that enterprise governance constitutes the entire accountability framework – the conformance dimension takes an historic view while the performance view is forward-looking.

Performance dimension: It reflects the dual role of the City of Tshwane in compliance monitoring (conformance or corporate governance) and strategy implementation (performance or business governance) and acknowledges the short- and long-term tensions between governance and value creation. This dimension also covers the internal workings of the organisation as well as the outward-facing aspects. Lastly, it considers the whole picture to ensure that strategic goals are aligned and good management is achieved

Conformance dimension: The intention of this dimension to achieve the following:

- Monitoring and reviewing the effectiveness of MEs' enterprise-wide risk management

- Ensuring composite enterprise-wide reporting on all significant issues affecting the MEs and by default the City of Tshwane
- Monitoring the MEs' ethical practices; organisational integrity, safety, health and environment practices; and social and transformation issues
- Ensuring that good and sound corporate governance practices, standards and norms are implemented and maintained with periodical reviews as well as aligned with best international practice
- Enabling MEs to use the latest management tools relevant to their industries
- Ensuring that the interests of the City are protected
- Mitigating the risk of duplicating inefficiencies through cross-functional and cross-sectoral monitoring
- Ensuring the establishment, development and review of policies in respect of the appointment, retirement and rotation of non-executive directors to the boards of MEs
- Assessing the effectiveness of the boards and other governance structures in the implementation of the business and service delivery imperatives of the MEs
- Assessing the cohesion and effectiveness of the board and where necessary implementing corrective action such as training and development
- Coordinating annual general meetings (shareholder meetings) together with the company secretaries

To date the Shareholder Unit has ensured adherence to key governance elements, including the review of the shareholder representation policy, board capacitation (executive and non-executive directors), and it has conducted the mid-year budget and performance assessment as required by Section 88 of the MFMA and tabled the 2014/15 annual reports of the municipal entities.

In 2016/17, the Shareholder Unit will continue to strengthen governance in the entities through the following actions:

- Board induction (new non-executive directors)
- Board evaluation or assessment
- Convening the annual general meeting (shareholders' meeting)
- Financial sustainability of entities
- Review of existing policies related to entities (remuneration, governance of municipal entities, etc.)
- Review of service delivery agreements and shareholder compacts

Regional Services

The City's regional services model and regional structures are an integral part of its rationale to bring services closer to the people and to transform regions into superb places to live, work and stay while capitalising on each region's uniqueness to create strong, resilient and prosperous areas.

With the adoption of the new model, the City was subdivided into seven regions and Regional Executive Directors (REDs) were appointed to head these regions. The purpose of subdivision was, and still remains, bringing quality services closer to the people.

The institutional arrangements in the Regional Services and Transformation Office are as follows:

Table 3.7: Arrangements for regional service delivery management

Name	Position
Nava Pillay (Acting)	SED Regional Operational Centre
Phillemon Mathane	Regional Executive Director: Region 1
Godfrey Mnguni (Acting)	Regional Executive Director: Region 2
Kgomotso Mohlala	Regional Executive Director: Region 3 A
Stanley Maduna	Regional Executive Director Region 3 B
Masehe Tebello (Acting)	Regional Executive Director: Region 4
Nomsa Mabasa	Regional Executive Director: Region 5
Sello Chipu (Acting)	Regional Executive Director: Region 6
Persia Makgopa (Acting)	Regional Executive Director: Region 7

The regionalisation of service delivery refers to the decentralisation of certain operational and maintenance functions to regional offices led by the respective REDs. While functions such as strategic planning and the implementation of capital projects will remain the responsibility of City departments, daily functions such as maintenance and repairs, information desks, etc. will be delivered directly in the different regions through performing the following functions:

- Health, social development, sports and recreational services that include:
 - Health
 - Social development
 - Environmental health
 - Sport
 - Recreation
- Urban management that includes:
 - Parks and horticulture
 - Nature conservation
 - Resorts and swimming pools
 - Waste management
 - Cemeteries
 - Housing and human settlements: rental stock and informal settlements
 - Urban agricultural and rural development
 - Land use compliance and by-laws

- Roads, storm water and transport services that include the following functions:
 - Roads and storm water maintenance operations and traffic signs
 - Reactive maintenance of roads, storm water systems, traffic signs and road markings
- Water and sanitation services that include the following functions:
 - Water distribution
 - Waste water collection
 - Clearing of sewer blockages.
 - Construction and repair work on sewer infrastructure.
 - Operation and maintenance of sewer pump stations and reticulation networks
 - Repair of water leaks
 - Addressing issues related to no water and low water pressure
 - Operation and maintenance of water distribution network
- Energy and electricity services that include:
 - Streetlights and distribution operations
 - Control of electricity systems
 - Advisory and reporting control services
- Customer care, which is divided into the following three sub-sections: walk-in centres, back office and Thusong services centre

The process of regionalisation is in the first of four stages and moving from the establishment of the region to the stabilisation, consolidation and sustaining of regional services.

5. INTER-GOVERNMENTAL ALIGNMENT

Introduction

This chapter deals with continuous strengthening of intergovernmental relations (IGR). It reflects on the State of the Nation address, National Budget Speech, the State of the Province address, the Provincial Budget Speech and highlights some of the key national and provincial frameworks to which the City of Tshwane have aligned the IDP. The City's responses to the comments provided by the MEC for Provincial Government on the 2015/16 IDP are also provided.

Background to intergovernmental relations

Intergovernmental relations refer to the complex and interdependent relations among national, provincial and local government as well as the coordination of public policies among these three spheres. In essence, this means that the governance, administrative and fiscal arrangements operating at the interface between national, provincial and local government must be managed to promote the effective delivery of services.

This is guided by the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), which aims to provide, within the principle of cooperative government set out in Chapter 3 of the Constitution, a framework for national, provincial and local government, as well as all organs of state, to facilitate coordination in the implementation of policy and legislation, including the following:

- Coherent government
- Effective provision of services
- Monitoring the implementation of policy and legislation
- Realisation of national priorities

The impact of IGR practice on service delivery arises from the interplay between the formal design elements of the system described above and operational factors that impinge on the implementation of that system (e.g. capacity issues, the budget, the political context, community dynamics, etc.). These operational risks are managed by the vertical and horizontal dimensions of IGR. This includes the coordination and supervision duties between different spheres of government, e.g. in relation to concurrency in powers and functions across the three spheres, or the oversight and integration roles within particular spheres of government, e.g. national cluster committees established by the President in 1999 to enhance cross-sectoral coordination.

Ultimately, the effectiveness of the IGR system may be gauged by the extent to which it adds value to effective service delivery, development and good governance across the three spheres of government. This is recognised in the preamble to the Intergovernmental Relations Framework Act, which acknowledges that challenges of poverty, inequality and marginalisation of vulnerable groups and communities are best addressed through

“concerted effort by government in all spheres to work together and to integrate as far as possible their actions in the provision of services, the alleviation of poverty and the development of our people and our country”.

In the light of the above, intergovernmental planning should in practice do the following:

- Facilitate the flow of information between and within sectors in all three spheres of government
- Improve the weak IGR between local government and the other two spheres of government
- Achieve greater clarity on the obligations of different spheres of government where there are concurrent responsibilities
- Give greater attention to the lack of capacity in all three spheres of government

According to the Municipal Systems Act (MSA) of 2000, sections 24(1) to 24(4), the planning of local government must at all times be integrated and aligned with the planning and strategies of national and provincial government. In addition, any organ of state which initiates legislation at national or provincial level that affects planning at local government level must first consult with organised local government before the legislation can be duly effected.

The City has guided the review of the IDP of the proposals contained in the Tshwane Vision 2055 which has been developed through taking guidance from the National Development Plan. In line with the Gauteng Vision 2055 which is premised on equitable growth, social inclusion and a cohesive society, friendliness to the environment, and sustainability of human settlements coupled with good governance.

State of the Nation Address (SONA), 2016

The State of the Nation Address was presented by President Jacob Zuma to a joint sitting of Parliament on Thursday, 11 February 2016. This was the third speech of the fifth administration which started in May 2014.

It was during his address where the President highlighted government’s achievements against the nine-point plan which was unveiled during 2014/15 in an effort to ignite economic growth and job creation; those include amongst others:

- **Resolving the energy challenge:** an investment of about R83 billion was invested in Eskom to support its main power stations (Medupi and Kusile power stations) and to continue with maintenance programmes, which resulted in stabilising the electricity supply.
- **Incentives to boost investments:** a number of incentives have been introduced to boost investments in the manufacturing sectors, especially the textile, leather and automotive sectors. The incentives for the automotive sector have attracted investments of over R25 billion over the past five years. They include investments from Mercedes, General Motors, BMW etc. Multinational companies such as Nestle,

Unilever, Samsung and Hisense have also affirmed South Africa as a regional manufacturing hub by retaining and expanding their investments in new plants.

- **Agriculture and land reform:** the Agri-Parks Programme was introduced to increase the participation of smallholder farmers in agricultural activities. Since the reopening of land claims for people who had missed the 1998 deadline, about 12 000 new land claims have been lodged by December 2015.
- **Water and Sanitation:** farmers and communities which are affected by drought in the four provinces are been provided with support. Training of 15 000 young people as artisans is underway and they will be deployed once trained to fix leaking pipes and curb water wastage.
- **Improving labour relations:** the social partners have reached an agreement at NEDLEAC on the principles of a national minimum wage. NEDLAC is furthermore finalising a framework to stabilise the labour market by reducing the length of strikes and eliminating violence during strike actions.
- **Mining sector:** one of the positive development in the mining sector was the Leaders' Declaration to save jobs, which signed by mining industry stakeholders in August 2015. Government has also appealed to business that retrenchments should not be the first resort when they face difficulties.

SONA 2016 focused on among other things, on the need to accelerate economic growth. The President further indicated that to achieve the objectives of creating jobs, reducing inequality and pushing back the frontiers of poverty we need faster economic growth. 'In the National Development Plan, we set our aspirational target growth of five per year, which we had hoped to achieve by 2019' he said.

Specific to local government, these are two critical pronouncements from the address, those relates to introduction and implementation of austerity measures which will ensure a cut to wasteful expenditure without compromising on the core government business of providing quality services to the people; intensifying the implementation of the Back to Basics local government revitalisation plan which was launched in 2014. More active monitoring and accountability measures to be used will include: unannounced municipal visits, spot checks of supply chain management processes, site visits of Municipal Infrastructure Grand funded projects, as well as increasing interventions to assist struggling municipalities.

National Budget Speech 2016

The National Budget was tabled on Wednesday 24 February 2016 by Finance Minister Pravin Gordhan. The Minister stressed the need to reaffirm government's commitment to close the gap between spending and revenue, implementing a plan for stronger economic growth and cooperation between government and the business sector. That should keep the rating agencies that want to downgrade SA's debt position to junk status temporarily at bay.

Personal income tax rates were not increased as was expected and as was the case last year (2015), although about R18bn more will be collected in 2016/17. This will mostly be through yet another big increase of 30 cents per litre in the fuel levy as well as increases in capital gains tax, property transfer tax and an increase of about 7% in the usual sin taxes (alcohol and tobacco) A new tyre levy and a tax on sugar intake (only next year on sweetened beverages) will also be introduced.

The expenditure ceiling was also cut by R25bn over the next three years to bring the budget deficit down to 2.4% of gross domestic product by 2018/19, and to stabilise debt as percentage of GDP around 45% of GDP. The public sector wage bill will be cut, but provision for contingencies like drought relief and additional spending has been made and increases in expenditure on for example on higher education and small business development continue. The Minister stressed that the government would not burden South Africans with “austerity measures”, and that social grants will also be raised.

The highlights of the budget are:

2016 BUDGET HIGHLIGHTS

National Treasury: Tel: (012) 315 5757
www.treasury.gov.za



national treasury
Department
National Treasury
REPUBLIC OF SOUTH AFRICA

BUDGET FRAMEWORK

- The budget deficit will fall from 3.2 per cent in 2016/17 to 2.8 per cent in 2017/18 and 2.4 per cent the following year.
- Debt stock as percentage of GDP will stabilise at 46.2 per cent in 2017/18.
- Government will lower the expenditure ceiling by R10 billion in 2017/18 and R15 billion in 2018/19 by reducing public-sector compensation budgets.
- An additional R18.1 billion of tax revenue will be raised in 2016/17, with an additional R15 billion in each of the subsequent two years.
- Government has responded to new spending needs without compromising expenditure limits. An amount of R31.8 billion has been re-prioritised over the MTEF period to support higher education, the New Development Bank and other priorities.

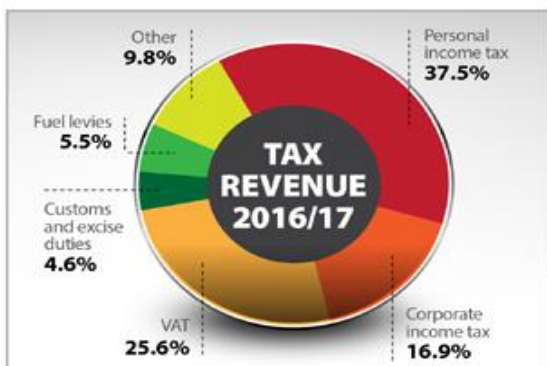
SPENDING PROGRAMMES

Over the next three years, government will spend:

- R457.5 billion on social grants.
- R93.1 billion on transfers to universities, while the National Student Financial Aid Scheme receives R41.2 billion.
- R707.4 billion on basic education, including R45.9 billion for subsidies to schools, R38.3 billion for infrastructure, and R14.9 billion for learner and teacher support materials.
- R108.3 billion for public housing.
- R102 billion on water resources and bulk infrastructure.
- R171.3 billion on transfers of the local government equitable share to support the expansion of access of poor households to free basic services.
- R30.3 billion to strengthen and improve the national non-toll road network.
- R13.5 billion to Metrorail and Shosholoza Meyl to subsidise passenger trips and long-distance passengers.
- R10.2 billion for manufacturing development incentives.
- R4.5 billion for NHI pilot districts.

TAX PROPOSALS

- An amount of R9.5 billion will be raised through increases in excise duties, the general fuel levy and environmental taxes.
- Limited fiscal drag relief of R5.5 billion will be implemented for individuals, focusing on lower- and middle-income earners.
- Adjustments to capital gains tax and transfer duty raise R2 billion.
- Government proposes to introduce a sugar tax on 1 April 2017 to help reduce excessive sugar intake.
- A tyre levy will be implemented, effective 1 October 2016.



BUDGET AT A GLANCE

MACROECONOMIC OUTLOOK – SUMMARY

Percentage Change	2015	2016	2017	2018
	Estimate	Forecast		
Household consumption	1.4	0.7	1.6	2.2
Gross fixed-capital formation	1.1	0.3	1.4	2.7
Exports	9.5	3.0	4.6	5.2
Imports	5.3	3.7	4.5	4.9
Gross domestic product	1.3	0.9	1.7	2.4
CPI Inflation	4.6	6.8	6.3	5.9
Balance of payments current account (percentage of GDP)	-4.1	-4.0	-3.9	-3.9

CONSOLIDATED GOVERNMENT FISCAL FRAMEWORK

	2015/16	2016/17	2017/18	2018/19
R billion/percentage of GDP	Revised estimate	Medium-term estimates		
Revenue	1 223.1	1 324.3	1 436.7	1 571.6
Percentage of GDP	30.0%	30.2%	30.2%	30.4%
Expenditure	1 380.9	1 463.3	1 572.1	1 695.2
Percentage of GDP	33.9%	33.3%	33.1%	32.8%
Budget balance	-157.9	-139.0	-135.3	-123.6
Percentage of GDP	-3.9%	-3.2%	-2.8%	-2.4%
Gross domestic product	4 073.2	4 388.4	4 750.7	5 161.3

CONSOLIDATED GOVERNMENT EXPENDITURE BY FUNCTION, 2015/16 – 2018/19

	2015/16	2016/17	2017/18	2018/19	2015/16–2018/19
R billion	Revised estimate	Medium-term estimates			Average annual growth
Basic education	213.7	228.8	245.4	265.0	7.4%
Health	159.4	168.4	183.6	198.6	7.6%
Defence, public order and safety	171.5	181.5	192.4	203.6	5.9%
Post-school education and training	64.2	68.7	74.7	80.5	7.9%
Economic affairs and agriculture	213.0	238.4	245.7	260.2	6.9%
Human settlements and municipal infrastructure	178.2	182.6	199.8	216.2	6.7%
General public services	97.5	73.7	77.8	82.6	-5.4%
Social protection	154.4	167.5	180.6	194.9	8.1%
Allocated expenditure	1 251.8	1 309.6	1 400.1	1 501.7	6.3%
Debt-service costs	129.1	147.7	161.9	178.6	11.4%
Contingency reserve		6.0	10.0	15.0	
Consolidated expenditure	1 380.9	1 463.3	1 572.1	1 695.2	7.1%

P.T.O

State of the Province Address (SOPA) 2016

The Premier of Gauteng, Mr David Makhura, presented his State of the Province Address on 22 February 2016. During his address, the Premier reiterated the commitment to the ten-pillar programme of radical transformation, modernisation and reindustrialisation as a strategic roadmap to move the Gauteng City Region forward over the next five to fifteen years. The address also gave a full account of the work the current Gauteng administration is doing as well as of future plans to transform, modernise and reindustrialise the province.

The Premier indicated that through his speech that in order for the province to cope with rapid urbanisation, persistent unemployment, poverty and inequality, we have to work doubly hard and do things differently in Gauteng with regard to the economy, infrastructure development and service delivery. Consequently, our economic interventions should seek to achieve the following:

- Change ownership patterns to bring black people into the economic mainstream and create black industrialists;
- Change the current industrial structure of our economy to privilege manufacturing through the processing of rich mineral resources and other raw materials locally;
- Develop new modern, innovation-driven industries in the areas of high-tech, pharmaceuticals, biotechnology, the green economy and blue economy;
- Invest hugely in skills development to change the skills profile of the citizenry in line with the new strategic sectors identified;
- Change income distribution to enhance equity and raise the living standards of all our people;
- Transform the apartheid spatial economy and human settlement patterns to integrate economic opportunities, transport corridors and human settlements;
- Grow the SMME sector as a key driver of growth and revitalise and mainstream the township economy;
- Strengthen the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors through active industrial policy;
- Ensure significant investment in infrastructure as the key stimulator for inclusive growth and economic development;
- Build transformative partnerships between the private and public sector in addressing the developmental challenges outlined in the National Development Plan Vision 2030.

Specific to the City of Tshwane, the Premier reaffirmed the commitment to address unemployment, poverty and inequality jointly with municipalities and private sector partners. In line with the provinces 10-pillar programme of radical transformation, modernisation and re-industrialisation, Makhura promised an injection of billions of rands into several initiatives around all major regions in the province.

The Premier pronounced that the City of Tshwane would invest R525-million to establish a Business Process Outsourcing Park in Hammanskraal. The park will offer on-site

training, technical support, and incubators for SMMEs. The project is expected to create over 1 000 jobs during construction and over 1 000 indirect jobs.

“Working with the private sector, the City of Tshwane is rolling out free Wi-Fi within the City. To date, R150-million has been invested in this initiative.”

Gauteng Provincial Budget Speech 2016

The MEC for Finance in Gauteng, Barbara Creecy, presented the 2016/17 provincial budget on 3 March 2015. This budget for various provincial departments responded further to the commitments made during the State of the Province Address. The MEC announced that the 2016 Medium Term Expenditure Framework is anchored around the following principles:

- Spending more on the Ten-Pillar Programme of Transformation, Modernization and Re-industrialization (TMR) and less on catering, travel, accommodation and telecommunications;
- Improving on own revenue collection to maintain provincial spending on social services for the poor;
- Prioritise filling vacant positions for teachers, doctors, nurses, and social workers and abolishing administrative positions we no longer need;
- Speeding up implementation of the Open Tender system to restore public confidence in state procurement;
- On-going improvements in project management to strengthen clean government and improve financial controls;
- Off budget financing (within affordable limits) of infrastructure, housing, the township economy and youth development

Key to the MEC’s pronouncements include but not limited to the following for those that are directly relating to Tshwane: The Gauteng government will spend R41.6 billion over the 2016 MTREF on infrastructure.

- **R1.9 billion allocated to health:** from the above provincial allocation, a new Lilian Ngoyi Hospital will be constructed
- **R5.2 billion for Human Settlement:** this allocation is for implementation of mega projects which includes amongst others: Nellmapius project
- **R23 billion for Roads and Transport:** part of this allocation will go towards upgrading and dualising of Solomon Mahlangu from the N4 to Mamelodi

To support the focus on strategic economic sectors, the following has been committed:

- R164.5 million over 2016 MTREF; one of the key projects for 2016/17 financial year include the development of the Bioscience Park Facility at the Tshwane Innovation Centre.

- Tshwane Innovation Hub is also allocated an additional R30 million bringing their budget to R95.3 million. This with an effort to support growth of the knowledge economy and promote innovation in the City Region.

R30 million has been allocated for the Women’s Living Heritage Monument which is located on Lillian Ngoyi Square in the Pretoria CBD.

R159 million have been allocated over the next three years to upgrade nine centres into industrial parks or business hubs. Those include the following three from Tshwane, Saulsville Industrial Park, Hammanskraal Skills Centre and Mabopane Skills Centre

Comments received from the MEC for the Department of Cooperative Governance and Traditional Affairs on the City of Tshwane’s 2015/16 reviewed Integrated Development Plan

The Municipal Systems Act compels the MEC responsible for Local Government to evaluate the municipal IDPs on an annual basis and provide comments thereon to enhance intergovernmental relations and alignment to improve service delivery. MEC Jacob Mamabolo commended the City on a number of issues contained in the reviewed IDP and also raised certain matters that require the City’s attention. The comments are captured in the table below accompanied by the City’s responses.

Service delivery and infrastructure development

MEC’s Comments	Response on comments
<p>The City is commended for progress made in relation to the formalisation and reduction of informal settlements (from 150 to 115) within its area of jurisdiction.</p> <p>It has been noted that the City is incurring major financial losses as result of electricity loss due largely to theft, tampering with and faulty meters. In the context of the current electricity blackouts and shortage, it is important that urgent attention is paid to this challenge. As part of the approach to reduce electricity loss in Tshwane, the Metro is urged to implement the following measures, amongst others: proactive infrastructure maintenance, civic education against theft and malicious damage as well as know-your-asset campaigns.</p>	<p>The City of Tshwane Electricity Department note the comments of electricity losses. The losses are a combination of both technical and non-technical losses. Technical losses are not controllable as they are unavoidable power current losses which due to infrastructure ageing and natural power transmission which take place as</p> <p>The City is implementing the following as part of managing and controlling non-technical losses:</p> <ul style="list-style-type: none"> • Retrofitting the Streetlights with LED lights. • Rollout of maintenance plans in line with license condition to maintain the NRS047 and NRS 048 conditions. • The re-introduction of community consultation and involvement to develop a solution that is pro safety, revenue enhancement and access to electricity. • <i>Re-engineering of current infrastructure going forward will be deployed and the usage of advanced technologies.</i> <ul style="list-style-type: none"> ○ Energy balancing from 132 kV to 11 kV ○ Implementation of smart grid ○ Smart metering
<p>The efforts by the City to create a viable and efficient public transport system, for instance in the form of Bus Rapid Transit,</p>	<p>A Re Yeng - Network planning</p>

MEC's Comments	Response on comments
<p>are acknowledged and bode well, amongst others, with the goals of the Gauteng Integrated Transport Master Plan 2025. As the anchors of the Gauteng City Region, the three Metropolitan Municipalities are urged to consolidate and interlink the fore-said efforts in order to create an accessible and sustainable intermodal public transport system that would modernise the manner in which people move through and experience Gauteng.</p>	<p>Phase-1 network design comprises two trunk line services and numerous feeder services supplemented by a comprehensive Non-Motorised Transport network. Trunk line services are:</p> <ul style="list-style-type: none"> • Line 1 – Pretoria Central to Kopanong in Soshanguve • Line 2 – Pretoria Central to Mahube Valley in Mamelodi <p>A Re Yeng integration with other public transport services</p> <p>A Re Yeng service will integrate with other public transport services, such as Gautrain, Metrorail, Tshwane Bus Services as well as Public Transport Operating Grant buses (i.e. PUTCO, North West Star, etc.) and taxis, at six key nodes being:</p> <ul style="list-style-type: none"> • Pretoria Station • Hatfield Station • Belle Ombre Station • Wonderboom Station • Denneboom Station • Kopanong Station <p>Integration with Wonderboom Airport</p> <p>A Re Yeng services would also be linking Gautrain services (Pretoria Station) with Wonderboom Airport. The discussion with Gautrain are still ongoing.</p> <p>Integration with Gauteng Metropolitan Municipalities</p> <p>Future A Re Yeng services are planned to integrate with Gauteng Metropolitan Municipality at the following nodes:</p> <ul style="list-style-type: none"> • Joburg Metropolitan Municipality – Along R55 in Centurion • Ekurhuleni Metropolitan Municipality – along M18 (Main Road) in Irene

Towards Gauteng township economic revitalisation

MEC's Comments	Response on comments
<p>Since the dawn of the new administration, Gauteng Provincial Government has recognised the need to revitalise township economies as a key strategy for socio-economic transformation. The Ten Pillars express a programmatic intent of the current administration through radical Transformation, Modernisation and Re-industrialisation of the provincial economy.</p> <p>This represents a policy reaffirmation by government but most importantly elevates township revitalisation as one of the key strategies for ascertaining that the Ten Pillar objectives are</p>	<p>The City of Tshwane has identified six core projects for the implementation of the TER programme, namely:</p> <ol style="list-style-type: none"> 1. Kgora community bakery ("Kgora"); 2. Integrated Vehicle Washing Facility (IVWF); 3. Plastic manufacturing factory; 4. Paper towel manufacturing factory; 5. Brick and paving manufacturing factory; and 6. Fresh Produce Market. <p>Two of these projects, Kgora and the IVWF, have already been completed, launched and are currently operational. The</p>

MEC's Comments	Response on comments
<p>realised. The approval of the Gauteng Township Economic Revitalisation (TER) Strategy represents a clarion call for collective and integrated planning, harmonisation of budgets as well as multi-sectoral implementation across all spheres of government.</p> <p>The Gauteng Township Economy Revitalisation Strategy aims to contribute to the overall vision for South Africa by 2030 to be a country with an economy that can sustainably meet the material needs of all its citizens as well as broadening economic participation of previously marginalised groups. The TER Strategy is cast in intergovernmental posture, suggesting that all relevant stakeholders in Gauteng will have to put their collective support to ensure successful implementation. The Strategy requires a strong multi-sectoral and sphere interaction wherein provincial sector departments, municipalities, business and organised township chambers throw in their lot for maximum impact.</p> <p>Gauteng EXCO has further commissioned the establishment of a TER Intergovernmental Working Committee as an institutional mechanism through which the Strategy is coordinated and monitored. The purpose of the committee is to guide the coordination, facilitation, monitoring and evaluation of the strategy implementation across all spheres of government. The TER committee will interface with the IDP Technical Steering Committee mainly due to the fact that IDPs will henceforth be used as platforms for tracking planning, budgeting as well as implementation intent of municipalities regarding TER but most importantly striving for integration across the board.</p>	<p>remaining four projects will be launched before the end of the current financial year (2015/16).</p> <p>The main objective is to equip selected beneficiaries, who are mainly Co-operatives, with the required skills in their area of operations and to provide them with economic opportunities.</p> <p>By facilitating partnerships with the relevant stakeholders in the respective sectors of the identified projects, the City will then incubate these beneficiaries for a period of three years, subsequent to which they should be able to effectively run financially sustainable businesses and thus contributing to the City's mainstream economy and that of the country as a whole.</p> <p>Ongoing consultations with the Ward Councillors, Regional Executive Directors (REDs) and community stakeholders are conducted for the success and sustainability of the projects and ultimately the attainment of the whole initiative.</p> <p>The City of Tshwane partakes in the TER Intergovernmental Working Committee, in which monthly reports are forwarded and lessons learnt shared and discussed further. The Forum also serves as a platform of sharing best practices between municipalities and other governmental institutions on own interventions or programmes, successes and challenges and thus forming linkages where possible.</p>

