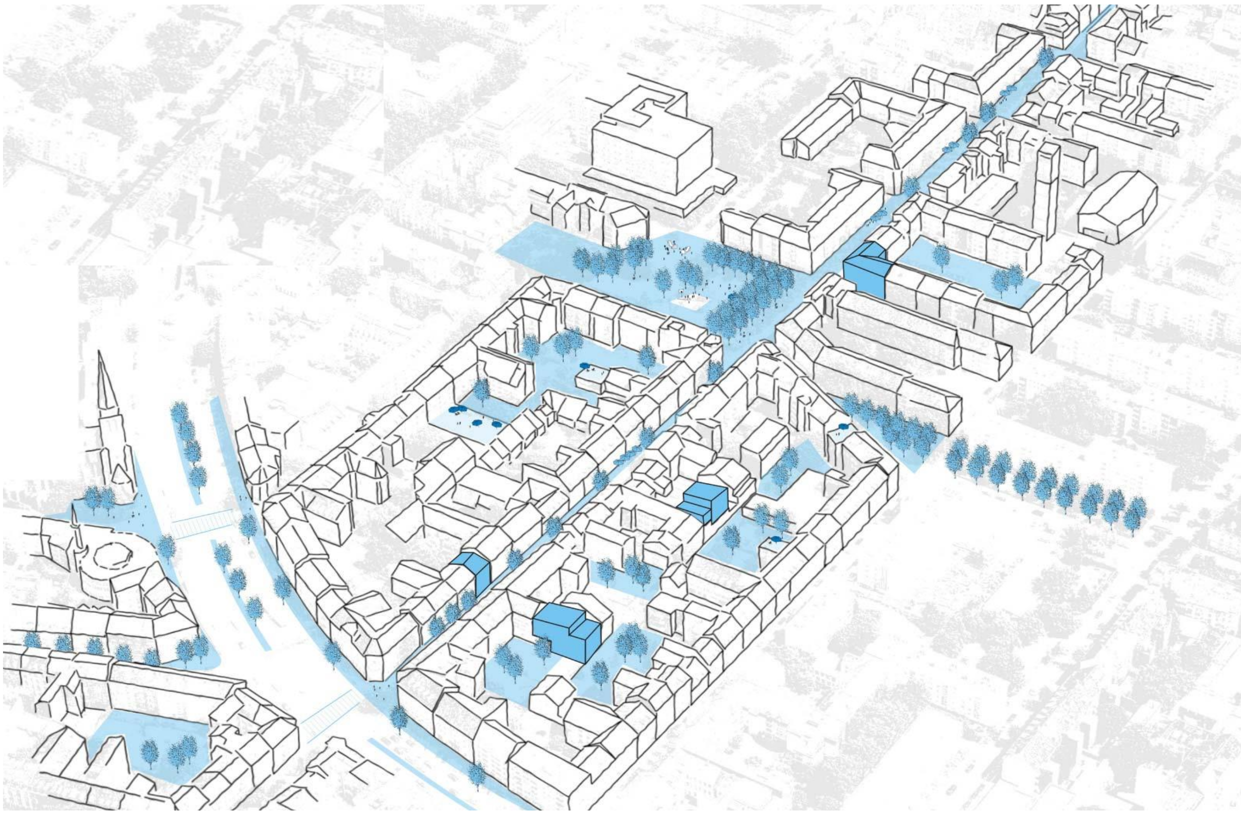

BUILT ENVIRONMENT

PERFORMANCE PLAN

(AND CAPITAL INVESTMENT FRAMEWORK)

Final Report (2016)

2016/2017

Ekurhuleni
METROPOLITAN MUNICIPALITY

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LIST OF ABBREVIATIONS

ACSA	Airports Company South Africa
BEPP	Built Environment Performance Plan
CBD	Central Business District
CIF	Capital Investment Framework
CITP	Comprehensive Integrated Transport Plan
CMIP	Comprehensive Municipal Infrastructure Plan
CPM	Capital Prioritization Model
CSP	Cities Support Programme
EDC	Ekurhuleni Development Company
EMM	Ekurhuleni Metropolitan Municipality
ERWAT	East Rand Water Care Company
GDARD	Gauteng Department of Agriculture and Rural Development
GIS	Geographic Information System
GPA	Geographic Priority Areas
HSDG	Human Settlements Development Grant
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IDZ	Industrial Development Zones
INEP	Integrated National Electrification Grant
IRPTN	Integrated Rapid Public Transport Network
MHDP	Municipal Housing Development Plan
MSDF	Metropolitan Spatial Development Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDPG	Neighbourhood Development Partnership Grant
PDAs	Previously Disadvantaged Areas
PRASA	Passenger Rail Authority South Africa
PTIG	Public Transport Infrastructure Grant
RSDF	Regional Spatial Development Framework
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
TOD	Transit Oriented Development
USDG	Urban Settlement Development Grant
WWTW	Waste Water Treatment Works

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Ekurhuleni 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 planning frameworks and complies with all 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, strongly supporting the TOD development concept.

The BEPP document can be summarized as follows:

Section A provides the general background, reference material used and the formal adoption of the BEPP by Council.

Section B deals with the spatial planning and project prioritisation. This section focuses on the spatial targeting rational and prioritisation of the Integration Zones, local area planning, project preparation and concludes with the institutional arrangements and related operating budgets. The current performance of the built environment, attached as Annexure 5, highlights 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 C focus of the Intergovernmental project pipeline, highlighting projects identified as per the intergovernmental project pipeline relevant to Integration Zone 1. This section concludes with the related institutional arrangements and operating budget.

Section D discuss the capital funding of the EMM relevant to projects located / related to Integration Zone 1. This section therefore highlights the spatial budget mix, the investments strategy and related institutional arrangements and operating budget relevant to the identified projects.

Section E focus on the implementation of the identified projects for Integration Zone 1. This section highlights the basis of a land release strategy, elements pertaining to the procurement process and concludes with the related institutional arrangements and operating budget relevant to the identified projects implementation.

Section F discusses the Urban Management strategy of the EMM, with specific focus on the urban management structure of Integration Zone1. Additionally, the transport management and related institutional arrangements and operating budget relevant to Integration Zone 1's urban management functions are highlighted.

Section G provides an overview of the institutional arrangements addressed within the pre-seeding sections and a summary of the consolidated operating budget.

The BEPP document concludes with **Section H,** highlights the reporting and evaluation strategy going forward.

The spatial targeting areas and their projects, both municipal and provincial, are summarised as follows:

Spatial Targeting Strategy	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Inte-gration Zone
1. Integration Zone 1 (Priority Integration Zone)	R 191 306 000	R 296 097 109	R 287 782 000	R 775 185 109	16%
2. Informal Settlements, Marginalised Areas, Townships and Inner City Areas	R 277 994 970	R 291 932 000	R 313 620 000	R 883 546 970	18%
3. Areas of Growth (commercial and industrial)	R 922 389 000	R 1 094 744 000	R 1 120 744 000	R 3 137 877 000	65%
	R 1 391 689 970	**R 1 682 773 109**	**R 1 722 146 000**	**R 4 796 609 079**	**100%**

For the purpose of the 2016/2017 BEPP, the identified Catalytic Urban Development Projects of the EMM consist of the following Flagships Projects, Strategic Urban Developments and the Housing Catalytic Projects:

Flagship Catalytic Projects
1. Aerotropolis - Rhodesfield, Pomona 1.1. M&T Development Project 1.2. Riverfields Development 2. Revitalization of Township Economies - Tembisa Civic Centre Precinct 3. Revitalization of Manufacturing Sector 3.1. Tambo Springs Inland Port 3.2. Prasa Gibela Project 3.3. Lords View

4. Digital City 5. IRPTN - IRPTN Phase 1A 5.1. Strategic Land Parcels - Dries Niemandt 5.2. New Natal Spruit Hospital SLP- Phase 1C 6. Urban Regeneration – Germiston CBD / Kempton Park CBD 7. Revenue Management and Enhancement 7.1. Badenhorst Estate 7.2. Glen Gory 8. Beautification of Lakes and Dams - Germiston Lake, Boksburg Lake 9. Urban Renewal
Catalytic Housing Projects Clusters:
1. Northern Development Cluster – Clayville Ext 45, 71, Heartland / Esselen Park (Witfontein) / Esselen Park Ext 3 / Tembisa Ext 25 2. Eastern Development Cluster - John Dube 2 / Brakpan Old Location / Tskane Ext 22 / Chief Luthuli 6 3. Southern Development Cluster – Leeuwpoort / Germiston Urban Renewal housing / Zwartkoppies / Palmietfontein / Rietspruit/ Rietfontein / Palmridge 10 & 11

SECTION A

SECTION A: INTRODUCTION AND BACKGROUND

This section highlights the infrastructure related grants applicable to BEPP and the documents utilized in compiling the BEPP.

A.1 GUIDING DOCUMENTATION

The BEPP is a requirement of the Division of Revenue Act, 2014 (Act 10 of 2015) and an instrument for compliance and submission purposes for the following infrastructure grants related to the built environment of metropolitan municipalities:

Table A1.1: BEPP Infrastructure Related Grants

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 (USDG)	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.

The Ekurhuleni BEPP is compiled from a range of current Ekurhuleni planning and strategy documents. The key Ekurhuleni documents integrated into this report include:

- The Metropolitan Spatial Development Framework, 2015 (MSDF);
- The Capital Investment Framework (CIF) as a component of the MSDF;
- The Comprehensive Municipal Infrastructure Plan (CMIP), 2009 – 2025;
- The Comprehensive Integrated Transport Plan (CITP), 2013-2018;
- Long Term Financial Plan, 2010;
- Ekurhuleni Growth and Development Strategy (GDS 2005);
- Ekurhuleni Municipal Housing Development Plan (MHDP), October 2011;
- Ekurhuleni IDP 2011/12-2016/17
- Ekurhuleni Biodiversity and Open Space Strategy (2009)
- Ekurhuleni Water Service Development Plan, 2014/14
- Ekurhuleni Integrated Waste Management Plan, 2015 Draft
- Ekurhuleni Energy Masterplan
- ERWAT Strategy, 2032
- Comprehensive Municipal Infrastructure Plan,

Additionally, the Ekurhuleni BEPP acknowledges the ICDG Proposed Expenditure 2015/2016 targeted outcomes and outputs as described by the ICDG guideline document. Following is the ICDG outcomes and outputs influencing on the BEPP process and funding:

1. Improved spatial targeting and sequencing of public investments in the urban built environment to achieve a more compact urban spatial form;
2. Number of sub-metropolitan spatial integration zones identified and formalised in participating municipalities;
3. Number of spatial integration indicators, baselines and targets defined and agreed on in participating municipalities; and
4. Number of strategic/catalytic projects within sub-metropolitan spatial integration zones identified and planned by participating municipalities

While the ICDG is seen as a CAPEX grant, the City has identified a need to have more resources allocated to OPEX and planning for projects in this regard. The City has in the past utilised the majority of the grant operationally of which effective and useful spatial targeting initiatives were introduced to the cities budgeting process.

Based on the above mentioned outcomes and the cities views on effective ICDG spend to inform integration within the City, Ekurhuleni Metropolitan Municipality (EMM) has embarked on the following projects utilizing the ICDG grant in the 2015/16 financial year:

1. Capital Investment Framework (CIF):

CIF Modelling: Detailed economic modelling for the Capital Investment Framework and its related elements. The CIF enabled the City to re-prioritise the capital budget towards geographic priority areas (GPAs). These GPAs are comprised of areas of strategic importance and include various flagship projects which are located within Ekurhuleni's Integration Zones. The ICDG in this regard has in fact assisted the City to spatially target the integration zones in this regard. The ICDG spend in this regard is seen as planning.

2. Strategic Land Parcels (SLP):

SLP programme aims to package land for development to alter the metro's spatial landscape and optimize urban development by maximizing the potential of strategic developable land and property through partnership with private sector, lease or outright disposal of the land and property assets. The SLP's are catalytic in nature and have a direct relationship with the cities' Urban Network Plan. To date the ICDG grant was utilised for transaction advisory services to enable the catalytic disposal of these assets. The ICDG grant has thus assisted the City in unlocking these catalytic projects which are due to go to market upon completion of all the studies for the land parcels.

3. Metropolitan Spatial Development Framework (MSDF) Review and the drafting of the Regional Spatial Development Frameworks (RSDFs):

The MSDF review has updated the 2011 MSDF and brought it into new light the development trajectory looking towards the Aerotropolis and Gauteng City Region discourse. The newly drafted RSDFs seek to enhance and complement the MSDF through the newly formed planning regions. The MSDF review and newly formulated RSDFs are currently going through Councils approval processes. The ICDG has in this instance assisted the metro to catalyse development through the completion of these documents. The ICDG spend in this regard is thus seen as planning.

4. Human Settlements Demand Survey:

EMM has embarked on a detailed housing demand and community survey of all informal settlements, hostels and backyard rental units within the jurisdiction of Ekurhuleni Metropolitan Municipality. The data to be retrieved from this survey would adequately assist the metro to adequately plan and reconsider the densities and housing typologies that would inform Ekurhuleni's Human Settlement Mega Projects as well as the locality of such in terms of the metros Integration Zones. The ICDG spend in this regard is seen as assisting existing Human Settlement Mega projects and to more accurately quantify the needs of these projects.

5. Informal Settlements technical evaluation and classification :

Approximately 50% of EMM is constrained by underlying Dolomite with the majority of affected areas falling within the Integration Zones. The informal settlement technical evaluation and classification will determine vulnerabilities, development constraints and the socio-economic conditions of these spaces. The ICDG spend in this regard would assist the metro in determining the best feasible proposal to eradicate informal settlements in this regard.

6. Urban Design Policy and Precinct Plans:

The City has embarked on the formulation of an urban design policy and related precinct plans to re-enhance the visual aesthetics and efficiency of nodes within the City. The precinct plans selected to be funded from the ICDG have a direct co-relation with the Integration Zones and are prominent precincts which require urgent attention. The ICDG spend in this regard would assist the city in unlocking strategic nodes through re-invention and implementing a new urbanist approach to design within the City.

7. Infrastructure Master Plan:

The City has identified a need to have a strategic, overarching, multi-sectoral, long term infrastructure plan to address the Aerotropolis development trajectory that the city has embarked on. This particular master plan would adequately inform the relative provincial and national departments of the development trends and needs of the city to meet the ever growing demand. The ICDG spend would in this instance assist the city to adequately plan for bulk infrastructure and perhaps cost the proposed infrastructure upgrades to enable the city to propose a value proposition in order to adequately source funding from various possible streams.

The key focus of the BEPP 2016/17 is the refinement and consolidation of the elements that were identified in the BEPP 2015/16. Specific areas of refinement are the Urban Network Plan and Integration Zones which also form part, about 90%, of the Geographic Priority Areas in the Capital Investment Framework (CIF). A pipeline of the catalytic urban development projects within these integration zones in the prescribed format, as per the supplementary note to the guidelines for the BEPP 2015/16-2017/18 is required. Another area of refinement is the upgrading of informal settlements and specific poverty pockets and land developments including preparation etc.

A.2 ADOPTION OF THE BEPP

The Ekurhuleni BEPP 2015/16 was APPROVED by council on 27 August 2015. The council minutes were signed off by 31st of August 2015.

SECTION B

SECTION B: SPATIAL PLANNING AND PROJECT PRIORITISATION

This section highlights the spatial targeting, local area planning, project preparation, institutional arrangement and operating budget for the identified Integration Zones, which includes marginalised areas, areas of growth (commercial & industrial) and network linkages.

The Strategic Review of the Built Environment Infrastructure (as reflected within the BEPP 2016/2017) is attached as Annexure 5, highlighting the impact of the different sector trends and demands on the spatial form of the EMM in terms of convergence or divergence from a compact urban form.

B1 SPATIAL TARGETING

The Spatial Targeting of the Built Environment Performance Plan (BEPP) is primarily founded on the Long Term Vision of the EMM as set out in the Ekurhuleni Growth and Development Strategy 2055, the Spatial Development Framework of the Municipality and the EMM Capital Investment Framework reflecting the CIF identified Priority Integration Areas. The aforementioned, in line with the Urban Network strategy, informed the identification of Integration Zones for focused development. Each integration Zone includes a marginalised area, area of growth (commercial and / or industrial) and a network linkage.

Following is a brief overview of the Long Term Vision of the EMM, the Spatial Development Framework of the EMM and the Capital Investment Framework guiding the identified Integration Zones. Section B1 concludes with the Identified Integrations Zones.

B1.1 LONG TERM VISION

According to the Ekurhuleni Growth and Development Strategy 2055 the vision of the EMM is to be **The Smart, Creative and Developmental City**. The mission statement developed for the EMM reads as follows:

Ekurhuleni provides sustainable and people centred development services that are affordable, appropriate and of a high quality. We are focussed on social, environmental and economic regeneration of our city and communities, as guided by the principles of Batho Pele and through the commitment of a motivated and dedicated team.

The EMM Growth and Development Strategy 2055 furthermore identified the following number of critical developmental imperatives to be pursued in the metropolitan area:

1. **Sustainable urban integration**
2. **Job creating economic growth**
3. **Social empowerment**
4. **Environmental well-being**
5. **Co-operative governance**

Different developmental stages are envisaged in order for the EMM to realise the above developmental imperatives:

- **Stage 1: The Delivering City** (2012-2020). This would lay the foundation for
- **Stage 2: The Capable City** (2020-2030), and ultimately enable
- **Stage 3: The Sustainable City** (2030-2055).

This trajectory lies at the heart of the EMM Growth and Development Strategy 2055 and represents a High Level Strategic Framework for the City to manage its transition through the following five strategic themes: **"Re-urbanise", "Re-industrialise", "Re-generate", "Re-mobilise"** and **"Re-govern"**.

The EMM Growth and Development Strategy is aligned with the following four high level goals as extracted from the national guidelines on performance indicators (National Treasury, 2013):

a) **Well-Governed City**: This is a precondition for reshaping the EMM urban form and sustainable built environment transformation. The EMM vision and leadership will initiate and drive spatial change, efficient and sustainable urban infrastructure transformation, and align with its policies, procedures and resources accordingly. The EMM will target priority areas for transformation, lever additional resources from external sources, and involve stakeholders in the planning and implementation processes.

b) **Inclusive City**: All residents will be able to participate in economic and social opportunities. There will be better physical access to such facilities (through proximity and mobility), and greater social diversity at neighbourhood and city levels. Higher population densities are to be achieved across the city, particularly in well-located areas and around transport hubs and corridors. Priority will be given to redevelopment of brownfield sites, infill development and the intensification of existing inner urban areas to accommodate larger populations. This will be supported by a more efficient and integrated transport system. Social integration will be achieved through mixed-income, mixed-use, inclusionary forms of development with a diverse range of housing typologies and tenure alternatives. This will result in high quality and safe residential environments for all, with public services and recreational amenities within easy reach.

c) **Productive City**: People will earn a decent living which generates sufficient resources to pay for improved infrastructure, services and amenities. The city will function efficiently and make effective use of its human and natural resources. Municipal policies and procedures (related to land, infrastructure, regulations and incentives) will encourage increased private and public investment throughout the city, including both established economic centres and new transformation areas. Public and private business support programmes will be established according to the needs and potential of different types of enterprise in various functional parts of the municipality.

d) **Sustainable City**: The city will have innovative infrastructure networks which enable more efficient use of natural resources and provide affordable services. Investment will be focused towards resource efficient and sustainable urban infrastructure and tariffs will be set at levels to balance real cost (including provisions for maintenance and future capital investments) with affordability. Less municipal-provided resources will be consumed per capita and less solid waste will go to landfill. The EMM will monitor the resource efficiency (of energy and water) and solid waste flows to landfills.

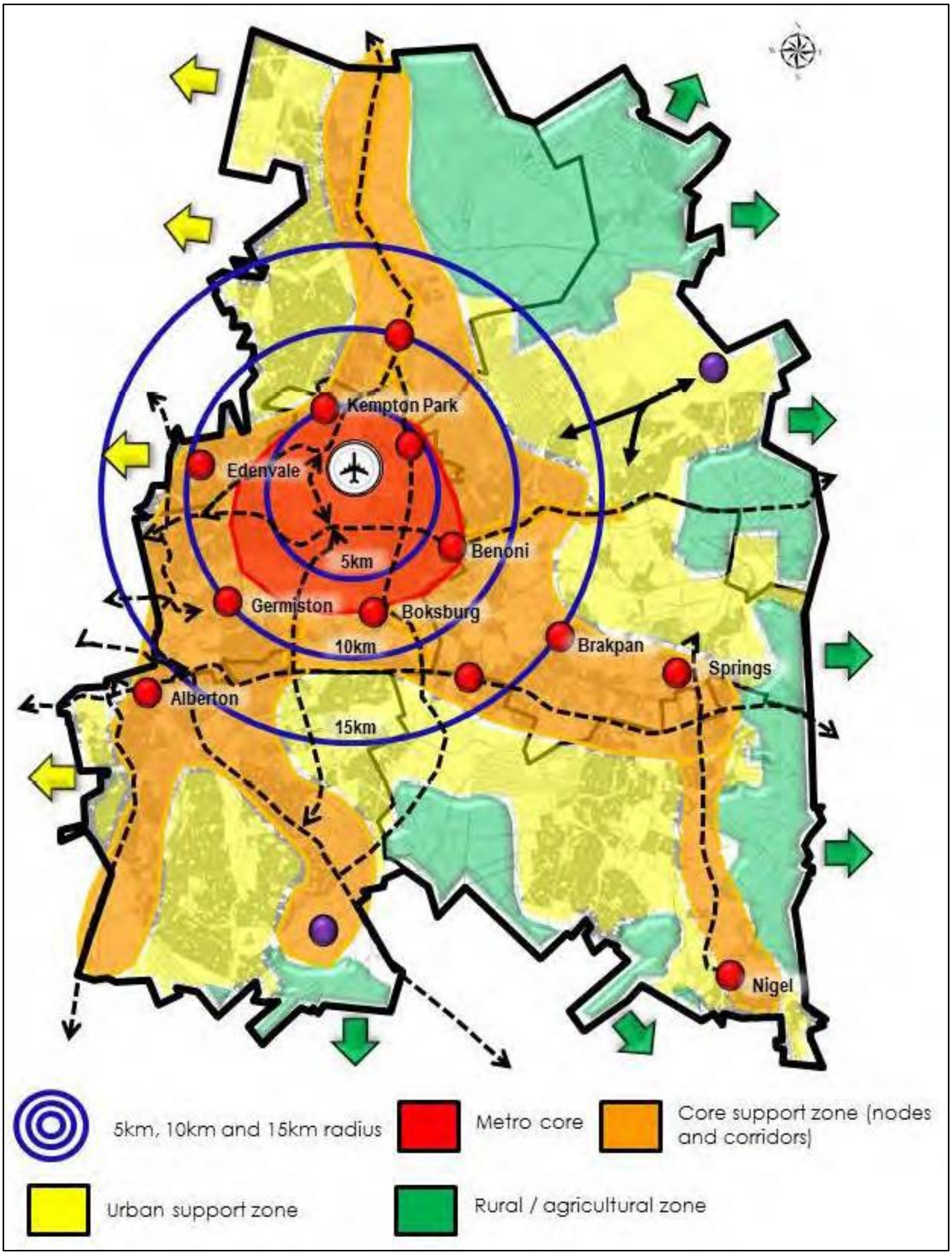
The above themes speak directly to Ekurhuleni's vision for an integrated, delivering, capable and sustainable city. The BEPP Reporting and Evaluation Indicators, attached as Annexure 4 speaks directly to the above mentioned themes.

B1.2 THE SPATIAL DEVELOPMENT STRATEGY OF THE MUNICIPALITY

Figure B1.1 depicts the **Ekurhuleni Spatial Development Concept** aimed to guide future development in the EMM area. The Spatial Concept is based on the following development principles:

- A strong core relating to the proposed Aerotropolis at OR Tambo International Airport;
- Anchor nodes at Sentrarand and Tambo Springs Freight Hubs, and Carnival City precinct;
- Promotion of viable east-west linkages by means of the N17 and N12 highways;
- Development of major north-south linkages/ corridors, including a separate road-based freight route;
- Upgrading and expansion of the railway system;
- Extensive agricultural development in the rural extents of the municipal area; and
- A compact urban development footprint comprising a Core Support Zone and an Urban Support Zone around the Metropolitan Core.

Figure B1.1: EMM Spatial Development Concept



The **Ekurhuleni Metropolitan Spatial Development Framework** as illustrated on **Figure B1.2** provides a clear indication of the broad land use pattern to be developed in Ekurhuleni to achieve sustainable spatial development and to thus overcome the spatial imbalances of the past. The MSDF is based on the following twelve Development Objectives as summarised in **Table B1.1** below:

Figure B1.2: Ekurhuleni Metropolitan Spatial Development Framework

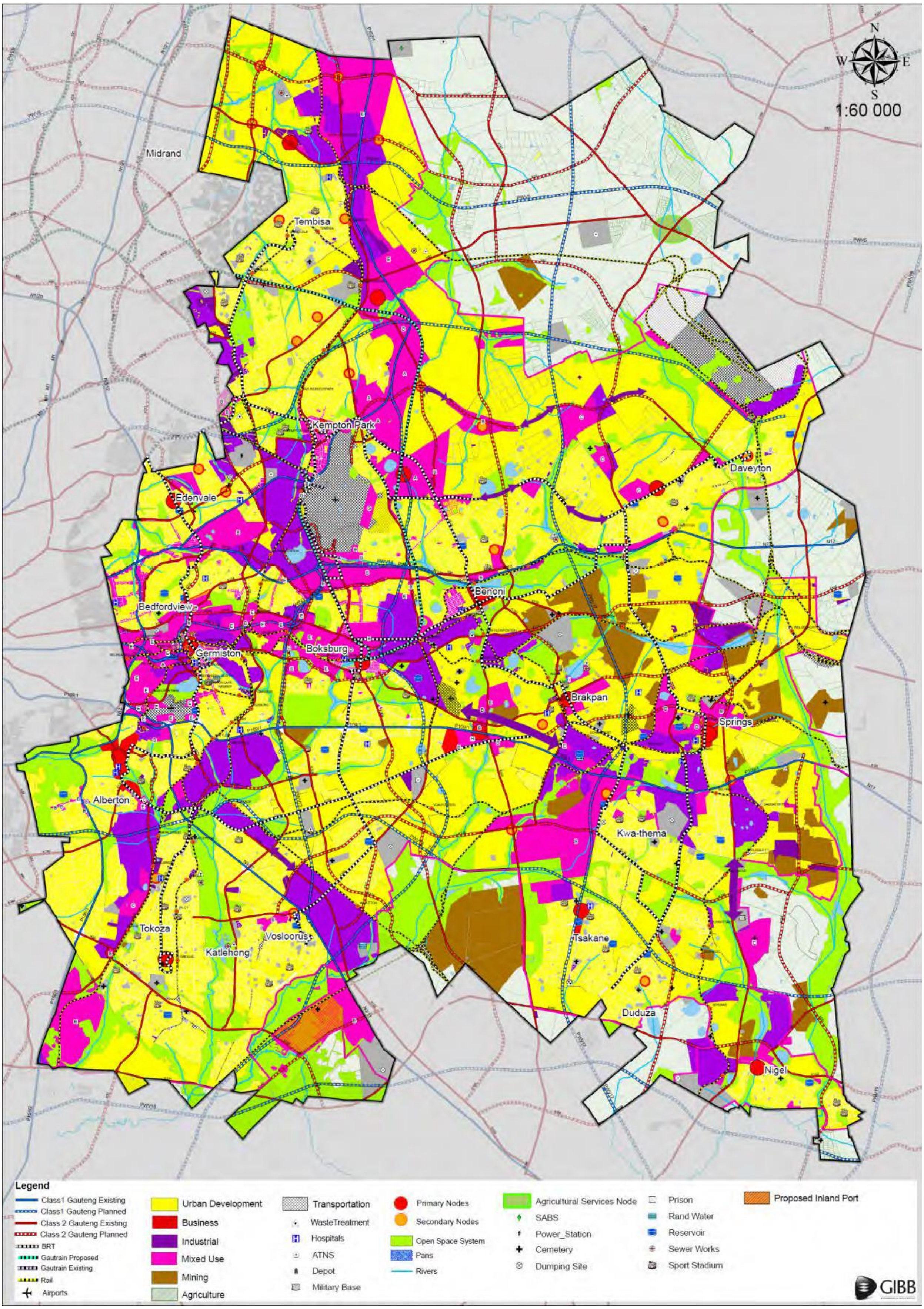


Table B1.1: Ekurhuleni MSDF Development Objectives

1.	**Objective 1: Create a single Uniform Identity for Ekurhuleni Metropolitan Municipality**
	• Aerotropolis becomes new metropolitan hub (CBD).
2.	**Objective 2: Develop a well-defined system of Activity Nodes**
	• Identify primary and secondary activity nodes to support the Core Metropolitan Node. • Protect existing industrial areas from the potential negative effects of informal settlements located in close proximity thereof. • Determine an "Ekurhuleni unique" niche market for each of the Primary Nodes. • Improve and further develop existing nodes in the PDAs. • Link activity nodes and public transport nodes. • Link the activity nodes to one another through activity spines and public transport networks.
3.	**Objective 3: Promote the Development of a Sustainable Compact Urban Structure**
	• Densify activity nodes, residential areas and transport linkages. • Delineate a fixed urban edge to accommodate future urban growth. • Direct growth to the Ekurhuleni Core Node. • Identify developable land for infill development mindful of strategic location, socio-economic value and soil conditions.
4.	**Objective 4: Create a Sustainable and Functional Open Space Network**
	• Optimise the unique characteristics of Ekurhuleni. • Incorporate the open space system into the urban fabric. • Optimise unutilised open space in the urban fabric.
5.	**Objective 5: Optimise Job Creation Capacity of the Formal Economy**
	• Promote specialisation in manufacturing, transport, finance, retail and institutional uses. • Develop sector-specific growth strategies. • Protect existing industrial areas from negative effects of informal settlements located in close proximity thereof. • Regenerate industrial areas and CBDs. • Provide infrastructural linkages for globally orientated growth. • Promote SMME Development and Growth.
6.	**Objective 6: Integrate the Disadvantaged communities into the Urban Fabric**
	• Support infill development on vacant land located close to CBDs, industrial areas, bus and taxi routes and railway stations. • Promote economic development along the main linkages between these communities and the major concentrations of job opportunities. • Direct growth of the PDAs to the Ekurhuleni Core Node.
7.	**Objective 7: Actively Promote Sustainable Public Transport**
	• Provide public transport along all main corridors. • Effectively manage taxi ranks. • Promote mixed use, high density development along suitable corridors and at suitable nodes. • Promote Transit Oriented Development along the main railway infrastructure. • Promote pedestrianisation. • Tighten and enforce the Urban Edge to enhance densification. • Initiate a "Road to Rail Program" for passengers and cargo.
8.	**Objective 8: Promote Access to Social and Municipal Services through CCAs**
	• Promote economic development. • Promote essential service delivery.
9.	**Objective 9: Identify the Spatial Impact of Climate Change**
	• Develop a compact, integrated and sustainable city with an efficient transport system. • Enable the energy sector to better support the local economy of EMM. • Provide access for all people to affordable, safe, healthy and modern energy services.
10.	**Objective 10: Promote Sustainable Livelihoods Development**
	• Encourage retail development as a kick start strategy. • Develop townships into model self-sustaining neighbourhood development areas.
11.	**Objective 11: Promote Sustainable Development**
	• Focus on disaster risk reduction strategies.

	• Impacts of climate change (assess vulnerability, identify key risk areas, plan to mitigate these or adapt to the risks and impacts of climate change). • Dolomite. • Stormwater plans in relation to floods. • EBOSS in relation to land use applications. • Water resource management. • Food security.
12.	**Objective 12: Optimise the Comparative Advantages of EMM**
	• OR Tambo International Airport. • Manufacturing. • Transport infrastructure (Road, Rail and Air). • Ekurhuleni's strategic location.

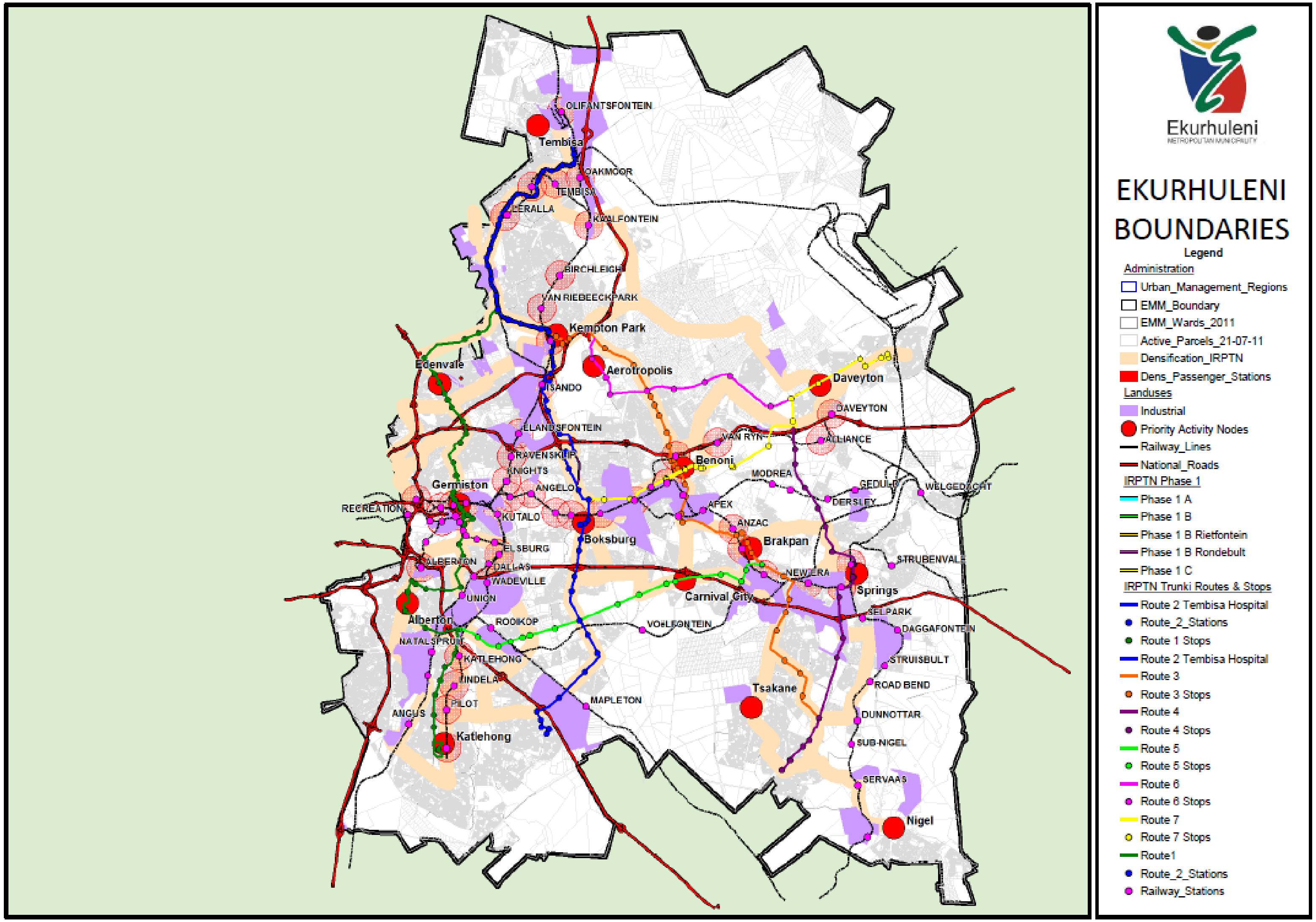
Figure B1.3 conceptually captures the essence of objectives 2, 3 and 7 as listed above. It firstly shows the priority activity nodes identified in the MSDF as well as the footprint of industrial activity in the EMM. These activity nodes/ areas are linked to one another by way of an Integrated Public Transport Network comprising the PRASA commuter rail network with railway stations, as well as the proposed EMM BRT network. Densification and mixed use development is to be promoted along the BRT network and around the railway stations and within the EMM activity nodes in line with the following density guidelines:

- Public transport routes: Transit Oriented Development (TOD), minimum 60 u/ha within a 500m radius of the public transport facility that comprises the core of a Transit Oriented Development (example: commuter railway stations, BRT-trunk station);
- Secondary and tertiary nodes, minimum 60 u/ha within 500m radius from core of node (as may be determined by the Municipality);
- minimum 85 u/ha within the node (where node boundaries have been pre-defined, e.g. within CBD-boundaries defined in Ekurhuleni Town Planning Scheme) or within 500m radius from core of node (as may be determined by the Municipality);
- Along high order mobility routes (outside the threshold distances specified for TOD's, primary, secondary and tertiary nodes), residential densification can be considered on merit, with due regard for considerations such as accessibility, access management, potential impact on transport mobility and potential impact on and interface with other surrounding developments;
- Low density residential zones (0-60 u/ha) – outside above-mentioned densification zones:
    - Up to 60 u/ha within 200m radius of a local neighbourhood or convenience business node (other than a primary, secondary, tertiary or TOD-node);
    - >15 Up to 60 u/ha within 200m radius of social facilities that serve the general public – application of this guideline must take into account the size / extent of the social facility, as well as the extent to which the social facility serves the general public (as opposed to serving just a select group of people, such as a private club or a place of worship for a specific religious denomination);
    - Up to 60 u/ha directly along an interface where a low density residential area abuts a significantly higher density residential area (applied in a manner that will create a gradual density transition);

- Up to 60 u/ha directly along an interface where a low density residential area abuts a non-residential area;
- Anywhere else in an existing low density residential area, no portion created by the subdivision of a property for residential purposes may be smaller than 40% of the prevailing size of the surrounding low density residential erven, as determined by the Municipality (this guideline aligns to a similar provision in the Ekurhuleni Town Planning Scheme and translates to a density increase equal to 2,5 times the ruling net density of the surrounding low density residential area).

In line with the concept of **Transport Oriented Development**, densification and mixed use should be encouraged along public transportation routes and in areas of extensive public investment in road and rail infrastructure.

