



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



Built Environment Performance Plan

BEPP

2018/19 – 2020/21

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LIST OF ACRONYMS

AEL	Air Emissions Licence
APDP	Automotive Production and Development Programme
ATTP	Assistance to the Poor
BEP	Bucket Eradication Programme
BEPP	Built Environment Performance Plan
BMSTT	BEPP Multi Sectoral Task Team
BPAMS	Building Plan Application Management System
BRT	Bus Rapid Transport
CBD	Central Business District
CDC	Coega Development Corporation
CETT	Corporate Environmental Task Team
CGDS	City Growth and Development Strategy
CSEZ	Coega Special Economic Zone
CITP	Comprehensive Integrated Transport Plan
CoGTA	Department of Cooperative Governance and Traditional Affairs
COO	Chief Operating Officer
CORPGIS	Corporate Geographic Information Systems
CSEZ	Coega Special Economic Zone
CSIP	Capacity Support Implementation Plan
CSP	City Support Programme
CWWTW	Coega Waste Water Treatment Works
DAFF	Department of Fisheries and Forestry
DBSA	Development Bank of Southern Africa
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DME	Department of Minerals and Energy
DORA	Division of Revenue Act
DPW	Department of Public Works
DTI	Department of Trade and Industry
DWA	Department of Water Affairs
DWS	Department of Water and Sanitation
EC	Eastern Cape
ECSECC	Eastern Cape Socio-economic Consultative Council
EDRS	Economic Development & Recreational Services

EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
ETC	Eastern Cape Training Centre
EPRU	Eastern Province Rugby Union
FWFWWTW	Fish Water Flats Waste Water Treatment Works
GGP	Gross Geographic Product
GIS	Geographic Information Systems
GRAP 17	Generally Recognised Accounting Practices (Property, Plant and Equipment)
GVA	Gross Value Added
HAD	Housing Development Agency
HDMS	Housing Delivery Management System
HIV/AIDS	Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome
HSDG	Human Settlements Development Grant
HURP	Helenvale Urban Renewal Programme
ICC	International Convention Centre
ICDG	Integrated City Development Grant
ICLEI	International Council for Local Environmental Initiatives
IDP	Integrated Development Plan
SEZ	Special Economic Zone
IHHS	Integrated Housing and Human Settlements Grant
ILIS	Integrated Land Information System
INEP	Integrated National Electrification Programme
IPTS	Integrated Public Transport System
IT	Information Technology
ITP	Integrated Transport Plan
LAMS	Land Asset Management System
LED	Local Economic Development
LPMAS	Land Planning Application Management System
LSDF	Local Spatial Development Framework
LTGDP	Long Term Growth and Development Plan
LTFS	Long Term Financial Strategy
LUMS	Land Use Management System
MBDA	Mandela Bay Development Agency
MDTTT	Multi-Disciplinary Technical Task Team
MIDP	Motor Industry Development Programme
Multi OEM	Multi Original Equipment Manufacturers Complex

MOSS	Metropolitan Open Space System
MPT	Municipal Planning Tribunal
MRF	Materials Recovery Facility
MSDF	Metropolitan Spatial Development Framework
MSW	Municipal Solid Waste
MURP	Motherwell Urban Renewal Programme
NDP	National Development Plan
NDP	Neighbourhood Development Partnership
NDPG	Neighbourhood Development Partnership Grant
NEMA	National Environmental Management Act
NFSD	National Framework for Sustainable Development
NLLS	Nooitgedacht Low Level Scheme
NMBBC	Nelson Mandela Bay Business Chamber
NMBM	Nelson Mandela Bay Municipality
NMBM IDP	Nelson Mandela Bay Municipality's Integrated Development Plan
NMBMM	Nelson Mandela Bay Metropolitan Municipality
NMMOSS	Nelson Mandela Metropolitan Open Space System
NMMU	Nelson Mandela Metropolitan University (pre 2017)
NMU	Nelson Mandela University
NSSD	National Strategy for Sustainable Development
PE	Port Elizabeth
NT	National Treasury
PDohS	Provincial Department of Human Settlements
PICC	Presidential Infrastructure Coordinating Commission
PPC	Pretoria Portland Cement Company
PPF	Project Preparation Facility
PRASA	Public Rail Authority of South Africa
PTIG	Public Transport Infrastructure Grant
PTIS	Public Transport Infrastructure and Systems
PTISG	Public Transport Infrastructure and Systems Grant
PTNO	Public Transport Network Operator
PTOG	Public Transport Operating Grant
PTP	Public Transport Plan
RDP	Reconstruction and Development Programme
RE Scheme	Return Effluent Scheme
ROD	Record of Decision
SALGA	South African Local Government Association

SANRAL	South African National Roads Agency Limited
SAPS	South African Police Services
SCU	Sustainable Community Unit
SCUs	Sustainable Community Units
SDBIP	Service Delivery and Budget Implementation Plan
SDC	Service Delivery Cluster
SDR	Strategic Development Review
SEZ	Special Economic Zone
SIPs	Strategic Infrastructure Projects
SMP	Sanitation Master Plan
SOE	State Owned Enterprise
SPLUMA	Spatial Planning and Land Use Management Act
SPUU	Safety and Peace through Urban Upgrading Programme
SRA	Special Rating Area
StatsSA	Statistics South Africa
TNPA	Transnet National Ports Authority
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
W&S	Water and Sanitation
WMP	Water Master Plan
WtE	Waste-to-Energy
WUL	Water Use Licence
WWTW	Waste Water Treatment Works

SECTION A – INTRODUCTION

1. INTRODUCTION

1.1 INTRODUCTION TO NELSON MANDELA BAY

Nelson Mandela Bay Municipality (NMBM) is the largest of two Category A Metropolitan Municipalities located on the Southern coast of the Eastern Cape Province.



With a population of 1 271 776, the NMBM has approximately 17% of the population of the Eastern Cape Province and is a major economic role player in the Province with two ports – the Port of Port Elizabeth and the Port of Ngqura located in the Coega Special Economic Zone (CSEZ).

The city has a growth rate of 1.36%, (lower than that of other metropolitan areas, such as Ekurhuleni (2.47%) and Tshwane (3.1%)), and is characterised by a young population, with the age group of 5 to 14 years dominating.

Nelson Mandela Bay has the lowest proportion of informal households among South African Metropolitan Municipalities, having significantly reduced the numbers since 2001 (SACN, 2016). In addition, the average number of people per household declined from 4, 25 in 1996 to 3, 55 in 2011.

Between 2001 and 2011, the total number of people living below the poverty line decreased from 46% to 29% (SACN, 2016). Altogether 30% of formal households in Nelson Mandela Bay are dependent on the municipal indigent subsidy.

Nelson Mandela Bay is the driver of the Eastern Cape economy, contributing 41,81% of the provincial Gross Geographic Product (GGP) (Global Insight, 2013). The unemployment rate dropped from 46,4% in 2001 to 36,6% in 2011. The Eastern Cape Province's average unemployment rate was 37.4% in 2011 (SACN, 2016).

The largest economic sectors in Nelson Mandela Bay Metro are manufacturing, finance, community services and transport. Community services, trade and manufacturing sectors are the sectors that create the most employment in the Metro. The city offers a wealth of tourism and recreation opportunity due to its biodiversity, beaches and open spaces.

In a spatial sense the city is relatively low density with an average density of 20 residential units per hectare of developed land. The spatial pattern of the city is one of segregation with lower incomes and higher densities characterising the northern parts of the city and higher incomes and lower densities to the south and west.

