

FINAL eTHEKWINI BUILT ENVIRONMENT PERFORMANCE PLAN

2018-19



31 MAY 2018

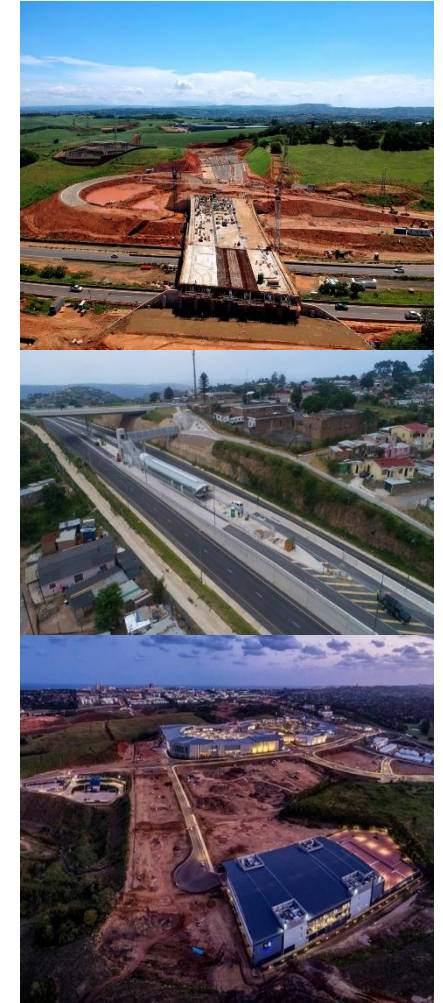


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1 PART 1 – INTRODUCTION

1.1 REASONS FOR THE BUILT ENVIRONMENT PERFORMANCE PLAN

The Built Environment Performance Plan (BEPP)¹:

- Focuses on the Built Environment;
- Aims to integrate spatial planning tools and infrastructure implementation tools; and
- Enables the release by National Treasury (NT) of major Built Environment Grants based on the formulation of a clear plan that shows how the metro is going to achieve spatial transformation of marginalised areas and promote economic growth.

1.1.1 BEPP IN RELATION TO OTHER STATUTORY PLANS

Especially in the current constrained fiscal context, metropolitan cities or metro's are nationally important in maintaining economic activity and stimulating new economic growth. On the social side, the Metro's are also nationally important because they are sites of major concentrations of social need. Increasing urbanisation will make metros even more important in the coming years. Spatial & economic transformation are national priorities and metros need to assume a strong role in both these areas.

To guide economic, social and environmental development, metro's use several high-order tools, as well as numerous project-level tools. The IDP and the SDF² cover high-order thematic, institutional, and spatial planning. The Budgets and SDBIP deal with financing the IDP and SDF, and they set targets and monitor performance. The linkages between these four instruments tend to be weak. As a consequence, the outcomes and impacts that are sought at national or city level are not fully achieved.

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

² As set out by Municipal Systems Act and SPLUMA

³ Guidance Note for the Built Environment Performance Plans for 2014-15. National Treasury. Nov 2013 UPDATE

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

1.1.2 APPROACH

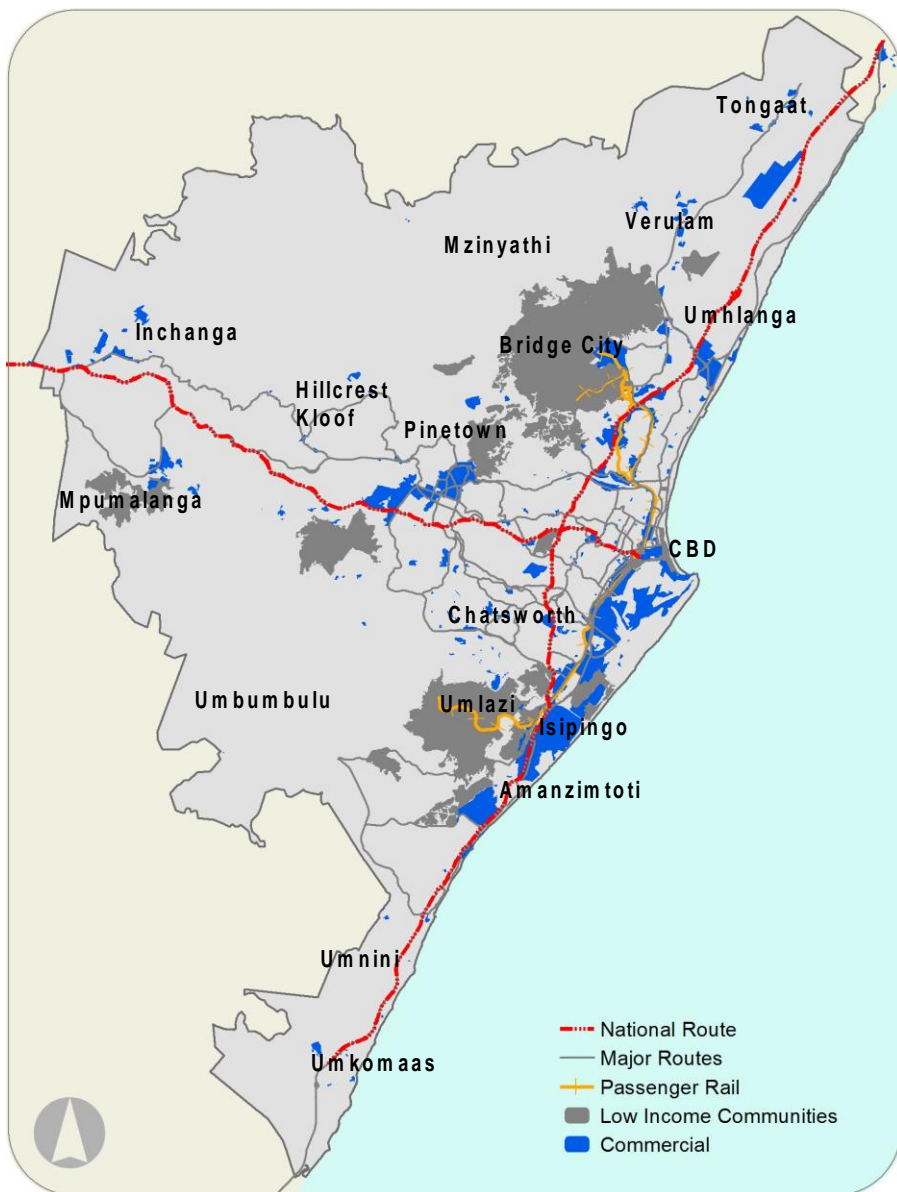
The BEPP approach is to align, integrate and prioritise the spatial investment programs of the key sectors of the economy, transport and housing³. The BEPP is intended to be a reference point for municipal, provincial and national spheres and all key stakeholders to make informed decisions and investments in the built environment and for these role players to align their plans and budgets in support of positive metropolitan outcomes.

1.1.3 SPATIAL MISMATCH OF POPULATION CONCENTRATIONS & EMPLOYMENT

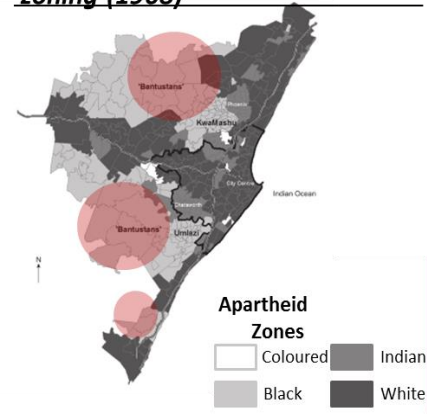
eThekweni has a spatial mis-match between areas of employment and areas of residence. This mis-match is exaggerated for the marginalised poor sectors of society who live furthest away from the developed areas which contain the bulk of employment and social services & opportunities. The map below reflects this spatial reality.

The racial bias of the spatial mis-match is elaborated in the diagram below⁴ and shows that no significant spatial transformation has occurred in eThekweni as the legacy of apartheid spatial planning is still visible.

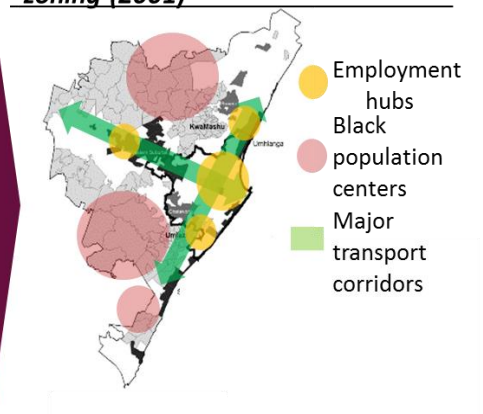
⁴ Source: Schensul, D., Heller, P., "Legacies, change, and transformation in the post-apartheid city: towards an urban sociological cartography" 2010 in Dalberg 100 Resilient Cities, 2016.



Apartheid era racially segregated zoning (1968)¹



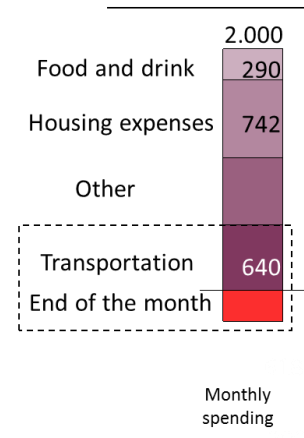
Present day segregation legacy zoning (2001)¹



Segregation in Durban has not changed significantly since the apartheid era. Black areas remain relatively further way from major transport networks and hubs of employment

The impact on eThekweni poor households is significant in that transportation costs consume on average 17%, and as high as 35% of household income based on the 2016 analysis below by Dalberg (2016)⁵.

Monthly consumer spending breakdown for the average Black resident of Durban (Rand) (2010/11)²



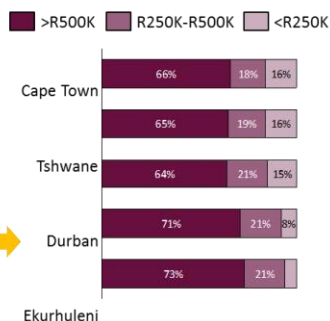
Transportation costs average 17%, but can be as high as 35% of total household budget

Many are going into debt, relying on family members or grants to supplement incomes

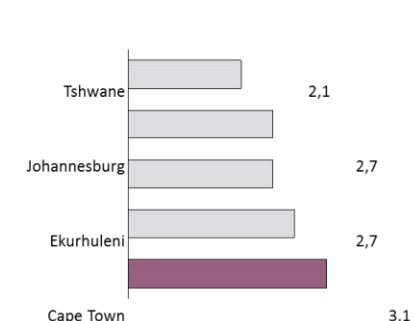
5 Assumptions: This assumes a median income for Blacks of ~R2000 per month; Daily roundtrip transportation costs to employment hubs of R32. Source: Income and expenditure survey 2010/2011; Dalberg (2016) analysis

Durban also has the most expensive housing market relative to income (Dalberg, 2015) which makes the spatial form even more resistant to change than in other metros⁶.

Distribution of property pricing for sold properties (2011-2012)¹



Affordability ratio for select housing markets (2011-2012)¹



Johannesburg 6% → Durban 3,7

15% of houses sold were under R250k in Durban, the target for affordable housing

Durban has the most expensive housing market relative to incomes; it takes 3.7 times the average income to afford the average house

The high cost of housing near job centres and the high costs of transportation leads to the growth of informal settlements.

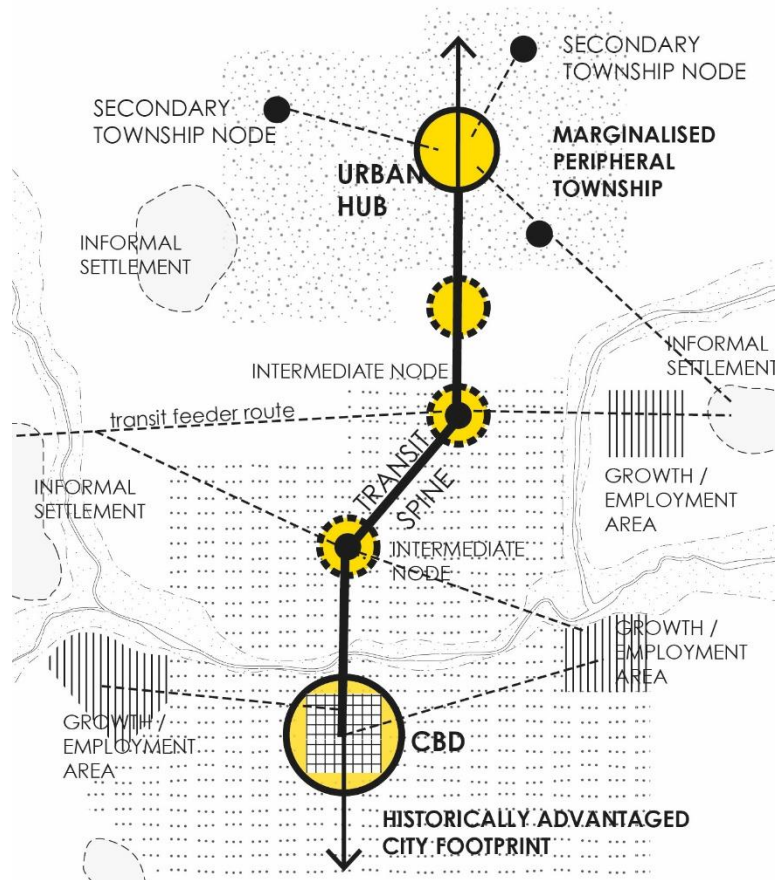
In the 2016 analysis by Dalberg, A **spatial development plan that supports social cohesion and economic inclusion** by enabling access to decent housing, good jobs, basic services, and access to public space, would support a more resilient city. (Source: Durban's Preliminary Resilience Assessment (2016).

1.1.4 PUBLIC TRANSPORT CORRIDORS ARE THE LEVERS FOR CHANGE

The geographic shape of eThekweni has numerous negative impacts on especially the poor segments of our society including the peripheral location of both informal settlements and townships which results in long and expensive travel for the residents which erodes household budgets and increases time spent away from home and families. The reliance on public transport (rail and taxis) is significant and these services are often unreliable and unsafe. Access to social facilities is not easy and convenient. Many additional ills exist but the question remains how one can change this situation in an environment where the resources do not equal the need. In such a situation one needs to focus on levers that will bring about long term change. The public transport corridors are the levers for change. The provision of a reliable public transport service is in its first phases with the GO! Durban project.

What is required now is to focus our attention and resources around these corridors in order to effect spatial transformation. As a municipality, we must promote higher density housing for mixed income groups alongside transport spines in order to bring poorer residents closer to the benefits of the urban area without creating ghettos. We must provide opportunities for employment close to these transport corridors in order to reduce commuting time and cost. We must build social facilities close to these corridors to allow easy access to schools, clinics and hospitals, parks, community halls, libraries, government service points and the like. We must improve transport connections between marginalised areas, urban hubs and Central Business Districts (CBDs) and other growth/employment areas in order to efficiently link people and jobs and other urban opportunities. This is the theory of change embodied within the BEPP and is represented below in diagrammatic form.

⁶ Affordability ratio is a measure of how much of the average income is required to afford the average house Source: "Understanding housing markets in South Africa", Center for Affordable Housing Finance in Africa, 2014



1.1.5 INSTITUTIONALISING THE BEPP IN THE MUNICIPAL PLANNING SYSTEM

The IDP is the highest-level policy document in the municipality and is structured into 8 Plans covering all areas of service delivery. The BEPP is an integral part of the IDP and the two documents are completely aligned in so far as the promotion of spatial transformation and economic growth and transformation are concerned.

The BEPP follows the strategic direction set in the SDF and there is a high level of accord between the spatial priorities of the SDF and the BEPP based on the maps below that were extracted from the SDF 2018-19:

Both plans give prominence to promoting economic growth, higher residential densities and mixed land uses along the public transport routes (C3, C2 and C9 of the IPTN) – this gives effect to a transit-oriented development approach;

- The Prime Investment Corridor incorporates all of the SDF Priority Urban Investment Areas (circled in red on the SDF map below);
 - Tongaat / Dube Trade Port and Surrounds / Cornubia (Aerotropolis)
 - Inner City Regeneration
 - Cato Ridge / Keystone / Hammarsdale (SIP2)
 - South Illovo
 - Port and Back of Port
 - Land Uses to support IPTN/ Densification
 - Inner City
 - Bridge City
 - Umlazi
 - Pinetown
 - Mpumulanga
- Many of the Catalytic Projects within the BEPP (Category 'A' projects) further align with the SDF Priority Urban Investment Areas;
- Marginalised Areas are identified in the SDF and are geographically dispersed across the metropolitan area covering urban and rural locales. The BEPP prioritises a sub-set of these areas focusing on the marginalised areas closest to the IPTN in order to effect spatial transformation as rapidly as possible. The Marginalised Area responses from municipal line departments tends to be dominated by the Human Settlement Programme with other municipal departments providing a supporting, rather than guiding role. The current prioritisation model within the Human Settlement Department prioritises its programmes according to the same logic as the BEPP. However, given historical project commitments, it will

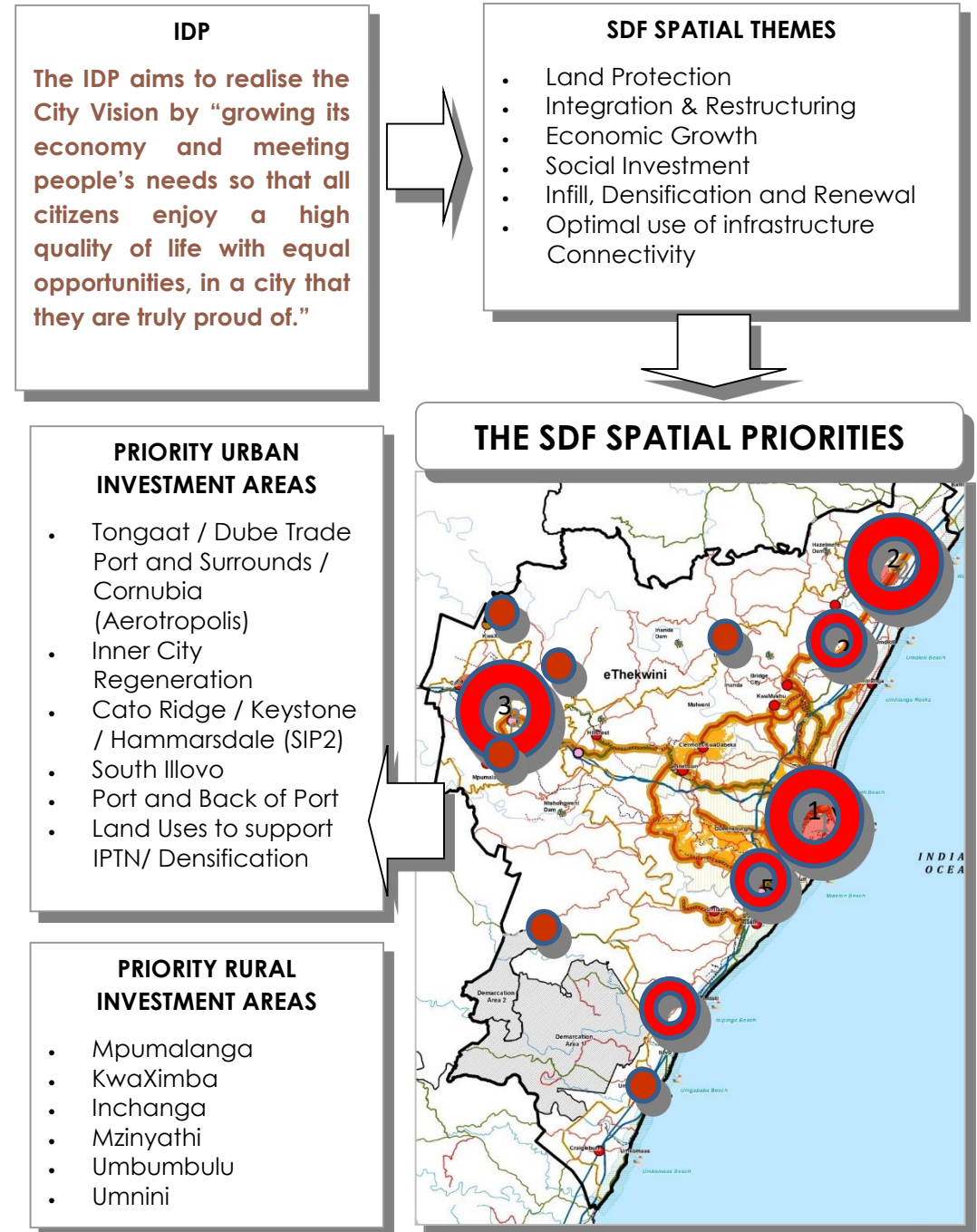
take some time to unwind the legacy of peripheral human settlement programmes; and

- Rural Investment Areas are not reflected in this BEPP since the BEPP is aiming to achieve spatial transformation in the densely settled urban area. Rural areas will no doubt receive budget despite not having a focus in the BEPP. Similarly, this will apply to lower level nodes/town centres that are reflected in the SDF. The principle of developing integrated programmes for implementation must apply to all municipal programmes across all geographic spaces. The fact that some areas do not get prominence in the BEPP, does not mean that they will not receive budget or will necessarily experience dis-integrated delivery.

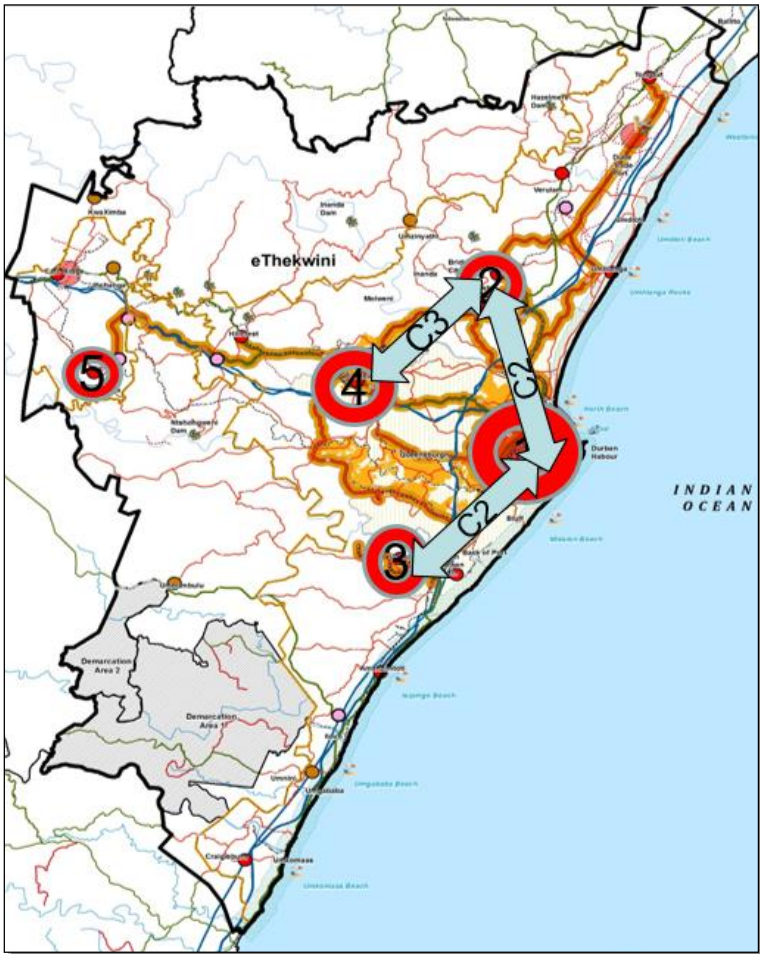
The approach in the BEPP has been to describe the content of integrated municipal responses within the public transport-focused integration zone or Prime Investment Corridor and to suggest development yields, resourcing requirements, and likely timing i.e. to interpret the bulk of SDF Priorities into Strategies and high-level Program Descriptions for implementation by all municipal departments. In this sense, the BEPP is assisting the SDF by taking a large slice of the SDF priorities and elevating them to a corporate level within the municipality for budget allocation and implementation by all municipal departments. In this respect the BEPP is beginning to play the role of the Capital Framework as envisaged in SPLUMA (SPLUMA, 2013 s 21(n)).

1.1.6 SDF SPATIAL THEMES AND PRIORITIES

The SDF interprets the IDP into several Spatial Themes, which then, through a Planning Prioritisation Exercise, were translated into the current Spatial Priorities. These appear in the 2018-19 SDF as follows.



THE SDF PRIORITY ToD NODES AND CORRIDORS



1.1.7 PROCESS FOR ALIGNING THE BEPP, IDP, SDF, AND BUDGET

PROCESS UPDATE

The Spatial Planning & Land use Management Act (SPLUMA) requires that the SDF has a Capital Investment Framework (CIF) to show how the municipal budget is implementing SDF priorities. The BEPP is designed to link the IDP/SDF to the municipal budget. Given the very high degree of overlap

between the spatial priorities embodied within the SDF and BEPP, there will be a high degree of overlap within a budget programme designed to support the SDF and the BEPP.

eThekweni does not currently practice spatial budgeting in the sense that the budget process is not designed in a way that allows the SDF or BEPP to explicitly guide the budget allocations of municipal departments. Despite this, there is enough exchange of information within normal municipal business to allow for a reasonable alignment of budgets with the priorities expressed within the SDF and BEPP. The fact that the SDF and Package of Plans creates the land use envelope for development approvals is a major factor promoting some degree of alignment of the municipal budget and development priorities as expressed within the SDF. The alignment of grant funding conditions in support of the BEPP contributes to BEPP/Budget alignment. Experience has however shown that the municipal departments work strongly within their own functional silos and there is a weakness in the management of necessary integration across silos. The result is that some departments may prioritise their budgets according to SDF and BEPP spatial priorities, but other departments may spend their budgets in altogether different geographic locations. This often leads to the provision of a partial package of services by geographic location. Also, even if departments are aligned in terms of geographic priorities, the other weakness is temporal misalignment of budgets where departments allocate budget amounts to achieve implementation according to a timeframe that is different to other departments. This leads to inefficiencies and once again, to partial service delivery to the public.

The Office of the Chief Strategy Officer is in the process of designing an IDP/BEPP/Budget/Performance Management road map which will explicitly bring spatial targeting into the budgeting methodology. For the first time, this will ensure that the projects and budgets of municipal departments become aligned in geographic space and begin to be packaged in the form of programmes that are temporally aligned and that deliver integrated human settlements and public spaces as well as infrastructure & precinct management that support economic growth. Improvements in the accuracy of spatial co-ordinate information in the capital budget, as required by MSCOA, is assisting with the spatial analysis of the municipal

budget. A spatial budgeting tool is currently under discussion internally to ensure that such a tool will integrate with existing municipal information systems. Formal institutional structures that promote collaboration between departments are also being investigated under the banner of transversal management within the City Support Implementation Plan in conjunction with NT (discussed in Part C of this BEPP).

ENABLING THE DRAW-DOWN OF MAJOR BUILT ENVIRONMENT GRANTS

The BEPP is a requirement of the Division of Revenue Act (DoRA) for the drawdown of six Built Environment Grants, namely:

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

These grants make up a significant percentage of the Capital Budget, especially the HSDG and the USDG. The PTNG contributes significantly to both the Capital and Operating Budgets. The intention of the municipality is to integrate and direct as much of the grant expenditure into the Prime Investment Corridor (PIC) recognising firstly that this will take a number of years to achieve and secondly that, in particular the USDG, is applied over large geographic areas (due to the grant framework requirements which emphasises service delivery to marginalised areas) and hence this grant expenditure is likely to reflect high levels of misalignment with the Prime Investment Corridor (PIC). However as much as possible of USDG funding will be allocated to Marginalised Areas abutting and in close proximity to, the PIC.

Products of the BEPP include the identification of a pipeline of catalytic urban development projects within or close to the Prime Investment Corridor, as well as expressing development programs for marginalised areas which collectively will support the achievement of targets associated with building more productive, liveable, inclusive and sustainable cities.

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

Evolving Focus of the BEPP

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

- 2014-15 - Identification and planning of Urban Networks and Integration Zones
- 2015-16 - Identification and planning of Catalytic Projects
- 2016-17 - Identification of Marginalised Areas & responses thereto and further detailing of the Catalytic Projects
- 2017-18 - Review of Integration Zones to reflect spatial targeting approach:
 - Overcoming weaknesses as identified within the BEPP evaluation reports;
 - Refinement of Integration Zone and review of the UNS;
 - Reflecting detailed planning & implementation of projects within the Prime Investment Corridor;
 - Identifying employment & economic growth areas;
 - Consolidating spatial planning, project preparation and prioritisation via transit-oriented development plans and programmes in prioritised integration zones; and
 - Establishing an actionable intergovernmental project pipeline via portfolio management and project preparation tools.
- 2018-19 - Continuing with the focus areas identified in 2017-18.

BEPP PREPARATION PROCESS

The BEPP preparation process follows the annual municipal integrated development planning and budget cycle and culminates with Council approval. Accountability for preparing the 2018/19 BEPP rests with the City Support Programme Collaboration Forum and its secretariat. The Forum represents a collective of key municipal entities, and is chaired by the Chief Strategy Officer, and enjoys the support of the National Treasury CSP Coordinator for eThekweni.

MILESTONES FOR THE PREPARATION OF THE 2018/19 BEPP

MILESTONE	DATE
Meetings of the City Support Programme Forum	Every six weeks
Engagements with departments to obtain BEPP inputs	multiple, ad hoc
Submission of the 1st Draft BEPP to the National Treasury stakeholders & place document on municipal website	29 March 2018
Comments on Draft BEPP	April & May 2018
BEPP Review & refinement to address comments from sector depts. & other IGR stakeholders & amendments to SDF, IDP and Budget	April & May 2018
Budget Benchmarking at National Treasury	10 & 11 May 2018
Presentation of Final Draft BEPP to EXCO	May 2018
Approval of BEPP, IDP, SDF and Budget at Full Council	31 May 2018
Submission of the Approved BEPP to NT	31 May 2018
Share Final BEPP 2017/18 with IGR stakeholders & place on municipal website	31 May 2018
Incorporation of BEPP Indicators into SDBIP	1 July 2018

CONSOLIDATED PROCESS MAP AND TIMELINES FOR PREPARATION OF THE BEPP, IDP AND SDF REVIEWS, AND THE MTEF

MILESTONE	DATE
IDP Process Plan Draft to Council	Sept 2017
Approval of Process Plan (SDF and IDP together with Budget)	Oct 2017
BEPP Drafting begins	Oct – Nov 2017
Preparation of Draft IDP and SDF	Oct 2017 – Jan 2018
Draft SDF sent to Council for Noting and Recommendation for Public Participation (60 days)	Feb 2018 – April 2018

First Draft IDP to Council for Noting and Submission to MEC COGTA	March 2018
First Draft BEPP to National Treasury stakeholders & place document on municipal website	30 March 2018
Public Participation of Budget, SDF and IDP – Comment period	April 2018
Regional and Ward Workshops on Budget, IDP and SDF	April 2018
BEPP, SDF, IDP assessment by sector Department	April 2018
BEPP Review to address comments from sector depts. & other IGR stakeholders	April 2018
Budget Benchmarking at National Treasury	10 & 11 May 2018
Incorporation of public participation comments	May 2018
Preparation of Final draft IDP, SDF and Budget	May 2018
Review of the Draft BEPP based on amendments to SDF, IDP and Budget & other inputs/comments received	May 2018
Presentation of BEPP, IDP, SDF and Budget to Council Sub-Committee and then EXCO	May 2018
Approval of BEPP, IDP, SDF and Budget at Full Council	31 May 2018
Final BEPP- submission to National Treasury	31 May 2018
Share Final BEPP 2017/18 with IGR stakeholders & place on municipal website	1-2 June 2018
Incorporation of BEPP Indicators into SDBIP	1 July 2018
Approval of BEPP indicators as per the SDBIP approval process by the Mayor	May 2018
Corporate Spatial Prioritisation with all municipal departments	July 2018 onwards

KEY AREAS OF SPATIAL ALIGNMENT OF THE BEPP, IDP, SDF AND BUDGET

SPATIAL ELEMENT	BEPP	IDP	SDF	CAPEX	OPEX
Prime Investment Corridor	X	X	X	X	X
UNS – Primary Elements	X	X		X	X
UNS – Secondary Elements	X	X		X	X
Marginalised Areas	X	X	X	X	X
HS Mega Projects	X	X	X	X	X
Own Catalytic Projects	X	X	X	X	X
IGR Catalytic Projects	X	X (SIP)	X		
Urban Management	X	X	X		

SYNCHRONISATION OF THE BEPP METHOD AND RESULTS INTO THE IDP, SDF AND BUDGET

Alignment between the IDP, SDF and BEPP is confirmed. The same material can be found within each of these documents for transport corridors, marginalised areas and catalytic projects. The UNS requires review in that the eThekweni Integration Zone follows the phased roll-out of the public transport network and as a result, is more extensive than the historical UNS which has been focused on township revitalisation. The spatial budget alignment will be consciously dealt with in the 2019/21 budgeting process that commences towards the end of 2018.

ADOPTION OF THE BEPP BY THE MUNICIPALITY

The Draft BEPP 2018-19 is due to be presented to the Executive Committee in May 2018 and to full Council on 31 May 2018 and will run in parallel with the adoption process for the IDP 2018-19 and the SDF 2018-19. Extracts from the minutes of these proceedings will be availed once they have been published.

2 PART 2 – SPATIAL PLANNING, SPATIAL TARGETING AND PROJECT PRIORITISATION

2.1 SPATIAL PRIORITISATION METHOD

2.1.1 PRIORITISATION APPROACH

In eThekweni, the technical prioritisation of projects currently takes place at the level of individual municipal departments. This is where the non-integration of programmes begins since there is no common narrative about how the municipality is going to develop spatially or temporally and hence no common reference point against which to evaluate priorities. As a municipality, we need a common framework for prioritisation as well as models/tools for evaluation and formal administrative structures where prioritisation can take place. The prioritisation models range from the macro or strategy level to the micro or project evaluation level and a number of these models are already available and/or in use. The prioritisation structures are not yet in place within the administration, but the intention is for these to be established in the 2019/20 year. The IntACT project is in its inception stage and this will assist in the evaluation of the integrity of the development application approval processes which is central to the issue of project prioritisation and resource allocation.

2.1.2 EXISTING PRIORITISATION MODELS

THE MSFM (MUNICIPAL SERVICES FINANCE MODEL)

The MSFM (Municipal Services Finance Model) is a strategy level budgeting tool which allows for the formulation of development scenarios and to understand their impact on the capital and operating budgets of the municipality. The MSFM has four main pillars, namely Social, Economic, Asset Management and Administrative Spend and one is able to prioritise between these as well as between major municipal programmes such as housing, basic services, economic growth etc. The MSFM is a non-spatial model so the spatial aspect needs to be developed separately.

THE HOUSING SPATIAL PRIORITISATION MODEL (HSPM)

The HSPM is a well-developed and reasonably mature model, first developed in 2012. The model ranks projects relative to each other and has been used mainly to assess the Informal Settlement Upgrading and Greenfield Housing Programs. This model is detailed further in the Marginalised Areas section of this BEPP.

THE ECONOMIC SPATIAL PRIORITISATION MODEL (ESPM)

This model is currently under development. Its origins are the Durban Investment Dashboard (DID), which tracks major private sector interest in property developments for economic uses. Some of the performance aspects that the DID already tracks are Rates Returns, Permanent Jobs, and Temporary Jobs, and Investment Value, and these indicators are likely to be the departure point for establishing economic prioritisation criteria.

THE CORPORATE SPATIAL PRIORITISATION MODEL (CSPM)

This model is in the development stage. Its logic is that the nature, impact, location, and size of a project are what count most, and timing and technical factors should be taken into consideration after that. The CSPM is applicable to Core Infrastructure, Social Infrastructure and Economic Infrastructure. It deals with Core Infrastructure differently, in that the location of Core Infrastructure is very often different to the locations where its impacts are felt.

FISCAL IMPACT TOOL

This is a project level tool to assist in comparing the cost of undertaking a project in a range of different geographic locations and was developed by National Treasury in conjunction with the metros. This kind of tool could complement a non-spatial tool like the MSFM. The City of Cape Town has refined this model and eThekweni has started engagements with officials from the Cape metro with a view to understanding the improvements made and the applicability to eThekweni.

RAPID INTEGRATED PROJECT OPTIONS ASSESSMENT TOOL (RIPOA)

This is a project level tool that assists one early in the project investigation/viability stage to deal with the project options that the EIA

legislation requires. It is a useful tool to populate prior to committing to a course of action as it allows one to consider the options that would be closed down if one committed to a project without such a consideration. In this sense key risks are identified early which leads to better project selection as well as a reduction in potential time lost due to hold-ups in project approvals later in the process.

SPATIAL BUDGETING TOOL

eThekweni intends operationalising a spatial budgeting tool to assist with guiding the municipal capital and operating budgets spatially to achieve a range of development objectives. The municipality has started the evaluation of potential tools to determine compatibility with existing municipal information systems. An IDP/SDF/BEPP/Budget roadmap is being drawn up to understand the key steps in these municipal processes and to identify the timing of the introduction of spatial budgeting.

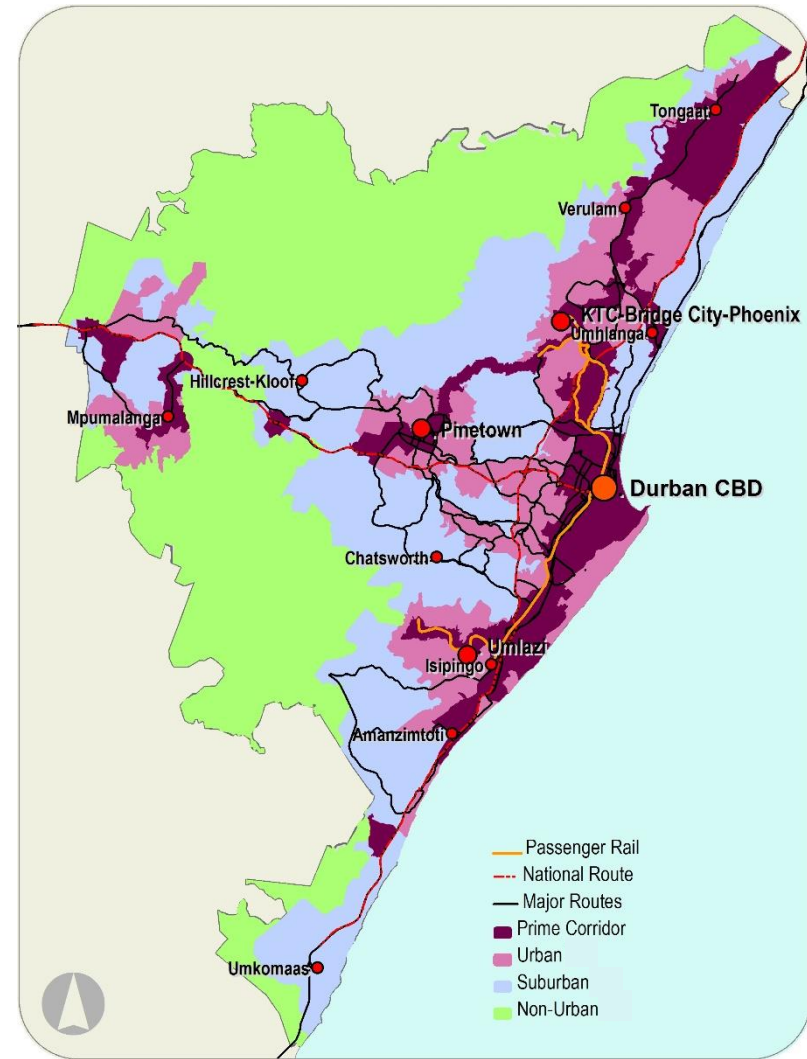
2.1.3 SPATIAL PRIORITISATION AT A CORPORATE LEVEL

To focus the entire municipal administration on achieving a common goal will require co-ordination from within the City Manager's Office. It will also require a process to be run which is inclusive of all key built environment departments. The intention is to run this process early in the 2019/20 year. The spatial priorities outlined in this BEPP document, which draw heavily from the SDF, will be used as a point of departure for this inter-departmental process.

The purpose will be to clarify and refine the spatial approach and priorities. This will then be utilised to engage with the political leadership. Once confirmed, these spatial priorities will guide the municipal budget.

2.1.4 THE INTEGRATION ZONE (IZ)

A key shift in the 2017/18 BEPP was the recognition that to achieve the outcomes of spatially transforming the apartheid legacy and growing the economy, we need to focus attention on a narrower geographic extent than the ones expressed in previous eThekweni BEPPs. eThekweni has never before consciously practiced spatial targeting and municipal department budgets have tended to both reflect a lack of inter-departmental integration and to be dispersed across geographic space. The consequence has often been dis-integrated service delivery and a lack of meaningful spatial transformation. To attempt to achieve success over a large geographic area simply increases the chances of making minimal impact. We therefore identified a Prime Investment Corridor (PIC) which is aligned to the roll-out of the public transport network and which has a number of segments or arms. This PIC can be seen as the dark pink shaded area on the map opposite and represents a more detailed spatial representation of the SDF Spatial Priorities and ToD nodes and corridors illustrated above.



2.2 THE PRIME INVESTMENT CORRIDOR

2.2.1 COMPOSITION

The Prime Investment Corridor (PIC) requires a narrow spatial target in order to:

- support the IPTN through increasing usage by commuters (as a result of greater numbers of people and activity due to residential densification and economic intensification of the corridor) and thereby reducing the operating subsidy;
- create conditions most conducive to economic growth through allowing greater depth of investment in infrastructure & quick access of employees to work; and
- enhance infrastructure efficiencies; create vibrant high density mixed-used environments that can accommodate a large proportion of the city's residents.

The PIC aims at more intensive uses, and greater density of jobs, trips, residents, and investment than anywhere else in the metro.

The PIC includes:

- The South Durban Basin / Back of Port;
- The Port, Durban CBD and Inner City Neighbourhoods;
- The Pinetown CBD;
- Cornubia and DTP;
- C3, C1 & 2; C9 and
- The other public transport corridors connecting these areas- that will be in future phases of the IPTN roll-out.

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

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

The PIC includes already developed (brownfields) areas where maintenance, infill, intensification and redevelopment will be promoted, as well as green fields opportunities for intensive new investment.

The spatial extents of the PIC are up to 400 m either side of Major Movement Routes;

- Expands to include all significant existing economic uses;
- Expands to include an 800 m radius at rail stations;
- Expands to include Informal Settlements; and
- Expands to include POS.

The PIC is 28,672 Ha in extent, approximately 12% of the metropole's extent. The PIC has Arms to the north, south and west.

The Durban CBD/Umlazi Arm extends south from Durban CBD through Umlazi 'V'/Reunion Node and onwards to Umlazi station and also includes an island further south near Illovo.

The Pinetown/Cornubia/Umhlanga Arm comprises the industrial areas of Pinetown & New Germany and surrounding suburbs including Clermont/KwaDabeka along the C3 public transport corridor and it terminates at Umhlanga, also thereby incorporating the C9 public transport route.

The Durban CBD/Bridge City Arm runs north from the Durban CBD to the Aerotropolis including Bridge City.

The PIC in the west comprises a number of 'beads on a string' including Shongweni, Keystone/Mpumalanga, Hammarsdale/Cato Ridge/Harrison Flats. There are substantial greenfields opportunities for development in response to the N3 corridor and the freight route from the Port. However, given the long distance between Mpumalanga and the Port it makes sense in the short to medium term to focus development at nodes along the N3 rather than to disperse development along the entire length of the N3 with concomitant infrastructure inefficiencies.

2.2.2 PRIME INVESTMENT CORRIDOR INTEGRATION ZONE: COMPOSITION, FEATURES, AND BROAD DEVELOPMENT STRATEGY

INTENTION	PRIME INVESTMENT CORRIDOR
LOCATION	<ul style="list-style-type: none"> Up to 400m either side of the metropolitan, provincial, and national movement system. 800m radius around PT stations includes all the significant urban centres (CBD and UNS Nodes) & economic zones with high concentrations of infrastructure, jobs, and economic activities. existing high-intensity uses contains numerous opportunities for intense brownfields or green fields urban development, including a number of the Catalytic Projects
INVESTMENT STRATEGY	<ul style="list-style-type: none"> Universal access to basic services Fully upgrade informal settlements in a way that retains high net densities Maintenance of infrastructure Universal access to social facilities PT & movement system improvements Commission BRT system and facilitate rail improvements by PRASA Improve regional routes <hr/> <ul style="list-style-type: none"> Investment in Core Infrastructure – WTW, WWTW, Freeway Interchanges, IPTN Trunks & Freight Routes, SIP, Port, Airport, Maximise density of investment PPP's where appropriate
LAND USES & FEATURES	<ul style="list-style-type: none"> Economic High-density Residential Mixed Use Higher Order Social Facilities High densities of investment, people, jobs Coarse and fine-grain economic uses District Community Services clustered with Sub-Metropolitan services

PROPERTY DEVELOPMENT FEATURES	<ul style="list-style-type: none"> High FAR Extensively Developed No Vacant or Underdeveloped Properties Property Improvements, Extensions, and Redevelopments
CONTRIBUTIONS TO ECONOMIC HEALTH	<ul style="list-style-type: none"> Improved Rates Revenues High Sales of Water and Electricity Improved City GDP Job Retention & Creation in Manufacturing, Logistics, Retail, Services, Finance Higher levels of LED (support to informal economy) Promote Catalytic Projects & Mega Human Settlement Projects

During the course of 2018/19 the development strategy will be unpacked in more detail for each of the arms of the Integration Zone in conjunction with all the key built environment departments. At present there are numerous programmes and projects being undertaken within the Integration Zone and these will be unpacked in the relevant sections that follow.

2.3 CURRENT DEVELOPMENT RESPONSES

2.3.1 METROPOLITAN CONNECTIVITY: PUBLIC TRANSPORT CORRIDOR IMPLEMENTATION

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

The BEPP, the IDP and SDF all identify the Integrated Public Transport Network (IPTN) as a key spatial response to overcome spatial disintegration. The eThekweni Urban Network Strategy (UNS) is currently under review as the intention is that it will follow the phased roll-out of the public transport network. **In this respect, the IPTN is the structuring element of the eThekweni Integration Zone or Prime Investment Corridor.**

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

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

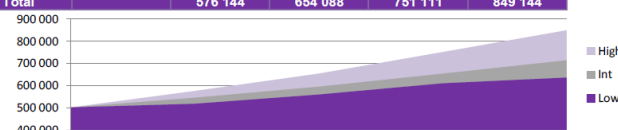
PROJECTED TRANSPORTATION DEMAND

Based on a range of growth scenarios, the projected demand by mode over the next 20 years is illustrated in the table below. Overall growth in peak hour trips from 2020-2035 is estimated at 23% for the low growth scenario, from a base line of 518 000 in year 2020, to 47% for the high growth scenario, from a base line of 576 000.

During the same period from 2020 to 2035, modal split to public transport for the low growth scenario remains more or less unchanged, at 42-43% by public transport and 53- 54% by car, with the remaining few percent for heavy goods vehicles (HGV). For the high growth scenario however, the public transport share increases from 47% to 51%, whilst use of private motor vehicles decreases by approximately 5% from 50% to less than 45%.

AM PEAK HOUR PERSON TRIP DEMAND BY MODE (HIGH, MEDIUM, LOW GROWTH SCENARIOS)

Growth	AM PH Demand (person trips)	2015	2020	2025	2030	2035
Low	PT		228 124	238 151	258 442	276 430
	Cars		276 080	304 211	330 233	340 080
	HGV		14 253	17 542	21 688	19 782
	Total		518 457	559 904	610 363	636 292
Intermediate	PT	231 738	250 416	272 998	301 855	336 175
	Cars	258 593	280 978	304 786	330 329	351 126
	HGV	11 731	14 253	17 542	21 688	26 757
	Total	502 062	545 648	595 326	653 872	714 058
High	PT		275 014	324 998	368 334	433 053
	Cars		285 800	308 834	355 902	380 375
	HGV		15 329	20 256	26 874	35 716
	Total		576 144	654 088	751 111	849 144

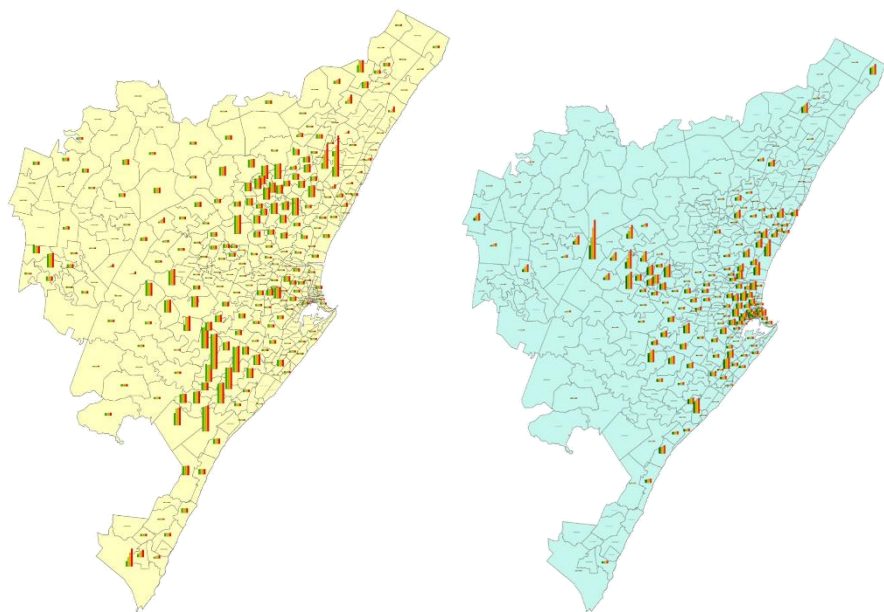


PUBLIC TRANSPORT DEMAND PROJECTIONS

The IPTN strategy aims to use the advantages of the existing transport links with a strong emphasis on interchange to facilitate a wide range of journey opportunities. In addition to the major nodes of the CBD and Warwick Junction/Berea Road station, other centres have a major hub role including Bridge City and Pinetown, particularly for journeys to work as indicated below. Some corridors have been extended into the CBD to avoid the need for transfer. The IPTN comprises of trunk, feeder and complimentary routes. The IPTN network and modal strategies are described below:

The existing activity patterns that need to be addressed are illustrated in the figures below. The regions of highest residential settlement densities are the Ntuzuma, Inanda, KwaMashu and Phoenix areas located in the northern region of the municipality and the Umlazi and Chatsworth residential areas to the south. Higher settlement densities are also found along the N3 western corridor. The bulk of employment opportunities are however contained within the national road corridors including the Durban CBD, Pinetown, the South Durban Basin, and the Northern Employment Cluster. In this regard, the IPTN needed to not only respond to the activity patterns in the short term but be able to bring about a change in these patterns in the long term to rectify the existing imbalances created by historic development. In this regard, the intensification of economic and residential development within the

integration zone that surrounds the IPTN is intended to bring about the critically important spatial transformation.



