

# Built Environment Performance Plan 2015/2016

## Draft ~ 01



03 November 2014

## Executive Summary

The Buffalo City Built Environment Performance Plan (BEPP) is a brief, strategic overview of the built environment aimed at improving the performance of metropolitan built environment. It is a city-level plan formulated and approved by the metro, and it complements existing statutory plans and compliance with legal requirements.

The core objective of the BEPP is that it provides (i) a strategic overview of the built environment; (ii) programmes and targets with an outcomes focus; (iii) basis for infrastructure grant submissions and grant alignment.

The BEPP indicates how a metro will apply its capital financing, including grant resources and all other sources of finance, fiscal and regulatory instruments and incentives and what it intends to achieve with these resources and instruments in respect of the local, provincial and national priorities of improving the performance of our built environments and transforming the spatial urban form.

The BEPP is intended to be the reference point for national and provincial spheres and other key stakeholders to make informed decisions and investments in the built environment. The 2014/2015 BEPP was the baseline for the built environment spatial integration plan and corresponding capital budget against which longer term performance will be measured.

The format of the BEPP can be summarized as follow : **Section A** provides the general background, reference material used and the formal adoption of the BEPP by Council. **Section B** deals with the strategic review of the built environment. The current performance of the built environment is discussed with a synopsis of the city's economic infrastructure, a review of current residential demands, typology and backlogs, the status of the city's infrastructure with the associated demands and backlogs, community infrastructure, how the natural environment support and constrain urban growth and lastly a review of the trends in demand for transport services by mode and income group. Section B concludes with an overview of the impact on the spatial form of the city i.e. the emerging trends emerging and development tensions or competing demands.

**Section C** focus of the Metro's Spatial Development Strategy in relation to the envisioned performance of the built environment at the city-wide level. It is a strategy for the functional integration of economic and social infrastructure supported by transport, housing, related community infrastructure and ecological infrastructure. It includes an overview of area-based management initiatives including catalytic projects of the municipality.

Secondly, this section deals with the identification of Urban Network, Integration Zones and Hubs. The identification of catalytic projects and/or programmes by prioritised Integration Zone illustrating the intervention, sequencing, budget allocation and funding source. Each catalytic project or programme located and linked to a network element i.e. CBD, Urban Hub, Transport Link and Activity Corridor.

**Section D** discuss the anticipated outcomes and outputs of investment in the built environment i.e. the high level development objectives and desired outcomes that is city-wide outcomes and

impacts. **Section E** focus on the institutional arrangements for integrated planning and BCMM's arrangements for capital programme management, the function of the supply chain management system and procurement planning for the metro. The BEPP concludes with a summary of the financial allocations in the MTREF (Annexure C) to support the spatial development strategy. The value of each catalytic project or programme identified in BCMM are provided for the MTREF period..

**Annexure A** is the matrix of built environment performance indicators, **Annexure B** is the Procurement Plan for 2015/2016 and **Annexure C** is the project to be implemented for the 2015/2016 MTREF period.

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# Glossary of Terms

BCMM	Buffalo City Metropolitan Municipality
BEPP	Built Environment Performance Plan
BRT	Bus Rapid Transit
CBD	Central Business District
CSP	City Support Programme
DORA	Division of Revenue Act
HSDG	Human Settlement Development Grant
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
INEP	Integrated National Electrification Grant
NDP	National Development Plan
NDPG	Neighborhood Development Partnership Grant
NUSP	National Upgrading Support Programme
MTREF	Medium Term Revenue and Expenditure Framework
SDF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Use Management Act 2013
SDBIP	Service Delivery and Budget Implementation Plans
UNS	Urban Network Strategy
USDG	Urban Settlement Development Grant

# SECTION A

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## Introduction



## A.1 Background to the BCMM BEPP

### A.1.1 Introductory Statement

This document, the Buffalo City Metropolitan Municipality's Built Environment Performance Plan 2015/2016 (BEPP), is submitted in partial fulfilment of the requirements of the Integrated City Development Grant (ICDG) in the 2015/2016 financial year.

The 2014/2015 BEPP was a departure from previous years' BEPP submissions in that it attempted to provide a brief and to-the-point overview of the spatial planning and strategic programme and project activities being developed by the Buffalo City Metropolitan Municipality (BCMM) as part of its commitment towards driving and facilitating spatial transformation of the overall human settlement patterns in the municipal area. In particular, the re-configuration of inefficient urban development patterns that remain as a fundamental challenge to future sustainability of the Metropolitan area is seen as a priority.

The 2014 Guidance Note on the compilation of this year's BEPP submissions has introduced a new approach as part of the broader change in emphasis emerging from national policy in the form of the overall strategic direction of the National Development Plan (NDP, 2010) and policy-related initiatives and programmes such as the City Support Programme (CSP), which seeks to support metropolitan municipalities to pursue *"the development of more inclusive, diverse, productive, equitable and sustainable cities"*

It is also recognised that the focus in the new CSP approach is encapsulated in the Urban Networks Strategy, which "aims to transform and integrate the development of targeted township economic nodes by locating and linking them within wider 'urban networks'. It includes a targeted investment programme that aims to transform the spatial form of SA's larger urban centres and increase access to amenities, especially for the poor located in marginalised townships" (Guideline for Framing Built Environment Performance Indicators for Metropolitan Municipalities, p5; National Treasury, draft of October 2013).

In the 2015 BEPP the focus shifted more towards the acceleration and implementation of catalytic interventions necessary to achieve spatial transformation of the urban environment.

Acknowledging the above, therefore, it is emphasised that BCMM is further strengthening its processes to reinforce the alignment of its spatial planning and related prioritisation of investment and resources with the imperatives of the CSP and Urban Networks Strategy. This will continue to cascade down into the prioritisation processes feeding into the Municipality's Integrated Development Plan (IDP) and Budget.

### A.1.2 Documents and References

The following documents and data sources were used in the formulation of the Draft 2015/2016 Built Environment Performance Plan : -



- BCM Spatial Development Framework Review: 2013
- Buffalo City Municipality's Housing Sector Plan 2010
- Buffalo City Metropolitan Municipality's Situation Analysis Report: April 2012
- Buffalo City Metropolitan Municipality's Integrated Sustainable Human Settlement Plan working documents and data: 2011-2014
- Buffalo City Metropolitan Municipality BEPP 2014/2015
- Buffalo City Integrated Development Plan 2013-2014
- National Development Plan 2010
- Eastern Cape Provincial Spatial Development Plan: 2010
- Provincial Growth and Development Strategy: 2006
- Spatial Planning & Land Use Management Act (Act 16 of 2013)
- DORA 2014/15 and 2015/16 including the grant frameworks of the relevant infrastructure grants
- ICDG Framework in DORA 2015/2016
- Guideline for Framing Built Environment Performance Indicators for Metropolitan Municipalities, p2; National Treasury, draft of October 2013
- Concept document : National Human Settlements Plan, August 2014

## A.2 Statement on the Adoption of the BEPP

The BEPP is a requirement of the DORA in respect of infrastructure grants related to the built environment of metropolitan municipalities. In terms of the Division of Revenue Act, 2014 Metropolitan Municipalities are required to draw-up and submit a Built Environment Performance Plan (BEPP) to Council for adoption.

BCMM Council considered the approval of the BEPP 2015/2016 on .....



# SECTION B

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## Strategic Review of the Built Environment





## B.1 Current Performance of the Built Environment

### B.1.1 Trends And Pressures

#### Growth Trends

Buffalo City is the main urban centre of the eastern part of the Eastern Cape. It consists of a number of urban areas, stretching along an extended road and rail corridor from the “port city” of East London to the east, through to Mdantsane and reaching Dimbaza in the west. Buffalo City’s land area is approximately 2,515km<sup>2</sup>, with 68km of coastline.

The Census 2011 conducted by Statistics South Africa, estimated the total population of Buffalo City to be 755 200 in 2011, a marked growth from the 2001 census which put it at 704 855. The city population contributes to 11.5% of the Eastern Cape provincial population. Rural to urban migration appears to be the major contributor to this growth.

The coastal areas to the west and east of the City are attracting the greatest land development pressure from the private sector. In addition, there are signs of development interest along the watersheds towards King Williams Town and Macleantown. Overall, however, the main areas of need remain focused in the central sector of Greater East London-Mdantsane and the West Bank area of the city.

The greatest hurdle to sustained and focused land development remains inadequate water and sanitation infrastructure, which is related to historical under-investment in the networks servicing the areas of greatest need. This challenge is now being addressed through key investments in bulk infrastructure in these areas..

#### Land use/ settlement patterns

A general appraisal of land use and settlement patterns within the BCMM indicates clearly that the urban settlement pattern is dominated by the East London / King William’s Town urban development axis. Non-urban land within the Municipal area is characterised either by distinctive enclaves (mainly within the areas of the former Ciskei but also notable on the outskirts of East London in the form of Newlands) where rural and peri-urban settlements accommodate some 20% of the Municipal population, or by land used for intensive and extensive agricultural purposes. However, within the generalised spatial landscape of the above areas, one finds diverse and complex urban and rural situations.

As indicated on the plan below, the existing urban areas and settlements in Buffalo City are spatially fragmented, which is a feature of the entire municipality. The spatial fragmentation creates a negative urban dimension.

In Buffalo City, the following three main identifiable land use patterns are identified (Refer to Figure B.1 attached):



- *The dominant urban axis of East London – King William's Town – Dimbaza. These areas dominate as the industrial and service sector centres in the Buffalo City Metropolitan Municipality and attract people from throughout the greater Amathole region in search of work and better access to urban services and facilities.*
- *The second broadly characterised area comprises the fringe peri-urban and rural settlement areas, which whilst remaining under the influence of the urban axis described above, are distinct in character and land use patterns. These areas include the Newlands settlements (north of Mdantsane), those settlements that previously fell within the former Ciskei bantustan, and the Ncera settlements located west of East London.*
- *Thirdly, the commercial farming areas form a distinctive type of area. These areas are dominant in the north-eastern and south-western (coastal) sectors of the Municipality and are characterised by extensive land uses, with certain areas where intensive farming (irrigation-based) occurs.*

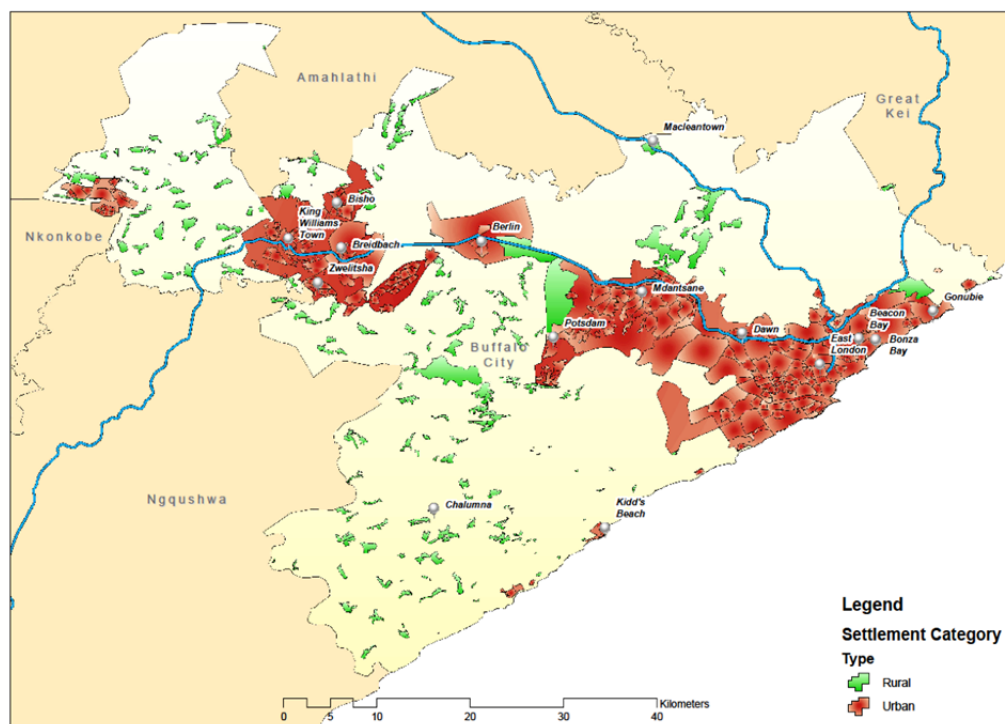


Figure B.1 : Broad Settlement Types in Buffalo City

## B.1.2 Catalytic Urban Development Projects

*NOTE: This section is still work in progress and will be further developed for in order for final submission of the BEPP in May 2015.*

BCMM has commenced with the following catalytic projects which are located within the primary and secondary precincts, nodes and hubs of the metro. These projects are all still in the planning and design phase and have not yet reached implementation phase.

### B.1.2.1 Sleeper Site

- **Background & Location**

Given its location in central East London, the area known locally as the Sleeper Site has, for some time, been considered a key strategic land parcel that could play an important role in transforming the socio-spatial and economic functioning of the city centre. Against the background of on-going discussions to procure the site from Transnet in the period 1994 – 2013, a number of studies were undertaken by BCMM and its predecessors to attempt to determine how the area could best function in relation to the surrounding CBD and Quigney/Beachfront areas. Principally, these are noted as the 1998 “East London Inner City Development and Central Business District Urban Design Framework”, and the 2010 Beachfront Local Spatial Development Framework.

However, none of those studies undertook a rigorous evaluation of alternative best use concepts with specific reference to the potential impacts alternative spatial and land use developments within the Sleeper Site might have on the functioning of the central city area as well as the economic development growth path of the city as a whole.

In addition to the above, various other proposals have latterly been put forward for the use of the whole or portions of the Sleeper Site. Included amongst these are proposals related to developing an Administrative Precinct for local government as well as a proposal from Fort Hare University to develop the Sleeper Site as the heart of a “University City” concept.

In the light of the above, the present project is aimed at re-evaluating the work that was previously done and to engage with key stakeholders with the specific purpose of trying to better assess the potential spatial, social and economic dimensions of the possible uses that may be located within the Sleeper Site.

The Primary study area for this project originally comprised of four un-registered properties, totalling some 13,667 ha in extent. The site has been surveyed and consolidated into a single property, Erf 72868 East London

This study area forms a functional part of a broader area including the East London CBD, as well as the Quigney and Central Beachfront area.



- **Goal and Objective**

The primary goal of the project is to undertake a study to determine the Best Use Concept for a portion of the Sleeper Site owned by the Buffalo City Metropolitan Municipality, in order to guide future development of individual land parcels comprising the Study Area in accordance with the principle set by the Sleeper Site Development Vision that the area should become a “Live, Work, Learn and Play Precinct”.

To determine a Best Use Concept, a number of alternative scenarios would need to be generated and subject to evaluation of their respective implementation costs relative to their potential impact with regard to facilitating or catalysing economic growth and development and the spatial transformation of the inner city and central beachfront area of East London. The overall impact that the re-development of the Sleeper Site under different land use configurations might have on the overall socio-economic growth path of Buffalo City is to be a key consideration in the evaluation of a Best Use Concept.

In achieving the above, the following specific objectives and sub-objectives are sought:

- An updated Development Vision for the Inner City;
- A high-level costing that sets out potential investment requirements to enable the proposed Best Use Concept to be implemented over time;
- A roads and transportation concept that would enable the integration of surrounding suburbs with the Sleeper Site;
- An Urban Design Framework that would also take into account the extension of aesthetic and built environment improvements to surrounding inner city areas;
- The identification of potential catalytic projects that could trigger further urban regeneration activities in areas surrounding the Sleeper Site;
- Overall, a Best Use Concept that will realise net economic benefits and enhanced property values so as to broaden the tax base of BCMM.

- **Trends**

The following trends in Buffalo City have constrained economic growth, investment, job creation and household income growth and which therefore has implications for Sleeper Site's development potential and role that it can play in the future evolution of the East London economy:

It is important that the development of the Sleeper Site be linked to a range of supportive initiatives which strengthen the broader economy so that there can be a mutually synergistic relationship where demand in the overall economy is accommodated on the sleeper site and the sleeper site is developed in such a way to support this overall demand.



Sector	Key dynamics
<b>Government offices and public sector facilities</b>	<p>Current provincial regional facilities to remain in the EL CBD.</p> <p>No known relevant EL CBD Provincial facility expansion plans other than possibility of data ware-housing facility.</p> <p>Key known initiatives are planned BCMM office facility and UFH campus expansion plans.</p>
<b>Manufacturing</b>	<p>A number of primarily manufacturing investments continue to be made in the ELIDZ, however, it is difficult to assess how these will impact on the broader manufacturing and linked services sectors in EL in terms of business growth and demand for property. It is not clear if future rail freight plans linking EL to Gauteng could enhance manufacturing growth in EL.</p> <p>The lack of significant investment in expanding the EL Port is seen as a constraint to expanding export-oriented manufacturing in EL. Additional industrial land is available in a number of areas in EL. The use of the Sleeper Site for light industry is therefore not recommended.</p>
<b>Commercial and business services</b>	<p>There is a decentralisation trend to nodes like Southernwood, Vincent, Nahoon and Berea and there are a number of vacancies in the CBD. The main decentralization trend in East London is northwards, away from the city's southern industrial nodes. Development seems to be driven by developers and local investors and not institutional investors.</p>
<b>Retail</b>	<p>Retail in the CBD is reasonably strong due to the high volumes of foot traffic, although challenges exist in keeping existing large tenants and maintaining the quality of the urban space as well as addressing parking in the CBD. There has been strong suburbanisation of retail centres as per normal trends (see table below on major retail developments).</p> <p>A June 2012 report concluded that "Discussions with property professionals suggest that vacancies and trading in some of the recently completed shopping centres has been below forecasts. It is therefore unlikely that significant development activity will occur in this market in the near future. The focus will most likely be around smaller neighbourhood shopping centres catering for the needs of residential and commercial nodes." (Viruly. June 2012).</p>
<b>Tourism</b>	<p>There has not been strong growth in tourism numbers the past few years and little progress in moving forward with the development of strategic beach front properties for additional hotel development.</p> <p>Nevertheless, it is recognised that there is large potential tourism growth potential which can be unlocked through greater marketing and major events attraction, and the Wild Coast toll road (which includes constructing 550km of toll road between EL and Durban) and improved coastal transport connections.</p>



<b>Residential</b>	The need to provide more social housing is noted in the BC CDS and there are a number of active social housing NGOs in East London. Consultation with these NGOs has not yet taken place regarding the sleeper site and whether this site would be financially viable for social housing developments of 200 units upwards.
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- **Socio-Economic Factors**

The strategic development issues, dynamics and trends have been synthesised in the following summary of strengths, weaknesses, opportunities and threats which informs the identification of best-use options and scenarios for the Sleeper Site:

Identified **strengths** that support sleeper site development and inform possible options include:

- Long term trends will see costs of private travel increase and strengthen the attractiveness of centrally located CBDs, especially if these are served by effective public transport systems (especially for the youth who can live a get up and go apartment-based life-style). Enhancing CBD attractiveness will require pro-active steps to manage crime/ grime.
- Overall population growth in the region will support ongoing demand for centrally located retail development in the CBD (although this will likely be complemented by growth in decentralised retail developments including in Mdantsane).
- IDZ investments and automotives cluster growth could support ongoing growth in manufacturing including related input and service suppliers which potentially could spill over into office demand, however, it is not clear if this demand will materialise.
- UFH plans to expand student numbers and linked accommodation and other teaching facility requirements are an important opportunity which could serve as a catalyst for broader development on the Sleeper Site. Educational institutions in EL and strengthening of their skills focus to support certain economic sectors (e.g. maritime) could enhance growth of certain sectors.
- Municipal ownership of site allows for key municipal instruments to be used to leverage and facilitate private sector investment by covering certain costs and obtaining in advance regulatory approvals including: long leases, bulk infrastructure financing and implementation sub-division, rezoning and EIAs etc.

**Opportunities** that have been identified to inform future Sleeper Site development options include the following:

- BCMM's intention to construct office facility for administration to house +-1000 staff could support additional development on the site including a broader government-type precinct of associated government facilities.
- The possibility of applying the Urban Development Zone (UDZ) tax incentive to future Sleeper Site development requires further investigation and could significantly enhance the site's investment attractiveness.





- Provincial government data centre initiative currently underway in collaboration with potential private sector partner (which the ECDC is facilitating) and which has a completed feasibility report could be a development option to consider. Further discussion on this with the ECDC is required.
- Retail development: most new retail development is following national and international trend of decentralization / suburbanization and smaller suburban retail centres. However, the planned growth in Fort Hare and other student numbers in the CBD could significantly enhance retail investor interest in the CBD.
- Social and Gap Residential: there is potential for both social and gap housing and partnerships with a number of Social Housing Associations based in East London who are apparently struggling to get access to publicly owned land at reasonable prices required for this. . Increasing residential accommodation in the CBD could be of strategic significance in terms of enhancing the attractiveness of the CBD for both retail as well as services and other businesses. The combination of student and social housing may allow for some gap housing and it is possible to manage having both ownership and rental stock. Most common social housing units are 2 bedroom 50m2 then over 2 bedroom becomes gap housing. Minimum densities 100-110 units HA needed generally 3-4 story walk ups most appropriate with Social housing projects needing 200-250 units to be viable. Public transport requirements may need to be explored (i.e. improving public transport connectivity as a motivation to relax municipal requirement for 2 parking bays/ flat.
- Institutional: Value Capture Model where public investment in infrastructure is strongly linked to an increase in privately held property could be explored as part of innovative financing option to support municipal capital expenditure.

Identified **weaknesses**, which could constrain future investment in the Sleeper Site if not effectively addressed, include the following:

- Macro-level and future productive investment in the economy overall: Poor public sector governance as well as the quality of the overall education system and its overall impact on low levels of skills and productivity is a major macro factor negatively impacting on overall investment attractiveness and confidence for all economic sectors and which also results in manufacturing investments using capital intensive mechanized technologies. For example, graduate (school, FET, university) skills in using ICT is a basic business requirement but where students often lack basic skills (not to mention the issue of poor maths competence).
- The lack of a Business Retention and Expansion (BRE) programme (with exception of Mercedes Benz and IDZ initiatives) enhances the risks of losing existing investments and contributes to sub-optimal growth and expansion of existing investments, i.e. constrains overall job creation and demand in the local economy.
- Lack of a shared and clear vision and plan for the future of the EL CBD between the public sector and private sector stakeholders could undermine efforts to enhance investor



confidence in the EL CBD. The failure of stakeholders to agree on putting in place a City Improvement District mechanism could undermine efforts to manage crime and grime in the CBD. The small number of dominant private land owners in CBD apparently not supporting the City Improvement District Initiative may make it difficult to improve broader investor confidence in CBD (through effective management of crime, grime, and informal trading as well as quality of infrastructure) including possibly attracting institutional investors back to CBD or getting their interest in the sleeper site.

- The role of broadband networks in enhancing CBD investment attractiveness and the competitiveness of services businesses is well recognized in most metros (see BCMM CDS. 2007: p. 24) s, however, it is not clear if a Broadband Strategy exists in BCMM and whether this lever could become a factor in CBD development and a future CBD Vision. Ideally, BCMM should be investing in the municipal broad-band fibre-optic network (to not only serve municipal facilities but to lease to private sector providers as is happening in Cape Town for example) however it is not clear if funds have been budgeted for this purpose. The provision of a fibre-optic broadband network serving the Sleeper Site could significantly enhance its investment attractiveness to the private sector.
- BCMM service fees amongst the highest of all SA Metros. It is not clear to what extent these fees will impact on required rentals for developments on the Sleeper Site.
- Services (business and government/ social): At the EL level, growth in business/ financial services is linked to the perceived quality of life in EL in terms of attracting skilled workers to the City. While good quality school education institutions are a strength (and possibly perceived low crime levels) there may not be sufficient additional quality of life/ life style attractors to attract high skilled workers to EL.
- There appears to be quite strong decentralization of services/ offices from the CBD in part due to the lack of convenient parking. This may mean that there will be a surplus of office space for some time into the future, which may dampen private sector interest in building office facilities on the Sleeper Site.
- Does not appear to be any organized initiative to attract Call Centres/ Business Process outsourcing to East London by ECDC (one ECDC official looking at film, ICT and call centres) despite the fact that significant call centre investments are taking place in some of the other Metros. This sector could substantially increase demand for office facilities, however, significant effort would be required to begin developing a local labour market of people with relevant training and experience.

Finally, it is important to note the following points gleaned from the work and interactions with **stakeholders** completed to date, as these have a bearing on future visions for what the subject site may best be used for: -

- There appears to be a general consensus that the Sleeper Site should primarily be used for institutional purposes, with any commercial uses seen as been ancillary or related to the primary uses;



- In this regard, most stakeholders voiced a need to see BCMM develop a consolidated Civic Administration Centre that could function as a single focal point for the Metro administration;
- Some also saw a combination of a BCMM Civic Centre and University faculties as the optimum solution, with the combination of both functions also providing “the anchor” for some commercial enterprises, including entertainment and accommodation establishments;
- No stakeholders to date have voiced a preference for the site to be wholly commercially developed.
- **Next Steps**

Two to three sleeper site development scenarios need to be constructed and tested using a set of agreed upon evaluation criteria and a multi-criteria decision-making tool to better quantify and understand the advantages and disadvantages of these to BCMM.

Other than broad land-use options, these scenarios could include at least the following components:

- Different road infrastructure options
- Different tenure arrangements (sale of land, long term leases, lease to purchase, development lease, development lease to purchase)
- PPP option for Municipal offices.
- Different public transport system options
- Urban development zone incentive availability or non availability
- Different approaches to the bulk infrastructure development contribution policy.
- Options for the availability or not of financial and non-financial municipal incentives.

### **B.1.2.1 Mdantsane Urban Hub**

- **Background and Location**

In the 1960s, the Mdantsane Township was conceived of as a dormitory residential “town” politically and administratively separate from East London. In spite of its ostensible development as an independent urban entity, its continued functional inter-relationships with East London, and a lack of sufficient capital investment at scale in the “new town”, resulted in the development of a limited range of land use functions in Mdantsane.

This, together with the undulating and fragmented nature of the terrain upon which the township was built and the specific spatial planning concepts adopted in the design of the area, has resulted in an urban environment which imposes many social and economic costs on its resident population.



A local spatial development framework (LSDF) has been developed by Buffalo City Metropolitan Municipality for Mdantsane to address key developmental elements and strategies. (Source: Mdantsane LSDF, March 2013)

The NDP supports economic development and quality of life improvements in targeted townships. Specifically the NDP supports “neighbourhood development projects that provide economic and community infrastructure that create the platform for private sector development and that improve the quality of life of residents in the targeted areas”. The NDP does this through the Neighbourhood Development Partnership Grant (NDPG) comprised of a Technical Assistance (TA) fund intended for strategic and project planning and a Capital Grant (CG) intended for investments into catalytic project implementation.

The NDPG’s new strategy, known as the Urban Networks Strategy represents a targeted investment programme to transform and integrate the development of targeted township economic nodes, by locating and linking them within the wider “urban networks”.

The NDPG has a very specific focus on (1) working with and assisting municipalities, to do credible medium to long term strategic and project planning to implement the Urban Networks Strategy and (2) using the CG funds to invest in catalytic projects that have the potential to create multi-functional primary Urban Hubs in township areas.

<b>Urban Network</b>	The Urban Network consists of a primary and secondary network which interconnects at strategic nodes known as Urban Hubs, which are located within townships.
<b>Urban Networks Strategy (UNS)</b>	The Urban Networks Strategy is a transit oriented precinct investment planning, development and management approach. Its focus is on strategic spatial transformation that optimises access to social and economic opportunities for all and especially the poor. It aims to work towards a more efficient urban environment that creates an enabling environment for economic growth and development.

- **Objective**

The developmental objectives are :

- Provide an update of the development vision of the Mdantsane Hub inclusive of the Mdantsane CBD and surrounding areas.
- Provide viable development proposals for the study area;
- Provide a framework for engaging the various stakeholders on the process of developing the various components of the study area ;
- Provide a high level costing of potential financial investment requirements if the proposed developments were to go ahead;



- To create a catalytic precinct that will galvanize the revitalization of the Mdantsane CBD
- To facilitate mixed use development ;
- To support economic development initiatives and partnerships etc.

#### Sub objectives

- To improve access to and through the Mdantsane CBD (pedestrians, and public transport);
  - To improve the aesthetics and built environment form of the Mdantsane Hub;
  - To promote economic sustainability and high intensity activity all year round in the precinct by the mix of land uses ;
  - To maximize the gross value add and improve the revenue base of the Metro through development facilitation and management; also rates etc and
  - To facilitate catalytic projects to trigger urban regeneration/renewal of the Mdantsane Hub.
- **Precinct Plan**

The preparation of a precinct plan detailing the plan for the development of Mdantsane CBD Urban Hub. The outcome of a Precinct Plan will be a detailed composition of the future spatial structure of the precinct by means of a design framework as well as design guidelines. In addition the Precinct Plan will prepare the Municipality for the submission of prioritised projects for approval by NDP.