Figure B1.3: MSDF Objective 2, 3 & 7



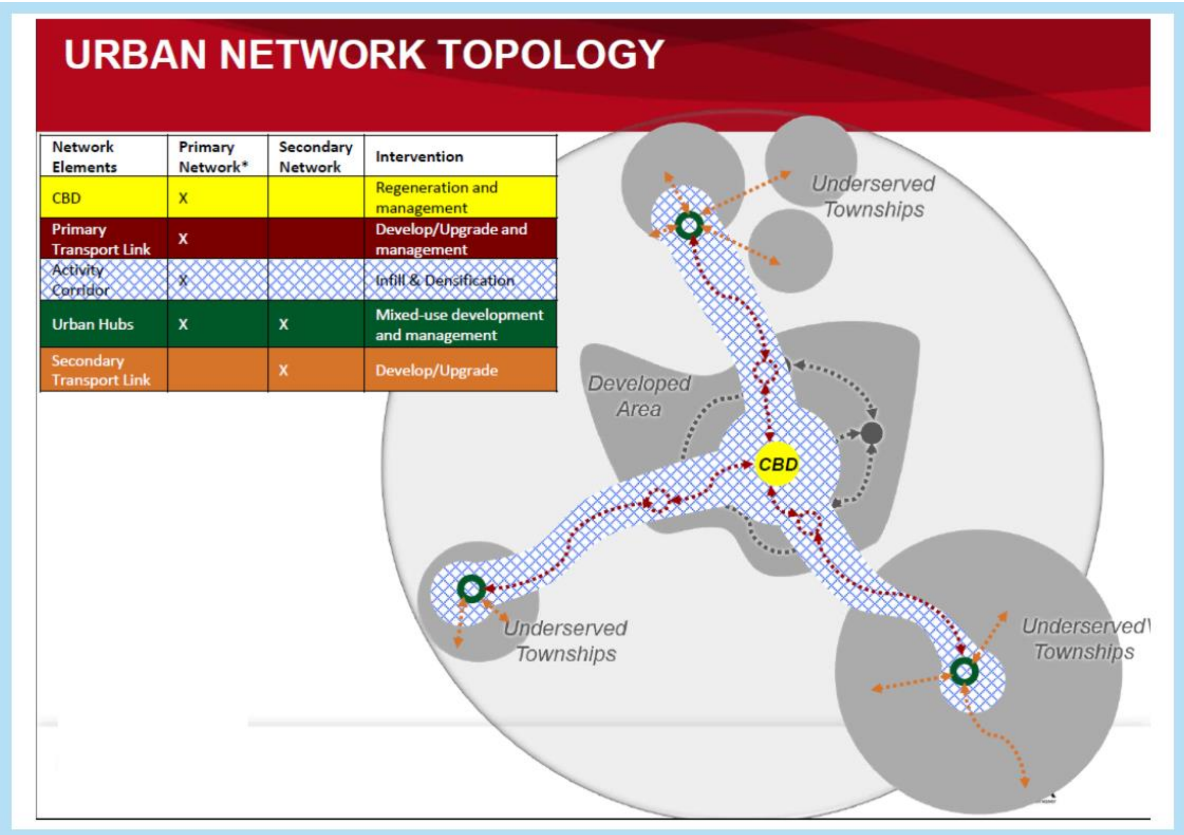
The following sections B1.3 and B1.4 highlight the functional relationship between the EMM Spatial Development Framework (B1.2), the EMM Capital Investment Framework (B1.3), and the EMM Integration Zones (B1.4). The MSDF provides the spatial vision, objectives and strategy towards the future development of the EMM; the Capital Investment Framework (CIF) (B1.3) is a component of the MSDF that fulfils the purpose to strategically and spatially guide and align municipal capital expenditure; and the Integration Zones (including the Urban Network and Hubs) (B1.4) represent a specific, smaller spatial component of the MSDF and CIF and which is the primary focus of the Built Environment Performance Plan.

The Integration Zones, Urban Network and Hubs are part of the EMM CIF but the geographic focus of the EMM CIF is wider than only the Integration Zones.

Figure B1.4 graphically illustrates the concept of the Integration Zone which comprise three elements:

- the consolidation of the urban fabric and promotion of economic activity around the urban hub in the marginalised areas on the urban periphery;
- the revitalisation of the main activity area in the city (the CBD); and
- effectively linking the Hubs to the CBDs by way of public transport infrastructure and services and promoting medium and higher density mixed use development along these public transport corridors.

Figure B1.4: Concept of the Integration Zone



B1.3 CAPITAL INVESTMENT FRAMEWORK

The Capital Investment Framework (CIF) is a requirement in terms of Section 4(e) of the Municipal Planning and Performance Management Regulations, 2001 as promulgated in terms of the Municipal Systems Act. It also fulfills the function of a Capital Expenditure Framework (CEF) as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act, 2013. In addition, the CIF also informs the Capital Expenditure Programme (CEP) as referred to by National Treasury. The CIF also strives to meet Section 153(a) of the constitution[1], in which the developmental duties of a municipality is outlined to "structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community".

The CIF can also be defined as a financial planning and regulatory tool in terms of the National Development Plan[2], which plan makes reference to the need to achieve spatial transformation through targeting investment into strategic spatial areas through the combined use of planning, legislative and financial tools. The CIF is therefore geared towards providing a spatial rationale to the budget in order to guide investment into identified priority spatial areas as a means to achieve positive spatial transformation.

The State of the City Address delivered by the EMM Executive Mayor on 19 March 2013 resonates the objective of the NDP and function of the CIF by stating that the CIF is utilized as an instrument that will "*channel CAPEX funding to critical economic infrastructure programmes, such as the Special Economic Zones (SEZ), Industrial Development Zones (IDZ), Export Processing Zones (EPZ) and Industrial Parks and Estates*[3]*.*

The functions of the CIF can thus be summarized as follows:

- Spatially and strategically influence and guide municipal capital prioritisation and allocation;
- Spatially and strategically coordinate and integrate capital expenditure across all sectors;
- Show where the municipality must and will be spending its capital budget; and
- Map capital projects reflected on the multi-year budget.

The Capital Investment Framework is therefore a tool utilised within the BEPP to achieve medium to long term outcomes with regard to spatial transformation through guiding and focusing investment into strategic spatial areas – some of which also comprise the BEPP Integration Zones.

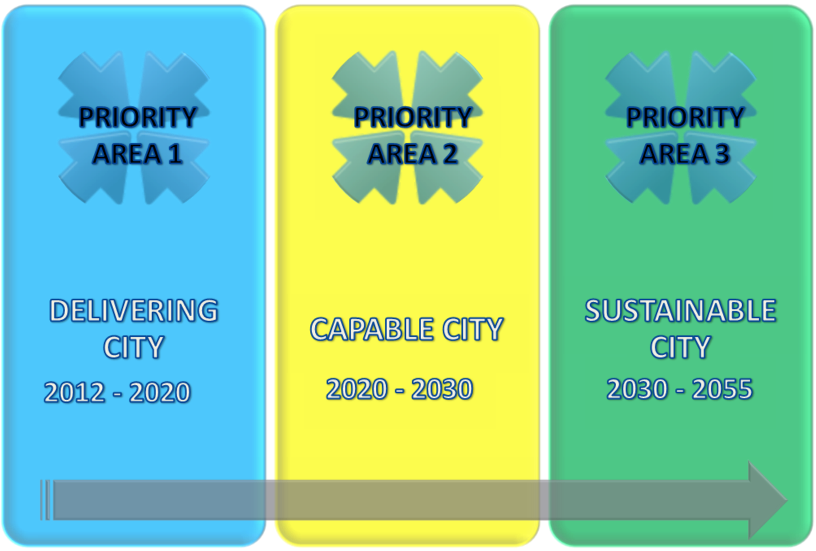
It must be noted that the 2014/15 Review of the Capital Investment Framework was approved after a sitting of the Full Council Committee on 01 December 2014.

[1] *Constitution of the Republic of South Africa, no. 108 of 1996*
[2] *South African National Government: National Development Plan, 2012*
[3] *EMM State of the City Address, 2013*.

CIF GEOGRAPHIC PRIORITY AREAS

The EMM Capital Investment Framework is geared towards focusing capital budgeting for the metropolitan area into three strategic geographic priority areas in accordance with the MSDF. The main objective is to achieve the spatial strategy outlined within the MSDF and to align with the development trajectory defined within the GDS in terms of promoting the Metro as a 'Delivering City' with a 10 year implementation horizon, a 'Capable City' within 20 years, and a 'Sustainable City' within a 20 year and beyond implementation horizon.

Figure B1.5: Geographic Priority Areas Alignment to the GDS



Spatial Structuring Elements Defining CIF Geographic Priority Areas

This section provides more detail into the various Spatial Structuring Elements (SSE's) utilised in defining the Ekurhuleni CIF Geographic Priority Areas. **Table B1.2** below provides a brief summary of each of the Spatial Structuring Elements which informed the CIF of Ekurhuleni, while **Figure B1.6** illustrates the spatial distribution of each of these Spatial Structuring Elements. The allocation of the various SSE's into the three Geographic Priority Areas is reflected on **Figure B1.7.** The prioritisation thereof was based on considerations pertaining to connectivity, access to social and economic opportunities, scope of project, locality, available funding and the implementation timeframe of the project.

The blue areas on **Figure B1.7** depict Priority Area 1, while Priority Area 2 is shown in yellow. Priority Area 3 is illustrated in green.

Table B1.2: EMM CIF Spatial Structuring Elements

IRPTN Corridor	The phase of the IRPTN route that is to be developed should receive more funding during each CIF phase. Implementation of the corridor in the CIF is indicated as per the IRPTN phases as described by the Ekurhuleni Transport Department. The IRPTN phase 1 route, phases A and B have been demarcated as priority 1, with Phase C being demarcated as priority 2. Phase 1C has been demarcated as part of priority area 2 pending available funding being made available in the outer financial years. The remaining IRPTN trunk routes have been demarcated as priority 3 in so far as implementation of the remaining IRPTN routes is only anticipated for 2020 and beyond.
Rail Stations	The Passenger rail stations to be developed should receive more funding during each CIF phase. Highest priority is given to Rail Stations within Primary and Secondary Activity Nodes and that form part of the IRPTN phase 1 route, phases A and B; which are demarcated as priority 1 in terms of the CIF. The stations on the remaining IRPTN routes have been demarcated as priority 3, based on the 2020 and beyond proposed implementation of the phase 1C roll out. Prioritisation of the IRPTN stations therefore follows the implementation roll out timeframe proposed for the IRPTN trunk routes. It must also be noted that PRASA is presently focused on implementing the modernization plan, which refers to the maintenance and upgrading of existing rail stock. In this regard new PRASA stations are not anticipated for the short term. The stations should also be recognized as destination nodes with the potential of developing into activity nodes. Section 6 and 8 of the report provides further detail with regard to the assessment on the alignment of the PRASA modernization plan with the CIF priority areas.
Primary Nodes	It is proposed that Primary Nodes to be developed should be budgeted for as per the CIF priority areas, which have prioritized the Primary Nodes based on spatial strategy, locality in relation to the IRPTN and Urban Renewal projects that are underway and major investment developments. Primary Nodes that fall within priority area 1 are considered as the highest priority, followed by Primary Nodes that fall within priority area 2 and then priority area 3. The remaining Primary Nodes are considered as a lower priority.
Secondary Nodes	Secondary Nodes to be developed should be budgeted for as per the CIF priority areas. Secondary Nodes that fall within geographic priority area 1 and on Route 1A and B of the IRPTN are considered as the highest priority, followed by Secondary Activity Nodes on Phase 1C of the IRPTN, then Route 2 and so on. It must be noted that further refinement of the inclusion of the secondary nodes into the priority areas is required pending available information on the status of the secondary nodes. Available information on the activity nodes from the Region A RSDF has been taken into consideration.
Major Housing Projects	Major Housing projects that are well into the implementation phase by the Ekurhuleni Human Settlements Department have been demarcated as priority 1. Prioritisation of these projects was based on the development objectives of the Ekurhuleni Human Settlement Department. The CIF has included the proposed housing projects as reflected on the housing funding model and earmarked the proposed housing projects that fall along the mining belt and form part of infill development as part of priority area 2. Therefore, the CIF has placed more emphasis on prioritizing proposed housing projects that supports infill densification and expansion areas as per the MSDF.
Industrial Areas	New industrial areas need to be developed and existing industrial areas require upgrading during each CIF phase. Phasing of the industrial areas is based upon spatial strategy, income sources (based on modelling geographic income areas), Council initiatives underway, IRPTN, and major investments. It is acknowledged that the EMM industrial areas are a major source of revenue for the metro and a source of employment. **Table 3** provides detail as to the prioritisation of the Industrial areas.
Major Investments and Strategic Projects	Major investment and development projects that have been included to the CIF geographic prioritisation areas include major investments and strategic projects as listed in the 2011 MSDF, and newly identified investments and strategic projects that have been identified as in a phase of initiation and/or implementation. Major investments can be defined as private sector developments which boast significant

	GGP and job creation for the metro based on the eventual realization of the entire proposed development. Strategic projects must be understood as programmes and projects initiated by the EMM as with the example of the flagship projects. Prioritisation is therefore based on the locality of the project and readiness of the project driver to implement the project. Where possible these projects are to be linked to the implementation of the IRPTN and the priority income generating areas. Continuous re-prioritisation of these projects must however be done based on planning progress made to date, with specific relevance to input from the private sector. **Section C.5** of the report provides more detail on the Strategic Projects and Major investments that have been taken into consideration on the refinement of the geographic priority areas.
Poverty Eradication Areas	The poverty eradication areas were derive out of the identified poverty eradication areas as listed in paragraph 15.10 of the MSDF. It is acknowledged that the provision of access to economic opportunities in close proximity to previously disadvantaged areas is a necessity as outlined in the principles of the NSDP[4]. Where possible the prioritisation of the poverty eradication areas should be linked to the implementation of the IRPTN. The poverty eradication areas have also been prioritized as per the role out of the Township Regeneration Plans.
Expansion Areas	Three priority expansion areas were identified. The highest priority Expansion Area represents the **Albertina Sisulu Corridor** including the Witfontein and Serengeti areas. The land is strategically located in a triangle between Tembisa to the north, the residential areas of Kempton Park to the west, and the proposed Albertina Sisulu Corridor to the east. This also forms part of the Tembisa – OR Tambo International Airport component of the Ekurhuleni North-South Corridor. The second highest priority Expansion Area is the **OR Tambo International Airport–Daveyton Link** area. This includes the area to the northeast of the OR Tambo International Airport up to and including the Mayfield area to the north of Daveyton. The development pressures evident in this area stem from both close proximity of the OR Tambo International Airport, as well as the northward residential expansion pressure from Benoni. On a metropolitan level, this area is not an expansion area in the pure sense of the word, but can also be described as an infill development area as it represents an inward direction of growth for the Daveyton-Etwatwa complex towards the OR Tambo International Airport area. Several subsidised housing projects and bonded housing projects are already underway in this area. The **Leeuwpoort** area to the south of Sunward Park is the third highest priority Expansion Area. The Ekurhuleni Leeuwpoort housing development initiative is of importance here. Expansion Areas are redefined in the concept so as to promote development and provision of services in nodes and corridors within the Expansion Areas. In terms of the CIF the expansion areas which have been incorporated into the priority areas includes the Aerotropolis core, housing projects, development in and around the proposed IRPTN routes.
Densification areas	The main focus of these areas is to support public transport and urban sustainability. The aforementioned Infill and Expansion Areas are layered onto the proposed densification areas.
Geography of EMM income	In defining the priority areas it is imperative that the Metro be able to identify spatially where its top investors in terms of revenue generation are located. In drawing future investment and retaining the Metros current investors to ensure future revenue security and growth, the Metro needs to provide a sustainable environment for businesses.

[4] *National Spatial Development Perspective, 2006.*

Figure B1.6: Refinement of the Spatial Structuring Elements 2014/15

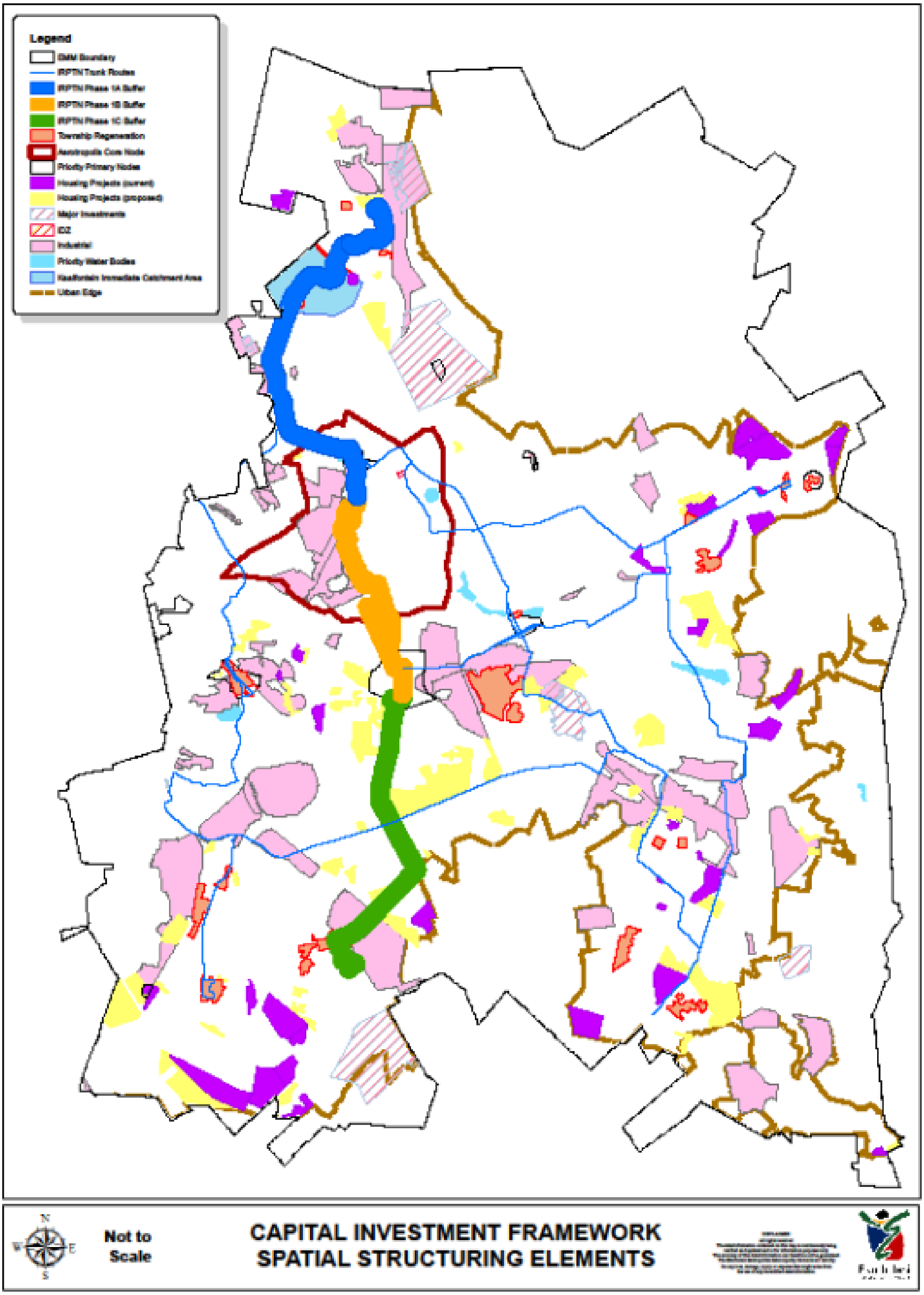


Figure B1.7: CIF Priority Areas (Basis for the Integration Zone)

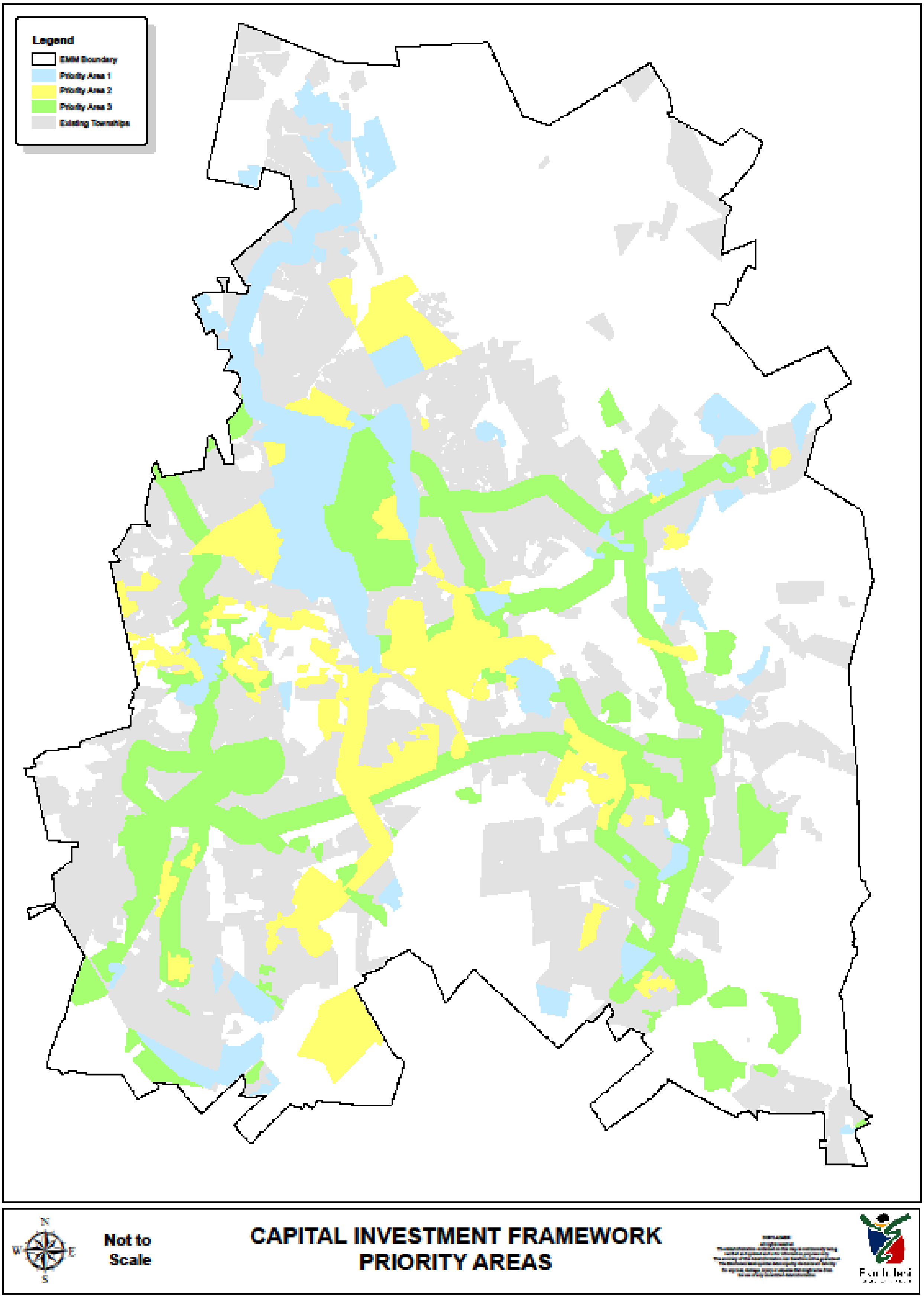


Table B1.3 below summarises the Spatial Structuring Elements included in each of the three Geographic Priority Areas as defined in the EMM Capital Investment Framework.

Table B1.3: Summary of the Geographic Priority Areas

SPATIAL STRUCTURING ELEMENT	GEOGRAPHIC PRIORITY AREA 1	GEOGRAPHIC PRIORITY AREA 2	GEOGRAPHIC PRIORITY AREA 3
IRPTN CORRIDOR	Tembisa -Kempton Park, OR Tambo, Benoni via Boksburg- Vosloorus, Daveyton , Etwatwa, Duduza, Kwa-Thema	Ivory Park and Tembisa in the North to Germiston and from Katlehong in the South to Germiston via Alberton	Kempton Park, Benoni and Brakpan, Kwatsaduza. Brakpan to current Natalspruit
RAIL STATIONS	Germiston, Germiston West, Isando, Kempton Park, Leralla, Limindlela, President, Rhodesfield	Apex, Benoni, Boksburg East, Daveyton, Dunswart, East Rand, Elandsfontein, Geldenhuis, India, Kutalo Kwesine, New Kleinfontein Range View, Refinery, Schaperust	Anzac, Avenue, Brakpan, Daggafontein, Germiston South, Germiston Lake, Katlehong, Mpilisweni, Natalspruit, Northmead, Pollak Park, Rooikop, Springs, Wadeville
PRIMARY NODES	Tembisa, Kempton Park, Riverfield, Glen Gory, Germiston CBD, Boksburg, Benoni CBD, Thinasonke	Etwatwa, Bedfordview, Vosloorus	Alberton CBD, Brakpan CBD, Edenvale CBD, Springs CBD, Nigel CBD
SECONDARY NODES	Birch Acres, Cason, Daveyton, Jansen Park, Jurgenspark, Zonkizizwe	Admin Triangle, Daveyton, Duduza, Etwatwa, Kwa-Thema, Kwenele, Tsakane, Twala, Vosloorus, Windmill Park	Bonaeropark, Edenvale, Geduld, Kwa-Thema, Langaville, Maryvlei, Sonstraal AH
HOUSING PROJECTS (CURRENT)	Alliance Ext 9, Alra Park Essential Services, Chief A Luthuli Park Ext 4, Chris Hani Proper & Ext 2, Clayville Ext 45, Eden Park West And West Ext 1, Etwatwa Ext 18, Etwatwa Ext 19 (Solomon Mahlangu), Etwatwa Ext 34 (Barcelona), Etwatwa Ext 35 (Combiza), Etwatwa Ext 36 (Kamashonisa), Etwatwa Ext 37 (Magoba Village), Kwa Thema Ext 5, Kwa Thema Ext. 3, Ekuthuleni, Langaville Ext 4, Madelakufa 2, Magagula Heights Top Structures, Mayfield Ext 1, Mayfield Ext 12, Moleleki Ext 1, 2, Payneville Ext 1 & 3, Project Palm Ridge Ext 9, Reiger Park Ext 5, Tinazonke, Tsakane Ext 19, Tsakane Ext 22, Ulana Settlements, Villa Lisa Ext 3, Vosloorus / Kavosh, Zonkizizwe Proper Ext 1 & 2, Sanitation System, Leeuwpoort	Good Hope	Kwa Thema 7a
HOUSING PROJECTS (PROPOSED)	Alliance Ext 2, Dersley, Ecaleni(Coal Yard), Esther Park, Old Mutual Land, Olifantsfontein Cullinan Land, Terenure	Angelo Deep, Apex Land, Badenhorst Land – (Leachville, Rietfontein, Weltevreden), Balmoral Block, Driefontein 85IR Reiger Park, Dukathole Land, Ergo Road, ERPM Village (Comet Village), Esselen Park, Joe Slovo, Klippoortje 112IR, Kutalo Station, Kwa-Thema, Kwesine Station, Leachville Ext 2, Mining Belt Germiston (Makause), Pomona Rehabilitated Land-Angelo, Rietfontein, Kwa Thema, Rose Acres Project, South Germiston Ext 8, Van Dyk Park, Vulcania 279, Wattville /Actonville, Wattville Erf 3130	Brakpan Old Location, Cool Breeze, Daggafontein, Duduza, 119 Klippoortje110-IR, Helderwyk Ext 3 & 7, Holgatfontein, Holomisa (Lindelani), Katlehong Roodekop, Klipportje A H Ptn 127, Kwa-Thema, Langaville Ext 10, Magagula Heights, Palmietfontein 57 & 142, Rietspruit 152-IR & 153-IR, Rondebult 35 & 41, Spaarwater Ptn 2 171 IR, Villa Lisa Ext 5, Vlakfontein 130-IR Ptn 20, Vlakplaats Ptns 36 & 657, Vosloorus Ext 28 Med Risk Dolomite, Vulcania 279, Zwartkopjes Farm
INDUSTRIAL AREAS	Alrode South, Apex, Chloorkop, Clayville, Elandsfontein, Fulcrum, Hughes, Isando, Jet Park, N12 Freeway Park, Olifantsfontein, Spartan, Witfontein, Hughes, Isando, Jet Park, Spartan, Witfield	Anderbolt Apex Benoni South, Boksburg East, Dunswart, Elandsfontein, Fulcrum, Industries East & West, Lilianton, Mapleton, Spartan, Vulcania, Witpoort, Activia Park, Anderbolt, Beyers Park, Boksburg East, Delville, Germiston, Heriotdale, Jupiter, Krog Industria, Lilianton, Malvern East, Muswelldale, Primrose, Rustivia, Satmar, Simmerfield, South Germiston, Ulana Park, Westwood SH, Witfield, Wychwood	Alrode Alrode South Anderbolt, Apex, Benoni South, Dunswart, Eastleigh, Enstra, Fulcrum, Industries East & West, Junction Hill, Knights, Mapleton, N12 Freeway Park, New Era, Nuffield, Putfontein, Roodekop, Spartan, Vulcania, Wadeville, Witpoort, Germiston, Jupiter, Meadowbrook, South Germiston, Sunnyrock, The Stewards, Wilbart

MAJOR INVESTMENTS, STRATEGIC PROJECTS	Aerotropolis Core Node, Badenhorst Estate, Glen Gory, Riverfields, Lords View Estate, Dries Niemandt, Blaauwpan, Germiston Lake, Kaalfontein Catchment Area, Germiston Urban Renewal, Motsu Park, Zonkizizwe Park, M and T.	Aerotropolis Core Node, Badenhorst Estate, Riverfields, Inland Port, Civic Lake, Middle Lake, Homestead Lake, Kleinfontein Lake, Murray Park, Leeupan, Presidentspark	Aerotropolis Core Node, Alberton Node
POVERTY ERADICATION AREAS	Tembisa & Surroundings, Germiston CBD, Kleinfontein 67-IR (Benoni)	Actonville/ Wattville, Etwatwa, Dayveyton, Admin Triangle, Natalspruit, Kwesine, Kwa-Thema, Tsakane, Duduza	

The Geographic Priority Areas as listed above and indicated on **Figure B1.7** each require specific interventions, specific focus on different service sectors and detailed service plans. The applicable sector(s) per identified area will be identified in the relevant RSDF and/ or Precinct Plan.

Future refinements to the priority areas propose to incorporate the strategic land parcels and precinct developments. Both the precinct developments and strategic land parcels are still at the planning stage and on inception will be built into the priority areas as key defining facets in guiding the priority areas in becoming more area specific, thereby reducing the current footprint of the priority areas.

B1.4 EKURHULENI URBAN NETWORK: INTEGRATION ZONES, MARGINALISED AREAS AND GROWTH NODES

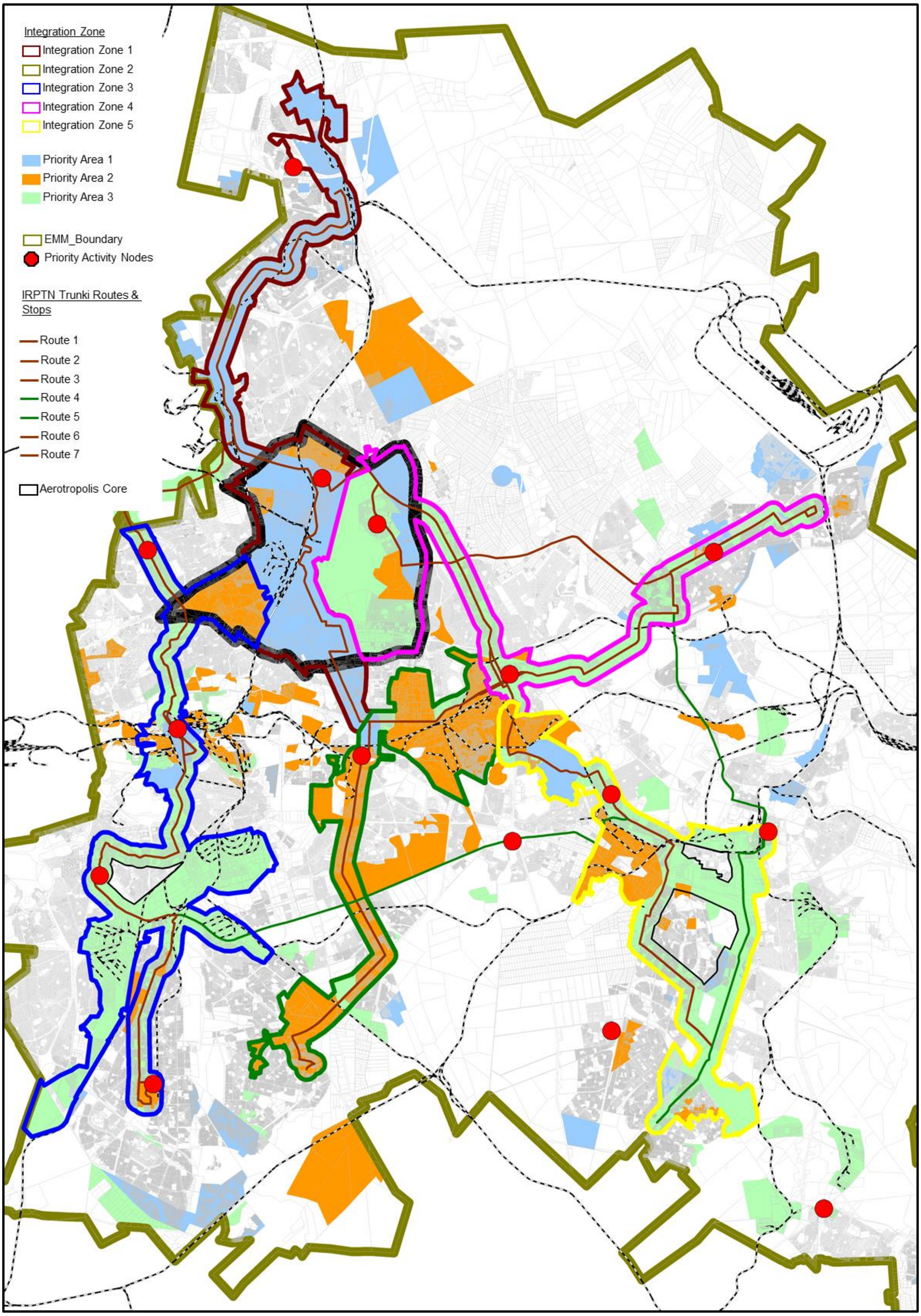
➢ INTEGRATION ZONES

The Ekurhuleni Metropolitan Municipality utilised its Capital Investment Framework (CIF) footprint as the basis for the identification and demarcation of its Integration Zones. The rationale behind this lies in the core principles of the CIF which relate back to the goals and objectives of National Treasury's City Support Program which seeks to promote sustainability, urban restructuring, densification as well as spatial and sectoral integration and prioritization.

Overlaying the CIF, the proposed urban network plan emerges for the EMM. It consists of five Strategic Integration Zones as depicted on **Figure B1.8**:

Zone 1: Tembisa-Kempton Park
Zone 2: Vosloorus-Boksburg-Bartlett
Zone 3: Katlehong-Tokoza-Alberton-Germiston
Zone 4: Etwatwa-Daveyton-Benoni
Zone 5: Duduza-Tsakane-KwaThema-Boksburg

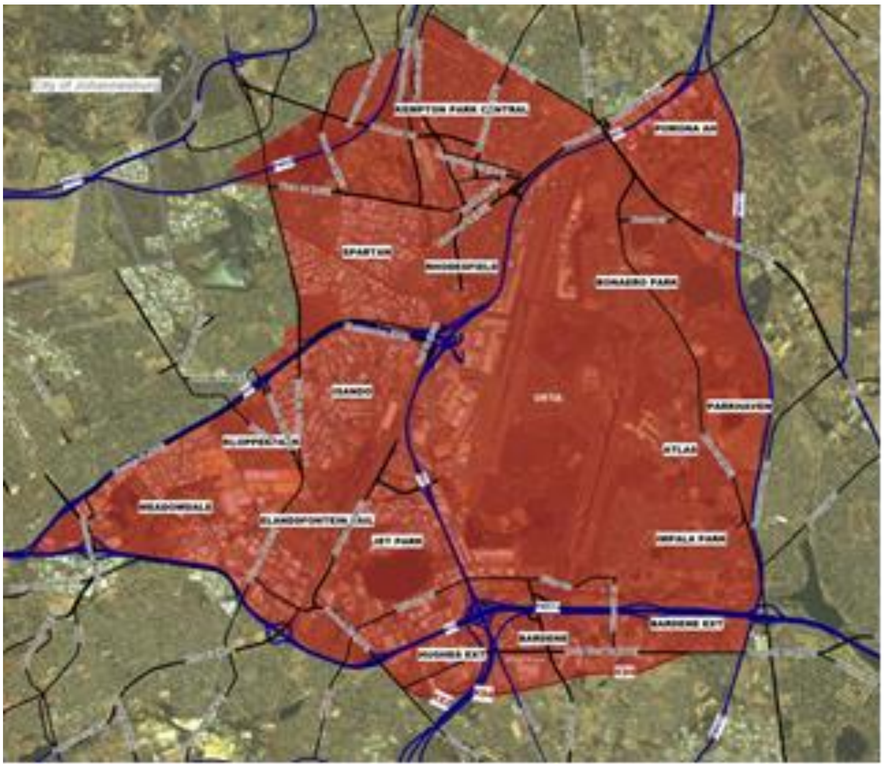
Figure B1.8: Strategic Integration Zones



The key structuring element with regards to this Urban Network is the proposed EMM Integrated Rapid Public Transport Network (IRPTN). Utilising the network as a footprint enabled the EMM to identify corridors that should be earmarked for densification and to accommodate movement of people to and from places of employment within EMM. The Aerotropolis Core around OR Tambo International Airport was selected as the CBD of Ekurhuleni within the urban network plan.

