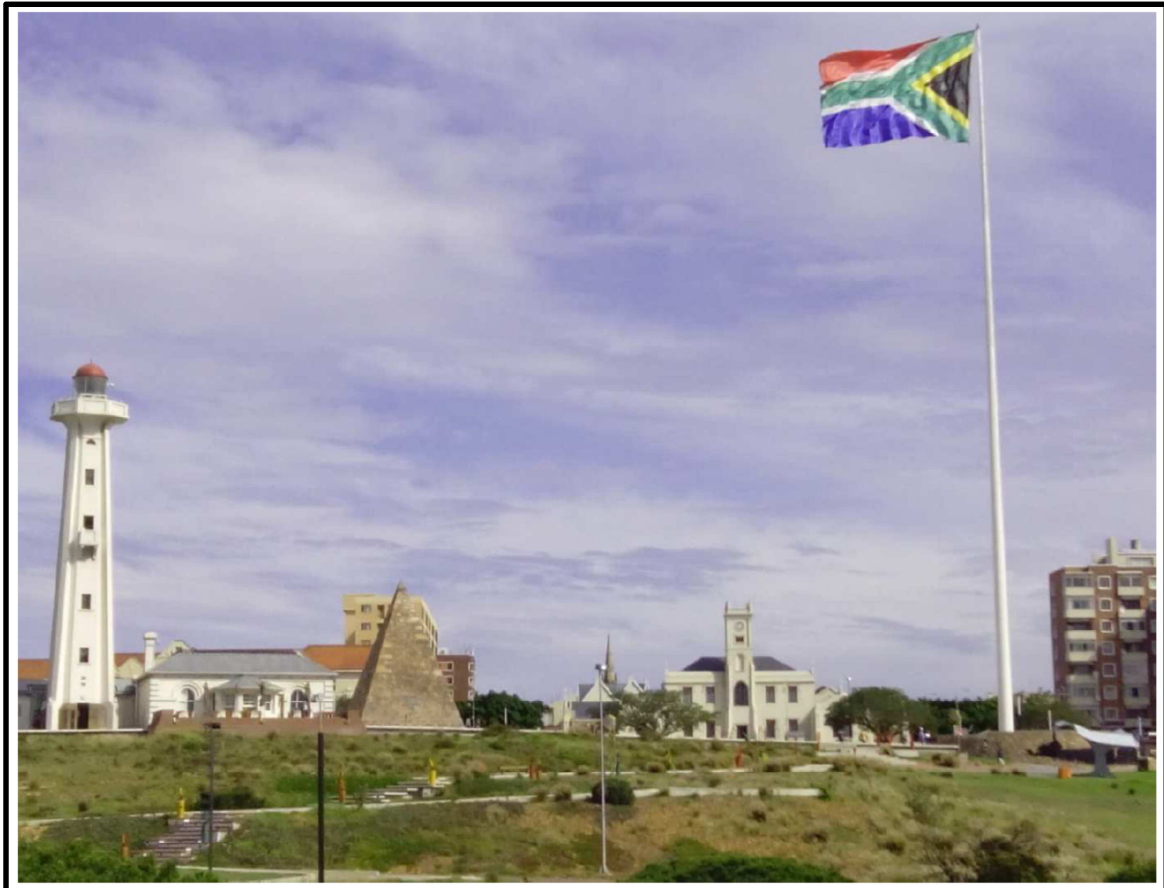


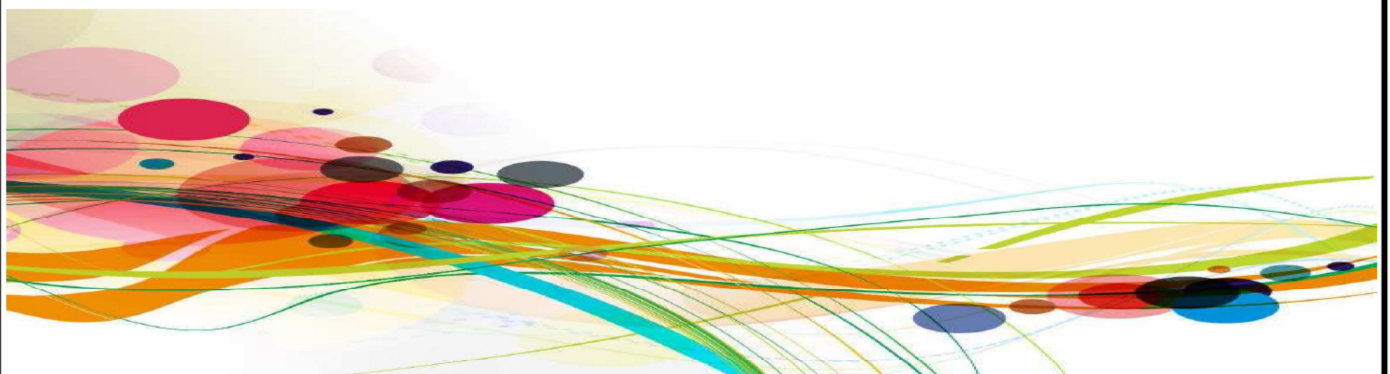


nelson mandela bay  
M U N I C I P A L I T Y



# **BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)**

**2016/17 – 2018/19**



# TABLE OF CONTENTS

<b>REFERENCE DOCUMENTS IN PREPARING THE BEPP</b> .....	<b>1</b>
<b>1. INTRODUCTION AND BACKGROUND</b> .....	<b>2</b>
1.1 INTRODUCTION.....	2
1.2 PURPOSE OF THE BEPP .....	2
1.3 ADOPTION OF THE BEPP BY COUNCIL .....	3
1.4 SELF ASSESSMENT OF BROAD LEVEL COMPLIANCE .....	3
1.5 PLANNING ALIGNMENT BETWEEN BEPP, IDP, SDF AND BUDGET.....	7
1.6 STRATEGIC DEVELOPMENT REVIEW.....	9
1.7 LONG-TERM VISION.....	15
1.8 CAPACITY SUPPORT IMPLEMENTATION PLAN (CSIP) .....	17
<b>2. SPATIAL PLANNING AND PROJECT PRIORITISATION</b> .....	<b>25</b>
2.1 SPATIAL TARGETING.....	25
2.2 LOCAL AREA PLANNING.....	81
2.3 PROJECT PREPARATION.....	96
2.4 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET .....	98
<b>3. INTERGOVERNMENTAL PROJECT PIPELINE</b> .....	<b>101</b>
3.1 INTERGOVERNMENTAL PRIORITISED PROJECTS. ....	101
3.2 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET .....	108
<b>4. CAPITAL FUNDING</b> .....	<b>111</b>
4.1 SPATIAL BUDGET MIX .....	111
4.2 INVESTMENT STRATEGY.....	115
4.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET .....	117
<b>5. IMPLEMENTATION</b> .....	<b>118</b>
5.1 LAND RELEASE STRATEGY .....	118
5.2 PROCUREMENT APPROACH FOR TOP PRIORITY PROJECTS .....	119
5.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET .....	120
<b>6. URBAN MANAGEMENT</b> .....	<b>123</b>
6.1 URBAN MANAGEMENT INTERVENTIONS.....	123
6.2 TRANSPORT MANAGEMENT .....	123
6.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET .....	125

<b>7.</b>	<b>INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET .....</b>	<b>138</b>
7.1	CROSS-CUTTING INSTITUTIONAL ARRANGEMENTS .....	138
7.1.1	<i>ESTABLISHMENT OF A SINGLE ORGANISATIONAL PLANNING PROCESS .....</i>	<i>138</i>
7.1.2	<i>ESTABLISHMENT OF A BEPP TEAM. ....</i>	<i>139</i>
7.1.3	<i>INTEGRATED DEVELOPMENT MATRIX .....</i>	<i>140</i>
7.1.4	<i>MULTI-DISCIPLINARY TECHNICAL TASK TEAM (MDTTT).....</i>	<i>141</i>
7.1.5	<i>INTEGRATED HUMAN SETTLEMENTS DEVELOPMENT .....</i>	<i>141</i>
7.1.6	<i>EXTERNAL CAPACITY SUPPORT .....</i>	<i>142</i>
7.1.7	<i>PROJECT TEAM APPROACH.....</i>	<i>142</i>
7.1.8	<i>MANAGEMENT INFORMATION SYSTEMS .....</i>	<i>142</i>
7.2	CONSOLIDATED OPERATING BUDGET .....	143
<b>8.</b>	<b>REPORTING AND EVALUATION.....</b>	<b>145</b>
8.1	OUTPUTS FROM PREVIOUS BEPP .....	145
8.1.1	<i>URBAN SETTLEMENTS DEVELOPMENT GRANT AND HUMAN SETTLEMENTS DEVELOPMENT GRANT .....</i>	<i>145</i>
8.1.2	<i>NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT .....</i>	<i>145</i>
8.1.3	<i>INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME .....</i>	<i>146</i>
8.2	THEORY OF CHANGE .....	146
<b>9.</b>	<b>BIBLIOGRAPHY .....</b>	<b>147</b>

## **LIST OF ANNEXURES**

- ANNEXURE “A” - Strategic Review of the Built Environment**
- ANNEXURE “B” - Development Areas Map**
- ANNEXURE “C” - Informal Settlement Upgrading and Relocation Projects**
- ANNEXURE “D” - Catalytic Urban Development Project Pipeline Template**
- ANNEXURE “E” - Integration Zone Matrix**
- ANNEXURE “F” Indicators Template**

## **LIST OF ACRONYMS**

<b>AEL</b>	Air Emissions Licence
<b>APDP</b>	Automotive Production and Development Programme
<b>ATTP</b>	Assistance to the Poor
<b>BEPP</b>	Built Environment Performance Plan
<b>BRT</b>	Bus Rapid Transport
<b>CBD</b>	Central Business District
<b>CDC</b>	Coega Development Corporation
<b>CETT</b>	Corporate Environmental Task Team
<b>CIDZ</b>	Coega Industrial Development Zone
<b>CITP</b>	Comprehensive Integrated Transport Plan
<b>CoGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>CORPGIS</b>	Corporate Geographic Information Systems
<b>CSIP</b>	Capacity Support Implementation Plan
<b>CSP</b>	City Support Programme
<b>CWWTW</b>	Coega Waste Water Treatment Works
<b>DAFF</b>	Department of Fisheries and Forestry
<b>DBSA</b>	Development Bank of Southern Africa
<b>DEDEAT</b>	Department of Economic Development, Environmental Affairs and Tourism
<b>DME</b>	Department of Minerals and Energy
<b>DORA</b>	Division of Revenue Act



<b>DTI</b>	Department of Trade and Industry
<b>DWA</b>	Department of Water Affairs
<b>DWS</b>	Department of Water and Sanitation
<b>EC</b>	Eastern Cape
<b>ECSECC</b>	Eastern Cape Socio-economic Consultative Council
<b>EDRS</b>	Economic Development & Recreational Services
<b>EIA</b>	Environmental Impact Assessment
<b>EMF</b>	Environmental Management Framework
<b>ETC</b>	Eastern Cape Training Centre
<b>EPRU</b>	Eastern Province Rugby Union
<b>FWFWWTW</b>	Fish Water Flats Waste Water Treatment Works
<b>GGP</b>	Gross Geographic Product
<b>GIS</b>	Geographic Information Systems
<b>GRAP 17</b>	Generally Recognised Accounting Practices (Property, Plant and Equipment)
<b>GVA</b>	Gross Value Added
<b>HAD</b>	Housing Development Agency
<b>HDMS</b>	Housing Delivery Management System
<b>HIV/AIDS</b>	Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome
<b>HSDG</b>	Human Settlements Development Grant
<b>HURP</b>	Helenvale Urban Renewal Programme
<b>ICC</b>	International Convention Centre
<b>ICDG</b>	Integrated City Development Grant
<b>ICLEI</b>	International Council for Local Environmental Initiatives
<b>IDP</b>	Integrated Development Plan
<b>IDZ</b>	Industrial Development Zone
<b>IHSG</b>	Integrated Housing and Human Settlements Grant
<b>ILIS</b>	Integrated Land Information System
<b>INEP</b>	Integrated National Electrification Programme
<b>IPTS</b>	Integrated Public Transport System
<b>IT</b>	Information Technology
<b>ITP</b>	Integrated Transport Plan
<b>LAMS</b>	Land Asset Management System
<b>LED</b>	Local Economic Development
<b>LSDF</b>	Local Spatial Development Framework
<b>LTFS</b>	Long Term Financial Strategy

<b>LUMS</b>	Land Use Management System
<b>MBDA</b>	Mandela Bay Development Agency
<b>MDTTT</b>	Multi-Disciplinary Technical Task Team
<b>MIDP</b>	Motor Industry Development Programme
<b>Multi OEM</b>	Multi Original Equipment Manufacturers Complex
<b>MOSS</b>	Metropolitan Open Space System
<b>MRF</b>	Materials Recovery Facility
<b>MSW</b>	Municipal Solid Waste
<b>MURP</b>	Motherwell Urban Renewal Programme
<b>NDP</b>	National Development Plan
<b>NDP</b>	Neighbourhood Development Partnership
<b>NDPG</b>	Neighbourhood Development Partnership Grant
<b>NEMA</b>	National Environmental Management Act
<b>NFSD</b>	National Framework for Sustainable Development
<b>NLLS</b>	Nooitgedacht Low Level Scheme
<b>NMBBC</b>	Nelson Mandela Bay Business Chamber
<b>NMBM</b>	Nelson Mandela Bay Municipality
<b>NMBM IDP</b>	Nelson Mandela Bay Municipality's Integrated Development Plan
<b>NMBMM</b>	Nelson Mandela Bay Metropolitan Municipality
<b>NMMOSS</b>	Nelson Mandela Metropolitan Open Space System
<b>NMMU</b>	Nelson Mandela Metropolitan University
<b>NSSD</b>	National Strategy for Sustainable Development
<b>PE</b>	Port Elizabeth
<b>NT</b>	National Treasury
<b>PDoHS</b>	Provincial Department of Human Settlements
<b>PICC</b>	Presidential Infrastructure Coordinating Commission
<b>PPC</b>	Pretoria Portland Cement Company
<b>PPF</b>	Project Preparation Facility
<b>PRASA</b>	Public Rail Authority of South Africa
<b>PTIG</b>	Public Transport Infrastructure Grant
<b>PTIS</b>	Public Transport Infrastructure and Systems
<b>PTISG</b>	Public Transport Infrastructure and Systems Grant
<b>PTNO</b>	Public Transport Network Operator
<b>PTOG</b>	Public Transport Operating Grant
<b>PTP</b>	Public Transport Plan

<b>RDP</b>	Reconstruction and Development Programme
<b>RE Scheme</b>	Return Effluent Scheme
<b>ROD</b>	Record of Decision
<b>SALGA</b>	South African Local Government Association
<b>SANRAL</b>	South African National Roads Agency Limited
<b>SAPS</b>	South African Police Services
<b>SCU</b>	Sustainable Community Unit
<b>SCUs</b>	Sustainable Community Units
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDR</b>	Strategic Development Review
<b>SEZ</b>	Special Economic Zone
<b>SIPs</b>	Strategic Infrastructure Projects
<b>SMP</b>	Sanitation Master Plan
<b>SOE</b>	State Owned Enterprise
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>SPUU</b>	Safety and Peace through Urban Upgrading Programme
<b>SRA</b>	Special Rating Area
<b>StatsSA</b>	Statistics South Africa
<b>TNPA</b>	Transnet National Ports Authority
<b>UNS</b>	Urban Network Strategy
<b>USDG</b>	Urban Settlements Development Grant
<b>W&amp;S</b>	Water and Sanitation
<b>WMP</b>	Water Master Plan
<b>WtE</b>	Waste-to-Energy
<b>WUL</b>	Water Use Licence
<b>WWTW</b>	Waste Water Treatment Works

## **REFERENCE DOCUMENTS IN PREPARING THE BEPP**

The following documents have served as reference documents in the preparation of the 2016/17 BEPP:

Algoa Water Reconciliation Study, 2012  
ANC Election Manifesto, 2014  
Budget Speech by South African Minister of Finance, 2014  
Built Environment Performance Indicators (Draft)  
Cities Support Programme: Built Environment Performance Plans (BEPPs) Guidance Note, 2014  
BEPP, 2015/16 approved by Council in June 2014  
City Support Implementation Plan, 2015  
Comprehensive Integrated Transport Plan, 2011  
Demographic Update for NMBM by Development Partners, 2007  
Human Settlements Spatial Planning Framework (SPF) - Concept Note, 2014  
Informal Settlements Upgrading Plan, 2008  
Infrastructure Maintenance Backlog Assessment, 2011  
National Development Plan, Vision 2030  
Nelson Mandela Bay Industrial Development Strategy 2012  
NMBM 2014/15 Integrated Development Plan  
NMBM Draft Budget 2015/16  
Human Settlements Strategic Framework 2030, 2012  
NMBM Local Government Turnaround Strategy, 2010  
NMBM Metropolitan Spatial Development Framework, 2009  
NMBM Sanitation Master Plan, 2012  
NMBM Water Master Plan, 2006  
NMBM Municipal Waste Diversion and Beneficiation, 2015 (an Extract)  
Proposed high-level Housing Strategy for Nelson Mandela Bay Municipality, December 2012 by Shisaka Development Management Services  
SA Census 2011, Stats SA, 2011  
Strategic Development Review - NMBM 2014  
Supplementary Note to the Guidelines for BEPP 2015/16 - 2017/18  
Sustainable Communities Planning Guide, 2007

# **1. INTRODUCTION AND BACKGROUND**

## **1.1 INTRODUCTION**

This Built Environment Performance Plan (BEPP) follows the BEPP content and format provided by National Treasury in the Guidance Note (National Treasury, Cities Support Programme: BEPP Guidance Note for 2016/17 – 2018/19 (issued on 21 October 2015). It should be read in conjunction with the prior annual BEPP submissions for additional background information.

A Strategic Review of the Built Environment is attached as Annexure “A”. This strategic review contains updated information that was contained in the 2015/16 BEPP. The Strategic Review contains important contextual information for this BEPP.

## **1.2 PURPOSE OF THE BEPP**

The BEPP is a requirement of the Division of Revenue Act (DoRA) in respect of the various infrastructure grants related to the built environment of metropolitan municipalities. It is submitted to National Treasury in order to, *inter alia*, access the following conditional grants:

- Integrated City Development Grant (ICDG)
- Urban Settlements Development Grant (USDG)
- Human Settlements Development Grant (HSDG)
- Public Transport Infrastructure Grant (PTIG)
- Neighbourhood Partnership Development Grant (NDPG)
- Integrated National Electrification Grant (INEP)

The BEPP aims to demonstrate the use of these grants for the purpose of spatial restructuring through targeting capital expenditure in areas that will maximise the positive impact on citizens, leverage private sector investment,

and support growth and development towards a transformed spatial form and a more compact city.

This Built Environment Performance Plan builds the foundation for refinement and consolidation of the prior BEPP's particularly the 2015/16 BEPP by:

- Emphasising spatial planning and prioritisation through:
  - Spatial Targeting- prioritising Integration Zones
  - Local area planning
  - Greater catalytic project preparation detailing
  - Recognising the need for intergovernmental planning and sector alignment
  - Working towards a strategy for the prioritised Integration Zones
- Better articulating the required Urban Network Strategy investments in order to maximise provincial, national and State Owned Enterprises investments.
- Better defining a pipeline of catalytic urban development projects

### **1.3 ADOPTION OF THE BEPP BY COUNCIL**

The 2016/17 BEPP is to be adopted by Council by 31 May 2016 and submitted to National Treasury in compliance with DoRA.

### **1.4 SELF ASSESSMENT OF BROAD LEVEL COMPLIANCE**

Notwithstanding aspects as they are covered in the body of this report, a snapshot self-assessment of the fulfilment of the guidance note BEPP 2016/17 – 2018/19 focus areas in relation to this BEPP is as follows.

**TABLE 1 : BEPP Compliance**

<b>CRITERIA REQUIRED</b>	<b>SUB ASPECT</b>	<b>COMPLIANCE COMMENT</b>
Completion, refinement and consolidation of previous focus areas	Identification, refinement and consolidation of Urban Network Strategy and Integration Zones	The Urban Network Strategy has been refined since the 2015/16 BEPP and two prioritised Integration Zones identified.
	Improved Transit Oriented Development interfaces	This area is not yet fully developed. The principle of TOD is adhered to in broad level planning and planning aligned to housing programmes. This is also evident in respect of the Metropolitan Spatial Development Framework, the Sustainable Community Planning Methodology of the NMBM, the Comprehensive Integrated Transport Plan and the identification of Integration Zones. The IPTS system in NMBM is under review. Specific projects will be dealt with in more detail once detailed precinct plans in Integration Zones are finalised. Precinct planning is underway.
	Identification and packaging of a pipeline of catalytic projects within Integration Zones	The catalytic projects of NMBM according to the 2015/16 BEPP guideline definition have been identified and refined in this BEPP.
	Upgrading and development of informal settlements and interventions for marginalised areas.	A comprehensive programme is in place for the upgrading of all informal settlements in NMBM including in situ upgrading and necessary relocations to greenfield developments.

<b>CRITERIA REQUIRED</b>	<b>SUB ASPECT</b>	<b>COMPLIANCE COMMENT</b>
Spatial planning and project prioritisation	Spatial Targeting: Identify Informal Settlements	All informal settlements are identified, prioritised. and programmed for upgrading in terms of a project readiness matrix.
	Spatial Targeting: Identify areas of growth- Commercial and Industrial	These are identified.
	Spatial Targeting: Identify priority Integration Zones	The Integration Zones have been re-prioritised. The Integration Zone Matrix completed. Non-investment activities are in the process of being identified.
	Precinct Planning	Precinct planning is in process for the Ibhayi area. Bethelsdorp and Motherwell are in the procurement phase.
	Project preparation for selected key catalytic urban development projects	The catalytic projects have been re-assessed and identified. The DBSA PPF has been used to assess viability of two CBD projects and a ULI Panel for the Baakens Valley/ Port Precinct CBD catalytic project has taken place.  Work on all catalytic projects is underway with partial implementation in some areas. The project articulation and implementation requirements will continue.  A fiscal impact assessment for two development scenarios is underway.



CRITERIA REQUIRED	SUB ASPECT	COMPLIANCE COMMENT
Spatial planning and project prioritisation <i>(continued)</i>	Intergovernmental planning and sector alignment.	<p>This area requires more work and co-ordination. Poor alignment exists with the Provincial government in respect of the provision of health and education facilities for housing developments. This will continue to be pursued.</p> <p>Funding for the key infrastructure projects (e.g. Nooitgedacht), needs to be more vigorously addressed at an intergovernmental level.</p>
	Develop a strategy for prioritised Integration Zones	The strategies for the Integration Zones have preliminarily been identified in the template. These strategies now need to be consciously developed and articulated in the BEPP context. No special land regulatory arrangements are currently in place in the identified integration zones it is intended to pursue this in the 2016/17 financial year.
Intergovernmental Project Pipeline		<p>The template for the metropolitan project pipeline has been completed as far as possible and is an annexure to this Draft BEPP. The work in this regard continues on an ongoing basis.</p> <p>A State Owned Enterprises workshop was held in September 2015 to establish a common agenda with SOE's. Work with SOE's continues.</p>
Capital Funding	Long Term Financing Strategy (LTFS)	Through the Capacity Support Implementation Plan work on a LTFS has commenced.

<b>CRITERIA REQUIRED</b>	<b>SUB ASPECT</b>	<b>COMPLIANCE COMMENT</b>
Implementation	Identification of planning and implementation status of catalytic projects.	The catalytic projects are identified as well as those in planning and those in implementation phase. This information is contained in the Catalytic Urban Development Project Pipeline Template.
Urban Management	Plans for urban management per precinct in each integration zone.	Priority precincts and growth nodes are preliminarily identified. Urban Management Plans are not yet in place.

### **1.5 PLANNING ALIGNMENT BETWEEN BEPP, IDP, SDF AND BUDGET**

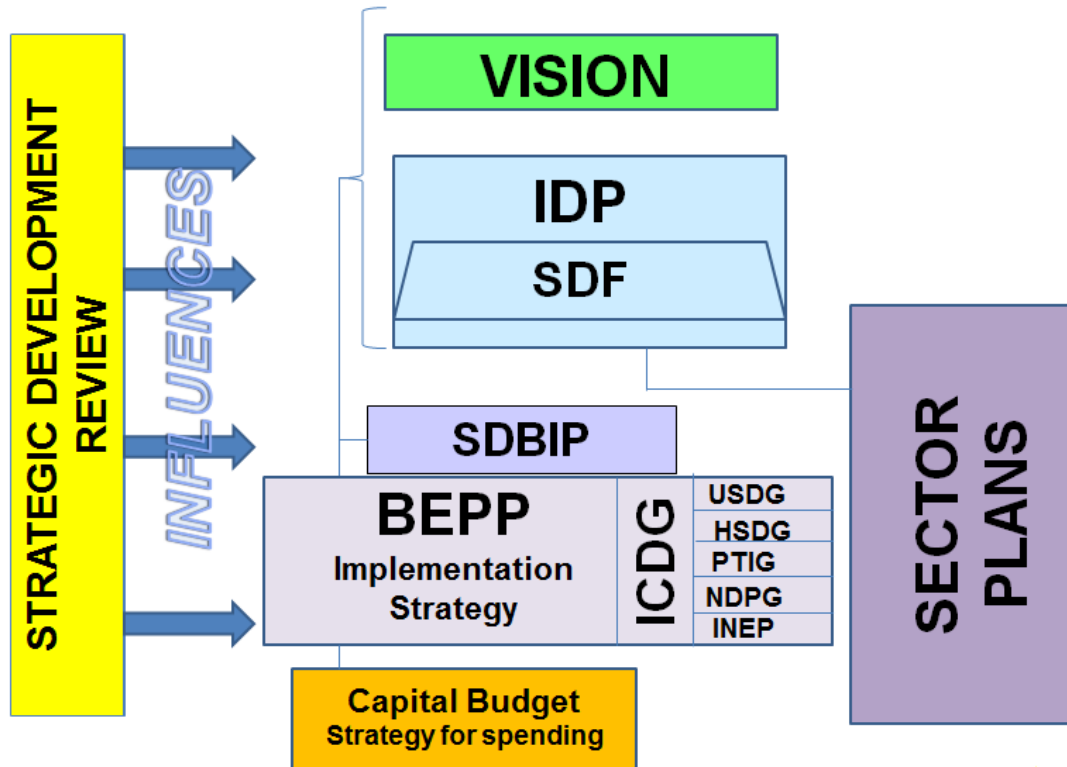
The BEPP is to be read together with, and is complementary to, the Municipality's key strategic documents, including the Integrated Development Plan (IDP), the Budget, the Spatial Development Framework (SDF) and the Comprehensive Integrated Transport Plan.

The BEPP can be seen to represent the investment strategy of the Municipality in fulfilling its objectives of equitable city development, transformed spatial form and more compact city development.

The following diagram can be seen to reflect the interrelationship between the BEPP and key strategic programmes/plans of the City:

FIGURE 1: Strategic Plan relationship to the BEPP

## SDR/IDP/BEPP/SDF/BUDGET RELATIONSHIP



An exercise is being specifically undertaken to maximise the alignment between the BEPP, IDP SDF and Budget. A Task Team has been established to drive this process which is being politically led by the political portfolio head of Budget and Treasury. Better alignment is achieved in the final 2016/17 BEPP, IDP and Budget with work continuing to achieve even greater alignment in the 2017/18 Budget/IDP cycle.

## **1.6 STRATEGIC DEVELOPMENT REVIEW**

During 2014 it was acknowledged that a number of indicators show that the NMBM has entered a low growth trap which weakens long term prospects for economic growth, poverty reduction, and threatens the fiscal sustainability of the municipality.

Economic performance of the metro is weak with low investor confidence, joblessness and widespread economic exclusion. Although the metro has made impressive strides in expanding access to housing and basic services, this very success threatens the fiscal viability of the metro over the long term as low payment levels and rising operating costs erode its capacity to fund the significant investments required in infrastructure extension, maintenance and replacement.

The City Support Programme enabled a Strategic Development Review (SDR) through engagement with the political and administrative leadership. This review assessed the development challenges and opportunities facing the city and initiated a strategic planning process which involved the development of a number of possible scenarios linked to important development choices to be made.

It became clear from the analysis and the scenario planning exercise that the NMBM leadership needed to develop and sustain a consistent and mutually reinforcing set of initiatives and programmes (embracing financial, economic, developmental and organisational themes) to maintain a virtuous growth cycle which can meet the challenges facing the city over the long term.

It has been agreed that a shift of the development trajectory of the metro is required. This shift has been summarised as the “walking together for growth” scenario and calls for bold, strategic and disciplined leadership so that, by 2030, the metro is a dynamic, creative city of choice for residents and investors.

The decisions required in the "walking together for growth" scenario have been agreed as follows:

**Decision 1: establish a single organisational planning process**

The city must significantly strengthen strategic planning systems, to ensure they are consistent, mutually reinforcing and provide an effective guide to development. A lack of integration between major planning instruments, particularly with respect to human settlements, public transport and land use management makes a significantly negative contribution to the built environment outcomes experienced in the metro area.

In order to strengthen strategic planning the city leadership should establish a strategic planning centre for the organisation, with capacity to: (i) exercise strong technical oversight of sectoral planning within a framework established by the Spatial Development Framework; and (ii) undertake extensive monitoring, evaluation and data analysis to drive empirically based policy formulation

The metro itself cannot control economic growth, so it must behave strategically with the powers it has and build the partnerships it needs to facilitate growth. Moreover, it must carefully choose what it seeks to do, as well as what it does not seek to do.

The single organisational planning process must have the Spatial Development Framework at its centre, because of the need to redefine the urban space economy for inclusive and sustainable growth. The current low density, sprawling urban form of the metro area has long been identified as an obstacle to equitable, sustainable and efficient development. Yet current city development strategies have continued to perpetuate – and in some cases entrench – this urban form. This has imposed long term costs on the municipality, households and businesses that are emerging as a significant constraint to future growth and poverty reduction.