## B.1.3 Impediments To Growth & Development

The following impediments to growth and development and their implications in relation to spatial development, are set out below:

### Natural Environment

Broadly speaking, the natural environment of the Buffalo City Metropolitan area displays the following characteristics that inform spatial development: -

- The topography is dissected by major river systems, which leads to a fragmentation of land tracts, characterised by steep valley slopes and ridges.
- Consequently, it is difficult to achieve large-scale uniformity of development – typically; built development is only possible on pockets of developable land.

Because of historical discriminatory land administration practices and consequent over-concentration of people who are resource-reliant in parts of the Metropolitan Municipal area, resource degradation has occurred in both urban and rural areas of BCMM. Nevertheless, the Municipal Area still has some valuable pristine areas, which offer opportunities for conservation and appropriate management.



### Infrastructure investment

There is a backlog in investment in infrastructure – more detail is provided in Section B3 below. This has an impact on the current performance of the built environment as well as on the spatial proposals that are put forward to deal with anticipated growth.

As noted above, there is also a disjuncture between where the backlogs and informal settlements are located and the availability of capacity in infrastructure networks to service these areas.

### Linkages between urban and rural areas

The spatial system in BCMM is complicated by the fact that the population consists both of communities that are more dependent on, and therefore functionally linked to, the urban economies of the towns and cities, and communities that pursue a more “independent”, functionally rural lifestyle.

The urban zones, being Greater East London, Mdantsane/ Potsdam and Greater KWT together account for 69.75% of the total population. As expected, these areas are also characterised by a majority of formal dwellings, with the rural settlement areas displaying a preponderance of less formal traditional dwellings.

The fact that the majority of people reside within the urban sphere of influence suggests that the interplay between rural communities and the urban economies is a critical functional element in Buffalo City. This must be regarded as a guiding factor in the formulation of appropriate strategies for development projects and land reform in the Buffalo City Metropolitan Municipality.

In essence, there seems to be a fundamental tension in such areas where productive potential exists but the demographic structure of resident communities militates against the maximisation of this and, instead, the area acts as a safe place of residence (as opposed to work and production) for the younger and older generations. Clearly this fact needs to be taken into account in any planning strategies to be formulated for these areas

## B.2 Economic Infrastructure Review

### Current & Projected Future Population

The Census 2011 conducted by Statistics South Africa, estimates the total population of Buffalo City to be 755 200, a marked growth from the 2001 Census which put it at 704 855. Growth projections to the year 2020, taking into account the anticipated impact of HIV/AIDS, indicate an estimated total population of some 1,290,000 people. The last two official censuses for the BCMM population were broken down as follows:





Area	1996	2001	2011
KWT & Surrounds	183 934	184 246	106267
East London Area	187 120	204 862	294653
Mdantsane Area	176 483	168 284	164681
Rural South	62 530	63 967	66422
Rural North	76 881	80 536	123164
<b>Total</b>	<b>685727</b>	<b>704855</b>	<b>755 200</b>

Table B.1 : BCMM Population Census 2011

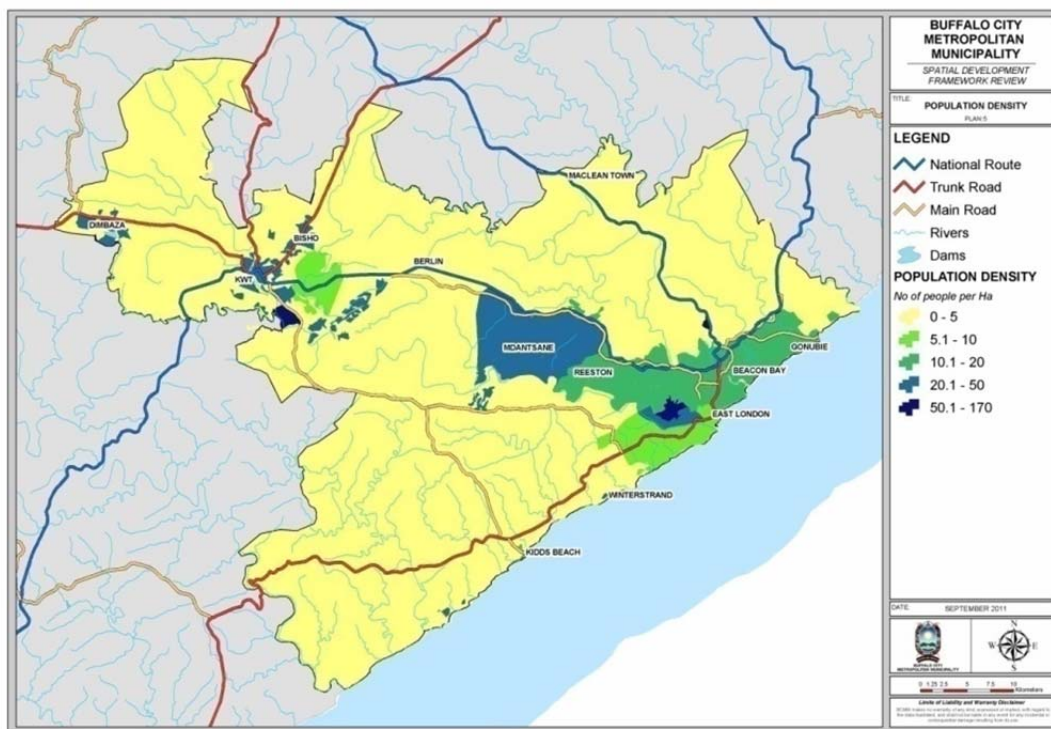


Figure B.2 : Population Density in Buffalo City

The population projection has implications in terms of the type and number of facilities to be provided for by the municipality for the next ten years (2011 – 2021). It should further be noted that future growth and migration patterns would depend largely on the performance of the local economy and the impact of the AIDS epidemic.

### Demographic Profile & Socio-Economic Aspects

The demographic and socio-economic profile of the residents of Buffalo City indicates the following: -

- The relatively youthful profile of the population suggests ongoing pressure to provide not only the physical facilities required (housing, schooling and training facilities etc.) but also

highlights the need to increase the rate of creation of job and work-related training opportunities in the local economy.

- Pronounced higher female residency in the older age groupings, also highlights the essentially social-reproductive role fulfilled by many rural areas, in providing places of residence for school going aged children, often under the guardianship of grandparents or elderly family members.
- Currently BCMM has the highest HIV prevalence rate in the province, whereby 44 out of 86 health facilities falls above the provincial rate of 11% (Department of Health).
- Almost 39.1% of the total population for BCMM falls into the category of reaching grade 8 or less in terms of education. Those who completed high school make up 21% of the population, while those with tertiary education only make up 6% of the population.
- The relative affluence of the majority of Buffalo City residents remains low, with only some 17% of the persons in the area earning more than R1600 per month. 31% of the population earns below R1600 per month. Many of the employed citizens of Buffalo City are employed in the informal or second economy.
- Low incomes coupled with reliance on pensions, grants and remittances (and, in places, subsistence farming) as the main survival strategy in these areas highlights the need to address rural poverty as a key element in an overall balanced development strategy.
- An average employment rate of 31.2% exists within the urban areas, whereas the rural areas have an average employment rate of some 21%.
- The community services sector employed about 30% of the employed in BCMM. This is followed by trade, 22 % and manufacturing 19%.
- The rate of unemployment in Buffalo City, is at an estimated 35%, which is lower than the Eastern Cape Provincial average of 37.4%. (Census 2011)
- Census 2011 indicated that the out-migration from the Eastern Cape Province amounts to 1,960,996 persons – 86%, as opposed to 14% in-migration. The out-migration is mainly to the Western Cape (888,609) followed by Gauteng (529 149) and to KwaZulu Natal (278 840).

## Local Economy

The following features are noted: -

- The Gross Value Added by the region is R30 billion (ECSECC, 2010)
- The Gross Domestic Product by the Region is R34 billion (ECSECC, 2010)
- The number of people employed in 2011 is 185,215 in (Census 2011)
- The number of unemployed people in 2011 is 100,008 (Census 2011)
- The unemployment rate as per Census 2011 is 35.1%
- There is a concentration of economic activity in centres such as the East London and King William's Town Central Business Districts, and in areas such as Vincent and Beacon Bay (Regional Shopping Centres).
- There has been a relative decline in economic activity in inland areas of the Municipality (such as Bhisho, Dimbaza etc.) and a consequent loss of retail opportunities in these areas, requiring local residents to travel further afield to seek the goods and services they require. This, in turn, places further emphasis on managing spatial development in



a way that enhances the viability of economic enterprises at places of strategic locality (and good accessibility).

- There is considerable pressure for access to land in the rural settlement areas of Buffalo City, which, in turn, has meant that informal settlement development has increasingly occurred on land on the periphery of established settlements (e.g. Mdantsane and Newlands, Fort Grey and Greydell).
- On the positive side, the East London Industrial Development Zone will offer significant development potential in the medium term, which would create opportunities for the development of urban settlement extensions in that part of the East London city area (West Bank). There is a projected R14.4 billion investment in the IDZ for the next 3 – 5 years.
- Buffalo City also contains a number of strengths to build upon for growth and development. A coastal location, scenic environmental assets, a well-performing automotive industry and the status of being the capital of the Eastern Cape Province are a few of these comparative advantages to exploit in order to combat poverty and create jobs.

### Tourism Development and Promotion

Tourism is one of the key growth economic sectors of the municipal economy. Despite the recession it has continued to show prospects for job creation, skills development and marketing of the BCMM as tourism destination. Most of the visitors comprise domestic tourists seeking an outdoor leisure holiday, attendance at major sporting events such as IronMan 70.3, Cycling and Road Running events, golf or visiting friends and relatives.

### Trade and Investment

Trade and Investment is critical for sustained economic development and growth. Key strategic objectives of BCMM are to increase and attract foreign and domestic investment. These objectives will be achieved through implementing programmes which were aimed at selling BCMM to potential investors. The Airport and Harbour provide the potential to assist in improving trade and investment.

### Industrial Developments

There are 20 industrial zones in the city, which can be grouped into two broad categories

- *Intensive industrial zones: industries with high employment densities per hectare and enterprises using small properties; mostly located in the core area, close to the central business district, including West Bank and the IDZ.*
- *Extensive industrial zones: low densities of employment per hectare which use a lot of land; mostly located on the city fringe including Berlin, Wilsonia, Fort Jackson and Arnoldton, with additional minor industrial zones located in Beacon Bay and Gonubie.*

The West Bank is the largest industrial area in Buffalo City. This area currently has a wide variety of industries, with Mercedes Benz SA (formally Daimler Chrysler) being the largest industry.



## Informal sector

Generally the informal sector activities occur predominantly in two forms:

- *As enterprises operating from within the home (e.g. Spaza shops, shebeens).*
- *As informal sector activities occurring outside major transport termini (e.g. Highway Taxi terminus in Mdantsane), outside high-visibility buildings (major supermarkets or public buildings), areas of high density in terms of captive population (the C.B.D.), and recognised daily or occasional markets (e.g. craft and fresh produce markets).*

In view of the above realities Buffalo City Metropolitan Municipality must support the local economy through appropriate infrastructure development, provision of municipal services, rolling out of Industrial Policy (Skills Development), improving administrative efficiency (Red tape reduction), support of key economic sectors i.e. Tourism; Agriculture, investment facilitation and business facilitation.

## IMPLICATIONS

It is notable that the economy is highly dependent on the unproductive community services sector. This is a negative trend and indicates relatively limited private sector presence throughout the municipality. It is also noted that the local economy is growing at a sluggish rate and employment has generally declined, which affects private sector investments as disposable income levels of the potential target market is low.

The challenge remains how to achieve a more equitable distribution of economic development opportunities when the greater number of the population reside in less economically developed areas and experience an ever deepening poverty cycle.

The spatial distribution of economic activities in Buffalo City has tended to be nodal in nature. However, recent trends have seen ribbon development along certain strong activity spines and transport routes due to the shortage of space in established business districts and/or lower budget, low-rise, developer driven development in areas of transition and high traffic flow. Industry has been concentrated on the more level land adjacent to major roads and railways.

Commerce and retail have concentrated initially in the traditional central business districts and over time, moved towards suburban nodes and development along significant transport routes, as discussed above. These trends are resulting in a growing number of mixed-use zones along main routes with the associated management problems of traffic congestion, conflicting land uses and inadequate infrastructure.

The fragmented built environment has created a need to improve the linkages between where people live and where investment in employment opportunities takes place. Investment in infrastructure provision for water, sanitation and electricity must be where investment opportunities exist, primarily in the West Bank and IDZ areas.



Crucially, effective links between these investment areas and where people live must be improved. The BCMM SDF Review (2013) makes a strong case for the construction of a link over the Buffalo River (either through the projected N2 – Buffalo River Bridge – R72 route near the airport) or possible viable alternative routes. Whichever is the preferred solution, such a link between the Central East London-Mdantsane urban areas and the West Bank is a vital project to deal with this fragmentation.

## B.3 Basic Infrastructure Review

### B.3.1 Capacity And Backlog

BCMM is required to provide sustainable, reliable and affordable services and infrastructure for all stakeholder communities within its boundaries. This entails the construction, operation and maintenance of water, sewerage, electrical and roads infrastructure and the day to day provision of these services. The distribution and capacity of infrastructure is a fundamental framework for sustaining development and the manner and spatial location of infrastructure investment influences the response of development.

Unfortunately in many instances this has resulted in scattered development at low densities, leading to expensive and inefficient settlement sprawl. Existing infrastructure has been overstretched and frequent breakdowns, pollution and degradation are experienced as a result.

One of the biggest challenges facing BCMM is the need to maintain the infrastructure that is already in place. There is a huge backlog in terms of water, sanitation, roads and electricity infrastructure maintenance. While funding is being provided to expand the provision of basic services, in the future more funds on the budget will be directed towards infrastructure maintenance.:-

#### B.3.1.1 Water

Levels and standards in water services:

<i>Rural:</i>	For households outside of the Urban - communal standpipes to RDP standards
<i>Urban:</i>	Target level: erf connection and water borne sanitation; and minimum level is yard connection

As indicated in the table below, BCMM has a good level of service with regard to access to water, with 68% of households having access to piped water inside a dwelling, and 27% having access to piped water on a communal stand (Census, 2011).





Census	Piped (Tap) water inside the dwelling	Piped (Tap) water on a communal stand	No access to piped (Tap) water
1996	98 593	47 599	14 303
2001	112 593	67 381	11 985
2011	161 283	64 155	6 131

Table B.2 : Distribution of Households having access to Piped (Tap) Water. (Census 2011)

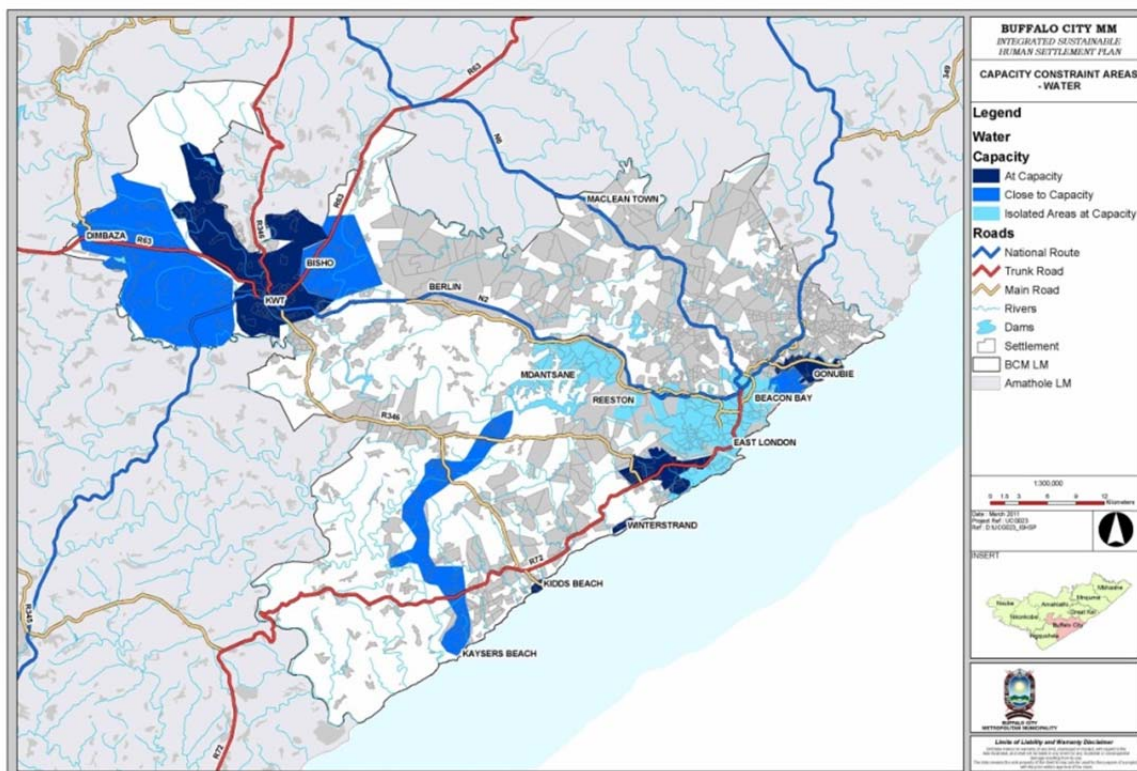


Figure B.3 : Water Capacity Constraints Areas in Buffalo City

### B.3.1.2 Sanitation

Levels and standards in sanitation services:

*Inside Urban Edge:* Target level: erf connection and water borne sanitation and minimum level of yard connection and VIP (or equivalent).

*Outside Urban Edge:* Communal standpipes and VIPs (or equivalent). Alternative sanitation technology options are however being investigated to optimise the operation and maintenance implications for BCMM.







### B.3.1.4 Road Network

A large percentage of BCMM's road infrastructure is old, rapidly deteriorating and has passed its design life. If roads and storm water systems are not upgraded in terms of increased traffic volumes, axial loading and storm run-off the roads will disintegrate and result in ultimate failure of the road networks.

### B.3.1.5 Electricity

As indicated in the table below, 76.7% of Households in BCMM utilize electricity for lighting (Census, 2011)

Census	Lighting	Cooking	Heating
1996	74 962	67 233	62 359
2001	120 843	82 519	68 423
2011	180 914	166 390	91 939

Table B.5 : Distribution of Households using Electricity for Lighting, cooking and Heating (Census 2011)

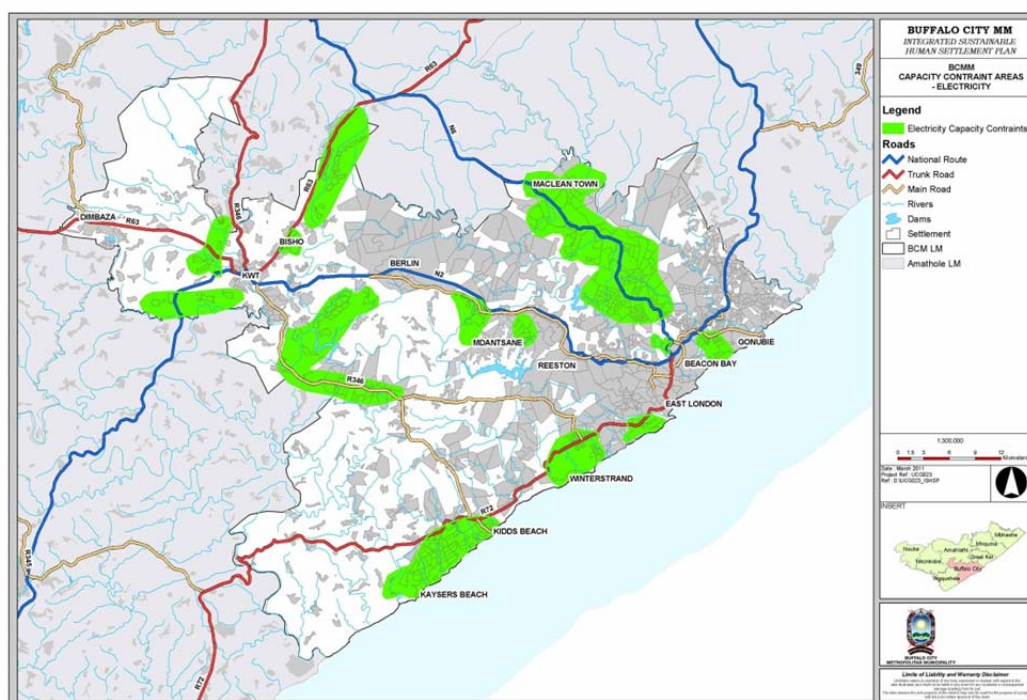


Figure B.5 ; Electricity Capacity Constraint Areas in Buffalo City



Sector	Backlog (Household)	Progress
Water	4236 Units @ R7000 per Unit = R30,000,000	Contracts awarded for water backlog eradication
Sanitation	21 970 Units @ R12,000 per Unit = R26,3640,000	Contracts awarded for rural sanitation backlog eradication
Electricity	Informal settlement electrification linked to housing delivery) estimated at R1 billion)  ESKOM = 2,500 rural households	Current R15m for shacks electrification & R45 million for the MTREF period
Roads & Stormwater	Maintenance of 778 km gravel road = R400,000,000 Replacement cost for 1,425 km surfaced roads = R1,6 billion	Current R15m for rural roads & R70 million for the MTREF period Current R127m for urban roads & R280,000,000 for the MTREF period
Housing	Total of 55,000 units in urban areas (as per SDF Review 2013).  Assessment of absolute backlog at 25,000 units (30,000 sites have been planned and approved, to date)	Projects currently at implementation stage to provide houses within the MTREF

Table B.6 : Summary of BCMM Services Backlog

The plan below provides a composite picture of capacity constraint areas for water, sanitation and electricity.

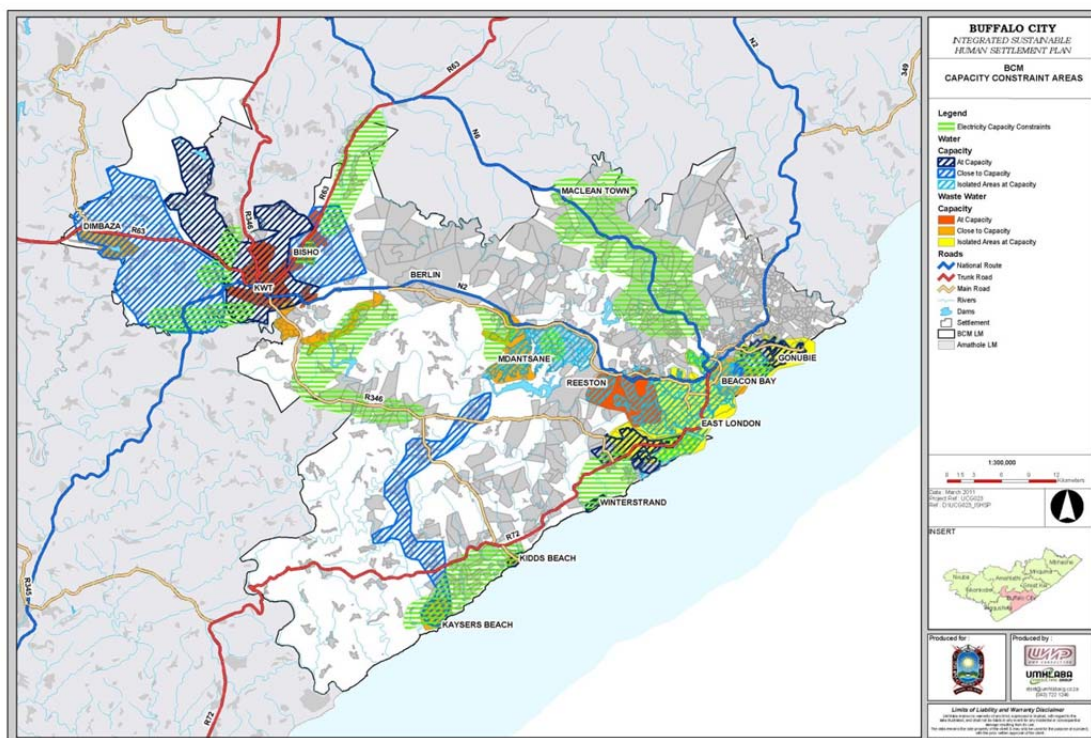


Figure B.6 : Broad Services Capacity constraint Areas in Buffalo City

### B.3.1.6 Asset Condition And Maintenance Requirements

The existing infrastructure in BCMM has been overstretched and experienced frequent breakdowns, pollution and degradation of the natural environment as a result. Thus one of the biggest challenges facing BCMM is the need to maintain the existing infrastructure. There is a considerable backlog in terms of water, sanitation, roads and electricity infrastructure maintenance.

The depreciation of infrastructure assets is fully funded in order to ensure that funding is available for future infrastructure replacement and refurbishment. Buffalo City envisages releasing approximately R1billion of its own funding into replacement and refurbishment of existing infrastructure within the urban core in line with BCMM's Densification Programme.

However, there were challenges experienced in financing the entire depreciation for the 2014/2015 financial year only, as a result depreciation was decreased by R60m in order to achieve a funded budget. It is envisaged that this decision will be reviewed at the 2014/2015 mid-year adjustment stage. In the 2014/2015 MTREF period BCMM introduced a split of the Repairs and Maintenance for electricity to 40% capital and 60% repairs and maintenance of the 10% tariff charge.

BCMM has allocated R360,000,000 over the 2014–2017 MTREF period the replacement and refurbishment of existing infrastructure within the urban integration zone.

Service	Funding	2014 – 2017 Capital Budget
Bulk Sanitation – Replacing existing infrastructure	Own Funds	120,000,000
Bulk Water – Replacing existing infrastructure	Own Funds	120,000,000
Bulk Electricity Infrastructure Upgrade - Replacing existing infrastructure	Own Funds	120,000,000
<b>Total</b>		<b>R360,000,000</b>

**Table B.7 : Asset Management**

BCMM is currently developing a long-term financial plan which also covers BCMMs ten-year Asset Programme looking at backlogs as well as maximising the return on investment on infrastructure assets. This will allow BCMM to moving from financial sustainable city to that of a resilient city.





## B.4 Residential Infrastructure Review

### B.4.1 Land And Housing Analysis

The BCMM SDF Review 2013 has assessed the current estimated housing backlog in the urban components of the Buffalo City Municipality to be some 25,000 units, taking account of current planned and approved units numbering 32,000.

In addition, the SDF Review posited an estimated 20-year growth of around 17,000 households requiring accommodation, leaving a total 20-year housing development need of around 42,000 dwellings. The addressing of this need over time is a major challenge, and the appropriate programming and location of major public-funded housing projects will be a major element in the restructuring of the built environment in Buffalo City.

#### Trends in housing demand

The 2011 Census reports an average household size of 3,2 persons in Buffalo City. This average household size has decreased from 4,2 in 1996 and 3,6 in 2001. In terms of this statistic, there were an estimated 236,000 households in Buffalo City in 2011. The population distribution by house type in BCMM is illustrated in the attached Figure B.7.