1.1.1 The Regional Context



The regional context and the linkages between Nelson Mandela Bay and the hinterland are important. NMBM is the largest city in the Eastern Cape Province and thus plays a large role in the economy of the Eastern Cape. Similarly, the surrounding towns play a role in the growth and development of the city. Taking cognisance of the locational context of the city is important in considering growth and development aspects.

NMBM is at the eastern end of the well-known Garden Route with Storms River, Natures Valley, George, Knysna, Plettenberg Bay and the Tsitsikamma Forest conservation areas to the West;

Jeffreys Bay, Oyster Bay, St Francis Bay and Cape St Francis to the immediate West are part of the Kouga Municipality. Kouga is the energy hub of the region with more than 280 wind turbines on several wind farms in the area. These destinations are also popular destinations for local and international tourists. Jeffreys Bay is internationally renowned for its surfing opportunities and regular international surfing events are hosted at its world famous beaches.

Willowmore, Steytlerville and the Baviaanskloof to the North West are popular local and international eco-tourism destinations. Patensie, the Gamtoos River valley and Hankey form part of the important agricultural hinterland. Kirkwood and the Sundays River valley to the north are important dairy, citrus and vegetable agriculture areas.

Game parks in the vicinity of Grahamstown as well as towns such as Graaff Reinett, Nieu Bethesda, Cradock and the Mountain Zebra National Park to the North - together with the Addo Elephant Park- attract many tourists.

Alexandra, Kenton-on-Sea and Port Alfred are along the route connecting Nelson Mandela Bay with East London to the East and form part of the popular Sunshine Coast route attractions.

Grahamstown to the North East with its Rhodes University is an academic centre of the region and focal point for tourism in the region.

The City has an airport, with international status within five minutes of the City centre. It is well serviced by rail linkages to Gauteng and is connected by good quality roads to the rest of the country.

The location of NMBM in its regional context presents many advantages and possibilities for NMBM to capitalise on the tourism trade. The city and its two

ports further enhance its attraction for trade and industry. Agricultural produce from the hinterland is distributed from the city.

1.1.2 Strategic Development Review (SDR)

During 2014 it was acknowledged that a number of indicators show that the NMBM had entered a low growth trap which weakens long term prospects for economic growth, poverty reduction, and fiscal sustainability of the municipality. The major indicators have not changed positively from 2014 to 2018.

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

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

A copy of the approved Strategic Development Review is attached as Annexure “B”.

1.1.3 Situational Analysis of the NMBM Built Environment, 2018

A Situational analysis of the NMBM Built Environment is attached as Annexure “C” and gives a comprehensive overview of the built environment

circumstances of Nelson Mandela Bay according to information available in 2018. The Situational Analysis contains important contextual information for this BEPP.

Within this context the BEPP is developed as a planning tool to align, consolidate and focus the existing strategic planning instruments into a spatially targeted investment and implementation plan. This is intended to assist the city to achieve more equitable, inclusive and sustainable growth in a spatially transformed city that overcomes imbalances of the past and accommodates growth and redevelopment within a more sustainable and equitable city context.

1.2 INSTITUTIONALISING THE BUILT ENVIRONMENT PERFORMANCE PLAN IN THE MUNICIPAL PLANNING SYSTEM

This Built Environment Performance Plan (BEPP) is prepared to conform to the BEPP content and format provided by National Treasury in the Guidance Note: Framework for the formulation of Built Environment Plans (BEPP) and Supplementary Guidance Note for the Built Environment Performance Plans (BEPP) 2018/19-2020/21. It should be read in conjunction with the prior annual BEPP submissions for additional background information.

A copy of the Guidance Notes is attached as Annexure “A” for reference purposes.

1.2.1 Purpose of the BEPP

The BEPP is an outcomes led plan aiming to achieve a more productive, sustainable, inclusive and well governed City with a complementary urban form to reduce poverty, inequality and enhance more inclusive urban growth. The ultimate impact of the BEPP initiatives and processes should be inclusive, sustainable economic growth.

The BEPP is a requirement of the Division of Revenue Act (DoRA) in respect of the various infrastructure grants related to the built environment of metropolitan municipalities and permits access to the following conditional grants:

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

The BEPP aims to demonstrate the use of these grants for the purpose of spatial transformation through targeting capital expenditure in areas that will maximise the positive impact on citizens, leverage private sector investment, and support growth and development towards a transformed spatial form and a more compact city.

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

1.2.2 Adoption of the BEPP by Council

A draft 2018/19 BEPP was submitted to National Treasury by 31 March 2018, this final BEPP is submitted to National Treasury in compliance with DoRA, by 31 May 2018.

1.2.3 Planning Alignment External and Internal: SDG'S, IUDF, BEPP, IDP, SDF and Budget

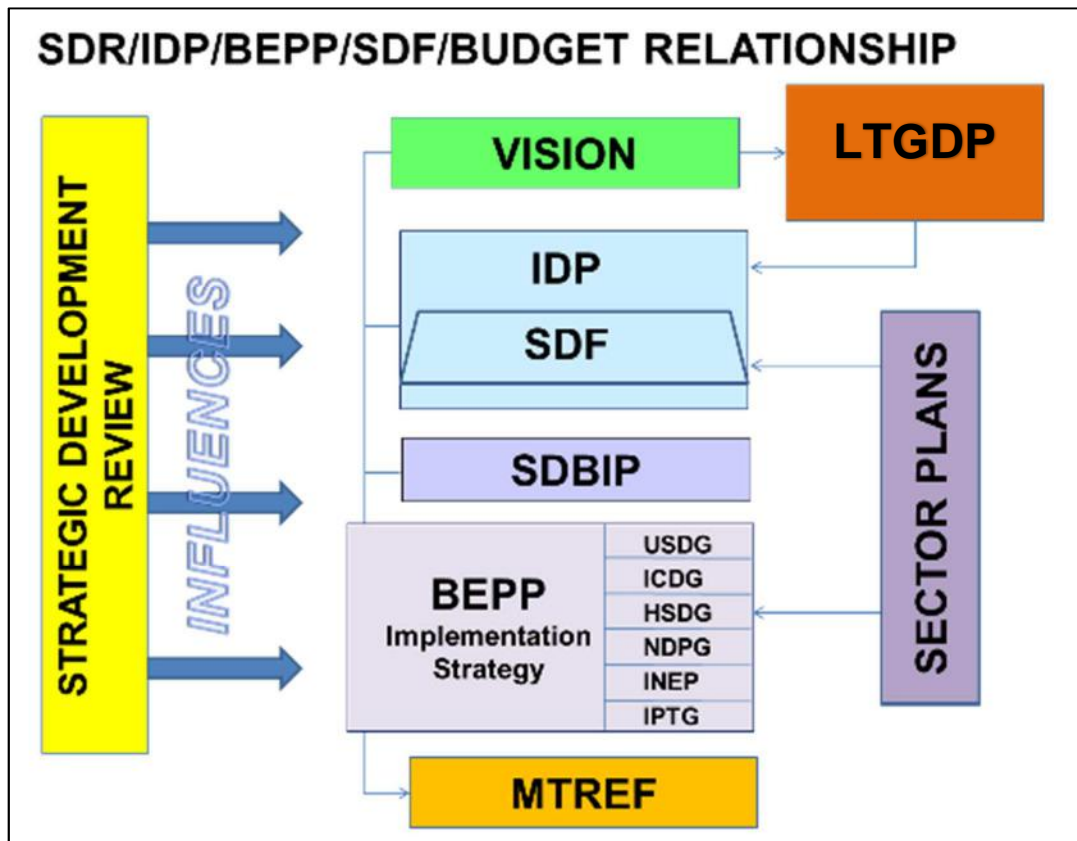
The BEPP is to be read together with, and is complementary to, the Municipality's key strategic documents, including the Long Term City Growth

and Development Plan, the Integrated Development Plan (IDP), the Budget, the Spatial Development Framework (SDF) and the Comprehensive Integrated Transport Plan (CITP).