Population Growth

Employment Growth

TRUNK CORRIDOR DEMAND ESTIMATES

Demand for the trunk and feeder network was estimated based on the forecast years for 2015 and 2025 as shown below. Demand was calculated for each corridor based on proportioning demand from traffic zones to trunk network stops. For trips which involve travel within more than one corridor, interchange stops were identified, and boarding's/alighting's were allocated to those stops as appropriate. Details of the demand estimates for each corridor by time period and direction are provided in summarised in terms of annual demand and passenger kilometres travelled, for the modelled year of 2015, as reflected below:

ANNUAL DEMAND AND PASSENGER KILOMETRES FOR TRUNK SERVICES 2015 (MILLIONS PER ANNUM)

CORRIDOR	DEMAND 2015	DEMAND 2025	DEMAND GROWTH
C1 Bridge City to Warwick/CBD	31.13	34.26	10.1%
C2 Bridge City / KwaMashu to Umlazi/Pelgrim	103.46	112.27	8.5%
C3 Bridge City to Pinetown	20.56	24.15	17.5%
C4 Bridge City to Merebank and Rossburgh	11.57	13.46	16.3%
C5 Chatsworth to Merebank to Warwick/CBD	26.27	29.94	14.0%
C6 Mpumalanga and Pinetown to Warwick	16.86	21.49	27.5%
C7 Hilcrest and Pinetown to Chatsworth	25.96	30.50	17.5%
C8 Tongaat and Umhlanga to Durban	11.76	14.82	26.0%
C9 Bridge City to Umhlanga	12.94	15.71	21.4%
Total	260.50	296.61	13.9%

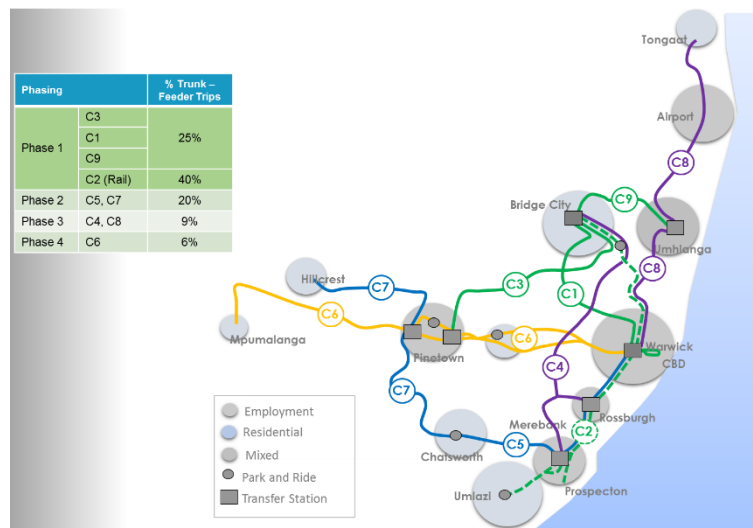
CORRIDOR PASSENGER DEMAND

The C2 rail corridor carries the largest volumes of passengers. It is assumed that the majority (75%) of demand that could use C2 in common sections with C1 and C5 will choose to use the rail service. The overall average length of trip on an individual trunk service is approximately 10 kilometres, equivalent to a journey time of around 15 minutes, although overall journey times (including interchange between trunk services) will be longer.

C2 provides the core north-south rail route which will provide considerable capacity once upgrading has been achieved. This is complemented by C1 between the CBD and Bridge City and by C5 between Merebank and the CBD, the latter meeting demand from the Chatsworth area. C8 was realigned to serve the airport rather than replicating the rail route in that demand to and from the airport is expected to be an area of growth in future years.

It is important that the network provides high quality services and connections throughout. Rail is used along C2, which is the established corridor while other corridors are based on a bus rapid transit (BRT) solution. BRT services are supported by feeder services from the outlying areas to interchange points on the trunk corridors and a number of complementary services are planned. Between them, trunk, feeder and complementary services will address considerable demand and supersede the current fragmented and unreliable public transport arrangements.

DEVELOPMENT OF THE IPTN



The eThekweni IPTN Trunk Route Network

IPTN TRUNK ROUTE STRUCTURE AND DESCRIPTION

The network as shown above comprises the following trunk corridors:

- **Corridor C1: Bridge City to CBD via KwaMashu** - C1 provides capacity between two major centres of employment and other activity. This high frequency BRT service provides connections into the CBD to widen access to employment. C1 forms part of the Phase 1 network in view of its strategic importance;
- **Corridor C2: Bridge City and KwaMashu via Berea Road to Umlazi and Isipingo** - The main rail route will be upgraded by PRASA to enable a more intensive, reliable and higher capacity service to be operated. Infrastructure improvements will allow headways of up to three minutes to be operated with new trains being capable of carrying 2,000 people. The extension to Bridge City creates new journey opportunities, especially for employees. The corridor extends from Bridge City/KwaMashu in the north through the CBD (Warwick Junction) to Umlazi/Isipingo in the south;

- **Corridor C3: Bridge City to Pinetown** - C3 provides new connections between two major centres in a corridor that is not easily traversed at present. This public transport corridor represents a major restructuring intervention linking the northern and western area of the municipality through direct access and creating immediate linkages between areas of affluence and economic growth, and areas of poverty and marginalisation. As such it is a critical piece of the municipal urban network strategy. Interchange opportunities will be important both in the Pinetown area (with C6 and C7 or east-west movements) and at Bridge City (C1, C2, C4 and C9). C3 forms part of the Phase 1 network;
- **Corridor C4: Bridge City to Mobeni and Rossburgh** - C4 offers new services from Bridge City via the N2 avoiding the need to transfer at Warwick Interchange with the route splitting to serve both Rossburgh and Mobeni;
- **Corridor C5: Chatsworth to CBD** - C5 provides additional capacity to the south of Warwick Junction and provides direct services from the CBD and Warwick to Chatsworth town centre. This will be a high frequency BRT service although there is an option to provide light rail services using former heavy rail alignments and platforms and on-street sections to access Chatsworth town centre. This would serve the area more effectively than the current heavy rail alignment;
- **Corridor C6: Hammarisdale and Pinetown to Warwick** - C6 provides east-west services linking Pinetown to Warwick Interchange with possible variants to serve more than one route within the corridor. Some services will be extended to Hammarisdale in the west as an improved means of accessing Mpumalanga and the rural area with appropriate feeder services;
- **Corridor C7: Hillcrest to Chatsworth** - C7 was originally conceived as part of C5 but separating this part of the network reduces the operating distance and links Hillcrest with Pinetown (connecting with C6 to Warwick) and Chatsworth town centre;
- **Corridor C8: Tongaat and Airport to Umhlanga and Warwick** - Rail services are available to Tongaat but an alternative route would be provided by C8. This would divert to serve the airport and Umhlanga town centre and provide direct access into Durban. This corridor is expected to experience considerable growth as development takes

place and also presents a strong public transport presence for airport users and workers; and

- **Corridor C9: Bridge City to Umhlanga** - C9 is the shortest corridor and links the growth areas of Umhlanga and Bridge City. C9 forms part of the Phase 1 network in that it links key employment and expanding development areas.

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

MODAL STRATEGY: TRUNK ROUTES (BRT)

Bus Rapid Transit – a high profile rapid transit mode that combines operational and physical elements to provide a system with the speed, image and permanence of light rail with the cost and flexibility of bus. Features Include dedicated busways, bus priority measures and limited stop services where appropriate.



FEEDER AND COMPLEMENTARY SERVICES

FEEDER ROUTES

A limited number of people will be able or have the time to walk to stops and stations on the trunk routes - those with their origins or destinations within less than 800 metres of the trunk route. If usage potential of the trunks is to be achieved, it will be essential to provide a system of feeder routes to increase their catchment areas. Sets of feeder routes have been designed to meet the trunk corridors at proposed modal interchanges.

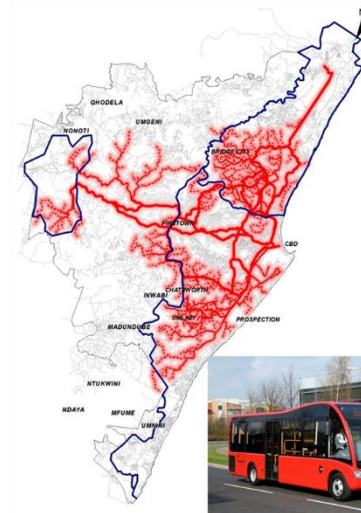
COMPLEMENTARY ROUTES

There are many other trip movements which need to be catered for and which are not aligned with the trunk corridor system. These were planned to be served by a network of complementary routes which comprise an appropriate selection of existing routes.

MODAL STRATEGY: FEEDER AND COMPLEMENTARY ROUTES

These have been planned to give adequate coverage, their spacing being related to population density and the aim to have peak hour passenger demand in a range to suit the capacity of standard buses or minibuses running at convenient headways. As far as possible, surfaced roads and existing PT routes were followed to maximize practicality and minimize changes to passengers' travel habits.

Feeder Services to Trunk Network



Complementary Services



The configuration of the network has been informed by:

- Demand (Activity) Patterns;
- Population Density;
- Existing Road Network Configuration;
- Realising more efficient transfer facilities that make more economical use of space; and
- Accessibility needs.

PHASING CRITERIA

The selection of Phases of the IPTN was undertaken considering inter-alia:

- Demand and ridership potential;
- The spatial development plan and other planned projects;
- Physical constraint to infrastructure implementation;
- Investment Intensity;
- Job creation;
- Operational and subsidy cost implications;
- Opportunity for densification / regeneration and creation of transit orientated (TOD); development;
- Opportunity to reorganise operators; and
- Deliverability.

PHASING

The first Phase of the IPTN is particularly prioritised for the short and medium term and is central to the Prime Investment Corridor as can be seen on the map below. Phase 1 consists of:

- The North-South Passenger Rail Corridor (which is projected to carry about 40% of the city's commuters) – referred to as the C2 Corridor with implementation being the responsibility of PRASA;
- The road link between Kwamashu/Bridge City and Pinetown along the MR 577, which is projected to carry approximately 14% of the city commuters- referred to as the C3 Corridor; and
- The road link between Bridge City and Umhlanga- referred to as the C9 Corridor.

PHASE 1 IN RELATION TO THE PRIME INVESTMENT CORRIDOR



Phasing	% Trunk feeder trips	Planned Operational Year
Phase 1	ICDS	2020
	C3	2018
	C9	2020
	C1	2022
	C2 (Rail)	2018
Phase 2	C5, C7	2025
Phase 3	C4, C8	2028
Phase 4	C6	2030

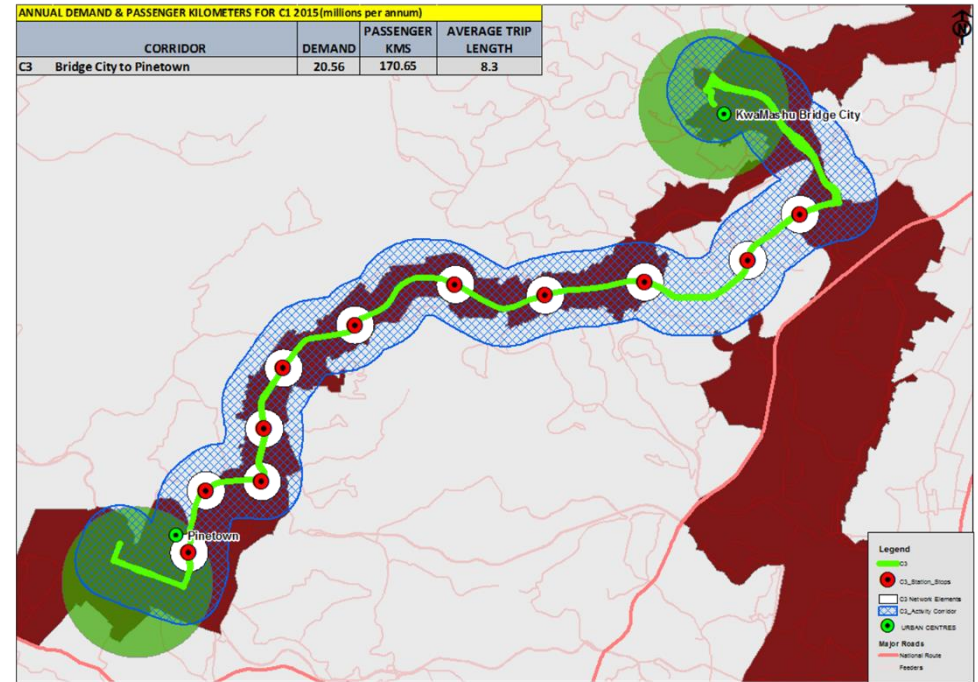
The combined implementation of C3, C9, C2 and C1 as Phase 1 of the IPTN, will accommodate approximately 65 percent of the mature municipal trunk-feeder public transport travel demand.

The full funding required for all three BRT corridors in Phase 1 may not be available from National Treasury. A staggered implementation of these three corridors within Phase 1 is therefore necessary. Using the same criteria for the initial phasing selection, as well as the consideration of the grant funding received and deliverability, the following phased implementation is being pursued: firstly C3; secondly C9; and thirdly C1. The above sequencing may be adjusted to suit any change in circumstances at the time of implementation and more specifically changes in funding availability.

URBAN NETWORK STRATEGY ELEMENTS (PHASE 1)

C3 CORRIDOR (BRIDGE CITY TO PINETOWN)

C3 provides new connections between two major centres: Bridge City (Urban Hub) and Pinetown (secondary CBD) in a corridor that is not easily traversed at present, as the current public transport trip patterns are via the Durban CBD to Pinetown. This route will provide a direct link thus saving travel time and costs. This provides significant improvements in metropolitan level mobility and is a key component of the strategy of spatial transformation. The route is seen below in relation to the eThekweni Integration Zone shaded in red.

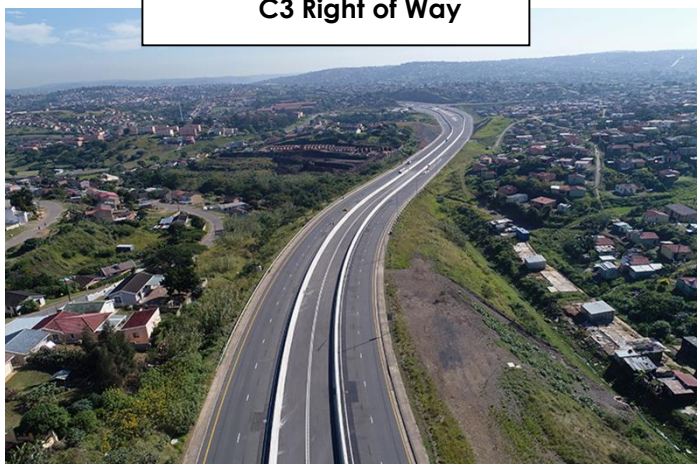


C3 URBAN NETWORK STRATEGY ELEMENTS

Network Element	Description	Intervention
1		
2		
3		
4		

CURRENT PROGRAMME STATUS

- Dedicated bus lanes
 - 24km of 27km of Right of Way is completed;
 - 3km of Right of Way commenced
- There are 14 stations on C3
 - Pilot station at Regent Street, New Germany completed;
 - Six stations to be completed by June 2018 for start-up operations;
 - Four stations under construction, planned completion by December 2018; and
 - Three stations planned for completion by 2020
- Road works between Umgeni Bridge and the Avoca Hills intersection have been completed and all general traffic lanes are now open;
- The redevelopment of the Crossroads commercial and transport node in Phoenix and KwaMashu is due to begin shortly. The BRT and pedestrian underpass at the Mandela intersection and dedicated bus lanes and station is expected to start in the second half of 2017. This redevelopment will go a long way to stimulate the local economy and thriving commercial hub that already exists here; and
- Construction of stage 1 of the Bridge City Terminal in the basement of Bridge City is expected to be complete in the first half of 2018. This will house the bus terminal that will link the commuters on trains from INK to the city and on buses to Pinetown CBD and Umhlanga Town Centre.



C3 Right of Way

PLANNED MILESTONES 2018/19

Bus service from Pinetown to Bridge City operational consisting of:

- 24 km of dedicated right of way lanes and 3 km of mixed traffic lanes;
- Seven stations;
- Thirty buses;
- 13 700 passengers per day; and
- Reduced travel time from Bridge City to Pinetown of 15 minutes.



Regent Street Pilot Station

C3: INTEGRATED CORRIDOR DEVELOPMENT

The study has been completed with the overall objective to:

- establish a comprehensive design approach for the entire corridor to promote efficiency and functionality, and better define a unique and distinctive sense of place;
- based on a combination of the community's vision, the city's goals, national development priorities and best management practices in transit-oriented development (TOD);
- seeks to unlock the development potential of the corridor in relation to surrounding areas that identifies a series of catalytic investments within study area to allow all public interventions to be focused in an identified spatial context in order to leverage private investment responses;
- identify the future role of the C3 Corridor as a primary transport link that integrates Pinetown CBD and Bridge City as a urban hub and in this respect unlocks the potential within all the network elements to enhance the manner in which the study area functions within the region;
- stimulate economic activity in the adjacent townships, namely Clermont, KwaDabeka, and the cluster of townships within the INK Area;
- promote and support transit-oriented-development by:
 - promoting infill and densification within acceptable environmental limits;
 - encouraging development/re-development in established and emerging nodes in the form land use and local economic development initiatives;
 - directing of employment opportunities, mixed land use and high-density residential development into the integration zone;
 - developing and strengthening transit-orientated development along the primary and secondary transport links;
 - provide Land Use Management, operational and precinct management tools;

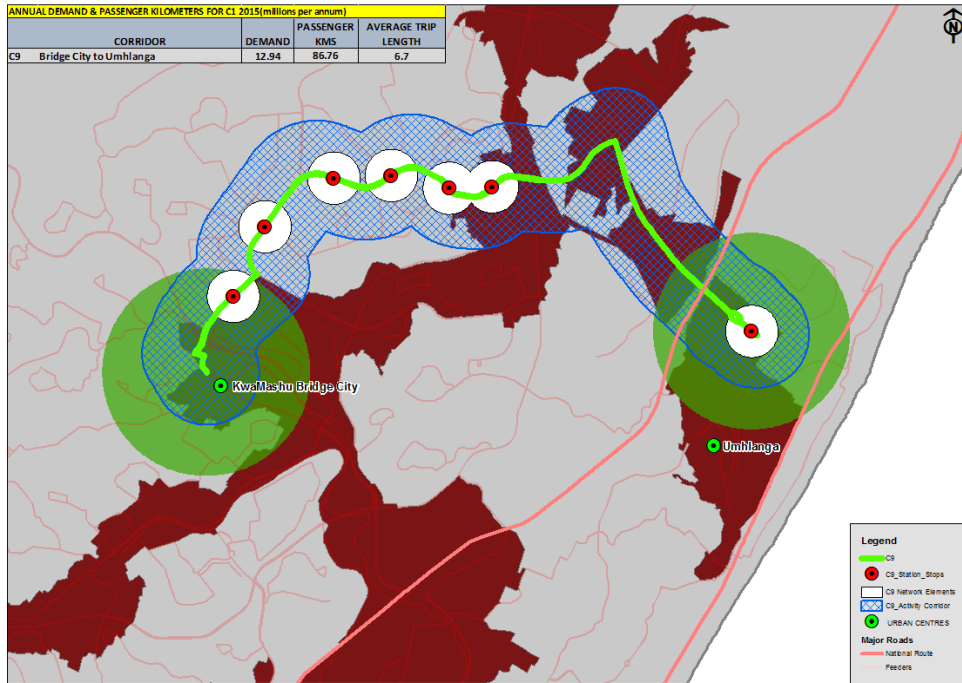
- identifying key interventions at a local level that facilitates non-motorised transport (NMT) and universal accessibility;
- translating the spatial development intentions of the plan into detailed physical planning directives;
- produce a plan that builds investor confidence and promotes public and private investment.



TOD concept at Regent station

C9: (BRIDGE CITY TO UMHLANGA TOWN CENTRE)

The C9 is the shortest corridor and links the growth areas of Umhlanga and Bridge City via the Cornubia mixed-use development. The route is seen below in relation to the eThekweni Integration Zone shaded in red. This corridor forms part of the Phase 1 public transport network in that it links new areas of residential and employment growth in the northern part of the municipality with the western part of the municipality through its linkage with C3. This transport corridor is a key component of the strategy for spatial transformation as it links areas of affluence with areas of marginalisation.



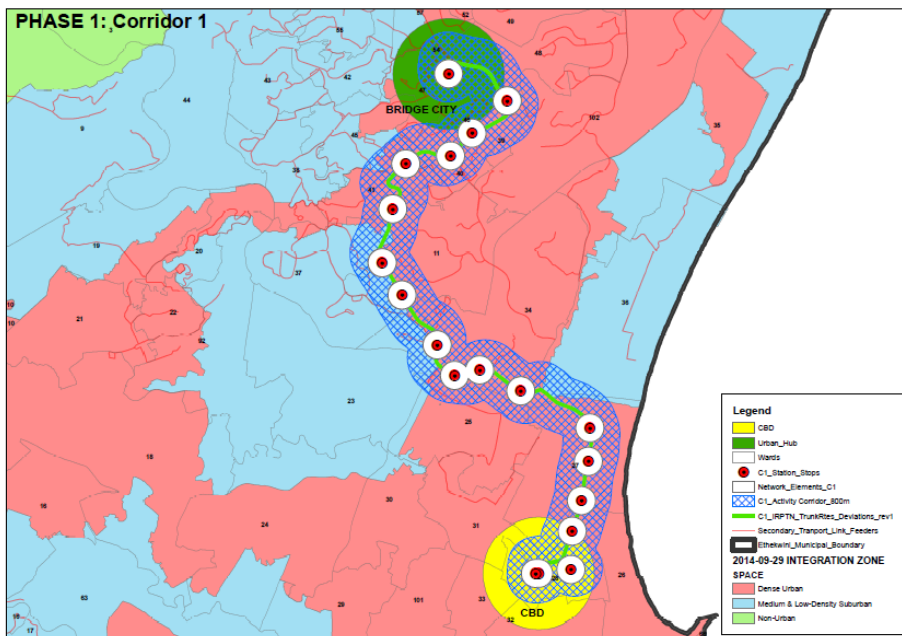
CURRENT PROGRAMME STATUS:

- Procurement process for construction work packages for the Right of Way has commenced;
- The C9 interchange linking Cornubia and Umhlanga/Gateway (across the N2 national route) is underway – see adjacent implementation pictures. The fast tracking of the Cornubia bridge and interchange has saved the Municipality approximately R180 million, as it falls within the current contract for the Mount Edgecombe interchange construction being undertaken by SANRAL; and
- Construction of Cornubia Boulevard and the C9/M41 interchange due to commence shortly.



C1: (BRIDGE CITY TO DURBAN CBD)

C1 provides connections between two major centres: Bridge City (Urban Hub) and Durban CBD. This provides significant improvements in metropolitan level mobility and is a key component of the strategy of spatial transformation. The route is seen below in relation to the eThekweni Integration Zone shaded in pink.



CURRENT PROGRAMME STATUS:

- Bi- directional Right of way
 - Construction of 8.5km at tender stage;
 - Design of 11km planned for tender by June 2018
- Stations
 - Six stations at tender stage
 -

PLANNED MILESTONES 2018/19

- Bi- directional Right of way
 - Commence construction of 8.5km Right of Way;
- Stations
 - Award tenders – construction dependent on Right of Way progress
- Feeders and Stops
 - Commence with Feeder identification

MAJOR PROGRAMME RISKS AND ISSUES

- Work Stoppages: Community participation and engagement with the Taxi Industry have been undertaken as a mitigation measure; and
- Delays with the Supply Chain Management Process: City leadership appraised of the risks. Mitigation strategies are being implemented.

INNER CITY DISTRIBUTION SYSTEM (ICDS) AND CBD OUTER RING SERVICE

CURRENT PROGRAMME STATUS:

- Professional team procured
- Preparation of conceptual layouts for infrastructure and detailed modelling for the Warwick Node including the ICDS services
- Aligned to Inner CBD regeneration and densification strategy



Warwick Node (Berea Station Development)

FUNDING AND ITS STRATEGIC IMPLICATIONS

The budget allocation for the IPTN is reflected in the table below:

MTEF – 2018/19 to 2020/21 Budget Projection

	2018/19	2019/20	2020/21
PTNG: Allocation	857,251,000	906,683,000	
Budget Application	1,013,732,681	1,060,922,660	1,106,925,056

eThekwini's contribution when required for Capex roll-out is up to R 300m per annum.

It has been noted that the full funding required for all three corridors in Phase 1 may not be available from National Treasury. A staggered implementation of these three corridors within Phase 1 is therefore necessary within the current funding envelope.

However, public transport is a critical spatial restructuring element and there are very long lead times to get supportive land use in place. It is therefore critical to accelerate implementation of public transport capital infrastructure to allow the intensified land use to develop as fast as possible in order to increase ridership levels which will allow operating subsidies to decline sooner rather than later. eThekwini believes it can accelerate spend from the current R100-150mill/month in the short term to R200m/month in the medium term. Hence the capacity to upscale exists. However, this would require approval to gear up a portion of the grant & in addition we would need certainty of grant flow over at least 10 years.

On the critical issue of the operating model, there are proposals under discussion which look to maximize the involvement of existing operators to thereby minimize the risk of moving seamlessly to the ultimate operating model.

KEY ISSUES:

- Mid year under-spending of approximately R 40m
- C3 expenditure is tailing off and C9 and C1 expenditure delayed
- Future commitments and pipeline vs. current under-spending

INDUSTRY TRANSITION SUMMARY

CURRENT PROGRAMME STATUS:

- Negotiations
 - Systems in place and in progress
 - Prospectus drafted and circulated for internal review.
- Interim Operations Institutional Arrangement – SPV-VOC concept approved internally.
- Interim Fleet requirements agreed for steps 1a and 1b
- Infrastructure ready for interim start – 7 stations progressing to 11 in December 2018

PLANNED MILESTONES 2018/19

- Finalise Depot Decision for interim operations
- Conclude Refinement of Financial Modeling and Affordability Assessment
- Conclude Updated Fare Structure
- Complete industry negotiations on participation, affectedness and SPV-VOC business structure
- Complete Industry Negotiations on Compensation
- Commence with SPV-VOC shareholder negotiations and financial arrangements for SPV-VOC capitalization
- Market Surveys

KEY ISSUES AND RISKS:

- ETA Internal Capacity for 2018 go-live
- Service provider performance
- Delay in setting up with SPV-VOC will delay Go-live date
- Delay Interim Fleet procurement

C2 CORRIDOR (PRASA INTERVENTION)

The IPTN has been designed without a bias towards a particular mode and has been about developing a truly integrated system that embraces a range of modes, optimally selected to satisfy the various travel demands within each of the corridors. In this respect, the municipality has worked closely with the Passenger Rail Agency of South Africa (PRASA) to align planning and budgets to ensure rapid delivery and benefit of the IPTN to the maximum number of users while exploiting the use of existing assets.



The C2 rail corridor, which is the backbone of the North-South corridor, is the proposed rail trunk route in the system with remaining rail lines serving as complementary services in the overall IPTN. C2 is estimated to carry approximately 40 percent of the annual trunk public transport travel demand at full system maturity and supported by a proposed attractive feeder system.

Consequently, PRASA has committed to concentrate its investment in this important corridor by prioritising the implementation of their rail modernisation strategy along C2 as part of Phase 1 of the IPTN. It is anticipated that C2 will be fully functional in terms of the strategy by 2018. Similar to the philosophy of the IPTN, the PRASA Rail Modernisation Strategy has the user and the user needs at the centre of the system. Apart from

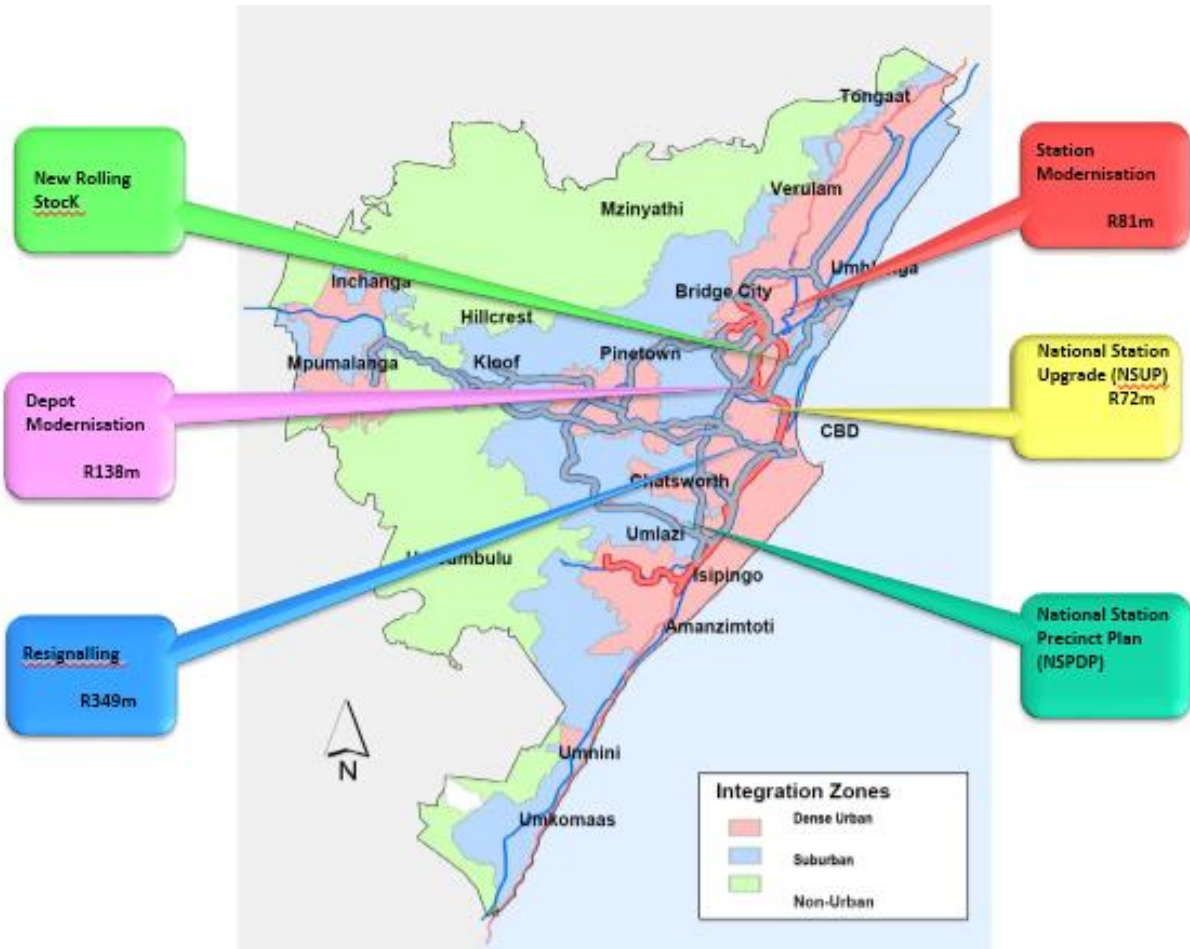
significant upgrades to infrastructure and the purchase of new rolling stock, the following are some important features being planned for implementation:

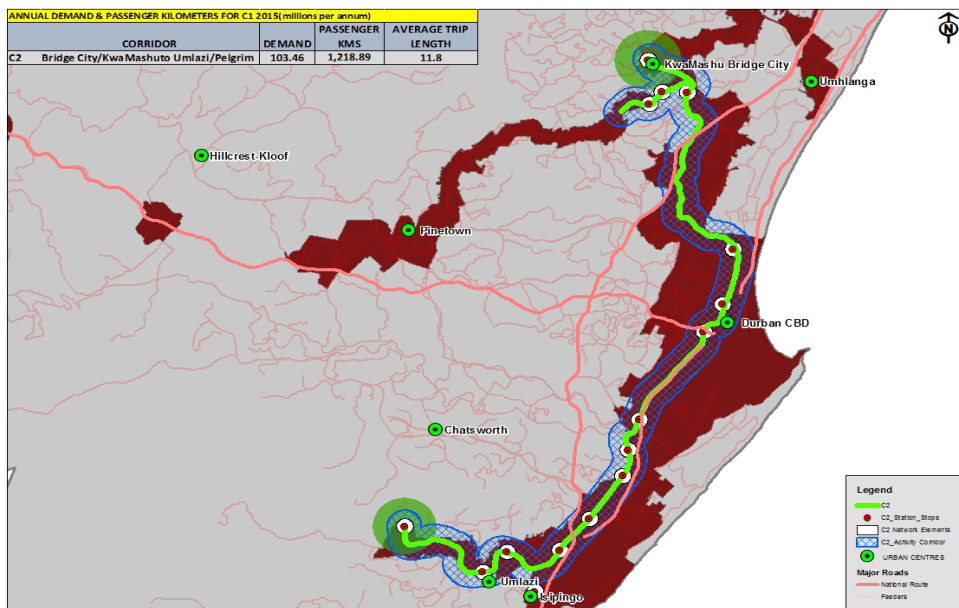
- The upgrade and improvement of stations and station precincts in accordance with international best practice and the principles of universal accessibility and Transit Orientated Development (TOD);
- Exploring common branding and marketing with the municipal-managed, road-based IPTN services;
- Integrated ticketing system design and implementation (Smart Card, EMV Global Standard)
- Safety and Security Systems;
- Headways of 3 minutes;
- New trains being capable of carrying 2000 people;
- Capacities ultimately up to 60,000 - 80,000 persons per hour;
- Express services;
- Rationalisation of stations to work in an integrated manner with the proposed BRT systems; and
- Traveller information systems.

The Municipality and PRASA have forged a strong working relationship, by establishing a Rail Working Group and are both committed to the incremental roll out of the IPTN in a co-ordinated and cost efficient manner that ultimately benefit the end user. The Municipality is preparing to manage the subsidies of all corridors within the IPTN including the C2 rail corridor.

C2 CORRIDOR (RAIL)

This corridor extends from Bridge City/KwaMashu via Warwick to Umlazi and Isipingo - The main rail route will be upgraded to enable a more intensive, reliable and higher capacity service to be operated. The extension to Bridge City creates new journey opportunities, especially for employees. The C2 corridor can be seen below in relation to the Integration Zone which is shaded in dark red.





PRASA is investing significantly in the C2 rail corridor as can be seen from the budget allocations to the various programmes on the map below (Updated figures to be received from PRASA in April 2018)

C2 PROGRESS TO DATE

- Some station modernisation is already complete and can be seen in the pictures above
- Delays have been experienced in the different programs and the 'go live' date of new services is likely to be pushed out;
- The Integration Planning Committee for eThekweni was approved in 2016 and has started operating;
- The business case for the devolution of the rail subsidy to eThekweni has been completed; and
- The business plan for C2 has been developed jointly between PRASA and eThekweni and is under discussion.

The success of the IPTN relies on the north-south rail network operating efficiently and the instability within PRASA nationally is a significant risk to implementation programmes and eThekweni will need to monitor this closely.

eTHEKWINI TRANSNET INTEGRATED FREIGHT TRANSPORT SYSTEMS PLAN

INTRODUCTION

The adoption of the Integrated Freight and Logistics Strategy (IFLS) led the eThekweni Transport Authority to embark on the establishment of a co-operative joint working arrangement with Transnet SOC Ltd. This joint working arrangement has aimed to achieve a variety of the implementable interventions identified in the IFLS that require both authorities to jointly plan, design and implement. This joint working arrangement with Transnet is titled as the 'eThekweni Transnet Integrated Freight Transport Systems Plan.'

More specifically the 'eThekweni Transnet integrated Freight Transport Systems Plan' aims for Transnet and the eThekweni Municipality to jointly develop an agreed integrated, sustainable transport system plan in the South Durban Basin (inclusive of all port areas) that supports the port developments, city growth and enhances the region and its residents. This Plan specifically has tremendous potential to enhance the economy of eThekweni and the broader region.

PROJECT OBJECTIVE

To jointly utilise internal resources to develop and agree on an optimal conceptual framework for: rail; road; port; land use; systems; supporting logistics facilities and regulatory functions. Utilising the 'Integrated Freight and Logistics Strategic Framework and Action Plan for eThekweni' as a basis and point of departure, as well as port container expansion plans and anticipated cargo volume growth. Containers will be the primary focus, but all other cargos will also be considered.

DEFINING THE PROJECT AREA

The project is geographically bound to the Port of Durban (specifically the Southern port precincts) and the surrounding suburbs, as well as their interactions with the broader transport network (and national corridors). Therefore, deliverables will be based in the South Durban Basin and areas directly affected by port geographically. The most Northern boundary of the study area includes Maydon Wharf and Glenwood (namely Che Guevara Road), the most Southern boundary includes Southgate / Umbogintwini

(namely Moss Kolnick Drive), the Western Boundary is the N2 and the Eastern Boundary is the Indian Ocean.

DELIVERABLES AND MILESTONES

The project has been broken down into five tasks that include:

- A status quo assessment of work done to date;
- A port city land use rationalisation;
- A broad supply chain assessment;
- The development of a conceptual optimal freight system framework; and
- The development of a conceptual implementation plan.

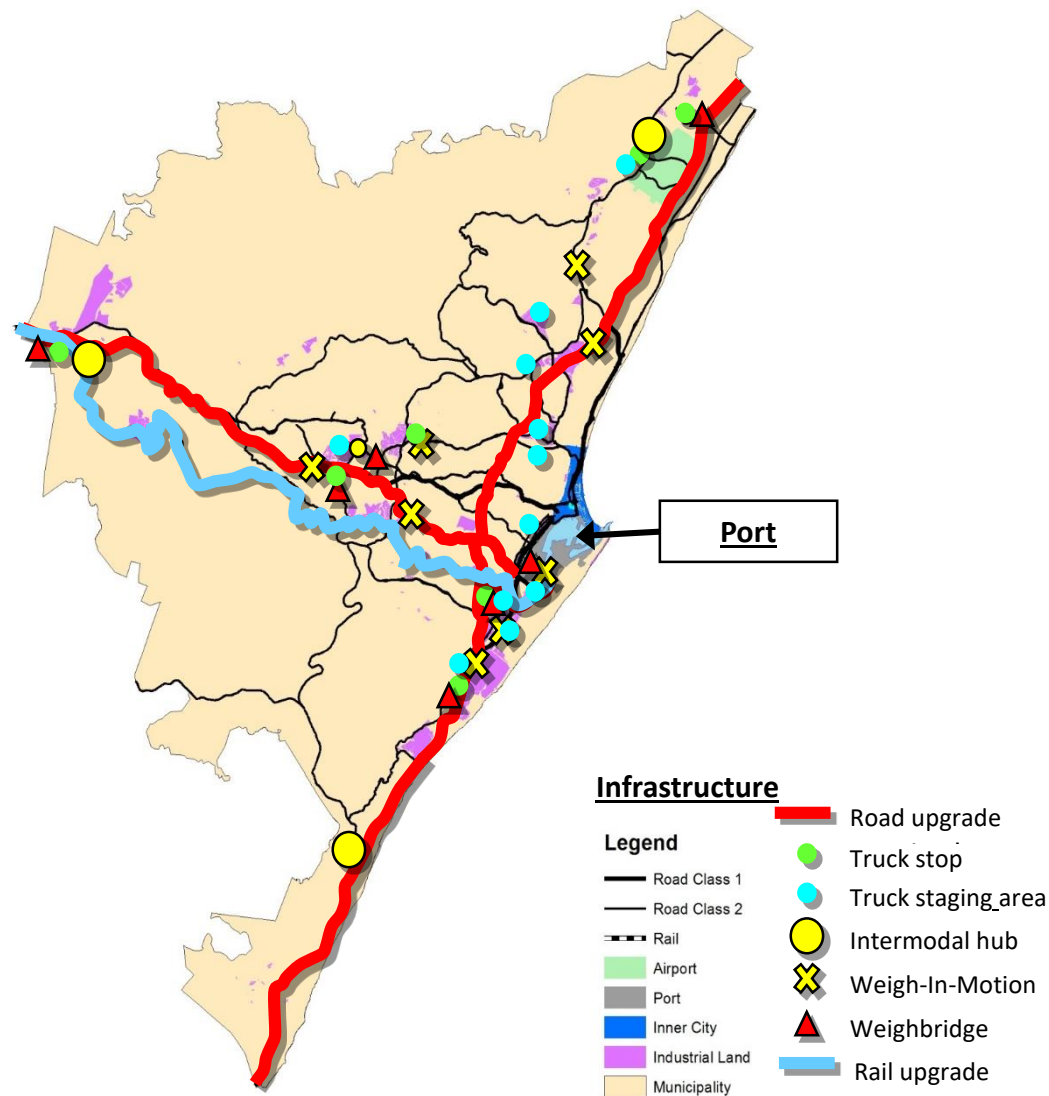
KEY RECOMMENDATIONS

The infrastructure interventions for 2015-2035 can be seen on the map below. To implement these recommendations will require significant national contributions.

The interventions proposed include:

- To cater for existing volumes and enhance existing deteriorating infrastructure, the existing road network to the Port of Durban requires upgrades and, in some sections, massive rehabilitation, this includes: Bayhead Road; South Coast Road; Umbilo Road; Solomon Mahlangu Drive (M7); N2/M7 interchange; and the M7 between the N2 and N3;
- Road capacity needs to be increased to support Transnet's intention to expand the existing Container Terminals at Salisbury Island. This is ideally suited to developing a second access to the container terminal from Bayhead/Langeberg Road that travels in a Southerly direction towards Mobeni (and the Clairwood Racecourse);
- The Container Terminals A-check be relocated to a more remote Truck Staging facility further up the existing and proposed road corridors. This facility needs to be large enough to cater for the future volumes of traffic at the port and release them in a more co-ordinated manor. This facility is key to supporting the ports intentions to move to truck booking system;
- Transnet SOC Ltd and the eThekweni Municipality jointly take these recommendations into detailed traffic modelling and detailed design;

- KZN DoT prioritise, enhance and re-engineer the M7 between N2 and N3; and
- SANRAL plan, design and enhance the M7/N2 interchange along with the key N3 Road Corridor.

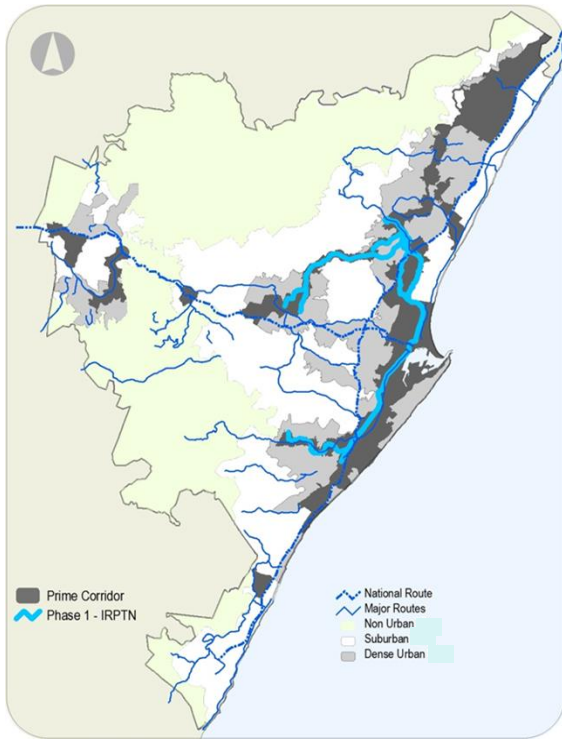


Large funding shortages is a massive challenge needing to be addressed urgently for these interventions. Due to the national strategic nature of the

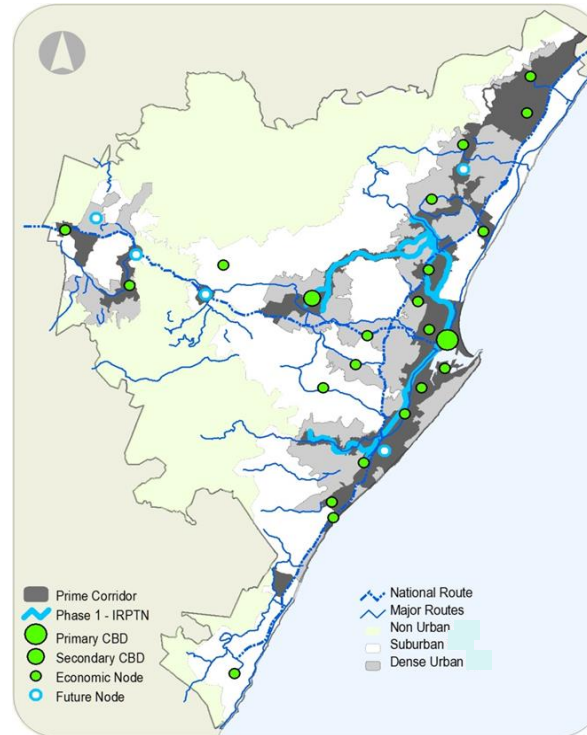
Port and the proposed freight route together with the fact that eThekweni does not have the scale of budget required and also that it receives very little revenue benefit from Port operations yet must deal with the externalities, it is imperative that National Government intervene.

IPTN RESPONSE TO KEY SECTOR PROGRAMMES

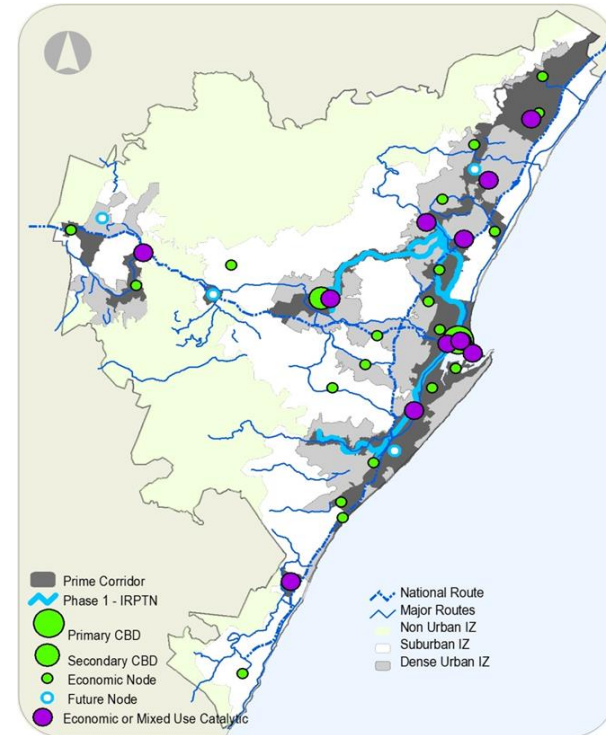
The strategy-level alignment of the IPTN and the key sector programmes is reflected in the maps below. The detailed explanation of sector programmes in relation to public transport is reflected in the individual sections of this document where sector programmes are un-packed.