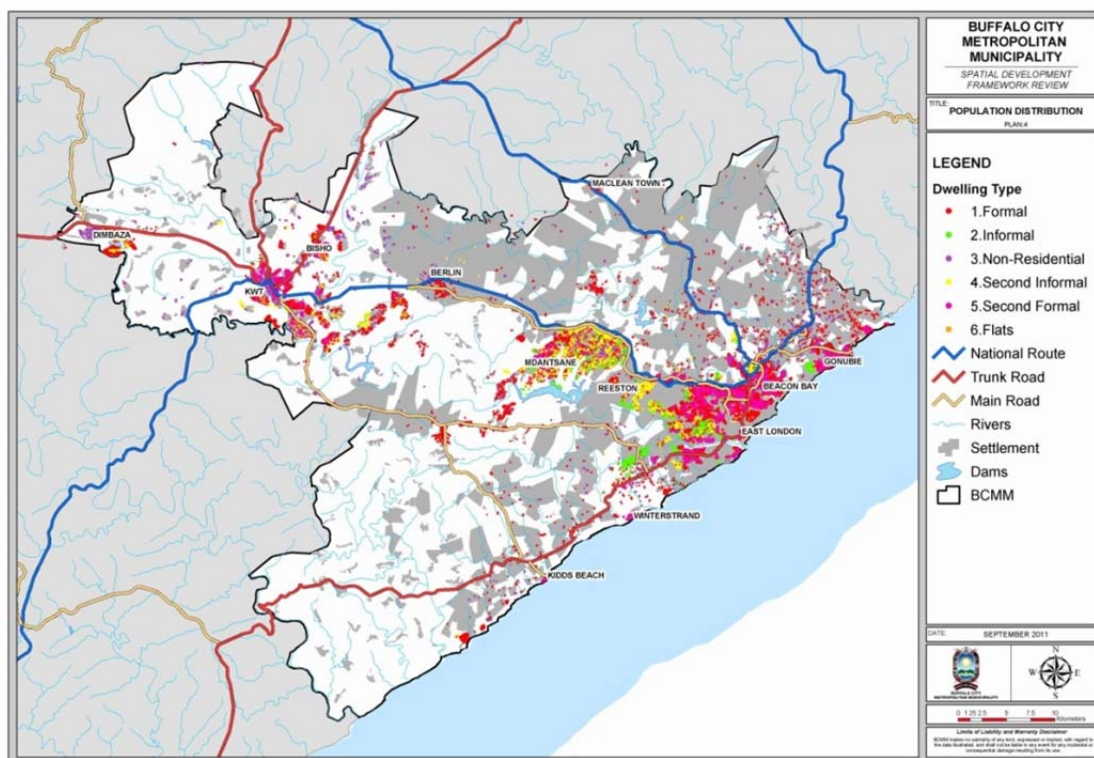


Figure B.7 : Population Distribution by Housing Type in Buffalo City

## Housing Supply

The current housing supply is given in the table and illustrated in Figure B.8:

CURRENT HOUSING SUPPLY IN BCMM (SOURCE: BCM POPULATION STUDY, 2010)							
Zone	Flats	Formal	Second Formal (Granny Flats)	Traditional Urban	Total Urban	Total Rural	Total
1 Tyolomnqa	0	0	0	0	0	9,400	9,400
2 Ncera/ RA32 /Umtiza	0	1,731	101	0	1,832	10,398	12,230
3 Greater East London	649	44,119	5,859	0	50,627	248	50,875
4 Rural North/ North-East	0	1,807	70	0	1,877	985	2,862
5 Newlands	0	151	0	0	151	7,387	7,538
6 Mdantsane-Potsdam	0	29,664	2,186	8,800	40,650	731	41,381
7 Berlin/ Amandlambe	0	962	0	LAND URBAN	971	8,657	9,628
8 Yellow-woods /KWT Rural	0	19	10	55	84	3,244	3,328
9 Greater KWT	1	18,316	3,784	6,063	28,164	1,131	29,295
10 Dimbaza /Pirie	0	6,569	18	1,793	8,380	18,964	27,344
<b>BCMM</b>	<b>650</b>	<b>103,338</b>	<b>12,028</b>	<b>16,721</b>	<b>132,737</b>	<b>61,145</b>	<b>193,882</b>

Table B.8 : BCMM Housing supply by type and location

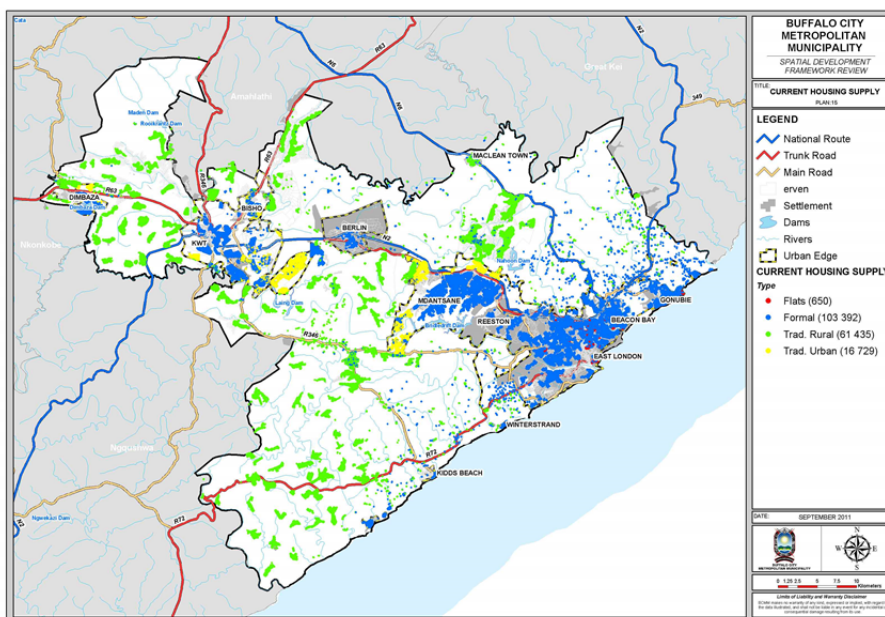


Figure B.8 : Distribution of Houding Type in Buffalo City

## Current Housing Need

The estimated 20-year housing need is 42,000 homes (including an immediate backlog of around 25,000 units). According to the Spatial Development Framework 2013, there are planned sites, planned projects and projects underway involving 30,000 erven, which may be deemed to form part of the current backlog in so far as these units have not been completed and delivered to beneficiaries..

There are an estimated 50,386 informal dwellings in Buffalo city, of which around 15,000 are identified as backyard shacks. In the prime areas of demand (i.e. spatially, those areas in and around Mdantsane and close to central East London), between 20% and 25% of informal settlement dwellers are seeking access to rental accommodation. This has implications for the declaration of another round of Restructuring Zones and social housing provision in the city.

Private funded development in the identified development areas to the east and west of the city have budget implications but are vital areas for city revenue. It is imperative that BCMM adopt a coherent Development Levy Policy for private funded greenfield developments so that developers share with council the cost of services but in such a manner as to not discourage rateable income.

## Large Scale Initiatives

**Duncan Village LSDF (2009)** – Duncan Village contains the densest informal settlement in BCMM. City Planning started in 2004 to discuss with the community the concept of denser mixed use living patterns in order to accommodate as many people within this inner city locality. Breaking New Ground subsequently echoed this concept and adopted Duncan Village as a brownfields pilot project and provided further funding support.

Implementation of this project has been slow but the first high density housing pilot project undertaken to demonstrate what denser formal living in Duncan Village could be like are underway. The pilot housing erven are 80m<sup>2</sup> which represents a significant departure from the standard 200-300m<sup>2</sup> product previously on offer and the construction phase is complete.

The **Mdantsane infill / insitu upgrading plan of 2009** is the Metro's planning response to the challenge of growing informal settlement in a way that retains communities where they are presently living.

**Quenera LSDF (2005) and Rockcliff Framework Plan (2009)**: Largely privately owned and mostly greenfields areas each with a potential for 30,000 high density units.

**BCMM's Bus Rapid Transit Plan of 2009** endeavours to minimize travel times between places of residence and places of employment for local residents and is a planning response to the historic sprawling dormitory townships and marginalisation of residents. The

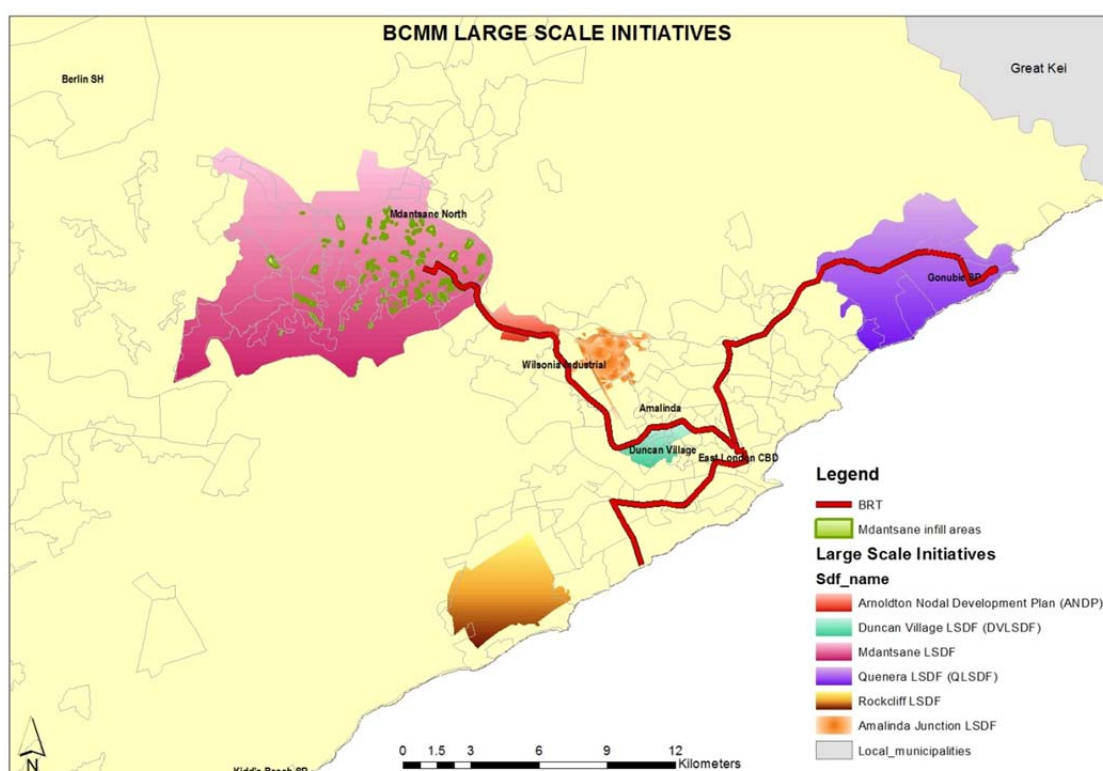


implementation of the 1<sup>st</sup> Phase BRT system could be catalytic in demand for densification and development in the Mdantsane to East London corridor.

**Amalinda Junction Feasibility Study (2011)** - Mixed land use proposals (with high density housing and job creation opportunities in the inner city situated on the EL- Mdantsane KWT Rail Corridor.)

**Arnoldton Nodal Framework Plan (2011)** - Mixed land use proposals (with High Density Housing and job creation opportunities) on the EL Mdantsane Rail /Road corridor centred on the Arnoldton Station between the Reeston Housing project and Arnoldton.

The default situation where the city has been unable to provide serviced land for middle income housing has resulted that market forces have effectively driven densification in the urban core.



**Figure B.9 : Large Scale Initiative in Buffalo City**

### Rental Housing Stock

The trend for rental stock is not limited to the traditional suburbs but is clearly evident in centrally located areas such as Duncan Village and more recently Nompumelelo outside of Beacon Bay. Many, if not the majority, of informal dwellings in Duncan Village are rented out by “shack lords” who provide a vital service to those who wish only to live in Duncan Village during the working week but who take their meagre earnings home to the rural areas where their parents and children live. This trend has implications for any housing demand calculation taken at face value.



## Social Housing

Social housing units have been developed in recent years in the urban core only and appear to be meeting the growing demand for affordable rental units. Four Section 21 Social Housing Institutions and one co-operative housing movement in Buffalo City have collectively been instrumental in developing approximately 5 262 dwelling units up to February 2011, in various parts of the city.

A further 850 units were completed in late-2013. These units range from single detached dwelling units to three storey walk up flats; and a high rise block of flats. The institutions manage the accommodation and offer a range of tenure options, from rent to rent, rent to buy and deferred sale.

### 2014 approval for Social Housing Projects

Project	Location	Number of Units
Calypso Hieghts	Amalinda	601
Ocean View	West Bank	603
<b>TOTAL</b>		<b>1204</b>

The following areas have been gazetted as social housing restructuring zones:

- East London Inner City comprising of Duncan Village, Chiselhurst, Belgravia, Southernwood, CBD, Sleeper Site and Quigney
- Arnoldton / Reeston
- Summerpride
- West Bank

In a submission that was made in 2006, the following areas were also requested to be included as social housing restructuring zones, but they were not approved.

- The King Williams Town CBD and adjacent areas
- Mount Ruth and Mdantsane
- Amalinda

A further submission was made on 9 January 2013 for the areas that were not previously approved, to be approved. This was sent to the Eastern Cape Provincial Department of Human Settlement for approval.



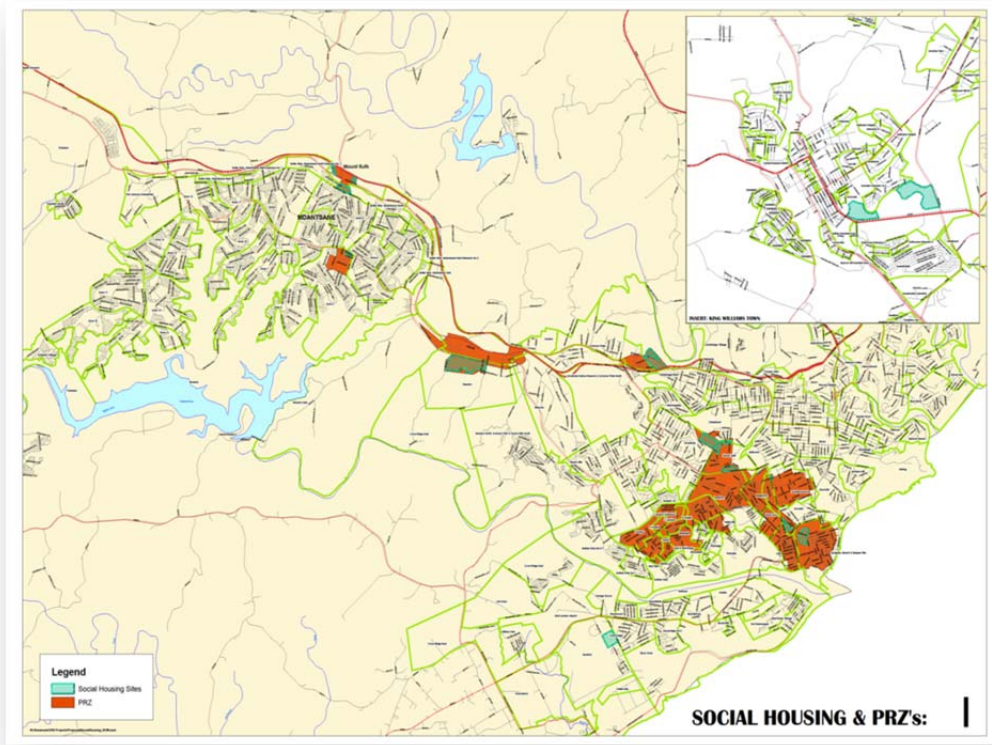


Figure B.10 : Social Housing Areas and PRZ's



## Informal Settlement Upgrade Programme

The findings of the Informal Settlement Study undertaken mainly in 2010 – 2011 are illustrated in the attached Figure B.11 and can be summarised as follows :

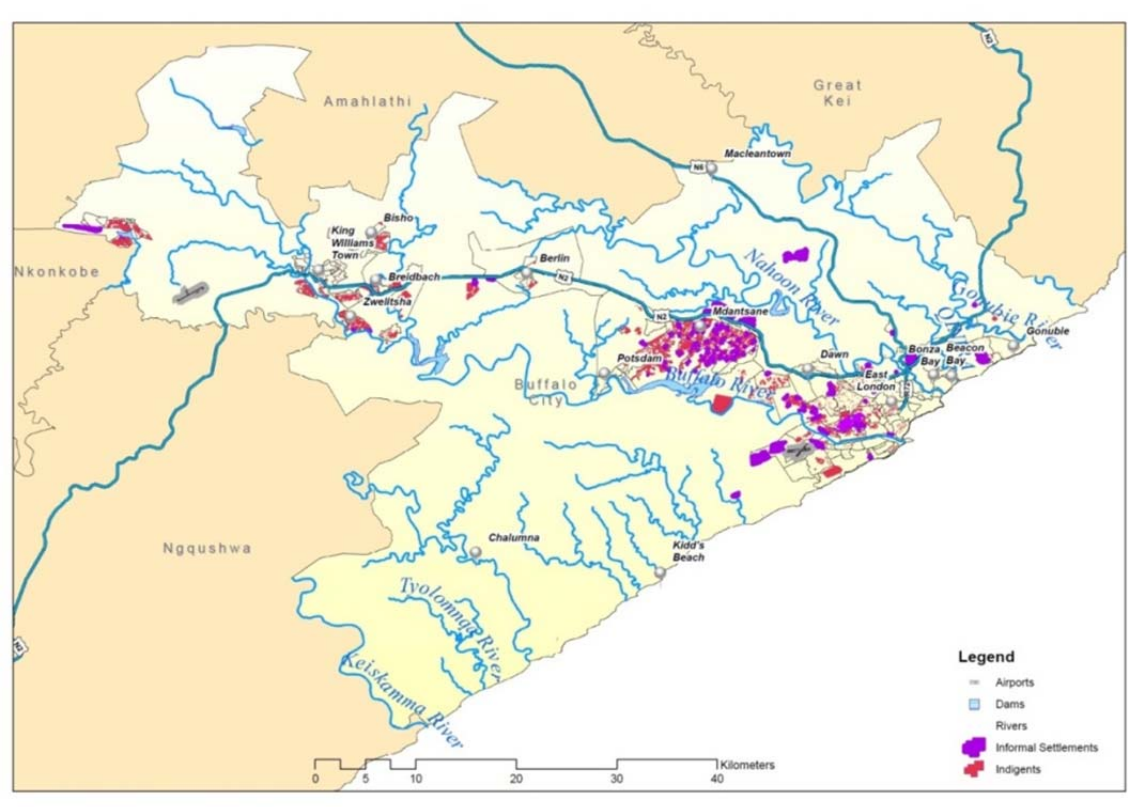
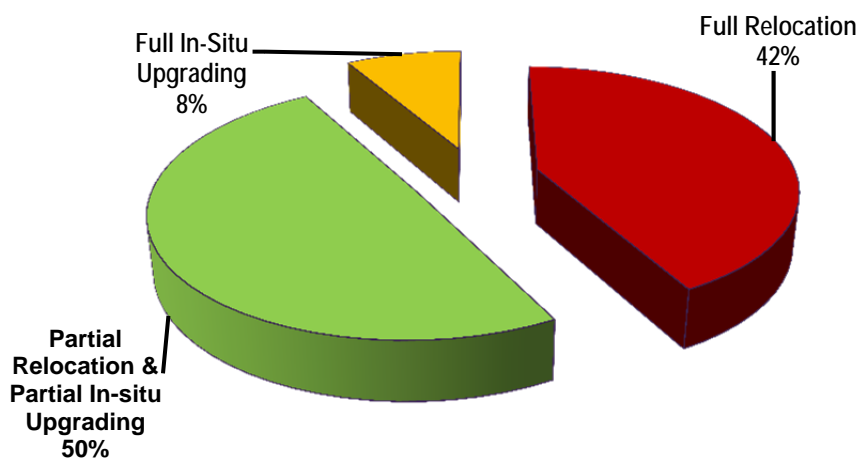


Figure B. 11 : Distribution of Informal Settlements in Buffalo City

### *Baseline Data from Informal Settlements Study*

- The city has an estimated total total 154 informal settlements consisting of approximately 40,365 shacks (households) with a population of some 152,000 people that need to be formalized. This excludes backyard shacks.
  - Some of these settlements are subject to upgrading initiatives in terms of the Duncan Village Redevelopment Initiative.
- In addition,
  - 41 Settlements have been identified for FULL RELOCATION, as a high, medium and low priority = ±12,982 informal structures
  - 58 Settlements have been identified for PARTIAL RELOCATION & PARTIAL IN-SITU UPGRADING = ±15,285 informal structures
  - 39 Settlements have been identified for FULL IN-SITU UPGRADING = ± 2,592 informal structures



- **Introduction and Background**

Informal settlements are often located on marginal land subject to environmental degradation and hazard and often within floodplains. The unplanned nature, poor design and incremental growth of informal settlements complicates conventional service provision. Residents often lack basic educational qualifications, and are typically dislocated from the surrounding labour market. Informal enterprises operated by residents are often criminalized by municipal by-laws and other restrictions.

Residents have a higher risk of disease and mortality due to household poverty and their negative living environment. Access to social amenities such as schools, clinics, welfare offices and other community facilities is limited. Public open space is either entirely lacking, or is unsafe and insufficient for community needs. The visible disparity between informal settlements and surrounding areas gives rise to social tensions and fuels crime. The above mentioned factors coalesce to create situations of extreme poverty and social and economic deprivation.

Because of the constraints in rolling out conventional housing, the reality is that the majority of informal settlements have still not received significant development attention whether in the form of full upgrading, relocation to green-fields housing projects, or the provision of significant interim interventions to mitigate living conditions. In real terms, the residents in such settlements thus remain substantially outside of new South African democracy because in many respects they continue to receive limited tangible benefits from government programmes and policies.

The causes for discontent are therefore not only about lack of housing and service provision, but also in respect of a strong perception by residents of informal settlements that the state does not care about their predicament and that they are somehow inferior and ineligible due to their 'informal' or 'shack' status. Unfortunately, most migrants find themselves unemployed, living in one of the many hundreds of informal settlements on the periphery of these large metros, effectively marginalized from both access to economic opportunity, as well as housing and services. The rapid growth of informal settlements

Against this backdrop, there is now a growing realisation that the provision of emergency relief and interim basic services for informal settlements in Buffalo City Metropolitan Municipality is a necessary and appropriate response that needs to be rolled out and up-scaled as soon as



possible. BCMM in conjunction with the National Department of Human Settlements has selected 32 priority informal settlements to benefit from the upgrading plans to be developed.

- **Policy shifts with regards to Informal Settlement Upgrading**

Informal settlements are all different and generalizations cannot be made about them. However, one constant factor in their formation is that they typically provide an initial point of access into the urban environment for incoming migrants, or for those moving from other parts of the city. Earlier research in Buffalo City Metro shows that there were high levels of circular migration between a distinct band of rural areas and the Metro itself as well as movement between more established residential areas and those informal settlements which are located close to work opportunities.

One of the distinct features about living in an informal settlement is that they afford access at a very low financial cost and the barriers to entry are low. The nature of this access can be further unpacked into a number of elements such as:

- Access to employment and other economic / livelihood opportunities (which are often modest or survivalist in nature);
- Access to social facilities (e.g.: education and health care);
- Access to the political system (access to ward councillors and the space to vote and lobby);
- Access to the legal system (or improved access to it);
- Potential access to housing and infrastructure (e.g. through waiting lists for housing projects or through rudimentary / illegal services and connections available).

Informal settlements thus serve a critical function as 'holding places' where people can access the urban environment at extremely low financial cost and piece together various livelihood strategies there. Some might remain permanently and even ultimately gain access to formal housing, whilst others might reside temporarily for specific purposes which, once fulfilled, result in them moving elsewhere in the city or returning from whence they came.

This does not mean that all informal settlements are well located, but in many cases they are, and where they are not, they typically still afford better access opportunity than the next best option (e.g. continuing to remain at a traditional rural homestead or at a more peripheral location on an urban boundary).

<p><b>Advantages typically afforded by informal settlements for the residents themselves:</b></p> <ul style="list-style-type: none"> <li>• Provides access to the city (economic opportunities, social amenities etc.) at unrivalled low cost and a low barrier to entry</li> <li>• Represents to a significant extent, people's choice about where they want to live</li> </ul>	<p><b>Challenges presented by informal settlements for the residents themselves:</b></p> <ul style="list-style-type: none"> <li>• Poor sanitation, water supply and internal vehicular access</li> <li>• Fire and health risks</li> <li>• Poor top-structures / building materials</li> <li>• Often poorly serviced with social facilities such as clinics and schools (not always)</li> </ul>
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<p>(subject to a range of constraints)</p> <ul style="list-style-type: none"> <li>• Affords some security of tenure through informal contractual arrangements</li> <li>• Where proof of residency can be provided (e.g. letter from councillor) – can induce employers to hire.</li> </ul>	<ul style="list-style-type: none"> <li>• Full title is not available (although it can be argued that this is not necessarily a disadvantage and is in fact part and parcel of the informality and flexibility which characterise informal settlements and enables them to function)</li> <li>• Lack of full title means that the property asset cannot be used as collateral for raising bond and other finance.</li> </ul>
<p><b>Advantages for non-residents and the state:</b></p> <ul style="list-style-type: none"> <li>• Requires limited public administration – largely self-regulated</li> <li>• Low cost accommodation provided for a labour pool (e.g. for retail, industry, private homes etc.).</li> </ul>	<p><b>Challenges for non-residents and the state:</b></p> <ul style="list-style-type: none"> <li>• Unsightly (mainly in the eyes of the privileged)</li> <li>• May create the impression that the state is not 'delivering'</li> <li>• May represent a leftist power base in opposition to the state should the state continue to be unable to provide meaningful development relief</li> <li>• May adversely affect property values in neighbouring areas, plus other concerns/ perceptions like health, water pollution and crime.</li> <li>• Perceptions of negative impacts on tourism</li> </ul>

*Source: Misselhorn (2008)*

The Municipal response to upgrading projects tended to be interpreted as either the provision of rudimentary services, such as communal stand pipes, sanitation, storm-water drainage and roads or contractor driven green-fields development projects which were perceived as easier to manage and more cost effective, as they had definitive project parameters and could utilize the housing subsidy to finance the provision of services, tenure and top-structures.

One of the most fundamental realizations in recent years are that the housing subsidy scheme, could not respond to the demand rapidly enough and more seriously, was not addressing the development needs of the poorest urban families. The consequence was that informal settlements would continue to be a significant aspect of the urban landscape especially for those excluded from the housing subsidy scheme or on waiting lists. In addition housing was not resulting in integrated sustainable development, as it had not been complemented with other services which allowed for the development of integrated communities. Also problematic was the reality that many people in informal settlements did not qualify for the housing subsidy, a prerequisite for upgrading through a 'roll-over' or green-fields type development that emphasized the provision of individual title and top-structures.

In 2004, the introduction of 'Breaking New Ground': A Comprehensive Plan for the Development of Sustainable Human Settlements' heralded the first programme on informal settlement upgrading (UISP). The programme was progressive in aiming to address housing demand with a phased-in incremental approach to informal settlement upgrading. The National Housing Code's Chapter 13, attempted to shift the paradigm of informal settlements as





'housing problems' to 'manifestations of structural social change' which require a multi-sectoral partnership, long-term commitment and political endurance.

Implicit in the National Housing Code is the call for a phased in-situ upgrading approach, which is more likely to achieve social inclusion than large scale relocations to green-fields developments, as in-situ upgrading presents a greater opportunity to protect existing social and economic networks by allowing households to remain on site, and overtime incrementally upgrade the settlement.

The policy also provides funding for alternative land tenure options, which do not exclude those who do not qualify for a housing subsidy and may include a community based or area based subsidy to purchase the land. Layout options for the settlement can also be tailored, as opposed to standardized layout models which are highly inflexible and do not account for already negotiated informal settlement layouts. Funding has also been made available through the programme to support the financing of community participation and empowerment processes – something which the housing subsidy programmes do not account for. In the case where permanent services cannot be provided immediately, interim engineering services would be introduced.

The Outcome 8 delivery agreements provided another decisive policy shift towards informal settlement upgrading. Output 1 dealing with the delivery of housing opportunities stated as its goal to achieve the upgrading of 400 000 households in well located informal settlements with access to basic services and secure tenure.

- **Approach to Informal Settlement Upgrading**

In recent years, prevailing strategies for addressing informal settlements have shifted away from large-scale relocation, which have been known to cause massive social disruptions. The approach favoured today is on-site upgrading and improvement, with the goal of integrating low-income communities into their large urban contexts. Improving informal settlements has the advantage of leaving intact the economic and social networks that residents have created for themselves. There is, however, no clear set of best practice for these upgrades, which range from small minor projects to expansive infrastructural improvements.

According to the SACN/Cities Alliance (2002), the upgrading of informal settlements typically requires a range of interventions structured across physical, economic, social and institutional spheres. The breadth of interventions is an acknowledgement of the complex array of factors underpinning urban poverty.

- The physical complexity of upgrading activities often necessitates the development of planning frameworks. These provide a guide for interventions and address connectivity considerations essential to the development of sustainable human settlements.
- The hazardous physical environment of informal settlements often requires the preparation of environmental assessments and environmental management frameworks. These should be integrated into overall planning framework to provide a basis for future mitigation activities. The effectiveness of these mitigation measures should be measured over time through the establishment of environmental monitoring mechanisms.



- High level planning frameworks may be telescoped down into precinct or nodal plans.
- Security of tenure decreases the vulnerability of the poor, provides huge citizenship gains and is often a precondition for the mobilization of private resources. Many upgrading projects focus on the legislation and regularisation of properties in situations of insecure or unclear tenure.
- Improving basic engineering infrastructure has a significant impact on the quality of life of residents, and brings about important socio-attitudinal changes, improving the image of areas and integrating them into the social and political economy. Engineering interventions typically entail the provision or upgrading of basic municipal services, including clean water supply, adequate sewage, improvements to streets, footpaths and storm water drainage, enhanced solid waste management, street lighting and electricity to homes. Many projects seek to improve the accessibility of informal settlements and the mobility of residents through the construction of link roads and bridges, and by enhancing public transportation infrastructure.
- Housing projects have been a particularly visible feature of upgrading projects in South Africa. In some cases, informal settlements have been relocated to site and service schemes situated on the periphery of cities. (SACN, undated publication)

- **NUSP Programme in BCMM**

The rate of *formalization* to produce housing units is complex, slow, capital intensive and cannot keep up with demand. Up until quite recently, formalization was the only recognised route to follow in improving the living conditions of those living in informal settlements.