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

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

FIGURE 1: Strategic Plan Relationship to the BEPP

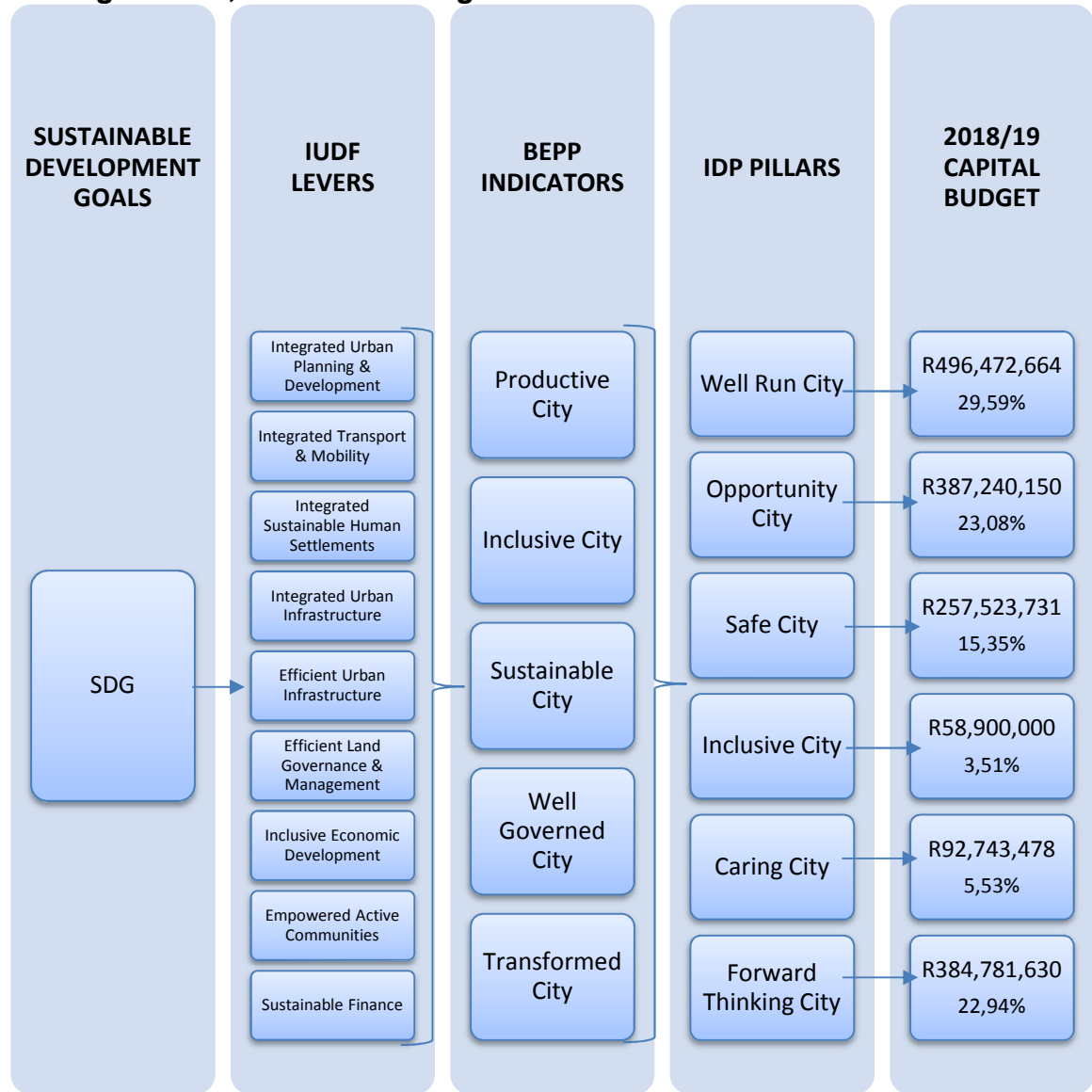


Source: NMBM, 2018

Apart from internal strategic alignment it is important to also consider external strategic alignment of plans.

The following diagram further indicates the relationship between the strategic plans and draft Capital Budget for the NMBM.

FIGURE 2: Diagram Reflecting Alignment between External and Internal Strategic Plans, BEPP and Budget



Source: NMBM 2018

1.2.4 Alignment of BEPP, IDP and MSDF

The spatial strategy for transformation and integration of the City is contained in the BEPP and its Urban Network Strategy, the Spatial Development Framework and the Sustainable Community Planning Methodology. The spatial strategy is expanded upon in section 2.1.1 of this report.

An alignment process between the BEPP and a revised SDF is underway to ensure consistency in terminology and detail. This process will be completed in the 2018/19 financial year.

The IDP contains a section that deals with the spatial strategy of the NMBM. Integral to this section is the BEPP method and results.

The following table shows the key areas of alignment between the BEPP, SDF and IDP.

TABLE 1: Key area of alignment between BEPP, SDF and IDP

Area of Alignment	BEPP	SDF	IDP	BUDGET
BEPP method	Explained	Identified	Covered in Spatial Strategy	N/A
UNS element: Catalytic Programmes	Identified	Alignment in process	Identified	Budgeted partially
UNS Element Informal Settlements upgrading	Identified	Identified	Identified	Budgeted
UNS elements: Integration zones, Economic Nodes, Marginalised Residential Areas and informal Settlements	Identified	Identified	Identified	Budgeted
BEPP indicators	Identified and populated	Relevant cadastral identification completed and aligned.	Performance Management system recognises responsibility for relevant BEPP indicators	Capital Budget areas identified and populated

Source: NMBM 2018

1.2.5 Fostering alignment and transversal arrangements for BEPP preparation and maintenance

A number of institutional arrangements have been put in place by the City to increase alignment and transversal arrangements for the preparation of the BEPP and BEPP processes. These include the following:

Vision/Mission/Brand Promise and the development of a Long-Term Growth and Development Plan

An exercise, assisted by the City Support Programme, was undertaken in 2017 to formulate a Long Term City Growth and Development Plan (LTGDP). This process involved the development of a Vision, Mission and Brand Promise for the City.

A key feature of the alignment of processes has been the intensive consultation process undertaken for the preparation of the City Growth and Development Plan and IDP which impacts upon all strategic planning including the BEPP.

Focus and strategic sessions with economic actors took place after a series of questionnaires were circulated.

The consultation process ran parallel to the IDP Ward Committee meetings that are held and included questionnaires and focus group workshops.

The Strategic Planning Processes aim to deliver on the Long Term Growth and Development Plan (LTGDP) and the IDP which is extrapolated from the LTGDP. The Plan was completed in early 2018.

The LTGDP is built around, and drives, the core ideology which was jointly crafted by the Mayoral Committee in December 2016 as follows.

Mission (purpose)

“To create Freedom, Fairness and Opportunity for all in NMBM; Stop Corruption; Create jobs and Improve Service Delivery”

Vision

“An iconic, friendly, ocean city driven by innovation, service excellence and economic development - a destination of choice”

Brand Promise

“One City One Future”

Core Values

- *Good Governance*
- *Integrity*
- *Proactive*
- *Caring*
- *Growth Oriented*
- *Diversity*

The six pillars

The coalition partners have agreed that the desired future of the City rests on Six Pillars namely;

- a Well-Run City;
- an Opportunity City;
- a Safe City;
- a Caring City;
- an Inclusive City; and
- a Forward-Thinking City.