In short the Aerotropolis Core/Ekurhuleni CBD made up of an area around the airport that is within 5 to 10 minutes travelling time from the airport via different existing and proposed transport routes and it includes the following areas:

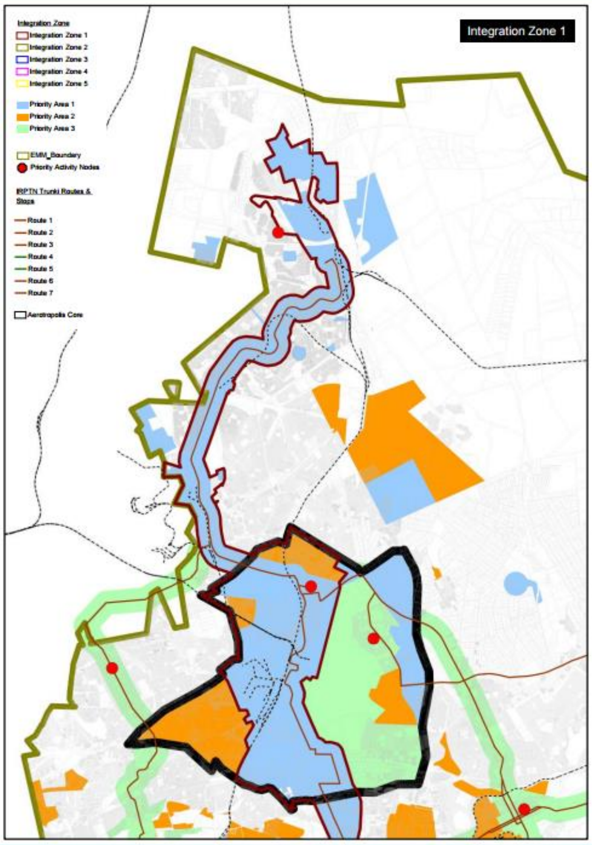
- The activity nodes of:
  - Rhodesfield and Kempton Park CBD
- Residential Areas:
  - Cresslawn, Rhodesfield, Kempton Park Central, Caro Nome Ah, Caro Nome, Bonaero Park, Parkhaven, Impala Park, Witkoppie Ridge, Bartlett Ah, Bardene Ext, Bardene, Ravensky, Elandsfontein Rail, Klopperpark and Meadowbrook
- Industrial Areas:
  - Meadowdale, Henville, Rustivia, Tunney, Spartan, Isando, Pomona Ah, Jet Park, Atlas, Bartlett, Bartlett Ext and Hughes Ext
- Land on both sides of the R21 up to the R23 (Benoni Road off-ramp). This land is currently vacant and is fast developing as business and logistics parks. This forms part of the Aerotropolis core corridor.



The following figures (**Figure 1.9** to **Figure 1.13**) summarise the most salient features and functional components of each of the five Integration Zones in Ekurhuleni.

Figure B1.9: Integration zone 1

INTEGRATION ZONE 1: TEMBISA



Description:
Aerotropolis to Tembisa Civic Centre Node

Integration Zone 1 represents the functional area between Tembisa and the Ekurhuleni Aerotropolis, the latter being regarded as the CBD of the Ekurhuleni Metropolitan Municipality.

Integration Zone 1 consist of the following three main nodes:

- The Leralla Station Node
- Tembisa Civic Node
- Rhodesfield Kempton Park Node.

Network Elements – Nodal Structure

CBD	Urban Hub	Municipal Nodes	Secondary Node
Aerotropolis Core	Tembisa CCC	Tembisa 1 CCC, Tembisa 2 CCC, Kenpton Park CCC	Tembisa Station Node, Oakmoor Station Node, Winnie Mandela Node, Leralla Station Node, Swazi Inn Node

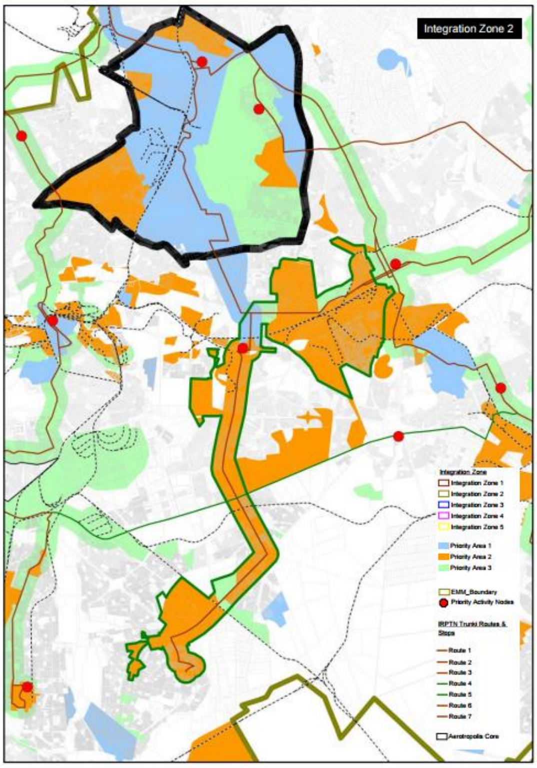
Network Elements – Transportation Links

Primary Public Transport Link	Secondary Public transport Link
IRPTN route from Tembisa to OR Tambo Airport (Andrew Mapheto, Zuurfontein, CR Swart)	Andrew Mapheto, Sam Molele, DM Morakane, Pretoria Road, Brian Mazibuko, Nyarhi, George Nyanga, Maphanga, Koti, Letsiakarana, Rev RTJ Namane, Jabu Mdunge, Peter Nchabeleng, Olifantsfontein

Figure 1.9

Figure B1.10: Integration zone 2

INTEGRATION ZONE 2: KATORUS - VOSLOORUS



Description:
Vosloorus Urban Hub to Aerotropolis Core

Integration Zone 2 represents the functional area between Vosloorus and Boksburg, including Barlett.

Integration Zone 2 consist of the following two main nodes:

- Vosloorus Node
- Boksburg Node

Network Elements – Nodal Structure

CBD	Urban Hub	Municipal Nodes	Secondary Node
Aerotropolis Core	Vosloo-rus CCC	Vosloorus CCC, Boksburg CCC	Chris Hani Crossing Shopping Centre, Naledi Shopping Centre, New Natalspruit8t Hospital

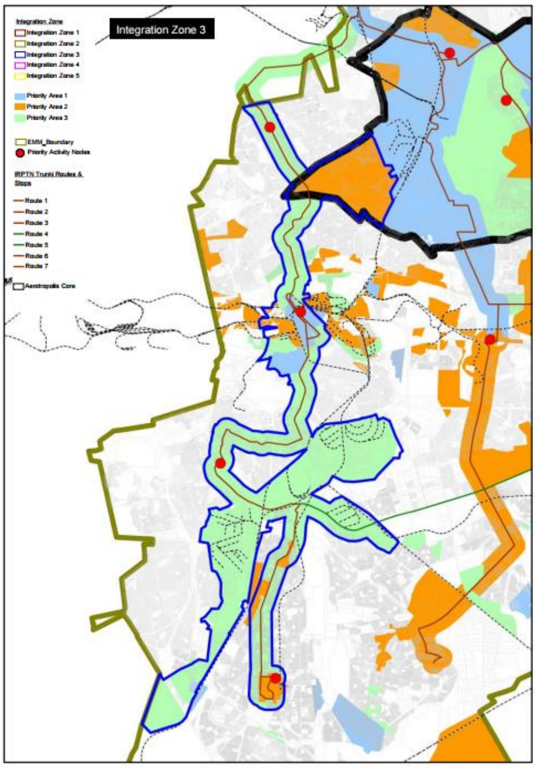
Network Elements – Transportation Links

Primary Public Transport Link	Secondary Public transport Link
IRPTN route from Vosloorus to OR Tembo Airport (Barry Marais, Rondebult, Rietfontein, R21)	Vlakplaats, Bierman, Brickfield, Moagi, MNC Botha, Sam Sekoati, Leondale

Figure 1.10

Figure B1.11: Integration zone 3

INTEGRATION ZONE 3: KATORUS - KATLEHONG



Description:
Katlehong CCC to Aerotropolis Core

Integration Zone 3 represents the functional area between Katlehong and Germiston.

Integration Zone 3 consist of the following four main nodes:

- Katlehong Node
- Tokoza Node
- Alberton Node
- Germiston Node

Network Elements – Nodal Structure

CBD	Urban Hub	Municipal Nodes	Secondary Node
Aerotropolis Core	Kwesini Node	Katlehong 1 CCC, Katlehong 2 CCC, Tokoza CCC, Alberton CCC, Germiston CCC, Edenvale CCC	Motse wa Lejani Shopping Centre Node, Pilot Station Node, Tokoza CCA Node, Admin Triangle

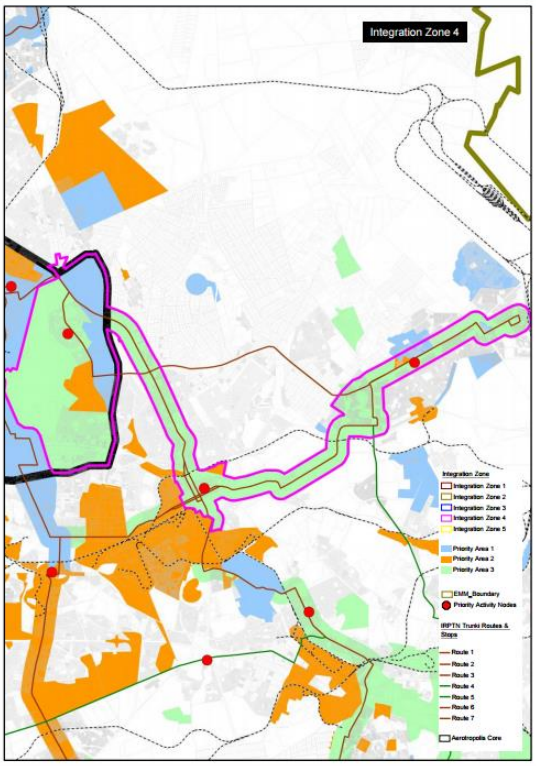
Network Elements – Transportation Links

Primary Public Transport Link	Secondary Public transport Link
IRPTN route from Katlehong to Germiston via Alberton (Masakhane, Heidelburg, Ring Road, Kritzinger, Grey, Black Reef, Russel, Lake, Joubert, Meyer, Victoria, Johan Rissik, Shamrock, AG De Witt, Edenvale)	Hospital, Sontonga, Thutong, Masakhana, Khumalo, Tugela, Pongola

Figure 1.11

Figure B1.12: Integration zone 4

INTEGRATION ZONE 4: DAVEYTON / ETWATWA



Description:
Aerotropolis Core to Daveyton CCA Urban Hub

Integration Zone 4 represents the functional area between Etwatwa-Daveyton and Benoni.

Integration Zone 4 consist of the following three main nodes:
- Etwatwa Node
- Daveyton Node
- Benoni Node

Network Elements – Nodal Structure

CBD	Urban Hub	Municipal Nodes	Secondary Node
Aerotropolis Core	Daveyton CCC	Etwatwa CCC, Daveyton CCC, Benoni CCC	Unisa Campus, Etwatwa CCC, Daveyton Mall

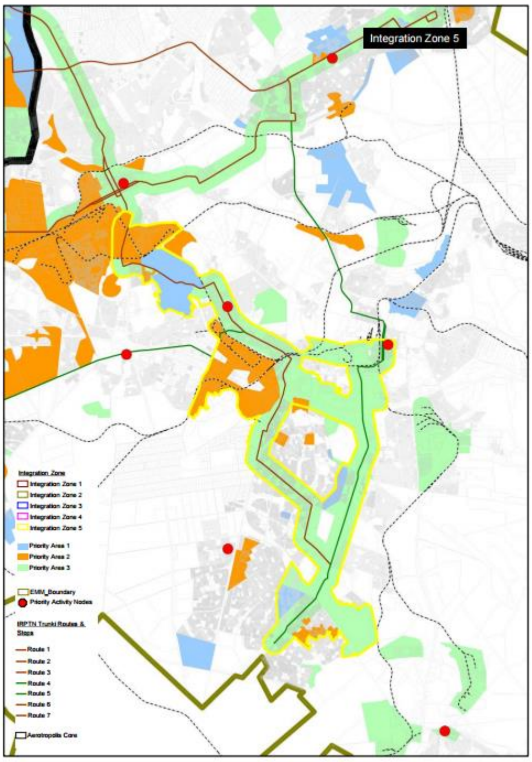
Network Elements – Transportation Links

Primary Public Transport Link	Secondary Public transport Link
IRPTN route from Etwatwa/ Daveyton to OR Tambo via Benoni (Main Reef, Princess, New Modder, Benoni, Great North, Kingsway, Brazil, Eiselen)	Kingsway, Heald, Dungeni, Eiselen, Mveve, Makambula

Figure 1.12

Figure B1.13: Integration zone 5

INTEGRATION ZONE 5: KWATSADUZA



Description:
Aerotropolis Core to Tsakane CCC

Integration Zone 5 represents the functional area between Duduza and Boksburg

Integration Zone 5 consist of the following four main nodes:
- Duduza Node
- Tsakane Node
- KwaThema Node
- Boksburg Node

Network Elements – Nodal Structure

CBD	Urban Hub	Municipal Nodes	Secondary Node
Aerotropolis Core	Tsakane CCC	Duduza CCC, Tsakane CCC, Kwa-Thema CCC, Springs CCC, Brakpan CCC	Tsakane Mall, Duduza CCC, Ekhaya Shopping Centre, Kwa-Thema CCC

Network Elements – Transportation Links

Primary Public Transport Link	Secondary Public transport Link
IRPTN route from Duduza to OR Tambo Airport via Brakpan (Great Noerth, Range View, Heidelburg, New Kleinfointein, Prince George, Thema, Mgebe, Vlakfontein, Spaarwater)	Twelve, Mgebe, Black, Ndabezitha, Malandela, Zulu, Xhosa, Siphumelela, Nala)

Figure 1.13

➢ MARGINALISED AREAS

Informal settlements (marginalised areas) are characterised by *inadequate infrastructure, poor access to basic services, unsuitable environments, uncontrolled and unhealthy population densities and lack of effective administration*. A report by the Housing Development Agency (2012), ranks Ekurhuleni as the municipality with the second largest number of households living in Informal Settlements.

Figure B1.14 indicates the marginalised areas in relation to the integration zones. From the figure one can clearly see that most of the marginalised areas fall within the integration zones. The following main housing projects (current and proposed) and informal areas falls within **Integration Zone 1**: Olifantsfontein, Tswelopele, Winnie Mandela, Umthambeka and Zuurfontein.

Detailed information regarding the current housing trends, housing demand / backlogs and proposed projects are included in Annexure 4.

➢ GROWTH NODES

From the economic growth and demand trends it is clear that the primary / key areas with the highest concentration of economic activity, specifically based on manufacturing, wholesale and retail trade as well as the business and finance sector GVA contribution, include:

- Greater Kempton Park and O.R Tambo area
- Wadeville and Alberton area
- Germiston and Edenvale area
- Greater Boksburg area
- Brakpan and Springs area

Figure B1.15 indicates the primary and secondary economic growth nodes and industrial areas in relation to the integration zones. From the figure one can clearly see that most of the economic growth nodes and industrial areas fall within the integration zones. The following growth nodes form part of **Integration Zone 1** – Tembisa and Kempton Park.

Detailed information regarding the trends and demand for economic infrastructure are included in Annexure 5 – Section B2.

Figure B1.14: Marginalised Areas in Relation to Integration Zones

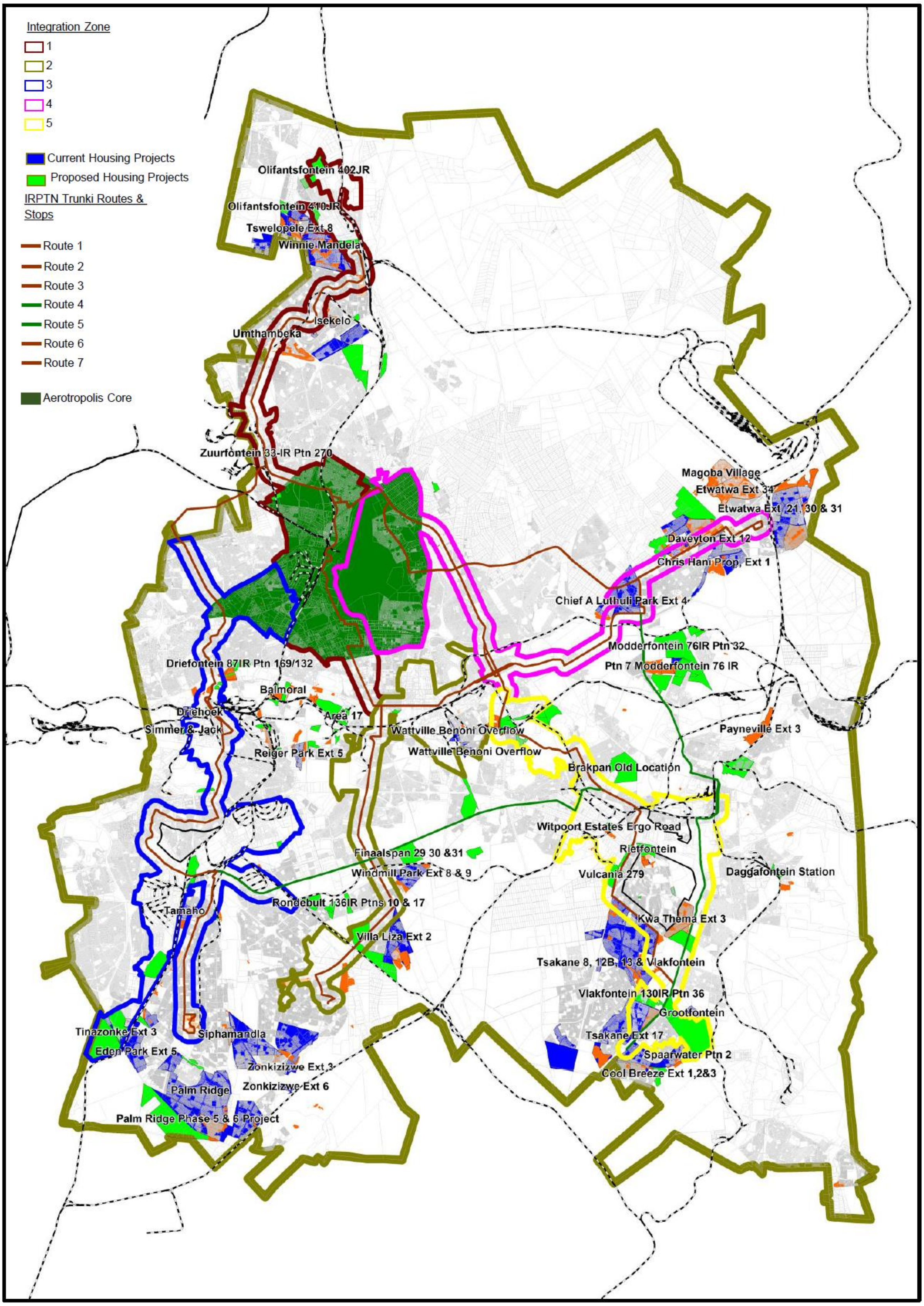
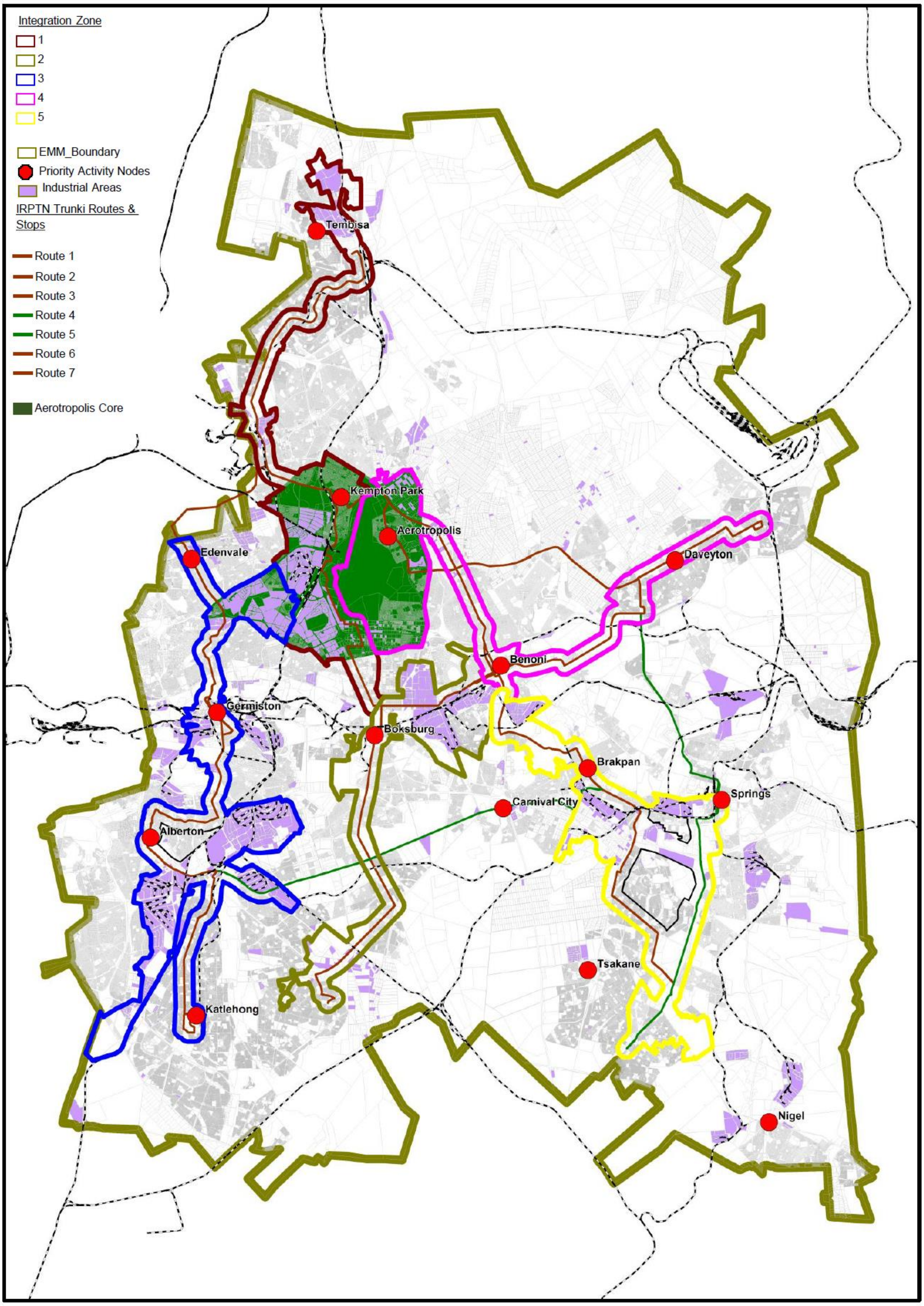


Figure B1.15: Economic Growth Nodes and Industrial Areas in Relation to Integration Zones



B2 LOCAL AREA PLANNING

For the purpose of this cycle of the BEPP document (2016/2017), the focus will be on Integration Zone 1. The spatial targeting areas discussed include: Integration Zone 1 with the identified precincts, the marginalised areas and areas of growth related to Integration Zone 1.

The Local Area Planning section highlight's the development strategy for Integration Zone 1 and related Precincts, the marginalised areas and areas of growth. The strategy will consist of the following:

- Identifying and prioritising development precincts within integration Zone 1.
- Identifying and prioritising catalytic urban development projects within the three spatial targeting areas.

➢ IDENTIFYING AND PRIORITISING CATALYTIC URBAN DEVELOPMENT PROJECTS WITHIN INTEGRATION ZONE 1 AND RELATED MARGINALISED AREAS AND GROWTH NODES

The following catalytic urban development projects were identified and prioritised for integration Zone 1 and related marginalised areas and growth nodes:

Table B2.1: Catalytic urban development projects for integration Zone 1 and related marginalised areas and growth nodes

Ekurhuleni Metro Projects

Department	Project Name	National Outcomes	Source of Funding 2016/17	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Inte-gration Zone	Spatial Targeting Category
Integration Zone 1 (Priority Integration Zone) Projects:				**R 90 800 000**	**R 148 691 109**	**R 76 000 000**	**R 315 491 109**		
EMPD	Const Tembisa Precinct	Outcome 3	External Loans	6 000 000	6 000 000	4 000 000	**16 000 000**	1	1
EMPD	Const Kempton Park Precinct	Outcome 3	External Loans	6 000 000	10 000 000		**16 000 000**	1	1
Energy	Tembisa substation	Outcome 8	External Loans	2 000 000	10 000 000	20 000 000	**32 000 000**	1	1
Energy	Esselen Park Electrification	Outcome 8	USDG	1 000 000	10 000 000	10 000 000	**21 000 000**	1	1
Health & Social	New Clinic Esselen Park Tembisa	Outcome 2	External Loans	-	2 000 000	10 000 000	**12 000 000**	1	1
Human Settlements	Esselen Park - Witfontein (Mega - Tembisa Triangle) -	Outcome 8	USDG		31 691 109		**31 691 109**	1	1
Human Settlements	Tembisa Ext 25 (Old Mutual Land)	Outcome 8	USDG				-	1	1
Human Settlements	Acquisition of Land for New Human Settlements	Outcome 8	USDG				-	1	1
Roads and Stormwater	Tembisa Natural Watercourses upgrading	Outcome 8	External Loans	4 000 000	6 000 000		**10 000 000**	1	1
Roads and Stormwater	Roads: Low Cost Housing: NorthCompletion Esselen	Outcome 8	USDG				-	1	1
Roads and Stormwater	Roads: Low Cost Housing: NorthEsselen Park ext 1 Link	Outcome 8	USDG				-	1	1
Transport	Construction of MVRA/DLTC Tembisa	Outcome 8	External Loans	21 800 000	26 000 000		**47 800 000**	1	1
Water & Sanitation	Construction of a new 4Ml Tembisa Tower	Outcome 8	USDG	5 000 000	10 000 000	32 000 000	**47 000 000**	1	1
Water & Sanitation	Construction of a new 23Ml Kempton Park Reservoir	Outcome 8	External Loans	15 000 000	17 000 000	-	**32 000 000**	1	1
Water & Sanitation	Construction of a Kempton Park Resevoir Zone Water	Outcome 8	External Loans	20 000 000	20 000 000		**40 000 000**	1	1
Water & Sanitation	Tembisa Sewer	Outcome 8	USDG	10 000 000			**10 000 000**	1	1
Informal Settlements and Marginalised Areas, Townships and Inner City Areas Projects:				**69 073 970**	**95 950 000**	**135 234 000**	**300 257 970**		
Economic Development	Township enterprise Hubs	Outcome 4	External Loans				-	1	2
Energy	Tembisa substation	Outcome 8	External Loans	2 000 000	10 000 000	20 000 000	**32 000 000**	1	2
Environmental Resources	Development of Town Entrances Kempton Park	Outcome 8	Revenue				-	1	2
Environmental Resources	Re-generate - 9 Township entrances beautified and	Outcome 8	Revenue	-			-	1	2
Health & Social	EXT & UPGRADE KEMPTON PARK CLINIC	Outcome 2	External Loans		18 000 000	18 000 000	**36 000 000**	1	2
Human Settlements	Urban Renewal: Tembisa Civic Node: Upgrading of all	Outcome 8	USDG				-	1	2
Human Settlements	Urban Renewal: Tembisa Erf 189 Edayini	Outcome 8	USDG		2 700 000		**2 700 000**	1	2
Human Settlements	Urban Renewal: Tembisa Leralla Node	Outcome 8	USDG		10 000 000	15 000 000	**25 000 000**	1	2
Human Settlements	Urban Renewal: Tembisa Public space upgrade linked	Outcome 8	NDPG	32 734 000	30 250 000	42 234 000	**105 218 000**	1	2
Real Estate	Densification of Council Buildings Kempton Park	Outcome 9	CRR	10 000 000	15 000 000	25 000 000	**50 000 000**	1	2
Customer Relations	Tembisa 2/ Winnie Mandela New Building	Outcome 9	Revenue	14 339 970	-	-	**14 339 970**	1	2
Energy	Clayville Electrification	Outcome 8	USDG	10 000 000	10 000 000	15 000 000	**35 000 000**	1	2
Roads and Stormwater	Rehabilitation of Roads (North)Olifantsfontein	Outcome 8	External Loans				-	1	2
Areas of Growth (commercial and industrial):				**922 389 000**	**1 094 744 000**	**1 120 744 000**	**3 137 877 000**		
Economic Development	Aerotropolis International Hospitality School	Outcome 4	External Loans	15 000 000	15 000 000	15 000 000	**45 000 000**	1	3
Economic Development	Aerotropolis Greening and Beautification	Outcome 4	External Loans	20 000 000	20 000 000	20 000 000	**60 000 000**	1	3
Economic Development	Aerotropolis Project Management Office	Outcome 4	External Loans				-	1	3
Economic Development	Strategic Aerotropolis Project Infrastructure	Outcome 4	External Loans	-	-	-	-	1	3
Economic Development	OR Tambo Aerotropolis Security & CCTV Nerve Centre	Outcome 4	External Loans	35 000 000	50 000 000	50 000 000	**135 000 000**	1	3
Economic Development	OR Tambo International Airport' visitor information	Outcome 4	CRR	18 000 000	4 000 000	4 000 000	**26 000 000**	1	3
Roads and Stormwater	Aerotropolis: Rhodesfield Rd network	Outcome 8	CRR	5 000 000	9 000 000	10 000 000	**24 000 000**	1	3
Roads and Stormwater	Pomona Roads (including Brentwood Park)	Outcome 8	External Loans				-	1	3
Roads and Stormwater	Pomona Stormwater System	Outcome 8	External Loans				-	1	3
Roads and Stormwater	Rehabilitation of Roads (North) Mimosa Road	Outcome 8	External Loans				-	1	3
Roads and Stormwater	Township Develop:Ext Services (North)	Outcome 8	External Loans	1 000 000	1 000 000	1 000 000	**3 000 000**	1	3
Transport	Integrated Rapid Public Transport Network(IRPTN)	Outcome 8	PTNG	460 002 000	660 034 000	760 017 000	**1 880 053 000**	1	3
Transport	IRPTN: Infrastructure and Implementing	Outcome 8					-	1	3
Transport	IRPTN: Industry Transition	Outcome 8					-	1	3
Transport	Integrated Rapid Public Transport Network(IRPTN)	Outcome 8	USDG	27 256 860	189 710 000	89 727 000	**306 693 860**	1	3
Transport	Integrated Rapid Public Transport Network(IRPTN)	Outcome 8	External Loans	290 130 140	97 000 000	97 000 000	**484 130 140**	1	3
Transport	IRPTN: Infrastructure	Outcome 8					-	1	3
Transport	IRPTN: Project designs, planning and Management	Outcome 8					-	1	3
Transport	IRPTN: ITS	Outcome 8		-	-	-	-	1	3
Water & Sanitation	Pomona: Bulk supply Albertina Sisulu Corridor	Outcome 8	External Loans	5 000 000	15 000 000	20 000 000	**40 000 000**	1	3
Water & Sanitation	Pomona: New Eastern OF sewer	Outcome 8	External Loans	36 000 000	19 000 000	10 000 000	**65 000 000**	1	3
Water & Sanitation	Reservoir Construction - Benoni-Northmead-Tembisa-	Outcome 8	External Loans	10 000 000	15 000 000	44 000 000	**69 000 000**	1	3
				R 1 082 262 970	**R 1 339 385 109**	**R 1 331 978 000**	**R 3 753 626 079**		

Provincial Projects within EMM

Department	Project Name	National Outcomes	Source of Funding 2016/17	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Inte-gration Zone	Spatial Targeting Category
Integration Zone 1 (Priority Integration Zone) Projects:				**R 100 506 000**	**R 147 406 000**	**R 211 782 000**	**R 459 694 000**		
GDoHS	Esselen Park Ext. 3 (Mega - Tembisa Triangle)	Outcome 8	HSDG	R 4 000 000	R 41 609 000	R 54 477 000	**R 100 086 000**	1	1
GDoHS	Pomona Ext 75, Kempton Park- GPF (Head Office)	Outcome 8	HSDG	R 10 651 000	-	-	**R 10 651 000**	1	1
GDoHS	Erf 252 Kempton Park - GPF (Head Office)	Outcome 8	HSDG	R 2 663 000	-	-	**R 2 663 000**	1	1
GDoHS	Erf 2918 Kempton Park - GPF (Head Office)	Outcome 8	HSDG	R 26 627 000	-	-	**R 26 627 000**	1	1
GDoHS	Erf 4862 Birch Acres - GPF (Head Office)	Outcome 8	HSDG	R 9 209 000	-	-	**R 9 209 000**	1	1
Gauteng Dept. of Health	Tembisa Rehab Centre	Outcome 2	Equitable Share	R 1 000 000	R 15 000 000	R 15 000 000	**R 31 000 000**	1	1
Gauteng Dept. of Health	Tembisa/ Zodwa Mofokeng ECD and Community Facility For Older Persons	Outcome 2	Equitable Share	R 400 000	R 400 000	R 600 000	**R 1 400 000**	1	1
Gauteng Dept. of Health	Tembisa Residential Facility	Outcome 2	Equitable Share	R 400 000	R 342 000	R 642 000	**R 1 384 000**	1	1
Gauteng Dept. of Health	Esangweni	Outcome 2	Equitable Share	R 100 000	R 100 000	R 200 000	**R 400 000**	1	1
Gauteng Dept. of Health	Khayalami Hospital	Outcome 2	HFRG	R 1 000 000	R 1 000 000	R 1 000 000	**R 3 000 000**	1	1
Gauteng Dept. of Health	Tembisa Hospital	Outcome 2	Equitable Share	R 10 000 000	R 20 000 000	R 7 126 000	**R 37 126 000**	1	1
Gauteng Dept. of Health	Tembisa Hospital	Outcome 2	Equitable Share	R 500 000	-	-	**R 500 000**	1	1
Gauteng Dept. of Health	Tembisa Hospital	Outcome 2	HFRG	R 500 000	-	-	**R 500 000**	1	1
Gauteng Dept. of Health	Khayalami Hospital	Outcome 2	Equitable Share	R 100 000	-	-	**R 100 000**	1	1
Gauteng Dept. of Health	Tembisa Hospital	Outcome 2	Equitable Share	R 100 000	R 100 000	-	**R 200 000**	1	1
Gauteng Dept. of Health	Tembisa Hospital	Outcome 2	Equitable Share	R 100 000	R 1 800 000	-	**R 1 900 000**	1	1
Gauteng Dept. of Health	Ekurhuleni District CHCs	Outcome 2	Equitable Share	R 13 281 000	R 8 300 000	R 10 043 000	**R 31 624 000**	1	1
Gauteng Dept. of Health	Ekuruhleni District Clinics	Outcome 2	Equitable Share	R 10 432 000	R 11 190 000	R 13 540 000	**R 35 162 000**	1	1
Gauteng Dept. of Health	Tembisa Hospital	Outcome 2	Equitable Share	R 9 443 000	R 7 565 000	R 9 154 000	**R 26 162 000**	1	1
Gauteng Dept. Education	Esselenpark Primary School	Outcome 2	EIG	-	R 20 000 000	-	**R 20 000 000**	1	1
Gauteng Dept. Education	Esselenpark Primary School	Outcome 2	Equitable Share	-	-	R 40 000 000	**R 40 000 000**	1	1
Gauteng Dept. Education	Mpumelelo Primary School	Outcome 2	EIG	-	R 20 000 000	R 60 000 000	**R 80 000 000**	1	1
Informal Settlements and Marginalised Areas, Townships and Inner City Areas Projects:				**R 208 921 000**	**R 195 982 000**	**R 178 386 000**	**R 583 289 000**		
GDoHS	Clayville Ext. 71 (Mega - Tembisa Triangle)	Outcome 8	HSDG	R 7 000 000	R 7 000 000	R 6 000 000	**R 20 000 000**	1	2
GDoHS	Olifantsfontein 410JR (Clayville x45)	Outcome 8	HSDG	R 20 700 000	R 42 300 000	R 36 000 000	**R 99 000 000**	1	2
GDoHS	Olifantsfontein 410JR (Clayville x45)	Outcome 8	HSDG	R 93 000 000	R 93 000 000	R 93 000 000	**R 279 000 000**	1	2
GDoHS	Olifantsfontein 410JR (Clayville x45) PF	Outcome 8	HSDG	R 9 300 000	R 9 300 000	R 9 300 000	**R 27 900 000**	1	2
GDoHS	Tswelopele 6 & Tswelopele Proper	Outcome 8	HSDG	R 11 795 000	R 21 791 000	R 11 495 000	**R 45 081 000**	1	2
GDoHS	Tswelopele Ext. 5	Outcome 8	HSDG	R 53 477 000	R 22 591 000	R 22 591 000	**R 98 659 000**	1	2
GDoHS	Umthambeka	Outcome 8	HSDG	R 13 649 000	-	-	**R 13 649 000**	1	2
				R 309 427 000	**R 343 388 000**	**R 390 168 000**	**R 1 042 983 000**		
TOTAL				**R 1 391 689 970**	**R 1 682 773 109**	**R 1 722 146 000**	**R 4 796 609 079**		

Composed as:

Integration Zone 1 (Priority Integration Zone)	R 191 306 000	R 296 097 109	R 287 782 000	R 775 185 109	16%
Informal Settlements, Marginalised Areas, Townships and Inner City Areas	R 277 994 970	R 291 932 000	R 313 620 000	R 883 546 970	18%
Areas of Growth (commercial and industrial)	R 922 389 000	R 1 094 744 000	R 1 120 744 000	R 3 137 877 000	65%
	R 1 391 689 970	**R 1 682 773 109**	**R 1 722 146 000**	**R 4 796 609 079**	**100%**

Legend - Spatial Targeting Categories:

1 = Integration Zone 1 (Priority Integration Zone)