ELECTRICITY AND ENERGY

MEC's Comments	Response on comments										
<p>At the present moment, energy and its use are a national concern. South Africa as whole is affected by challenges regarding energy, its demand as well as how it is supplied. The recent episodes of load shedding across the country, with a considerable amount of the impact felt in Gauteng as the economic backbone of South Africa have demonstrated the necessity for deeper dialogue and action around exploring sustainable ways of providing energy. One of the immediate actions to be taken in the province, amidst others that have been proposed, is for municipal IDPs to begin to design projects in the IDP that seek to mitigate against load shedding. Energy efficiency projects together with energy saving campaigns, for instance, will go a long way towards curbing the current energy demand facing the province.</p>	<p>The City BEPP developed to cushion the impact of load shedding. In so doing the City is busy engaging potential investors to re-industrialise the current fleet of power generation (PTA West and Rooiwal) for self-use.</p> <p>The following Energy Efficiency Programme was implemented during the period under review:</p> <table border="1" data-bbox="792 1598 1409 1814"> <thead> <tr> <th data-bbox="792 1598 1211 1633">Projects</th> <th data-bbox="1211 1598 1409 1633">Quantity</th> </tr> </thead> <tbody> <tr> <td data-bbox="792 1633 1211 1669">Solar Water Heater Rollout</td> <td data-bbox="1211 1633 1409 1669">22175</td> </tr> <tr> <td data-bbox="792 1669 1211 1705">Streetlight Retrofit with Energy Savers</td> <td data-bbox="1211 1669 1409 1705">30338</td> </tr> <tr> <td data-bbox="792 1705 1211 1740">Traffic Light Retrofit with LED</td> <td data-bbox="1211 1705 1409 1740">296</td> </tr> <tr> <td data-bbox="792 1740 1211 1814">Building Light Retrofit with Energy Savers</td> <td data-bbox="1211 1740 1409 1814">44648</td> </tr> </tbody> </table>	Projects	Quantity	Solar Water Heater Rollout	22175	Streetlight Retrofit with Energy Savers	30338	Traffic Light Retrofit with LED	296	Building Light Retrofit with Energy Savers	44648
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Solar Water Heater Rollout	22175										
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Financial viability

MEC's Comments	Response on comments
<p>In line with the principle of financial of sustainability, it is observed that the City's budget is unsustainable in the current financial year, however, improving in the two outer years. This is as a result of a range of factors, namely: inadequate cash coverage, budget not being cash backed and not funded at all. Furthermore, the City of Tshwane's collection rate has declined from the audited 106.4% in 2013/14 financial year to 105.1% to 91.8% in 2014/15 and 2015/16 respectively. It is important that the City addresses these financial hurdles and strengthen collection measures for a finically sustainable municipality.</p> <p>Tshwane Metro is further commended for the rendering of its budget as credible, as based on the budget assumptions and related budget policies. Correspondingly, the tariff increases are in line with the prescribed guidelines by National Treasury. Moreover, it is observed that the City is able to perform its obligation to pay creditors within 30 days, for instance, bulk services and suppliers are paid on time according to the City's creditors Age Analysis. This is positive on the side of the municipality.</p> <p>It is however noted that households within the Tshwane area remain the major contributing factor to the City's growing debtor's book – with consumer debtors sitting at 54% of total debtors in the 2014/15 budget. The City is advised to pay close attention to debt collection procedures as this can cause financial distress if not attended to.</p>	<p>The City of Tshwane has established an outbound Call Centre to carry out in house debt collection. The Call Centre was operational from the 13th of July 2015 and currently it has over 80 (eighty) Call Centre Agents.</p> <p>The main purpose of the Call Centre is to improve the revenue collection of the City by ensuring that all the customers whose accounts are over 30 days arrears are contacted in an effort get them to pay their municipal service accounts on time and further have the queries and disputes lodged with the City resolved quickly.</p> <p>The City further appointed Revenue Agents to assist with the revenue collection, queries and disputes resolutions.</p> <p>Additionally the City of Tshwane has approved revenue collection strategy called RRCI (Revenue Recovery and Continuous Improvement). RRCI maps a way forward as to how the City should approach the implementation of Credit Control in order to ensure that there is an increase in revenue collection and decrease of the debtor's book.</p> <p>The RRCI seeks to ensure that revenue collected on monthly basis is in line with the billing and the budget. The City's debtor's book with in the RRCI strategy is segmented into various initiatives linked to the debtor types as well as ageing with the purpose of ensuring that there is special focus and efforts to prevent the debtors book from increasing.</p> <p>Another part of the resources deployed to curb the debtors book and increase revenue collection is the education and awareness campaigns on household customers and indigents through the Mmogo re a gola programme, which educates the customers and communities at large on taking the responsibility of paying their municipal services accounts on time and in full. It also focuses on how customers should manage their consumption thereby ensuring that the monthly municipal bills are affordable.</p> <p>The Mmogo re a gola educates the communities and customers on issues of water leaks, illegal consumptions and point of contacts within the City in terms of lodging respective queries and disputes.</p> <p>The City also established an Affordability Committee which helps to assess the affordability status of the customers who cannot afford to make payment arrangement with in the respective period terms as per the Credit Control Policy. The purpose of the committee is to ensure that conducive</p>

MEC's Comments	Response on comments
	<p>environment is created for customers in order to be able to pay their municipal accounts.</p> <p>The City of Tshwane continues to implement Credit Control fully on daily basis by ensuring that all monies due to the city are collected. Customers who qualify for indigent subsidy are also encouraged to come forward and apply for indigent subsidy.</p>

Good governance

MEC's Comments	Response on comments
<p>It has been observed that the City's petition system is not effective. The ineffectiveness of the current system bears negative implications on participatory governance. It is important that the municipality strengthens its petition management system, procedures and processes, governance structures, reporting as well as monitoring and evaluation. This is particularly important in strengthening trust between the Metro and its citizenry. We must be able to demonstrate our ability to listen and effectively address concerns raised especially in the form of petitions.</p> <p>The City is further commented for having in place Fraud and Anti-Corruption strategies. However, the effectiveness of these strategies is not reported on. In line with principles of accountability and transparency as required by the Municipal Systems Act (2000), Sections 57 (a) subsection 7 to 8, it is important that the City inform and submit on a quarterly basis to the MEC for Local Government whenever there is an investigation on corruption cases.</p> <p>As advocated by the Gauteng Premier, and in line with ideal of active citizenry, it is important that the City of Tshwane capacitates civil society structures within its respective areas of jurisdiction. Furthermore, there is a need to review and strengthen the current public participation processes or model in order to incorporate the views and needs of special groups of people in the IDP as required by the Municipal Systems Act of 2000.</p>	<p>The Petitions system is effective and is in line with the adopted petitions by-law.</p> <p>In support that the City Petition System is effective, the petitions are submitted in council by councilors, however the petitioners also submit their petitions to the office of the speaker (petitions section or regional offices). The petitions committee meet once a month to adjudicate on petitions received and petitioners and departments are invited to participate during adjudication process.</p> <p>Petitions are resolved within the stipulated time-frame of 90 days. Office of the Speaker ensures that upon receiving of petitions, they are registered, acknowledged and referred to relevant departments to attend to.</p> <p>The Petitions Committee conducts Inspection-in-Locos and the Office of the Speaker convenes preliminary meetings between departments and petitioners, which strengthens public participation, create trust and relationship between the City and citizens. Office of the Speaker has the responsibility to track and monitor resolutions taken by the Petitions Committee to ensure that departments adhere to resolutions.</p> <p>The petitioners have the right to appeal, if they are not satisfied with the adjudication of their petitions.</p> <p>The Office of the Speaker is strategically implementing public participation and consultation processes and programmes through ward committee system, by ensuring training of Ward Committees on identified core skills areas (QPR),</p> <p>Provide monthly and a quarterly report on Ward Committee Functionality,</p> <p>Provide Administrative resources required by ward committees,</p>

MEC's Comments	Response on comments
	<p>Facilitate Ward interventions requested by Ward Committees and the Community and Manage and facilitate research matters/issues.</p> <p>Facilitate regular public meetings between ward Councillors and civil society by mobilizing of communities and stakeholders,</p> <p>Assist Ward Committees and Ward Councillors in facilitating consultative meetings, e.g. IDP. <i>(The IDP process is done in three phases to ensure that proper and thorough consultation is done. Phase one is ward committee consultation, phase two is community consultation and phase 3 the last phase of community consultation which is verification.)</i></p> <p>Promote Public relations in the Regions and manage and facilitate stakeholder meetings. Facilitate public hearings for policies and by-laws referred to communities for Public Consultations, and ensure successful planning quarterly meetings for Ward Councillors.</p>

Spatial planning

MEC's Comments	Response on comments
<p>Regarding spatial planning in the City of Tshwane, there is a need for greater spatial expression and analysis beyond municipal boundaries especially within the functional Gauteng City-Region. The City is thus urged to purposefully utilise the Gauteng Spatial Development Framework (GSDF) for this process.</p> <p>The City is further urged to decisively integrate the densification targets along public transport routes in relation to Transit Orientated Development as outlined in the Gauteng Integrated Transport Master Plan 25.</p> <p>The City is urged to explore the applicability of mechanisms for environmental management as outlined in the Gauteng Environmental Management Framework (GEMF) prepared by Gauteng Department of Agriculture and Rural Development. In addition, on-going efforts to advance responses to climate change, resource scarcity, waste output reduction and sustainable transformation of infrastructure to be integrated within the built environment and spatial planning.</p>	<p>1. The need to address cross-border issues with other Metros e.g. Johannesburg and Ekurhuleni has been expressed and a Tri-Metro committee between the Metro's has been established. It is the intention to address these issues in more detail in the BEPP and CIF to give effect to provincial priorities and align planning and implementation.</p> <p>The revised MSDF will address cross-border matters that impact on the City's development. The issue of cross-border planning has previously been raised at previous engagements with the GSDF development team, as the currently approved GSDF did not adequately address cross-border matters within the context of the GCRO. Through further engagements with the GSDF development process, and other independent efforts of the City, the revised MSDF will be further enhanced in this area.</p> <p>2. Integrate densification targets along public transport routes: The City has recently completed work looking into the trends of development in and around BRT routes. This will allow good insight into what interventions might be required in areas where densification is not yet being realized. Densification along public transport routes is an established principle within the Municipal and Regional SDFs. The challenge is to align budget allocation, project prioritization and engagements with the private sector in order to ensure that the densification policies are implemented. Much of this work is being facilitated through the BEPP and CIF work and</p>

MEC's Comments	Response on comments
	<p>this will be taken up in the revision of the MSDF. The TOD Chapter in the BEPP deals with comments as highlighted.</p> <p>3. It is agreed that the Environmental Aspects including climate change, resource scarcity waste reduction and sustainable transformation of infrastructure needs further attention. The BEPP team has already had discussions with the Sustainability Department and follow up meetings will be held to ensure that these are further explored and formalized to be taken into the BEPP up to project level.</p> <p>The City Sustainability Desk has done a great deal of work relating to environmental matters including climate change, resource scarcity and waste output reduction. As with the previous example, the challenge largely lies in the implementation. There is still more work to be done in the area of sustainable transformation of infrastructure. During revision of the MSDF, work done by the Environmental Management Department and the Sustainability Desk will be integrated into the document and gaps will be addressed where required.</p> <p>Spatial planning is cross-sectoral. The quality of the MSDF largely depends on the level to which the other sectoral departments contribute towards play their respective roles in developing and/or implementing specific technical plans that contribute towards an efficient spatial urban form.</p>

The regulatory environment

MEC's Comments	Response on comments
<p>REGULATORY ENVIRONMENT: Gauteng Municipalities are in general characterised by a challenge pertaining to the inadequacy or poor enforcement of municipal by-laws; poor implementation of anti-fraud and corruption policies as well as poor performance and risk management systems. This was confirmed earlier this year by the Back to Basics report produced by Gauteng COGTA. To address these challenges, the provincial government has embarked on:</p> <ul style="list-style-type: none"> • Review, update and alignment of municipal by-laws across Gauteng; and • Review and update of anti-fraud and corruption policies, including efforts to build a culture of ethical behaviour and accountability. To effect this, a partnership has been established with SALGA, DCoG and Ethics Institute of South Africa (EthicsSA). Gauteng Provincial Government will be 	<p><u>Anti-fraud and corruption</u></p> <p>City of Tshwane has the following policies in place that were reviewed and approved by council in August 2015</p> <ul style="list-style-type: none"> • Anti-Fraud Policy • Whistle blowing Policy • Anti-Fraud Strategy <p>Group Audit and Risk department has focused its efforts on a campaign that aims to create awareness of policies that relate to Fraud and Corruption within the City.</p> <p>The City has a signed Memorandum of understanding with Ethics Institute of South Africa for the implementation of a project that aims to promote good ethics and integrity within the City. One of the activities amongst others on the project</p>

MEC's Comments	Response on comments
<p>piloting the conducting of the ethics survey in the province over the next three (3) months.</p>	<p>includes an ethics assessment of the City, through this we will identify the inefficiencies and find solutions for improvement.</p> <p>The project will further assist the City to create structures to focus on issues of ethics and governance.</p> <p><u>Risk management systems</u></p> <p>The City implemented an Enterprise Risk management across its departments, regions and entities.</p> <p>The following documents are approved by the Council:</p> <ul style="list-style-type: none"> • Enterprise Risk Management Policy • Enterprise Risk Management Strategy <p>The City established a Risk Committee with four independent members. Furthermore, two Risk Committee charters for the entities and City were drafted and approved.</p> <p>Risk assessments, monitoring of mitigations and risk management are conducted by CoT, at corporate, departmental, regional and Entities levels.</p>

Evidence based planning

MEC's Comments	Response on comments
<p>From a statistics perspective, IDP's have improved a great deal in terms of compliance. That is having statistics visible and included in the IDP document(s). The challenge, however has been the inconsistency of data sources, inconsistent or irrelevant indicators as well as the absence of bench-marks. While it is not incorrect for municipalities to use statistical data reports from other sources, it is a legislative requirement that such data must meet specified minimum requirements to be considered official, as illustrated for instance, in the gazetted Statistics Framework. Municipalities are therefore cautioned against using data that has not been verified as this may lead to ill-planning and subsequent mismanagement of our already limited resources.</p> <p>From the IDP assessments this year, there is also a growing concern on the absence of a demographic illustration of trends or patterns of the population within a given municipal area. The entry of a quantity of sexes, ages, race and so forth are essential to understand the development needs and quantities required, in planning for development. This type of a data set also informs probable indexes, such as life expectancy,</p>	<p>Censuses are principal means of collecting basic population and housing statistics required for social and economic development, policy interventions, their implementation and evaluation. South Africa has conducted three Censuses (1996, 2001 and 2011). Census 2011 was the third Census to be conducted since the post democratic elections in 1994 and a number of population and household attributes were measured and variety of indicators generated. This will provide Tshwane specific profile results on all Census topics; demographics, migration, education, general health and functioning, labour force, mortality, and households. The City further enhanced the information by utilising the recent IHS Global Insight population and demographic projections to provide a more recent current picture of the current situation. This source of information have allowed the City to compare the changes over a number of years and have utilised this source over the last number of IDP reviews.</p>

MEC's Comments	Response on comments
<p>demographic dividend, labour force, population growth, birth and death rates, migration patterns, and so on.</p> <p>Moreover, municipalities should be able to appreciate the importance of their area's population pyramid. This is important as the shape of a population pyramid for a specific municipal area informs the probable trends in the current and likelihoods in the future. Municipalities are encouraged to study these statistical dynamics as strategic intentions must be grounded in empirical data. With limited resources and the rapid economic trends that impact on the social well-being of communities, good use of statistics is a prerequisite.</p>	

Conclusion

The City will continue to foster intergovernmental planning and monitoring in all spheres of government; this will also be intensified during the financial year and during the review of the 2016/17 IDP.

6. COMMUNITY PARTICIPATION

Introduction

This chapter begins by briefly explaining in context the concept of participation. It also outlines participation in the South African context (Local Government); this will include the identification of specific legislative prescripts that guide community and stakeholder participation during Integrated Development Planning (IDP). Stakeholders which were consulted and processes undertaken during the development of this draft IDP for 2016/17 financial year will also be stated herein.

Understanding the concept “Participation”

Often the term participation is modified with adjectives, resulting in terms such as ***community participation, citizen participation, people’s participation, public participation, and popular participation***. The Oxford English Dictionary defines participation as “to have a share in” or “to take part in,” thereby emphasizing the rights of individuals and the choices that they make in order to participate. Arnstein (1969) defined citizen participation as a process by which citizens’ act in response to public concerns, voice their opinions about decisions that affect them, and take responsibility for changes to their community.

Brager, Specht, and Torczyner (1987) on the other hand defined participation as a means to educate citizens and to increase their competence. It is a vehicle for influencing decisions that affect the lives of citizens and an avenue for transferring political power. However, it can also be a method to co-opt dissent, a mechanism for ensuring the receptivity, sensitivity, and even accountability of social services to the consumers.

According to the African Charter for Popular Participation in Development and Transformation (ACPPDT) of 1990, as cited in Theron (2009:15), public participation is “the empowerment of people to effectively involve themselves in creating the structures and in designing policies and programmes that serve the interests of all as well as to effectively contribute to the development processes and share equity in its benefits.”

Dauids et al. (2005) argue that there are three levels of public participation; these include participation through informing the participants, consulting participants and empowering participants. These levels of public participation can be reflected by the practice of public participation as identified by the International Association for Public Participation (IAPP) in 2002 which state that (Theron, 2009:114)

- The public should have a say in decisions about actions that affect their lives,
- Public participation includes the premise that the public’s contribution will influence the decisions to be taken,
- The public participation process communicates the interests and meets the process needs of all participants,

- The public participation process seeks out and facilitates the involvement of those partially affected,
- The public participation process involves participants in defining how they participate,
- The public participation process communicates to participants how their inputs affected the decision,
- The public participation process provides participants with the information they need to participate in a meaningful way.

Public Participation in the South African context (Local Government - IDP)

Post-apartheid legislative framework in South Africa emphasizes the importance of public participation as an essential tool for democratic consolidation. This is articulated in the number of legislations particularly as it relates to Integrated Development Planning (IDP), those include amongst others; the White paper on Reconstruction and Development (1994), the Constitution of the RSA (1996), the White paper on local government (1998), the Municipal Systems Act (2000), and many others.

The Constitution: Public participation in decision-making is encouraged in the 1996 Constitution as it stipulates that, “peoples’ needs must be responded to and the public must be encouraged to participate in policy making” (RSA Constitution, 1996: sections 195 (1) e). The Constitution further asserts that the function of local government is to encourage the involvement of communities and community organizations in local government (section 152). Section 195(e) says that in terms of the basic values and principles governing public administration, peoples’ needs must be responded to and the public must be encouraged to participate in policy-making.

White Paper on Local Government (1998): This document proposed a new mandate to local governments termed as “developmental local government”. The local governments’ approach to fulfil this mandate is “to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives”.

Municipal Structures Act (No 117 of 1998): It requires municipalities to consult with civil society in meeting the needs of local communities.

Local Government Municipal Systems Act of 2000: It instructed municipalities to “establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality” (Constitution of RSA, 2000: section 17.2). According to this act: A municipality must develop a culture of municipal government that compliments formal representative with a system of participatory governance, and it must for this purpose ...encourage and create conditions for the local community to participate in the affairs of the municipality and contribute to building the capacity of (i) the local community to enable it to participate in the affairs of the municipality and (ii) councillors and staff to foster community participation (RSA Constitution, 2000: section 16.1).

City of Tshwane approach to community and stakeholder participation towards development of draft IDP

The City's commitment to public participation continues to be based on legislative obligation. During August 2015, Council approved the Process Plan to guide the development of 2016/17 and compilation of the MTREF, it contained a consolidated approach to public participation explained as follows:

- **Pre – tabling public participation**

Communities and stakeholders are to be consulted with regards to service delivery within their respective areas; such consultations form (amongst others) the basis for the preparation and consolidation and subsequent tabling of the draft IDP in March 2016.

- **Post – tabling public participation**

This is also the legislated consultation which must be conducted after the tabling of the draft plans in April each year. These consultations take place during April and serve to solicit inputs from communities and stakeholders before the IDP and Budget could finally be tabled to Council for approval. A detailed account of the activities undertaken will be outlined in the final document that is to be approved in May 2016.

Pre – tabling public participation

Internal Consultation / Governance structures

During the planning stages between July and August 2015 the critical governance structures were consulted. The consultation was for the purpose of making presentations and explaining the contents of the draft 2016/17 IDP Process Plan, the draft IDP and budget, as well as soliciting inputs and comments prior to its approval by Council. These structures include Mayoral Committee, Council, the Governance Cluster (Mayoral Sub-committee Cluster), Section 79 Oversight Committee on IDP; as well as the Governance Technical Cluster

Consultation of these structures will be maintained throughout the planning process until the IDP is finally adopted by Council in May 2016.

Mayoral Committee and the Council

The Mayoral Committee is central in the IDP and budgeting processes, it is the only structure which recommends to the Council to consider the development, approval and review of the IDP. The committee was consulted from August 2015 and it recommended to the Council to consider the approval of the 2016/17 IDP process plan.

The Executive Mayor convened the Mayoral Lekgotla during the first quarter of the financial year to amongst others discuss matters around the IDP. This was in

consideration of the fact that 2016/17 is a year between two council terms (current council ending their term and new term to be elected); and that this council should ensure that there is an IDP and Budget in place by the beginning of the new financial year i.e July 2016. The decision was to develop an IDP with specific focus on 2016/17 financial year and the new council will carry-over planning once appointed for the remainder of the term (2016 – 2021).

The Lekgotla discussions were centred on institutionalising and giving effect to Tshwane Vision 2055 from 2016/17 financial year on-wards. The discussions around the approaches to community and stakeholder consultations on IDP matters were around the principles as outlined in Outcome 6 of Vision 2055; and further that the following be taken into consideration as the City engages with stakeholders towards the development of 2016/17 IDP:

- Explore alternative active citizenry models to deepen democracy,
- Identify strategic partners from various segments of the community to form part of the engagements. This would include structures such as, but not limited to Traditional Authorities, Business community, Non-Governmental Organisations and Community Based Organisations,
- Develop an implementable programme for the legislated outreach process which is mindful of any other community engagement that may take place towards elections.

Consistent consultation with MAYCO was maintained throughout the process until the tabling of the draft in March 2016.

Budget Steering Committee (BSC)

The Budget Steering Committee assisted the IDP review process by continuously making assessments of service delivery and the City's financial status. The first meeting of the Budget Steering Committee was held on from 12 to 16 February 2016 where departments presented their proposed IDP and budget proposals for the 2016/17 IDP and MTREF.

Financial allocation were in line with the priorities of Council and the current economic climate.

IDP technical working group (IDPTWG)

Following the approval of the 2016/17 IDP and Budget Process Plan, the IDP technical working group (IDPTWG) was informed on the process. The IDPTWG constitutes representatives from all internal City of Tshwane departments; most of the departments are represented by project planners and business planners. The purpose of the

consultation was to present the approved process plan, including its critical activities and timelines which the departments are expected to adhere to during the review process.

City of Tshwane internal departments and regional offices

Based on Mayoral Lekgotla resolution that Tshwane Vision 2055 be institutionalised and be giving effect to, an Outcome based planning model was adopted which proposed amongst others, the establishment of Outcome working groups. These working groups are made up of internal departments who directly contribute to a specific outcome from the 6 Outcomes of Tshwane Vision 2055. These Outcome Working Groups were consulted for the development of Outcome Based Strategies / plans, which included the identification of multi-level Key Performance Indicators, programmes and projects to ensure operationalization of Tshwane Vision 2055.

These Outcome Based Strategies / plans formed the basis for resource allocation for draft IDP and Budget. Consultation is continuous until the Outcome Based Strategies / plans are finally approved for implementation during 2016/17 financial year. Reference on this approach can be made in Chapter 3 of this document.

External consultation

Gauteng provincial sector departments

The engagements with the above stakeholders in the form of Provincial IDP Technical Steering Committee, was centrally facilitated and coordinated by of the Gauteng Provincial Department of Cooperative Governance and Traditional Affairs (GCOGTA) through Municipal Integrated Development Planning section. The engagement took place on 25 February 2016. This process was preceded with written communications with GCOGTA on specific sector department matters for response. This served as a platform where provincial sector departments were given an opportunity to directly engage issues raised through public participation at the local government and to further devise appropriate ways of collectively and directly plan and budget for community issues as raised.

The meeting resolved amongst others that the IGR be intensified and supported, that Metros further utilise other IGR forums such as MEC – MMC IGR forums as these platforms could assist in unblocking challenges experienced, that an in-depth analysis of all issues presented will be done by GCOGTA and all concerned sector departments to consistently and continuously provide responses to issues raised by communities through municipalities.

National Treasury visits

National Treasury visits all metros in Gauteng twice a year. The first visit is termed “the mid-year service delivery and performance visit” which is held in January/February of

each year. The second is the 'benchmark exercise' which is held between April and May each year after the tabling of the draft IDP and budget.

The mid-year visit was held on 29 February and 01 March 2016 where the City's mid-year performance against the IDP and its implementation plan, the service delivery and budget implementation plan (SDBIP) and budget were discussed. The discussions included other key planning and budgeting processes and interventions such as the Built Environment Performance Plan (BEPP) process, financial management, Auditor-General's report and risk management amongst others. The recommendations that arise from these interactions are responded to through the review of the IDP and the MTREF.

The second interaction with National Treasury will be held between April and May and is indicated above.

Community and community organisations (ward priorities)

During 2012/13 financial year an approach on the sourcing and collation of community needs was approved by the Mayoral Committee wherein it resolved amongst others that:

- The long wish lists of ward issues in the IDP be reprioritised (by the respective wards) into 3 priority issues per ward that are of strategic importance to be focused on and attended to for the remainder of the term.

Ward Councillors led community consultations then submitted and confirmed 3 ward priorities which has been a focus, such consultations ensured that communities were engaged on a more focused approach and they were able to prioritise key strategic issues for their wards, the process also resulted in communities realising the need to prioritise as resources are scarce. Progress on the implementation of these ward priorities and other services delivery interventions have been the basis for annual community consultations and review of the IDP.

Preliminary analysis of ward issues

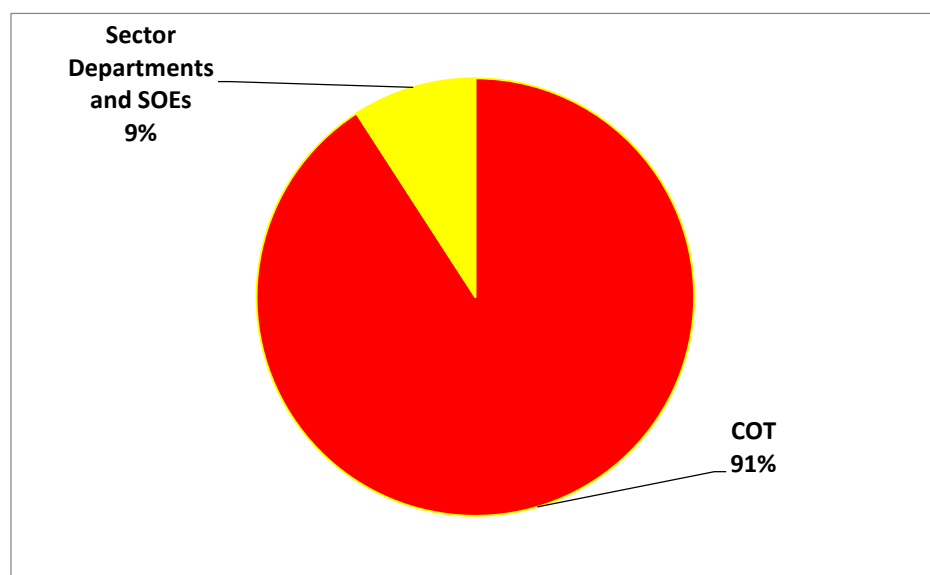
The analysis of priority issues across all the seven (7) wards indicates provision of basic services, maintenance of infrastructure, as well as job creation as the major issues. The following are presented as key priorities:

- Provision new infrastructure and maintenance existing one (water, sanitation, roads and storm water and electricity);
- Housing provision and the upgrading of informal settlements;
- Provision of social amenities / infrastructure (Sport and recreational facilities, parks, clinics, libraries) and accompanying programmes;
- Economic development and job creation; and
- Safety and security.