**Decision 2: Implement a more strategic budget process**

The existing budget process has many deficiencies: it has a very technical character, and there is no space for discussion of strategic and political imperatives and their budget implications. This reinforces a 'business as usual' approach by spending departments. Furthermore, consultation starts very late in the process and while the final budget may be technically sound (i.e. it could be approved by NT as a funded budget) it lacks credibility with the political leadership, community organisations, and parts of the business sector. Such a budget is undermined from the moment it is adopted, and does not achieve its main purposes, namely to ensure that the budget reflects strategic choices, and that spending stays within the budget.

However, a municipal budget should be (a) strategically and technically well-considered; (b) financially-constrained; (c) politically-determined; and (d) broadly consulted and supported.

A strategically well-considered budget will ensure that spending shifts away from low priority and unaffordable projects and programmes towards essential and high priority projects and programmes. It will not merely react to the latest pressures but forge a deliberate path in the chosen strategic direction. It will be policy-driven (i.e. it will respond to strategic choices that are clearly articulated), especially in relation to the built environment and economic growth.

A technically well-considered budget will provide for an operating surplus of at least 15%, to ensure that the metro can afford capital programmes on a reasonable scale.

A financially-constrained budget will be funded (cash inflows will be sufficient to cover cash outflows). This is likely to require mandatory savings across the organisation, reprioritisation of major programmes, accelerated generation of trading surpluses through service expansion (even to surrounding municipalities), and evaluations of returns on asset portfolios

A politically-determined budget should reflect - within the available resources - political and strategic priorities; and a broadly consulted and supported budget should be able to win broad agreement among community, business and other social sectors that the budget is appropriate and correct. Without these the city budget will not be able to resist pressures to be continually amended, and so will not be effectively implemented.

### **Decision 3: Refocus all activities around developmental programmes**

The city leadership has made a strategic decision to refocus its attention, priority actions and activities to support and facilitate more inclusive economic growth in the metro.

The core strategic shift required in the approach of the city is from a Welfarist approach to a Developmental one. While the welfarist approach has expanded access to social package of housing and basic services, it has not enabled the local economy to grow in ways that can provide opportunities to the majority of residents. It has left the city caught in a welfarist dilemma: the more successful it is in providing a social package the less sustainable the municipality – and the social package - becomes over the long term.

A developmental approach is one where the city is able to enter a virtuous cycle of growth, where carefully selected infrastructure investment triggers increased economic activity and rising property prices. This, in turn, allows the city to collect growing service charge revenues from a rising number of non-poor households, and growing property tax revenues as prices rise. And this expands the ability of the city to invest in further infrastructure. Entering this virtuous, developmental cycle requires city to interface more actively with land markets, both to enable increasing number of households to participate and benefit meaningfully from land market activity in the city, and to garner the revenue benefits.

Effective infrastructure programmes are the key to the city entering this virtuous cycle. The current investment portfolio represents the only chance the city has to get this right, both due to their scale and the absence of any additional sources of finance. It is thus essential that the city urgently seek to rebalance the social and economic dimensions of the portfolio to ensure that it will generate appropriate returns through expanding the revenue base of the city and re-establishing at least a basic operating surplus.

The city leadership has already identified the need to build a more compact and inclusive spatial framework for the city, based on transit oriented development corridors (or integration zones) that are outlined in its Spatial Development Framework and Built Environment Performance Plan. For this decision to be effective, it now needs to ensure that its sectoral development policies complement this approach.

#### **Decision 4: Rebuilding organisational stability and integrity**

The multiple organisational weaknesses that currently limit the effective capacity at NMBM require that the following specific actions be undertaken:

- Strengthen the strategic centre of the organisation (the offices of the CM, COO and CFO), locate all strategic planning and major operational planning in this centre, and ensure regular meetings of the entire top management of NMBM;
- Establish a correct and cooperative relationship between political and administrative structures that recognises the different responsibilities and accountabilities of political leaders and officials;
- Re-establish trust and the ability to work across silos through appropriate teambuilding activities;
- Radically enhance administrative productivity by leadership modelling of the necessary changes in behaviour, investing in staff seeking to institutionalise these changes; and improving the management of performance;



- Strengthen integrity systems and ensure that they respond to causes rather than symptoms; enhance transparency and predictability; and strengthen and protect the internal audit function

#### **Decision 5: Rebuild social partnerships**

The city leadership will need to work hard to create social consensus and build social capital, as it will not be possible to be effective unless some success has been achieved in this sphere.

There will need to be a sense of trust built around a 'new deal' and a new social coalition. There will have to be a shared sense of the challenges being faced, and a shared commitment to facing those challenges.

Some essential initiatives in this sphere should be:

- a programme with clear messaging and news and innovative channels of communication, particularly with the urban youth, unions and business sectors;
- Develop new means of community engagement, in consultation and oversight, in order to re-invigorate the relationship with communities. Test new mechanisms of community oversight of service delivery in selected areas: community scorecards, social audits. Re-examine (change and broaden) the roles of ward committees.
- Develop new means of engaging social partners for development.

Detailed recommendations to support the above decisions have been adopted in July 2015 are in the process of being implemented.

The results of the Strategic Development Review will influence the major strategic documents of the Municipality such as the long-term vision, the IDP, the Spatial Development Framework and organisational structure. These processes are underway.

## 1.7 LONG-TERM VISION

The Municipality's long-term Vision for the preceding period is as follows:

*'To be a globally competitive and preferred Metropole that works together with the people.'*

An interim vision and mission has been developed as part of the long term development strategy process of the City with a view to finalise the strategy in the 2016/17 post election period.

The Strategic Development Review exercise that is discussed in the preceding section will influence the preparation of the long term development strategy towards 2030.

### **The "Five Golden Years 2016 - 2021"**

The intent of the 2016/17 IDP is to achieve the following within the next 5 years:

- To make this a Golden Period in the development of Nelson Mandela Bay - a period in which the goals of the National Development Plan will be meaningfully approached;
- To create a period in which the economic and organisational decline evident today in the Nelson Mandela Bay Municipality and in the Nelson Mandela Bay economy will be turned around;
- To create a period in which the institution of the Municipality will be re-invigorated, purged of corruption and made a machine of efficient service delivery;
- To ensure the economy of our Metro will be renewed and helped to grow in size and particularly in decent employment opportunities.

The interim **vision** is as follows:

Nelson Mandela Bay should be a metropole that lives to the values of its icon, Nelson Mandela.

It should become a metropole where the young have opportunity; working aged people employment, the poor dignity, the aged comfort and all should have social justice.

A metro that is cohesive socially, robust politically and engaged internationally.

A metropole with a stable, efficient and innovative government with financial muscle and a dynamic accelerating economy delivering better livelihoods for all.

In short, a metropole Nelson Mandela would be proud of.

The interim **mission** is as follows:

Nelson Mandela's values are held up as our mission:

That all should have dignified housing: secure, with electricity, water, sanitation, regular refuse collection, and an adequate road network; and, with time , universal wi-fi and up to date technology will also be available, as well as efficient and inexpensive public transport.

That all should have access to a full range of quality municipal services, including libraries, sports facilities, swimming pools, cultural facilities, and, in emergencies , efficient fire and disaster management services and dignified cemeteries.

That all should have a clean environment , with trees , parks, nature reserves, beaches and special places to share with loved ones- all of this should be safe to walk in and enjoy, free from fear of criminals.

That Nelson Mandela: Bay Municipality would play a meaningful role in reducing crime levels in our metro.

That a truly non-racial environment will become the natural order of things- audiences at sport and cultural events should reflect over time our Rainbow Nation: living together and recreating together should be our daily pleasure, not our occasional responsibility.

That Nelson Mandela Bay Municipality will cooperate with other levels of government , non-governmental organisations, the business community, educational institutions, development agencies and others to effect this mission – particularly , helping to create the environment for quality schooling for our scholars.

That in all our endeavours, the creation of an economy that offers dignified labour opportunities at decent wages for all, should become a core value.

### **1.8 CAPACITY SUPPORT IMPLEMENTATION PLAN (CSIP)**

During the course of preparation of this BEPP, the Capacity Support Implementation Plan has been further implemented. The CSIP identifies a number of programmes of support for the NMBM through the City Support Programme of National Treasury. As these programmes are further developed, they will influence the critical sections of the BEPP relating to strategies and programmes, outcomes and outputs and institutional and financial arrangements.

This has caused the Capacity Support Implementation Plan (CSIP) to be aligned with the five “Back to Basics” campaign areas, namely:

- Putting people first – listening to the people.
- Service delivery
- Good Governance
- Sound Financial Management
- Institutional development

The following table identifies the Capacity Support Implementation Plan (CSIP) currently being undertaken through the City Support Programme of National Treasury and the status of those programmes.

**TABLE 2: Capacity Support Implementation Plan**

Type of project	No.	Project	Brief Description	Status
<b>Strategic review</b>	1	Strategic development review	NMBM has entered a low growth trap to weaken long term economic and poverty reduction prospects. A diagnostic was done on major economic, fiscal, developmental and administrative challenges facing NMBM. This has led to the adoption of a "Walking Together For Growth Scenario" which identifies major choices to turn the NMBM around to a growing economy with sound administration.	Detailed recommendations are being implemented.
<b>Organisational</b>	3	Organisational change management support	NMBM faces severe organisational challenges. These have included instability, political/ administrative blurring, problems with legal compliance and an extremely poor labour relations environment. The organisational structure also requires review to align the institution with its strategic objectives. The work will include a review of the organisational structure; advice on the labour relations environment, and if appropriate teambuilding and coaching of management team to build a strong management team	Consultant procured, work underway.

Type of project	No.	Project	Brief Description	Status
<b>Organisational (cont.)</b>	3	Integrity strategy development & implementation	NMBM faces many allegations of corruption. There are also many internal audit reports as well as wider reaching reports such as the Kabuso and Pikoli reports that indicate an organisational culture lacking in integrity, trust and ethics. The local press constantly publicises articles which question the ethics and integrity of officials and politicians within the organisation. The project aims to develop processes that will strengthen integrity systems and enhance levels of transparency.	HSRC is appointed to assist NMBM to develop an integrity strategy and define critical processes. This project is being re-evaluated.
	4	Expanding modalities for citizen engagement	There is widespread distrust and there are constant challenges to city initiatives due to inadequate and inappropriate consultation and citizen engagement. In addition there are constant protests challenging the institution. The IDP/budget participation processes can be greatly enhanced. The intention is to develop processes through which citizen trust can be enhanced and with proper participation lead to credible and well understood IDP and budget processes.	HSRC appointed to assist the NMBM to develop a Citizen Engagement strategy and define critical processes. A preliminary report was prepared by HSRC with certain proposals in April 2015. This project is being re-evaluated.

Type of project	No.	Project	Brief Description	Status
<b>Financial</b>	5	Financial planning support	<p>NMBM has difficulty to adequately assess capital and operating priorities. This project seeks to introduce an appropriate capital prioritisation and planning system. It also seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS).</p> <p>A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process.</p>	<p>NT has provided capacity to work with Budget &amp; Treasury to develop the LTFSS. The alignment of the IDP /Budget and BEPP is underway.</p> <p>Capital budget prioritisation mechanisms are being investigated.</p>
	6	Revenue strategy & management support	<p>The current budget preparation processes indicates inappropriate tariff structures, increasing gross debtors and inadequate revenue system functionality. Review current tariff structures, compare them to service delivery costs and affordability of debtors; and suggest changes which could be more appropriate; review revenue system functionality and performance and advise on possible improvements; review and advise on suggested approaches to collecting the debtors book.</p>	<p>This will continue into the new budget cycle with continued CSP support.</p>
	7	Infrastructure financing support	<p>There are 3 strategic water services projects well placed to support poverty reduction and promote economic development. These are bucket eradication, Phase two of the Nooitgedacht WWTW and Fishwater Flats</p>	<p>World Bank appointment</p> <p>The approach to Fish Water Flats- needs to be</p>

Type of project	No.	Project	Brief Description	Status
<b>Financial (cont.)</b>			WWTW. The project involves high level strategic evaluation of the current proposals and to make recommendations on approaches to accelerate implementation.	reconsidered - reports have been prepared and the need and approach will be reviewed. Mechanisms are being explored for funding FWFWWTW as well as Coega WWTW. This project will be prioritised in 2016/17.
<b>Policy</b>	8	Long term development planning support	NMBM has no substantive development vision and strategy. The intention is develop a short , medium and longer term development vision and strategy by managing the development of the BEPP , SDF, Transport planning and housing programme and other strategic documents and ensuring that they are effectively aligned and feed into the annual processes generating the budget and IDP. This is to be led by the SDR report findings and decisions.	This process is underway with the support of the City Support Co-ordinator.



Type of project	No.	Project	Brief Description	Status
<b>Policy (cont.)</b>	9	Spatial development framework review	The NMBM has an SDF that needs alignment with major strategic thinking and needs to have widespread multi sectoral political credibility and support. The intention is to review the SDF proposals and built environment strategy to ensure alignment with the BEPP, IDP, SDR, budget and other key strategic documents and to workshop the products extensively with the assistance of experts.	Terms of reference developed. This project will be prioritised in 2016/17.
	10	Land use management options, policy & practices	NMBM is a very low density city, slow growth and many development rights already allocated. It is required to review effective use land use management instruments and policies to increase densities and achieve SDF goals. Understanding property market and to instruments to change land use, in line with a revised IDP, BEPP and SDF, taking SPLUMA into account is required.	Terms of reference developed. This project will be prioritised in 2016/17.
	11	Public Transport Review	The planned IPTS has been identified as unaffordable and unsustainable in its present form. There is an urgent need for a review of the current IPTS which has the potential to put the city in significant fiscal risk in the short to medium term. There has been open criticism of governance and management of the IPTS system.	World Bank has been appointed and has conducted extensive work. Initial reports have been prepared and engagements have

Type of project	No.	Project	Brief Description	Status
<b>Policy (cont.)</b>			It is intended to review of the current system to determine the best affordable public transport system and determine whether the current system and routing been optimally planned. It will also involve a review of institutional arrangements and the structure of the current institution overseeing public transport implementation.	taken place with NMBM role players. This is presently being reviewed.
	12	Human settlements support	It is intended to conduct a review of Land and Housing market trends and to develop proposals to revise the NMBM policies. NMBM has successfully provided RDP housing, however it is clear from the SDR that this is unsustainable. Alternative more sustainable housing strategies need to be developed and implemented.	Appointment has been made and a policy review is underway.
<b>Economic</b>	13	City economic development strategy	No comprehensive Economic Development strategy for NMBM exists. An industrial strategy and an LED strategy exist in isolation of other essential elements. Partnerships are weak, and there is limited understanding within the city government of the structure and dynamics of the city economy, or how city resources could be allocated and focussed to optimise economic development. It is intended to work with the city to enable the development of a coherent and complementary Economic Development Strategy.	World Bank team provided a preliminary report. A course on economic development by National Treasury through the CSP for all Metros, was held in November 2015. Specific work will take place in NMBM to take this

Type of project	No.	Project	Brief Description	Status
<b>Economic (cont.)</b>				process further. This project will be prioritised in 2016/17.
	14	Economic development interventions	<p>Proposals for tourism mega projects have existed for some years, and although detailed proposals (business plans) have been developed for some of these, they are now out of date. There is a need to review the tourism development strategy and the place of the mega projects in this strategy. In addition, there is a need to develop an economic development perspective of the NMBM spatial form, as a contribution to the NMBM spatial development framework (SDF).</p> <p>It is intended to conduct a study of existing mega projects and to review tourism potential and strategy with a view to developing recommendations on strategy and projects; develop spatial perspective of economic development at NMBM; development of detailed business plans for selected mega projects.</p>	<p>World Bank Experts have visited the NMBM and a preliminary report has been prepared which needs to be taken further with specific reference to a tourism strategy.</p> <p>This project will be prioritised in 2016/17.</p>

## **2. SPATIAL PLANNING AND PROJECT PRIORITISATION**

### **2.1 SPATIAL TARGETING**

#### **2.1.1 SPATIAL DEVELOPMENT STRATEGY**

The NMBM Spatial Development Strategy is articulated in a number of documents. These are identified and elaborated upon below.

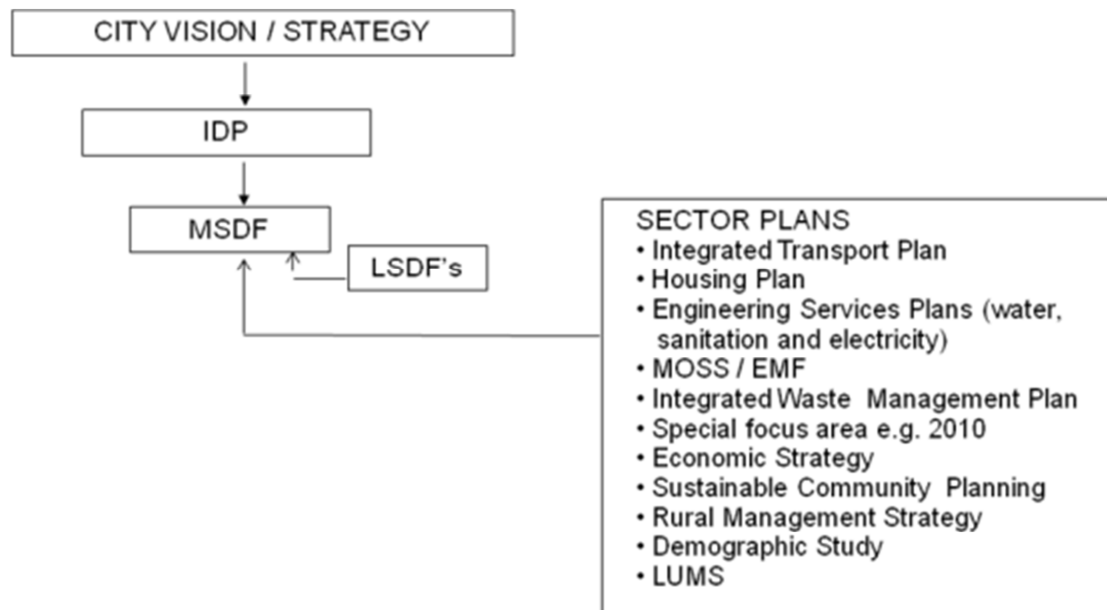
##### **2.1.1.1 Metropolitan Spatial Development Framework (MSDF)**

To ensure sustainable growth and development in Nelson Mandela Bay, it is vital that all strategic planning processes are aligned and fully integrated, so that development does not take place in an *ad hoc* or fragmented manner. Key to this, is the development of a shared long-term vision and strategic plan. This is discussed above.

This strategic document will inform future integrated development planning, which will in turn inform the Spatial Development Framework of the Municipality. The Metropolitan Spatial Development Framework (MSDF), contains a number of key sector plans that are necessary for development.

The Metropolitan Spatial Development Framework in turn informs the Local Spatial Development Frameworks (LSDFs), which are more specific and location bound.

These frameworks are supported by an Integrated Land Use Management System (LUMS). The diagram below reflects these linkages:

**FIGURE 2: Relationship between Strategic Documents of the NMBM**

Source: NMBM, 2012

The Metropolitan Spatial Development Framework outlines the desired spatial development of the metropolitan area, as contemplated in Section 25(e) of the *Municipal Systems Act* (Act 32, 2000). It also highlights priority investment and development areas, and therefore serves as a guide to decision-makers and investors. It should be emphasised that the MSDF is an integral component of the IDP and represents the spatial implications to provide broad, overall developmental guidelines. This tool must therefore not be used in isolation, but must support decision-making within the context of the IDP and the long-term vision and strategic plan.

**FIGURE 3: Vertical Alignment between IDP and SDF**

**VERTICAL ALIGNMENT WITH IDP AND SDF**



Source NMBM, 2015

**FIGURE 4: Horizontal Alignment of Spatial Planning Frameworks**

**HORIZONTAL ALIGNMENT OF SPATIAL PLANNING**



Source: NMBM, 2015

The current draft of the MSDF is under review for the 2016/17 period. It is to be aligned with the Strategic Development Review, BEPP (including the Urban Network Strategy) and does not conflict with other development strategies, locally, nationally, provincially and regionally

#### **2.1.1.1.1 Spatial Development Framework proposals**

Three focal points in the Metropolitan Spatial Development Framework are regarded as key in achieving restructuring, integration and sustainability.

These are discussed below and are:

- The Sustainable Community Planning Methodology
- Corridors and access
- Economic Development and growth

##### ***2.1.1.1.1.1 Sustainable Community Planning Methodology***

The existing pattern of development in Nelson Mandela Bay is the result of segregation-based planning. The structuring not only separates different racial groupings in geographical terms, but has also resulted in great disparities in standards of living, as well as access to infrastructural services, employment, and cultural and recreational facilities. As these imbalances serve as constraints for redevelopment, they should be addressed and rectified.

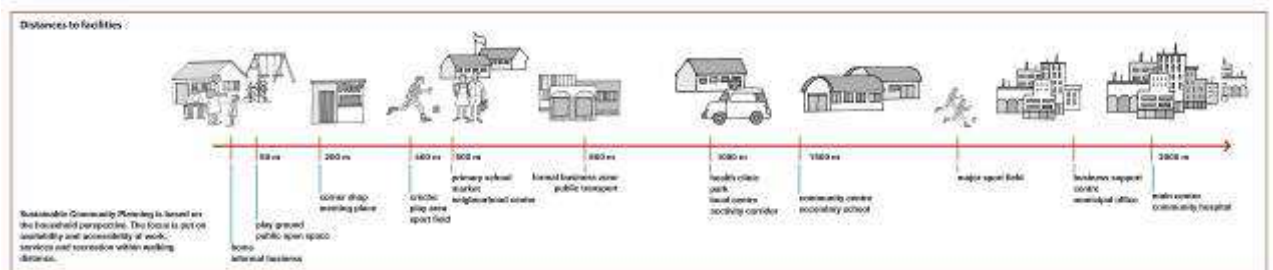
Sustainable Community Units (SCUs) have been introduced to achieve a more balanced structure in Nelson Mandela Bay, in order to reduce discrepancies in terms of service provision and standards; promote integration in socio-economic and functional terms; and provide for economic activities and employment opportunities.

The urban area of Nelson Mandela Bay has been divided into a number of planning units or entities, known as Sustainable Community Units. These are defined by the distance that an average person can comfortably walk in half

an hour, i.e. a 2 km radius. The planning methodology aims to provide the requirements for a minimum standard of planning and living within those areas; in other words, amenities, facilities and job opportunities must be within walking distance of all residents. All SCUs in Nelson Mandela Bay are to be linked by a public transport network, which will ensure that all areas are accessible to all communities by means of public transport, which is also required in terms of the Integrated Transport Plan.

Basic municipal facilities and services should be provided within walking distance of residential areas; higher order facilities can be located further away, as reflected below.

**FIGURE 5: Distance to Facilities**



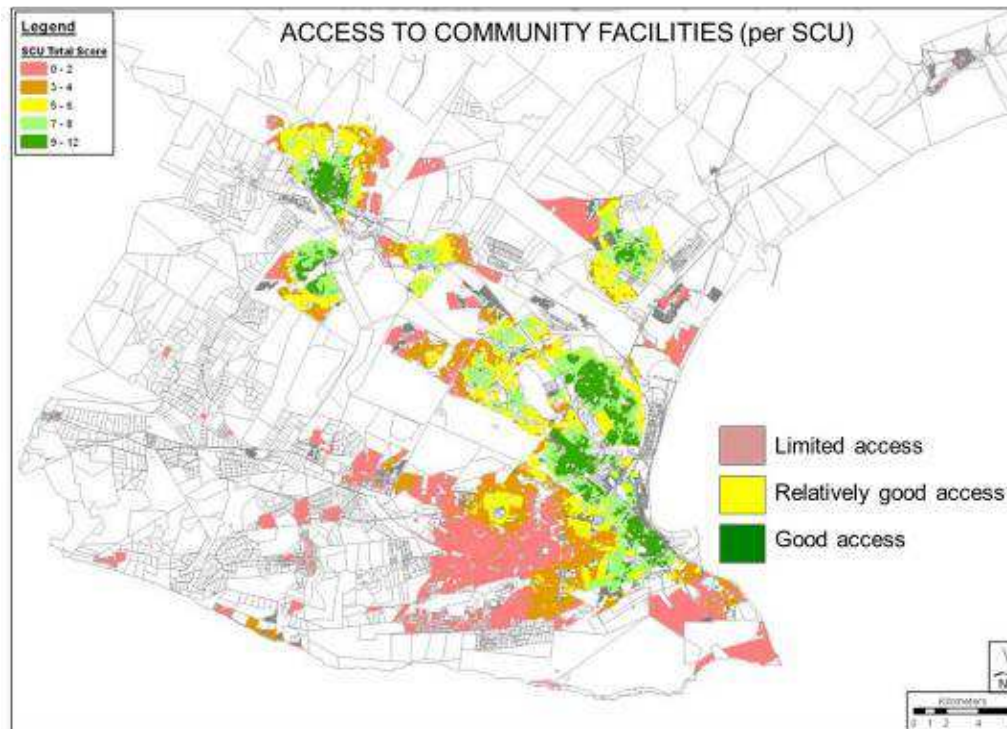
Source: NMBM Sustainable Community Planning Guide 2007

A GIS analysis of the provision of facilities and services in Nelson Mandela Bay was undertaken. It shows that poorer areas have the highest provision. The analysis does not refer to a qualitative analysis; it is only quantitative.



The following composite plan shows the spatial provision of facilities and services.

**FIGURE 6: Access to Facilities**



Source: NMBM CorpGIS, 2010

The SCU planning methodology concept identifies the need to make higher levels of sustainability and integration in Nelson Mandela Bay the primary focus of SCU planning. The basis for sustainable community planning lies in the development principles adopted at national, provincial and local government levels, as supported by legislation and government policies.

The Municipality's Sustainable Community Planning methodology, which is currently being implemented, covers both existing and future areas of development. A fundamental principle of this plan is to have work opportunities closer to places of residence in order to reduce the need to travel. This is to be achieved through the planning of new areas to accommodate more than just housing developments but also through a paradigm shift on the location of new settlements closer to rather than further away from places of employment and social and public amenities. Peri-urban

areas in which settlements exist, are also planned according to the Sustainable Community Planning methodology, with a view to providing local job opportunities.

The development goals and principles of particular importance for spatial planning in SCUs are:

- (a) Poverty alleviation and the satisfaction of basic needs.
- (b) Focus on special needs groups (HIV and AIDS affected persons, children, the elderly, and persons with disabilities).
- (c) Gender equality and equity.
- (d) The environment (physical, socio-economic).
- (e) Participation and democratic processes.
- (f) Local economic development.
- (g) Accessibility (public transport and pedestrian focus).
- (h) Mixed-use development.
- (i) Corridor development.
- (j) Safety and security.
- (k) Variation and flexibility.
- (l) Appropriate densification.
- (m) Reducing urban sprawl.

To achieve both sustainability and integration, six functional elements need attention in relation to the above principles.

*These six functional elements are:*

- (a) Housing
- (b) Work
- (c) Services
- (d) Transport
- (e) Community
- (f) Character and identity

Focusing on these six elements, minimum standards are pursued to achieve an acceptable planning quality that will result in an improved quality of life for residents in these areas (for more detail on the planning methodology outlined above, refer to the *Sustainable Community Planning Guide*, dated June 2007; also available on the municipal website: [www.nelsonmandelabay.gov.za](http://www.nelsonmandelabay.gov.za)).

#### **2.1.1.1.2 Corridors and accessibility**

In restructuring Nelson Mandela Bay, the development of corridors along major routes that have the potential for integrated mixed land use development, supported by improved public transport services (e.g. the Khulani Corridor), is also envisaged. A Comprehensive Integrated Transport Plan (CITP) has been developed as a key component of the MSDP. This is currently under review.

As the primary goal of the CITP is to improve accessibility for all residents of Nelson Mandela Bay, it has a strong focus on public transport provision.

Visible implementation projects are the introduction of the Integrated Public Transport System, as well as pedestrian and cycle-paths along major roads.

#### **2.1.1.1.3 Economic development and growth**

This crucial component of the Spatial Development Framework seeks to generate means to support and enhance urban development. Various interventions may be utilised to support economic growth and development, based on a number of considerations, such as:

- (a) the importance of linking the residents of Nelson Mandela Bay to opportunities;
- (b) directing investments to places where they will have the greatest effect;
- (c) protecting and enhancing natural and cultural resources for sustainability and enriching the experience of Nelson Mandela Bay; and
- (d) weaving the growth of Nelson Mandela Bay strongly into the economic fabric of the Eastern Cape Province.

