

Built Environment Performance Plan 2016-17



EXECUTIVE SUMMARY

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2016-17

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BEPP 2016-17

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EXECUTIVE SUMMARY

REASONS FOR THE BEPP

The BEPP:

- Focuses on the Built Environment
- Aims to integrate spatial planning tools and infrastructure implementation tools
- Enables the release by National treasury of major Built Environment Grants

Integration of Spatial Planning and Infrastructure Implementation Instruments

Especially in the current constrained fiscal context, Metro's are nationally important in maintaining economic activity and stimulating new economic growth. On the social side, the Metro's are also nationally important, because they are sites of major concentrations of social need.

To guide economic, social and environmental development, Metro's use several high-order tools, as well as numerous project-level tools. The IDP and the SDF ^[1] cover high-order thematic, institutional, and spatial planning. The Budgets and SDBIP deal with financing the IDP and SDF, and they set targets and monitor performance. The linkages between these four instruments tend to be weak. As a consequence, the outcomes and impacts that are sought at national or city level are not fully achieved.

The BEPP is an attempt to address some, but not all, of those weak linkages, by collating the built environment aspects of the IDP, SDF, SDBIP, and Capital and Operating Budgets into a single framework. The BEPP has a long term planning horizon to 2030, with intermediate milestones in 2020 and 2025.

Enabling the Draw-down of Major Built Environment Grants

The BEPP is a requirement of DoRA for the draw-down of six Built Environment Grants, namely:

- USDG – Urban Settlements Development Grant
- HSDG – Human Settlements Development Grant
- PTNG – Public Transport Network Grant
- NDPG – Neighbourhood Development Partnership Grant
- INEP – Integrated National Electrification Grant
- ICDG – Integrated City Development Grant

These grants make significant percentages of the Capital and Operating Budgets, especially the HSDG, PTNG, and the USDG.

1 As set out by Municipal Systems Act and SPLUMA

KEY BUILT ENVIRONMENT OPPORTUNITIES AND CHALLENGES

eThekweni is a gateway city for trade and travel, and is embedded in a provincial, national, sub-continental and global economic network. Its place-specific competitive advantages are a well-developed and maintained port & airport, world-class movement & communication systems, and a strong local economy with several mature economic sectors (freight, manufacturing, finance).

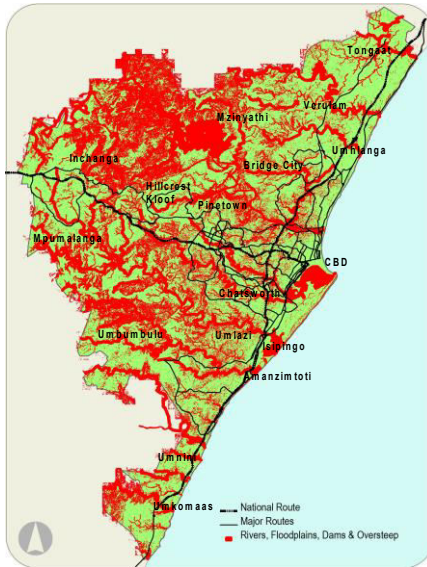


eThekweni's spatial structure is not the result of planned growth or a vision of urban form, but of past race-based planning, and the extension of its boundaries over time to incorporate low-density urban settlements and adjoining farmlands. The structure also has been influenced by extreme topography. The city is spatially fragmented, vast, and complex, and economic uses are spatially segregated from residential uses.

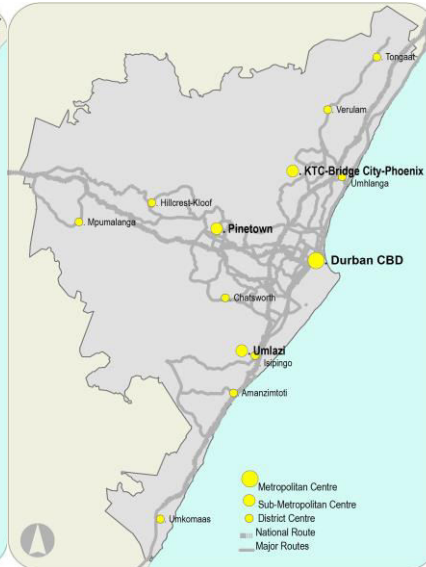
The negative consequences of spatial fragmentation, segregated uses, and low density are:

- Reduction in ease of access to employment, and to social facilities.
- Economic challenges, especially: Increased trade costs across many sectors of the local economy; Low-density residential customer bases creating barriers to Local Economic Development in residential areas
- Transportation problems, especially: public transport which is inefficient, or unsustainable or even non-viable; Long commuting times (average for the majority of eThekweni commuters is 2 hours per day), which impacts negatively on labour productivity and on domestic cohesion, and; high transport costs per low-income household
- Inefficient infrastructure, especially: high costs per dwelling or business for pipe runs, and road lengths; High costs per dwelling for engineering maintenance and operations, and; unused capacity.
- Pollution by transport

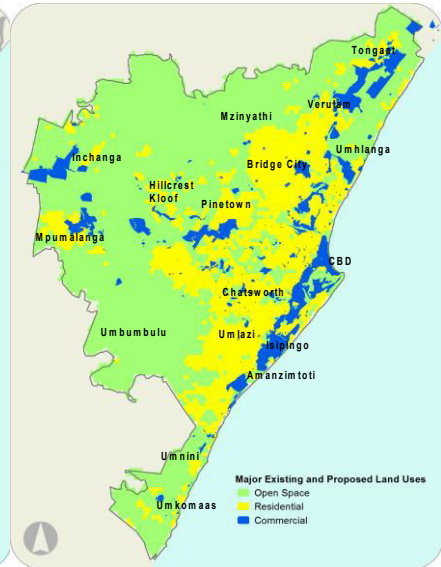
FRACTURED TOPOGRAPHY



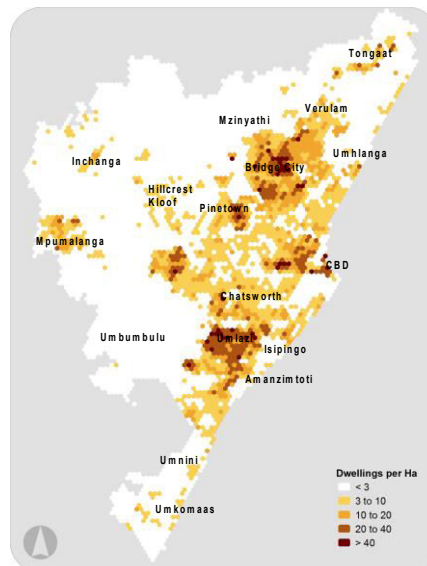
NUMEROUS URBAN CENTRES



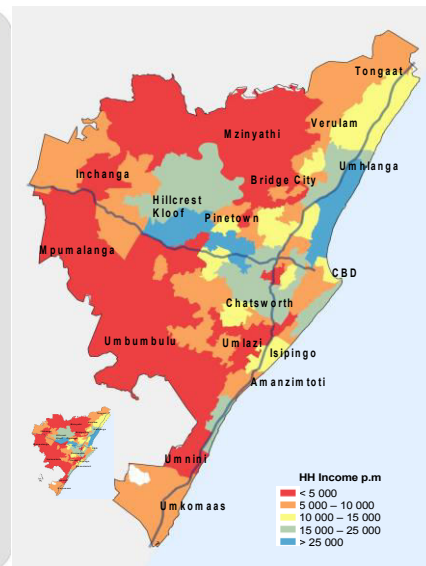
SEGREGATED USES



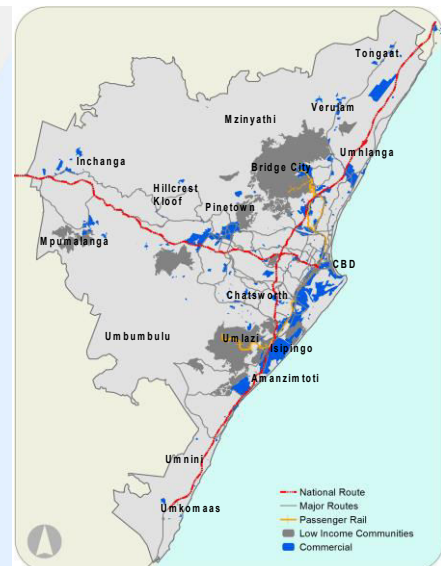
LOW DENSITIES



LOW INCOMES & SKEWED INCOMES



HIGH INCIDENCE OF COMMUTING



eThekwini is a low-income city. It has a high GINI Co-efficient of 0.63 ^[2] (the same as the SA average), and the average per capita income is a little over R 4,000 p.m., lower than most of the other metro's. Of the 3,871,409 population and 974,572 households ^[3], almost a third live below the food poverty line.

The spatial aspects of eThekwini as a low-income city are the marked spatial separation between income groups, and how they relate to economic uses, which traces back to race-based planning. Except for Umlazi and Clermont, low-income suburbs have been the furthest away from major employers, middle-income suburbs have been somewhat closer, and high-income suburbs have been closest to employment, except for Kloof and Hillcrest. This pattern is starting to be mitigated by improved connectivity afforded by the new sub-metropolitan route MR 577 linking INK to Pinetown, and the upgrade of Inanda Road from INK to Hillcrest. The pattern of lowest income furthest away is also starting to be reversed in three locations. In the north. Greater DTP and Greater Cornubia, will offer significant employment opportunities close to INK. Keystone close to Mpumalanga will offer employment opportunities in the West.. The establishment of major retail centres in Umlazi, Bridge City, and Mpumalanga go some way to improve trip efficiencies for consumption and to bring retail, finance, and service industries closer to low-income households.

2 Census 2011. Statistics SA. 2012

3 Thekwini Municipality 2011 Dwelling Count. Projected to 2014. EMA. Jan 2013.

However, there is still a long way to go to creating a highly connected and better integrated city, and there will always be a degree of separation of higher-order economic uses from residential settlement.

MARGINALISED URBAN & SUBURBAN AREAS

Marginalised areas are a key focus for intervention, and are the priority areas of expenditure of the USDG. Marginalised Areas comprise Townships, Ex-Own Affairs Areas, Informal Settlements and Traditional Areas, and affect over 400,000 households, about 45% of the total number of households in eThekwini.

The majority of Townships now fall in the Urban Zone. This reflects that the city has started to develop to the point where Townships are increasingly functionally part of the urban core. This is particularly true of parts of Umlazi and Clermont.

The settlement pattern of Informal Settlement tends to be outside of the Urban Integration Zones, with the exception of Umlazi, Clermont, Cato Manor, Newlands, Clare Estate and Mpumalanga, which have almost all of their informal settlements within the Urban IZ.

COMPOSITE OF MARGINALISED URBAN & SUBURBAN AREAS



MARGINALISED NON-URBAN AREAS

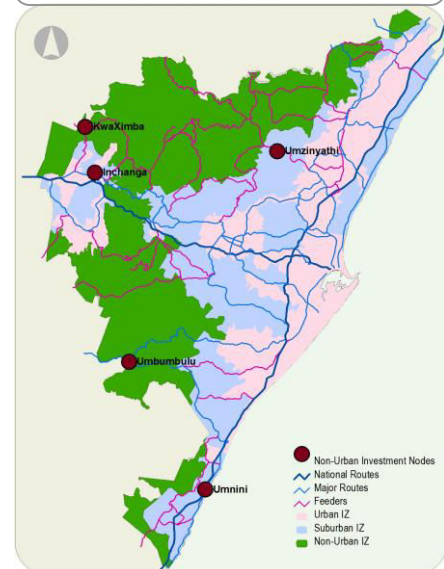
Approximately 105,000 households live in Non-Urban Areas, mainly in Traditional Areas. Typical challenges are poor local connectivity, poor connectivity to the rest of the municipality, low levels of economic opportunities, and variable access to social facilities.

KEY BUILT ENVIRONMENT RESPONSES

The responses to the headline Opportunities for Transformation and to the Built Environment Challenges, including Marginalised Areas are:

- The articulation of three Integration Zones, to address the different dis-integration challenges within the whole city
- The articulation of a Broad Development Strategy for each Integration Zone
- Metropolitan Connectivity through Phase 1 of the IRPTN, and through Primary Connectors
- Local Connectivity and Local Economic Development of Townships
- Development of the Urban Network
- Economic Catalysts, Housing Catalysts, and Mixed Use Catalysts
- Incremental Services, and the Upgrades and Greenfields Housing Program

NON-URBAN AREAS

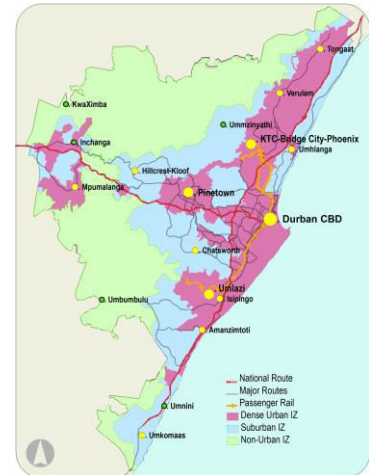


THREE INTEGRATION ZONES

The BEPP identifies three Integration Zones, zones, each one of which has particular integration challenges. For each Zone there is a broad development response.

The departure point for the Integration Zones is that integration should not be limited to only selected spaces making up the core of the urban fabric, but that integration must occur within the whole city – within urban areas, suburbs and non-urban areas. These have been mapped as three distinct Integration Zones.

Each Integration Zone requires an appropriate integration intervention and investment program, with the aim of making an appropriate balance between stimulating growth, meeting social pressures, and meeting constitutional and legal obligations.



URBAN ZONE'S COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

The Urban Zone is a two to four km wide belt structured around the metropolitan, provincial, and national movement system. It includes all of the significant urban centres, economic zones with high concentrations of infrastructure, jobs, and economic activities, and the adjoining residential areas. The Urban Zone contains 90% of jobs (i.e. almost all), and 48% of the residences (i.e. roughly half). This Zone occupies about a quarter of the municipal extents.

The Urban Zone contains numerous opportunities for intense brownfields or greenfields urban development. It contains most of the Catalytic Projects.

The broad development strategy is to:

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

SUBURBAN ZONE'S COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

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

The broad development strategy is to:

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

NON-URBAN ZONE'S COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

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

The broad development strategy is to:

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

PRIME INVESTMENT CORRIDOR

A narrower spatial target has been identified for strategic investment. This is referred to as the Prime Investment Corridor (PIC).