The longer-term strategies to realise the Vision emanate from these pillars.

These six pillars are foundational to both the Long-Term Growth and Development Plan and the Integrated Development Plan for 2017-2021 and the subsequent IDPs. The six pillars determine what the City does today, tomorrow and into the future.

The Metro's political and administrative leadership, communities and economic sector groups consulted throughout the development of the Long Term Growth and Development Plan have ambitions for a bright future for Nelson Mandela Bay. It is well-established that progress cannot proceed across all fronts simultaneously and at equal pace – the essence of strategy is the optimal prioritisation and making of choices regarding which elements of an envisioned future are most practically pursued in each phase of its realisation. In this way, each set of milestones can be achieved through advance from the solid foundation of delivery preceding it.

The plan sets out broad phasing for the implementation of strategy and adopts a fifteen-year perspective. It therefore covers the period of three Integrated Development Plans:

- *IDP 1, passed in June 2017, covering the 2017/18 to 2021/22 financial years;*
- *IDP 2, to be passed in June 2022, covering the 2022/23 to 2026/27 financial years; and*
- *IDP 3, to be passed in June 2027, covering the 2027/28 to 2031/32 financial years.*

Each new IDP builds systematically on the achievements of its predecessors, through essential progress in each of the following development focus areas:

- Governance and organization-led development
- Infrastructure-led development
- Opportunity-led development
- Development for Resilience

- Development through lifestyle offering
- Development through conservation of our natural, built and cultural assets
- Safety-enabled development
- People-oriented development
- Technology-led development

Establishment of a Strategic Planning Steering Committee

The Municipality previously had an IDP and Budget Steering Committee to manage the annual processes related to IDP and Budget preparation and adoption. In recognition of the need for greater strategic alignment and the role of the BEPP a Strategic Planning Steering Committee was established in October 2016 to replace the former IDP and Budget Steering Committee. This Committee is politically led by the political portfolio head of Economic Development, Tourism and Agriculture and includes the Mayor's Office, City Manager, Chief Financial Officer, Chief Operating Officer as well as portfolio Councillors and Executive Directors and relevant officials responsible for Budget and Treasury, Economic Development, Human Settlements, Infrastructure and Engineering, Electricity and Energy, the City Manager's Office and Strategic Planning.

The Terms of Reference of this Committee include oversight over:

- Development and promotion of the Municipality's mission and vision.
- Development and promotion of a Long-term Growth and Development Plan
- Development and review of a five-year IDP.
- Development of a medium-term budget which supports the Built Environment Performance Plan (BEPP) and IDP, is demonstrably funded, and demonstrably sustainable, as shown by the long term financial model. Furthermore, its capital projects should be supported by thorough business cases and feasibility studies.
- Ensuring alignment of the Long-term Growth and Development Plan, Long-term Financial Plan, BEPP, IDP and Budget.
- Ensuring stakeholder support for strategic planning processes.

The Committee meets monthly and meetings are preceded by a technical team meeting where aspects relevant to the preparation, and specifically, the alignment of the strategic plans and the budget are discussed.

Strategic Planning Time Schedule and Alignment Workshops

With the replacement of the IDP and Budget Steering Committee by the Strategic Planning Steering Committee the former IDP and Budget time schedule of activities was replaced by a Strategic Planning Time Schedule.

This Time Schedule includes key dates in the programming and alignment of the Long Term Growth and Development Plan, BEPP, IDP and Budget and is submitted to Council structures for approval (in accordance with the legislation applicable to the IDP and Budget processes). This Time Schedule includes the dates of the Strategic Planning Steering Committee meetings and makes further provision for three Strategic Planning Workshops at critical times in the annual planning and budgeting cycle where major strategic decisions are taken

In preparation for the 2018/19 MTREF the second and third strategic planning workshops were facilitated by the National treasury CSP Economic representative.

From 1 July 2018, in preparation for the 2019/20 MTREF, the Time Schedule will be expanded upon to include a schedule of activities in relation to the strategic planning for the entire MTREF period and not just one year. Furthermore, the Time Schedule will be submitted to Council for approval prior to July in preparation for the start of the financial year.

A copy of the 2018/19 Strategic Planning Time Schedule is attached as Annexure "D".

BEPP Multi-Sectoral Task Team (BMSTT) – Transversal Arrangements

The BEPP is prepared in the office of the Chief Operating Officer by the Integrated City Development Office – Strategic Planning and Coordination.

A BEPP Multi-Sectoral Task Team is chaired by the Senior Director: Strategic Planning and Coordination in the Office of the Chief Operating Officer. This Task Team has been formally established for 3 years and is comprised of senior members from all Directorates in the Municipality, who are designated by their Executive Directors to form part of the Team and to facilitate BEPP work and the preparation of the documents.

The team meets monthly and more regularly should it be required. The team is comprised of representatives with the following responsibilities:

- Strategic Planning
- Performance Management
- Monitoring and Evaluation
- International and Intergovernmental Relations
- Public Health including Parks, Waste Management and the Environment
- Sports Recreation Arts and Culture
- Safety and Security including Disaster Management
- Economic Development
- Budget and Treasury
- Economic Development
- Town Planning
- Transportation
- Development Support
- Housing Delivery
- Informal Settlements
- Electricity and Energy

- Infrastructure and Engineering – Roads and Storm water, Water and Sanitation
- The Mandela Bay Development Agency

The BMSTT meetings focus, inter alia, on driving suite of the suite of catalytic programmes, Integration Zone development, major municipal projects and all BEPP related matters. In particular, the transversal responsibility for the programmes and development is emphasised and meetings are deliberately constructed to foster this culture of transversal responsibility.

Some of the Task Team meetings are devoted to specific focus areas and in the 2017/18 Financial year sessions have been dedicated to IPTS, PRASA, Public Works and the Housing Policy change.

Performance Management with a BEPP focus

The catalytic programme suite and the implementation of spatial targeting through the Urban Network Strategy are included in the performance management of the city at various levels – either the IDP or the SDBIP.

All of the city transformation outcome indicators are included in the performance management system of the municipality.

Capital Prioritisation Model

The City, for the first time, developed a draft Capital Prioritisation Model. The model is deliberately simple and was tested in the budgeting process for the 2018/19 Financial year to a limited extent. Criteria, in relation to the model, relate directly to the BEPP, Urban Network Strategy and the responsibility for catalytic programmes and are included in the model. These projects/programmes will have a higher priority rating for funding. This model will be refined, developed and used more fully in the 2019/20 Budget preparation process.

More focussed Engagement with Government Departments and SOC's regarding the Urban Network Strategy and Catalytic Programmes

Engagement with some areas of government has become more focussed around the municipalities Urban Network Strategy and Catalytic Programme.

The specific areas of focus are detailed elsewhere in this report but include Public Works Department, Human Settlements Department, PRASA, ACSA, SANRAL, National Department of Transport, Provincial and National Treasury.

1.3 CRITICAL ANALYSIS OF THE EFFECTIVENESS OF TRANSVERSAL INSTITUTIONAL ARRANGEMENTS

The NMBM has made great strides in setting up deliberate institutional arrangements for managing transversal management priorities. Strategic Planning coordination functions are currently performed through the Strategic Planning Steering Committee – at a political level, and by the Office of the Chief Operating Officer (Strategic Planning and Coordination) at an administrative level.

A challenge has been the absence of a formal organisational structure to support the work of the coordinating unit which although established is not yet formalised. This is however being addressed through the imminent adoption of a new macro structure for the City which recognises and prioritises the functions and upon adoption will allow staff to be appropriately deployed.