#### **2.1.1.1.2 Implementation and prioritisation**

The MSDF provides strategic guidance in respect of areas on which the Municipality should focus the allocation of its resources. In order to assist in prioritising projects and allocating resources, four main elements of the MSDF were isolated as geographic entities that could give guidance as to where the priority capital investment areas lie. These areas are:

- (a) Core economic areas
- (b) Infill priority areas
- (c) Strategic development areas
- (d) Service upgrading priority areas

The MSDF is also supported by a number of sectoral plans and topic-specific planning documents, including the following, as discussed earlier:

- (a) Strategic environmental assessment
- (b) Urban edge/Rural management and urban densification policies
- (c) Demographic study update
- (d) Land Use Management System
- (e) The Human Settlements Implementation Plan

### 2.1.1.1.3 MSDF sector plans

The various sector plans incorporated into the MSDF and which have major spatial implications for the MSDF, are as follows:

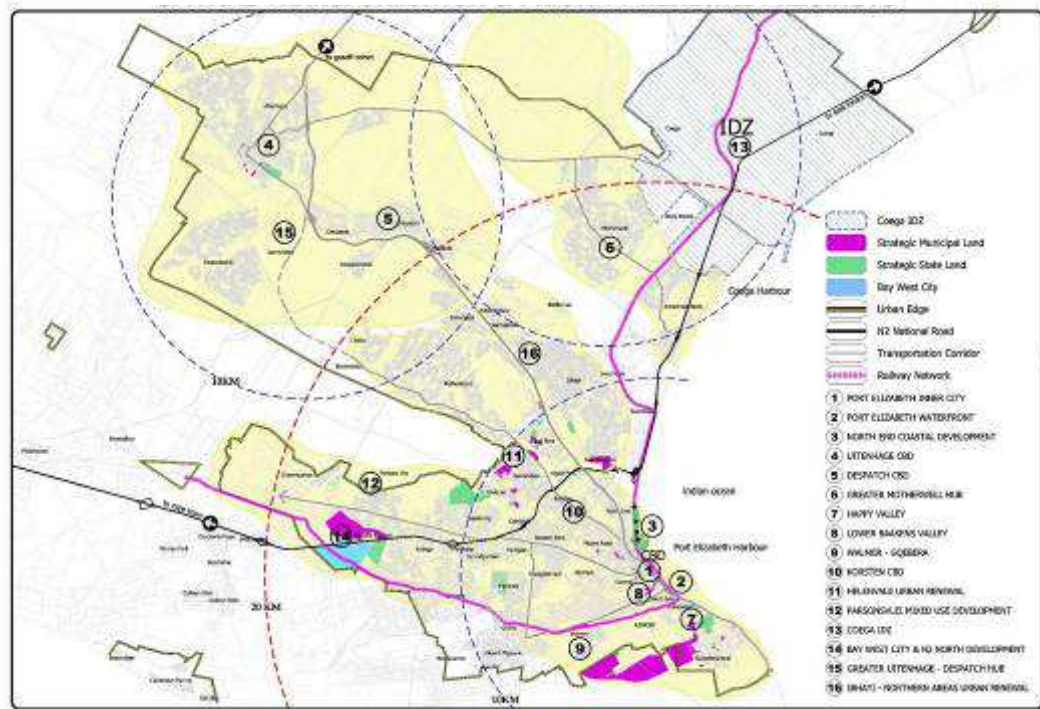
- (a) Coastal Management Plan
- (b) Coastal Development Line (Hazard Line) Study
- (c) Disaster Management Plan
- (d) Environmental Management Framework
- (e) Infrastructure Development Plan
- (f) Integrated Transport Plan
- (g) Integrated Waste Management Plan
- (h) Local Economic Development Strategy
- (i) Metropolitan Open Space System
- (j) Public Transport Plan
- (k) Tourism Master Plan
- (l) Integrated HIV and AIDS Plan
- (m) Water Master Plan
- (n) Sewerage Master Plan
- (o) Human Settlements Plan
- (p) Land Use Management System

In addition to this, with the preparation of the more detailed Local Spatial Development Frameworks and their approval, the MSDF becomes more detailed.

The MSDF is also supported by:

**The Human Settlement Framework Plan 2030:** The HSP has prioritised four main restructuring hubs focused around the Port Elizabeth CBD, Uitenhage CBD, Coega IDZ/Motherwell Hub and Bay West/N2/Parsonslei Hubs. This plan, approved by Council in December 2012, starts to talk to spatial restructuring in these urban hubs. These areas are shown in the figure below.

**FIGURE 7: Spatial Transformation and Priority Renewal Precincts**



Source: NMBM Human Settlements Implementation Plan

#### 2.1.1.1.4 Current status of the MSDF

The MSDF is continually being refined through on-going information gathering and studies. The legislation prescribes that the MSDF should be annually reviewed, with Council approval required every five years.

As part of the Capacity Support Implementation Plan, the Spatial Development Framework and Built Environment Strategy will be reviewed in 2016/17.

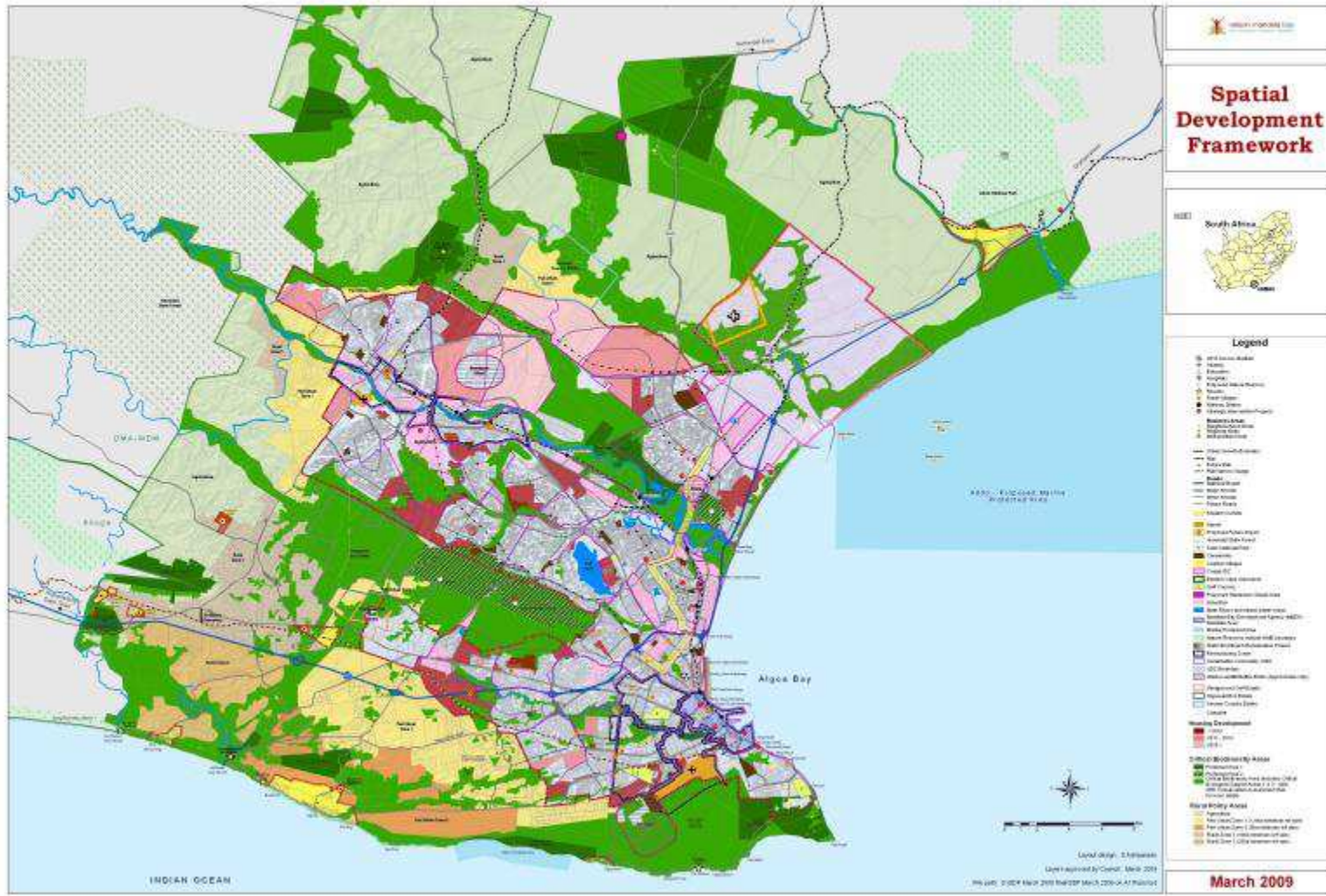
The refinement of the MSDF happens through the preparation of LSDFs and policy and plan adjustments over time.

The Spatial Development Framework of the Municipality is reflected in the plan below. The plan specifically shows the following aspects, which are dealt with in more detail in the Spatial Development Framework Report:

- Urban growth areas, phased over time
- Urban edge, beyond which development is limited
- Major development nodes
- Major transport routes, including corridors for investment and development
- Environmentally protected areas
- The low-income housing programme



FIGURE 8: Metropolitan Spatial Development Framework 2009.



Source: NMBM, 2015



## 2.1.1.2 Land Use Management

### 2.1.1.2.1 Spatial Planning and Land Use Management Act (SPLUMA)

The Nelson Mandela Bay Municipality (NMBM) is in the process of aligning the spatial planning institutional arrangements with the provisions of the Spatial Planning and Land Use Management Act, 2013 (SPLUMA). Key elements to note are:

- **The Municipal Planning Tribunal (MPT)** – The Municipality is required in terms of the Act to establish a decision making body to deliberate on Land Development Applications. Council has resolved to appoint a Tribunal.
- **Appeal Authority** – The Council will be the Appeal Authority on all land development matters. This is envisaged to shorten the bureaucracy in previous appeal processes where land development appeals were sent to the Province for adjudication.
- **The SPLUMA Bylaw** – The Municipality has developed a draft Municipal Bylaw that will address issues of time frames for land development application processes, guidelines in interpretation of provisions contained in the Act among other things. The Bylaw is being prepared.

Section 33 (1) of the Act requires all land development applications to be submitted to the municipality as the primary authority. This gives the Municipality leverage to determine its spatial vision, guide and monitor development in its areas of jurisdiction and determine timeframes on decision making processes. The Municipal Planning Tribunal or any other authority required or mandated to make a land development decision in terms of the Act or any other law relating to land development, may not make a decision which is inconsistent with a Municipal Spatial Development Framework as stipulated in Section 22 (1) of the Act. This gives BEPP an opportunity to highlight specific zones in the SDF, LSDF's and Precinct Plans, such as Integration Zones, where capital investment projects are to be channelled in such a way that any

development initiative will be directed towards prioritised catalytic urban development projects. This will mean that any land development initiative seeking approval of the Council (through the Municipal Planning Tribunal) will have to be in line with the provisions of the SDF as they relate to the project prioritization areas.

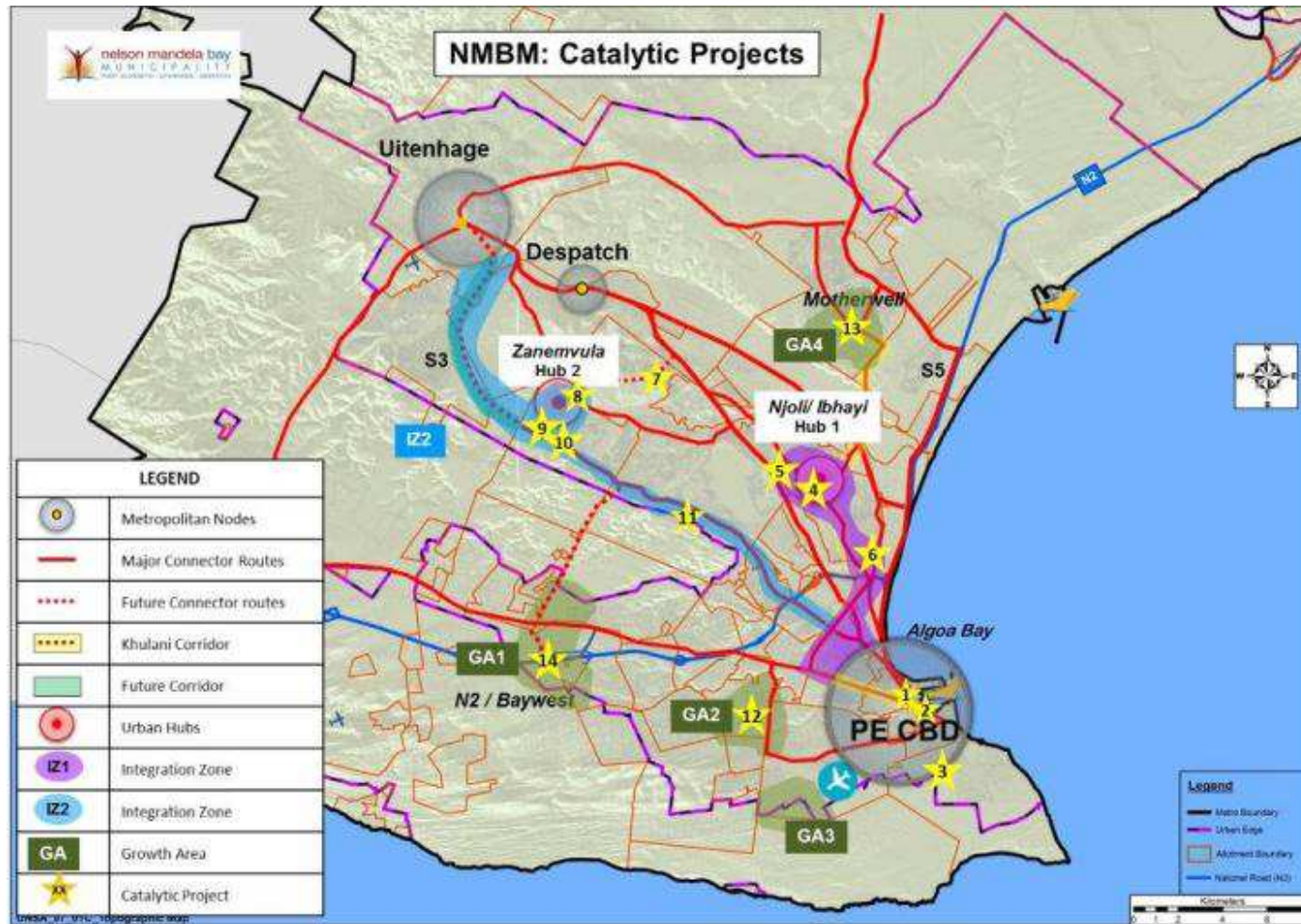
### **2.1.1.3 Urban Network Strategy and Prioritisation of Integration Zones**

#### **2.1.1.3.1 Identification of Urban Network Elements**

A first draft of an Urban Network Strategy (UNS) framework was approved by the Council as part of the 2014/15 BEPP submission. This framework has since been refined in conjunction with the NDP-Unit at National Treasury since the 2016/17 draft BEPP submission.

The key elements of the Urban Network Strategy are illustrated and explained in more detail below.

**FIGURE 9: Urban Network Strategy Framework**



Source: NMBM, 2016

### **2.1.1.3.1.1 Township Clusters**

For the purposes of analysis the townships of Nelson Mandela Bay have been clustered into six township clusters. These are as follows:

#### **Uitenhage, Despatch, KwaNobuhle and Bloemendal Cluster:**

This Cluster is comprised of wards 41; 42; 43; 44; 46; 47; 48; 49; 50; 51 and 52; as well as the two peri-urban wards, i.e.: 45 and 53. The key demographic features of the cluster are as follows:

- Total population of 305 458 persons (StatsSA, 2011) representing 84 995 households;
- Average population density: 34,7 persons and or 8.9 households per hectare
- 83,2% of households are living in formal dwellings; 10.4% in informal dwellings; and 6.4% in backyard accommodation (formal and informal);
- The employment rate estimated to be 31% and approximately 66% of the population earn less than R3183 per month;

#### **Motherwell-Wells Estate Cluster:**

This cluster is comprised of wards 54: 55: 57; 59; 59; 60 and ward 56 which is a peri-urban ward. It includes Motherwell, Swartkops, Amsterdamhoek and Bluewater Bay and has the following key demographic features:

- Total population of 165 457 representing 46522 households (StatsSA, 2011);
- Average population density: 52.89 persons and or 14.57 households per hectare;

- Approximately 93,9% of households are living in formal dwellings; 2.9% in informal dwellings; and 3.2% in backyard accommodation (formal and informal);
- The employment rate is 30% and approximately 71% of the population earn less than R3183 per month.

### **Ibhayi-Bethelsdorp Cluster:**

The cluster is comprised of the areas of Ibhayi, KwaDwesi, KwaMagxaki, Joe Slovo, Govan Mbeki, New Brighton, Soweto-on-Sea, Veeplaas, Zwide, Helenvale and Algoa Park represented by wards: 10; 13; 14; 15; 16; 17; 18; 19; 20; 21; 22; 24; 25; 26; 27; 28; 29; 30; 31; 32; 33; 34; 35; 36; 37 and 38; and with the following key demographic features:

- Total population: 425 847 representing 107 177 households (StatsSA, 2011);
- Average population density: 78.70 persons and 20.16 households per hectare;
- 81.9% of households are living in formal dwellings; 12.8% in informal dwellings; and 5.3% in backyard accommodation (formal and informal);
- The employment rate is 30% and approximately 68% of the population earn less than R3183 per month;

### **CBD Cluster:**

This cluster is comprised of the inner-city areas of Central, North End, Korsten, Newton Park and Mill Park represented by wards 5; 7 and 11. The key demographic features of this cluster area, are as follows:

- Total population: 52 538 representing 16 251 households (StatsSA, 2011);

- Average population density: 18.78 persons and 5.71 households per hectare;
- 94.7% of households are living in formal dwellings; 0.7% in informal dwellings; and 4.6% in backyard accommodation (formal and informal);
- The employment rate is 50% and approximately 38% of the population earn less than R3183 per month.

### **Southern Areas Cluster:**

Comprising of Summerstrand, South End, Humerail, Walmer, Fairview, Theescombe and Schoenmakerskop, including wards 1; 2; 3; 4; and 6. The key demographic features of this cluster are as follows:

- Total population: 95 172 representing 33 438 households (StatsSA, 2011);
- Average population density: 10.93 persons and 3.91 households per hectare;
- 86.2% of households live in formal dwellings; 7.9% in informal dwellings; and 5.9% in backyard accommodation (formal and informal);
- The employment rate is 54% and approximately 37% of the population earn less than R3183 per month.

### **N2 – Western Areas Cluster:**

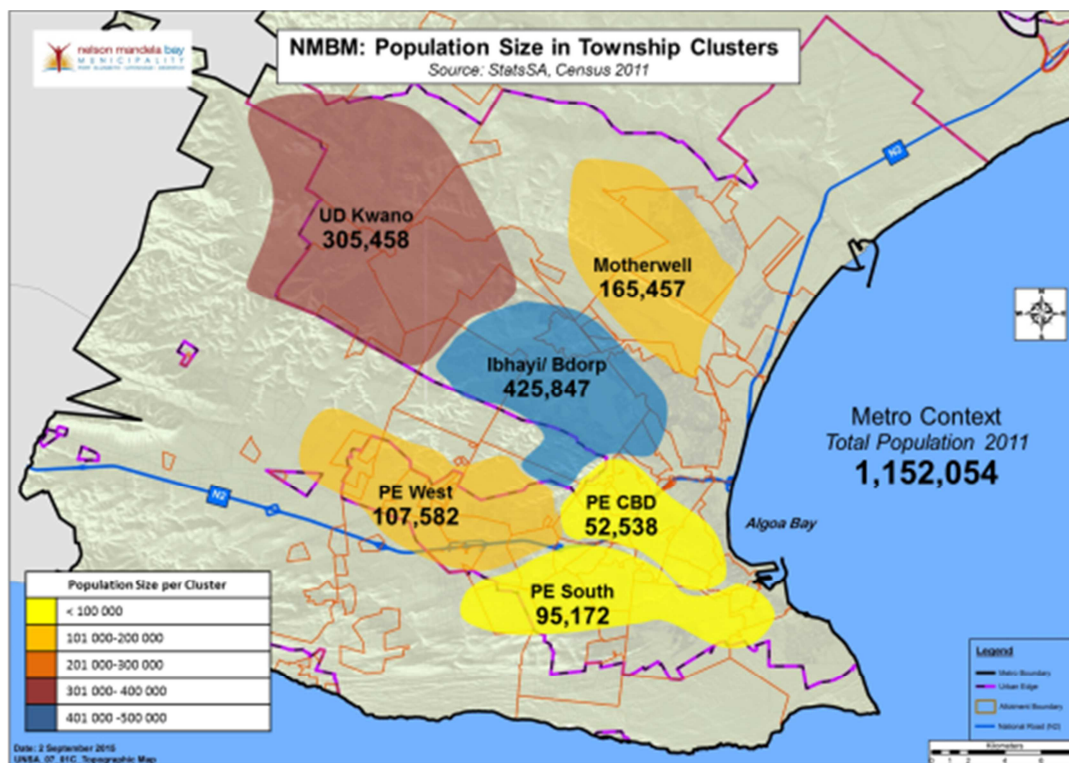
This cluster is comprised of the areas of Fernglen, Sunridge, Westering, Malabar, Parsonsvei, Kabega, Framesby and Kuyga. It includes wards 8; 9; 12; 39 and the peri-urban ward 40. The key demographic features of this cluster are as follows:

- Total population: 107 582 representing 32 185 households (StatsSA, 2011);

- Average population density: 11.15 persons and 2.99 households per hectare;
- 9.16% of households live in formal dwellings; 4.9% in informal dwellings; and 3.5% in backyard accommodation (formal and informal);
- The employment rate is 61% and approximately 28% of the population earn less than R3183 per month.

The identification of the clusters assisted the analysis necessary for the development of the Urban Network Strategy. These are shown below.

**FIGURE 10: Urban Network Strategy - Township Clusters**

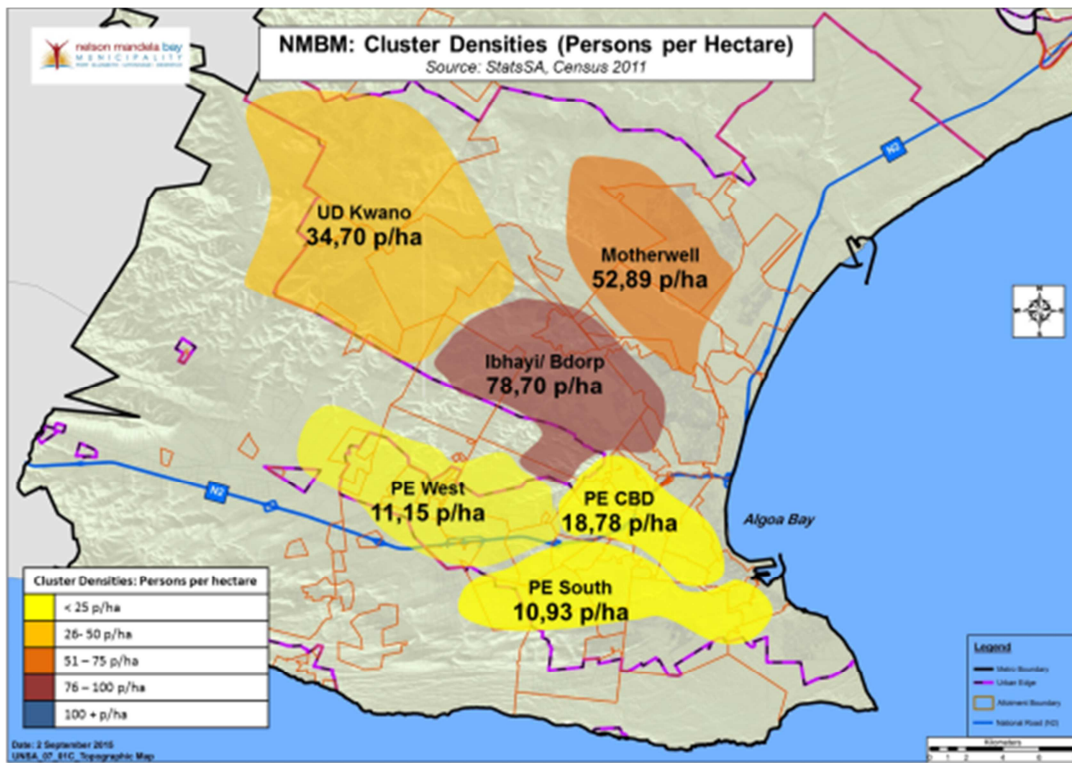


Source: NMBM 2015

The density and income characteristics of these clusters are further illustrated in the figures below, which highlight the higher densities and lower income levels of the Northern Townships (clusters) with Ibhayi having the highest density per hectare. Motherwell has the highest percentage of the population earning less than R3 183 per month. The population numbers and densities in the Southern Clusters are noticeably smaller and lower than those of the Northern Clusters.

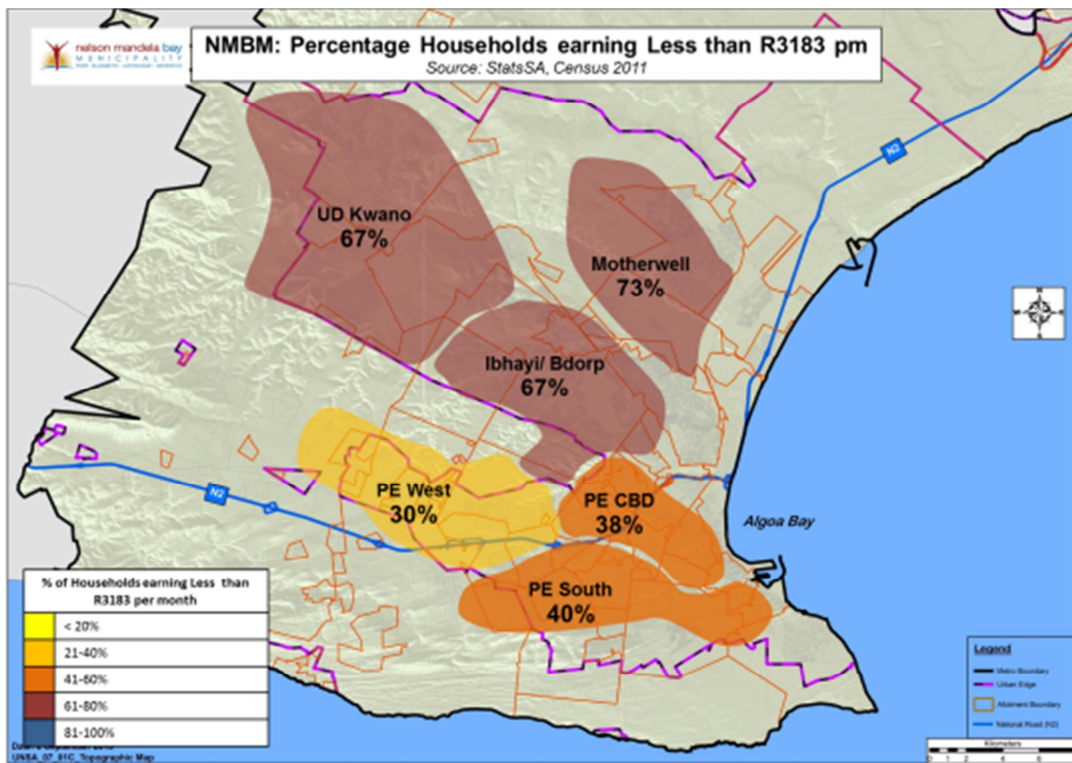


**FIGURE 11: Urban Network Strategy: Cluster Densities (Persons/Ha)**



Source: NMBM, 2015

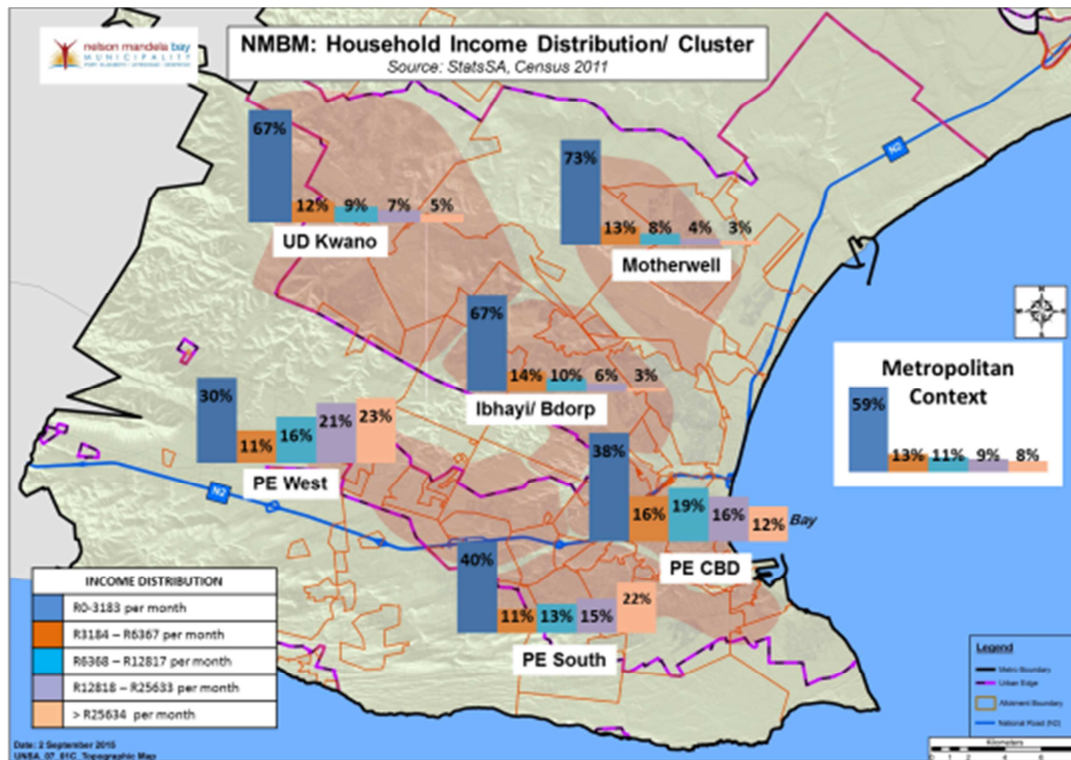
**FIGURE 12: Urban Network Strategy - Income Levels per Cluster**



Source: NMBM, 2015



**FIGURE 13: Urban Network Strategy - Income Levels per Cluster**



Source: NMBM, 2015

### 2.1.1.3.1.2 Central Business Districts (CBD's)

The Urban Network Framework identifies the CBD's of Port Elizabeth, Uitenhage and Despatch as important nodes. The Port Elizabeth CBD is identified as the primary CBD for Nelson Mandela Bay Metropolitan Area.

**FIGURE 14: Functional area with existing municipal nodes (CBD'S)**



Source: NMBM, 2015

### 2.1.1.3.1.3 Primary Network/Transport Links

#### MAJOR ARTERIES

The primary transport network includes three of the five major transport arteries, being:

##### Harrower/Stanford Road

This road runs in a north-westerly direction, linking the PE CBD with Gelvandale, Helenvale, Bethelsdorp and Bloemendal (Chatty). The long-term integrated road network planning provides for the extension of Standford Road from its current point of termination in the Chatty/ Zanemvula development area, to the Uitenhage CBD area. This extension is reflected in the current planning of the Jachtlakte / Kwanobuhle Estate residential developments.