2 = Informal Settlements and Marginalised Areas, Townships and Inner City Areas

3 = Areas of Growth (commercial and industrial)

➢ IDENTIFYING AND PRIORITISING DEVELOPMENT PRECINCTS WITHIN INTEGRATION ZONE 1

The development precincts / nodes of importance within Integration Zone 1, is as follows:

- Tembisa Civic Node
- Leralla Station Node
- Rhodesfield Kempton Park Node

The following Tables provide a summary of the projects located within / related to each of these precincts / nodes:

Table B2.2: Projects in development precincts/nodes of importance within Integration Zone 1

Precinct / Node	Total Budget after Adjustments 2015/16	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Total Estimated Project Cost
Kempton Park Precinct / Node	R 496 317 128	R 945 132 140	R 984 034 000	R 1 073 017 000	R 3 002 183 140	R 4 051 446 881
Leralla Precinct / Node	R 0	R 0	R 10 000 000	R 15 000 000	R 25 000 000	R 61 000 000
Tembisa Precinct / Node	R 387 503 783	R 137 130 830	R 345 351 109	R 243 961 000	R 726 442 939	R 1 487 644 171
	R 883 820 911	R 1 082 262 970	R 1 339 385 109	R 1 331 978 000	R 3 753 626 079	R 5 600 091 051

The individual projects making up the above are as follows:

Department	Project Name & Description	Capitalisation Investment Framework Category	Total Budget after Adjustments 2015/16	Source of Funding 2016/17	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Total Estimated Project Cost
Kempton Park Precinct / Node			**R 496 317 128**		**R 945 132 140**	**R 984 034 000**	**R 1 073 017 000**	**R 3 002 183 140**	**R 4 051 446 881**
Roads and Stormwater	Pomona Roads (including Brentwood	Upgrading and	10 000 000	External Loans				-	20 000 000
Roads and Stormwater	Pomona Stormwater System	Upgrading and	6 298 200	External Loans				-	6 298 200
Roads and Stormwater	Rehabilitation of Roads (North) Mimosa	Upgrading and	500 000	External Loans				-	500 000
Transport	Integrated Rapid Public Transport	Economic	314 618 928	PTNG	460 002 000	660 034 000	760 017 000	**1 880 053 000**	2 484 202 752
Transport	IRPTN: Infrastructure and Implementing	Economic	-					-	-
Transport	IRPTN: Industry Transition	Economic	-					-	-
Transport	Integrated Rapid Public Transport	Economic	100 000 000	External Loans	290 130 140	97 000 000	97 000 000	**484 130 140**	584 130 140
Transport	IRPTN: Infrastructure	Economic	-					-	-
Transport	IRPTN: Project designs, planning and	Economic	-					-	-
Transport	IRPTN: ITS	Economic	-		-	-	-	-	-
Water & Sanitation	Reservoir Construction - Benoni-	Upgrading and	-	External Loans	10 000 000	15 000 000	44 000 000	**69 000 000**	74 141 776
Economic	Aerotropolis International Hospitality	Economic	-	External Loans	15 000 000	15 000 000	15 000 000	**45 000 000**	45 000 000
Economic	Aerotropolis Greening and Beautification	Economic	-	External Loans	20 000 000	20 000 000	20 000 000	**60 000 000**	60 000 000
Economic	Aerotropolis Project Management Office	Economic	-	External Loans				-	-
Economic	Strategic Aerotropolis Project	Economic	-	External Loans	-	-	-	-	-
Economic	OR Tambo Aerotropolis Security & CCTV	Economic	-	External Loans	35 000 000	50 000 000	50 000 000	**135 000 000**	135 000 000
Economic	OR Tambo International Airport' visitor	Economic	-	CRR	18 000 000	4 000 000	4 000 000	**26 000 000**	26 000 000
EMPD	Const Kempton Park Precinct	Upgrading and	800 000	External Loans	6 000 000	10 000 000		**16 000 000**	16 800 000
Environmental	Development of Town Entrances Kempton	Upgrading and	100 000	Revenue				-	100 000
Health & Social	EXT & UPGRADE KEMPTON PARK CLINIC	Upgrading and	-	External Loans		18 000 000	18 000 000	**36 000 000**	38 351 332
Real Estate	Densification of Council Buildings	Upgrading and	20 000 000	CRR	10 000 000	15 000 000	25 000 000	**50 000 000**	140 000 000
Roads and Stormwater	Aerotropolis: Rhodesfield Rd network	Economic	7 000 000	CRR	5 000 000	9 000 000	10 000 000	**24 000 000**	124 243 416
Water & Sanitation	Pomona: Bulk supply Albertina Sisulu	Economic	27 000 000	External Loans	5 000 000	15 000 000	20 000 000	**40 000 000**	111 068 775
Water & Sanitation	Pomona: New Eastern OF sewer	Economic	10 000 000	External Loans	36 000 000	19 000 000	10 000 000	**65 000 000**	113 610 490
Water & Sanitation	Construction of a new 23Ml Kempton Park	Upgrading and	-	External Loans	15 000 000	17 000 000	-	**32 000 000**	32 000 000
Water & Sanitation	Construction of a Kempton Park Resevoir	Upgrading and	-	External Loans	20 000 000	20 000 000		**40 000 000**	40 000 000
Leralla Precinct / Node			**R 0**		**R 0**	**R 10 000 000**	**R 15 000 000**	**R 25 000 000**	**R 61 000 000**
Human Settlements	Urban Renewal: Tembisa Leralla Node	Urban	-	USDG		10 000 000	15 000 000	**25 000 000**	61 000 000
Tembisa Precinct / Node			**R 387 503 783**		**R 137 130 830**	**R 345 351 109**	**R 243 961 000**	**R 726 442 939**	**R 1 487 644 171**
EMPD	Const Tembisa Precinct	Urban	700 000	External Loans	6 000 000	6 000 000	4 000 000	**16 000 000**	16 700 000
Energy	Tembisa substation	Economic	-	External Loans	2 000 000	10 000 000	20 000 000	**32 000 000**	32 000 000
Energy	Tembisa substation	Economic	-	External Loans	2 000 000	10 000 000	20 000 000	**32 000 000**	32 000 000
Health & Social	New Clinic Esselen Park Tembisa	Urban	-	External Loans	-	2 000 000	10 000 000	**12 000 000**	24 000 000
Human Settlements	Urban Renewal: Tembisa Civic Node:	Urban	-	USDG				-	-
Human Settlements	Urban Renewal: Tembisa Erf 189 Edayini	Urban	-	USDG		2 700 000		**2 700 000**	2 700 000
Human Settlements	Urban Renewal: Tembisa Public space	Urban	20 000 000	NDPG	32 734 000	30 250 000	42 234 000	**105 218 000**	145 394 000
Roads and Stormwater	Tembisa Natural Watercourses upgrading	Upgrading and	1 500 000	External Loans	4 000 000	6 000 000		**10 000 000**	11 500 000
Roads and Stormwater	Roads: Low Cost Housing: NorthEsselen	Urban	2 400 000	USDG				-	2 400 000
Water & Sanitation	Construction of a new 4Ml Tembisa Tower	Upgrading and	-	USDG	5 000 000	10 000 000	32 000 000	**47 000 000**	47 000 000
Water & Sanitation	Tembisa Sewer	Urban	3 000 000	USDG	10 000 000			**10 000 000**	13 000 000
Customer Relations	Tembisa 2/ Winnie Mandela New Building	Urban	13 000 915	Revenue	14 339 970	-	-	**14 339 970**	35 993 291
Energy	Clayville Electrification	Urban	-	USDG	10 000 000	10 000 000	15 000 000	**35 000 000**	35 000 000
Human Settlements	Tembisa Ext 25 (Old Mutual Land)	Urban	-	USDG				-	141 000 000
Human Settlements	Acquisition of Land for New Human	Urban	-	USDG				-	-
Economic	Township enterprise Hubs	Economic	22 000 000	External Loans				-	30 678 835
Environmental	Re-generate - 9 Township entrances	Upgrading and	10 829 916	Revenue	-			-	30 829 916
Transport	Integrated Rapid Public Transport	Economic	296 547 621	USDG	27 256 860	189 710 000	89 727 000	**306 693 860**	765 831 688
Energy	Esselen Park Electrification	Urban	1 000 000	USDG	1 000 000	10 000 000	10 000 000	**21 000 000**	22 000 000
Human Settlements	Esselen Park - Witfontein (Mega -	Urban	625 331	USDG		31 691 109		**31 691 109**	32 316 440
Roads and Stormwater	Township Develop:Ext Services (North)	Upgrading and	3 000 000	External Loans	1 000 000	1 000 000	1 000 000	**3 000 000**	6 000 000
Roads and Stormwater	Roads: Low Cost Housing:	Urban	1 000 000	USDG				-	1 000 000
Roads and Stormwater	Rehabilitation of Roads	Upgrading and	500 000	External Loans				-	500 000
Transport	Construction of MVRA/DLTC Tembisa	Urban	11 400 000	External Loans	21 800 000	26 000 000		**47 800 000**	59 800 000
			R 883 820 911		**R 1 082 262 970**	**R 1 339 385 109**	**R 1 331 978 000**	**R 3 753 626 079**	**R 5 600 091 051**

B3 PROJECT PREPARATION

The Capital Investment Framework (CIF) is a key contributor to the formulation and development of the Ekurhuleni Metro's Integration Zones and guides prioritisation of Municipal capital projects through focusing investment into identified areas in order to achieve targeted spatial transformation for the EMM. The Ekurhuleni CIF is also an infrastructure planning policy tool that is utilised within the Built Environment Performance Plan (BEPP) with regard to spatial transformation through guiding and focusing investment into strategic spatial areas.

The Capital Prioritisation Model (CPM) is an instrument utilised in the implementation of the CIF in alignment with the annual budget process set out by the EMM Finance Department in order to strategically prioritise the EMM multi-year capital budget. The CPM strives to align and co-ordinate the following into the prioritisation process:

- Project Management,
- IDP needs analysis, and
- SDBIP

The CPM also:

- Incorporates the geographic priority areas (GPAs) and Integration Zones in providing for a spatial rationalisation of the budget,
- Establishes a set process for implementation as aligned to the budget process, and
- Guides and familiarises departments with the capital project prioritisation process and requirements.

Collective action and collaboration between essential departments with an identified strategic involvement in the budget process (i.e. Finance, Strategy and Corporate Planning (IDP), EPMO, Human Settlements, Economic Development, Environment and City Planning) is enabled and facilitated, thereby promoting alignment of departmental functions, strategic policies and sector plans.
Once the Capital Budget has been formally approved, projects are put out to tender, aligned to the timeframes required for timeous commencement of each project, and procedures and guidelines are followed as set out in the Metro's Supply Chain Management Policy and requirements of the MFMA.

During the implementation of projects the EPMO Department is responsible for project management and quality control. All applicable stakeholders are involved by means of technical meetings, project steering committee meetings and monthly site meetings (where relevant). Progress reports, including expenditure, challenges, job creation etc. are submitted on a monthly basis.

The Metro is preparing to implement Fiscal Impact Assessments, using the model provided by National Treasury. There is however a significant amount of inputs and variables that needs to be inserted into the model in order for it to operate. Due to capacity constraints the process of collecting and collating the required data for input into the model is still in progress. As a result, the Metro has not assessed its capital projects using the Fiscal Impact Tool as of yet. Once the required input data is ready the tool will be used to assess capital projects, with specific focus on alternative land use scenarios at a project level, estimate life cycle costs, and to test alternative project locations, land use mixes and housing typologies.

B4 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

The following section highlights the planning alignment between BEPP, the Integrated Development Plan (IDP) and Spatial Development Framework (SDF). Secondly the Private Real Estate and Financing Sector relevant to the spatial targeting areas.

B4.1 PLANNING ALIGNMENT BETWEEN BEPP, IDP AND SDF

Work on this section is in process and comprehensive feedback on this will be available in the next BEPP submission. This section will indicate how interactive joint planning and budgeting at the metro level, particularly in terms of aligning the planning and delivery of provincial and national infrastructure, including public entities realised through BEPP.

B4.2 PRIVATE REAL ESTATE AND FINANCE SECTORS

It is critical that strategic partnerships are formed by the Metro and a comprehensive stakeholder consultation programme is effected in order to sustain the progress gained so far due to the fact that the work on the Ekurhuleni Aerotropolis hinges on the development of a comprehensive value proportion for the regional economy of Ekurhuleni and the broader Gauteng Global City Region by leveraging its inherent areas of potential, sectors of competitiveness and its economic infrastructure to attract investments as well as to spatially reconfigure the city towards a sustained economic path.

The Aerotropolis Project Office in collaboration with other relevant EMM Departments are currently engaging stakeholders to discuss pivotal matters related to the impact of the Aerotropolis. These engagements also allow the City to gain an understanding of current challenges being experienced by its stakeholders and how it could possibly intervene in unblocking them. Some of the stakeholders engaged to date are as follows:

- Ekurhuleni Business Association
- Business Unity South Africa
- Bidvest

- Avis
- SANRAL
- PRASA
- DENEL

Engagements to date with the external role players yielded information indicating investments into the EMM from Airports Company South Africa (ACSA), the Gauteng Growth and Development Agency, and Passenger Rail Agency South Africa (PRASA). Ongoing interaction with external role players is proposed and required to feed into modelling for the CIF on income geography.

An Aerotropolis Planning Committee has been established which consists of all EMM departments, relevant ACSA departments as well as other spheres of government who sit on the relevant streams of expertise within the committee. An official MOU and Terms of Reference has been signed between EMM and ACSA regarding the Aerotropolis. A pledge of support has also been signed by the then Premier of Gauteng, Nomvula Mokanyane, Executive Mayor of Ekurhuleni Councillor Mondli Gungubele and the City Manager Khaya Ngema with regards to the Aerotropolis Project.

Further engagements are taking place with Schipol Area Development Company (SADC) based in the Netherlands for assistance regarding Ekurhuleni's Aerotropolis as well as with SAA (South African Airways) and numerous Government institutions.

It is acknowledged that integral to developing a comprehensive CIF is the inclusion of external role players in the form of National and Provincial Government, Parastatals and agencies. The external role players have been identified as having a stake within the EMM in terms of financial investment, major projects and development growth (socially, economically and physically), which projects have been listed as supporting and complementary projects.
Other partnership initiatives currently in implementation and planned for implementation are discussed below.

Township Economies Development Programme (Township Nodal Regeneration)

The Township Economies Development Programme pivots on the effective implementation of the Ekurhuleni Urban Regeneration Programme which has identified and prioritised the following township complexes and nodal development areas:

- Katorus Complex: Kwesine Node, Vosloorus Node
- Kwatsaduza Complex: Tsakane Node
- Actonville / Wattville Complex: Actonville / Wattville Node

- Tembisa: Civic, Willie Mandela, Lerratta, Oakmorr, Swazi Inn, Essellen Park and hospital (includes Nodes, Corridors and Precincts)

As a result, Ekurhuleni is committed to realising the following priorities:

- Rapid development of the Aerotropolis to enhance the value proposition for trade, tourism, investment and industrial agglomeration;
- Systematic investments in economic infrastructure to unlock intrinsic economic potential;
- Deliberate investment in human development to drive innovation and competitiveness;
- Deliberate efforts to encourage entrepreneurship, new venture creation and private sector participation to stimulate economic activity and innovation;
- Strategic Economic relationships to gain access to increased tourism volumes, international capital and trade linkages through business exchanges;
- Increase urbanisation in order to enjoy economies of scale, reduce cost;
- Infrastructure investment, generate new demand and encourage domestic consumption; and
- Economic diversification that encourages movement from primary sectors to tertiary sectors of production through efficient, market and resource driven interventions.

Informal and Street Trading

Informal Street Trading has become a feature of Ekurhuleni's urban environment and it symbolizes the changing nature of the municipality in both spatial and economic terms. The Municipality has seen rapid and consistent growth of street traders which are found to be major sources of provisioning for poor households. Informal trading continues to form a vital part of Ekurhuleni emerging new spatial and economic form that accounts for a bigger space and income for the local economy.

The informal trade sector constitutes an important part of the retail sector, giving large potential to grow for future business set-up. This sector is targeted to occupy space in the form of enterprise hubs, business parks, industrial hives and shared industrial production facilities. These are facilities that the City has been developing and continues to enhance in line with the required legal pre-scripts. The current process of reviewing the City's Informal Trading Policy & By-laws will also address the challenges of the sector, thus providing guidelines on the needs of the region.

Urban Agriculture Strategy

Agricultural development in the EMM needs to be guided by the Local Economic Development (LED) Strategy and the GDS 2055 together with the IDP. To this end, the City is embarking on stringent measures of addressing this crucial sector in our economy. There will be a revision of specific policy guidelines and strategies that focus on agriculture and related activities within the EMM. The City's policies will focus on implementation, support mechanism, monitoring and evaluation and all other encompassing issues related to sustainable agro-processing. There would be a need for a programme implementation agreement (PIA) between the provincial Department of Agriculture, Conservation and Environment and Land Affairs (DACEL) and the EMM that specifies roles, responsibilities and expected contribution.

The EMM has an abundance of green and high yielding but unused portions of lands that must be utilised for agricultural development. This could bring direct benefit to the community on food security, development of emerging farmers and optimisation of land use.

To facilitate rapid progress in this regard, the City will be implementing the refurbishment of council owned farms where they will be operationalised for running incubation programmes for cooperatives and emerging farmers in the region, thus addressing the needs of the sector as well as local economic empowerment.

Strategy for Broad-Based Black Economic Empowerment

Broad-Based Black Economic Empowerment (BBBEE) is a growth strategy that has endeavoured to realise the country's full economic potential and the sustainability thereof. The objective of this BBBEE Strategy is to substantially increase the EMM's impact on bolstering black economic empowerment in the Region. The Strategy provides greater clarity on the implementation of BBBEE as provided for in Act 53 of 2003, the DTI Codes of Good Practice on BBBEE and transformation charters.

The BBBEE should give due regard to procurement guarantees and targets. Black businesses, SMME's, cooperatives and businesses of designated groups must as far as reasonably possible be given preference. The current challenge experienced with the strategy is the ever increasing test of compliance with the new BBBEE legislation by companies in the country.

OR Tambo Industrial Development Zone (IDZ)

The IDZ provides economic infrastructure necessary to attract industrial development and investment. While it provides for more job opportunities it also plays an important role in enhancing the Country's export competitiveness.

The Gauteng IDZ, commonly known as the OR Tambo Industrial Development Zone, is key to industrial development in Ekurhuleni as it promotes manufacturing of high value added products targeting the export markets. While the Department of Trade & Industry has the newly enacted SEZ Act No.16 of 2014, the current IDZ license also allows for industrial clustering away from the Airport to encourage provision of economic infrastructure and promote industrial agglomeration which is one of the City's Growth and Development Strategy 2055 (GDS 2055) to re-industrialise the City. The City has since adopted the Revitalization of the Manufacturing Sector Flagship Project which among other instruments the Gauteng IDZ is key to implement.

To date, the Gauteng IDZ is working on the development of the Jewellery Manufacturing Precinct (JMP) as phase one of the IDZ located at the OR Tambo International Airport. The project requires infrastructure development in the form of bulk and top structure.
The IDZ in collaboration with the City and the Department of Trade and Industry is working on phase two of the project, where a number of potential industrial clusters have been identified for development. These clusters include sectors such as plastics, rubber, pharmaceuticals and fuel cells.

The Inland Port Project is another form of economic infrastructure project that will enable movement of goods from one mode of transport to the other thus promoting industrial development and related activities in the Region, and neighbouring Cities and Provinces. The inland port will attract varied industries ranging from logistics, ICT, light industrial and real estate. The harbour will also link with the main highways leading to the OR Tambo International Airport thus making it minimalistic for local industries to export their products, especially the targeted light manufactured and high value added products supported by the IDZ.

The City is working jointly with Province, Transnet and the private land owners to facilitate the development of this inland port. In the current plans of development, the project also requires infrastructure development in the form of bulk, which is a municipal obligation and other forms such as the rail terminal.

Special Economic Zones (SEZ)

The Department of Trade and Industry has already shortlisted Special Economic Zones (SEZ) applications from all Nine Provinces to develop up to 10 SEZs. The transition period from the IDZ regime to the SEZ regime provides an opportunity for the current Gauteng IDZ license to have an SEZ status. The proposed Tambo Springs Inland Port project would enjoy the IDZ / SEZ status given the fact that the current Gauteng IDZ licence is not limited to activities at the Airport.

The following table provides a summary of major private investment projects where the City has partnered with the private sector in order to facilitate economic development, job creation and empowerment as discussed above.

Table B4.2.1: Summary of major private investment projects where the city has partnered with the private sector

MAJOR PRIVATE NVESTMENT PROJECTS		
Investment Project	**Investor / Developer**	**Estimated Value of Investment**
PRASA New Rolling Stock	Gibela Consortium / ALSTOM	R4.1 billion
Steel Mill Investment	Fortune Metaliks	R2.5 billion
Municipal solid waste to Energy	Enviroserv	R1.0 billion
Conveyor Belt Manufacturing	Oriental Rubber	R100 million
PET Bottle Recycling	Mpact	R330 million
Glass Expansion	Nampak	R400 million
Retail Mall	Investec	R300 million
Bus Depot and Head Office	Autopax (PRASA)	R350 million
Glass Manufacturing	JOEST	R200 million
Riverfields Mixed Use Development	Trans Act	R35.0 billion
O.R. Tambo International Airport (extension of western and midfield terminal)	ACSA	R3.5 billion
Badenhorst Estate Mixed Use Development	Badenhorst Family	R3.05 billion
Tambo Springs Inland Freight Port	Transnet	R52.4 billion
M&T Development Project	M& T Developments	R133.9 billion
Rhodesfield UDF	-	R11.3 billion
Glen Gory Development	-	R7.9 billion
Midstream Development	M& T Developments	R13.8 billion
Serengeti Development	African Kingdom Holdings	R10.7 billion
Reading Junction	-	-
Leeuwpoort Development	-	R9.0 billion
Lordsview Industrial Estate	-	R9.8 billion
Chief Albert Luthuli Mixed Use Development	-	R2.2 billion

SECTION C

SECTION C: INTERGOVERNMENTAL PROJECT PIPELINE

This section highlights the priority projects per integration Zone as identified by Ekurhuleni.

C1 INTERGOVERNMENTAL PIPELINE

The Intergovernmental Project Pipeline for Integration Zone 1 (the priority Integration Zone) is summarised below:

Table C1.1: Intergovernmental Project Pipeline – Integration Zone 1

		Total of 3 Year MTREF Capital Budget for 2016/17 - 2018/19					
No.	**Project Description**	**Municipal**	**Provincial**	**National**	**PRASA**	**ACSA**	**Transnet**
1	Aerotropolis	R 395 000 000					
2	IRPTN	R 2 670 877 000					
3	Urban Regeneration: Kempton Park / Tembisa	R 518 718 000					
4	Revitalisation of Township Economies	R 3 000 000					
5	Northern Catalytic Housing Projects Cluster	R 166 031 079	R 525 986 000				
6	Housing and related Infrastructure		R 206 539 000				
7	Hospitals, Clinics and Health Infrastructure		R 170 458 000				
8	Schools and Educational Infrastructure		R 140 000 000				
9	PRASA New Rolling Stock				R 4 100 000 000		
10	Station Upgrades				R 690 334 000		
11	O.R. Tambo - Extension of Western and Midfield terminal					R 3 500 000 000	
12	Tambo Springs Inland Freight Port			R 52 400 000 000			R 52 400 000 000
	Total Value	**R 3 753 626 079**	**R 1 042 983 000**	**R 52 400 000 000**	**R 4 790 334 000**	**R 3 500 000 000**	**R 52 400 000 000**

Note:
PRASA = New Rolling Stock - PRASA / Gibela Consortium (total estimated cost)
ACSA = O.R. Tambo International Airport - extension of western and midfield terminal (total estimated cost)
Transnet = Tambo Springs Inland Freight Port (total estimated cost). Also a National SIP project
Station Upgrades = Figures shown are total estimated cost

Annexure 3 provides more detail on the individual projects making up the above amounts.

High Level Cost Estimates for all Projects

Project and Programme Values per Sector

The project and programme values per sector are reflected in the following table. Transport (18%), Energy (12%), Human Settlements (10%) and basic infrastructure such as Roads and Stormwater (11%) and Water and Sanitation (12%) comprise the highest sector values over the MTREF period.

Table C1.2: Project/Programme budgets per sector

Department	Adjustments Budget 2015/1	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total	%
Economic Development	76 000 000	273 550 000	385 850 000	411 050 000	**R 1 070 450 000**	6%
Energy	504 760 000	648 829 000	717 760 000	743 200 000	**R 2 109 789 000**	12%
Health & Social Development	112 789 171	88 800 000	106 170 000	173 750 000	**R 368 720 000**	2%
Human Settlements	590 532 961	550 497 392	634 790 161	621 704 487	**R 1 806 992 040**	10%
ICT	322 035 000	304 965 700	338 662 770	363 821 971	**R 1 007 450 441**	6%
Real Estate	207 123 696	140 120 000	163 410 000	173 070 000	**R 476 600 000**	3%
Roads and Stormwater	762 642 459	659 060 000	637 690 000	653 220 000	**R 1 949 970 000**	11%
SRAC	200 282 181	121 260 000	101 000 000	123 900 000	**R 346 160 000**	2%
Transport	837 157 351	871 589 000	1 036 744 000	1 149 794 000	**R 3 058 127 000**	18%
Water & Sanitation	485 385 393	493 800 000	749 000 000	760 000 000	**R 2 002 800 000**	12%
Council General	-	360 000 000	358 000 000	455 000 000	**R 1 173 000 000**	7%
Other	R 548 353 193	R 618 490 345	R 645 349 500	R 640 769 500	**R 1 904 609 345**	11%
	R 4 647 061 405	**R 5 130 961 437**	**R 5 874 426 431**	**R 6 269 279 958**	**R 17 274 667 826**	**100%**

Project and Programme Values per Integration Zone

The breakdown of projects and programmes per Integration Zone is given in the table below. These amounts are estimates at present due to the mapping of the exact GPS coordinates of projects still being in progress.

Table C1.3: MTREF 2016/17 – 2018/19 Capital Budget per Integration zone

EKURHULENI METRO - MTREF 2016/17 - 2018/19 CAPITAL BUDGET PER INTEGRATION ZONE

CCA	MTREF Budget 2016/17	%	MTREF Budget 2017/18	%	MTREF Budget 2018/19	%	MTREF Total 2016/17 - 2018/1	%	Integration Zone	Zone Total (estimated)
Kempton Park	R 421 229 790	8%	R 462 211 109	8%	R 482 575 000	8%	R 1 366 015 899	8%	1	
Tembisa 1	R 132 324 000	3%	R 128 550 000	2%	R 160 784 000	3%	R 421 658 000	2%	1	
Tembisa 2	R 90 319 970	2%	R 90 550 000	2%	R 84 120 000	1%	R 264 989 970	2%	1	R 2 052 663 869
Boksburg	R 388 641 000	8%	R 392 384 000	7%	R 369 910 625	6%	R 1 150 935 625	7%	2	
Vosloorus	R 88 990 000	2%	R 89 770 000	2%	R 74 470 000	1%	R 253 230 000	1%	2	R 1 404 165 625
Alberton	R 111 650 000	2%	R 111 390 000	2%	R 73 660 000	1%	R 296 700 000	2%	3	
Edenvale	R 125 320 000	2%	R 123 010 000	2%	R 122 787 500	2%	R 371 117 500	2%	3	
Germiston	R 432 800 673	8%	R 466 277 000	8%	R 516 381 000	8%	R 1 415 458 673	8%	3	
Katlehong 1	R 54 700 000	1%	R 55 740 000	1%	R 67 720 000	1%	R 178 160 000	1%	3	
Katlehong 2	R 170 942 820	3%	R 130 480 272	2%	R 177 817 277	3%	R 479 240 369	3%	3	
Thokoza	R 60 050 000	1%	R 52 370 000	1%	R 51 700 000	1%	R 164 120 000	1%	3	R 2 904 796 542
Benoni	R 285 064 800	6%	R 316 583 000	5%	R 327 960 250	5%	R 929 608 050	5%	4	
Daveyton	R 170 979 299	3%	R 147 856 580	3%	R 156 963 000	3%	R 475 798 879	3%	4	
Etwatwa	R 118 000 000	2%	R 78 150 000	1%	R 62 759 500	1%	R 258 909 500	1%	4	R 1 664 316 429
Brakpan	R 54 600 000	1%	R 68 170 000	1%	R 64 955 000	1%	R 187 725 000	1%	5	
Duduza	R 84 370 000	2%	R 101 920 000	2%	R 99 500 000	2%	R 285 790 000	2%	5	
Kwa Thema	R 91 038 800	2%	R 127 735 200	2%	R 184 585 875	3%	R 403 359 875	2%	5	
Nigel	R 76 638 036	1%	R 23 580 000	0%	R 34 952 500	1%	R 135 170 536	1%	5	
Springs	R 125 450 000	2%	R 153 654 000	3%	R 173 572 960	3%	R 452 676 960	3%	5	
Tsakane	R 67 600 000	1%	R 101 700 000	2%	R 105 450 000	2%	R 274 750 000	2%	5	R 1 739 472 371
Operational Equipment	R 450 438 549	9%	R 478 822 100	8%	R 472 224 500	8%	R 1 401 485 149	8%	n/a	
Corporate	R 1 529 813 700	30%	R 2 173 523 170	37%	R 2 404 430 971	38%	R 6 107 767 841	35%	various	R 7 509 252 990
Grand Total	**R 5 130 961 437**	**100%**	**R 5 874 426 431**	**100%**	**R 6 269 279 958**	**100%**	**R 17 274 667 826**	**100%**		**R 17 274 667 826**

Grant Allocations by Programme

The capital expenditure budget is R 17,3 billion for the total MTREF period. Capital grant funding from the Government continues to be integral to the capital budget funding at nearly 40% (R 6,8 billion). The Metro envisages approaching the funds market for an additional R 6.2 billion, for specific projects aimed at boosting economic development and other activities within the metro area. Internal generated funds for the MTREF period amounts to R 2.8 billion.

Table C1.4: Capital Budget per source of finance

Ekurhuleni Metro Capital Budget per Source of Finance - MTREF 2016/17 - 2018/19

Source of Funding	Budget after Adjustments 2015/16	%	MTREF Budget 2016/17	%	MTREF Budget 2017/18	%	MTREF Budget 2018/19	%	MTREF Budget Total 2016/17 - 2018/19	%
CRR	R 453 645 474	10%	R 504 490 000	10%	R 488 250 000	8%	R 494 150 000	8%	**R 1 486 890 000**	**9%**
EEDMS	R 14 000 000	0%	R 15 000 000	0%	R 20 000 000	0%	R 15 000 000	0%	**R 50 000 000**	**0%**
External Loans	R 777 972 451	17%	R 1 790 950 140	35%	R 2 066 850 000	35%	R 2 302 349 200	37%	**R 6 160 149 341**	**36%**
HSDG	R 29 079 000	1%	R 19 972 673	0%	-	0%	-	0%	**R 19 972 673**	**0%**
ICDG	R 50 000 000	1%	R 38 078 000	1%	R 45 577 000	1%	R 48 221 000	1%	**R 131 876 000**	**1%**
INEP	R 3 845 000	0%	R 40 000 000	1%	R 40 000 000	1%	R 30 000 000	0%	**R 110 000 000**	**1%**
NDPG	R 20 000 000	0%	R 41 234 000	1%	R 39 250 000	1%	R 51 234 000	1%	**R 131 718 000**	**1%**
Provincial Grant	R 4 000 000	0%	R 6 500 000	0%	R 8 000 000	0%	R 8 000 000	0%	**R 22 500 000**	**0%**
PTNG	R 314 618 928	7%	R 460 002 000	9%	R 660 034 000	11%	R 760 017 000	12%	**R 1 880 053 000**	**11%**
Revenue	R 963 181 082	21%	R 958 766 045	19%	R 957 591 270	16%	R 932 911 471	15%	**R 2 849 268 786**	**16%**
USDG	R 2 016 719 470	43%	R 1 255 968 579	24%	R 1 548 874 161	26%	R 1 627 397 287	26%	**R 4 432 240 028**	**26%**
Total	**R 4 647 061 405**	**100%**	**R 5 130 961 437**	**100%**	**R 5 874 426 431**	**100%**	**R 6 269 279 958**	**100%**	**R 17 274 667 828**	**100%**

Integration Zone 1 Catalytic Projects

The Metro's priority Integration Zone at present is Integration Zone 1. There are five catalytic programmes within this Integration Zone, namely the Aerotropolis, IRPTN, Revitalisation of Township Economies, Urban Regeneration of Kempton Park and Tembisa, as well as the Northern Catalytic Housing Projects Cluster. The following table and graph summarises the MTREF allocations for Integration Zone 1:

Table C1.5: Integration zone 1: Catalytic projects capital budget

INTEGRATION ZONE 1 : CATALYTIC PROJECTS CAPITAL BUDGET OVER THE MTREF PERIOD 2016/17 - 2018/19

Details	%	Total Budget after Adjustments 2015/16	%	MTREF Budget 2016/17	%	MTREF Budget 2017/18	%	MTREF Budget 2018/19	%	MTREF Total Budget 2016/17 - 2018/19
AEROTROPOLIS	7%	R 60 798 200	12%	R 134 000 000	10%	R 132 000 000	10%	R 129 000 000	11%	R 395 000 000
IRPTN	80%	R 711 166 549	72%	R 777 389 000	71%	R 946 744 000	71%	R 946 744 000	71%	R 2 670 877 000
REVITALISATION OF TOWNS	4%	35 829 916	0%	1 000 000	0%	1 000 000	0%	1 000 000	0%	3 000 000
NORTHERN CATALYTIC HOU	3%	23 026 246	4%	41 339 970	5%	69 691 109	4%	55 000 000	4%	166 031 079
URBAN REGENERATION: KE	6%	53 000 000	12%	128 534 000	14%	189 950 000	15%	200 234 000	14%	518 718 000
	100%	**R 883 820 911**	**100%**	**R 1 082 262 970**	**100%**	**R 1 339 385 109**	**100%**	**R 1 331 978 000**	**100%**	**R 3 753 626 079**

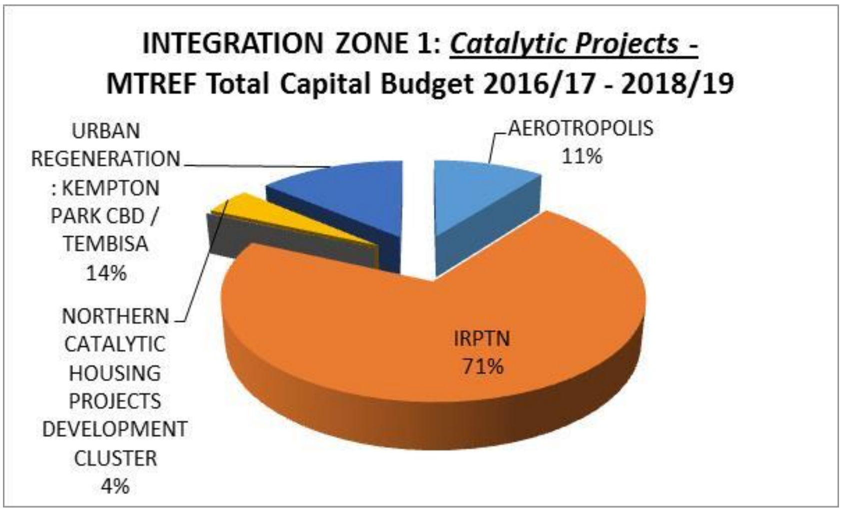


Figure C1.1: Integration zone 1: Catalytic projects capital budget

The sources of funding for the Integration Zone 1 projects over the MTREF period are summarised in the following table:

Table C1.6: Integration zone 1: Summary of sources of funding

Source of Finance	Total Budget after Adjustments 2015/16	%	MTREF Budget 2016/17	%	MTREF Budget 2017/18	%	MTREF Budget 2018/19	%	MTREF Total Budget 2016/17 - 2018/19	%
CRR	R 27 000 000	3%	R 33 000 000	3%	R 24 000 000	2%	R 35 000 000	3%	**R 92 000 000**	2%
External Loans	R 153 998 200	17%	R 488 930 140	45%	R 359 000 000	27%	R 333 000 000	25%	**R 1 180 930 140**	31%
NDPG	R 20 000 000	2%	R 32 734 000	3%	R 30 250 000	2%	R 42 234 000	3%	**R 105 218 000**	3%
PTNG	R 314 618 928	36%	R 460 002 000	43%	R 660 034 000	49%	R 760 017 000	57%	**R 1 880 053 000**	50%
Revenue	R 23 930 831	3%	R 14 339 970	1%	R 0	0%	R 0	0%	**R 14 339 970**	0%
USDG	R 344 272 952	39%	R 53 256 860	5%	R 266 101 109	20%	R 161 727 000	12%	**R 481 084 969**	13%
TOTAL	**R 883 820 911**	**100%**	**R 1 082 262 970**	**100%**	**R 1 339 385 109**	**100%**	**R 1 331 978 000**	**100%**	**R 3 753 626 079**	**100%**

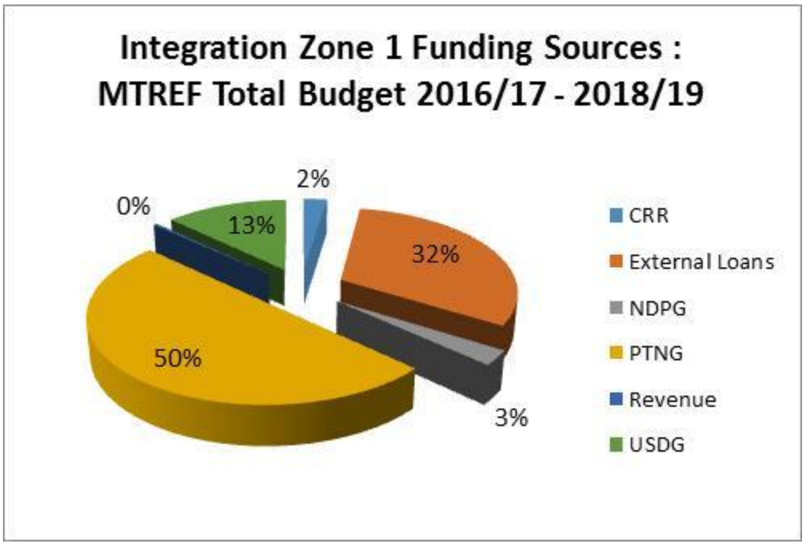


Figure C1.2: Integration zone 1: Summary of sources of funding

The individual projects making up each of the catalytic programmes in Integration Zone 1 above are as follows:

Table C1.7: Integration zone 1 - Individual projects part of the catalytic programmes

Department	Project Name	Capitalisation Investment Framework Category	National Outcomes	IDP Goal code	Total Budget after Adjustments 2015/16	Source of Funding 2016/17	MTREF Budget 2016/17	Source of Funding 2017/18	MTREF Budget 2017/18	Source of Funding 2018/19	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Funds required post 2018/19 for the completion of the project	Total Project Cost
AEROTROPOLIS					**R 60 798 200**		**R 134 000 000**		**R 132 000 000**		**R 129 000 000**	**R 395 000 000**	**R 139 000 000**	**R 641 720 881**
Economic Development	Aerotropolis International Hospitality School	Economic Development	Outcome 4	D	-	External Loans	15 000 000	External Loans	15 000 000	External Loans	15 000 000	**45 000 000**		45 000 000
Economic Development	Aerotropolis Greening and Beautification	Economic Development	Outcome 4	D	-	External Loans	20 000 000	External Loans	20 000 000	External Loans	20 000 000	**60 000 000**		60 000 000
Economic Development	Aerotropolis Project Management Office	Economic Development	Outcome 4	D	-	External Loans		External Loans		External Loans		-		-
Economic Development	Strategic Aerotropolis Project Infrastructure	Economic Development	Outcome 4	D	-	External Loans	-	External Loans	-	External Loans	-	-		-
Economic Development	OR Tambo Aerotropolis Security & CCTV Nerve	Economic Development	Outcome 4	D	-	External Loans	35 000 000	External Loans	50 000 000	External Loans	50 000 000	**135 000 000**		135 000 000
Economic Development	OR Tambo International Airport' visitor	Economic Development	Outcome 4	D	-	CRR	18 000 000	External Loans	4 000 000	External Loans	4 000 000	**26 000 000**		26 000 000
Roads and Stormwater	Aerotropolis: Rhodesfield Rd network	Economic Development	Outcome 8	H	7 000 000	CRR	5 000 000	CRR	9 000 000	CRR	10 000 000	**24 000 000**	89 000 000	124 243 416
Roads and Stormwater	Pomona Roads (including Brentwood Park)	Upgrading and Renewal	Outcome 8	H	10 000 000	External Loans		External Loans		External Loans		-	10 000 000	20 000 000
Roads and Stormwater	Pomona Stormwater System	Upgrading and Renewal	Outcome 8	H	6 298 200	External Loans		External Loans		External Loans		-		6 298 200
Roads and Stormwater	Rehabilitation of Roads (North) Mimosa Road	Upgrading and Renewal	Outcome 8	H	500 000	External Loans		External Loans		External Loans		-		500 000
Water & Sanitation	Pomona: Bulk supply Albertina Sisulu Corridor	Economic Development	Outcome 8	H	27 000 000	External Loans	5 000 000	External Loans	15 000 000	External Loans	20 000 000	**40 000 000**	20 000 000	111 068 775
Water & Sanitation	Pomona: New Eastern OF sewer	Economic Development	Outcome 8	H	10 000 000	External Loans	36 000 000	External Loans	19 000 000	External Loans	10 000 000	**65 000 000**	20 000 000	113 610 490
IRPTN					**711 166 549**		**777 389 000**		**946 744 000**		**946 744 000**	**2 670 877 000**	**-**	**3 834 164 580**
Transport	Integrated Rapid Public Transport	Economic Development	Outcome 8	H	314 618 928	PTNG	460 002 000	PTNG	660 034 000	PTNG	760 017 000	**1 880 053 000**		2 484 202 752
Transport	IRPTN: Infrastructure and Implementing	Economic Development	Outcome 8	H	-							-		-
Transport	IRPTN: Industry Transition	Economic Development	Outcome 8	H	-							-		-
Transport	Integrated Rapid Public Transport	Economic Development	Outcome 8	H	296 547 621	USDG	27 256 860	USDG	189 710 000	USDG	89 727 000	**306 693 860**		765 831 688
Transport	Integrated Rapid Public Transport	Economic Development	Outcome 8	H	100 000 000	External Loans	290 130 140	External Loans	97 000 000	External Loans	97 000 000	**484 130 140**		584 130 140
Transport	IRPTN: Infrastructure	Economic Development	Outcome 8	H	-							-		-
Transport	IRPTN: Project designs, planning and	Economic Development	Outcome 8	H	-							-		-
Transport	IRPTN: ITS	Economic Development	Outcome 8	H	-		-		-		-	-		-
REVITALISATION OF TOWNSHIP ECONOMIES					**32 829 916**		**-**		**-**		**-**	**-**	**20 000 000**	**61 508 751**
Economic Development	Township enterprise Hubs	Economic Development	Outcome 4	D	22 000 000	External Loans		External Loans		External Loans		-		30 678 835
Environmental Resources	Re-generate - 9 Township entrances beautified	Upgrading and Renewal	Outcome 8	H	10 829 916	Revenue	-	Revenue		Revenue		-	20 000 000	30 829 916
NORTHERN CATALYTIC HOUSING PROJECTS DEVELOPMENT CLUSTER					**23 026 246**		**41 339 970**		**69 691 109**		**55 000 000**	**166 031 079**	**153 000 000**	**350 709 731**
Customer Relations	Tembisa 2/ Winnie Mandela New Building	Urban Restructuring	Outcome 9	I	13 000 915	Revenue	14 339 970	Revenue	-		-	**14 339 970**		35 993 291
Energy	Esselen Park Electrification	Urban Restructuring	Outcome 8	H	1 000 000	USDG	1 000 000	USDG	10 000 000	USDG	10 000 000	**21 000 000**		22 000 000
Energy	Tembisa substation	Economic Development	Outcome 8	H	-	External Loans	2 000 000	External Loans	10 000 000	External Loans	20 000 000	**32 000 000**		32 000 000
Energy	Clayville Electrification	Urban Restructuring	Outcome 8	H	-	USDG	10 000 000	USDG	10 000 000	USDG	15 000 000	**35 000 000**	-	35 000 000
Health & Social	New Clinic Esselen Park Tembisa	Urban Restructuring	Outcome 2	B	-	External Loans	-	USDG	2 000 000	External Loans	10 000 000	**12 000 000**	12 000 000	24 000 000
Human Settlements	Esselen Park - Witfontein (Mega - Tembisa	Urban Restructuring	Outcome 8	H	625 331	USDG		USDG	31 691 109	USDG		**31 691 109**		32 316 440
Human Settlements	Tembisa Ext 25 (Old Mutual Land)	Urban Restructuring	Outcome 8	H	-	USDG		USDG		USDG		-	141 000 000	141 000 000
Human Settlements	Acquisition of Land for New Human	Urban Restructuring	Outcome 8	H	-	USDG		USDG		USDG		-		-
Roads and Stormwater	Tembisa Natural Watercourses upgrading	Upgrading and Renewal	Outcome 8	H	1 500 000	External Loans	4 000 000	External Loans	6 000 000	External Loans		**10 000 000**		11 500 000
Roads and Stormwater	Rehabilitation of Roads (North)Olifantsfontein	Upgrading and Renewal	Outcome 8	H	500 000	External Loans		External Loans		External Loans		-		500 000
Roads and Stormwater	Roads: Low Cost Housing: NorthCompletion	Urban Restructuring	Outcome 8	H	1 000 000	USDG		USDG		USDG		-		1 000 000
Roads and Stormwater	Roads: Low Cost Housing: NorthEsselen Park	Urban Restructuring	Outcome 8	H	2 400 000	USDG		USDG		USDG		-		2 400 000
Water & Sanitation	Tembisa Sewer	Urban Restructuring	Outcome 8	H	3 000 000	USDG	10 000 000	USDG		USDG		**10 000 000**		13 000 000
URBAN REGENERATION: KEMPTON PARK CBD / TEMBISA					**56 000 000**		**129 534 000**		**190 950 000**		**201 234 000**	**521 718 000**	**128 000 000**	**711 987 107**
EMPD	Const Tembisa Precinct	Urban Restructuring	Outcome 3	C	700 000	External Loans	6 000 000	External Loans	6 000 000	External Loans	4 000 000	**16 000 000**	-	16 700 000
EMPD	Const Kempton Park Precinct	Upgrading and Renewal	Outcome 3	C	800 000	External Loans	6 000 000	External Loans	10 000 000	External Loans		**16 000 000**	-	16 800 000
Energy	Tembisa substation	Economic Development	Outcome 8	H	-	External Loans	2 000 000	External Loans	10 000 000	External Loans	20 000 000	**32 000 000**		32 000 000
Environmental Resources	Development of Town Entrances Kempton Park	Upgrading and Renewal	Outcome 8	H	100 000	Revenue		Revenue		Revenue		-		100 000
Health & Social	EXT & UPGRADE KEMPTON PARK CLINIC	Upgrading and Renewal	Outcome 2	B	-	External Loans		External Loans	18 000 000	External Loans	18 000 000	**36 000 000**	2 000 000	38 351 332
Human Settlements	Urban Renewal: Tembisa Civic Node:	Urban Restructuring	Outcome 8	H	-	USDG		USDG		USDG		-		-
Human Settlements	Urban Renewal: Tembisa Erf 189 Edayini	Urban Restructuring	Outcome 8	H	-	USDG		USDG	2 700 000	USDG		**2 700 000**		2 700 000
Human Settlements	Urban Renewal: Tembisa Leralla Node	Urban Restructuring	Outcome 8	H	-	USDG		USDG	10 000 000	USDG	15 000 000	**25 000 000**	36 000 000	61 000 000
Human Settlements	Urban Renewal: Tembisa Public space upgrade	Urban Restructuring	Outcome 8	H	20 000 000	NDPG	32 734 000	NDPG	30 250 000	NDPG	42 234 000	**105 218 000**	20 000 000	145 394 000
Real Estate	Densification of Council Buildings Kempton	Upgrading and Renewal	Outcome 9	I	20 000 000	CRR	10 000 000	CRR	15 000 000	CRR	25 000 000	**50 000 000**	70 000 000	140 000 000
Roads and Stormwater	Township Develop:Ext Services (North)	Upgrading and Renewal	Outcome 8	H	3 000 000	External Loans	1 000 000	External Loans	1 000 000	External Loans	1 000 000	**3 000 000**		6 000 000
Transport	Construction of MVRA/DLTC Tembisa	Urban Restructuring	Outcome 8	H	11 400 000	External Loans	21 800 000	External Loans	26 000 000	External Loans		**47 800 000**		59 800 000
Water & Sanitation	Reservoir Construction - Benoni-Northmead-	Upgrading and Renewal	Outcome 8	H	-	External Loans	10 000 000	External Loans	15 000 000	External Loans	44 000 000	**69 000 000**		74 141 776
Water & Sanitation	Construction of a new 4Ml Tembisa Tower	Upgrading and Renewal	Outcome 8	H	-	USDG	5 000 000	USDG	10 000 000	USDG	32 000 000	**47 000 000**		47 000 000
Water & Sanitation	Construction of a new 23Ml Kempton Park	Upgrading and Renewal	Outcome 8	H	-	External Loans	15 000 000	External Loans	17 000 000	External Loans	-	**32 000 000**		32 000 000
Water & Sanitation	Construction of a Kempton Park Resevoir Zone	Upgrading and Renewal	Outcome 8	H	-	External Loans	20 000 000	External Loans	20 000 000	External Loans		**40 000 000**		40 000 000
					R 883 820 911		**R 1 082 262 970**		**R 1 339 385 109**		**R 1 331 978 000**	**R 3 753 626 079**	**R 440 000 000**	**R 5 600 091 051**

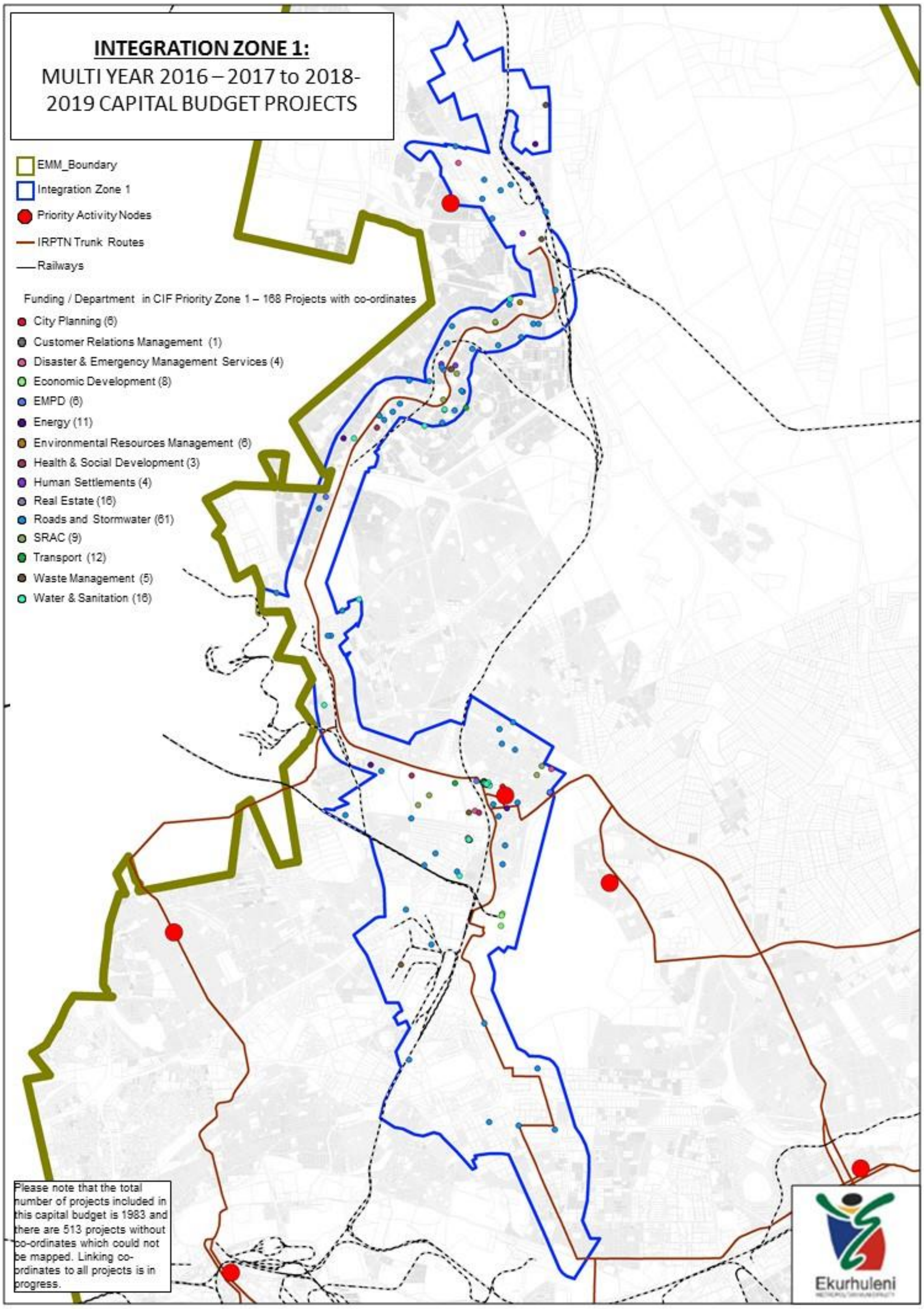


Figure C1.3: Integration zone 1: Location of Integration Zone 1 Capital Budget (2016/17 – 2018/19) Projects

C2 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

C2.1 LEADERSHIP, GOOD GOVERNANCE AND PLANNING (STRATEGIC & OPERATIONAL)

The Ekurhuleni Metropolitan Municipality is committed to providing effective service delivery to its communities and has therefore structured its administration into a number of key directorates. The Office of the City Manager provides the momentum of the administration and integrates all the separate components of the Metro. The main thrusts for sector integration are to:

- Facilitate ring-fencing of the functions associated with provision of services for proper costing and to enhance effective service delivery;
- Build capacity to ensure effective integrated planning and coordination of key projects, especially those that are grant funded; and
- Implement a service delivery performance monitoring and evaluation function, in line with National and Provincial Government initiatives.

In addition to the above directorates, the Office of the City Manager is further capacitated with two significant strategic functions, namely the Operations unit and the Organisational Planning and Performance Monitoring unit. These functions support the City Manager in the compilation of the IDP, SDBIP, and in ensuring that governance systems are in place to manage and track institutional performance.

The metro's capital budget is linked to the IDP Strategic Objectives and action plans. Each submitted budget project has to demonstrate relevance and linkage in meeting service delivery needs and related national outcomes. The following table reflects the Ekurhuleni Metro's IDP strategic objectives referenced to National Outcomes and the corresponding MTREF capital budget allocations in this regard:

Table C2.1.1: IDP Strategic objectives and corresponding MTREF capital budget allocations

IDP Strategic Objectives reconciled to Capital Budget - Ekurhuleni Metro		Medium Term Revenue & Expenditure Framework (R thousand)				
Outcome	**Strategic Objective**	**Budget Year 2015/16**	**Budget Year 2016/17**	**Budget Year 2017/18**	**MTREF Total**	**%**
National Outcome 1	Improved quality of basic education	-	-	-	-	0%
National Outcome 2	A long and healthy life for all South Africans	76 600	108 400	136 200	321 200	2%
National Outcome 3	All people in South Africa are and feel safe	99 050	129 600	99 500	328 150	2%
National Outcome 4	Decent employment through inclusive economic growth	57 500	44 500	23 000	125 000	1%
National Outcome 5	A skilled and capable workforce to support an inclusive growth path	-	-	-	-	0%
National Outcome 6	An efficient, competitive and responsive economic infrastructure network	-	-	-	-	0%
National Outcome 7	Vibrant, equitable and sustainable rural communities with food security for all	-	-	-	-	0%
National Outcome 8	Sustainable human settlements and improved quality of household life	3 031 857	3 575 980	3 187 934	9 795 771	67%
National Outcome 9	A responsive, accountable, effective and efficient local government system	1 119 056	1 007 248	1 640 011	3 766 315	26%
National Outcome 10	Environmental assets and natural resources that are well protected and continually enhanced	87 500	92 300	95 800	275 600	2%
National Outcome 11	Create a better South Africa and contribute to a better and safer Africa and World	-	-	-	-	0%
National Outcome 12	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship	-	-	-	-	0%
Allocations to other priorities		-	-	-	-	0%
Total Capital Budgeted Expenditure		**4 471 563**	**4 958 028**	**5 182 445**	**14 612 036**	**100%**

The Ekurhuleni Metro's MTREF allocations are largely based on the Growth and Development Strategy (GDS 2055), which is anchored on the following five pillars:

- Re-Urbanise – to achieve sustainable urban integration;
- Re-Industrialise – to achieve job-creating economic growth;
- Re-Generate – to achieve environmental well-being;
- Re-Mobilise – to achieve social empowerment; and
- Re-Govern – to achieve effective co-operative governance.

Working together with the Gauteng Provincial Government, the Metro's MTREF allocations are aligned to the Ten Pillar Programme, which brings into effect the Gauteng City Region. The main programme focus areas and desired outcomes of the Ekurhuleni Metro's budget are:

- Aggressive implementation of infrastructure to address spatial gaps and quality of the infrastructure;
- Creating a climate for investment in the metro through revitalising manufacturing and township economies;
- Increasing private-sector investment participation in and through urban regeneration;
- Rapid provisioning of quality basic services;
- Fighting poverty and building clean, healthy, safe and sustainable communities;
- Support for job creation and skills training, with a special emphasis on the increase local spending targeting youth, women and people living with disabilities;

- Modernising the metro and improving its communication;
- Continuing to enhance governance and compliance with applicable legislations;
- Optimising institutional transformation to ensure capacity to achieve set objectives; and
- Maintaining financial sustainability.

A mechanism is required to determine in which order the identified projects should be implemented, when they should be implemented and how they will be funded. The EMM's Capital Investment Framework (CIF) and associated Capital Prioritisation Model (CPM) are the mechanisms used for this process. They enable integrated planning and therefore integration of the key sectors by informing and setting the basis for spatial targeting by identifying the what, when, and where. The CIF is a key contributor to the formulation and development of the Municipality's integration zones and guides prioritisation of municipal capital projects through focusing investment into identified areas in order to achieve targeted spatial transformation for the EMM.

Capital Investment Framework: Institutional and Legislative Arrangements

The Capital Investment Framework is of fundamental importance due to several reasons:

- The CIF is a requirement in terms of Section 4(e) of the Municipal Planning and Performance Management Regulations, 2001 as promulgated in terms of the Municipal Systems Act;
- The CIF also fulfils the function of a Capital Expenditure Framework (CEF) as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act (SPLUMA), 2013;
- The CIF also informs the Capital Expenditure Programme (CEP) as referred to by National Treasury;
- The CIF also strives to meet Section 153(a) of the constitution, in which the developmental duties of a municipality are outlined to “structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community”;
- The CIF is a component of the MSDF and fulfils the purpose to strategically and spatially guide, align and co-ordinate municipal capital expenditure across all sectors that will make provision for balanced spending of the municipal budget so as to promote economic growth and meet the infrastructure and services needs of the Ekurhuleni Metropolitan Municipality (EMM) residents.

The Ekurhuleni Capital Investment Framework (CIF) as an infrastructure planning policy tool has therefore been incorporated into the Built Environment Performance Plan. Although the content of a CIF is not specifically defined within legislation, the above- mentioned legislation outlines the functions of the CIF, which have been summarised as follows:

- Spatially and strategically influence and guide municipal capital prioritisation and allocation;
- Spatially and strategically coordinate and integrate capital expenditure across all sectors;
- Show where the municipality must and will be spending its capital budget; and
- Map capital projects reflected on the multi-year budget.

The CIF can also be defined as a financial planning and regulatory tool in terms of the National Development Plan (NDP), which makes reference to the need to achieve spatial transformation through targeting investment into strategic spatial areas through the combined use of planning, legislative and financial tools. The CIF is therefore geared towards providing a spatial rationale to the budget in order to start guiding investment into identified priority spatial areas as a means to achieve positive spatial transformation.

The EMM's 2013 State of the City Address resonated with the objective of the NDP and function of the CIF by stating that the CIF be utilized as an instrument that will "channel CAPEX funding to critical economic infrastructure programmes, such as the Special Economic Zones (SEZ), Industrial Development Zones (IDZ), Export Processing Zones (EPZ) and Industrial Parks and Estates."

The CIF has also taken cognisance of the Local Government Turnaround Strategy (LGTS) in that the values underpinning the CIF embrace the objectives set out in the LGTS with regards to:

- Providing residents with infrastructure and social services;
- Creating liveable, integrated and inclusive urban and rural areas;
- Promoting Local Economic Development; and
- Promoting Community Empowerment.

The Local Government Turnaround Strategy also highlights some of the major hurdles that municipalities are faced with, which includes poor financial management, inability to sufficiently grow economically and provide basic services within the realm of continued spatial inequality. The CIF is therefore geared towards promoting improved financial management that allows for accountability and transparency of the budget process by guiding, prioritising, aligning and co-ordinating future municipal expenditure that will yield targeted spatial transformation of the Metro.

Capital Investment Framework: Spatial Targeting and Transformation

The purpose of the CIF within the BEPP is premised on informing and setting the basis for spatial targeting by identifying the what, when, and where. This includes the integration of key sectors (economic development, transport, housing, finance, environment, and project management), co-ordination, fiscal alignment and governance that should result in triggering long-term spatial transformation and facilitating economic growth. The Capital Investment Framework is therefore a tool utilised within the BEPP to achieve medium to long-term outcomes with regard to spatial transformation through guiding and focusing investment into strategic spatial areas.

Geographic Priority Areas

The Capital Investment Framework is geared towards focusing capital budgeting for the Ekurhuleni Metro into strategic Geographic Priority Areas (GPAs) in accordance with the MSDF in order to achieve the spatial strategy outlined within the MSDF and take into consideration new spatial trends. The geographic priority areas are therefore based on the spatial structuring elements (SSEs) from the MSDF Spatial Concept and Land Use Proposals, namely previous MSDF priority areas, densification areas, the geography of Ekurhuleni income, major housing projects, IRPTN Corridor, rail stations, primary and secondary nodes, industrial areas, major investment and strategic projects. The purpose of the geographic priority areas is also to indicate the relative strategic spatial importance of one area against another.

Integration Zones

The Ekurhuleni Metropolitan Municipality has also utilised its Capital Investment Framework footprint as the basis for its Integration Zones. The rationale behind its utilisation lies in the core principles of the CIF which relate directly back to the vision of National Treasury's City Support Program's goals and objectives. Some of these include sustainability, urban restructuring, densification as well as spatial and sectoral integration and prioritisation. By overlaying the CIF, the proposed Urban Network Plan emerges for the EMM.

C2.2 INTER-SECTORAL MUNICIPAL & CONSULTATION

Technical Structures

The technical preparation of the MTEF is guided by the structures and processes outlined below.

Medium Term Expenditure Committee (MTEC): MTEC is a committee of senior officials that makes recommendations to MINCOMBUD regarding budget allocations in the medium term expenditure framework, taking into account government priorities, funding available, alternative funding sources and the division of revenue amongst the three spheres of government. It is composed of the Directors-General of the following departments: National Treasury (Chair), Planning Commission, Performance Monitoring and Evaluation, Cooperative Governance, and Public Service and Administration.

Technical Committee on Finance (TCF): TCF is a committee of the heads of all provincial treasuries and is chaired by the DDG of the Intergovernmental Relations division of the National Treasury. The TCF considers intergovernmental finances and the division of revenue and may make recommendations to the Budget Council, Budget Forum and MTEC. If agreed in these forums, matters are referred to MINCOMBUD. The TCF will be consulted on all significant changes proposed to intergovernmental transfers, to ensure that the interests of provinces have been taken into account. SALGA should also be consulted on any changes impacting local government.

MTEC sub-committees

National Treasury appoints Budget Group Leaders, who will be responsible for engaging with institutions and preparing reports to the MTEC for each Budget Group. They will convene Budget bilaterals and Budget Group discussions. A first report of the Budget Group Leader is considered, together with other inputs, at a Function MTEC prior to its presentation at the MTEC. In function areas with concurrent powers (health, basic education and local economic development and social infrastructure), the Function 10x10 may substitute for, or complement, the role of the Function MTEC.

Having taken account of the discussion at the Function MTEC, the Budget Group Leader prepares a report to MTEC. MTEC takes final decisions on the recommendations that will be presented to MINCOMBUD. The table below summarises the composition and mandate of key sub-structures of MTEC. The full terms of reference of these structures will be adopted by MTEC. The MTEC sub-committees are as follows:

- Budget Bilateral
- Budget Group
- Function MTEC
- Function 10x10

Other consultative forums

City Budget Forum (CBF): The CBF is a technical forum of City Managers and Chief Financial Officers of the eight metropolitan municipalities, and is chaired by the DDG for Intergovernmental Relations, National Treasury. The CBF considers intergovernmental finances and the division of revenue from the perspective of the largest cities, focussing on issues of integrated development and management of the built environment. It may make recommendations to the Budget Forum or MTEC, and should be consulted on all significant changes proposed to intergovernmental transfers to ensure that the interests of large urban municipalities have been taken into account.

The Gauteng Provincial Treasury includes the 3 Gauteng metros in the provincial planning and budgeting planning process starting July/Aug each year to influence the priorities and spatial location for the delivery of health and education facilities for the MTREF. The Gauteng Provincial Treasury is currently working with the 3 Gauteng metros to plot the spatial location of the MTEF projects – this will enable the cities and the Provincial departments to compare and discuss spatial priorities. Similarly, the 3 Gauteng metros will include Gauteng Provincial Government in the metro BEPP process. From 2016/17 the National Treasury will require Provincial treasuries to make the GPS co-ordinates available for provincial infrastructure. The methodology used In Gauteng can be reviewed and refined and then used by the 4 other provinces and relevant metros with National Treasury.

The link between the BEPP Process and the annual budget cycle is being strengthened. This is being achieved through aligning the time frames for the development and submission of Medium Term Strategic Plans and/or Annual Performance Plans of the relevant National and Provincial departments and public entities to the BEPP planning timeframes, and having a structured process and mechanism/s for joint inter-sphere planning and budgeting as part of the general annual budget process led by National Treasury. These changes will be implemented for the 2017/18 cycle. The City Budget Forum has established a Planning Alignment Task Team to address medium to longer term planning reform requirements.

The CSP will assist metros for 2016/17 to meet with Provincial Treasuries to begin the alignment of the planning and delivery of provincial infrastructure. This will be complemented by National Treasury working through its Provincial Infrastructure and Provincial Budget Analysis Units.

Alignment of BEPP, Budget and IDP Processes

The Department of Cooperative Governance has committed to align the IDP Assessment to the Budget and Benchmarking process, where Day 1 is dedicated for the IDP Assessment and alignment of the BEPP and IDP, and Day 2 is for the Budget Benchmarking.

C2.3 RISK MITIGATION STRATEGIES

Challenges in the metro affecting project implementation and achievement of spatial transformation objectives include the high staff turnover of engineers, the capacity of project managers and supply chain practitioners, and the lengthy property acquisition process, amongst others.

Some of the interventions being implemented to address the above challenges and mitigate the risks include the formation of a panel of professional staff including engineers, weekly visits to projects, regular meetings with senior management including contractors, working with the EDC to drive property acquisitions. The HDA has also been approached and a panel of brokers appointed. Extensive training of SCM officials has also been undertaken.

C2.4 OPERATING BUDGET IMPLICATIONS

The product of the planning approach is the identification and planning of Integration Zones that include an intergovernmental project pipeline (catalytic metro, provincial, national and SOC urban development projects) within the following targeted spaces:

- Integration Zones
- Marginalised areas (Informal settlements, townships and inner city areas)
- Growth nodes (commercial and industrial nodes)

This planning approach should clearly influence the allocation of capital funding, and result in service delivery implementation, which in turn requires urban management to protect and sustain public and private investment. The successful implementation of BEPPs relies on effective institutional arrangements and budgeting for ongoing operational expenditures. Sustained implementation and urban management should result in service delivery and spatial transformation that positively contributes to inclusive economic growth and the reduction of poverty and inequality over the long term.

Prioritisation and preparation: The prioritisation of Integration Zones, informal settlements, marginalised areas and areas for growth relative to other areas within the metro, and the resultant intergovernmental project pipeline will collectively support the achievement of targets associated with building more productive, inclusive and sustainable cities. The prioritisation of particular areas mentioned above does not translate into an exclusion of allocation of resources to other areas, although a substantial portion of resources should be allocated to the three categories of targeted spaces and this allocation should increase year on year.

The Metro’s anticipated spend per sector directorate for the MTREF period is indicated in the following table and graphs:

Table C2.3.1: Anticipated spend per sector directorate for the MTREF period

Department	Adjustments Budget 2015/1	MTREF Budget 2016/17	MTREF Budget 2017/18	MTREF Budget 2018/19	MTREF Total	%
Economic Development	76 000 000	273 550 000	385 850 000	411 050 000	**R 1 070 450 000**	6%
Energy	504 760 000	648 829 000	717 760 000	743 200 000	**R 2 109 789 000**	12%
Health & Social Development	112 789 171	88 800 000	106 170 000	173 750 000	**R 368 720 000**	2%
Human Settlements	590 532 961	550 497 392	634 790 161	621 704 487	**R 1 806 992 040**	10%
ICT	322 035 000	304 965 700	338 662 770	363 821 971	**R 1 007 450 441**	6%
Real Estate	207 123 696	140 120 000	163 410 000	173 070 000	**R 476 600 000**	3%
Roads and Stormwater	762 642 459	659 060 000	637 690 000	653 220 000	**R 1 949 970 000**	11%
SRAC	200 282 181	121 260 000	101 000 000	123 900 000	**R 346 160 000**	2%
Transport	837 157 351	871 589 000	1 036 744 000	1 149 794 000	**R 3 058 127 000**	18%
Water & Sanitation	485 385 393	493 800 000	749 000 000	760 000 000	**R 2 002 800 000**	12%
Council General	-	360 000 000	358 000 000	455 000 000	**R 1 173 000 000**	7%
Other	R 548 353 193	R 618 490 345	R 645 349 500	R 640 769 500	**R 1 904 609 345**	11%
	R 4 647 061 405	**R 5 130 961 437**	**R 5 874 426 431**	**R 6 269 279 958**	**R 17 274 667 826**	**100%**

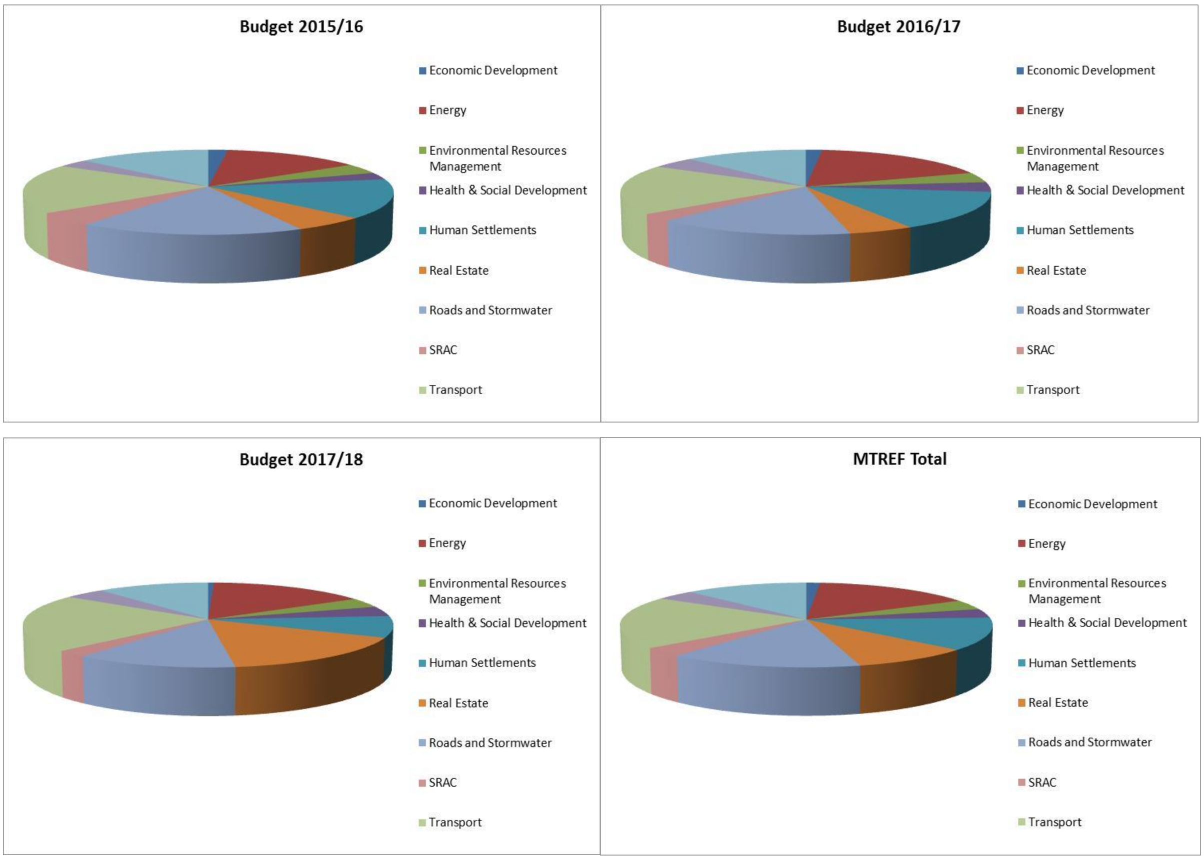


Figure C2.3.1: Anticipated spend per sector directorate for the MTREF period

Approximately 40% is earmarked to upgrade and renew the metro's infrastructure, 30% for changing the City's landscape and addressing spatial challenges, and a further 30% for economic development. Below are some of the major sector development outcomes and outputs expected from the Metro's investment in the built environment.

Transport

Transport infrastructure includes repairs and maintenance, the Integrated Rapid Public Transport Network (IRPTN), construction of four new taxi ranks in Palm Ridge, New Vosloorus, Bluegum and Phutaditshaba, as well as metro busses to cover new routes in the east.

Roads and Stormwater

Included in roads and stormwater is funding for construction of roads and storm water, safety, pedestrian walkways, as well as bridges across the city with special emphasis on 71 priority wards, as well as rehabilitation and resurfacing of roads and storm water.

Energy

Funds have been budgeted for energy expansion in order to provide sustainable energy supply and to protect the integrity of the energy network. This will be utilised for street and high mast lighting, upgrading of substations, network enhancements and electrification and alternative energy sources, focusing on informal settlement areas.

Water and Sanitation

The Metro's main water and sanitation projects include the water loss eradication programme, the bulk supply of the Albertina Sisulu Corridor in Pomona and broadening access to water and sanitation services, amongst others.

Human Settlements

Achievement of the following objectives and outcomes have been budgeted for:

- Servicing several thousand stands to improve the living conditions of people awaiting their houses;
- Refurbishment of rental houses;
- Watville-Actonville, Tembisa and Katorus urban renewal;
- Social housing in Germiston.

The Gauteng Department of Human Settlements has set aside funding million for human settlements in the eastern corridor to cover the provision of housing units among areas such as:

- Chief Albert Luthuli;
- John Dube Extension 2;
- Tsakane Extension22;
- Germiston South;
- Leeuwpoort;
- Rietfontein;
- Clayville Extension 45; and

- Redevelopment of hostels in Springs (Kwa-Thema) and Tembisa. s

Some of the above settlements also form part of catalytic mega human settlements development projects.