In preparing the 2018/19 BEPP, Executive Directors have been made to sign off on the inputs made by their BEPP Multi Sectoral Task Team representatives, this has enhanced institutionalisation and accountability.

A major positive difference has been made in the 2018/19 planning year by the better integration of performance management, and capital budget prioritisation aspects in the strategic planning cycle. By incorporating aspects into performance management the administration will have to take their responsibilities in this regard more seriously.

Changing the institutional thinking around transversal responsibility for development programmes is a process which is ongoing, however the processes and content of key meetings such as the City Budget Fora, Mid-Year Reviews and Budget and Benchmarking sessions are useful to reinforce the message.

SECTION B – SPATIAL PLANNING AND TARGETING

2. SPATIAL TARGETING AND PLANNING FOR PRIORITY SPATIAL TARGETING AREAS

2.1 SPATIAL DEVELOPMENT STRATEGY

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

2.1.1 Metropolitan Spatial Development Framework (MSDF)

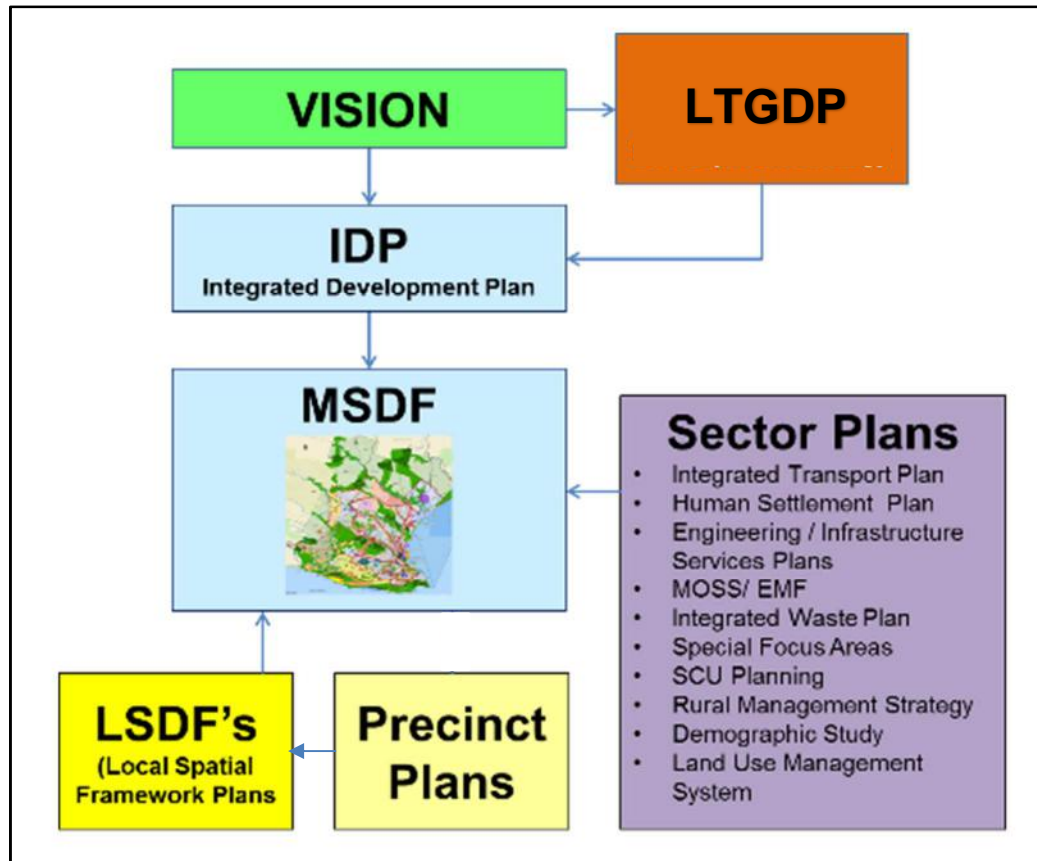
To ensure sustainable growth and development in Nelson Mandela Bay, it is vital that all strategic planning processes are aligned and fully integrated, so that development does not take place in an *ad hoc* or fragmented manner. Key to this, is the Long Term Growth and Development Plan, mission and vision discussed above.

The Long Term Growth and Development Plan informs future integrated development planning, which in turn informs the Spatial Development Framework of the Municipality. The Metropolitan Spatial Development Framework (MSDF), contains a number of key sector plans that are necessary for development.

The Metropolitan Spatial Development Framework in turn informs the Local Spatial Development Frameworks (LSDFs), which are more specific and location bound. Within the Local Spatial Development Plans are more detailed plans for specific precincts.

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

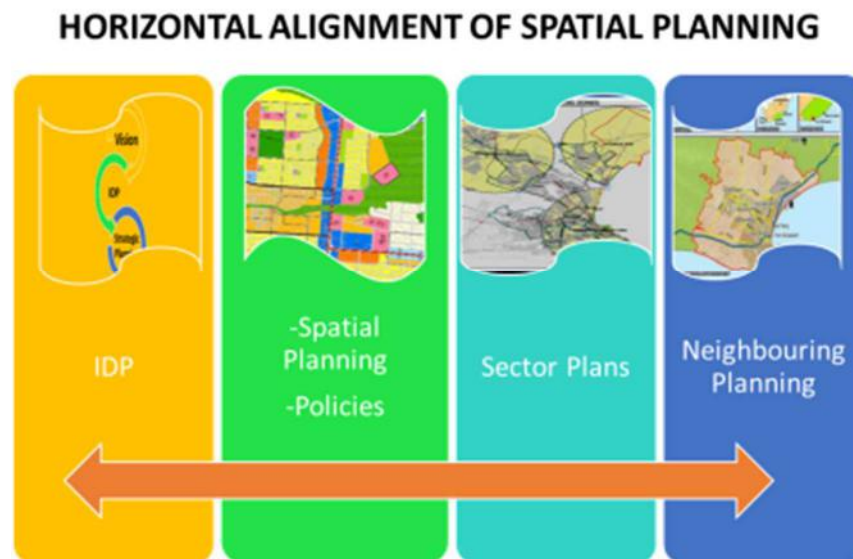
FIGURE 3: Relationship between Strategic Documents of the NMBM



Source: NMBM, 2018

The Metropolitan Spatial Development Framework outlines the desired spatial form of the metropolitan area. Statutorily, it is a decision making tool, however it also highlights priority investment and development areas. The MSDF is an integral component of the IDP and is a spatial representation of the IDP.

FIGURE 4: Horizontal Alignment of Spatial Planning



Source: NMBM, 2015

The current MSDF is presently under review for the 2018 - 2021 period. It is to be aligned with the Long Term Growth and Development Plan and BEPP (including the Urban Network Strategy) and does not conflict with other development strategies, locally, nationally, provincially and regionally.

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

These are:

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

The MSDF is continually being refined through on-going information gathering and studies, policy formulation and plan adjustments from time to time as well as the preparation of new and reviewed Local Spatial Development Plans.

Drawing from the MSDF, the BEPP identifies the urban Network Strategy as the primary spatial targeting instrument to prioritise investment (and thereby development), in a coherent and systematic manner, incorporating all role players in areas where economic development is most needed and where inclusive growth and development can result.

MSDF sector plans

The Metropolitan Municipalities are legally required to prepare a number of sector plans. These, and others not statutorily required, in turn are incorporated into the MSDF and have major spatial implications for the MSDF.

These are as follows:

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

It is the intention of the BEPP and BEPP processes to ensure increasingly greater alignment between the sector plans and the spatially targeted areas in the Urban Network Strategy in order to achieve the same development outcomes as will be measured by the indicators discussed later in this report.