#### Provincial Route R75

The R75 in a north-westerly direction, linking Port Elizabeth, Despatch and Uitenhage, as well as the townships of Ibhayi, Algoa Park, Missionvale, Govan Mbeki, KwaDwesi and KwaMagxaki.

#### Khulani Corridor

The Khulani Corridor refers to the north-south linkage between PE CBD, Ibhayi, Njoli and Motherwell along SheyaKulati, Daku and Dibanisa Roads.

Other primary arteries are:

#### Old Cape Road (R101)

Provincial Route R101, Old Cape road is a westerly linkage between the PE CBD and the Western Townships of Westering, Kabega, Rowallan Park and Bridgemeade.

#### Heugh/Buffelsfontein Road

This southern route links the PE CBD to the Western Coastal area of Seaview.

#### William Moffat Expressway

This road is a north-south linkage between Heugh Road/ Buffelsfontein Road and Old Cape Road

#### The N2

The N2 runs from West to North through the urban area, serving as a further primary linkage between the urban areas of Nelson Mandela Bay.

These arteries/transport links form the structure of the Integrated Public Transport System in Nelson Mandela Bay which is comprised of road and rail network links.

## **ROAD NETWORK**

Public transport serves the metropolitan area along the following existing and planned routes:

- North-South linkage between the PE CBD and Motherwell via Ibhayi along the Khulani Corridor (SheyaKhulati, Njoli, Daku and Dibanisa Roads).
- North-West linkage between the PE CBD and Bloemendal/Bethelsdorp along Stanford Road, currently terminating near the Cleary Park Shopping Centre, but with planned future extension to Uitenhage via the Chatty, Jachtlakte and KwaNobuhle Estate areas.
- South-West linkage between the PE CBD and the Western Suburbs via Old Cape Road, currently terminating in the vicinity of Rowallan Park, but with planned future extension towards the Redhouse Chelsea intersection, with a possible linkage to the Bay West Mall development.

## **RAIL NETWORK**

There is an existing passenger rail link between the PE CBD and Uitenhage via New Brighton, Sydenham, Swartkops, Redhouse, Despatch. This is part of the Port Elizabeth – Graaff-Reinet Line.

There is an existing passenger rail link between PE CBD and Motherwell/Markman. This is part of the Port Elizabeth – Johannesburg Line.

The planning of a future passenger rail link between Port Elizabeth CBD and Motherwell via a proposed new Motherwell Rail Corridor parallel to Tyinira Street (Motherwell) is well under way. There is a long-term possible linkage between Coega and Uitenhage. This is a high-priority project driven by PRASA and it is currently being assessed in terms of NEMA processes.

PRASA has confirmed their long-term interest in a passenger rail link between Port Elizabeth and Uitenhage via Bethelsdorp, Chatty, Jachtlakte and KwaNobuhle along a route alignment which has been in existence for a long

time. The route is however partially compromised by existing developments which requires attention at the appropriate time.

A narrow-gauge rail line (Apple Express) exists between Humerail (Port Elizabeth) and Loerie. This line originally served as a goods line between Port Elizabeth and Loerie, but has fallen into disuse. There are investigations underway to operationalise the rail line between Humerail and Baywest Precinct.

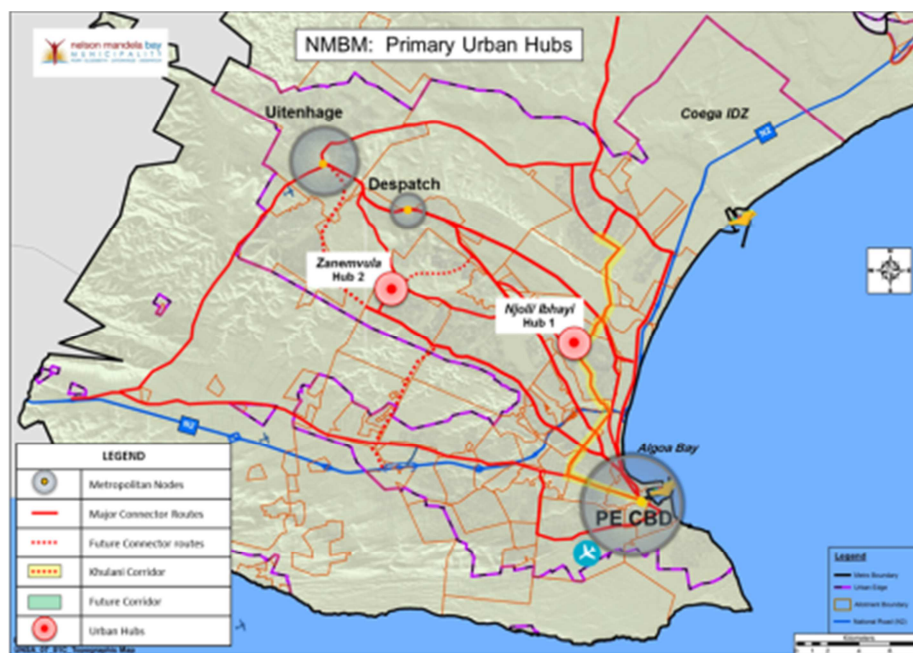
#### 2.1.1.3.1.4 Urban Hubs

The Urban Network Approach (NDPG, 2013) makes provision for the identification of “urban hubs” that will serve as “town centres” for under serviced township clusters. It furthermore allows for a hierarchy of urban hubs, i.e. primary and secondary hubs

### PRIMARY URBAN HUBS

The Primary Hubs are identified as follows:

**FIGURE 15: Primary Urban Hubs**



Source: NMBM 2015

## **Port Elizabeth CBD**

The Port Elizabeth CBD is the administrative heart of the City and is recognised in the Urban Network Strategy as a Primary Hub.

## **Njoli/ Ibhayi Hub (Hub 1)**

Spatial targeting and the elimination of spatial inequalities, as envisaged in the National Development Plan, is an underlying principle of the Urban Network approach, hence the focus on catalytic development of urban hubs in under-serviced township clusters. The Njoli Hub is identified as the Primary Hub, Hub 1.

This hub is identified as the Primary Hub for urban/catalytic intervention with the objective of linking and integrating the previously segregated townships of Ibhayi and Bethelsdorp. Its identification was informed *inter alia*, by:

- its importance as an historical public space for meeting and informal trading;
- the convergence of major routes in Ibhayi;
- the development of the Njoli transportation modal interchange and hub along the Khulani Corridor; and
- the underlying potential to creatively plan and implement public facilities and amenities that will act as catalysts for wider and more intensified developments that will enhance the scale of economies for the installation of public infrastructure in these areas.

The key elements in this hub include:

- Njoli Square, a multi-million rand redevelopment initiative around the historic Njoli Square;

- Khulani Corridor, a major transport link and development corridor, designed to link the Port Elizabeth CBD with the townships of Ibhayi and Motherwell;
- Kenako shopping Centre, a recently completed shopping centre;
- The Vista Campus of the Nelson Mandela Metropolitan University (NMMU), also known as the Vista Campus;
- The Eastern Cape Training Centre (ETC) opposite the Kenako Centre;
- The Dora Nginza hospital which is envisaged as a future academic hospital for the NMMU Medical School Facility; and
- The Vistarus informal settlement next to the Vista Campus, which is to be redeveloped as part of the Zanemvula Project, one of the first Mega/Presidential Projects initiated in 2006/07 in terms of the Breaking New Ground Strategy.
- The Red Location Cultural Precinct which includes the Red Location Museum of Apartheid, an art gallery, an electronic library; a backpackers' lodge as well as the regeneration of Singhapi Street can be considered as a Secondary Hub to the Ibhayi/ Bethelsdorp Hub.

### **Zanemvula (Chatty Jachtlakte) Hub (Hub 2)**

The Zanemvula (Chatty Jachtlakte) Hub is identified as the second Primary Hub. It is in great need of catalytic intervention to unlock the development potential of this newly developed area. It is situated to the West of Njoli around the intersection of the Bloemendal Arterial and Stanford Road.

This Hub is at the core of the greenfields component of the aforementioned Zanemvula Mega Project, developed as an initiative of the National Department of Human Settlements; Provincial Department of Human Settlements and the Municipality. The Housing Development Agency (HDA) is the implementing agent.

Abutting the Zanemvula (Chatty Jachtlakte) Hub in the North is the Nelson Mandela Bay Logistics Park. Phase 1 of the Park is fully developed and operational and the development of Phase 2 will provide job opportunities.

Key elements in this hub include:

- The convergence of Stanford Road, Bloemendal Arterials and the MR448 (Old Uitenhage Road). Stanford Road is one of the primary links between the Port Elizabeth CBD and Uitenhage. The Bloemendal Arterial on the other hand is not yet fully developed, but serves as an important North/South linkage between the R75 and Stanford Road. MR 368 still serves as an important secondary link between Port Elizabeth and Uitenhage and has the potential to link the Njoli and Chatty Jachtlakte Hubs.
- The new greenfield residential developments of Joe Slovo West; Bethelsdorp North; Khayamnandi; the Chatty developments and the Jachtlakte/Kwanobuhle extensions currently in the planning stage, will yield in the order of 54000 residential opportunities, once fully developed. Approximately 14000 units have already been completed and are in need of social facilities and amenities.
- There are large tracts of vacant and serviced land in the greenfield development areas that can be utilized for high density infill and mixed used development.

## **SECONDARY HUBS**

The Uitenhage and Despatch CBD's are identified as secondary hubs as a result of their role and function as sub-regional metropolitan (sub-metropolitan) nodes.



The Urban Network Framework includes the following Secondary Hubs:

**Secondary Hub 1 (S1) (Kenako/Vista):**

This hub is situated in the Ibhayi / Bethelsdorp area around the Kenako Centre; East Cape Training Centre (ETC); Dora Nginza Provincial Hospital; and the Vista Campus of the Nelson Mandela Metropolitan University (NMMU). It forms a logical link and extension to the Njoli Hub and holds significant potential for development interventions that will link two previously spatially (and socially) separated communities. The precinct planning for this hub will be undertaken as part of the precinct planning which runs concurrently with the preparation of the Ibhayi and Bethelsdorp LSDF's.

**Secondary Hub 2 (S2) (Red Location):**

This hub is located around the Red Location Cultural Precinct which includes the Red Location Museum of Apartheid, art gallery, electronic library; a backpackers' lodge as well as the regeneration of Singhapi Street. The node will play a significant role as a cultural/ tourism node and can be directly linked with the Port Elizabeth CBD by means of the New Brighton Railway Station which is within walking distance. It will furthermore complement and strengthen not only the Njoli Hub, but also the Khulani Corridor.

**Secondary Hub 3 (S3) (Jachtlakte/ Kwanobuhle):**

Kwanobuhle Estate is a privately owned proposed development which is about to be developed and will link the Chatty/ Jachtlakte development with Kwanobuhle. A significant mixed-use/ retail node is provided along Standford Road extension. Provision is also made for a railway station at this juncture as part of the planned PRASA commuter rail connection between Port Elizabeth and Uitenhage via Kwanobuhle. It could alternatively serve as a passenger station for the alternative light rail system planned along Standford

Road. This nodal locality is therefore included as a future Secondary Hub (S3).

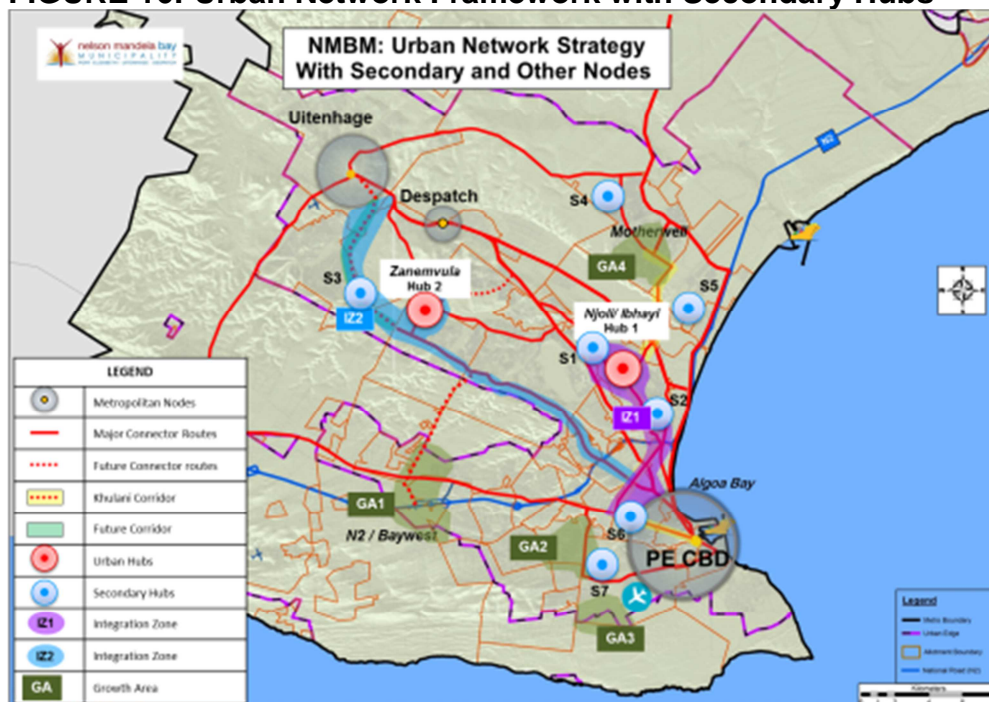
#### **Secondary Hub 4 (S4)(Motherwell North):**

The layout for the Motherwell North extensions currently under development, made provision for a retail node which could be developed as a secondary township hub. A possible future secondary railway station in this vicinity will contribute to the significance of this node as a future hub.

#### **Secondary Hub 5 (S5)(Wells Estate):**

The long-term road network plans make provision for a road linkage between Weinronk Way in Blue Water Bay and Tynira Street in Motherwell via the Wells Estate Extension 3 development. Provision has been made for a retail node at the convergence of the Phases 5 and 6 of Wells Estate Extension 3 and Blue Water Bay. This node could be developed as an effective secondary township hub for integrated mixed use development.

**FIGURE 16: Urban Network Framework with Secondary Hubs**



Source: NMBM 2015

### 2.1.1.3.1.5 Integration Zones

The following figure illustrates the location of the two prioritised integration zones and growth areas in the city.

**FIGURE 17: Urban Network Framework with Urban Hubs and Integration Zones**



**Source: NMBM, 2015**

The Integration Zones have been re-considered in consultation with National Treasury, since the Draft BEPP submission. Two Integration Zones are identified linking the CBD and Primary Hubs. The Integration Zones traverse the poorest parts of the city where catalytic development is targeted.

The Integration Zones are described below.

### **Revised / Prioritisation of Integration Zones**

Consideration has been given to the prioritisation of the Integration Zones with the following result:

**TABLE 3: Integration Zone Prioritisation**

<b>Integration Zone</b>	<b>Priority</b>
Khulani / Njoli / Motherwell	IZ1
Standford Road	IZ2

These Integration Zones are described below:

#### **Integration Zone 1 (IZ1) (Khulani/ Njoli):**

This Integration Zone links the Inner City area and the Njoli Hub and incorporates a portion of the Khulani Corridor between the Standford Road, and Njoli Square. It includes Secondary Hubs Kenako/ Vista and Red Location and holds potential for urban regeneration and intensified mixed use development along the Khulani corridor and around the Njoli Hub and Motherwell.

The key strategy for this Integration Zone is focused on Transport Orientated Development; in-situ informal settlement upgrading; cultural / tourism development and the development of a waste beneficiation park. A full list of projects that will fit these objectives is incorporated in the Integration Zone/ Growth Area Matrix, attached as Annexure "E ". The project list below will be reviewed as work progresses with regard to the Integration Zones.

IZ 1.1	Ibhayi/ Njoli Precinct Development
IZ 1.2	Njoli Modal Interchange
IZ 1.3	Waste Beneficiation Park
IZ 1.4	Red Location Precinct Projects (Library et al)

IZ 1.5	Soweto-on-Sea/ Veeplaas Urban Regeneration
IZ 1.6	Vistarus
IZ 1.7	New Brighton Tip Site Rehabilitation (Chris Hani)
IZ 1.8	Various Infill Residential Projects
IZ 1.9	Motherwell Rail Corridor

### **Integration Zone 2 (IZ2) (Standford Road):**

This Integration Zone 2 along Stanford Road serves as a spatial link between Integration Zone 1 and the Chatty Jachtlakte Hub. Environmental and spatial constraints make it a very narrow corridor with limited scope for catalytic development intervention. These would be limited to modal interchanges along Stanford Road such as the Cleary Park Modal interchange. The extent of the Integration Zone around the Zanemvula Chatty Hub has been amended to incorporate the Chatty/Jachtlakte, Zanemvula and Kwanobuhle Estate Housing Projects.

The key strategy for this Integration Zone is focused on spatial transformation and integrated residential development. A full list of projects that will develop these objectives is incorporated in the Integration Zone/Growth Area Matrix (Annexure "E"), and is listed below. The project list below will be reviewed as work progresses with regard to the Integration Zones.

IZ 2.1	Zanemvula Precinct Development
IZ 2.2	Chatty Link Road
IZ 2.3	Bloemendal Arterial
IZ 2.4	Jachtlakte IRD Development - Phase 1
IZ 2.5	Jachtlakte IRD Development - Phase 2
IZ 2.6	Kwanobuhle IRD Development - Phase 1
IZ 2.7	Kwanobuhle IRD Development - Phase 2
IZ 2.8	Korsten Modal Interchange
IZ 2.9	Standford Road Corridor
IZ 2.10	Cleary Park Modal Interchange
IZ 2.11	Standford Road Extension

IZ 2.12	Jagtlakte (Chatty 11-14) - Human Settlement (Services)
IZ 2.13	Replace Switchgear in Mini subs - KwaNobuhle
IZ 2.14	Jagtlakte Bulk Sewerage
IZ 2.15	Kwanobuhle WWTW : Upgrading
IZ 2.16	Kelvin Jones WWTW: Upgrade

### ***Growth Areas***

Four Growth Areas (GA 1 to GA4) have been identified and introduced:

#### Growth Area 1: Baywest / N2 Nodal Development Area

The potential of the Baywest/ N2 Node as a catalyst for intensified integrated and mixed use development at scale, has contributed to the inclusion of the larger development area of this node as a Growth Area. This Growth Area holds the potential to attract private sector investment in the development of the node which should be harnessed because of its potential to be a significant generator of rates income.

The Baywest / N2 growth area is anchored by the new regional Baywest Mall which opened in May 2015. This growth area will expand to include further intensified mixed use and residential development, which if developed at full capacity, will render approximately 10 000 permanent job opportunities approximately 8 200 residential opportunities aimed at the low, middle and high income markets. Housing typologies will range from high density rental and ownership apartments to low density single residential units for a varied socio-economic sector.

A Mega Catalytic Application in respect of this Growth Area, referred to as the N2 Nodal Development Catalytic Project, is currently under review by the National Department of Human Settlement in collaboration with the Housing Development Agency (HDA) and other National Sector Departments.

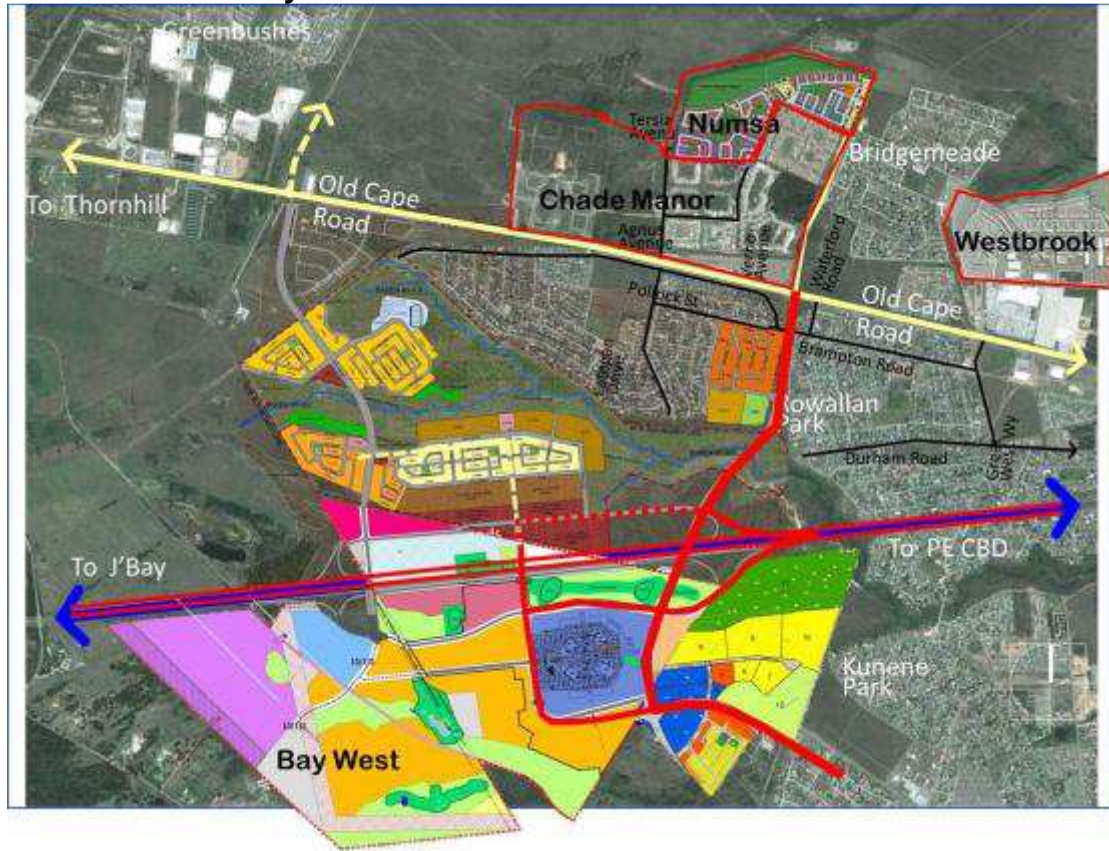
Other developments such as the Kuyga extension, Westbrook and Parsonslei form part of the larger nodal development area and contribute to additional mixed use and residential development yielding a further estimated 6 500 residential opportunities.

A direct road linkage between the Baywest/N2 Node and Chatty/Zanemvula has been identified as high priority in order to enhance the accessibility of this node to the northern townships of the Metro, from a convenience and job opportunity perspective.

The key strategy for this Growth Area is the development of a growth node comprising integrated residential and economic development. A full list of projects that will develop these objectives is incorporated in the list below

- GA 1.1 H45 Redhouse - Chelsea Arterial (Baywest Boulevard) :  
Walker Drive to N2
- GA 1.2 Western Arterial - N2 Cape Road Link
- GA 1.3 Western Arterial - Stanford Road Link
- GA 1.4 N2 North
- GA 1.5 Utopia Development
- GA 1.6 Erf 432 Development
- GA 1.7 Kuyga Extension



**FIGURE 18: N2 Baywest Growth Area**

**Source: NMBM, Western Areas LSDF, 2013**

#### Growth Area 2 (GA2) : Fairview West

Fairview West area is located within an 8 km radius from the CBD and is adjacent to the William Moffat Expressway and Circular Drive activity corridors. It forms part of a land restitution area from where large numbers of people were relocated. A number of housing projects, comprising of mixed residential typologies aimed at the lower income groups, contribute to the area being identified as an area of substantial development and enormous potential to illustrate spatial transformation. The area is also identified as a Mega Project in the Human Settlements Programme.

The key strategy for this Growth Area is focussed on densification and spatial transformation with the development of this node as a high density integrated and mixed housing area. final BEPP. A list of projects that will develop these



objectives is incorporated in the Integration Zone/ Growth Area Matrix (Annexure “E”) and appears below. This list will be reviewed during the finalisation of the BEPP.

GA 2.1	William Moffat Expressway
GA 2.2	Circular Drive
GA 2.3	Willow Road Upgrade
GA 2.4	Fairview Links
GA 2.5	Willowdene
GA 2.6	Fairview West

### Growth Area 3 (GA3) : Walmer/ Summerstrand

This Growth Area is highlighted as a new development zone for one of the large scale integrated residential development Mega Projects of the Human Settlements Programme.

The key strategy for this Growth Area is spatial transformation and integrated residential development for lower income communities. A list of projects that will develop these objectives is incorporated in the Integration Zone / Growth Area Matrix (Annexure “E”), and is contained below.

GA 3.1	Erf 1948 Walmer Phase 1
GA 3.2	Erf 1948 Walmer Phase 2
GA 3.3	Erf 11305 Walmer
GA 3.4	Walmer Development - Human Settlement (Services)
GA 3.5	Reinforcement of Electricity Network - Walmer Lorraine
GA 3.6	Industrial Site (Airport Valley) - Bulk Sewer
GA 3.7	Upgrading of Fountain Road - Walmer Township
GA 3.8	H103: Heugh Road (MR427) Widening (3rd Avenue to Wentworth)
GA 3.9	Theescombe / Gqebera Bulk Stormwater
GA 3.10	Storm-water retention
GA 3.12	Walmer Cosmo

- GA 3.13 Driftsands Collector Sewer
- GA 3.14 Driftsands WWWT Augmentation
- GA 3.15 Walmer Gqeberha - Urban Rejuvenation
- GA 3.16 Possible Railway Station - Apple Express
- GA 3.17 Allister Miller Drive
- GA 3.18 Precinct Plan/ Walmer Gqeberha

#### Growth Area 4 (GA4) : Motherwell

Motherwell is very high on the transformation agenda of the Municipality, primarily because of its establishment history as a dormitory town for the Markman Industrial Area. It is under serviced in terms of economic as well as social facilities and amenities and even where those facilities and amenities exist, the quality is sub- standard. Major extensions to the township area (Motherwell Extensions 12, 29, 30 and 31) are currently under construction as part of the municipal human settlement programme. This development, which is rolled out as an integrated residential development, will yield almost 12 500 residential opportunities, home to approximately 50 000 people. A longer term proposed private sector development to the North of Motherwell (Coega Ridge) will, if developed to full potential, yield another 25 000 to 30 000 residential opportunities (100 000 to 120 000 people).

Significant developments in this area are the Motherwell Shopping Centre and Clinic. Other existing facilities such as a Thusong Centre (to be redeveloped as a Traffic Centre), the Motherwell Community Centre and the higher density Sakhasonke housing project are located in this area. The node will also serve as the terminal point for the Khulani Corridor, as well as a future modal interchange.

This growth area has the potential to develop particularly when the planned Motherwell Rail Corridor is implemented. The future Motherwell rail station will be in close proximity and forms a strong focal point in this node. It is therefore important that this node be identified and targeted for catalytic intervention in the near future.

Detail precinct planning will be undertaken during the 2016/17 period.

### **PE CBD : Inner City**

The CBD holds significant potential for inner city revitalization with projects such as the Mermaids Precinct and Lower Baakens Catalytic Projects.

The key strategy for CBD is focused on inner city rejuvenation and densification. A full list of projects that will develop these objectives is incorporated in the Integration Zone/ Growth Area Matrix (Annexure "E"). A list of projects that will fit these objectives appears below.

CBD 1.1	Govan Mbeki Government Precinct
CBD 1.2	Lower Baakens Precinct Development
CBD 1.3	Lower Baakens Precinct Development
CBD 1.4	Lower Baakens Precinct Development
CBD 1.5	Govan Mbeki Public Transport Route
CBD 1.6	Mermaid's Precinct
CBD 1.7	Manganese Terminal Relocation
CBD 1.8	Tank Farm Relocation
CBD 1.9	Commercial Marina Development
CBD 1.10	Road Access Network (Baakens)
CBD 1.11	Apple Express
CBD 1.12	PE Station Upgrade
CBD 1.13	Freedom Precinct
CBD 1.14	Telkom Park Re-development

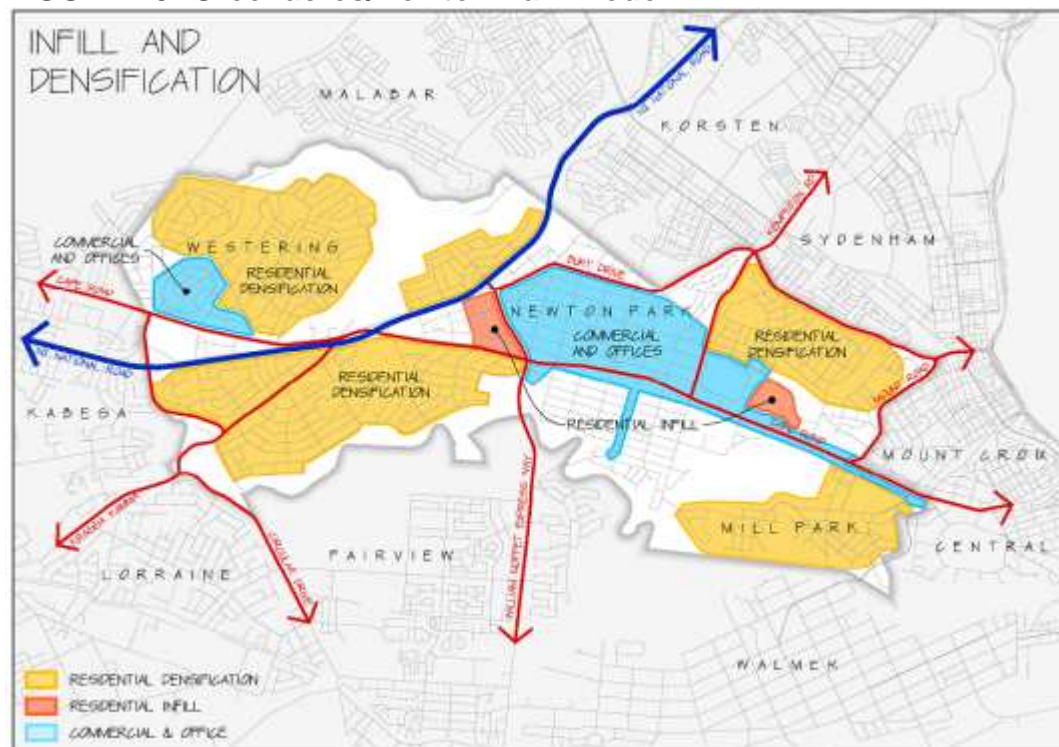
### ***Other Nodal Areas***

Other nodal areas which are recognised as part of the Urban Network Framework, include:

### Greenacres/ Newton Park Node:

This is an existing retail and mixed use node at the convergence of Cape Road and Langenhoven Drive/ Kempston Road transport and activity corridors. An “informal modal interchange” is contained in the parking areas of the Greenacres Retail Park and holds the potential of formalization. An LSDF for this area was approved by Council in 2014. The potential for high density infill residential development in this node should be considered and promoted.