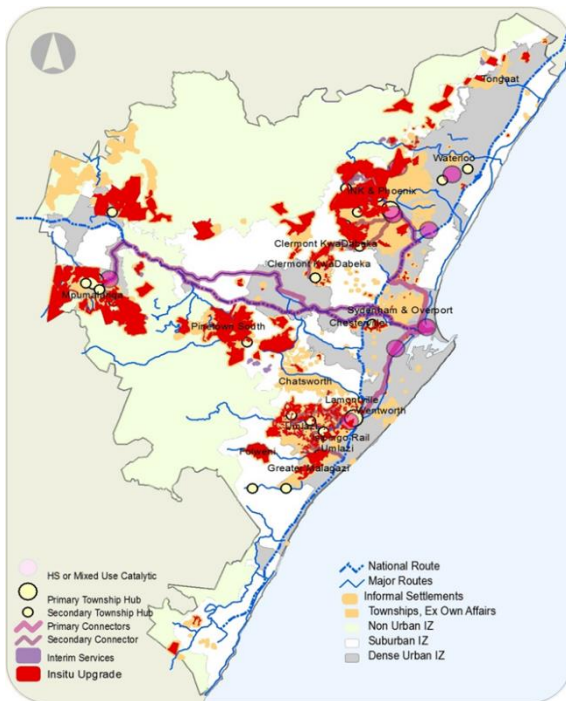
IPTN Phase 1 response to Prime Investment Corridor



IPTN Phase 1 response to Economic Nodes



IPTN Phase 1 response to Catalytic projects



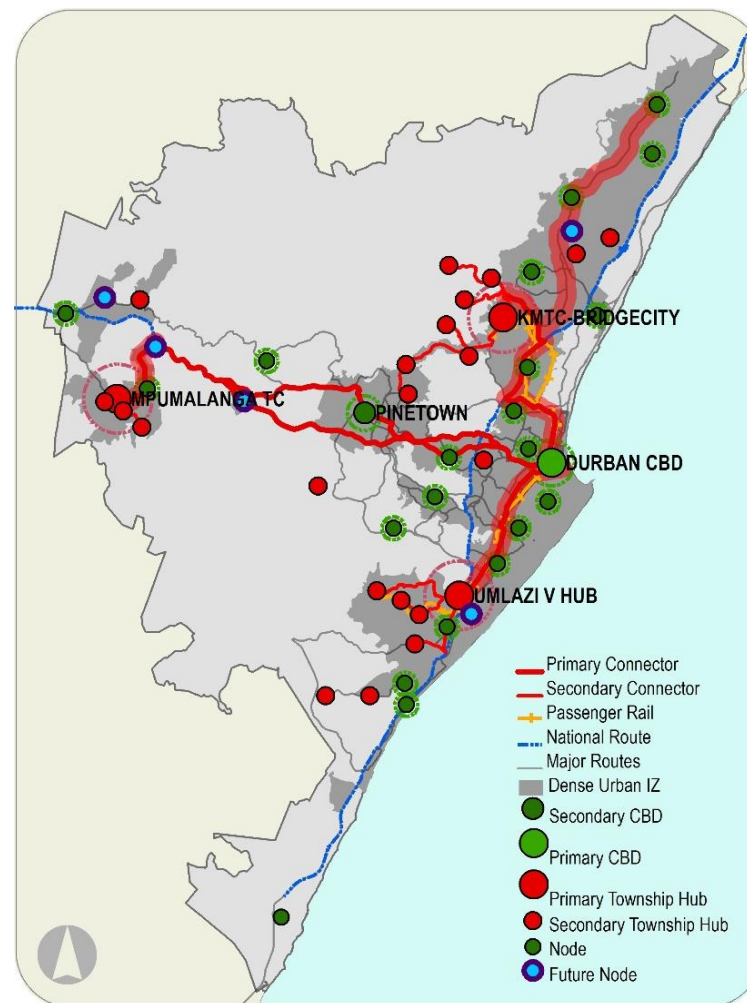
IPTN Phase 1 response to Marginalised Areas

2.3.2 PRIMARY AND SECONDARY URBAN NETWORK & ECONOMIC NODES

URBAN NETWORK STRATEGY

The Urban Network Strategy (UNS) is a spatial analysis tool that National Treasury introduced to support the spatial targeting agenda. The Urban Networks Strategy is a transit oriented investment planning, development and management approach. It's focus is on spatial transformation to optimise access to social and economic opportunities for all and especially the poor. It aims to work towards a more efficient urban environment that is enabling for economic growth and development. The UNS has its origins in the township revitalisation programme funded by the Neighbourhood Development Partnership Grant. EThekweni successfully participated in the township revitalisation programme for many years with funds being spent in Kwamashu, Umlazi, Mpumalanga and Clermont. With the transforming of the township revitalisation programme into the UNS, most of the townships

were newly categorised as Township Hubs under the UNS methodology and were connected to the Durban CBD via integration zones. More recently eThekweni has decided to align its integration zone directly with the roll-out of the public transport network. This has necessitated extensions to the narrowly defined integration zone as found within the UNS. The UNS elements are well aligned with and are contained within the eThekweni Integration Zone (or Prime Investment Corridor) however **a revision of the UNS is needed to align fully with eThekweni plans** and this revision will occur in 2018/19.



Within the UNS there is a Primary Network and a Secondary Network and this can be seen on the map below.

PRIMARY NETWORK

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

CENTRAL BUSINESS DISTRICT

The CBD is the centre of the Urban Network.

PRIMARY TOWNSHIP HUB

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

At the core of the Primary Township Hub should be an efficient intermodal public transport facility and a system of public spaces. Land uses such as

retail, recreation, offices, banking, community facilities and government services, hospitality, tourism, leisure, and high-density housing should ideally be located here.

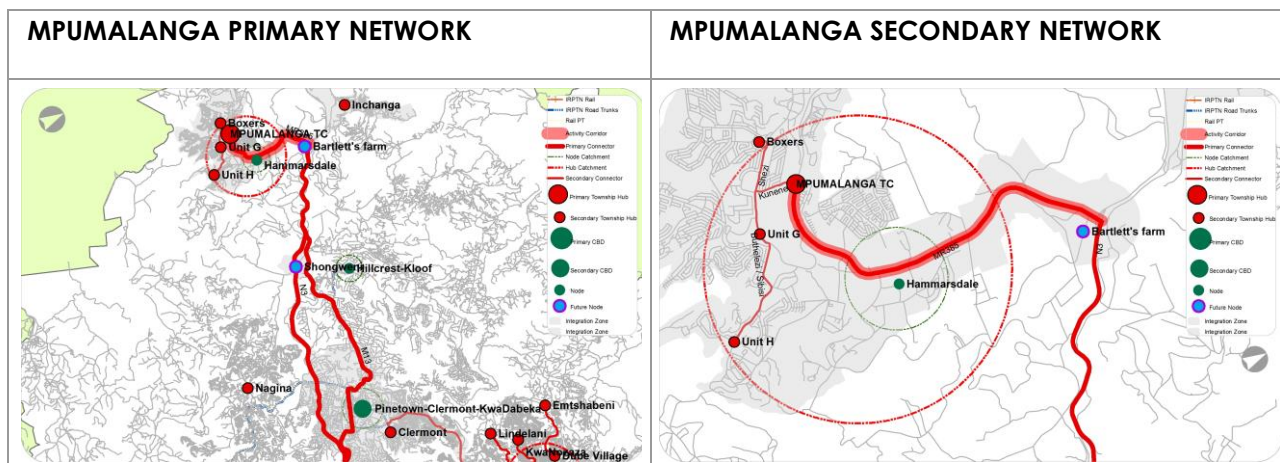
There should be an Activity Corridor to connect the CBD to Primary Township Hubs. It is a belt of land approximately 2 km wide adjacent to a Primary Public Transport link with a number of corridor TC nodes. The R102 is the Activity Corridor that links Umlazi to CBD and CBD to INK.

Nodes are regional mixed-use activity centres, like the old town centres of Verulam, Amanzimtoti, and Cato Ridge. The CBD and Nodes are the subject of attention, either via the Catalytic Projects, or the NDPG Program, or via the municipal-funded Urban Renewal Program.

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

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

IMPLEMENTATION WITHIN MPUMALANGA



PROJECT PREPARATION & IMPLEMENTATION

The study area for the project falls within the Mpumalanga local area, which is located within the Outer West planning region of eThekweni Municipality, approximately 45km west of the Durban CBD. Mpumalanga is one of six local planning areas in the Outer West region. The Mpumalanga area is home to approximately 120,000 people, some of whom are settled formally either in urban villages or townships or on small agricultural holdings, but many of whom are settled informally in transitional, peri-urban and rural areas.

The Mpumalanga local area faces a number of key implementation challenges:

- high levels of socio-economic need;
- limited private sector capacity and investment potential;
- constrained public resources and institutional capacity to deliver integrated projects;
- integrated projects;
- absence of a clearly defined shared vision amongst stakeholders for the development of the Town Centre Plan;
- poorly developed precinct management agencies and tools; and
- Lack of publicly owned land with the majority of land under Ingonyama Trust Board ownership.

These issues pose considerable challenges for effective implementation and precinct management and require concerted and strategic interventions from the Municipality and other stakeholders in order to address and overcome these challenges. The implementation approach for the Precinct Plan was based on a number of key tools and interventions that were considered necessary in order to initiate and/or consolidate development investment spatially in a manner that will generate the structure, character and qualities of an urban hub. This will serve to reinforce the sustainable economic growth objectives in the eThekweni IDP.

PROPOSED LEAD PROJECTS

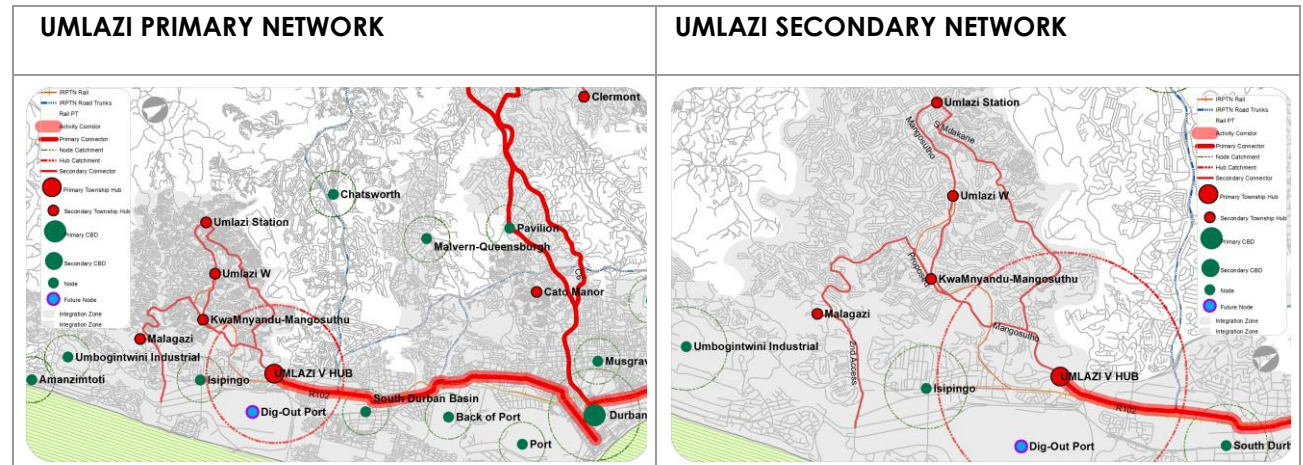
The following Lead Projects have been identified as the basis for developing precinct project concept plans:

- **Business Hives Centre and Non-Motorised Transport (NMT) /Public Transport Access** - The proposed land uses associated with the business hive have the potential to make a positive contribution to the development of a vibrant town centre use alongside the proposed Civic Services Centre site. Together with the proposed investment in the Civic Services Centre, this will create a significant new local node with the potential to provide the nucleus for the new town centre;
- **Civic Services Centre and NMT/PT Access** - The proposed investments in the Business Hives and Civic Services Centre will create a significant new local node with the potential to provide the nucleus for the new town centre. The Civic Services Centre in particular will attract significant numbers of people, which in turn can generate opportunities for other support services and business uses in the area. These developments have the potential to provide a high level of management of the area, increased activity and surveillance, improved security, etc. This has the potential to increase private sector confidence to invest in the area and capitalise on the concentration of activity in the area;
- **Town Centre Public Park and NMT/PT Access** - a proposal to establish a town centre Public Park along the open space corridor to the west of the Civic Services Centre. The public park will provide a future civic and recreational space within the urban hub that will act as a focal point for recreational, civic and social engagement for the local community;
- **Kunene Avenue Mixed Use Development and NMT/PT Access** - is an important mixed use development spine, which together with the Mpumalanga High Street provides the main development axes to structure the growth and development of the town centre/urban hub heart. Kunene Avenue provides important gateways into the town centre from MR385 in the north and Shezi Main Road in the south. The Avenue also provides a key linking element that connects the northern and southern settlement areas of Mpumalanga as well as the shopping centre, sports precinct and proposed rail station. Kunene Avenue has accordingly been identified for development; and

- **Mpumalanga High Street Mixed Use Development and NMT/PT Access** - an important mixed use development spine, which together with the Kunene Avenue mixed use spine provide the main development axes to structure the growth and development of the town centre/urban hub heart. Mpumalanga High Street will provide the primary mixed use development spine within the town centre

and an important BRT/PT corridor. The Main Street will link the existing shopping centre with the proposed town centre Public Park, civic services centre, and business hives centre and future public hospital/CHC.

IMPLEMENTATION WITHIN UMLAZI



PROJECT PREPARATION & IMPLEMENTATION

Established in the 1960's as 'Black' Township under the Apartheid Government, Umlazi is presently the largest township in KwaZulu-Natal and the second largest (after Soweto) in South Africa. Like most townships in South Africa, Umlazi faces a number of challenges that include but are not limited to the following:

- Limited Service Delivery;
- Severe Housing Shortages;
- Informal Settlements;
- Limited Economic development;
- High rates of unemployment;
- High Rates of Crime;

- Limited internal (within Umlazi) and external connectivity (to the greater city region); and
- High Population.

THE URBAN NETWORK STRATEGY

Within the above context, through strategic investment by government, it is then understood that the focus of the Urban Network Strategy is to facilitate the development of a more caring economic space from which a vibrant local economy can emerge.

THE STUDY AREA CATCHMENT (UMLAZI V/REUNION URBAN HUB)

Within this context, the strategic location of the Reunion Study Area can provide job, economic and social opportunities within central and northern

eThekwini and the southern and southern coastal areas suggesting that the node (the urban network area) has the potential to serve a significant threshold. This catchment can be divided into three components, viz.

- Primary catchment (primarily Umlazi) where some 405 000 people reside);
- Secondary catchment (including the southern parts of eThekwini) where an estimated 300 000 people reside);
- The tertiary catchment (including most of the Ugu District and beyond) where more than 700 000 people reside; and
- This catchment demarcation suggests an overall catchment for the Study Area of more than 1.5 million people.

Isipingo/ Reunion/Eastern Umlazi is a strategic gateway for nearly 1.5million people residing south of Durban to gain access to the Durban CBD and other parts of eThekwini. Umlazi, an area with a population of more than half a million people have a severely underdeveloped local economy. This requires most residents of Umlazi and beyond to travel to nodes such as Isipingo and the Durban CBD to access retail and commercial services.

Other nodes are accessed for job opportunities. The precinct plan report considers, based on preliminary layout plans, consider the bulk provision to be made for various economic uses in the Reunion component of the Urban Network System. The economic uses considered for location in the node include:

- Small business and informal economy;
- Retail and related services;
- Services;
- Commercial/ office development;
- Manufacturing/ logistics; and
- Residential.

THE SPATIAL ECONOMIC VISION

The Spatial Economic Vision for the future development of the Umlazi Urban Network System, and the Reunion component thereof specifically, is then:

To create an urban nodal network that will provide southern eThekwini and South Coast residents with access to a full range of economic services and opportunities, located in a vibrant and dynamic node, linked to an efficient urban network system. The proposed vision and the recommendations following on from this is based on a sound regional economic logic. The basic arguments for the approach include:

- The reality of a growing and densifying population (local and regional catchment);
- An existing situation that nodes cannot appropriately cope with current and future demand for social and economic services;
- The continued unsustainability of existing transport arrangements (i.e. distance residents and commuters must travel to access services); and
- The strategic location of Reunion as a Gateway between Umlazi/ South Durban and CBD/ North and West Durban. Current urban transformation processes present opportunities for the Reunion Node, forming an integral part of the Umlazi V Urban Network, to be established as an Economic Gateway to eThekwini. The Economic Gateway will provide:
 - A strong Services Node;
 - A centre for Job Creation;
 - Offering Alternative Retail opportunities; and
 - High Density Housing.

NODAL STRUCTURING ELEMENTS

Each of these nodes have a varying degree of land uses, fostering an economic impact.

REUNION – FILLING THE GAP

The Reunion node presents an opportunity to fill an economic gap by allocating appropriate land uses that support each other, enhancing the overall economic growth within Reunion, Umlazi and the 'proposed/ future dig-out port' zone. The most dominant land use proposed for this zone is logistics, in support of the nodes context, specifically the 'proposed/ future dig-out port', and freight corridors (N2 connecting to N3). The next dominant

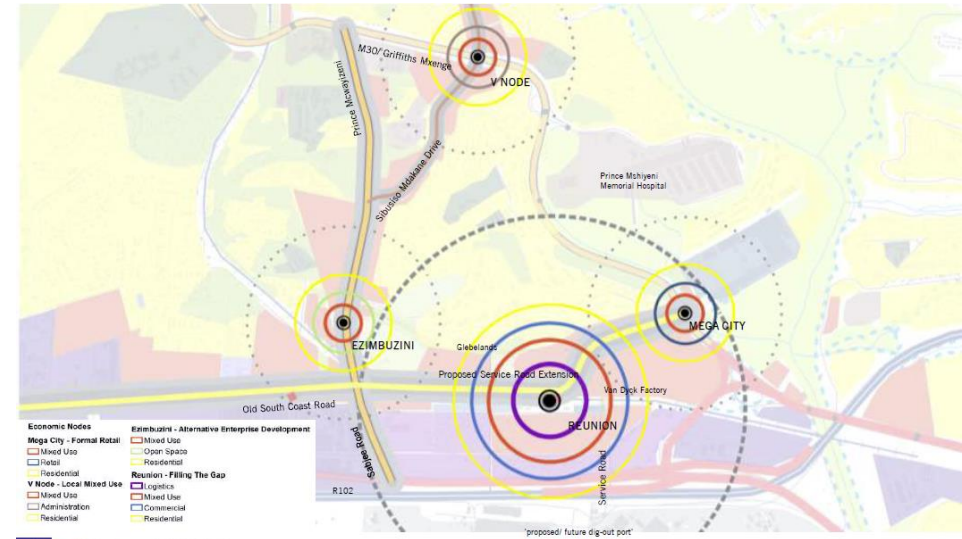
land use is mixed use, followed by commercial and then residential. These land uses tie in with their surroundings, however here mixed use will serve as a catalyst for densification with commercial uses found at ground level and high rise residential above. Commercial uses will ultimately serve pedestrians and residents within and extending out of this vicinity.

EZIMBUZINI – ALTERNATIVE ENTERPRISE DEVELOPMENT

Ezimbuzini has been identified as an ‘Alternative Enterprise Development’ node. As a result of its existing structure and the catchment, Ezimbuzini services an array of economic uses. Locals provide various services to the community, ranging from housing materials, food supplies, livestock and herbal medicine. It is therefore proposed that the dominant land use for the area is mixed use complimented by open space associated with the large sports complex. Residential development is also located in this node, which consists of both informal and formal residential clusters.

MEGA-CITY – FORMAL RETAIL

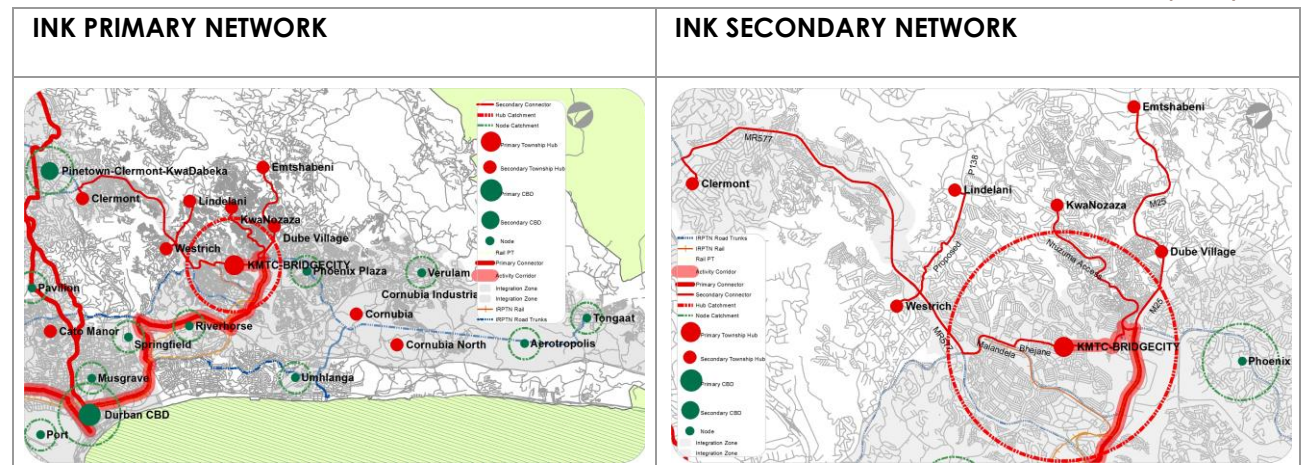
The Mega City node is identified as formal retail attributed to Mega City mall. However, the dominant land use within this node is mixed use due to adjacent uses. The second dominant use is the shopping complex followed by residential, compromising of the hostels.



UMLAZI V NODE – LOCAL MIXED USE

Umlazi V node is a local mixed use node due to the various businesses in this area (offices, retail, informal trade, restaurants and a garage). This interceptory point is busy and vibrant. In addition, a strong presence of administrative uses are available referring to the magistrate court and police station. Umlazi V Node also consists of a mix of both formal and informal residential facilities.

IMPLEMENTATION WITHIN INANDA, NTUZUMA AND KWAMASHU (INK)



PROJECT PREPARATION AND IMPLEMENTATION

Kwamashu, Inanda and Ntuzuma (INK) are areas which have been previously disadvantaged by apartheid in terms of social and economic development. Although the ushering in of a new democratic dispensation in 1994, witnessed an increase in the rate of the delivery of social and infrastructural services, these areas are still neglected with regard to economic development. In the post-apartheid period, this neglect is rooted in a parochial view of economic development which sees the invested areas of the city as prime sites for local government economic support measures. This parochial view is augmented by the perceptions of the private sector that previously disadvantaged areas contain high risk sites for investment. The relatively high levels of crime reinforce private sector perceptions and fears. These previously disadvantaged areas are also not vigorously promoted as investment destinations.

Local government's economic approach in the provision of informal trading stalls and social infrastructure also do not address the generic problems of the lack of access to factors of production (land and capital). Low levels of individual and community access to land are intimately tied up in complex, time consuming governmental procedures and red tape. Furthermore, un-coordinated infrastructure delivery reduces its potential use value in maximizing economic development impacts.

The above problems, amongst others, are reflected in the social and economic fabric of INK. These trends include high unemployment levels, poverty, relatively low incomes, low levels of education and training, low levels of fixed capital investment and physical development, under-utilized sporting facilities and fear and insecurity linked to crime.

This KwaMashu / Bridge City Urban Hub Precinct is part of the Urban Network, a significant and innovative initiative to begin to establish such a "platform" for residents of, Inanda, Ntuzuma and KwaMashu (INK) so that they can gain access to social and economic services and opportunities in the wider metropolitan region, as well as, to provide a commercially viable "springboard" for local economic development and social upliftment.

In line with the above the overall objective of the project is to review the planning of the

Bridge City Hub and align it with the ongoing planning design and development of the eThekweni Municipality's IRPTN initiative and to ensure that the Hub is developed around sound Transit Oriented Development (TOD) principles:















- Connectivity of INK residents to Metropolitan Opportunity;
- Improved linkages to Social and Commercial Services within INK;
- Environmental Quality Upgrade of the Hub Precinct; and
- Leverage of Public and Private Investment and Employment Creation in the Urban Hub Boundary.

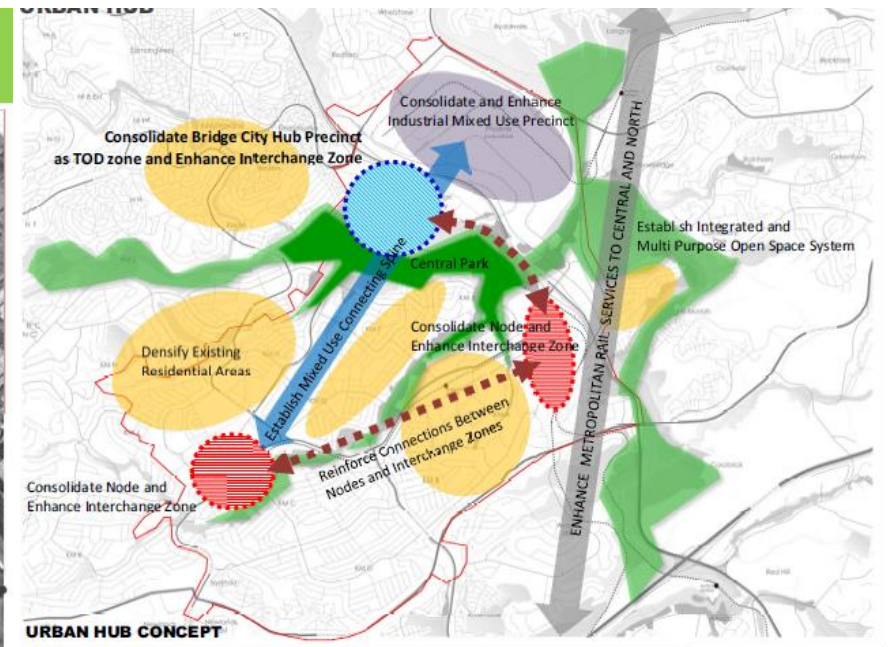
SPATIAL CONCEPT - URBAN HUB PRECINCT

The spatial concept for the Urban Hub Precinct responds directly to the key project and NPDG Programme objectives as outlined above and attempts to indicate how the elements of the Urban Hub operate both individually and collectively to meet these objectives as effectively and efficiently as possible. The conceptual framework uses a number of spatial structuring elements each of which provide focus for both public and private investment. These include the following:

- Sub Precincts;
- Activity Nodes / Interchange Zones;
- Mobility and Activity Corridors;
- The Open Space System; and
- Urban Infill Areas.

THE HUB-HEART CONCEPT:

-  Investigate new IRPTN facilities and infrastructure in line with TOD principles
-  Investigate pedestrian linkage across MR25 and consolidate pedestrian spines between rail, potential new gov. services cluster site and hospital. Enhance SMME opportunity along pedestrian spines linked with transport infrastructure
-  Identify potential government services cluster sites
-  Establish new mixed-use node
-  Establish SMME nodes on Industrial Park Road and new half diamond interchange
-  Establish link road into residential areas
-  Establish activity spine on Industrial Park and Bhejane Roads
-  Investigate SMME development behind Rail and Feeder Terminus
-  Investigate SMME manufacturing on Aberdare Dr
-  Establish loop road around hub-heart and Piesangs River open space
-  Denisification Potential
-  Investigate Youth Garden Sports centre incorporating a network of sporting activities within the urban hub
-  Redevelop Cemetery into Heritage Education Centre linked to Inanda Heritage Trail.
-  Tertiary education and knowledge centre opportunity



2.3.3 BRIDGE CITY LOCAL ECONOMIC EMPOWERMENT

One of the criticisms of the Bridge City Development has been a lack of more opportunities for SMME and local opportunities for the community. In the initial stage of the planning, provision was made to accommodate these activities however the feasibility and market pressure has resulted in these sites being used for other higher order land uses.

In order to address this shortfall, the concept proposes that some areas along Aberdare Drive / adjacent to the Phoenix Highway which are currently utilized for overflow parking, be explored for smaller incubator hives for the community i.e. 3m x6m containers. This would be subject to a

detailed investigation into the constraints applicable to the existing pipeline servitude in the area, and the planned BRT C9 corridor.

The current Bester Community Centre area which lies at the doorstep of Bridge City could be redeveloped for mixed use SMME and incubator hives, as well as enhanced community facilities, possibly including tertiary education / knowledge centre facilities. The municipality is currently exploring options for the location of a Government- one stop facility within the Pink area. There has been interest to develop this facility within the Bridge City Development and a number of sites have been identified within the hub-heart for the possible location of the government services cluster facility.

SMME opportunities can be explored along the back of the existing shopping centre. This site has the potential to link the upper platform with neighbouring residential areas that are some 2 to 3 storeys lower, whilst providing SMME and informal trade opportunities around public transport at the higher level, with SMME manufacturing along the lower road, and a residential component for surveillance and 24 hour security. The re-assessment of the existing feeder terminus behind the shopping centre, can pave the way for the introduction of a consolidated informal traders market, once again linked to public transport facilities.

Despite Bridge City's long-standing high profile as a "Presidential Lead Project" and a major catalytic and regional development node for the former northern township areas of Inanda, Ntuzuma and KwaMashu (INK) area, private-sector investment has been slow and the major development completed are government-led. The Ntuzuma Magistrate's Court was completed in 2015 and Province's Dr Pixley KaSeme Hospital is well under way. Only the Bridge City Shopping Centre has seen an initial interest from the private sector, but this too was propped-up by a massive PRASA investment in the new railway station underneath and the ETA bus and taxi terminus behind, and the private part underwritten by pension fund money. Remarkably, there has been no residential development at all.

City officials on the EDJV Board have sought to find ways of promoting investment and accelerating development here, even if it is government led. Proposals include the development of a Government Service Centre, Facilitation of Job-Intensive Call Centres, and (BPO) which are appearing in numbers in the Umhlanga area, and City led Housing development pitched at the GAP and Social Housing Rental Stock levels. To promote investment and accelerate development the following properties were purchased, please see details below:-

Property Description	Property Size	Purpose of Purchase	Value excl. VAT
Erf 33, Bridge City	1,1860m ²	Housing	R 51 317 925.00
Erf 34, Bridge City	6212,m ²	Housing	
Erf 35, Bridge City	6008m ²	Housing	
Erf 46, Bridge City	4573m ²	Housing	
Erf 47, Bridge City	4070m ²	Housing	
Rem 133 of Erf 8	1,1669 Ha	Business Incubator	
Erf 124, Bridge City		Government Services Mall	R 12 663 750.00

In an effort to initiate housing development, the acquisition of development rights in collaboration with Human Settlements were facilitated. In tandem, the Social Housing Department undertook a feasibility study on the development of 'social housing – rental units' and 'gap housing – sectional title units'.

SOCIAL SERVICE CLUSTER

A recent need and desirability study has been commissioned for a government services cluster / one stop shop within the PINK area. Various sites both within and outside of the hub-heart have been investigated with a view to suitability. A study was done to determine the feasibility of a 'Government Service Mall' within Bridge City/KwaMashu Hub Precinct. As such, it was envisaged that the facility could serve as a 'one stop shop' for residents of KwaMashu Inanda and Ntuzuma (INK) to access required government services. To this end, a financial feasibility assessment was completed in 2012. It was also determined that, it would be necessary to understand if a need for such a facility exists and if so, what are the specific government services that could be provided there. Furthermore, it became imperative to understand if the proposed location is the appropriate one for such

Desktop research, particularly a review of the Census 2011 data, and review of the findings of Access Modelling, was undertaken. Desktop research was also undertaken to understand some of the administrative facilities for all levels of government, that are housed in INK as well as to determine any planned projects. A number of telephonic interviews were undertaken with

existing service providers from various levels of government, and interviews were conducted with staff from the KwaMashu one-stop Sizakala centre to understand what services are currently provided here, and gaps in service provision to the broader public. Telephonic discussions were also held with provincial Department of Public Works to determine any planned projects in the area.

A site visit was undertaken to review the existing services and facilities at the KwaMashu Sizakala Centre. This review included visiting all parts of the facilities to understand what public and administrative facilities were undertaken there, and the status of these facilities, including building infrastructure, ablutions, parking, accessibility etc. A mapping analysis and land audit was also done and for the purpose of this exercise, the land audit focused on Bridge City and the KwaMashu urban hub. The land audit exercise focused on areas where needs were identified. Government and municipal owned properties were prioritised and included an analysis of both vacant land and any infrastructural improvements

The studies concluded that there is in fact a need for a Government Services Mall in the INK area and that the proposed selection of sites 124, 34 and 150 of Bridge City are more suitable, other identified sites fell outside of Bridge City in Cross Roads and KwaMashu Town Centre.

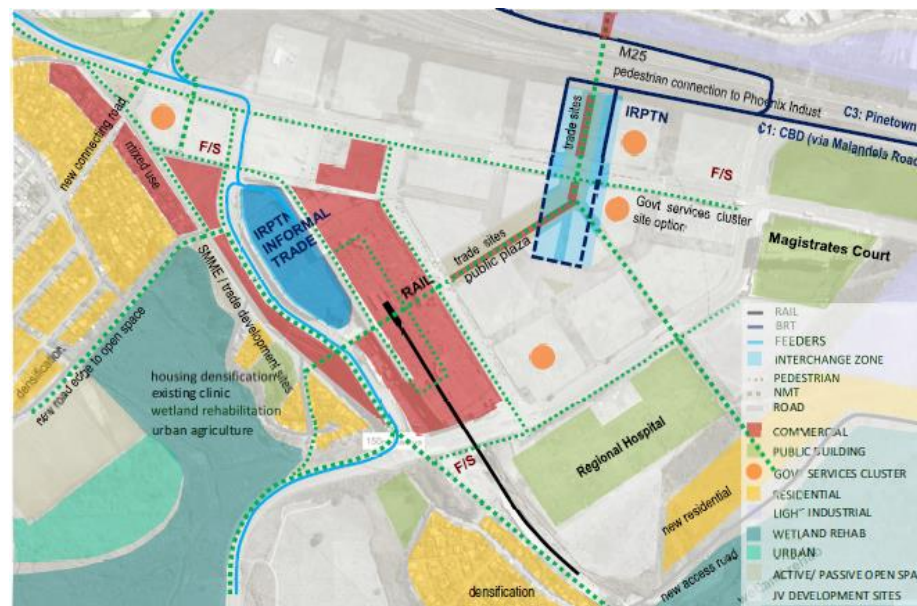
ACCELERATED DEVELOPMENT – BRIDGE CITY

The City took a bold step and purchase development rights on Erf 124, Bridge City, this was done in order to initiate and accelerate the development vision for Bridge City.

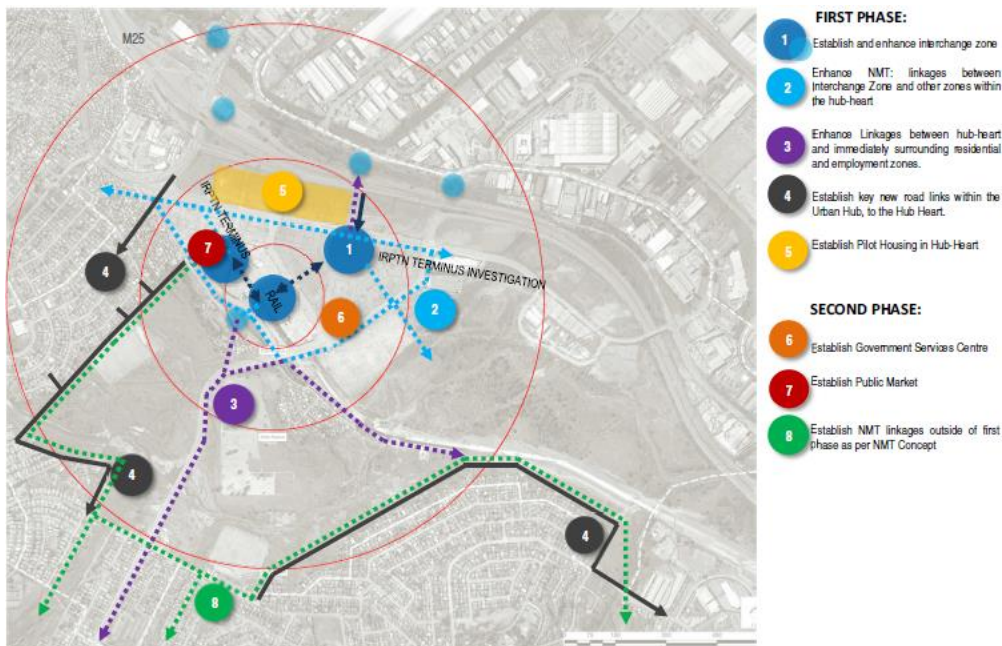
A one-stop Government Services Mall will assist by providing information and services to communities, through the development communication approach, in an integrated manner. This mall will provide a hub of activities and a variety of services. An "ideal" mode which reflects an understanding of community needs as the driving factor in service provision. This will assist in addressing historical, social and economic factors, which limited access to information, services and participation by citizens, as they had to travel long distances to access these services.

The proposed Government Service Mall will be an integrated community development centre, with community participation and services relevant to people's needs. The aim is to empower the poor and disadvantaged through access to information, services and resources from government, non-governmental organisations (NGOs), parastatals, business, etc. enabling them to engage in government programmes for the improvement of their lives.

Typical services found in this centre will include services from the departments of Home Affairs, Labour, South African Social Security Agency (SASSA), Social Development, and the department of Health as well as telecentres, the Post Office, libraries, agricultural extension offices and municipal services. Community Development Workers, the South African Police Service, NGOs and community-based organisations, also part of this development.



HUB-HEART CONCEPT: LINKAGES AND LAND USES



ECONOMIC NODES

THE eTHEKWINI ECONOMY

The eThekweni metropolitan region stands out as the most important economic center on South Africa's east coast. This status is not only informed by the scale and range of economic activity, but also because of the city being host to critical national infrastructure such as the Port of Durban – the key asset in the SIP 2 corridor and South Africa's dominant high value cargo port. It is for this reason that eThekweni's contribution to national GDP is, alongside that of Cape Town's, second only to the Gauteng City Region, and more especially, the Johannesburg Metro.

The eThekweni metropolitan region displays many features in common with the other South African cities in terms of socio-economic characteristics related both to the apartheid legacy and to associated matters of poverty, inequality and persistent high levels of unemployment. As with the other cities, processes of economic change have been notable such as the shift to tertiary or service activities in both employment and in the generation of economic product. Alongside this the cities are also characterized by

burgeoning informal economic processes that are product of both constrained employment growth as well as dynamics in global economic processes impacting on many patterns of work and their distribution across the planet.

However, it is also important to note that some features of the eThekweni metropolitan region are notably different from those of the other major metros in South Africa.

HIGH RATES OF POVERTY AND LOW INCOMES

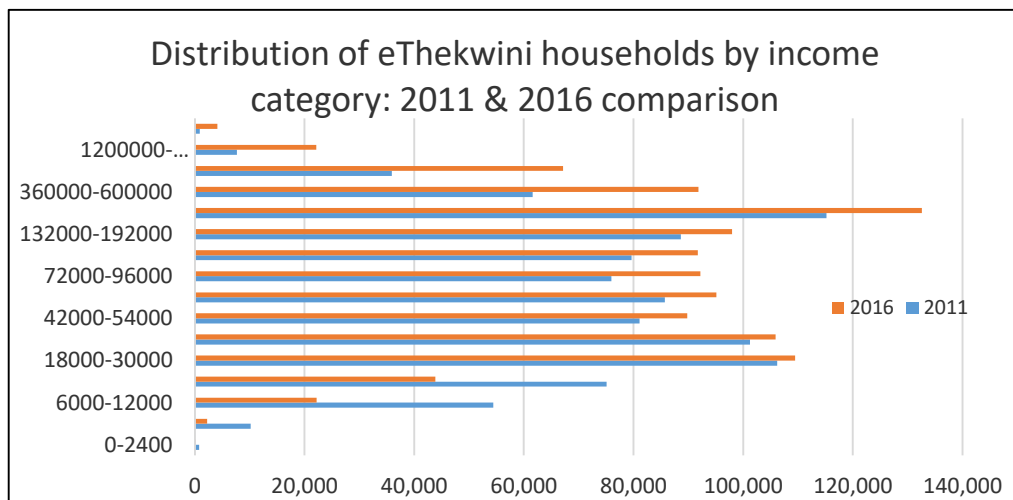
According to Stats SA Living Conditions survey, eThekweni households are generally poorer than their counterparts in Joburg and Cape Town and are less likely to have access to higher order goods and services such as a computer or car. Approximately 60% of eThekweni's households are low income and earn less than R38 400 per annum, compared to about 48% for Cape Town and 46% for Joburg. The proportion of eThekweni's households that are middle and higher income are consequently a lot less than the other large metros.

Despite this, eThekweni ranks as the best performing city in the Stats SA Community Survey, in terms of its poverty headcount. This measure takes a multi-dimensional view of poverty and factors in the provision of basic services. According to the survey, since 2011 eThekweni has tackled poverty more successfully than any other city. EThekweni's poverty headcount has dropped by 42% compared to an average of 17% for the other metros. The survey estimates that eThekweni's poverty headcount is 3.8% compared to an average of 4.1% for all metros. However, National Treasury have raised questions on whether the social package is too generous especially when compared to national norms and other metros. Hence while eThekweni households are more likely to be poor, the social net that they have is better than in the other cities.

HOUSEHOLD INCOME

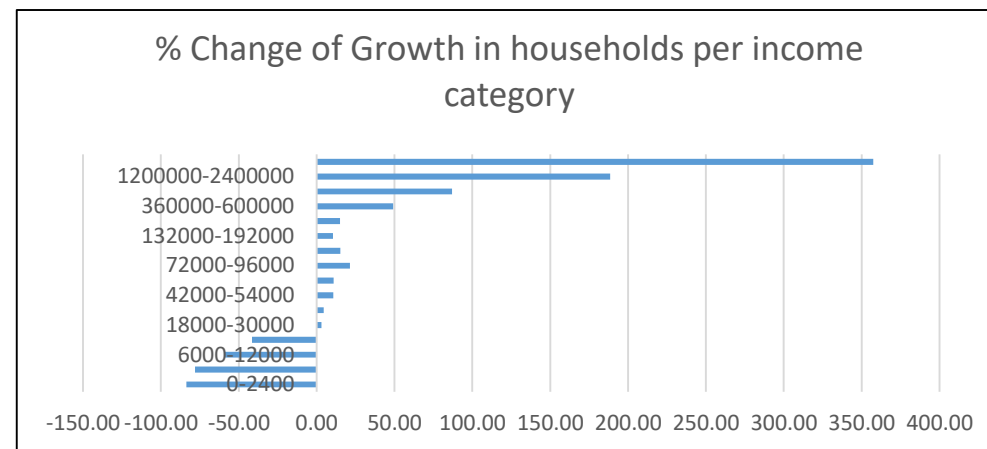
The following Figure provides a comparison of numbers of eThekweni households by monthly income category for the two most recent census periods (2001 & 2011). A close inspection of the 2001 and 2011 data will reveal that 70% of eThekweni households had a monthly income of R3200 or

below in 2001. Whilst this had reduced to 59% in 2011, over 72% of households still had incomes below R6400 a month.

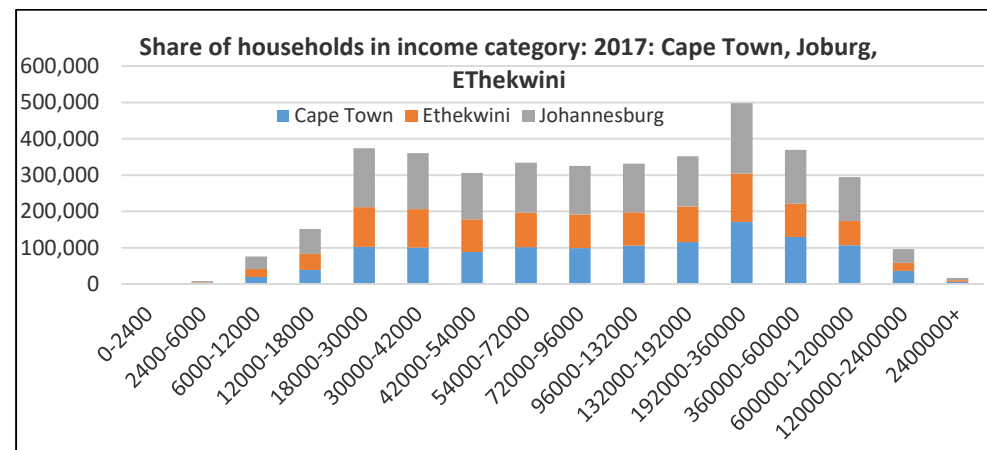


The above graph shows the growth of households by income category from 2011 to 2016 for the EThekweni Municipal region. The largest growth during this period was the number of households in the R120 000 to R240 000 category by 188%) while the 0-R2400 category decreased by 83%. The labor market in eThekweni is also reflected in these figures in that the city has a higher number of lower income jobs and a labor market that has not benefitted from the range of higher-level service employment that can be witnessed in some of the other cities. The chart below shows the percentage change in the growth in the number of households per the income categories. Although the growth in the lower intervals have decreased, there is no large corresponding increase in the mid-income categories which further indicates the challenges in the lost benefits from the higher-level service employment.

Here the very large concentrations of state employment in national government and in parastatals has a discernable impact on the Gauteng metros and to a lesser degree on Cape Town, noting of course that eThekweni is not the provincial political or administrative capital.



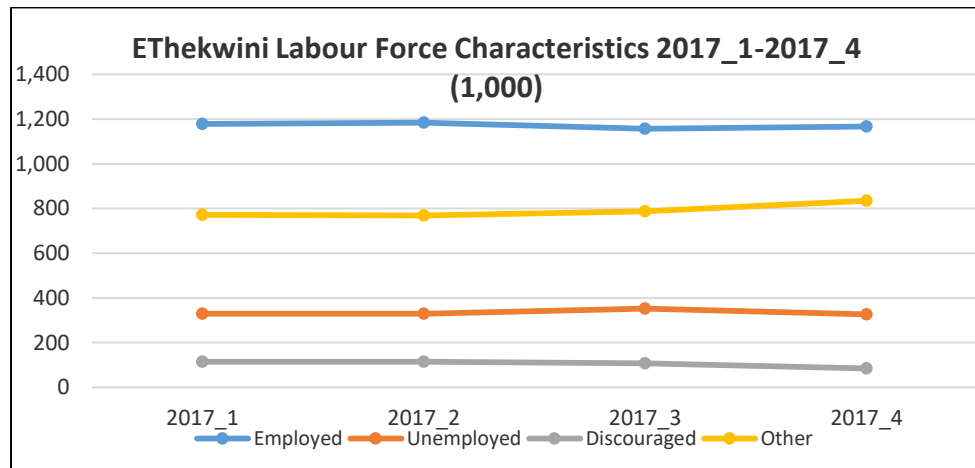
What is notable in the comparison with Johannesburg and Cape Town (Chart below) is that eThekweni has, by some margin the largest share of its total households in the lower annual household income categories. Just over 17% of households survive on annual household income under R19, 200 (or R1, 600 a month, Cape Town = 13% and Joburg = 16%). EThekweni ranks 3rd in almost all of the income categories.



In considering matters of poverty it is important to note that eThekweni as a region is embedded in a Province with persistent high levels of poverty, where significant numbers of households are dependent largely on social grant income and irregular informal work for their livelihoods. As the second

largest province by population terms, KwaZulu-Natal is the largest recipient of social grants suggesting that, despite being the second largest provincial economy in the country, challenges of poverty remains deep. Within KZN, eThekweni is home to over 1/3 of the Province's households in poverty. Whilst the share of households in poverty has been in gradual decline in South Africa, the absolute numbers of households in poverty has remained stubbornly high. Research from important national research processes, such as those related to the National Income Dynamics Survey, suggest that poor educational attainment and lack of access to meaningful employment are major factors in trapping households in poverty from one generation to the next.

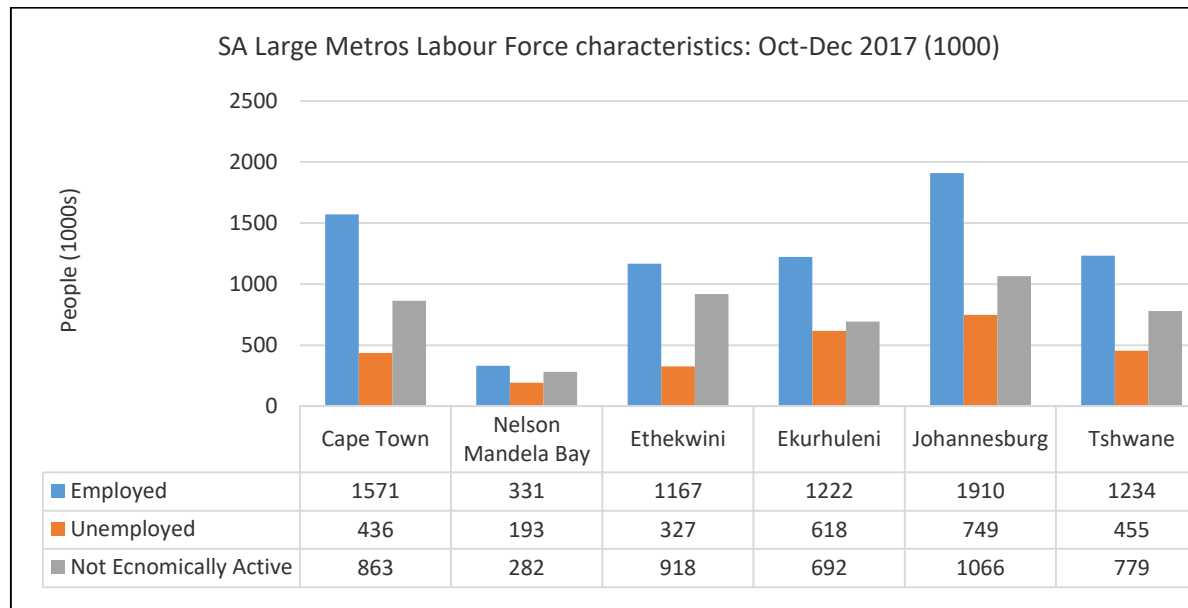
EThekweni comparison of trends: Employed, Unemployed, Discouraged work seekers and other not-economically active



The unemployment rate for eThekweni decreased to 21.9% in Q4 2017 from 23.3% in Q3 2017. Despite this decrease, the net effect was the loss of 9 000 jobs during this quarter. It is also important to note that the labour force absorption rate showed an insignificant increase (from 48.1% to 48.4%) and the participation rate decreased (from 62.7% to 61.9%) over the same period, indicating that there are more people looking for employment and the likelihood of them finding employment has decreased. The tertiary sector accounts for the largest portion of the workforce which includes community services, finance and trade, followed by manufacturing. In terms of skill levels, the largest portion of the workforce is employed at semi-skilled level followed by skilled and low-skilled.

