Part A- Introduction

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**Part A – INTRODUCTION**

# Background

The Built Environment Performance Plan (BEPP) for the City of Johannesburg (CoJ) is a requirement the Division of Revenue Act (DORA) in respect of infrastructure grants related to the built environment of metropolitan municipalities. The City of Johannesburg first compiled the BEPP for the 2011/2 financial year as part of the motivation to seek the Urban Settlement Development Grant (USDG) (formerly the Municipal Infrastructure Grant - Cities). The document provides a brief strategic overview of the City’s built environment and related capital investment. It provides a framework to measure and monitor the built environment. The BEPP is a long-term, outcomes based strategic plan to be revised on an annual basis. Its primary purpose is to facilitate the spatial integration and transformation of the City through strategic strategies and programmes.

The BEPP indicates how the City applies its capital financing, including grant resources and other sources of finance. Other monetary components that are indicated within the BEPP include fiscal and regulatory instruments, incentives within its jurisdiction, intended impact and outcomes of these interventions.

It is a document that seeks to strengthen government relations between the City, Gauteng Province and relevant National Departments. It is intended to provide better clarity in relation to the link between capital budgeting and various other resources allocated to the City. In turn the municipal plan provides a guideline for future Provincial and National Government programmes and funding. The BEPP is meant to complement existing strategic and spatial documents within the City, specifically the Growth and Development Strategy (GDS) – Joburg 2040, the Integrated Development Plan (IDP), the Spatial Development Framework (SDF), and the Service Delivery Budget Implementation Plan (SDBIP). As seen in Table 1, since the 2014/15 financial year, the BEPP acts as a motivation for a ‘basket of grants’ and not only the USDG.

*Table 1: Municipal Grant Allocations to Municipalities – Division of Revenue Act.*

|  |  |
| --- | --- |
| **NAME OF GRANT** | **PURPOSE OF GRANT** |
| Integrated City Development Grant (ICDG) | To provide a financial incentive for metropolitan municipalities to integrate and focus their use of available infrastructure investment and regulatory instruments to achieve a more compact urban spatial form. |
| Urban Settlement Development Grant | Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development Programme focussing on poor households |
| Human Settlements Development Grant (HSDG) | To provide for the creation of sustainable human settlements |
| Public Transport Infrastructure Grant (PTIG) | To provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure |
| Neighbourhood Development Partnership Grant (NDPG) | To support and facilitate the planning and development of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted under-served neighbourhoods (generally townships) |
| Integrated National Electrification Grant (INEG) | To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply. |

Collectively grant funding represents a significant proportion with an approximation of 40% of the City’s annual capital budget.

The BEPP 2015/16 and the basket of grants will be aligned through:

1. The Identification of priority areas for infrastructure delivery within the City of Johannesburg;
2. An amendment of conditions and output indicators used to measure the performance of the grants that highlight critical inter-dependencies such as the number of housing opportunities provided within 500m of a public transport;
3. Inclusion of provisions in the Division of Revenue Act (DORA) relating to the alignment of infrastructure grants to a pipeline of prioritised projects;
4. Introduction of fiscal and regulatory instruments to catalyse private sector investment;
5. Improving the management of strategic precincts and public transport operations within the urban network.

In addition the highlighted functions, the BEPP 2015/16 provides the baseline for human settlement indicators devised by National Treasury. It also measures urban integration within the City over an extended period of time. Future revisions of the BEPP will report on progresses of the discussed indicators to illustrate successes and areas that require more work.

The BEPP 2015/16 will continue to focus on the previous review of the three thematic areas:

1. Co-ordinating and aligning national initiatives: SIP2 and SIP7 for improved economic development and upgrading of informal settlements’
2. The identification and planning of Urban Networks and integration zones consisting of the City’s CBD, Urban Hub/s, Activity Corridors, secondary Nodes and Linkages;
3. Land Development;
4. Catalytic projects;
5. Upgrading of informal settlements and specific poverty pockets.

While these areas of consideration are the focus of the BEPP 2015/16, the key focus of the 2015/16 BEPP is identification, packaging and implementation of catalytic projects within Integration Zones identified in the 2014/15 BEPP. Furthermore, the document highlights the range and complexity of issues that need to be taken into account in achieving Spatial Transformation to create a sustainable integrated City.

The BEPP 2015/16 is structured is follows:

1. **Part B**: A strategic overview of the City of Johannesburg’s built environment
2. **Part C**: Strategies and Programmes for infrastructure delivery within the City of Johannesburg
3. **Part D**: The anticipated outcomes and outputs of City of Johannesburg’s investment in the built environment,
4. **Part E**: Institutional and financial arrangements to give effect to the investment programme.

The content of each section is presented to address concerns and to provide particular information requested by National Treasury.

# Confirmation of Adoption

This is to confirm that a copy of the Final Built Environment Performance Plan 2015/16 for the City of Johannesburg will be approved by the Council.