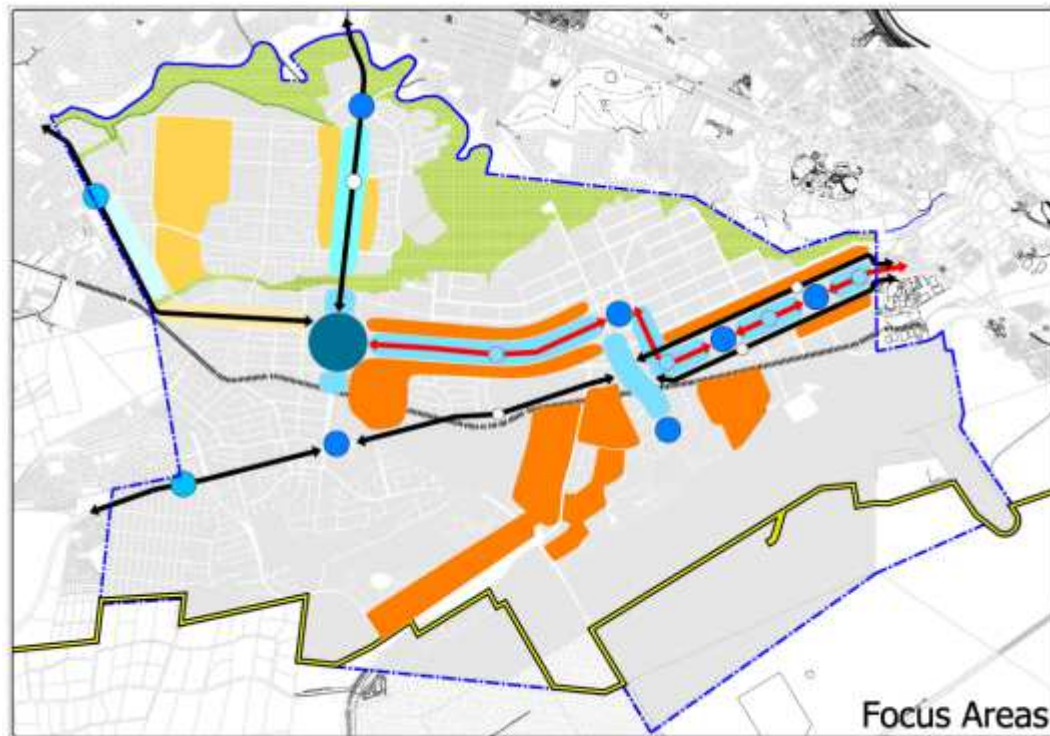
**FIGURE 19: Greenacres/Newton Park Node**



**Source: NMBM Cape Road (Mill Park to Westering) LSDF, April 2014**

### Walmer Node (S7):

The Walmer Node is situated at the convergence of Main Road, Walmer and William Moffat Expressway and is comprised of major retail centres. It is included in the Greater Walmer LSDF, approved by Council in 2013. The figure below, extracted from the LSDF, shows the importance of this node in its spatial context and targets it for development.

**FIGURE 20: Walmer Node**

*Focus Areas for Priority Actions Required*

Source: Greater Walmer LSDF, October 2013

An “informal modal interchange” is developing at taxi drop-off and pick-up points and should be formalized as part of nodal development interventions.

#### Great Westway (Makro/ Framesby/ Westering) Node

This node is located at the intersection of Samantha Way/ Bramlin and Cape Road. It is largely a retail node around the Makro, Metlife Plaza and Linton Grange shopping centres. A day care medical centre is also located in this node.

**FIGURE 21: Great Westway Node**



Source: NMBM Cape Road (Mill Park to Westering) LSDF, April 2014

### ***Other Activity Corridors***

The Urban Network further identifies other existing mixed use activity corridors that are important. These are:

1. *Walmer*: This corridor begins at Marine Drive as Walmer Boulevard, increases in activity at 1<sup>st</sup> Avenue intersection, from where the road becomes Heugh Road, and continues to the intersection of Buffelsfontein Road and 17th Avenue.
2. *Walmer Main Road*: This corridor commences in Heugh Road, it runs to Walmer Main Road, to the intersection with the William Moffat Expressway.
3. *William Moffat Expressway*: This corridor starts from the intersection of Buffelsfontein and 17<sup>th</sup> Avenue and runs along William Moffat Expressway to Cape Road.
4. *Cape Road*: This corridor starts at the intersection of William Moffat Drive and Cape Road, and runs to Greenacres, terminating in the CBD.

#### **2.1.1.4 Marginalised Areas /Informal Settlements**

##### **2.1.1.4.1 Status of Housing Developments**

The map attached as Annexure “B” shows private sector, municipal and public private partnership proposals for the development of different types of housing in Nelson Mandela Bay. This includes the affordable housing sector.

In terms of the Capacity Support Implementation Plan, a land and housing market trend analysis will be done with a view to develop proposals to revise the NMBM housing policy in a manner that is more sustainable and meets spatial restructuring objectives. This work will verify and supplement the work described above. An expert consultant is appointed.

##### **2.1.1.4.2 Management and upgrading of Informal Settlements**

The Municipality has a dedicated programme for the elimination of informal settlements, as contained in the Informal Settlements Upgrading Plan (NMBM: Human Settlement Directorate, 2008). The Plan was developed in 2008 and included 81 informal settlements. 51 informal settlements remain and are contained in a matrix of *in situ* upgrading/destination areas, programmed over time, prioritized and implemented according to the availability of funding.

In terms of municipal policy, the relocation of informal settlements happens as a last resort. Where an informal settlement can be formalized *in situ*, this is done. Of the 105 originally identified informal settlements, 34 *in situ* upgradings of informal settlements were completed. In some instances, due to density, not everyone in an informal settlement can be accommodated *in situ*. In these cases, the remaining residents are relocated to locations situated as close-by as possible. Informal settlements in stressed areas, such as under powerlines, on tipsites, in floodplains or other such



areas, are relocated to new areas. To accommodate these communities, 9 greenfield sites have been prepared and serviced. In order to accommodate the total need for new development, 16 greenfield sites were programmed for completion in terms of the approved Human Settlements Plan.

The Informal Settlements Upgrading Plan makes provision for the following:

- Elimination of the housing delivery backlog of 72 411 units (49 000 backyard shacks and 23 411 informal settlements) through the provision of quality housing and the structured upgrading of informal settlements.
- Upgrading of informal settlements and backyard dwellings, preferably in-situ, and well located Greenfield developments. Of the 56 *in situ* informal settlements, 30 still need to be upgraded; and of the 16 Greenfield developments, 6 still need to be upgraded.
- Providing housing opportunities for an estimated 35 000 beneficiaries that are not being catered for in the current housing projects that are focused on beneficiaries earning R3 500 and below per month.
- Relocation of 3 000 communities living in stressed areas (such as flood-plain areas, tip-sites and power line areas) in terms of the Relocation Plan, which is an integral part of the Informal Settlements Upgrading Plan. The identification of well-located land in priority areas and integration zones will be key.

The Informal Settlements Upgrading Plan is part of the NMBM Human Settlements Plan. The main focus of the Plan is the full technical and social investigation of all the informal settlements within the Metro, as well as the categorisation of each settlement in term of needs and vulnerability.

The prioritisation of projects is based on technical readiness, including town planning layout approvals, general plan layout approvals, environmental approvals, completed geotechnical investigations, and the availability of bulk



infrastructure. Greenfield projects are also prioritised as destination projects for relocation purposes.

As part of the ongoing development of this plan the NMBM have recently engaged with the National Department of Human Settlements in terms of the National Upgrading Support Programme (NUSP) in order to assess the processes and strategies linked to the social and technical development of informal settlements throughout the Metro. It is planned to ensure best practice and alignment with other Metro's throughout the country.

#### **2.1.1.4.3 Emergency housing for households living in life-threatening conditions**

Currently the NMBM plays a facilitation role in the establishment of emergency shelters for communities. The NMBM identifies families in need and submits a formal request to the Provincial Department of Human Settlements for the approval and supply of emergency shelters in predetermined areas.

It must be noted that the emergency relocations to serviced sites take place with rudimentary services only. This means that the relocated families receive bucket sanitation and water from a communal collection point at a 200 m radius and basic gravel roads until the required top structures are completed.

#### **2.1.1.4.4 Strategy for better located housing development for all and specifically the poor in relation to densification**

Well located, pro-poor urban development strategies are well entrenched in the Sustainable Community Planning Methodology of the NMBM. The methodology focuses on actions and approaches to achieve higher levels of functional, social and economic integration, simultaneously promoting and improving social, economic and environmental sustainability.

The density of existing areas should be increased through infill development on vacant land not required for other purposes. Corridor development along public transport and other major transport routes will also increase densities in existing areas. Transit oriented development (TOD) is a priority of the city.

To effectively increase density and thereby reduce urban sprawl, future densities should average at least 30 to 40 units per hectare (gross) in new areas. Current densities average 20 units per hectare.

It is predicted that more than 80% of the future residential demand in the Metro will be for low-income housing. In view of the need for densification, it is this sector that will, of necessity, be most affected.

The current practice of creating erven of 200 to 300m<sup>2</sup> for low-income housing is unsustainable from an economic and land utilisation point of view. Increased densities, on the other hand, can decrease land and servicing infrastructure costs and also enhance the viability of public transport systems.

The proposal in the context of the Nelson Mandela Bay area is as follows:

- To strengthen existing major bus routes and commuter routes by the addition of high-density development along the routes. (TOD).
- To intensify development around existing public open spaces, where appropriate. Intensification refers to the subdivision of the existing appropriately located and designed Brownfield erven.
- The Greenfield development of certain strategic sites which, although located; on the periphery of the city, could nevertheless be easily integrated into either the rail or road transport system. Environmental considerations rather than cadastral boundaries informed the perimeters of such external Greenfield sites.

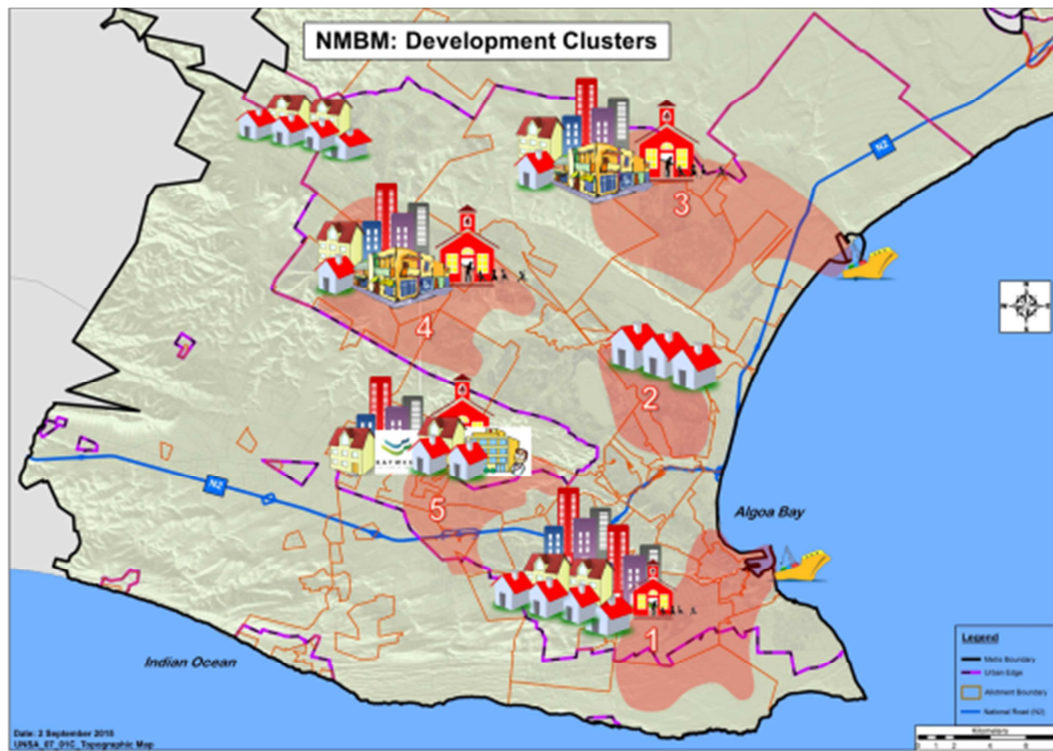
### **2.1.1.5 Growth Nodes (commercial and industrial) identification and prioritisation**

#### **2.1.1.5.1 Growth Nodes and Directions**

A number of private sector developments are taking place in the city, in tandem with municipal developments. These include the N2 node incorporating the Bay West Shopping Complex, and Kwanobuhle Estate proposed development. The municipal capital investment in these projects is reflected in the Budget.

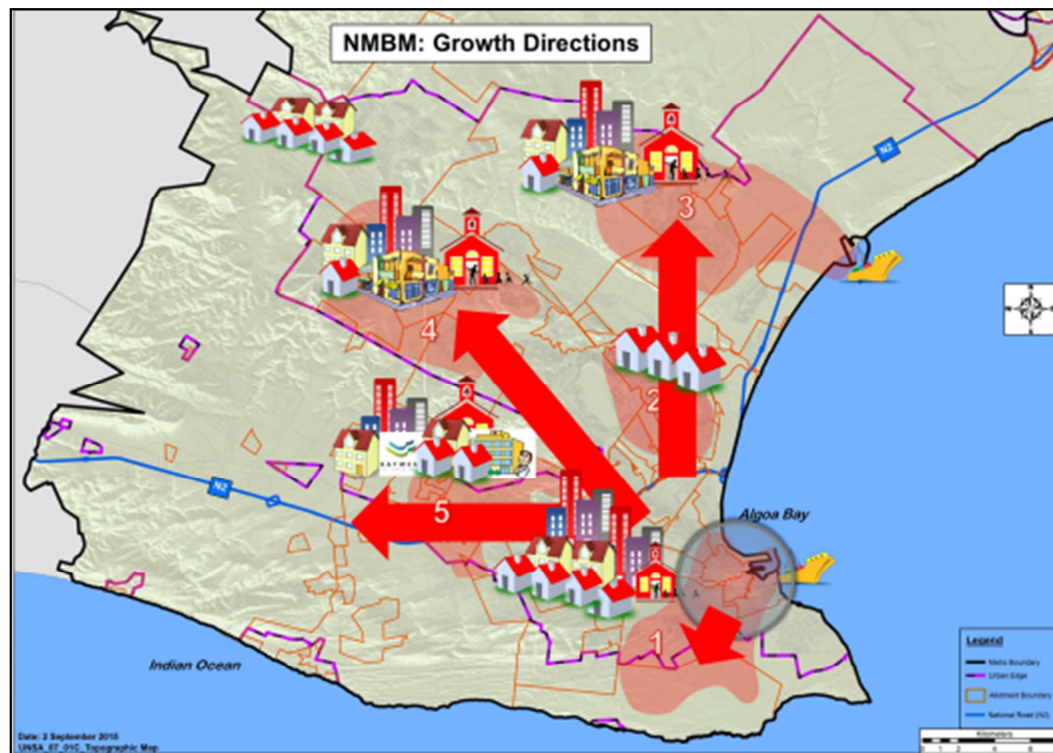
The following maps highlight the major development areas and urban growth directions. They show areas of new development, largely residential and mixed-use development, the major industrial development areas, as well as areas in which urban renewal and infill development (regeneration development) is taking place. Growth directions are mainly west, north-west and north.

**FIGURE 22: Major Development Clusters in Nelson Mandela Bay**



Source: NMBM, 2015

**FIGURE 23: Urban Development Trends in Nelson Mandela Bay**



Source: NMBM, 2015

**N2 Node**

Urban development in the N2 Node is driven by the private sector and comprises largely mixed-use and residential developments aimed, at the high, middle and affordable market segments. The anchor in this development node is the just completed Bay West Shopping Mall at a cost of R2 billion.

The greater N2 node is identified as a Catalytic Project Area of NMBM and the full development of the greater node will be actively pursued.

**Project Mthombo**

Project Mthombo oil refinery is planned to be located in the Coega Industrial Development Zone. The pre-feasibility study was undertaken by PETROSA, identifying Nelson Mandela Bay as the preferred site for the oil refinery. PETROSA is awaiting the DME's approval of the front-end engineering design (FEED). The project is expected to create 1000 direct jobs at an operational level, 23 000 jobs during construction, and 17 000 indirect jobs. The Municipality is engaged with processes to determine whether the project will be located in Nelson Mandela Bay or not.

**Chatty Jachtlakte Node**

The development in the Chatty Jachtlakte Node involves mixed-use and residential development by the private sector and the Municipality, with an estimated yield of 32000 new residential opportunities in the middle, affordable (rental and ownership) and subsidised housing segments. To the North of the Chatty Jachtlakte Node is the Nelson Mandela Bay Logistics Park. Phase 1 is fully developed and there is a demand to develop Phase 2. That will provide much needed work opportunities for the future residents of the Chatty Jachtlakte Node.

The Chatty Jachtlakte hub is identified as a Catalytic Project.

**Motherwell Node**

Development in the Motherwell area will comprise municipal and private sector developments, of which the municipal component will largely entail mixed residential development opportunities in the lower income segments. The private sector component will focus on mixed land use and residential development in the low, middle and higher end housing segments.

The Motherwell Urban Hub Precinct is identified as a Catalytic Project.

**2.1.1.5.2 Strategic initiatives**

Besides the above-mentioned opportunities, the Municipality has also introduced a number of strategic initiatives and identified a number of key large-scale projects, as reflected in the Spatial Development Framework, the LED Strategy and the IDP of the Municipality, with the objectives being to:

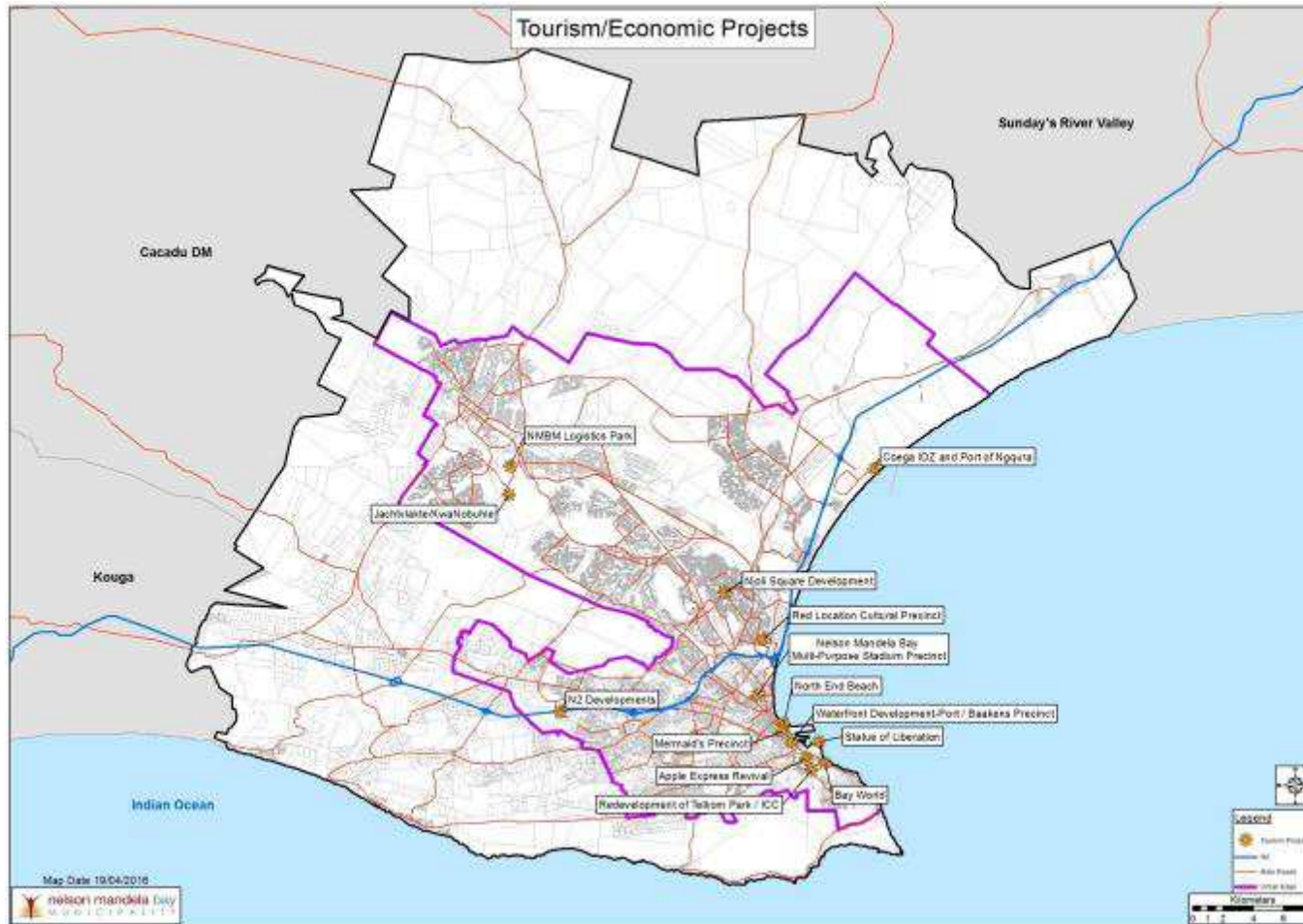
- serve as significant catalysts for economic growth;
- stimulate economic development;
- enable the Metro to become nationally and internationally competitive;
- create jobs;
- alleviate poverty;
- attract investors and/or tourists;
- change the face of the Metro.

As part of the Capacity Support Implementation Plan, the NMBM is receiving technical assistance to evaluate the Economic Development Strategy. This will consider the success of current initiatives and determine a way forward for the Municipality in respect economic development and the issues identified above.

Certain of the strategic initiatives are seen to be catalytic in nature and have been prioritised in the Catalytic Projects in the 2016/17 BEPP.

Annexure "D" attached is the Catalytic Urban Development Project Pipeline Matrix in which the Catalytic Projects are reflected.

**FIGURE 24: Tourism/Economic Projects**



Source: NMBM Corp GIS, 2015

The prioritised current strategic initiatives are explained below.

### **Red Location Cultural Precinct**

Located in the historic Red Location area of Ibhayi, the precinct has been developed and comprises of an Apartheid Museum (2004), Art Gallery, Electronic Library (2011) and Backpackers' Lodge.

The business plan for the performing arts complex has been completed and the National Department of Arts and Culture has made R500 million available for this project. The last phase of the project will consist of a school of music.

The success of the Red Location Initiative is dependent on the urban renewal of the greater Ibhayi Area as this would enable broader urban renewal beyond the localised impact of the Red Location and Njoli Square Precincts upgrades. This is identified as one of the Catalytic Projects of the NMBM.

### **Njoli Square Development**

This project entails the development of a major community taxi/commercial centre where the Njoli Square presently exists. The project is nearing implementation stage.

The success of the Njoli Square Upgrading Initiative is closely linked to the upgrading of the Greater Ibhayi area. Njoli is linked to Ibhayi and Bethelsdorp Hubs in the Urban Network Strategy.

Njoli Square upgrading is funded by the NDPG and is located in the Urban Network Strategy as a Catalytic Project.



## **Nelson Mandela Bay Logistics Park**

The purpose-built Nelson Mandela Bay Logistics Park (NMBLP) in Uitenhage managed by the Coega Development Corporation (CDC) is geared to locating more first and second tier suppliers in automotive manufacturing. The vision of the NMBLP is to obtain economics of scale for the automotive manufacturing industry through centralisation of different functions and suppliers to reduce costs by shortening and improving the supply chain to VWWSA and other vehicle assemblers.

Phase 1 of the Park is 183 hectares and features purpose-built infrastructure and shared services including security, ICT and logistics to minimise costs for new investors and existing tenants. More than 1000 people are employed at Phase 1 of the Park. Developments in Phase 1 have reached a stage where there is additional pressure to invest in key economic infrastructure for better deliver of essential services and utilities such as electricity, water, a fire-ring main for emergencies, internal roads and more.

The automotive production sector remains a critical segment for our economy because of its cross-cutting linkages across several industries and services as well as its documented contribution to various economic development imperatives. Inputs into automotive production include textiles, metals, electronics, plastics and chemicals general engineering, and packaging.

There is a demand to implement Phase 2, to occupy an estimated 126.4 hectares.

To provide the required infrastructure for Phase 1 and to develop Phase 2 an estimated R350m is required.

The project will have considerable socio-economic benefits for the Nelson Mandela Bay Municipality, the Eastern Cape Province and South Africa as it will contribute to sustaining jobs in the automotive sector, export led growth

and positive balance of payments. These interventions are in line with IPAP and are expected to lead to substantially increased investment in the automotive and metal sectors, leading to increased production, job creation and diversification of the two closely linked sectors.

### **Mermaid's Precinct**

The project known as the Mermaid's Precinct is located in the heart of the CBD between Russell Road and the Donkin Row houses. It is a proposed mixed use area comprised of social housing, residential development and urban recreational node and complimentary mixed uses.

The area is currently derelict and vandalized with undeveloped municipal and privately owned erven. A master plan for the area has been completed.

It is envisaged that the Municipality in conjunction with the MBDA, the private sector and a social housing institution will develop the area. Presently, funding is a constraint in taking the project forward although there is considerable private sector investment in various developments in the precinct.

The development of the Mermaids Precinct is identified as one of the Catalytic Projects aligned to the CBD and Baakens Valley precinct development. The project has been through a preliminary viability assessment by the DBSA Project Preparation Facility. This has concluded that the project is viable.

#### **2.2.2.5 Waterfront Development-Port / Baakens Precinct:**

There has been recent focus on plans to develop the Waterfront at King's Beach area. After initially agreeing to move the tank farm in 2016, Transnet have now indicated that the oil tanks can only be demolished in 2017/18 due to the facility at Coega needing to be completed. Transnet have committed to move the manganese ore facility to the Coega IDZ in 2019. In the port

planning for the port post-relocation, Transnet has agreed that a portion of land will be set aside for a marina/commercial development and this portion will not fall under the strict port security controls.

A Steering Committee comprising of Transnet, the MBDA, NMBM and the ECDC is currently working to ensure there is a Master Plan to determine the extent and depth of retail, residential, office, leisure/entertainment/tourism development as well as a Master Plan that can be implemented over time. The Port / Baakens precinct between the port and the Bridge Street Brewery as part of the broader Waterfront Development plan is envisaged to become a new tourism/ leisure/ entertainment precinct and it will be a further catalyst for the re-development of the area over time for non-industrial purposes.

The development of the Baakens Valley Precinct is identified as one of the Catalytic Projects and has been through a preliminary viability assessment by the DBSA Project Preparation Facility which has concluded that the project is viable.

In addition, as part of the City Support Programme, an Urban Land Institute Panel visit and assessment will take place in November 2015 to further provide key information with regard to the implementation of the project. It is the intention to pursue the recommendations of the ULI panel in the 2016/17 financial year.

#### **2.2.2.6 Redevelopment of Telkom Park as part of the Happy Valley Precinct**

After building 2010 Soccer Stadium in North End, a decision to demolish Telkom Park for other developments was taken by the NMBM Council. This has presented an opportunity for the possible development of an International Convention Centre.

A Master Plan to determine the extent and depth of retail, residential, office and tourism, development as well as a Master Plan that will be rolled out as part of the project development is required. The Master Plan will include research in respect of uses. The market research will then determine the development layout.

The Happy Valley Precinct is identified as one of the Catalytic Projects of the NMBM.

As part of the City Support Programme, Capacity Support Implementation Plan, the NMBM is receiving technical assistance in relation to an Economic Development Strategy. This will consider the success of current initiatives and determine a way forward for the Municipality in respect economic development and the issues identified above.

## **2.2 LOCAL AREA PLANNING**

### **2.2.1 LOCAL AREA PLANNING FOR THE INTEGRATION ZONES**

The section above describes the urban network strategy, the identification and prioritisation of integration zones.

Detailed Integration Zone planning, precinct planning and the identification of a pipeline of projects for each Integration Zone will be a priority for the 2016/17 year.