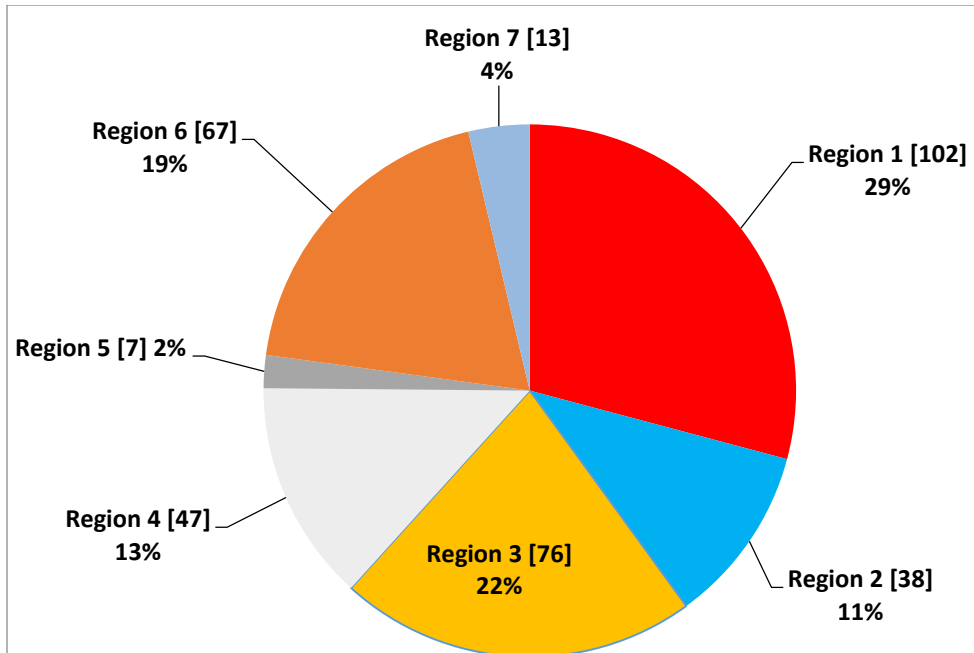
All the ward issues were analyzed and it was identified that a total of **350** priorities were recorded. Of these 350 ward issues, **318** amounting to **91%** fall within the responsibilities of the municipality, meaning that they can be attended to and implemented by the City's departments such as Transport as well as Health and Social Development Departments amongst others.

The remaining **32** issues which translate into **9%** fall with the responsibilities of other Sector departments e.g Department of Education, Health and Community Safety amongst others; this percentage also include State Owed Entities like Eskom.

Total number of ward priorities: City wide and per Region



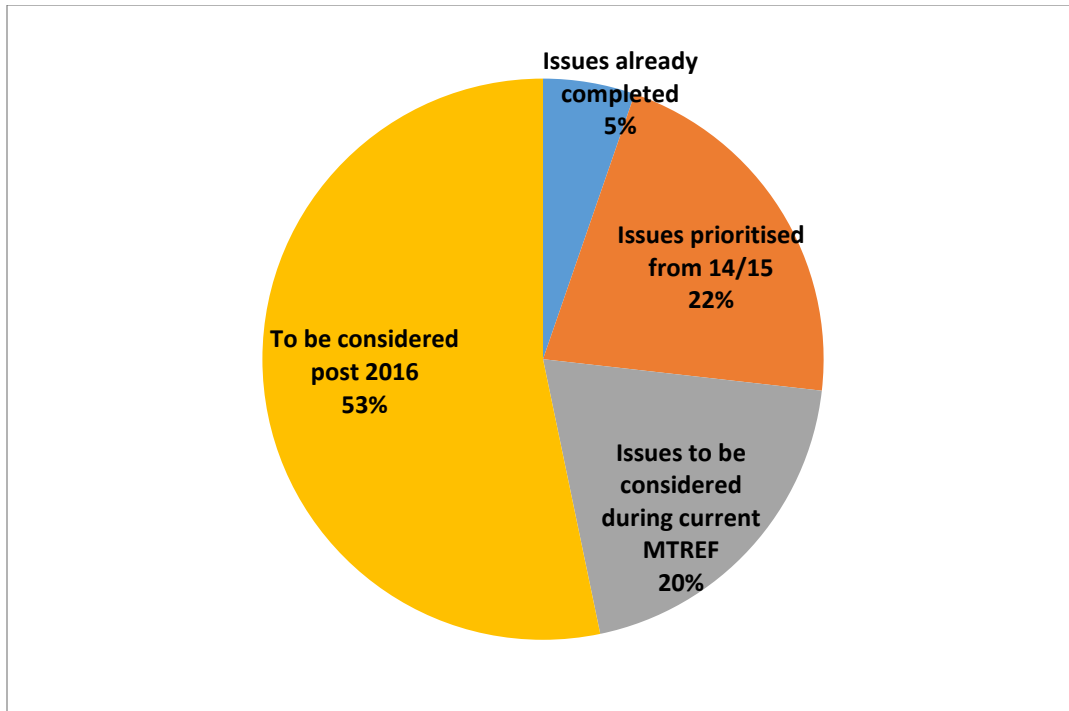
About 102 of the above issues amounting to 29% were raised in Region 1, followed by Region 3 and 6 at 22% and 19% respectively. The Regions with the lowest number and percentage of ward issues raised are Region 5 and 7 with 2% and 4% respectively. The highest number of issues raised per Regions can be attributed to two critical developmental factors. i.e the number of wards per region and the population per wards as well as the level of development at specific wards and region. The notion does not conclude that Regions with less number of issues raised are presumably well developed. Region 5 and 7 are underdeveloped - low income residential areas including rural areas. Reference can be made on the graph below:



Responses to ward issues

A number of the priorities which fell within the responsibility of the City has been implemented by the City's departments and a detailed account, or progress on the implementation of these ward issues will be outlined in the final document to be approved in May 2016. Those that fell within the responsibilities of the provincial sector departments and other State Owned entities have been forwarded and a detailed report will also be consolidated in the final document. This below present a summary:

The following graph indicates progress made by the City as at year 2015 in addressing the issues raised by the wards:



- Almost 5% of the issues have already been attended to and completed from previous years; majority of these are in Region 1, 2, 3 and 6 respectively.
- 2014/15 Capex covered 22% of ward issues across all the regions,
- An additional 20% targeted for during this current MTREF (multi-year projects/programmes)
- In total 42% of ward issues were attended to during current MTREF since 2013/14, when this initiative started

Proposed community outreach planned on the Draft 2016/21 IDP

The second round of community and stakeholders consultations is planned to be held in April after the tabling of both draft IDP and budget. Considering that the year 2016/17 is a year between two Councils, the current term which started in 2011 and the term of a new Council which will start in 2016 following the 2016 local government elections; It therefore suggests that this is a transitional year wherein the current Council will have to attend to all the regulatory processes relating to IDP and Budget preparation and approval. It has since been proposed that consultations be conducted in two (2) stages i.e. through ward level public meetings, and through Regional Outreach meetings with targeted stakeholders. These consultative processes will ensure that the final IDP and Budget to be tabled for approval in May 2016 is a product of a consultative process.

These engagement sessions will serve as a platform to amongst others:

- Provide an overview of the City's infrastructure investments and other service delivery initiatives which were introduced during the current term of office,

- Present and discuss the draft IDP and Budget as tabled in March 2016 (including immediate priorities and interventions for 2016/17),
- Provide an understanding of the broad service delivery issues and challenges that are faced by the city in providing services in accordance with community expectations,
- Engage with targeted stakeholders / community organisations on a strategic discussion to facilitate the identification of key strategic issues as an input to the 2016/17 IDP and Budget,

These meetings are yet to be conducted.

Conclusion

The process outlined above demonstrates the City's commitment towards fostering participatory democracy. A detailed account of all consultative efforts that the City employed from the drafting of this IDP to consolidation and approval of the final document will be outlined in May 2016.

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4. Davids, I. Theron, F. and Maphunye, J. (2009): Participatory Development in South Africa: Development Management Perspective.
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7. SPATIAL DEVELOPMENT FRAMEWORK (Summary)

Introduction

The Tshwane Metropolitan Spatial Development Framework (MSDF 2012) was adopted by Council in June 2012. As a municipal statutory requirement serving as one of several municipal sector plans that are a component of the IDP, the focus for the relevance of the chapter will be on the spatial directives and guidelines, intended spatial outcomes, spatial targeting for unlocking investment in strategic localities as well as the analysis of the capital expenditure from a spatial perspective. This chapter discusses the City's restructuring elements as well as significant national projects that will impact on the Tshwane space and that are aimed at reversing the apartheid spatial form.

Spatial restructuring elements of the City

The City of Tshwane covers an area of 6 260 km² and due to its vastness it is characterised by –

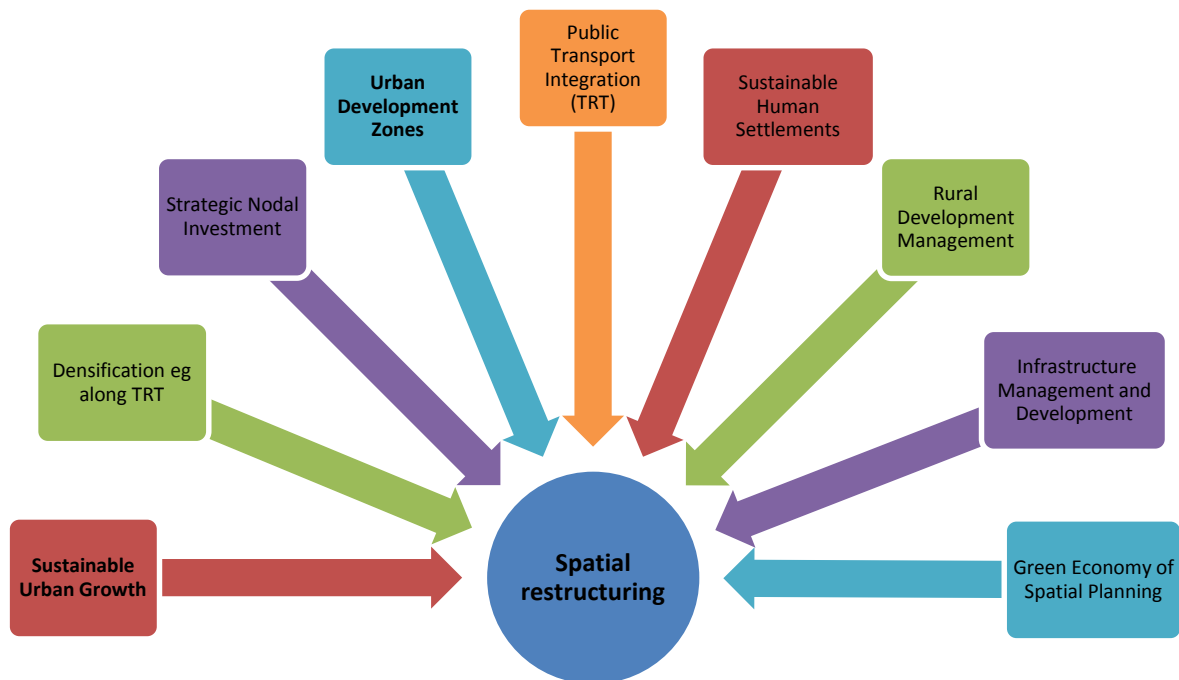
- low-density sprawl, which can be a result of low-density developments that are not aligned to principles of transit-oriented development (TOD) being implemented within nodal areas that are essentially targeted for high-density development or as a result of developments, whether high or low density, taking place in peripheral areas outside of those targeted for development within a specific time period;
- fragmentation, which means that the 'grain' of development is coarse, with isolated (introverted) pockets (or cells) connected by roads (and freeways) and frequently separated by buffers of under-utilised open space; and
- Separation of functions, which means that land uses, public facilities (urban elements), races, income groups are all separated by great distances.

The spatial development concept that addresses the above spatial challenges is structured around the following building blocks:

- Nodes and activity areas which address issues around
- Movement and connectivity
- Environmental structuring concept

These three building blocks form the foundations for the nine spatial restructuring elements of the City which are depicted in the diagram below.

Figure 7.1: Spatial restructuring elements of the City



Strategic nodal investment and **urban development zones** will ensure economically-sound growth management. Growth management is a spatial concept that encompasses all aspects that ensure efficient, optimal and sustainable development of the physical environment. A key principle of this concept is smart growth. The smart-growth principle guides development in a way that resources and services are provided in such a manner that they meet the demands of the affected population over the long term. This will ensure **sustainable urban growth**.

Nodal investment areas are those parts of the city where development should be focused. The widest variety of services and opportunities should be provided at nodal points, at degrees relative to their nodal status. The inner city is the primary node and capital core of the city and has thus been determined as a locality for specific urban development zones where National Treasury will provide tax incentives for developments adhering to predefined criteria as per both National Treasury and Tshwane Council resolution requirements.

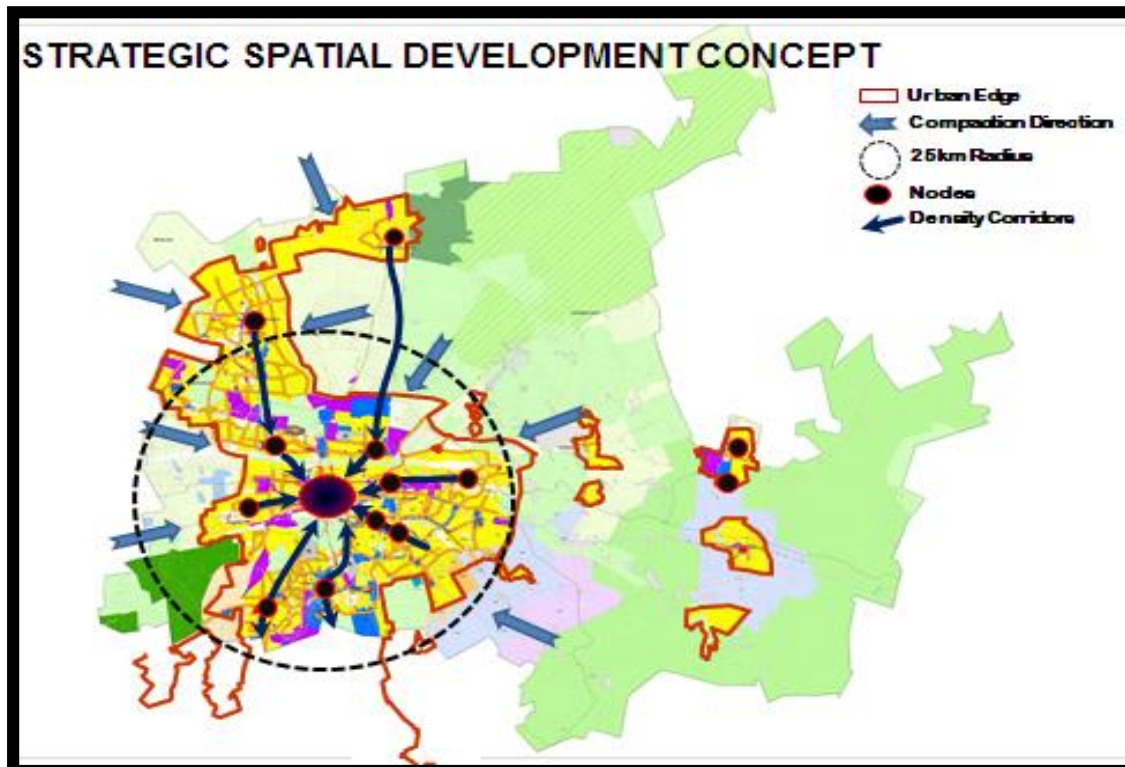
In the short to medium term the key focus areas for development should be contained within a 25 km radius from the capital core (CBD). The rationale is based on sustainable principles which seek to improve efficiency and maximum utilisation of available resources. The following key considerations should be applied:

- Where development already exists a maintenance development strategy should be applied in the periphery areas in support of developing sustainable

human settlements. This entails a provision of new infrastructure where required as well as eradication of service backlogs.

- The provision of social infrastructure should be primarily focused on nodal areas in form of multipurpose centres catering for health, education, safety and security, as well as customer care centres, emergency facilities and other state services prescribed to be provided for the benefit of serving larger communities.

Figure 7.2: Sustainable urban growth



The urban edge, as reflected in the seven Regional Spatial Development Frameworks (RSDFs) of the City, will as a growth management tool further contribute to the achievement of strategic objectives of the **green economy of spatial planning**. This can be by conserving valuable environmental areas which would otherwise be compromised by development, and by promoting the use of existing infrastructure through redevelopment, infill development and densification within the edge, thus achieving development that is sustainable. The urban edge also encourages the agglomeration of economies within the edge, encouraging scattered secondary or emerging nodes to develop into consolidated primary nodes as opposed to leapfrog development. The edge also ensures the protection of land, an exhaustible resource, by encouraging brownfield developments instead of greenfield developments.

Rural development management is a component of the green economy of spatial planning. The NDP 2030 highlights the importance of rural areas, reminding us that despite population shifts from rural to urban areas, the health and wellbeing of the entire population still depends on rural goods and services, food, water, minerals, energy, biodiversity, natural and cultural experiences, labour and land. This will

become increasingly clear in the next few decades, as resources become more constrained.

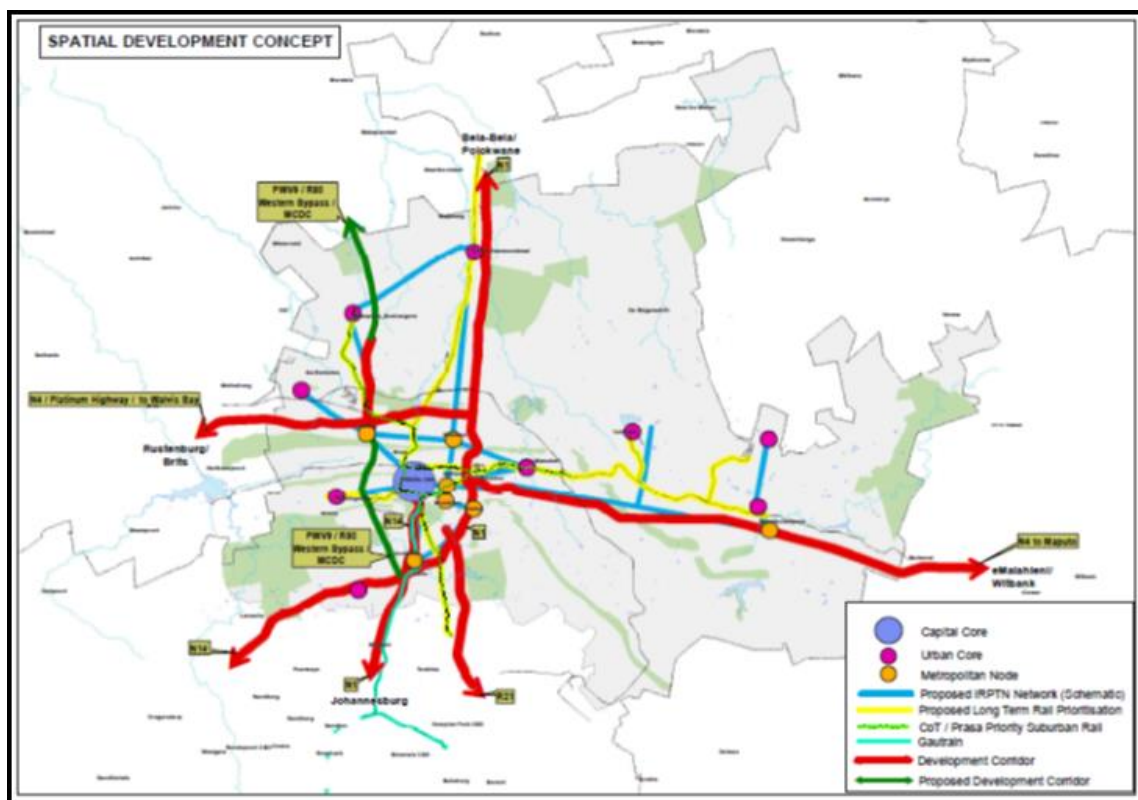
Infrastructure management and development is important to overcoming the high cost of providing bulk infrastructure in low-density areas; urban sprawl should be discouraged. It is imperative that available infrastructure within the nodes is used optimally. This requires **densification** and intensification of land uses through compaction and infill developments. Transit-oriented development will optimise the potential and infrastructure capacity of nodes while combating urban sprawl through movement between and connectivity of focus areas of development.

The **Sustainable Human Settlements** concept is akin to the concept of nodal development in that it both aims to provide a range of services, amenities and residential options in an integrated location. Thus citizens are given the choice to work, live and play with reduced need and cost for travel. **Public transport integration** is critical in this regard.

Tshwane’s future spatial growth

Tshwane’s spatial vision is to become a “Spatially Efficient Capital City that is Sustainable, Competitive and Resilient.” The rationale for the spatial restructuring elements is to ensure that the Spatial Development Framework is implemented through programmes and projects of the City. The key elements of the MSDF, as supported by the outlined spatial restructuring elements as outlined above, is depicted in the figure below.

Figure 7.3: Spatial development concept for the City of Tshwane in line with the MSDF



Transformation of the urban space through the Cities Support Programme (CSP)

In recognition of the role of cities in the fulfilment of the key government objectives and to improve the spatial transformation through coordinated public investment, National Treasury developed an urban network strategy which enforces a pro-poor/pro-growth approach to the development of cities. The CSP work in Tshwane began post the approval of the 2012 MSDF, and is thus being incorporated within the framework of the MSDF but applied with the support of the Built Environment Performance Plan which is explained in the following section. The CSP strategy is aimed at the following:

- Facilitating the eradication of spatial inequality to enable the creation of liveable, sustainable, resilient, efficient and integrated human settlements
- Shifting infrastructure investments towards the creation of efficient and effective urban centres through an approach of spatial targeting of public investment, primarily infrastructure
- Identification and investment in city-wide interconnected hierarchy of strategic nodes and public transport links between and within nodes

To implement this strategy and to improve grant management, the National Treasury has further established the City Support Programme which seeks to accelerate the process of spatial transformation by influencing where and how public funds are invested in the urban environment in order to promote more functional, productive, inclusive and sustainable cities. The programme also seeks to coordinate funding programmes, to link these to national regulatory reforms in the built environment, and to support enhanced capacity in the metros themselves. The CSP has four components:

- Core city governance implementation support
- Human settlements support
- Public transport support
- Climate resilience and sustainability support

One of the assumptions behind the CSP is that the metros should take prime responsibility for urban integration and management of the built environment on the basis of their superior knowledge of local needs and dynamics, and because of their extensive powers, legitimacy and accountability for pursuing this role. These powers are being supplemented by the gradual transfer of additional responsibilities in housing, transport and spatial planning from the provincial and national spheres of government.

The metros also have significant revenue-raising capabilities and borrowing powers that could and should contribute to the funding of additional infrastructure. There is therefore a powerful logic in the metros assuming strategic responsibility for planning and managing more integrated urban development. It makes obvious sense for the metros to lead this function. Formulating and applying appropriate urban indicators is an important part of the task. National government will support and reward the metros

for their performance in achieving better urban development outcomes through the instruments contained in the CSP.

What makes the CSP unique is the introduction of clearly-defined performance measures to improve the performance of the built environment. In 2013/14, the Integrated City Development Grant (ICDG) was rolled out and sought to incentivise municipalities to improve their built environment performance.

Based on the same principle, the City Support Programme identifies relevant indicators and targets for the metros and lays the basis for assessing their capacity needs in terms of how to achieve these, i.e. the functions, tasks and competencies required. These indicators should be complemented by enhanced strategies, programmes, projects, incentives, partnerships with land-owners, negotiations with developers and financiers, coordination with departmental infrastructure providers, and revised regulations and land-use zoning schemes.

The City has been part of the City Support Programme development and has prepared the 2014/15 Built Environment Performance Plan in line with the new requirements centred on CSP principles. To demonstrate this, key integration zones as per the CSP requirements have been identified as:

- Mabopane Urban Hub
- Atteridgeville Urban Hub
- Hammanskraal Urban Hub
- Mamelodi Urban Hub
- Ga-Rankuwa Urban Hub

Already, the City has done some work in these areas and any investment that is done by other spheres of government is ready for implementation. The sections below discuss each node and the interventions (existing and planned) to support the CSP. Additional areas to form part of the programme in the future have also been identified. These are:

- Refilwe Urban Core
- Olievenhoutbosch Urban Core
- Ekangala Urban Core
- Zithobeni Urban Core

Atteridgeville Urban Hub

Atteridgeville, found within planning Region 3, is west of the inner city. It is anchored by the Saulsville Station Precinct. A primarily low-income area, growth is limited to the north by large extensive land uses that occupy land to the north and environmentally-sensitive areas to the west.

For development purposes, the areas should be considered for transit-oriented development, built environment upgrades, provision of social facilities and a strategic management of informal settlements.

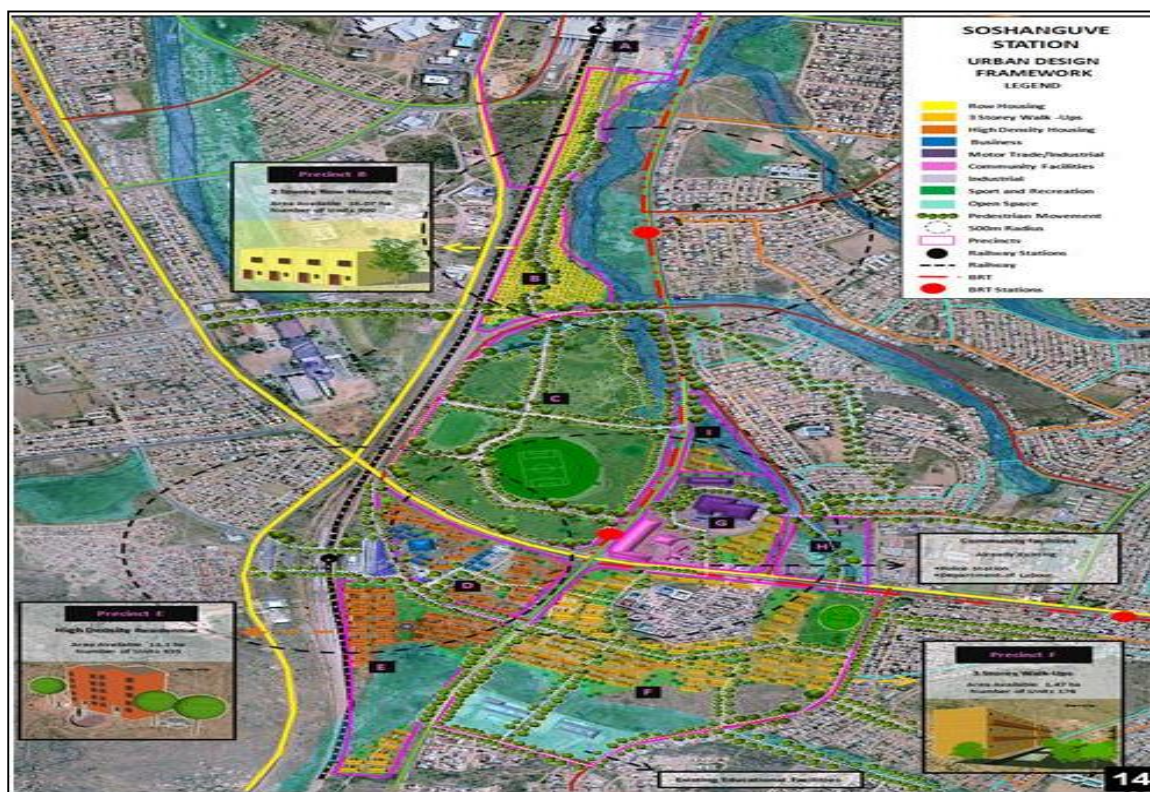
Mabopane Urban Hub

Mabopane falls within planning Region 1 of the City of Tshwane. Region 1 is divided by the N4 highway into a northern and southern portion. The southern portion is inclusive of Akasia, Rosslyn and Pretoria North being more affluent, while the northern portion is inclusive of Winterveld, Soshanguve and Ga-Rankuwa which remain poor. The southern portion of Region 1 offers limited employment opportunities, primarily in the Rosslyn area. As a result, many Soshanguve residents travel to the CBD for work.

Mabopane is functionally aligned to Soshanguve to the east, and in terms of the MSDF, the two complementary nodes constitute a single catchment area. The node is therefore referred to as Mabopane/ Soshanguve in the MSDF.

From a spatial planning perspective, strategic interventions that have been proposed include social housing, mixed land uses in support of TOD, spatial integration and connectivity between Mabopane and Soshanguve.

The planning in and around Mabopane will be influenced by the approved Soshanguve/Klipkruisfontein Urban Design Framework of 2009 as depicted in the diagram below.



Mamelodi Urban Hub

Mamelodi is an urban core within planning Region 6 and also an NDPG beneficiary. It is well-located in terms of its proximity to the Menlyn Metropolitan Node and the Waltloo and Silverton industrial areas. It is envisaged that the first phase of the TRT will link the CBD with Mamelodi via the Hatfield and the Menlyn metropolitan nodes.

However, there is no land left for the expansion of Mamelodi, and development will thus be dependent on re-development and urban re-generation projects, which are in line with the sustainable and growth management principles of the Tshwane MSDP.

Key focus areas in this regard are the provision of social facilities, higher density residential development and provision of a public realm.

- Mamelodi is anchored by the Eerste Fabrieke, T-Section and Denneboom precincts.