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

- The South Durban Basin / Back of Port
- The Port, Durban CBD and Inner City Neighbourhoods
- The Pinetown CBD
- Cornubia and DTP
- MR 577 and the North-South Rail Corridor
- The other corridors connecting these areas

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

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

The PIC includes brownfields that require maintenance, infill, intensification and redevelopment. The PIC also contains greenfields opportunities for intensive investment.

The spatial extents of the PIC:

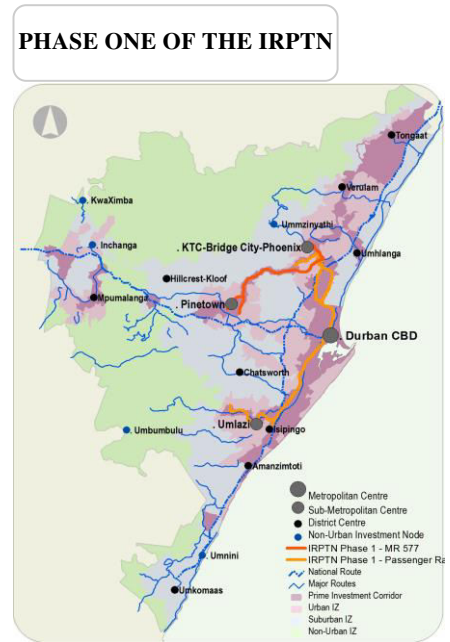
- Are Up to 400m either side of Major Movement Routes
- Expands to include all significant existing economic uses
- Includes an 800 m radius at rail stations
- Expands to include Informal Settlements
- Expands to include PUBLIC OPEN SPACE

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

METROPOLITAN CONNECTIVITY

Most of employment opportunities are along the N2 and N3 including the CBD, Pinetown, the South Durban Basin, and the Northern Employment Cluster. There are 600,000 PT passengers in the peak. High levels of ridership are key to public transport viability. The highest residential settlement concentrations are INK, Phoenix, Umlazi and Chatsworth.

eThekwini intends to have a “world-class transport system with a public transport focus, providing high levels of mobility and accessibility for the movement of people and goods in a safe, sustainable and affordable manner. The strategy focuses on reducing overall demand for road space whilst maximizing the effective utilization and efficient operation of road infrastructure for purposes of private and public transport use. It also places an emphasis on strategies which support and encourage use of public transport.” [4]



The IRPTN consists of North-South rail backbone from Bridge City to Isipingo and a number of BRT routes. There will be 18 transfer station ranks from rail to road. Currently, 50% of the population are within 800m (10-15min walk) of a scheduled public transport service. With the implementation of the IRPTN, this number is forecast to rise to 85% of population. The phasing and percentage trunk public transport demand accommodated by each phase is:

	PHASING & ROUTES	% OF TRUNK-FEEDER TRIPS	COMMISSIONING
	Mynah and People Mover (Inner city)	In Research	2015
Phase 1A	Rail - Bridge City to Isipingo	40	2016
	C3 - Road – MR 577 Bridge City to Pinetown		2016
Phase 1B	C1 - Road - Bridge City to CBD	25	2017
	C9 - Road - Bridge City to Umhlanga		2018

The BEPP, the IDP and SDF all identify the IRPTN as a key spatial response to overcome spatial disintegration. The first Phase of the IRPTN is particularly prioritised for the short and medium term. Phase 1 consists of:

- The North-South Passenger rail Corridor (which is projected to carry about 40% of the city’s commuters)
- The road link between Kwamashu and Pinetown along the MR 577, which is projected to carry approximately 14% of the city commuters,

The rail network is managed by PRASA, and the road BRT, including MR 577, by eThekwini.

ECONOMIC & MIXED USE CATALYSTS

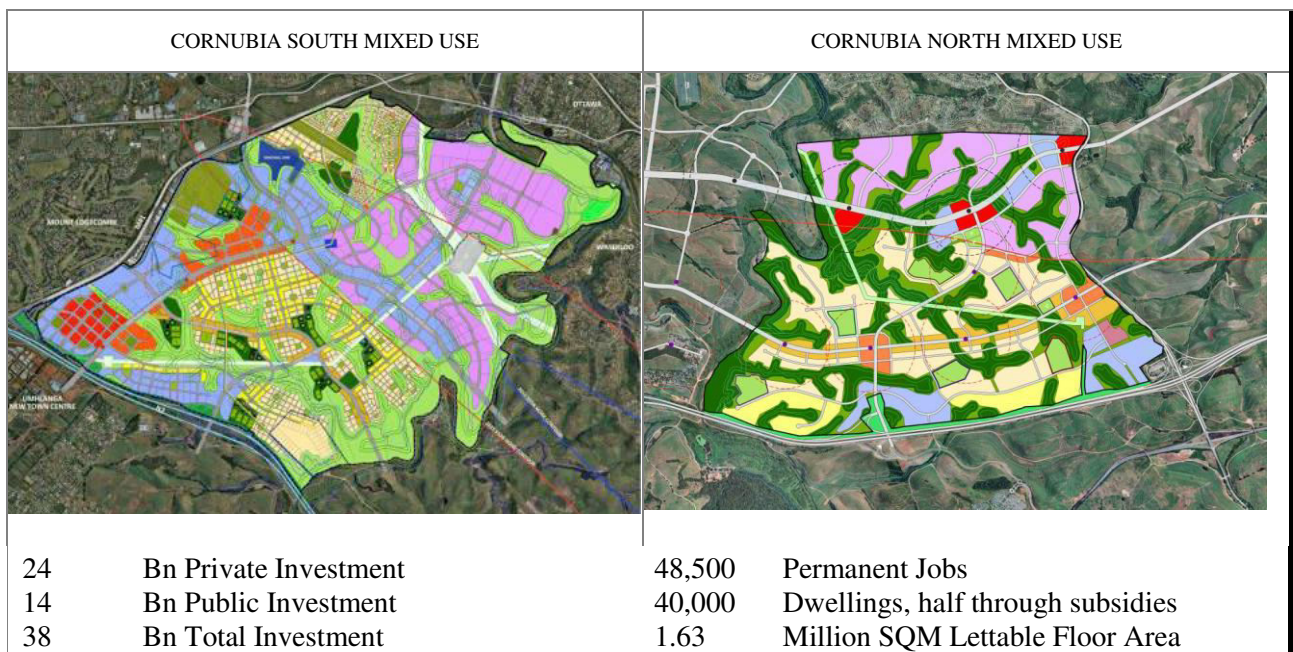
There are five Economic and Mixed-Use Catalysts in or near Implementation. They are intended to make significant contributions to City-building - in statistically measurable aspects such as residential units, jobs, rates income, as well as in intangible benefits such as reversal of urban decay, stimulation of investor interest, improvement of the city's profile.



The Mixed Use and Economic Catalysts are estimated to lead to significant:

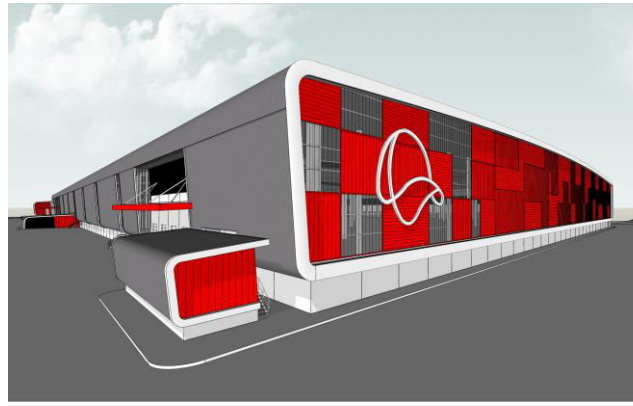

- Fixed capital formation (R 80 Bn)
- New lettable FAR (4 Mill SQM)
- New dwellings for a range of income groups (53,000 HH)
- Rates revenue (R 1.75 Bn p.a.)



PROJECT	LETTABLE FAR	RES UNITS	PROJECT VALUE	PRIVATE AS %	FUNDING GAP	RATES P.A.	PERM. JOBS
Greater Cornubia	1,626,429	40,000	37.63	62%	8.92	0.73	48,389
Inner City	Centrum	750,000	6,000	19.80	67%	1.50	14,286
	Point	750,000	2,000	15.50	97%	0.50	7,500
	Warwick	TBD	TBD	0.50	TBD	0.25	TBD
	King Edward	0.00	652	0.49	50%	0.24	TBD
Keystone Commercial	504,529	0	4.39	92%	0.35	0.10	14415
Bridge City KTC KMA	600,000	5,000	1.80	50%	0.90	TBD	TBD
Subtotal	4,230,958	53,652	80.11	418%	12.66	1.73	84,590



<p style="text-align: center;">INNER CITY – SOUTHERN DENSIFICATION CORRIDOR</p> 	<p style="text-align: center;">INNER CITY – KING EDWARD NODE</p> 
<p>Residential Densification around Rail 25,000 Residential Units Intended Mixed use Opportunities at Stations Pilot project...King Edward Node</p>	<p>Part of the Southern Densification Corridor 650 New Units Old Sports Club owned by eThekwini 325 Mill, Private or PPP</p>

<p style="text-align: center;">KEYSTONE INDUSTRIAL</p> 	<p style="text-align: center;">INNER CITY - CENTRUM</p> 																										
<table border="0"> <tr> <td>R 4.04</td> <td>Private Investment</td> </tr> <tr> <td>R 0.35</td> <td>Bn Public Investment</td> </tr> <tr> <td>R 4.39</td> <td>Bn Total Investment</td> </tr> <tr> <td>R 0.10</td> <td>Bn Rates p.a.</td> </tr> <tr> <td>14,400</td> <td>Permanent Jobs</td> </tr> <tr> <td>0.50</td> <td>Million SQM Lettable Floor Area</td> </tr> <tr> <td colspan="2" style="text-align: center;">Western Sub-Metro Catalyst On SIP2</td> </tr> </table>	R 4.04	Private Investment	R 0.35	Bn Public Investment	R 4.39	Bn Total Investment	R 0.10	Bn Rates p.a.	14,400	Permanent Jobs	0.50	Million SQM Lettable Floor Area	Western Sub-Metro Catalyst On SIP2		<table border="0"> <tr> <td>R 19</td> <td>Private Investment</td> </tr> <tr> <td>R 6</td> <td>Bn Public Investment</td> </tr> <tr> <td>R 25</td> <td>Bn Total Investment</td> </tr> <tr> <td>7,500</td> <td>Permanent Jobs</td> </tr> <tr> <td>0.75</td> <td>Mill SQM Lettable Floor Area</td> </tr> <tr> <td colspan="2" style="text-align: center;">Library & Council Chamber PT Multi-Modal</td> </tr> </table>	R 19	Private Investment	R 6	Bn Public Investment	R 25	Bn Total Investment	7,500	Permanent Jobs	0.75	Mill SQM Lettable Floor Area	Library & Council Chamber PT Multi-Modal	
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The Inner City Catalyst comprises several sub-Projects, each of which is significant in its own right. They are the Point Waterfront, Warwick, Southern Densification Corridor (of which the King Edward Node is a Pilot), and the Centrum Site.

RESPONSE TO MARGINALISED AREAS

The municipality has several responses to Marginalised Areas. These include:

- Connecting Townships
- Incremental Services for Social Justice
- Housing & Mixed Use Catalysts
- Incremental Housing Program
- Social Facilities Nodes.

RESPONSE TO MARGINALISED AREAS – CONNECTING TOWNSHIPS

The Municipality recognises Mpumalanga Town Centre, Umlazi V Node, and Bridge City as Primary Township Hubs, which will benefit from investments focused on connecting them more strongly to the CBD and Pinetown through road and rail improvements, and through improvements to public transport interchange in the hubs. Via the Township Renewal Program, investments have been made consistently over the past five to ten years into the Primary Township Hubs, in higher order social facilities, economic facilities, and urban realm improvements. These investments will continue.