The new approach of *Regularization* recognizes that informal settlements need assistance while waiting for formalization (which currently cannot keep up with demand) through actions including:

- Ensuring healthier living conditions by providing basic services (standpipes, VIP toilets, grey water treatment, stormwater control, electricity or alternative energy supply) to the informal settlement to ensure basic sanitary conditions and improvement in quality of life.
- Ensuring safety through providing proper access especially for emergency vehicles.
- Ensuring some form of tenure starting with a statement that no one, whether they qualify for a housing subsidy or not, will be removed (if the settlement is not earmarked for relocation).
- Acknowledging all people as citizens as a contribution towards human dignity by providing an official residential address for each shack.
- Ensuring a continuous level of service delivery by means of urban management.

In 2013, the National Department of Human Settlements initiated the NUSP programme in BCMM as a Participatory Based Planning Support to Informal Settlement Upgrading Projects in Buffalo City Municipality. The support targets the in-situ upgrade of 32 informal settlements, as follows: -





Settlement	No. Structures	Settlement	No. Structures
Amalinda Forest	1184	Mdantsane – Lonwabo	31
Andrew Mlangeni	89	Mdantsane – Mahlangu	214
Barcelona	37	Mdantsane – Mbekweni	53
Bhisho-Tyutyu	465	Mdantsane – Dacawa	253
Cambridge Location	1341	Mdantsane – Daluxolo 1	111
Dimbaza South ext 3-Phola Park	35	Mdantsane – Khaylethu	150
Duncan Village – New Rest	35	Mdantsane - Mark Makalima	40
Eluxolweni	185	Mdantsane – Masibambane	35
Holomisa	250	Mdantsane – Nkomponi	172
Reeston – Jevon	701	Mdantsane – Phola Park	150
Zwelitsha – Ndlovini / Crossroads	120	Mdantsane – Slovo Park	280
Scenery Park - Airport	39	Mdantsane – Stofile Village	75
Scenery Park – Eskom	79	Mdantsane – Winnie	164
Scenery Park – Ekuphumleni	98	Mdantsane – Zola Park 1,2 and 3	97
Scenery Park – Manto	96		
Scenery Park – Phola Park	209		
<b>TOTAL</b>			<b>6 974</b>

**Table B.9 : 32 NUSP Settlements in BCMM**

The approach for the NUSP Programme follows an Asset Based Community Development (ABCD) approach where whereby the community identifies its own assets and resources that can be built on. Communities then develop their own plans, in a facilitated manner, and use these plans to see what they can do with their own resources, gearing in and leveraging state and other resources to build on this. Local resources and assets include social assets like leadership structures, and social networks as well as physical assets, like land and buildings, as well as economic and human resource assets.

This contrasts with the ‘needs based’ approach to development, that has been used predominantly in the past, where communities are asked to identify their needs. The three principles that underpin the upgrading approach adopted are:

**i. Incremental development:**

- Any upgrading process need to be conducted in a phased and incremental manner. This involves identifying immediate actions that can be taken to address:



- The immediate needs of communities (like the provision of interim basic services, and the provision of some form of basic tenure recognition through, for example, the issuing of occupation certificates); as well as
- Interim arrangements, like the re-blocking of plots and the provision of internal water and sanitation, to
- Longer term interventions like the upgrading of top structures through, for example the Peoples Housing Process Programme.

#### ii. **Community participation:**

The community will be given a chance to participate in the whole upgrading cycle from participating in collecting and analysing the data that will be used to inform decisions, influencing the content of the plans that will be developed, to monitoring the implementation of the plans and evaluating the success of these plans. BCMM will work with existing community structures and groups and support and build their capacity to be able to make informed decisions, and engage constructively with other role players.

#### iii. **Partnership approach:**

BCMM will encourage a partnership approach between all role-players, especially between the community and the municipality, in planning for and implementing the informal settlement upgrading process. We also support partnerships (or integration) between various government departments (both within the municipality and within different spheres of government) and entities, like the departments of planning, engineering, land management, local economic development, disaster management, social development, etc.

The Upgrading of Informal Settlements is a multi- pronged approach, BCMM is approaching the upgrading process from the following perspectives:

- ***Layout planning:*** This looks at issues relating to plot sizes, orientation of plots and housing, road and pedestrian path alignment, connection to surrounding settlements, availability of community, social and economic infrastructure. Issues relating to possibility of relocation will also be addressed.
- ***Engineering services:*** This looks at issues relating to provision of water, sanitation (toilets), roads, storm water, electricity, communication, refuse removal, etc. It unpacks the level of service that can be provided (e.g. communal standpipes vs water per plot), as well as the phasing of the installation of these services over time (eg. in first year provision of communal standpipe and in year three upgrading to water per plot). It also starts to bring a costing element into the discussion with the need for prioritisation within a resource scarce environment.
- ***Allocation and tenure:*** this looks at issues relating to what criteria will be used to determine who gets what plots and what procedures will be followed to make these allocation decisions. It also looks at how the land will be held and what rights and



responsibilities households will have, in relation to the municipality and other role-players in relation to this land. It is recognised that these rights and responsibilities can change over time as tenure relationships are modified (upgraded) over time. This relates to interim tenure arrangements on a continuum from no tenure security to potentially full individual title. The management of changes in plot occupation over time, the management of land use changes (e.g. using houses for shops), and the management of the type of structures that can be built (looking at appropriate building plan and construction regulations)

- ***Organisational development.*** Organisational development looks at issues relating to: (i) on the community side, building capacity of community structures to represent and be accountable to their constituencies, and (ii) on the government side, the councillors relating to the community and officials and officials having the necessary capacity to manage upgrading processes. It also looks at the institutional structures that will be needed at various stages of the development process, and the role and responsibility of various role-players at various stages and how they relate to and are coordinated amongst each other.
  
- **NUSP Programme Outputs**
  - i. **BCMM informal settlement upgrading policy and strategy**
    - A framework that will locate incremental settlement development within a broader settlement, land and housing development context; and will help guide future decisions relating to incremental settlement development both in in-situ contexts and in greenfield contexts
    - How upgrading will be implemented in a phased and incremental manner both: a) across different areas and projects of the metro; and b) within a specific project (e.g. basic services first and then upgrade over time)
    - How the community will be involved in the planning, implementation and evaluation stages of any upgrading process.
    - How institutional and partnership arrangements for coordinated planning and implementation across the metro will be established and managed
    - A short animation DVD that summarises the BCMM upgrading policy and strategy
    - A zoning category for informal settlements
  - ii. **Upgrading plans for 32 informal settlements**
    - Implementation plan: Outlines the steps that will be followed to conduct the participatory informal settlement upgrading process.
    - Technical status quo report: Outlines the existing engineering, planning, geotechnical, land ownership, etc. context of each informal settlement



- Socio economic survey report: Summarises the existing socio economic context of each settlement drawing on sample survey and community consultation
- Upgrading plan for 32 informal settlements and 2 green-field settlements that is broken into four broad sub sections:
- Spatial layout plan: Shows how the plots and roads will be laid out in the settlement in future.
- Engineering services Implementation programme and budget: that summarises the phasing of implementation over time a) proposed level of services per phase b) phasing of implementation.
- Tenure management plan: Summarises what tenure will be provided over time and how tenure will be managed
- Institutional management plan: Outlines the institutions that will be involved in the upgrading and how they will relate to each other.

At the same time BCMM has embarked on the formalisation of various informal settlements categorised in the Informal Settlement Study as suitable for in-situ upgrading. Both USDG and HSDG funding provision has been made in the MTREF budget for these informal settlement areas.

Cluster 1	Cluster 2	Cluster 3	Turn Key Project
Masibambane; Masibulele; Velwano; Ilinge and Dacawa	Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe	Fynbos 1; Fynbos 2; Ndancama	Second Creek
MTREF Budget for Internal Services (USDG) = R110,000,000	MTREF Budget for Internal Services (USDG) = R56,464,685	MTREF Budget for Internal Services (USDG) = R53,225,000	MTREF Budget for Internal Services (USDG) = R100,000
MTREF Budget for Top Structures (HSDG) = R76,000,000	MTREF Budget for Top Structures (HSDG) = R46,000,000	MTREF Budget for Top Structures (HSDG) = R46,000,000	MTREF Budget for Top Structures (HSDG) = R1,000,000

**Table B.10 : BCMM Informal Settlements formalisation during MTREF period**



## B.4.2      **Densification Strategy**

There are two types of development interventions that bring about urban densification. In the first instance it occurs through the development of vacant land (i.e. infill areas), the result of which is an increase in the city/town or urban density. Secondly, it occurs through “compaction”, which is an increase in net residential density through the addition of new units or people into an area, through subdivision of land and/or buildings or through the expansion of the floor space of existing buildings.

The following are examples of the manner in which densification is occurring:

- Land invasions and the subsequent upgrading and formalization of low income settlements on previously vacant or underdeveloped land.
- Incremental formal infill development of steep vacant land previously considered undevelopable, but now considered feasible for middle income and high income housing as a result of shortages of well located land within the city.
- Incremental compaction of existing urban areas as a result of subdivision, second dwelling construction and building floor area expansion.
- Compaction as a result of the development of new higher net residential density housing projects in response to security needs, increasing land development and maintenance costs.

BCMM sees high-density housing as an important strategy in densifying the city and preventing urban sprawl. The Buffalo City Integrated Development Plan and Spatial Development Framework both emphasize the importance of achieving higher density housing, particularly along major transport corridors and around economic nodes.

Apart from Social Housing as a form of densification, discussed above, BCMM has also provided for densification in the Residential Zone IV of the Zoning Scheme Regulations. There are 4 366 Erven in BCMM that are zoned for Residential Zone IV purposes, the majority of which are located in East London.

Increased alignment between the Spatial Development Frameworks and the Public Transport Plan is required in order to ensure that housing is provided on land which is located adjacent to public transport routes. Key corridors have been identified and the latest SDF Review proposed densification along these corridors and at the nodes or transportation hubs. This is where BRT services will be available.

## B.4.3      **LAND IDENTIFICATION**

Please refer to discussion in Section C3.3 below.



## B.5 Community Infrastructure Review

Summary of Social Facilities provided in BCMM.

Type of Facility	Total Number	% Households within 3 km radius	% Households within 5 km radius	% Households within 10 km radius
Clinics	91		88%	
Primary Schools	308	99.9%		
High Schools	162	93.7%	80.1%	
Libraries	17			67%
Community Halls	102		90.2%	
Pension Pay Points	138		94.4%	
Police Stations	23			86.6%
Sport Fields	79		69.6%	
Cemeteries (Formal)	32			
Cemeteries (Informal)	133			
Crematoria	1			

Table B.11 : Summary of BCMM Social Facilities

In general, while access to and the number of community facilities provided in Buffalo City is thus not a concern, the standard of facilities and the quality of the service provided are often unclear.

## B.6 Transportation Review

### Trends In Demand For Transport Services

According to the Buffalo City Quality of Life' study conducted in 2007, the majority (72%) of Buffalo City residents make use of public transport. Of all motorised trips made in Buffalo City public transport accounts for 62% compared with 38% by private vehicles, it is therefore an important means of travel for the majority of BCMM citizens.

Surveys carried out in 2002 indicate that of 300 000 trips made using public transport each day, 250 000 are made by taxi, 25 000 by scheduled conventional bus and 25 000 are made by passenger rail. This emphasises a need to develop a new public transport system to cater for the anticipated increased usage in public transport in line with National and Provincial transport policy to develop public transport usage.



Even though there is a high dependence on the public transportation system, the current system is not meeting the needs of the community adequately. It is unsustainable, unsafe, ineffective, not accessible and supply-driven. An improved public transport system is required.

Travel patterns within Buffalo City are characterised by corridor-type movements linking Mdantsane to East London, with a star-shaped pattern emanating from King Williams Town to smaller nodes, as illustrated below

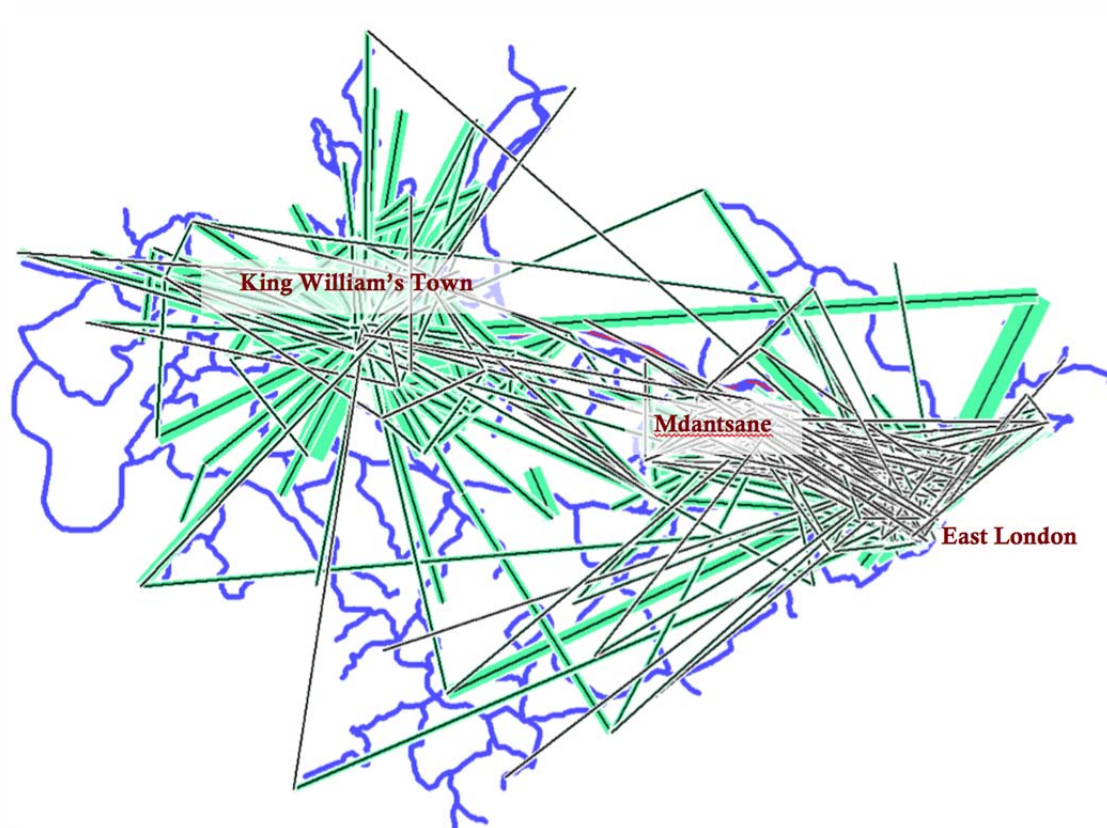


Figure B.12: Public Transport Trips per Day in Buffalo City

The current transport networks and modes of public transport are characterised by: -

- A spatial distribution and layout of road (and rail) networks mainly running along spurs and ridgelines, with few cross-river linkages inhibiting cross-town mobility in the greater East London area.
- For the most part, people resident in areas where access to opportunities is poorest are most reliant on public transportation.
- The spatial pattern and concentrations of development in these areas, however, have not historically favoured the sustainability of most modes of mass-based public transport. The consequence of this is that neither the form of the built environment nor the public transport systems that have endured (principally the mini-bus taxi industry) has served the most needy residents in an optimum manner.



- Present proposals for bridge crossings of Buffalo River and the linkage of the N2 and coastal routes (R72) would facilitate improved mobility of people resident in the Mdantsane / Reeston / Duncan Village areas to areas of opportunity in the West Bank area of the city. An additional bridge will also provide an alternative route for heavy trucks, which currently have to navigate through the East London CBD when traveling from Nelson Mandela Bay via the R72 to the N2 to Durban.

These heavy vehicles cause significant damage to the City's road network, and although the damage is caused by regional traffic, maintenance of the affected roads is done at a cost to Buffalo City. The proposed upgrade of the N2 between Buffalo City and Durban by SANRAL will see an increase in national traffic through the city centre, making the provision of the second Buffalo Bridge an even higher priority.

- Of note is the proposed revitalisation of the rail commuter service linking East London to Berlin via Mdantsane. The success of this venture requires a long-term view of spatial development in the rail corridor area, with an emphasis falling on the development of appropriate densities to support operating thresholds of the mooted service, over time.
- In addition to the rail corridor, a trunk bus service has also been proposed linking Mdantsane to the East London CBD. The proposed Bus Rapid Transit service is funded by the Department of Transport, but there have been several delays in the implementation of the project.

## IMPLICATIONS FOR LAND USE MANAGEMENT

The current SDF Review recognises that the average density of settlement along designated corridors in BCMM is around 5 dwellings per hectare gross. In terms of the SDF, the minimum threshold for public transport is set at 40 dwellings per hectare.

It is thus clear that strategic locations including those along transport corridors and at nodes and transport hubs, must be optimally developed at such densities or – preferably – even higher densities wherever feasible. The current land use management system (Buffalo City Zoning Scheme) is under review to facilitate this process.

## B.7 Sustainable Development Review

Apart from national policy informants, a number of key localised policy documents exist which have an influence on spatial development in the Metro.

These include:

- Eastern Cape Biodiversity Conservation Plan Coastal Environmental Management Framework: Cannon Rocks to Great Kei River.





- *BCMM Integrated Environmental Management Plan (IEMP)* - an overarching framework and decision making tool for environmental management within BCMM., developed in accordance with an environmental policy as well as supporting Action Plans.
- *BCMM Integrated Coastal Zone Management Plan (ICZMP)* – The plan aims to identify and prioritize existing environmental pressures, provide specific management recommendations to deal with these pressures, and provide an appropriate framework to manage the BCMM coastline. The plan is a subsidiary plan to the IEMP mentioned above and is divided into a series of Coastal Action Plans of which Coastal Action Plan 1 focuses on Spatial Planning.
- *BCMM Energy and Climate Change Strategy* - The BCMM Energy and Climate Change Strategy was commissioned after the national energy crisis and with environmental concern regarding climate change. The document provides a strategy for managing energy and mitigating climate change and includes spatial planning principles and their implications.
- *BCMM Municipal Open Space System and Conservation Plan (MOSS)* - The 2007 study focused on open space within the city. This was later expanded to include areas falling under the Mdantsane Urban Renewal Programme (MURP). The full BCM MOSS represents a comprehensive synthesis of recent spatial environmental planning policy and tools affecting BCMM.

The BCMM Conservation Plan designates areas of biodiversity importance and classifies land according to its restoration potential. A key finding of the Conservation Plan is that only 12% of the BCMM land area remains in a natural state. Furthermore 117 000ha or 43% of the land area falls within Ecological Process Areas with only 4% of the land area under formal protection. Out of the Impacted Land Categories, 23.87% is deemed unrestorable. With this in mind, land use guidelines have been developed for all areas of biodiversity importance.

The environmental conservation and management areas in the city comprise all afforested areas, coastal reserves, nature reserves, estuaries and river flood plains, steep slopes in excess of 1 in 6 gradient and fragile ecosystems. The Open Space System identified in the Municipal area, comprises of designated Protected Areas, areas identified for protection, environmentally sensitive areas (conservancy areas etc.) and sensitive areas associated with water courses and major river systems.

The above mentioned topographical and environmental constraints impact on the urban form of BCMM and pose challenges for the creation of a compact city.



## B.8 Impact of Sectoral Reviews on Spatial Form

The aim of achieving a compact spatial form for BCMM is hampered by a number of impediments, primarily topographical constraints.

However, it must also be acknowledged that the BCMM is facing a challenging situation in respect of the historical legacy of spatial fragmentation. Consequently, it has had to grapple over a span of years to address infrastructure and housing backlogs and these on-going attempts to address such backlogs in existing settlements that are often located on the periphery of the identified hubs is often seen to be a challenge to the effort to focus and prioritise investment in areas of the city which would encourage economic growth and employment generation.

The distribution of population in the Study Area has a direct bearing on the nature of economic activities pursued by residents as well as the supportive linkages and “survival strategies” on which they depend. On this basis, it is important to note that a general distinction could be made between communities that are more dependent on, and therefore functionally linked to, the urban economies of the towns and cities, and communities that pursue a more “independent”, functionally rural lifestyle.

As expected, urban areas are also characterised by a majority of formal dwellings, with the more rural areas displaying a preponderance of traditional dwellings. The urban/ rural distinction needs to be borne in mind when conceptualising different forms of development projects in order to ensure that functional social and economic linkages are facilitated rather than undermined.

The fact that the majority of people in the Study Area reside within what may be termed an urban sphere of influence suggests that the interplay between rural communities and the urban economies is a critical functional element. This must be regarded as a guiding factor in the formulation of appropriate strategies for development projects and land reform in the Buffalo City Metropolitan Municipality.



# SECTION C

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## BCMM Strategies and Programmes



## C.1 Long Term VISION

The newly developed Built Environment Indicators issued by National Treasury have provided key guidance on the main focus areas and ideal “endpoints” for the spatial transformation of the largest urban areas in South Africa.

These are encapsulated in the high-level goals of achieving – as an outcome of a sustained focus on planning and implementation of programmes and projects that prioritise the transformation of urban structure and functioning over time – a “Well-Governed City”, an “Inclusive City”, a “Productive City” and a “Sustainable City”.

As part of its on-going strategic planning activities, BCMM has sought to promote and facilitate the progressive realignment of its activities in a way that it moves towards maintaining a consistent mode of operating with respect to investment in the built environment.

This has been done in an effort to build clarity in the relationships being developed between the BCMM and civil society formations and to promote a consensus on what needs to be done in order to achieve more sustainable and functional urban environments for Buffalo City’s community: its residents, businesses and commercial enterprises, visitors and prospective investors.

As a guide to its operational activities and to provide focus in its continuing efforts in this regard, the BCMM has adopted a long-term Vision and Mission that is set out in its Integrated Development Plan (refer to Section D2 below).

The organisational Vision and Mission is interpreted spatially in the latest Review of the Buffalo City SDF (2013), which puts forward the following long-term Spatial Vision:

### “RE-SHAPING BUFFALO CITY: THE METRO IN 2023”

Buffalo City is a City-in-a-Region providing a focus for socio-economic development, services and higher order human settlement in the central part of the Eastern Cape Province.

The core elements of the City are its roles as a University Town; a hub for Green energy production and innovation; a centre of Industrial development with an innovative and world-class motor industry cluster at its heart;

A city that offers a rich lifestyle experience through the quality of its natural environment, the range of social, cultural and leisure activities offered in the area, and the excellence of its public infrastructure and social institutions.

The Spatial Vision contains key themes relating to the perceived areas of development potential (selling points) of Buffalo City but are further expressed in a conceptual sketch outlining the Vision in Figure C.1, which highlights the Municipality’s appreciation of the myriad linkages and the importance of connectivity in any effort to transform the spatial structure and functioning of the main urban systems in Buffalo City.



It is recognised that the achievement of the Spatial Vision requires the spatial alignment of planning and project implementation to develop the infrastructure networks (capacity) and linkages in the areas of greatest priority, as defined in the strategic approach set out below.

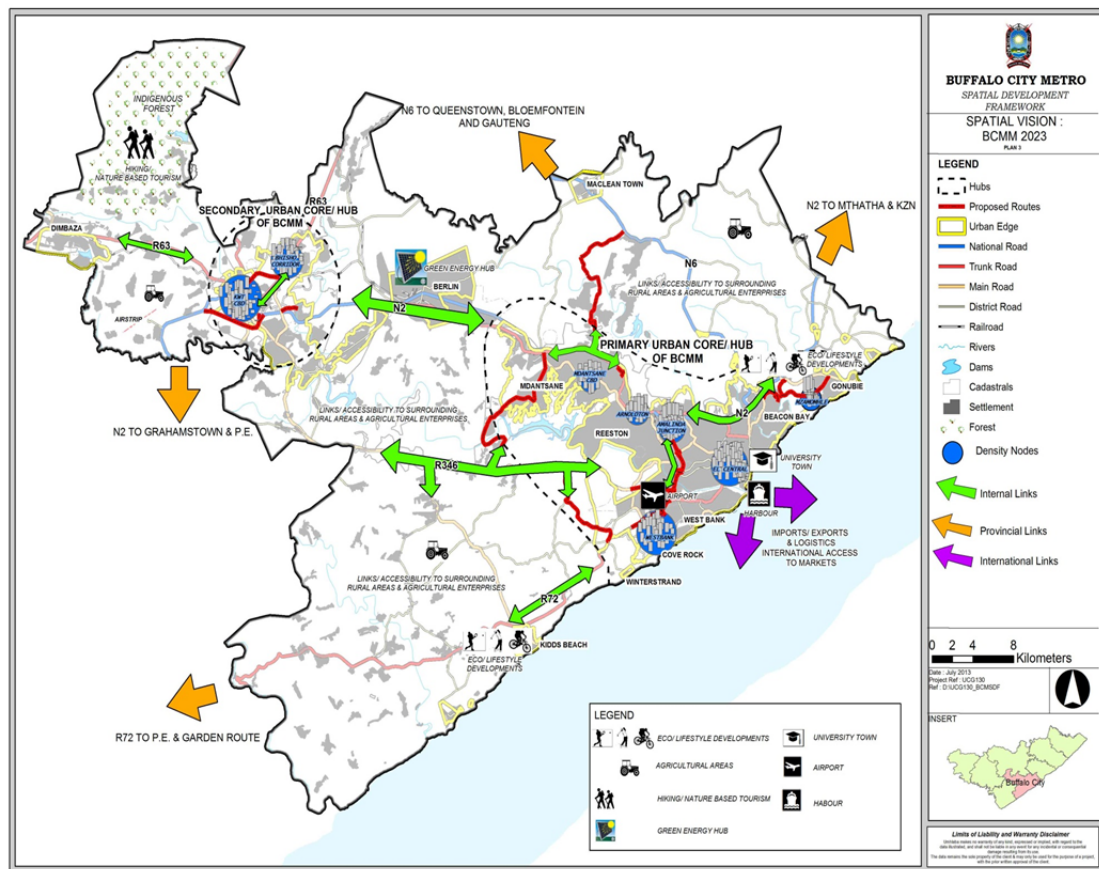


Figure C.1 : BCMM Spatial Vision 2023

## C.2 The Spatial Development Strategy of BCMM

As previously noted, within the Buffalo City area the spatial pattern of development demonstrates spatial fragmentation continuing to occur within East London and King William's Town, mostly in the form of class-segregated residential areas or dormitory suburbs. Some larger such areas include Mdantsane, Potsdam, Ginsberg, Zwelitsha, Phakamisa, Breidbach and Ilitha. In addition, the higher order function and natural growth of the historic towns of East London and King William's Town have been impacted by historical attempts to create satellite or "buffer strip" residential, commercial, industrial and administrative growth nodes - i.e. Bhisho, Berlin and Dimbaza. The City recognises this spatial development pattern as a legacy of apartheid and previous Bantustan policies that require urgent attention.

In terms of the BCMM IDP, an overall concept (described below) is accepted and endorsed as strategic direction provided by the Municipal Council for the purposes of this BEPP.

*"In essence, the approach of Building on Urban and Rural Strengths acknowledges that the urban areas of Greater East London/Mdantsane and King William's Town/Bhisho are likely to be focal points for significant economic growth and development within Buffalo City over an extended period of time. However, it is accepted that there is a dependency amongst a significant proportion of the residents of Buffalo City on access to peri-urban and/or rural land for basic livelihood (i.e. survival or subsistence) purposes, and that this is likely to continue to be so, at least in the medium term (10 years).*

*Therefore, it is concluded that:*

- ▶ *It must be accepted that it is most rational and economically effective to focus higher order development investment (in infrastructure, housing and a diversity of economic enterprises) in the urban core areas.*
- ▶ *However, a proportion of the resources of BCMM must also be targeted in areas of opportunity and areas of need in fringe rural and peri-urban areas, in order to upgrade existing settlements and create or facilitate new development opportunities in these areas."*

As noted above, from a conceptual point of view, the urban portion of Buffalo City extends in a linear form along the main watershed between East London and King Williams Town, with the historical settlements and urban nodes using the main roads and railway line as the main transport route to the surrounding area.

This urban form can be simply described as 'beads on a string' and, in order to enhance the operational effectiveness of this built form, it is envisaged that future development should be directed in such a way that the various settlements or nodes (beads) along the main rail and road transport routes (or string) be allowed to develop in intensity (i.e. density and variety or mix of land uses).

This is intended to create areas where the density of development and the increased variety of opportunities at points of good access to the majority of residents would improve both the overall functioning of the built environment in Buffalo City, as well as offer better social and economic opportunities for the residents.

More specifically, it is suggested that within areas of high need and/or development potential, the integration of modes of transportation, particularly public transportation modes, should be undertaken to create points of high accessibility for a greater number of people.