These development outcomes relate to increasingly inclusive urban growth that systematically reduces inequality and poverty.

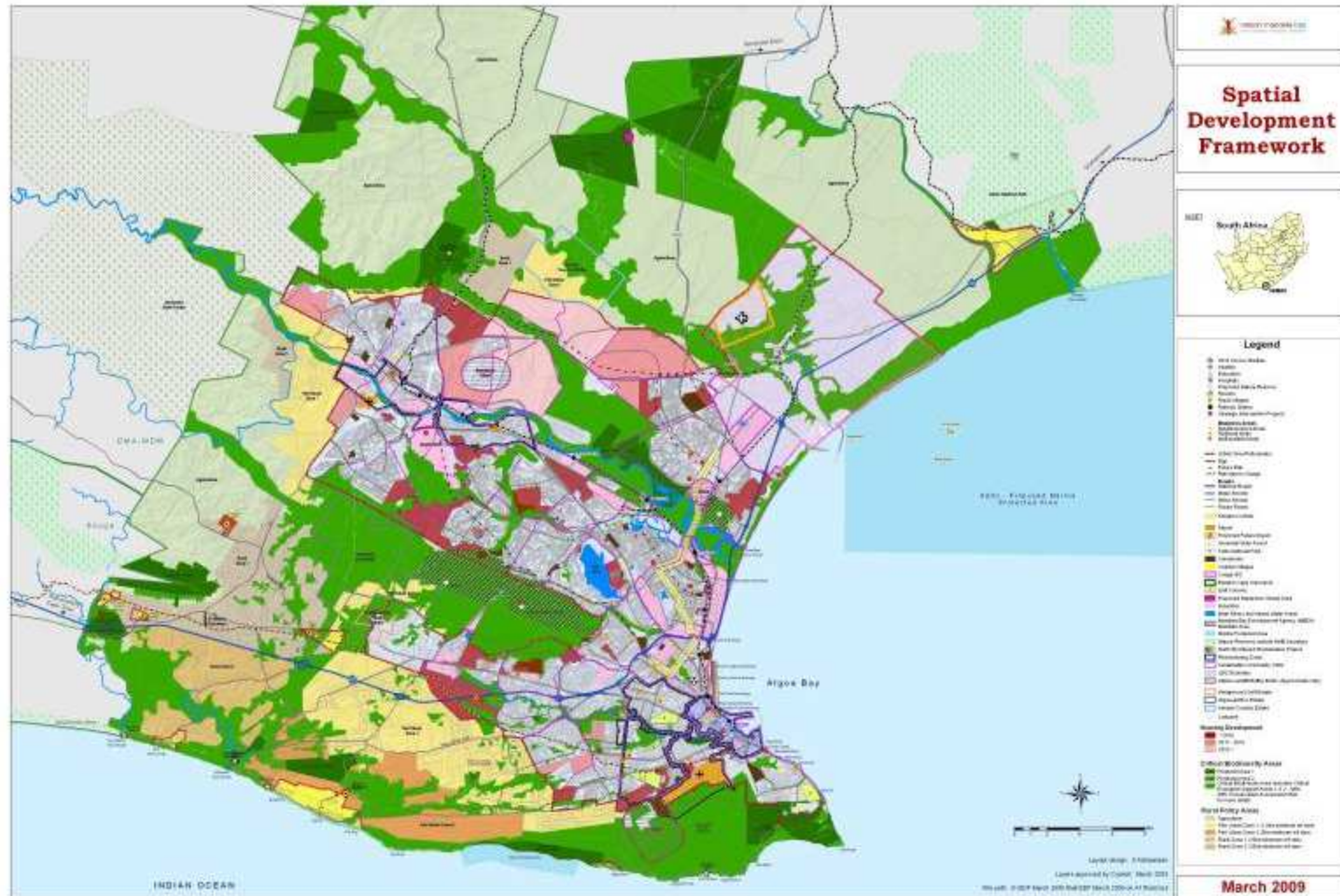
Specifically, the Comprehensive Integrated Transport Plan (CITP), Integrated Public Transport Plan (IPTP) and Human Settlements Plans require strategic alignment.

The NMBM is presently in the midst of preparing a revised CITP, IPTP and Human Settlements Plan specifically to further the alignment. These are discussed later in this report.

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

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

FIGURE 5: Metropolitan Spatial Development Framework, 2009



Source: NMBM, 2009

2.1.2 Urban Network Strategy and Prioritisation of Integration Zones

2.1.2.1 Identification of Urban Network Elements

The Urban Network Strategy (UNS) framework was approved by the Council as part of the 2017/18 BEPP submission. This framework was developed over time in conjunction with the NDP-Unit at National Treasury and in accordance with the prescribed methodology.

There has been a minor change with the extension of Integration zone 1 from Njoli to Motherwell.

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

FIGURE 6: Urban Network Strategy Framework



Source: NMBM, 2018

2.1.2.1.1 Township Clusters

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

Uitenhage, Despatch, KwaNobuhle and Bloemendal Cluster:

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

- Total population of 305 458 persons (StatsSA, 2011) representing 84 995 households;
- Average population density: 34,7 persons and or 8.9 households per hectare
- 83,2% of households are living in formal dwellings; 10.4% (\pm 8839 households) in informal dwellings; and 6.4% (\pm 5440 households) in backyard accommodation (formal and informal);
- The employment rate estimated to be 31% and approximately 66% of the population earn less than R3183 per month;

Motherwell-Wells Estate Cluster:

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

- Total population of 165 457 representing 46522 households (StatsSA, 2011);

- Average population density: 52.89 persons and or 14.57 households per hectare;
- Approximately 93,9% of households are living in formal dwellings; 2.9% (±1349 hh) in informal dwellings; and 3.2% (±1489 hh) in backyard accommodation (formal and informal);
- The employment rate is 30% and approximately 71% of the population earn less than R3183 per month.

Ibhayi-Bethelsdorp Cluster:

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

- Total population: 425 847 representing 107 177 households (StatsSA, 2011);
- Average population density: 78.70 persons and 20.16 households per hectare;
- 81.9% of households are living in formal dwellings; 12.8% (±13719 hh) in informal dwellings; and 5.3% (±5680 hh) in backyard accommodation (formal and informal);
- The employment rate is 30% and approximately 68% of the population earn less than R3183 per month;

CBD Cluster:

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

- Total population: 52 538 representing 16 251 households (StatsSA, 2011);
- Average population density: 18.78 persons and 5.71 households per hectare;
- 94.7% of households are living in formal dwellings; 0.7% (± 114 hh) in informal dwellings; and 4.6% (± 747 hh) in backyard accommodation (formal and informal);
- The employment rate is 50% and approximately 38% of the population earn less than R3183 per month.

Southern Areas Cluster:

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

- Total population: 95 172 representing 33 438 households (StatsSA, 2011);
- Average population density: 10.93 persons and 3.91 households per hectare;
- 86.2% of households live in formal dwellings; 7.9% (± 2642 hh) in informal dwellings; and 5.9% (± 1973 hh) in backyard accommodation (formal and informal);
- The employment rate is 54% and approximately 37% of the population earn less than R3183 per month.