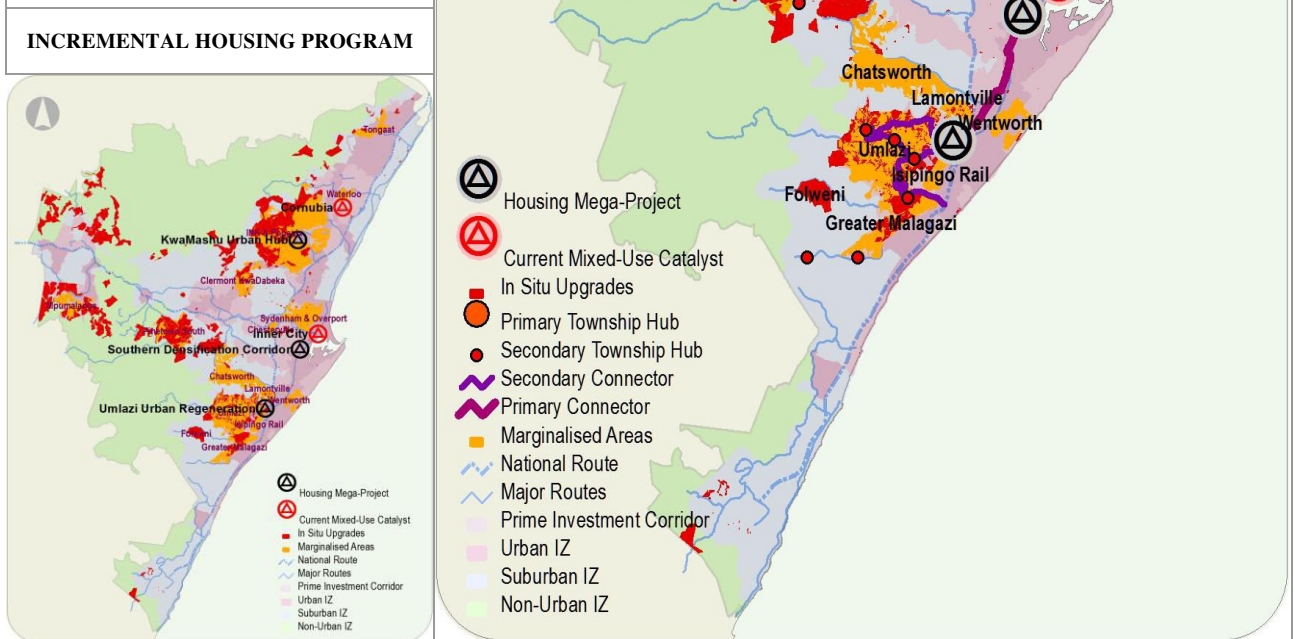
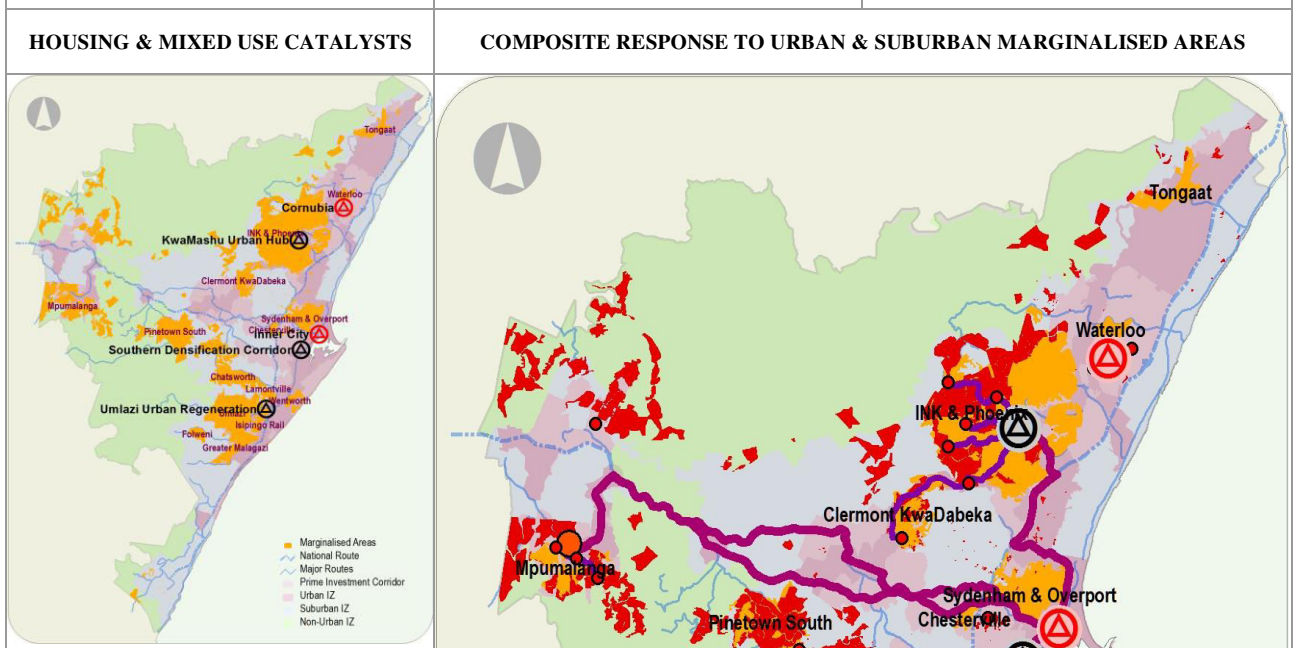
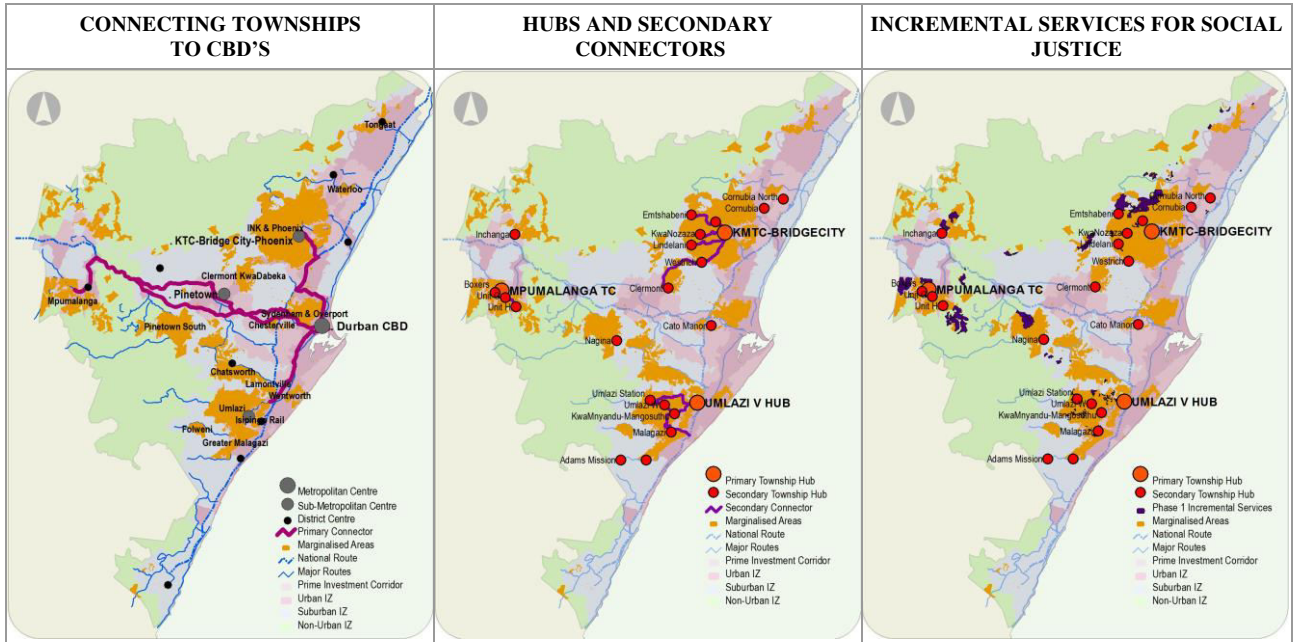
There are Secondary Township Hubs that are connected to the Primary Township Hubs. Here the strategy is to improve the road connections between the Primary and Secondary Hubs, and to make further investments into local economic, public transport, and social facilities.

RESPONSE TO MARGINALISED AREAS – INCREMENTAL SERVICES FOR SOCIAL JUSTICE, MIXED USE CATALYSTS, AND HOUSING CATALYSTS

There are two programs which attempt to deal with Human Settlements issues at scale, namely the Housing Mega Projects, and the Incremental Services Program. The Mega Projects tend to be either very well located, in the Prime Investment Corridor, or well located, in the Urban IZ. Mega-Projects will attract significant levels of public investment. The Incremental Services Program responds to informal settlements that are less well located, either in the Suburban or Non-Urban Zones. The intention here is to ensure social equity by providing universal access to basic engineering services, social amenities, and secure tenure (in the form of freedom from eviction).

RESPONSE TO MARGINALISED AREAS – GREENFIELDS & UPGRADES

The city has two significant Housing Programs, Full Upgrades, and Greenfields Projects. The projects to enter into planning and design were selected by applying the Housing Spatial Prioritisation Model (HSPM). The long-term aim of Upgrades and Greenfields is to upgrade all of the Informal Settlements that are technically viable for upgrade, and that aren't earmarked for Relocation.

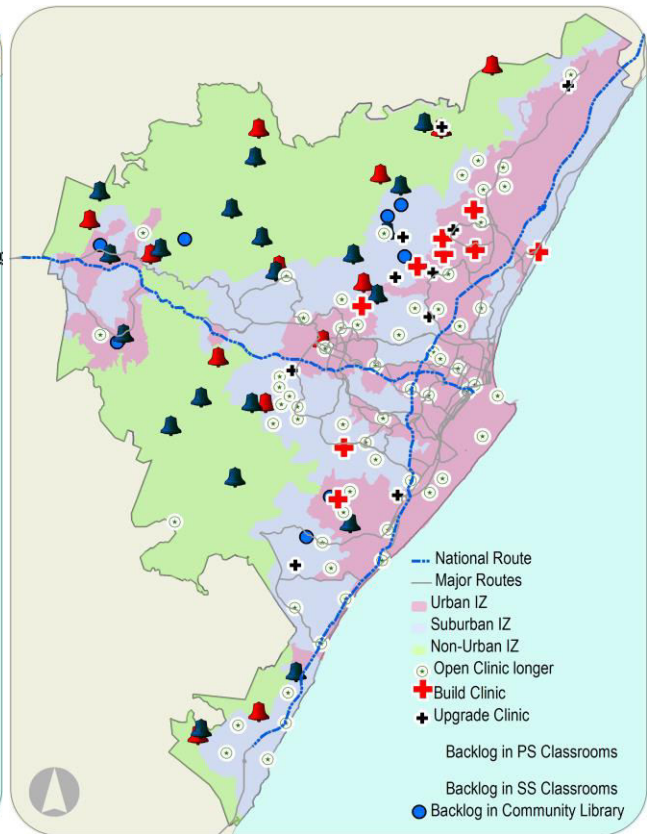


RESPONSE TO MARGINALISED AREAS – SOCIAL FACILITIES

HIGHER ORDER SOCIAL NODES



PROPOSALS FOR ESSENTIAL LOCAL SOCIAL FACILITIES TO ERADICATE BACKLOGS



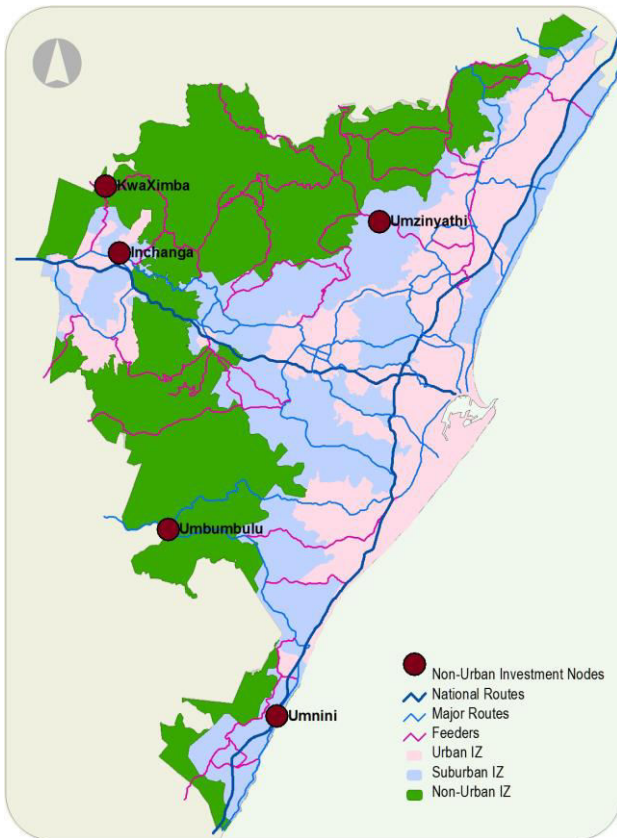
The clustering of local, but especially higher order facilities in accessible development nodes will be promoted to allow for shared services, such as parking and security, and to benefit residents who can make a single trip to access a range of services. Clustering a range of facilities will mean that more people will visit the social service node which in turn can promote business opportunities. A policy on the multi-use of facilities has been drafted. This means that facilities will be designed to have multiple uses in order to improve levels of usage throughout the day. [5]

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

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

RESPONSE TO NON-URBAN AREAS

NON-URBAN INVESTMENT NODES



Five Non-Urban Investment Nodes have been identified, namely Inchanga, KwaXimba, Umzinyathi, Umbumbulu and Umnini. The Municipality's Investment Intentions are to:

- Cluster higher order Social and Economic facilities in the Nodes, including Sizakala Centres, Libraries, Clinics, Police
- Locate higher order public transport facilities in the Nodes
- Connect the Nodes more strongly to the city's major routes
- Locate Rental Housing for Key Social Sector State Employees (teachers, medical staff, and police)
- Locate Community Gardens and Agri-Hubs in or near the Nodes
- Locate Tourism Nodes in the Investment Nodes, and-or with a clear connection between the Tourism Nodes and Investment Nodes.

There is good potential at Inchanga, Umbumbulu, and Mzinyathi nodes for upscaling the social facility provision.

For the improved connections of the Investment Nodes to the city, work still needs to be done into identifying them and ensuring that road programs deal with them adequately to ensure that they fulfil their purpose of linking people to social facilities, public transport, and economic activities

PART A - Introduction

REASONS FOR THE BEPP

[1]

The BEPP:

- Focuses on the Built Environment
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Integration of Spatial Planning and Infrastructure Implementation Instruments

Especially in the current constrained fiscal context, Metro's are nationally important in maintaining economic activity and stimulating new economic growth. On the social side, the Metro's are also nationally important, because they are sites of major concentrations of social need.

To guide economic, social and environmental development, Metro's use several high-order tools, as well as numerous project-level tools. The IDP and the SDF ^[2] cover high-order thematic, institutional, and spatial planning. The Budgets and SDBIP deal with financing the IDP and SDF, and they set targets and monitor performance. The linkages between these four instruments tend to be weak. As a consequence, the outcomes and impacts that are sought at national or city level are not fully achieved.

The BEPP is an attempt to address some, but not all, of those weak linkages, by collating the built environment aspects of the IDP, SDF, SDBIP, and Capital and Operating Budgets into a single framework. The BEPP has a long term planning horizon to 2030, with intermediate milestones in 2020 and 2025.

Enabling the Draw-down of Major Built Environment Grants

The BEPP is a requirement of DoRA for the draw-down of six Built Environment Grants, namely:

- USDG – Urban Settlements Development Grant
- HSDG – Human Settlements Development Grant
- PTNG – Public Transport Network Grant
- NDPG – Neighbourhood Development Partnership Grant
- INEP – Integrated National Electrification Grant
- ICDG – Integrated City Development Grant

These grants make up a significant percentage of the Capital Budget, especially the HSDG and the USDG. The PTNG contributes significantly to both the Capital and Operating Budgets.

Products of the BEPP include the identification of a pipeline of catalytic urban development projects within Integration Zones, as well as expressing development programs for informal settlements and marginalised areas which collectively will support the achievement of targets associated with building more productive, liveable, inclusive and sustainable cities.

The Built Environment Value Chain is based on the logic of having a direct link between planning, budgeting, implementation, urban management, reporting and evaluation.

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

2 As set out by Municipal Systems Act and SPLUMA

CHANGING FOCUS OF BEPP

[3]

The BEPP's focus has expanded with each successive year:

2014-15 Identification and planning of Urban Networks and Integration Zones

2015-16 Identification and planning of Catalytic Projects

2016-17 Identification of Marginalised Areas
Further detailing of the Catalytic Projects
Identification of the Prime Investment Corridor
Formulation of a Non-Urban response

The National Treasury intended that this year's BEPP's should improve intergovernmental planning alignment. Although work commenced on these aspects, progress was limited, and will remain a focus in next year's BEPP.

APPROACH

The BEPP approach is to spatially target, integrate and align the spatial investment programs of the key sectors of the economy, transport and housing.^[4] The BEPP is intended to be a reference point for national and provincial spheres and other key stakeholders to make informed decisions and investments in the built environment.