When comparing eThekweni to the other larger metros for the fourth quarter of 2017, it still shows a lower total employment than Johannesburg, Cape Town, Ekurhuleni and Tshwane, it also reports considerably lower unemployment with this being explained, in part, by the high number of discouraged work seekers and other not-economically active working age people. Such a low strict unemployment rate suggests that wider employment creation and informal work opportunities are few and far between in the city.

eThekweni labor force characteristics compared to other large metros



STRUCTURE OF ECONOMIC ACTIVITY: LONG TERM TRANSITION FROM DOMINANT MANUFACTURING TO SERVICES

The GDP growth rate of the city in 2016 was 1% and is projected to be 1.03% in 2017. This slow pattern of growth is predicted for all the metros in the country (e.g. Cape Town is predicted to grow at 0%) as growth in 2017 is mostly likely to come from the primary sectors which are not very prevalent in the cities, than from the secondary and tertiary sectors. Notably however is that while the economy is growing at 1% the population growth in eThekweni for 2016 was 1.4%, indicating that the population is growing faster than the economy.

Biggest contributors to growth in 2016 were finance, community services and manufacturing. A recovery in agriculture has been noted, albeit from a very small base. The largest manufacturing contributor towards growth in 2016 was the fuel, petroleum chemicals and rubber products. Notably over the last 5 years there has been a recovery in the clothing and textile, leather and footwear sector with this sector adding new jobs. However, the city has slipped into 4th place behind Johannesburg, Cape Town and Tshwane in

terms of the size of its economy, due in part to the higher economic growth in Tshwane over the last 10 years than in eThekweni.

In terms of tourism, eThekweni attracts mainly domestic tourists and is by far the most popular city among domestic tourist bed nights. However, in terms of international tourist bed nights, the city has slipped into 5th place, being significantly behind Johannesburg, Cape Town, Tshwane and Ekurhuleni. While the city attracts a large number of domestic visitors, in statistical terms this has not translated into a relative advantage in terms of local skills, employment or contribution to the economy, relative to the other large metros.

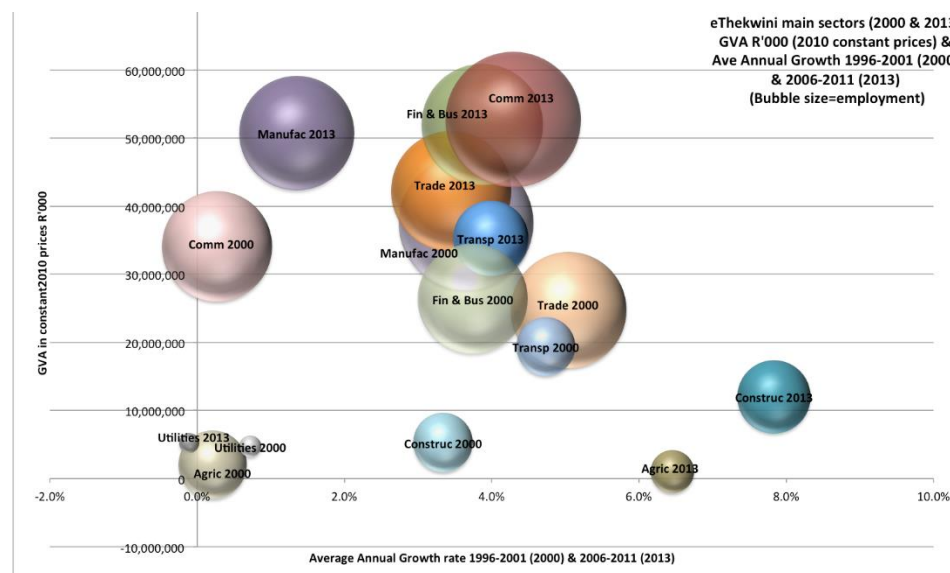
The character of port traffic has, within this context had a profound impact on the city. Containerization has become the specialty of the Port of Durban, and although recent years have seen subdued growth in container traffic, the nature of the logistics sector has transformed the way goods are moved around the country. This has brought considerable investment to Durban from the public sector (in port facilities) and also from private sector actors want to establish distribution and warehousing facilities. In fact

demand for land for these activities has been such that it has crowded out other potential land-uses as upward pressure has been placed on land parcels for this activity. Externalities related to the trucking industry such as congestion and damage to public infrastructure have also been noted alongside this growth.

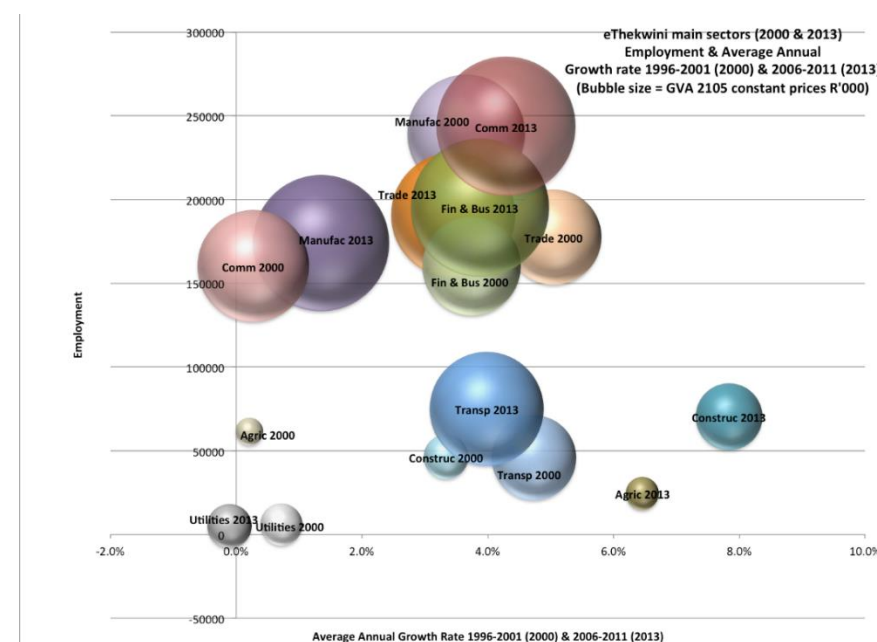
The following charts provide illustrates a sense of the nature of the changes in economic structure over time – the period 2000-2013 is chosen for the exercise. In Figure? It is possible to note the shedding of employment and decline in relative growth rates of manufacturing, however, the sector managed to growth its Gross Value Added output and remains a key sector despite these changes. The growth of employment in a public sector driven category such as Community Services is also notable as is the growing importance of this alongside a variety of community-related service activities such as healthcare. Both trade and finance and businesses services also displayed growth in employment to some degree and increases in GVA output. Generally the sectors with higher growth rates were able to deliver higher employment outcomes over time. However, since much of the services sector depends on local, regional or national consumption capacity (very constrained in Durban by generally low incomes and nationally by weak economic growth) and is often not tradable, it remains critical that the city explore opportunities to grow manufacturing (considering that much of its output has the potential to be tradable and thus tap into new markets).

The following variant on the adjacent Figure, has the bubble sizes representing GVA output (as opposed to employment) and instead shows employment on the y axis of the chart. Here one can see how manufacturing, despite the loss of jobs, continued to increase its GVA output and thus retain its strategic value to the eThekweni economy. A number of the service sectors (transport, finance and business services) increased their GVA output but did not necessarily make such substantial employment gains.

eThekweni main sectors performance 2000-2013 (Bubble size = Employment)



eThekweni main sectors performance 2000-2013 (Bubble size = GVA)



For the eThekweni economy it is clear that substantial changes have been underway. However, these changes have tended to no make much headway against unemployment in the city. In looking at a more detailed sectoral analysis with regard to employment and GVA it in noticeable that

manufacturing sectors feature somewhat less in leading employment categories in 2016 than they did in 2000. The following Table provides an overview of the dominant employment subsectors and their change in ranking since 2000.

2000-2016 eThekweni sub-sector employ rank (IHS Global Insight)

Rank	2016	2016	Change in rank from 2000	Change in absolute employment	Rank in terms of net new jobs
1	85-88 Other business activities	138,604	0	24,784	5
2	Households	115,071	2	46,723	1
3	62 Retail trade and repairs of goods	112,541	-1	18,906	9
4	92 Education	81,858	2	25,534	4
5	93 Health and social work	69,521	2	20,166	7
6	50 Construction	68,066	2	21,610	6
7	31 Textiles, clothing and leather goods	56,311	-4	-19,570	
8	94-99 Other service activities	54,801	7	26,651	3
9	91 Public administration and defence activities	53,283	7	26,732	2
10	71-72 Land and Water transport	49,285	4	19,242	8
11	63 Sale and repairs of motor vehicles, sale of fuel	42,223	6	15,965	11
12	81-83 Finance and Insurance	33,113	-2	-7,835	
13	64 Hotels and restaurants	32,169	7	17,034	10
14	30 Food, beverages and tobacco products	26,198	-2	-4,770	
15	11 Agriculture and hunting	23,736	-10	-33,646	
16	35 Metal products, machinery and household appliances	22,460	2	-2,939	
17	33 Fuel, petroleum, chemical and rubber products	20,249	-6	-12,215	
18	32 Wood and wood products	19,373	-5	-11,133	
19	61 Wholesale and commission trade	15,669	-10	-26,893	
20	73-74 Air transport and transport supporting activities	10,959	4	3,970	12

A similar analysis is provided below for changes in subsector ranking for GVA output. This reveals that, as with employment, GVA contributions of manufacturing remain none-the-less significant, although that have over time been eclipsed by services outputs. This change has been driven largely

by the periods of faster annual growth in GVA for these services activities enabled, largely in the 2000s, by public sector expansions in employment, wages and expenditure, greater lending to consumers, and periods of private sector wage growth.

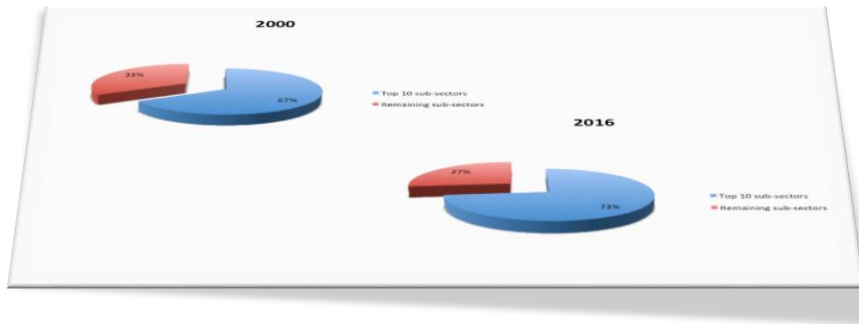
2000-2016 eThekweni sub-sector GVA rank (R '000) (IHS Global Insight)

Rank 2016	2016	2016	Rank change	GVA change
1	81-83 Finance and Insurance	25,856,313	8	17,615,691
2	71-72 Land and Water transport	23,487,596	-1	9,680,599
3	62 Retail trade and repairs of goods	22,175,430	0	10,717,115
4	94-99 Other service activities	15,572,751	3	9,187,013
5	93 Health and social work	15,094,025	1	5,965,344
6	33 Fuel, petroleum, chemical and rubber products	14,896,644	-2	4,858,563
7	85-88 Other business activities	14,887,988	5	6,162,495
8	84 Real estate activities	14,486,413	-3	5,066,781
9	50 Construction	12,987,812	4	7,680,655
10	91 Public administration and defence activities	12,781,511	1	6,346,263
11	92 Education	12,691,427	-9	546,168
12	61 Wholesale and commission trade	12,678,030	-4	4,167,786
13	30 Food, beverages and tobacco products	10,235,464	-3	2,345,392
14	75 Post and telecommunication	8,097,984	6	5,210,580
15	63 Sale and repairs of motor vehicles, sale of fuel	6,467,203	3	3,265,006
16	38 Transport equipment	6,078,004	0	2,230,180
17	35 Metal products, machinery and household appliances	5,645,173	-2	1,633,052
18	73-74 Air transport and transport supporting activities	5,474,483	3	2,769,544
19	32 Wood and wood products	4,819,602	-5	762,904
20	39 Furniture and other items NEC and recycling	3,725,177	-1	738,069

Although these longer term changes have in some ways diversified economic activity in eThekweni, it is nonetheless important to appreciate

that in 2000, 67% of total employment was in the top 10 sub-sectors. In 2016 this figure has risen to 73% of employment in the top ten subsectors.

Employment Trends between 2000 and 2016 by sector



PROPERTY AND INVESTMENT⁷

Between the period January to June 2016 and the same period in 2017, SA recorded a -7.3% growth for residential buildings passed and -31.1% for non-residential buildings. According to Stats SA, in KZN's larger municipalities the biggest declines were for shopping space, office and banking, larger houses, flats and townhouses, as well as other non-residential buildings. In total the value of building plans passed grew by -24.7%. Despite this, the number of buildings completed increased by 24.5%. According to the ABSA house price index, after declines in the growth of house prices in Durban for 2016, the first quarter of 2017 experienced a 3.8% growth. The broader decline may be as a result of the supply side issues which have seen a lower number of units coming onto the market.

eThekwini ranks 4th in terms of building plans completed for offices and 3rd in terms of industrial and commercial (including warehousing). However, the city ranks 5th in terms residential houses for both larger units (>80m) and smaller units (<80m), and very substantially below all the other cities. This confirms the supply side challenges that are driving up house prices in eThekwini. Furthermore, according to Stats SA in 2016, eThekwini's building costs for the construction of houses and flats rated as the most expensive of all metros. In terms of the spatial distribution within eThekwini, the north shows the highest growth in residential as well as industrial and warehousing

building plans completed. The central area still has a concentration of building plans completed although the value of new buildings have reduced compared to 10 years ago.

The office vacancy rate in the Durban CBD was 18.4% in the 4th quarter of 2017 and is still the largest vacancy when compared with the other nodes of Ballito (7.3%), Berea (9.5%), Hillcrest/Gillits (9.1%), umhlanga (4.0%) and Westville (10.5%). Durban's CBD vacancy ranks as the highest amongst the other large metros of Johannesburg (17.2%), Tshwane (10.2%) and Cape Town (9.9%) in this quarter. While the level of active new development has been trending down since 2015, the demand for space is also not growing as employment growth remains weak and business confidence has been below the 50 (neutral level) for 26 of the last 30 quarters.

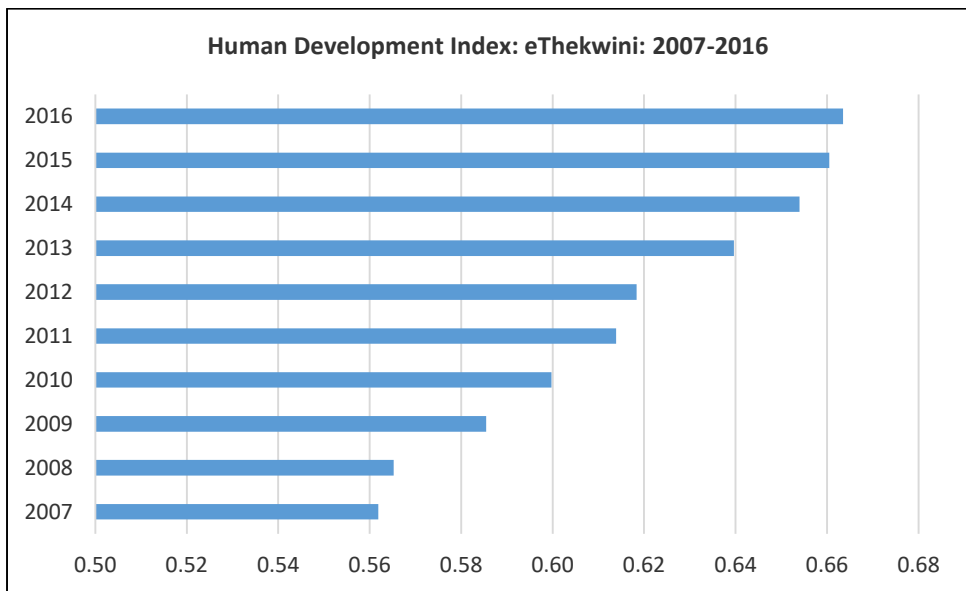
Transport, storage and communication remains the largest sector In terms of gross fixed capital formation, although figures indicate a marginal decline in 2016, while some growth was recorded in general government. In terms of transport sector, the largest investments were in transport equipment.

TRADE

Exports from Durban grew by 16.8% in 2016 with the main contributors being vehicles; iron and steel and paper and pulp, which represented a recovery from previous quarters. Exports to the US have decreased dramatically over the past 10 years but have shown signs of stabilisation since 2015. Export to European markets are fairly level showing no increase, however, export to other African countries such as Namibia and Botswana have increased. The most immediate opportunity suggested by the trade flows, is a potential increase in intra-African trade. Container volumes at the Durban Port has shown a 5% decrease between 2015 and 2016. Decreases were noted in all 3 categories i.e. containers landed, containers shipped and containers transshipped. The number of TEUs handled in 2015 was 3million (3 018 465) compared to 2.8million (2 867 898) in 2016. Container volumes over the last 10 years have shown little growth.

⁷ SAPOA, 2017; Stats SA, 2017

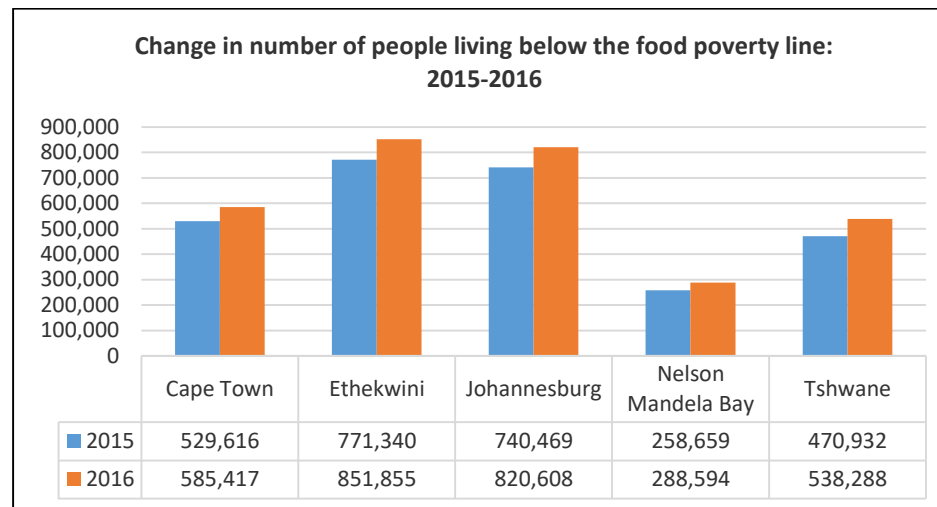
Human Development Index 2007-2016



Source: Global Insight 2016

The above graph compares the change in the human development index (HDI) for the eThekweni between 2007 and 2016. The change was roughly similar for most of cities; however eThekweni has the 5th lowest HDI in 2015 (0.66) when compared with the other major cities (Cape Town 0.74, Johannesburg 0.71 and Tshwane 0.72).

Poverty trends in eThekweni: 2015-2016

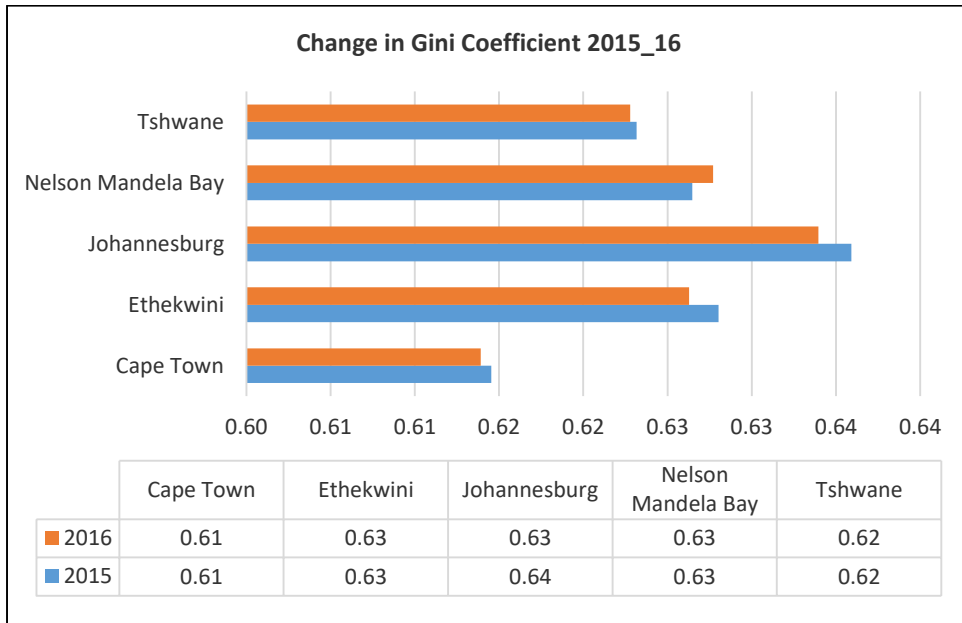


Source: Global Insight 2016

Of eThekweni's 851,855 people living below the poverty line in 2016, 98.7% are African, while 0.53% are Asian, 0.75% are colored and 0.01% white. This means that 25.2% of the African, 6.1% of the colored, 0.7% of the Asian and 0.04% of the white population are living below the food poverty line.

Source: Global Insight 2016 This graph compares the literacy levels - defined as the proportion of persons aged 20 and above that have completed Grade 7. Johannesburg leads with the highest number at approx. 3.3 million with Cape Town 2nd, followed by eThekweni. The biggest increase was Johannesburg (2.3%) followed by Tshwane (2.1%), Cape Town (1.7%) and then eThekweni (1.6%).

Change in gini-coefficient

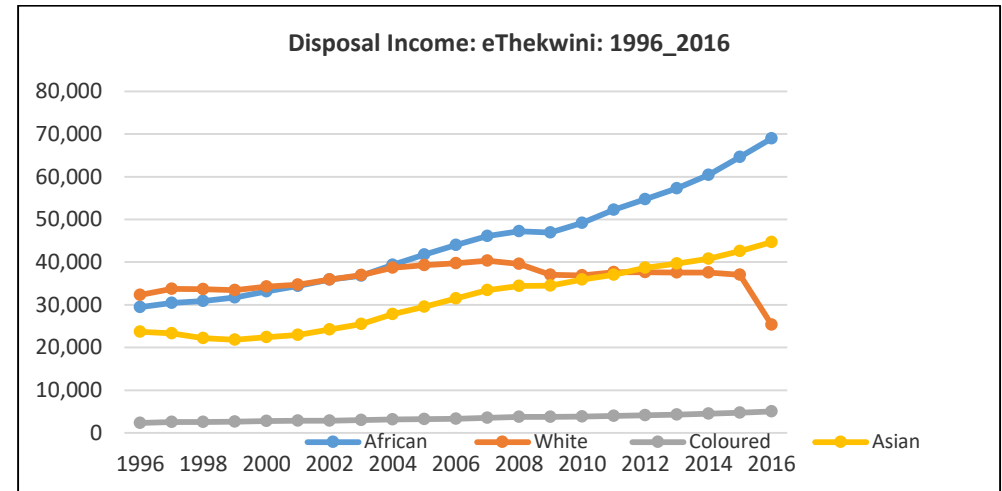


Source: Global Insight 2016

When ranking the gini coefficient amongst the major metros, eThekweni was joint 3rd with Nelson Mandela Bay, and Tshwane, while Johannesburg was the highest (64) and Cape Town the lowest at 0.61 during 2016. The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0, 25 to 0, 70.

The graph below compares the disposal income with the 4 race groups and it is evident that the distribution of same is still very far apart, especially the coloured population with the rest. The Asian and African disposal income appears to be on the rise since 2003, however the white and coloured disposable income appear to be static during 2009 to 2015.

Disposable Income in eThekweni 1996-2016



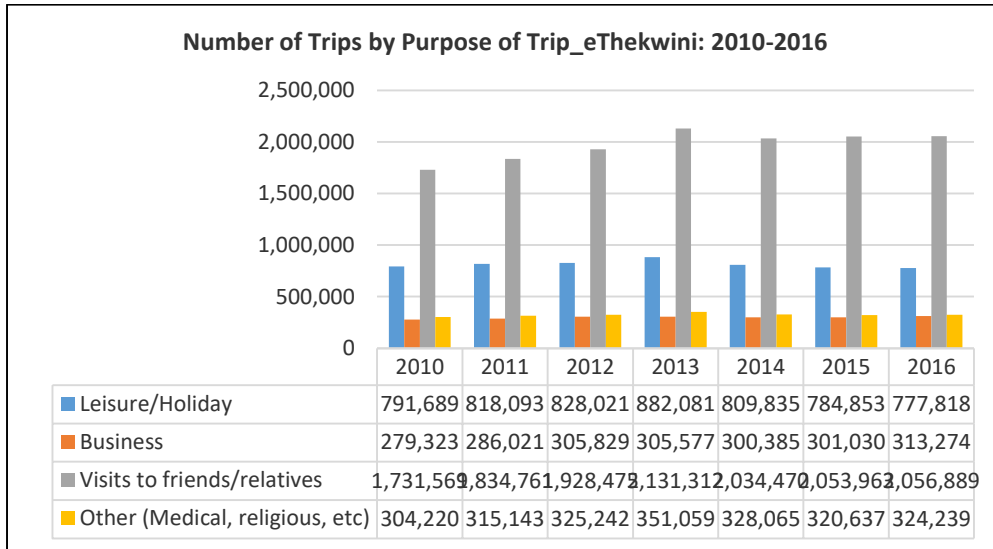
Source: Global Insight 2016

The graph below shows the international trade trends during 2010 to 2016 for eThekweni. During this period, imports exceeded exports. EThekweni's contribution to South Africa's exports was 6.5% in 2016, while eThekweni's contribution to national imports was 9.6%. In eThekweni, imports have grown at a faster rate than exports during 2010-2016 (9.9% and 8.2% respectively). The slowdown in demand for commodity prices and the general economic decline during the past year contributed to the low export figure.

Over 60% of all exports during 2016 were motor vehicles, parts and accessories and basic iron and steel. Almost 50% of imports are motor vehicles, parts and accessories, and basic chemicals. The majority of exports are destined for African countries and the majority of imports are from Asia. The number one export partner is Japan, while the top import partners are Germany and China.

Below shows the number of trips by purpose of trip in EThekweni from 2010 to 2016. Tourism continues to contribute significantly to eThekweni's GDP. The graph shows that the main source of tourists – leisure/holiday and family/relatives declined during 2013-2016 with business showing a slight increase in 2016.

Number of trips by purpose of trip in eThekweni 2010-2016



Source: Global Insight 2016

The graph below reveals there was a 92% to 8% split between domestic and international total bed nights in 2016. Over the past 10 years, the number of domestic visitors averaged 3 million while international averaged approximately 2, 9 million. Domestic visitors to eThekweni have been decreasing and erratic with neither an increasing nor decreasing trend since the steady increase during 2009-2013.

Domestic and International visits to eThekweni 2010-2016

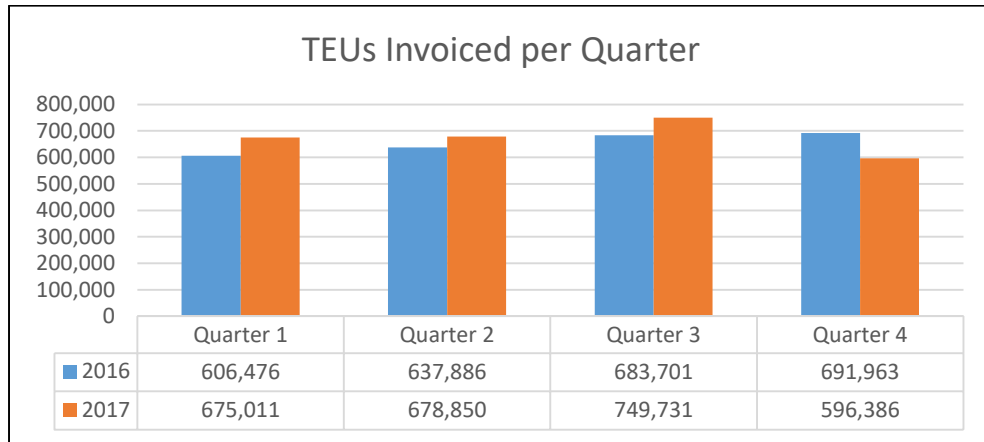


Source: Global Insight 2016

2.3.4 PORT OF DURBAN

The Port of Durban remains the premier multi-purpose port of the country, currently handling over 60% of total container traffic to and from South Africa.

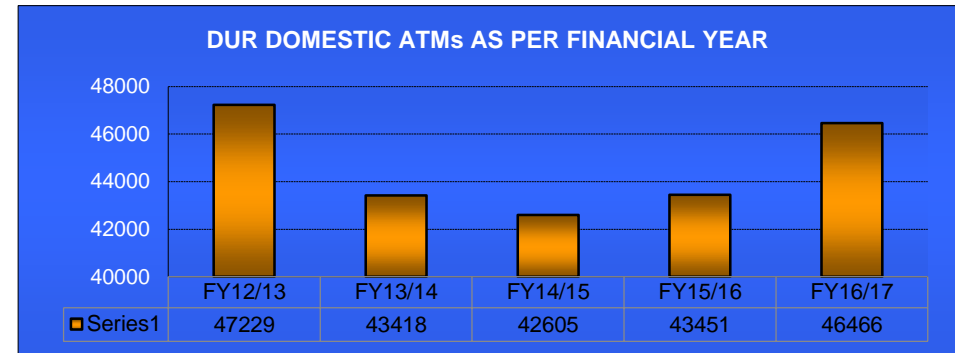
Number of Containers invoices



Source: Transnet National Ports Authority

The number of containers invoiced during the first two quarters of 2016 was lower than the same periods in 2017, but higher in the 3rd and 4th quarters. The total number of Twenty Foot Equivalent Units (TEUs) invoiced between the two years increased by 2.1%. This modest increase in TEUs is due to the global economic slump and low commodity prices. Trade is also affected by the exchange rate which impacts on the import of goods. Shipping lines are also consolidating cargo to fewer vessels or share routes with other shipping lines to reduce cost.

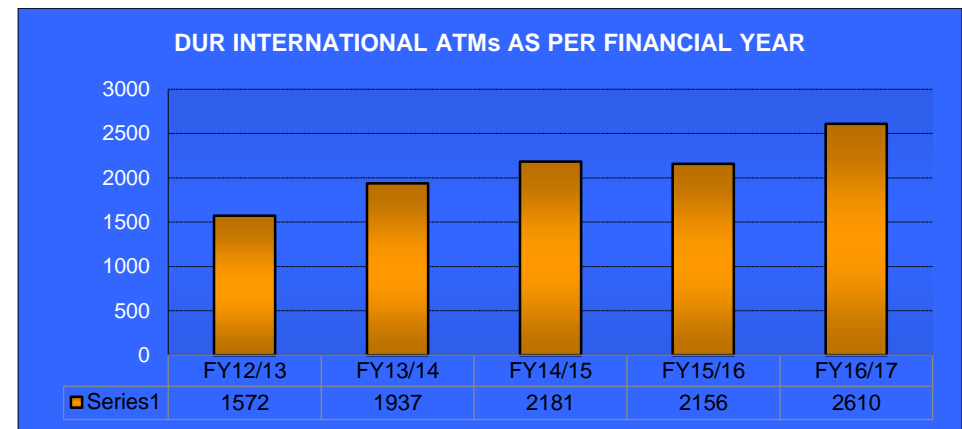
Aircraft Movement: King Shaka International Airport



Source: ACSA Durban

The above graph shows the annual domestic aircraft movements at King Shaka International Airport for the 2012/12 to the 2016/17 financial periods. There was an increase of 7.1% in movements between 15/16 and 16/17, however there was a 3-year dip during 13/14 through to 15/16 and may be attributed to the high cost of fuel and the general slow-down in the national and local economies during these periods.

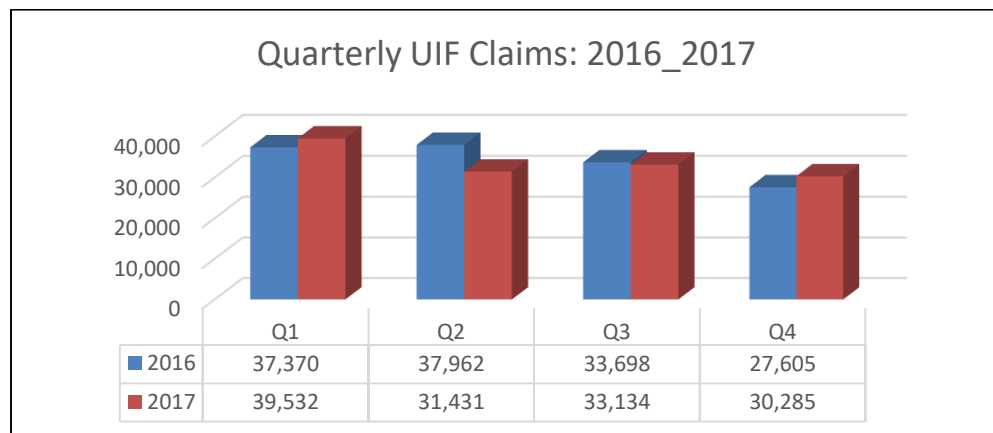
Durban International Airport Air Traffic Movements 2012-2016



The above graph shows the number of international aircraft movements at Kind Shaka International Airport for the same period. There was an increase of 21.1% of movements during 15/16 and 16/17 and a generally modest increase since during 12/13 to 14/15 and a slight dip in 15/16. According to the Airports Company South Africa, the country achieved historic milestones in 2016 with nine airports reaching and passing the 39 million passenger mark for the year. The country also clinched the recognition of being the top ten most on-time airports in the world recently published by UK Travel analysts OAG with Cape Town ranking 6th and Durban 10th.

2.3.5 UNEMPLOYMENT INSURANCE FUND (UIF) CLAIMS

Quarterly UIF Claims: 2016-2017: eThekweni



The number of UIF claims between 2016 and 2017 decreased by 1.65%, however, the trend between the quarters increased in the first and fourth quarters and decreased for the second and third, which probably mirrored the trends in quarterly unemployment for the eThekweni region. In the last quarter of 2017, the unemployment rate for eThekweni was 21.9% after 23.3% in the 3rd quarter. It must be noted that these trends may not correspond every quarter as there may be time-lags or delays related to the actual timing of the UIF applications.

2.3.6 KEY INSIGHTS ON DOMESTIC ISSUES

- The country's abundance of natural resources (valued in 2010 by Citigroup at US\$2.5 trillion, the largest in the world); well-developed and highly regarded banking and financial sector; strong manufacturing and growing renewable energy sectors; as well as considerable tourism potential, all contribute to its vibrant and diverse emerging market economy.
- Despite this potential, post 2009, the country's economy has grown by an average of 2.2%. The mining industry has been hard hit by the slowdown in the Chinese economy and resultant drop in commodity prices. The manufacturing sector has also been negatively impacted on and has not returned to pre-2009 growth levels. This is also driven by a number of domestic factors. Despite the sovereign credit downgrades, South Africa remains on the investment radar of global IPAs and ranks as a good investment destination.
- The recent rebound in the agricultural and mining sectors has lifted overall growth in the last 2 quarters. However, these sectors are still below optimum levels and due to their capacity to absorb unskilled and low skilled labour, their growth is important for the country.
- In terms of the country's trade data, it is notable that imports have increased rapidly over the last 10 years from Asia (China in particular). SA's has an un-unbalanced trade relation with China which is characterized largely by an export of raw materials and import of manufactured products. However, Durban enjoys a more balanced trade relationship and exports more finished goods to China than raw material. SA generally enjoys more balanced trade with Europe to which it exports value added products. Exports from SA have also increased rapidly into the rest of Africa. This points directly at the potential for SA to build stronger trade relations and an improved trade environment within Africa. The African Union's intention to create a free trade area is timely, given the move towards greater protectionism in western markets.
- EThekweni has a poorer population than the other metros, and consequently a larger proportion of its budget is spent on its social package. The city has consequently done well in addressing

poverty, relative to its metro counterparts, however, the extent to which this is sustainable is questionable.

- The city has been a top performer in the delivery of basic services and providing free basic service to poor residents which has meant that eThekwini residents are less likely to be living in poverty.
- Compared to their metro counterparts, a large proportion of eThekwini's population is unskilled or low skilled. However, the primary sectors that absorb the most unskilled and low-skilled labour (such as agriculture and mining) are very marginal in the eThekwini economy. While promoting more productive rural areas, eThekwini needs to grow tourism which can absorb some low skilled labour.
- While the tourism industry holds many opportunities, the sector is weak compared to the other large metros as eThekwini only ranks 5th among the cities for foreign visitors. While eThekwini is a strong domestic tourism destination, some segments of that market bring little value to the city. As a sector that brings in outside buying power, it is important that this sector grows.
- Despite the poorer population, low economic growth and high unemployment, the cost of development in the city is higher than in the other large metros and it is particularly difficult to find affordable housing as the cost drivers make it unattractive to the private sector, in comparison with the other cities.
- EThekwini rates as mediocre in its competitiveness across multiple dimensions and in terms of its ease of doing business. A reform action plan has been developed, however, further measures are proposed below.
- The smaller buying power in the city as a result of lower incomes and higher unemployment means that there is less disposable income to the support growth of the city's economy. It is recommended that the city aggressively pursue companies with an export focus to stimulate growth. This includes manufacturing and tourism among others.
- The city's well managed financial performance and good credit rating means that it is able to fund its developmental mandate, provided that expenditure is directed towards undertaking that are able to demonstrate real impact.

2.3.7 INFORMAL ECONOMY SUPPORT PROGRAMME (IESP)

Extreme poverty hinders human development and thus limits prospects for those working informally or formal workers and businesses to make the most of economic opportunities that might exist. Disconnected and poorly serviced neighborhoods and trading environments for residents and economic actors add to costs of operations, raise risks associated with service failures and discourage investors, consumers and visitors. Where islands of exclusivity might operate – for example in special business zones – these tend to have their prospects curtailed if workers or suppliers from other parts of the city struggle to access them timeously or efficiently. In this regard to support inclusive and sustainable economic outcomes, the system-wide economic processes of a city need to be appreciated and attended to.

EThekwini's persistent work has been in some notable experimentation in the informal economy. The City's informal economy support programme (IESP) is being extended into phase 2 after a very successful implementation of the first (pilot) phase. Targets achieved in the pilot phase are listed in the table below.

	Target	Achievement to date	% Achieved to date
New permanent jobs>	200	217	105%
Number of enterprises assisted>	81	193	238%
Number of beneficiaries trained>	120	180	150%

OVERVIEW OF THE SPATIAL ECONOMY

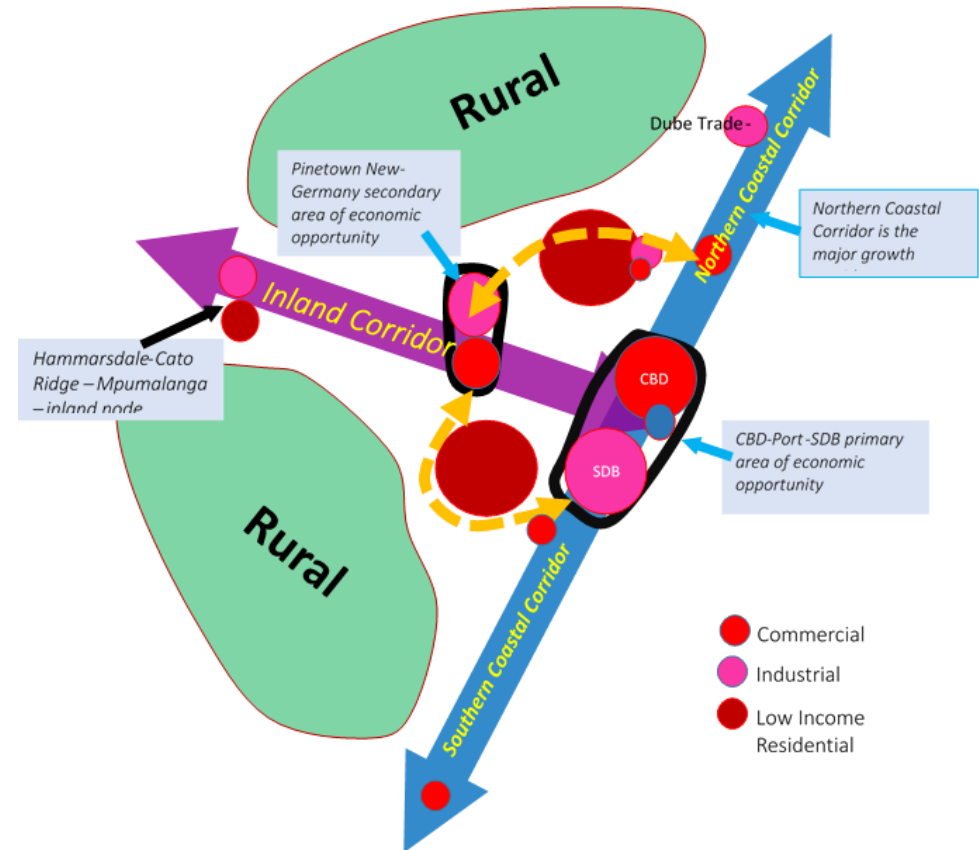
The eThekwini spatial economy is structured by the coastline to the east, the port in the central area, the east-west N3 freeway and the north-south N2. Despite the gains made towards spatial integration, these have been largely class-based, while the apartheid spatial fragmentation which relegated Black South African's to the urban fringe is still the circumstance that the urban, Black, poor find themselves in. The N3 forms the basis for the 'Inland Corridor' from the CBD to the western edge of the metro which supports commercial and industrial growth areas that occur through to Msunduzi and

connect Durban and Gauteng. The Mpumalanga Township, along with the growing greater Hammarsdale and Cato Ridge industrial areas form the western most economic cluster. The high utility of being along this strategic (SIP) corridor has attracted numerous logistics developments, which has further gained momentum following the SIP process.

The north-south 'Coastal Corridor' can be conceptualised as a Northern Corridor, stretching from north of the Inner City, and a Southern Corridor, to the south of the Inner City. There are a few economic agglomerations in the metro which are located along these corridors. The Durban Inner City, Durban Port and South Durban Basin (SDB) form the primary centre of economic agglomeration within the metro, and the area with the greatest amount of economic opportunities for the people of the city. The Pinetown-New Germany retail and industrial complex is the secondary centre of economic agglomeration as it is the second most economically significant area, being home to the strategic New Germany industrial node. A growing retail and services concentration along the Northern Corridor around Umhlanga and further north is currently the third most economically significant agglomeration, and the fastest growing investment corridor. More recently the development of Dube Trade Port IDZ has also attracted investment in the productive sectors. The conceptual diagram below illustrates this more clearly.

The section dealing with the integration zones has provided more detail in describing the areas in terms of the prime investment corridor. The diagram above deals with the broader economic context to the interventions in conceptual terms.

The traditional retail and services concentration which forms the Durban CBD has come under pressure with increasing office vacancies and declining investment in the privately-owned buildings. Major concerns have arisen around issues of urban management and crime. Despite this, emerging development activity has been noted by developers investing in inner city buildings at the precinct level, aimed at seeking to foster a new wave of urbanism, targeted at SMEs, young business people, students and those seeking the utility of the inner city. There has also been notable growth around the fringes of the Inner City.



Diagrammatic Concept of the spatial economy

The metro area is also characterized by numerous secondary CBDs which are old town centres that grew over time to ultimately form part of the metro area. The Council has a renewal programme which includes investment into the public domain of these nodes, as well as improvements in urban management. In addition, there are a number of catalytic projects targeted in the Inner City as well as in the northern and inland corridors that seek to stimulate investment and economic development.

In terms of economic performance, there is currently a dearth of local economic data. The City is attempting to resolve this situation through

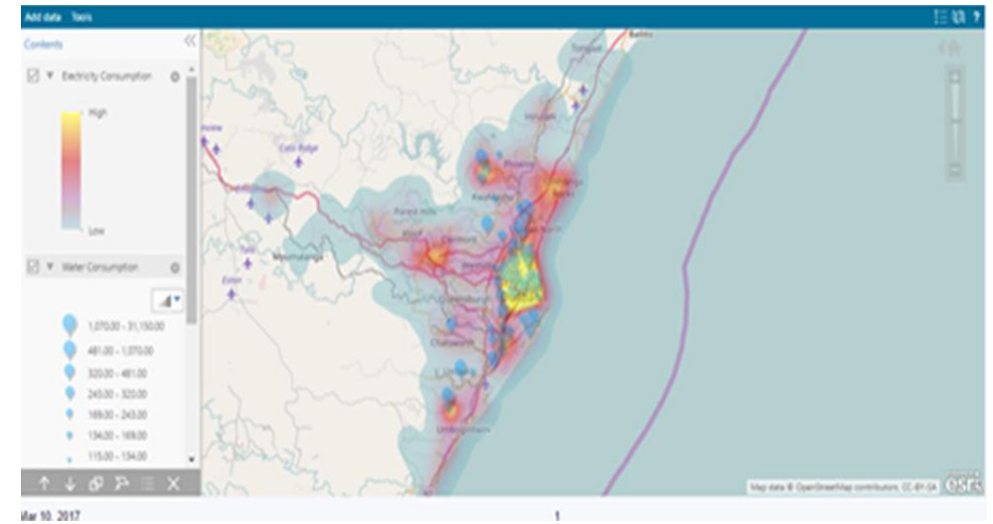
processes that will take some time before they yield results. As such, at this stage, there is no spatial-economic data that is readily available. To this end, the ED & IP Unit has attempted to access required data from various sources across the spheres of government with no success. Subsequently, the City has embarked on the development of a Spatial Economic Database of Business which will provide information on business location, size, type and jobs created amongst other important fields. Through the creation of a warehouse of City administrative data, the data sources include revenue data (e.g. water and electricity consumption), valuation roll data, service provider database, amongst other available sources. This approach was a testing ground for the creation of comprehensive business data for the jurisdiction of eThekweni and a critical source of information for forward planning. The following analyses demonstrate some of the outputs which may be deemed reliable as economic indicators and performance in the City.

PROPERTY MARKET VALUES

The property values are an indication of rates revenue generated by the City. Major investment in property is lies along the 'integration zone' along the coast as well as extending into the western N3 Corridor. These include both residential, commercial and industrial properties. It is also noted that the Dube Trade Zone reflects similar high value property, indicating that the increase in investment in the industrial and commercial sector is significant.

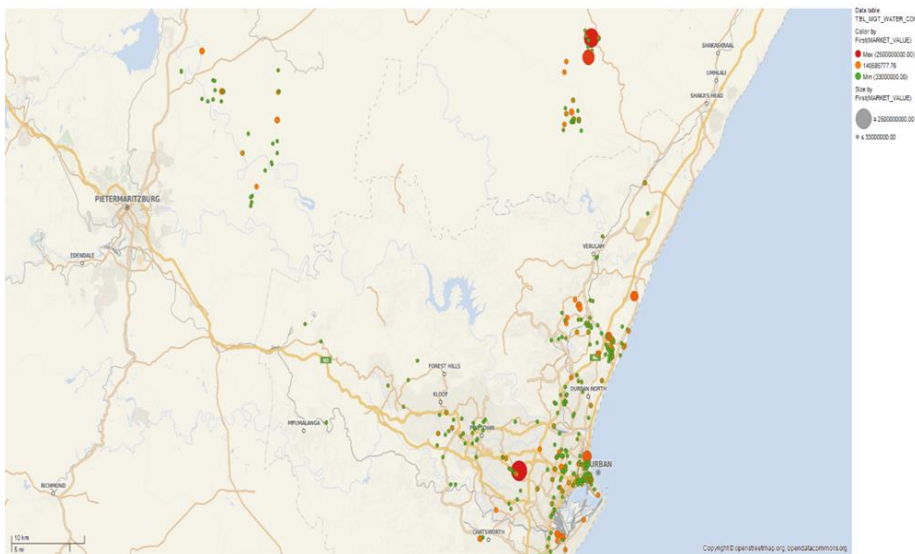
ELECTRICITY AND WATER CONSUMPTION

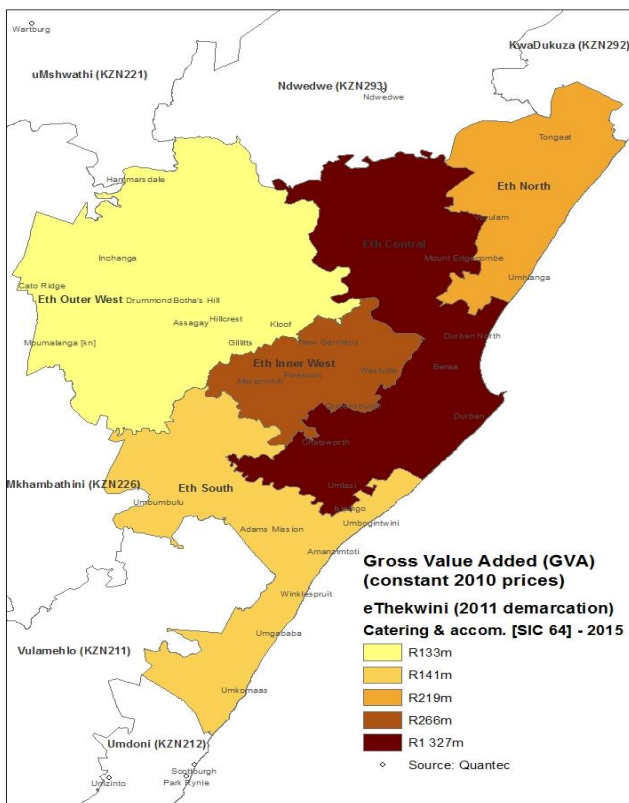
The Figure below indicates the water and electricity consumption eThekweni-wide. High consumption is noted in the Central Region where economic activity is prominent, however, the demand in the Inner-City Region reflects the demand in the industrial areas for water and electricity utilities. The Inner-City Region is primarily industrial and commercial with feeder residential areas.