The K16/ Tsamaya Roads, R104 (Stanza Bopape) and Pretoria Roads provide for east-west mobility. However, north-south mobility is restricted and limited to Watermeyer/Waltloo and Solomon Mahlangu Drive. Private sector interest in the area is steadily growing and is evident in the two new retail developments, Mamelodi Mall and Denneboom Mall, being implemented.



Hammanskraal/Temba Urban Hub

The Hammanskraal Node is in Region 2, south of Babelegi industrial area and functionally aligned with the Temba node. The area to the south is a formal middle-income residential area, whereas the areas to the north and east are informal or recently upgraded low-income housing. The precinct includes the station and railway reserve, the Apies River floodplain, the business centre along Douglas Rens Road as well as Hammanskraal Extensions 1 and 2.

The Spatial Development Framework of 2014 makes the following proposals with regards to the spatial configuration of the Hammanskraal precinct area:

- Hammanskraal and Temba comprise a single functional node.

- A railway line links the Hammanskraal station with the Soshanguve area. The proposed line will run from the Hammanskraal station, intersect with the proposed PWV 9 and terminate in the Soshanguve area in Tswaing Village no 1.
- A minor industrial strip is proposed directly north of the precinct (to the west of the K97).
- The road and rail network should be improved to ensure that the entire community is accessible and that public transport will be able to serve virtually the entire community.



In terms of NDPG capex, a pedestrian bridge and road upgrades were planned for the Hammanskraal area during the 2014/15 financial year. Further projects that have been proposed from a strategic planning perspective include the revitalisation of Babelegi Industrial, the road extension of Sefako Makgatho to Join Rachel de Beer and the general landscaping and streetscaping of various areas.

Ga-Rankuwa Urban Core

Ga-Rankuwa area is located approximately 25 km north of the CBD of Tshwane which also represents the majority of job opportunities in the metropolitan area. Approximately 5 km to the east of Ga-Rankuwa is the Rosslyn industrial area, while the Ga-Rankuwa industrial area is located in the north-western part of Ga-Rankuwa itself. The closest surrounding retail-based activity node to the Ga-Rankuwa area is Akasia Park which is located about 5 km to the south of the Rosslyn industrial area, and the Mabopane CBD which is located to the north-east.

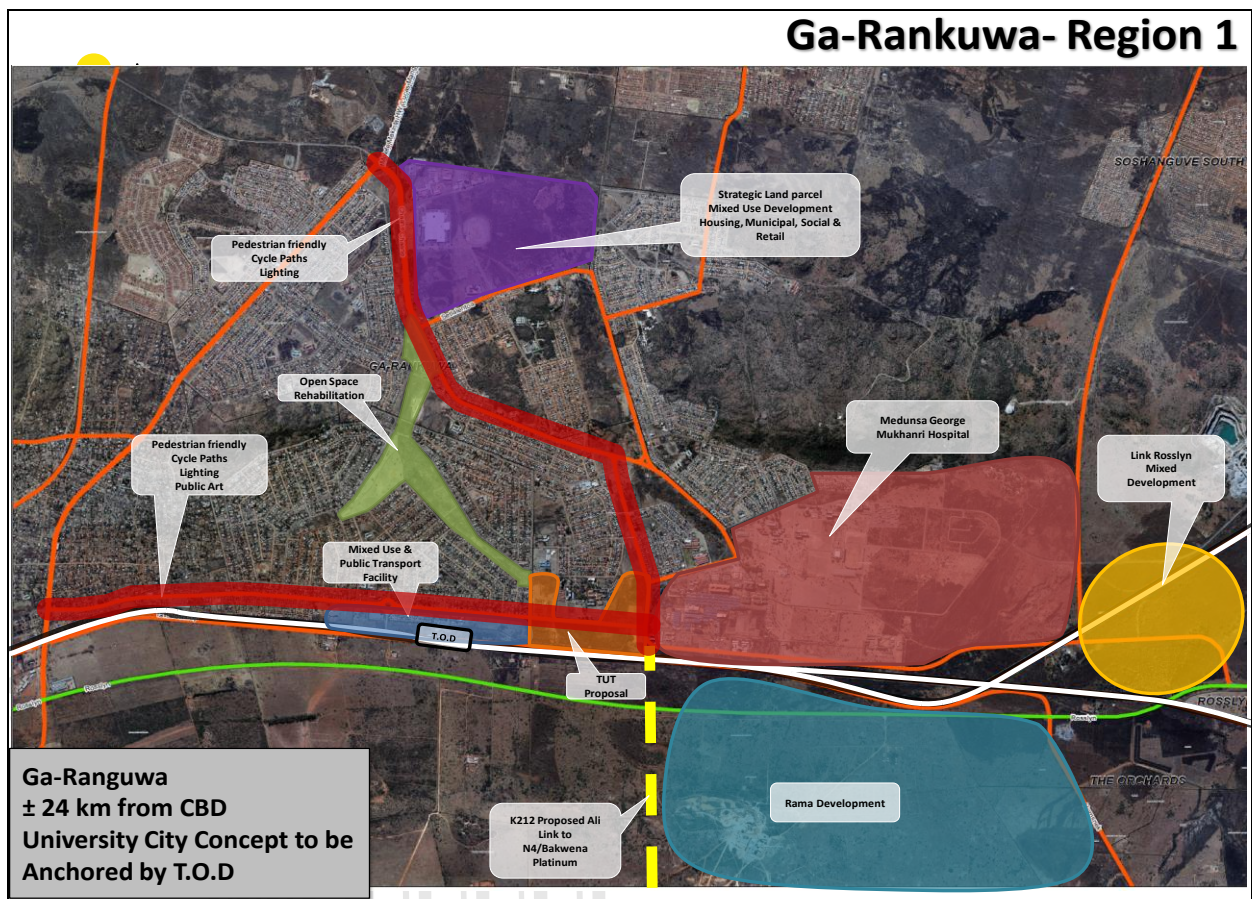
Ga-Rankuwa residents are largely dependent on public transport, which is of a low standard within the region due to poor operational conditions resulting in capacity

problems. There is limited private sector investment in Ga-Rankuwa, as in the rest of the north of the region, resulting in backlogs in infrastructure provision, underdeveloped and less-than-desirable urban environments in some areas. Ga-Rankuwa therefore needs investment in the areas of –

- service infrastructure;
- transport infrastructure;
- upgrading of build environment; and
- economic development.

The UNS strategy, which encapsulates NDPG, comes at an opportune time and gives a strategic opportunity to prioritise Ga-Rankuwa as an urban hub.

From a strategic spatial planning perspective, some proposals for Ga-Rankuwa include mixed-use development around focal points, non-motorised transport routes along key areas, electricity substation upgrades and a road upgrade to link with the N4 and further link with Molefe Makinta Road.



All the above-mentioned proposed strategic interventions were identified during 2013 but are subject to further investigation and due diligence. During 2014, Mamelodi was identified as a pilot within the CSP framework. During the 2014/15 financial year, the following were targeted for the Mamelodi Urban Hub using ICDG funding:

- Status quo review
- Economic analysis and project packaging
- Infrastructure capacity assessment and plan
- Scientific analysis of basis for proposals using urban simulations

Projects that are identified for implementation will be captured within the Capital Investment Framework (CIF) which is a component of the Metropolitan Spatial Development Framework (MSDF) 2012 that is reviewed annually within the context of each financial year. Its purpose is to close the gap between spatial strategy and implementation by guiding and informing capital investment. The CIF will enable the City to use a single spatially-based platform for planning while allowing multiple stakeholders at various levels to engage on relevant issues and address the challenges of the IDP and its planning processes. The main objectives are to guide the City's expenditure to be aligned to the MSDF 2012 and Tshwane Vision 2055, provide for integration in the implementation of the Municipality's strategies, and ensure intergovernmental planning, thus catalysing effective service delivery.

8. CAPITAL INVESTMENT FRAMEWORK

Introduction

This chapter seeks to communicate the capital planning process and major projects for the City in line with the proposed draft 2016/19 MTREF and the draft Built Environment Performance Plan as was tabled to MayCo and submitted to Council. The chapter begins with giving a summary of the proposed BEPP and following this the details of the planned projects for the MTREF are given. These projects are ward referenced and are used as a basis to determine some of the targets in the scorecard that is outlined later in the document.

City of Tshwane's role in the Gauteng City Region – Economic development trajectory from a Gauteng Spatial Growth Perspective

The premise for the compilation of the draft BEPP is therefore the BEPP/IDP/Budget 2015_2016 meaning that there will be no significant changes in the content of the report. But rather a positional iteration on the approach the city will undertake to inform its 2016_2017 capital budget in line with all mandatory legislative imperative. Our approach seeks to refine, enhance and consolidate the baseline established in 2015/2016.

The Gauteng Spatial Development Framework (GSDF, 2011) elevates the prominence of Tshwane as part of the Gauteng Economic Core, an administrative capital city and home to the public sector is highlighted. The importance of the concentration of economic opportunities in the southern and eastern parts of Tshwane (now forming part of regions 5, 6 and 7) is also highlighted. The following five critical factors were identified in the GSDF and their spatial implications are included in the MSDF 2012:

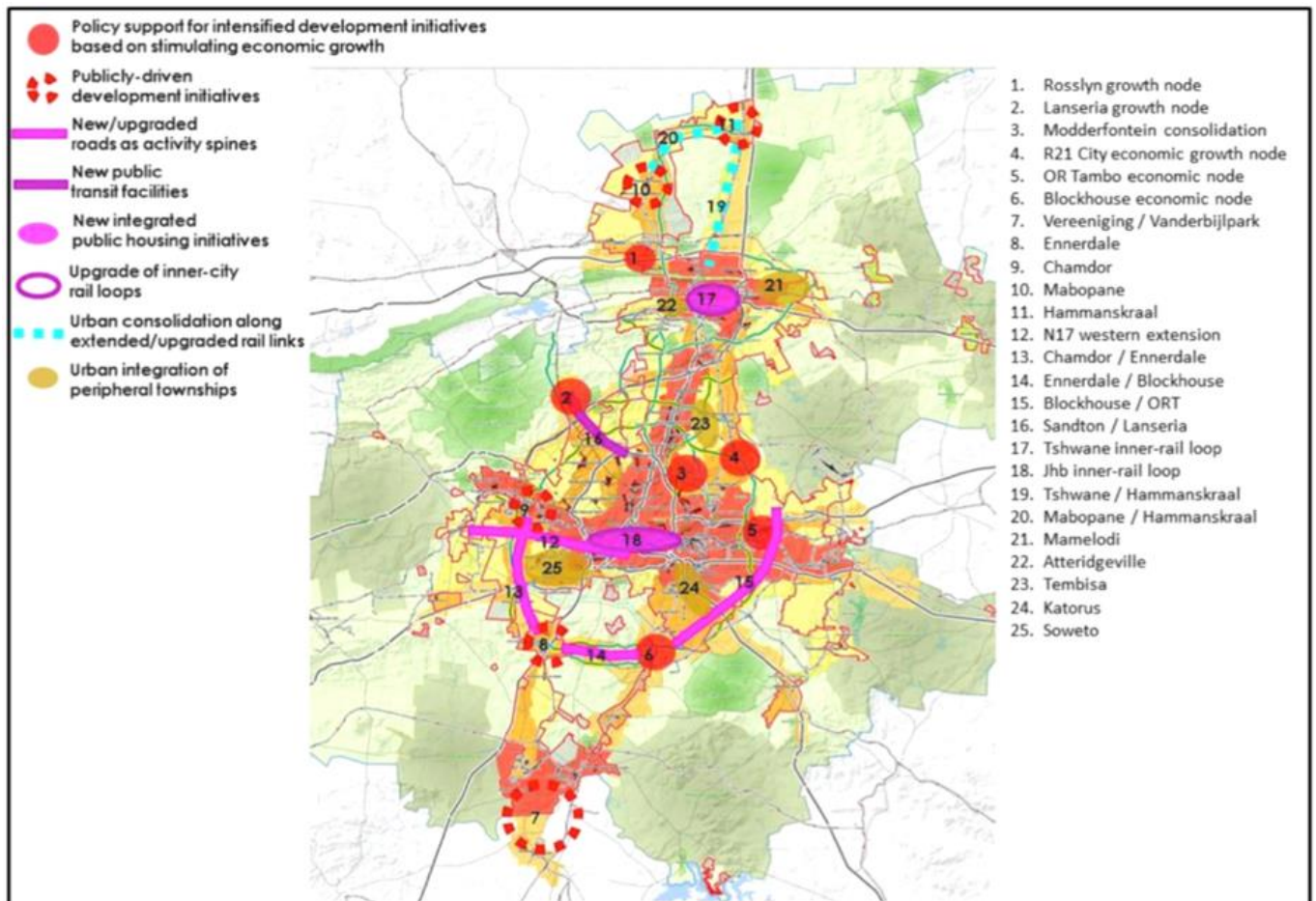
- Contained urban growth;
- Resource based economic development (resulting in the identification of the economic core);
- Re-direction of urban growth (stabilise/limit growth in economically non-viable areas, achieve growth on the land within the economic growth sphere);
- Protection of rural areas and enhancement of tourism and agricultural related activities; and
- Increased access and mobility.

The defined objective is to promote Gauteng as a Global City Region (GCR) i.e. “to build Gauteng into an integrated and globally competitive region where activities of different parts of the Province complement each other in consolidating Gauteng as an economic hub of Africa and internally recognized global city region”. The idea seeks to promote Gauteng’s development agenda by positioning the province as a globally competitive city region. The key objective is to reduce unemployment and poverty through promoting economic growth, integrated strategies and joint planning between the different spheres of government. The nodes of regional importance as contained

in the Gauteng City Region Spatial Development Framework, as well as the regional transportation links are shown below. In terms of the spatial plan for Gauteng, the following are of specific importance for Tshwane:

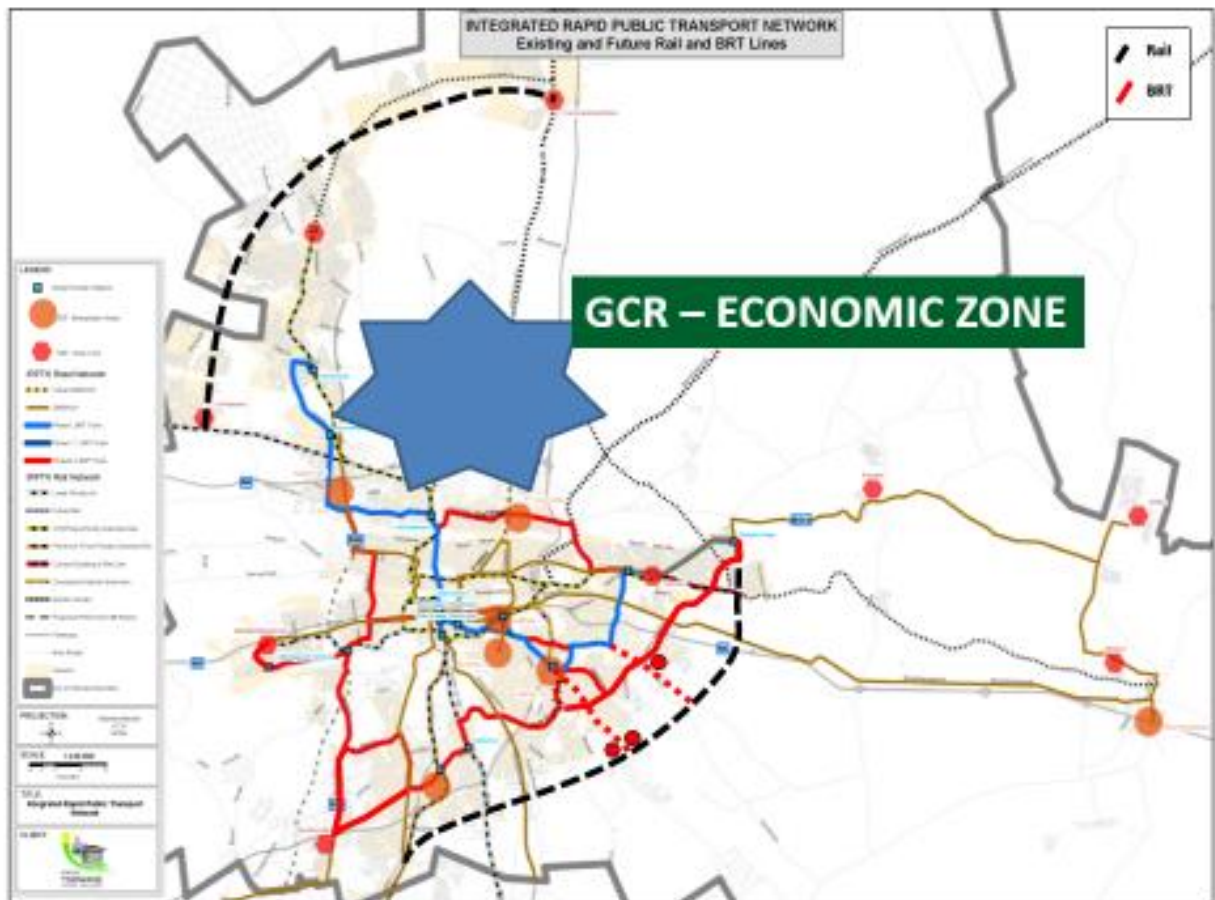
- Gauteng economic core, focussed along the R21 and N1 with Rosslyn as its northern anchor (and the Johannesburg CBD and OR Tambo International Airport in Ekurhuleni as the other anchors of the Economic Core).
- The support of corridor development along the N1, and R21.
- The importance of the R21, N1, Proposed PWV9, N4 (towards Bronkhorstspuit) and Proposed PWV2 as mobility spines.
- Rosslyn, Mamelodi, Atteridgeville, Hammanskraal and Mabopane are highlighted as important economic development nodes with the Tshwane metropolitan area.
- Automotive cluster/Pyramid Freight Hub and Wonderboom Airport identified by Tshwane as significant economic nodes in the North

Gauteng City Region Strategic Initiatives



Source: Gauteng Integrated Transport Master Plan (2025)

Integrated Rapid Public Transport Network



CAPITAL BUDGET

Budget guidelines relating to the compilation of the draft 2016/17 capital budget were compiled in consultation with the City Planning and Development Department and IDP Office of which departments used as a basis for planning. Budget indicatives were issued to the City Planning department to take into consideration and also align budget proposals to departmental business plans, objectives and targets.

Departmental budget hearing were held in February 2016 by the Budget Steering Committee to assess capital budget proposals, the outcome of which departments were required to prioritise capital projects and resource allocations within the context of affordability taking into account contractual obligations, ongoing infrastructure maintenance and executive commitments.

The compilation of the capital budget in terms of internal capacity (council funds) is based the application of sound financial management principles which were considered during the compilation of the 2016/17 MTREF in order to ensure a financially sound and funded budget is tabled. Taking this into consideration, the internal funding capacity for 2016/17, 2017/18 and 2018/19 financial years is R3,494 billion, R3,703 billion and R3,965 billion respectively.

The Capital Budget is funded from the following sources:

- Internally generated revenue (including Public Contributions and Donations and CRR) R110 million.
- Borrowings R1billion.
- Grant funding: R2.4 billion.

All new projects were prioritised in line with set determined affordability allocations and in terms of urgency, value for money and benefit to the CoT.

Capital Budget per funding source:

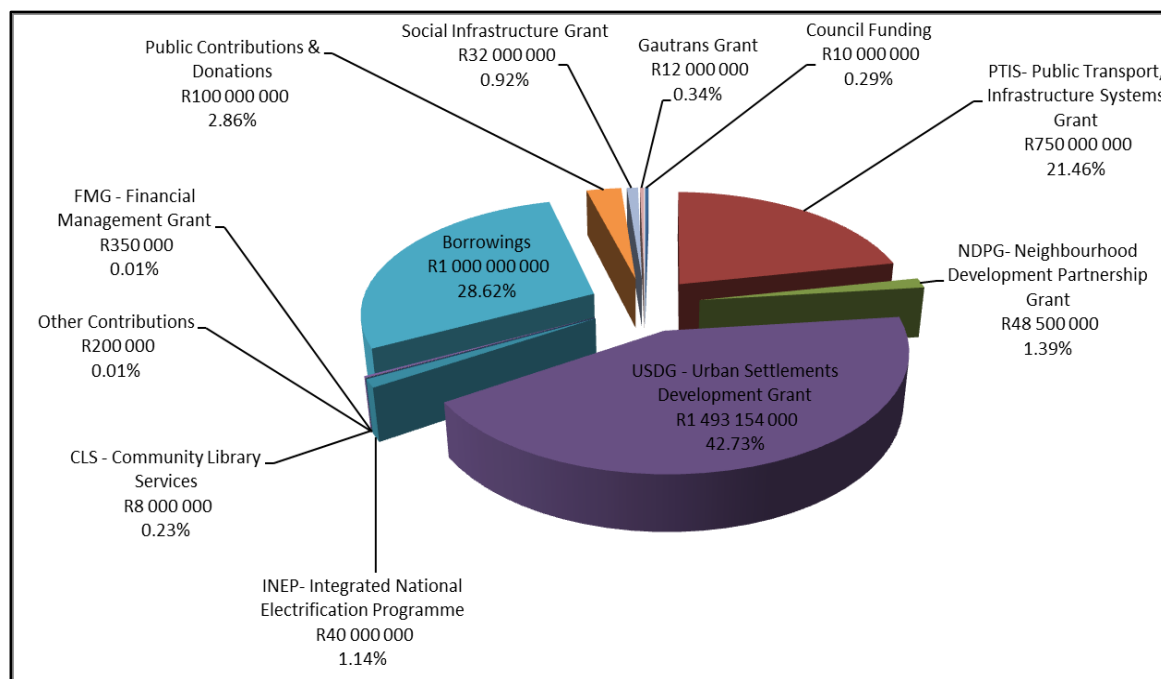
The following table indicates the 2016/17 Medium-term Capital Budget per funding source:

Table 8.1: MTREF Capital budget per funding source

Funding Source Description	Budget 2016/17	%	Budget 2017/18	%	Budget 2018/19	%
Council Funding	10 000 000	0.29%	150 000 000	4.05%	300 000 000	7.54%
PTIS- Public Transport, Infrastructure Systems Grant	750 000 000	21.46%	755 000 000	20.39%	760 000 000	19.09%
NDPG- Neighbourhood Development Partnership Grant	48 500 000	1.39%	44 744 000	1.21%	45 308 000	1.14%
USDG - Urban Settlements Development Grant	1 493 154 000	42.73%	1 580 320 000	42.67%	1 660 202 000	41.70%
INEP- Integrated National Electrification Programme	40 000 000	1.14%	40 000 000	1.08%	45 000 000	1.13%
CRR- Capital Replacement Reserve	-	0.00%	5 000 000	0.14%	5 000 000	0.13%
EEDSM- Energy Efficiency Demand Side Management	-	0.00%	-	0.00%	15 000 000	0.38%
Other Contributions	200 000	0.01%	-	0.00%	-	0.00%
FMG - Financial Management Grant	350 000	0.01%	350 000	0.01%	350 000	0.01%
CLS - Community Library Services	8 000 000	0.23%	6 000 000	0.16%	-	0.00%
Borrowings	1 000 000 000	28.62%	1 000 000 000	27.00%	1 000 000 000	25.12%
Public Contributions & Donations	100 000 000	2.86%	100 000 000	2.70%	150 000 000	3.77%
Social Infrastructure Grant	32 000 000	0.92%	22 000 000	0.59%	-	0.00%
Gautrans Grant	12 000 000	0.34%	-	0.00%	-	0.00%
TOTAL	3 494 204 000	100%	3 703 414 000	100%	3 980 860 000	100%

The following graph illustrates the above table in terms of the allocations per funding source:

Figure 8.1: Allocations per funding source



The following with regard to conditional grants should be noted:

Urban Settlements Development Grant (USDG): the purpose of the USDG is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, by supplementing the revenues of metropolitan municipalities to: reduce the real average cost of urban land, increase the supply of well-located land, enhance tenure security and quality of life in informal settlements, improve spatial densities and to subsidise the capital costs of acquiring land and providing basic services for poor households. The gazetted allocations amount to R1.49 billion, R1.58 billion and R1.66 billion in the 2016/17, 2017/18 and 2018/19 financial years respectively.

Public Transport, Infrastructure and Systems Grant: the purpose of the grant is to provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure and services. The gazetted allocations amount to R750 million, R755 million and R760 million in the 2016/17, 2017/18 and 2018/19 financial years respectively.

Neighbourhood Development Partnership Grant: the purpose of this grant is to support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods. R48.5 million, R44.7 million and R45.3 million has been gazetted for the 2016/17, 2017/18 and 2018/19 financial years respectively.

Integrated National Electrification Programme: the purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, clinics and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve the quality of supply. R40 million, R40 million and R45 million has been gazetted for the 2016/17, 2017/18 and 2018/19 financial years respectively.

Capital Budget Per Department:

The following table indicates the 2016/17 Medium-term Capital Budget per Department:

Table 8.2: MTREF per department

Department	Budget 2016/17	%	Budget 2017/18	%	Budget 2018/19	%
City Planning and Development	50 000 000	1,43%	-	0,00%	-	0,00%
Corporate & Shared Services	5 000 000	0,14%	5 000 000	0,14%	-	0,00%
Economic Development	65 400 000	1,87%	56 900 000	1,54%	-	0,00%
Emergency Services	11 000 000	0,31%	11 000 000	0,30%	11 000 000	0,28%
Environmental Management	38 500 000	1,10%	39 000 000	1,05%	58 500 000	1,47%
Group Audit and Risk	13 000 000	0,37%	13 000 000	0,35%	-	0,00%
Group Financial Services	40 350 000	1,15%	45 350 000	1,22%	45 350 000	1,14%
Group Information and Communication Technology	204 700 000	5,86%	140 500 000	3,79%	-	0,00%
Health and Social Development	61 900 000	1,77%	61 950 000	1,67%	12 000 000	0,30%
Housing and Human Settlement	537 704 000	15,39%	1 024 820 000	27,67%	1 109 186 797	27,86%
Metro Police Services	30 000 000	0,86%	10 000 000	0,27%	10 000 000	0,25%
Office of the City Manager	259 950 000	7,44%	244 744 000	6,61%	295 308 000	7,42%
Energy and Electricity	448 747 650	12,84%	418 312 146	11,30%	447 500 000	11,24%
Water and Sanitation	383 500 000	10,98%	379 250 000	10,24%	1 008 315 203	25,33%
Sports and Recreation	71 000 000	2,03%	61 000 000	1,65%	55 000 000	1,38%
Transport	1 243 452 350	35,59%	1 192 587 854	32,20%	928 700 000	23,33%
TOTAL CAPITAL BUDGET	3 494 204 000	100%	3 703 414 000	100%	3 980 860 000	100%

The following graph illustrates the above table in terms of allocations per department:

Figure 8.2: Allocations per department

City Planning and Development

- Redevelopment of Caledonian – R50 million

Economic Development

- Tshwane Packaging Facility - R4 million
- Brick Making Facility - R4 million
- Informal Trade Market (Inner City) - R7,4 million
- BPO – R50 million

Energy and Electricity

- Electricity for All - R228,5 million
- New Bulk Infrastructure - R120 million
- New Connections - R34,6 million

Health and Social Development

- Upgrading of Clinic Dispensaries - R10 million
- Replacement of Rayton Clinic - R7,7 million
- Social Development centre in Hammanskraal – R10 million
- Social Development centre in Winterveldt – R10 million
- Social Development centre in Mabopane - R12 million

Environmental Management

- 240 ℓ Containers - R21 million

Financial Services

- Automation of Supply Chain – R30 million

Housing and Human Settlement

- Project Linked Housing - Water Provision - R144,9 million
- Sewerage - Low Cost Housing – R147 million
- Roads and Stormwater - Low Cost Housing - R121 million
- Townlands (Marabastad) - R124,2 million

Group Information and Communication Technology

- Credit Control Solution - R20 million
- Disaster Recovery System Storage - R20 million
- E-Initiative supporting the Smart City - R20 million

Office of the City Manager

- Implementation of the Tsosoloso Programme funded from NDPG – R48,5 million
- RE-AGA-TSHWANE - R191,4 million

Sports and Recreation

- Olievenhoutbosch Multi-Purpose Sport - R15 million
- Upgrade Refilwe Stadium - R10 million
- New Ga-Rankuwa Library Park - R10 million
- Greening of Sportsfields - R20 million

Water and Sanitation

- Reservoir Extensions - R50 million
- Replacement and Upgrading: Redundant Bulk Pipeline Infrastructure - R59,9 million
- Refurbishment of Water Networks and Backlog Eradication - R80 million
- Replacement, Upgrade, Construct Waste Water Treatment Works Facilities - R203 million

Transport

- Mabopane Station Modal Interchange - R60 million
- Internal Roads: Northern Areas – R216 million
- Upgrading of Garsfontein road - R12 million
- BRT - Transport Infrastructure - R750 million
- Flooding backlogs: Networks and Drainage canals - R152 million

In view of the above it is evident that a large portion of the capital budget has been allocated towards Strategic Objective 1 which addresses infrastructure and human settlements provision infrastructure in the 2016/17 MTREF.