DEFINITIONS OF INFRASTRUCTURE

The BEPP has "**Infrastructure**" as a central theme.

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

Infrastructure includes Core Infrastructure, Economic Infrastructure, Social Infrastructure, and Mixed Use Infrastructure.^{[5] [6]}

- Economic Infrastructure is the result of own investment and that of other spheres and the private sector in Land Production, Public Spaces, and Buildings for Industry, Retail, Office, Mining, Ports, Airports, Freight Systems, and Agriculture developments. Economic Infrastructure also includes PPP's and site-sharing where public and private investments will result in a range of public and private services being offered on the same site (e.g. commercial and social services being offered at transport interchanges).
- Social Infrastructure is the result of own investment and that of other spheres and the private sector (including households) in Land Production, Public Spaces, and Buildings for: Residential Uses; the provision of Municipal Social and Emergency Services, and; the provision of Other Government Services (particularly Safety & Security, all levels of Education and Health care, justice, Social Grants Pay-Points, Basic Recreation, clusters of Social Facilities, and Government Malls)

3 Guidance Note for the Built Environment Performance Plan (BEPP) 2016-17 – 2018-19. National Treasury. Nov 2015

4 Guidance Note for the Built Environment Performance Plans for 2014-15. National Treasury. Nov 2013

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

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

- Mixed Use Infrastructure includes projects aimed at accommodating a mix of Economic and Social uses, either vertically or adjacent to each other, in either brownfields projects such as urban redevelopment, or in greenfields locations.
- Core Infrastructure includes construction or expansion of: Sewer or Water Treatment Works, Sewer or Water Trunk Mains, Water Reservoirs, Pump Stations, Electrical Substations, Alternative Energy Installations, Freeway Interchanges, Road Bridges, Arterial and Collector Roads, Public Transport Routes and Facilities, and ICT networks, all aimed at social, economic or mixed uses.

BEPP PREPARATION PROCESS

The BEPP preparation process follows the annual municipal integrated development planning and budget cycle, and culminates with Council approval. Accountability for preparing the 2016-17 BEPP rests with the Secretariat of the eThekweni Integration Forum. It represents a collective of key municipal entities, and is co-chaired by two DCM's, and enjoys the support of the eThekweni CSP Coordinator from NT. The Forum was deliberately and consciously used as the internal institution to develop the BEPP. That rationale is that integration begins at home, and that integrated analysis and decision-making will result in better-integrated development

MILESTONES FOR PREPARATION OF THE 2016-17 BEPP

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

ADOPTION OF THE BEPP BY THE MUNICIPALITY

The Draft BEPP 2016-17 is due to be presented to the Executive Committee in May 2016, and will run in parallel with the adoption process for the IDP 2016-17 and the SDF 2016-17. Extracts from the minutes of these proceedings will be availed once they have been published.

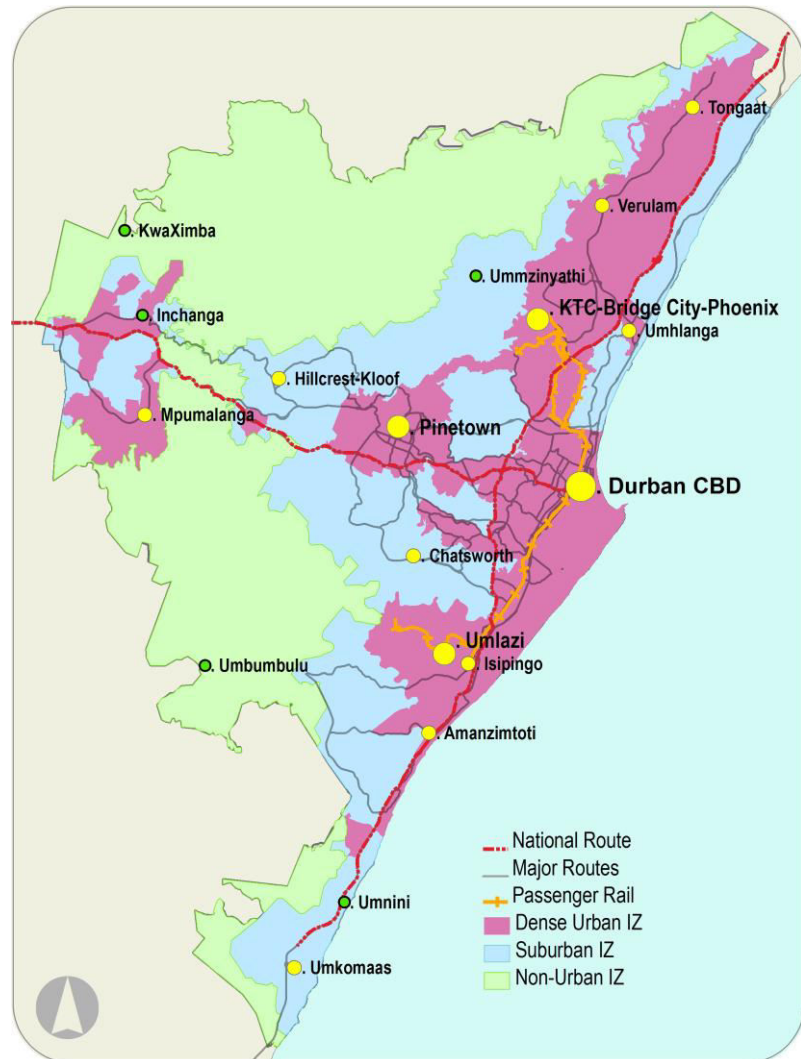
PART B – Spatial Planning & Project Prioritisation

PART B1 – Integration Zones

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

INTEGRATION ZONES (IZ'S)

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



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

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

URBAN ZONE’S COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

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

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

The broad development strategy is to:

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

SUBURBAN ZONE’S COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

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

The broad development strategy is to:

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

NON-URBAN IZ’S COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

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

The broad development strategy is to:

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

DEVELOPMENT INTENTIONS PER INTEGRATION ZONE

For each of the three Integration Zones, there is a set of Development Intentions to guide the scale and nature of future development.

INTENTION	URBAN	SUBURBAN	NON-URBAN
LOCATION	<ul style="list-style-type: none"> - <u>Spines</u>: Up to 2 km Either side of most the of N2 and N3 corridors; Along major rail- and road-based public transport: the CBD and UNS Nodes - All significant Economic Uses - Includes Townships and their Informal Settlements, some Suburbs 	Remaining Residential Suburbs	Traditional Areas Agriculture
INVESTMENT STRATEGY	<ul style="list-style-type: none"> - Universal access to basic services - Maintenance of infrastructure - Universal access to social facilities - PT & movement system improvements 		
	<ul style="list-style-type: none"> - Investment in Core Infrastructure – WTW, WWTW, Freeway Interchanges, IRPTN Trunks & Freight Routes, SIP - Port, Airport, - High density of investment - PPP's where appropriate 	<ul style="list-style-type: none"> - Improved feeder PT - Incremental Services to Informal settlements 	<ul style="list-style-type: none"> - Improved complementary PT - Monitoring of residential growth
LAND USES & FEATURES	<ul style="list-style-type: none"> - Economic - High-density Residential - Mixed Use - Higher Order Social Facilities - High densities of investment, people, jobs - Coarse and fine-grain economic uses - District Community Services clustered with Sub-Metropolitan services 	District Community services at key locations <ul style="list-style-type: none"> - Primarily Residential - Intensive Uses at key intersections <ul style="list-style-type: none"> - Residential - Subsistence & Commercial Agriculture - Agri-processing - Tourism 	
PROPERTY DEVELOPMENT FEATURES	<ul style="list-style-type: none"> - High FAR - Extensively Developed - No Vacant or Underdeveloped Properties - Property Improvements, Extensions, and Redevelopments 	<ul style="list-style-type: none"> - Formalisation & Regularisation - Property Improvements Moderate FAR	Low Far
CONTRIBUTIONS TO ECONOMIC HEALTH	<ul style="list-style-type: none"> - Improved Rates Revenues - High Sales of Water and Electricity 		Job Retention & Creation in: Tourism, Agriculture, Agri-Processing Environmental
	<ul style="list-style-type: none"> - Improved City GDP - Job Retention & Creation in Manufacturing, Logistics, Retail, Services, Finance 	Job Retention & Creation in Domestic Employment, Services, Retail	

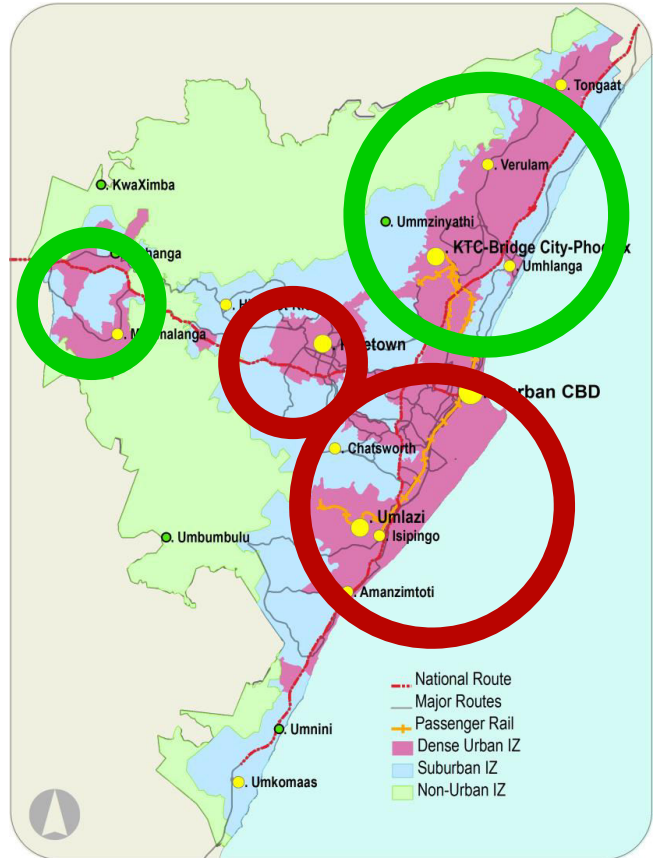
DEVELOPMENT STRATEGIES FOR DIFFERENT PARTS OF THE URBAN ZONE

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

The South Arm includes Durban CBD and Umlazi. Its functions are logistics, industry, port, and residential. The Pinetown Complex comprises Pinetown and surrounding suburbs. Its functions are industry and residential. The South Arm and the Pinetown Complex are already developed, although not optimally so in every location. The development strategy for these two locations is brownfields, namely identification of inefficiencies and sub-optimal uses, identification of opportunities for infill, densification and intensification, and redevelopment in some cases.

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

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



REPLACE MAP

PART B2 – Prime Investment Corridor

A narrower spatial target has been identified for strategic investment. This is referred to as the Prime Investment Corridor (PIC).

This is needed to: support the IRPTN; create conditions most conducive to economic growth; enhance infrastructure efficiencies; create vibrant high density mixed-used environments that can accommodate a large proportion of the city's residents.

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

The PIC includes:

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

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

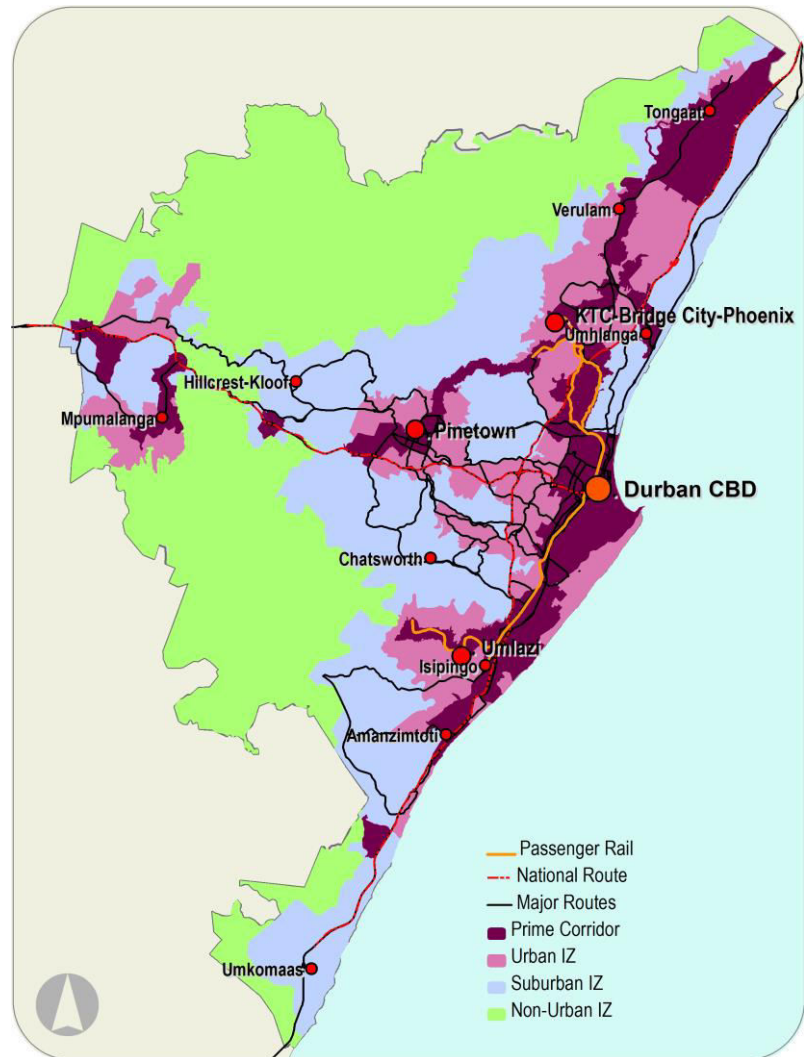
- Mpumalanga, Cato Ridge, and Shongweni, all in the West
- Lovu in the South

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

The spatial extents of the PIC are:

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

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



PART B3 – Primary & Secondary Urban Network

In addition to the Integration Zones, there is an Urban Network. The Urban Network is a spatial analysis tool that National Treasury ^[1] introduced to support the spatial targeting agenda. The Urban Networks Strategy is a transit oriented investment planning, development and management approach. Its focus is on spatial transformation to optimise access to social and economic opportunities for all and especially the poor. It aims to work towards a more efficient urban environment that creates an enabling environment for economic growth and development.

There is a Primary Network and a Secondary Network

PRIMARY NETWORK

The Primary Network is at city-wide scale and consists of anchor nodes, i.e. the CBD, a number of Urban Hubs, Public Transport Links and Activity Corridors between these anchor nodes.