GROSS VALUE ADD: SECTOR - CATERING AND ACCOMMODATION

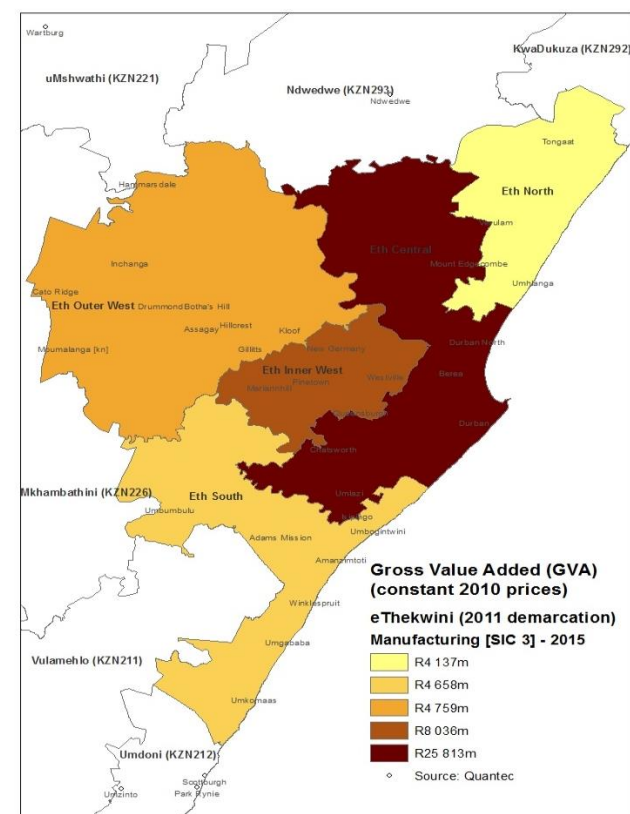
A high 63.5% of Catering and Accommodation GVA is generated in the Central Region followed by 12% in the Inner West and 10% in the north.





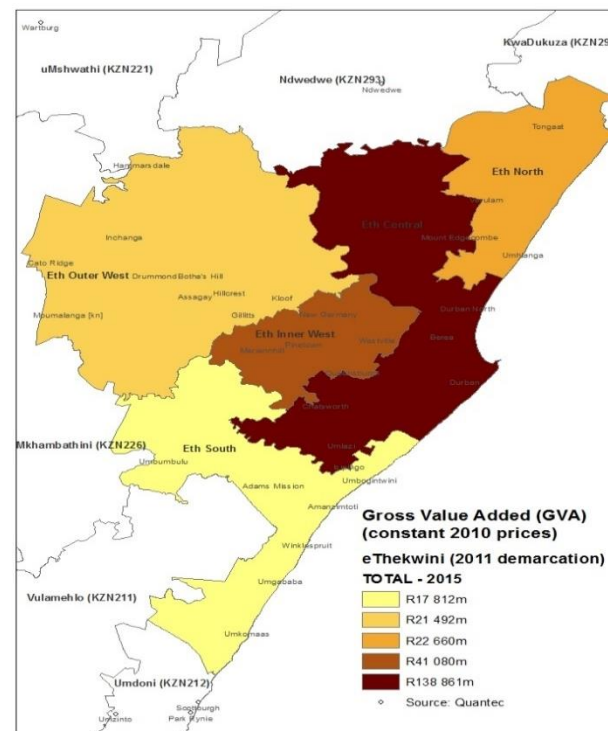
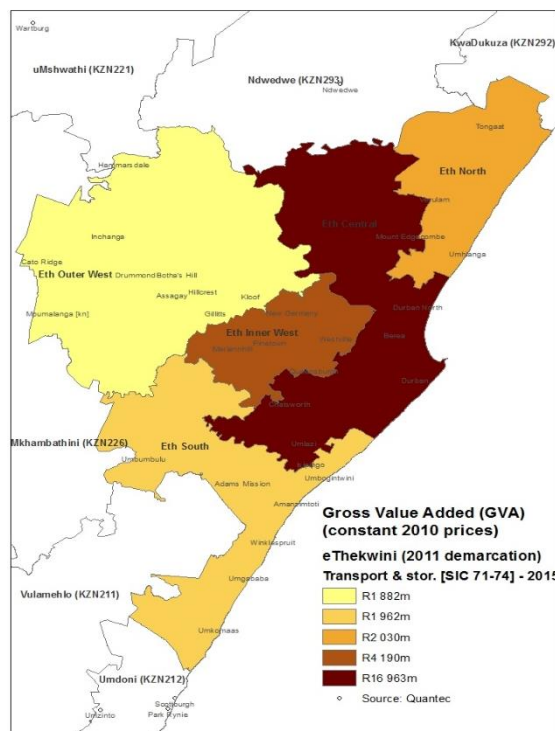
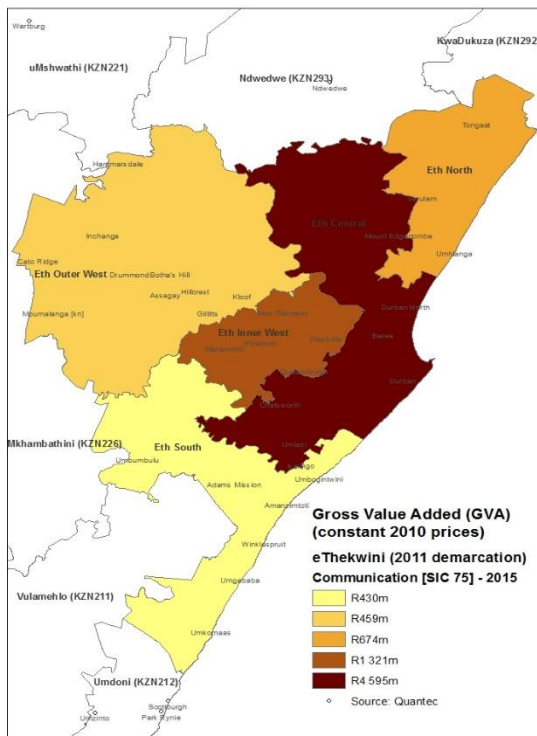
GROSS VALUE ADD: SECTOR – MANUFACTURING

The map below depicts the GVA contribution by the Manufacturing Sector per region namely: north, south, west and central within the eThekweni Municipality. An estimated 54% of all manufacturing GVA occurs in the City's Central Region followed by 17% in the Inner West. Statistics indicate that the proportion of manufacturing GVA increase marginally in the northern and both western regions and decreased in the Central Region. This could be an indication the exodus of industrial activity and investment to the north of the City. A slight proportional decrease has been noted in the southern regions.



GROSS VALUE ADD: SECTOR - COMMUNICATIONS

The map below depicts GVA in the postal, telecommunication, and information services, computer programming, broadcasting, film-making, publishing and business process outsourcing sectors. Approximately, 61.4% of the City's Communication sector GVA can be accounted for in Central Region. However, a proportional decrease has been noted in Central since 2010 when GVA in the Communication sector was 64%. All other regions in the City have noted a proportional increase in Communication sector GVA.



GROSS VALUE ADD: SECTOR – TRANSPORT AND STORAGE

The largest proportional representation in the Transport and Storage Sector lies in the Central Region, it accounts for 63% due to the Port activities. In the Outer West 7% and the Inner west which lies along the western arterial accounts for 15.5% of GVA. It is noted that the T-zone or the Integration Zone that sits along the coast and extends to the western areas accounts for over 85.2% of all GVA in the Transport and Storage Sector. In 2010 85.7% GVA contribution was noted along the same route, indicating, a proportional

decrease in 2015. Most of the decrease may be attributed to the increase in industrial and trade activities in the Northern Regions.

ETHEKWINI TOTAL GROSS VALUE ADD PER REGION

The map above depicts the GVA for the entire eThekweni Municipal Area. Almost 60% of GVA is generated in the Central Region. The Central and Inner West Regions account for almost 75% of all GVA generated in eThekweni.

ETHEKWINI INDUSTRIAL REVITALISATION

INTRODUCTION AND CONTEXT

The Economic Development and Job Creation Strategy (2013) identifies key sectors which contribute to growing the local economy and creating jobs. These include Manufacturing, Information and Communications Technology (ICT), Business Process Outsourcing (BPO), the Green Economy, Tourism and, Maritime and Logistics. In order to support and enhance economic activities in these sectors an initial spatial analysis of regions within the City was undertaken which indicated that the major industrial areas in the Central, South and West of the Municipality were in decline, also indicating that the newer more aesthetically appealing and more accessible areas in the north were growing. Further, empirical investigations and pilot studies realized that although the older industrial areas were fully serviced, economic activity was in decline. These findings were commensurate with national statistics indicating that industrial areas in the South African context are desperately in need of intervention as many industrial sites in ideal serviced locations have become dilapidated and are now no longer being utilized to their full potential. These sites have become contaminated due to negligence which may be attributed to various reasons, however, at the same time it creates a unique opportunity to inject change in response to emerging trends.

The industrial revitalization pilot study selected 3 industrial areas for renewal which are located within the primary and secondary areas of concentration in the metro, as outlined in the overview. It is envisaged that once these have advanced, the renewal will be rolled out to other industrial areas within the metro. The 3 consist of the following:

- Bayhead: this area is of strategic importance as it forms the port and city interface and is the industrial area that is in closest proximity to the port. Hence it is a strategic area for import and export activity and firms that are wanting to minimize on logistics time and costs by being located as close as possible to the port. However, this area operates sub-optimally and this initiative is intended to improve this, while identifying new opportunities for export manufacturing;

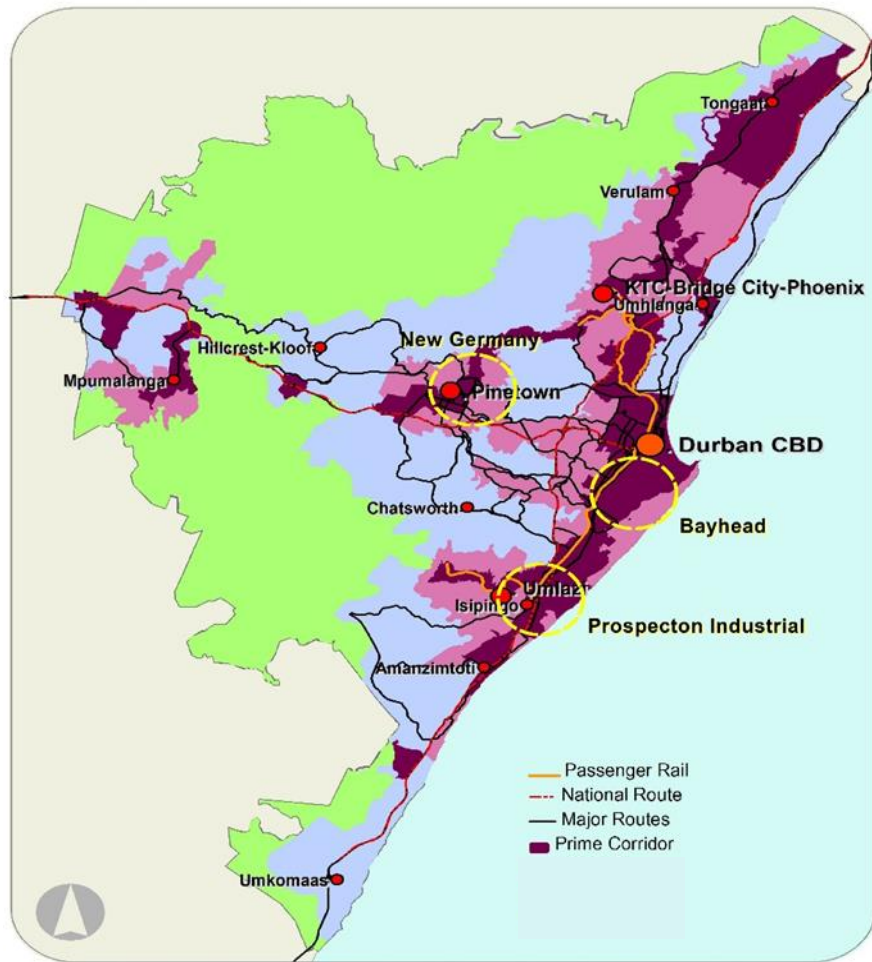
- Prospecton: this industrial area is home to strategic manufacturing businesses which include large firms such as Toyota SA; SAB and numerous chemical and plastics companies; and
- New Germany: this industrial node located near Pinetown is a concentration of medium sized manufacturing firms, many of which are suppliers into the automotive sector, and other engineering businesses. There is a high concentration of manufacturing businesses in this area and this supports the strategic intent of the city to revitalize manufacturing capabilities within the city.

The eThekweni Municipality is committed to improving the quality of life and living environments for all citizens as described in the IDP, and one way to achieve this is to boost its industrial sectors at all levels by improving the aesthetics of the physical environment, attracting more investment and creating jobs. In light of the above, and following recommendations from pre-feasibility studies undertaken in brownfield areas within the City, the need for a response to the endemic crises was necessary. Intervention was required on several factors that directly and indirectly impact the industrial sector such as – (a) government policies, (b) delays in the planning process, (c) the high cost of industrial land, (d) the costs for bulk infrastructure and services, (e) environmental challenges, (f) poor investor confidence / incentives, (g) global and local economic conditions and (h) poor branding. Against this backdrop, the Industrial Revitalisation Programme was conceptualized. The initial intervention is aimed at employing an urban design lens and to generate a framework that would principally guide and inform a set of clearly defined projects to be achieved in the short, medium and long term. Ultimately, the outcome of these projects is to rejuvenate these declining industrial areas which must be measurable and evaluated against an agreed set of objectives.

PROJECT DELIVERABLES

In light of the above, the City has initiated a Project entitled Industrial Revitalisation: Urban Design Upgrade for New Germany, Prospecton and the Bayhead areas which are in steady decline. These areas are located in key economic hubs along the eThekweni Prime Investment Corridor, C3 Corridor and adjacent to the Port – their spatial location can be seen on the map below. It is for this reason that these areas were chosen as pilot case studies

so that we may explore, learn and test models and approaches to rejuvenating well located but ailing industrial areas.



The project will generate implementable upgrade plans for the three case study areas. The second important deliverable of this project is to provide a guiding framework to engage re-development in all declining industrial areas across eThekweni. Project outputs include the development of urban design framework plans to revitalize the three areas.

ETHEKWINI INDUSTRIAL REVITALISATION FRAMEWORK

The second output for this project pertains to the development of an Industrial Revitalisation Framework for eThekweni Municipality. This Framework strategy should be implementable across the City for the purposes of revitalizing and upgrading industrial areas. This Framework should be guided by international best practice models as well as learnings emanating from the Industrial Revitalisation Urban Design Upgrade Study of the three enlisted case areas.

It is imperative that the Framework strategy pays particular attention to the following pillars identified as key to the enquiry in the Prospecton, New Germany and Bayhead case studies and should form the building blocks in the proposed Industrial Revitalisation Framework for the entire City:

- Work stream 1 – Transit-Oriented Development;
- Work stream 2 – Urban Management – to focus on issues of crime and grime, area-based management and UIPs and finding sustainable standards of delivery;
- Work stream 3 – Infrastructure Assessments – to look at the core infrastructure concerns facing the area;
- Work stream 4 – Business Retention and Expansion – to focus on attracting new investment, skills development, and possible investment incentives;
- Work stream 5 – Town Planning Assessments – to understand land uses and pressure points;
- Work Stream 6 - Information Technology Assessments; and
- Work stream 7 - Marketing and Branding.

This output's strategic intent is to apply the model/ strategies/ approach recommended in the Industrial Revitalisation (IR) Framework to all other industrial areas within the municipality. The duration of the project is 18 months, commencing 01 July 2017 and ending 31 December 2018. It is envisaged that an integrated implementation approach will engage all line departments in accordance with their function and expertise to effect re-development in the identified industrial areas.

MARGINALISED RESIDENTIAL AREAS

OVERVIEW OF PROBLEM

Marginalised areas are a key component of the BEPP and they are the priority areas of expenditure of the USDG funds. The Marginalised Areas comprise Townships, Ex-Own Affairs Areas and Traditional Areas, and affect over 400,000 households, about 45% of the total number of households in eThekweni.

DISJUNCTURE BETWEEN LOW INCOME RESIDENTIAL AREAS AND AREAS OF EMPLOYMENT

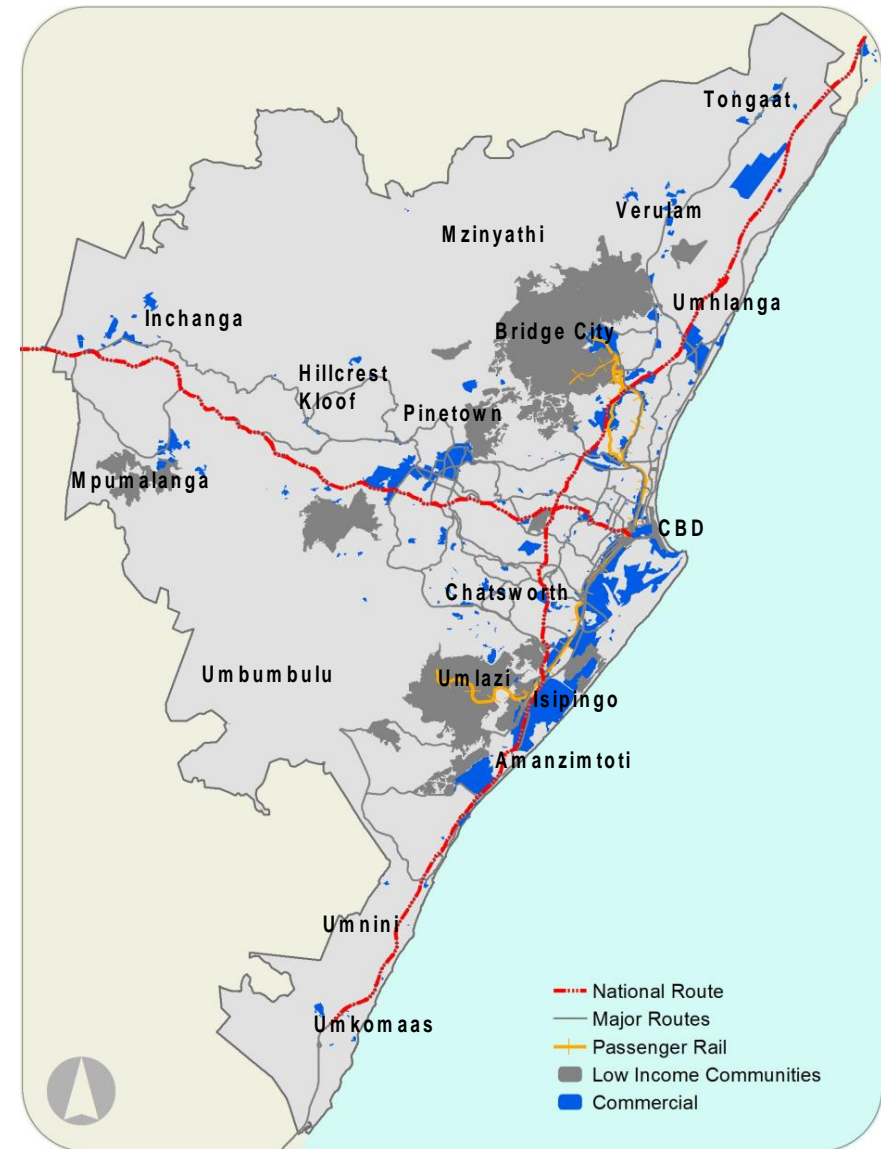
As in most SA cities, jobs are not where the people live, and vacant land for housing is not where the jobs are. Most jobs in the manufacturing, warehousing and transport industry are located in the centre, south and west of the municipality but a large number of workers live in the north. The economic and residential growth axis is now towards the North. This has been a trend for the last decade and the momentum is increasing with the development of the Greater DTP and Greater Cornubia.

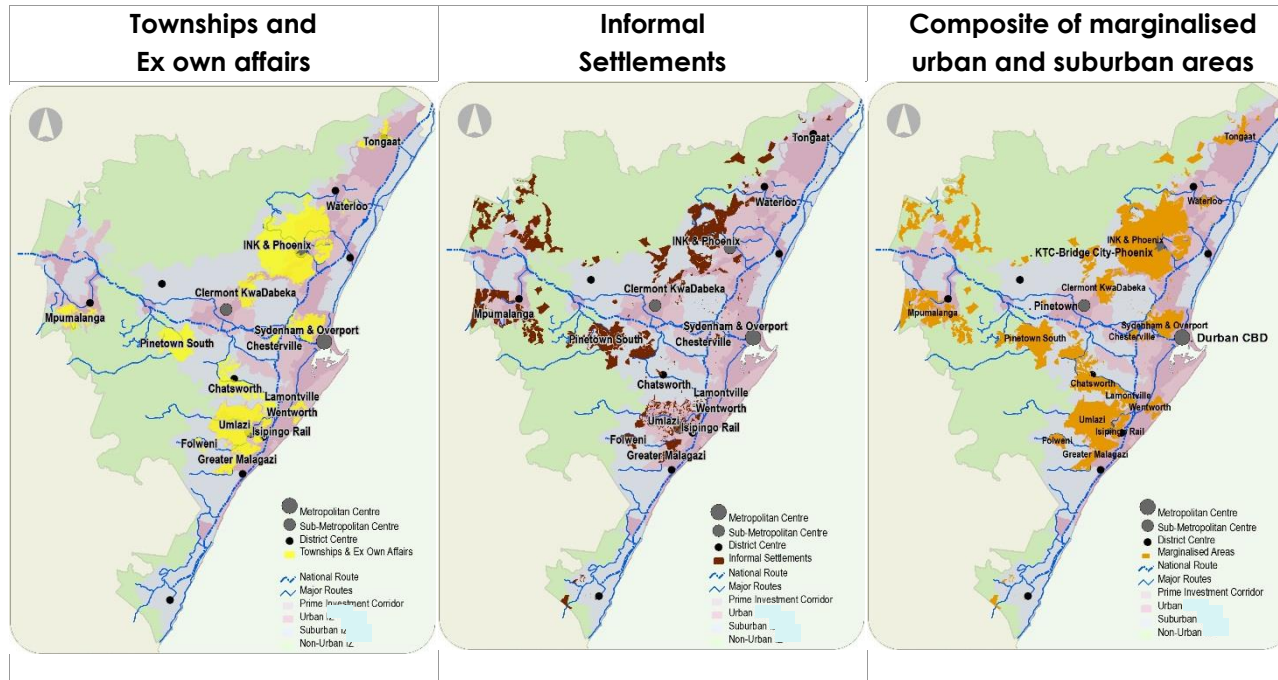
URBAN AND SUBURBAN MARGINALISED AREAS

eThekweni has a backlog of approximately 238,000 families in informal structures, mainly in and around existing Townships and Ex-Own Affairs Areas, which themselves suffer from poor connectivity, low levels of economic development, variable levels of access to basic social facilities, and generally poor urban quality. Based on an average delivery of 6,000 serviced dwellings per annum, it will take generations to fully upgrade all the informal settlements. There is also the imperative to spatially transform metropolitan areas through substantial improvements to the access of the poor to economic and social opportunities. The maps below show the geographic location of townships, ex-Own Affairs and informal settlements

To respond to both the fact that the formal housing programme is taking too long to respond to the housing need as well as the urgent need for improved access to urban opportunities, eThekweni will prioritise those human settlement projects that are well located and where intervention could make a significant contribution to spatial transformation. In parallel, the Municipality will provide incremental services to the tens of thousands of

families living in informal structures in the less well-located and usually suburban locations. This kind of strategy is beginning to emerge at national level as well.





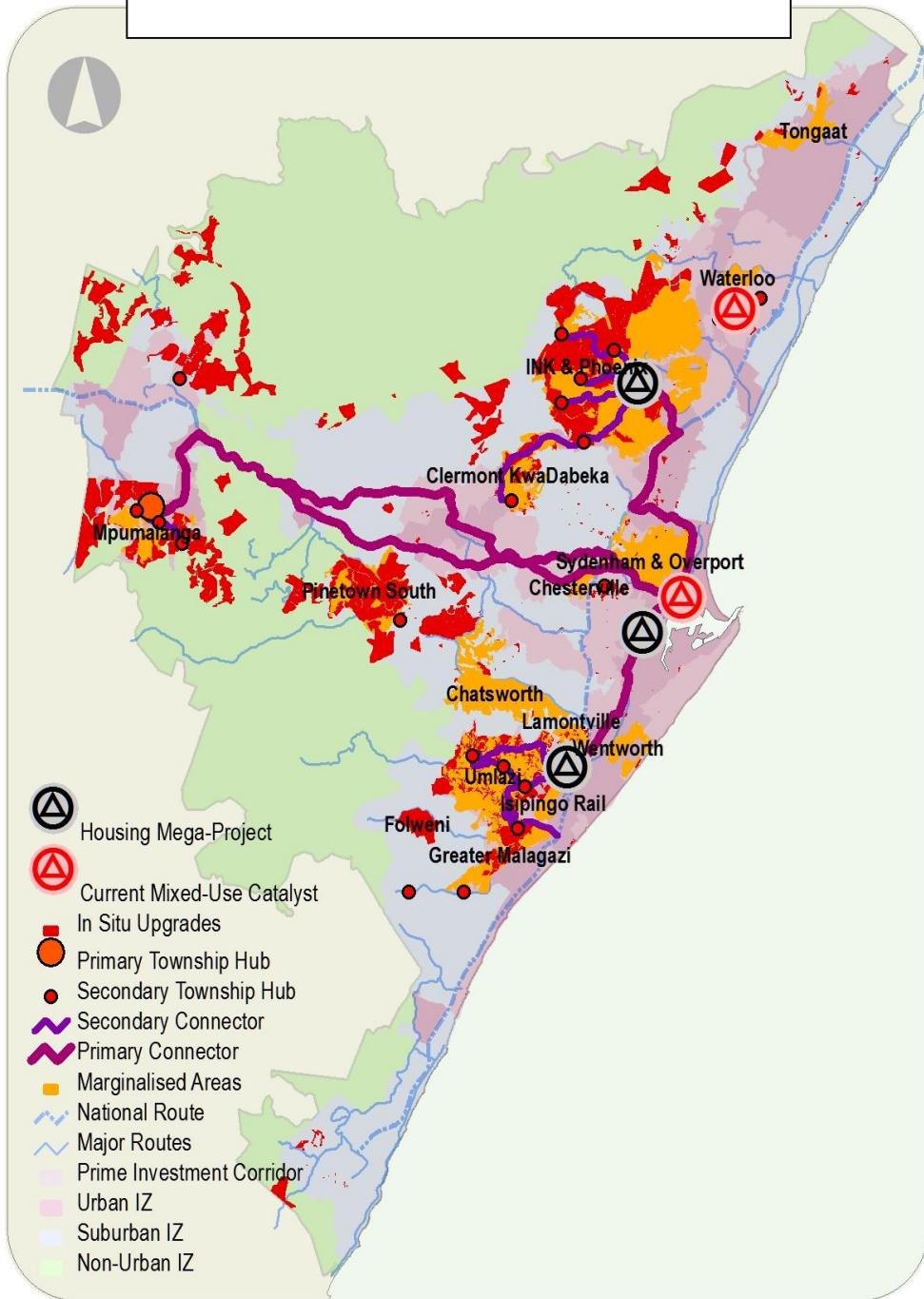
The Municipality has several responses to Marginalised Areas. These include:

- Connecting and upgrading townships through the public transport roll-out and the Urban Network Strategy (Hubs & Connectors);
- Social Facility provision via a hierarchy of social facility nodes;
- Developing large scale and mixed land use housing projects through the Housing Catalytic/Mega Projects programme;
- Provision of a suite of basic services via the Incremental Services to Informal Settlements programme;

- Provision of serviced sites and top structures via the Housing Upgrading Program; and
- Facilitating the provision of institutional and social housing in transit corridors.

These programmes can be seen spatially on the map below and more detail is provided for each programme.

COMPOSITE RESPONSE TO MARGINALISED AREAS

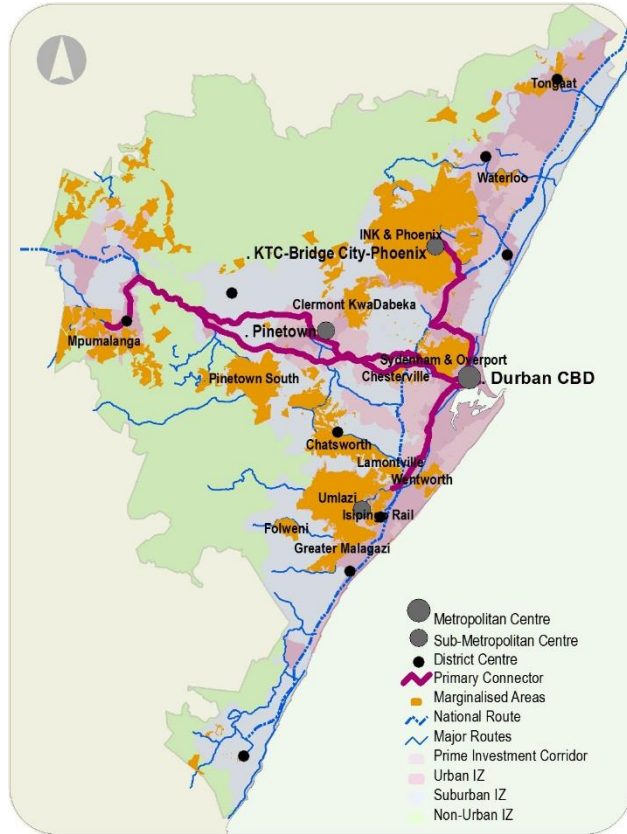


CONNECTING TOWNSHIPS VIA THE URBAN NETWORK STRATEGY

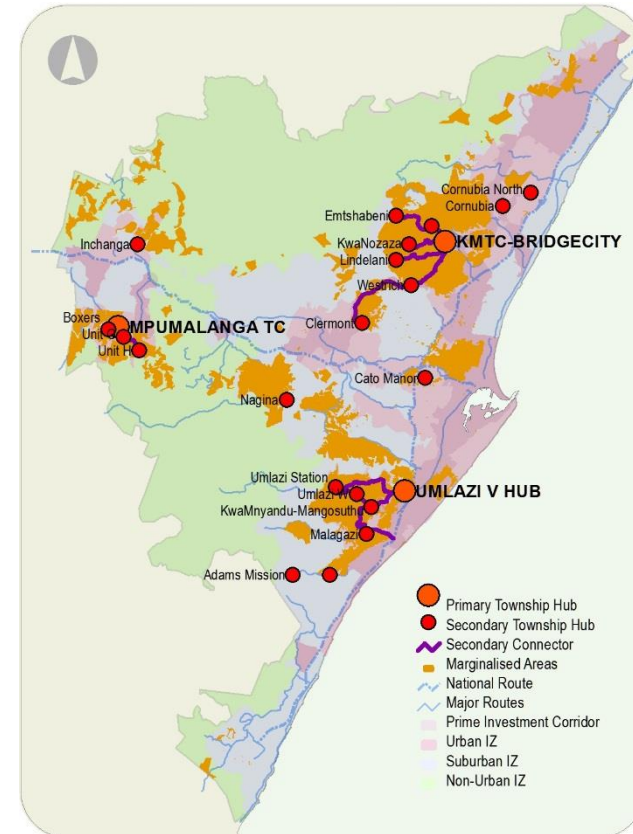
The Municipality recognises Mpumalanga Town Centre, Umlazi V Node, and Bridge City as Primary Township Hubs, which will benefit from investments focused on connecting them more strongly to the CBD and Pinetown through road and rail improvements, and through improvements to public transport interchanges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

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CONNECTING TOWNSHIPS TO CBDs



BS AND SECONDARY CONNECTORS



SOCIAL FACILITY NODES

This is outlined in more detail in the social facilities section which is in Part C of this document. However, in so far as neighbourhood level facilities such as parks, schools etc. it is crucial that these facilities are incorporated into the layouts of housing projects and that budgets are programmed in the MTEF to align with the construction of houses. This requires collaboration and integration within the municipality and with provincial departments.

eTHEKWINI HOUSING SECTOR PLAN (EHSP)

The Housing Sector Plan which is pitched at a strategy level, was approved by Council in June 2017. Currently the Plan is limited at this stage to fully and partly subsidised residential infrastructure. This edition of the EHSP covers the five-year IDP period 2016-17 to 2020-21. It however frames the five year period within a time horizon for the following four MTEF's, from 2016-17 to 2028-29. A multiple MTEF period has been specifically selected because the housing program and project cycle, in eThekweni's experience, is typically long-term.

The purpose of setting a long-term horizon is to create increased certainty around capital budgeting for and procurements by the Municipality, and also for other spheres that have a human settlement function (most notably education and health).

STRATEGY EMPHASES AND BENEFITS

Strategy	Spatial and Social Transformation Benefits
Incremental Services to Informal Settlements and freedom from fear of eviction for the poor	<ul style="list-style-type: none"> Provision of core and social infrastructure Eradication of core infrastructure backlogs Informal tenure Inclusion of the poor
Densification in Urban and Suburban Integration Zones	<ul style="list-style-type: none"> Greater choice of where to live Improved thresholds for economic development and public transport
Increased focus on Rental	<ul style="list-style-type: none"> More efficient use of core infrastructure and social infrastructure, Livelier property market
Increased focus on main streaming subsidised housing into the Property Market	<ul style="list-style-type: none"> Inclusion of the poor Inclusion of Lower-Middle income groups Stimulation of the Gap market segment Livelier property market
Mix of medium term big bangs and long-term steady programs	Encourages investment into the built environment by entities big and small, and by households

PRIORITISED PROGRAMS

The Municipality has numerous housing programs, however the programs that have been prioritised in this edition of the EHSP are:

- Housing Catalytic Projects;
- Incremental Services to Informal Settlements;
- Institutional and Social Housing;
- Affordable Housing;
- Upgrades and Greenfields;
- Retrofit of Engineering Services; and

- Township Establishment, Infrastructure Handover, and Title Deed Issuing for RDP projects.

How the Prioritised Programs help to achieve spatial and social transformation

Program	Spatial and Social Transformation Benefits
Housing Catalytic Projects	<ul style="list-style-type: none"> Integrated and sustainable provision of housing opportunities Provision of core infrastructure, residential infrastructure, economic infrastructure Improved connectivity to the urban network
Incremental Services to informal settlements and freedom from fear of eviction for the poor	As for strategy of universal access to basic services
In Situ Upgrades and Greenfields	As for strategy of universal access to basic services plus creation of residential ownership stock
Township Establishment, Infrastructure Handover, and Title Deed Issuing for RDP projects	<ul style="list-style-type: none"> Formal upgrade, handover, maintenance of municipal infrastructure Cadastral subdivision
Retrofit of Engineering Services	<ul style="list-style-type: none"> Formalisation of zoning and development rights Formal tenure Livelier property market
Medium and High Density Housing – Low Income CRU, Hostel CRU, Social, Affordable, Gap	Creation of new rental and ownership residential stock More efficient use of core infrastructure & social infrastructure

The report will subsequently focus on the following prioritised programs in response to Marginalised Areas:

- Housing Catalytic Projects including Social and Affordable Housing which are key interventions amongst others in Mega Project areas;
- Incremental Services to Informal Settlements; and
- Upgrades of Informal Settlements.

HOUSING CATALYTIC PROJECTS

PROGRAM FEATURES

Housing Catalytic Projects:

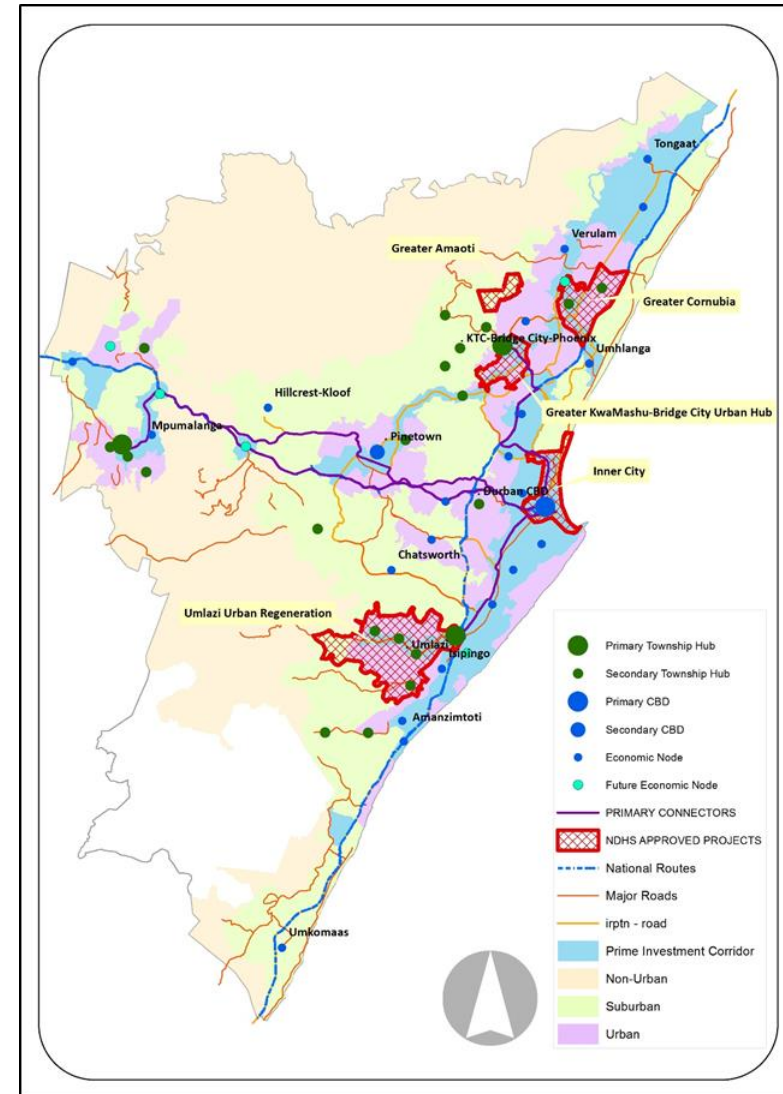
- Create complete human settlements;
- Cater for people in various income bands;
- Aim at increased densities;
- Are very well connected to public transport;
- Are large, each over 5,000 housing opportunities;
- Require major infrastructure investment;
- Require a mix of public funds;
- Aim to also leverage private investments including household investments;
- Require highly developed and multiple skills to conceptualise; and
- Have multiple stakeholders [8].

The Human Settlements Unit champions five catalytic projects (shown on the map opposite), namely:

- Greater Cornubia (comprising Cornubia Phases 1 and 2 and Cornubia North);
- KwaMashu-Bridge City Urban Hub;
- Inner City;
- Greater Amaoti Informal Settlement Cluster; and
- Umlazi Urban Regeneration;

Housing Catalytic Projects are strategically located within or near to the Integration Zone or Prime Investment Corridor (PIC). All of projects are either in the PIC or immediately adjacent in the Urban areas, except for Amaoti,

which is in the Suburban area, and which therefore will be slightly less intensively developed than the others.



PROGRAM SCALE

The program intends to deliver about **105,000** housing opportunities. It is also intended to deliver numerous permanent jobs for maintenance of core infrastructure, operations of social facilities, staffing in local businesses etc.

PROGRAM ORIGIN AND DURATION

Cornubia pre-dates the program start and serves as a process template for the other Housing Catalytic Projects. The program began to be conceptualised just over two years ago, and elements of it appeared in the BEPP 2014-15. It was expressed as a deliberate program in the form of a submission to the National Department of Human Settlements (NDHS) in 2015. The program is likely to run for about two decades. The NDHS has subsequently approved the Inner City, Cornubia, Umlazi, KwaMashu Bridge City Hub and Greater Amaoti as Housing Catalytic Projects.

PIPELINE OF MEGA PROJECTS

Project	Integration Zone	Housing Project Stages (as per phase)	2018/19 Budget Rm	2019/20 Budget Rm	2020/21 Budget Rm	Total MTEF Rm
Greater Cornubia	Prime Corridor and Urban	Implementation	108	60	234	402
Greater Amaoti	Suburban	Packaging and Implementation	186	120	142	448
Umlazi Urban Regeneration	Prime Corridor and Urban	Packaging and Implementation	196	154	159	509
Inner City	Prime Corridor	Feasibility	263	374	384	1021
KwaMashu-Bridge City Urban Hub	Prime Corridor and Urban	Conceptual and Packaging	79	75	82	236
TOTAL			832	783	1001	2616

The Table above represents the budgets of all Municipal departments within the Housing Catalytic Projects. Only five of the original seven Catalytic Projects (the other two being Avoca North and Mpumulanga) have been approved by the NDHS. Assessment of Mpumulanga and the implementation of specific projects will continue. In the case of Avoca North preliminary feasibility assessments are suggesting that it will be expensive to implement at this point.

BUDGET REQUIREMENTS AND FUNDING SOURCES

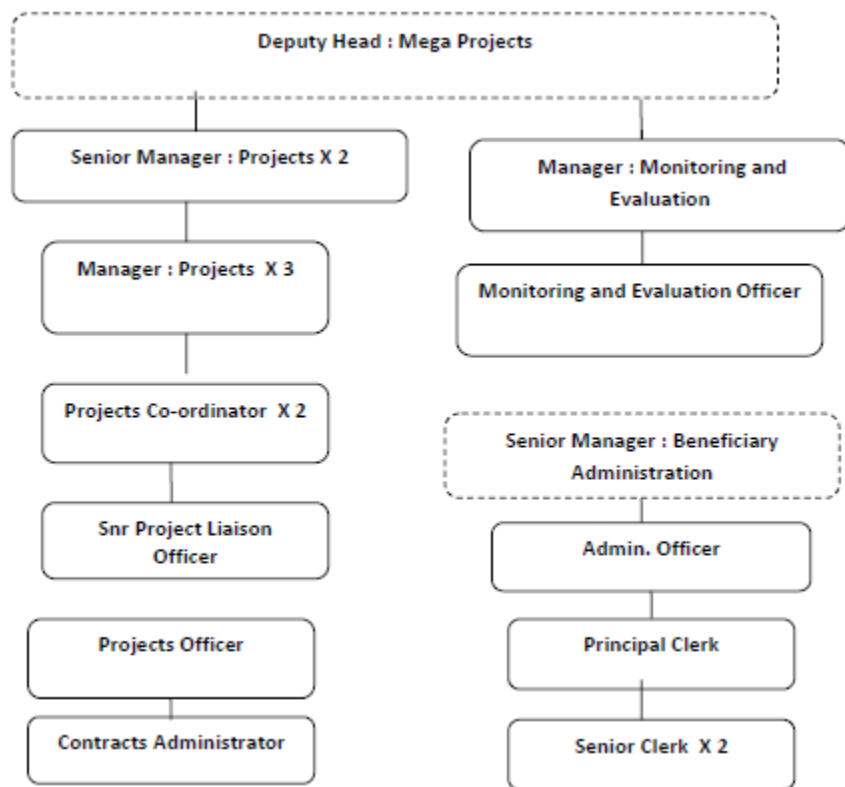
The program requires about R85 bn in capital investments at current prices, once Avoca North and Mpumulanga are removed. R3.2 bn appears in the capital budget for the current MTEF. Potential funding sources include:

- USDG;
- HSDG;
- Municipal Funds;
- Other spheres for some of the social infrastructure, particularly schools and clinics;
- Other spheres for some of the core infrastructure, particularly provincial or national routes, bridges and interchanges; and/or
- Private Investments, particularly for the development of commercial sites, and for developer contributions to core infrastructure.

CAPACITY OR SYSTEMIC REQUIREMENTS

A full-time multi-disciplinary project team of four to six people plus a pool of internal or external consultants would be the optimum arrangement needed for every Housing Mega-Project. This level of resourcing is not currently in place, and attention will be given by the Human Settlements Unit and the Municipality during the current MTEF to adequately resource the Housing Mega-Projects.

Captured below is a draft organogram for a dedicated department headed by a Deputy Head who would report to the Head of Human Settlements. This proposal is currently under consideration for approval and for the necessary funding to be allocated from the USDG, given the withdrawal of the Municipal Human Settlements Capacity Grant (MHSCG) which was meant to fund such structures.



Social and Affordable Housing are key components to ensuring that Mega Projects are truly integrated through the provision of a range of housing types and income levels. These programs are briefly outlined below.

INSTITUTIONAL AND SOCIAL HOUSING

PROGRAM FEATURES

The aim of Institutional Housing is to subsidise the capital costs of creating rental stock for income groups between R1,500 and R3,500 per month. The program is typically implemented by non-profit organisations (NPO's).

Social Housing covers rental stock for income groups between R1,500 and R7,500. Social Housing may result in refurbishments or new-builds. The program is implemented exclusively by Social Housing Institutions. Questions have been raised whether the income targets are sustainable under the available subsidy scheme quantum and given the operating costs required to meet the set standards. The Social Housing Program needs to be viewed alongside a Private Rental sub-market, which targets a similar income band, and does so without subsidy, and without the building and operating standards.

LOCATIONAL CRITERIA

Institutional Housing may be applied anywhere. Social Housing Program must be in Restructuring Zones, which are identified by municipalities and approved by NDHS.

PROGRAM SCALE

These programs have been small scale. The 2015-16 national review of the housing policies and subsidies however recognises that Social Housing plays an important city-building role and is intended to be significantly up-scaled. Available statistics and plans suggest there is scope for a program of 100,000 units in either the Social or Private Rental sub-markets in the Durban CBD alone. Added to that the intention that Housing Mega-Projects should aim at a quarter to a third of residential units to be rentals, then there is scope for another 60,000 rental units.

PROGRAM ORIGIN AND DURATION

Housing for Special Needs and Vulnerable Groups has been traditionally supplied by faith-based and secular NPO's for over a century. Social Housing is however a relatively modern variation on public rental housing stock. The program is a long-term one.

BUDGET REQUIREMENTS AND FUNDING SOURCES

Assuming a first phase of 10,000 units, then the capital requirements excluding land acquisition will be in the order of R 3 Bn. Current capital funding sources include:

- Restructuring Grants;
- Institutional Housing Subsidies;

- Private Equity; and
- Development Finance.

CAPACITY OR SYSTEMIC REQUIREMENTS

The municipality's role is to facilitate investments by SHI's and NPO's. Social Housing is intended as a component for most of the Housing Mega-Projects. The capacity that is required to be developed by the Municipality is improved market intelligence on the sub-market size and profile, and on customer and supplier interest in the targeted locations. Where the Municipality avails its own properties for Social Housing at a discount (as has been the case in the past) or via a lease, or where it wishes to acquire land for social housing, then the capability to compile technical plans and strategic business plans needs to be developed. Given the small scale of the program delivery to date, there will be a need for the number and supply capacity of SHI's to be enhanced.

AFFORDABLE HOUSING

PROGRAM FEATURES

To assist households in the affordable housing market the national government avails financial assistance to individual households with monthly incomes of R 3,500 to R 15,000 who are often excluded from the bond market. The government assistance takes the form of assistance related to down payments for mortgage (Finance Linked Individual Subsidy Program - FLISP) and Mortgage Insurance. Mortgage Insurance has been included in Outcome 8, with a target of assisting 600,000 households countrywide but this program is not operational yet. "This Program [FLISP] provides access to state assistance where qualifying households wish to acquire an existing house or a vacant serviced residential stand, linked to a house construction contract through an approved mortgage loan. These properties are available in the normal secondary housing market or have been developed, as part of projects not financed through one of the National

Housing Programs. The Program encourages the growth of the secondary residential property market achieving an objective of the Comprehensive Plan for the Creation of Sustainable Human Settlements." [9]

Affordable housing is developed by private developers. The city takes on a facilitating role by:

- Selling well-located land (infill locations) to developers at cost; and
- Allocating the units to households in the affordable income bracket.

LOCATIONAL CRITERIA

Preferably in the PIC but will be considered if accessibly located within the Urban and Suburban areas. This program is intended to play a role in establishing socially integrated suburbs. In eThekweni, the most prominent project in this regard is Cornubia where a mix of housing types for different income groups is planned.

BUDGET REQUIREMENTS AND FUNDING SOURCES

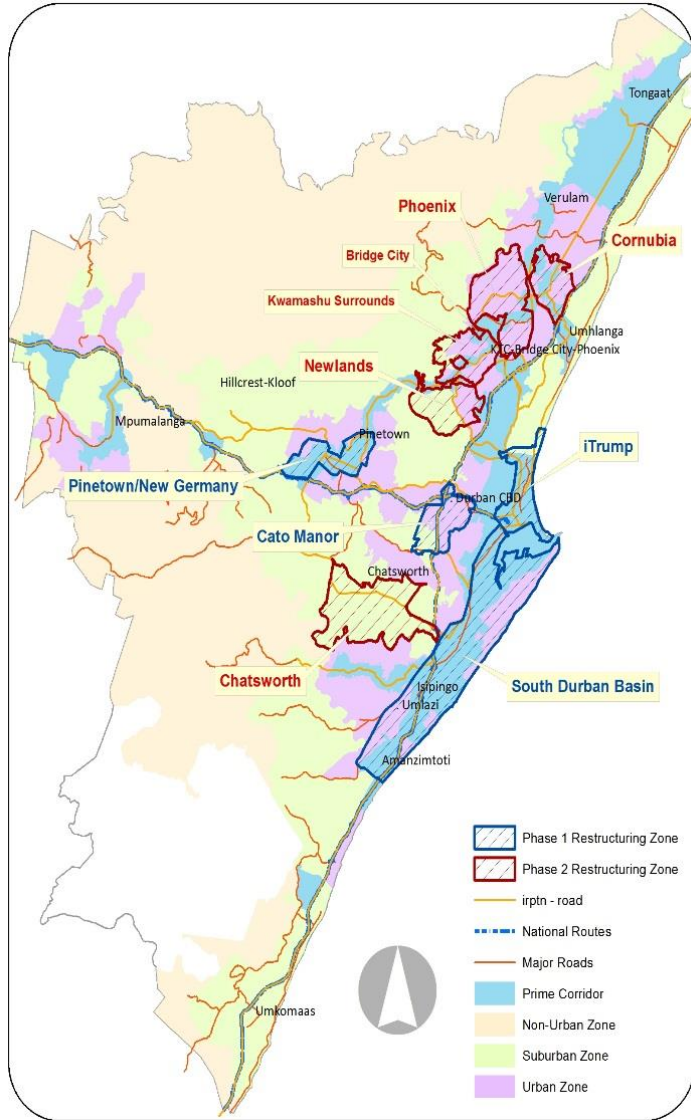
- FLISP;
- Mortgage Insurance; and
- Land sales at cost (indirect Municipal funding support).