The balance of the funding allocations have been prioritised in terms of promoting good governance and active citizenry, improved financial sustainability, safer communities and integrated social development, shared economic growth and job creation and institutional development, transformation and innovation.

Table 8.4: Draft capital projects list per department

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
City Planning and Development	Redevelopment of Caledonian	712915	9.712915.1.015	015	50 000 000		-	60	Region 3
Total					50 000 000	-	-		
Corporate & Shared Services	Replacement/Modernization of all the Lifts within various Council Buildings	712743	9.712743.1.015	015	5 000 000	5 000 000		Tshwane Wide	Tshwane Wide
Total	147 -curent but				5 000 000	5 000 000	-		
Economic Development	Tshwane Packaging Facility	712974	9.712974.1.015	015	4 000 000	-	-	48	Region 2
Economic Development	Brick Making Facility	712985	9.712985.1.015	015	4 000 000	-	-	12	Region 1
Economic Development	Informal Trade Market(Inner City)	712988	9.712988.1.015	015	7 400 000	6 900 000	-	58	Region 3
Economic Development	BPO	712988	9.712988.1.015	015	50 000 000	50 000 000	-	58	Region 3
Total					65 400 000	56 900 000	-		
Emergency Services	Renovation & Upgrading Of Facilities	711455	9.711455.1.015	015	6 000 000	6 000 000	6 000 000	Tshwane wide	Tshwane Wide
Emergency Services	Disaster risk management tools and equipment (Emergency Services Tools and Equipment)	712587	9.712587.1.015	015	5 000 000	5 000 000	5 000 000	Tshwane Wide	Region 3
Total					11 000 000	11 000 000	11 000 000		
Energy and Electricity	Payments to Townships for Reticulated Towns	710006	9.710006.1.016	016	22 328 530	4 000 000	50 000 000	1 - 76	Tshwane Wide
Energy and Electricity	Electricity for All	710178	9.710178.2.005	005	188 500 000	155 500 000	195 000 000	12, 15, 16, 17, 20, 21, 24, 32, 33, 35, 40, 43, 44, 45, 47, 48, 49, 71, 74, 75	Multi Region
Energy and Electricity	Electricity for All	710178	9.710178.2.006	006	40 000 000	40 000 000	45 000 000	12, 15, 16, 17, 20, 21, 24, 32, 33, 35, 40, 43, 44, 45, 47, 48, 49, 71, 74, 75	Multi Region
Energy and Electricity	Electricity for All	710178	9.710178.2.015	015	-	30 000 000	30 000 000	12, 15, 16, 17, 20, 21, 24, 32, 33, 35, 40, 43, 44, 45, 47, 48, 49, 71, 74, 75	Multi Region
Energy and Electricity	Strengthening 11kV Overhead Network	710481	9.710481.1.015	015	14 000 000	12 500 000	13 000 000	Tshwane Wide	Tshwane Wide
Energy and Electricity	Replacement of Obsolete And non functional Equipment	712006	9.712006.1.016	016	4 000 000	1 000 000	1 500 000	41, 42, 43, 44, 45, 46, 47, 52	Region 6
Energy and Electricity	New Bulk Infrastrucutre	712279	9.712279.1.015	015	120 000 000	152 000 000	38 000 000	2, 4, 10, 40, 50, 57	Tshwane Wide
Energy and Electricity	New Connections	712483	9.712483.1.016	016	34 671 470	23 312 146	60 000 000	Tshwane Wide	Tshwane Wide

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
Energy and Electricity	Energy Efficiency and Demand Side Management	712688	9.712688.1.008	008	-	-	15 000 000	Tshwane Wide	Tshwane Wide
Energy and Electricity	Wildebees 400/132KV Infeed Station	712999	9.712999.1.015	015	25 247 650	-	-	40, 100	Region 6
Total					448 747 650	418 312 146	447 500 000		
Environmental Management	Upgrading And Extension Of Facilities	710276	9.710276.1.001	001	-	4 000 000	3 500 000	60	Region 3
Environmental Management	Upgrading And Extension Of Facilities	710276	9.710276.1.015	015	5 500 000	-	-	60	Region 3
Environmental Management	Atmospheric Pollution Monitoring Network	711562	9.711562.1.015	015	3 000 000	3 000 000	-	1-99	Multi Region
Environmental Management	240 Litre Containers	712092	9.712092.1.015	015	21 000 000	12 000 000	10 000 000	1-99	Multi Region
Environmental Management	Development of the Klip-Kruisfontein cemetery	712808	9.712808.1.015	015	1 500 000	8 000 000	20 000 000	90	Region 1
Environmental Management	Development of Tshwane North Cemetery	712809	9.712809.1.015	015	-	8 000 000	20 000 000	49	Region 1
Environmental Management	Extension of Ga-Rankuwa Cemetery	712983	9.712983.1.015	015	2 000 000	-	-	30	Region 1
Environmental Management	Ugrading of the market trading system	712868	9.712868.1.015	015	5 500 000	4 000 000	5 000 000	60	Region 3
Total					38 500 000	39 000 000	58 500 000		
Group Audit and Risk	Insurance replacements (CTMM Contribution)	712449	9.712449.1.001	001	5 000 000	8 000 000	-	Tshwane Wide	Tshwane Wide
Group Audit and Risk	Insurance replacements (CTMM Contribution)	712449	9.712449.1.015	015	3 000 000	-	-	Tshwane Wide	Tshwane Wide
Group Audit and Risk	Insurance replacements	712450	9.712450.1.001	001	5 000 000	5 000 000	-	58	Tshwane Wide
Total					13 000 000	13 000 000	-		
Group Financial Services	Buildings & Equipment	712444	9.712444.1.015	015	10 000 000	10 000 000	10 000 000	Tshwane Wide	Region 3
Group Financial Services	Capital Moveables	712755	9.712755.1.012	012	350 000	350 000	350 000	Tshwane Wide	Tshwane Wide
Group Financial Services	Automation of Supply Chain	712978	9.712978.1.015	015	30 000 000	30 000 000	30 000 000	Tshwane Wide	Tshwane Wide
Group Financial Services	Corporate Capital Movables	712989	9.712989.1.007	007	-	5 000 000	5 000 000	Tshwane Wide	Tshwane Wide
Total					40 350 000	45 350 000	45 350 000		
Group Information and Communication Technology	Upgrade Of IT Networks	710200	9.710200.1.015	015	30 000 000	20 000 000	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	One Integrated Transaction Processing System	710213	9.710213.1.015	015	25 000 000	25 000 000	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	Computer Equipment Deployment - End user computer hardware equipment	710268	9.710268.1.015	015	15 500 000	15 500 000	-	3	Tshwane Wide

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
Group Information and Communication Technology	Implementation Of Storage Area Network	710344	9.710344.1.015	015	15 000 000	20 000 000	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	E-Initiative Supporting the Smart City	712554	9.712554.1.015	015	20 000 000	25 000 000	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	Disaster Recovery System Storage	712950	9.712950.1.015	015	20 000 000	20 000 000	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	BPC and SCOA	712961	9.712961.1.015	015	30 000 000	-	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	Credit Control Solution	712969	9.712969.1.015	015	20 000 000	15 000 000	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	Smart Connect	712981	9.712981.1.010	010	200 000	-	-	Tshwane Wide	Tshwane Wide
Group Information and Communication Technology	IT infrastructure Tshwane House				29 000 000	-	-	Tshwane Wide	Tshwane Wide
Total					204 700 000	140 500 000	-		
Health and Social Development	Upgrade Workflow System For Health-Erp	712028	9.712028.1.001	001	-	15 000 000	7 000 000	1, 3, 4, 7, 18, 28, 40, 41, 43, 45, 48, 60, 61, 62, 64, 65, 66, 68, 69, 71, 72	Tshwane Wide
Health and Social Development	Upgrading Of Clinic Dispensaries	712278	9.712278.1.015	015	14 500 000	5 000 000	5 000 000	28, 48	Region 6
Health and Social Development	Multipurpose Development Centres	712681	9.712681.1.015	015	7 700 000	7 700 000	-	Tshwane Wide	Tshwane Wide
Health and Social Development	Refurbishment of Rayton Clinic	712684	9.712684.1.015	015	7 700 000	12 250 000	-	100	Region 5
Health and Social Development	Social Development center in Hammanskraal	712948	9.712948.1.017	017	10 000 000	11 000 000	-	49	Region 2
Health and Social Development	Social Development center in Winterveldt	712954	9.712954.1.017	017	10 000 000	11 000 000	-	12	Region 1
Health and Social Development	Social Development center in Mabopane	712955	9.712955.1.017	017	12 000 000	-	-	21,20,22	Region 1
Total					61 900 000	61 950 000	12 000 000		
Housing and Human Settlement	Project Linked Housing - Water Provision	710863	9.710863.2.005	005	144 945 250	200 000 000	290 185 797	14, 74	Region 2
Housing and Human Settlement	Sewerage - Low Cost Housing	710864	9.710864.2.005	005	147 500 000	250 000 000	300 000 000	7, 30, 40, 55, 74	Region 2
Housing and Human Settlement	Roads & Stormwater - Low Cost Housing	710865	9.710865.2.005	005	121 000 000	300 561 250	290 000 000	12, 23, 30, 33, 34, 35, 36, 37, 39, 48, 49	Region 1
Housing and Human Settlement	Project Linked Housing - Acquisition Of Land	710868	9.710868.2.005	005	-	150 000 000	229 001 000	37	Region 1
Housing and Human Settlement	Townlands - Marabastad	713003	9.713003.1.005	005	124 258 750	124 258 750	-	60	Region 3
Total					537 704 000	1 024 820 000	1 109 186 797		

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
Metro Police Services	Purchasing of policing equipment	712500	9.712500.1.015	015	30 000 000	10 000 000	10 000 000	58	Region 3
Total					30 000 000	10 000 000	10 000 000		
Office of the City Manager	Implementation of Tsosoloso Programme	712533	9.712533.1.003	003	48 500 000	44 744 000	45 308 000	Tshwane Wide	Tshwane Wide
Office of the City Manager	City Hall Renovations	712960	9.712960.1.015	015	20 000 000	-	-	60	Region 3
Office of the City Manager	RE - AGA - TSHWANE	712970	9.712970.1.005	005	191 450 000	200 000 000	250 000 000	17,40	Region 6
Total					259 950 000	244 744 000	295 308 000		
Sports and Recreation	Olievenhoutbosch Multi-Purpose Sport	711432	9.711432.2.015	015	15 000 000	-	-	48, 64	Region 4
Sports and Recreation	Lotus Gardens Multi-Purpose Sport Facility	712260	9.712260.1.015	015	8 000 000	-	-	55	Region 3
Sports and Recreation	Capital Funded from Operating	712773	9.712773.1.013	013	8 000 000	6 000 000	-	2, 3, 43, 60	Multi Region
Sports and Recreation	New Ga-Rankuwa Library	712910	9.712910.1.015	015	10 000 000	-	-	30, 37	Region 1
Sports and Recreation	Upgrade Refilwe Stadium	712916	9.712916.1.015	015	10 000 000	-	-	100	Region 5
Sports and Recreation	Upgrade Ekgangala Stadium	712917	9.712917.1.015	015	-	30 000 000	30 000 000	105	Region 7
Sports and Recreation	Greening Sportsfields	712941	9.712941.1.015	015	20 000 000	25 000 000	25 000 000	Tshwane Wide	Tshwane Wide
Total					71 000 000	61 000 000	55 000 000		
Transport	Essential/Unforeseen Stormwater Drainage Problems	710116	9.710116.2.015	015	-	3 000 000	3 000 000	1, 42	Multi Region
Transport	Apies River: Canal Upgrading, Pretoria Central	710117	9.710117.1.015	015	-	1 200 000	1 200 000	59	Region 3
Transport	Concrete Canal: Sam Malema Road, Winterveldt	710128	9.710128.1.015	015	-	2 000 000	-	9, 34	Region 2
Transport	Traffic Calming And Pedestrian Safety For Tshwane	710229	9.710229.2.015	015	-	10 000 000	10 000 000	Tshwane Wide	Tshwane Wide
Transport	Mabopane Station Modal Interchange	710657	9.710657.2.015	015	60 000 000	5 000 000	5 000 000	29	Region 1
Transport	Block W - Stormwater Drainage	711164	9.711164.2.005	005	10 000 000	30 000 000	-	25	Region 1
Transport	Stormwater Drainage Mahube Valley	711213	9.711213.2.005	005	1 000 000	20 000 000	-	10, 17	Region 6
Transport	Montana Spruit: Channel Improvements	711268	9.711268.1.015	015	1 952 350	10 000 000	-	5	Region 2
Transport	Major Stormwater Drainage System: Majaneng	711273	9.711273.2.005	005	13 500 000	15 000 000	-	74, 75	Region 2
Transport	Major Stormwater Drainage Channels: Ga-Rankuwa	711284	9.711284.2.005	005	-	15 000 000	-	30, 31, 32	Region 1

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
Transport	Stormwater Drainage Systems In Ga-Rankuwa View	711285	9.711285.2.005	005	-	15 000 000	-	30, 31, 32	Region 1
Transport	Internal Roads: Northern Areas	711863	9.711863.2.016	016	-	71 687 854	38 500 000	19, 20, 21, 22, 30, 31, 32	Region 1
Transport	Internal Roads: Northern Areas				216 000 000			19, 20, 21, 22, 30, 31, 32	Region 1
Transport	Separation: Airside/Landside Movement	711953	9.711953.2.001	001	-	5 000 000	5 000 000	50	Region 2
Transport	Separation: Airside/Landside Movement	711953	9.711953.2.015	015	5 000 000	-	-	50	Region 2
Transport	Flooding Backlogs: Sosh & Winterveldt Area	712220	9.712220.1.005	005	120 000 000	-	-	11, 26, 29, 88, 94	Region 1
Transport	Flooding Backlogs: Mamelodi, Eersterust	712223	9.712223.1.005	005	-	25 000 000	-	6, 10, 15, 16, 17, 18, 23, 28, 38, 40, 67, 97, 99	Region 6
Transport	Flooding backlog: Matanteng	712506	9.712506.1.005	005	12 000 000	10 000 000	10 000 000	8, 13, 95	Region 2
Transport	Flooding backlog: Kudube Unit 7	712507	9.712507.1.005	005	10 000 000	-	-	8	Region 2
Transport	Flooding backlog: Atteridgeville	712511	9.712511.1.005	005	10 000 000	20 000 000	-	62, 63	Region 3
Transport	Flooding Backlogs: Soshanguve South	712513	9.712513.1.015	015	-	30 700 000	-	19, 20, 21, 22	Region 1
Transport	Flooding backlog: Network 2B, Ramotse	712515	9.712515.1.005	005	-	10 000 000	-	73	Region 2
Transport	Flooding backlog: Network 1A, 1C & 1F, Ramotse	712520	9.712520.1.015	015	-	20 000 000	-	73, 75	Region 2
Transport	Collector Road Backlogs: Mamelodi	712521	9.712521.1.015	015	-	5 000 000	10 000 000	86	Region 6
Transport	Collector Road Backlogs: Atteridgeville	712522	9.712522.1.015	015	-	7 000 000	10 000 000	62	Region 3
Transport	Flooding backlog: Network 3A, Kudube Unit 9	712523	9.712523.1.015	015	4 000 000	15 000 000	-	73, 74	Region 2
Transport	CBD and surrounding areas (BRT) -(Transport Infrastructure)	712591	9.712591.1.002	002	750 000 000	755 000 000	760 000 000	Tshwane Wide	Multi Region
Transport	Upgrading of Mabopane Roads (red soils)	712611	9.712611.1.005	005	-	20 000 000	-	19, 20, 21, 22	Region 1
Transport	Upgrading of Sibande Street, Mamelodi	712612	9.712612.1.015	015	-	40 000 000	65 000 000	06,23	Region 6
Transport	Maintenance and replacement of all runway and taxiway lights, apron lights, security and lightning system	712884	9.712884.1.015	015	2 500 000	-	-	50	Region 2
Transport	Maintenance and replacement of all runway and taxiway lights, apron lights, security and lightning system	712884	9.712884.1.001	001	-	-	1 500 000	50	Region 2
Transport	Main terminal building carousel and mechanical baggage handling equipment	712891	9.712891.1.015	015	2 000 000	-	-	50	Region 2

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
Transport	Main terminal building carousel and mechanical baggage handling equipment	712891	9.712891.1.001	001	-	2 000 000	2 000 000	50	Region 2
Transport	Ga-rankuwa Transport Facilities	712918	9.712918.1.015	015	-	500 000	500 000	30	Region 1
Transport	Nellmapius Transport Facilities	712921	9.712921.1.015	015	-	500 000	-	15, 47	Region 6
Transport	Upgrading of roads and stormwater systems in Refilwe	712944	9.712944.1.015	015	-	10 000 000	-	99,100	Region 5
Transport	Upgrading of roads and stormwater systems in Rayton	712945	9.712945.1.015	015	-	10 000 000	-	100	Region 5
Transport	Upgrading of roads and stormwater systems in Cullinan	712946	9.712946.1.015	015	-	6 000 000	-	100	Region 5
Transport	Upgrading of Garsfontein road	712956	9.712956.1.018	018	12 000 000	-	-	46	Region 6
Transport	Internal Roads: Mamelodi	712982	9.712982.1.015	015	1 500 000	-	-	Mamelodi	Region 6
Transport	Security access with CCTV and upgraded control room	712998	9.712998.1.015	015	6 500 000	2 000 000	-	50	Region 2
Transport	Elevator for main terminal building	713000	9.713000.1.015	015	2 000 000	-	-	50	Region 2
Transport	Fire sprinklers and smoke detectors - Main terminal building	713002	9.713002.1.015	015	1 500 000	1 000 000	-	50	Region 2
Transport	Security fences/gates, fence lighting and equipment	713004	9.713004.1.015	015	2 000 000	-	7 000 000	50	Region 2
Total					1 243 452 350	1 192 587 854	928 700 000		
Water and Sanitation	Replacement, Upgrade, Construct Waste Water Treatment Works Facilities	710411	9.710411.1.015	015	80 000 000	80 000 000	358 000 000	1, 2, 4, 5, 7, 40, 41, 42, 43, 44, 45, 46, 47, 48, 57, 61, 64, 65, 66, 69, 70	Multi Region
Water and Sanitation	Replacement, Upgrade, Construct Waste Water Treatment Works Facilities	710411	9.710411.1.001	001	-	13 473 646	231 000 000	1, 2, 4, 5, 7, 40, 41, 42, 43, 44, 45, 46, 47, 48, 57, 61, 64, 65, 66, 69, 70	Multi Region
Water and Sanitation	Replacement, Upgrade, Construct Waste Water Treatment Works Facilities	710411	9.710411.1.005	005	123 000 000	-	-	1, 2, 4, 5, 7, 40, 41, 42, 43, 44, 45, 46, 47, 48, 57, 61, 64, 65, 66, 69, 70	Multi Region
Water and Sanitation	Refurbishment of Water Networks and Backlog Eradication	710878	9.710878.2.005	005	80 000 000	20 000 000	96 015 203	8, 14, 20, 21, 67, 73, 74, 75, 76	Region 2
Water and Sanitation	Refurbishment of Water Networks and Backlog Eradication	710878	9.710878.2.015	015	-	40 000 000	-	8, 14, 20, 21, 67, 73, 74, 75, 76	Region 2
Water and Sanitation	Refurbishment of Water Networks and Backlog Eradication	710878	9.710878.2.001	001	-	51 526 354	50 000 000	8, 14, 20, 21, 67, 73, 74, 75, 76	Region 2

Departments	Project Name	Project Number	WBS Level 3	Fund Code	Budget 2016/17	Budget 2017/18	Budget 2018/19	Ward	Regions
Water and Sanitation	Replacement & Upgrading: Redundant Bulk Pipeline Infrastructure	711335	9.711335.1.015	015	50 500 000	39 350 000	150 000 000	1, 19, 20, 26, 29, 33, 35, 37, 39, 53, 58	Multi Region
Water and Sanitation	Moreletaspruit: Outfall sewer	712121	9.712121.1.015	015	-	-	2 000 000	41, 42, 43, 44, 45, 46, 47, 52	Region 6
Water and Sanitation	Reservoir Extensions	712534	9.712534.1.015	015	50 000 000	83 900 000	96 300 000	4, 5, 8, 22, 41, 42, 47, 50, 65	Multi Region
Water and Sanitation	Reservoir Extensions	712534	9.712534.1.001	001	-	46 000 000	-	4, 5, 8, 22, 41, 42, 47, 50, 65	Multi Region
Water and Sanitation	Upgrading of Pump Stations	712147	9.712147.1.015	015	-	-	5 000 000	42, 45, 47, 65, 69, 101	Multi Region
Water and Sanitation	Purification Plant Upgrades	711921	9.711921.1.015	015	-	5 000 000	20 000 000	2, 5, 42, 45, 46, 47, 49, 50	Multi Region
Total					383 500 000	379 250 000	1 008 315 203		
Total Capital Budget					3 464 204 000	3 703 414 000	3 980 860 000		

Asset Management

This table below brings together the core financial elements of asset management and summarises the capital programme in terms of new assets and the renewal of existing assets.

The objective is to provide a complete picture of the municipality's asset management strategy, indicating the resources being deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

Table 5: Asset classification

	Budget 2016/17	%	Budget 2017/18	%	Budget 2018/19	%
New	1 909 858 750	54.66%	1 986 846 604	53.65%	1 419 150 000	35.78%
Renewal	1 584 345 250	45.34%	1 716 567 396	46.35%	2 546 710 000	64.22%
Total Capital Budget	3 494 204 000	100%	3 703 414 000	100%	3 965 860 000	100%

In terms of MFMA Circulars 55 and 66 at least 40% of the Capital Budget must be allocated towards renewal of existing assets. From the above table it can be seen that 45.34%, 46.35% and 64.22% of the budget has been allocated for the renewal of existing assets in the 2016/17, 2017/18 and 2018/19 financial years respectively.

9. PERFORMANCE MANAGEMENT

Introduction

The purpose of the performance management chapter is to describe the performance management system in the City of Tshwane, as well as the City's approach to ensure that the objectives in the strategic plans of the City are realised.

This chapter addresses the following areas:

- The model of performance management used in the City of Tshwane
- Plans and the alignment of targets and indicators
- Monitoring and evaluation
- Auditing of performance
- Tools for performance management
- Roles and responsibilities related to performance management

Legislative environment governing performance management

Various pieces of legislation exist to govern the performance management of local government. These include –

- the Municipal Systems Act (MSA), 2000 (Act 32 of 2000);
- the Municipal Planning and Performance Management Regulations (MPPMR), 2001;
- the Municipal Finance Management Act (MFMA), 2003 (Act 53 of 2003) (MFMA); and
- the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

The City's performance management with regard to each of these Acts is summarised below.

Municipal Systems Act, 2000 (Act 32 of 2000): The City's IDP contains five-year IDP sub-programmes which include key performance indicators (KPI) and targets to measure progress over the medium and short term. The IDP contains annual performance targets that determine targets to assess implementation progress on a year-to-year basis.

These KPIs and targets are translated into service delivery and budget implementation plans (SDBIPs) to inform expected city-wide, departmental and individual performance outputs. The City's performance is monitored and reviewed on a quarterly and annual basis, informed by the achievement reports on the identified organisational, departmental and individual performance plans.

Municipal planning and Performance Management Regulations, 2001: As required by the 2001 regulations, the City's PMS allows for reporting to Council on a quarterly basis. The

quarterly reports are prepared for the purpose of identifying performance achievements and gaps, based on the set IDP indicators.

In enhancing performance monitoring, measurement and review, the City has an internal audit department responsible for auditing the results of performance measurements. In addition, the City has an audit and performance committee that considers the quarterly performance audit reports and reviews of the City's PMS to recommend improvements.

Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003): As part of the reporting processes, in addition to quarterly reports, the City compiles mid-year and annual reports on service delivery performance related to the achievement of targets and indicators. All the quarterly service delivery and budget implementation plan reports are prepared and submitted to legislated stakeholders.

In terms of annual reporting, annual reports have been prepared and published on the City's website and submitted to the Auditor-General as required.

Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006: In accordance with the 2006 regulations, the appointment of all section 57 employees is in terms of written employment contracts and subject to the signing of performance agreements which are submitted to the MEC for Local Government, as well as the National Minister.

The model of performance management

The City of Tshwane approved a long-term strategy, i.e. Tshwane Vision 2055 in August 2013. Tshwane Vision 2055 sets out 6 outcomes that are aligned to the National Development Plan and that are to be achieved over 4 decades. The strategic tool that will be used to contribute to the institutionalisation of Tshwane Vision 2055 and the realisation of the objective of developmental local government is the Council-approved City of Tshwane Performance Management Framework.

The Council-approved City of Tshwane Performance Management Framework (November 2014) focuses on the implementation of an outcomes-based approach to performance management in the City of Tshwane in order to ensure that the outcomes in Tshwane Vision 2055 are effectively planned for, monitored and reported on.

The 'Outcomes Performance Management System' as aligned with national governments approach to planning and performance management ensures that the City's plans are driven by strategic outcomes, and that resources will be allocated accordingly. In other words, the outcomes approach forces alignment between inputs, outputs, outcomes and

impacts, and enables measurement of efficiency, effectiveness, economy and equity. The diagram below illustrates the logic process of the outcomes approach.

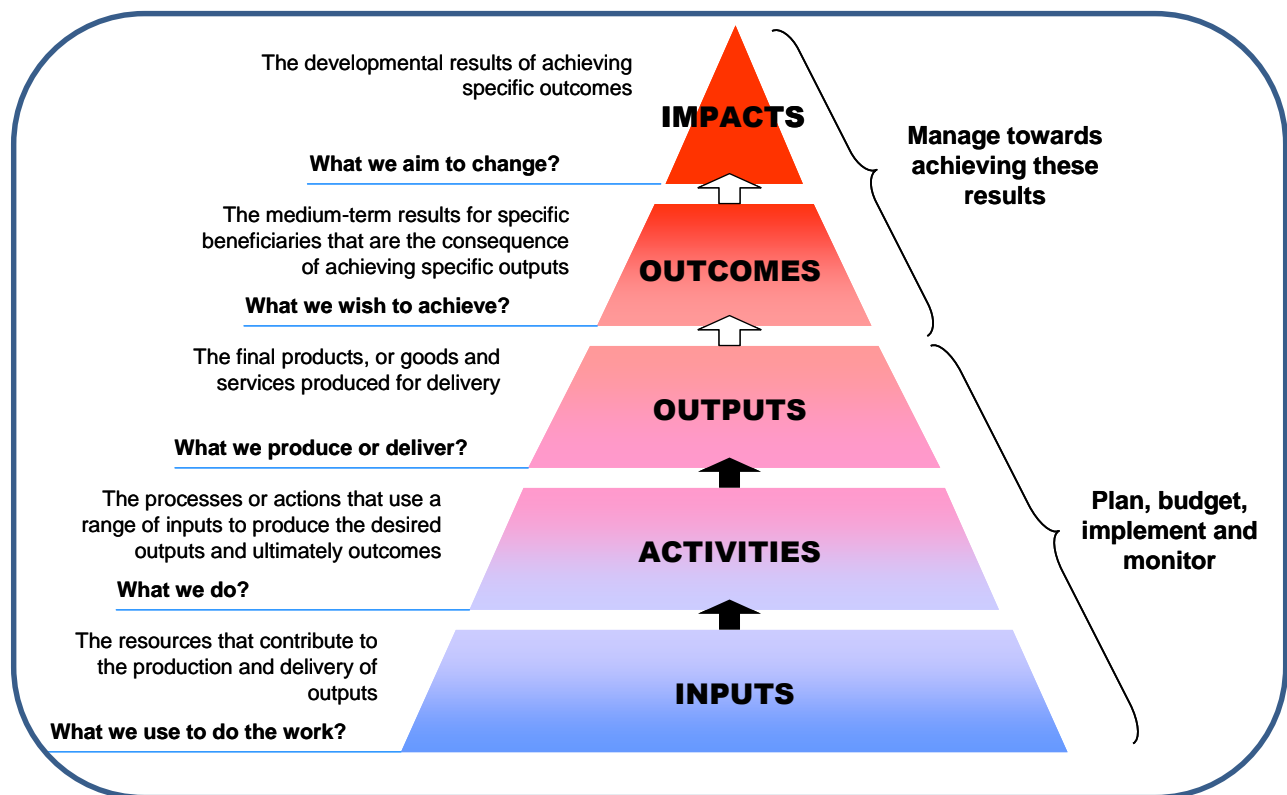


Figure 5: The results-based management pyramid (National Treasury, 2007)

Plans and the alignment of targets and indicators

The key underlying principles of the approved Performance Management Framework include –

- linking strategy to operations;
- linking individual and organisational performance processes;
- linking and integrating risk management and audit with performance management processes;
- aligning levels of indicators and plans; and
- linking municipal entities to the performance management system of the City of Tshwane.