N2 – Western Areas Cluster:

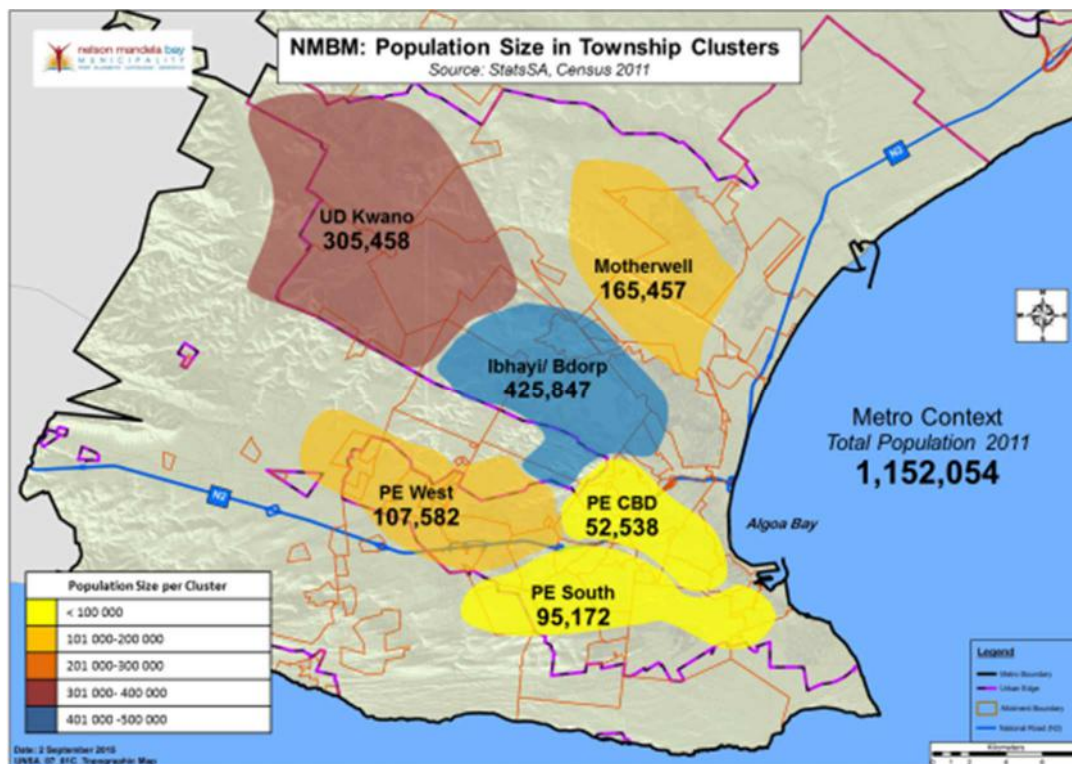
This cluster is comprised of the areas of Fernglen, Sunridge, Westering, Malabar, Parsonsvei, Kabega, Framesby and Kuyga. It includes wards 8; 9;

12; 39 and the peri-urban ward 40. The key demographic features of this cluster are as follows:

- Total population: 107 582 representing 32 185 households (StatsSA, 2011);
- Average population density: 11.15 persons and 2.99 households per hectare;
- 9.16% of households live in formal dwellings; 4.9% (± 1577 hh) in informal dwellings; and 3.5% (± 1126 hh) in backyard accommodation (formal and informal);
- The employment rate is 61% and approximately 28% of the population earn less than R3183 per month.

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

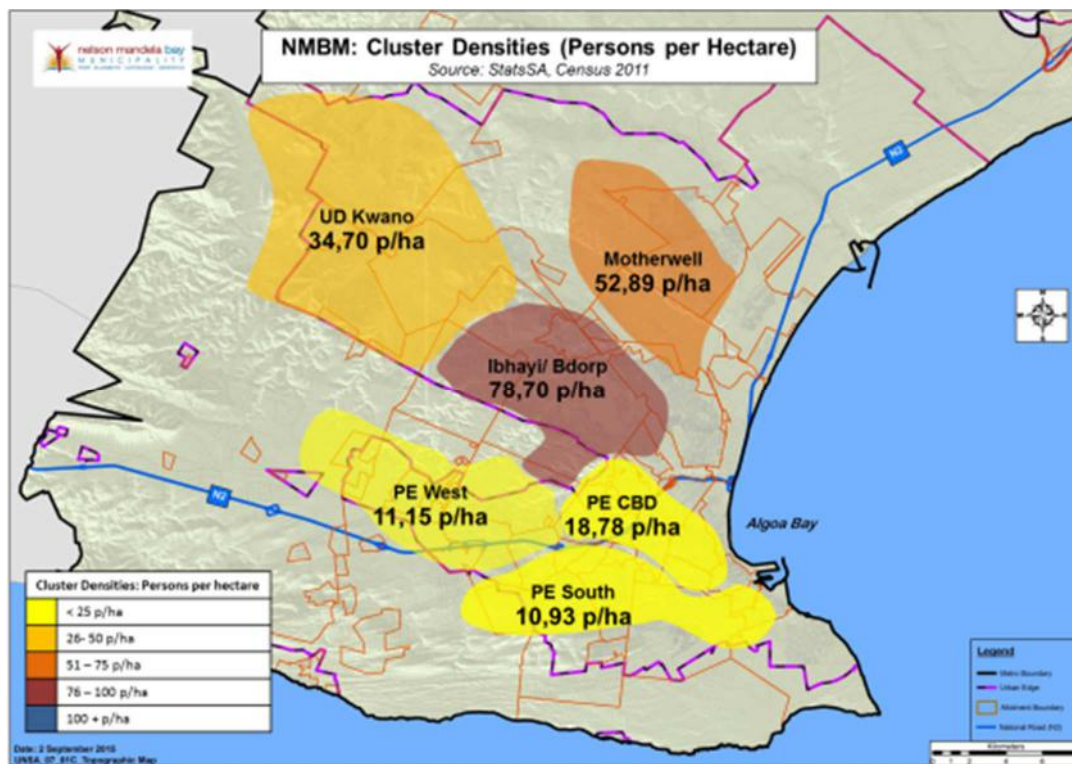
FIGURE 7: Urban Network Strategy - Township Clusters



Source: NMBM 2015 (based on StatsSA, 2011)

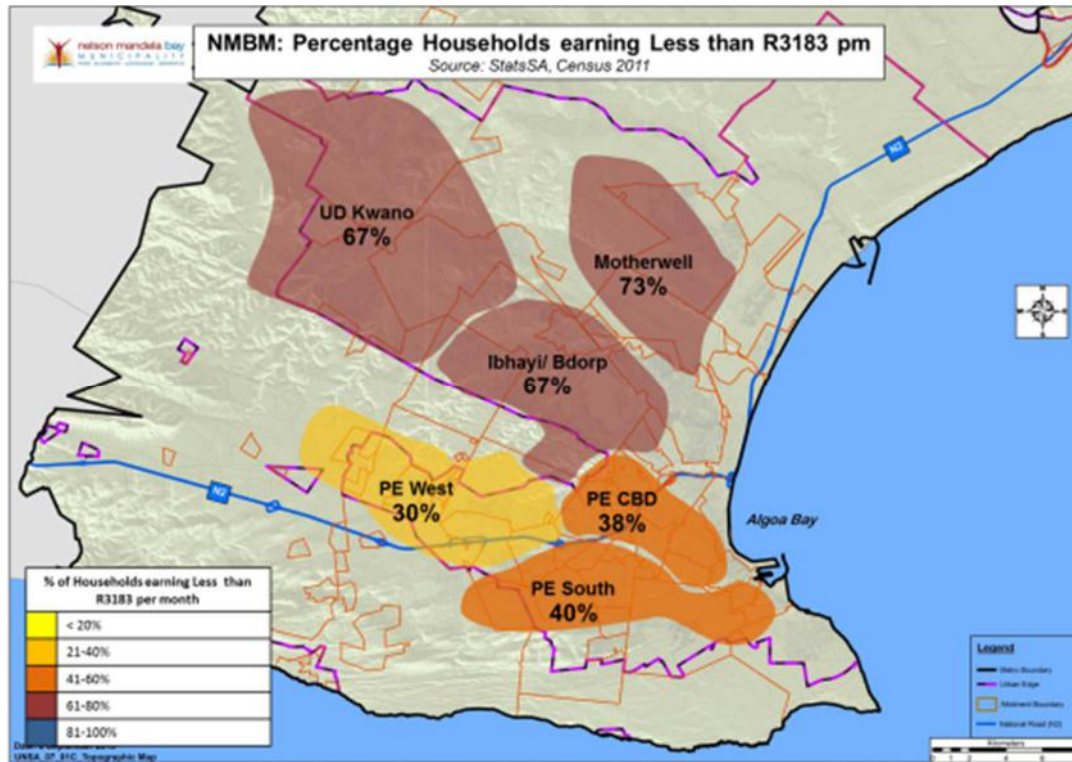
The density and income characteristics of these clusters are further illustrated in the figures below, which highlight the higher densities and lower income levels of the Northern Townships (clusters) with Ibhayi having the highest density per hectare. Motherwell has the highest percentage of the population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