SECTION D

SECTION D: CAPITAL FUNDING

This section deals with the high level budget allocations of the capital budget.

D1 SPATIAL BUDGET MIX

The MTREF Capital Budget and Prioritised Projects for each of the 3 Spatial Targeting Categories are shown below:

Table D1.1: Capital Budget and Prioritised Projects for each of the 3 Spatial Targeting Categories

Spatial Targeted Category	MTREF 2016/17	MTREF 2017/18	MTREF 2018/19	MTREF Total	%
1. Informal Settlements and Marginalised Areas	R 277 994 970	R 291 932 000	R 313 620 000	**R 883 546 970**	18%
2. Areas of Growth (commercial and Industrial)	R 922 389 000	R 1 094 744 000	R 1 120 744 000	**R 3 137 877 000**	65%
3. Priority Integration Zones	R 191 306 000	R 296 097 109	R 287 782 000	**R 775 185 109**	16%
TOTAL	**R 1 391 689 970**	**R 1 682 773 109**	**R 1 722 146 000**	**R 4 796 609 079**	**100%**

The detailed list of projects making up the above totals is shown in section B.2 above. The Areas of Growth category is the highest due mainly to the IRPTN.

D2 INVESTMENT STRATEGY

The Metro is busy compiling a Long Term Funding Strategy to ensure the balance between internal and external funding is optimal, whilst also aiming at increasing the capital budget to ensure both the stimulation of the local economy as well as the eradication of backlogs and as such creating sustainable human settlements.

The components that will impact on the final long funding strategy include:

1. EMM's revised Growth and Development Strategy (25 year horizon) – the level of services to be rendered;

2. EMM's Spatial Development Framework and Capital Investment Framework - Funding allocation model - % of budget to backlogs vs. % towards economic development projects;
3. EMM's Consolidated Municipal Infrastructure Plans (10 – 15 year horizon) - Enhanced set of data on revenue and expenditure available resulting from CMIP's that can supplement economic and financial forecasts as well as more refined maintenance requirements available;
4. EMM's Integrated Development Plan (5 year horizon); and
5. EMM's Medium Term Expenditure Framework (3 year horizon –considering increasing to a five year horizon).

The current draft of the long term funding strategy of the EMM contains the following components:

- Background;
- Legislative and accounting framework (current legislation, Accounting Framework)
- Assessment of funding requirements;
- Financial Resources;
- Appropriation of annual surplus;
- Raising of external debt for future financing of capital expenditure;
- Compliance with financial service provider requirements (Financial ratios, Credit rating); and
- Raising of external debt with financing institutions and repayment of the debt.

Funding Options

The funding options being explored at present include:

1. USDG / Large Cities Support - >R1b p.a.
2. Depreciation for all renewal projects - >R1b – R2b p.a
3. Movable assets must come from revenue generated
4. Additional borrowings for new non income generating projects (mainly bonds)
5. Structured Finance for Revenue Generating Projects – based on ROI motivation
6. PPP's – be careful of profit sharing in long run
7. New revenue sources specific to new services
8. International donor funding
9. Greater private sector involvement – other than normal PPP's, such as increased bulk contributions for private sector developments

Strategy to build up cash balances to reach appropriate cash levels with reserves

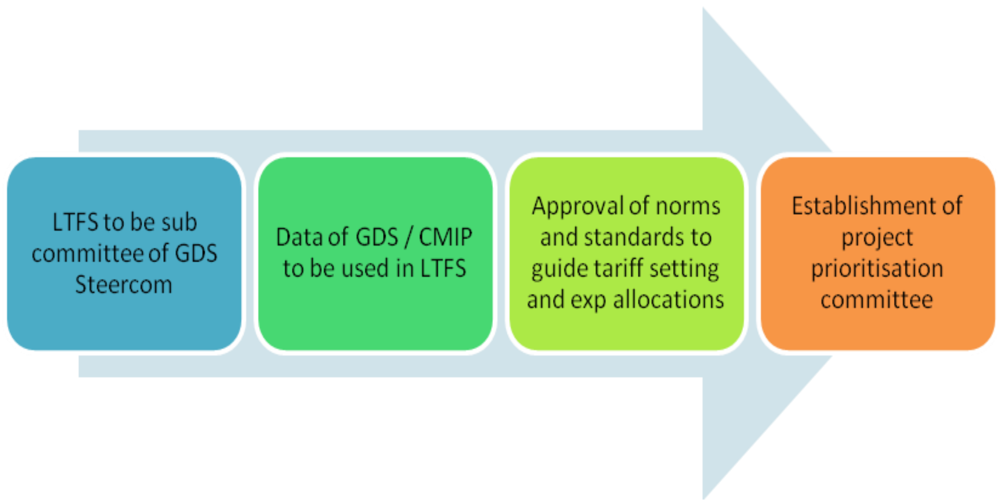
1. Funding of Capital Budget using Deprecation as Cash Generator
2. Continued use of Debt Finance for Capital Infrastructure
3. Revenue Collection
4. Revenue Enhancement/ New Sources of Revenue

Sources of funding for ccapital requirements

- Government Grants (R1.3b per annum, in nominal terms – potential to grown, particularly in the USDG and Large Cities Support Programme);
- Municipal Bonds (R800m per year, based on the current approved R4b Domestic Medium Term Note Programme);
- Public Private Partnerships (R2b for new HQ building + potentially R1b for Digital City);
- Surplus Cash (from operating budget) (R1b per year in nominal terms) – This will require a dedicated strategy of budgeting for a surplus to ensure the availability of cash; and
- Potential grant from the DBSA Jobs fund.

Way Forward on Long Term Funding Strategy

1. Agreement of projects to be funded from the USDG grant for the MTEF currently being compiled – this also impacts on the Built Environment Performance Plan (BEPP) to be submitted to National Treasury during November;
2. Council approval of Germiston precinct / HQ building – once approved, the process of PPP to commence with. National Treasury advised that a PPP project takes approximately 3 years to finalise;
3. Issue of EMM bond 03 to fund current year infrastructure;
4. Public Participation / Consultation process for the Local Business Tax submission;
5. Final submission of Local Business Tax submission to National Treasury;
6. Further submissions to the Jobs Fund when the next set of applications is invited;
7. Submission of business plan to DBSA re water meters projects as an income generating project with a payback period of less than 5 years. Initial discussions were held with DBSA, business plan is now the next step.



FigureD2.1: Way Forward on Long Term Funding Strategy

D3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

Capital Budgeting Process

Projects selected for implementation are budgeted as accurately as possible for inclusion in the Capital Budget. The Finance Department is responsible to verify the Budget against the funds available. Budget meetings subsequently follow to facilitate the necessary adjustments and to finalise the Capital Budget. This process is explained in more detail further on.

Tender Evaluation

Once the budget has been approved, projects are put out to tender, aligned to the timeframes required for timeous commencement of each project. Procedures and guidelines are followed as set out in the Metro's Supply Chain Management Policy and requirements of the MFMA. Bid Evaluation Committee members evaluate the tenders after members of the Supply Chain Department have verified the validity of the tender submissions received from bidders. A bid evaluation report is then prepared, including a recommendation for the preferred bidder for each tender based on points scored for quality and price (phase 1) and preference points (phase2).

The Bid Evaluation Committee strives to achieve the following key objectives:

- Evaluation of tenders in an ethical, objective manner;
- Declaring conflicts of interest that may exist;
- Quality in service delivery;
- The awarding of work in a fair, equitable, transparent and professional manner;
- The accommodation of emerging service providers.

The bid evaluation report is forwarded to the Bid Adjudication Committee. If satisfied, the recommendations are sent for executive approval in terms of the delegations of authority.

Implementation of Projects

During the implementation of projects the EPMO Department is responsible for project management and quality control. All applicable stakeholders are involved by means of technical meetings, project steering committee meetings and monthly site meetings (where relevant). Progress reports, including expenditure, challenges, job creation etc. are submitted on a monthly basis. Some of the key objectives during project implementation are:

- To complete the projects within the required timeframe's;

- To complete the projects not exceeding the budgeted amounts;
- To complete the projects to the standards required; and
- To apply labour intensive construction methods as far as possible.

The Capital Prioritisation Model (CPM), a major component of the Capital Investment Framework (CIF), forms the core of the EMM's Capital Programme Management process. The Capital Prioritisation Model is structured on, and incorporates, the following factors:

- Alignment to the budget process;
- Incorporation of essential strategic departmental functions related to municipal planning and project management;
- National Treasury requirements; and
- Best practices identified through engagements with neighbouring metropolitan municipalities.

The Capital Prioritisation Model as a key component of the Capital Investment Framework

The Capital Prioritisation Model (CPM) is an instrument utilised in the implementation of the CIF in alignment with the annual budget process set out by the EMM Finance Department in order to strategically prioritise the EMM multi-year capital budget. The CPM strives to align and incorporate project management, IDP needs analysis and the SDBIP into the prioritisation process, incorporates the geographic priority areas (GPAs) in providing for a spatial rationalisation of the budget, establishes a set process for implementation as aligned to the budget process, and guides and familiarises departments with the capital project prioritisation process and requirements.

The CPM fulfils the following important functions as part of the Capital Programme Management process:

- Facilitates and guides the prioritisation of the multi-year capital budget;
- Establishes a uniform process to be followed during the budget process in the allocation and prioritisation of the budget both strategically and spatially;
- Guides the budget allocation split;
- Requires collective action and collaboration between essential departments with an identified strategic involvement in the budget process (i.e. Finance, Strategy and Corporate Planning (IDP), EPMO, Human Settlements, Economic Development, Environment and City Planning);
- Promotes alignment of departmental functions, strategic policies and sector plans;
- Outlines actions to be pursued during the budget prioritisation process;
- Makes provision for monitoring and evaluation to assess the impact of the CIF on the multi-year capital after allocation of the budget; and
- Makes allowance for a transparent and accountable budget process.

The implementation of the CIF as per the Capital Prioritisation Model is best understood as following a process of test, guide and align with respect to gradually changing the EMM departments' approach to the budgeting process by taking cognisance of the CIF priority areas and budget process through the CPM. The phasing in of the CIF needs to ultimately promote increased alignment of departmental capital projects.

The Capital Prioritisation Model process

The CPM process consists of the following steps:

THE CAPITAL PRIORITISATION MODEL PROCESS	
Step 1	**Define Project Categories**
Step 2	**Allocate budget percentage (%) per Project Category**
Step 3	**Departments are requested to submit their draft capital budgets as per the budget instruction letter issued by the EMM Finance Department**
Step 4	**Allocation of departments draft capital projects into the CIF project categories and Geographic Priority Areas**
Step 5	**Scoring of the draft capital projects**
Step 6	**Screening of the draft capital budget for compliance and prioritisation by the CIF Operational Task Team**
Step 7	**One on one departmental engagements**
Step 8	**Monitoring and evaluation of the expenditure report**
The CPM is then refined through the following additional steps:	
Step 9	**Testing of the scoring system on the multi-year budget**
Step 10	**Modelling work on the impact of the budget allocation split as an empirical substantiation of the budget allocation split for the Metro**

In preparing the EMM's multi-year budget, the CPM process is applied as follows:

Step 1: Define Project Categories

• Category 1 – Urban Restructuring:
    o Eradication of Historical Backlogs (Physical Infrastructure and Social Facilities): Eradication of Infrastructure for existing backlogs.
• Category 2 - Upgrading & Renewal:
    o Renewal of Existing Assets: Remaining useful life is extended due to aging of infrastructure. This does not mean the capacity is extended.

- Upgrading of Existing Assets – to extend existing bulk capacity: To extend bulk capacity purely for existing network.
- Category 3 - Economic Development:
  - Upgrading of Existing Assets – to stimulate new Economic Growth: To extend bulk purely for new development where growth will be stimulated.
  - Income Generating: Purely Income Generating Projects.
- Category 4 – Local Interventions: Projects with a political prerogative

Categories 1 to 3 are defined as per definitions set by National Treasury.

Step 2: Allocate budget percentage (%) per Project Category
• Category 1 – Urban Restructuring: 30% of the capital budget • Category 2 - Upgrading & Renewal: 40% of the capital budget (including furniture, vehicles and equipment) (National Treasury with reference to the MFMA circular no. 66 as read with MFMA circular no. 55 has advised Municipalities to allocate no less than 40% of the Capital Budget to upgrading and renewal) • Category 3 - Economic Development: 29% of the capital budget • Category 4 – Local Interventions: 1% of the capital budget

The CIF proposes a budget allocation split as a guideline for the multi-year budget process, which has been informed by National Treasury requirements and financial and projection modelling work conducted by consultants Demacon.

The above-mentioned modelling work conducted on economic growth and backlog scenarios has reinforced the need for the EMM to grow its revenue base as a means to increase the capital budget allocation towards backlog eradication and infrastructure maintenance and upgrading. This requires an increase in the support of budget allocation towards projects with the potential and ability to generate income for the Metro. The modelling therefore supports a higher budget allocation split for economic development, as currently set at a 29 percent target for the capital budget. The budget split additionally makes provision for projects geared towards backlog eradication and projects geared towards addressing infrastructure maintenance and capacity needs of the Metro.

Step 3: Departments are requested to submit their draft capital budgets as per the EMM Budget Instruction Letter
The Budget Instruction Letter as prepared and distributed by the Finance Department requests departments to compile and submit their multi-year draft budgets in accordance with budget and CIF requirements. In terms of the CIF requirements, departments are requested to provide the following information:

- Short description of the project
- Project Locality
- Projects level of service / area of influence
- The project category per project
- Completion of the CPM weighting system

The CIF input requirements into the multi-year budget is communicated to departments through departmental readiness workshops held in September. Departments are also requested to provide a breakdown of large general votes that comprise of sub-projects. As part of the departmental readiness workshops, departments are provided with a CPM user manual. The manual outlines data requirements pertaining to both mapping of capital projects and the trial run of the CPM prioritisation weighting system.

Step 4: Allocate Capital Budget per Geographic Priority Area and per project categories
Departments are advised of the CIF mapping requirements within the Budget Instruction Letter and are called over a three-day period (late September / early October) to map their department projects with the City Planning GIS. The provision of a projects property description is a requirement in terms of National Treasury Form SA36. Preparation workshops are held with departments to explain the CIF budget input requirements with regard to the geographic priority areas, project categories and testing of the prioritisation weighting system. Departments with the assistance of the City Planning GIS are required to generate shapefiles per project reflective of the projects exact locality and area of influence. The projects are then assessed in terms of alignment to the priority areas and correctness of the project category allocations per capital project on the multi-year budget.

An important objective in this process is improved accuracy in the level of mapping capital projects. This requires that departments break down large general vote numbers into specific projects with an exact locality and predetermined level of service per project. Each project in turn needs to be linked to a shapefile on the ArcGIS.

The benefit achieved by improved accuracy in the mapping firstly provides the Metro with a spatial overview of the MTREF capital projects. This affords the EMM with the ability to assess alignment of departmental projects, alignment with the spatial priority areas, and ease of monitoring and evaluating expenditure spatially. This in turn promotes the concept of transparent and accountable budgeting.

Step 5: Scoring of departmental capital projects
The inclusion of a capital project prioritisation weighting system assists in removing subjectivity from the prioritisation process. The capital projects are scored after submission of the amalgamated draft submission budget by Finance. This is followed by an analysis of the scoring outcomes with the objective to serve as input for further refinements to the weighting system, in an effort to develop a comprehensive, objective and implementable project prioritisation process.

For each of these variables / criteria, a rating scale is used for assessing how well a particular project satisfies the criteria. Each of the key variables and their rating criteria receive a specific weighting percentage which is adapted per project category. Furthermore, a scale of impact for the rating criteria is also utilised. The scale of impact per weighting criteria is shown in the following table:

Table D3.1: Scale of Impact per Weighting Criteria

Scale of impact	Scoring
None	0
Low	25
Not Applicable	50
Moderate	75
High	100

It is therefore important to refine and formalise the prioritisation weighting system as part of an electronic data system for the Budget, as the prioritisation weighting system needs to guide and inform the screening process of the draft multi-year budget as a means to remove some of the subjectivity out of the budget prioritisation process and provide for an effective and efficient means of departmental project prioritisation during the budget process.

Step 6: Screen Submitted Capital Projects
The capital budget projects are screened in a joint sitting with Finance, City Planning, Human Settlements, Strategy and Corporate Planning (IDP Office), EPMO and Environmental Resource Management. These departments constitute representative members of the formalised Operational Task Team as key stakeholders in the budget evaluation process. The Task Team meets in mid to end October in order to screen the departmental projects on the multi-year CAPEX. The following evaluation (screening?) criteria are typically utilised in the assessment process: • Legally committed projects • EIA compliance • Projects committed due to appointment of consultants or contractors

- Evaluation of feasibility of project plans developed on PCS:
  - Realistic project timelines
  - Realistic budget phases
  - Project Readiness
- New vs existing projects;
- Alignment with the CIF geographic priority areas

All movable assets are excluded from the categorisation.

Step 7: One on One Departmental Engagement
Once the evaluation / screening of the budget has been concluded as per step 6, departments are called into individual departmental engagements to discuss outcome findings from the evaluation / screening process. The one on one departmental engagement makes provision for the Operational Task Team to address identified concerns and obtain clarity regarding the department's draft budget submission. This in turn affords respective departments the opportunity to defend budget requirements or coincide with requested budget amendments. Step 7 of the process extends the CPM process as a collaborative, transparent and accountable process as part of the annual budget process. The one on one departmental engagements are held in the first week of November.

Step 8: Monitoring and Evaluation
Step 8 of the CPM makes allowance for monitoring and evaluation of project implementation through the assessment of departments' collective expenditure into the geographic priority areas (GPAs) through the expenditure report. Monitoring of departmental capital expenditure in the priority areas is currently in process for the 2015/16 financial year.

The following map gives a spatial indication of the USDG capital projects throughout the EMM flowing from the above process. The USDG projects reflected are as per EMM department, which is inclusive of Emergency and Disaster Management, Electricity and Energy, Environmental Management, Roads and Storm-water, SRAC, Transport, Waste Management, and Water and Sanitation. The concentration of the USDG capital projects within these formally disadvantaged areas is indicative of initiatives to promote an increase in the level of and provide access to services and opportunities that is aimed at improving the urban form and benefitting the disadvantaged.

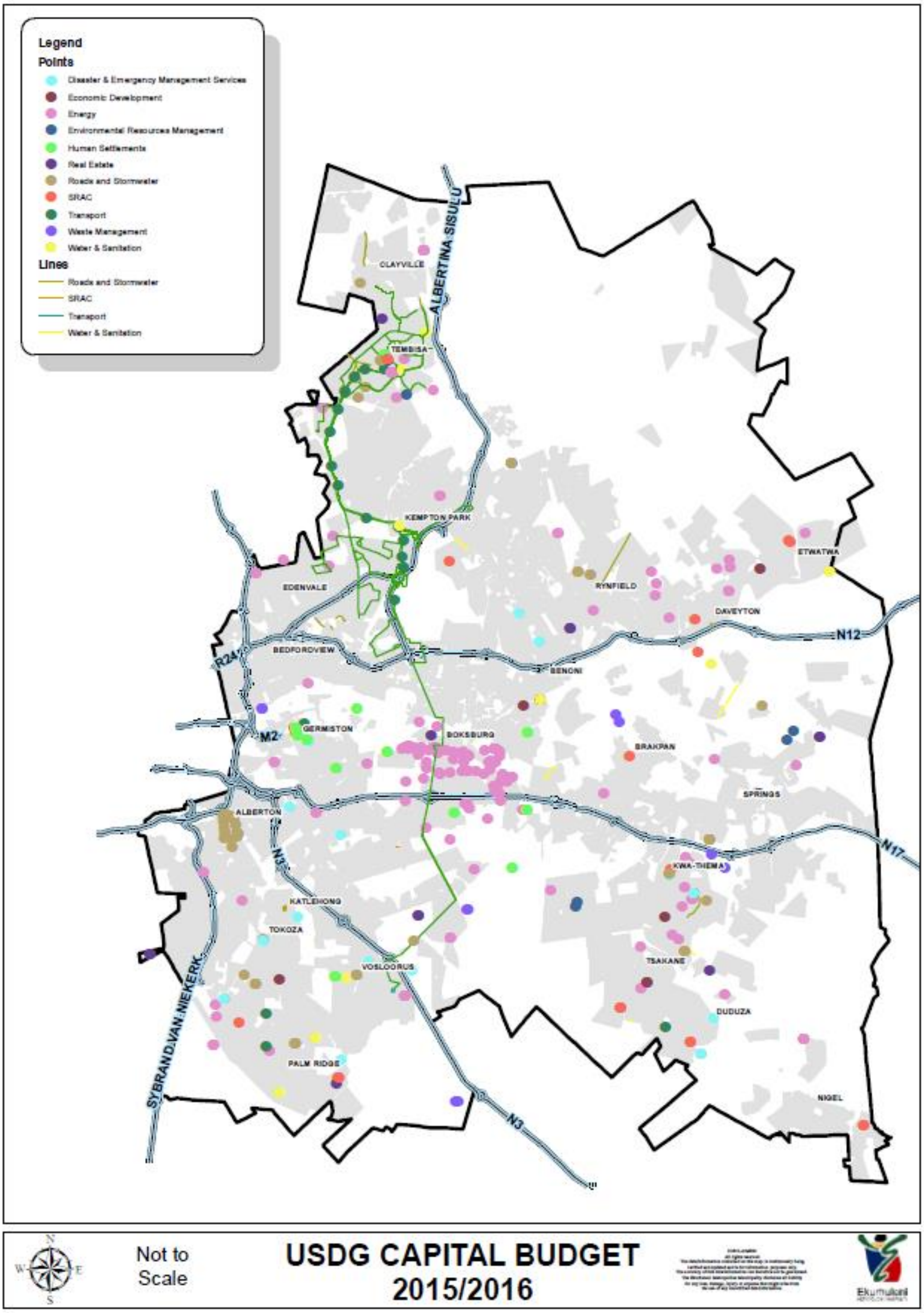


Figure D3.1: USDG Funded Projects for National Outcomes 8 as Reflected Throughout EMM

SECTION E

SECTION E: IMPLEMENTATION

This section highlights the land release, procurement and related institutional arrangements and operating budget.

E1 LAND RELEASE STRATEGY

E1.1 LAND REFORM AND THE RDP

The case for the government's rural land reform programme and its scope and content were clearly set out in the initial policy document of the RDP in 1994 (Source: R*DP: A Policy Framework, 1994, p19-20*):

'Land is the most basic need for rural dwellers. Apartheid policies pushed millions of black South Africans into overcrowded and impoverished reserves, homelands and townships. In addition, capital intensive agricultural policies led to the large-scale eviction of farm dwellers from their land and homes. The abolition of the Land Acts cannot redress inequities in land distribution. Only a tiny minority of black people can afford land on the free market.

A national land reform programme is the central and driving force of a programme of rural development. Such a programme aims to redress effectively the injustices of forced removals and the historical denial of access to land. It aims to ensure security of tenure for rural dwellers. And in implementing the national land reform programme, and through the provision of support services, the democratic government will build the economy by generating large-scale employment increasing rural incomes and eliminating overcrowding.

The RDP must implement a fundamental land reform programme. This programme must be demand-driven and must aim to supply residential and productive land to the poorest section of the rural population and aspirant farmers. As part of a comprehensive rural development policy, it must raise rural incomes and productivity, and must encourage the use of land for agricultural, other productive or residential purposes.

The land policy must ensure security of tenure for all South Africans, regardless of their system of land-holding. It must remove all forms of discrimination in women's access to land.'

In urban areas, access to land is similarly a prerequisite for a successful urban development programme. Government at all levels, including local authorities, should strive to overcome all obstacles which may hamper equitable access to well-located land. Implementation of appropriate urban and rural land policies and land management practices is required to overcome a primary cause of inequity and poverty. Realization of these policies is necessary to reduce living costs, occupation of unsafe land, environmental degradation and urban and rural vulnerability, affecting all people, especially the poor.

E1.2 ELEMENTS OF THE LAND REFORM PROGRAMME

As anticipated in the 1994 RDP policy framework, government's response to land reform has three major elements:

- **Redistribution** - aims to provide the disadvantaged and the poor with access to land for residential and productive purposes. Its scope includes the urban and rural very poor, labour tenants, farm workers as well as new entrants to agriculture.
- **Land Restitution** - covers cases of forced removals which took place after 1913. They are being dealt with by a Land Claims Court and Commission, established under the *Restitution of Land Rights Act, 22 of 1994.*
- **Land Tenure Reform -** is being addressed through a review of present land policy, administration and legislation to improve the tenure security of all South Africans and to accommodate diverse forms of land tenure, including types of communal tenure.

The government has adopted a two-pronged approach. On the one hand it is striving to create an enabling policy environment and on the other hand it is providing direct financial and other support services.

E1.3 PROPOSED EMM LAND RELEASE STRATEGY

In terms of the supply and release of land the following factors such as forecast population changes, household changes, demand for land and the capacity to cost effectively deliver key infrastructure and services should be taken into account by the EMM.

Focused and well planned Land Release Programs can enable the EMM to deliver on economic and social strategies through targeted spatial transformation. It also contributes to financial and environmental objectives by seeking to:

- facilitate the provision of affordable housing choices
- meet the demand for land in the Integration Zones;
- establish an appropriate inventory of serviced land;
- enable the operation of a competitive land development and construction market; and
- achieve satisfactory returns from the sale of unleased land.

E2 PROCUREMENT APPROACH

Compliance

The EMM has a Supply Chain Department in line with the internal Supply Chain Management Policy and requirements of the MFMA. The head of the unit is a general manager, who reports to the Chief Financial Officer.

Delegated Authority

Section 79 and 106 of the MFMA empower the Accounting Officer of EMM to delegate decision-making powers to officials. The following applies to the acquisition of goods and services and the disposal and letting of assets:

- All delegations must be in writing;
- No supply chain management duties or powers may be delegated or sub-delegated to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.

SCM Procedure

The calling for tenders to secure supplies of goods and services is an integral part of supply chain management, as legislation compels public institutions to procure goods and services through this process. A thorough knowledge of the different phases of the tendering process and the accompanying procedures is therefore necessary to ensure that public officials procure goods and services timeously and according to their requirements.

In line with the MFMA, the Accounting Officer has approved the Bid Committees. The Metro ensures that the tender process is fair, transparent and equitable and cost effective to all parties. More specifically it will:

- Clearly separate its role as a purchaser from that of a provider of services;
- Produce tender documents, which clearly specify EMM's required services to allow bidders to bid for and price their work accurately;
- Package work put to tender in a manner which encourages competition and the best outcome for residents and ratepayers;
- Actively discourage improper tendering practices such as collusion, misrepresentation, and disclosure of confidential information;

- Require any conflict to interest to be disclosed immediately.

Procurement Plan

The following table provides a summary of the capital grant funded projects in the procurement pipeline of the Metro.

Table E2.1: Summary of the capital grant funded projects in the procurement pipeline of the Metro

EKURHULENI METRO: MTREF 2016/17 - 2018/19

INTEGRATION ZONE 1 PROJECTS - PROCUREMENT APPROACH

Department	Project Name	CIF Category	Project Description and Progress Details	Procurement Status	Source of Funding 2016/17	MTREF Budget 2016/17	Source of Funding 2017/18	MTREF Budget 2017/18	Source of Funding 2018/19	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19
Economic Development	Aerotropolis International Hospitality School	Economic Development	Development of a dedicated training academy that focuses of training in customer services and related skills in the services sector in partnership with Peermont Group.	Procurement of professional team through DBSA Contract, procurement of contractors through Vukuphile process	External Loans	15 000 000	External Loans	15 000 000	External Loans	15 000 000	45 000 000
Economic Development	Aerotropolis Greening and Beautification	Economic Development	Part of the 30 year Aerotropolis Master Plan. Greening and beautification of the Airport Core and related corridors of N17; N12; R21;R23, R24, etc. has become urgent in order to improve the environment and look and feel of these priority areas.	R60 million budgeted over the MTREF period with commencement to start in 2016/17	External Loans	20 000 000	External Loans	20 000 000	External Loans	20 000 000	60 000 000
Economic Development	OR Tambo Aerotropolis Security & CCTV Nerve Centre	Economic Development	The 30 years Aerotropolis Master Plan has necessitated that the OR Tambo International Airport is repositioned to offer comprehensive gateway service offerings in order enable the mobility of domestic and international travellers. In this regard, the safety & security of the airport core to ensure that crime is kept at a minimum, thus giving peace of mind and making the area to be a crime free zone which attracts communities and travellers in order to optimize the asset by improving policing within and outside the airport areas sucg as Bonaero Park, Rhodesfields, Kempton Park, Pomona, Glen Marais, etc.	R135 million budgeted over the MTREF period with project commencement to start in 2016/17	External Loans	35 000 000	External Loans	50 000 000	External Loans	50 000 000	135 000 000
Economic Development	OR Tambo International Airport' visitor information centres	Economic Development	The launch of the Aerotropolis Master Plan has presented enourmous potential for leisure & business tourism, but the lack of a visitor information centre at ORTIA could constrain the city from crowding-in arrivals. The development of the Aerotropolis Visitors Information Centre at ORTIA would repositioning and redirect arrivals towards the City of Ekurhuleni tourism products and amenities thus enhancing the preferred tourism destination profile	On Tender	CRR	18 000 000	External Loans	4 000 000	External Loans	4 000 000	26 000 000
Customer Relations	Tembisa 2/ Winnie Mandela New Building	Urban Restructuring	Construction of Tembisa 2/ Winnie Mandela CCC	R14.4 million budgeted over the MTREF period with project	Revenue	14 339 970	Revenue	-		-	14 339 970
EMPD	Const Kempton Park Precinct	Upgrading and Renewal	Increased access by EMM communities to police services through the building of the new EMPD Precinct station in Kempton Park	Consultant appointed - need to appoint contractor - Real Estate	External Loans	6 000 000	External Loans	10 000 000	External Loans		16 000 000
EMPD	Const Tembisa Precinct	Urban Restructuring	Increased access by EMM communities to police services through the building of the new EMPD Precinct station in Tembisa	Consultant appointed - need to appoint contractor - Real Estate	External Loans	6 000 000	External Loans	6 000 000	External Loans	4 000 000	16 000 000
Environmental Resources	Re-generate - 9 Township entrances	Upgrading and Renewal	Re-generate - 9 Township entrances beautified and branded	Contractor in process of appointment. Multi-yr project.	Revenue	-	Revenue		Revenue		-

Energy	Esselen Park Electrification	Urban Restructuring	Esselen Park Electrification	Current annual contract will expire Jun 2016. Department already	USDG	1 000 000	USDG	10 000 000	USDG	10 000 000	21 000 000
Energy	Tembisa substation	Economic Development	Tembisa substation	Bid Specs for Substation Designs	External Loans	2 000 000	External Loans	10 000 000	External Loans	20 000 000	32 000 000
Energy	Clayville Electrification	Urban Restructuring	Clayville Electrification	Current annual contract will expire Jun 2016. Department already	USDG	10 000 000	USDG	10 000 000	USDG	15 000 000	35 000 000
Energy	Tembisa substation	Economic Development	Tembisa substation	Bid Specs for Substation Designs	External Loans	2 000 000	External Loans	10 000 000	External Loans	20 000 000	32 000 000
Health & Social Development	New Clinic Esselen Park Tembisa	Urban Restructuring	New clinic and Paypoint	SCM/Procurement processes needed for planning, design and	External Loans	-	USDG	2 000 000	External Loans	10 000 000	12 000 000
Health & Social Development	EXT & UPGRADE KEMPTON PARK CLINIC	Upgrading and Renewal	New clinic	As and When Consultants appointed in 14/15FY. Awaiting City Planning to complete the process/acquiring of the Kempton	External Loans		External Loans	18 000 000	External Loans	18 000 000	36 000 000
Human Settlements	Urban Renewal: Tembisa Erf 189 Edayini	Urban Restructuring	RDP walk-ups: Concept Definition/Prefeasibility and Designs completed in 15/16. Procurement and execution in phases. Servicing & construction 30 units in 16/17, and onwards	Design work to be undertaken by PSP in 2016/17. Bid Spec for contractor to be submitted 18 Dec 2015	USDG		USDG	2 700 000	USDG		2 700 000
Human Settlements	Urban Renewal: Tembisa Leralla Node	Urban Restructuring	Tembisa Framework Plan completed 2012. Identified projects: Stage 1: Inception Report Stage 2: Concept Viability and Designs to be completed in 16/17	Design work to be undertaken by PSP in 2016/17. Bid Spec for contractor to be submitted 18 Dec	USDG		USDG	10 000 000	USDG	15 000 000	25 000 000
Human Settlements	Urban Renewal: Tembisa Public space upgrade linked with NMT Ibazelo & Isithame	Urban Restructuring	Public Space Upgrade linked with NMT identified and PPIP NT approval obtained in 2015/16. Concept Definition /Prefeasibility and designs to be completed in 15/16. Procurement and execution of rail crossings and NMT in 16/17.	PSP appointed through EPMO. Vukuphile contractors to be utilised for construction.	NDPG	32 734 000	NDPG	30 250 000	NDPG	42 234 000	105 218 000
Human Settlements	Esselen Park - Witfontein (Mega - Tembisa Triangle) - Birchleigh North Ext 4	Urban Restructuring	Serviced Stands Programme: This project output includes the design and construction for 361 stands: - Water and Sanitation Network Systems - Roads and Stormwater Network Systems - Fundation for Settlement and Cosntruction of Future Home - Bathroom Facility with Solar Water Heater (Geyser) - Settlement of Beneficiaries and Provision of Tenure	DBSA appointed	USDG		USDG	31 691 109	USDG		31 691 109
Human Settlements	Tembisa Ext 25 (Old Mutual Land)	Urban Restructuring	Serviced Stands Programme: This project output includes the design and construction for1571 housing opportunities: - Water and Sanitation Network Systems - Roads and Stormwater Network Systems	Design work to be undertaken by PSP in 2016/17. Bid Spec for contractor to be submitted 18 Dec 2015	USDG		USDG		USDG		-
Real Estate	Densification of Council Buildings Kempton Park	Upgrading and Renewal	Upgrade and refurbishment of CITY HOUSE building Kempton, Alterations & additions to Central Archive in Kempton Park, other council buildings in Kempton Park	As and When Consultants to serve at BAC in January, 2016.	CRR	10 000 000	CRR	15 000 000	CRR	25 000 000	50 000 000
Roads and Stormwater	Aerotropolis: Rhodesfield Rd network	Economic Development	1.3 km of roads to reconstruct, land to be procured, PDR for Pta/Ventura grade separation and Planning for Voortrekker I/C	Implementing Programs: New As and When at BAC Stage. Contract A - RS - 05 - 2016 expected to be in	CRR	5 000 000	CRR	9 000 000	CRR	10 000 000	24 000 000
Roads and Stormwater	Pomona Roads (including Brentwood	Upgrading and Renewal	6.5 km of road to be constructed over the three years	Implementing Programs: New As and When at BAC Stage. Contract A -	External Loans		External Loans		External Loans		-
Roads and Stormwater	Pomona Stormwater System	Upgrading and Renewal	4 SW systems implemented, 1 attenuation dam and 1 natural watercourse	Implementing Programs: New As and When at BAC Stage. Contract A -	External Loans		External Loans		External Loans		-
Roads and Stormwater	Township Develop:Ext Services (North)	Upgrading and Renewal	1 km of road to be constructed and one intersection	Implementing Programs: New As and When at BAC Stage. Contract A -	External Loans	1 000 000	External Loans	1 000 000	External Loans	1 000 000	3 000 000

Roads and Stormwater	Tembisa Natural Watercourses	Upgrading and Renewal	Upgrading of one natural watercourse	Implementing Programs: New As and When at BAC Stage. Contract A -	External Loans	4 000 000	External Loans	6 000 000	External Loans		10 000 000
Roads and Stormwater	Roads: Low Cost Housing:	Urban Restructuring	Roads: Low Cost Housing: NorthCompletion Esselen Park Roads	Implementing Programs: New As and When at BAC Stage. Contract A -	USDG		USDG		USDG		-
Roads and Stormwater	Roads: Low Cost Housing: NorthEsselen	Urban Restructuring	Roads: Low Cost Housing: NorthEsselen Park ext 1 Link Roads	Implementing Programs: New As and When at BAC Stage. Contract A -	USDG		USDG		USDG		-
Water & Sanitation	Tembisa Sewer	Urban Restructuring	Replace and upgrade 7km internal and bulk sewer pipelines	Project at tender stage.Closing on the 19th of Jan 2016	USDG	10 000 000	USDG		USDG		10 000 000
Transport	Integrated Rapid Public	Economic	10km trunk,13 stations,industry buy out,6x pedestrian	Construction In progress	PTNG	460 002 000	PTNG	660 034 000	PTNG	760 017 000	1 880 053 000
Transport	Integrated Rapid Public	Economic	10km trunk,13 stations,industry buy out,6x pedestrian	Construction In progress	USDG	27 256 860	USDG	189 710 000	USDG	89 727 000	306 693 860
Transport	Integrated Rapid Public	Economic	IRPTN Phase 1	Construction In progress	External Loans	290 130 140	External Loans	97 000 000	External Loans	97 000 000	484 130 140
Transport	Construction of	Urban	1XLICENSING HUB	BOQ Completed . BSC report	External Loans	21 800 000	External Loans	26 000 000	External Loans		47 800 000
Water & Sanitation	Pomona: Bulk supply Albertina Sisulu	Economic Development	Construction of 9790m long bulk water pipelines, sizes ranging from 450mm to 1016mm diameters	The current contract ends in the 2015/16 FY. Planning and designs	External Loans	5 000 000	External Loans	15 000 000	External Loans	20 000 000	40 000 000
Water &	Pomona: New Eastern	Economic	Elimination of pumpstation and replace with 6.5km	Consultant and Contractor	External Loans	36 000 000	External Loans	19 000 000	External Loans	10 000 000	65 000 000
Water & Sanitation	Reservoir Construction - Benoni-Northmead-	Upgrading and Renewal	Reservoir Construction - Benoni-Northmead-Tembisa-Fairlands	Consultant has been appointed. Contractor still to be appointed	External Loans	10 000 000	External Loans	15 000 000	External Loans	44 000 000	69 000 000
Water & Sanitation	Construction of a new 4Ml Tembisa Tower	Upgrading and Renewal	Construct 4Ml concrete tower reservoir	Consultant and contractor still to be appointed. Consultants must be	USDG	5 000 000	USDG	10 000 000	USDG	32 000 000	47 000 000
Water & Sanitation	Construction of a new 23Ml Kempton Park	Upgrading and Renewal	Construct 23Ml concrete reservoir	Consultant and contractor still to be appointed. Consultants must be	External Loans	15 000 000	External Loans	17 000 000	External Loans	-	32 000 000
Water & Sanitation	Construction of a Kempton Park Resevoir	Upgrading and Renewal	Construct 2km of water pipes bulk and reticulation pipes	Consultant and contractor still to be appointed. Consultants must be	External Loans	20 000 000	External Loans	20 000 000	External Loans		40 000 000
						R 1 082 262 970		**R 1 339 385 109**		**R 1 331 978 000**	**R 3 753 626 079**

E3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

Post Analysis and Refinement of the Budget and CIF Process

The purpose of the analysis is to assess the outcome of the CIF evaluation process in identifying achievements in the alignment of the multi-year capital budget with the CIF project categories derived from the Capital Prioritisation Model and the geographic priority areas (GPAs) that give directive to the spatial strategy of the EMM. The analysis therefore outlines the impact of the CIF on the multi-year budget based on the outcomes results, which in turn highlights constraints, weaknesses and successes as compared to meeting determined targets set out in the CIF.