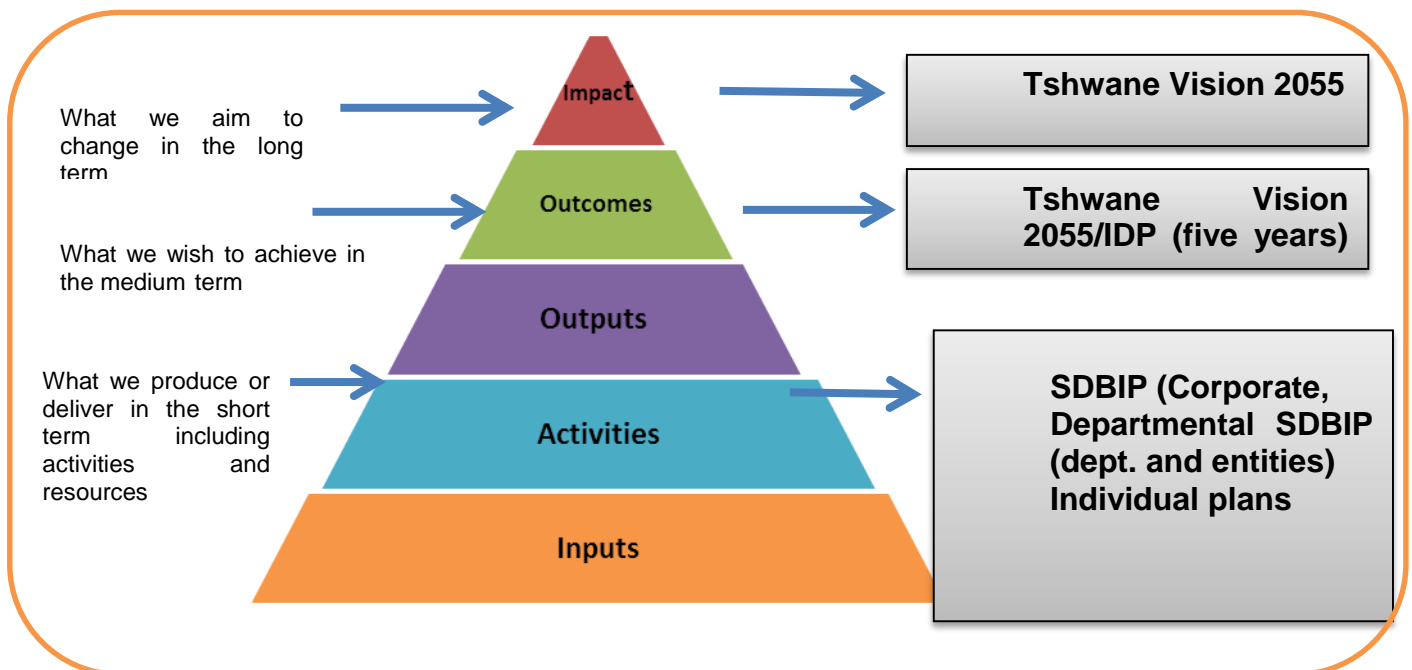
This requires that all levels of plans in the City be aligned.

The IDP is an important instrument that sets out how Tshwane Vision 2055 will be achieved over the four decades of game changing. The diagram below illustrates the alignment between the key plans of the City in relation to outcomes performance management.

Of note are the following:

- Tshwane Vision 2055 sets out 6 outcomes that are measured by impact and outcome measures.
- The IDP sets out 5-year outcomes that contribute to the longer-term Tshwane Vision 2055.
- The service delivery and budget implementation plan (SDBIP) is developed annually, and sets out annual output measures that contribute towards the achievement of the IDP outcomes.
- Departmental SDBIPs are developed annually, and set out specific departmental level outputs that contribute towards the achievement of the City's SDBIP.
- Individual performance plans and agreements are developed annually based on –
 - the IDP outcomes;
 - the SDBIP outputs; and
 - departmental SDBIP outputs.

Figure 6: Hierarchy of plans (adapted from the Presidency, 2010)



The effectiveness of the City's performance management system is dependent on the quality of the plans of the City. Therefore, the planning aspect of performance management processes in the City is focused on ensuring alignment between the hierarchy of plans listed above, through the planned outcomes, outputs, targets and

indicators, and ensuring that indicators are reliable, well-defined, verifiable, cost-effective, appropriate and relevant³, and that targets are specific, measurable, achievable, relevant and time-bound.

The City's approach to planning requires that projects planned in the SDBIP must achieve the planned targets in the SDBIP and the planned outcomes in the IDP. Furthermore, all indicators and targets at various levels of planning must be supported by concise system descriptions⁴.

The community is predominantly involved in the planning processes through the IDP consultation mechanisms. To prevent and mitigate risks of not achieving the planned outcomes listed in the IDP, the City implements risk planning in the process of developing the hierarchy of plans. As part of the review of the performance management framework, the City will be developing operating procedures for planning.

Monitoring and evaluation

Monitoring and evaluation are critical parts of the performance management system and enable performance improvement. Monitoring and evaluation are intimately related. Both are necessary management tools to inform decision-making and demonstrate accountability. Evaluation is not a substitute for monitoring nor is monitoring a substitute for evaluation. They may use the same steps (as listed below), however they produce different kinds of information (UNFPA, 2004).

The UNFPA, 2004 defines monitoring and evaluation as follows:

- **Monitoring** continuously tracks performance against what was planned by collecting and analysing data on the indicators established for monitoring and evaluation purposes. It provides continuous information on whether progress is being made towards achieving results (outputs, outcomes) through recordkeeping and regular reporting systems. Monitoring looks at both programme processes and changes in conditions of target groups and institutions brought about by programme activities. It also identifies strengths and weaknesses in a programme. The performance information generated from monitoring enhances learning from experience and improves decision-making.
- **Evaluation** is a periodic, in-depth analysis of programme performance. It relies on data generated through monitoring activities as well as information obtained from other sources (e.g. studies, research, in-depth interviews, focus group discussions, surveys, etc.). The characteristics of monitoring and evaluation are discussed in the table below.

³ FMPPi 2007

⁴ A description of the indicator detailed among others how it is measured, the source of information for reporting, the frequency of data collection and the means of verification.

Table 8.1: Characteristics of monitoring and evaluation (UNICEF, 1991. WFP, May 2000)

Monitoring	Evaluation
Continuous	Periodic: At important milestones such as the mid-term of programme implementation At the end or a substantial period after programme conclusion
Keeps track, oversight, analyses and documents progress	In-depth analysis Compares planned with actual achievements
Focuses on inputs, activities, outputs, implementation processes, continued relevance, likely results at outcome level	Focuses on outputs in relation to inputs, results in relation to cost, processes used to achieve results, overall relevance, impact, and sustainability
Answers what activities were implemented and the results achieved	Answers why and how results were achieved Contributes to building theories and models for change
Alerts managers to problems and provides options for corrective actions	Provides managers with strategy and policy options
Self-assessment by programme managers, supervisors, community stakeholders and donors	Internal and/or external analysis by programme managers, supervisors, community stakeholders, donors and/or external evaluators

Monitoring, reviewing and reporting

Monitoring continuously tracks performance against what was planned by collecting and analysing data on the indicators established for monitoring and evaluation purposes. It provides continuous information on whether progress is being made towards achieving results (outputs, outcomes) through recordkeeping and regular reporting systems (UNFPA, 2004).

Continuous monitoring and periodic reporting against the indicators and targets set in the different plans of the City is crucial during the implementation of the plans to measure progress against planned results. A result, according to UNFPA, 2004 is a describable/measurable change in state that is derived from the effects of generated programmes. There are three types of results (see table below) and these have already been discussed in the performance planning process, these include outputs, outcomes and impacts.

Table 8.2: Definition of three results

Term	Definition
Outputs	<ul style="list-style-type: none"> • The final products or goods and services produced for delivery • What we produce of deliver • Products and services that result from the completion of activities within a development intervention (UNFPA, Toolkit 1, 2004)

Term	Definition
Outcomes	<ul style="list-style-type: none"> • The intended or achieved short and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners • Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact (UNFPA, Toolkit 1, 2004) • The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs • Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans • What we wish to achieve
Impacts	<ul style="list-style-type: none"> • The results of achieving specific outcomes, such as reducing poverty and creating jobs • Positive and negative long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended These effects can be economic, socio-cultural, institutional, environmental, technological or of other types (UNFPA, Toolkit 1, 2004)

The City of Tshwane monitors the implementation of plans at various levels of the organisation. However, for the purposes of monitoring and reporting on progress against planned targets and projects in the IDP and SDBIP the following is done:

- Monthly and quarterly reporting on the finances of the City
- Monthly reporting of departments on the departmental SDBIPs, projects and corporate SDBIP targets
- Quarterly reporting of departments on the departmental SDBIPs, projects and corporate SDBIP targets
- Monthly and quarterly coaching and individual performance assessments against individual performance plans
- Annual review of individual performance in relation to the annual performance results of the City and the AG report
- Quarterly submission of evidence of reported performance
- Quarterly reporting of performance results to Council through the council systems
- Quarterly reporting of performance results to external stakeholders such as National Treasury
- Mid-year and annual reporting of performance results to Council and to external stakeholders

Communities are provided feedback on performance against the IDP in the following ways:

- Mayoral Izimbizo
- Quarterly reports to ward committees via ward councillors after reports have served at Council
- IDP engagement processes

Management and exception reports are developed regularly, and engagements take place with departments in order to address reasons for under-performance, corrective measures and quality of reports.

Service delivery outcomes must be assessed together with the financial dimension of performance. Currently, some aspects of this work are done through performance monitoring and reporting, where an assessment is done on whether the planned outcomes in the IDP have been achieved (effectiveness).

Auditing of performance

Reported performance results are audited quarterly. In order to ensure integrity of the reported performance results, all departments are required to submit evidence of reported performance against the SDBIP targets and projects, and departmental SDBIPs. The quality of evidence is weighed against the 8 dimensions of quality from SASQAF (South African Statistical Quality Assessment Framework, 2010) and the AGSA criteria for auditing.

Table 8.3: AGSA criteria

MAIN CRITERIA	SUB-CRITERIA	EXPLANATION OF AUDIT CRITERIA
Compliance with reporting requirements	Existence	Objectives, indicators and targets must be predetermined and performance information must be reported against them.
	Timeliness	Performance information must be reported within two months after year-end.
	Presentation	Performance information must be reported using the National Treasury guidelines.
		Actual performance information in tables and narrative in annual report must be consistent.
	Material differences between actual and planned performance must be explained.	
Reliability	Validity	Actual reported performance has occurred and pertains to the entity.
	Accuracy	Amounts, numbers and other data relating to reported actual performance have been recorded and reported appropriately.
	Completeness	All actual results and events that should have been recorded have been included in the annual performance report.
Usefulness	Measurability	Objectives must be measurable by means of indicators and targets.
		Indicators should be well-defined and verifiable while targets should adhere to the SMART criteria.

Evidence files are centralised in the City Strategies and Performance Management Department, and are accessed by either Internal Audit or the Auditor-General through strict protocols for purposes of annual external audit.

The City has established Operation Clean Audit committees in order to ensure that matters raised by the Auditor-General are addressed, and to prevent further audit findings. Audit reports are submitted to the Audit and Performance Committee and to Council. Furthermore, the audited quarterly performance reports, the annual report and the annual financial statements are submitted to the Audit and Performance Committee and to Council.

Council may refer reports to the Municipal Public Accounts Committee (MPAC) for oversight.

Tools for performance management

The City of Tshwane has implemented an electronic reporting system called QPR. Departments report on their departmental SDBIP targets, corporate SDBIP targets and their capital projects and to submit declarations confirming performance results and reliability of reported information. The IDP outcomes results are calculated on the system using planning information and formulae as contained in the approved IDP and SDBIP⁵, and management information is extracted for various stakeholders. Access to the system is controlled through strict protocols. All users are required to be trained to use the system. All heads of departments are required to sign off data that is reported by their departments on the system (first level of combined assurance).

Roles and responsibilities for performance management

Performance management in the City of Tshwane is contributed to by a range of stakeholders. Below is a summary of key role players.

The City Strategies and Performance Management Department within the Strategy Development and Implementation Cluster is responsible for assisting the City Manager to coordinate the following:

- The development of the IDP
- The development of the corporate SDBIP
- Departmental SDBIP development
- Organisational performance management and preparation of audit of predetermined objectives

The **Corporate and Shared Services** Department assists the City Manager to manage the process of individual performance management for all levels of employees.

The **Office of the Executive Mayor** tracks and monitors mayoral commitments and priorities in addition to those on the IDP and SDBIP.

⁵ Supplemented by Systems Descriptions

The **Chief Financial Officer** ensures the development of a credible budget to fund the IDP and SDBIP and monitors and reports on the financial performance of the City.

The table below lists specific stakeholders and their roles in the performance processes in the City of Tshwane.

Table 8.4: Roles and responsibilities for performance management

Stakeholders	Involvement
Executive Mayor	<ul style="list-style-type: none"> • Oversight and strategic direction and ensuring service delivery approach to the planning and hence the performance system • Setting a long-term vision • Setting key strategic direction • Developing the IDP • Approving the SDBIP developed by the City Manager • Ensuring that the IDP contains performance framework and input, output and outcome indicators • Reporting to Council on the performance on the IDP and SDBIP, quarterly and annually
Mayoral Committee and Mayoral Sub-committee	<ul style="list-style-type: none"> • Supporting the Executive Mayor • Depending on systems of delegations will assist the Executive Mayor with the IDP development and oversight of the performance on the SDBIP and IDP • Assisting with decision-making on performance reports that are then forwarded to Council
Section 79 oversight committees	<ul style="list-style-type: none"> • Oversight on behalf of Council • Monitoring performance of the Mayor on the implementation of the IDP and budget • Oversight to ensure that the performance management system complies with legislative requirements
Audit and performance committee	<ul style="list-style-type: none"> • A committee of Council that should report to Council at least each quarter • Auditing the planning and performance management system • Oversight on performance, especially on compliance to audit criteria • Advising the Municipal Manager on improvements
Council	<ul style="list-style-type: none"> • Approving the IDP and the MTREF • Approving the adjusted SDBIP • Approving any amendments to the IDP and adjustments on the budget • Approving the performance management system as part of the IDP • Receiving performance reports of the Mayor and monitoring performance of the Mayor and administration • Submitting reports to MPAC and other oversight committees for oversight
MPAC	<ul style="list-style-type: none"> • Council oversight on IDP, annual report, financial statements and other functions delegated by Council
Municipal Manager	<ul style="list-style-type: none"> • Assisting the Mayor to develop the IDP

Stakeholders	Involvement
	<ul style="list-style-type: none"> • Ensuring that all senior managers sign performance agreements aligned with the IDP and SDBIP • Developing the SDBIP within the legislated timeframes and submitting to the Mayor for approval • Monitoring performance of departments in the implementation of the budget and IDP • Reporting to the Mayor on the implementation of the SDBIP, IDP and MTREF • Accountable to the Mayor and Mayoral Committee
Direct reports to the City Manager – deputy city managers, SEDs and technical clusters	<ul style="list-style-type: none"> • Developing departmental SDBIPs • Contributing to development of IDP and SDBIP • Implementing approved plans • Reporting monthly on the implementation of approved plans • Managing their departments performance and implementing correct measures • Signing performance agreements with the City Manager • Signing performance agreements with direct reports and ensuring that direct reports have operational plans that are reported on
Staff and employees	<ul style="list-style-type: none"> • Implementing plans according to delegations • Signing and implementing performance agreements • Reporting monthly on implementation
Internal Audit	<ul style="list-style-type: none"> • Assessing the functionality, effectiveness and legal compliance of the PMS • Auditing the PMS to ensure that measures are reliable and useful • Preparing the institution for audit by the AG • Testing alignment of the operational plans with the strategic plans of the City
Auditor General	<ul style="list-style-type: none"> • Testing the financial and performance reports of the Municipality for reliability, usefulness and legislative compliance • Assisting municipalities to comply with clean audit criteria • Reporting to parliament on the performance of government entities
National and provincial spheres of government	<ul style="list-style-type: none"> • Functioning as legislated in the MSA and MFMA
Ward committees, councillors and stakeholder forums	<ul style="list-style-type: none"> • Participating in the IDP, performance management and MTREF processes • Informing priority setting • Monitoring implementation of the plans of the City as committed, e.g. the implementation of IDP projects committed to a specific ward
Citizens and communities	<ul style="list-style-type: none"> • Being consulted on needs • Developing the long-term vision for the area • Influencing the identification of priorities • Influencing the choice of indicators and setting of targets

Towards an improved performance monitoring and evaluation

Performance management in the city continues to evolve. It is a critical tool for measuring the City's progress against its short and medium-term goals, as well as the long-term outcomes of the City. The City will continue to strengthen this tool for individual performance, institutional performance and to monitor and evaluate itself against its long-term goals.

Tshwane Vision 2055 as approved by Council has outlined the key outcomes for the long term with specific actions for implementation during the 4 decades leading up to 2055. Against this, monitoring and evaluation of the long-term plans need to be an inherent part of improvements and accounting processes of the City as outlined in the approved Performance Management Framework.

Furthermore, the framework proposes key initiatives that should be implemented in order to achieve its objectives and broadly contribute towards the institutionalisation of Tshwane Vision 2055. The following table summarises key initiatives that should be addressed from the 2014/15 financial year.

Table 8.5: Summary of key actions

Action required	Description of action	Progress
Unpack Tshwane Vision 2055	<ul style="list-style-type: none"> Tshwane Vision 2055 should be unpacked into clear outcomes and outputs to be achieved for each decade of change. A matrix of indicators should be developed for all levels of plans aligned to Tshwane Vision 2055, and should include economy and efficiency indicators, as well as national and provincial KPIs. The unpacking should be aligned to various scenarios of future development. The mechanisms to monitor the contributions of external role players and investors should also be defined. 	<ul style="list-style-type: none"> The process of reviewing the IDP for 2016/21 term has addressed this. Outcome plans for each of the outcomes has been developed and contain multilevel indicators to ensure outcome integration. The outcome plans above also reflect what partnerships are required from external organisations to support the achievement of the various outcomes
An effective model for budgeting aligned to the outcomes performance approach	A model for budgeting should be developed that ensures that the outcomes of Tshwane Vision 2055 as well as the priorities of the first decade are funded.	A prioritisation model on the budget has been developed as part of the CAPs system and have been phased in in the budget process. This will be adjusted to include the Outcome plan proposals
Development of procedures and guidelines for the performance management system	<p>The following procedures must be developed:</p> <ul style="list-style-type: none"> Performance planning Development of indicators, baselines and targets Programme and project planning 	Process has been initiated and will be finalised in the new IDP to be developed for the 2016/21 term.

Action required	Description of action	Progress
	<ul style="list-style-type: none"> • Procedures for reporting • Preparation of audit files and verification of evidence 	
Integrated electronic performance system	An integrated electronic performance management system should be implemented that enables performance management in the City of Tshwane.	The City has implemented an electronic system named QPR which is the reporting system of the City.
Mapping of business processes	Existing business processes for service delivery should be mapped in order to determine the baseline of service delivery processes. Thereafter, new processes should be determined to allow for efficient and economical service delivery.	Business processes were mapped through the ISO 9001 project. These are however in the process of being refined.
Capacity-building	Development of materials for capacity-building on performance management and the implementation of accredited and non-accredited interventions to build the capacity of the Municipality to do performance management over time. This includes the development of project maturity.	Seminars are held regularly, and accredited materials are in the process of being developed. Current materials are being developed against unit standards US 116358 and US 116341.
Governance matters	Clarification and resolution of the role and accounting lines of municipal entities, and of the full implementation of the regionalisation model vis-à-vis departments	Regionalisation is being rolled out with greater separation of duties. The accounting lines of the municipal entities have been defined. The shareholder unit has to ensure that municipal entities comply with all governance matters, and all entities are required to report to the parent in terms of performance reporting standards and requirements.

10. CITY OF TSHWANE DRAFT PERFORMANCE SCORECARD FOR 2016 – 2021

Introduction

This section outlines the key indicators and targets for the 2016/21 period. These serve as a performance contract of the City and its residents. The indicators and targets outlined below should be read together with the SDBIP for 2016/17. The information is structured around the six outcomes contained in Tshwane Vision 2055. The following table reflect the outcomes with supporting programmes:

Outcome 1: Resilient And Resource Efficient City	Outcome 2: A growing economy that is inclusive, diversified and competitive	Outcome 3: Quality infrastructure development that support liveable communities
Waste management Energy Water Biodiversity Infrastructure development Climate Change	Sector Support And Investment Attraction Economic Transformation ICT Building up a knowledge city Green Economy	Sustainable Human Settlement Rural Development Transport Orientated Development Inner City Regeneration Land Use Management Mobility Greening
Outcome 4: An equitable city that supports happiness, social cohesion, safety and healthy citizens	Outcome 5: An African capital city that promotes excellence and innovative government solutions	Outcome 6: South Africa's Capital With an Activist Citizenry
Indigent And Vulnerable Support Poverty Spatial Targeting Safety and Security Healthy Living	Citizen Care and institutional efficiency Revenue maximization and financial management IGR Smart City City Operating Model	Civic education Digital citizen

The indicators and targets which are contained in the scorecard show a continuation in delivering on the mandate of the City as well as supporting the programmes referred to above. This should be read in conjunction with the previous IDP and its subsequent reviews to maintain a line of sight on what has been set out to achieve in the 2016/21 term.

Baseline determination has been informed by performance of the City since the start of its current term in 2011. The projected baseline has been set in anticipation that the targets in the adjusted 2015/16 IDP and SDBIP score cards will be achieved.

The outcomes in Tshwane Vision 2055 and the indicators which contribute to the achievement of the programmes identified in the strategic context chapter are reflected below:

Outcome 1: Resilient and resource efficient city

Outcome programmes:

- Sustainable Waste management
- Energy security
- Water security
- Biodiversity
- Infrastructure development

Outcome 3: Quality infrastructure development that supports liveable communities

Outcome Programmes:

- Long term and coordinated approach to Infrastructure investment and development
- Sustainable Human Settlements
- Mitigating the costs of urban sprawl
- Transforming the City’s spatial Form through densification
- Building smart mobility networks and investing in public transport infrastructure
- Investing in transportation systems that support economic activity

Indicators supporting these programmes:

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
% of households in formal areas with access to water (metered connections)	87.09% (793902hh)	81.2% (740 202 hh)	82.17% (8800 new connections for the year)	83.28% (10 100 new connections for the year)	84.53% (11 400 new connections for the year)	85.80% (11 600 new connections for the year)	87.09% (11 800 new connections for the year)	This indicator measures water meter connections installed, as applied for by consumers and the water meter connections

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
								installed to respond to new developments
% formalised areas provided with weekly waste removal services	100%	100%	100%	100%	100%	100%	100%	This indicator measures the waste removal services accessed by households in already formalised areas either through 240L bins and 85L bins. The indicator excludes waste removal in Informal areas
% of households with access to sanitation	82.23% (749567hh)	78.58% (716 277hh)	79.07% (4500 new connections for the year)	79.91%(7670 new connections for the year)	81.07% (7520 new connections for the year)	81.45% (6500 new connections for the year)	82.23% (7100 new connections for the year)	In the 2011/16 IDP, the city approved the minimum standard for access to sanitation to be UDS toilets and waterborne sanitation/flush toilet as full access. This indicator measures both service levels. This excludes households with access to sanitation through VIP and chemical toilets as calculated by the Census 2011
% of formal households with access to electricity	86.45% (787 980hh)	80.43% (733 230 hh)	81.65% (11 050 new connections for the year)	82.90% (11400 new connections for the year)	83.86% (9 900 new connections for the year)	85.22% (11 200 new connections for the year)	86.45% (11 200 new connections for the year)	This indicator measures the access to electricity provided by the City through formal connections to

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
								households in formal settlements as per town planning definition
% of required municipal storm water drainage network provided	67.33% of a backlog of 1303km (877.36km)	51.24% (667.66 km out of the total backlog of storm water)	52.75% out of a backlog of 1303km (19.7 km for the year)	56.21% cum out of a backlog of 1303km (45 km for the year)	62.37% cum out of a backlog of 1303km (50 km for the year)	63.73% cum out of a backlog of 1303km (48 km for the year)	67.33% cum out of a backlog of 1303km (47 km for the year)	This indicator is derived from the total storm water backlog of 1303 km (2011/12 IDP)
% of roads provided to the required standard (km)	40.55% of the backlog of 2176 km (882.44 km)	31.73% (690.44 km out of the total backlog of storm water)	32.88% out of a backlog of 2176km (25km for the year)	34.72% cum out of a backlog of 2176km (40 km for the year)	37.52% cum out of a backlog of 2176km (43 km for the year)	38.76% cum out of a backlog of 2176km (45 km for the year)	40.55% cum out of a backlog of 2176km (39 km for the year)	This indicator is derived from the total roads backlog of 2176 km (2011/12 IDP)
% of completed TRT Bus way lanes constructed	100% of 39 km	17.72 km	12.82% of 39km cum (5km for the year)	35.90% of 39km cum (9 km for the year)	48.72 % of 39km cum (5 km for the year)	74.36% of 39km cum (10 km for the year)	100.00% of 39km cum (10 km for the year)	Busway lanes are physically segregated lanes that are exclusively for the use of Tshwane Rapid Transit vehicles. This indicator only measure the km of bus lanes to be constructed. It measures in the % completion of works in relation to the Phase 1 target of 69.4km. Phase 1 of TRT is planned to be completed in June 2018
% of informal settlements with access to rudimentary water services	100%	100%	100% of 130 informal settlements	100% of 130 informal settlements	100% of 130 informal settlements	100% of 130 informal settlements	100% of 130 informal settlements	The indicator measure the % of informal settlements receiving rudimentary water services through water

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
								tankers, Jojo tanks or communal standpipes
% informal settlements with access to rudimentary sanitation services	100% of 54 informal settlements provided with rudimentary sanitation	54	100% of 54 informal settlements	100% of 54 informal settlements	100% of 54 informal settlements	100% of 54 informal settlements	100% of 54 informal settlements	This indicator measures only access to sanitation through chemical toilets in informal settlements provided and serviced by the City
Nr. of informal settlements formalised	TBD	10	TBD	TBD	TBD	TBD	TBD	This indicator measures the formalisation as per the Re Aga Tshwane programme

Outcome 2: A growing economy that is inclusive, diversified and competitive

Outcome Programmes:

- Sector Support and Investment Attraction
- Green Economy Support
- Economic Transformation

Indicators supporting these programmes:

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
Nr of new income earning opportunities facilitated by the city	125 500	182 328	21 500	44 500 cum (23 000 for the year)	69 500 cum (25 000 for the year)	96 500 cum (27 000 for the year)	125 500 cum (29 000 for the year)	New income opportunities created through the implementation of capital and operational projects: (1) First time entrants into the job market; (2) A beneficiary is provided work for the duration of the project and is remunerated a minimum wage; and (3) Work opportunities are created when City Departments implement their capital or operational funded projects

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
Rand value investment attracted to the city (Annual)	R13 billion	R12.289 billion	R2.2 billion	R4.6 billion cum (R2.4 billion for the year)	R7.2 billion cum (R2.6 billion for the year)	R10 billion cum (R2.8 billion for the year)	R13 billion cum (R3 billion for the year)	This indicator reflects the Rand Value of investment realised in terms of Private sector investment in the City as a result of investment attraction initiatives by the City Landed investments during a specific financial year resulting from investors/developers investing in Tshwane
Support through mentorship/training to the Tshepo 10 000 co-operative	1 342	240	245	502 cum (257 for the year)	772 cum (270 for the year)	1052 cum (280 for the year)	1342 cum (290 for the year)	This indicator measures the support provided to the Tshepo 10 000 cooperatives to through training and mentorship programmes

Outcome 4: An equitable city that supports happiness, social cohesion, safety and healthy citizens

Outcome Programmes:

- Indigent and vulnerable support
- Poverty spatial targeting
- Food security
- Healthy living
- Safe city
- Social cohesion and Nation building

Indicators supporting these programmes:

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
% achievement of the child health index	100%	100%	100%	100%	100%	100%	100%	The indicator is made up of achievement against the following: Health facilities providing- <ul style="list-style-type: none"> • % of PHC fixed clinics providing immunisation coverage for children under 1yr of age immunisation for children under one year and • % of PHC fixed clinics implementing PMTCT programme • % of PHC fixed clinics providing HIV testing facilities for pregnant woman
Nr. of indigent households supported by the city through its social packages	10 000	114 490	124 490 hh on indigent register (10 000 new hh)	128 490 hh on indigent register (4 000 new hh for the year)	132 490 hh on indigent register (4 000 new hh for the year)	136490 hh on indigent register (4 000 new hh for the year)	140 490 hh on indigent register (4 000 new hh for the year)	This indicator measures the number of hh in the indigent register
% reduction in backlog of recreational facilities and amenities (annual)	TBD	3	3	TBD	TBD	TBD	TBD	This indicator refers to the development and/or upgrading of sports and recreational facilities and libraries in the city as per

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
								the project plans of the department
% reduction in safety incidents (fire, rescue as well as specialised humanitarian incidents)	5% decrease between 2016 and 2021 (Decrease safety incidents from 13688 to 13003)	13 688	1% (13551 incidents for the year)	2% (13414 incidents for the year)	3% (13277 incidents for the year)	4% (13140 incidents for the year)	5% (13003 incidents for the year)	The decrease in safety incidents refers to the actual number of safety incidents reported to and responded to by the City.
% increase in interventions to root out crime and related incidents (annual)	5% increase over the 5 years (1% increase per year) on 2015/16 result)	2737	1% increase on 2015/16 target (2764 interventions for the year)	1% increase on 2016/17 target (2792 interventions for the year)	1% increase on 2017/18 target (2819 interventions for the year)	1% increase on 2018/19 target (2846 interventions for the year)	1% increase on 2019/20 target (2874 interventions for the year)	This indicator refers to interventions around crime prevention, by-law policing and road policing interventions conducted by TMPD in efforts to increase public safety

Outcome 5: An African capital city that promotes excellence and innovative government solutions

Outcome Programmes:

- Building up a Knowledge City
- Customer Centricity
- Institutional Efficiency
- Revenue Maximization and Financial Management

Indicators supporting these programmes:

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
Unqualified Audit Opinion achieved (Annual)	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	This indicator reflects on the Auditor General's opinion on the City's financial and non-financial report for the previous financial year
% financial targets met (regulated targets=cost coverage, debt coverage and % service debtors to revenue)	100	100	100%	100%	100%	100%	100%	The financial targets of the city are set in the MTREF. This indicator measures the cost coverage, debt coverage and service debtors to revenue.
% reduction of non-revenue water from 25.06% to 22.71% (N.R.W) (2.25% over the 5years)	2.25% on	25.06%	24.61%	24.16%	23.61%	23.16%	22.71%	This indicator refers to the reduction of non-revenue water as measured by the City. Water losses are a component of non-revenue water.
% average of annual non-revenue energy (NR.E)(Annual)	<10%	16.05	<10%	<10%	<10%	<10%	<10%	This indicator measures the total % of non-revenue energy which is made up of technical losses and un-accounted

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
								for electricity out of the total energy distributed.
% employee satisfaction rating (annual)(Not Applicable this year)	87	60	N/A	87	N/A	87	N/A	This indicator measures the employee satisfaction which is determined through an Employee satisfaction survey. The employee satisfaction survey is conducted once in 2 years. Although the survey is conducted by the Corporate and Shared Service, achieving improved ratings in the survey is the responsibility of all departments through implementation of HR policies among others.