SOCIAL AND AFFORDABLE HOUSING PIPELINE

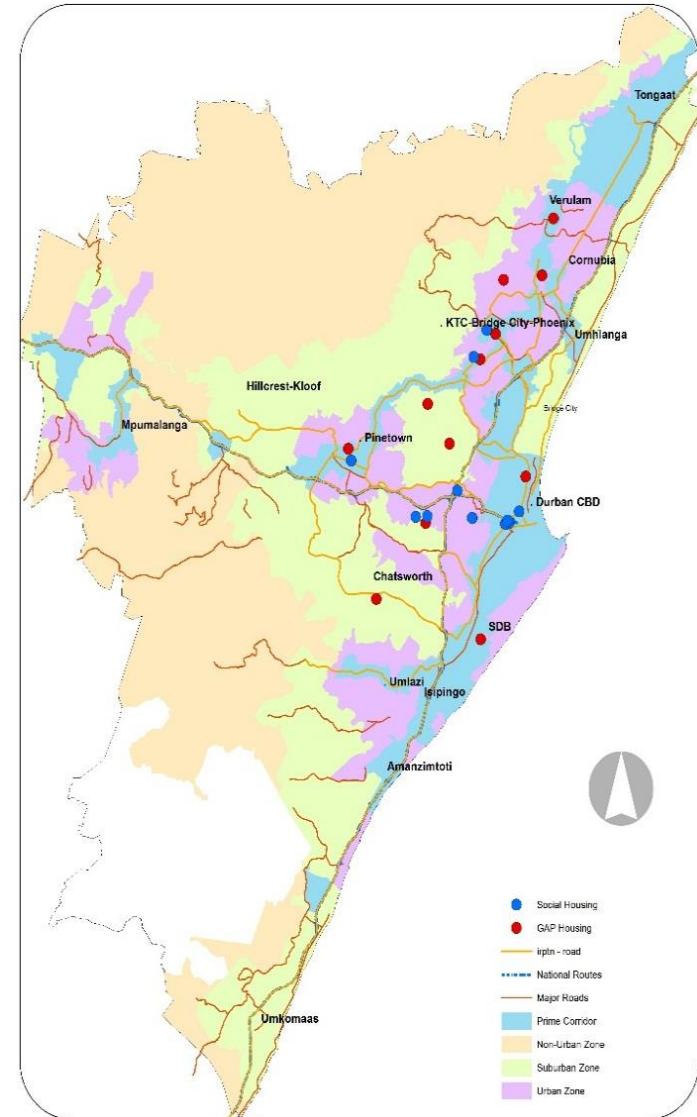
The Social Housing Regulatory Authority (SHRA) in conjunction with the Housing Development Agency (HDA), KwaZulu Natal Department of Human Settlements and eThekweni Municipality have issued a RFB for detailed feasibility studies for a range of social housing projects in the Inner City and the Bridge City and KwaMashu Town Centre catalytic housing projects. The Maps below outline the Restructuring Zones as well as the location of all Social and Affordable/Gap Housing Projects.

9 The National Housing Code, 2009: Part 1 Simplified Guide to the National Housing Code. Department of Human Settlements. 2009

Restructuring Zones



Social and Affordable/Gap Housing Projects



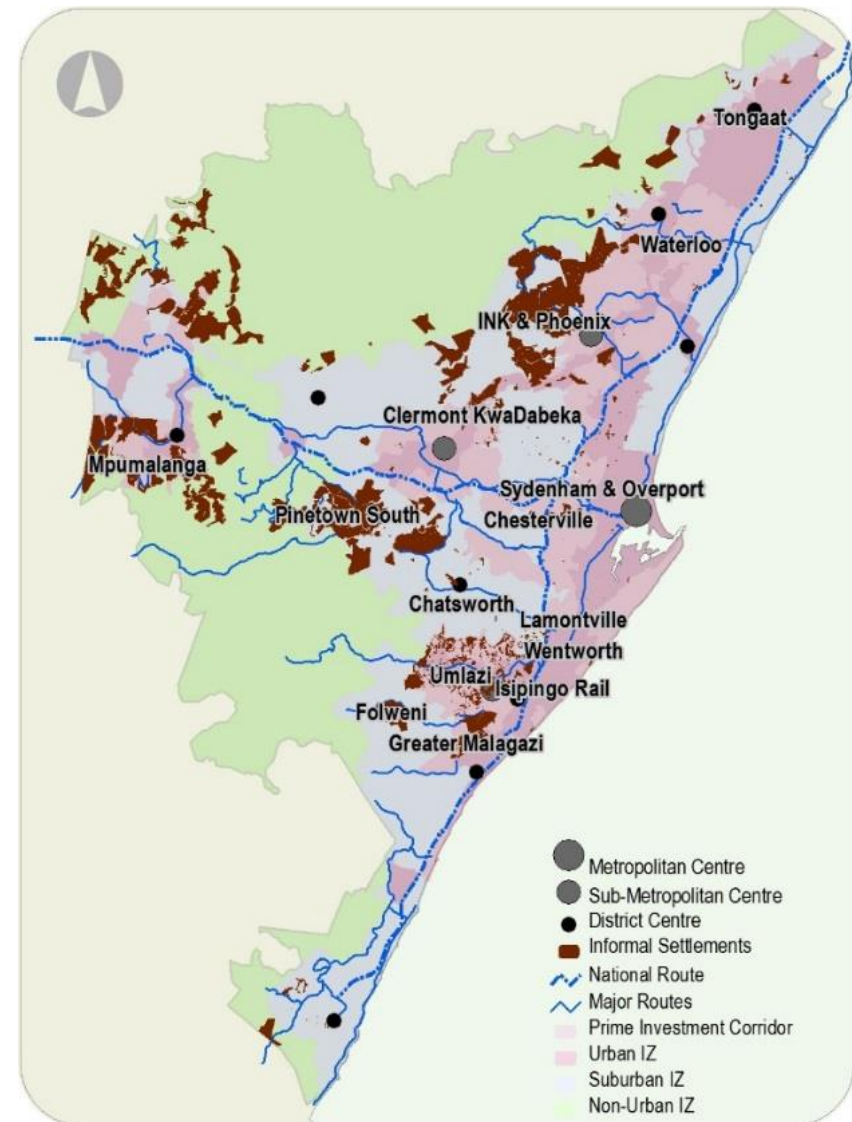
INFORMAL SETTLEMENTS

Over a quarter of eThekweni's total population of approximately 3.4 million reside in urban and peri-urban informal settlements, most of which are located on land which is both difficult and costly to develop due to such constraints as steep slopes, unstable soils and high land costs.

Informal densification and extension of existing informal settlements is ongoing. This is largely as a result of urban migration and natural growth of households. The latter resulting in the formation of smaller household sizes which invariably contributes to the overall backlog.

- Over 550 urban informal settlements comprising 238,000 households still to be addressed;
- Many of the settlements are micro-settlements of 100 households or less;
- Comprising over a quarter of the City's population;
- Continued urbanization and a dwindling supply of well-located land;
- Over 30 years to overcome just the informal settlement backlog; and
- Prioritise identification of a programme to address a range of basic health and safety issues and deliver rapidly to as many settlements as possible instead of providing high level of services including top structures to only a select few.

Distribution of Informal Settlements



HOUSING PLAN: INFORMAL SETTLEMENT STATUS

For reporting purposes, the official informal backlog figure, viz. 238 000 h/hs takes into account completed units within approved upgrade projects currently underway.

	No. of Inf Setts	(No. of h/holds)
• Upgrade in Progress (including planning)	156	115,000
• Proposed upgrades/incremental services	282	89,000
• Relocations/Emergency services	130	38,000
TOTAL	569	242,000

A NEW APPROACH TO INFORMAL SETTLEMENTS

There has been an acceptance that conventional approaches to upgrading, premised on BNG-type housing delivery and formalisation, are inadequate in addressing the informal settlement challenge in South Africa. There is general acceptance that the new approach to upgrading needs to be inclusive of all informal settlements, incremental, participative and partnership-orientated. This is consistent with both National Policy as well as international practice.

The new approach to upgrading needs to foster a different and more functional relationship between the state and the urban poor which is not premised solely on state service delivery but which also leverages the partnerships necessary for more effective social capital formation, collaboration and 'self-help'. State investments (e.g. in basic services) need to 'leverage' this kind of shift. There also needs to be a focus on more than just basic services, functional tenure and incremental housing improvements. Key social services (e.g. ECD, schools, clinics etc.) are also important as is more effective access to public transport and economic opportunities. Upgrading needs to be seen as a sustained process of urban change over time rather than a once-off project-type intervention. It needs to be programmatic and area-based in orientation rather than just focused

on delivering single/separate 'projects'. In general, the state needs to focus its efforts and finite resources mainly on enabling public realm investments (rather than the provision of free housing).

In an attempt to work in a more integrated way, an internal collaborative forum comprising Heads of Infrastructure and/or identified champions from within their Units has been established to ensure that this program becomes a key focus area of incremental service delivery within informal settlements. The Incremental Services Technical Forum for instance brings together key internal stakeholders to discuss the projects and initiatives they are implementing and planning for in informal settlements, budgetary considerations, propose innovative solutions, overcome obstacles, as well as to create opportunities for aligning initiatives so as to have a more holistic affect and avoid duplication of efforts.

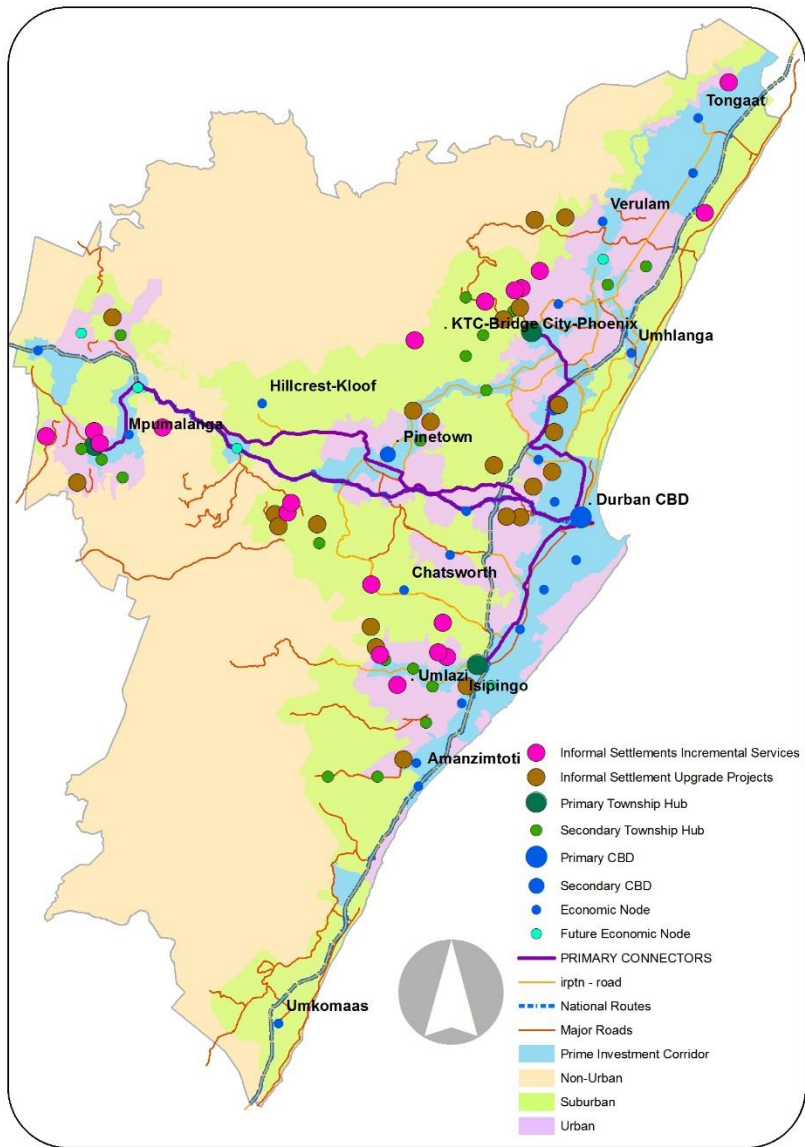
CITIZEN-LED PLANNING FOR INFORMAL SETTLEMENT UPGRADING

While the state has a mandate to deliver services and housing opportunities, communities and individual families also have a role in improving their own living conditions. Involving citizens in informal settlement upgrading contributes to the development of social cohesion, empowers communities and individuals, makes space for creative solutions, utilizes local knowledge and makes upgrading initiatives more sustainable through building ownership of the environment and amenities.

CURRENT THINKING

The Municipality is undertaking proactive steps to not only better understand the complexities that face informal settlements, but also to address this challenge via a number of initiatives that include the poor as partners and as well as test the conventional models of housing delivery. These include but not limited to the following:

- Meaningful and effective community mobilisation, involvement and upliftment. Building 'social capital', 'self-help' and resilience, sustainable livelihoods processes etc. – thereby decreasing dependency and vulnerability;
- Capacity for innovative and effective Participatory Planning and Development;



- Effective demand management - understanding that not all informal households require the same product and tenure option;
- Promoting and facilitating innovative and incremental infrastructure and top structure designs and development;
- Providing building support and home owner education;

- Achieving transversal institutional coordination and management within and outside of the metro;
- Investigating and designing models for incremental and self-build development – pay attention to high density housing;
- Facilitating co-production in the development process – explore alignment of government investment, community savings and sweat equity, private sector social responsibility. (e.g. Blackburn Village JV with Tongaat Hulett Developments); and
- Exploring local economic development initiatives and early childhood development centres.

CURRENT INITIATIVES

NUSP: Participatory Planning, Sustainable Livelihoods and Facilitation Support to Informal Settlement Upgrading Projects

The Human Settlements Unit has been engaged with the National Department of Human Settlement's (NDHS) National Upgrading Support Programme (NUSP) for the provision of Participatory Based Planning and Facilitation support in the eThekweni Municipality. This programme is part of a national initiative to provide local municipalities with technical support. As part of this initiative 42 informal settlements (23 earmarked for Incremental Services and 19 for Upgrading) and comprising of a total of 34,571 households, were identified and selected.

The NDHS appointed a consulting team to undertake various activities as part of the technical support provided to the Municipality. In summary, the project deliverables for both the Incremental Projects and Full Upgrading projects for the selected 42 informal settlements were as follows:

- Administer Socio-economic Surveys and finalise Analysis Reports for 42 informal settlements comprising a standard sample of 3,578 households;
- Develop and undertake a Participatory Planning Skills Programme;
- Compile and Facilitate City-community partnerships for the 42 informal settlements;
- Undertake Sustainable Livelihoods Programme for the 42 informal settlements;
- Develop a Community Capacity Development Programme; and
- Project Close-out Report.

The ultimate purpose of the NUSP funded initiative is to learn from the outcomes of the above deliverables and better capacitate councillors, officials, and the community in order to replicate the learnings and experiences in other informal settlements in eThekweni.

100 Resilient Cities: Resilience Building Option 1: Collaborative Informal Settlement Action

eThekweni is part of the 100 Resilient Cities initiative, funded by the Rockefeller Foundation. The initiative aims to create resilience-building plans in 100 cities across the globe. The 100RC initiative has identified participatory, differentiated and incremental informal settlement upgrading as a core focus for increasing resilience. 8 inter-related outcomes have been developed to achieve this objective.

- eThekweni has a committed team of champions that are supported by co-ordinating institutional structures;
- Consolidated quantitative and qualitative community and municipal-collected data on all informal settlements is accessible to all and updated regularly;
- eThekweni municipality facilitates the establishment of proactive, innovative and municipal-wide partnerships to develop and execute collaborative, climate-smart and sustainable informal settlement upgrading;
- Human and financial resources are secured;
- Enabling and integrated administrative systems and simplified regulatory procedures that facilitate the accelerated implementation of municipal-wide, collaborative informal settlement upgrading and partnerships;
- Collaborative monitoring and evaluation is institutionalised;
- Pro-active management of use of land; and
- Improved social, economic and environmental well-being in all informal settlements in eThekweni.

National Treasury's City Support Programme (CSP): Technical Support for the Innovative Upscaling and Upgrading of Informal Settlements

The CSP in partnership the NUSP and through technical support by the World Bank seeks to support and strengthen the service delivery and management capacity and systems of South African cities. Incremental upgrading of

informal settlements forms a significant element of the human settlements components of this initiative. The CSP aims to assist Cities to develop and scale-up efforts to upgrade informal settlements in close consultation and partnership with local communities. A framework was developed by the CSP which identified four work streams which included the development of enhanced Programme Management Toolkits and related Programme Support to selected Metros for scaling up incremental upgrading. This work stream commenced in 2017 on the back of a Scoping Study prepared in June 2016. Engagements with eThekweni have already been initiated.

ESRC/NRF Urban Transformation in South Africa Project: Community-led upgrading for self-reliance in informal settlements in South Africa

This is in a multidisciplinary partnership with the University of KwaZulu-Natal in Durban the University College London, uTshani Fund (SDI Alliance) and eThekweni municipality. This project focuses on communities in informal settlements that could be involved in improving their homes and neighbourhoods. The tools and processes needed to ensure a successful upgrade of environmental and construction management are poorly understood, and top-down policies used by central and local government in SA have not been successful to date. If communities can improve their neighbourhoods through "development from within", improving construction skills and using available materials, then there could be local, regional and national environmental, social and economic benefits. This research project seeks to explore the underpinning barriers and enabling drivers for communities to upgrade their informal settlements in SA. The central question for this research is: how can participatory approaches be utilised in an environmental and construction management strategy to achieve self-reliance in informal settlements in Durban, SA?

Infrastructure Improvements for Early Childhood Development (ECD) Centres in Informal Settlements

This proposed initiative in partnership with an NGO seeks to improving access to adequate ECD services for large numbers of vulnerable children within informal settlements in eThekweni. ECD is a national priority, forming part of both National and Provincial strategies aimed at 'massification' of ECD services. These strategies include more effectively supporting large numbers

of de-facto, under-resourced ECD centres within low-income communities such as informal settlements.

The initiative directly supports the City's IDP objectives aimed at social upliftment including those of the Informal Settlements Upgrade Programme (ISUP) and Incremental Services Programme (ISP) such as the improvement of social facilities and essential services. It forms part of broader Human Settlement responses such as those embedded in the Outcome 8 Delivery Agreements which aim to rapidly provide informal settlements with incremental services and thus eradicate backlogs of essential services through interim services provision as well as full upgrading and low income housing. 14 selected ECD centres at pilot sites at Amaoti and Umlazi have been identified for ECD infrastructure improvements and survey.

Informal Settlement Incremental Upgrading and Integration Partnership Programme (via Area Based Management (ABM))

The Human Settlements and Area-Based Management Units have partnered with a local NGO, to secure funding application from the European Union to the tune of R17m over three years. A number of pilot initiatives will test and refine a model of working in partnership with communities and organisations and improving alignment between stakeholders (including municipal and provincial departments) by utilising and expanding precinct-based communication, planning and implementation of initiatives in informal settlements.

There is a recognition that more effective, area-based urban management and multi-sectoral co-ordination is necessary which require special capacity and systems. Previously the ISP fell under the City's Human Settlements and Engineering Units. The City's Area Based Management (ABM) unit will now assist with coordination at both the programme and precinct levels. The objectives will be to:

- Strengthen centralised, upgrading programme management capacity and systems to co-ordinate and implement the city-wide programme
- Establish and mobilise area-based upgrading implementation capacity and public space management systems

- Mobilise underutilised/dormant capacity and develop new capacity within government, civil society, communities and NGOs

With regard to the implementation of Pilots, the proposal is to incorporate:

- Community engagement, participative planning and capacitation for 4-8 settlements (10-20,000hh)
- Incremental upgrading implementation for 4-8 settlements (5-20,000hh)

Through pilots, the aim will be to establish replicable co-governance systems, structures and methodologies for rollout

HOUSING SPATIAL PRIORITISATION MODEL FOR UPGRADES AND GREENFIELDS

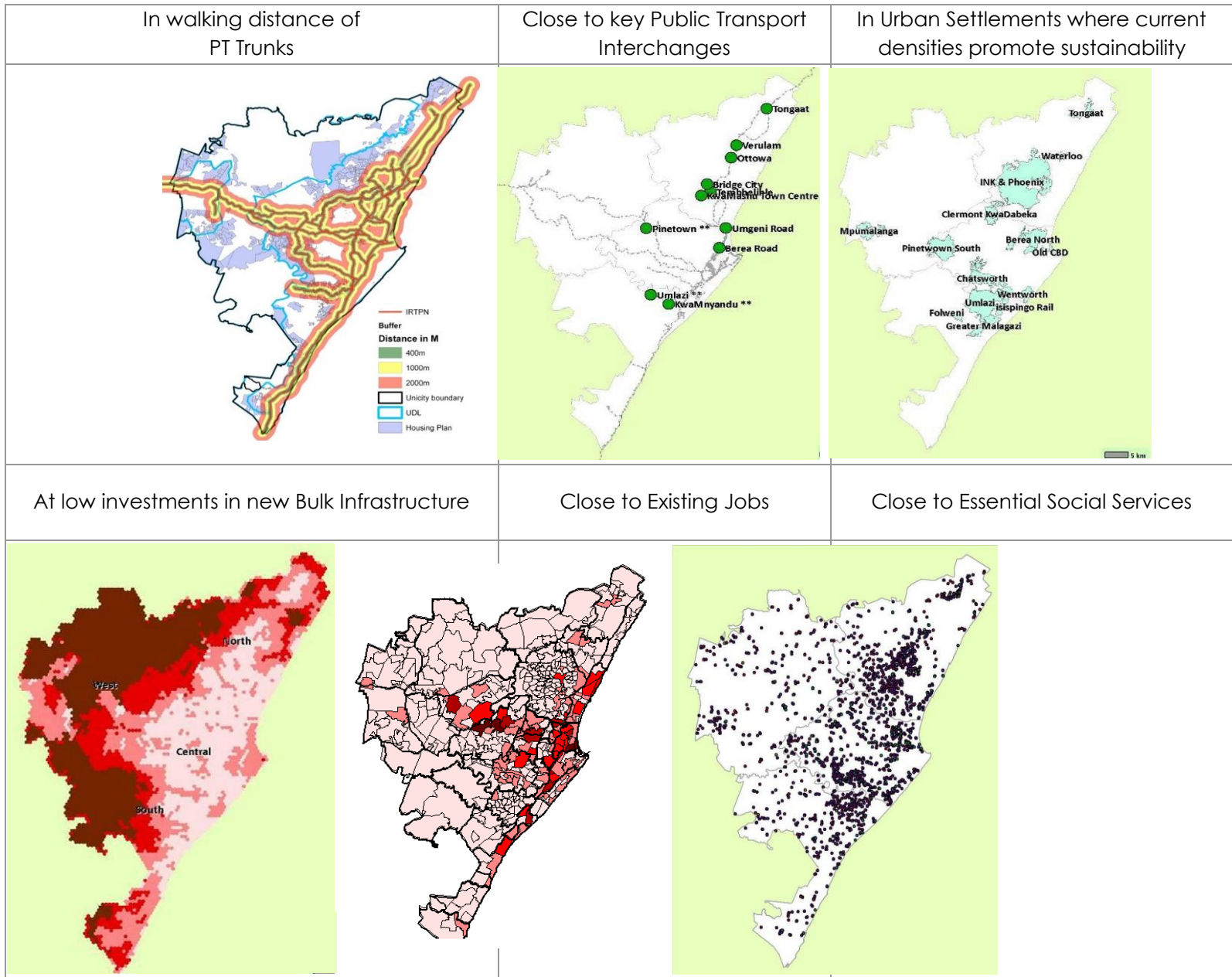
eThekweni has steadily been developing its GIS-based Housing Spatial Prioritisation Modelling since 2011, when it first considered an explicit set of spatial criteria for choosing which candidate projects to develop further, and to inform the planning and typology brief for selected candidates. The significant criteria used are illustrated below.

Accessibility to PT and least-cost Infrastructure featured as major HSPM criteria. The Model went on to disaggregate the major criteria into sub-criteria, and to use relative weightings. Noteworthy new sub-criteria were in proximity to the Feeder Routes of the IPTN, and the disaggregation of the Cost Surfaces Model in order to prioritise Sewer as a more strongly-weighted sub-criterion than Water, Stormwater and Electricity. In 2014, the Model was updated to factor in Proximity to Catalytic Projects, and to factor in Disaster Considerations of fire, flash-flood / washaways, and landslide risks. A set of unique Model Weightings was developed for Greenfields, and another set for Upgrades.

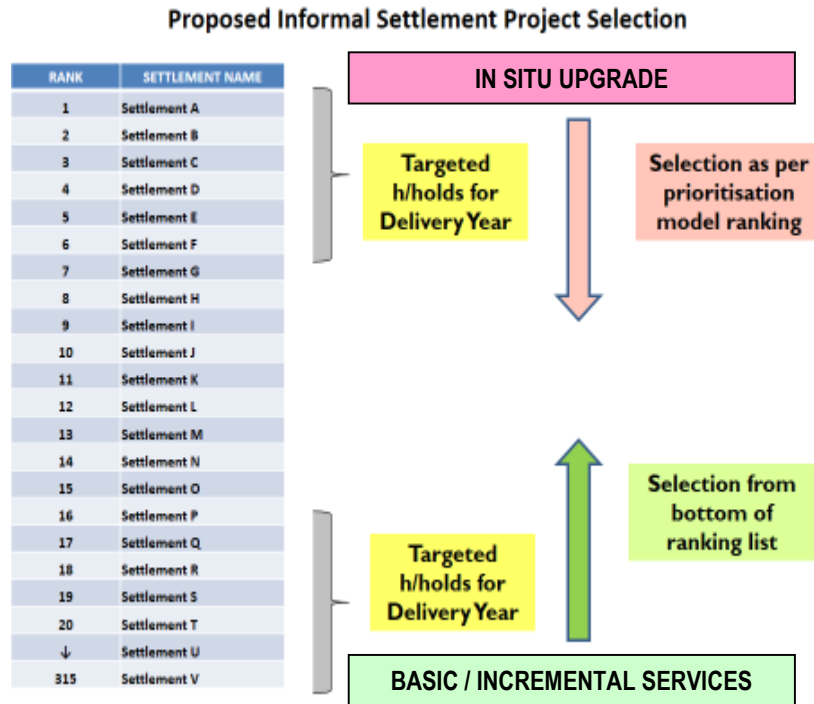
Utilising a scoring matrix with a bias towards the Cost Surfaces Model (limiting bulk infrastructure costs), a priority list of Greenfield and informal settlements earmarked for upgrade projects can be generated. Improved locations of

housing and improved accessibility, especially of low-income housing, is a major goal of the Housing Spatial Plan. In addition, the Model allows the alignment of projects against the objectives of the Integrated City Development Grant (ICDG). In other words, projects would naturally score highly if located within the Prime Corridor and Urban Zones as well as some portions of the Suburban Zones. Not only would it be beneficial for the City to implement projects where infrastructure, social amenities and

employment opportunities are already available and at lower costs, but also the City benefits from enhanced performance based incentives from National Treasury via the ICDG. The Model therefore helps align projects to the city's spatial targeting strategies.



An example of applying the Model to informal settlement upgrading projects is the ability to determine appropriate interventions viz. full upgrading and incremental and/or basic services. The figure illustrates the intention of Model applied to Informal Settlement Upgrade Projects.



The rationale is for the housing delivery program to work its way from the top of the list viz. selecting those settlements that were least costly to implement from a bulk infrastructure perspective and those that were fairly well located. On the other hand, settlements that did not score so well on the matrix viz. those at the bottom of the list (where the affected households would have had to wait longer for a housing intervention) were identified for the Basic Services program. The idea being that as both the housing delivery program and the Incremental Services program work their way from the top and bottom of the list respectively, they will eventually meet somewhere in the middle having covered all settlements with some form of intervention.

INCREMENTAL SERVICES TO INFORMAL SETTLEMENTS

PROGRAM FEATURES

The Program aims to promote social equity and social inclusion by providing every household in Informal Settlements with access to basic engineering services, basic social facilities, and local economic opportunities, as soon as possible. The project selection criterion is Informal Settlements that are earmarked for upgrade in the longer term. There are five sub-programs, namely:

- Community Ablution Blocks;
- Roads, Footpaths, and Stormwater Control;
- Electricity - Ablution Blocks, Streetlights, Individual Connections;
- Access to social facilities, particularly fire and police stations, clinics, schools, & sports-fields; and
- Sustainable livelihoods.

Communal Ablution Block



LOCATIONAL CRITERIA

Most of the planned projects are in the Suburban Area due to this being where the bulk of informal settlements are currently located.

PROGRAM SCALE

This program will benefit 70,000 households.

PROGRAM ORIGIN AND DURATION

This program has its beginnings in the provision of water stand-pipes to informal settlements in the early 1990's. This was superceded by the provision of communal ablution blocks and refuse collection initiatives in the mid and late 1990's. It was first expressed as a deliberate program in the previous edition of the Housing Sector Plan. The program is likely to run for about a decade, though the intention is for it to be complete in two MTEF's as it is a high priority.

BUDGET REQUIREMENTS AND FUNDING SOURCES

Assuming a current-price benchmark of R 25,000 investment for each household, then the program will require approximately R 1.75 Bn. R270 Mill appears in the Capital Budget for the current MTEF. At this rate it will take six MTEF's (eighteen years) to deliver the program, which is contrary to its intention to complete the program in two MTEF's. Current funding sources include:

- USDG; and
- Other spheres for some of the social infrastructure, particularly schools and clinics.

The Communal Ablution Blocks Sub-Program is reasonably well-resourced. About R 1 Bn has been invested over the past three years. The other sub-Programs all require to be significantly upscaled to meet target.

CAPACITY OR SYSTEMIC REQUIREMENTS

Each of the sub-programs are separately managed and staffed.

DEPARTMENT	RESPONSIBILITY & AUTHORITY
Collective	Project Selection & Prioritisation, Funding, Monitoring
Water Services	Community Ablution Blocks
Development Engineering	Community Access

Durban Electricity	Communal and Individual Electricity
Social Cluster	Social Facilities
Economic Development	Sustainable Livelihoods

The Collective needs to be put in place, and project preparation and implementation capacities need to be up-scaled for several of the sub-Programs.

IN SITU UPGRADES AND GREENFIELDS

PROGRAM FEATURES

The city has two significant inter-linked Programs, In Situ Upgrades, and Greenfields Projects. The long-term aim is to upgrade all of the Informal Settlements that are technically viable for upgrade, and that aren't earmarked for Relocation. The Greenfields Program is necessary, to absorb relocations from Upgrades projects. Typical deliverables of an Upgrade or Greenfields project include cadastral subdivisions, surfaced roads, water, sewer and electricity connections, and a 40m² dwelling structure. Sites are typically created for social facilities, especially parks, schools and clinics, for uptake by the respective public entities.

LOCATIONAL CRITERIA

Most of the planned projects are in the Suburban Area. The spatial targets for each of the Incremental HS programs have been derived from the Housing Spatial Prioritisation Model.

PROGRAM SCALE

This program will ultimately benefit 250,000 households.

PROGRAM ORIGIN AND DURATION

The contemporary programs originated from deliberations by the National Housing Forum in the early 1990's. The program is multi-generational, because planning and delivery are slow (typically taking a dozen years from project inception to house construction), and on the other hand, the available capital funds cap potential delivery. At the current pace of

delivery, and factoring in the current rate of growth in households in eThekweni, the program will run for several generations.

BUDGET REQUIREMENTS AND FUNDING SOURCES

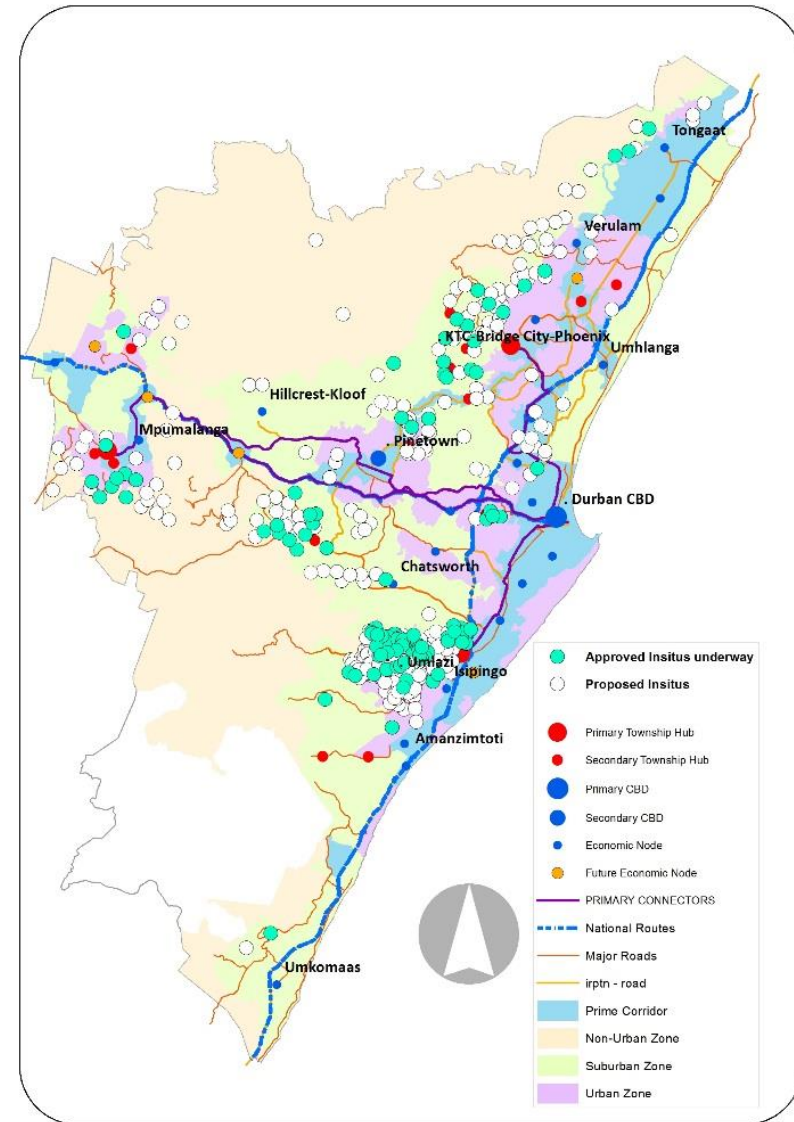
Assuming a current-price benchmark of R 180,000 investment for each unit in infrastructure and top-structure costs, and a delivery target of 30,000 over the next two MTEF's, then the program will require approximately R 5.4 Bn. Of this R 3.36 Bn appears in the Capital Budget for the current MTEF. Current funding sources include:

- USDG;
- HSDG; and/or
- Other spheres for some of the social infrastructure, particularly schools and clinics.

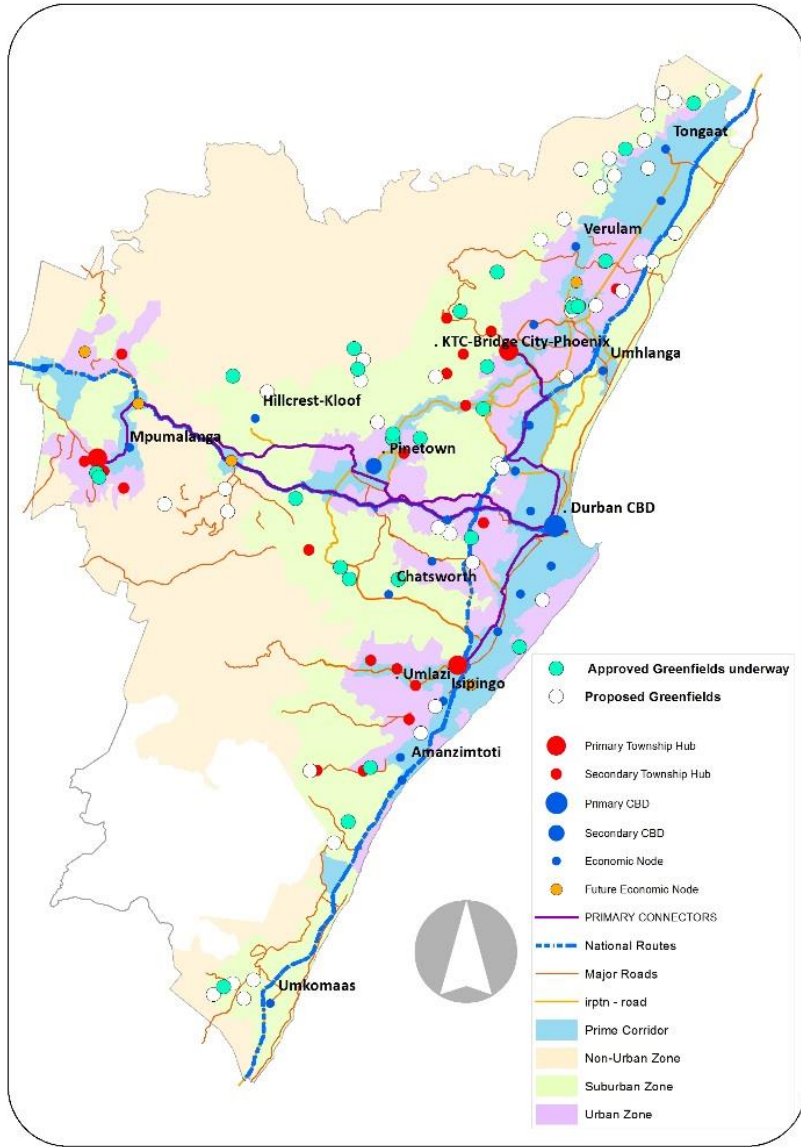
CAPACITY OR SYSTEMIC REQUIREMENTS

In order to execute the directive to no longer plan freestanding houses but instead, in the Suburban Area to plan pedestrianised duplexes, and in the Prime Corridor and Urban Area, multi-storey walk-ups, the Housing Unit requires to increase or reorganise its internal capacity to conceptualise and design. The Unit appears to have sufficient capacity to administer top-structure construction contracts, and to oversee the infrastructure contracts that the service department, Development Engineering, delivers. The Housing Unit also needs to supplement its capacity to finalise Infrastructure Handover to Line Department and Township Establishment. Additional capacity requirements that need to be put in place is a liaison structure with especially Departments of Education and Health to encourage their investments into those facilities. It has not however been resolved whether this liaison function resides with the Housing Unit or with the Municipality's Social Cluster, and resolution on this point is intended during the 2017/18 year. This inter-governmental issue is also being attended to by the Strategy Office in conjunction with National Treasury.

In Situ Upgrades



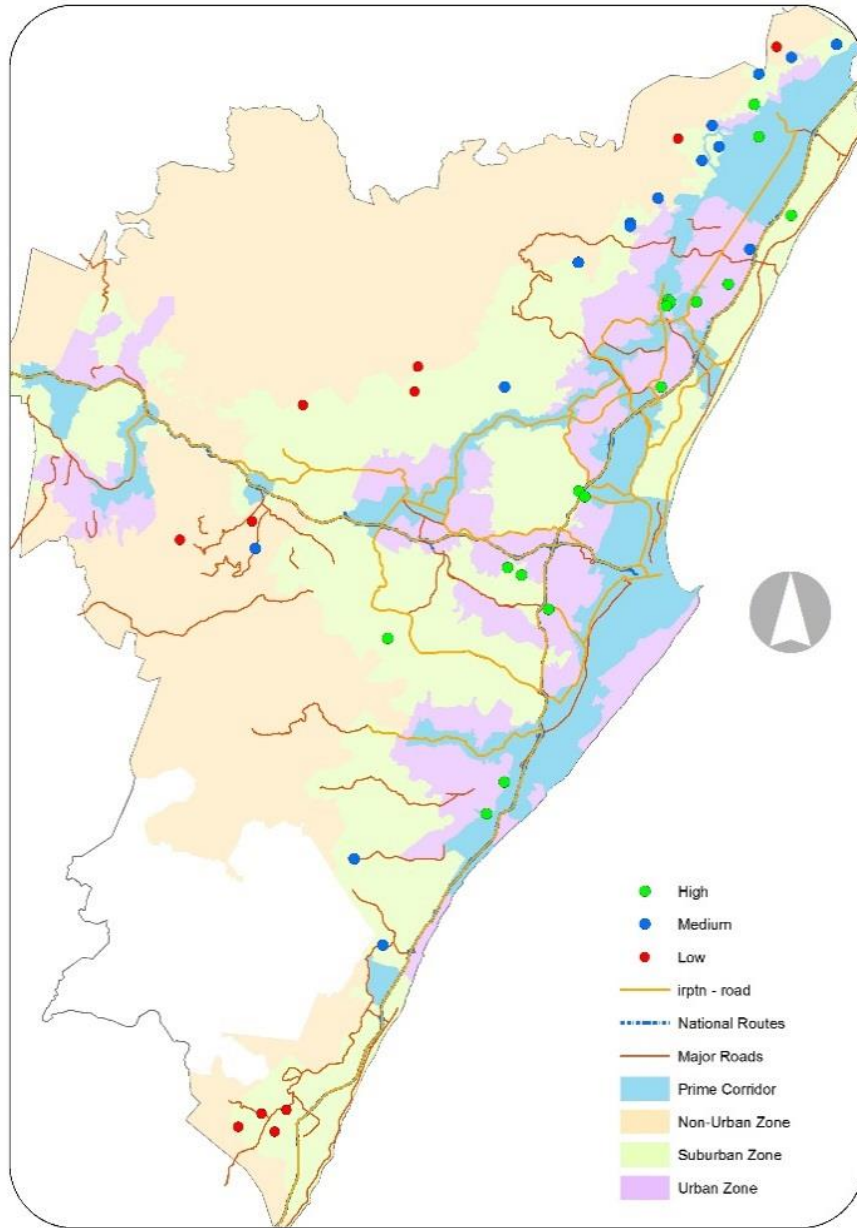
Greenfields



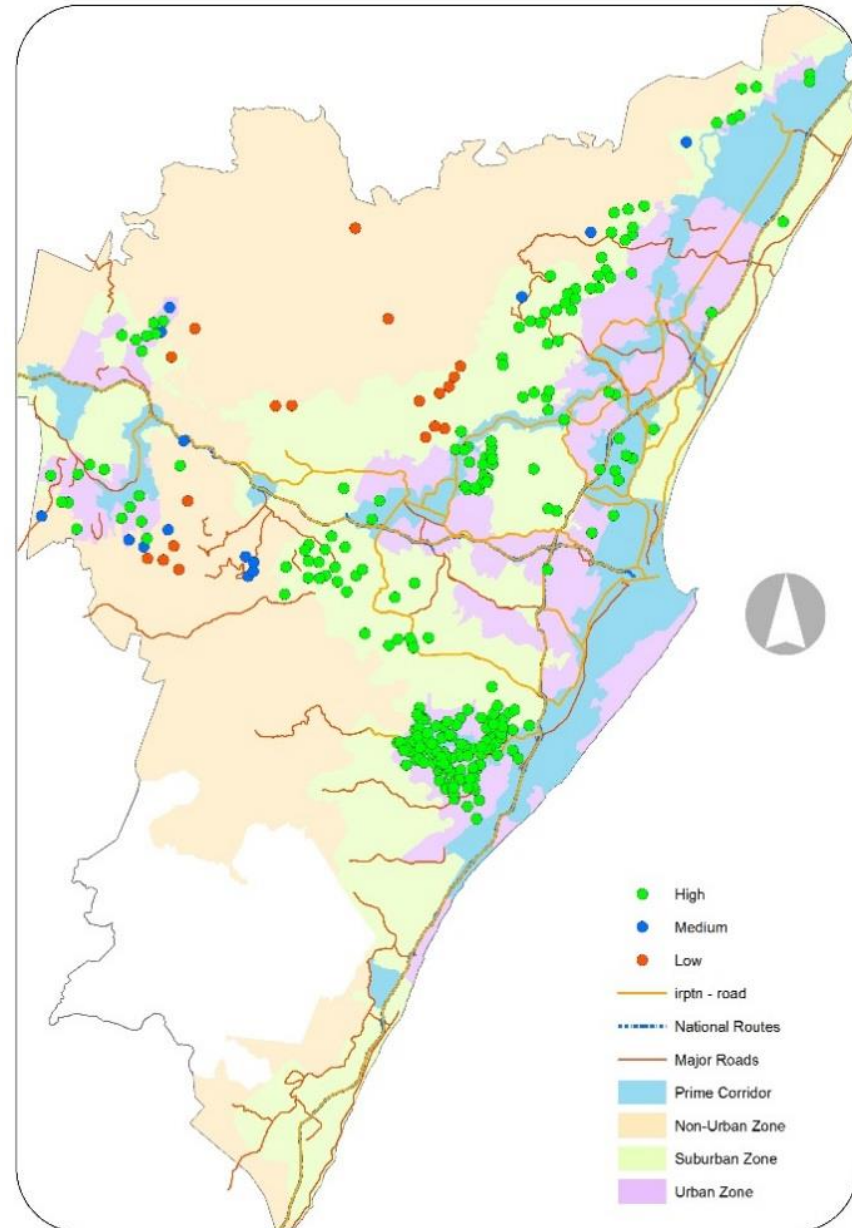
ANALYSIS OF PROPOSED GREENFIELD AND UPGRADE PROJECTS IN THE MODEL IN RELATION TO THE INTEGRATION ZONE

The tables below reflect the ranking (high, medium and low) of the proposed greenfield and upgrade projects determined by the Housing Spatial Prioritisation Model against the Integration Zone. There are not enough projects directly within the Integration Zone but this is because most informal settlements are not located in the Integration Zone and land here is scarce and expensive. The majority of high ranking projects are in the well-located parts of Urban and Suburban areas. Using a combination of the Model and the targeted areas (especially the Prime Corridor), the Municipality will begin prioritizing its new projects in line with spatial targeting to ensure there is clear alignment with its BEPP objectives. It is expected that this will take, at minimum, 3 years as historical projects currently dominate the MTEF allocations although in the outer year of the MTEF projects are located in more central areas close to and within the Integration Zone.

Proposed Large Greenfield Projects



Proposed in Situ Upgrade Projects



APPROVED CAPITAL BUDGETS FOR HOUSING PROGRAMS

Program	2017-18	2018-19	2019-20	MTEF Tot
Universal Access to Basic Services - Roads	52.986	53.927	46.365	152.278
Universal Access to Basic Services - Ablutions	301.0	253.751	220.0	774.751
Universal Access to Basic Services – Electricity	9.5	4.5	0	14.0
Full in-situ upgrading top structures	771.489	676.430	706.816	2154.735
Full in-situ upgrading infrastructure	395.9	457.3	480	1333.2
TOTAL (Rmillion)				4428.964

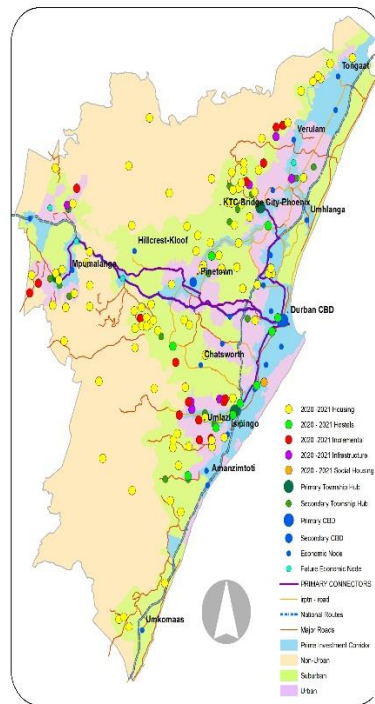
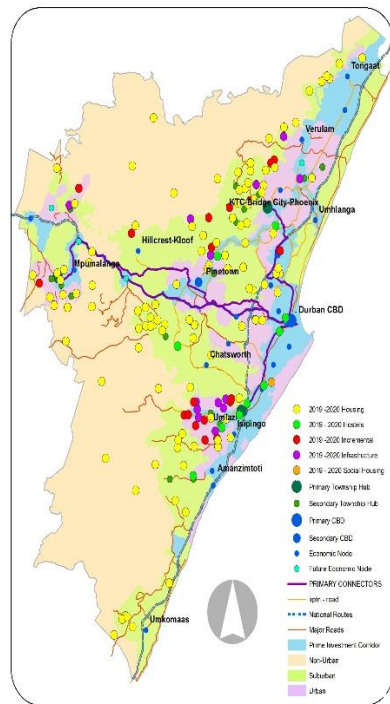
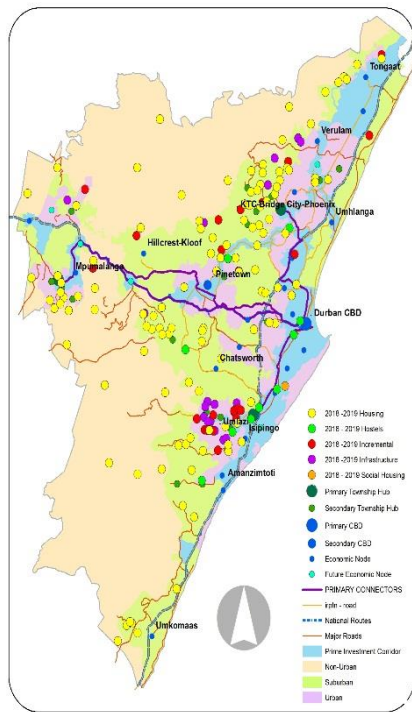
MTEF EVALUATION

The Maps below outline the 2018/19, 2019/20 and 2019/20 MTEF projects in relation to the Integration Zone.