CBD

The CBD is the centre of the Urban Network.

PRIMARY TOWNSHIP HUB

Primary Township Hubs are regional nodes in townships. They function as “town centres”. They are intended to be planned and developed as high-density, mixed-use precincts. There are three Primary Township Hubs, namely Mpumalanga, Umlazi, and INK.

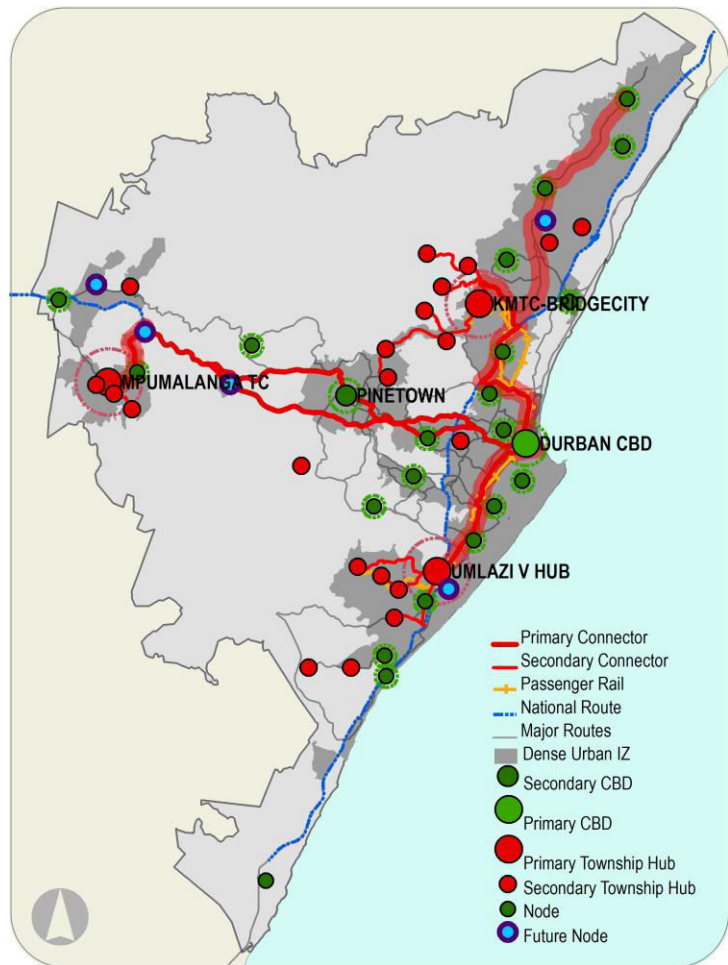
At the core of the Primary Township Hub should be an efficient intermodal public transport facility and a system of public spaces. Land uses such as retail, recreation, offices, banking, community facilities and government services, hospitality, tourism, leisure, and high-density housing should ideally be located here.

ACTIVITY CORRIDOR

There should be an Activity Corridor to connect the CBD to Primary Township Hubs. It is a belt of land approximately 2 km wide adjacent to a Primary Public Transport link with a number of corridor nodes. The R102 is the Activity Corridor that links Umlazi to CBD and CBD to INK.

NODES

Nodes are regional mixed-use activity centres, like the old town centres of Verulam, Amanzimtoti,



1 NDP Key Terminology. National treasury, ca 2014

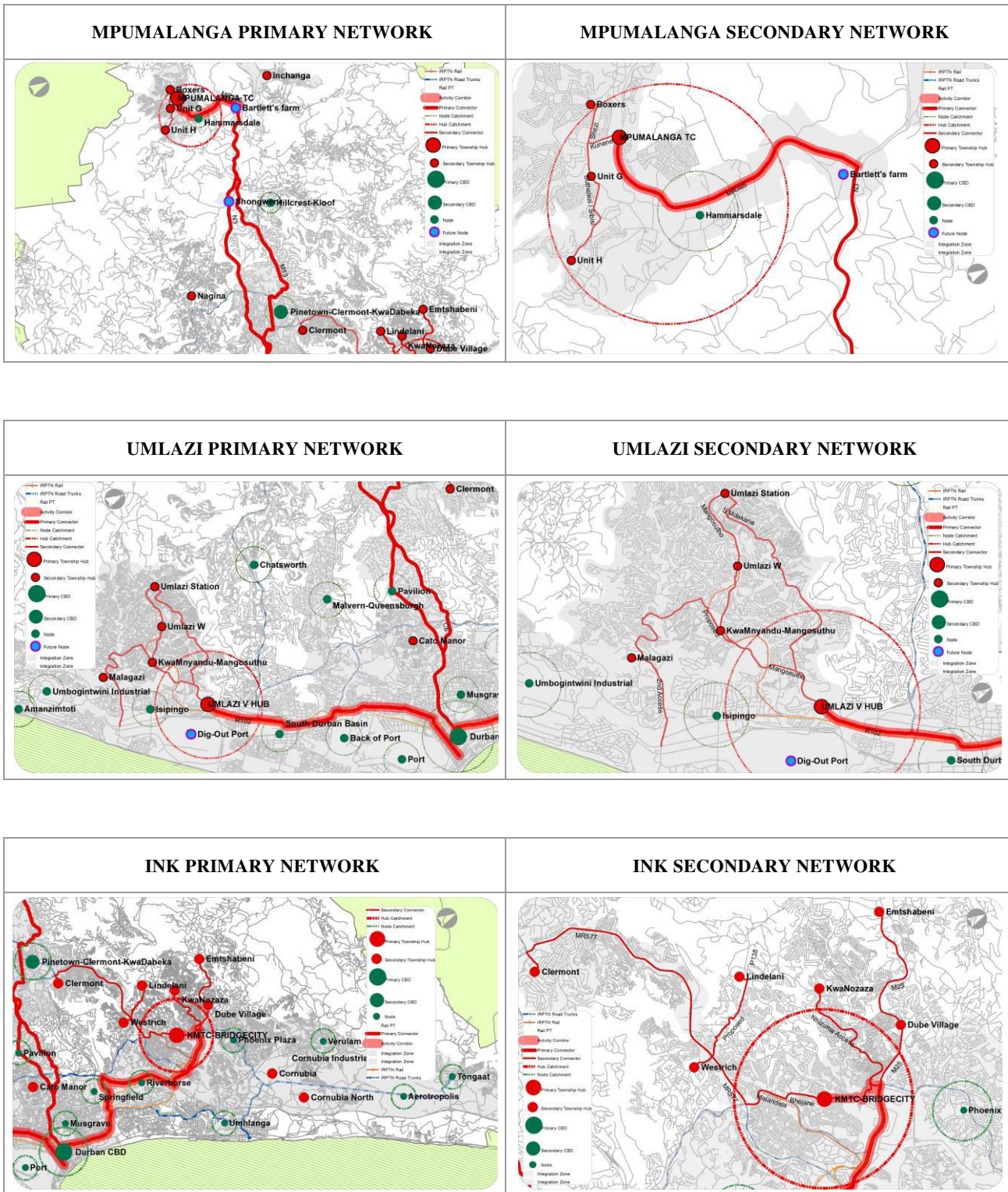
and Cato Ridge. The CBD and Nodes are the subject of attention, either via the Catalytic Projects, or the NDPG Program, or via the municipal-funded Urban Renewal Program.

SECONDARY TOWNSHIP HUB

Secondary Township Hubs are mixed-use nodes within township areas and are directly linked to the Primary Township Hub by means of public transport.

SECONDARY NETWORK

This refers to the network at the scale of the township or of a cluster of townships. It includes the Primary Township Hub, Secondary Township Hubs, and the connections between them.



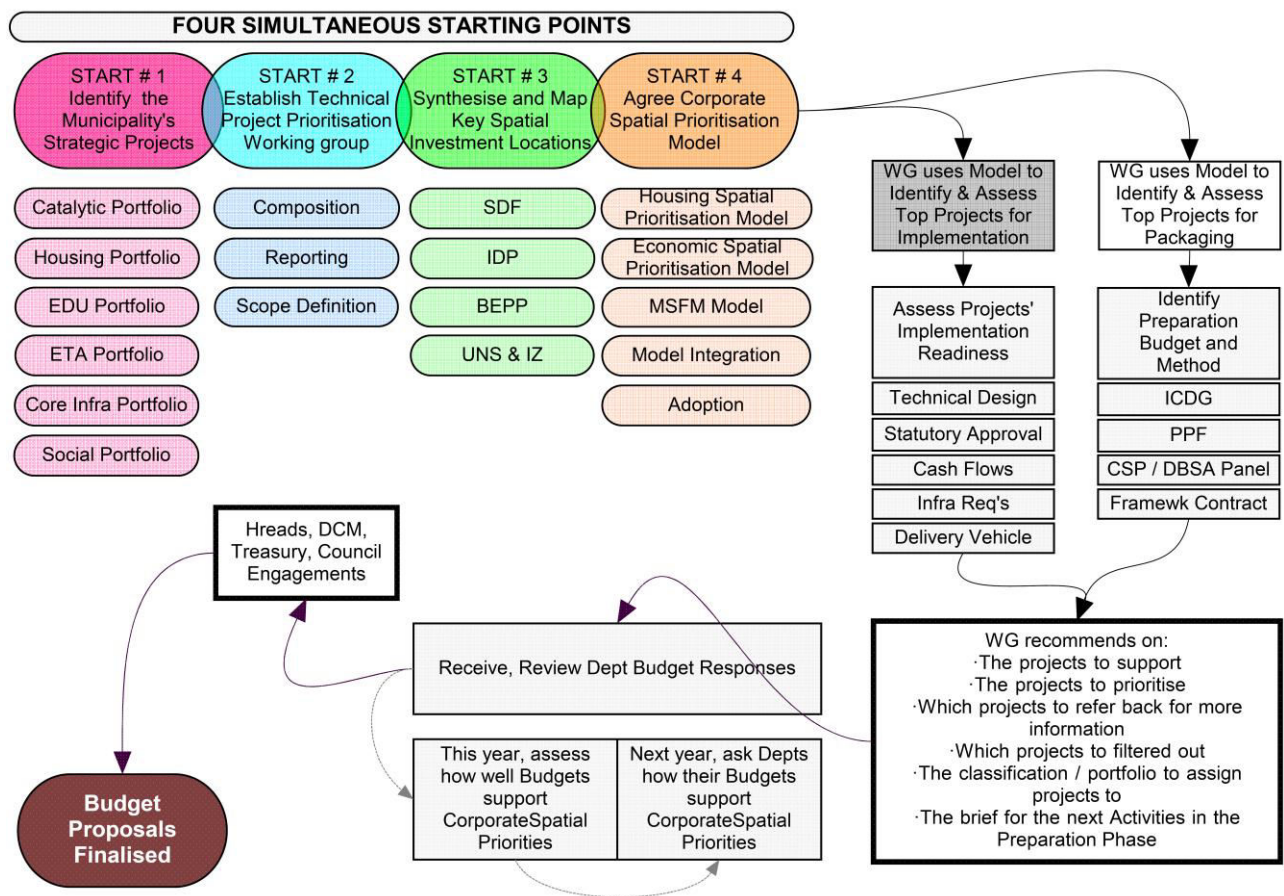
PART B4 – Corporate Spatial Prioritisation Method and Phased Development Strategy

A Corporate Spatial Prioritisation Method for Programs and Projects is under development, and will feed into a Phased Development Strategy.

One purpose is to use the Corporate Spatial Prioritisation as an input into explicit Phased Development Strategy to guide and manage the location, nature and scale of spatial growth over the next 5,10 and 15 years.

The Corporate Spatial Prioritisation Method will select and prioritise Programs and Projects in Social Infrastructure (housing and social facilities), Economic Infrastructure, and Core Infrastructure (water, sanitation, roads and electricity). The Phased Development Strategy will deal with the timing of the selected, prioritised items, and will seek to assign and align capex and opex budgets in a way that results in integrated implementation, which is the essential purpose of the BEPP.

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



eThekwini already has two sector-specific prioritisation models, namely the Housing Spatial Prioritisation Model (HSPM), and the Economic Spatial Prioritisation Model. A non-spatial model also exists, in the Municipal Services Financial Model. One of the challenges is to integrate these

three models. This is the second purpose of the Corporate Spatial Prioritisation Method and the Phased Development Strategy

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

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

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

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

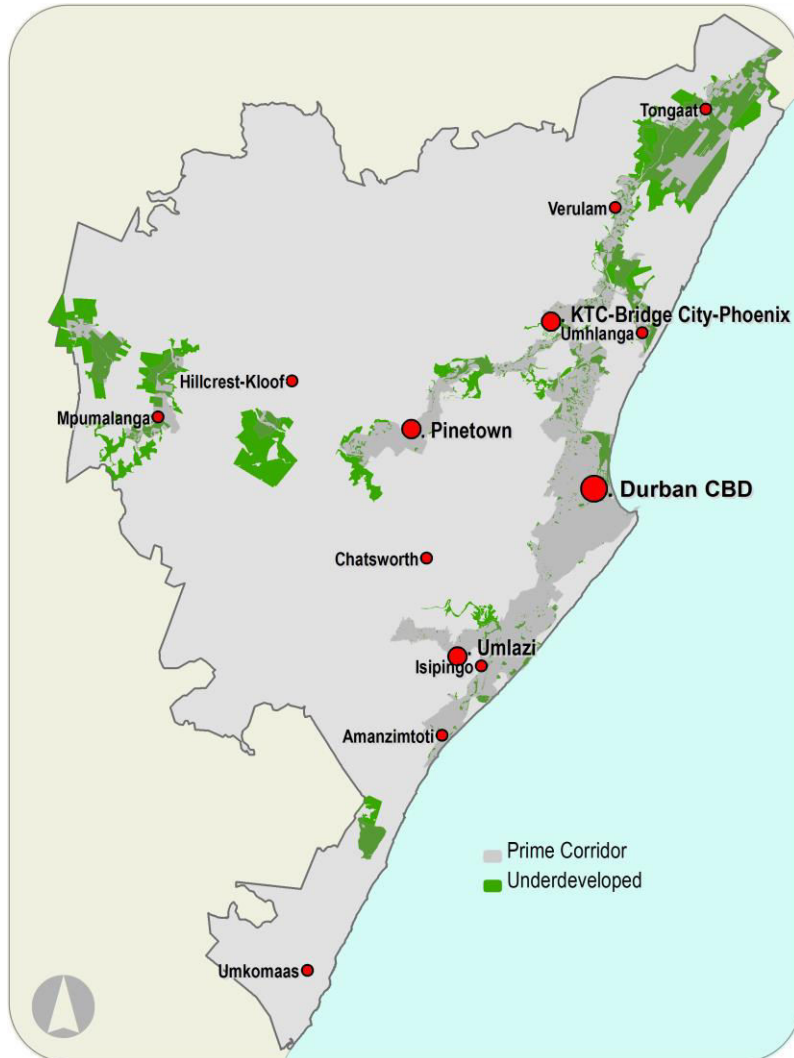
eThekweni has customized the MSFM to its own specific circumstances and hence it is producing very accurate results. Such a model would be very usefully applied at the front end of the strategic budgeting process where one could set goals for housing and service delivery and economic growth and social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

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

PART B5 – Starting Line-up of Land Development Opportunities in PIC

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

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



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

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

Housing Region	No. Subdivisions	Hectares
North	2,944	9,391
South	888	2,284
West	528	9,996
TOTAL	4,360	21,671

Purely as an illustration of scale of what the land could deliver, at a gross density of 60 dwellings per Ha and Commercial of a similar scale, there is potential of 120,000 dwellings plus about 10 Mill SQM of Non-Residential Lettable Floor Area.