Outcome 6: South Africa's Capital with an activist citizenry that is engaging, aware of their rights and presents themselves as partners in tackling societal challenges

Outcome Programmes:

- Civic Education Programme
- Digital Citizen Programme

Indicator	2016/21 5 Year Target	Projected Baseline for 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20	Target 2020/21	Definition of indicator
Km of broadband infrastructure rolled out	1 500 km	100 km	150km	600km	750km	TBD	TBD	This indicator measures the kilometer of broad band fibre network laid out against the City approved project plan.
% of ward committees established and operational	100% of 107 wards	New	100%	100%	100%	100%	100%	This indicator measures the establishment and functionality of ward committees
Nr of digital platforms established to allow citizens to interact meaningful with the City	3	New	1	0	1	0	1	Tis indicator measures the digital platforms established and available for the citizens to interact with the city

11. FINANCIAL PLAN

Introduction

The purpose of this chapter is to outline the funding and budget approach to this 2016/17 IDP review, specifically the 2016/17 MTREF. The process towards the development of the 2016/19 MTREF is in line with the Council-approved IDP and Budget Process Plan of August 2015.

Background

Section 16(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) stipulates that the council of a municipality must approve an annual budget for the municipality for each financial year before the start of that financial year. Section 16(2) stipulates that in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 22 of the MFMA also stipulates that immediately after an annual budget is tabled in a municipal council, the accounting officer must make public the annual budget and documents in terms of Section 17; invite the local community to submit representations in connection with the budget; and submit the annual budget to the National Treasury and the relevant provincial treasury in printed and electronic formats.

Section 23(2) of the MFMA stipulates further that “after considering all budget submissions, the Council must give the Executive Mayor an opportunity –

- to respond to the submissions; and
- if necessary, to revise the budget and table amendments for consideration by the council”.
- The tabling of the Draft Budget and IDP was followed by public consultation meetings (outreach sessions) with various stakeholders to strengthen the principles of people-centered governance, transparency and accountability.
- Section 24 of the MFMA contains the requirements regarding the approval of annual budgets:
 - “(1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
 - (2) An annual budget -
 - (a) must be approved before the start of the budget year;
 - (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
 - (c) must be approved together with the adoption of resolutions as may be necessary –
 - (i) imposing any municipal tax for the budget year;

- (ii) setting any municipal tariffs for the budget year;
 - (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
 - (iv) approving any changes to the municipality's integrated development plan; and
 - (v) approving any changes to the municipality's budget-related policies.
- (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury."

2016/17 MTREF policy statement and guidelines

The Tshwane Vision 2055 and the IDP together form the primary point of reference for preparation of the MTREF.

According to Section 25 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (MSA), each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic plan (Integrated Development Plan)(IDP) for the development of the municipality which links, integrates and coordinates plans and takes into account proposals for the development of the municipality and which aligns the resources and capacity of the municipality with the implementation of the said plan. The IDP forms the policy framework and general basis of the budget.

Alignment with national directives

In his budget speech on 24 February 2016, Finance Minister highlighted this plan:

- Manage our finances in a prudent and sustainable way,
- Re-ignite confidence and mobilise the resources of all social partners,
- Collectively invest more in infrastructure to increase potential growth,
- Give hope to our youth through training and economic opportunities,
- Protect South Africans from the effects of the drought,
- Continuously improve our education and health systems,
- Accelerate transformation towards an inclusive economy and participation by all,
- Strengthen social solidarity and extend our social safety net.

The following impacts directly on local government's budgets

- The global economic growth outlook has weakened in recent months, led by a sharp slowdown in developing countries. The outlook for the South African economy has also deteriorated as a result of lower commodity prices, higher borrowing costs and diminished confidence.
- Moderate household consumption growth (0.7% in 2016), weaker disposable income growth (in response to the drought, annual food inflation jumped to 7% in January 2016) and high indebtedness, are expected to reduce growth in services.
- Growth in the South African economy is currently expected to be only 0.9% in 2016, after 1,3% in 2015, but to improve gradually over the medium term to 1.7% in 2017,

reaching 2,4 per cent in 2018. This reflects both depressed global conditions and the impact of the drought.

- CPI forecasts for the country are 4,8%, 5,9% and 5,6% for 2015, 2016 and 2017 respectively.
- Electricity price increases of about 12,7% from 2016 to 2018 are expected.
- Electricity shortages hold back growth in manufacturing and mining, and also inhibit investment in housing and raise costs for businesses and households. Mainly for this reason, local projected economic growth for 2015 is only 2%, down from 2,5% indicated in October last year. Growth is expected to rise to 3% by 2017.
- Over the past year the rand has depreciated by 30% against the US dollar.
- Under spending of infrastructure grants necessitated several proposals for improvement:
 - Grant frameworks will in future allow for refurbishment of assets, recognising the long-term nature of municipal infrastructure.
 - Water sector grants will be restructured to reduce duplication and the associated administrative burden.
 - Refinements are proposed to take into account the diverse challenges of urban and rural areas, and different-sized towns and cities.
 - Public transport transfers to cities will now be allocated through a formula, bringing greater certainty and sustainability to these funding arrangements.

The above factors as well as the country's economic climate are considered when this budget is developed, influencing fiscal decisions of all spheres of government.

Local Government budget and financial management reforms

Section 216 of the Constitution prescribes that National legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government, by introducing:

- Generally recognised accounting practices;
- Uniform expenditure classifications; and
- Uniform treasury norms and standards.

Uniform financial norms and standards

National Treasury issued a circular on uniform financial norms and standards on 17 January 2014. It aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. The Circular addresses different categories of ratios, norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years.

A few are listed concerning the direction in which the MTREF will eventually have to lead.

Table 1: Ratios

Ratio	National Treasury Norm	Actual 2014/15	Draft Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19
Current Ratio (Current assets to current liabilities)	150% to 210%	71,5%	1,0%	1,1%	1,3%
Capital expenditure to total expenditure	10% to 20%	14,4%	13,4	12,9	12,5
Debt to Revenue	45%	40,0%	47,0	49,7	48,4
Collection Rate	95%	95,0%	96,0%	96,0%	96,0%
Remuneration (employee and councillors) to total expenditure	25% to 30%	25,9%	27,7	27,1	27,2
Distribution losses: Electricity	7% to 10%	16,1%	10%	9%	9%
Distribution losses: Water	15% to 30%	18,9%	23,05%	22,55%	22,05%

2016/17 MTREF POLICY STATEMENT AND GUIDELINES

National Treasury MFMA Circular No 78 was issued on 7 December 2015 and No 79 on 7 March 2016, as the Municipal Budget Circulars, to guide the compilation of the 2016/17 MTREF. It includes national policy imperatives that should be accommodated and other relevant information. The key focus of Circular 79 is the impact of the date of the 2016 Local Government Elections on municipalities, affected by re-demarcations and the changes to the local government grant allocations.

Local government elections are likely to be scheduled between May and August 2016, but the proposed date is yet to be determined. The following needs to be mentioned:

- In terms of section 13 of the Municipal Property Rates Act (MPRA) and sections 24 and 42 of the MFMA, new tariffs for property rates, electricity, water, any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July).
- In terms of section 16 of the MFMA, a municipal council must approve the annual budget for the municipality before the start of the financial year.
- The uncertainty of the date of Election Day means that the newly elected councils may not be duly constituted by 31 May 2016 and therefore they will be unable to consider the annual budget before the start of the new municipal financial year. If the election date falls within the latter part of May 2016, or after May and if there is any delay in declaring the election results, then it is unlikely that the new councils will be able to consider and pass the annual budget before the start of the new municipal financial year. It is for this reason that it is recommended that the outgoing council should adopt the 2016/17 MTREF budget and reviewed IDP before the end of April 2016.
- Changes to municipal boundaries will result in some significant changes to municipal allocations in 2016/17. To cushion the impact of these changes, all municipalities will receive at least 95% of the equitable share formula allocation indicatively allocated to them in 2016/17 in the 2015 Division of Revenue Act.

The focus of the draft 2016/17 MTREF is to ensure that the City is financially viable and sustainable. This required reviewing of the current spending levels within prudent financial limits, necessitating re-alignment and addressing basic service delivery.

The following budget guidelines directly informed the compilation of the budget:

- Produce a surplus budget and build cash reserves
- Resources will be redirected towards the Mayoral priorities:
- Departments and Entities must ensure that ongoing expenditure is funded with ongoing revenues and any reduction in revenues should be followed by a reduction in expenditure.
- Departments should critically review their current activities and redirect funds towards priority areas.
- Maintain all assets at a level adequate to protect the capital investment and minimize future maintenance and replacement costs.
- Explore alternative options of providing services, thereby ensuring value for money.

Budget assumptions

The following assumptions apply to the draft 2016/17 MTREF:

Table 2: Budget assumptions

Assumptions	2016/17	2017/18	2018/19
	%	%	%
Consumer Price Index	6,6	6,2	5,9
Debt Collection Rate	92,0	92,0	92,0
Debt Impairment	8,0	8,0	8,0
Expected Operating Expenditure	100,0	100,0	100,0
Salary and Wage increase	7,6	7,2	6,9
Expected Capital Expenditure	98,0	98,0	98,0
Tariff increases:			
Sanitation	12,0	6,0	6,0
Refuse removal	10,0	6,0	6,0
Property Rates	10,0	6,0	6,0
Water	12,0	6,0	6,0
Electricity	12,0	6,0	6,0
Rand Water	8,8	9,0	9,0
Eskom	9,4	8,0	8,0
Surplus	R980,5 mil	R844,6 mil	R633,6 mil
Funding capital: Bonds	R1,0 billion	R1,0 billion	R1,0 billion
Funding capital: Council funding (including public contributions)	R110 million	R250 million	R450 million

Property rates policy and by-laws

The Development Investment Incentives Policy of the city was approved by Council on 27 November 2014. In order to comply with the property rates incentives of the policy, the approved Property Rates Policy of the city was amended accordingly and

approved on 28 May 2015. No amendments are recommended for the 2016/17 financial year.

The Municipal Property Rates Amended Act, 2014 - Sect. 8 and 78, was promulgated on 18 August 2014 and again amended and promulgated on 28 November 2014.

Section 8 was amended to the effect that municipalities must determine the following categories of property, provided that such property category exists within the municipal jurisdiction:

- a) Residential properties
- b) Industrial properties
- c) Business and Commercial properties
- d) Agricultural properties
- e) Mining properties
- f) Properties owned by an organ of state and used for public service purposes
- g) Public service infrastructure properties
- h) Properties owned by public benefit organisations and used for specified public benefit activities
- i) Properties used for multiple purposes, subject to section 9
- j) Any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by Notice in the Gazette.

In addition to these categories, a municipality may determine additional categories of rate-able property, including vacant land, provided that, with the exception of vacant land, the determination of such property categories does not circumvent the categories of rate-able property above.

Where a municipality can, on good cause, show that there is a need to sub-categorise the above categories, it must apply to the Minister in writing at least 15 months prior to the implementation date.

Section 93B determines that the provisions of section 8 must be applied by a municipality within seven years of the date of commencement of this Act. The City of Tshwane will not implement the section 8 provisions for the 2016/17 financial year, but will have to prepare for implementation within the said time limit.

Discussion of the 2016/17 MTREF

Operational budget

The 2016/17 proposed operating revenue (excluding capital grants and contributions) amounts to R28,7 billion and escalates to R32,3 billion in 2018/19. The operating expenditure amounts to R27,7 billion, resulting in a surplus of R980,5 million for the 2016/17 financial year. Revenue presents an increase of 7,4% and expenditure an increase of 6,5% against the 2015/16 Adjustments Budget.

The table below indicates the draft Medium-term Revenue and Expenditure Budget for the 2016/17 to the 2018/19 financial year.

Table 3: MTREF 2016 - 2019

	Adjustments Budget 2015/16	Draft Budget 2016/17	(Increase)/ Decrease	Draft Budget 2017/18	Draft Budget 2018/19
	R'000	R'000	%	R'000	R'000
Revenue	-26,750,791	-28,723,033	7.4%	-30,573,922	-32,345,593
Expenditure	26,054,894	27,742,516	6.5%	29,729,264	31,711,952
Surplus (-)/ Deficit	-695,897	-980,516	40.9%	-844,657	-633,642
Capital Grants	-2,456,036	-2,384,204	-2.9%	-2,448,414	-2,525,860
Surplus (-)/ Deficit incl. capital grants	-3,151,933	-3,364,722	6.8%	-3,293,071	-3,159,502

Revenue framework

Maintaining financial viability of the City of Tshwane is critical to the achievement of service delivery and economic objectives. Revenue generation is fundamental in strengthening the institutional environment for the delivery of municipal basic services and infrastructure. The capacity of generating revenue is challenged by affordability and unemployment that is prevalent in the municipal area.

National Treasury MFMA Budget Circular 79 strongly advises an aggressive approach to curbing non-core spending and improving operational efficiencies. National Treasury also continues to encourage municipalities to keep increases in property rates, tariffs for trading services and charges for other municipal own revenue sources within the parameters of the country's inflation rate. Demand management is becoming increasingly necessary as the country faces water shortages and an unstable electricity supply. It is anticipated that the cost of providing municipal services will grow at a faster rate than the transfers from national government and resource scarcity will most likely increase the cost of bulk purchases in respect of water and electricity beyond the country's inflationary targets.

The table below highlight the proposed percentage increase in tariffs per main service category:

Table 4: Draft tariff increase per main service category

Revenue category	2016/17 proposed tariff increase	2017/18 proposed tariff increase	2018/19 proposed tariff increase
	%	%	%
Sanitation	12,0	6,0	6,0
Refuse removal	10,0	6,0	6,0
Water	12,0	6,0	6,0
Electricity	12,0	6,0	6,0
Property Rates	10,0	6,0	6,0

The following table is a high level summary of the draft MTREF (classified per main revenue source):

Table 5: High level summary of the draft MTREF (classified per main revenue source)

Description	Current Year 2015/16	2016/17 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	R	R	R	R
Revenue by Source				
Property rates	(5,236,780,500)	(5,764,124,295)	(6,121,499,998)	(6,482,668,499)
Property rates - penalties & collection charges	-	-	-	-
Service charges - electricity revenue	(10,359,204,400)	(11,602,308,928)	(12,321,652,079)	(13,048,629,551)
Service charges - water revenue	(3,406,694,600)	(3,815,497,952)	(4,052,058,823)	(4,291,130,293)
Service charges - sanitation revenue	(798,908,400)	(894,777,408)	(950,253,603)	(1,006,318,566)
Service charges - refuse revenue	(1,095,809,400)	(1,205,390,340)	(1,280,124,535)	(1,355,651,881)
Service charges: other	(199,580,800)	(209,559,840)	(222,552,550)	(235,683,150)
Rental of facilities and equipment	(109,111,600)	(115,658,296)	(122,829,112)	(130,076,031)
Interest earned - external investments	(41,175,946)	(41,175,946)	(43,728,855)	(46,308,857)
Interest earned - outstanding debtors	(182,050,000)	(187,511,500)	(199,137,213)	(210,886,309)
Dividends received	-	-	-	-
Fines	(196,691,400)	(198,658,314)	(210,975,132)	(223,422,665)
Licences and permits	(57,679,800)	(60,563,790)	(64,318,746)	(68,113,552)
Agency services	-	-	-	-
Transfers recognised - operational	(3,553,164,959)	(3,768,850,020)	(4,072,578,880)	(4,280,671,440)
Other revenue	(1,513,938,701)	(858,956,862)	(912,212,184)	(966,032,699)
Gains on disposal of PPE	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	(26,750,790,506)	(28,723,033,491)	(30,573,921,710)	(32,345,593,493)

The revenue sources are discussed below:

Property rates

The property rates revenue expected for the 2015/16 financial year, including supplementary values, was utilised as basis for determining baseline revenue for the draft 2016/17 MTREF. For the 2016/17 MTREF, all category's tariffs are proposed to increase with 10,0% from 1 July 2016.

The first R75 000 value (R15 000 legally impermissible plus R60 000 granted by the city) of residential properties is exempted and registered indigents pay no property rates. Amendments to the pensioners and disabled rebates were effected in the Property Rates Policy.

Electricity revenue

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 9,4% has been approved for the 2016/17 financial year. However NERSA has not yet approved

and published guidelines on municipal electricity price increase for the 2016/17 financial year.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving financial sustainability.

Owing to an expected decline in consumption based on the current trends, an average increase of 12,0% for the 2016/17 financial year is recommended, but is subject to NERSA approval. The tariff structure with regard to households provides for inclining block tariffs. Registered indigents are granted 100 kWh free of charge.

Water revenue

An increase of 12% in tariffs is proposed. The tariff structure consists of a rising block tariff with pro-poor lower block tariffs and pro-water conservation blocks for higher usage to encourage water savings.

It should be noted that the Rand Water bulk tariff has not been finalised and may impact on the proposed tariff for selling water to the City's consumers. Registered indigents are granted 12 kℓ free of charge.

Sanitation revenue

Sanitation charges are calculated according to the percentage water discharged and a 12% tariff increase is also recommended. A zero-based tariff is charged for registered indigents for the first 6 kℓ discharged.

Refuse removal revenue

The tariff structure for refuse removal comprises of two components, which is for refuse removal and city cleansing. The tariff for refuse removal is based on the cost per m³ (container capacity) of refuse removed per month and on the service provided in a specific area. The tariffs for city cleaning are levied on all premises irrespective of who removes the refuse generated on the premises.

NT MFMA Circular 66 requires refuse removal tariffs to cover the cost of providing the service and appropriately structured cost reflective tariffs must be in place. The tariffs must also maintain a cash-backed reserve to cover the future costs of rehabilitating landfill sites. A tariff increase of 10% for 2016/17 is proposed to render a stable service to all areas.

More information regarding the tariff increases are contained in the budget documentation which is separate from this document and details of the proposed tariff schedules are set out in Annexures C to G in the said budget document.

Grant funding

The National allocations in terms of the Division of Revenue Bill no. 2 of 2016 are set out as follows:

- Operating Grants

The operating grants increased by 9%, the increases are mainly on the EPWP and ICDG. The equitable share and Fuel Levy increased by 13% and 3% respectively compared to the previous DoRA allocation.

- Infrastructure Grants

Infrastructure grants increased by 0,3% compared to the previous DoRA allocation, the increases are mainly on the USDG grant INEP.

Detail Grant Allocations

With the promulgation of the 2016 Division of Revenue Bill on 18 of February 2016, the following operational and capital allocations towards the City of Tshwane have been factored into the 2016/17 MTREF:

Table 6: Grant allocations

MUNICIPAL FINANCIAL YEAR 01 JULY TO 30 JUNE				
National Grants	2015/16	2016/17	2017/18	2018/19
	DoR Bill	DoR Bill	DoR Bill	DoR Bill
	R'000	R'000	R'000	R'000
Infrastructure Grants	2,569,292	2,577,845	2,688,940	2,816,997
Urban Settlement Development Grant (USDG)	1,500,683	1,539,334	1,629,196	1,711,548
Integrated National Electrification Programme (INEP)	37,000	40,000	40,000	45,000
Public Transport Infrastructure and Systems Grant (PTNG)	931,609	950,011	975,000	1,000,141
Neighbourhood Development Partnership Grant (NDPG)	100,000	48,500	44,744	45,308
Energy Efficiency and Demand Side Management (EEDSM)	-	-	-	15,000
Operational Grant Allocation	87,851	95,774	44,542	46,722
Integrated City Development Grant (ICDG)	39,702	42,652	41,892	44,322
Local Government Financial management Grant (FMG)	4,175	2,875	2,650	2,400
Expanded Public Works Programme (EPWP)	31,143	50,247	-	-
Municipal Human Settlement Capacity Grant (MHSCG)	12,831	-	-	-
Indirect Grants	60,103	14,073	16,186	14,635
Integrated Electrification Programme (ESKOM) Grant	26,203	10,479	11,386	12,046
Neighbourhood Development Partnership Grant (Technical Assistance)	3,900	3,594	4,800	2,589
Regional Bulk Infrastructure Grant	30,000	-	-	-
Equitable Share	3,050,239	3,304,938	3,631,225	3,942,812
Equitable Share Formula	1,654,390	1,864,838	2,148,143	2,404,418
Fuel Levy	1,395,849	1,440,100	1,483,082	1,538,394
TOTAL	5,767,485	5,992,630	6,380,893	6,821,166

The grant allocations according to the Division of Revenue Bill amount to R6 billion, R6,4 billion and R6,8 billion in the 2016/17, 2017/18 and 2018/19 financial years respectively.

Expenditure framework

The following table is a high level summary of the draft 2016/17 Medium-term Expenditure Framework (classified per main category of expenditure):

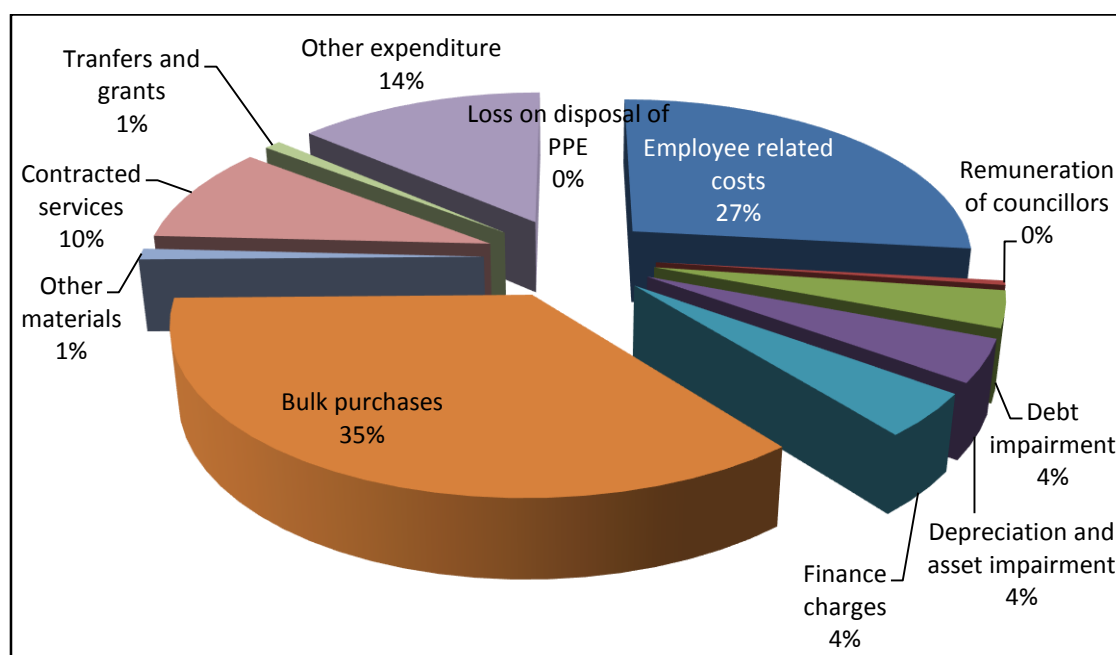
Table 7: Draft 2016/17 Medium-term Expenditure Framework (classified per main category of expenditure)

Description	Current Year 2015/16	2016/17 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure by Type	R	R	R	R
Employee related costs	6,922,747,652	7,428,081,099	7,960,166,664	8,506,512,277
Remuneration of councillors	112,749,100	120,466,574	127,935,507	135,483,701
Debt impairment	756,783,000	990,654,047	1,049,173,784	1,223,853,510
Depreciation and asset impairment	1,087,264,900	1,154,566,602	1,226,149,727	1,298,492,568
Finance charges	1,039,747,164	1,183,637,958	1,257,023,521	1,331,187,905
Bulk purchases	8,796,859,800	9,852,482,976	10,463,336,921	11,080,673,799
Other materials	316,569,482	300,741,007	319,386,955	338,230,798
Contracted services	2,863,810,590	2,669,387,396	2,982,993,427	3,314,446,817
Transfers and grants	254,147,800	254,147,800	269,904,963	285,829,356
Other expenditure	3,904,213,494	3,788,349,501	3,973,191,732	4,197,239,738
Loss on disposal of PPE	1,000	1,000	1,062	1,125
Total Expenditure	26,054,893,982	27,742,515,960	29,629,264,263	31,711,951,594
(Surplus)/Deficit before Transfers recognised - capital	(695,896,524)	(980,517,531)	(944,657,447)	(633,641,899)
Transfers recognised - capital	(2,456,035,754)	(2,384,204,000)	(2,448,414,000)	(2,525,860,000)
(Surplus)/Deficit for the year	(3,151,932,278)	(3,364,721,531)	(3,393,071,447)	(3,159,501,899)

The draft operating expenditure equates to R27,7 billion in the 2016/17 financial year and escalates to R31,7 billion in the 2018/19 financial year, which is a growth of 14,3%. Total operating expenditure has increased by 6.5% against the 2015/16 Adjustments Budget.

The following graph illustrates the percentage each expenditure group constitutes of the total expenditure for the 2016/17 financial year:

Figure 1: Percentage per each expenditure group for the 2016/17



The expenditure groups are discussed below:

Employee Related Costs

The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

2015/16 Financial Year – 7 per cent

2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent

2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined and informed directly by way of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The determined upper limits of salaries, allowances and benefits of members of Council are gazetted annually in December/January. The latest gazette was published on 21 December 2015 by the Department of Cooperative Governance.

Debt Impairment

The Provision for Debt Impairment was determined based on an annual collection rate of 96%. For the 2016/17 financial year this amount equates to R990.7 million.