For the purposes of the Buffalo City Metropolitan SDF, then, the central development concept is one of 'beads on a string', with the string comprising a linear system of integrated movement modes and the beads being the intensive mixed-use nodes, around multi-modal transportation terminals. An alternative (or more technical) description of the concept would be to focus on the concepts of nodes (beads) and corridors (string).



There can be no doubt that an efficient transport system is fundamental for the successful development of the City. The greater the integration between development and the road, rail and modes of transport, the more opportunities there will be for economic development.

This implies a need to develop intense and higher density settlements with mixed uses along the main transport routes; inner city medium density residential environments surrounding the East London and King William's Town CBD's and medium density residential development not more than 120 meters from bus/taxi routes and near stations.

The rural areas, which contain agricultural/residential mixed uses, would be located in suitable areas where water soils and topography could sustain 'urban agricultural environments'. It is further proposed that market garden living environments be supported where commercial scale agriculture could be sustained.

Such a conceptual framework would enable a close relationship to develop between urban and rural settlements. There is a danger that urban sprawl could erode valuable agricultural land if it continues unchecked. Accordingly, it is believed essential that increased densities close to transport and economic centres are a vital strategy and new investment in housing, commercial buildings, industrial sites and recreation facilities should be used to increase the intensity of land use within the confines of the existing urban area and thereby raise living densities, improve public transport viability and increase economic activity.

Investment in public facilities can also be used as development facilitators through the development of intensive mixed use nodes and creation of 'community bundles' containing public facilities, community services and sports infrastructure. Through this conceptual framework of integrating development closely with efficient transport systems, an improved environment is expected for the future city. In order to achieve such a future vision, certain key spatial structuring elements need to be used in all development decision making to direct growth and ensure the city starts to re-direct development into a framework which is more appropriate and desirable.

## C.2.2 Broad Spatial Development Strategies

In response to the conceptual framework above, the reviewed Spatial Development Framework for Buffalo City Metropolitan Municipality elaborates **objectives and strategies** to manage spatial development and land use and to guide new investment to achieve the development vision set out in the BCMM IDP and the SDF. The core strategic approach is summarized as follows: -

- ▶ *Implement the principles of Integrated Environment Management and identify resources (natural/biodiversity; social; economic; heritage and cultural; human capital; financial) and manage land use in valuable resource areas;*
- ▶ *Use a defined Urban Edge and Land Use Management System as spatial management and investment guidance tools;*
- ▶ *Consolidate and integrate spatial development by developing land in proximity to public transport facilities and existing services;*





- ▶ *Implement a Land Reform and Settlement Programme by identifying zones of opportunity or integrated development in peri-urban and rural areas;*
- ▶ *Pro-actively manage land use and set appropriate levels of service to achieve sustainability in urban, peri-urban and rural areas.*

## C.3 Overview of Area-Based Initiatives

Buffalo City has four area-based initiatives, at present. These are: -

- The Mdantsane Urban renewal Programme (MURP)
- Mdantsane Urban Hub – NDP initiative
- The Duncan Village Redevelopment Initiative (DVRI)
- The Bhisho-King William's Town Revitalisation Programme

In addition, the gazetted and proposed Provisional Restructuring Zones (PRZ) are noted as area-based spatial development initiatives.

The following details apply: -

### 1. The Mdantsane Urban Renewal Programme (MURP)

Specific areas of focus for the Urban Renewal Programme include: -

- *The upgrade or rehabilitation of existing but degraded infrastructure;*
- *The redevelopment of key access and circulation roads within the township;*
- *The development of social facilities in facility clusters at strategic localities within the township; and*
- *The development of public transport feeder routes to the railway stations.*

It is also proposed that the funding streams administered in terms MURP are to be used to target specific development areas including: -

- *Consolidation of fragmented formal and informal settlement areas on the western fringe of the township, including areas known as Unit P, Ikhwezi, Khayelitsha (Potsdam East NU 1), Potsdam Village (Blue Rock), Unit V and Potsdam South.*
- *Development of Reeston Phase 3 on the eastern side of Mdantsane.*
- *Upgrade and redevelopment of settlements in the Mdantsane Buffer Strip to achieve higher residential densities, particularly in localities near to strategic transport modal interchanges such as Mount Ruth and Mdantsane Stations.*
- *Co-ordinated upgrade of infrastructural capacity and the prioritization of some 10,000 informal shacks in serviceable areas within the built fabric of Mdantsane.*
- *MELD proposals for intensification of land use around Highway are important if the node is to be developed to its potential.*



## 2. Mdantsane CBD - Urban Hub

The Mdantsane CBD (known locally as “Highway”) is a Regional Transport Hub for taxis and buses, but poor linkages to the railway stations located along the northern fringe of the township hinder the potential for integrated modal public transport systems at present.

In the context of Buffalo City, Highway is a relatively minor Commercial Service Centre – it serves the township but operating thresholds are low (low densities and little disposable income). Many people prefer to commute to East London for goods and services.

## 3. The Duncan Village Redevelopment Initiative (DVRI)

The main focus of the DVRI is to establish formal housing in an area that is almost entirely covered by informal settlements. This focus is also in line with the National Upgrading Support Programme (NUSP), which aims to facilitate the upgrading of informal settlements in South Africa.

As part of the National Programme on the Upgrading of Informal Settlements, an Interim Business Plan was prepared by BCMM and submitted to the Provincial Department of Human Settlement. The Total Interim Project Budget contained in this Interim Business Plan amounts to over R1billion, with a project timeframe of 15 years.

Buffalo City Metropolitan Municipality appointed a Turnkey Implementing Agent responsible for the implementation of housing within Duncan Village as well as within areas linked to the Duncan Village Redevelopment Initiative. ASLA was awarded the project and a Memorandum of Agreement was concluded on the 30<sup>th</sup> of May 2014.

Duncan Village is an area with historical significance and currently it is estimated that around 70–10.000 people reside in the various precincts in mostly informal dwellings. The process of development of Duncan Village will be conducted through short, medium and long term objectives that will ultimately allow the formalisation of Duncan Village as well as the re-establishment of many families to new developments within BCMM.

The long term objectives will take cognisance of urban development and the alignment of housing with easy access to employment opportunities as well as recreational amenities. The short term interventions will focus on making an impact within Duncan Village in the shortest possible time frame and will entail coordinated re-allocation of people to various temporary sites. Within this first draft the focus will be on providing an initial overall strategy.

Duncan Village is densely populated and before any formalisation can commence the following must be accepted:

Development within Duncan Village can only take place if sufficient space is available to do so;

- The first block and future blocks to be cleared will be identified in accordance with practical considerations;



- People will be re-located from an identified block towards a temporary relocation area (TRA). This is the only way to create sufficient space over a short period;
- People will be moved from that geographic area only – hence prioritization will be on the basis of geographic location in Duncan Village;
- From the TRA people will be moved to various projects which may include re-establishment within Duncan Village;
- It is not possible to re-establish all the beneficiaries currently residing in Duncan Village back in Duncan Village.

The main challenge over the longer term is to find projects to accommodate the beneficiaries currently residing within the geographical boundaries of Duncan Village, but which cannot be accommodated within the ultimate housing provided.

There is a potential shortfall of nearly 2000 opportunities (excluding Ford Msimango). This highlights the importance of:

- Densification of projects – example Reeston Ph3 Stage 2 to open up the 1000 new opportunities;
- Incorporating vertical densification within Duncan Village;
- Rental options to house potential non-qualifiers;
- Identifying alternative land for future development within BCMM.

#### 4. The Bhisho – King William's Town Revitalisation Programme

In 2010 the Department of Roads and Public Works commissioned the implementation of a Master Plan for Bhisho Revitalisation. The Master Plan proposed the revitalization of Bhisho through a number of strategic projects that can be implemented by public and private sector delivery agents. A number of Anchor Projects categorised into term periods have been identified. These include the following:

- ***Quick Win Projects (< 2 Years)***
  - *Upgrading of Bhisho Memorial*
  - *Pedestrianisation of portion of Independence Avenue*
  - *Waste Recycling*
  - *Signage*
  - *Marketing and Communication Strategy*
- ***Short to Medium Term Projects (2-5 years)***
  - *Strategic Spatial Implementation Framework*



- *Bhisho CBD Upgrade and Parking Strategy*
- *Independence Avenue Ceremonial Boulevard*
- *New Office Precincts: Phase 1*
- *Residential Development (Social, Rental and Gap / Affordable Housing)*
- **Long Term Projects (+5 years)**
  - *Office Precinct*
  - *Affordable and Bonded Housing*
  - *Partially subsidised Rental Social Housing,*
  - *High value privately funded housing projects)*
  - *CBD Upgrading (Public realm and existing retail facilities)*
  - *Sports, Recreational and Caravan Park Upgrading into a Multi-Purpose Node*

## 5. Provisional Restructuring Zones

*Numerous initiatives have been undertaken in the period 2000 to present. More discussion on this aspect is set out in Section C4.2.1 below.*

### C.3.1 Co-Ordination with Special Infrastructure Projects

The Special Infrastructure Project (SIP) applicable in Buffalo City is the SIP 7: Integrated Urban Space and Public Transport Programme.

This section will be expanded when the projects and programmes for the 2015/2016 MTREF period have been refined and adopted by Council.

### C.3.2 Co-Ordination and Alignment with Informal Settlement Upgrade Programme

With the support of the National Department of Human Settlements, funding has been made available through the National Upgrading Support Programme (NUSP) to support BCMM's programme to carry out in-situ upgrade procedures in 32 informal settlements, which are located (with the exception of one settlement) within the SDF-designated Priority Areas (Integration Zones) of Greater East London-Mdantsane (Priority Area 1) and King William's Town/Bhisho (Priority Area 3a).



### C.3.3 Land Release and the Spatial Development Strategy

Buffalo City Metro completed a Land Audit in 2011, which formed the basis of a Land Summit held in March 2014. One of the key issues raised as an outcome of these processes is the fact that a number of strategic land parcels in BCMM remain in state ownership, under title registration to various state departments. These land parcels have proven extremely problematic to acquire and, in some instances, this has represented an obstacle to smooth land development processes. As a result, some of these land parcels have been invaded and, in cases, communities who have settled there in inappropriate localities or settlement patterns are now demanding service delivery.

In 2012, Buffalo City Municipality BCM invited the Housing Development Agency (HDA) to deliberate on strategic areas of support. Accordingly, the Implementation Protocol (IP) was drafted and the Medium Term Operation Plan (MTOP) has been finalised to commit the parties to act in common pursuit of the stated aims and objectives in keeping with the provisions of the Intergovernmental Relations Framework Act. The objectives and priorities of the Protocol are: –

- i. To authorise the Agency to facilitate the process of Land Assembly and Tenure upgrading on behalf of the BCM so as to enable the Municipality to undertake development;
- ii. Specifically, through the Implementation Protocol, the BCM appoints the HDA to fulfil the following role, namely:
  - act as its duly authorised agent and representative to identify, acquire transfer land required for development purposes in line with the SDF of the municipality

Priorities to be pursued are set out in this operational plan as confirmation of collaboration and is the basis of specified roles, funding arrangements and performance expectations agreed by the BCM and the HDA.

- a. *The primary objective of this medium term operational plan is to document the activities and services that are required by the BCMM from the Housing Development Agency to undertake on its behalf and in line with the signed implementation protocol.*
- b. *Furthermore, the plan seeks to provide a full account of the services and value add that will be delivered by the HDA in support of BCM – thus allowing for specific measurable performance to be anticipated.*
- c. *From a service delivery perspective, the operational plan outlines how the HDA supports the Municipality in meeting its built environment objectives and, in particular, overall targets in respect of Government's Outcome 8 (Sustainable human settlements and improved household quality of life).*



The operational plan serves to outline the measurable and time-bound performance of the Housing Development Agency in support of the BCM strategic objectives.

Private land acquisition will be undertaken by BCMM itself according to a Land Acquisition Programme where key developable land parcels have been identified and mapped in terms of development potential.

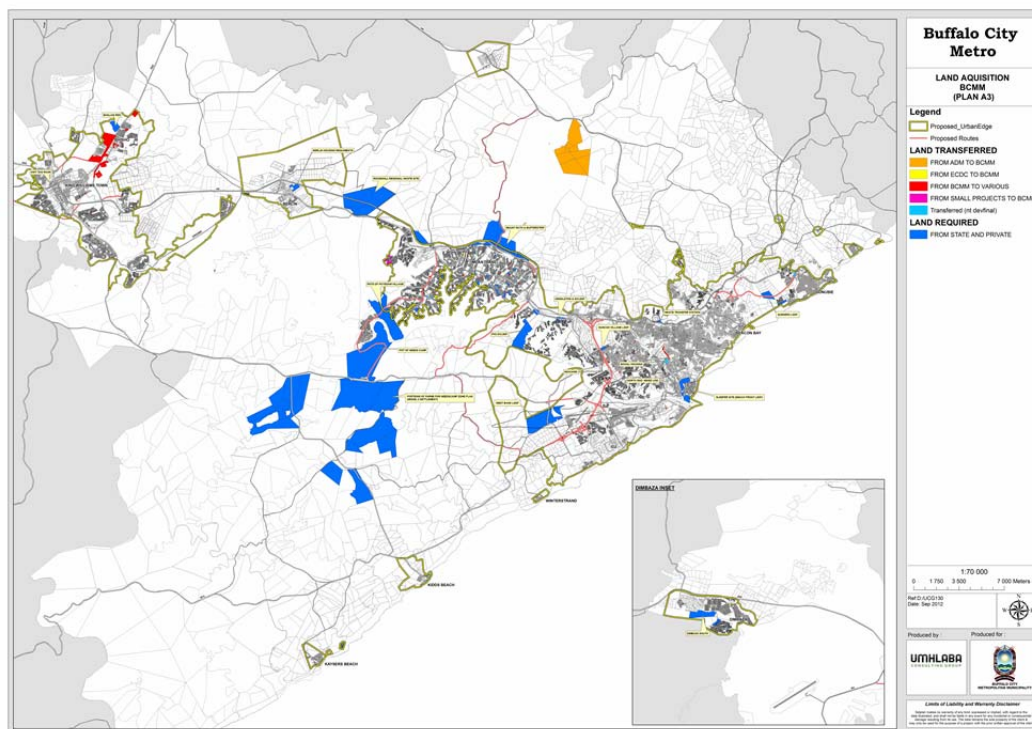


Figure C.2 : BCMM Land Acquisition Plan

## C.4 Identification of Urban Network Integration Zones and Hubs

### C.4.1 Integration Zones and Network Elements

In order to achieve the aforementioned SPATIAL VISION and to implement the Conceptual Development Framework, the following strategic spatial proposals are highlighted below.

In an effort to try to bridge the gap between planning and implementation, the SDF now proposes THREE spatial areas of strategic priority where, if focused attention is placed on implementing key catalytic projects, significant developmental benefits can be attained over an extended period of time for the benefit of all communities and residents of Buffalo City as well as the broader region over which the socio-economic influence of BCMM extends.





These 3 Priority Areas<sup>1</sup> are described below and summarised in **Table 1:** -

### SPATIAL PRIORITY 1

In order to provide Strategic direction to spatial development to BCMM, and in order to support investment and growth, it is proposed that the **Central Urban Renewal Area** should be **Priority 1**. This includes **East London and Mdantsane and the areas in between them**. This area is regarded as the **'HEART' of the City-In-A-Region**, which is BCMM.

Due to the enormous number of people, this area is also subjected to critical infrastructure/service backlogs, which severely hinders progress of development. The urban area also has the potential to accommodate between 40 000 to 50 000 households at increased densities in the future. Creating infrastructure capacity in roads and services networks will give *"biggest bang for the buck"* in shortest time-frame.

Strategic Priority 1: Central East London – Mdantsane (Central Urban Renewal Area)	
Spatial Focus	Rationale for Priority
<p><b>Focus and Investment in the Central Urban Renewal Area (EL-Mdantsane)</b>  <b>Catalytic Projects are identified as:</b></p> <ul style="list-style-type: none"> <li>- <i>The Sleeper Site (mixed land use development and University Town node)</i></li> <li>- <i>Roads and bridges to link West Bank to Central Urban Renewal Area and regional linkages (N2)</i></li> </ul>	<ul style="list-style-type: none"> <li>- <i>This area is home to the majority of the BCMM population.</i></li> <li>- <i>The "Heart" of the City-in-a-Region that is BCMM.</i></li> <li>- <i>Potential to house 40,000 to 50,000 households at increased densities, over time.</i></li> <li>- <i>Critical infrastructure/service backlogs hindering progress.</i></li> <li>- <i>Creating infrastructure capacity in roads and services networks will give "biggest bang for the buck" in shortest time-frame.</i></li> </ul>

**Table C.1 : Strategic Priority 1 – Central East London - Mdantsane**

<sup>1</sup> *It should be noted that the Buffalo City Metropolitan SDF reviewed in 2013 employs terminology that differs from the Urban Network Strategy (UNS) as it preceded the UNS guidance. While the BCMM SDF employs the term "Integration Zones", the concept of "Priority Zones" used in the SDF may be seen to be closer to the Integration Zone as defined in the UNS, while the Integration Zones put forward by the SDF may be viewed variously as The CBD, hubs or nodes in the overall UNS conception. This terminology may require clarification in due course.*



## SPATIAL PRIORITY 2

Since 1980s, the **West Bank area** has been seen as having the best potential for large-scale urbanisation in the Greater East London area. Investment in the East London Industrial Development Zone (ELIDZ) is constrained from being fully realised by the lack of key infrastructure in Wastewater Treatment on the West Bank. As land prices have inflated and the developable land in close proximity to the City centre is depleted, the next available area after Quenera is the West Bank, with ample well-located land for integrated, higher density and mixed land use development close to the ELIDZ.

It is primarily for these reasons that the **West Bank** has been identified as **Priority 2**. Critical for the success of the West Bank area is the need to complete catalytic projects that resolve the issue of Waste Water Treatment for the area as well as Roads and Bridges that will link the West Bank to the Central Urban Area and Regional linkages (i.e. the N2 with a bridge over the Buffalo River).

Strategic Priority 2: West Bank	
Spatial Focus	Rationale for Priority
<p><i>Investment in key enabling infrastructure on West Bank:</i>  <i>Catalytic Projects are identified as:</i></p> <ul style="list-style-type: none"> <li>- Water services – especially Wastewater Treatment</li> <li>- Roads and bridges to link West Bank to Central Urban Renewal Area and regional linkages (N2)</li> <li>- Harbour expansion and deepening</li> <li>- IDZ Science &amp; Technology Park)</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Since 1980s, the West Bank area is seen as having the best potential for large-scale urbanisation in Greater EL area.</i></li> <li>- <i>Investment in IDZ is constrained from being fully realised by lack of key infrastructure in Wastewater treatment on West Bank.</i></li> <li>- <i>Ample well-located land for integrated, higher density and mixed land use development close to IDZ.</i></li> <li>- <i>Transport Linkage to Central UR Area crucial to creating an integrated and better functioning city.</i></li> </ul>

Table C.2 : Strategic Priority 2 – West Bank

## SPATIAL PRIORITY 3

**Priority 3** looks at two Key Focus areas to overcome existing problems as well as opening the doors for investment and growth. Firstly **King Williams Town/Bhisho** as an extended Rural Service Centre is an important urban component of BCMM and continued support is required. Provincial Government is leading initiatives to consolidate Bhisho as an Administrative Capital of the Eastern Cape Province and BCMM needs to support the initiatives by ensuring that there is sufficient bulk infrastructure.

Secondly, **Mza'momhle and Nompumelelo** are problem areas that need to be addressed without necessarily extending solution to mass-based housing in the eastern sector of BCMM as this will distort desired spatial pattern of **CENTRAL-WEST** Focus.



Strategic Priority 3a: King Williams Town & Bhisho	
Spatial Focus	Rationale for Priority
<p><i>Investment in roads, public transport and infrastructure upgrades to support the KWT-Bhisho Revitalisation process</i></p> <p><i>Catalytic Projects are identified as:</i></p> <ol style="list-style-type: none"> <li><i>1. The Bhisho Revitalisation Precinct</i></li> <li><i>2. "Green Energy" Hub located at Berlin</i></li> </ol>	<ul style="list-style-type: none"> <li><i>– Support continuing function of KWT as an extended Rural Service Centre.</i></li> <li><i>– Support Provincial Government-led initiatives to consolidate Bhisho as the Administrative Capital of Province.</i></li> </ul>

Strategic Priority 3b: Quenera Precinct	
Spatial Focus	Rationale for Priority
<p><i>Investment in Land in Quenera area</i></p> <p><i>Catalytic Project is identified as:</i></p> <p><i>The Beacon Bay-Gonubie Link Road and intersections</i></p>	<ul style="list-style-type: none"> <li><i>– NEED to resolve critical problem areas of Mza'momhle and Nompumelelo without extending solution to mass-based housing as this will distort desired spatial pattern of CENTRAL-WEST Focus.</i></li> </ul>

Table C.3 : Strategic Priority 3a & b King William's Town and Quenera

As regards the identification of other network elements such as the CBD and hubs, nodes and corridors, the BCMM's SDF Review has identified areas it has termed *Integration Zones or Focus Areas* where, it is proposed, the objective of densification and the intensification of a range of land uses are to be promoted.

**While these areas are termed Integration Zones in the SDF Review, they are analogous to the concepts of hubs, nodes etc. contained in the Urban Network Strategy and this use of terminology will need to be clarified and resolved in due course.**

The table below provides an indication of the rationale (reason) for the identification of each Focus Area: -

PROPOSED SDF FOCUS AREAS	
FOCUS AREA	MOTIVATION
<b>A. East London CBD</b>	<ul style="list-style-type: none"> <li><i>– Mass-Transit Node</i></li> <li><i>– Fort Hare University Centre</i></li> <li><i>– Student accommodation</i></li> <li><i>– CBD multi-user focal area</i></li> </ul>
<b>B. Southernwood and Belgravia</b>	<ul style="list-style-type: none"> <li><i>– CBD-Peripheral Area</i></li> <li><i>– Area of good access to Transport routes</i></li> <li><i>– Existing high density development can be extended</i></li> </ul>



<b>C. Quigney</b>	<ul style="list-style-type: none"> <li>- CBD-Peripheral Area</li> <li>- Area of good access to Transport routes</li> <li>- Existing high density development can be extended</li> </ul>
<b>D. Mdantsane CBD</b>	<ul style="list-style-type: none"> <li>- Mass-Transit Node</li> <li>- CBD multi-user focal area</li> </ul>
<b>E. West Bank / Greenfields</b>	<ul style="list-style-type: none"> <li>- Integrated Mixed Land Use Potential</li> <li>- Residential/Business/Industrial</li> <li>- Future Mass-Transit Node</li> </ul>
<b>F. KWT CBD</b>	<ul style="list-style-type: none"> <li>- Mass-Transit Node</li> <li>- CBD multi-user focal area</li> </ul>
<b>G. Arnoldton</b>	<ul style="list-style-type: none"> <li>- Future Mass-Transit Node</li> <li>- Mixed Land Use Potential</li> <li>- Residential/Business/Office</li> </ul>
<b>H. Mount Ruth Node</b>	<ul style="list-style-type: none"> <li>- Future Mass-Transit Node</li> <li>- Mixed Land Use Potential</li> <li>- Residential/Business/Office</li> </ul>
<b>I. Bhisho Corridor</b>	<ul style="list-style-type: none"> <li>- CBD multi-user focal area</li> <li>- Administrative Centre</li> <li>- Mixed Land Use Potential</li> <li>- Residential/Business/Office</li> </ul>

Table C.4 : Proposed SDF Focus Areas

The Plan attached as Figure C.4 illustrates the synthesised Urban Network Elements in Buffalo City.

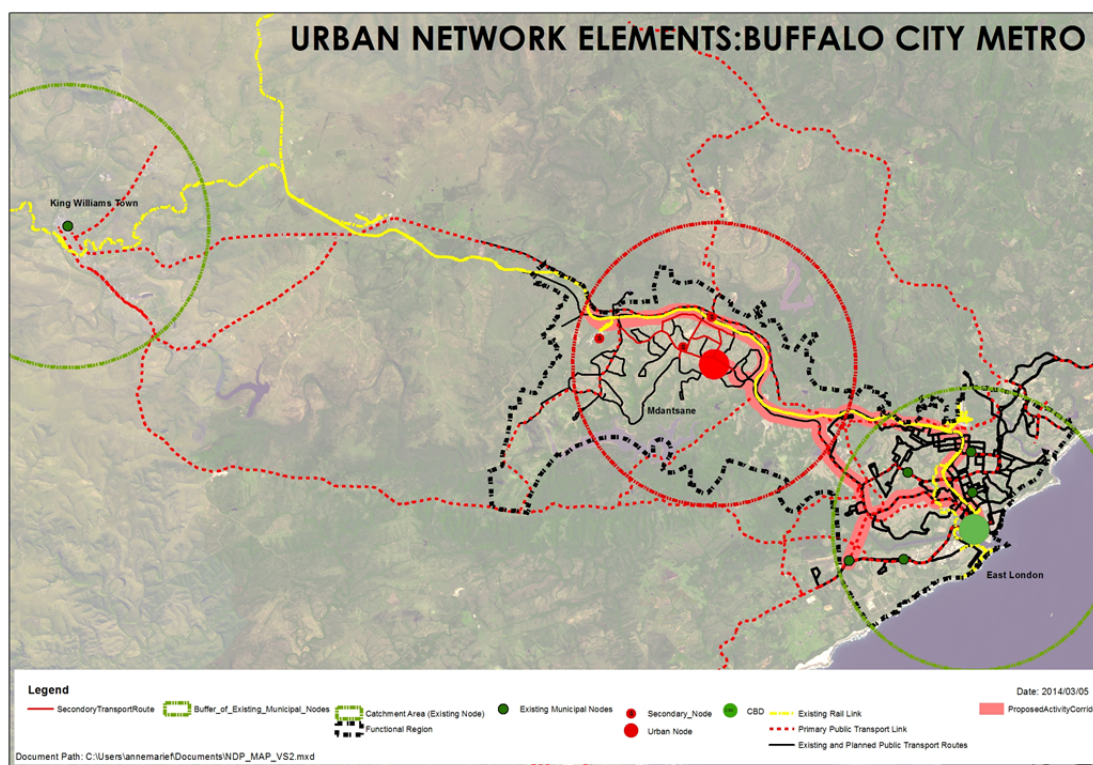
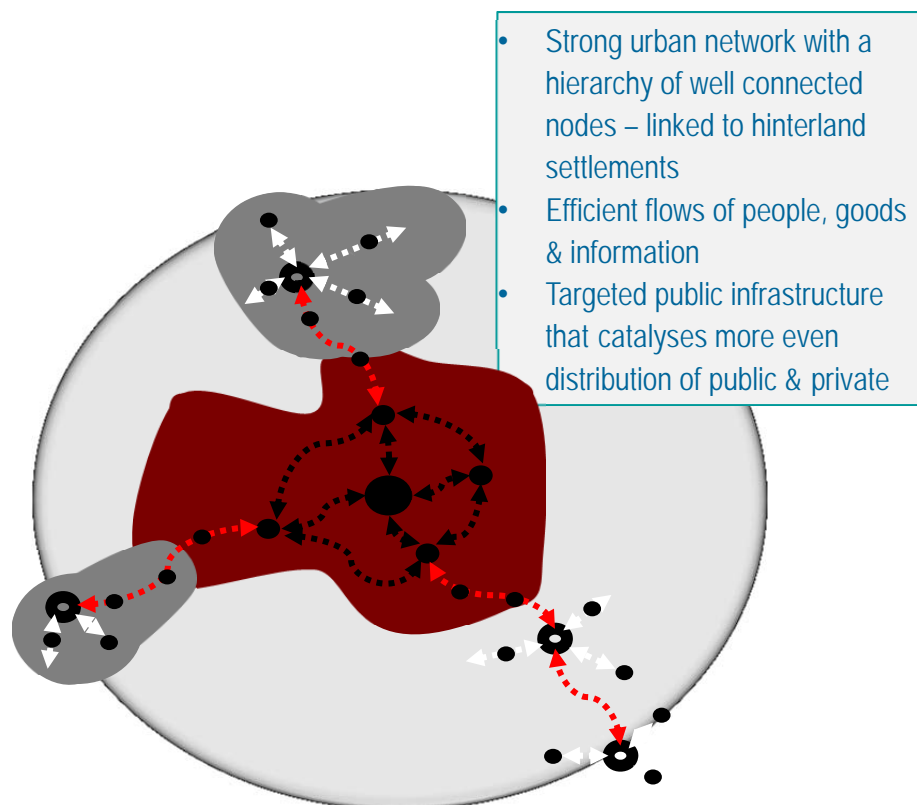


Figure C.3 : Central Priority Area Network Elements



In summary, the BCMM SDF proposes an approach of restructuring the urban settlement patterns in the municipality by prioritising investment in land development enabling infrastructure and public transportation networks to be directed towards key areas of opportunity (development nodes, corridors or focus areas) within identified Priority Areas (UNS Integration Zones).