Step 9: Testing of the scoring system on the multi-year budget
In determining to what degree targets set out in the CIF have been met for the multi-year budget the analysis is geared towards answering the following questions as related to benchmarking the impact of the CIF with respect to the multi-year capital budget: i. The budget percentage split between the CIF project categories compared to the previous year's budget; ii. The budget percentage split between the CIF geographic priority area categories for the current Budget; iii. The budget percentage split between the CIF geographic priority areas as calculated per project category; iv. Performance of the CPM prioritisation weighting system based on: a. Which departmental projects on the draft multi-year budget placed in the top 20 of the prioritisation as compared to the 20 lowest scoring projects (comparison made per scoring scenario); b. The number of capital projects that did not score highly within the projects allocated project category; c. The level of information provided by departments as part of the scoring criteria.

The analysis yields very important information which assists in future refinement and improvement of the Capital Budget and CIF process, as illustrated in the following practical example.

Practical Application

The 2015/16 budget analysis exercise revealed that approximately 88% of the budget allocation comes from capital projects that either fall directly within one of the three priority areas or boasts an area influence that will serve one or more of the priority areas. Further assessment of the

2015/16 budget split between the priority areas indicated a 69% budget allocation for projects that fall within and serve priority area 1 exclusively or serves priority area 1 in addition to serving another priority area(s).

The following map geographically illustrates the locality of the 2015/16 multi-year capital projects per department. The map reflects where departments are budgeting spatially in relation to the spatial priority of the EMM and in relation to one another. This gives an indication of the alignment of departmental projects and alignment with the CIF priority areas.

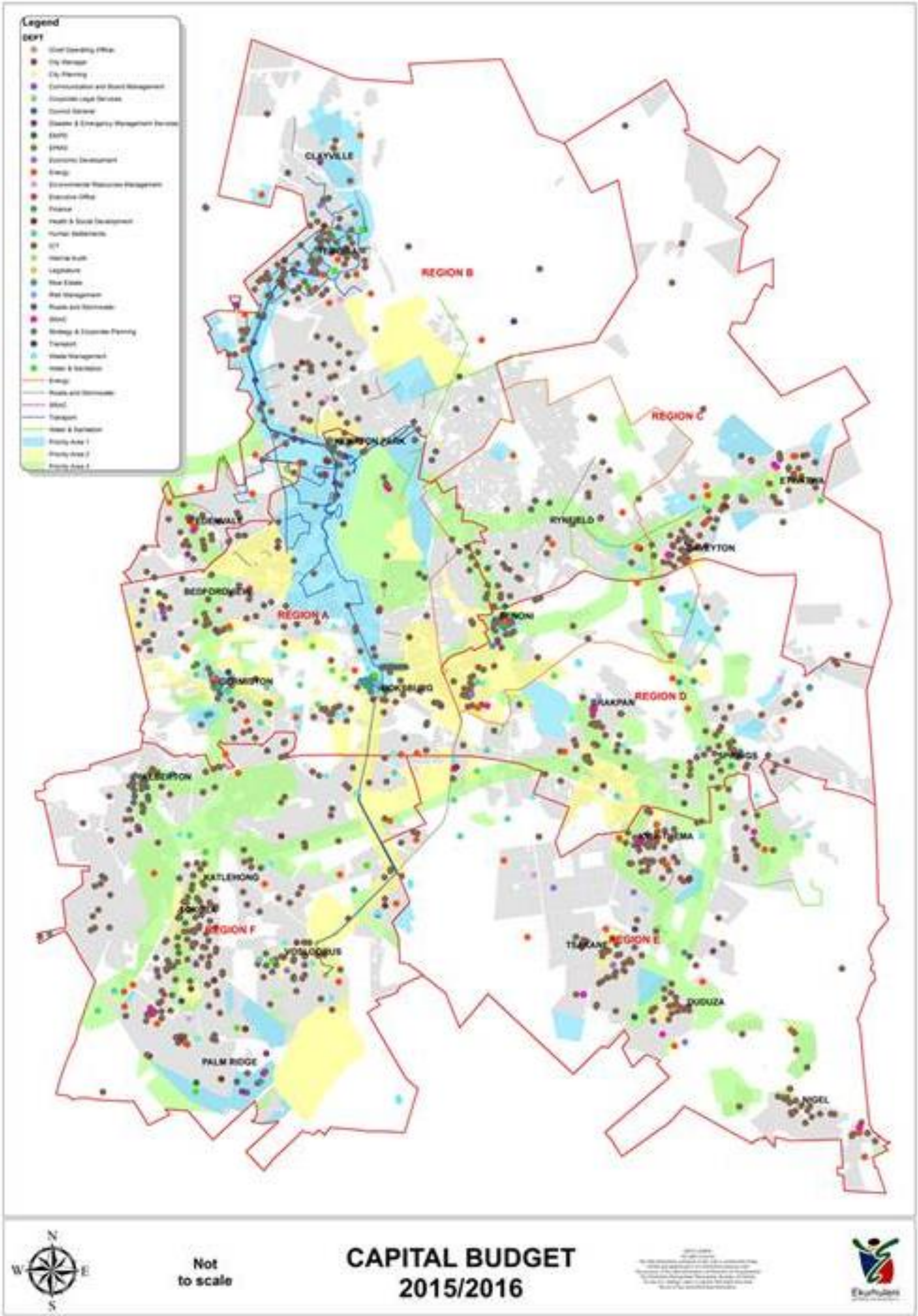


Figure E3.1: Locality of 2015/16 Capital Budget Projects in relation to the Priority Areas

Information revealed by the analysis process as shown in the above chart and map provide important evidence that the bulk of departments budgeting are proposed within and or directly serves one or more of the CIF priority areas.

Refinement process

Further 2015/16 budget analysis however showed that the project categories indicated by the departments did not always correspond with the scenarios indicating the highest scores. Therefore, going forward with the CPM model, the three weighting scenarios would need to be investigated to determine whether the weighting per variables need to be adjusted together with the weighting scales per criteria. The projects that indicated project categories that do not match the highest scoring weighting scenarios would also need to be investigated to determine whether the projects have been correctly categorised. Further detail has been provided in the attached **Annexure** with respect to refinements undertaken to the weighting system and additional hypothetical testing on the model based on changes made during the 2016/17 capital budget process. In a similar manner, refinements take place each year with the objective of improving the accuracy of the capital budget and management process.

E.3.1 Financial and Projection Modelling Work Conducted on the CPM Project Category Percentage Split

Step 10: Modelling work on the impact of the budget allocation split

Consultants Demacon Market Studies have been tasked with conducting financial and projection modelling studies against the CIF and CPM with the objective of providing economic and backlog projections to feed into strengthening the direction and determination of targets for the CIF to feed into the budget of the EMM.

The purpose of the modelling for the CPM is to illustrate the modelling scenarios with respect to Backlog Eradication and Economic Growth within the EMM, so as to identify the optimum budget split between the Capital Investment Framework categories (i.e. economic development, urban restructuring and upgrading and renewal). The attached Annexure provides detail of the Financial and Projection Modelling conducted for the CIF in this regard.

Three modules were identified to serve as input in determining the ideal economic growth scenario for the EMM, namely:

1) Economic growth module;
2) Population growth module; and
3) Labour absorption / employment module.

The key findings of the scenario modelling based on the three growth modules are summarised below.

Key findings

- At an average economic growth rate of 3.7%, the EMM's economy creates, on average, 16 132 employment opportunities *per annum*;
- However, the economically active population increased by 35,163 *per annum*;
- This leaves a net oversupply of labour of 19,032 people *per annum* – who are not able to find work in the local, mainstream economy;
- Thus the EMM's economic growth needs to increase in order to absorb the entire economically active population within the Metro.

Based on historical growth trends, the EMM's economic growth needs to increase from 3.7% to 8.1% (therefore by 4.4% per annum) in order to create an additional 19,032 employment opportunities per annum so as to absorb the total economically active population. In order to increase economic growth an increase in infrastructure investment is required. Therefore a ratio between infrastructure investment and economic growth should be determined in order to calculate the additional infrastructure investment needed within the EMM economy to facilitate an 8.1% economic growth.

Certain international studies on developing economies suggest there is a linear / direct, positive 1 : 1 ratio between infrastructure spend and economic growth. Research on the SA economy suggests a more modest (and realistic) ratio of 1 : 0.19 between infrastructure spend and economic growth.

Based on the above ratio of 1 : 0.19, an increase of 23% in infrastructure spend is required in order to create the additional economic growth within the EMM of 4.4% per annum in order to reach the ideal 8.1% needed to absorb the economically active population within the EMM.

However, in order to reach the ideal 8.1% economic growth, the increase in investment infrastructure will need to be applied strategically, i.e. the majority of the infrastructure investment will need be allocated to hard-core infrastructure, specifically new roads, electricity capacity as well as water and sanitation capacity in high priority economic zones. This is because, in seeking to optimise the Sustained Economic Benefits of Government spend, two principles of budgeting and leveraging can be identified:

- *Principle 1:* The same Rand spent (on the same type of asset) has a different impact in one area *versus* another.

- *Principle 2:* The same Rand spent has a different impact in the same area, depending on the type of asset created.

An increase of 4.4% in economic growth in real terms is illustrated in the table below:

Table E3.1.1: Private Capital Investment Required per Annum, constant 2014 Prices (Source: Demacon ex Quantec, 2014)

EMM Gross value Added at Basic Prices	
GVA Average Growth per annum at 3.7% (2001-2011)	R 4,391,320,170
GVA Average Growth per annum at 8.1% (2001-2011) - Ideal growth	R 9,623,682,004
Difference between current growth and Ideal growth (GVA)	R 5,232,361,834
TOTAL CAPITAL INVESTMENT NEEDED FOR IDEAL GROWTH (GDP)	R 5,403,791,789

The table illustrates the average actual GVA increase per annum (R4.4 billion) generated within the EMM based on the current 3.7% economic growth. However, in order to generate an economic growth of 8.1% per annum, the average increase in GVA per annum should amount to R5.2 billion (based on the additional 4.4% required in economic growth). The R5.2 billion additional GVA requires a total private capital investment of R5.4 billion be unlocked annually in the EMM's economy. Given the area's population growth it is possible from a demand side perspective for the market to absorb this type of increased investment.

Based on principles of budgeting and leveraging as discussed in the preceding paragraphs it is important that the private capital investment of R5.4 billion occur within high priority economic zones / high economic commercial nodes compared to lower impact areas. These high impact nodes can be defined as retail, office and industrial / warehousing / distribution, and low impact areas can be defined as residential, agricultural and social services / amenities.

Furthermore in the EMM, such as in the rest of the country, the labour supply far exceeds the labour demand. Therefore the increase in private consumption expenditure, increased skills levels and skills development, private capital investment, together with the increased government spend, as well as increased exports and decreased imports will result in increased final demand, resulting in labour demand meeting labour supply (there is an accepted economic formula which substantiates this).

Therefore the EMM needs to increase its total current budget with 23% per annum in order to ensure a sustained 8.1% growth in the economy of the metro so as to ensure that labour demand meets labour supply. This increase should occur over and above the internal restructuring of the EMM's budget.

The following table illustrates the 23% increase on the current EMM's multi-year capital budget. However it should be noted that 80% of the 23% increase of total capital budget should occur within the economic development category (refer to explanation in above paragraphs). *(Note: The figures reflected below were taken from the 2014/15 multi-year draft budget before final approval of the budget; therefore figures should not be construed as the actual budgeted amounts within the current EMM MTREF. Rather, they serve to illustrate the above principles of the market study.)*

Table E3.1.2: Increased Infrastructure Spend Required for a Sustained 8.1% Economic Growth

CIF Budget	2014/15	2015/16	2016/17
Total EMM Current Capital Budget	R 3,119,798,979	R 3,368,826,121	R 4,252,041,688
23% Increase on Total Capital Budget	R 717,553,765	R 774,830,008	R 977,969,588
80% of Total Increase on Capital Budget (Increase in Economic Development)	R 574,043,012	R 619,864,006	R 782,375,671

Seeing that a 23% overall increase in the total budget expenditure of the EMM is somewhat difficult to sustain, an internal restructuring coupled with a modest annual budget increase will be the most plausible option.

Therefore, based on the preceding results, the following section summarises the optimum split for the EMM's budget and CIF categories. The internal restructuring indicated in the following section will need to be implicated together with an increase in the total budget, as outlined in the preceding paragraphs.

The Optimum Budget Split per Project Category

The next table illustrates the budget split allocation between the project categories as reflected for the 2014/15 budget before approval. From the table it is evident that it reflected a substantially low budget allocation to economic development projects for the Metro. The final approved 2014/15 budget however reflected an increase in the budget split towards the economic development category (went from 18% to 29%) and achieved alignment with the ideal budget allocation split proposed within the CIF, whilst keeping cognisant of the National Treasury requirement for a minimum budget allocation of 40% for Upgrading and Renewal projects (therefore Urban Restructuring is the balancing amount, as Economic Development was maximised as much as could be whilst U & R had to be kept at a minimum of 40% per NT requirements).

Table E3.1.3: Current vs. Ideal Budget Split *(as at Dec 2014)*

CIF Budget Categories	Current % Split (As at December 2014)	Ideal % Split (CIF)	Current Difference

Economic Development	18%	29%	+11%
Upgrading and Renewal	47%	40%	-7%
Urban Restructuring	35%	30%	- 5%
Local Interventions	-	1%	-
Grand Total	100%	100%	

It is evident that in order to reach the ideal budget split, certain internal restructuring is required for the EMM's capital budget:

- High first year increase in Economic Development; and
- Marginal first year decrease in Upgrading and Renewal.

In addition to the requirement for restructuring of the internal budget, a 23% increase is required in bulk infrastructure investment in particular for income generating projects in order to ensure a sustained increase of 4.4% in the EMM's average annual economic growth – so as to generate an 8.1% economic growth per annum. This increase is required over and above the natural budget increase from each financial year, in real terms.

Capital Projects Policy

In implementing the above, the objectives of the EMM Capital Projects Policy must be considered, namely to "ensure that capital projects are only budgeted for if feasibility has been proven", and to "ensure the optimum allocation of resources to projects that can be implemented within the timeframes budgeted for."

The three year capital budget provides departments the opportunity to plan their capital spending activities in advance, allowing for a more strategic approach. The typical project cycle consists of at least the following phases:

- Feasibility Study
- Basic Planning
- Environmental Impact Assessment
- Detail Planning and Design
- Implementation

It is also a requirement of the policy that all projects be evaluated in terms of a project plan (time line) as well as a cash flow linked to the project plan, to determine the practicality of implementing the project within the proposed budget and time frame (multi-year projects), and that all proposed budgets for projects be approved only if the evaluation is positive.

Ekurhuleni participates in a number of National, Provincial and local Intergovernmental forums in order to ensure that the EMM is kept abreast of important developments in the various areas of its responsibilities. Through these forums, the EMM is able to exchange ideas, influence legislative and policy direction, and benchmark with other spheres of Government.

Table E3.1.4: National Intergovernmental Structures

Department	Meeting / Forum	Purpose	Value
Transport	SIP 2 Steering Committee	Co-ordination on the Durban, Free State and Gauteng Freight & Logistics Corridor.	The department is currently involved in the planning of relevant elements in the Tambo Springs Inland Port Project. The steering committee and relevant working groups provide an opportunity for integration of efforts and opportunities
Water and Sanitation	**Vaal River System Steering Committee**	As custodian of water resources, DWA monitors the demand through this committee. Each municipality reports quarterly to this committee and demand against targets is set by DWA.	This committee assists the municipality to drive water demand management within its area of jurisdiction.
	Intergovernmental Steering Committee on the Management of Mine Water	AMD can damage the environment and could possibly find its way into the sewer network & waste water treatment plants, which could be disastrous. The W&S department participates and ensures that proper drainage and processes are addressed.	Although this function resides with the Environment Department, the W&S Department participates in this forum in order to understand the long-term objective possibilities to 'clean' AMD to potable standards.
	Environmental Forum (DWA/	This forum is set up by the Environment Department. All	This forum adds value and assists the W&S

	GDARD)	Infrastructure departments' EIA applications are co-ordinated and progress reported by DWA & GDARD.	Department immensely in obtaining Records of Decision and Water Use Licence.

Table E3.1.5: Provincial Intergovernmental Structures

Department	Meeting / Forum	Purpose	Value
Transport	**Integrated Transport Planning Steering Committee**	Led by the Gauteng Department of Roads and Transport in pursuit of the legislative imperatives in the National Land Transport Act, 2009. The meetings are held on a quarterly basis and all relevant metropolitan municipalities have an opportunity to share and interrogate the Comprehensive Integrated Transport Plans as well as to discuss areas of integration across municipal boundaries. To discuss progress on the development of local Integrated Transport Plans and the IRTPN.	Relevant discussions on land use development and transport planning as well as integration across municipal boundaries.
	Rail Steering Committee	To ensure integration of planning	Integration of rail planning and

		in passenger rail matters.	operations across all municipalities in the province.
	Gautrain Co-ordinating Committee	Arranged and held the quarterly Gautrain / EMM co-ordinating committee.	Promotion of integration between Gautrain and local rail plans and operations.
Environmental	**MEC-MMC Intergovernmental Forum**	A forum between the MEC for GDARD and the environmental MMCs of the various municipalities in Gauteng.	This forum is useful as it allows the province and the municipalities to discuss matters of mutual interests.
	EIA Forum meeting	This meeting is held between EMM, GDARD and DWA. The meetings are chaired by ERM.	The meeting discusses EIA-related applications in the EMM area, to see how to fast-track EMM EIA applications in order to facilitate service delivery. The eetings are held on the first Thursday of every month.

SECTION F

SECTION F: URBAN MANAGEMENT

This section highlights the Urban and Transportation Management approach and related institutional arrangements and operating budget.

F1 URBAN MANAGEMENT

Urban Management entails the operational efficiencies linked to the day to day management of the urban environment and reliable service delivery within cities. The need for urban management arise mainly out of areas where there is persistent decline despite of large scale capital interventions and where basic by-law enforcement and service delivery are inadequate and / or inappropriate.

Urban management requires coordination of public and private resources and activities through structured partnerships and collaborations to deal with the myriad of urban management challenges, which the residents of the city are faced with. Through urban management, it is envisaged that integrated and sustainable basic service delivery goals would be achieved by the implementation of integrated bylaw and service delivery mechanisms, coordination of multiple sectorial activities through multi-disciplinary platforms and special interventions aimed at achieving sustainable solutions to urban management challenges and urban decay.

F1.1 STRATEGIC OBJECTIVES OF URBAN MANAGEMENT OPERATIONS

The following broad strategic objectives are necessary to achieve a clean, safe and functional urban environment and the continuous improvement of the urban fabric:

- To improve the efficiency and effectiveness of bylaw compliance as a deterrent to crime and grime;
- To improve compliance with City by-laws and other pieces of legislation;
- To promote engaged and active citizenry through civic education, community empowerment and mobilization;
- To forge multi-disciplinary integration of policy development, planning, operations management and coherent action;
- To ensure full coverage of the city's geographical space through visibility, timely responses and decisiveness in order to reduce the fear of crime, grime and address service failures, thus encouraging residents and visitors to utilize the public spaces and other amenities;
- To address persistent urban management challenges and service delivery failures contributing to urban decay;

- To promote area based visible and sustainable service delivery;
- To improve integrated and rapid response to service breakdowns and community concerns.

The strategic objectives of the new approach to urban management operations require a paradigm shift, systematic thinking, collaborative and cooperative mechanisms across all law enforcement and service delivery disciplines, both internally and externally. The fragmented approach to visible service delivery based on professional disciplines, business units and dis-integrated performance standards and targets promotes a silo approach to the management and maintenance of the urban environment.

F1.2 URBAN MANAGEMENT OPERATIONS CRITICAL SUCCESS FACTORS

*The following are key **critical success factors** that will underpin the realization of a paradigm shift towards urban management as a multi-disciplinary approach:*

- Dedicated resources/teams to focus on prioritized area, block or node;
- Integrated planning and operations management to ensure departmental alignment and coherent action including strengthening of community involvement to promote responsible citizenry and social movement against crime and grime;
- Effective and integrated management systems, processes and performance standards – social contract and turnaround time;
- Formalized institutional arrangements for multi-agency collaboration - SAPS, Community Policing Forums, Street Patrollers, Neighbourhood Watches, Security Sectors, NGO, Religions Groups, City Departments etc.;
- Proper information management and utilization thereof for strategic planning as part of the Urban Management Nerve Centre for urban space information management;
- Improved urban environment inspection and monitoring;
- Addressing key service delivery failures because of their close relationship with the occurrence of crime and grime;
- Capacitated area based urban management multi-disciplinary oversight structures

F1.3 CURRENT PRIORITY PROGRAMMES AND DELIVERY AGENDA APPROACH

A number of priority programmes will be implemented in strategic nodes/areas within the 101 wards of the City by the multi-disciplinary teams deployed as per an area based operational plan. Special attention will be given to priority wards and decaying urban centres. Implementation will be underpinned by the following principles:

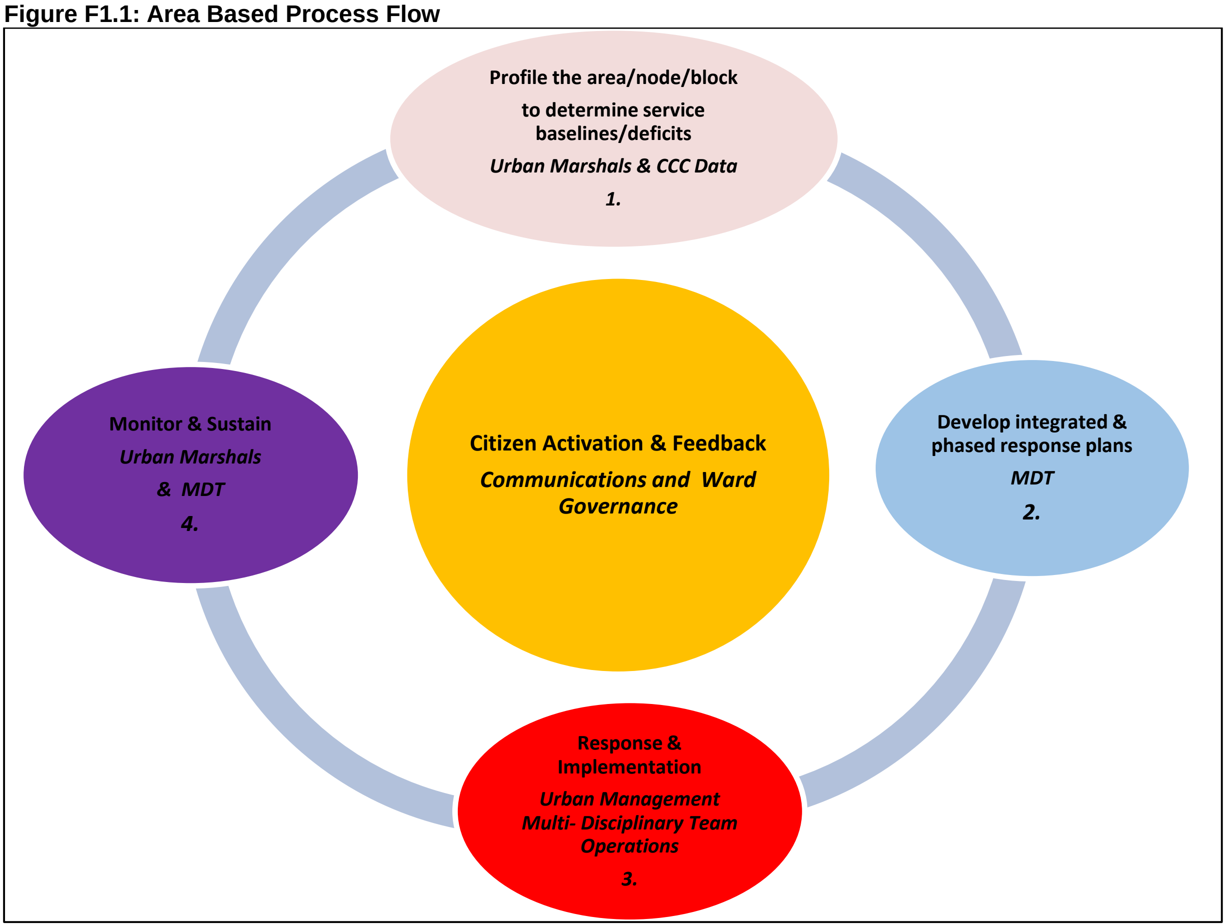
- Team visibility, prompt responses, decisiveness, community involvement and zero tolerance to crime, grime, vandalism, service breakdowns and infringements;

- Visionary leadership at area level to drive, communicate and encourage all concerned to support the urban management operations;
- Strengthening of community involvement to promote active and responsible citizenry and social movement against urban decay;
- Proper information management and utilization thereof for strategic planning and impact assessment;
- Single operating model for all multi-disciplinary teams to ensure rapid response;
- Enhanced accountability, productivity and re-orientation in line with the city's GDS outcomes;
- Continuous tackling of persistent urban management challenges contributing to service failures, crime and grime;
- Systematic utilization and deployment of limited resources to achieve maximum impact.

F1.4 EMM AREA BASED APPROACH

The EMM currently utilize an area based approach (informed by the current administrative Regions structure of the EMM) to Urban Management, informed by four activities. The following figure highlights the *Area Based Process Flow*.

Figure F1.1: Area Based Process Flow



Activity 1:

Regional Urban Managers supported by Urban Marshals must develop ward profiles that will guide strategic interventions by the City. This forms part of the participatory and integrated planning of proactive ward/area based urban management interventions and activities. Profiling and planning require an analysis of various sets of information to develop a better understanding of area challenges, an appreciation of the complexities related to addressing them and the establishment of shared commitments to address the priority issues in a multidisciplinary way. The product of area profiling and planning process will articulate the region's baseline profile of urban challenges and this is the bedrock of the urban management process.

Profiling will include continuous research, planning, monitoring and evaluation. Monitoring and evaluation is thus one of the most critical functions of the regional urban management in that it enables the multi stakeholder groups to act based on sound, fact based information in their efforts to curb urban criminality, urban decay, improve citizen engagement and other issues that plague the urban management. Part of the information should clearly indicate areas of systematic urban decay, prevalence of public protests, service backlogs and breakdowns/failures, capex investment trends analysis etc. Part of this process includes tracking and tracing of interventions in response to public protests and development of appropriate mechanisms for early warning systems to prevent and/or minimise public protests and proactive identification of pressure areas. The profiling process must clearly identify and develop appropriate response interventions for the following categories of areas within a ward:

- Maintenance Areas
- Regeneration Areas
- Industrial Areas
- Transformation Areas
- New Development Areas
- Informal Areas

Activity 2

On a daily basis the Regional Urban Managers supported by Urban Marshals must develop plans to respond to service failures informed by area profiles and urban management monitoring using street by street surveys. This will include sequencing and integration of activities to ensure maximum impact and provision of full package of services to communities. It is expected for Urban Managers to have a closer relationship with various departments in each region, in particular the operations teams and depots. The response plans and mechanisms by the multi-disciplinary teams include strategies to ensure sustainability of efforts as well as buy-in by communities focusing on citizen activation to promote active and responsible citizenry.

It is envisaged that the regionalization of urban management will ensure full coverage of the length and breadth of the City whilst ensuring that targeted area based hotspots are tackled on a daily basis through integrated multi-disciplinary teams under the stewardship of the Regional Urban Managers. Integrated daily response plans should also focus on vulnerable communities in the informal settlements as well as hostels regarding the provision and maintenance of rudimentary services.

Activity 3

Once the Regional Urban Management capacity is in place, it is anticipated that interventions will shift from periodical blitzes to daily integrated responses to urban decay and service failures. The blitzes will be implemented as part of up-scaled interventions to address stubborn urban management challenges and recurring service failures. However, the success of well- planned and properly coordinated interventions aimed at ensuring visible service delivery solely depends on the cooperation of line function departments as well as alignment and sequencing of pro-active maintenance plans. The role of regions would be to enhance joint planning, execution, monitoring and assessment of the impact of service delivery on the regional urban environment. The integrated daily interventions must ensure that the area profiles are incrementally changed for better.

To this end, the regional multi-disciplinary teams should seek to continue to contribute towards service excellence through pro-active interventions in the City’s service delivery value chain to create an environment for accelerated and integrated service delivery that is sustainable and ensures that the benefits are equitably shared by all citizens. It is also important to look at the capacity of depots to delivery at the required performance levels as well as availability of pertinent resources and equipment to enable the depots to diligently execute their daily operational activities aimed at improving the quality of urban environment.

Activity 4

Paradigm for sustainability requires that the value added by regional urban management structures can only be realized through the ability to sustain programmes / projects outputs and sound strategies. Together with line function departments the ward deployment of Urban Marshals allow for long term concentrated efforts to be dedicated to specific wards thus ensuring that no part of the City will be left untouched irrespective of the intensity and concentration levels of urban management challenges.

It is envisaged that once the critical service breakdowns and urban management challenges are addressed, the areas are handed back to the Urban Marshals for regular re-inspections and further intervention on an ongoing basis. However, by venture of being at the coalface of service delivery machinery, the regional multi-disciplinary teams under the guidance of Regional Urban Manager are in a solid position to monitor and evaluate the successes and failures of the programme of action, especially the sustainability of interventions and value for money. Accordingly, the critical focus is on:

- Significantly up-scaled interventions;
- An integrated approach with multi-disciplinary teams working on the basis of joint planning and execution at regional visible service delivery level;
- A strategic, plan-led approach that links management with development interventions;
- A systematic response, with area by area interventions;
- Interventions based on a much stronger information base/profile & early warning systems;
- A strong focus on the sustainability of interventions;
- Focus on urban safety & bylaw enforcement interventions.

Overarching Citizen Activation and Feedback

Citizen activation / social mobilization is an integral part of sustainable urban management. The ultimate goal of citizen relationship is to foster closer, more effective and efficient working relationships with the citizens; to anticipate and meet citizens needs and develop detail working understanding of what citizens want, expect, and need from those who serve them as well as their responsibilities in support of urban management. This is about citizen's daily experiences as they interact with the municipality and is totally different from periodic IDP outreach programmes.

In this regard, social mobilization focuses on a simple principle and notion that every citizen of the City is an important stakeholder and deserves to be heard and engaged consistently on matters of public governance and service delivery, and in return every citizen is expected to be an active and responsible participant in shaping the future of the City and the general well- being of society**.** It is imperative for the City to have a clear communication plan to communicate with citizens in the event the city is unable to meet certain service delivery standards and commitments. Lack of continuous feedback to communities has resulted in other role players occupying similar space in order to negatively paint the city as having failed to delivery.

In the past few years we have noticed gradual increase in the number of community unrests thus putting severe pressure on elected representatives. It is, therefore, imperative that the actions of the administration remain citizen centric at all times by ensuring that the appropriate information on service delivery plans or failures is disseminated promptly and accurately to affected communities. The City can't achieve its transformation agenda as articulated in the Growth and Development Strategy if the daily experience of citizens does not change for better in terms of how the city is *getting the basics right* and through sustainable social partnership with the citizens more can be achieved in terms of urban management anticipated milestones and outcomes.

F1.5 INTEGRATION ZONE 1 – URBAN MANAGEMENT APPROACH

The following development nodes / precincts have been identified within Integration Zone 1:

- Tembisa Civic Node
- Leralla Station Node
- Rhodesfield Kempton Park Node

At the current urban management development stage and internal unit capacity of the EMM Urban Management Department, it is proposed that Integration Zone 1 and related precincts Urban Management falls within the day to day operations jointly of the Region A and Region B Managers and Urban Marshalls.

It is noted that Urban Management is still a new Directorate within EMM and are still at a building phase.

F2 TRANSPORT MANAGEMENT

The current transportation system in the municipality is far from sustainable. It is indicated within the municipality's CITP that typical problems are dependency on the use of fossil fuels, unsatisfactory public transport, continued growth in car ownership and traffic congestion resulting in air pollution impacting on global climate change, as well as increased traffic accidents.[Error! Reference source not found.] To address hese problems a more sustainable public transport network, IRPTN (Integrated Rapid Public Transport Network, is been planned in order to meet urban mobility needs and make Ekurhuleni a more liveable city.

The IRPTN project integrates various modes of transport including mini-bus taxis, buses, rail and non-motorised transport to improve the quality of public transport by improving accessibility, commuter security, reducing journey times and making public transport more affordable to more commuters. The IRPTN also focuses on enabling the existing affected bus and taxi operators in Ekurhuleni to participate in the development of and operation of new vehicle operating companies (VOCs) which will be involved with operational activities of the IRPTN.

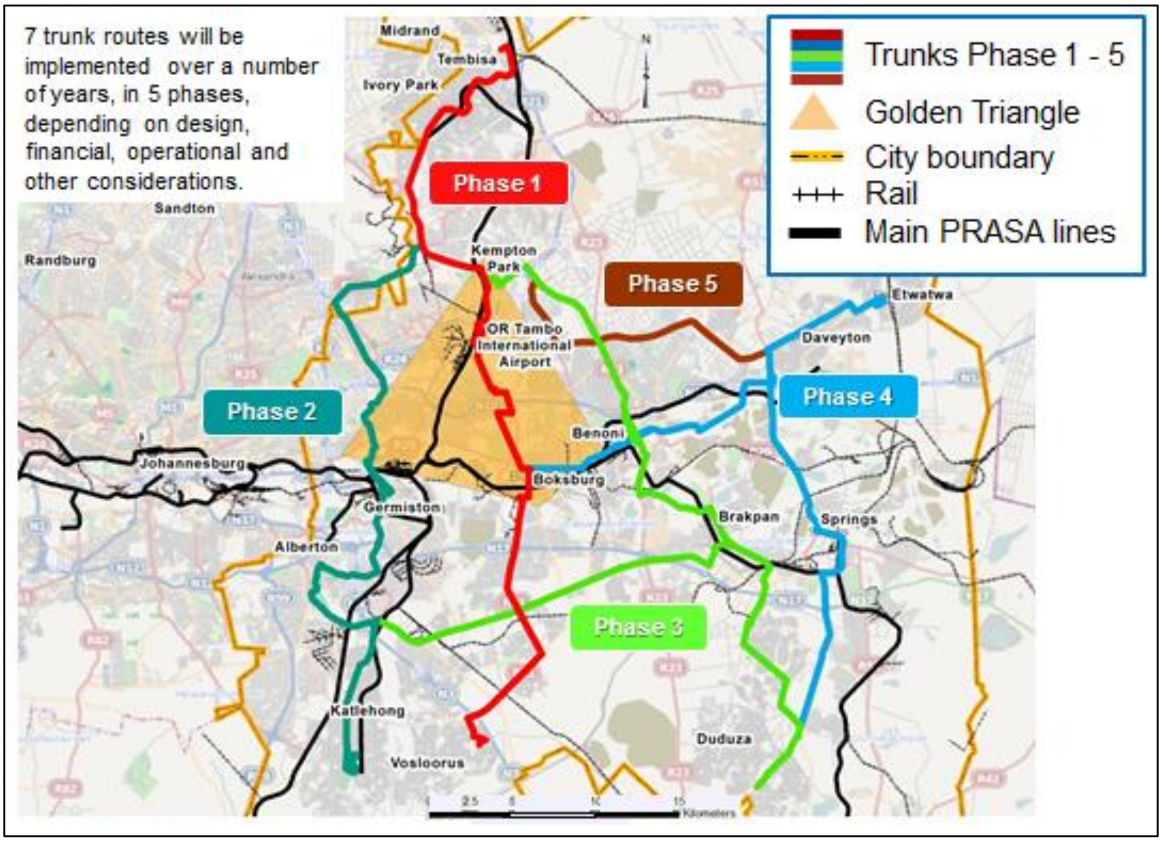
The IRPTN comprises of trunk routes along the major mobility spines in line with its Metropolitan Spatial Development Framework (MSDF), with branch and feeder routes, ensuring significant area-wide coverage. These routes link the existing (and proposed) major residential and economic nodes of Ekurhuleni, enabling equitable access to opportunities for all of EMM's citizens, regardless of their location within the district. Taking cognisance of DOT's Guidelines and Requirements, the following principles have been incorporated into the design:

- EMM intends to establish an all-encompassing IRPTN Management Team (also known as the IRPTN Unit) that, from inception, will provide management oversight over the BRT and the existing municipal-owned bus transport services. This will also prepare the way for taking over the rail subsidy functions at an appropriate point in time;

- in addition, the IRPTN Transport Management Centre (TMC) has been planned, from inception, to integrate with other scheduled modes of transport including municipal busses and rail, in particular, and thereby place the passenger at the centre of the service delivery regardless of which mode they select;
- the feeder routes are being designed to take passengers to and from both IRPTN stations and stops, as well as selected railway stations, providing as far as possible a door-to-door service;
- the NMT sidewalks and bicycle ways will link directly to rail and IRPTN stations as well as service local commuter foot traffic;
- the proposed branding of the BRT has been aligned with EMM's branding, and established as a sub-brand of EMM's. Public announcements, public relations and other communication activities are all designed to interact with EMM's existing Marketing and Communications Department;
- the fare systems will include the requirement to operate across multiple modes of transport and will be fully operational once the other modes migrate from their legacy systems;
- discussions are already underway with City of Johannesburg to integrate with their Phase 1C route to address the large cross-municipal-border traffic demands, with PRASA regarding integration with rail, and discussions with City of Tshwane are also being considered; and
- all IRPTN planning activity builds on the integrated development theme contained in the Scoping Study (2008), the Comprehensive Integrated Transport Planning (CITP) report (prepared in 2013/14), Modal Integration Strategy Action Plan (Jun 2009), MSDF (revised in 2010/11 and currently under further review), Growth and Development Strategy 2040 and Capital Investment Framework (living document, last published in Feb 2013).