In the West PIC pockets, the majority of the land seems to be underdeveloped, and there is a mix of large, medium and small parcels. In the North PIC, there are extensive tracts of underdeveloped parcels around DTP and Cornubia, also with a mix of parcel size. In the Durban and Pinetown CBD's, Port, BoP and South Durban basin, there are no significant tracts, and the land that is undeveloped are small parcels.

A more detailed process is suggested to narrow down land development opportunities.

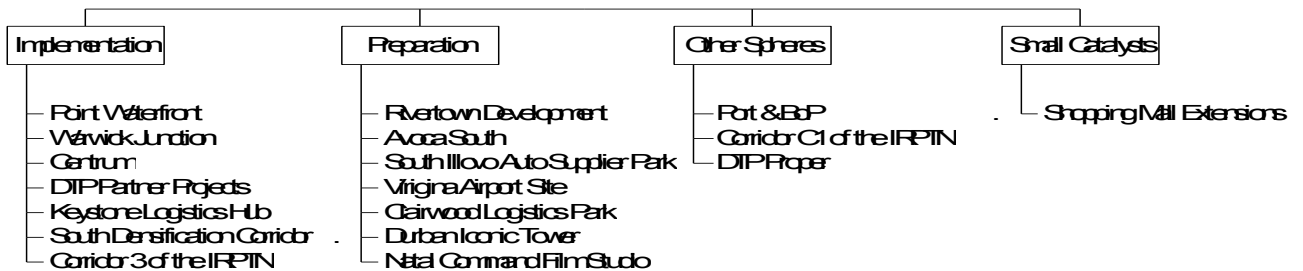
PART B6 – Catalytic Projects

Catalytic Projects:

- Are strategically located within Integration Zones
- Are game changers because their nature and scope will impact significantly on spatial form.
- Require major infrastructure investment;
- Often require a mix of public funds, private sector investment, as well as household investment;
- Require skills across a number of professions and have multiple stakeholders.” [1]

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

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



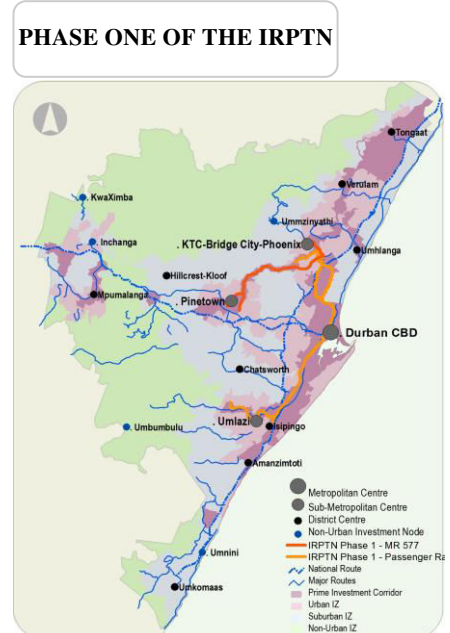
Those in or near Implementation are summarised in this BEPP [2]. Projects that are in or near Implementation are so because:

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

METROPOLITAN CONNECTIVITY CATALYST

Metropolitan Connectivity is a Core Infrastructure Program needed to create the movement preconditions for successful residential densification, economic development, and reversal and mitigation of apartheid spatial planning.

The BEPP, the IDP and SDF all identify the IRPTN as a key spatial response to overcome spatial disintegration. The first Phase of the IRPTN is particularly prioritised for the short and medium term. Phase 1 consists of:



² More info on them, as well as info on the other catalytic projects are contained in the Annexure “Catalytic Projects within the City of EThekweni Municipality”.

- The North-South Passenger rail Corridor (which is projected to carry about 40% of the city’s commuters)
- The road link between Kwamashu and Pinetown along the MR 577, which is projected to carry approximately 14% of the city commuters

The rail network is managed by PRASA, and the road-based public transport network is managed by eThekwini.

eThekwini intends to have a “world-class transport system with a public transport focus, providing high levels of mobility and accessibility for the movement of people and goods in a safe, sustainable and affordable manner. The strategy focuses on reducing overall demand for road space whilst maximizing the effective utilization and efficient operation of road infrastructure for purposes of private and public transport use. It also places an emphasis on strategies which support and encourage use of public transport.” [3]

The IRPTN consists of North-South rail backbone from Bridge City to Isipingo and a number of BRT routes. There will be 18 transfer station ranks from rail to road. Currently, 50% of the population are within 800m (10-15min walk) of a scheduled public transport service. With the implementation of the IRPTN, this number is forecast to rise to 85% of population.

The phasing and percentage trunk public transport demand accommodated by each phase is:

PHASING & ROUTES		% OF TRUNK-FEEDER TRIPS	COMMISSIONING
	Mynah and People Mover (Inner city)	In Research	2015
Phase 1A	Rail - Bridge City to Isipingo	40	2016
	C3 - Road – MR 577 Bridge City to Pinetown		2016
Phase 1B	C1 - Road - Bridge City to CBD	25	2017
	C9 - Road - Bridge City to Umhlanga		2018

ECONOMIC & MIXED USE CATALYSTS

There are five Economic and Mixed-Use Catalysts in or near Implementation. They are intended to make significant contributions to City-building - in statistically measurable aspects such as residential units, jobs, rates income, as well as in intangible benefits such as reversal of urban decay, stimulation of investor interest, improvement of the city’s profile.

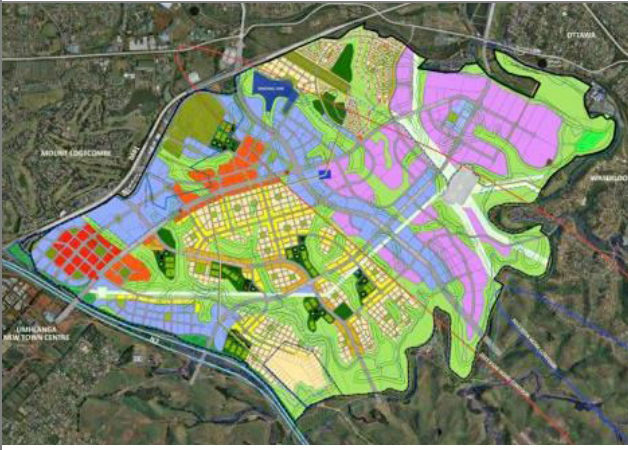

The Mixed Use and Economic Catalysts are estimated to lead to significant:



- Fixed capital formation (R 80 Bn)
- New lettable FAR (4 Mill SQM)
- New dwellings for a range of income groups (53,000 HH)
- Rates revenue (R 1.75 Bn p.a.)



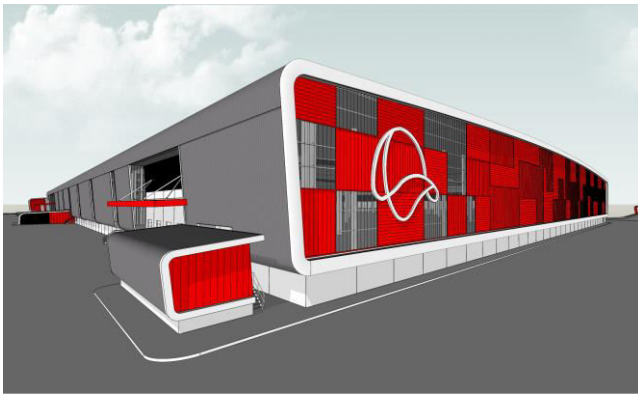
³ Integrated Development Plan - 5 Year Plan: 2012-13 to 2016-17 – 2013-14 Annual Review. EMA, 2014

PROJECT		LETTABLE FAR	RES UNITS	PROJECT VALUE	PRIVATE AS %	FUNDING GAP	RATES P.A.	PERM. JOBS
Greater Cornubia		1,626,429	40,000	37.63	62%	8.92	0.73	48,389
Inner City	Centrum	750,000	6,000	19.80	67%	1.50	0.29	14,286
	Point	750,000	2,000	15.50	97%	0.50	0.61	7,500
	Warwick	TBD	TBD	0.50	TBD	0.25	TBD	TBD
	King Edward	0.00	652	0.49	50%	0.24	TBD	TBD
Keystone Commercial		504,529	0	4.39	92%	0.35	0.10	14415
Bridge City KTC KMA		600,000	5,000	1.80	50%	0.90	TBD	TBD
Subtotal		4,230,958	53,652	80.11	418%	12.66	1.73	84,590

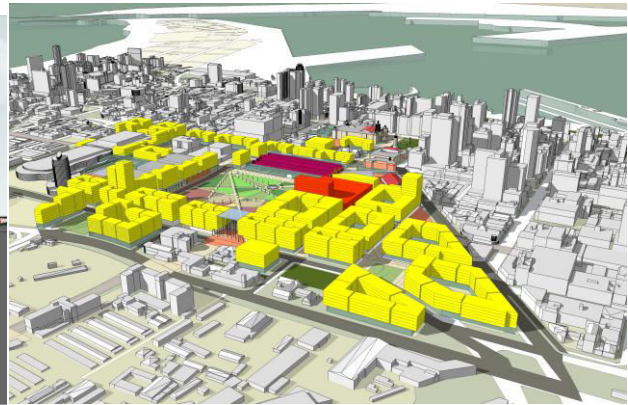
CORNUBIA SOUTH MIXED USE		CORNUBIA NORTH MIXED USE	
			
24	Bn Private Investment	48,500	Permanent Jobs
14	Bn Public Investment	40,000	Dwellings, half through subsidies
38	Bn Total Investment	1.63	Million SQM Lettable Floor Area

INNER CITY – SOUTHERN DENSIFICATION CORRIDOR	INNER CITY – KING EDWARD NODE
	
Residential Densification around Rail 25,000 Residential Units Intended Mixed use Opportunities at Stations Pilot project...King Edward Node	Part of the Southern Densification Corridor 650 New Units Old Sports Club owned by eThekwin 325 Mill, Private or PPP

KEYSTONE INDUSTRIAL



INNER CITY - CENTRUM



R 4.04 Private Investment
 R 0.35 Bn Public Investment
 R 4.39 Bn Total Investment
 R 0.10 Bn Rates p.a.
 14,400 Permanent Jobs
 0.50 Million SQM Lettable Floor Area

Western Sub-Metro Catalyst On SIP2

R 19 Private Investment
 R 6 Bn Public Investment
 R 25 Bn Total Investment
 7,500 Permanent Jobs
 0.75 Mill SQM Lettable Floor Area

Library & Council Chamber PT
 Multi-Modal

The Inner City Catalyst comprises several sub-Projects, each of which is significant in its own right. They are the Point Waterfront, Warwick, Southern Densification Corridor (of which the King Edward Node is a Pilot), and the Centrum Site.

INNER CITY - POINT WATERFRONT



INNER CITY - WARWICK



R 15.0 Bn Private Investment
 R 0.50 Bn Public Investment
 R 15.5 Bn Total Investment
 R 0.61 Bn Rates p.a.
 7,500 Permanent Jobs
 0.75 Mill SQM Lettable Floor Area
 International Tourism

R 250 Mill Private Investment
 R 250 Mill Public Investment
 R 500 Mill Total Investment
 R 3-5 Bn Future Phases.

PART B7 – Marginalised Areas

Overview of Problem and Response

Marginalised areas are a key component of the BEPP and they are the priority areas of expenditure of the USDG funds. This year’s BEPP identifies the Marginalised Areas.

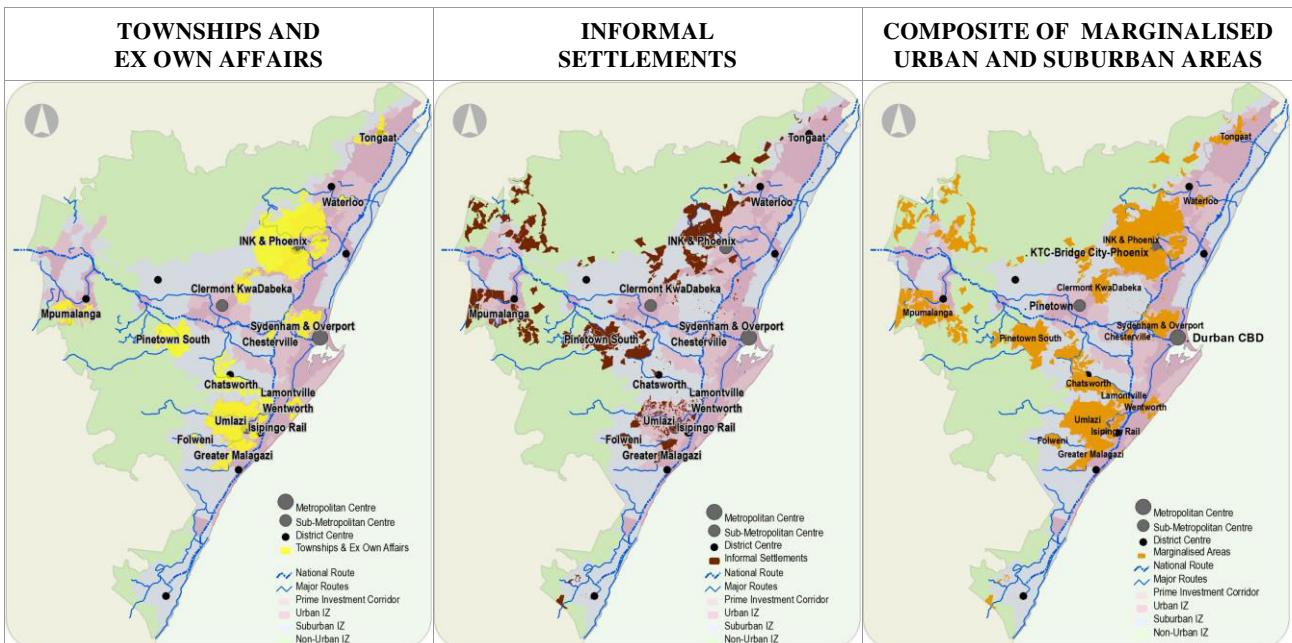
The Marginalised Areas comprise Townships, Ex-Own Affairs Areas and Traditional Areas, and affect over 400,000 households, about 45% of the total number of households in eThekwi.