#### **2.2.1.1 Catalytic Projects**

Notwithstanding this, the Catalytic Projects identified in this BEPP reflect interventions that include developments that are:

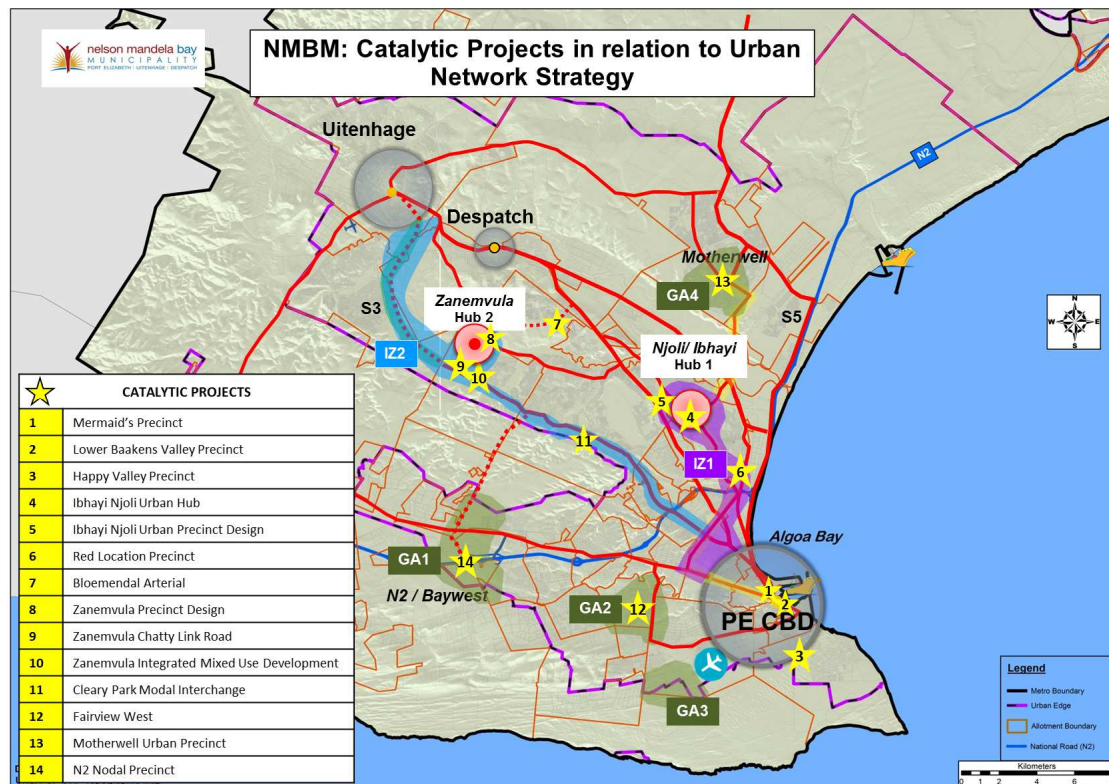
- within defined Integration Zones
- private and public sector initiatives in their implementation

- inner city, mixed use, social, commercial and residential development initiatives
- informal settlements and marginalised area upgrading and .
- linkage projects such as critical road infrastructure to ensure the proper linkages of the Integration Zones to the rest of the city.

Attached as Annexure “E” is the Integration Zone Matrix which is populated with the integration zones, prioritisation, responsibilities, and implementation information as far as is presently possible. This table is to be read in conjunction with the Catalytic Urban Development Project Pipeline Template which is attached as Annexure “D”. These templates will be further refined on an ongoing basis.

The following map shows the location of the selected catalytic projects in relation to the Integration Zones of the Urban Network Strategy framework. These Catalytic Projects remain the same as those identified in the 2015/16 BEPP. There has been considerable progress made in refining the Projects in populating Annexure “D”. This process of refinement is an ongoing process.

**FIGURE 25: Catalytic Projects**



These catalytic projects will be vigorously pursued during the 2016/17 financial year and beyond. It is the intention to move the catalytic projects as quickly as possible from planning to implementation phase.

Annexure "D", the Catalytic Urban Development Project Pipeline attempts to map out the requirements for implementation. It is in the later stages project development that timing and budget aspects of each catalytic project will become more refined. Annexure D will continue to be refined on an ongoing basis.

The following table is a synthesis of the Catalytic projects as defined in the BEPP Guidelines.

**TABLE 4: Catalytic Projects**

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Mermaid's Precinct	Integrated inner-city revitalisation	: CBD / Primary Economic Node	<p>Proposed mixed use integration project in the Mermaid's Precinct Area of the CBD/ Inner City</p> <p>Node comprises residential (social housing and rental apartments), recreational (urban jungle) and open space.</p> <p>The Mermaids precinct is located on 39 hectares of land in the heart of the CBD.</p> <p>Redevelopment of this land can impact on the rest of the CBD and the broader area by providing mixed social economic opportunities, recreation facilities, tourism facilities that will have a city wide impact.</p> <p>The project is an MBDA project.</p> <p>The project will involve increasing access to this area which will improve CBD access.</p> <p>Impact of this project is its capacity to integrate socio economic groups from a recreation, economic and residential perspective.</p>	<ul style="list-style-type: none"> <li>▪ Development Master Plan prepared;</li> <li>▪ Approved as catalytic project;</li> <li>▪ Detail proposals to be prepared;</li> <li>▪ DBSA PPF programme identified project as viable</li> <li>▪ Linked to the Baakens Valley Precinct development and other CBD initiatives</li> </ul>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Lower Baakens Valley Precinct	Integrated inner-city revitalisation	CBD / Primary Economic Node	<p>Integrated mixed use and residential infill development in the Lower Baakens Precinct Area.</p> <p>Approximately 1000 hectares.</p> <ul style="list-style-type: none"> <li>• mixed use area.</li> <li>• Capitalise on existing infrastructure</li> <li>• Close links to the port</li> <li>• Economic opportunity</li> <li>• Strong environmental aspects</li> </ul> <p>This project is inextricably linked to the Port Harbour developments.</p>	<ul style="list-style-type: none"> <li>▪ Precinct planning to be finalised</li> <li>▪ Conceptual framework is finalised</li> <li>▪ DBSA PPF identified as viable</li> <li>▪ Environmental issues outstanding</li> <li>▪ Infrastructure funding to be determined</li> <li>▪ Flood line studies necessary</li> </ul>
Happy Valley Precinct <i>(continued)</i>	Integrated Mix-use inner city development Also part of Mega-Project into the NMBM HSSF	CBD / Primary Economic Node / Inner City Development Area	<p>Integrated mixed use and residential infill development in the Happy Valley Precinct Area</p> <ul style="list-style-type: none"> <li>• Public private partnership area</li> <li>• Close to mixed use housing opportunities</li> <li>• Strong tourism potential</li> <li>• Stadium site has potential for large activity such as ICC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Spatial framework planning complete.</li> <li>▪ Precinct plan preparation.</li> <li>▪ Feasibility studies still needed for remainder.</li> </ul>



PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Ibhayi / Njoli Urban Hub	Precinct Planning / Urban Hub Design	IZ 1- Ibhayi / Njoli Urban Hub	Detail Precinct Design in support of Urban Network Strategy <ul style="list-style-type: none"> <li>• Poorest area of the city</li> <li>• Massive potential for integration of two previously separated communities</li> <li>• Hub has a 2 km radius</li> <li>• Impact area: 7,5 km radius</li> <li>• Linking economic activity that has grown organically with transportation hub and ties together with university, hospital, etc.</li> <li>• Links Uitenhage, Motherwell and CBD to Ibhayi</li> <li>• Planning activity to support modal interchange and planning interchange below</li> <li>• Triggered by the private development of Kenako Centre</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procurement of service provider being finalised</li> </ul>
	Modal Interchange and Urban Hub Development	Ibhayi / Njoli Urban Hub: Njoli Square Modal Transport Hub	Development of Modal Transport interchange and commercial centre <ul style="list-style-type: none"> <li>• Urban renewal project</li> <li>• Major transport hub</li> <li>• Present economic opportunities</li> <li>• Been implemented – R16 million</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-planning of the development concept approved.</li> </ul>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Ibhayi / Njoli Urban Hub <i>(continued)</i>	Tourism & educational development catalyst.	Township hub: Red Location Precinct Secondary Hub	<p>Red Location Cultural Precinct: holds potential for infill residential development</p> <ul style="list-style-type: none"> <li>• Biggest cultural precinct in Africa</li> <li>• Ability to create jobs in poorest part of city</li> </ul> <p>When complete, the Red Location Cultural Precinct will comprise five public buildings</p> <p>Red Location Museum - winner of multiple international awards for architecture and design.</p> <p>It is anticipated that during construction of the performing arts complex 634 jobs will be created and that 701 will be employed in Red Location Precinct when fully operational.</p>	<ul style="list-style-type: none"> <li>▪ The Red Location Museum (complete – opened in 2006)</li> <li>▪ The Red Location Art Gallery (complete – opening pending)</li> <li>▪ The Red Location Digital Library and Library Archive (complete – opening pending)</li> <li>▪ The Red Location Performing Arts Complex (planning underway) and</li> <li>▪ The Red Location School of Performing Arts (planning beginning)</li> </ul>
Bloemendal Arterial	Catalytic link road	Corridor (Transit)	<p>Critical link connecting the Njoli and Chatty Jachtvlakte Hubs. Part of longer-term Comprehensive Integrated Transport Plan</p> <ul style="list-style-type: none"> <li>• Total 9 km (6.5 km + 2.5 km)</li> <li>• It strengthens the urban network strategy by linking it spatially</li> <li>• It will improve connectivity between areas which will increase economic activity</li> <li>• Essential transport collector to fast track development in the area</li> <li>• Impact will directly assist a predominantly poor area</li> <li>• Catalyst towards commercial development in the area and other social facilities which has been constrained due to no access</li> <li>• In the heart of Zanemvula areas which is a presidential project area accommodating in the order of 45 000 residential opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phase 1-detail design and preparation of tender documents for the construction of the road – tenders called for appointment of consultants to oversee this function. Part of arterial route previously designed and bill of quantities prepared.</li> <li>▪ Phase 2 will involve implementation – not funded</li> </ul>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Zanemvula	Precinct Design	Township hub: Chatty Jachtlakte Hub	Will also serve the Bloemendal and KwaNobuhle areas <ul style="list-style-type: none"> <li>• Areas exists in the heart of Zanemvula project (45 000 residential opportunities)</li> <li>• Opportunities do not exist for connectivity to rest of the city and its role for transport hub</li> <li>• Design is needed to fulfil this broader role</li> <li>• In heart of integration zone identified in urban network strategy</li> <li>• Design is a prerequisite for urban network strategy</li> </ul>	
	Chatty Link Road	Township hub: Chatty Jachtlakte Hub	Critical for strategic land release as well as community-social infrastructure delivery (schools, clinics, crèches). Identified as a NMBM HSSF Mega Project. <ul style="list-style-type: none"> <li>• 1.98 km link road between Standford Road and Bloemendal Arterial Routes to unlock development and delivery of social and economic facilities and amenities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phase 1 of the project involves the detail design and preparation of tender documents for the construction of the road</li> <li>▪ Phase 2 will involve implementation – not yet funded</li> </ul>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Zanemvula <i>(continued)</i>	Integrated Mixed Use Development	Township hub: Chatty Jachtlakte Hub	Integrated Mixed Use Development (Mega Project) <ul style="list-style-type: none"> <li>• Land alongside the planned Chatty link road mentioned above</li> <li>• mixed use land to prevent area from being fully occupied by RDP housing without attendant socio economic facilities</li> <li>• alternative housing types, higher densities and other activities to be located along side public transport route</li> <li>• potential to bring employment generating activities into the heart of the Zanemvula project area where unemployment is high</li> <li>• catalyst for other socio economic activities and higher density residential opportunities</li> <li>• Approximately 172 ha of land could be released with completion of Chatty link road with potential yield of approximately 5000 Residential Units. Partially included in Phase 1 of Chatty Jachtlakte Precinct Plan)</li> <li>• Further development of the Chatty Jachtlakte node will yield an additional 28000 Residential Units over next 8 to 12 years</li> </ul>	

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Cleary Park Corridor TOD development	Public Transport	Corridor (Transit)	<p>Cleary Park route</p> <ul style="list-style-type: none"> <li>• Catalytic activities around the modal interchange</li> <li>• Identify opportunities for public transport activities and densification along Cleary park route</li> <li>• Route very constrained</li> <li>• Needs intervention as a section runs alongside the commuter rail</li> </ul> <p>Cleary Park route lengths:</p> <p>Trunk Route Cleary to CBD: 11.5 km, 16 bus stations (on the Harrower Road route) – the route via Berry's Corner is not to be used for the initial phase)</p> <p>Trunk Route Cleary to Greenacres: 11.6 km</p> <p>Main Routes: 16.1 km total</p> <p>Area Routes: 156.2 km total</p>	

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Fairview West Integrated Development	Integrated Mixed Use and Residential Development (Spatial Transformation)	Growth Area 2Corridor (Infill): (West of William Moffat Corridor and North – North-East of Circular Drive Corridor)	<ul style="list-style-type: none"> <li>• Integrated Mixed Use and Residential Development in the Fairview / Willowdene area comprising of mixed retail and mixed residential development.</li> <li>• Identified as Mega-Project in terms of the NMBM Human Settlements Framework.</li> <li>• Current projects will yield approx. 2800 units –</li> <li>• Total no of Residential Units estimated at 2488 with further potential of approximately 2000 units on state owned land – total 4488 (Estimated) Potential socio economic integration area</li> <li>• Links south, west and north sides of the city</li> <li>• Alongside retail strip and access road</li> <li>• Close to job opportunities</li> <li>• New retail development (shopping centre) currently under construction</li> <li>• Construction of 300-bed private hospital about to commence</li> </ul>	<p>Fairview Links Social Rental Project COMPLETE (365 Res Units)</p> <p>Willowdene (400 Res Units)- Infrastructure and service installation nearly complete. Construction of residential units about to commence. (Private sector development)</p> <p>Further 48 ha awarded by PDHoS. (Est 2023 units) Detail development planning commenced (private sector development).</p>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
			<p>Catalytic infrastructure – Development of area to full potential will require infrastructure investment:</p> <p>Bulk Sewer Upgrade (Lower Baakens and Driftsands Sewer Collectors); also bulk water supply</p> <ul style="list-style-type: none"> <li>• 48 hectares cannot proceed without bulk sewer upgrade</li> <li>• Other private properties are also affected</li> <li>• Catalytic improvement in road network (particularly along main routes)</li> </ul>	<p>Preparation of infrastructure scoping studies and traffic impact assessments.</p>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
Motherwell	Precinct Planning / Urban Hub Design	Growth Area 4	Detail Precinct Design in support of Urban Network Strategy as well as the Khulani Corridor Development <ul style="list-style-type: none"> <li>• Not an integration zone but an urban hub</li> <li>• Growing population – 200 000</li> <li>• Planned Commuter Rail Corridor will be major catalyst for development in this urban hub</li> <li>• Area fills critical role close to Coega IDZ</li> <li>• Presidential urban renewal project for close to 10 years</li> <li>• High unemployment</li> <li>• Low investment</li> </ul>	Not initiated



PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
N2 Nodal area	Growth Area 1	Western area next to N2	<ul style="list-style-type: none"> <li>• Part of Western Areas development node centred around significant retail development comprising of:</li> <li>• Super Regional Shopping Centre (90 000 m2 GLA);</li> <li>• 450 000 m2 GLA of mixed retail / office space</li> <li>• Motor show rooms , Hospital, Hotel and ICC, Regional offices of multi- national companies, Health life style centre</li> <li>• Surrounded by potential residential high density range of residential opportunities ranging from high density high end to low income high density use which will fulfil socio economic imperatives</li> <li>• Socio economic integration area</li> <li>• Approx 6835 permanent jobs in Baywest development only with potential for further 3000 plus opportunities at full capacity</li> <li>• Area for private public partnerships</li> <li>• Commuter Rail planned linking Apple Express railway line to Mall</li> <li>• Total estimated residential yield in the order of 21300 to 23000 Residential Unit's</li> </ul>	<ul style="list-style-type: none"> <li>• Mall (R2bn) almost complete – to be opened on 22 April 2015</li> <li>• Building plans for hospital, Sanral regional offices, hotel, motor show rooms submitted to commence construction during second half of 2015</li> <li>• Utopia private development aimed at medium to medium high income categories about to commence</li> <li>• N2 North integrated mixed use and residential development planning well progressed and under environmental assessment (Public private investment)</li> <li>• Extensions to Kuyga / Greenbushes industrial areas being planned</li> <li>• Parsonsvei integrated residential and mixed use developments aimed at low, middle income groups under development</li> </ul>

PROJECT NAME	TYPE	LOCATION	DESCRIPTION / SCALE / IMPACT	PROGRESS STAGE
N2 <i>(continued)</i>		Western arterial	<ul style="list-style-type: none"> <li>• Enhancing strategic connectivity with other nodal areas, e.g. Zanemvula and Chatty/ Jachtlakte</li> <li>• Linking node from the mall to (Chatty) Zanemvula and Uitenhage and surrounds – unlocking full economic potential of the development node</li> <li>• Public Private Sector co-funding</li> </ul>	<ul style="list-style-type: none"> <li>• Planning of Western arterial route currently under way and in environmental process</li> <li>• Budget estimate for Phase 1a comprising of interchange and link road between N2 and Cape Road</li> <li>• Phase 1b linking Walker Drive to N2 intersection to be undertaken by developer (anticipated to happen concurrently with Phase 1a)</li> <li>• Only route alignment being done for Phase 2 comprising link road between Cape Road and Stanford Road, linking with Bloemendal Arterial in Zanemvula (Chatty)</li> </ul>

## **2.2.2 LOCAL AREA PLANNING FOR INFORMAL SETTLEMENTS AND MARGINALISED AREAS**

With regard to informal Settlements and marginalised areas, and as detailed elsewhere in this report, the Municipality has a dedicated programme for the elimination of informal settlements, as contained in the Informal Settlements Upgrading Plan (NMBM: Human Settlement Directorate, 2008). The Plan was developed in 2008 and included 81 informal settlements. 51 informal settlements remain and are contained in a matrix of *in situ* upgrading/destination areas, programmed over time, prioritized and implemented according to the availability of funding. Layouts for these developments are prepared in advance and in accordance with the Local Spatial Development Frameworks and the Sustainable Community Planning Methodology outlined in the Spatial Development Strategy section of this report.

## **2.2.3 LOCAL AREA PLANNING FOR GROWTH NODES**

Planning for the growth nodes is guided by the Local Spatial Development Frameworks of those areas. Within those areas precinct planning and more detailed planning takes place within the LSDF context.

Specific precinct planning is currently being undertaken for the Bethelsdorp, Ibhayi and Motherwell precincts.

## **2.3 PROJECT PREPARATION**

### **2.3.1 PROJECT PREPARATION FOR COMPLEX AND CATALYTIC PROJECTS**

The NMBM built environment trends (Annexure A) show a sluggish economy with little private sector investment. Within this context, the following can be seen to be major impediments for the full realization of the NMBM complex and catalytic projects:

- Moving the projects from planning stage to implementation stage in terms of critical processes.
- The time critical processes such as EIA's, Infrastructure assessments and other expert reports take to complete before costing and viability can be finalised.
- The achievement of the total funding needed for holistic development including civic amenities and facilities such as parks and recreational areas, street lighting, tarred roads, schools and clinics.
- The timing of the provision of services and amenities to be provided by other spheres of government to align with NMBM's development objectives.
- The general funding for associated bulk infrastructure including public transportation.
- The tendency for dependent communities to resist higher density development from the subsidy schemes.
- The lack of interest of private sector investment shown thus far in municipal project areas.
- The difficulties in achieving socio-economic integration in such areas and provision and take-up of a range of housing opportunities.

The Catalytic Projects are being evaluated and assisted through the City Support Programme using expert assistance as well as the Project Preparation Facility (PPF) offered in terms of the CSP Programme by the Development Bank of Southern Africa (DBSA).

The PPF is a programme of assistance from the DBSA, for qualifying local authorities to prepare catalytic projects up to implementation stage. This includes funding or resources for necessary expert studies and viability assessments.

## **2.3.2 FISCAL IMPACT ASSESSMENTS FOR CAPITAL PROJECTS – NATIONAL TREASURY**

### **Fiscal impact assessment for selected projects**

A fiscal impact assessment tool has been demonstrated within Nelson Mandela Bay Municipality in September 2015 by a National Treasury consultant. As a result of the demonstration, projects being assessed include:

- Coega Ridge, a project which from a location perspective and availability of services is prematurely being mooted.
- Chatty Jachtlakte development, a project which is well located in an integration zone for which bulk services are being rolled out through the USDG.

It is intended that all relevant catalytic projects will be assessed through the tool.

## **2.4 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **2.4.1 LAND IDENTIFICATION AND RELEASE FOR INFORMAL SETTLEMENT UPGRADING.**

The entire NMBM housing programme is accommodated on municipally owned land. The release of the land is determined through the housing programme project matrix, as described elsewhere in this report.

Various on-going efforts are made to densify the city using existing zoned land owned by government that is designated for uses such as schools and open spaces. Uses can change over time and social housing and other forms of residential use can be accommodated on underutilized sites.

The Municipality has always prepared a number of sites in advance of the allocation of HSDG funds for development. In 2013/2014 financial year, 4012 sites were serviced, 2014/2015 financial year 4035 sites were serviced and during the current financial year up to 3<sup>rd</sup> quarter, 2026 sites have been serviced. More than 10 000 serviced sites have been made available.

These sites will be developed using HSDG for a full top structure.

**TABLE 5: Serviced sites available for development**

Item	Project Name	No. of Sites	Type of Development	Project Status	Expected Date of Readiness
1	Motherwell NU 12	350	Greenfields	Serviced	Ready
2	Motherwell NU 30	720	Greenfields	Serviced	Ready
3	Khayamnandi Ext. Phase 1A&B	471	Greenfields	Serviced	Ready
4	Khayamnandi Ext. Phase 2	1013	Greenfields	Serviced	Ready
5	Khayamnandi Ext. Phase 3	208	Greenfields	Serviced	Ready
6	Khayamnandi Ext. Phase 4A	358	Greenfields	Serviced	Ready
7	Khayamnandi Ext. Phase 4B	372	Greenfields	Serviced	Ready
8	KwaNobuhle Area 11	1130	Greenfields	Serviced	Ready
9	KwaNontshinga	105	In-situ	Serviced	Ready
10	Joe Slovo Uitenhage	300	In-situ	Serviced	Ready
11	Sisulu Village	18	In-situ	Serviced	Ready
12	Kwanobuhle Area 7 Ph 4	244	In-situ	Serviced	Ready
13	Kwanobuhle Area 8 Ph 4	266	In-situ	Serviced	Ready
14	Doorenhoeck	40	In-situ	Serviced	Ready
15	Red Location	172	In-situ	Serviced	Ready
16	Motherwell High Density	109	In-situ	Serviced	Ready
17	Walmer Q	194	In-situ	Serviced	Ready
18	Kwanobuhle erf 8228	111	In-situ	Serviced	Ready
19	Pola Park	88	In-situ	Serviced	Ready
20	Rosedale	160	In-situ	Serviced	Ready
21	Masekhane Village	95	In-situ	Serviced	Ready
<b>Total</b>		<b>6524</b>			

#### **2.4.1.1 Partnerships**

No formal public-private partnerships in terms of legislation are in place. It is the intention of the Municipality to explore these options in the development of the N2 North Node and in growth areas.

Currently, a partnership exists in respect of the Bay West Development which forms part of the N2 Node Catalytic Project. This is in the form of a municipal services agreement. This agreement commits the developers and the Municipality to counter-funding for the provision of bulk services to the area.

The Mandela Bay Development Agency (MBDA) is a development agency and implementing partner of the Municipality. Initially, MBDA projects were confined to the CBD area of the Municipality known as its mandate area, however, its mandate has expanded to include other areas such as Helenvale, Motherwell and portions of Ibhayi.

The MBDA mandate area covers the Mermaids Precinct, Baakens Valley Precinct and Happy valley Precinct catalytic projects. Seamless co-operation between the MBDA and NMBM is vital to the successful implementation of these projects.

MBDA as well as other area based management initiatives are discussed under the Urban Management section of this report.

### 3. INTERGOVERNMENTAL PROJECT PIPELINE

#### 3.1 INTERGOVERNMENTAL PRIORITISED PROJECTS

##### 3.1.1 CRITICAL GROWTH AND DEVELOPMENT PROJECTS FOR ALL SECTORS

The following projects have been identified as critical for sustained growth and development of the City, social, business and residential. They require major capital investment and the city has no option but to ensure they are built:

Due to the funding requirements an intergovernmental approach is required

**Table 6: Critical Growth and Investment projects**

<b>Project</b>	<b>Cost R</b>	<b>Budget</b>	<b>Timing</b>
Nooitgedacht	375 million	70 m 2015/16 128 m potential	Immediate
Fishwater Flats	1,3 Billion	87 m	5 years
Coega Waste Water	1,5 Billion	0	5-10 years
Coega Return Effluent	600 million	0 Potentially self-funding	2-3 years



- The completion of the Nooitgedacht Low Level Scheme remains the most significant project to ensure long-term water sustainability in the NMBM. This project supports both the provision of basic water, but also water for economic development. Phase 2 of this project has commenced by the implementation of three contracts scheduled for completion in February 2017. The NMBM has set aside funding to support these contracts. Phase 3 requires R210M (four contracts) for the completion of the entire expansion. The Department of Water and Sanitation (DWS) has committed R128M.
- Fishwater Flats Wastewater Treatment Works (FWFWWTW) upgrade has commenced with the inlet works which are approximately 75% complete. The Wastewater Treatment Works is critical (socially & economically) for further growth and development in the Metro. The total funding needed is estimated at R1,3 billion.
- Economic infrastructure for development such as the Coega Wastewater Treatment Works and the Coega Return Effluent Scheme, is needed to support the Coega IDZ. Further development of the IDZ will be hampered without funding for these projects. An investment of approximately R600M is required to complete the project.
- Planning has commenced on a new wastewater treatment facility to support the housing developments north of Motherwell and the Coega IDZ. This plant is planned for an ultimate capacity of 120 MI/d costing in the region of R1 500M. A start up capacity of approximately 40-50MI/d will be required.

As part of the Capacity Support Implementation Plan, funding strategies for Fishwater Flats and the Coega Waste Water Treatment Works will be looked at to optimise the timing and funding.

## Backlogs and funding requirements

Annexure A attached indicates the detailed infrastructure and maintenance requirements per sector for NMBM.

The table below reflects the total capital backlog for NMBM.

**Table 7: Total Infrastructure Capital backlog**

<b>BACKLOGS</b>	<b>AMOUNT</b>
Infrastructure capital backlog	R 10 541 000 000
Capital refurbishment and repairs and maintenance	R 11 697 000 000
Electricity network refurbishment and infrastructure recapitalisation	R 1 324 000 000
<b>Total</b>	<b>R 23 562 000 000</b>

The abovementioned amount of R 23,562 Billion does not include the provision of public amenities such as schools libraries and clinics, public transport provision and housing for backyard dwellers.

### 3.1.1.1 Coordination and alignment with SIPS

There are three Presidential Infrastructure Coordinating Commission (PICC) programmes that affect the NMBM. The PICC is made up of 18 programmes, generally called SIP (Strategic Integrated Projects).

The following SIPs apply in NMBM:

- SIP 3: South Eastern Node and Corridor Development  
Focused on the creation of infrastructure for economic purposes.
- SIP 7: Integrated Urban Space and Public Transport Programme

Focused on the creation of infrastructure for the development of urban spaces.

- SIP 18: Water & Sanitation

Focused on the creation of water and sanitation infrastructure, as much of the listed projects are common in all the SIPs.

The PICC has now clearly indicated that the Commission provides a coordinating function for all the projects identified at local level and does not provide any finances for the implementation of the projects.