Layered on top of this core strategy, it is anticipated that emphasis will be required on further integrating main urban areas (as defined by the proposed Urban Edges) with the surrounding peri-urban and rural hinterland areas, especially those areas that retain significant human settlements and a base population of communities remaining tied to the land. In this regard, a series of layers of interconnected "settlement networks" is seen as desirable. This is illustrated conceptually in *Illustration C.1* -

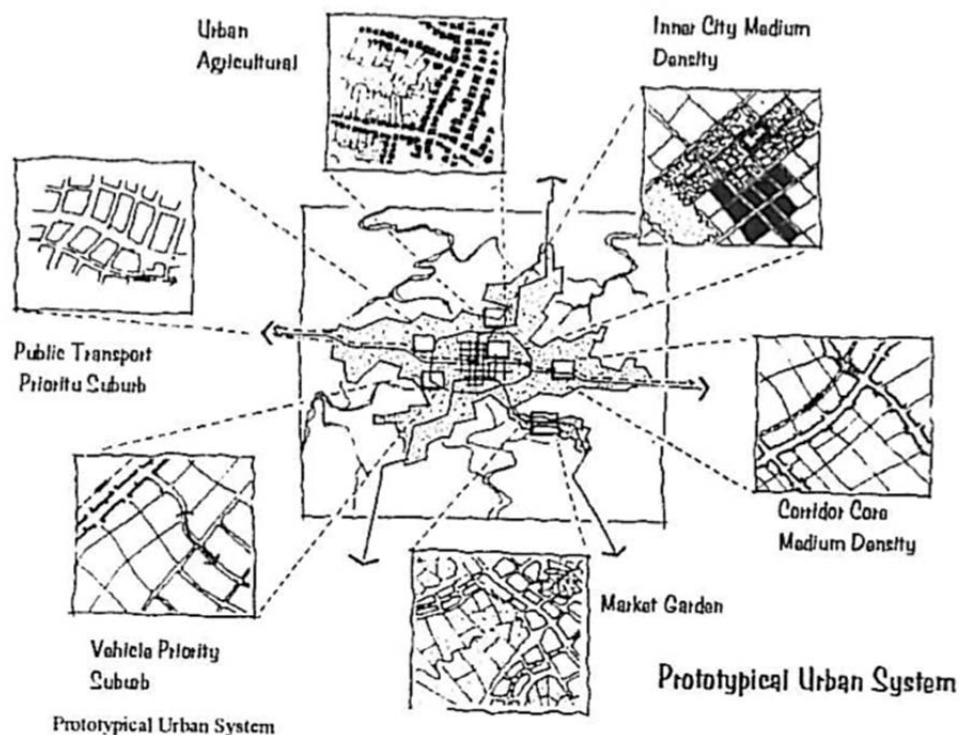


**Illustration C.1: Conceptual View of Inter-Nodal and inter-Settlement Networks**

*SOURCE: National Treasury, presentation on Metro Dialogues, May 2013.*



This is further detailed in the conceptual illustration below: -



**Illustration C.2: Conceptual View of BCMM Urban "System"**

SOURCE: Mdantsane-East London Corridor Plan, 1999

Using the above concepts, it becomes more logical to "tie together" the elements of the settlement pattern of Buffalo City Metropolitan, where in summary, the following features are noted: -

- ▶ *Based on the overall developmental vision of BCMM, the prioritisation of investment in the three main priority areas of "Central East London-Mdantsane", West Bank and King William's Town-Bhisho;*
- ▶ *Within the three Priority Areas, a specific focus on investment in planning, infrastructure and public goods and services to promote densification and spatial transformation in the identified Integration Zones;*
- ▶ *Beyond the first-line priorities, maintaining activities to improve the linkages between the Priority Areas and hinterland settlement areas, as well as productive rural land areas through investment in the improvement of the main roads networks.*

Within this overall scheme of spatial planning and development management, it is envisaged that key catalytic projects in each priority area be identified for implementation in order to achieve the overall goal of spatial transformation and a pattern of land development that is sustainable.



## C.4.2 Proposed Adjustments to the Determination of Spatial Targeting Instruments

The Review of the Buffalo City SDF 2013 has proposed amendments and additions to existing Provisional Restructuring Zones (PRZs) and Urban Development Zones (UDZs) in Buffalo City, in order to facilitate the outcomes being sought as part of the overall imperative to promote spatial transformation.

### C.4.2.1 Provisional Restructuring Zones

The existing and proposed future Provisional Restructuring Zones (PRZ) have been identified in the SDF Review 2013. These are zones where higher density social housing is encouraged and subsidised, and are legally gazetted.

The following PRZs are identified: East London Inner City comprising of Duncan Village, Chiselhurst, Belgravia, Southernwood, CBD, Sleeper Site and Quigney; Arnoldton/Reeston, Summerpride, Mount Ruth and King Williams Town. For a spatial representation of all the PRZ areas, refer to the Plans attached as well as *Table 2* below, which depicts these areas within BCMM.

PRZ AREAS WITHIN BCMM		
REGIONAL LOCALITY	EXISTING PRZ AREAS	PROPOSED PRZ AREAS
King Williams Town	ERF RE/1, north of the N2 at the southern entrance to KWT (M9)  ERF/RE 2270, along the Bhisho /N2 access road (R19)	KWT CBD and Transition Area (along Buffalo Rd)  KWT – Bhisho Corridor
Mount Ruth		426-428, 1463-1477, 2053-2055
Mdantsane CBD		9756-9760, 9855-9861, 11291, 9864-9867, 10109, 9851, 9869, 10117, 9871-9873, 9786-9791, 9797-9801, 1013310121-10125, 10126-10131, 9805, 9933, 10390, 10418, 9990, 9803, 10436, 9807-9810, 9812, 10006-10009, 9819-9821, 9846, 9814, 10012, 10011, 9872, 9971, 11336-11341, 10119, 9830-9833, 10432, 11359, 11343, 10433, 10015, 10104, 10106, 6465, 10105, 10107, 10118, 10110



PRZ AREAS WITHIN BCMM		
REGIONAL LOCALITY	EXISTING PRZ AREAS	PROPOSED PRZ AREAS
East London CBD		The entire CBD area, including Duncan Village Chiselhurst, Belgravia, Southernwood, Sleeper Site, Quigney
Arnoldton/Reeston		67, 69-73, RE/84,99, 75, 92, RE/468, 24357, re/436, re/517, 27358, 129, 82-87, 90-93, RE/75, RE/74, 123,124, 53-58, 60-61, 125, 40-45, RE/ 58442, 120, 108, 36, RE/16, 122
Summerpride		32991-33024, 32970-32982, 32985-32988, 49576, RE/33227, 23092, RE/637, RE642,48162, 48158, RE/637, 48154, 22436,RE/639, RE/200, RE 5152, 32094, 23047, RE/22462,RE/3890,48163, RE/4481, RE32093, RE/5152
Amalinda		Entire suburb

Table C.5 : PRZ Areas within BCMM

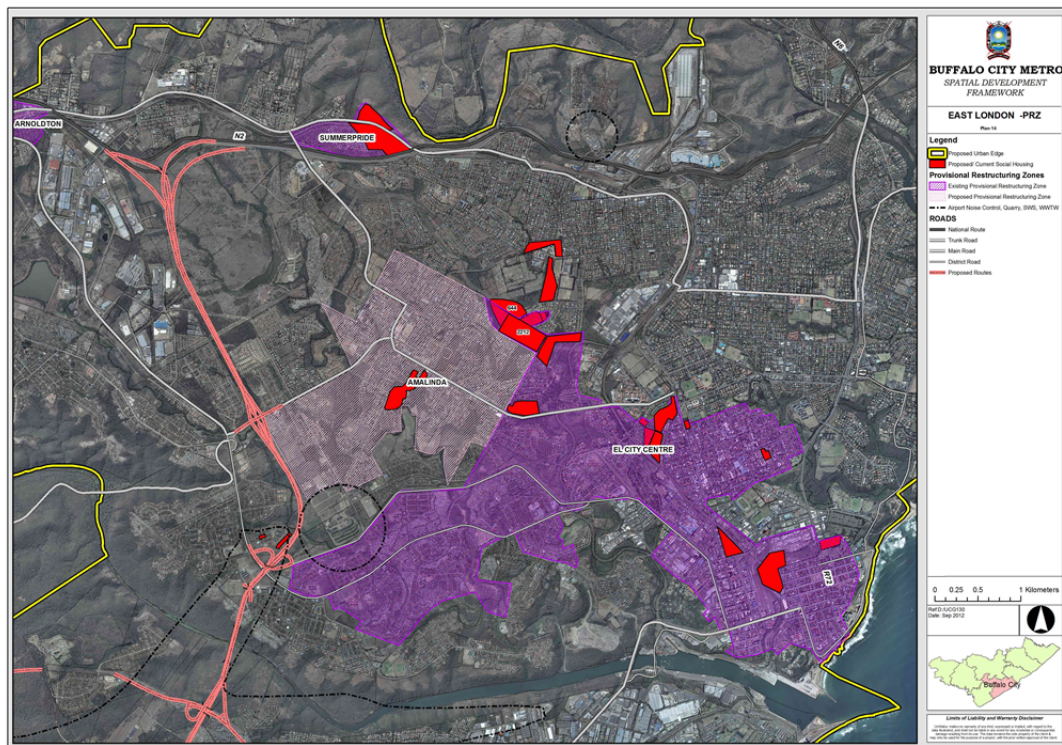


Figure C.5 : PRZ in Central East London Priority Area





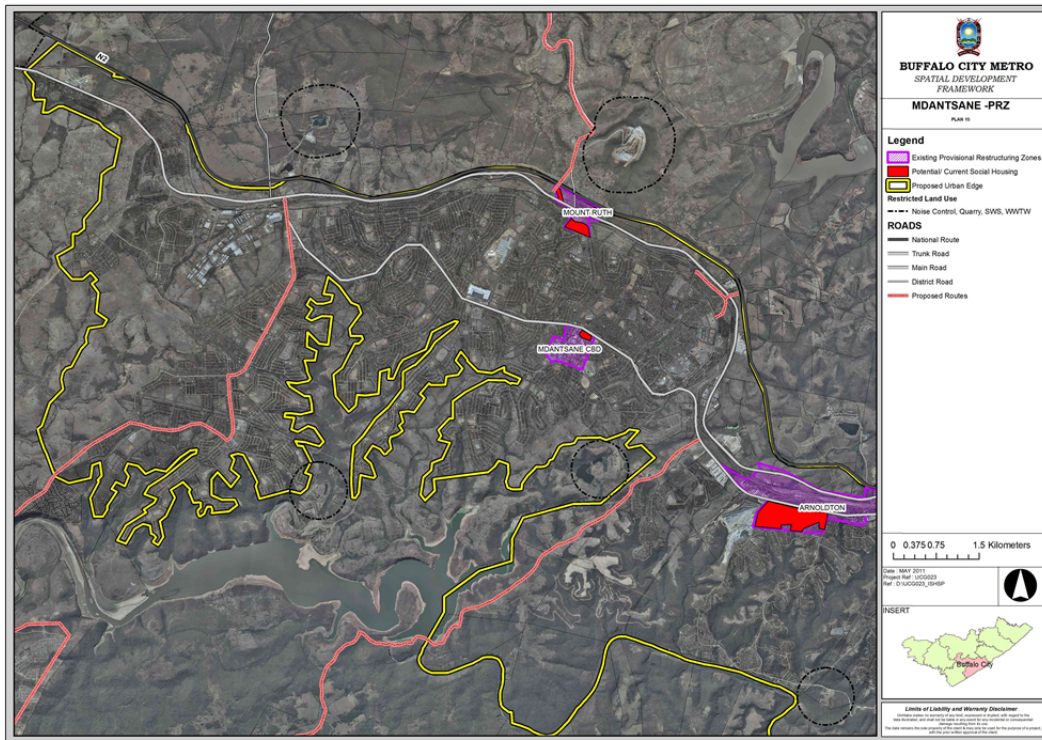


Figure C.6 : PRZ in Mdantsane Priority Area

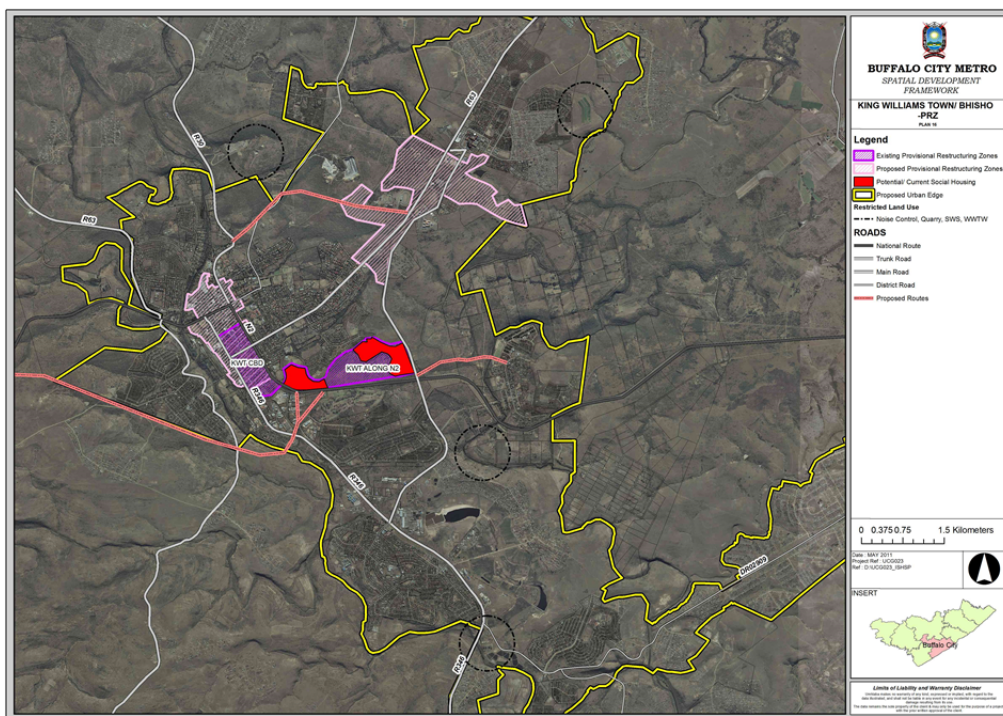


Figure C.7 : PRZ in King Willam's Town Priority Area





### C.4.2.2 Urban Development Zones

Urban Development Zones are demarcated zones designed to stimulate investment in inner city areas in terms of the Urban Renewal Tax Incentive. The benefits of this incentive are to revive our inner cities, create more jobs and attract more people to live and work in these cities. For the refurbishment of existing buildings, investors are eligible to receive a 20% tax deduction in the first year of earning income, plus an annual depreciation of 20% over a four-year period. For new developments, this incentive offers a tax deduction of 20% in the first year, plus an annual depreciation of 5% for the next 16 years.

Following the identification of the Quigney and Central Beachfront area as an Inner City Urban Renewal Area in the Municipality's SDF in 2003, this areas was subsequently designated an Urban Development Zone in terms of Government Gazette Number 27077, dated 10 December 2004.

The SDF Review of 2013 has further proposed the following areas for designation as UDZs: King Williams Town CBD, Southernwood, Quigney and a section of East London CBD.

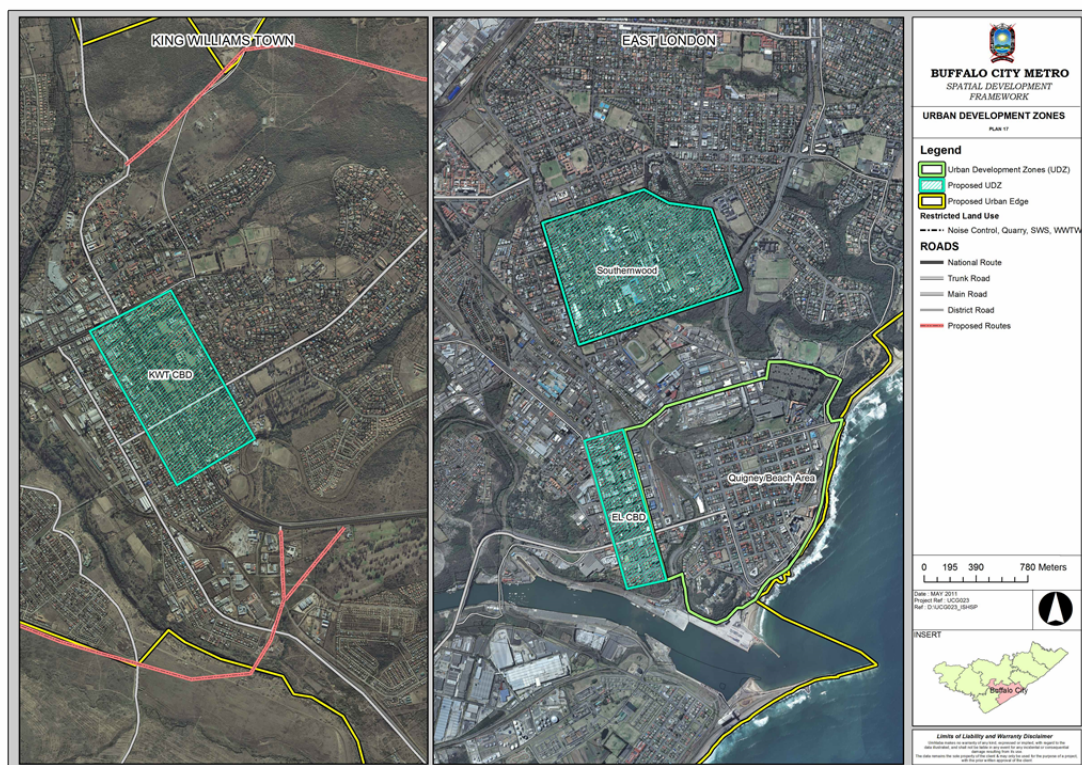


Figure C.8 : UDZ in Central East Londong and KingWilliam's Town Priority Areas

### C.4.3 Details Relating to the Review of the BCMM SDF and Proposed Amendments to the Land Use Management Scheme

As noted above, the Review of the Buffalo City SDF in 2013 introduced a process to align the SDF with the (then emerging) policy direction that has now crystallised into the CSP and Urban Network Strategy.

In terms of the approach to incentivise and support the preferred outcomes of densification and intensification of land use in specified areas (the East London CBD and other hubs and Integration Zones identified in the SDF), the SDF proposes that the Buffalo City Zoning Scheme be amended and updated to make provision for mechanisms that would encourage such outcomes.

At the outset, mechanisms that are to be contemplated include the application of preferential parking ratios in relation to certain types of (preferred) land developments within designated Integration Zones or more locally defined nodes etc. other measures to be assessed would also include permitting deviations from minimum density restrictions and extending the limit on the number of dwelling units to be permitted within certain types of zones in such areas.

The BCMM has commenced with the work to amend the Zoning Scheme and a service provider has been appointed in this regard.

### C.4.4 Catalytic Projects by Integration Zone

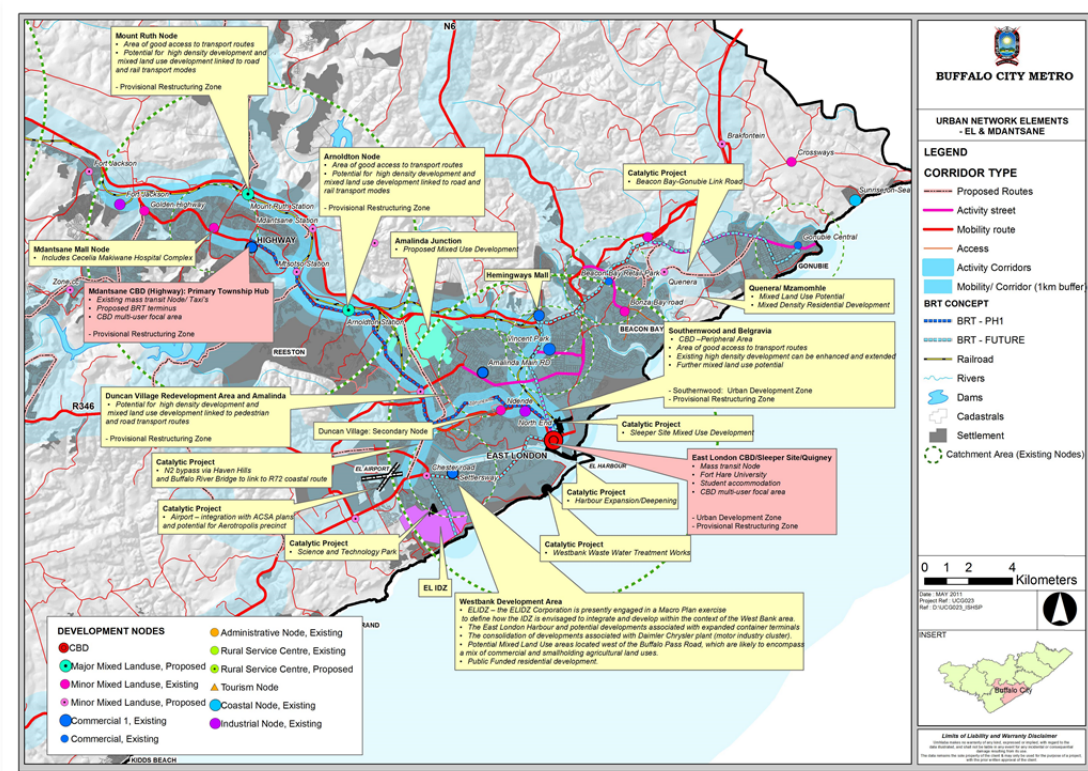


Figure C.9 : Catalytic Projects located in greater EL – Mdantsane & West Bank Priority Area

- The phased implementation of the **BRT system** from the Mdantsane CBD to the East London CBD and ultimately to the ELIDZ and the airport on the West Bank.
- The development of a mixed land use at sufficient densities in support of the activity corridor from Mdantsane to East London
- The **Amalinda Junction** greenfield site with potential high density mixed land use development in support of the BRT route.
- **Fort Hare Campus** and student accommodation with the in East London CBD
- Planning and development of the **Sleeper Site** within the East London CBD
- Development of regional transit facility i.e. "**Gillwell Taxi Rank**" in East London CBD
- The pedestrianisation of **Oxford Street** linked to the implementation of the BRT in the East London CBD
- The redevelopment of the Quigney, Southernwood and Belgravia areas which are located peripheral to the CBD
- **N2 Bypass road** via Haven Hills and Buffalo River Bridge to link to the R72 coastal road
- The new **West Bank Waste Water Treatment Works** in support of the industries located on the West Bank
- **East London Industrial Development Zone** linked to the automotive sector and Science and Technology Park
- The **East London Harbour** deepening and potential developments associated with expanded container terminals
- **Social and Public funded residential development** located on the West Bank
- The development of the **East London Airport** i.e. extension of the runway and new facilities
- The development of the **Quenera area** for mixed land use potential and mixed density residential development
- The implementation of the **Quenera Arterial link road** between Mzamomhle / Gonubie and Beacon Bay / East London
- Finalisation of the **Quenera Waste Water Treatment Works** to support future development in the area.
- The **Arnoldton node** is an area of good access to transport routes and has a potential for high density development and mixed land use development linked to road and rail transport modes
- The **Mount Ruth node** is also an area of good access to transport routes with high density mixed land use development
- The **Mdantsane CBD** is an existing mass regional transit node and will be further development with the support of the Neighbourhood Partnership Development Grant.
- The completion of the **Reeston Waste Water Treatment Works** to create capacity for the Reeston and other housing programmes
- The **Central Treatment Works Diversion** (Tunnel) to Reeston treatment works in order to create more capacity within the existing central urban areas such as Braelynn and Duncan Village.





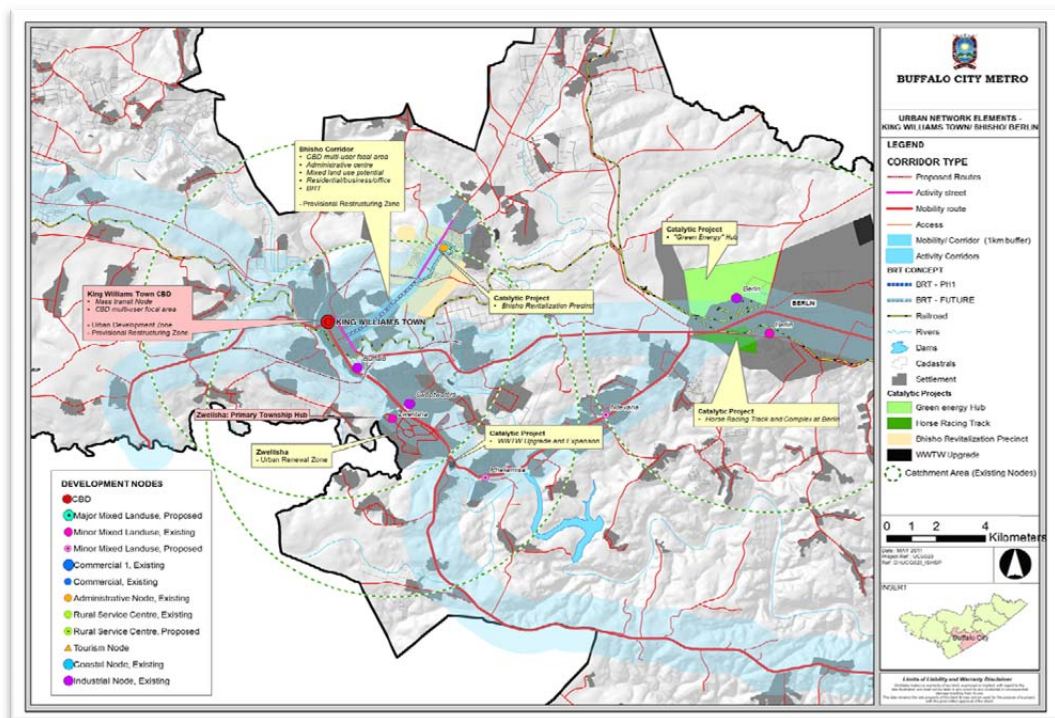


Figure C.10 : Catalytic Projects located in Bhisho / King William's Town Priority Area

- The development of the **King William's Town CBD** as a mass transit node and mixed land use area
- The **Bhisho Revitalisation Precinct** with administrative function of the province, residential, office and business potential
- The ongoing **Zwelitsha Regional Waste Water Treatment Works** development
- The **Kei Road Regional Water Scheme** to create more water capacity in support of development in the King William's Town region.
- The **Berlin Green Energy hub** with the development of a solar energy and horse racing track and complex

## C.4.5 Development Strategies for Integration Zones

The further detailing of strategies in relation to spatial development within each of the Integration Zones/Priority Areas is undertaken in terms of Local SDF and/or Precinct Plans. These LSDFs cover the majority of land areas comprising the Priority Areas (Integration Zones) as follows: -

- Mdantsane LSDF
- King William's Town – Bhisho LSDF
- NE Mdantsane Framework Plan
- Kwelera LSDF
- Duncan Village LSDF
- West Bank LSDF
- Central Beach LSDF
- Gonubie Main Road
- Quenera LSDF
- Bonza Bay Rd LSDF
- Vincent Berea LSDF
- Mount Coke Dimbaza LSDF
- Mount Ruth Node
- Arnoldton Node
- Urban edge study

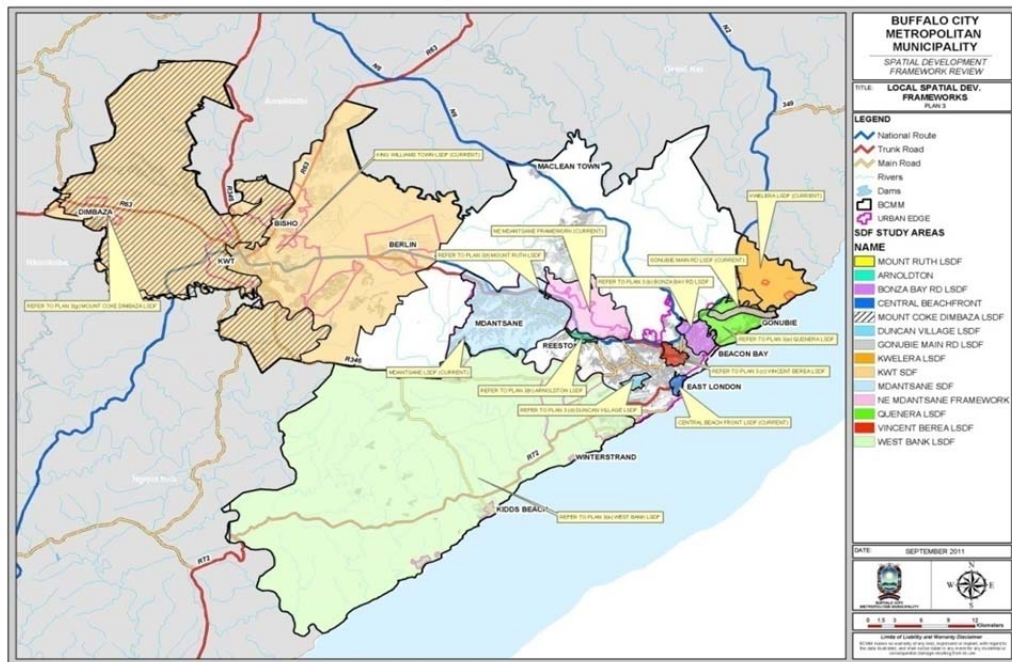


Figure C.11 : Local LSDF and Precinct Plans completed in Buffalo City

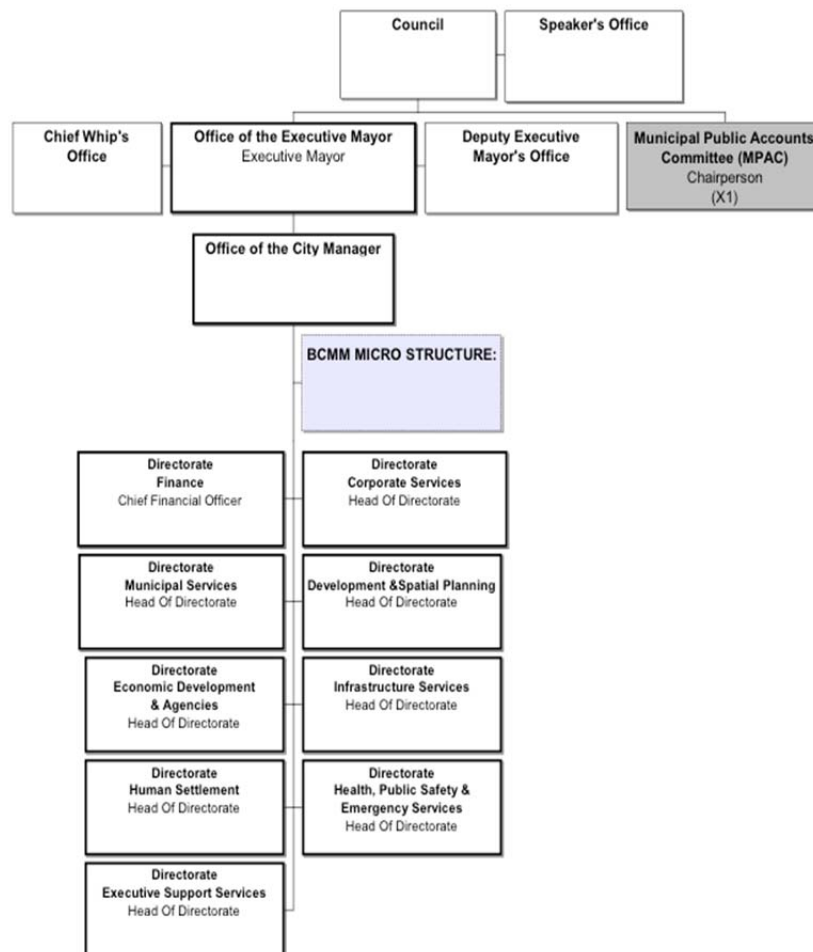
### C.4.6 Institutional Arrangements to Ensure Sustainability of Integration Zone Interventions

One or more ‘Special Vehicles’ to be called the Joint Operations Committees (JOC) will be established and will function on a programmatic basis to ensure that cross-organisational and inter-governmental processes are sustained in the planning and implementation of Integration Zone interventions.