Urban and Suburban Marginalised Areas

eThekwi has a backlog of approximately 320,000 **CONFIRM AND PUT IN SOURCE** families in informal structures, mainly in and around existing Townships and Ex-Own Affairs Areas, which themselves suffer from poor connectivity, low levels of LED, variable levels of access to basic social facilities, and generally poor urban quality.

The municipality is capable of constructing approximately 5,000 to 10,000 serviced dwellings per annum. At this pace, which had been the trend for the last decade, it will take generations to fully upgrade the Informal Settlements. There is also the need to improve the access of the poor to economic and social opportunities.

To respond to this, eThekwi will prioritise those human settlement projects that are well located and where intervention could make a significant contribution to spatial transformation. In parallel, the municipality will provide incremental services to the tens of thousands of families living in informal structures in the less well-located and usually suburban locations. This kind of strategy is beginning to emerge at national level as well.



The municipality has several responses to Marginalised Areas. These include Connecting Townships, Incremental Services for Social Justice, Housing & Mixed Use Catalysts, the Incremental Housing Program, and the Social Facilities Nodes

Connecting Townships

The Municipality recognises Mpumalanga Town Centre, Umlazi V Node, and Bridge City as Primary Township Hubs, which will benefit from investments focused on connecting them more strongly to the CBD and Pinetown through road and rail improvements, and through improvements to public transport interchange in the hubs. Via the Township Renewal Program, investments have been made consistently over the past five to ten years into the Primary Township Hubs, in higher order social facilities, economic facilities, and urban realm improvements. These investments will continue. There are Secondary Township Hubs that are connected to the Primary Township Hubs. Here the strategy is to improve the road connections between the Primary and Secondary Hubs, and to make further investments into local economic, public transport, and social facilities."

Incremental Services

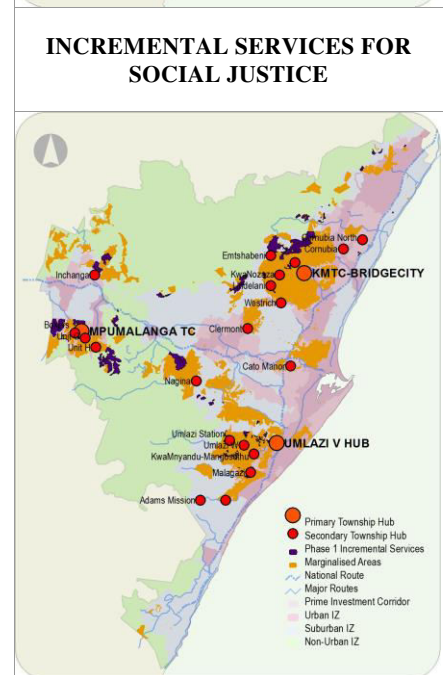
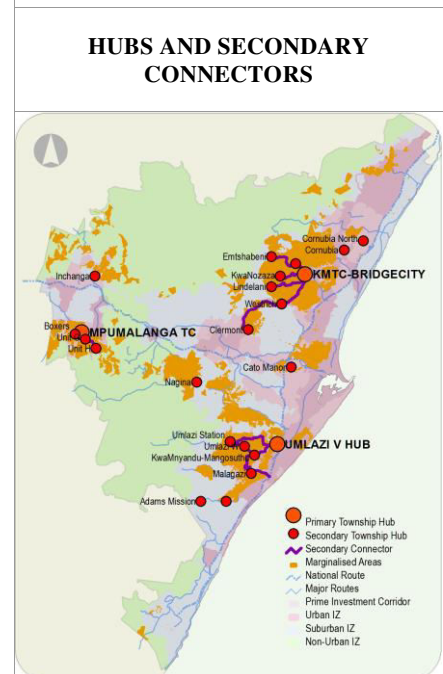
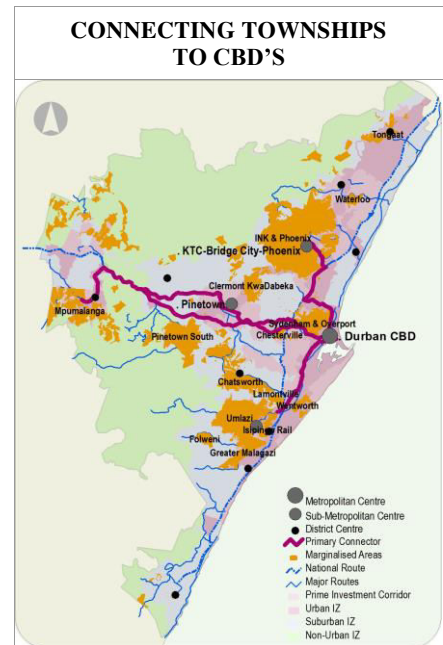
The Program aims to promote social equity and social inclusion by providing every community in Informal Settlements with access to basic engineering services, basic social facilities, and local economic opportunities, as soon as possible. The program has the Suburban Zone as its spatial target. Except for electricity, the program works aims to provide communal services as opposed to individual, connections. The project selection criterion is Informal Settlements that are earmarked for upgrade in the longer term. There are five sub-programs, namely:

- Community Ablution Blocks
- Community Access - Access Roads, Pedestrian Paths, Emergency Infrastructure
- Electricity - Ablution Blocks, Streetlights, Individual Connections
- Community Access to social facilities, particularly fire and police stations, clinics, schools, & sports-fields.
- Sustainable livelihoods.

Most of the planned projects are in the Suburban Zone. The current phase of the program will benefit 70,000 households in approximately twenty clusters of informal settlements.

Housing Mega-Projects

- Housing Mega-Projects:
-
- Are a type of Catalytic Project
- Create complete human settlements
- Cater for people in various income bands
- Aim at increased densities
- Are very well connected to public transport
- Are large, each over 5,000 housing opportunities
- Require major infrastructure investment



- Require a mix of public funds
- Aim to also leverage private investments including household investments
- Require highly developed and multiple skills to conceptualise
- Have multiple stakeholders [4]
- Housing Mega-Projects are strategically located in integration zones. All of them are in the Urban Zone, except for Amaoti, which is in the Suburban Zone, and which consequently will be slightly less intensively developed than the others.

The program intends to deliver from 170,000 to 270,000 housing opportunities. The main unknown about estimated yields is what will be delivered in the Inner City, which is in the early planning stages. The program also intends to deliver numerous (though yet to be quantified) permanent jobs for maintenance of core infrastructure, operations of social facilities, and staffing in local businesses.

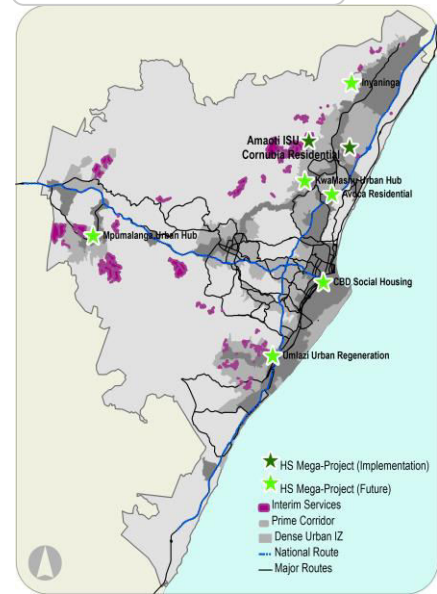
As an illustration only, the program will require 114 Bn.

Name	Typology	Dwelling Yield	Housing Capex Bn
Cornubia	Greenfields Mixed Use	50,000	38
Amaoti	Brownfields Residential	20,000	10
Avoca North	Brownfields Residential	6,000	2
Inner City	Infill Mixed Use	50,000	40
Umlazi Regeneration	Brownfields Residential	18,000	7
Mpumalanga Regeneration	Brownfield Residential	21,000	7
Bridge City KTC	Infill Mixed Use	28,000	10
Inyaninga	Greenfields Mixed Use	10,000	0
Total		203,000	114

Four of the Mega-Projects are mainly residential – Amaoti, Umlazi, Bridge City KTC, Avoca North, and Mpumalanga.

The others - Cornubia, Inner City, Inyaninga - are Mixed Use Catalysts with large residential elements.

HOUSING MEGA PROJECTS

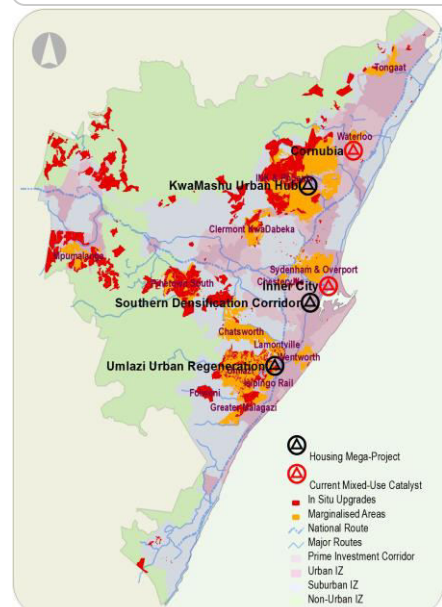


- Of the two dozen Ethekweni Catalysts, the Housing Unit champions eight, namely:
- Amaoti
- Avoca North
- Cornubia
- Umlazi
- Mpumalanga
- Bridge City KTC

Incremental Housing Program

The city has two significant inter-related Incremental Housing Programs, In Situ Upgrades, and Greenfields. The long-term aim is to upgrade all Informal Settlements that are technically viable for upgrade, and that aren't earmarked for Relocation. The Greenfields Program is necessary to absorb relocations from Upgrades. Typical deliverables of an Upgrade or Greenfields include cadastral subdivisions, surfaced roads, water, sewer and electricity connections, and a 45m² dwelling structure. Sites are typically created for social facilities, especially parks, schools and clinics, for uptake by the respective public entities. A decision was made in the 2012 Housing Sector Plan that all new Incremental Housing Projects would, in the Suburban Zone, have a minimum typology of double-storey attached duplexes, preferably in a pedestrianised environment. Most of the planned projects are in the Suburban Zone. The spatial targets for each of the

INCREMENTAL HOUSING PROGRAM

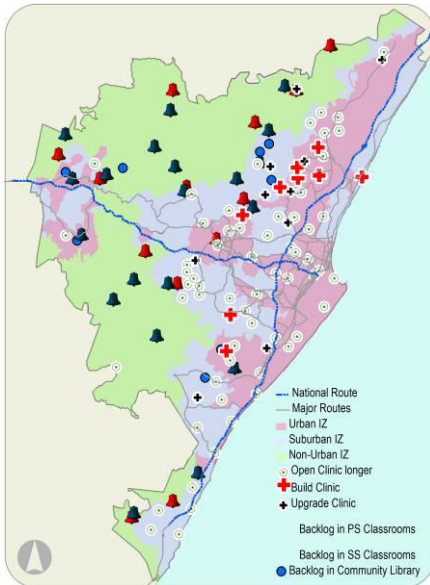


Incremental Housing programs have come from the Housing Spatial Prioritisation Model. This program will ultimately benefit approximately 300,000 households.

Nodes of Higher Order Social Facilities & Local Social Facilities

The clustering of local, but especially higher order facilities in accessible development nodes will be promoted to allow for shared services, such as parking and security, and to benefit residents who can make a single trip to access a range of services. Clustering a range of facilities will mean that more people will visit the social service node. This in turn can promote small business opportunities.

PROPOSALS FOR ESSENTIAL LOCAL SOCIAL FACILITIES



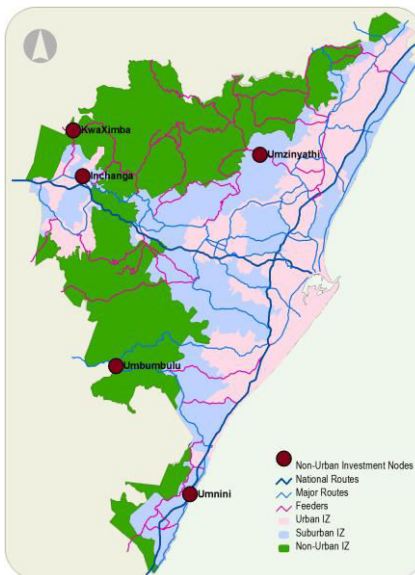
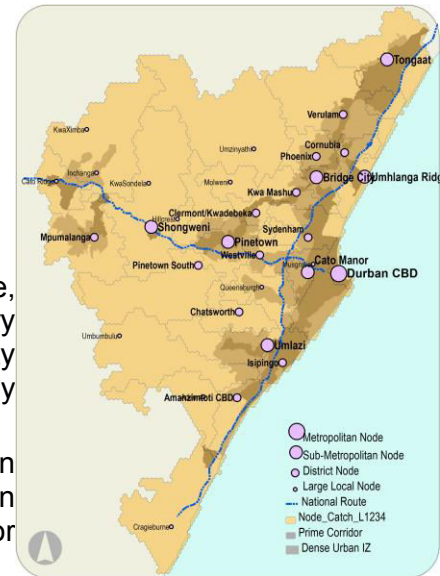
To improve service delivery and usage levels, there is a draft design policy that requires facilities to be designed to host multiple uses.^[5]

Regarding the distribution of proposed additional capacity of essential local facilities:

In the Non-Urban Zone, primary and secondary education and community library backlogs are highly prevalent

in the Suburban Zone, and in the townshipsn the Urban Zone, the need is for Primary Health Care

HIGHER ORDER SOCIAL FACILITY NODES



Non-Urban Areas

Approximately 105,000 households live in Non-Urban Areas, mainly in Traditional Areas, with concentrations of population around nodes. Typical challenges are poor local connectivity, poor connectivity to the rest of the municipality, low levels of economic opportunities, and variable access to social facilities.