Depreciation and Asset Impairment

Provision for depreciation and asset impairment has been informed by the municipality's asset management strategy (Asset Management Policy and

Procedures). Budget appropriations in this regard amounts to R1. 1 billion for the 2016/17 financial year and equates to 4% of the total operating expenditure.

Finance charges

The increase in finance charges can be directly attributed to the level of external borrowings. The finance charges provided in the MTREF amounts to R1.2 billion, R1.2 billion and R1.3 billion respectively.

Bulk Purchases

Compared to the 2015/16 Adjustments Budget, the bulk purchases group of expenditure (Rand Water and Eskom), has increased by 12% from R8.8 billion to R9.8 billion. The tariff increases with regard to Eskom (9.4%) has been provided for. Rand Water tariff has not been finalised. A decline in electricity purchases is expected, based on the 2015/16 trend, which was factored in.

Other Materials

This expenditure group amounts to R300.7 million. Other materials consist of stationery, cleaning material, coal, consumables, chemicals, etc.

Contracted Services

This group of expenditure decreased with 20.6% in the 2015/16 MTREF and now with 6,8%, owing to the re-alignment of the budget.

Other Expenditure

This group of expenditure comprises of general related expenditure. It should be noted that in terms of NT regulations and formats, repairs and maintenance is divided between other materials, contracted services and other expenditure. For further detail in this regard refer to the Budget Document.

Operating Budget per vote

The following table represents the draft 2016/17 MTREF per department:

Table 8: Draft 2016/17 MTREF per department

	2015/16 Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	R	R	R	R
Operating Revenue By Vote				
City Planning and Development	(135,981,225)	(135,320,708)	(140,306,168)	(148,542,604)
City Strategies and Performance Management	-	-	-	-
Communications, Marketing and Events	(43,893,300)	(45,210,099)	(48,013,125)	(50,845,900)
Corporate and Shared Services	(48,152,430)	(49,732,112)	(52,815,503)	(55,931,617)
Customer Relations Management Department	-	-	-	-
Economic Development	(33,143,000)	(52,347,000)	(2,230,200)	(2,361,782)
Emergency Services	(87,591,568)	(77,288,409)	(81,326,591)	(16,238,273)
Energy and Electricity Department	(10,606,046,800)	(11,858,178,852)	(12,593,385,938)	(13,336,395,706)
Environmental Management	(1,302,143,000)	(1,418,638,375)	(1,506,593,947)	(1,595,482,988)
Group Audit and Risk	(132,206,700)	(136,111,896)	(144,550,833)	(153,079,332)
Group Financial Services	(8,430,727,346)	(9,214,421,972)	(9,906,715,425)	(10,588,170,661)
Group Information & Comm Technology Man	(8,867,525)	(17,716)	(18,814)	(19,924)
Group Legal Services	(375,700)	(386,971)	(410,963)	(435,210)
Group Property Management Department	(734,355,571)	(57,532,686)	(61,099,714)	(64,704,597)
Health and Social Development	(12,113,500)	(12,281,349)	(12,897,910)	(191,584)
Housing and Human Settlement	(116,820,984)	(969,370)	(1,029,470)	(1,090,209)
Metro Police Services	(202,348,900)	(204,503,369)	(217,182,577)	(229,996,350)
Office of the Chief Whip	-	-	-	-
Office of the City Manager	-	-	-	-
Office of the Executive Mayor	-	-	-	-
Office of the Speaker	-	-	-	-
Service Delivery and Coordination	(276,392,657)	(332,965,925)	(352,905,783)	(323,513,575)
Sports and Recreation	(6,975,400)	(2,833,662)	(2,851,249)	(319,023)
Transport	(240,072,500)	(281,925,751)	(306,993,466)	(332,267,078)
Water and Sanitation Department	(4,332,582,400)	(4,842,367,269)	(5,142,594,034)	(5,446,007,080)
Total Revenue	(26,750,790,506)	(28,723,033,491)	(30,573,921,710)	(32,345,593,493)
Operating Expenditure By Vote				
City Planning and Development	302,418,749	315,713,460	334,176,291	356,309,118
City Strategies and Performance Management	29,994,000	31,439,514	33,627,338	35,867,105
Communications, Marketing and Events	166,753,994	149,816,223	159,624,138	169,598,669
Corporate and Shared Services	1,092,179,383	1,105,748,376	1,177,186,318	1,249,729,278
Customer Relations Management Department	91,966,109	97,963,694	104,884,700	111,981,155
Economic Development	333,893,364	351,008,969	319,926,078	339,355,799
Emergency Services	591,305,620	618,927,962	662,932,309	708,081,538
Energy and Electricity Department	8,943,201,453	9,860,362,790	10,437,187,461	11,171,082,220
Environmental Management	577,080,747	610,821,450	650,306,667	697,140,576
Group Audit and Risk	284,120,216	270,042,168	287,559,879	305,356,822
Group Financial Services	1,200,815,682	1,287,910,580	1,370,336,148	1,486,177,612
Group Information & Comm Technology Man	563,344,451	565,761,719	601,451,305	637,593,383
Group Legal Services	111,375,229	115,107,242	122,998,702	131,064,775
Group Property Management Department	244,082,960	245,775,459	261,206,702	276,824,966
Health and Social Development	196,640,957	204,115,025	217,533,074	217,873,372
Housing and Human Settlement	442,202,483	340,968,898	362,569,624	384,455,030
Metro Police Services	1,787,624,711	1,871,136,504	2,000,479,604	2,132,800,475
Office of the Chief Whip	31,847,300	33,700,349	36,044,192	38,443,537
Office of the City Manager	275,013,915	278,218,637	296,197,187	314,454,302
Office of the Executive Mayor	297,262,628	304,157,454	324,350,433	344,918,469
Office of the Speaker	258,354,916	272,760,374	290,780,072	309,124,471
Service Delivery and Coordination	3,676,920,205	3,846,751,146	4,249,281,302	4,573,093,668
Sports and Recreation	118,256,815	123,324,385	131,318,317	136,908,002
Transport	1,172,918,448	1,246,676,724	1,328,432,008	1,411,365,439
Water and Sanitation Department	3,265,319,647	3,594,306,860	3,868,874,413	4,172,351,811
Total Expenditure	26,054,893,982	27,742,515,960	29,629,264,263	31,711,951,594
(Surplus)/Deficit for the year	(695,896,524)	(980,517,531)	(944,657,447)	(633,641,899)

The following are some of the issues/programmes accommodated within the operational budget:

CCTV – R37.5 million
Formalization of informal settlements – R96.6 million
A Re Yeng operations – R100 million
Household Refuse Removal – R301.3 million
Imbizo's – R55 million
Wi-Fi – R99.8 million
LED initiatives – R30.7 million
EPWP – R127.8 million
Rudimentary Services – R47.8 million
SMME initiatives – R12.1 million
Urban management – R93.8 million
NGO Support – R7 million
Re-aga-Tshwane – R113.3 million
Drug and Substance abuse – R48.9 million
Prevention of illegal land invasion – R28.4 million

Capital Budget

The compilation of the capital budget in terms of internal capacity (council funds) is based the application of sound financial management principles which were considered during the compilation of the 2016/17 MTREF in order to ensure a financially sound and funded budget is tabled. Taking this into consideration, the internal funding capacity for 2016/17, 2017/18 and 2018/19 financial years is R3,494 billion, R3,703 billion and R3,965 billion respectively.

The Capital Budget is funded from the following sources:

- Internally generated revenue (including Public Contributions and Donations and CRR) R110million.
- Borrowings R1 billion.
- Grant funding: R2,4 billion.

All new projects were prioritised in line with set determined affordability allocations and in terms of urgency, value for money and benefit to the CoT.

Capital Budget per funding source:

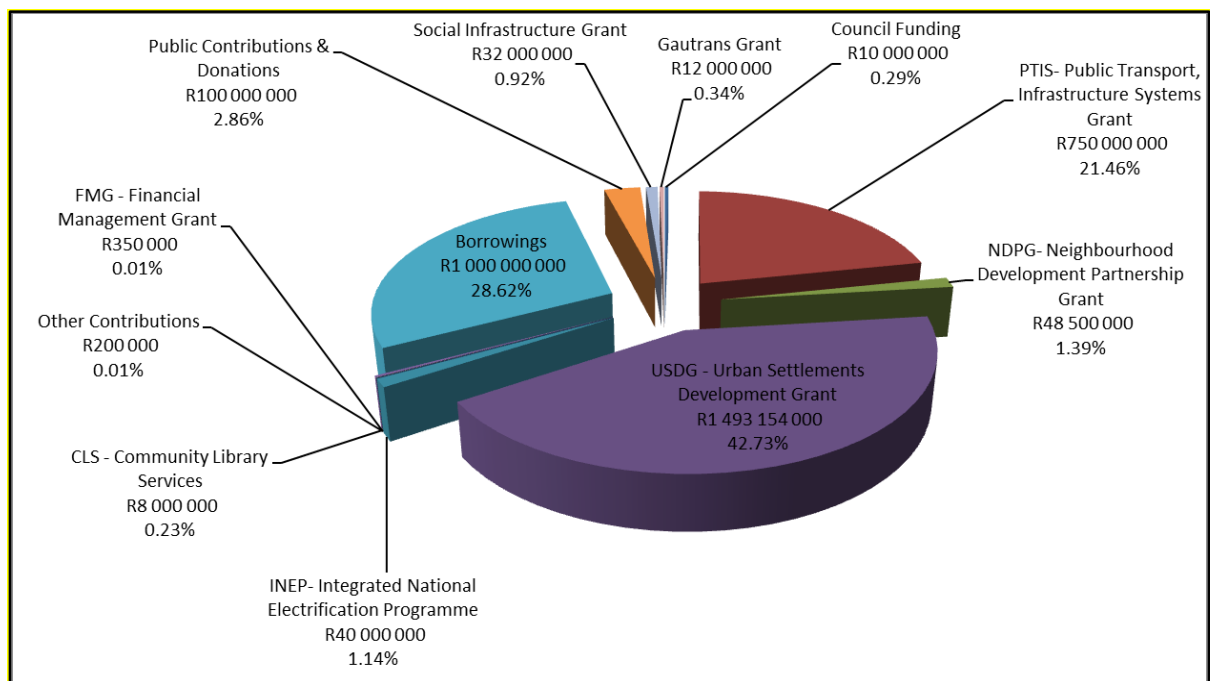
The following table indicates the 2016/17 Medium-term Capital Budget per funding source:

Table 9: MTREF Capital budget per funding source

Funding Source Description	Budget 2016/17	%	Budget 2017/18	%	Budget 2018/19	%
Council Funding	10 000 000	0.29%	150 000 000	4.05%	300 000 000	7.54%
PTIS- Public Transport, Infrastructure Systems Grant	750 000 000	21.46%	755 000 000	20.39%	760 000 000	19.09%
NDPG- Neighbourhood Development Partnership Grant	48 500 000	1.39%	44 744 000	1.21%	45 308 000	1.14%
USDG - Urban Settlements Development Grant	1 493 154 000	42.73%	1 580 320 000	42.67%	1 660 202 000	41.70%
INEP- Integrated National Electrification Programme	40 000 000	1.14%	40 000 000	1.08%	45 000 000	1.13%
CRR- Capital Replacement Reserve	-	0.00%	5 000 000	0.14%	5 000 000	0.13%
EEDSM- Energy Efficiency Demand Side Management	-	0.00%	-	0.00%	15 000 000	0.38%
Other Contributions	200 000	0.01%	-	0.00%	-	0.00%
FMG - Financial Management Grant	350 000	0.01%	350 000	0.01%	350 000	0.01%
CLS - Community Library Services	8 000 000	0.23%	6 000 000	0.16%	-	0.00%
Borrowings	1 000 000 000	28.62%	1 000 000 000	27.00%	1 000 000 000	25.12%
Public Contributions & Donations	100 000 000	2.86%	100 000 000	2.70%	150 000 000	3.77%
Social Infrastructure Grant	32 000 000	0.92%	22 000 000	0.59%	-	0.00%
Gautrans Grant	12 000 000	0.34%	-	0.00%	-	0.00%
TOTAL	3 494 204 000	100%	3 703 414 000	100%	3 980 860 000	100%

The following graph illustrates the above table in terms of the allocations per funding source:

Figure 2: Allocations per funding source



The following with regard to conditional grants should be noted:

Urban Settlements Development Grant (USDG):

The purpose of the USDG is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, by supplementing the revenues of metropolitan municipalities to: reduce the real average cost of urban land, increase the supply of well-located land, enhance tenure security and quality of life in informal settlements, improve spatial densities and to subsidise the capital costs of acquiring land and providing basic services for poor households. The gazetted allocations amount to R1,49 billion, R1,58 billion and R1,66 billion in the 2016/17, 2017/18 and 2018/19 financial years respectively.

Public Transport, Infrastructure and Systems Grant:

The purpose of the grant is to provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure and services. The gazetted allocations amount to R750,0 million, R755,0 million and R760,0 million in the 2016/17, 2017/18 and 2018/19 financial years respectively.

Neighbourhood Development Partnership Grant:

The purpose of this grant is to support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods. R48,5 million, R44,7 million and R45,3 million has been gazetted for the 2016/17, 2017/18 and 2018/19 financial years respectively.

Integrated National Electrification Programme:

The purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, clinics and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve the quality of supply. R40,0 million, R40,0 million and R45,0 million has been gazetted for the 2016/17, 2017/18 and 2018/19 financial years respectively.

Capital Budget per department

The following table indicates the 2016/17 Medium-term Capital Budget per Department:

Table 10: MTREF per department

Department	Budget 2016/17	%	Budget 2017/18	%	Budget 2018/19	%
City Planning and Development	50 000 000	1,43%	-	0,00%	-	0,00%
Corporate & Shared Services	5 000 000	0,14%	5 000 000	0,14%	-	0,00%
Economic Development	65 400 000	1,87%	56 900 000	1,54%	-	0,00%
Emergency Services	11 000 000	0,31%	11 000 000	0,30%	11 000 000	0,28%
Environmental Management	38 500 000	1,10%	39 000 000	1,05%	58 500 000	1,47%
Group Audit and Risk	13 000 000	0,37%	13 000 000	0,35%	-	0,00%
Group Financial Services	40 350 000	1,15%	45 350 000	1,22%	45 350 000	1,14%
Group Information and Communication Technology	204 700 000	5,86%	140 500 000	3,79%	-	0,00%
Health and Social Development	61 900 000	1,77%	61 950 000	1,67%	12 000 000	0,30%
Housing and Human Settlement	537 704 000	15,39%	1 024 820 000	27,67%	1 109 186 797	27,86%
Metro Police Services	30 000 000	0,86%	10 000 000	0,27%	10 000 000	0,25%
Office of the City Manager	259 950 000	7,44%	244 744 000	6,61%	295 308 000	7,42%
Energy and Electricity	448 747 650	12,84%	418 312 146	11,30%	447 500 000	11,24%
Water and Sanitation	383 500 000	10,98%	379 250 000	10,24%	1 008 315 203	25,33%
Sports and Recreation	71 000 000	2,03%	61 000 000	1,65%	55 000 000	1,38%
Transport	1 243 452 350	35,59%	1 192 587 854	32,20%	928 700 000	23,33%
TOTAL CAPITAL BUDGET	3 494 204 000	100%	3 703 414 000	100%	3 980 860 000	100%

Some of the main projects and key focus areas of the budget and IDP to be addressed in 2016/17 include amongst others:

In view of the above it is evident that a large portion of the capital budget has been allocated towards Strategic Objective 1 which addresses infrastructure and human settlements provision infrastructure in the 2016/17 MTREF.

The balance of the funding allocations have been prioritised in terms of promoting good governance and active citizenry, improved financial sustainability, safer communities and integrated social development, shared economic growth and job creation and institutional development, transformation and innovation.

City Planning and Development

- Redevelopment of Caledonian – R50 million

Economic Development

- Tshwane Packaging Facility - R4 million
- Brick Making Facility - R4 million
- Informal Trade Market (Inner City) - R7,4 million
- BPO – R50 million

Energy and Electricity

- Electricity for All - R228,5 million
- New Bulk Infrastructure - R120 million
- New Connections - R34,6 million

Health and Social Development

- Upgrading of Clinic Dispensaries - R10 million
- Replacement of Rayton Clinic - R7,7 million
- Social Development centre in Hammanskraal – R10 million
- Social Development centre in Winterveldt – R10 million
- Social Development centre in Mabopane - R12 million

Environmental Management

- 240 l Containers - R21 million

Financial Services

- Automation of Supply Chain – R30 million

Housing and Human Settlement

- Project Linked Housing - Water Provision - R144,9 million
- Sewerage - Low Cost Housing – R147 million
- Roads and Stormwater - Low Cost Housing - R121 million
- Townlands (Marabastad) - R124,2 million

Group Information and Communication Technology

- Credit Control Solution - R20 million
- Disaster Recovery System Storage - R20 million
- E-Initiative supporting the Smart City - R20 million

Office of the City Manager

- Implementation of the Tsosoloso Programme funded from NDPG – R48,5 million
- RE-AGA-TSHWANE - R191,4 million

Sports and Recreation

- Olievenhoutbosch Multi-Purpose Sport - R15 million
- Upgrade Refilwe Stadium - R10 million
- New Ga-Rankuwa Library Park - R10 million
- Greening of Sportsfields - R20 million

Water and Sanitation

- Reservoir Extensions - R50 million

- Replacement and Upgrading: Redundant Bulk Pipeline Infrastructure - R59,9 million
- Refurbishment of Water Networks and Backlog Eradication - R80 million
- Replacement, Upgrade, Construct Waste Water Treatment Works Facilities - R203 million

Transport

- Mabopane Station Modal Interchange - R60 million
- Internal Roads: Northern Areas – R216 million
- Upgrading of Garsfontein road - R12 million
- BRT - Transport Infrastructure - R750 million
- Flooding backlogs: Networks and Drainage canals - R152 million

Asset Management

This table below brings together the core financial elements of asset management and summarises the capital programme in terms of new assets and the renewal of existing assets.

The objective is to provide a complete picture of the municipality's asset management strategy, indicating the resources being deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

Table 5: Asset classification

	Budget 2016/17	%	Budget 2017/18	%	Budget 2018/19	%
New	1 909 858 750	54.66%	1 986 846 604	53.65%	1 419 150 000	35.78%
Renewal	1 584 345 250	45.34%	1 716 567 396	46.35%	2 546 710 000	64.22%
Total Capital Budget	3 494 204 000	100%	3 703 414 000	100%	3 965 860 000	100%

In terms of MFMA Circulars 55 and 66 at least 40% of the Capital Budget must be allocated towards renewal of existing assets. From the above table it can be seen that 45.34%, 46.35% and 64.22% of the budget has been allocated for the renewal of existing assets in the 2016/17, 2017/18 and 2018/19 financial years respectively.

Annexure “B”

DRAFT 2016/17 SDBIP SCORECARD

Strategic Objective 1: Provide sustainable services infrastructure and human settlement management

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
Basic Service Provision	Improved Access to Basic Services: Waste Management	Nr. of informal settlements provided with weekly minimal waste removal service	1.1.4.1	Regional Operations Centre	124	134	134	134	134	134
		Nr. of areas provided with weekly kerbside waste removal. ⁶	TBD	Regional Operations Centre	245	245	245	245	245	245
	Improved Access to Basic Services: electricity	Nr. of new electricity connections provided ⁷	1.1.2.4	Electricity and Energy	8 800	11 050	1000	2650	3700	3700

⁶ This refers to a waste removal service provided to households in formal areas serviced by the City. This indicator is subject to refinement which will be finalised with the finalisation and approval of the 2016/17 SDBIP

⁷ This include connections to completed houses which form part of the housing programme as well as new connections

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
	Improved Access to Basic Services: Sanitation	Nr. of hh provided with a sanitation service ⁸ (Water and Sanitation Dept.)	1.1.2.3	Water and Sanitation	1874	500	100	150	150	100
		Number of serviced stands provided with sewer reticulation (Housing and Human settlements Dept.)	TBD	Housing and Human Settlements	25 497	4 000	-	-	-	4000
	Improved Access to Basic Services: Water	Nr. of hh provided with a full water meter connection (Water and Sanitation Dept.)	1.1.2.2	Water and Sanitation	4 360	4 800	960	1 200	1 200	1 440
		Number of service stands provided with water reticulation (Housing and Human Settlements Dept.)		Housing and Human Settlements	24796	4000	-	-	-	4000
Upgrading And Development of	Upgrading And Development of	Nr. of informal settlements ⁹ with access	1.1.2.1	Re Aga Tshwane	124 Informal Settlements	130	130	130	130	130

8 This does not include provision of sanitation service through chemical toilets and VIPs as stated in the IDP definition of the outcome indicator.

9 The rudimentary services are provided to informal areas including the ones that are in a process of formalization during the respective financial year

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
Informal Settlements	Informal Settlements	to rudimentary water services ¹⁰								
		Nr. of informal settlements ¹¹ with access to Rudimentary Sanitation Services ¹²	1.1.2.9	Re Aga Tshwane	45 Informal Settlements	54 Informal Settlements	54	54	54	54
		Nr. of informal settlements formalised ¹³	1.9.1.4	Re Aga Tshwane	5	TBD				
Provision Of Housing	Diversification of City facilitated housing typologies	Nr. of Community Residential Units Developed	1.9.1.5	Housing Company Tshwane	30	100	-	-	-	100
		Nr of houses built	TBD	Housing and Human Settlements	1373	1000	-	-	400	600

10 This indicator measures the access to water through either water tankers or Jojo tanks or communal standpipes.

11 The rudimentary services are provided to informal areas including the ones that are in a process of formalization during the respective financial year. This could be due to among others not having resources to provide a formal service to recently formalized areas and thus the target for provision of a rudimentary service may include areas that have been formalized in a year.

12 This indicator measures only access to sanitations through chemical toilets in informal settlements provided and serviced by the City

13 Process where a township application is approved by the SLDT/ ECOM. This does not mean that the township has got full services as defined by the Town Planning and Townships Ordinance 39 of 1939 or any other Town planning Legislation that is applicable including the Town Planning Scheme of the CoT.

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
		Number of title deeds issued as a percentage of title deeds received	TBD	Housing and Human Settlements	80%	80%	80%	80%	80%	80%
Improve mobility through provision of roads, storm water and public transport	Improve public transport infrastructure and services	Total length of storm water drainage system in the proclaimed areas provided to the full level of service (km)	1.5.1.3	Transport	32km	19.7km	2	2	5	10.7
		Total length of roads in the proclaimed areas provided to the full level of service (km)	1.4.1.6	Transport	25 km	25km	-	2.5	7.5	15
		Km of TRT bus way lanes constructed	1.4.1.1	TRT	5.65km	5km	-	-	2.5km	2.5km

Strategic Objective 2: Promote shared economic growth and job creation

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
Job Intensive Economy	Increase investors to the City	Rand value of investment facilitated by the City	2.1.1.3	Economic Development	R2 billion	R2.2 billion	-	-	-	R2.2 billion
	Improve employment levels	Nr. of new income earning opportunities facilitated by the City	2.1.1.1	Economic Development	60 000	21 500	-	10 000	-	11 500
	Provide Support to SMMEs	Support through mentorship/training to the Tshepo 10 000 cooperatives	2.1.4.1	Economic Development	240	245	45	60	75	65
		Enterprises supported by the City through business development support programmes	TBD	Economic Development	4 500	260	50	75	75	60

Strategic Objective 3: Ensure sustainable, safer cities and integrated social development

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Target	Annual	Q1	Q2	Q3	Q4
Health And Education	Achievement of the child Health Index	% of PHC fixed clinics providing immunisation coverage for children under 1yr of age	3.1.2.1	Health and Social Development	100%	100%		100%	100%	100%	100%
		% of PHC fixed clinics implementing PMTCT programme	3.1.1.2	Health and Social Development	100%	100%		100%	100%	100%	100%
		% of PHC fixed clinics providing HIV testing facilities for pregnant woman	3.1.2.3	Health and Social Development	100%	100%		100%	100%	100%	100%
	To reduce household deprivation through the city's facilitated interventions	Nr. of new households registered in the City's indigent register (annually)	3.2.1.1	Regional Operations Centre	6000	6 000 ¹⁴		-	-	-	6 000
		Nr. of indigent households exited from the indigent register (annually)	3.2.1.2	Regional Operations Centre	2000	2000		-	-	-	2 000

14 This indicator does not have quarterly targets, BUT, progress on performance will be reported on a quarterly basis to enable monitoring

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Target	Annual	Q1	Q2	Q3	Q4
Social Cohesion	Increase access to social facilities and amenities	Nr. of recreational facilities upgraded (annually)	3.3.1.3	SRAC	3	3	-	-	1(Oliev enhout bosch)	2 (Lotus Gardens & Refilwe Stadium)	
		Nr. of new libraries constructed (annually)	3.3.1.1	SRAC	1	1	-	-	-	1 (GaRanku wa Library)	
Promotion Of Safer City	Improved safety levels in Tshwane	Number of fire incidents reported	3.4.1.1.1	ESD	4 687	4640	1425	1120	815	1280	
		Number of rescue incidents reported	3.4.1.1.2	ESD	7 972	7892	2130	1973	1816	1973	
		Nr. of specialised and humanitarian incidents reported ¹⁵	3.4.1.1.3	ESD	1 029	1019	204	306	255	254	
		Nr. of by-law policing interventions / operations executed to contribute to	3.4.1.4	TMPD	468	476	119	119	119	119	

15 The baseline for safety incidents which is made up for fire, rescue and specialized and humanitarian incidents as per the approved 2011/16 IDP is 14 394. 31 disasters were also part of the safety incidents as calculated. The baseline for fire incidents is therefore amended to 4908, rescue= 8382 ad specialized humanitarian incidents= 1073. Based on the five year baseline, the adjusted targets have been calculated

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Target	Annual	Q1	Q2	Q3	Q4
		a reduction in by-law transgressions									
		Nr. of crime interventions / operations executed to contribute to a reduction of crime throughout Tshwane	3.4.1.3	TMPD	1 440	1524		381	381	381	381
		Nr. of road policing interventions / operations executed in order to comply with the road safety plan (road policing)	3.4.1.2	TMPD	732	764		191	191	191	191

Strategic Objective 4: Promote good governance and active citizenry

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
Good Governance	Improved corporate governance through performance, financial and risk management	Unqualified audit opinion achieved	2.6.1.3	City Manager	Unqualified Audit Opinion	Unqualified Audit Opinion	Annual	Annual	Annual	Unqualified Audit Opinion
Active Citizenry	Improve interaction with citizens in the City's governance processes	Nr of digital platforms established to allow citizens to interact meaningful with the City	New	GCIO	3	1	0	0	0	1
		% of ward committees established and operational	New	OOS	New	% of 107 ward committees established and operational	-	80%	100%	100%
		Nr of Ward Committees trained identified core skills	New	OOS	New	Number of 107 Ward Committees trained on identified core skills in a Region	-	80%	80%	80%
		Nr of youth trained on Free Wi-Fi	New	OEM	New	3000	-	1 000	1 000	1 000

		Nr of engagement held session with Traditional Councils/Leaders	New	OOS	New	4	1	1	1	1
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Strategic Objective 5: Improved financial sustainability

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Target	Annual	Q1	Q2	Q3	Q4
Financial Management	To improve financial sustainability of the City of Tshwane	% service debtors to revenue	5.1.1.1	Finance	25%	25%		27%	26,25%	25,5%	25%
		% debt coverage	5.1.1.2	Finance	15%	15%		3.75%	7.50%	11.25%	15%
		cost coverage ratio	5.1.1.3	Finance	1.0	1.0		0.25	0.50	0.75	1.0
		% average of annual non-revenue energy	1.3.1.3	Electricity and Energy	< 10%	<10%		-	-	-	< 10%
		% reduction in non-revenue water from 25.06% to 24.61% (0.45% annual reduction)	1.3.1.1	Water and Sanitation	25.06%	24.61%		-	-	Annual Target	24.61%

Strategic Objective 6: Continued institutional development, transformation and innovation

Key Performance Area	Objective	SDBIP Indicator	KPI ID	Department	Projected 2016/17 Baseline	2016/17 Annual Target	Q1	Q2	Q3	Q4
Continued Organizational Development, Transformation And Innovation	Improve organization efficiency and employee certificate	% of employees from previously disadvantaged groups appointed as per the approved EE plan	6.1.1.2	CSS	100% adherence to approved EE plan (annual)	100% adherence to approved EE plan (Annual)	-	-	-	100% adherence to approved EE plan (annual)
Deploy Smart City System And Infrastructure	Integrated ICT	Km of broadband infrastructure rolled out		GCIO	100km	150km	-	-	50	100
		Nr. of new Wi-Fi sites identified and deployed	6.2.1.3	GCIO		200 Sites	50	50	50	50