These JOCs will be based within the context of the newly adopted BCMM Organisational Structure, as illustrated below: -



## BUFFALO CITY METROPOLITAN MUNICIPALITY ORGANIZATIONAL STRUCTURE



### C.4.7 Proposed Time Frames Relating to Key Catalytic Projects & Programmes

The time frame associated with the various catalytic projects discussed under item C.4.4 varies from on going e.g. Reeston Treatment Works, Sleeper Site etc. to the next MTREF period (2014 - 2017) and some even planned for the medium to long term i.e. 10 - 20 years.

However, it must be noted that for certain projects there are some preconditions that must first be met e.g. access to state land, before the actual project can commence. Refer to Annexure C for a detailed list of project budgeted for the MTREF period of which some are of catalytic nature for the city.

# SECTION D

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## Built Environment Transformation: Outcomes and Outputs



## D.1 Built Environment Indicators: Summary of Anticipated Outcomes and Outputs

*Note : The Detailed Matrix for the Built Environment Performance indicators for the 2015/2016 financial year has not yet been finalised for BCMM. Considered as work in progress.*

## D.2 High Level Development Objectives and Desired City-wide Outcomes

Through strategic planning sessions, leadership of the municipality has refined the Vision and Mission of the institution to be more robust, comprehensible and realistic, thus making it a useful instrument in guiding the actions of the City, its citizens and key stakeholders in the development process.

A long term Vision and Mission of Buffalo City Metropolitan Municipality is to be

*“a responsive, people centered and developmental City”* which:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service the City and its community;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho Pele principles at the centre of service delivery

Buffalo City Metropolitan Municipality espouses the following values as committed to serving its communities and providing services in a manner that is consistent with these:

- Integrity
- Good Governance
- Transparency
- Accountability
- Fairness and equity
- Professionalism
- Loyalty
- Service Excellence
- Respect for cultural diversity
- Unity of purpose
- Ubuntu



Emanating from a situation analysis undertaken towards development of the IDP, Buffalo City Metropolitan Municipality identified a number of challenges and constraints which impact on the way in which the municipality functions and fulfils its mandate as per section 152 of the South African Constitution.

In response to highlighted challenges and constraints, the City has identified nine strategic focal areas and crafted six strategic objectives to guide its developmental trajectory towards realization of the vision. BCMM's six long-term strategic objectives are as follows:

- BCMM 1: To be a financially sound organisation that efficiently manages its resources;*
- BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities;*
- BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality;*
- BCMM 4: To deliver sustainable infrastructure that support social and economic development;*
- BCMM 5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016*
- BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016*

The Metro has aligned the key strategic objectives and will strive to attain them within the context of the five key local government performance areas. Taking into account the prevailing economic environment and global factors that impact on development, the City has made significant inroads into addressing key development challenges within the municipality. There is however, more work to be done towards responding to the identified focal areas.

Over the next five-year term the City will concentrate on the nine strategic focus areas outlined below.

- **Institutional Restructuring and Stabilisation**

Buffalo City Metropolitan Municipality recently completed the micro-structure for the administration. This entails filling of posts on the approved macro-structure i.e. the City Manager and Section 56 Managers.

The medium to long-term objective of the Metro is to promote organisational efficiency through the capacitation of staff and establishment of systems to enable staff to effectively perform their duties and align with the new Metro functions.

- **Improving Intergovernmental Relations**

Section 41 of the South African Constitution of 1996 outlines the principles of co-operative government and intergovernmental relations, thus providing a broad framework for how the different spheres of government should interface. Section 4 of the Intergovernmental Relations Framework Act 13 of 2005 goes further and stipulates that the object of this act is to provide a framework for the national government, provincial governments and local governments, and all organs of state within those governments to facilitate co-ordination in





the implementation of policy and legislation. The Act further requires establishment of provincial and district intergovernmental forums to promote and facilitate IGR between provinces, district and municipalities.

Section 3 of the Municipal Systems Act 32 of 2000 (as amended) also defines how local government must develop co-operative approaches to governing, resources sharing and resolution of disputes within the context of Intergovernmental relations.

Notwithstanding the above legislative provisions, intergovernmental relations between BCMM and other spheres of government still leave much to be desired, as they are still characterised by uncoordinated:

- Alignment of planning and implementation;
- Inter-sphere co-operation and co-ordination;
- Information sharing on development programmes and projects;
- Participation in platforms meant for engaging and co-operating; and
- Approach to engaging and consulting with communities.

A step in the right direction towards improving intergovernmental relations has been the establishment of the BCMM Intergovernmental Relation Forum last year.

- **Building Citizen Confidence**

A number of factors account for low citizen confidence in the municipality such as a poor service delivery track record, perceived administrative and political instability and unfavourable audit findings by the Auditor General. Negative media coverage has also largely contributed to a low level of citizen confidence in the City.

Reversing the trend and building citizen confidence will require a concerted effort on the part of the Metro. It will also require the inculcation of a renewed work ethic from all who wear the name and brand of the municipality as well as the application of good governance and management principles, dedication and professionalism.

- **Bridging the Digital Divide**

The Digital Divide refers to any inequalities between social groups in terms of their access to, use of, or knowledge of information and communication technologies. The divide within the municipal area refers to inequalities between individuals, households, businesses, and geographic areas at different socioeconomic and other demographic levels. Being a largely rural Metro the divide manifests itself in terms of the dichotomy between urban and rural areas with regard to access to telecommunication and IT systems.

A key objective of the Metro is to ensure that telecommunication and IT systems become internationally compatible, thus facilitating access to broadband and/or other state-of-the-art technologies for citizens of the City and region.



- **Improving performance, compliance, processes and systems**

Some of the weaknesses that negatively impact on the performance of the Metro relate to disintegrated systems, internal control deficiencies, lack of staff with requisite capacity, a spatially fragmented workforce as well as lack of clearly defined processes and systems.

- Develop mechanisms for the accurate complete reporting of financial information as required by NT and Accounting Standards.
- Develop mechanisms to ensure that SCM operations are conducted strictly in accordance with legislated requirements.
- Provide for the migration of existing records and the capturing of current records within a single repository in accordance with standards prescribed by the Archives Act and other relevant Acts and to ensure that such records can be retrieved for future use.

- **Build Sustainable Communities**

The focus over the past years has been on delivering basic needs and housing. In spite of the remaining backlogs major strides have been made in this regard. However, there still remains a huge challenge in terms of ensuring that we do not just deliver houses but create integrated and sustainable settlements.

The challenge is not only about providing basic services and housing, but is also about 'building sustainable human settlements' where residents have access to social and community facilities, economic opportunities, a healthy and sustainable environment and where opportunities can be accessed through convenient public transport and a safe road network.

Integral to the creation of 'sustainable human settlements' is, integrated planning and implementation. The Metro is currently in the process of reviewing its IDP, which will guide future investment and development.

Creation of integrated and sustainable human settlements will directly contribute towards building of strong and integrated communities that manifest resilience against social, economic and natural adversities.

## D.3 Sector Plans: Sectoral Development Outcomes and Outputs

***Note** : The information / data as contained in this BEPP will be further reviewed and refined as the 2015/2016 SDBIP for the metro is finalized, which will only be done in May 2015.*



## D.4 Projected Outcomes and Impact per Integration Zone

The Built Environment Performance Plan is a crosscutting plan which encompasses most of the activities of the Metro and gives direction to the decision-making of Council on strategic and catalytic projects for the MTREF period in order to achieve sustainable development. Consequently, it must be viewed as a key strategic document and embraced both at the political level as well as the technical level.

The projected outcomes and impact for the BCMM Integration Zone can be summarised as follows :

- The spatial targeting of investment towards a more efficient and sustainable urban environment.
- To promote integrated spatial development through coordinating the implementation of catalytic land development, housing, transport and infrastructure investments.
- To achieve greater coordination across sector programmes; crowd in investment, scale up impact and over time build a more spatially inclusive and efficient city.
- To achieve greater densities and mixed land use along the major corridors linked to a public transport system for the metro.
- To have the required bulk infrastructure capacity to support the implementation of integrated human settlements and promote the required economic growth of the city.



# SECTION E

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## Institutional & Financial Arrangements



## E.1 Institutional Arrangements for Integrated Planning

Integrated planning finds its expression during the preparation of the Integrated Development Planning process of the Metro. Various platforms have been created on an administrative and political level to ensure coordination and alignment of projects and processes.

The Technical Working Group for the IDP, Budget and Performance Management System (PMS) is chaired by the Municipal Manager with the various Directors and the technical leaders of the different Clusters. The tasks of the Working Group are to:

- provide technical oversight and support to the IDP/ Budget review and implementation thereof;
- consider and advise on IDP/ Budget content and process;
- ensure inter-directorate co-operation, co-ordination, communication and strategic thinking to address priority issues
- ensure sector and spatial co-ordination and alignment
- ensure IDP & budget linkage
- ensure Performance Management is linked to the IDP
- ensure the organisation is oriented towards implementing the IDP
- ensure time-frames set for the review are met.

Directorates and Departments are responsible for sector planning and for the implementation of the IDP. The participation of all Departments is thus critical as they provide technical and sectoral expertise and information, throughout the IDP Budget process. Secondly to ensure that the review process is participatory, integrated, strategic, implementation-oriented, budget linked, and aligned with and satisfies sector planning requirements.

The Senior Management Committee chaired by the Municipal Manager has a responsibility to track programmes and projects performance through the assessment of the following reporting mechanisms:

- Service Delivery and Budget Implementation Plan (Quarterly)
- Section 71 reporting (Monthly)
- Monthly departmental reports to the SMC
- Risk Management Committee Reports

Standing committees are established per functional area and comprise of executive and non-executive councillors. The committees are established to ensure checks and balances between the administration (executive) and council (legislative).

In line with the recommendations of the Association of Public Accounts Committees and the national department of Cooperative Governance and Tradition Affairs, the municipality has established a Municipal Public Accounts Committees to exercise overall oversight responsibility on the financial affairs of the municipality. This will inter alia, have a strong component on the



assessment on the implementation of the BEPP as pivotal capital investment programme of the municipality.

The audit committee is an essential and independent committee established by council. Operating within the provisions of section 166 of the MFMA the committee will endeavour to advise the Council, the political office bearers and the accounting officer on the matters affecting the financial affairs of the municipality.

The Mayoral Committee chaired by the Executive Mayor has a responsibility to ensure executive oversight over the administration. It receives reports and assesses the performance of the administration. The committee also takes decisions on the appropriation and adjustment of appropriations of resources (including the BEPP) as part of the budgeting processes.

In terms of the provisions of section 72 of the MFMA, the Executive Mayor can take corrective action or punitive action where the administration has not performed in accordance with expectations.

## E.2 Institutional Arrangements for Capital Programme Management

The institutional responsibility for the implementation of the capital programme will mainly be within the Directorate of Infrastructure Services, Directorate of Human Settlements and the Directorate of Municipal Services. BCMM has a newly approved Micro-structure which will more effectively support the implementation of the capital programme of the city. Within the Directorate of Infrastructure Services a new Department will be established and responsible Project Implementation Unit and construction.

Central to the successful implementation of the BEPP, the IDP and the budget will be the establishment of a new Human Settlements Department. This new Department will ensure proper co-ordination and integration of the Municipality's development and planning activities, budget planning, allocations and expenditure on a more strategic basis. This structure necessarily has to be multi-disciplinary and overarching in nature.

BCMM has established an Enterprise Project Management Office (EPMO) located within the Office of the City Manager. The EPMO acts as the single point of control for the initiation and management of projects within the Municipality. It provides structure, management and oversight to all projects in the municipality, and facilitates the organisation in planning and prioritisation of its projects.

Lastly, the EPMO will consolidate all project information for the municipality in order to provide Management and Council with a strategic overview of the milestones and progress on all approved projects. Thus, the EPMO provides an independent technical advisory support function to the City Manager in order to enhance service delivery and expenditure performance of BCMM.





## E.3 Supply Chain Management and Procurement Plan

### E.3.1. Supply Chain Management

The Buffalo City Metropolitan Municipality adopted the Revised Supply Chain Policy on 30 October 2013 (Council Minute Number BCMC 458/13)

**RESOLVED:**

*That the Council ADOPTS the Revised 2013 Buffalo City Metropolitan Municipality Supply Chain Management Policy as required by Municipal Supply Chain Management Regulations (3) (b) of the Municipal Management Act. No.32 of 2003.*

The Purpose of this policy is to ensure sound, sustainable and accountable supply chain management practices within the Buffalo City Metropolitan Municipality, whilst promoting broad based black economic empowerment as a priority in terms of the goals and objectives of the municipality's preferential procurement policy and other empowerment strategies.

This policy will also strive to ensure that the objectives for uniformity in supply chain management systems between all organs of state is not undermined, and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained.

The **objectives** of this policy are:

- To give effect to Section 217 of the Constitution of the Republic of South Africa;
- To implement a policy that is fair, equitable, transparent, competitive and cost effective;
- To comply with all applicable provisions of the Municipal Finance Management Act;
- To ensure consistency with all other applicable legislation

In order to create an environment where business can be conducted within integrity and in a fair and reasonable manner, the policy provides that all representatives of the Municipality involved in supply chain management activities shall act with integrity and in accordance with the ethical standards set out in the policy.

BCMM has a Budget & Treasury Office, a Supply Chain Management Unit and an Internal Audit Unit. The new approved Micro-structure caters for fully capacitated units as benchmarked against other Metros. Funding of a fully capacitated micro-structure will prove a challenge.



### E.3.2. Procurement Plan

In terms of the Revised Supply Chain Policy adopted in October 2013 by Buffalo City Metropolitan Municipality, the accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

The demand management system must -

- include timely planning and management processes to ensure that all goods and services required by the are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
- provide for the compilation of the required specifications to ensure that its needs are met.
- To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

The detailed Procurement Plan for projects to be undertaken during the 2015/2016 financial year is attached as Annexure B. *(To be completed)*

## E.4 Partnerships

BCMM has signed a Service Level Agreement with the Housing Development Agency in order to fast-track and support BCMM in the donation and acquisition of state owned land.

## E.5 Value of Programmes and Projects by Sector

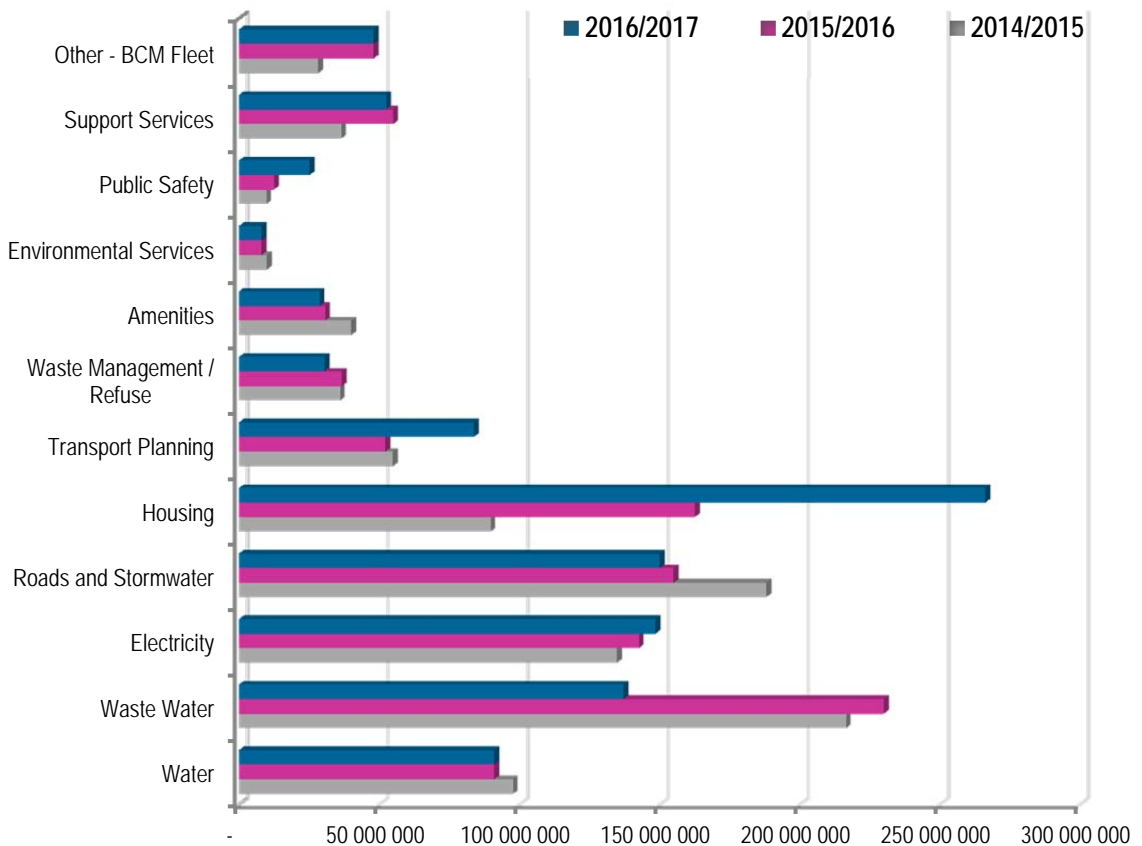
The overall value of programmes and projects by sector is outlined in the Tables below. The programme and project details will continue to be refined by the metro for areas such as the Integration Zones, CBD, Hubs and activity corridor. The projects per service is attached under Annexure C.

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.



2014/2015 - 2016/2017 CAPITAL BUDGET PER SERVICE			
Services	2014/2015 Approved Capital Budget	2015/2016 Approved Capital Budget	2016/2017 Approved Capital Budget
Water	97 688 726	91 000 000	91 000 000
Waste Water	216 507 892	230 000 000	137 000 000
Electricity	134 699 000	142 500 000	148 500 000
Roads and Stormwater	188 000 000	155 000 000	150 000 000
Housing	89 636 108	162 468 500	266 264 685
Transport Planning	54 895 288	52 220 661	83 655 051
Waste Management / Refuse	36 000 000	36 710 100	30 412 415
Amenities	40 030 409	30 750 000	28 750 000
Environmental Services	10 000 000	8 000 000	8 000 000
Public Safety	9 800 000	12 500 000	25 200 000
Support Services	36 450 000	54 978 000	52 444 000
Other - BCM Fleet	28 300 000	48 000 000	48 000 000
<b>Total</b>	<b>942 007 423</b>	<b>1 024 127 261</b>	<b>1 069 226 151</b>

Table E.1 : 2014/2015 – 2016/2017 Capital Budget per Service



## E.6 Value of Programmes and Projects per Integration Zone

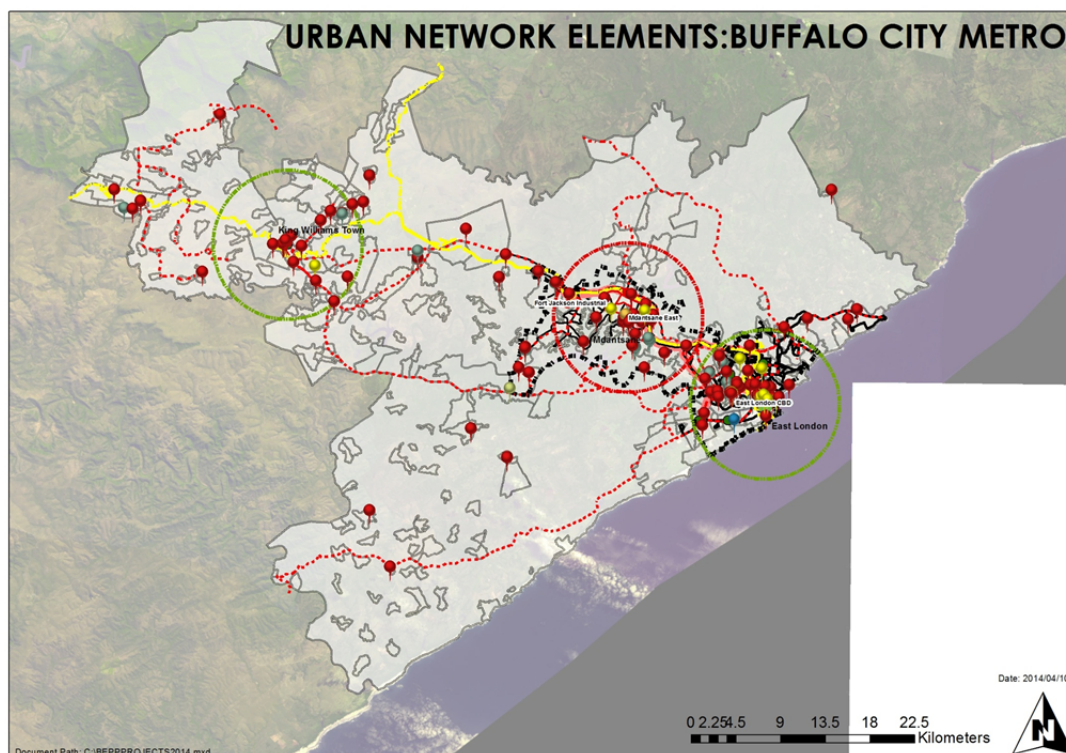


Figure E.1 : Programmes and project within the Integration Zone

BCMM is implementing the following programmes within the integration zone over the 2014 – 2017 MTREF period.