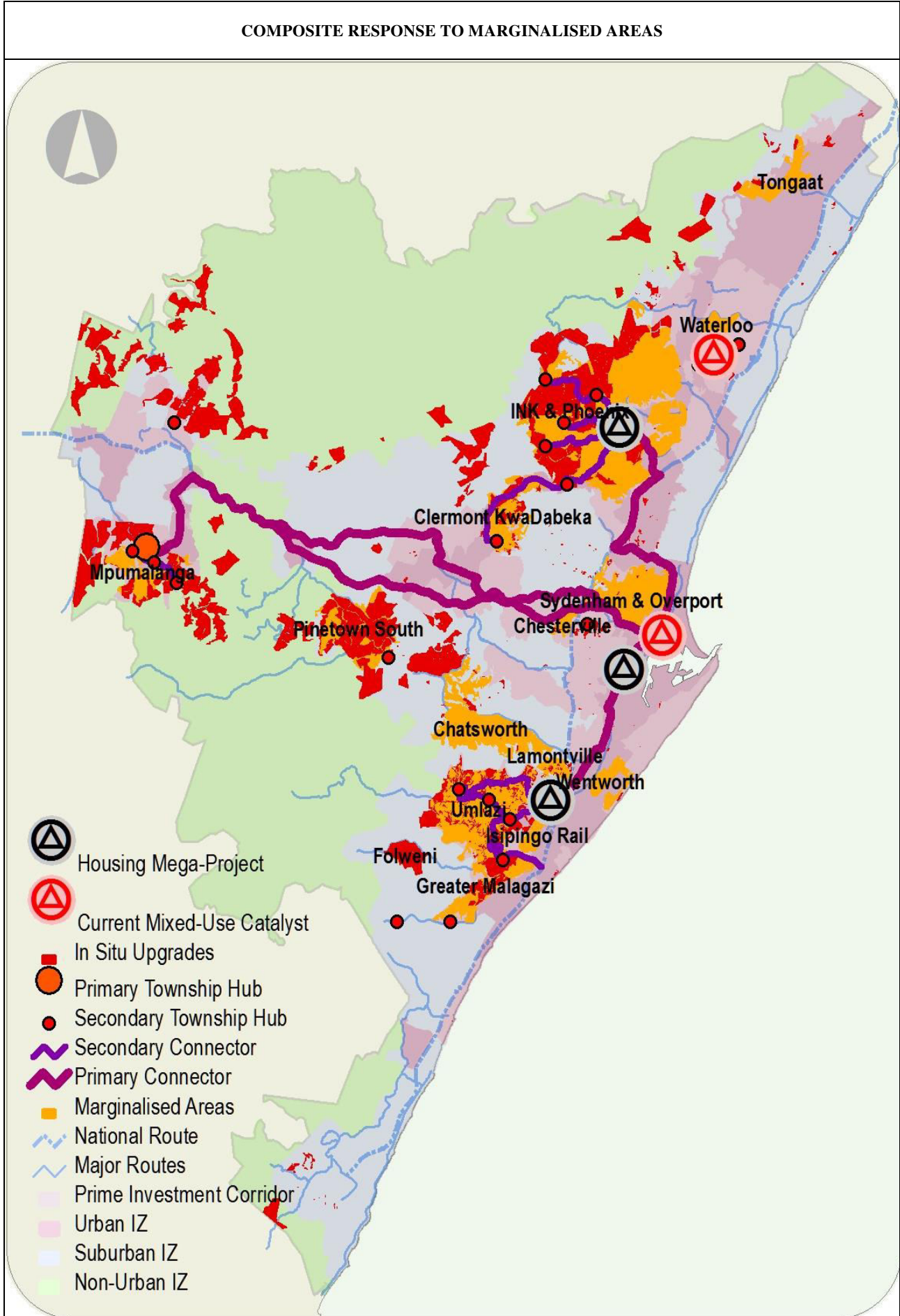
A Rural Strategy is being developed by the municipality. In the interim, five Non-Urban Investment Nodes were identified, namely Inxanga, KwaXimba, Umzinyathi, Umbumbulu and Umnini. They currently serve as low-order service centres, and there are concentrations of surrounding population. Mpumalanga Town Centre serves surrounding rural and urban populations, and so plays a double role as rural service centre as well as a major Township Hub.

Incorporate dpsa map and text – health superceded by 2011

The Investment Intentions for the Non-Urban Investment Nodes plus Mpumalanga are to:

- Cluster higher order **Social Facilities** in the Nodes, including Sizakala Centres, Libraries, and Police. Improve access to existing local Social Facilities of KZN, especially Schools & Clinics.
- Connect the Nodes** more strongly to the city's major routes. Locate higher order Public Transport Facilities in the Nodes. Improve local road and digital connectivity

- Promote the location of **Economic Uses** in or near the Nodes, particularly Retail, Banking, Services, Manufacturing and Agri-Processing. Locate Community Gardens and Agri-Hubs in or near the Nodes. Locate Tourism Nodes in, near, or connected to the Investment Nodes.

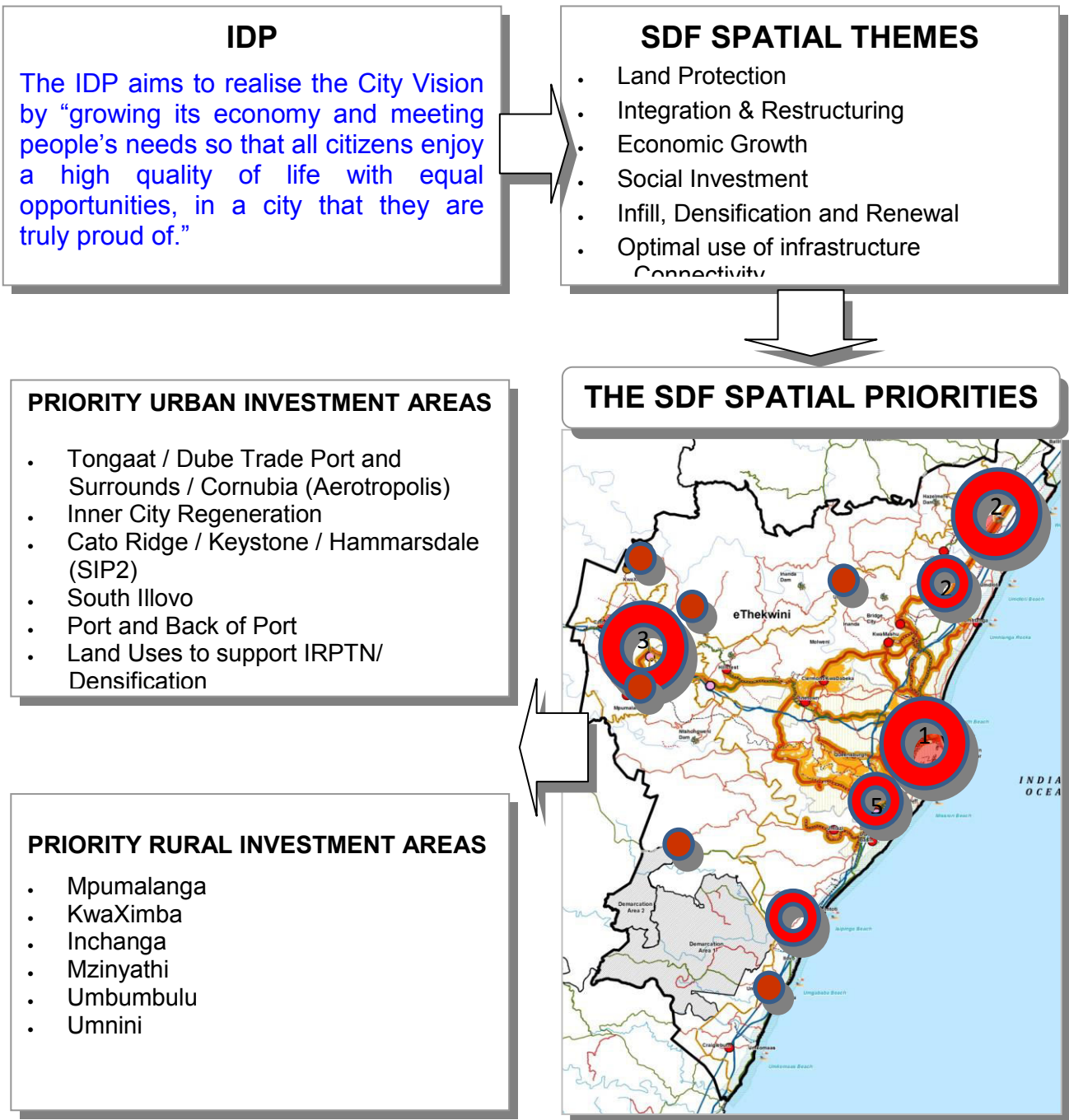


Part B8 – Planning Alignment of BEPP, IDP and SDF

There is concord between the SDF Spatial Priorities, and the BEPP’s Catalytic Projects and Marginalised Areas Responses. The development in the BEPP has been to describe the content of those Responses, and to suggest development yields, resourcing requirements, and likely timing i.e. to interpret the SDF Priorities into Strategies and high-level Program Descriptions

IDP, SDF SPATIAL THEMES, SDF SPATIAL PRIORITIES

The SDF interprets the IDP into several Spatial Themes, which then, through a Planning Prioritisation Exercise, were translated into the current Spatial Priorities. These appear in the Draft 2016-17 SDF.



ADJUSTMENTS TO OTHER SPATIAL TARGETING INSTRUMENTS

Priority Housing Development Area (PHDA)

Cornubia South is a designated PHDA. Application has been made to National Human Settlements to also designate Cornubia North, Umlazi Regeneration, Bridge City KTC, Mpumalanga, Inner City, and Amaoti as PHDA's. An announcement by NHS is expected in the near future.

Social Housing Restructuring Zone (SHRZ)

eThekweni has numerous SHRZs. They were designated in two Phases several years apart. All of the existing SHRZ's fall within the Urban Zone, except Chatsworth, which is in the Suburban Zone. A SHRZ has been proposed to National Human Settlements, to cover the whole of the Urban Zone. The rationale is that this Zone, as the site of most intensive capital investments, and as the preferred location for residential densification, as well as a preferred site for rental accommodation, should be afforded every opportunity to bring in the necessary investment.

Urban Development Zone (UDZ)

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

Special Economic Zone (SEZ)

The Dube Trade Port has been designated as a SEZ. Its status as an SEZ is intended to stimulate economic investment and trade.

Industrial Development Zone (IDZ)

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

Adjustments to SDF and Land Use Management System (LUMS)

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

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

Pending exercises are:

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

PART C – Intergovernmental Project Pipeline

PART C 1 – Key Projects

MTEF ALLOCATIONS TO CATALYTIC PROJECTS IN IMPLEMENTATION

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

PART C 2 – Institutional Arrangements & Operating Budget

LEADERSHIP, GOOD GOVERNANCE AND PLANNING (STRATEGIC & OPERATIONAL)

ICDG Forum - Composition and Reporting

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

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

ICDG Secretariat

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

Teams for Catalytic Projects

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

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

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

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

Request for TA

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

INSTITUTIONAL ARRANGEMENTS FOR CAPITAL PROGRAM MANAGEMENT

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

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

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

Supply Chain Management and Procurement Plan

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

- Bid Specification
- Bid Evaluation
- Bid Adjudication

Each committee is independent of the other.

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

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

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

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

PARTNERSHIPS

Community Services

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

Education

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

Health

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

Home Affairs

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

Human Settlement

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

Multi-use and Economic

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

CITY SUPPORT IMPLEMENTATION PLAN

Purpose and Scope

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

Elements of the CSIP Edition # 1

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

Internal Alignment

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

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

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

PART D – Capital Funding

PART D 1 – Spatial Budget Mix

THE VALUE OF PROGRAM AND PROJECTS BY IDP PLAN

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

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

THE APPLICATION OF GRANT RESOURCES BY GRANT PROGRAM & MUNICIPAL PROJECT

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

PART D2 – Long-term Investment Strategy

eThekwini has a Borrowing Strategy, and a Municipal Services Finance Model. Using these two tools as a starting point, the Municipality has started a work-stream to develop a Long Term Investment Strategy. The work-stream has the participation of the Municipal Treasury, DBSA, and National Treasury.

PART E - Sustaining Service Delivery

PART E1 – Infrastructure Asset Management

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

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

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

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

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

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

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

Asset Group	Replacement Value (R Bn)
Roads	58.500
Water	23.400
Buildings	23.400
Electricity	20.700
Sanitation	18.000
Coastal & Drainage	17.100
Other (uShaka etc.)	12.600
Land	1.440
Fleet	1.350
Durban Solid Waste	1.080
Computers	1.080
Parks	1.080
ETA	0.720
Total	180.45

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

The Municipality has initiated a work-stream to analyse the existing incentives, and to identify and consider additional incentive schemes.

The existing spatial incentives are the Urban Development Zone that covers the Inner City, and the Special Economic Zone that covers Dube Trade Port. More info on these appears elsewhere in this document

PART E2 – Precinct Management

PRECINCT MANAGEMENT ENTITIES

There are several Precinct Management entities already in operation, namely:

- The Urban Improvements Precincts Company
- The Umhlanga Urban Improvement Project Company
- Umhlanga Promenade Urban Improvements Precinct Company
- Florida Road Urban Improvement Project Company
- Maytime Community Association
- The Giba Gorge Environmental Precinct
- The Burlington Urban Improvement Precinct

The Urban Improvements Precincts Company's areas of operations include the Inner City and South Beach.

The Municipality has initiated a work-stream to analyse the existing initiatives, and to study precedents elsewhere in South Africa. The aim is to improve the effectiveness and efficiency of the existing Precinct management entities, and to assess the viability and rationale for extending the coverage of urban locations that have precinct management.

PART F – Reporting

PLANNED OUTCOMES

High Level / City-Wide Development Objectives and Desired Outcomes

After a period spanning two financial years, and involving the CSP and the Municipality, a set of 54 indicators has been developed to measure the achievement of the BEPP. They are grouped into four categories:

- Well-governed city
- Inclusive city
- Productive city
- Environmentally sustainable city

Each indicator comprises numerous fields of data, including:

- Category
- Indicator Short Name
- Rationale
- Definition
- Indicator Formula

The process has commenced to identify internal process drivers, and to determine the baseline indicators.

Sector Development Outcomes and Outputs as per Sector Plans

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

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

Outcomes and Impact for Each integration Zone

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

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

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