2018/19

2019/20

2020/21



SPATIAL ANALYSIS OF MTEF PROPOSALS

The tables below outline for each of the MTEF years, the location of the various human settlement interventions/projects in relation to the Integration Zone as well as the budgets allocated to them.

It should be noted that the MTEF reflects a number of projects (in particular the Housing Projects) which were implemented prior to the development of the Housing Spatial Prioritisation Model. As such existing contracts, commitments and expectations need to be appreciated. In addition, it is worth noting that the Municipality is implementing Rural projects especially

in the context of its boundary comprising a substantial rural component - over 60%. The Housing Program is undergoing a transformation with the application of the Housing Spatial Prioritisation Model and in alignment with the BEPP theory of change. However, this change cannot occur instantaneously.

In terms of the Incremental Services Program, there appears to be greater alignment with the Housing Spatial Prioritisation Model with the less well-located settlements being earmarked for this intervention.

2018/19												
INTEGRATION ZONE	HOUSING				INFRASTRUCTURE				INCREM SERVICES			
	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%
Prime	11	10	25	4	3	6	22	7	2	13	3	8
Urban	24	21	155	17	21	41	155	36	8	53	17	40
Suburban	57	51	276	43	25	49	181	53	2	13	15	35
Non-Urban	20	18	234	37	2	4	34	5	3	20	7	17
TOTAL	112	100	689	100	51	100	393	100	15	100	43	100
2018/19												
INTEGRATION ZONE	HOUSING				INFRASTRUCTURE				INCREM SERVICES			
	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%
Prime	11	10	36	5	3	6	31	8	0	0	0	0
Urban	24	21	134	18	21	41	170	41	4	25	13	27
Suburban	57	51	304	46	25	49	202	46	11	69	34	69
Non-Urban	20	18	199	30	2	4	20	5	1	6	2	4
TOTAL	112	100	673	100	51	100	423	100	16	100	49	100
2019/20												
INTEGRATION ZONE	HOUSING				INFRASTRUCTURE				INCREM SERVICES			
	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%	NO. OF PROJECTS	%	BUDGET Rm	%
Prime	11	10	56	7	3	6	14	3	1	6	5.3	10
Urban	24	21	137	18	21	41	155	35	6	38	20.2	39
Suburban	57	51	340	47	25	49	245	55	9	56	26.6	51
Non-Urban	20	18	192	28	2	4	30	7	0	0	0.0	0

TOTAL	112	100	725	100	51	100	444	100	16	100	52	100
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MTSF TARGETS BY NDHS

The NDHS has outlined various delivery expectations of all the Metros in terms of their MTSF ending in 2018/19. The table below describes progress made thus far. Level 2 services to informal settlements according to the NDHS is the provision of services to individual households including tenure while Level 3 refers to everything in Level 2 together with top structures. The Municipality's Incremental Services project provides communal services in terms of sanitation while electricity is provided to individual households. This suite of services is complemented with roads, footpaths and storm water controls. The section following the table below summarises the challenges the Municipality faces in meeting Level 2 expectations.

- The need to de-densify the settlements, but also the requirement to relocate households to alternative and suitable greenfield land;
- In the context of achieving the densification objective in the Integration Zone, de-densification and providing individual households with an individual erf/stand goes against the achievement of this objective;
- This will be further compounded by the need to acquire land whereas the incremental services programme does not warrant the acquisition of land at this stage;
- The steep topography as well as the need to acquire land from private owners are further constraints to undertaking Level 2; and
- The policy of eThekweni Water & Sanitation is to provide individual connections to stands/units only when these are officially registered via a General Plan.

MTSF - CONTRIBUTION TOWARDS MTSF TARGETS: ETHEKWINI

MTSF TARGET 2019	National 5 Yr MTSF Target for Metro	Annual MTSF Target	2014/15 Actual	2015/16 Actual	2016/17 Target	2017/18 Target	2018/19 Target	5 Yr MTSF (less or More)
750 000 households in informal settlements upgraded to Phase 2 of the Informal Settlements Upgrading Programme								
Individual Households								
Water	56905	11381	600	3037	10000	10000	10000	-23268
Sanitation	56905	11381	1249	1600	8000	8000	8000	-30056
Electricity	-	-	16769	16385	15000	30000	25000	-
Shared services (number of households benefiting)								
Water	-	-	8000	9000	18000	18000	18000	-
Sanitation	-	-	21375	15000	18000	18000	18000	-
Title Deeds:								
563 000 for new developments	-	-	-	-	-	-	-	-
Pre-1994 housing stock	-	-	336	400	1000	1500	2000	-
Post-1994 housing stock	-	-	504	600	3000	3000	4000	-
10 000 of hectares of well-located land (excl rural)	-	-	140	112	300	300	300	-

BUDGET OPTIMISATION FOR HUMAN SETTLEMENTS

From the above chapters on human settlements it is clear that there are a number of human settlement programmes with well-developed project pipelines. These programmes often compete for the same funding sources. Funding is limited and insufficient to match national delivery targets. There is a drive to spatially transform eThekweni which requires prioritising certain programmes over others and prioritising well-located projects within those programmes. To achieve an optimal mix of programmes and projects within the available budget envelope requires an optimisation exercise to be undertaken.

NODES OF HIGHER ORDER SOCIAL FACILITIES AND LOCAL SOCIAL FACILITIES

Social facilities provide an important service to communities and the provision of these facilities is integral to the response to marginalized areas in eThekweni. eThekweni has an adopted set of social facility standards and social facility nodes. The geographic location of both local and national social facility backlogs has been determined and an integrated intervention plan has been developed to eliminate these backlogs. Many facilities are

LEVEL 2 UPGRADING CHALLENGES

- High densities prevalent in informal settlements;

provided by national and provincial departments and this is part of the IGR engagement process documented in Part C of the BEPP. The priority from a BEPP perspective would be to prioritise all facilities (municipal, provincial and national) that respond to the roll-out of both human settlement programmes and the IPTN. This will contribute to an integrated response that builds quality living environments as espoused in the eThekweni IDP.

ADJUSTMENTS TO OTHER SPATIAL TARGETING INSTRUMENTS

PRIORITY HOUSING DEVELOPMENT AREA (PHDA)

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

SOCIAL HOUSING RESTRUCTURING ZONE (SHRZ)

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

URBAN DEVELOPMENT ZONE (UDZ)

The greater part of the Durban CBD is a UDZ. Because the Durban CBD is wholly contained within the eThekweni Integration Zone, no adjustment to the spatial definition of the UDZ is needed.

SPECIAL ECONOMIC ZONE (SEZ)

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

INDUSTRIAL DEVELOPMENT ZONE (IDZ)

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

ALIGNMENT TO SDF AND LAND USE MANAGEMENT SYSTEM (LUMS)

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

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

Work to be undertaken in 2017/18 includes:

- The sideways integration of Sector Plans to each other;
- The upward integration of sector Plans into the IDP, SDF, SDP's and BEPP; and
- Detailed Investigations of the boundary of the eThekweni Integration Zone with the IPTN routes and with the package of spatial plans in order to ensure full alignment.

3 PART 3 - DEVELOPMENT PROGRAMME & INTER-GOVERNMENTAL PROJECT PIPELINE

3.1 PRIORITISED PROJECTS FOR THE PRIME INVESTMENT CORRIDOR

Programmes with project pipelines are present for many of the key built environment sectors together with MTEF commitments. These commitments must be seen as the current departmental priorities. Out of this total basket of funded projects over the 3 year MTEF there are both many projects and a high total value quantum within the Integration Zone or directly adjacent to it. The table below shows on average 34% of the capital budget allocated to the Integration Zone or Prime Corridor.

Integration Zone	Projects		Revised 2016/17		Approved 2017/18		Proposed 2018/19	
	No.	% of Total	Rm	% of Total	Rm	% of Total	Rm	% of Total
Prime Corridor	500	32	2 220	35	2 473	36	2 502	34

The intention is during the 2018/19 year, where tools and structures are available, to conduct a number of prioritization/optimisation exercises to refine the priorities and to seek greater spatial and temporal integration of programmes and projects. This is with a view to influencing the 2019/20 MTEF. The inter-governmental or IGR projects in support of the municipal priority projects, where known, will be lifted out and communicated with the IGR partners and high level cost estimates requested as well as a commitment to start project packaging as early as possible followed by capital budget allocations.

3.1.1 C. CATALYTIC URBAN DEVELOPMENT PROGRAMME & PROJECT PREPARATION

PROGRAMME PREPARATION

The Municipality has acknowledged that there are proposed development programmes and projects, initiated by either private and/or public sector

that by their very nature and scale are catalytic in terms of overall city building. It is anticipated that these catalytic programmes and projects will have an impact on a sub-regional, regional and/or metropolitan scale. The impact in this case is measured in terms of: overall investment value, the anticipated number of jobs to be created (permanent and temporary), promotion of mutually reinforcing mixed use (where appropriate) and spatial transformation, and potential rates income to the Municipal fiscus.

Using the abovementioned criteria, catalytic programmes and projects have been identified in the city and can be grouped according to the following status categories based on current progress:

- Programmes/Projects that are complete (occupied and operational);
- Programmes/Projects that are currently underway (construction underway on site);
- Programmes/Projects that have all the necessary approvals, but have not yet started; and
- Programmes/Projects that are still underway with obtaining necessary planning approvals.

The catalytic project list is a dynamic one which hinges on progress made by private and public sector collectively or respectively, and means projects are added on an on-going basis based on meeting the relevant criteria. Please see table below for a list of the current programmes and projects (excluding those that are complete):

Projects Underway	Approved Projects	Projects in Planning
Clairwood Logistics	The Brickworks	Auto Supplier Park
Cornubia	Kings Estate	Cato Ridge Multi Modal
Dube Trade Port		Centrum Site
IPTN Corridors (C3)		Durban Film City
Keystone Logistics Hub		Durban Marina
Point Waterfront		Finningley Eco Estate
Suncoast Casino Ext.		Hoy Park Sports Academy
Umhlanga Nodes		Iconic Tower
Westwood Node		Inyaninga
		IPTN Corridors (C1 & C9)
		Ntshongweni
		Pavillion Node Extension
		Rivertown Precinct
		Sibaya Node 5
		Virginia Airport Site
		Warwick Node Redevelopment

According to the latest BEPP guidance note Catalytic Programmes are defined as programmes that:

- Enable integration, that is, mixed and intensified land uses where the residential land use caters for people across various income bands

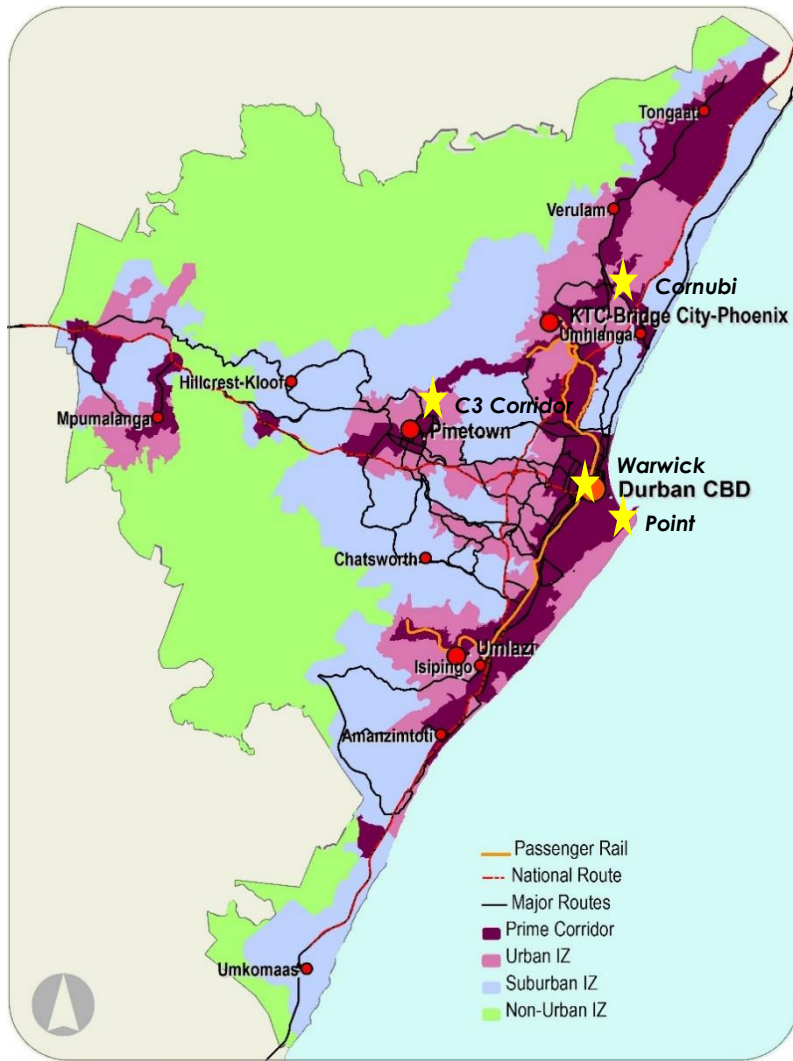
and at increased densities that better support the viability of public transport systems;

- Are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form and unlock economic activity.
- Involve major infrastructure investment;
- Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment;
- Require specific skills across a number of professions and have multiple stakeholders

In light of the above, for the purposes of this BEPP, the following Catalytic Programmes will be reported on as they are deemed to best fit with the above criteria and are either underway with, or close to implementation phase:

- Cornubia Integrated Development
- IPTN (Integrated Public Transport Network) C3 Corridor
- The Point Development
- Warwick Node Redevelopment

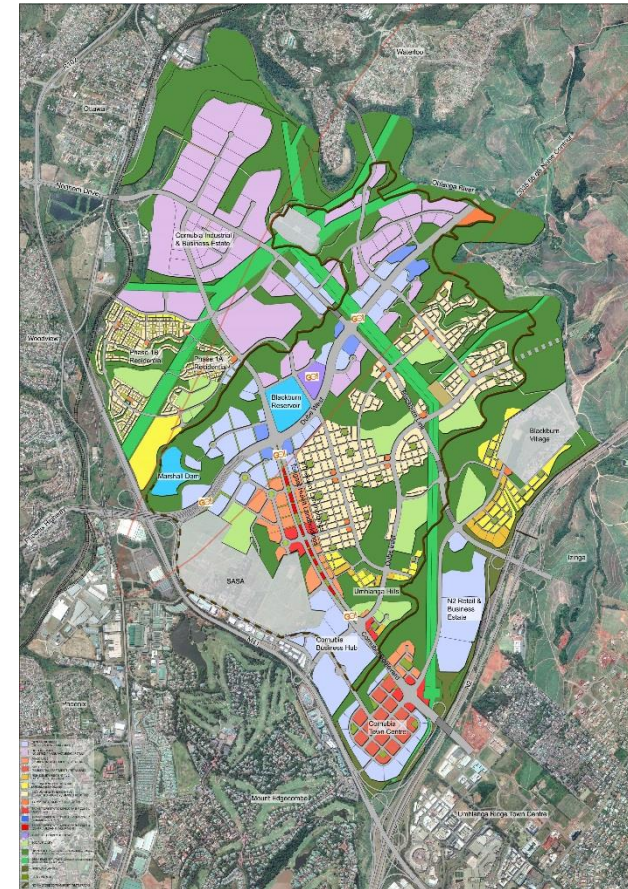
The map below shows the spatial location of the projects in relation to the Integration Zone (Prime Investment Corridor) which is shaded dark purple. The catalytic programmes shown on the map all fall directly within this Integration Zone.



A brief summary of the background and progress of each of these selected Catalytic Programmes is provided below, as well as figures (where available) of their anticipated socio-economic impact, and approach to investment, land release, procurement and urban management.

PROGRAMME IMPLEMENTATION

CORNUBIA



PROJECT DESCRIPTION

The Cornubia Integrated Human Settlement development is a joint venture between the National, Provincial Departments of Human Settlements, eThekweni Municipality and Tongaat Hulett Developments, and is set to be eThekweni and the Province's largest sustainable integrated Human Settlement initiative. Cornubia will be a mixed-use mixed-income development, incorporating industrial, commercial, residential and open space uses.

SOCIO ECONOMIC BENEFITS

- Investment Value R25 billion
- Annual Rates R300 million
- Construction jobs 15 000
- Permanent Jobs 48 000

PROJECT STATUS

- Phase 1:
 - Phase 1A (486 units) complete & occupied
 - Phase 1B (2,186 units) – underway
 - CIBE – 70ha industrial estate - infrastructure complete & sites sold. 14 buildings complete
- Phase 2:
 - Cornubia Business Hub: All infrastructure in and sites sold. Cornubia Mall and MMI call centre complete and operational. Other sites under construction.
 - N2 Business Park – infrastructure and platforming currently under construction.
 - C9 IPTN Corridor: Bridge over N2 linking in UNTC underway. Tender out for Cornubia Blvd.

INVESTMENT STRATEGY

The city together with the private sector partner (THD) are jointly investing in the bulk infrastructure to allow for the release for land for commercial and social purposes. A CBA (Cost Benefit Analysis) has been undertaken, which shows the positive return on investment.

LAND USE STRATEGY

Public land outside noise contour being used for subsidised housing and social services. Land within noise contour set aside for commercial and industrial purposes to be released via a public tender process.

Private sector land developer, sells land to property developers via normal private sector market driven sales approach.

PROCUREMENT APPROACH

Public sector procurement done via a public tender process for both the construction of the relevant bulk services as well as for the release of the land for commercial development.

The private sector partner procures via an invited tender, but where possible is guided by the cities SCM policies in terms of empowerment requirements.

URBAN MANAGEMENT APPROACH

Management Associations are created via a condition of sale, which provides top up services to the municipal services in terms of cleaning, security, landscaping, etc.

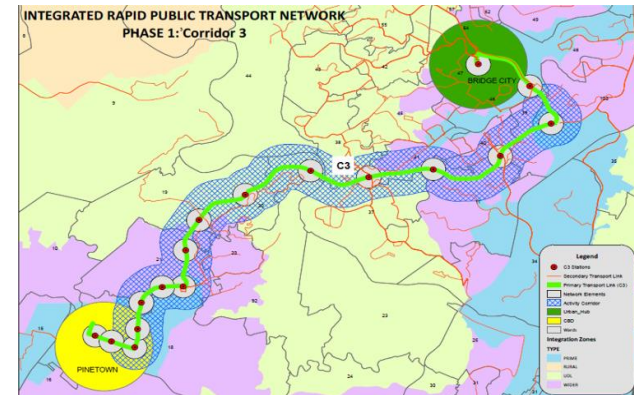
Public sector housing precincts to be serviced via standard Municipal maintenance procedures.

KEY ISSUES AND CHALLENGES

Bulk Services Provision: Challenges are being faced with regards to the timing and cost sharing of certain bulk infrastructure components to ensure timely delivery of land to market.

Affordable Housing: Both public and private sector still exploring various ways to be able to deliver affordable rental and sale housing in order to meet the vision of a mixed income residential area.

IRPTN – C3 CORRIDOR





PROJECT DESCRIPTION

The C3 Corridor runs from Bridge City to Pinetown and is a road infrastructure project aimed at supporting IRPTN and thereby densifying uses along the Transportation Corridor. The Project consists of 2 pieces of strategic work:

- The construction of the new integrated public transport network including new bridges, roads, bus stations etc;
- A dynamic and robust land use strategy aimed to ensure that the corridor is sustainable into the future.

SOCIO ECONOMIC BENEFITS

- Investment Value R 3.8 Billion (Planning Project), R3, 77 Billion (Road construction)
- Annual Rates To be determined
- Construction jobs 17 335- build of road
- Permanent Jobs 1 659- operation of stations along the Corridor

PROJECT STATUS

- Road Build on track for delivery in 2018
- Land Use Strategy has been completed and was adopted 6 December 2017.

To date there have numerous queries for development opportunities along the corridor.

These sites are currently under construction:

- Tip Top Spar

- BMW SuperTech
- 4/10 School Road –phase 1
- Pinecrest Shopping Centre- phase 1

The following are in building plan stage:

- Pinecrest Shopping Centre- Phase 2
- 4/10School Road – Phase 2

The following are in the discussion phase:

- St Johns Checkers
- Otto Volek Mixed Use Development

The following is in a rezoning phase:

- Duffs Road Rezoning – Mixed Use to support the Corridor- 2400 social housing units and commercial

INVESTMENT STRATEGY

- Land along the corridor is largely privately owned. Developers and Investors will require assistance in fast tracking delivery of the proposed developments.
- Where land is in the public realm, such projects must be identified up front eg human settlement. This must then be managed responsibly.
- Development around the Bus stations must follow the SCM Process in awarding development

LAND RELEASE STRATEGY

- Land is largely privately owned; with pockets of State owned land. Meetings with Human Settlements has happened; the reason was identification of state of owned for release via lease to the market.
- Private Developers will buy/develop privately owned land.
- A package of possible incentives needs to be considered proactively to assist Developers;
- Housing Strategy to relocate possible Informal Settlements to safer spaces and identify new sites.

PROCUREMENT APPROACH

- Fast tracking the upgrading of the 4 existing reservoirs to ensure water to the entire study area;
- Fast tracking and facilitating developments along the Corridor

- Fast tracking of building plans
- Industrial Revitalisation- New Germany Industrial Area underway

URBAN MANAGEMENT APPROACH

- The New Germany Industrial Precinct could be managed by a UIP/Management Association – it would add huge value to the area.

KEY ISSUES AND CHALLENGES

- **ROAD CONSTRUCTION COMPONENT:** Road construction work stoppages; Maintenance budget for road infrastructure needs to be secured in the future; Potential threat of vandalism of facilities; Invasion of strategic parcels of land for corridor development; The clearance of transit camps and informal settlements on parcels of land
- **LAND USE COMPONENT:** Public participation; Human Settlement Plan for the study Area; Proactive incentive Offering by Council

INNER CITY - POINT WATERFRONT



PROJECT DESCRIPTION

The new vision for the Point Development is predicted on maximising the use of the area, both by permanent residents and temporary visitors. This will be achieved by a network of vehicular and pedestrian connectivity that will link to and extend the existing beachfront promenade along Vetch's Pier,

around to the northern harbour edge, populating the space in between with multi-storey structures offering residential, office, retails and leisure infrastructure. Bus access will be aligned to eThekweni's Integrated Rapid Public Transport Network (IRPTN), promoting public transport into and out of the precinct. Future development of the cruise terminal and linkage onto the promenade and hotel development provide linkages from Point to the Blue lagoon.

SOCIO ECONOMIC BENEFITS

- | | |
|---------------------|------------------|
| • Investment Value | R40 Bn |
| • Annual Rates | R200 M per annum |
| • Construction jobs | 11 000 |
| • Permanent Jobs | 6 750 |

PROJECT STATUS

- Infrastructure to support Phase one of the development is underway (internal road layout and waste water infrastructure relocation, water reticulation infrastructure and promenade extension.
- Negotiations to align with the cruise terminal plan are currently in process with Transnet.
- The programme for Mahatma Gandhi road and Back of Beach has been developed (to resolve security, maintenance and dilapidated buildings) in order to coincide with the launch of the Point Waterfront.

INVESTMENT STRATEGY

Public investment in infrastructure with FDI investment to take up the bulk unlocked by the infrastructure investment for development. Both public investment in infrastructure and private investment in mixed use developments is phased over a period of 10-15 years.

LAND RELEASE STRATEGY

Our FDI partners are the development partners and are releasing land for development in a phased approach and have commenced with retail and hotel through RFP. The approach has had lacklustre results prompting.

used to implement all the council proposed projects, i.e. taxi facility and informal traders' stalls due to the complexity in the site.

URBAN MANAGEMENT APPROACH

ITRUMP are the urban management that will be used to maintain and manage the infrastructure as they are doing currently. The intention is to add capacity where it is lacking and provide additional resources required to manage the entire precinct.

KEY ISSUES AND CHALLENGES

- Delays in signing of the MOA by PRASA and the developer.
- Infrastructure funding shortages
- Potential community conflicts based on previous projects

3.2 INTERGOVERNMENTAL PROJECT PIPELINE

The resourcing of the various Catalytic Development Programmes depends to a large extent on the nature, phase and stakeholder arrangements for each of the programmes. The partnership arrangements are unique to each of these programmes, as some are formalised partnership arrangements between public and private partners, and/or between the various intergovernmental departments and sectors. The resourcing of these programmes are therefore to a large degree dependant on these partnership arrangements and budget availability of each relevant stakeholder.

In terms of the Municipal funding commitments towards these programmes over the 2018/19 to 2020/21 years of the MTEF, the following table provides an outline per programme.

The private investment contribution to most of these catalytic programmes are significant and are outlined in Annexure 1, at a project level, where this information is available. A concern is the generally low levels of investment by provincial government and state owned entities. This is an area where further engagement is required to improve collaborative inter-governmental planning and budgeting. The intergovernmental project pipeline showing this contribution breakdown is shown in Annexure 2.

Catalytic Project	MTEF Budget (Rm)		
	Proposed 2018/19	Proposed 2019/20	Proposed 2020/21
1. Point Waterfront	10.0	10.0	9.0
2. Warwick Junction	50.0	30.0	13.0
3. Cornubia Integrated Development			
4. IRPTN – C3 Corridor			
Total			

3.3 INSTITUTIONAL ARRANGEMENTS & INTER-GOVERNMENTAL RELATIONS (IGR)

3.3.1 CITY SUPPORT PROGRAMME FORUM - COMPOSITION AND REPORTING

eThekwini has a City Support Programme Forum chaired by the Chief Strategy Officer and attended by senior staff from Planning, Human Settlements, Economic Development, Catalytic Projects, Transport, Water Services, Roads, Social Sectors, Treasury, and the Strategy Office. The Forum is served by a part-time Secretariat comprising one senior manager as well as part-time BEPP representatives from each sector. The City Manager is periodically briefed on the progress of the Forum.

The Forum members input and review the work of the Secretariat on the identification of the UNS and IZ's, the itemising of the ICDG budget, compilation of the CSIP and presentations to NT as well as discuss issues of a strategic and cross-cutting nature across all key built environment departments.

The next steps regarding the Forum is to formalise its terms of reference and its status as a Collaboration Forum designed to support horizontal integration between municipal line departments. The current work stream within the CSIP dealing with transversal management will be drawn on in this process. Having a formally adopted membership and the provision of additional

capacity for integration type work, will improve the operation of this Forum and the quality of the BEPP going forward.

CITY SUPPORT PROGRAMME FORUM SECRETARIAT

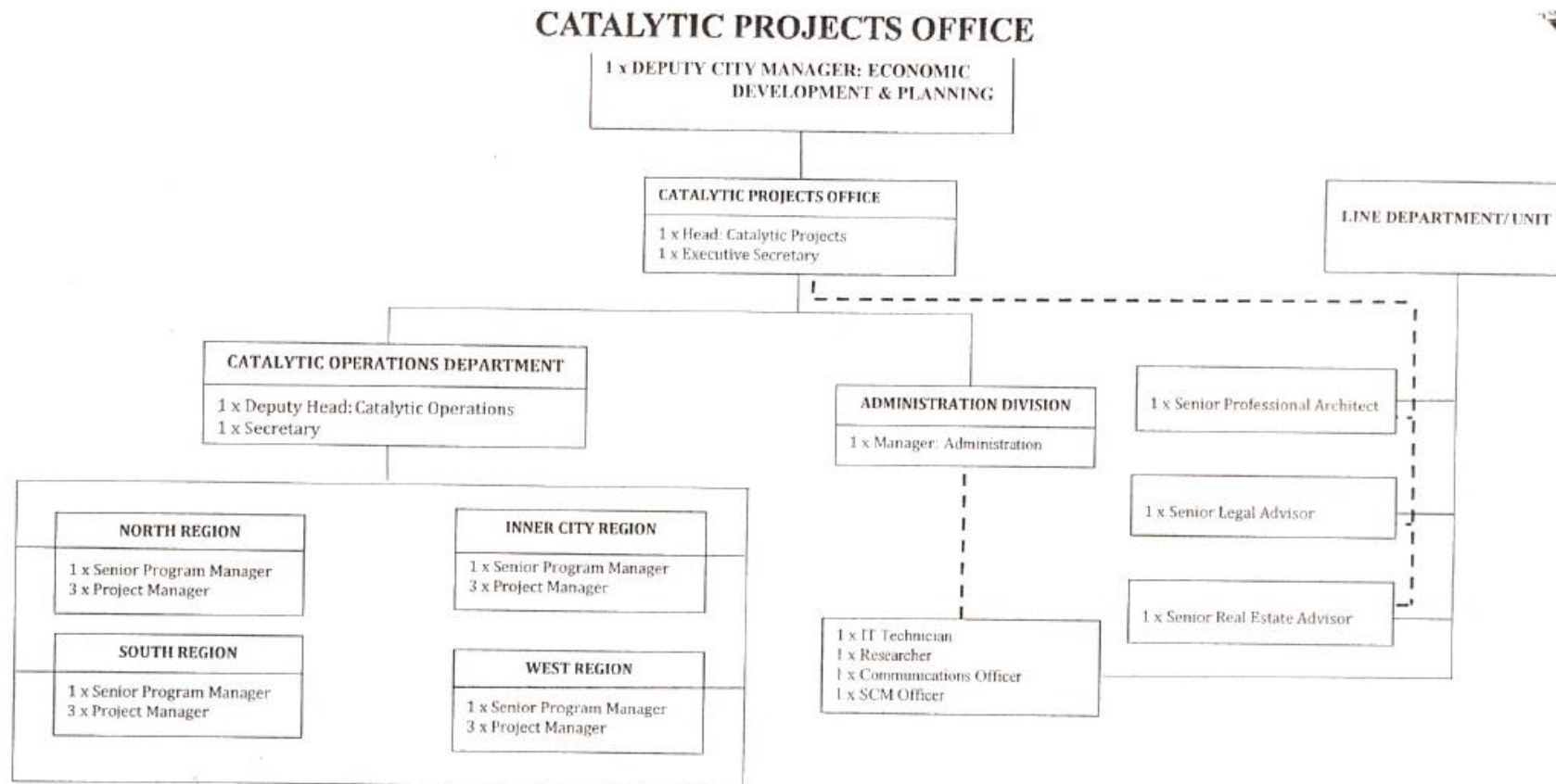
The Secretariat needs additional resources. There is currently one part-time senior manager, but permanent staff and access to panels of professional service providers is urgently required to speed up the production of work in support of the BEPP. The Office of the Chief Strategy Officer has an organogram currently in process of formal adoption which identifies resources to deal with the BEPP and spatial budgeting.

3.3.2 INSTITUTIONAL ARRANGEMENTS FOR CATALYTIC DEVELOPMENT PROGRAMMES

An issue has been identified around how to best drive the development within the integration zone, but particularly the mechanisms for driving and facilitating the various Catalytic Programmes and Projects within the City. The intention is for a Catalytic Projects Unit to be established within the

Economic Development and Planning Cluster within the city to facilitate these programmes/projects. Within this Unit, four Senior Programme Managers will be appointed, who will manage a team of Project Managers to help facilitate a number of programmes/projects within a certain region of the City (North, South, Outer West and Inner City). The Programme and Project Managers will also have access to a number of support personnel with specific professional skill sets and mandated sign-off authority to enable fast tracking of project application approvals within the Unit itself. The best suited form of the team chosen for each project will be based on its scope and specific input requirements in terms of issues to be addressed. See below the latest organogram for this new Unit which was recently approved by Council.

Interim arrangements have been made to focus staff resources on the Catalytic Projects. A Catalytic Projects Office has been established in the office of the Deputy City Manager for the Economic Development and Planning Cluster. Project Facilitators have been seconded to this office on an interim basis from various Units, as a precursor to the establishment of the Catalytic Projects Unit.



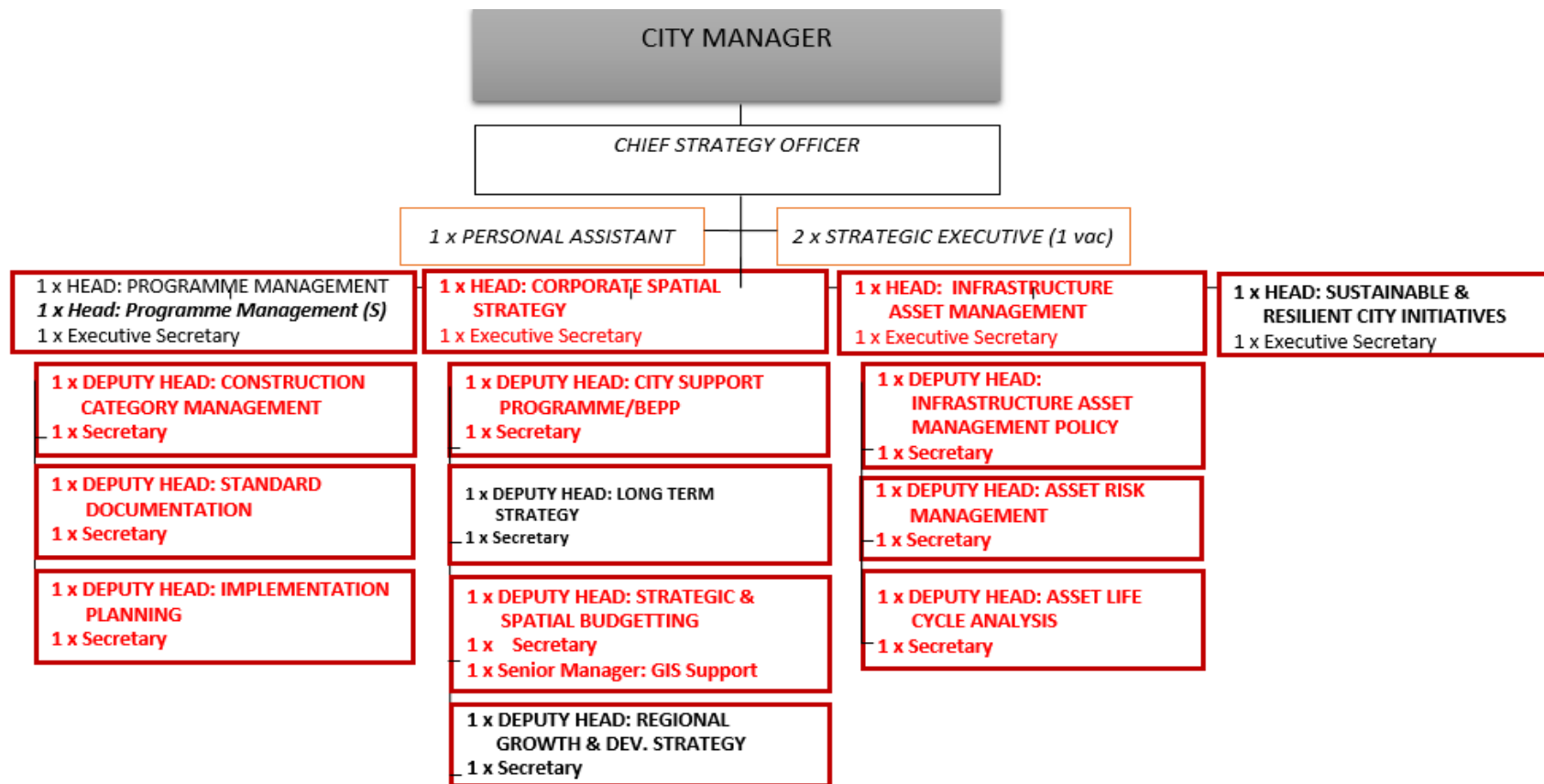
3.3.3 INSTITUTIONAL ARRANGEMENTS FOR CAPITAL PROGRAM MANAGEMENT

As shown below, the Strategy Office of the Municipality provides for a range of functions including programme Management, Infrastructure Asset Management, Spatial Strategy and Sustainable and Resilient City Initiatives. All these functions will be driven across the municipality with collaborative arrangements across all relevant Units and Departments.

The Programme Management structure provides for Construction Category Management, Standard Documentation and Implementation Planning.

Construction Category Management is intended to identify the programmes and portfolios, undertake spend and ease of supply analyses and to make recommendations on appropriate procurement strategies for each programme and portfolio.

Standard Documentation is intended to ensure that the procurement strategies are backed up by appropriate documentation to give effect to these strategies. This Department is intended to be a best practice hub also dealing with knowledge and change management. The intention is to ensure that, wherever possible, standardised documentation is utilised. This function will also provide training to Line Departments on how to compile procurement related documentation.



Implementation Planning is meant to deal with pre-implementation support by ensuring that project and programme pipelines are created and that all relevant actions and decisions relating to these pipelines are timeously taken to ensure smooth implementation. This Department will also deal with programme and project oversight, strategic programme delivery management, programme financial control and integrated programme controls. Currently an integrated roadmap is under preparation which looks at the critical milestones and their inter-relatedness for the planning, budgeting, reporting, performance management and Infrastructure Asset Management processes. The intention is to ensure firstly that these important

activities are treated as ongoing processes rather than events and secondly to ensure that all activities upstream of the milestones are identified and properly planned for.

The Corporate Spatial Strategy structure provides for Long Term Strategy, City Support Programme/BEPP, Strategic & Spatial Budgeting and Regional Growth & Development Strategy. The Long-Term Strategy function will produce the IDP and the thematic prioritisation thereof as well as managing long term scenario planning and ensuring that potential risks such as climate change, energy and water scarcity, inadequate economic and

employment growth, social instability and urbanisation and other demographic changes are addressed. The City Support Programme/BEPP will deal with the production of the BEPP and the other requirements of the CSP programme being driven by National Treasury including the CSIP and built environment indicators and will fulfil the role of eThekweni CSP co-ordinator. The Strategic & Spatial Budgeting function will implement a GIS-enabled spatial budgeting tool to drive municipal budgeting, facilitate and co-ordinate the analysis and integration of, and reporting on, grant funds and implement the Municipal Services Financial Model (MSFM) as a strategic non-spatial budgeting tool. The Regional Growth & Development Strategy function will deal with inter-governmental relations & partnerships required with provincial (including the PGDS) & national departments, state-owned enterprises and adjacent municipalities and will promote joint planning & implementation of infrastructure (engineering and social) across all the relevant municipal, provincial and national departments and manage a land banking programme.

The organogram for the Strategy Office has been approved by the Unit Labour Forum and is being submitted to the Executive Committee of the Municipality for approval. Resourcing will commence thereafter subject to the availability of funding.

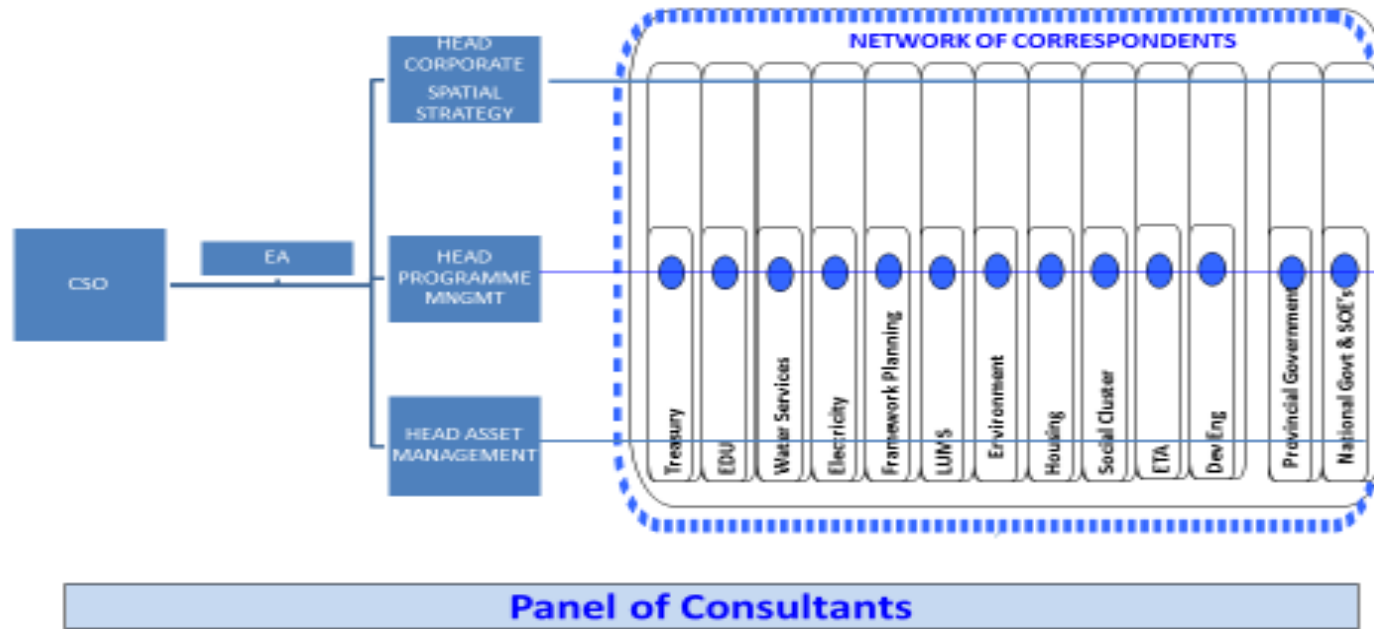
Whilst this institutional process is underway a firm of consultants have been engaged to assist with a conceptual design of a Programme Management Office. This work has commenced and is scheduled for the next 3 months.

To ensure critical system support the City has also undertaken a business needs assessment relating to software support. In conjunction with the upgrade of the current Enterprise Reporting System, it is envisaged that a recommendation will be made to the ICT Steering Committee re an appropriate Project and Programme Management module. Together with other related modules, this will ensure maximum visibility across the pipeline from concept to divestment for a range of stakeholders including management, community and other stakeholders.

The CSP programme has also been requested to assist the City with a Transversal Management study to ensure that the critical collaborative structures are backed up by appropriate performance management and other systems to ensure their effectiveness beyond the goodwill and passion of individuals. The Matrix Management assessment of eThekweni has been completed and eThekweni is entering the next phase of this work which is to identify workstreams where more detailed assessments can be undertaken, and transversal management principles and procedures can be institutionalised.

Critical areas identified for Transversal Management are shown below.

CRITICAL SUCCESS FACTORS COLLABORATION STRUCTURE



In the interim eThekweni has a capital monitoring collaborative forum chaired by the City Manager which monitors the capital spend of the municipality, and which also monitors a key precursor to spend, namely the procurement process. This is supported by a software tool which captures spend and key activities. Weekly budget meetings with multiple service units, to coordinate spend, procurement, and related processes take place.

The City Manager's office is also monitoring the "Top 150" capital projects. These projects have been selected because of their budget quantum and/or because of their urgency. The Top 150 follows a similar process. As discussed above, in parallel, the municipality is preparing itself to implement CIDMS, which is concerned not only with spend and procurement, but also

with the remainder of the project cycle and with comprehensive program management.

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

budgets in order to achieve spatial transformation and higher economic growth.

3.3.4 SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PLAN

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

- Bid Specification;
- Bid Evaluation; and
- Bid Adjudication.

Each committee is independent of the other.

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

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

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

3.3.5 MUNICIPAL CONSULTATION WITH PROVINCIAL AND NATIONAL GOVERNMENT AND THE PRIVATE SECTOR

PARTNERSHIPS

Partnerships with other government departments covers planning, project implementation and to a limited extent, operations. There is generally a poorly developed partnership on the planning side and this frustrates the development of a strategic pipeline of the right projects in the right areas and it frustrates the ability to make transformative changes to communities since municipal delivery needs to be complemented by delivery of national and provincial level infrastructure items and other types of products.

Most of the engagement with national and provincial departments remains at project level where these departments require assistance from the municipality or the municipality requires an investment in a specific geographic area and engagements focus at that level. However, there are a number of fairly recent green shoots developing in this regard.

PROVINCIAL INFRASTRUCTURE REPORTING MODEL (IRM) & INFRASTRUCTURE MASTER PLAN

The above model that has been implemented by the KZN Provincial Treasury has taken provincial budgeting a huge step forward and has the potential for significant integration of provincial budgets to achieve provincial outcomes. This model has benefitted eThekweni in that it has facilitated access to more of the provincial budgets and has started a process of budget mapping. eThekweni welcomes the opportunity to forge closer relationships with the province with a view to partnerships on joint planning, budgeting and implementation. The benefit will be significant for both parties.

Another area of great potential collaboration with the Province is around the KZN Infrastructure Master Plan. A few meetings have been held between eThekweni and the Province and we look forward to taking integrated infrastructure planning forward jointly with the Province.

SOCIAL FACILITIES: MUNICIPAL, PROVINCIAL & NATIONAL ENGAGEMENT

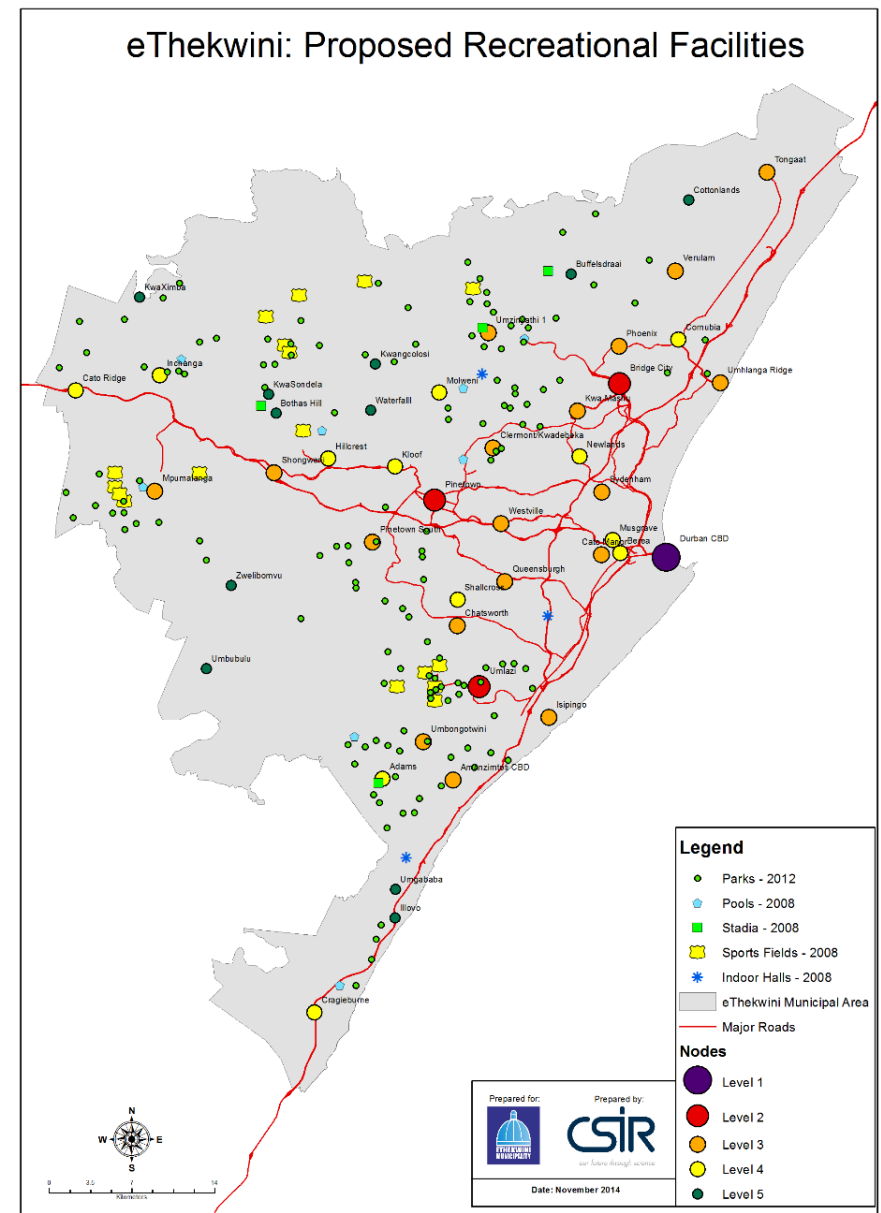
MUNICIPAL FACILITIES

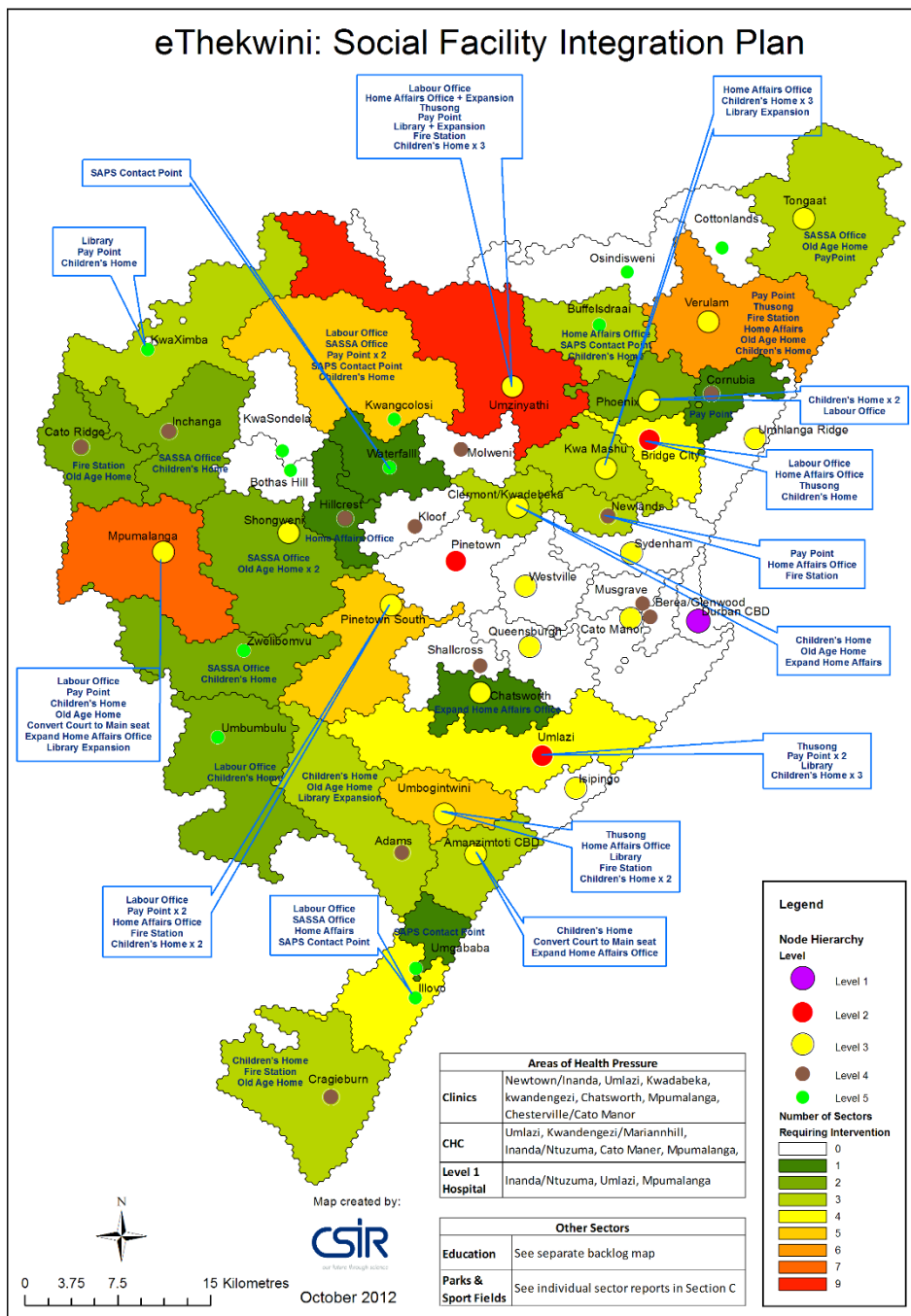
The eThekweni municipality has undertaken accessibility modelling of social facilities from as far back as 2001 and as such is a leader in this field across the metros. The purpose of this modelling work was to bring a scientific and evidence-based method to the determination of the quantum and spatial location of social facility backlogs across the full spectrum of social facilities. For all municipal level, social facilities eThekweni has a backlog eradication plan that it is implementing- this can be seen below. A hierarchy of social facility nodes has been developed (using catchment analysis techniques) and this acts as a spatial frame for co-ordinating all investment in social facilities. The clustering of local, but especially higher order facilities in accessible development nodes will be promoted to benefit residents who can make a single trip to access a range of services. Clustering a range of facilities will mean that more people will visit the social service node which in turn can promote small business opportunities. The clustering of facilities also creates the opportunity for sharing of services, such as ablutions, parking and security etc. Clustering and multi-use of facilities is a principle adopted by both the municipal Architecture Department as well as the national Department of Public Works.