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

Programme	2014/2015	2015/2016	2016/2017
Housing – installation of internal services	83 336 108	147 218 500	239 364 685
Housing – construction of top structures	48 806 089	148 600 000	293 000 000
Sanitation Provision	117 000 000	185 000 000	137 000 000
Water Provision	97 500 000	91 000 000	91 000 000
Roads and Stormwater	178 000 000	171 878 000	167 744 000
Electricity Infrastructure	134 699 000	142 500 000	148 500 000
Transportation	9 000 000	6000000	28 500 000
Land Acquisition	5 980 000	0	0
Local Economic Development	16 439 408	13 000 000	13 000 000
Solid Waste Management	10 280 409	10 000 000	10 000 000

Social Amenities	33 200 000	33 500 000	35 000 000
<b>Total</b>	<b>734 241 014</b>	<b>948 696 500</b>	<b>1 163 108 685</b>

Table E.2 : Programmes with Integratio Zone for 2014/2015 – 2016/2017 MTREF period

## E.7 Value of Programmes and Projects per Network Element

### E.7.1 CBDs

#### E.7.1.1 East London CBD

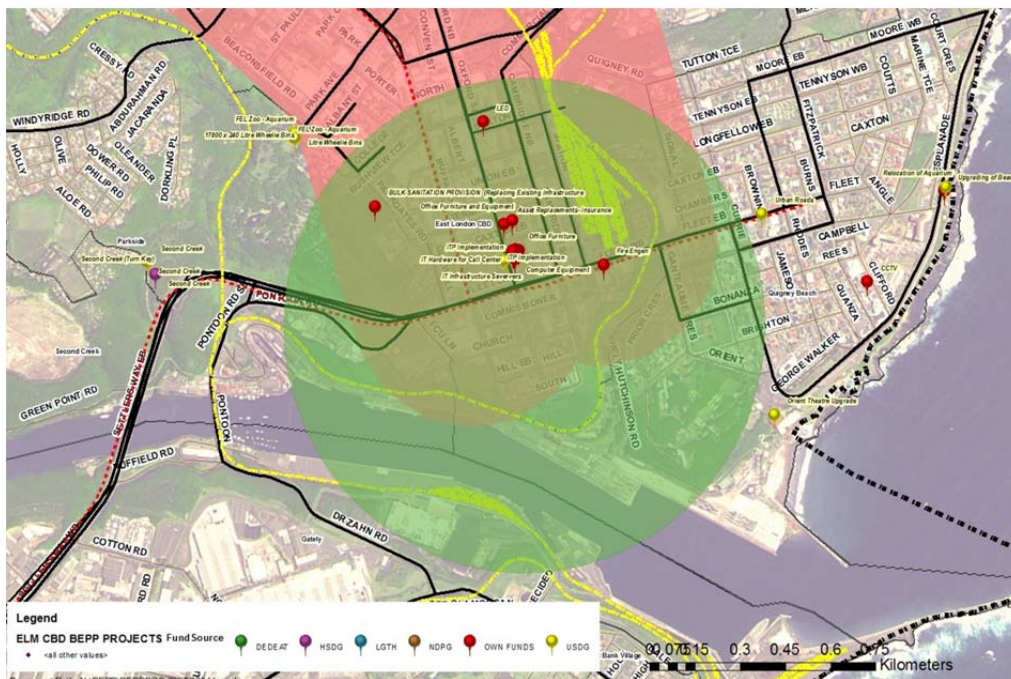


Figure E.2 : Programmes and Projects within the East London CBD

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

Project	Funding Source	2014/2015	2015/2016	2016/2017
Eastern Beach Sewers	USDG	1 000 000	10 000 000	10 000 000
Fleet street	USDG	40 000 000	15 000 000	0
Bulk Electricity Infrastructure Upgrade - Replacing Existing Infrastructure	Own Funds	10 000 000	10 000 000	10 000 000
Oxford Street Mall (Pedestrianisation / Public Transport Zone)	USDG	0	0	6 000 000





Fitzpatrick Road/Currie Street Link Road (Sleeper Site)	USDG	0	0	5 000 000
Closed Circuit Television Network - CCTV	Own Funds	2 000 000	2 000 000	4 000 000
Fire Engine	Own Funds	4 000 000	4 000 000	4 000 000
Upgrading of Beaches Facilities	Own Funds	1 000 000	1 500 000	0
Sleeper Site	USDG	1 200 000	0	0
IT Infrastructure Network Upgrade	Own Funds	6 000 000	4 000 000	4 000 000
IT Infrastructure Servers	Own Funds	3 000 000	1 000 000	1 000 000
IT Hardware for Call Centre	Own Funds	800 000	500 000	500 000
		<b>69 000 000</b>	<b>48 000 000</b>	<b>44 500 000</b>

Table E.3 : Programmes & Projects within East London CBD

### E.7.1.2 King William’s Town CBD

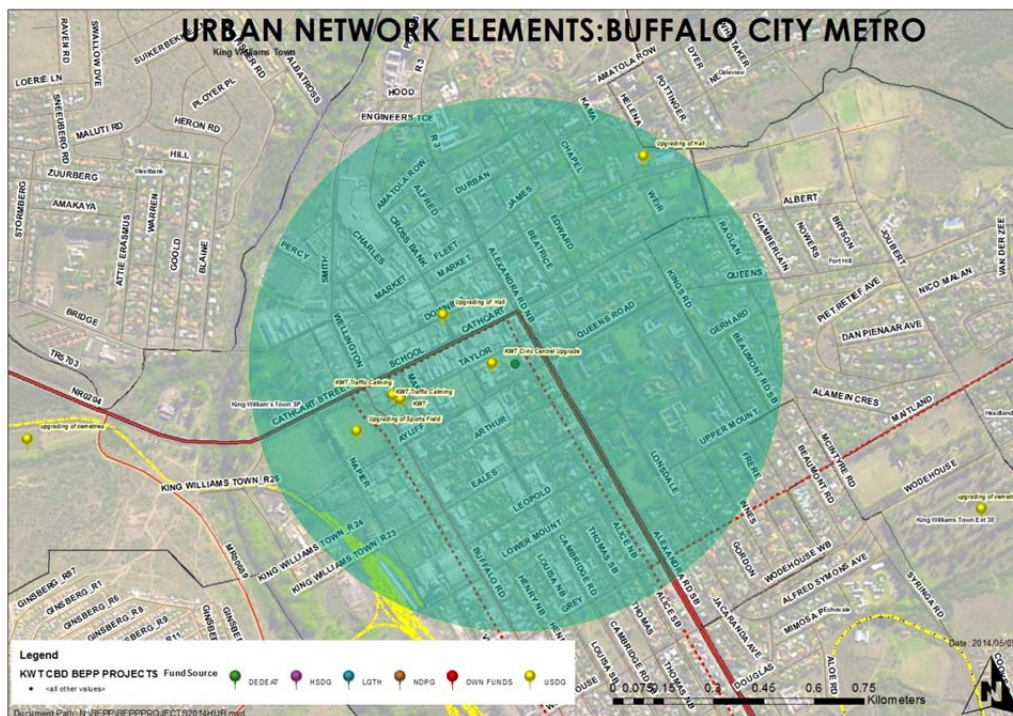


Figure E.3 : Programmes and Project within the King William's Town CBD

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

Project	Funding Source	2014/2015	2015/2016	2016/2017
Public Transport Facilities - Taxi Ranks	USDG	3 000 000	3 000 000	0
KWT Traffic Calming	USDG	1 000 000	1 000 000	1 000 000
KWT LSDF traffic improvements	USDG	0	0	2 000 000
KWT Traffic Building	USDG	3 000 000	6 000 000	6 000 000
Upgrade KWT Payments Hall	USDG	5 000 000	0	0





Upgrading of Floodlights at Victoria Grounds	USDG	500 000	0	0
KWT Tanery Site	USDG	1 000 000	1 000 000	1 000 000
		13 500 000	11 000 000	10000000

Table E.4 : Programmes & Projects within King William’s Town CBD

## E.7.2 Urban Hubs/Nodes

### E.7.2.1 Mdantsane CBD (Highway)

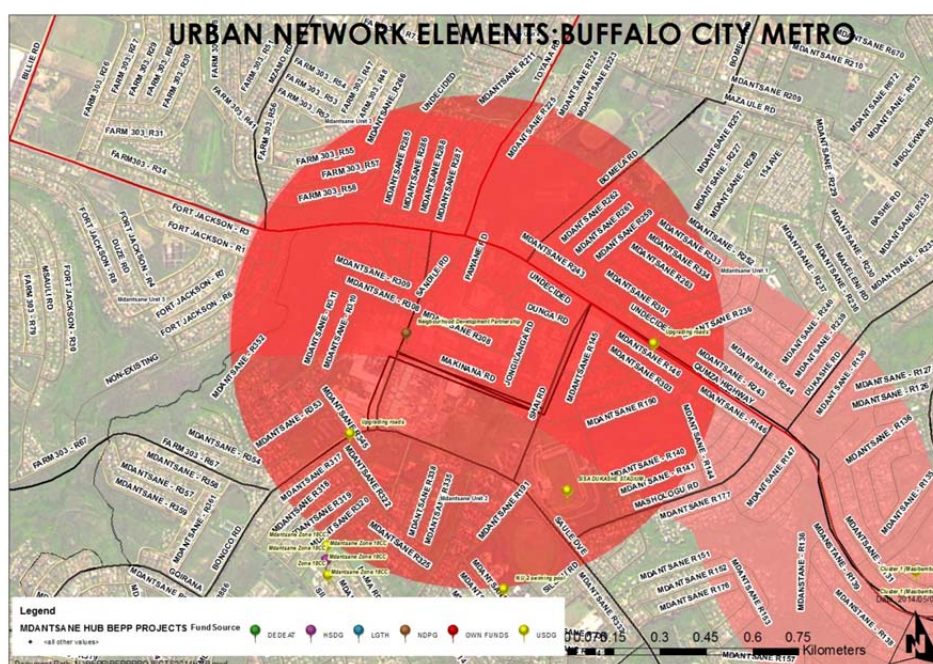


Figure E.4 : Programmes and project within the Mdantsane Urban Hub / CBD

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

Project	Funding Source	2014/2015	2015/2016	2016/2017
Upgrading of Mdantsane Roads	USDG	3 000 000	4 000 000	4 000 000
Neighbourhood Development Partnership	NDPG	5 000 000	16 878 000	17 744 000
Land transactions upgrading of land tenure	Own Funds	500 000	0	0
BCMM Traffic Calming Measures - Townships and Critical Urban	USDG	600 000	600 000	600 000
Mdantsane LSDF traffic improvements	USDG	0	0	2 000 000
Enabling Infrastructure Programme -	USDG	10 000 000	10 000 000	10 000 000



LED				
		19 100 000	31 478 000	34 344 000

Table E.4 : Programmes & Projects within Mdantsane Urban Hub / CBD

### E.7.3 Transport Link and Activity Corridor

#### E.7.3.1 Mdantsane – East London Activity Corridor

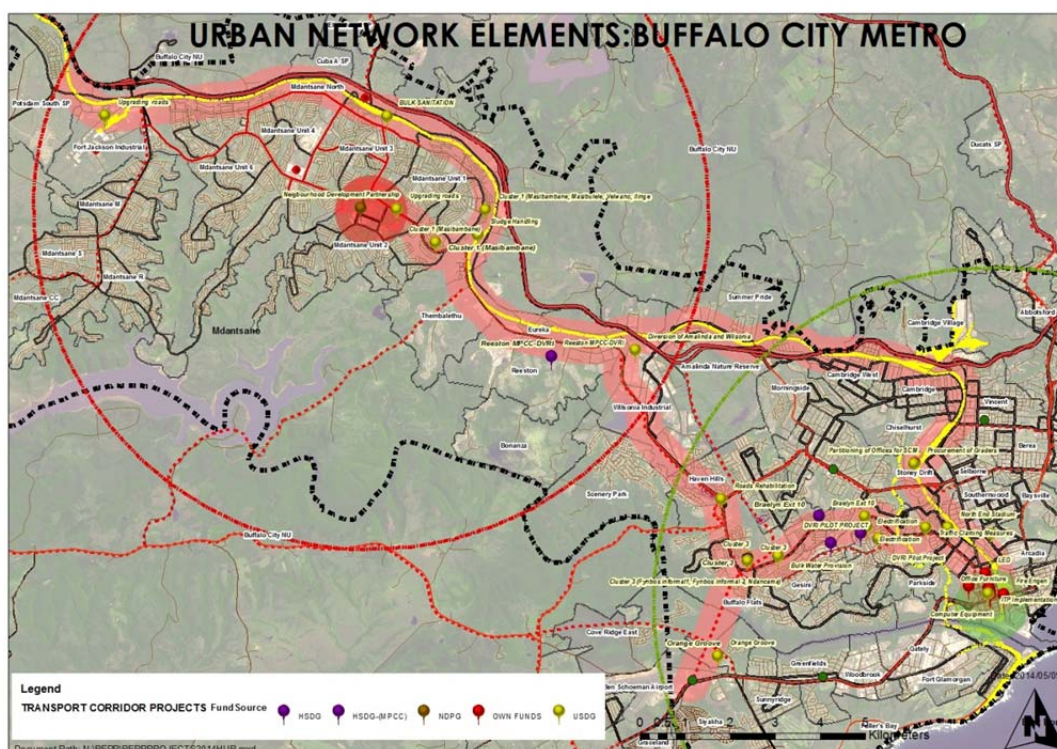


Figure E.5 : Programmes and project within the Mdantsane - East London Activity Corridor

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

Project	Funding Source	2014/2015	2015/2016	2016/2017
Reeston MPCC - DVRI	HSDG-(MPCC)	10 068 500	13 068 500	0
Cluster 1 - informal settlement upgrading (Internal services)	USDG	15 000 000	19 000 000	76 000 000
Cluster 1 informal settlement upgrading (Top Structures)	HSDG	10 000 000	26 000 000	40 000 000
Cluster 2 : informal settlement upgrading (Internal services)	USDG	10 000 000	10 000 000	36 464 685
Cluster 2 informal settlement upgrading (Top Structures)	HSDG	3 000 000	10 000 000	33 000 000
D Hostel - internal services	HSDG	700 000	1 300 000	2 000 000



D Hostel - Top Structures	HSDG	0	5 000 000	15 000 000
C Section and Triangular Site - internal services	HSDG	700 000	1 300 000	2 000 000
C Section and Triangular Site – Top Structures	HSDG	0	5 000 000	15 000 000
Duncan Village Proper - internal services	HSDG	700 000	1 300 000	3 300 000
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) - internal services	USDG	775 000	0	
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) - Top Structures	HSDG	5 000 000	0	0
Braelyn Ext 10 North - Top Structures	HSDG	0	10 000 000	15 000 000
Braelyn Ext 10 - internal services	HSDG	2 000 000	10 000 000	20 000 000
DVRI Planning	Dept of LGTH	3 000 000	2 000 000	1 000 000
Diversion of Amalinda and Wilsonia effluent to Reeston	USDG	2 000 000	25 000 000	35 000 000
ITP implementation	USDG	3 000 000	0	0
Oxford Street Mall (Pedestrianisation / Public Transport Zone)	USDG	0	0	6 000 000
Northwest Expressway widening and extension to Amalinda Main Road	USDG	0	0	5 000 000
Non-Motorised Transport Facilities Implementation	USDG	0	0	5 000 000
Local Economic Development - LED	Own Funds	3 000 000	3 000 000	3 000 000
		<b>68 943 500</b>	<b>141 968 500</b>	<b>312 764 685</b>

Table E.5 : Programmes &amp; Projects within the Mdantsane - East London Activity Corridor

## E.8 Non-Infrastructure Related Interventions in Integration Zones

Generally it can be regarded that BCMM's by-laws are fragmented across BCMM and it result in certain areas within BCMM not being subjected to the provisions of the current by-laws. The overall review and amendment of by-laws in especially the integration zone will be a priority for the metro. The review of the BCMM zoning scheme with the focus on the identified integration zone has commenced in November 2013. The intention is that the zoning scheme will be made more flexible within the CBD and identified hubs of the metro.



## E.9 The Application of Grant Resources by Grant Programme and/or Project

The overall capital and operating funding sources per grant are outlined in the Tables below. The detailed list of projects to be undertaken during the MTREF period and their respective funding sources is in Annexure C. The utilisation of the grant funding in the Integration zone, CBD, Hubs and activity corridor will be continuously monitored and refined by the organisation.

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

CAPITAL BUDGET PER FUNDING SOURCE			
Funding	2014/2015 Capital Budget	2015/2016 Capital Budget	2016/2017 Capital Budget
Own Funding	241 225 697	258 870 661	274 555 051
DoE (Intergrated National Electrification Programme)	27 000 000	27 000 000	12 000 000
Local Government, Traditional Affairs and Housing	188 726	0	0
Infrastructure Skills Development Grant	100 000	100 000	0
Neighbourhood Development Partnership Grant	5 000 000	16 878 000	17 744 000
Urban Settlement Development Grant	639 824 500	663 310 100	705 627 100
Human Settlement Development Grant	18 600 000	44 900 000	59 300 000
Human Settlement Development Grant-MPCC	10 068 500	13 068 500	0
<b>TOTAL</b>	<b>942 007 423</b>	<b>1 024 127 261</b>	<b>1 069 226 157</b>

Table E.6 : Capital Budget per Funding Source for MTREF period

Note : All financial information will only be updated after budgeting for 2015/2016 have been concluded in 2015.

OPERATING PROJECTS BUDGET			
Projects	2014/2015 Operating Budget	2015/2016 Operating Budget	2016/2017 Operating Budget
Total Own Funding	49 940 000	52 650 000	44 000 000
Department of Land Affairs	777 243	0	0
Department of Local Government & Traditional Affairs	3 000 000	2 000 000	1 000 000
Department of Sport, Recreation and Arts and Culture	37 438	0	0
Department of Economic Development, Environmental Affairs and Tourism(DEDEAT)	3 745 411	0	0





European Commission	500 000	340 024	0
Expanded Public Works Programme Incentives Grant	1 890 000	0	0
Finance Management Grant	1 500 000	1 500 000	1 500 000
Human Settlement Development Grant	99 938 108	228 598 999	348 300 000
Infrastructure Skills Development Grant	5 400 000	6 900 000	8 000 000
Leiden	136 315	0	0
Local Government and Traditional Affairs	6 101 371	0	0
Premiers Fund	67 421	0	0
Trust Funds	2 714 699	0	0
Umsobomvu Youth Fund	710 406	0	0
Urban Settlement Development Grant	33 464 500	37 147 900	38 147 900
Vuna Awards	1 048 758	0	0
<b>TOTAL</b>	<b>210 971 670</b>	<b>329 136 923</b>	<b>440 947 900</b>

Table E.7 : Operating Budget per Funding Source for MTREF period



# ANNEXURE A

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## Built Environment Indicators: Performance Matrix

*Note : The Built environment Indicators will only be available once the baseline information from the 2014/2015 financial year has been confirmed and agreement has been reached regarding the indicators as per the ICDG*





# ANNEXURE C

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## MTREF Projects



## PROJECTS FOR 2014/2015 MTREF PERIOD

Project Name	Funding Source	2014/2015 Draft Budget	2015/2016 Draft Budget	2016/2017 Draft Budget
<b>HOUSING : INTERNAL SERVICES</b>				
<b>Greenfields Projects</b>				
Amalinda Co- Op	USDG	2 200 000	4 800 000	100 000
Amalinda Fairlands	USDG	300 000	300 000	500 000
Block Yard TRA	USDG	1 000 000	0	0
Braelyn ext 10	HSDG	2 000 000	10 000 000	20 000 000
Dimbaza Destitute 27 Units	USDG	200 000	0	
Ilitha North 177 Units	USDG	1 500 000	4 000 000	6 800 000
Mdantsane Zone 18 CC Phase 2	USDG	10 000 000	8 500 000	18 500 000
Potsdam Ikhwezi Block 1	USDG	500 000	5 900 000	13 000 000
Potsdam Ikhwezi Block 2	USDG	500 000	200 000	200 000
Potsdam North Kanana	USDG	500 000	200 000	200 000
Reeston MPCC - DVRI	HSDG-(MPCC)	10 068 500	13 068 500	0
Reeston Phase 3 Stage 2	USDG	2 970 400	5 000 000	10 000 000
Reeston Phase 3: Stage 2	HSDG	7 000 000	15 000 000	20 000 000
Reeston Phase 3 Stage 3	HSDG	7 000 000	15 000 000	12 000 000
Reeston Phase 3 Stage 3	USDG	2 000 000	5 000 000	10 000 000
Sunny South	USDG	2 000 000	100 000	0
Tyutyu Phase 3	USDG	0	0	100 000
Westbank Restitution	USDG	3 547 208	16 000 000	15 000 000
<b>Informal Settlement Upgrading</b>				
<u>Cluster 1</u> (Masibambane; Masibulele; Velwano; Ilinge and Dacawa)	USDG	15 000 000	19 000 000	76 000 000
<u>Cluster 2</u> (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe)	USDG	10 000 000	10 000 000	36 464 685
<u>Cluster 3</u> (Fynbos Informal 1, Fynbos Informal 2, Ndancama)	USDG	7 775 000	25 350 000	20 100 000
Second Creek (Turn Key)	USDG	100 000	0	0
<b>Duncan Village Redevelopment</b>				
D Hostel	HSDG	700 000	1 300 000	2 000 000
C Section and Triangular Site	HSDG	700 000	1 300 000	2 000 000
Duncan Village Proper	HSDG	700 000	1 300 000	3 300 000
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site)	USDG	775 000	0	
		<b>89 036 108</b>	<b>161 318 500</b>	<b>266 264 685</b>
<b>HOUSING :TOP STRUCTURES</b>				
<b>Greenfields Projects</b>				
Amalinda Co - Op	HSDG	500 000	4 000 000	6 000 000
Amalinda Fairlands	HSDG	0	500 000	5 000 000



Beneficiary Registration DVRI Projects (Reeston, Cambridge, DVRI Pilot, Braelyn ext 10, C Section and Triangular Site, D Hostel)	HSDG	500 000	100 000	0
Braelyn Ext 10 North	HSDG	0	10 000 000	15 000 000
Dimbaza 110	HSDG	1 000 000	1 000 000	0
Dimbaza Destitute 27 Units	HSDG	0	500 000	200 000
Disaster Project - Tsholomnqa	USDG	2 000 000	5 000 000	6 000 000
Hanover	HSDG	1 000 000	10 000 000	10 000 000
Ilitha Eradication of Wooden Houses to Formal Houses	HSDG	18 180 294	14 180 294	0
Ilitha North - 177 Units	HSDG	0	2 000 000	5 000 000
Mdantsane Zone 18CC	HSDG	3 109 500	10 000 000	20 000 000
Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni)	HSDG	1 000 000	10 000 000	20 000 000
Potsdam Ikhwezi Block 1	HSDG	1 000 000	5 000 000	15 000 000
Potsdam Ikhwezi Block 2	HSDG	0	3 000 000	8 000 000
Potsdam North Kanana	HSDG	0	0	3 000 000
Potsdam Village	USDG	200 000	0	0
Potsdam Village Phase 1 & 2	HSDG	2 300 000	18 000 000	24 000 000
Reeston Phase 2	DLA	696 589	0	0
Reeston Phase 3 Stage 3	HSDG	7 000 000	15 000 000	12 000 000
Reeston Phase 3: Stage 2	HSDG	7 000 000	15 000 000	20 000 000
Skobeni	HSDG	1 000 000	10 000 000	10 000 000
Sunny South	HSDG	11 000 000	10 500 000	0
Tyutyu Phase 2	HSDG	1 000 000	0	0
Housing Pilot Projects	LGTH	515 387	0	0
Reconstruction of Storm Damaged Houses	HSDG	10 000 000	13 000 000	100 000
<b>Duncan Village Redevelopment</b>				
C Section and Triangular Site	HSDG	0	5 000 000	15 000 000
D Hostel	HSDG	0	5 000 000	15 000 000
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site)	HSDG	5 000 000	0	0
DVRI Planning Budget (FROM 8.7MIL)	Dept of LGTH	3 000 000	2 000 000	1 000 000
<b>Informal Settlement Upgrading</b>				
Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa) P5	HSDG	10 000 000	26 000 000	40 000 000
Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe)	HSDG	3 000 000	10 000 000	33 000 000
Cluster 3 (Fynbos 1; Fynbos 2; Ndancama)	HSDG	3 000 000	10 000 000	33 000 000
Second Creek	HSDG	1 000 000	0	0
		<b>94 001 770</b>	<b>214 780 294</b>	<b>316 300 000</b>
<b>HUMAN SETTLEMENT PLANNING</b>				
Informal Settlement Upgrading	LGTH	2 007 857	0	0
MURP Sustainability Plan	European Commission	500 000	340 024	0
		<b>2 507 857</b>	<b>340 024</b>	<b>0</b>



<b>ENGINEERING : SANITATION</b>				
Bulk Sanitation Provision - Replacing Existing Infrastructure	Own Funds	40 000 000	40 000 000	40 000 000
Bulk Sanitation Provision - Programme	USDG	176 507 892	190 000 000	97 000 000
Waste Water Infrastructure Capacity (KWT Regional Scheme)	USDG	54 507 892		
Reeston Phase 3 Bulk Services Sewer	USDG	50 000 000		
Mdantsane Infrastructure - Refurbishment / Augmentation	USDG	20 000 000		
Diversion of Amalinda and Wilsonia effluent to Reeston	USDG	2 000 000		
Eastern Beach Sewers	USDG	1 000 000		
Sludge Handling & Chlorination Facilities	USDG	1 000 000		
Ablution Blocks	USDG	3 000 000		
Berlin Sewers	USDG	5 000 000		
Sanitation Backlog Eradication (Coastal / Midlands / Inland)	USDG	40 000 000		
		<b>216 507 892</b>	<b>230 000 000</b>	<b>137 000 000</b>
<b>ENGINEERING : WATER</b>				
Bulk Water Provision Replacing of Existing Infrastructure	Own Funds	40 000 000	40 000 000	40 000 000
Bulk Water Provision - Programme	USDG	52 500 000	51 000 000	51 000 000
Upgrade Water Supply in Rural Areas	LGTH	188 726		
West Bank Restitution - Water	USDG	5 000 000	0	0
		<b>97 688 726</b>	<b>91 000 000</b>	<b>91 000 000</b>
<b>ENGINEERING : ROADS &amp; STORMWATER</b>				
Urban Roads - Programme	USDG	110 000 000	90 000 000	80 000 000
Quinera Arterial Road	USDG	2 000 000	0	0
Upgrading of Mdantsane Roads	USDG	53 000 000	60 000 000	60 000 000
Rehabilitation of BCMM Bridges	USDG	8 000 000	5 000 000	10 000 000
Procurement of Graders for Rural Roads	USDG	10 000 000	30 000 000	30 000 000
Rehabilitation of Rural Roads	USDG	15 000 000	0	0
Neighbourhood Development Partnership	NDPG	5 000 000	16 878 000	17 744 000
		<b>203 000 000</b>	<b>201 878 000</b>	<b>197 744 000</b>
<b>ENGINEERING : ELECTRICITY</b>				
Bulk Electricity Infrastructure Upgrade (Ring-Fenced 4% of the Total Electricity Revenue)	Own Funds	40 000 000	50 000 000	60 000 000
Bulk Electricity Infrastructure Upgrade - Replacing Existing Infrastructure	Own Funds	40 000 000	40 000 000	40 000 000
INEP Electrification Programme	DoE (INEP)	27 000 000	27 000 000	12 000 000
INEP Electrification Programme - Counterfunding	USDG	5 000 000	5 000 000	5 000 000
Electrification of Informal Dwelling Areas within BCMM	USDG	10 000 000	15 000 000	20 000 000
Street Lighting and Highmasts within BCMM Areas of Supply - Informal Settlements	USDG	3 500 000	3 500 000	3 500 000
Replacement and Refurbishment of Bulk ELECT Infrastructure	USDG	9 199 000	2 000 000	8 000 000
		<b>134 699 000</b>	<b>142 500 000</b>	<b>148 500 000</b>



<b>LAND &amp; TITLE DEEDS</b>				
Land Acquisition	USDG	5 500 000	0	0
Land transactions upgrading of former R293 & CPA Areas	Own Funds	500 000	0	0
Reeston Phase 3: Stage 2 - P4 (Transfers)	HSDG	480 000	0	0
Ilitha South - 439 Units P4 (Transfers)	HSDG	40 400	0	0
		<b>6 520 400</b>	<b>0</b>	<b>0</b>
<b>TRANSPORTATION</b>				
ITP implementation	USDG	3 000 000	0	0
Public Transport Facilities - Taxi Ranks	USDG	3 000 000	3 000 000	0
Bhisho CBD	USDG	4 000 000	3 000 000	3 000 000
KWT Traffic Calming	USDG	1 000 000	1 000 000	1 000 000
Rural Non Motorised Transport Plan Implementation	USDG	5 000 000	10 000 000	10 000 000
BCMM Traffic Calming Measures - Townships and Critical Urban	USDG	3 000 000	3 000 000	3 000 000
Needs Camp / Potsdam Bridge	USDG	5 000 000	10 000 000	10 000 000
Oxford Street Mall (Pedestrianisation / Public Transport Zone)	USDG	0	0	6 000 000
Northwest Expressway widening and extension to Amalinda Main Road	USDG	0	0	5 000 000
Fitzpatrick Road/Currie Street Link Road (Sleeper Site)	USDG	0	0	5 000 000
Non-Motorised Transport Facilities Implementation	USDG	0	0	5 000 000
Traffic congestion improvements	USDG	0	0	2 000 000
Bonza Bay Road LSDF traffic improvements	USDG	0	0	2 000 000
Vincent and Berea LSDF traffic improvements	USDG	0	0	2 000 000
KWT LSDF traffic improvements	USDG	0	0	2 000 000
Mdantsane LSDF traffic improvements	USDG	0	0	2 000 000
Bhisho LSDF traffic improvements	USDG	0	0	1 500 000
		<b>24 000 000</b>	<b>30 000 000</b>	<b>59 500 000</b>
<b>ECONOMIC DEVELOPMENT</b>				
Enabling Infrastructure Programme - LED	USDG	10 000 000	10 000 000	10 000 000
Local Economic Development - LED	Own Funds	3 000 000	3 000 000	3 000 000
Local Economic Development - LED	DEDEAT	3 439 408	0	0
		<b>16 439 408</b>	<b>13 000 000</b>	<b>13 000 000</b>
<b>SOCIAL AMENITIES</b>				
Closed Circuit Television Network - CCTV	Own Funds	2 000 000	2 000 000	4 000 000
KWT Traffic Building	USDG	3 000 000	6 000 000	6 000 000
Mdantsane Testing Station - Equipment	Own Funds	200 000	0	0
Air Monitoring Station	Own Funds	0	0	1 800 000
Upgrade Vehicle Test Station	Own Funds	0	0	2 000 000
Fire Engine	Own Funds	4 000 000	4 000 000	4 000 000
Development of Community Parks	USDG	2 000 000	0	0
Development and Upgrading of Cemeteries	USDG	10 000 000	8 000 000	8 000 000
Development and Upgrading of Community Halls	USDG	3 000 000	9 000 000	9 000 000
Construction of Nompumelelo Halls	USDG	7 000 000	0	0



Upgrade KWT Payments Hall	USDG	5 000 000	0	0
Redevelopment of Mdantsane NU 2 Swimming Pool and Upgrading of Waterworld	USDG	15 000 000	5 000 000	5 000 000
Upgrading of Dimbaza and Zwelitsha Stadium	USDG	2 250 000	4 750 000	4 750 000
Upgrading of Floodlights at Victoria Grounds, Bisho Stadium, Ginsberg stadium, Sisa Dukashe Stadium, Alfred Schoeman Stadium, North End Stadium, Jan Smuts Stadium, Amalinda Stadium, and Gompo Stadium	USDG	3 000 000	0	0
Upgrading of Beaches Facilities	Own Funds	1 000 000	1 500 000	0
Upgrading of Zoo Facilities	Own Funds	1 000 000	1 500 000	0
Upgrading of Phakamisa and Mount Coke sports fields	USDG	1 000 000	1 500 000	0
Relocation of Aquarium	USDG	1 000 000	5 000 000	10 000 000
Refurbishment of Swimming Pools	Own Funds	2 000 000	2 500 000	0
		<b>62 450 000</b>	<b>50 750 000</b>	<b>54 550 000</b>
<b>SOLID WASTE MANAGEMENT</b>				
Construction of Transfer Stations - 3 x Sites	USDG	5 000 000	5 000 000	5 000 000
KWT Tanery Site	USDG	1 000 000	1 000 000	1 000 000
Construction and Rehabilitation of Waste Cells	USDG	20 000 000	20 710 100	14 412 415
17800 X240 Litre Wheelie Bins	Own Funds	10 000 000	10 000 000	10 000 000
FEL Zoo - Aquarium	Own Funds	238 502	0	0
Equipment for Jan Smuts Stadium	Own Funds	41 907	0	0
		<b>36 280 409</b>	<b>36 710 100</b>	<b>30 412 415</b>