**TABLE 8 : Current SIP Projects in Nelson Mandela Bay**

Project Name and Scope	Project status	Project budget	
<p>Coega IDZ &amp; Port of Ngqura: Water &amp; Sanitation Services</p> <p><i>Construction of a water treatment works, waste Water treatment works, pump stations, reservoirs and pipelines.</i></p>	<p>1. Nooitgedacht: 98% of pipelines complete. Transfer pump station and break pressure reservoir: 90% complete. Phase 2 tenders are scheduled for completion in February 2017.</p> <p>2. Wastewater Treatment Works: Preliminary design and EIA commenced.</p> <p>3. Recycled effluent schemes in preliminary design stage. ROD received for RE scheme. Reclaimed reservoir is being constructed. Business plan being prepared with the Coega IDZ for funding.</p>	<p>Bulk Water:</p> <p>Wastewater Treatment:</p> <p>Recycled water for Industrial Use:</p> <p>TOTAL:</p>	<p>R351M</p> <p>R900M</p> <p>R600M</p> <p>R1851M (Cost indicated as at the time of submission.)</p>

Project Name and Scope	Project status	Project budget	
<p>Integrated Human Settlements &amp; Bucket Eradication</p> <p><i>Construction of bulk services, reticulation services and top structures to relocated household from stressful informal settlements and meeting the national target for the eradication of informal settlements</i></p>	<p>Business Plan for funding completed. NMBM Council approved a short, medium and long term approach to bucket eradication. House building contractors are constructing houses where subsidies are available and slabs &amp; toilets (medium term approach) on serviced site where no subsidies are available yet.</p>	<p>Houses:</p> <p>Internal water and sanitation services:</p> <p>Bulk water and sanitation services:</p> <p>Roads and stormwater:</p> <p>TOTAL:</p>	<p>R2357M</p> <p>R696.9M</p> <p>R1340.5M</p> <p>R888.4M</p> <p>R5282.8M (Cost indicated as at the time of submission.)</p>
<p>Waste Water Treatment &amp; Environment</p> <p><i>Upgrading of all waste Water treatment works to support the eradication of buckets by providing waterborne sanitation. Improvement of river water quality</i></p>	<p>1. Phase 1 update of Fishwater Flats WWTW commenced on inlet structures.</p> <p>2. Only limited budget is available for the upgrade of all the WWTWs.</p> <p>3. ROD for Cape Recife WWTW being queried by DEDEAT</p>		<p>R484M</p>
<p>Improving road access to KwaZakhele Township</p> <p><i>Upgrading of John Tallant Road, construction of a link road to KwaZakhele Township and rehabilitation of Grahamstown Road.</i></p>	<p>Project completed in September 2014</p>		<p>R61M</p>

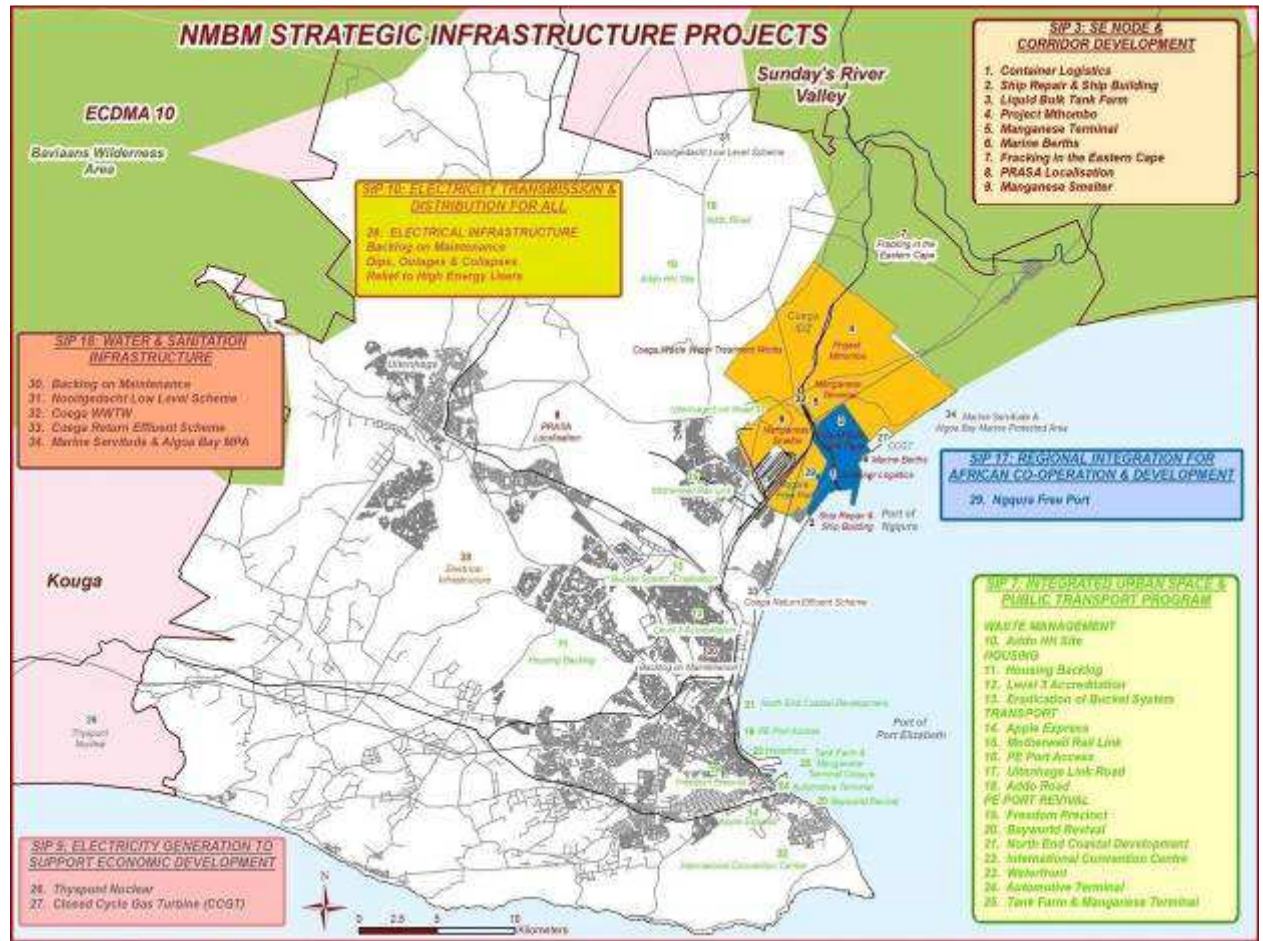
Project Name and Scope	Project status	Project budget	
BRT / IPTS  <i>Provision of efficient, safe, affordable, sustainable and accessible multi-modal public transport system that supports social and economic development to ensure optimal mobility and improved quality of life for the residents and users of the transport system in the Metropolitan area</i>	IPTS review currently under way		R2500M

The funding of strategic projects listed under the SIP must be reviewed to ensure the sustainability of infrastructure to support all the sectors. The NMBM has decided to commence on some of these strategic projects such as the Nooitgedacht Low Level Scheme and Fishwater Flats Wastewater Treatment Works in order support growth and compliance, but this is being done to the detriment of other projects.

The projects identified under the three applicable SIPs for the NMBM are all part of current and future budget cycles; therefore, these are all spatially depicted as part of the Metropolitan Spatial Development Framework.

The following diagram prepared by the Coega Development Corporation attempts to identify most of the strategic projects in NMBM and to align them with SIPS initiatives beyond the main SIPS applicable to NMBM.

**FIGURE 26: NMBM Strategic Infrastructure Projects**



Source: Coega Development Corporation, 2013

## **3.2 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **3.2.1 LEADERSHIP AND GOOD GOVERNANCE**

#### **3.2.1.1 Strategic Development Review and CSIP Projects**

It is important to note that since February 2015 there has been a political and administrative intervention by the Department of Co-operative Governance and Traditional Affairs (CoGTA) in the Nelson Mandela Bay Municipality.

Prior to the intervention and especially subsequent to the intervention, the CSP Capacity Support Implementation Projects supporting leadership and good governance have become particularly important.

Section 1 deals with the Strategic Development Review as well as the CSIP and status of projects in detail.

The following specific leadership and good governance projects form part of the CSIP.

#### **Organisational change management support**

NMBM faces severe organisational challenges. These have included instability, political/ administrative blurring, problems with legal compliance and an extremely poor labour relations environment. The organisational structure also requires review to align the institution with its strategic objectives. This includes a review of the organisational structure; advice on the labour relations environment, and teambuilding and coaching.

#### **Integrity strategy development & implementation**

NMBM faces many allegations of corruption. There are also many internal audit reports as well as wider reaching reports such as the Kabuso and Pikoli reports that indicate an organisational culture lacking in integrity, trust and

ethics. The local press constantly publicises articles which question the ethics and integrity of officials and politicians within the organisation. The project aims to develop processes that will strengthen integrity systems and enhance levels of transparency.

### **Expanding modalities for citizen engagement**

There is widespread distrust and there are constant challenges to city initiatives due to inadequate and inappropriate consultation and citizen engagement. In addition there are constant protests challenging the institution. The IDP/budget participation processes can be greatly enhanced. The intention is to develop processes through which citizen trust can be enhanced and with proper participation lead to credible and well understood IDP and budget processes.

### **Financial planning support**

NMBM has difficulty to adequately assess capital and operating priorities. This project seeks to introduce an appropriate capital prioritisation and planning system. It also seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS). A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process.

### **Revenue strategy and management support**

The current budget preparation processes indicates inappropriate tariff structures, increasing gross debtors and inadequate revenue system functionality. Review current tariff structures, compare them to service delivery costs and affordability of debtors; and suggest changes which could be more appropriate; review revenue system functionality and performance and advise on possible improvements; review and advise on suggested approaches to collecting the debtors book.



**Long term development planning support**

NMBM has no substantive development vision and strategy. The intention is develop a short , medium and longer term development vision and strategy by managing the development of the BEPP , SDF, Transport planning and housing programme and other strategic documents and ensuring that they are effectively aligned and feed into the annual processes generating the budget and IDP. This is to be led by the SDR report findings and decisions.

**3.2.1.2 Intersectoral Municipal Provincial, SOE, National Consultation**

The following aspects are worth noting.

**IGR Forum**

The NMBM holds regular IGR forum meetings to which other spheres of government sector departments are invited to deal with intersectoral issues.

Processes are underway to re-evaluate a terms of reference for this forum in order to ensure that this forum becomes more strategic in its work.

**SOE workshop**

A State Owned Enterprises workshop was held in September 2015 to establish a common agenda with SOE's. This needs to be developed further.

**Risk mitigation and Operating budget implications**

These aspects have not been specifically addressed as part of this BEPP. Consideration will be given to these issues for inclusion in the final BEPP submission.

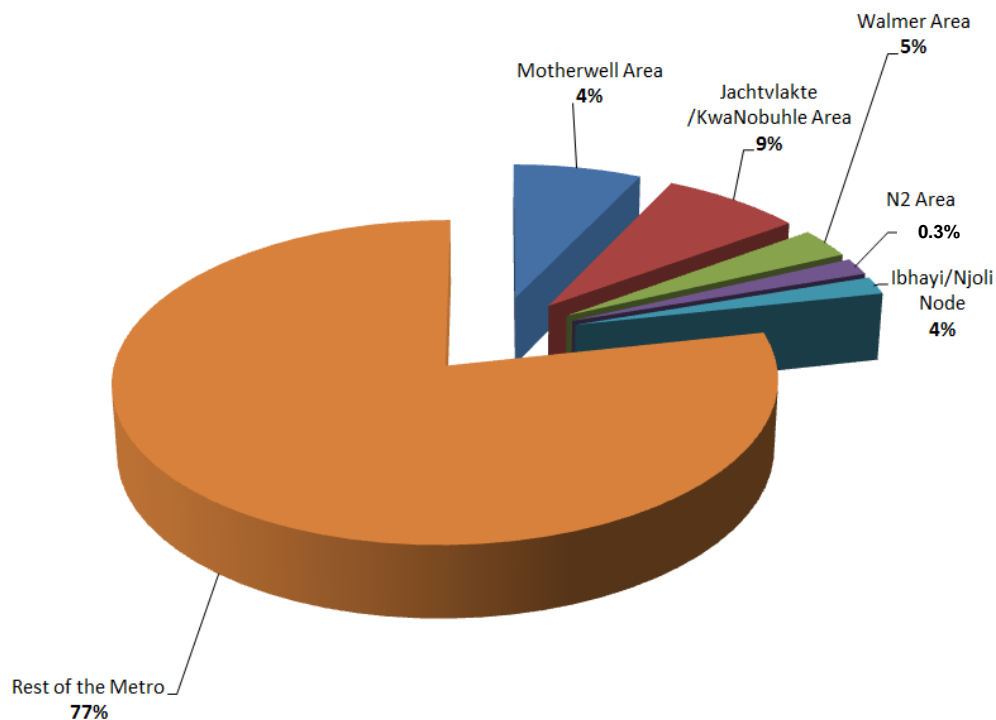
## 4. CAPITAL FUNDING

### 4.1 SPATIAL BUDGET MIX

#### 4.1.1 CAPITAL BUDGET ALLOCATIONS TO PRIORITY DEVELOPMENT AREAS

The development trends are captured in the NMBM IDP and Budgets and are illustrated by the distribution of funding priorities in terms of the 2015/2016 Draft Capital Budget, as reflected in the figures below.

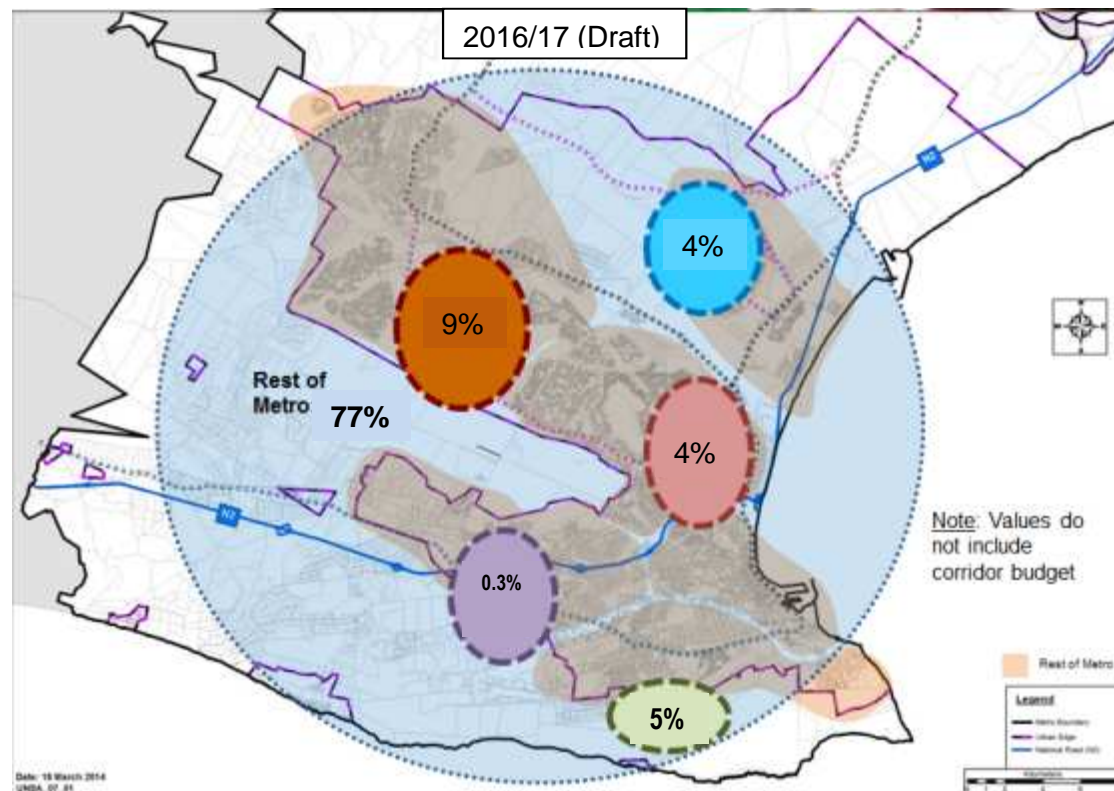
**FIGURE 27: Area Priorities as a Percentage of Draft Budget (2016/17)**



**TABLE 9: Area Priorities in Nelson Mandela Bay (2016/17)**

Area Priorities	2014/15 Actual Expenditure	2015/16 Approved Budget	2016/17 Draft Budget	%
Motherwell Area	39,286,691	228,369,211	60,285,000	4%
Jachtvlakte/Kwanobuhle Area	43,168,481	280,293,088	134,750,000	9%
Walmer Area	91,491,702	104,183,865	70,297,367	5%
N2 Area	25,000,000	33,892,200	5,000,000	0.3%
Ibhayi/Njoli Node	21,090,478	101,586,113	63,338,596	4%
Rest of the Metro	1,125,016,540	809,658,333	1,112,645,963	77%
<b>Totals</b>	<b>1,345,053,892</b>	<b>1,557,982,810</b>	<b>1,446,316,000</b>	<b>100%</b>

Source: NMBM Budget & Treasury, 2016

**FIGURE 28: Percentage Allocation of 2016/17 Draft Budget in Relation to Priority Development Areas**

Source: NMBM, 2016

These figures represent a decrease in funding for the development areas since the last financial year. These figures will change before the final budget is concluded however the decrease at present is attributable to the funding that has been redirected to the Nooitgedacht Low Level Scheme and the bucket eradication programme which are priorities.

#### 4.1.1.1 Capital Budget Allocations to Integration Zones/ Growth Areas

The following table has been prepared, showing the Budget for projects in the elements of the Urban Network Strategy described above.

**TABLE 10: Integration Zone and Growth Area Budget Allocations**

<b>Motherwell Area</b>		<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
20060281	Cultural Centre Motherwell	2,500,000	5,000,000	-
20120055	Motherwell NU 30 - Human Settlement (Services)	20,000,000	30,000,000	-
20120061	Motherwell NU 31 - Human Settlement (Services)	3,000,000	35,000,000	100,000,000
19960193	Reinforcement of Electricity Network - Wells Estate		550,000	550,000
19990104	Coega Reinforcement - Public Contributions	15,000,000	15,000,000	15,000,000
19940233	Motherwell Canal Wetlands	1,500,000	2,000,000	2,000,000
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	1,000,000	1,000,000	5,000,000
20080079	Wells Estate - Stormwater Improvements		1,000,000	3,000,000
20060081	Coega Reclaimed Effluent Scheme	1,000,000	2,000,000	2,000,000
20110054	Motherwell Main Sewer Upgrade	6,000,000	6,000,000	6,000,000
20100060	Fire station Motherwell- Refurbishment	3,000,000	3,394,000	4,000,000
20090018	Motherwell Traffic and Licensing Centre	7,285,000	4,000,000	-
		<b>60,285,000</b>	<b>104,944,000</b>	<b>137,550,000</b>

#### **Jachtvlakte/Kwanobuhle Area**

		<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
20100077	KwaNobuhle Municipal Aerodrome	500,000	500,000	250,000
20110091	Khayamandi Extension - Human Settlement (Services)	22,000,000	25,000,000	
20120030	Kwanobuhle Area 11 - Human Settlement (Services)	30,000,000	25,000,000	
20120033	Jagtvlakte (Chatty 11-14) - Human Settlement (Services)	35,000,000	30,000,000	30,000,000
20050189	Refurbish Mini subs - KwaNobuhle	250,000		

		2016/17	2017/18	2018/19
20080048	Jagtvlakte: Bulk Water Supply Pipeline	2,000,000	2,000,000	2,000,000
20120085	Kwanobuhle Reservoir Link Watermain	1,000,000	1,000,000	1,000,000
20060103	Jagtvlakte Bulk Sewerage	3,000,000	3,000,000	10,000,000
20070144	Kwanobuhle WWTW : Upgrading	14,000,000	15,000,000	1,000,000
20070147	Kelvin Jones WWTW: Upgrade	25,000,000	25,000,000	25,000,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	1,000,000	1,000,000	1,000,000
20110068	KwaNobuhle Area 11 - Link Sewer	1,000,000	1,000,000	1,000,000
		<b>134,750,000</b>	<b>128,500,000</b>	<b>71,250,000</b>

<b>Walmer Area</b>		2016/17	2017/18	2018/19
20080163	Walmer - Fountain Road Redevelopment	8,000,000	2,500,000	-
20120047	Walmer Development - Human Settlement (Services)	33,797,367	40,000,000	45,000,000
20030471	Reinforcement of Electricity Network - Walmer Lorraine	3,500,000	550,000	550,000
20060240	Theescombe / Gqebera Bulk Stormwater	12,000,000	5,000,000	
20060240	Theescombe / Gqebera Bulk Stormwater	9,000,000		
20150034	Upgrading of Fountain Road - Walmer Township	4,000,000		
		<b>70,297,367</b>	<b>48,050,000</b>	<b>45,550,000</b>

<b>N2 Area</b>		2016/17	2017/18	2018/19
20120048	Hunters Retreat - Grogro - Human Settlement (Services)	5,000,000	20,000,000	

<b>Ibhayi/Njoli Node</b>		2016/17	2017/18	2018/19
20100104	Mendi Bottle Store Renovation	4,000,000	4,000,000	
20162174	Rehabilitation of Red Location Precinct Buildings			2,500,000
20120031	Ekuphumleni - Kwazakhele - Human Settlement (Services)	17,600,000		
20120053	MK Silver 2 Qaqawuli - Human Settlement (Services)	20,000,000		
20010118	Reinforcement of Electricity Network - Ibhayi	1,500,000	1,700,000	1,650,000
19960190	Reinforcement of Electricity Network - Redhouse	1,400,000	540,000	540,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	2,000,000	3,500,000	3,500,000
20060237	Zwide Bulk Stormwater		4,000,000	2,000,000
20100082	Seyisi Square & Daku Square	1,000,000	1,000,000	
19990168	Njoli Square Redevelopment	5,838,596	25,195,614	30,701,754
20070143	Rehabilitation of Kwazakhele Collector Sewer	10,000,000	10,000,000	5,000,000
		<b>63,338,596</b>	<b>49,935,614</b>	<b>45,891,754</b>
	<b>TOTALS</b>	<b>333,670,963</b>	<b>351,429,614</b>	<b>300,241,754</b>

Source: NMBM Budget & Treasury, 2016

## **4.2 INVESTMENT STRATEGY**

### **4.2.1 APPLICATION OF GRANT ALLOCATIONS**

The application of grant resources is reflected below.

The Nelson Mandela Bay Municipality fully complies with the grant conditions as stipulated in the Division of Revenue Act. For this reason a conscious decision was made to apply the grant in the following areas:

To formalize informal areas by providing:

- Portable running water to support housing delivery and upgrading of informal human settlement.
- Water borne sewerage to support housing delivery and upgrading of informal human settlement.
- Increase water treatment capacity to cater for the additional water demand for both current and future housing delivery and upgrading of informal human settlement.
- Increase water network capacity to cater for the additional water demand for both current and future housing delivery and upgrading of informal human settlement
- Upgrading and expanding the waste water and sewerage treatment facilities to handle the additional affluent that need to be treated as informal settlement are upgraded and developed.
- Upgrading the pipe network capacity to handle the additional sewerage and waste water flow as result of housing delivery and the upgrading of informal settlements
- Bucket Eradication
- Tarring of gravel roads and provision of stormwater networks as part of the upgrading program of informal settlements.
- Upgrading and rehabilitation of existing stormwater network due to densification and ageing of infrastructure
- Provision of sidewalks when areas and upgraded and new areas developed to ensure a safe environment for pedestrians.

The NMBM applies its grant funding (USDG) for the development of infrastructure that supports the Housing Programme. This has resulted in the installation of water and sewer pipelines that serve each of the identified human settlements for house construction. In addition, the funds have also been used for the upgrade and development of sewer pump stations and water and waste water treatment works. With this as background, it has also formed the basis of the NMBM adopted approach that the best way to eradicate buckets is through the establishment of integrated human settlements, in terms of which communities are relocated from stressful situations to subsidised houses (HSDG) with waterborne sanitation. The challenge is the misalignment of the USDG and the HSDG because of beneficiary management challenges.

**TABLE 11: Application of Grant Resources – Draft 2016/17 Capital Budget**

<b>Urban Settlements Development Grant</b>			<b>868,282,000</b>
	Tarring of Gravel Roads	62,700,000	
	Bulk Water Services	182,458,000	
	Bulk Sanitation and Bucket Eradication	379,050,000	
	Internal Services or Housing Delivery	244,074,000	
<b>Integrated National Electrification Grant (INEP)</b>			<b>35,000,000</b>
	Informal Housing Electrification	35,000,000	
<b>Neighbourhood Development Partnership Grant (NDPG)</b>			<b>21,476,000</b>
	Precinct Upgrading for Economic Development	21,476,000	
<b>Total Conditional Grant Funding for the Draft 2016/17 Capital Budget (Vat Incl)</b>			<b>924,758,000</b>

Source: NMBM Budget & Treasury, 2016

### 4.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

#### 4.3.1 CAPACITY SUPPORT IMPLEMENTATION PLAN

In terms of the Capacity Support Implementation Plan, Nelson Mandela Bay Municipality will receive technical support and expert review to enhance capital planning, the budget process and a financial sustainability strategy.

It has been the experience that NMBM has in the past had difficulty in adequately assessing capital and operating budget priorities. The support from the City Support Programme will assist in reaching agreement around priorities and ensuring the correct priorities are addressed.

#### 4.3.2 VALUE OF PROGRAMMES AND PROJECTS BY SECTOR

The following is the value of programmes by Sector:

**TABLE 12: Value of Programmes and Projects by Sector (Vat Incl.)**

Directorate	Approved 2015/16 Capital Adjustments Budget	Draft 2016/17 Capital Budget	Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget
Budget & Treasury	78,721,700	29,466,000	21,800,000	1,800,000
Chief Operating Officer	6,850,000	4,000,000	5,000,000	2,500,000
Corporate Services	27,050,000	30,400,000	21,600,000	22,850,000
Economic Development, Tourism and Agriculture	6,147,915	8,000,000	2,500,000	-
Sport and Recreation	116,900,000	33,500,000	38,500,000	33,000,000
Human Settlements	176,307,820	214,100,000	244,997,368	228,500,000
Electricity and Energy	244,352,251	227,743,754	233,247,719	232,297,719
Roads, Stormwater, Transportation & Fleet	263,807,914	194,288,596	467,679,386	525,658,395
Water Services	184,403,276	177,550,877	192,750,000	226,250,000
Sanitation Services	253,050,000	342,750,000	350,266,667	359,610,526
Public Health	88,532,550	50,350,000	53,500,000	68,150,000
Safety & Security	12,518,000	15,600,000	15,594,000	34,090,000
Municipal Manager	13,167,800	-	-	-
Special Programmes Directorate	-	-	-	-
Motherwell Urban Renewal Programme	16,745,060	7,285,000	4,000,000	-
<b>Total Budget (VAT Excl)</b>	<b>1,488,554,286</b>	<b>1,335,034,227</b>	<b>1,651,435,140</b>	<b>1,734,706,640</b>



## 5. IMPLEMENTATION

### 5.1 LAND RELEASE STRATEGY

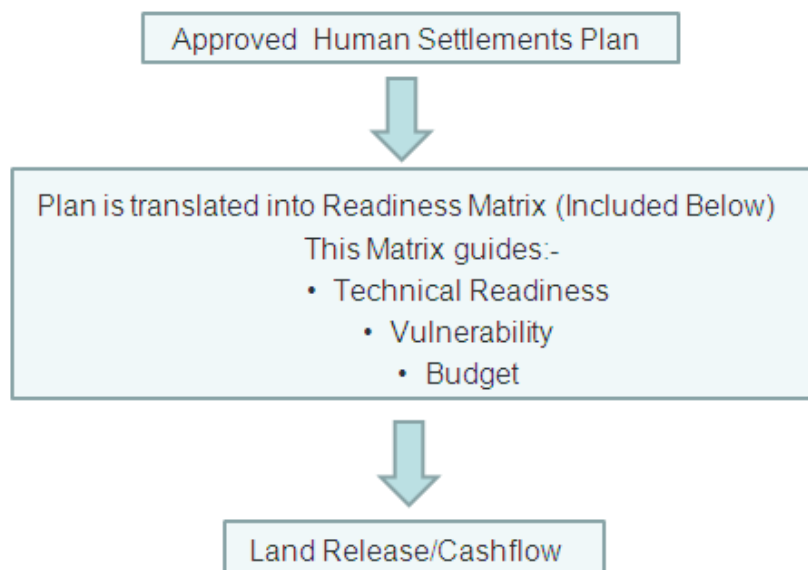
The Human Settlements Plan (NMBM Human Settlement Directorate, 2012) provides for residential development on land that is owned by the Municipality and the development of this land is done in accordance with the Development Readiness Matrix, which is a project management tool for the Housing Programme.

The NMBM is in the fortunate situation of owning large areas of land. Land is released for the Housing Programme sequentially in terms of the MSDF to minimise expenditure on bulk infrastructure and according to statutory approvals required for township development.

The entire Housing Programme is included in the municipal Human Settlements Plan and the Human Settlements Plan form part of the Human Settlements Sector Plan of the Municipality.

The development process is shown in the figure below.

**FIGURE 29: Development process**



Attached as Annexure “B” is a table that reflects all of the current informal settlements upgrading and relocation projects within the Municipality.

## **5.2 PROCUREMENT APPROACH FOR TOP PRIORITY PROJECTS**

### **5.2.1 SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PLAN**

The Municipality has a Supply Chain Management Policy and System in place. These comply with legislation requirements and govern all supply chain management processes, including tender specifications, evaluation and adjudication.

The Municipality also has a Supply Chain and Contract Management Unit to assist project managers and directorates in procurement processes.

Approximately 45% of the 2016/17 Draft Capital Budget is contractually committed to projects as procurement of those multi-year projects started prior financial years. Due to the infrastructure planning and condition assessment cycles, the procurement plans of some project only kick start the procurement processes late in the financial year.

The Municipality continues to enhance its contract management system to a completely electronic supply chain management information system. This municipality now has a paperless supply chain system for all new demands that started in the 2014/15 financial year. This will ensure security of information and assist to eliminate irregular expenditure due to incomplete tender files, improved turnaround times and improved record keeping.

## **5.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **5.3.1 CAPITAL PROGRAMME**

The NMBM has set up a Capital Programme to implement infrastructure to meet its developmental needs, as captured in the IDP. The supporting sector plans identify the needs/gaps in infrastructure, which are then scheduled for implementation in the three-year Capital Programme.

Planning for implementation includes the concept designs, water use license application, environmental assessments, final designs and construction, which are the different phases that are planned for and that are critical for the successful spending of the Capital Budget. In the 2014/15 financial year the municipality managed to spend 100% of the Original budget but 91% of the Adjustments Budget 98.7% of the Capital Budget despite serious setbacks and challenges the Municipality faced and will continue to face. Structures have been set up for the monitoring of implementation and expenditure, as follows:

- Directorate
  - Projects management of individual projects.
  - Reporting to the Portfolio Committees.
- Quarterly performance
  - Report of performance on SDBIP.
  - Grant budget performance.
  - Budget implementation.
- Annual
  - Reporting of Directorates' annual performance.
  - Annual SDBIP performance.

The above measures assist the successful implementation of the Budget Programmes and the Annual Report. Although budget expenditure of over 95% has consistently been

achieved, concerns have been raised about the “hockey stick” expenditure curve versus the traditional S-curve. This theory can be tested on individual projects, considering that over 200 projects are being implemented. If all projects were scheduled for completion by 30 June 2015, this S-curve would result, but as this is not the case, it will seldom be achieved; within the municipal implementation space, various other factors impact seriously on the project cycle, such as:

- Ward priorities and ward-based budgets for housing development and tarring of gravel roads.
- Community objections.
- Community Protests delaying completion of projects
- Small, medium and micro enterprise contractors: Demand for work and the associated work stoppages.

### **5.3.2 CAPACITY SUPPORT IMPLEMENTATION PLAN**

Apart from other relevant CSIP projects mentioned in other sections of this report the following projects are of relevance to properly managing the Capital Budget and operating budgets.

#### **Financial planning support**

NMBM has difficulty to adequately assess capital and operating priorities. This project seeks to introduce an appropriate capital prioritisation and planning system. It also seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS).

A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process

**Revenue strategy and management support**

The current budget preparation processes indicates inappropriate tariff structures, increasing gross debtors and inadequate revenue system functionality. Review current tariff structures, compare them to service delivery costs and affordability of debtors; and suggest changes which could be more appropriate; review revenue system functionality and performance and advise on possible improvements; review and advise on suggested approaches to collecting the debtors book.

**Infrastructure financing support**

There are 3 strategic water services projects well placed to support poverty reduction and promote economic development. These are bucket eradication, Phase two of the Nooitgedacht WWTW and Fishwater Flats WWTW. The project involves high level strategic evaluation of the current proposals and to make recommendations on approaches to accelerate implementation.

**Long term development planning support**

NMBM has not had substantive development vision and strategy. The intention is develop a short , medium and longer term development vision and strategy by managing the development of the BEPP , SDF, Transport planning and housing programme and other strategic documents and ensuring that they are effectively aligned and feed into the annual processes generating the budget and IDP. This is to be led by the SDR report findings and decisions.

## **6. URBAN MANAGEMENT**

### **6.1 URBAN MANAGEMENT INTERVENTIONS**

This BEPP has identified the Integration Zones and Growth Areas which have been completed with reference to National Treasury where the UNS is prescribed.