The full network of IRPTN routes is illustrated in **Figure F2.1**, was developed through an integrated planning initiative driven by Ekurhuleni's City Planning department. The identification of the seven IRPTN routes was thus a collective planning process that took the broader city planning context into consideration. The long-term plan is constantly reviewed, to align with new developments or changes in strategic policy.

Figure F2.1: Illustration of the full IRPTN Network (Phases 1 to 5)



The IRPTN will be implemented incrementally along priority corridors, in accordance with the EMM's strategic priorities and available budget and the operational viability of the system. The first phase is to implement the BRT along the corridor from Tembisa to Vosloorus. It is intended that the 18 km trunk route along Phase 1 is to be operationalized in 2016, together with three express (limited stop) complementary routes that run from the airport through Boksburg to Vosloorus, from Tembisa to Johannesburg, and from Tembisa to EMM's industrial areas west of the airport. After the commencement of Phase 1 further development along the Phase 1 route will proceed in line with the development of EMM's Aerotropolis precinct, and as determined by the extent of densification along the identified routes and EMM's Capital Investment Framework.

The Phase 1 route is illustrated in **Figure F2.2** below, as a combination of the trunk and complementary routes. In addition, there will be feeder routes serving the trunk route along its length.

Figure F2.2: Phase 1 of the IRPTN (Tembisa to Vosloorus)

From a public transport point of view, the IRPTN is the most significant intervention to improve and promote the use of public transport in Ekurhuleni and responds to EMM's transport vision of providing accessible, affordable and integrated transport services that are competitively-priced while adhering to global standards.

F3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

The metro is currently experiencing challenges with regards to capacity in its SCM department and as a result project implementation is somewhat behind, as shown below (figures reflected are up to the end of Jan 2016). This has had an effect on the operational side of project implementation, shown when comparing the expected achievements to budgeted achievements.

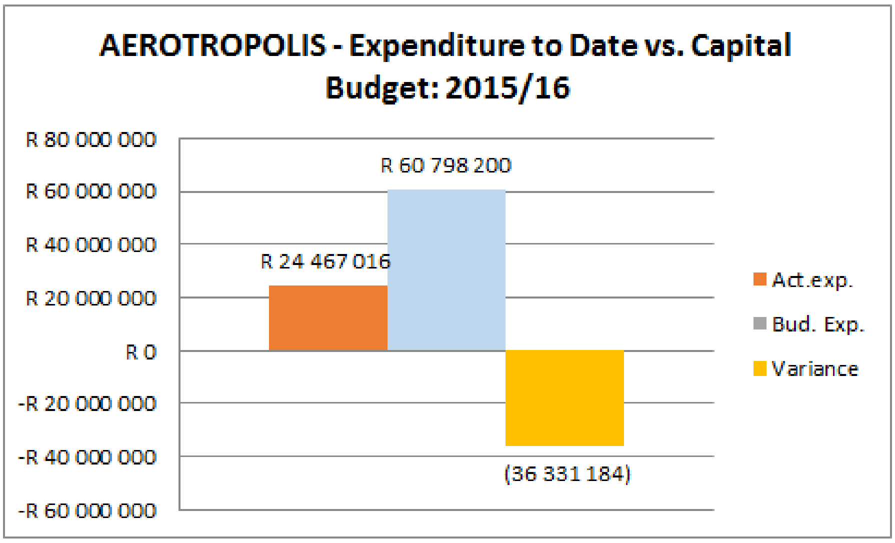


Figure F3.1: Aerotropolis – Expenditure to date vs Capital budget 2015/16

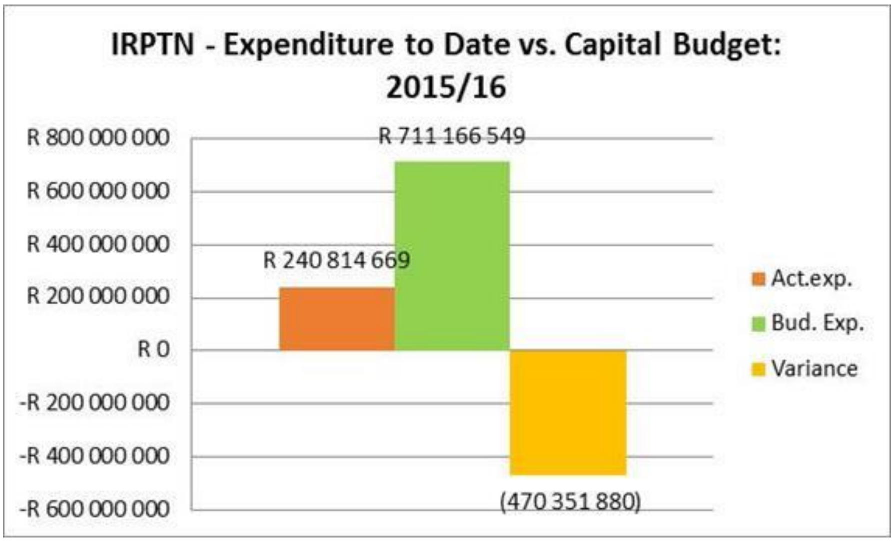


Figure F3.2: IRPTN – Expenditure to date vs Capital budget 2015/16

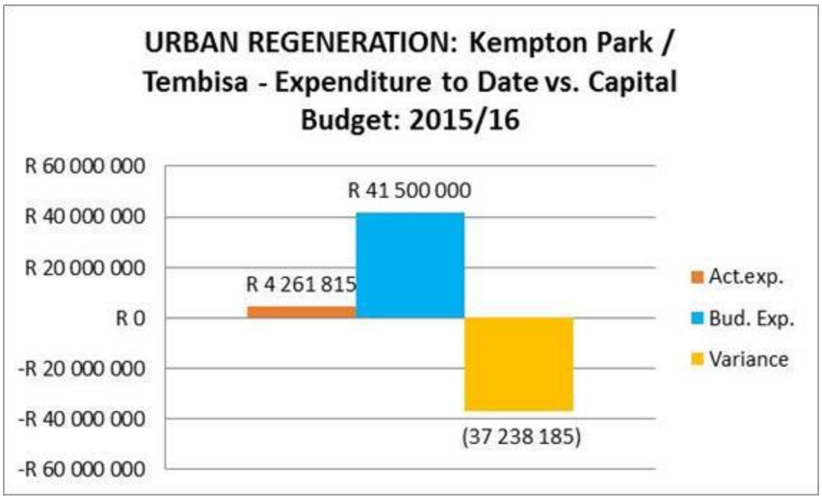


Figure F3.3: Urban Regeneration Kempton Park/Tembisa – Expenditure to date vs Capital budget 2015/16

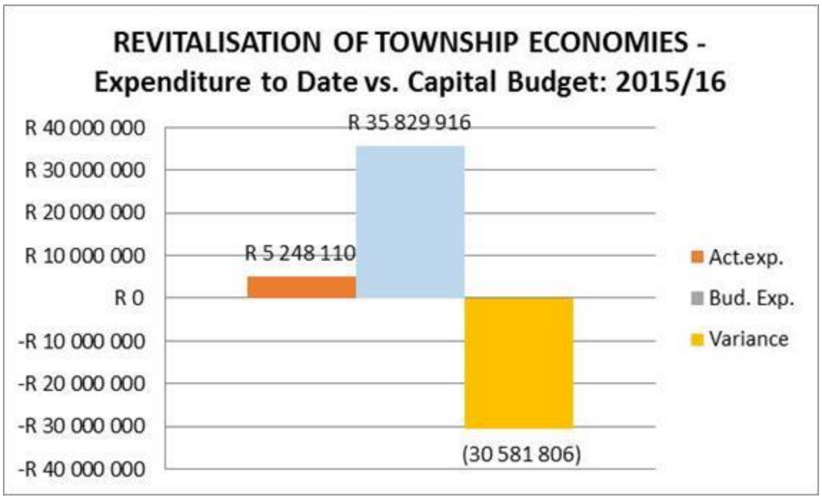


Figure F3.4: Revitalisation of Township Economies – Expenditure to date vs Capital budget 2015/16

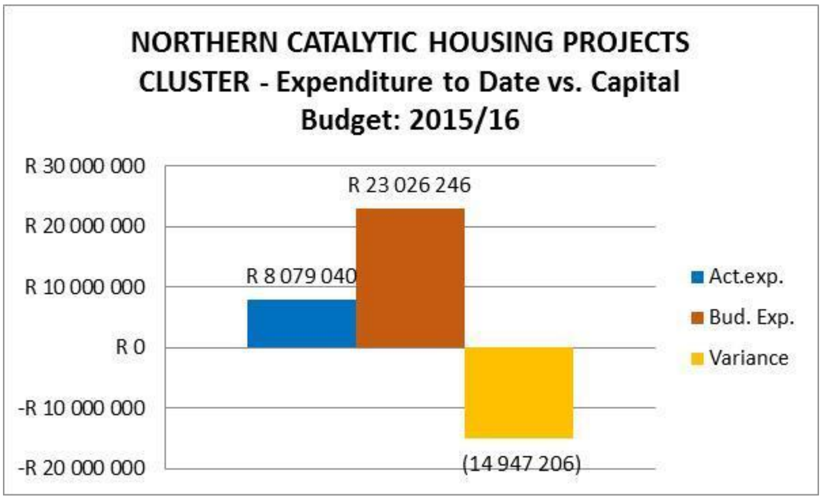


Figure F3.5: Northern Catalytic Housing Projects Cluster – Expenditure to date vs Capital budget 2015/16

The metro is presently attending to the SCM and project implantation challenges and in the process of appointing the required capacity. Extensive SCM training is also taking place.

SECTION G

SECTION G: INSTITUTIONAL ARRANGEMENTS & OPERATING BUDGET

This section summarises the institutional arrangements and operating budget relevant to the intergovernmental pipeline, capital funding and implementation of the overall BEPP.

G1 CROSS CUTTING INSTITUTIONAL ARRANGEMENTS

The National budget process is led by a number of political structures, which report to Cabinet for final approval of all budget decisions. Cabinet exercises oversight over the budget and its related processes to ensure that key government priorities are achieved. Cabinet reviews the proposed allocation of national resources and provides final approval for them to be tabled in the Budget.

The political structures involved in the budget process include:

Ministers' Committee on the Budget (MINCOMBUD): The Minister's Committee on the Budget is constituted as a Cabinet Committee. Its mandate includes consideration of budget allocations to be included in the national budget, the MTEF and the division of revenue framework. It also considers issues related to the determination of expenditure allocations, including the economic assumptions underpinning the budget, fiscal policy objectives and tax proposals. The MINCOMBUD is convened and chaired by the Minister of Finance. Its members are appointed by the President on recommendation from the Minister of Finance.

Budget Council: The Intergovernmental Fiscal Relations Act (97 of 1997) establishes a Budget Council consisting of the Minister of Finance (who is chairperson) and the Members of Executive Council (MEC) for Finance of each province. The Budget Council is the statutory body where national and provincial governments consult on any fiscal, budgetary or financial matter affecting the provincial sphere of government. Any proposed legislation or policy which has a financial implication for the provinces are also discussed in the Budget Council, as is any other matter concerning the financial management, and the monitoring of the finances of provinces.

Joint MINMEC: A Joint MINMEC is comprised of the Minister of Finance, Members of Executive Council of Finance from nine provinces, head of departments of provincial treasuries, representatives from departments within a particular sector, and senior officials from National Treasury. Joint MINMEC will consider recommendations from the Function 10x10 relating to the resourcing of relevant policy outcomes and make proposals to MINCOMBUD.

Local Government Budget Forum: The Intergovernmental Fiscal Relations Act (97 of 1997) establishes a Local Government Budget Forum comprising of the Minister of Finance (who is the chairperson), the MEC for Finance of each province and five representatives of South African Local Government Association (SALGA) at national level, as well as one representative of SALGA from each province. The Act defines the Budget Forum as a body in which the national government, the provincial governments and organised local government consult on any fiscal, budgetary or financial matter affecting the local sphere of government.

G2 CONSOLIDATED OPERATING BUDGET

The Metro's operating expenditure budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance requirements as identified in the backlog study.
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing, uncommitted, cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term, as informed by Section 18 and 19 of the MFMA.
- The capital programme is aligned to the asset renewal needs and backlog eradication goals.
- The prioritisation of capital needs was based on the Capital Investment Framework.
- Operational gains and efficiencies will be directed to funding the Capital Budget and other core services.
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.
- Applying the guidance from National Teasury of doing more for less.

Repairs and maintenance comprise of items such as the purchase of materials for maintenance, staff cost of dedicated maintenance personnel and the appointment of external contractors to perform maintenance works. In line with the metro's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the metro's infrastructure. For 2014/15 the appropriation against this group of expenditure was R2.355 billion which represented 8.78% of the total operating expenditure.

The capital programme is aligned to asset renewal needs and backlog eradication goals and approximately 45% of the total capital amount will be utilised for asset renewals. Operational gains and efficiencies will be directed to funding the Capital Budget. Strict adherence to the principle of no project plans no budget, if there is no business plan, no funding allocation can be made.

Projects already approved and already commenced with that have to be completed during the current financial period were allocated funding as per the approved MTREF. Projects previously approved in the previous financial periods but not yet planned nor commenced with, were subjected to departmental project prioritisation taking changed priorities and service delivery pressures into account.

New facilities created through the capital programme of the Social Development Cluster have the greatest impact on future Operating Budgets as a result of the increased human resource costs associated with the facilities. The sustainability of the number of facilities created is being looked at to ensure that future tariffs are not unaffordable to our communities. Part of the long-term strategy is to invest in projects that will stimulate economic growth which will result in increased financial resources so that social facilities can be afforded.

SECTION H

SECTION H: REPORTING & EVALUATION

This section deals with the Theory of Change and reporting on the actuals from the previous BEPP.

H1 REPORTING AND EVALUATION

Consolidation of Individual BEPP sections into a Theory of Change

Background and Context

One of the fundamental goals of the Built Environment Performance Plan is to catalyse spatial transformation through a spatial targeting approach at a sub-metropolitan level, with specific focus on identifying, planning for, and accelerating the implementation of a pipeline of catalytic urban development projects within the integration zones. The built environment outcomes and impacts, and the related indicators to measure spatial transformation are also a critical aspect of this process. Several important steps, following in a logical sequence, have been required in order to bring about the about the above spatial transformation objectives. These steps have had the effect, and indeed are having the effect of reversing apartheid spatial planning and bringing about real positive change in the metros and its inhabitants.

Included in the progressive sequence of bringing about the above changes has required a number of important focus areas and strategic imperatives, namely the formulation of spatial targeting goals and objectives, the identification and planning of Urban Networks and Integration Zones, the refinement and consolidation of the planning of Urban Networks and Integration Zones, and the identification, planning and implementation of a pipeline of catalytic urban development projects within the Integration Zones, as well as special focus on the upgrading and development of informal settlements and other marginalised areas. The information in this BEPP document above reflects the effect of the Ekurhuleni Metros' progress in this regard to date.

The spatial planning methodology adopted by the BEPP is based on integrated, transit oriented development as detailed in the Urban Network Strategy. Critical concepts in this regard are outcomes-led planning, the Built Environment Value Chain, prioritisation and preparation, and progression.

Measuring Change

The ultimate success of any Theory of Change lies in its ability to demonstrate progress on the achievement of outcomes. These outcomes must therefore be coupled with indicators that guide and facilitate measurement. The indicators have the effect of operationalising the outcomes and make the outcomes understandable in observable and measurable terms.

The BEPP planning process is outcomes-led, in that it responds to agreed indicators of and targets for improved built environment performance. This performance is being assessed through reporting and evaluation of urban transformation outcome and impact indicators (see following section for further details regarding Reporting and Evaluation).

An integral component of the BEPP is the Built Environment Value Chain (BEVC); more specifically, the BEPP is the plan and process that is informed by the Built Environment Value Chain. It is an intergovernmental process or set of activities aimed at achieving the built environment objective in cities. The BEVC activities are linked together in a logical sequence, and form part of a cyclical process rather than a linear process. The above requires a behavioural change at the institutional level within the metros because committing to how cities measure results is intrinsic to the planning approach.

The result of the planning approach is the identification and planning of Integration Zones that include an intergovernmental project pipeline containing catalytic Metro, Provincial, National and State-Owned Companies urban development projects with three specific targeted spaces: Integration Zones, marginalised areas such as informal settlements, townships and inner city areas, and growth nodes (commercial and industrial nodes). This planning approach strongly influences the allocation of capital funding (as can be seen from the preceding sections of this BEPP), result in service delivery implementation, which then requires urban management to protect and sustain public and private investment.

Benefits

- The successful implementation of BEPPs relies on effective institutional arrangements and budgeting for ongoing operational expenditures. Moreover, sustained implementation and urban management should result in services delivery and spatial transformation that positively contributes to inclusive economic growth and the reduction of poverty and inequality over the long term;
- Prioritisation of Integration Zones, informal settlements, marginalised areas and areas for growth relative to other areas within the metro, and the resultant intergovernmental project pipeline will collectively support the achievement of targets associated with building more productive, inclusive and sustainable cities.

Evaluation and Monitoring

An important task for monitoring and evaluation is to gather enough knowledge and understanding so as to be able to fairly predict how an initiative and set of activities might work in a different situation, or how it needs to be adjusted to get similar or better results. Evidence from a number of studies also needs to be combined in order to build a stronger picture of what is taking place, how it is unfolding, and how context influences the initiative.

In future a progression model, as recommended by the Cities Support Programme, is planned for implementation by the Ekurhuleni metro. The aim of the progression model will be to monitor the maturity and ongoing development of the metro and to enable the metro, as a city, to progress in terms of its capacities and skills. It is envisaged that the model will also encourage clear accountability for the ongoing strengthening of the BEPP process and outputs over time.

Current status and future objectives

The EMM is striving towards implementation of all the above and incorporating it into its operations and strategic actions. Urban Management not implemented yet as the structures are still being developed and put in place. The Progression Model is to be implemented in future.

Reporting on the actuals from the previous BEPP

As was highlighted above, the ultimate success of any Theory of Change lies in its ability to demonstrate progress on the achievement of outcomes. Reporting, evaluation and monitoring of the outcomes, coupled with relevant indicators that guide and facilitate measurement is therefore of fundamental importance - the indicators have the effect of operationalising the outcomes and making them understandable in observable and measurable terms. This in turn enables the Metro to quantify the progress it has made regarding its built environment objectives and performance in relation thereto and to help take required corrective action where and when necessary.

The Performance Indicators matrix at the end of this document in the Annexures contains output indicators in the current prescribed reporting format. Where possible, the Metro has provided answers for the various indicators. It should be noted that due to capacity constraints the Metro is still in the process of collecting and collating some of the data and is also developing its baselines and targets in this round of the BEPPs. The attached Annexure gives the Performance Indicators for the current actual and comparative year actuals and achievements. These indicators reflect the Metro's performance and current status regarding important aspects such as financial health, infrastructure finance, leadership and governance, inclusiveness, mobility, growth, productivity, environmental sustainability etc. in the context of the Built Environment.

ANNEXURES

Annexure 1 – Integration Zones Matrix

INTEGRATION ZONE 1 - Prioritisation, Planning, Funding, Implementation and Management							
			2014/15	2015/16	2016/17	2017/18	2018/19
			R	R	R	R	R
Built Environment Results and Indicators			Refer to BEPP Performance Indicators Annexure	Refer to BEPP Performance Indicators Annexure	N/a	N/a	Na
Spatial Planning							
	IZ	**Priority**					
	IZ 1	**1**					
IZ Strategy							
Institutional Arrangements & Operating Budgets			R 5 040 375	R 5 399 250	R 4 621 700	R 4 945 300	R 5 291 500
Intergovernmental Project Pipeline	**IZ 1**	**1**					
Institutional Arrangements & Operating Budgets			R 5 040 375	R 5 399 250	R 4 621 700	R 4 945 300	R 5 291 500
Capital Funding	**IZ 1**	**1**					
Institutional Arrangements & Operating Budgets			R 5 040 375	R 5 399 250	R 4 621 700	R 4 945 300	R 5 291 500
Implementation	**IZ 1**	**1**					
Institutional Arrangements & Operating Budgets			R 5 040 375	R 5 399 250	R 4 621 700	R 4 945 300	R 5 291 500
Urban Management	**IZ 1**	**1**					
Institutional Arrangements & Operating Budgets			see note below	see note below	R 4 621 700	R 4 945 300	R 5 291 500

Note:

1 *The above information is reflected on an annual basis, but will be shown on a quarterly basis going forward.*

2 *Only Integration Zone 1 data is reflected at present as this is the priority Integration Zone. The other Integration Zones will be included going forward.*

3 *Urban Management structures resulting from implementation of catalytic and related spatial priority capital projects requiring such will be set up in future.*

4 *An amount of 50% of the ICDG grant received by the metro has been allocated equally between the categories as an estimate of the funding for the institutional arrangements and operating costs related to the application of infrastructure grants used for catalysing spatial transformation, and has been extrapolated for future years based on historical amounts.*

Annexure 2 – Catalytic Urban Development Project Pipeline Template

Catalytic Urban Development Project Pipeline Template																			
Project Description								Project Outcome		Project Process									
Name of Integration Zone	**Network Element**	**Name of Precinct**	**Name of Project**	**Descrip-tion of Project**	**Location**	**Type (e.g. Residen-tial)**	**Yield (Quanti ty)**	**Project Impact (e.g. Fiscal)**	**Project Demand**	**Current Stage in the Project Cycle**	**Estimated Total Project Cost**	**Funding Received**	**Source of Funding**	**Funded What**	**Funding Re-quested**	**Source of Funding**	**To Fund What**	**Project Man-ager**	**Key Depend encies**
INTEGRATION ZONE 1 : AEROTROPOLIS TO TEMBISA CIVIC CENTRE NODE	**Hub** Tembisa CCC	Tembisa Precinct	Refer to project list below	see below	see below	see below		see below		see Procurement plan	see below	see below	see below	see below	see below	see below	see below	see below	
	Corridor IRPTN route from Tembisa to OR Tambo Int. Airport	Kempton Park Precinct	Refer to project list below	see below	see below	see below	see below	see below	see below	see Procurement plan	see below	see below	see below	see below	see below	see below	see below	see below	

Department	Project Name & Description	Capitalisation Investment Framework Category	Source of Funding 2015/16	Total Budget after Adjustments 2015/16	Source of Funding 2016/17	MTREF Budget 2016/17	Source of Funding 2017/18	MTREF Budget 2017/18	Source of Funding 2018/19	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Total Estimated Project Cost
Kempton Park Precinct related				**R 496 317 128**		**R 945 132 140**		**R 984 034 000**		**R 1 073 017 000**	**R 3 002 183 140**	**R 4 051 446 881**
Roads and Stormwater	Pomona Roads (including Brentwood	Upgrading and	External	10 000 000	External Loans		External Loans		External Loans		-	20 000 000
Roads and Stormwater	Pomona Stormwater System	Upgrading and	External	6 298 200	External Loans		External Loans		External Loans		-	6 298 200
Roads and Stormwater	Rehabilitation of Roads (North) Mimosa	Upgrading and	External	500 000	External Loans		External Loans		External Loans		-	500 000
Transport	Integrated Rapid Public Transport	Economic	PTNG	314 618 928	PTNG	460 002 000	PTNG	660 034 000	PTNG	760 017 000	**1 880 053 000**	2 484 202 752
Transport	IRPTN: Infrastructure and Implementing	Economic		-							-	-
Transport	IRPTN: Industry Transition	Economic		-							-	-
Transport	Integrated Rapid Public Transport	Economic	External	100 000 000	External Loans	290 130 140	External Loans	97 000 000	External Loans	97 000 000	**484 130 140**	584 130 140
Transport	IRPTN: Infrastructure	Economic		-							-	-
Transport	IRPTN: Project designs, planning and	Economic		-							-	-
Transport	IRPTN: ITS	Economic		-		-		-		-	-	-
Water & Sanitation	Reservoir Construction - Benoni-	Upgrading and		-	External Loans	10 000 000	External Loans	15 000 000	External Loans	44 000 000	**69 000 000**	74 141 776
Economic	Aerotropolis International Hospitality	Economic		-	External Loans	15 000 000	External Loans	15 000 000	External Loans	15 000 000	**45 000 000**	45 000 000
Economic	Aerotropolis Greening and Beautification	Economic		-	External Loans	20 000 000	External Loans	20 000 000	External Loans	20 000 000	**60 000 000**	60 000 000
Economic	Aerotropolis Project Management Office	Economic		-	External Loans		External Loans		External Loans		-	-
Economic	Strategic Aerotropolis Project	Economic		-	External Loans	-	External Loans	-	External Loans	-	-	-
Economic	OR Tambo Aerotropolis Security & CCTV	Economic		-	External Loans	35 000 000	External Loans	50 000 000	External Loans	50 000 000	**135 000 000**	135 000 000
Economic	OR Tambo International Airport' visitor	Economic		-	CRR	18 000 000	External Loans	4 000 000	External Loans	4 000 000	**26 000 000**	26 000 000
EMPD	Const Kempton Park Precinct	Upgrading and	External	800 000	External Loans	6 000 000	External Loans	10 000 000	External Loans		**16 000 000**	16 800 000
Environmental	Development of Town Entrances Kempton	Upgrading and	Revenue	100 000	Revenue		Revenue		Revenue		-	100 000
Health & Social	EXT & UPGRADE KEMPTON PARK CLINIC	Upgrading and		-	External Loans		External Loans	18 000 000	External Loans	18 000 000	**36 000 000**	38 351 332
Real Estate	Densification of Council Buildings	Upgrading and	CRR	20 000 000	CRR	10 000 000	CRR	15 000 000	CRR	25 000 000	**50 000 000**	140 000 000
Roads and Stormwater	Aerotropolis: Rhodesfield Rd network	Economic	CRR	7 000 000	CRR	5 000 000	CRR	9 000 000	CRR	10 000 000	**24 000 000**	124 243 416
Water & Sanitation	Pomona: Bulk supply Albertina Sisulu	Economic	USDG	27 000 000	External Loans	5 000 000	External Loans	15 000 000	External Loans	20 000 000	**40 000 000**	111 068 775
Water & Sanitation	Pomona: New Eastern OF sewer	Economic	USDG	10 000 000	External Loans	36 000 000	External Loans	19 000 000	External Loans	10 000 000	**65 000 000**	113 610 490
Water & Sanitation	Construction of a new 23Ml Kempton Park	Upgrading and		-	External Loans	15 000 000	External Loans	17 000 000	External Loans	-	**32 000 000**	32 000 000
Water & Sanitation	Construction of a Kempton Park Resevoir	Upgrading and		-	External Loans	20 000 000	External Loans	20 000 000	External Loans		**40 000 000**	40 000 000

Department	Project Name & Description	Capitalisation Investment Framework Category	Source of Funding 2015/16	Total Budget after Adjustments 2015/16	Source of Funding 2016/17	MTREF Budget 2016/17	Source of Funding 2017/18	MTREF Budget 2017/18	Source of Funding 2018/19	MTREF Budget 2018/19	MTREF Total Budget 2016/17 - 2018/19	Total Estimated Project Cost
Tembisa Precinct related				**R 387 503 783**		**R 137 130 830**		**R 355 351 109**		**R 258 961 000**	**R 751 442 939**	**R 1 548 644 171**
EMPD	Const Tembisa Precinct	Urban	USDG	700 000	External Loans	6 000 000	External Loans	6 000 000	External Loans	4 000 000	**16 000 000**	16 700 000
Energy	Tembisa substation	Economic		-	External Loans	2 000 000	External Loans	10 000 000	External Loans	20 000 000	**32 000 000**	32 000 000
Energy	Tembisa substation	Economic		-	External Loans	2 000 000	External Loans	10 000 000	External Loans	20 000 000	**32 000 000**	32 000 000
Health & Social	New Clinic Esselen Park Tembisa	Urban		-	External Loans	-	USDG	2 000 000	External Loans	10 000 000	**12 000 000**	24 000 000
Human Settlements	Urban Renewal: Tembisa Civic Node:	Urban	USDG	-	USDG		USDG		USDG		-	-
Human Settlements	Urban Renewal: Tembisa Erf 189 Edayini	Urban	USDG	-	USDG		USDG	2 700 000	USDG		**2 700 000**	2 700 000
Human Settlements	Urban Renewal: Tembisa Leralla Node	Urban	USDG	-	USDG		USDG	10 000 000	USDG	15 000 000	**25 000 000**	61 000 000
Human Settlements	Urban Renewal: Tembisa Public space	Urban	NDPG	20 000 000	NDPG	32 734 000	NDPG	30 250 000	NDPG	42 234 000	**105 218 000**	145 394 000
Roads and Stormwater	Tembisa Natural Watercourses upgrading	Upgrading and	USDG	1 500 000	External Loans	4 000 000	External Loans	6 000 000	External Loans		**10 000 000**	11 500 000
Roads and Stormwater	Roads: Low Cost Housing: NorthEsselen	Urban	USDG	2 400 000	USDG		USDG		USDG		-	2 400 000
Water & Sanitation	Construction of a new 4Ml Tembisa Tower	Upgrading and		-	USDG	5 000 000	USDG	10 000 000	USDG	32 000 000	**47 000 000**	47 000 000
Water & Sanitation	Tembisa Sewer	Urban	USDG	3 000 000	USDG	10 000 000	USDG		USDG		**10 000 000**	13 000 000
Customer Relations	Tembisa 2/ Winnie Mandela New Building	Urban	Revenue	13 000 915	Revenue	14 339 970	Revenue	-		-	**14 339 970**	35 993 291
Energy	Clayville Electrification	Urban	USDG	-	USDG	10 000 000	USDG	10 000 000	USDG	15 000 000	**35 000 000**	35 000 000
Human Settlements	Tembisa Ext 25 (Old Mutual Land)	Urban	USDG	-	USDG		USDG		USDG		-	141 000 000
Human Settlements	Acquisition of Land for New Human	Urban	USDG	-	USDG		USDG		USDG		-	-
Economic	Township enterprise Hubs	Economic	External	22 000 000	External Loans		External Loans		External Loans		-	30 678 835
Environmental	Re-generate - 9 Township entrances	Upgrading and	Revenue	10 829 916	Revenue	-	Revenue		Revenue		-	30 829 916
Transport	Integrated Rapid Public Transport	Economic	USDG	296 547 621	USDG	27 256 860	USDG	189 710 000	USDG	89 727 000	**306 693 860**	765 831 688
Energy	Esselen Park Electrification	Urban	USDG	1 000 000	USDG	1 000 000	USDG	10 000 000	USDG	10 000 000	**21 000 000**	22 000 000
Human Settlements	Esselen Park - Witfontein (Mega -	Urban	USDG	625 331	USDG		USDG	31 691 109	USDG		**31 691 109**	32 316 440
Roads and Stormwater	Township Develop:Ext Services (North)	Upgrading and	External	3 000 000	External Loans	1 000 000	External Loans	1 000 000	External Loans	1 000 000	**3 000 000**	6 000 000
Roads and Stormwater	Roads: Low Cost Housing:	Urban	USDG	1 000 000	USDG		USDG		USDG		-	1 000 000
Roads and Stormwater	Rehabilitation of Roads	Upgrading and	USDG	500 000	External Loans		External Loans		External Loans		-	500 000
Transport	Construction of MVRA/DLTC Tembisa	Urban	External	11 400 000	External Loans	21 800 000	External Loans	26 000 000	External Loans		**47 800 000**	59 800 000
				R 883 820 911		**R 1 082 262 970**		**R 1 339 385 109**		**R 1 331 978 000**	**R 3 753 626 079**	**R 5 600 091 051**

Annexure 3 – Intergovernmental Project Pipeline in Integration Zones

Intergovernmental Project Pipeline - Integration Zone 1

No.	Project Description	Total of 3 Year MTREF Capital Budget for 2016/17 - 2018/19					
		Municipal	Provincial	National	PRASA	ACSA	Transnet
1	Aerotropolis	R 395 000 000					
2	IRPTN	R 2 670 877 000					
3	Urban Regeneration: Kempton Park / Tembisa	R 518 718 000					
4	Revitalisation of Township Economies	R 3 000 000					
5	Northern Catalytic Housing Projects Cluster	R 166 031 079	R 525 986 000				
6	Housing and related Infrastructure		R 206 539 000				
7	Hospitals, Clinics and Health Infrastructure		R 170 458 000				
8	Schools and Educational Infrastructure		R 140 000 000				
9	PRASA New Rolling Stock				R 4 100 000 000		
10	Station Upgrades				R 690 334 000		
11	O.R. Tambo - Extension of Western and Midfield terminal					R 3 500 000 000	
12	Tambo Springs Inland Freight Port			R 52 400 000 000			R 52 400 000 000
	Total Value	**R 3 753 626 079**	**R 1 042 983 000**	**R 52 400 000 000**	**R 4 790 334 000**	**R 3 500 000 000**	**R 52 400 000 000**

<u>Note:</u>

PRASA = New Rolling Stock - PRASA / Gibela Consortium (total estimated cost)

ACSA = O.R. Tambo International Airport - extension of western and midfield terminal (total estimated cost)

Transnet = Tambo Springs Inland Freight Port (total estimated cost). Also a National SIP project

Station Upgrades = Figures shown are total estimated cost

Breakdown of Provincial Human Settlements Projects:

Gauteng Department of Human Settlements projects within EM

#	Project name	Project Status	Type of infrastructure	Date: Start	Date: Finish	Source of Funding	MTEF 2016/17 (R'000)	MTEF 2017/18 (R'000)	MTEF 2018/19 (R'000)	MTREF Total 2016/17 - 2018/19
	Catalytic Housing						**R 134 000 000**	**R 193 209 000**	**R 198 777 000**	**R 525 986 000**
1	Clayville Ext. 71 (Mega - Tembisa Triangle)	Feasibility	Housing Units	2003	2021	HSDG	R 7 000 000	R 7 000 000	R 6 000 000	R 20 000 000
2	Esselen Park Ext. 3 (Mega - Tembisa Triangle)	Feasibility	Housing Units	2015	2019	HSDG	R 4 000 000	R 41 609 000	R 54 477 000	R 100 086 000
3	Olifantsfontein 410JR (Clayville x45)	Construction	Housing Units	2013	2019	HSDG	R 20 700 000	R 42 300 000	R 36 000 000	R 99 000 000
4	Olifantsfontein 410JR (Clayville x45)	Construction	Housing Units	2013	2019	HSDG	R 93 000 000	R 93 000 000	R 93 000 000	R 279 000 000
5	Olifantsfontein 410JR (Clayville x45) PF	Construction	Housing Units	2013	2019	HSDG	R 9 300 000	R 9 300 000	R 9 300 000	R 27 900 000
	Other Provincial Housing Developments within Integration Zone 1						**R 128 071 000**	**R 44 382 000**	**R 34 086 000**	**R 206 539 000**
6	Tswelopele 6 & Tswelopele Proper	Construction	Housing Units	2008	2019	HSDG	R 11 795 000	R 21 791 000	R 11 495 000	R 45 081 000
7	Tswelopele Ext. 5	Construction	Housing Units	2008	2019	HSDG	R 53 477 000	R 22 591 000	R 22 591 000	R 98 659 000
8	Umthambeka	Construction	Housing Units	2015	2016	HSDG	R 13 649 000	-	-	R 13 649 000
9	Pomona Ext 75, Kempton Park- GPF (Head Office)	Feasibility	Housing Units	2015	2017	HSDG	R 10 651 000	-	-	R 10 651 000
10	Erf 252 Kempton Park - GPF (Head Office)	Feasibility	Housing Units	2015	2017	HSDG	R 2 663 000	-	-	R 2 663 000
11	Erf 2918 Kempton Park - GPF (Head Office)	Feasibility	Housing Units	2015	2017	HSDG	R 26 627 000	-	-	R 26 627 000
12	Erf 4862 Birch Acres - GPF (Head Office)	Feasibility	Housing Units	2015	2017	HSDG	R 9 209 000	-	-	R 9 209 000
							R 262 071 000	**R 237 591 000**	**R 232 863 000**	**R 732 525 000**

Breakdown of PRASA Station Upgrades projects within EMM IZ1:

PRASA Capital Projects within Ekurhuleni Metro – Integration Zone 1					
#	**Station**	**Description**	**Construction Timeframe**	**Estimated Total Cost**	**2015/16 Budget (PRASA)**
1	Kempton Park	Station Upgrade	Apr 2015 – Jan 2017	R 272 277 537	R 30 000 000
2	Leralla	Station Upgrade	Jan 016 – Jan 2018	R 121 686 156	R 53 200 000
3	Olifantsfontein	Station Upgrade	Feb 2016 – Oct 2016	R 197 034 449	R 30 000 000
4	Tembisa	Station Upgrade	Apr 2016 – Sep 2018	R 99 337 303	R 30 000 000
TOTAL				**R 690 334 445**	**R143 200 000**