NATIONAL FACILITIES- PARTNERSHIP WITH DEPARTMENT OF PUBLIC WORKS

At national level eThekweni was part of the report by the national department of Public Service & Administration titled "Geographic Accessibility Study of Social Facility and Government Service Points for the Metropolitan Cities of Johannesburg and eThekweni" (2011). This report captures the backlogs of national social facility departments and eThekweni would like to engage with these national departments with a view to implementing the proposals made by this report, which can be viewed in the map below titled "eThekweni Social Facility Integration Plan". From a BEPP perspective the priority social facility projects would be those that fall along the major public transport corridors and related catalytic projects and urban network strategy elements. Apart from the eradication of historical

backlogs, social facilities are required to serve areas of new growth as well and these are the subject of a study that is in the process of being initiated.





As recently as the 2016/17 midterm budget review process held in February 2017, we were approached by the national department of Public Works (DPW) to initiate a partnership to assist them with a significant proposed investment in the Durban Inner City Centrum that DPW are co-ordinating on behalf of national social facility departments. This falls within the Planning & Precinct Development Programme of DPW which is creating government precincts through an approach premised on spatial targeting and fostering the clustering and multi-use of government buildings. This is another example of good IGR which we are supporting.

The current budget allocation to eThekweni is captured in the table below and all the projects are well aligned with the eThekweni priorities as they reflect a major investment in the Inner City which is one of the municipal Catalytic Projects within the Prime Investment Corridor.

EXISTING URBAN PRECINCTS – Metro's eThekweni Inner City							
City/Town	Total lease portfolio (m ²)	Extent of development (m ²)	Site enablement Budget (R)	Service construction start date	Indicative EPWP Job creation figures (Site)	Project budget (R)	Project Implementation timeframe
eThekweni	90 429						
Security Precinct		47 409	R16 million	2019	106	R853million	2021
Centrum Precinct		52 460	R40 million	2022	260	R944million	2021
Court		28 526	R10million	2019	66	R513million	2021

PRIORITISATION METHODOLOGY:

The DPW have committed to supporting eThekweni in the implementation of its SDF and BEPP in so far as national social facilities are concerned. The facilities being built by these national departments tend to be higher order facilities (such as Thusong Centres, Magistrates Courts, Home Affairs Offices etc) and they attract large numbers of people and as such are key pieces of the built environment that, if built in the right places, have a transformative capacity. Prioritisation is always a key undertaking and DPW has agreed to allocate the budgets for which they are the implementing authority in a manner that prioritises according to the following principles.

- **Principle 1:** Prioritise social nodes along the first phase of the integrated public transport network (IPTN)- the C2, C3 and C9 transport corridors (as new public transport corridors are phased in, they will be brought into the prioritisation method). Public transport corridors are a priority in the eThekweni IDP, SDF and BEPP.
- **Principle 2:** Prioritise social nodes according to their ranking in the node hierarchy starting with Level 1, then Level 2, then Level 3 etc. The higher the ranking of the node, the more people are served by that node. The principle of equity is therefore being applied. The detailed list of nodes together with their catchment population statistics will be used to prioritise between nodes.

- **Principle 3:** Project readiness or rather 'node readiness' will be factored in, in the following way. If a node is next on the list of priorities but does not have the necessary detailed precinct plans completed, then in this round of budgeting it will be skipped-over in favour of the next node on the list which does have the necessary plans completed.
- **Principle 4:** An integrated social facility cluster is preferable both in geographic terms (clustering on the same site or in close geographic proximity) as well as in implementation terms (implementation of a cluster of facilities within the same year or within a year of each other to make a bigger impact).

The application of Principles 1 & 2 produces the following list of priority **Urban Nodes** in descending order of priority:

1. Durban CBD
2. Bridge City
3. Umlazi
4. Pinetown
5. Kwa Mashu
6. Phoenix
7. Clermont/KwaDabeka

8. Umhlanga Ridge
9. Cornubia

This is a further reflection of an evidence-based planning method that will inform resource allocation going forward and that will allow for co-ordinated and intensified investment of social facilities in areas with excellent geographic service coverage as well as high levels of utilisation (footfall).

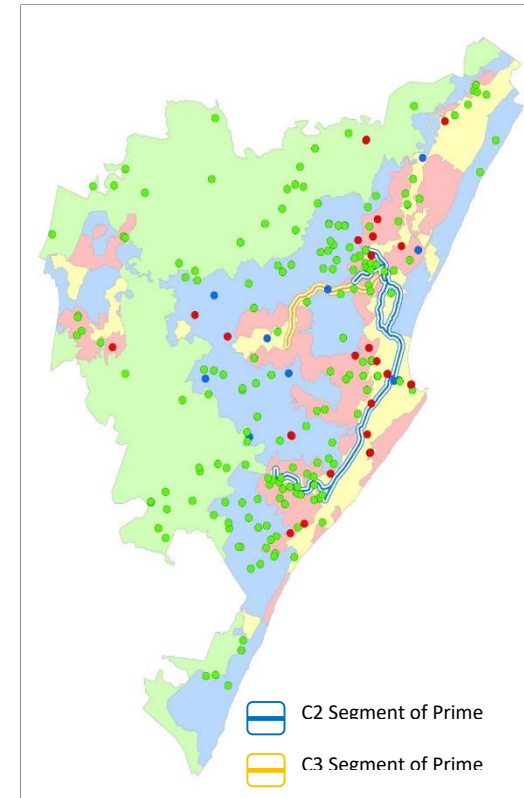
PROVINCIAL FACILITIES

At provincial level, there have been many efforts over the years to achieve alignment of planning, budgeting and implementation but this has, until recently, delivered limited results. Some progress has been made recently at the strategy level with the Provincial Treasury Infrastructure Reporting Model on the sharing of MTEF allocations for some provincial departments which is allowing eThekweni to understand how provincial departments intend intervening in our space. The table below shows the budget allocations and grant proportions which indicates that eThekweni is being allocated fairly high levels of the provincial budget with the exception of Roads maintenance.

Funding Source	Amount	Percentage
Education Infrastructure Grant	347 064 887	20%
Equitable Share	718 815 961	42%
Health Facility Revitalisation Grant	575 480 736	33%
Provincial Roads Maintenance Grant	88 055 430	5%
Total	1 729 417 014	100%

The spatial distribution of the budgets that we were able to access with co-ordinates, is shown in the adjacent map and it reflects some concentration of budgets around the Prime Investment Corridor which is focused on the public transport corridors. However further interrogation is required and we need to move from a situation of being a passive recipient of provincial budgets to being an active participant in the planning so that we can align

the necessary eThekweni budgets spatially and temporally in support of improved outcomes.



EDUCATION FACILITIES

Currently there is a huge backlog of Grade R, Primary and Secondary school access within the municipality (as established by the 2011 accessibility study undertaken by the national Department of Public Service & Administration) and this has existed for many years which indicates that there are capacity and/or resource constraints within the Department of Education which hinder its ability to address this at scale. Below is the Education Department budget for eThekweni which shows that the backlog is being addressed at a very slow pace given the scale of the need.

School name	Amount
Uxolophambili Secondary	9 571 851
Cornubia Primary	4 508 530
Ulovu Area Secondary	11 902 149
Westmead Secondary	17 300 083
Zizamele Primary	138 106
Nsimbini	3 644 780
Completion of Quarry Heights Primary	5 160 432
Matabetulu	8 911 644
Ingcindezi Primary	1 964 000
Dlulumuzi	1 964 000

Given the importance of education the municipality intends engaging further, via the CSP process, with the Department of Education to identify what the broader Education Strategy is to turn around the education system and how the municipality is best placed to support this process.

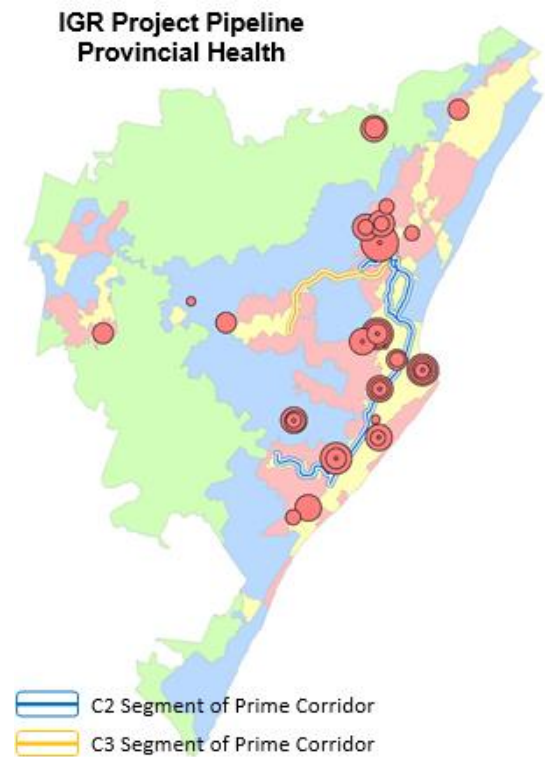
Currently the municipality is expanding its incremental services programme to pilot Early Childhood Development (ECD) initiatives within informal settlements as a way of supporting early education outcomes.

At an operational level, there is an existing Memorandum of Agreement (MOA) with the Department of Education (DoE) whereby eThekweni acts as Implementing Agent on infrastructure at schools (the municipality is involved in building ablutions at many schools on behalf of the DoE and has designed, and will soon oversee the construction of, an entire school within Cornubia) and on the management of school's sports fields and libraries, as after-school-hours community facilities. The implementation agency and the management arrangement on school sports fields are not general throughout the city, but rather on a case by case basis (such as in Cornubia

currently). Innovating around new models of service delivery takes consistent effort over many years to bear fruit. This is an area that requires some dedicated transversal capacity in order to achieve further results. Given the crucial role that education plays in transforming society, this is a critical area for further engagement. The innovation around the clustering of social facilities at schools and the after-hours use of the school library and sports fields not only creates savings in capital but has a significant positive contribution to the achievement of higher nett residential densities within communities and as such contributes to spatial transformation.

HEALTH FACILITIES

Currently there is a huge backlog of primary health care facilities within the municipality (only 56% of residents having access to health services within the standard). This situation has prevailed for many years and this indicates that there must be capacity and/or budget issues within the Department of Health (DoH) that is hindering its ability to deal with the backlogs rapidly. eThekweni would like to engage with the DoH to see how best the municipality can assist since the health of eThekweni residents is such an important issue. Recent budget figures indicate a substantial increase in health budgets allocated to eThekweni and what is more, most of these budgets are concentrated around the Prime Investment Corridor which shows an allocation of R3.5 bn out of a total allocation of R4.4 bn over the MTEF. This is a very positive development.



Health facility	Amount
Osindisweni Hospital	3 036 000
Tongaat CHC	1 051 000
Hillcrest Hospital	927 000
Phoenix Mortuary	300 000
Inanda C CHC	6 840
Phoenix Assessment Centre	618 000
Mahatma Gandhi Hospital	5 209
Dr Pixley ka Isaka Seme Memorial Hospital	549 134 000
Addington Hospital	4 072 000
King Dinuzulu Hospital	18 139 893
Phoenix CHC	927 000
Clairwood Hospital	1 495 749
Wentworth Hospital	2 300 000
St Andrews Hospital	3 275 000
R K Khan Hospital	754 000
Highway House: Mayville	2 130 000
King Dinuzulu Hospital	894 000
King Edward VIII Hospital	450 840

PARTNERSHIPS FOR INTEGRATED HUMAN SETTLEMENT

For the development of Cornubia South (underway) and Cornubia North (proposed), a functional partnership has been established between the municipality, the landowner (Tongaat-Hulett Developments), the Housing Development Agency, and the DHS. The partnership is served by a full-time secretariat comprising municipal officials. The municipal Architecture Department has completed the detailed plans for one of the Cornubia school clusters and these plans have been approved by the provincial Education Department. Budgets have been allocated by the province and in April 2018 we anticipate entering the contractor procurement stage. Hopefully this partnership process related to the Cornubia project will set in motion a regular, programmatic interaction between eThekweni and the provincial DoE which can then be extended to deal with joint planning for schools.

JOINT VENTURES WITH THE PRIVATE SECTOR

There have been historical, and there are current joint ventures with the private sector around Bridge City and the Riverhorse Industrial Area. Riverhorse Industrial is complete, and at Bridge City the JV succeeded to attract significant private and state investment, and aims to continue to do so until the project is complete. Experience has shown that joint ventures with the private sector can yield very positive returns for all parties and can result in a more co-ordinated development response which is one of the intentions of the BEPP. Partnership arrangements should continue to be supported and enhanced as a means of achieving spatial transformation through the promotion of mixed-use objectives as well as a means of supporting economic development.

IGR FORUMS

There is a need for structures to be formalised that will assist engagement between the municipality and other levels of government with a view to aligning planning, budgeting and implementation as well as, where necessary, operations. There are internal municipal discussions on the issue of collaboration forums as part of a broader discussion on transversal management which is designed to break down the silos between departments and assist in efforts to improve areas where integrated responses are required from both municipal departments and departments at provincial and national level.

3.3.6 CITY SUPPORT IMPLEMENTATION PLAN

PURPOSE AND SCOPE

STRATEGIC SUPPORT

At a strategic level, apart from the support to the senior leadership, the key areas for strategic support in eThekweni are around transversal management, long term financial strategy, the Market Study on Cornubia, the Sub National Cost of Doing Business (SNDB), and Understanding the Property Market Study. Transversal management will enable the city to unlock collaboration across municipal departments on specific

programmes and projects in addition to providing clarity on the roadmap that will enable the City to achieve its desired outcomes.

The long term financial strategy including instruments that can be used to finance eThekweni's various programmes. This project will require understanding of eThekweni's investment needs, cash flows and spatial rates of return to identify the financing need and capacities in different scenarios. This will then respond to their need of looking at the role of various financial tools in a preferred scenario, within a transparent policy framework. This work will particularly complement the project specific work the city is doing on catalytic projects. Currently outstanding from this model is a socio-economic assessment component which is critical if the model is to be of any value in project assessment.

The last critical area of support is around the support to human settlements both in up-scaling the upgrading of informal settlements and deepening the understanding of housing markets.

DEMAND PROJECTS

The city has focused its request for support to the critical areas around transversal management, the long term financial strategy to support its investment strategy, enhancing the economic development agenda through support for investment promotion, their concomitant social strategy on understanding housing markets and the up-scaling of informal settlement upgrading. The following table reflects the focus for 2019/20.

CSP Code	Project Name	Brief Comment
CG6-ETK1	eThekweni Corporate Spatial Investment Plan	To be closed as it is becoming core to the City Planning Commission work that has Spatial, Economic and Governance themes
CG11	Long Term Financial Strategy	Part of a nationally driven project and ETK is one of the test metros. It is critical that this model covers financial and socio-economic impacts- currently only the former is being developed- the gap needs addressing.

CG2-WS2	Transversal Management	Part of the nationally driven project and ETK is one of the metro's receiving support. The Matrix Management Assessment has been completed for ETK.
ED15-ETK19	eThekweni Investment Promotion	Part of the nationally driven project and ETK is one of the metro's receiving support. The Invest Durban structure has been approved by Council and a team is being procured.
ED1-ETK3	eThekweni Development Applications	Part of the nationally driven project and ETK is one of the metro's receiving support. ETK intends using the work on SNDB to improve its internal process based on the business process mapping exercise.
HS3	Understanding Housing Markets Support to eThekweni	Report completed, the city is utilising the results of the report into framing their social housing programme.
HS13-ETK14	Upscaling Informal Settlements Upgrading	City is part of the 3 national pilots.

4 PART 4 - CAPITAL FUNDING

4.1 SPATIAL BUDGET MIX

4.1.1 THE VALUE OF PROGRAM AND PROJECTS BY IDP PLAN

The table below analyses the eThekweni MTREF according to the IDP's Eight-Point Plan. The main Plan is "Plan 3: Quality Living Environment" making up 75% of the total budget on average. This plan includes the trading services, human settlement and public transport. The MTREF shown is what is currently going through Council and public processes. Council will adopt the Budget by end May 2018.

2018/19 CAPITAL BUDGET MTEF			
Plan Description	Fiscal Year 2018/19	Fiscal Year 2019/20	Fiscal Year 2020/21
1. Develop and Sustain our Spatial, Natural and Built Environment	21.514	24.690	25.120
2. Developing a Prosperous, Diverse Economy and Employment Creation	411.101	406.162	461.336
3. Creating a Quality Living Environment	5,355.899	5,830.141	5,773.006
4. Fostering a Socially Equitable Environment	124.457	164.768	157.287
5. Supporting organisation design, human capital development and management	4.300	4.516	28.433
6. A vibrant and creative city - the foundation for sustainability and social cohesion	468.183	488.662	475.654
7. Good Governance and Responsive Local Government	451.782	493.151	556.611
8. Financially Accountable and Sustainable	192.094	210.826	269.554
Total Capital Budget 2018/19 MTEF	7,029.330	7,622.916	7,747.001

The spatial mapping and evaluation of the capital budget requires more attention. The MSCOA requirement that all projects funded on the capital budget must have GIS co-ordinates, will assist with this going forward.

4.1.2 THE APPLICATION OF GRANT RESOURCES BY GRANT PROGRAM AND MUNICIPAL PROJECT

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

4.2 LONG-TERM FUNDING STRATEGY

eThekweni has a Borrowing Strategy, and a Municipal Services Finance Model. Recent work with the National Treasury Using has started a work-stream to link development challenges to financing options with a view to developing a Long-term Funding Strategy. The work-stream has the participation of the Municipal Finance department, DBSA, and National Treasury. The finalisation of the single spatial strategy for eThekweni must be completed urgently as this is the product to which a long-term funding strategy must respond. Inputs to this single spatial strategy include optimisation exercises for human settlement and project prioritisation across a number of sectors to be conducted during the course of 2018/19. With a single spatial strategy in place, discussion of financing options can get underway.

5 PART 5 - SUSTAINING SERVICE DELIVERY

5.1 ATTRACTING PRIVATE SECTOR INVESTMENT

5.1.1 INVESTMENT PROMOTION AGENCY (IPA)

EThekweni Municipality has a long history of investment promotion dating back to 1999 when it formed an Investment Promotion Agency (IPA) following a Best Practice City Commission recommendation. However, in the last 10 years the investment promotion function has been sub-optimally structured and poorly resourced within the City. The function currently exists as a department within the Economic Development and Investment Promotion Unit which is part of the Economic Development and Planning Cluster. A best practice analysis has identified numerous shortcomings with the approach. The City requested assistance through the CSP in structuring a better approach to attracting private sector investment given that this forms one of the important pillars of its Economic Development and Job Creation Strategy (2013).

As part of the national treasury City Support Programme (CSP) the World Bank Group (WB) has been engaged to provide advice through a Bank

Executed Multi-Donor Trust Fund (MDTF) funded by the State Secretariat for Economic Affairs (SECO) in Switzerland. One thematic work area within the MDTF aims to contribute towards an improved business enabling environment, more competitive cities with higher job creation potential and more effective public service delivery - leading to inclusive and sustainable growth in the eight metros covered by the program. A subset of work within this thematic area focusses on Investment Promotion at city level and is based on a strong expressed demand for assistance in this field by cities. Following a scoping mission on the topic of Investment Promotion to eThekweni in May 2016, a set of action recommendations for work in this area was subsequently approved. Broadly the WB would provide international best practice inputs in terms of the functioning of an Investment Promotion Agency and the drafting of a strategic framework to guide future Investment Promotion activities by the city.

The Strategy Document covers the following key areas:

- **Objectives** Set National and Municipality context and high level objectives;
- **Benefits/Impact on eThekweni** Paint positive visionary picture of potential benefits;
- **Past Performance** Succinctly show numbers over last 5/10 year's jobs investments, give reference names;
- **Directional Change / Step Up** New step up initiative for the city, connect with national cities programme;
- **Brand Proposition of Durban** High level, Current investor proposition, brand strength;
- **IPA Mandate** Set out a clear and concise mandate, narrower is best;
- **Vision** Simple, clear message;
- **Mission** Simple, clear message;
- **New Sector Targets** Articulate, with rationale for agreed new target sectors, set out annual targets of number of projects, employment, and investments, rising gradually to an agreed five-year target;
- **Target Markets** Specify regions/countries for investment seeking in each of the priority sectors;
- **Market Entry Strategy** How will you enter and activate the target markets;

- **Investors served markets** Illustrate the markets investors in Durban will serve;
- **Incentives Strategy** How will you financially influence investors;
- **Non-financial influencing Strategy** Demonstrate the critical non-financial influencing strategy;
- **Investor Aftercare** Articulate critical aftercare strategy and importance;
- **IPA Institutional Position** Where does the IPA sit in relation to the departments, Leadership etc.;
- **IPA Structure and Financing** People - Organization structure diagram and multi annual operational and marketing budgeting;
- **IPA Brand** Deal with historical brand confusion and new brand;
- **Location/HQ** Quality accommodation with strong identifiable image;
- **Accountability and Reporting** Internal performance data capture and future city reporting process;
- **System Asks:** set of benefits to city in return for their medium-term commitment to this new entity;
- **Wider Societal Impact:** impact on SME's employment, services, city confidence;
- **Return on investment** Show how a return on investment can be achieved (use Irish model to demonstrate); and
- **Promotion & Communications** How the IPA will promote the city and the political leadership through direct association with its successes.

A National Treasury/World Bank "Findings & Recommendations Report" was tabled to City leadership in July 2016, and was Council adopted in November 2016. The World Bank was re-contracted to advise on implementation of key recommendations as follows:

- an international best practice Durban Investment Promotion Strategy & organizational structure. This was completed & Council adopted on 1 August, 2017
- a detailed Implementation Plan defining an optimal organizational location, structure & all steps required to deliver the Strategy. This was completed in December 2017; and

- Implementation steps on all Council Resolutions are underway and the World Bank is still contracted to support delivery - with the World Bank Team to visit eThekweni in March, 2018. A "Team Durban" Investment Advisory Forum was advertised seeking members & 50+ applications were received for this senior Executive support platform. The intention is to launch this Advisory Forum in March/April 2018.

5.1.2 ECONOMIC DEVELOPMENT INCENTIVE POLICY

This policy was first introduced in the 2016/17 financial year and is currently being reviewed. The review takes into account the emerging issues in the Investment Promotion Strategy discussed earlier. The eThekweni Municipality faces the challenge of addressing unemployment, income inequality, and shortfalls in education and training, in addition to boosting government revenue streams. Private investment is required to broaden economic activity, catalyse infrastructure investment, and improve social services within the Municipality and create jobs.

Investment incentives have long been used at all levels of government from national to municipal. However, the common criticism of many of these incentives is that they may only serve the needs of some and create a loss of public revenue. Yet, global experiences indicate that incentives are used to meet the objective of attracting and retaining increasingly mobile capital, create employment, and enhance exports. Governments may also wish to deepen investor's links with local businesses, thus allowing investors to create opportunities for local skills training and education.

In the South African context, there has been an apparent rise in governments' efforts to use incentives as a tool to attract and retain capital that is increasingly mobile. In efforts to create employment, increase competitiveness, generate exports, and encourage and build up their tax bases, governments are using incentives to convince investors to forego *other* incentive opportunities offered by competing economies and to bring and keep their businesses in that jurisdiction. Once the businesses are there, incentives are also being used to encourage the investments to deepen linkages with and spillovers into the local economy, in this context

governments may offer incentives for businesses to hire local employees, procure their goods and services from local providers, and invest in education and training

In its first phase of implementation the EDIP offers two streams of incentives for developments within the Municipal area, namely:

- **Financial Incentives:** This provides detail to Section 14 of the 2015/2016 Rates policy which has been approved by Council. The offer of financial incentives is in the form of property rates rebates for the identified 3 categories of developments; Greenfields, Brownfields and Derelict Buildings. The monetary value of the rebate is determined by the type and value of development; and
- **Non-Financial Incentives.** This incentive offer is in the form of investor support to assist in expediting development related applications and other queries.

The Policy is scheduled for a minor annual review and an overhaul every three years. It is envisaged that incentives for the priority sectors enlisted in the Economic Development and Job Creation Strategy 2013 will be phased in and innovative and creative approaches sought to incentivize priority sectors namely; Manufacturing, Maritime and Logistics, Tourism, Business Process Outsourcing, and the Green Economy.

5.2 TARGETED URBAN MANAGEMENT

5.2.1 PRECINCT MANAGEMENT ENTITIES

The City's Urban Management strategy is premised around a three-segment strategy as shown below.

For the top segment, approximately 500 km of priority routes are dealt with by all inclusive contracts. Priority spaces are dealt with and intended to be dealt with by a combination of Special Rating Areas (SRA's), which are

called Urban Improvement Precinct (UIP) in eThekweni and Management and Lot Owner Associations. There is however a realisation that there is insufficient rates base in many areas where SRA's are desired and that hybrid models with public sector co-funded may be required. In this regard Sections 85 and 86 of the Municipal Systems Act is being considered as an alternative mechanism.



Top Segment – 20% of Network that 80% of People Traverse (Freeways, main arterial, primary & secondary CBD's ~ 500km)

- Priority Spaces - UIP's, MA's, LOA's top up services
- Priority Routes - All inclusive, outcome based integrated contracts



Middle Segment – Developed Suburbia ~ 4000km

- Internal Delivery
- Rollout of WMS across all Field Teams
- Performance Management & Service Delivery Accountability Model



Bottom Segment (Rural & Developing Suburbia ~ 2600km)

- Community based Contracts, Coops etc.
- Social Economic Strategy
- Rationalised Oversight & Performance Standards

There has been a growing collaboration of the Municipality and the SA Property Owners Association (SAPOA) to promote the further development of SRA's in commercial and mixed use areas. As a result of this engagement SAPOA has established both a Precinct Management Forum to improve the effectiveness of the sector, as well as having established the Strategic Urban Management Non Profit Company. The Municipality will contract this company through Sect. 67 of the MFMA to provide a non-commercial service in the form of developing promoting and supporting the establishment and effective operation of commercial precinct management initiatives throughout eThekweni.

SUBURB	MARKET VALUE 2009	MARKET VALUE 2013	VALUE CHANGE 2009 TO 2013	2013 % OF TOTAL	CHANGE % FROM 2009 TO 2013
UMHLANGA RIDGE	4 609 850 000	8 036 692 000	3 426 842 000	10.5	74
CBD	6 928 473 000	7 834 807 000	906 334 000	10.3	13
PINETOWN	2 256 346 000	2 685 508 000	429 162 000	3.5	19
AMANZIMTOTI	515 456 000	600 415 000	84 959 000	0.8	16
VERULAM	231 640 000	359 626 000	127 986 000	0.5	55
ISIPINGO RAIL	315 245 000	304 185 000	-11 060 000	0.4	-4
UMBOGINTWINI	32 300 000	204 550 000	172 250 000	0.3	533
TONGAAT CENTRAL	178 810 000	147 400 000	-31 410 000	0.2	-18
ISIPINGO HILLS	147 570 000	136 390 000	-11 180 000	0.2	-8
UMKOMAAS	79 540 000	112 259 000	32 719 000	0.1	41
ISIPINGO BEACH	87 325 000	64 660 000	-22 665 000	0.1	-26

The following six commercial and mixed use SRA's are in operation:

- South Beach UIP, North East Business UIP and the CBD UIP. These three Inner City SRA's are jointly managed by the Urban Improvements Precincts Company;
- The Umhlanga Village UIP, the Umhlanga Promenade UIP and the Florida Road UIP are all managed by the Urban MGT company.;

In general, mixed use SRA's are not favoured as it proves too difficult to secure the founding vote between large numbers usually sectional title residential properties and a smaller number of commercial properties.

Commercial SRA's initiatives are underway in Glenwood, Musgrave, Stamford Hill, Umbilo (industrial), Pinetown CBD and the Northern Beachfront

Management Associations are in place typically in private sector commercial property development areas, typically done by Tongaat Hulett, including Riverhorse Valley Business Estate, Bridge City, Sibaya, Cornubia and the uMhlanga Ridge. The Point Waterfront also has a Management Company. What is common in this model is that the developer has structured in a levy with the property purchase that funds the precinct management company services.

Lot Owners Associations exist in Phoenix and a few other older Municipally developed Industrial Parks.

The Municipality / SAPOA collaboration is also focused on the development of Municipal policy to enable wider replication of precinct management initiatives throughout priority economic nodes, engaging in national

processes to improve the enabling legislation and to improve the effectiveness and efficiency of the existing Precinct management entities,

The case for change is clearly articulated in the table below where it is apparent that historic high value areas are experiencing a declining or flat trend which poses a risk to municipal income. Areas with some form of urban management, like Umhlanga, demonstrate much higher property growth levels.

Areas with historical high value properties such as the CBD's and secondary CBD's are clearly in decline or having very flat growth. The table above illustrates this reality. As such there is a very real income risk to the municipality given that property values are a proxy for rates income.

The developments over the past year have been guided by the view of, the City Planning Commission that the City needs to do more about forging partnerships with stakeholders. In this regard a high level City / SAPOA workshop was convened by the City Manager in January to give impetus to the partnership.

Township and other emerging nodes have also been identified as areas requiring a precinct management approach, however recognizing that the SRA mechanism will not apply. There are nevertheless a number of pilot projects at the initiation stage. The City has an Area Based Management Institutional structure which cover sub-regional areas larger than a precinct. Nevertheless the ABMs provide a vehicle through which the Municipality does deploy a cross cutting management function. This consists of three main service levels;

- Identifying and facilitating response to infrastructure maintenance issues,
- A socio-economic development interface between the Municipality and communities.
- Monitoring and reporting on faults and service delivery matter and assisting with accountability Council Line Departments, including monthly exception reporting up to the level of political committees.

A service delivery charter is under preparation to articulate the service levels applicable to all services and to ensure a commitment from the relevant Departments. This Charter will form part of a Customer Relations Strategy and is intended to be supported by a compatible and integrated CRM module of the current ERP system.

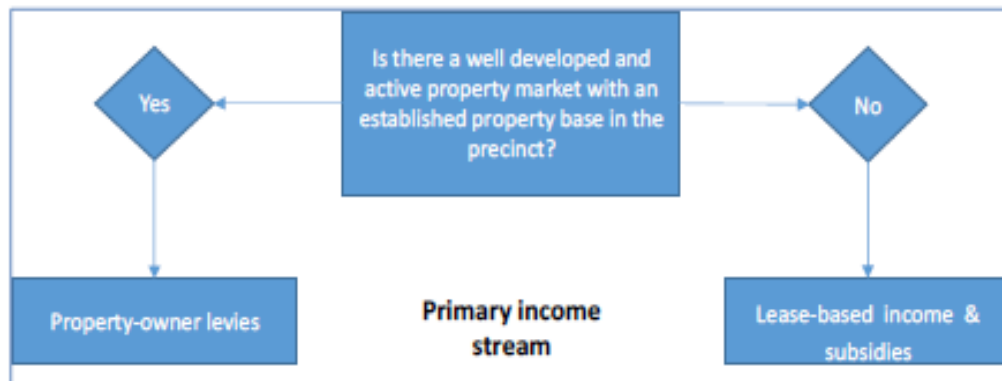
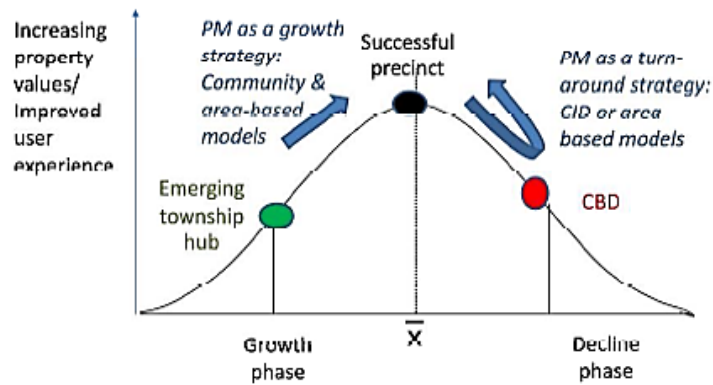
Emerging and declining economic areas determines as priorities in accordance with the Urban Network strategy are as shown below:

Emerging Township Nodes	Declining CBD Nodes
KwaMashu	Durban
Umlazi	Pinetown
Inanda	Amanzimtoti
Ntuzuma	Verulam
Clermont	Tongaat
Lamontville	Isipingo
	Umkomaas

A National Treasury funded project has been agreed to map all economic nodes throughout eThekweni onto the GIS. This will establish spatial and property data to determine focus areas, for example which are the emerging commercial nodes in large townships like uMlazi. This will also integrate data related to the sections of the BEPP dealing with Integration zones and economic nodes to establish a prioritisation for where the Municipality / Private sector partnership should focus its collective energy and resources.

The UNS recognises that the above 2 categories of nodes will require support in the form of subsidisation to bridge the gap between the base services provided by the City & the top up services that are affordable to the property owners within the SRA, as reflected in an approved business plan, and the levels of service required to make a positive difference on the ground. This is the essential difference between emerging and declining nodes as compared to established nodes.

These realities are shown in the 2 figures below:



A National Treasury funded project has been established to develop a pilot initiative in each of these two categories. The first focusses on the KwaMashu Town Centre and its linking corridor to Bridge City. The second will focus on the South Beach mixed use area of the Inner City.

A process is also being initiated to develop greater precinct management coverage in the Inner City which has only partial SRA/UIP coverage as shown in the diagram below. The intention is to maximise the area of coverage,

establishing contiguous managed precincts and with the ultimate goal of wall to wall management initiatives.



RESIDENTIAL SRA'S

SRA's have been established in a number of middle and upper income suburbs class, where high crime levels has been the main driver. These include:

- Maytime Community Association;
- The Burlington UIP.
- Perth UIP
- Giba Gorge Environmental Precinct;

Another six residential initiatives are underway in the Westville area.

The Municipality retains a passive approach in accepting residential SRA applications, but at this stage there is no emphasis in the promotion of the system in residential areas.

5.3 INFRASTRUCTURE ASSET MANAGEMENT

As noted in SANS/ISO 55000, Infrastructure Asset Management (IAM) translates an organisation's purpose and objectives into infrastructure asset related decisions, plans and activities using a risk based approach. The goal of Infrastructure Asset Management is to deliver a required levels of services cost-effectively through the management of infrastructure assets.

The 2017 Infrastructure Asset Management (IAM) Policy was adopted by Council in June 2017. Institutionalisation of the IAM policy will commence with adoption of the Terms of Reference for the Technical Infrastructure Asset Management Committee (TIAMC) and the Strategic Infrastructure Asset Management Committee (SIAMC).

The high Current Replacement Cost and high dependence on the use of infrastructure to deliver municipal services and the typically long useful lives of infrastructure points to a need for infrastructure to receive specific and focused management attention. To this end, eThekweni is improving its infrastructure information systems. As part of the upgrade to the JDE financial system, the Municipality acquired JDE's Capital Asset Management module which will primarily assist with maintenance management and linking the infrastructure asset register to the financial system.

eThekweni has been selected as a pilot site for the implementation of the Cities Infrastructure and Delivery Management toolkit. A readiness assessment has been conducted and an implementation plan is being prepared. This will be used to help improve the Municipality's Infrastructure Asset Management processes. This includes improving:

The Municipality uses the IIAMP and sectoral IAMPs to continuously improve infrastructure asset management practices, by amongst others:

- The Infrastructure Asset Management Plans
- Balancing new infrastructure with maintenance of existing infrastructure;
- Placing a greater emphasis on proactive rather than reactive maintenance; and

- Taking precautions to not over-commit funds to new infrastructure.

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

- Reducing the loss of municipal water through replacing water pipes & repairing leaks;
- Reducing water theft;
- Reducing water pressures in the pipe network; and
- Understanding the contribution of new infrastructure to the achievement of the municipality's service delivery mandates. In this respect, the emphasis that the BEPP places on intensifying development around public transport routes as well as undertaking cost-benefit assessments of proposed development in peripheral areas, is positive in that it contributes to sensible decisions regarding growing the infrastructure networks.

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

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

6 PART 6 - MONITORING & REPORTING

6.1 ADOPTION & MEASUREMENT OF SHORT AND MEDIUM TERM OUTCOME INDICATORS

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

- Well-governed city;
- Inclusive city;
- Productive city; and
- Environmentally sustainable city.

For the 2018/19 BEPPs, metropolitan cities are required to report on the baselines and set targets for 8 indicators and national is required to provide baselines for 9 indicators for which cities will need to set targets. These indicators are captured below.

The process to identify internal process drivers for each indicator, and to determine the baselines and targets for the range of KPIs began in 2016 and is continuing. The process has in many instances been slow as is often the case with newly introduced performance information that needs to be gleaned from the municipal system and where owners need to be identified to take responsibility for reporting on the new KPIs. This process has been further slowed due to changes to the spatial extent of the Integration Zone which has meant that the calculations have needed to be re-done to determine baselines. The setting of targets is often related to the budget allocation and hence these decisions need to be made by the Heads of Departments (as opposed to KPI owners at senior management level) since it requires strategic oversight on relative budget allocations to various programmes. The outcome of all these factors is that many of the baselines and targets are yet to be completed. These BEPP indicators are being included as part of the outcomes report for 2018/19 and where baselines and targets are still being finalised, the outcome report will reflect as such.

6.1.1 BEPP INDICATOR BASELINES AND TARGETS:

eThekweni is in the process of incorporating the BEPP outcome indicators into its SDBIP. Due to the fact that for the bulk of these new indicators, there are currently no systems in place to gather and process the requisite information, it is not possible to establish baselines let alone to set targets. This is being addressed and it is hoped that during the course of 2018/19 that we will be in a position to deal with the current shortcomings.

Ref No.	IDP Performance Indicator (Outcomes)	Indicator owner	Baseline (estimated Annual Performance 2017/18)	Target for 2020/21 (MTREF)	Target for 2021/22 (End of Term)
WG13	WG13. Percentage change in the value of properties in Integration Zones	Rakesh Ramlugan			
CC2	CC2. Number of land use applications processed in integration zones as a percentage of the total number of land use applications submitted city-wide	Lihle Phewa - Development Planning			
CC3	CC3. Number of building plan applications processed in integration zones as a percentage of the total number of building plan applications city-wide.	Lihle Phewa - Development Planning			
PC4	PC4. Commercial and industrial rateable value within integration zone for a single metro as a % of overall commercial and industrial rateable value for that same metro.	Balakazi Madikizela			

CC1	CC1. Hectares approved for future development outside the 2015 urban edge as a percentage of Hectares allocated for future development as defined by the 2015 MSDF	Lihle Phewa - Development Planning
IC1	IC1. New subsidised units developed in Brownfields developments as a percentage of all new subsidised units city-wide	Mark Byerley
IC2	IC2. Gross residential unit density per hectare within integration zones	Buddy Govender
IC3	IC3. Ratio of housing types in integration zones	Data element 1: Mark Byerley. Data Element 2: Mark Byerley. Data Element 3: Buddy Govender
IC4	IC4. Ratio of housing tenure status in integration zones	TID shows Metro but info is from Stats SA only
IC5	IC5. Ratio of land use types (residential, commercial, retail, industrial) in integration zones	Lihle Phewa - Development Planning
IC6	IC6. % households accessing subsidy units in integration zones that come from informal settlements	Mark Byerley
IC7	IC7. Number of all dwelling units within Integration Zones that are within 800 metres of access points to the integrated public transport system as a percentage of all dwelling	Buddy Govender

	units within Integration Zones	
IC8	IC8. Percentage share of household income spent on transport costs for different household income quintiles city-wide	National - should it be on Outcome report
IC9	IC9. Capital expenditure on integrated public transport networks as a percentage of the municipal capital expenditure	National - should it be on Outcome report
IC11a	IC11a. % learners travelling for longer than 30 minutes to an education institution	National - should it be on Outcome report
IC11b	IC11b. % of workers travelling for longer than 30 minutes to their place of work	National - should it be on Outcome report

6.1.2 SECTOR DEVELOPMENT OUTCOMES AND OUTPUTS AS PER SECTOR PLANS 2018/19 AND DRAFT SDBIP 2018/19

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

Item	Measure	Unit
1. Integrated housing & interim services to informal settlements		
• The number of subsidized HOUSES constructed/ built.	5003	No.
• The number of new fully subsidized housing units allocated.	6012	No
• Hectares of land acquired for subsidized Housing	150	Hectares

• The number of households benefitting from serviced sites handed over for subsidised housing units	3096	No
2. Rental and Gap housing strategy		
• CRU's - upgrading, refurbishment, and construction of new family units (at existing hostels).	90	No.
• Sale of rental and BNG housing	4500	No.
• Upgrade and refurbishment of pre-1994 housing units	160	No.
3. Title deeds strategy		
• Number of Title Deeds submitted to the Deeds Registrar for registration for subsidized housing	2000	No
• Number of Title Deeds issued to owners for subsidized housing	1500	No
3. Address Infrastructure backlogs		
• Built Environment Performance Plan	100	%
• The number of consumer units provided with access to AT LEAST a FREE basic level of SANITATION by means of a UD toilet, an existing VIP or, for informal settlements, by means of a toilet/ablution block within 200m	15000	No
• The number of consumer units provided with access to AT LEAST a FREE basic level of potable WATER either by means of an indiv hh yard supply (ground tank or metered flow limiter connected to a yard tap) or, for informal settlements, by a standpipe within 200m	10000	No
• The % of non-revenue water loss.	39	%
• The percentage of households with access to AT LEAST a basic level of Water	95.31	%
• The percentage of households with access to AT LEAST a basic level of Sanitation	85.96	%
• The percentage of estimated indigent households provided with free basic services: Sanitation	68.81	%
• The percentage of estimated indigent households with access to a free basic services: Water	92.87	%
• The Cumulative number of consumer units collecting FREE BASIC ELECTRICITY	1 101 705	No
• The number of connections energised and captured on Ellipse, for provision of prepaid electricity to residential dwellings	20 000	No
• The number of connections energised and captured on Ellipse, for provision of conventional electricity to residential dwellings	800	No
• The percentage of households with access to a basic level of electricity	79.50	%

• The percentage of estimated indigent households collecting free basic services: Electricity	16	%
• Electricity losses (technical and non-technical) as a % of electricity purchases.	8.50	%
• The percentage of households with access to a basic level of Solid Waste Removal.	100	%
• 100% of estimated indigent households with access to a refuse removal service once a week	100	%
• The % of municipal landfills in compliance with the Environmental Conservation Act.	100	%
•		
• The number of properties below the eThekweni defined level of service provided with STORMWATER solutions.	440	No
• The number of km of SIDEWALK constructed.	39	No
• The km of unsurfaced ROAD converted to surfaced.	12	No
• The number of PUBLIC TRANSPORT RANKS constructed.		
4. Infrastructure asset management		
• Submit the 17/18 Integrated Infrastructure Asset Management Plan to Chief Strategy Officer in order to inform the 18/19 budget	100	%
•		
• Integrated Infrastructure Asset Management Plan Level 2 - All Sectors	100	%
•		
5. Implement an effective public transport plan for the Municipality		
• Detailed Design of Phase of the (IPTN) Project.	100	%
• Passengers using accessible scheduled public transport services	65 000	No.
• Passengers using scheduled public transport services	29 500 000	No.
• Implement an effective public transport plan for the Municipality	90.38	%
• Improve Road Safety by Conducting Road Safety Awareness at schools and implementation of speed humps & intersection improvements	103	No

7 PART 7 - REFERENCES AND ACRONYMS

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BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
BoP	Back of Port
CBD	Central Business District
CBO	Community-Based Organisation
CIF	Capital Investment Framework
CMDA	Cato Manor Development Association
CMPR	Central Municipal Planning Region
CPC	City Planning Commission
CRU	Community Residential Units
CSIR	Council for Scientific and Industrial Research
CSP	Cities Support Program
DCM	Deputy City Manager
D'MOSS	Durban Metropolitan Open Space System
DBSA	Development Bank of South Africa
DCM	Deputy City Manager
DORA	Division of Revenue Act
DPSA	Department of Public Service & Administration
DSW	Durban Solid Waste
DTP	Dube Trade Port
DWA	Department of Water Affairs
EIA	Environmental Impact Assessment
EMA	eThekwini Metropolitan Authority
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
ETA	eThekwini Transport Authority
EWS	eThekwini Water Services
FAP	Functional Area Plans
FAR	Floor Area Ratio
GDP	Gross Domestic Product
HDA	Housing Development Agency
HPPTN	High Priority Public Transport Network
HSDG	Human Settlements Development Grant

IAMP	Integrated Infrastructure Asset Management Plan
ICDG	Integrated Cities Development Grant
ICT	Information & Communications Technology
IDP	Integrated Development Plan
ILO	International Labour Organisation
IMR	Infant Mortality Rate
INEPG	Integrated National Electrification Programme Grant
INK	Inanda Ntuzuma KwaMashu
IRM	Infrastructure Reporting Model
IRPTN	Integrated Rapid Public Transport Network
ITP	Integrated Transport Plan
IZ	Integration Zone
KPI	Key Performance Indicator
KSIA	King Shaka International Airport
KZN	KwaZulu-Natal
KZNPGRS	KwaZulu-Natal Provincial Growth and Development Strategy
LED	Local Economic Development
LEFTEA	Less Formal Township Establishment Act
LUF	Land Use Framework
LUMS	Land Use Management System
MCPP	Municipal Climate Protection Programme
Metro	Metropolitan Municipality
MFMA	Municipal Financial Management Act
MSA	Municipal System Act
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NDPP	Neighbourhood Development Partnership Program
NEMA	National Environmental Management Act
NGO	Non-Government Organisation
NHBRC	National Home Builders Registration Council
NHRA	National Heritage Resource Act

NMPR	Northern Municipal Planning Region
NMT	Non-Motorised Transport
MOF	Ministry of Finance
NPC	National Planning Commission
NPO	Non-Profit Organisation
NSDP	National Spatial Development Perspective
NT	National Treasury
PGDS	Provincial Growth & Development Strategy
PPF	Project Preparation Facility
PPP	Public-Private Partnership
PPT	Project Preparation Trust
PSP	Professional Service Provider
PTIG	Public Transport Infrastructure Grant
RFP	Request for Proposals
ROI	Return on Investment
SCM	Supply Change Management
SCM	Supply Chain Management
SDBIP	Service Delivery Business Implementation Plan
SDF	Spatial Development Framework
SDP	Spatial Development Plan
SEZ	Special Economic Zone
SIP	Strategic Infrastructure Projects
SMME	Small, Micro and Medium Enterprises
SMPR	Southern Municipal Planning Region
SOE	State Owned Entity / Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
TEU	Twenty Foot Equivalent
UN	Urban Network
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
WMPR	Western Municipal Planning Region
WSA	Water Services Authority
WSDP	Water Services Development Plan

WTW	Water Treatment Works
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