Because the Municipality has not yet dealt with precinct planning in the integration zones, urban management initiatives have not yet been identified. This aspect will receive attention after the precinct planning is complete. Precinct planning in selected integration zones is expected to be completed in the 2016/17 financial year.

The CSIP has identified this area as one of the projects to be implemented through the City Support Programme.

Specific consideration will be given to non-infrastructure related interventions as the integration zones are developed further.

It is recognised that successful urban areas are not only brought about by bricks and mortar, but by management systems, such as Special Rating Areas (SRA's) in CBD areas. The first operating SRA exists in Richmond Hill. Property owners pay a levy through the municipal accounts and the amount is paid over to a specially created company that looks after services. Other areas as candidates for SRA's are being considered.

### **6.2 TRANSPORT MANAGEMENT**

#### **6.2.1 TRENDS AND DEMAND FOR TRANSPORTATION**

The NMBM is aware of the experiences of cities that are implementing IPTS projects.

Those cities are currently operating at deficits (revenue is not covering the direct operating costs). The NMBM is currently undergoing a process of rethinking and remodelling the implementation of the IPTS project as previously conceived.

This is to ensure that the city can afford to provide a new public transport system. To that end, a team from the Cities Support Program of National Treasury has visited the NMBM in the course of 2015 to explore ways in which the city can move forward taking into account the history of the project, especially the fact that the city has delayed in implementing the IPTS project.

A workshop to assist the new executive leadership in developing the best strategy for public transport services was held. Parallel to this process, the National Department of Transport and the NMBM are currently engaging on mapping a recovery plan for the project.

The recovery plan will detail the process that the NMBM will follow which entails undertaking public transport operator surveys on affected priority routes (corridors) from Cleary Park and Njoli to the PE CBD. The data collected will be used to finalise operational plans on these affected routes and the operational plans will in turn be used to finalise financial plans. A report on these routes will then be placed before Council for adoption.

Fundamental to the concept of the Integration zones is the accessibility via public transport and Transport Oriented Development. This is in accordance with the CITP objectives of:

- Integration
- Safety
- Environmental Impact
- Economy
- Accessibility

Poor integration of land-uses and inadequate accessibility to work opportunities by public transport negatively impact the economy and environment through long average travel times, high fuel usage and wasted time.

One of the focal points of the MSDF is to develop corridors along major transport routes. The corridors in the integration zones are to be flanked by mixed-use development and will be supported by improved public transport routes in the integration zones once a system that is sustainable is devised and committed to.

City Support Programme of National Treasury has, since late 2014, been supporting the NMBM with a view to determine whether the Integrated Public Transport System that is being planned is affordable and sustainable. To this end, the World Bank was appointed by National Treasury to assist the NMBM. As mentioned above the entire IPTS system as conceived up until the 2014/15 BEPP is under review.

### **6.3 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

As stated above, precincts within the integration zones have not yet been detailed. It is intended in the 2016/17 financial year to complete precinct planning for Ibhayi, Bethelsdorp and Motherwell areas which support integration zones. Once this is completed precinct management entities can be further established.

Notwithstanding the above, the Municipality has a number of existing precinct management entities presently dealing with locality bound urban management.

#### **6.3.1 PRECINCT -BASED MANAGEMENT ENTITIES**

There are five area-based management initiatives. These are:

- Mandela Bay Development Agency (MBDA)
- Uitenhage-Despatch Development Initiative (UDDI)
- Motherwell Urban Renewal Programme (MURP)
- Helenvale Urban Renewal Programme (HURP)
- Coega Development Corporation (CDC)



### **6.3.1.1 Mandela Bay Development Agency (MBDA)**

The Mandela Bay Development Agency (MBDA), was established in 2003 by the Nelson Mandela Bay Municipality (NMBM) with the support of the Industrial Development Corporation (IDC) and implements urban regeneration in Nelson Mandela Bay's inner city. The aim is to promote economic and tourism development against the backdrop of urban renewal. The MBDA is a Municipal Entity. The MBDA's mandate also extends to the Uitenhage Inner-city and other development and township areas.

The philosophy of the MBDA which applies to their projects is to create well researched, community participated, catalytic infrastructure projects and services through public sector investment to attract private sector investment. In this way, a more diverse economy including tourism and real estate is created.

A study conducted for the Municipality in the Central Business District has confirmed that investments by the entity have resulted in significant property value increases, increased business turnover, business expansion and upgrades and consequent increased rates.

The following projects are now ready for implementation or are being implemented:

- Tramways Building redevelopment (under implementation)
- Happy Valley Precinct development/ Telkom Park / Eastern Province Rugby Union (EPRU) Stadium redevelopment
- Baakens River Precinct Node 1 – Vuyisile Mini Square
- Baakens River Precinct Node 1 – Pedestrian Bridge
- Singapi Street Environmental Upgrade
- Restoration of the Campanile building
- Rivonia Trial Art Piece
- Expanded Public Works Programme – Visual Arts and Heritage

Of the above, the Baakens River Precinct and Happy Valley Precincts, form part of the suite of catalytic projects of the Municipality.

### **6.3.1.2 Uitenhage-Despatch Development Initiative (UDDI)**

The UDDI was established in 2000 as an initiative between the private sector (Volkswagen), and NMBM to focus on development in the Uitenhage and Despatch area. The UDDI, as a facilitation body for the promotion of sustainable development in Nelson Mandela Bay, with the main focus on Uitenhage and Despatch, is an implementer for some of the Metro's programmes in the Uitenhage/Despatch area.

The UDDI's goal is to stimulate special and economic sector development in the sub-region to regenerate the ailing economies of this region of Nelson Mandela Bay.

The UDDI has three strategic focus areas, aligned to the IDP of the Nelson Mandela Bay Municipality. These three areas are:

- Town improvement
- Enterprise development
- Spatial economic linkages between Uitenhage and Despatch

The initiatives under the three focus areas have been set in line with the UDDI's three-year strategic plan, with a strong bias towards job creation, skills development, education improvement, SMME sector development and the general socio-economic improvement of the Uitenhage and Despatch communities.

### **6.3.1.3 MOTHERWELL URBAN RENEWAL PROGRAMME (MURP)**

Motherwell is one of eight pilot areas targeted by the Presidential programme for Urban Renewal. The main objectives of this programme are to eradicate crime, poverty and joblessness in the targeted areas.

Motherwell was established in 1982 to accommodate people from informal and illegal dwellings built on the flood plains in Soweto-on-Sea, and to cater for the influx of people into the urban area.

Motherwell was primarily developed as a residential area and the necessary infrastructure for recreational facilities, basic amenities and job creation did not keep pace with the growth of the area.

The key strategic objectives of the Urban Renewal Strategy are:

- Infrastructure development
- Economic development
- Crime reduction
- Job creation

125 public sector projects have been implemented in Motherwell since the start of the programme. These equate to R551 666 211 in the fields of local economic development, human settlements and social development.

The impacts of the urban renewal programme are that household income has improved by 16,6% due to an increase in the number of employed household heads. Secondly, 92% of households occupy formal structures compared to only 65% in 2001 and sewerage connections have increased from 22 714 in 2001 to 37 116 (95%) in 2011.

In addition, piped tap water has increased from 10 077 in 2001 to 30 659 in 2011 (46,7%).

#### **6.3.1.4 Helenvale Urban Renewal Programme (HURP)**

Helenvale was declared an urban renewal area in 2006. National and provincial investment have resulted in R78 million invested between 2007 and 2012 specifically focused on infrastructure, skills programmes and job creation. Investment by the German Development Bank of R50 million, for the Safety and Peace through Urban Upgrading Programme (SPUU) will result in interventions focused on creating a safer Helenvale through implementation of physical and social infrastructure.

In 2011, management of the Helenvale Urban Renewal Programme (HURP) was moved to the Mandela Bay Development Agency (MBDA). Since the urban renewal pilot period ended in 2012, HURP has advanced into SPUU.

As part of the requirements of German Development Bank, a Programme Advisory Committee (PAC) was elected by the community to work with the MBDA in 2012.

The following main projects were implemented between **2012 and 2014**:

- Partnership with the South African Business Coalition on HIV/AIDS. 120 people trained in business skills, life skills and issues relating to HIV/AIDS.
- A street soccer programme in collaboration with the SAPS.
- Teams (gangs) that dealt with issues of leadership.
- A programme to train matriculated youth in information technology and life skills. The 15 most deserving learners were placed at various workplaces for six months.
- A training programme called Work for a Living, was offered to Grade 10-12 youths, focusing on job-seeking, entrepreneurial, computer and life skills.
- The Helenvale Cleaning Cooperative (HEMCO) was awarded a tender to clean out all the illegal dumping sites with weekly servicing in Helenvale for two months. Employment was created for 150 people.
- A “Back to School” study was conducted to understand the causes of school absenteeism in Helenvale.
- A socio-demographic study was commissioned to serve as a functional database to ensure fairness in employment of people from Helenvale on public sector projects.
- 25 Educators representing the various Crèches have been trained.
- Driver’s License training for 30 people.
- Youth leadership training and capacity building workshop.
- Women and Youth outreach.
- The Helenvale Resource Centre was opened on 15 October 2013.

The SPUU is dealing with a number of components and these include:

- Component 1: Public Space and Infrastructure
- Component 2: Safer Schools
- Component 3: Youth Employment Promotion
- Component 4: Prevention of Domestic Violence
- Component 5: Improved Living Spaces – Pilot Housing

#### **6.3.1.5 Coega Development Corporation**

The Coega Development Corporation (Pty) Ltd (“CDC”) was established in 1999 to develop and operate the Coega Industrial Development Zone (“IDZ”).

The IDZ is intended to be the major employment generator of the metro and region. As such the relationship and cooperation between NMBM and the CDC is very important.

The NMBM and the CDC have an agreement in place that outlines this developmental relationship. To date, the CDC has funded all projects specifically related to internal services and major road linkages.

Water and sanitation for the CDC and NMBM have been identified as areas of concern by the NMBM. Consequently, a plan was developed to identify the gap. Failure to address the gap will mean that the IDZ will not be able to develop further. It will cost approximately R4,3 billion to provide bulk water and sewer infrastructure. The breakdown is reflected below.

**TABLE 13: Coega Development: Project Costs for Bulk Water and Sewer Infrastructure**

Financial Year	Potable water	Industrial water	WWTW	Total	Esc. 10 % per year	Total
2012/2013	4,000,000	1,500,000	1,000,000	<b>6,500,000</b>	0	<b>6,500,000</b>
2013/2014	60,000,000	12,000,000	9,000,000	<b>81,000,000</b>	8,100,000	<b>89,100,000</b>
2014/2015	210,000,000	120,000,000	70,000,000	<b>400,000,000</b>	84,000,000	<b>484,000,000</b>
2015/2016	186,000,000	440,000,000	286,000,000	<b>912,000,000</b>	301,870,000	<b>1,213,870,000</b>
2016/2017	20,000,000	580,000,000	320,000,000	<b>920,000,000</b>	426,970,000	<b>1,346,970,000</b>
2017/2018	0	385,000,000	180,000,000	<b>565,000,000</b>	344,940,000	<b>909,940,000</b>
2018/2019	0	59,000,000	30,000,000	<b>89,000,000</b>	68,670,000	<b>157,670,000</b>
<b>Total</b>	<b>480,000,000</b>	<b>1,597,500,000</b>	<b>896,000,000</b>	<b>2,973,500,000</b>	<b>1,234,550,000</b>	<b>4,208,050,000</b>

Source: NMBM Infrastructure & Engineering: Water & Sanitation, 2009

To date, the NMBM has commenced with planning the following projects, which are critically required for the development of the Coega IDZ:

**(i) Nooitgedacht Low Level Scheme (NLLS):**

Contracts for the commencement of Phase 2 of the Scheme have been awarded and work is scheduled for completion by February 2017. Funding remains a constraint to commence with Phase 3 to complete the project.

**(ii) Coega Waste Water Treatment Works and Sea Outfall:**

Preliminary planning has commenced, but designs cannot proceed, because of funding constraints, given the size of the project.

**(iii) Coega Return Effluent Scheme:**

Due to the scale (finance) of the projects, the NMBM is unable to commence with detailed design. The NMBM has commenced with preliminary planning and as such an ROD has been issued for the system. With the cooperation of the Coega Development Corporation (CDC), detailed design has commenced and the Return Effluent Reservoir with the outlet pipe work at the Coega Kop site is being constructed with funding from the CDC.

The South African IDZ programme was first introduced a decade ago. The driver for the IDZ programme is the creation of industrial facilities for manufacturing and re-export, along with other objectives such as job creation and technology transfer.

More recently, Special Economic Zone (SEZ) legislation (2014) has been promulgated, with IDZ's being a type of SEZ. The primary goal of the SEZ's has become job creation with an emphasis on attracting local investments and ensuring the availability of incentives for both local and foreign investment.

As a result, the funding of IDZ's has been changed and direct funding (budget line) that was previously used has been replaced by a multi-channel proposal focused on the creation of new sources of funding and the introduction of tighter restrictions on the use of government funding. Another addition is the introduction of private sector funding and the refocusing of development finance institutions such as the Development Bank of South Africa (DBSA) to open credit (project by project) for SEZs. With the promulgation of the SEZ Act, SEZs are required to obtain funding for operational activities from shareholders.

The legislative and operational context of the Coega IDZ has thus been improved through the development of new financing mechanisms intended to expedite the process of securing additional investments for the Coega IDZ and the Nelson Mandela Metropolitan Municipality (NMBM).

The 2013/14 Financial Year was the final year of the current approved 5 year rolling strategy which commenced in the 2008/09 Financial Year. The implementation of that strategy resulted in a major shift in the CDC's core IDZ business; the CDC became a catalyst for socio-economic development throughout the Eastern Cape Province and beyond. The CDC had already been assisting the ECPG with the roll-out of projects and infrastructure for some years but this major shift in strategy was necessitated by the continued substantial reductions in grant funding from the Department of Trade and Industry (DTI).

The change in funding strategy required the CDC to aggressively develop the External Services business and undertake Province wide Infrastructure Implementation Programmes. The need to generate income to supplement the declining grant funding from the public fiscus became an imperative. The expanded External Services business has been driven by the creation of external Services' businesses and programmes which have been the main drivers in the generation of a consistent increase in revenue collection over the past five years, contributing 64% of the total CDC self-generated revenue. On average, this self-generated revenue has grown at a rate of 36% year-on-year over the past four years.

The table below shows some of the IDZ related Initiatives that are meant to re-orient the business model of the CDC.

**TABLE 14: IDZ Initiatives**

<b>Name</b>	<b>Description</b>
<b>Coega/Ngqura Manganese Ore Export Terminal</b>	The terminal comprises an exchange yard in Zone 11, a dual track to the stockpile area and a conveyor corridor to the export berths on the finger jetty of the Port of Ngqura.
<b>Rail Upgrade (Coega To Sishen)</b>	Has the same initial capacity as for the terminal and needs to be aligned with the terminal capacity and the provision of new locomotives and rolling stock by Transnet Freight Rail.
<b>CCGT Powerstation and LNG Terminal</b>	The CCGT Power Station and associated Liquid Natural Gas Supply.
<b>Nuclear Fuel Cycle</b>	Intended to beneficiate the country mineral resources and be fully dependent on the nuclear new build programme.
<b>Bulk Liquid Tank Farm</b>	A site has been allocated and the infrastructure and municipal services required to make the east bank of the Port of Ngqura operational are being provided by the CDC.



Name	Description
<b>Project Mthombo</b>	There is a business case for Project Mthombo and a more detailed review leading up to the decision to proceed with Front End Engineering and Design is being carried out. The detailed review is being completed during the course of 2015/16. The local stakeholder Interest Group comprising NMBM, NMMU, ECPG, CDC, NMBBC and organised labour continues to motivate for the project.
<b>Nooitgedacht Low level Scheme</b>	This potable water augmentation scheme for the NMBM is critical to the CDC for continuing to attract prospective investors.
<b>Fishwater Flats Waste Water Treatment Works (FWF WWTW)</b>	FWF WWTW is the main treatment plant for the NMBM and the Coega IDZ. Currently, the plant is overloaded and operationally out dated.
<b>Coega WWTW</b>	Project Mthombo and other projects, including the expansion of the Port of Ngqura onto the east bank of the Coega River together with additional sources of domestic effluent will necessitate the development of the planned Coega WWTW in Zone 9 of the IDZ. Studies to support the establishment of the Coega WWTW will continue during 2016/17.
<b>Return Effluent Scheme</b>	Return Effluent is a key enabler for the future of the Coega IDZ and NMBM. In a water scarce area, recycling of effluent to provide industrial process water is an essential requirement.
<b>Nuclear Power</b>	The CDC, NMBM and Province have supported the nuclear new build programme from its inception and the CDC has given significant support to the EIA and other processes associated with Nuclear 1 at Thyspunt.

Name	Description
<b>Maritime Opportunity</b>	The CDC has identified the Maritime Industry as a business opportunity that is untapped and thus has a potential as a reliable revenue generation opportunity.

The investment pipeline of the IDZ is focused on distinct sectors as identified within the NMBM approved Development Framework Plan for the Coega IDZ (2006).

Maritime and Port related logistics is a key focus area for the Coega IDZ. The development of Zone 1 will continue with the provision of services to the Port laydown area and sites to investors locating in the area.

Within the automotive cluster of Zone 2, the CDC is committed to the establishment and growth of a Multi Original Equipment Manufacturers Complex (Multi OEM) which will include a supplier park, e-coating plant, paint shop and vehicle distribution center. The associated operation of the automotive focused Nelson Mandela Bay Logistics Park in Uitenhage will continue.

Zone 3 will continue to be developed for general industry, significantly strengthened by the availability of industrial gases from investments made by Afrox and Air Products. The zone is home to a fast growing agro processing cluster.

The training cluster in Zone 4 will be the subject of further development, including the provision of opportunities relating to business process outsourcing, driver training and learnerships in the built environment.

Zone 5 is serviced and available for the establishment of metallurgical related investments. Master Planning for the area east of the Coega River has been completed and has focused on ensuring a planning framework with sufficient flexibility to accommodate a range of development scenarios geared to stimulate agglomerative economies.

The bulk of zones 6 and 11 is allocated to the Project Mthombo oil refinery and the establishment of a compilation yard to service the Coega Manganese terminal to be established in Zone 9.

Efforts to develop an Aquaculture cluster in Zone 10 will continue together with the alignment of the Coega Open Space Management Plan with the NMBM Bioregional Plan. The process of establishing a chemicals cluster within Zone 7 of the IDZ will continue.

Zones 12 and 14 are positioned to address the development of advanced manufacturing and an aeronautical cluster in keeping with the SDF framework for the City and the priorities and opportunities identified within the Coega East Masterplan.

The Table below identifies the budget for 2015/16 to service the development opportunities listed above.

**Table 15: IDZ Budget 2015/16**

Name	Details of Project/ Programme	Overall Budget Provision per project/programme (R million)	Area (Ward number/suburb/ township in which project/ programme will be implemented)
<b>COEGA IDZ (2015 /16 Horizon)</b>	IDZ Water Supply: Return Effluent Scheme	50	Coega IDZ
	IDZ Water Supply: Potable Water - Nooitgedacht	5	Coega IDZ
	Closed Cycle Gas Turbine (CCGT)	1	Coega IDZ
	Zone 1: Common Infrastructure, Fire Services, Laydown area	136	Coega IDZ
	Zone 2: Common Infrastructure, Multi tenant OEM, Automotive Supply Park	261	Coega IDZ
	Zone 3: Common Infrastructure, Water Ring supply	199	Coega IDZ
	Zone 4: Common infrastructure	110	Coega IDZ
	Zone 5: Common infrastructure, railway siding, return effluent	242	Coega IDZ
	Zone 6: Common infrastructure, bulk	141	Coega IDZ

Name	Details of Project/ Programme	Overall Budget Provision per project/programme (R million)	Area (Ward number/suburb/ township in which project/ programme will be implemented)
<b>COEGA IDZ (2015 /16 Horizon)</b>	water supply and infill design		
	Zone 11 and 13: Bulk electricity, bulk water, return effluent, stormwater and MR435 and Ring Road extensions	251	Coega IDZ
	Zone 7 and 10: Common infrastructure, industrial master planning, bulk electrical infrastructure, power station project infrastructure	121	Coega IDZ
	General common infrastructure for all zones	145	Coega IDZ
	Nelson Mandela Bay Logistics Park	121	Nelson Mandela Bay Logistics Park

## **7. INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET**

### **7.1 CROSS-CUTTING INSTITUTIONAL ARRANGEMENTS**

The following institutional arrangements are in place for integrated planning:

#### **7.1.1 ESTABLISHMENT OF A SINGLE ORGANISATIONAL PLANNING PROCESS**

In terms of the adopted Strategic Development Review described in section 1 of this report the city must significantly strengthen strategic planning systems, to ensure they are consistent, mutually reinforcing and provide an effective guide to development. A lack of integration between major planning instruments, particularly with respect to human settlements, public transport and land use management makes a significantly negative contribution to the built environment outcomes experienced in the metro area.

In order to strengthen strategic planning the city has established a Strategic Planning and Coordination Unit in the Office of the Chief Operating Officer which inter alia will assist to:

- (i) exercise strong technical oversight of sectoral planning within a framework established by the Spatial Development Framework; and
- (ii) undertake extensive monitoring, evaluation and data analysis to drive empirically based policy formulation

This unit is presently understaffed and lacks capacity to be truly effective. This needs to be addressed in the forthcoming financial year.

### **7.1.2 ESTABLISHMENT OF A BEPP TEAM**

A multidisciplinary group has been formalised for producing and implementing the BEPP. This group meets regularly and is convened by the Strategic Planning and Co-ordination Unit of the Chief Operating Officer's Office.

The terms of reference of the BEPP team include the following:

- Finalisation of BEPP submissions to National Treasury
- Align the BEPP with the Budget and IDP.
- Refine the catalytic projects of the BEPP.
- Monitor and report on catalytic projects progress.
- Detailed design of the Urban Network Strategy/Precinct and Project Plans.
- Refine the Integration Zones
- Monitor and report on the Integration Zone planning and development
- Plan monitor and report on USDG.
- Plan monitor and report on ICDG.
- Finalise the BEPP indicators and reporting.
- Ensure the effective implementation and monitoring of the BEPP across all sectors in the institution.
- Prepare reports and presentations to fora of National and Provincial Government.
- Distribute BEPP, ICDG and USDG information back into respective directorates.

The BEPP is recognised as being not just a compliance document, and that it needs to be properly planned and implemented and its plans and commitments need to be fully integrated into the municipality's activities.

### 7.1.3 INTEGRATED DEVELOPMENT MATRIX

The Integrated Development Matrix has been developed as part of the Sustainable Community Planning Methodology to provide a framework for the implementation of the coordinated planning of the different activities of the Municipality, to ensure the creation of integrated and quality human settlements. The Integrated Development Matrix defines and facilitates cooperation and coordination between the municipal directorates themselves, as well as external actors in the planning and implementation processes, such as SOE's, banks, CBO's, NGOs and provincial and national government. It also defines roles that will allow citizens and businesses in the city to live and operate more sustainably.

**FIGURE 30: Integrated Development Matrix Framework**

<b>INTEGRATED DEVELOPMENT MATRIX</b>				
<b>LEVEL / ACTIONS</b>		<b>STAKEHOLDERS</b>		
		<i>Local, Provincial, National Government Dept's; Private Sector, NGO's; CBO's, Banks, Private household, citizens groups etc.</i>		
<b>PLAN</b>	<b>Integrated Development Plan</b>			
	<b>Spatial Development Framework</b>			
	<b>Sustainable Community Planning</b>			
	<b>Detailed Layout Planning</b>			
<b>BUILD</b>	<b>Decision to phase development</b>			
	<b>Surveying</b>			
	<b>Engineering Services</b>			
	<b>House design/ construction</b>			
	<b>Develop public areas/ facilities</b>			
<b>LIVE</b>	<b>Role of city dwellers- recycle, walk vs car, solar power etc.</b>			
	<b>Role of business and commerce</b>			
	<b>Schools and institutions- daily operations</b>			

**Responsibility of each stakeholder in respect of each level of the planning framework**

Source: NMBM SCU Planning Guide, 2007

#### **7.1.4 INTER DEPARTMENTAL TECHNICAL TASK TEAM**

An Interdepartmental Technical Task Team comprising senior management representatives from all the directorates of the Metro has been in existence since 2007 as a platform for inter-departmental and inter-disciplinary interaction on technical matters of strategic importance to the Metro. Since 2014 it was suspended, but had met on a monthly basis to discuss and consider matters of cross-sectoral relevance and has since its inception added enormous value to the notion of integrated planning and implementation in the Metro. The Team had no decision-making authority, but served as a platform to consider and prepare technical recommendations to Council. The need for this or a similar multi-sectoral platform to be re-introduced is not only echoed from within the organisation but also by key external stakeholders.

This platform will be established in the Office of the COO as part of implementing the Strategic Development Review. It is anticipated that this will be in place by 2016/17 financial year.

#### **7.1.5 INTEGRATED HUMAN SETTLEMENTS DEVELOPMENT**

The Municipality follows an integrated approach towards all human settlements projects. This is achieved through the Integrated Development Matrix, as well as the Cluster approach, adopted by the Municipality as an integrated project mechanism.

Notwithstanding this one of the biggest challenges remains the integrated planning related to the Provincial competencies such as education, welfare and health. Failure to deal with this aspect will cause resistance in beneficiaries relocating to the subsidized housing areas as these do not have schools, clinics, libraries and police stations. These facilities/amenities are fundamental for proper life and without adequate provision further travelling costs are incurred by poor households.



### **7.1.6 EXTERNAL CAPACITY SUPPORT**

Internal capacity is supported through the sourcing of external contractors to deliver top structure services and install services. This approach places the Municipality in a position to deliver more services in housing than the current funding opportunities allow. The same approach is being used to implement all engineering projects. The NMBM is also benefitting from its Civil Engineering bursary scheme which is resulting in the creation of internal capacity to start taking over some of the engineering projects.

### **7.1.7 PROJECT TEAM APPROACH**

The creation of project teams, which include Infrastructure and Engineering, Human Settlements, Public Health and professional service providers, ensures a well coordinated and managed project.

### **7.1.8 MANAGEMENT INFORMATION SYSTEMS**

The NMBM Corporate GIS is currently implementing various management systems, which facilitate integrated processes in general, including those processes related to low income housing and project management. These systems are reflected below:

- **Project ILIS (Integrated Land Information System)**  
Project ILIS was intended to manage all processes relating to land, thereby keeping a record of all land transactions. These include subdivisions, consolidations, township establishment, rezonings, departures, special consent, sale of land, acquisition of land, lease of land, building plans, and site development plans. Project ILIS includes systems for the following:

- **Housing Delivery Management System (HDMS)**  
As part of Project ILIS, an IT system is required to ensure that houses are constructed on the correct erven and that beneficiaries are correctly assigned to the identified properties.
  
- **Building Plans Management System**  
The management of the building plan approval process is electronically done through the ILIS system.
  
- **Land Application Management System (LAMS)**  
A critical component of Project ILIS relates to managing all applications submitted that relate to land. LAMS records details of the application and then tracks applications as they follow the route through the Municipality.

An absence of funding to allow the system to be institutionalised has delayed the implementation of the ILIS system. This needs to be addressed and resolved in the 2016/17 financial year.

## **7.2 CONSOLIDATED OPERATING BUDGET**

This section was unable to be completed for the preparation of the Draft BEPP.

There are two initiatives that presently will affect the operating budget necessary for proper institutionalisation of the BEPP and its activities.

These are:

- **Organisational Review.**

One of the CSIP projects includes an Organisational Review. The appointment has been made work commenced in November 2015 and is due for completion within the 2015/16 financial year.

The Organisational Review will consider the human resource capacity institutional needs to fully operationalise the BEPP and its associated activities.

- **Project prioritisation tool**

Through the CSP a project prioritisation tool was demonstrated in NMBM. Presently there is an absence of funding and organisational capacity to properly implement such a tool. This will be pursued in the 2016/17 financial year.

## **8. REPORTING AND EVALUATION**

### **8.1 OUTPUTS FROM PREVIOUS BEPP**

#### **8.1.1 URBAN SETTLEMENTS DEVELOPMENT GRANT AND HUMAN SETTLEMENTS DEVELOPMENT GRANT**

The Municipality has shifted its focus from simply providing shelter to establishing integrated sustainable human settlements and providing good quality housing. In the establishment of integrated human settlements in terms of the 2015/16 financial year priorities, the Municipality has prioritised the following outputs:

- Provision of 1 293 state subsidised housing units.
- Provision of permanent water and sanitation services to 3000 sites.
- Upgrading of 4 informal settlements to formal settlements.
- The surfacing of 10.5km of gravel road.
- Installation of 1km stormwater drainage.
- Relocation of 1200 households living in stressed informal settlements and other servitudes to Greenfield development areas.
- Rectification of 642 defective state subsidised houses.

#### **8.1.2 NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT**

R13,6 million is provided in 2016/17 financial year. This will be spent on two projects namely Fountain Road Youth and Advice Centre (R6 million) and the Motherwell Thusong Centre (R7,6 million). Both developments already exist and the funding will be spent on improving the amenities, security and appearance of the existing centres so that they are more user friendly for the public.

### **8.1.3 INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME**

Subject to Department of Energy grant funding approval, it is intended to create 3 860 electricity connections at a total value of R42 million in the 2016/17 financial year. Areas benefitting include Chatty, Motherwell, Khayamandi, Joe Slovo West, Silvertown, Red Location, Walmer and Ekuphumleni.

Electricity connections will greatly enhance the quality of life of beneficiaries.

The funding through the INEP grant is not adequate to address the approximately 22 000 illegal connections which service both formal and informal dwellings. An interim solution to safe reliable electricity supply is needed.. An amount of R150 million has been requested to take care of the first 12 000 such connections. These are in the areas of Vastrap, Chris Hani, Walmer, Despatch and Uitenhage.

## **8.2 THEORY OF CHANGE**

This section will be worked upon in the 2016/17 Financial Year.

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