FIGURE 8: Urban Network Strategy - Cluster Densities (Persons/Ha)



Source: NMBM, 2015 (Based on StatsSA, 2011)

FIGURE 9: Urban Network Strategy - Income Levels per Cluster



Source: NMBM, 2015 (Based on StatsSA, 2011)

2.1.2.1.2 Central Business Districts (CBD's)

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

FIGURE 10: Functional Area with existing Municipal Nodes (CBD's)



Source: NMBM, 2015

2.1.2.1.3 Primary Network/Transport Links

MAJOR ARTERIES

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

Harrower/Stanford Road

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

Provincial Route R75

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

Khulani Corridor

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

Other primary arteries are:

Old Cape Road (R101)

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

Heugh/Buffelsfontein Road

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

William Moffet Expressway

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

The N2

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

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

ROAD NETWORK

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

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

RAIL NETWORK

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

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

The planning of a future passenger rail link between Port Elizabeth CBD and Motherwell via a proposed new Motherwell Rail Corridor parallel to Tynira Street (Motherwell) is well under way. There is a long-term possible linkage between Coega and Uitenhage. This is a high-priority project driven by PRASA and detailed route alignments and station designs are being finalised. Environmental Impact Assessment in terms of the National Environmental Management Act, 107 of 1998 and its regulations has also commenced. PRASA envisages to commence with implementation during the first quarter of 2018.

PRASA has confirmed their long-term interest in a passenger rail link between Port Elizabeth and Uitenhage via Bethelsdorp, Chatty, Jachtlakke and KwaNobuhle along a route alignment which has been in existence for a long time. The route is however partially compromised by existing developments which require attention at the appropriate time.

A narrow-gauge rail line (Apple Express) exists between Humerail (Port Elizabeth) and Loerie, which is located west of Nelson Mandela Bay. This line originally served as a goods line between Port Elizabeth and Loerie, but fell into disuse. In December 2017, through private sector volunteerism and public sector involvement a small portion of the Apple Express line became temporarily operational for tourist purposes. There are investigations underway to operationalise the rail line between Humerail and N2/Baywest Precinct for passenger rail purposes or alternatively tourism trips.

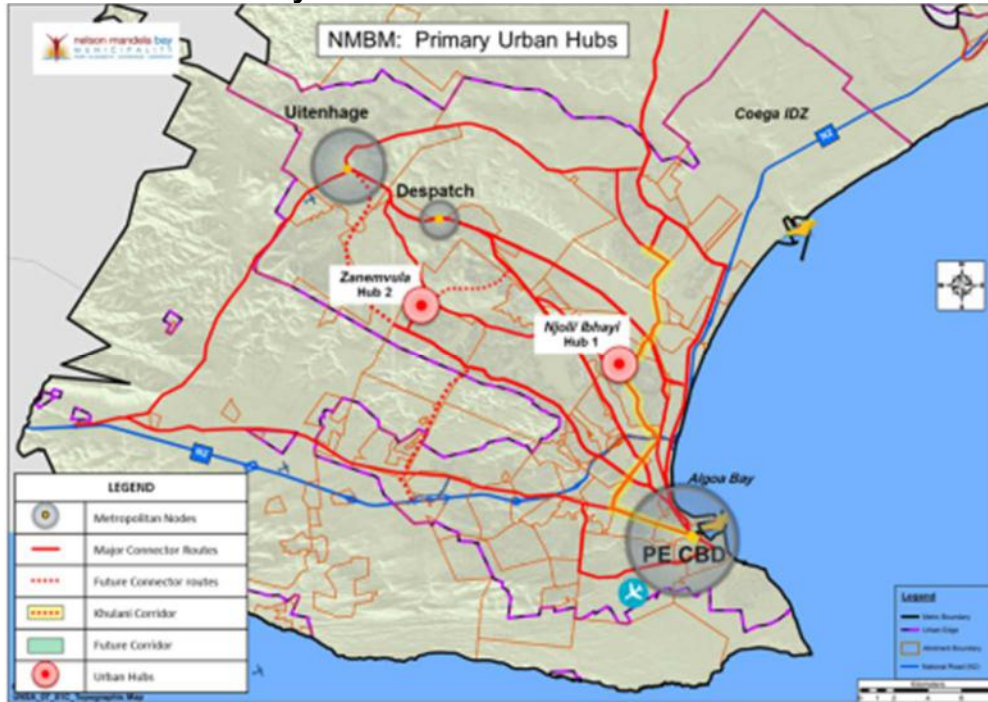
2.1.2.1.4 Urban Hubs

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

PRIMARY URBAN HUBS

The Primary Hubs are identified as follows:

FIGURE 11: Primary Urban Hubs



Source: NMBM 2015

Port Elizabeth CBD

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

Njoli/ Ibhayi Hub

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

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

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

The key elements in this hub include:

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

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

Zanemvula (Chatty Jachtlakte) Hub

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

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

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

Key elements in this hub include:

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

SECONDARY HUBS

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

The Urban Network Framework includes the following Secondary Hubs:

Secondary Hub 1 (Kenako/Vista):

This hub is situated in the Ibhayi / Bethelsdorp area around the Kenako Centre; East Cape Training Centre (ETC); Dora Nginza Provincial Hospital; and the Vista Campus of the Nelson Mandela Metropolitan University

(NMMU). It forms a logical link and extension to the Njoli Hub and holds significant potential for development interventions that will link two previously spatially (and socially) separated communities. The precinct planning for this hub will be undertaken as part of the precinct planning which runs concurrently with the preparation of the Ibhayi and Bethelsdorp LSDF's.

A draft precinct plan for the Ibhayi Precinct Area has been prepared in conjunction with the NDPG-unit of National Treasury and their consultants.

The Bethelsdorp Precinct Planning is intended to be completed before September 2017.

Secondary Hub 2 (Red Location):

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

Secondary Hub 3 (Jachtlakte/ Kwanobuhle):

Kwanobuhle Estate is a privately owned proposed development which is about to be developed and will link the Chatty/ Jachtlakte development with Kwanobuhle. A significant mixed-use/ retail node is planned along Standford Road extension in the longer term. Provision is also made for a railway station at this juncture as part of the planned PRASA commuter rail connection between Port Elizabeth and Uitenhage via Kwanobuhle. It could alternatively serve as a passenger station for the alternative light rail system planned along Standford Road. This nodal locality is therefore included as a future and long term Secondary Hub (S3).

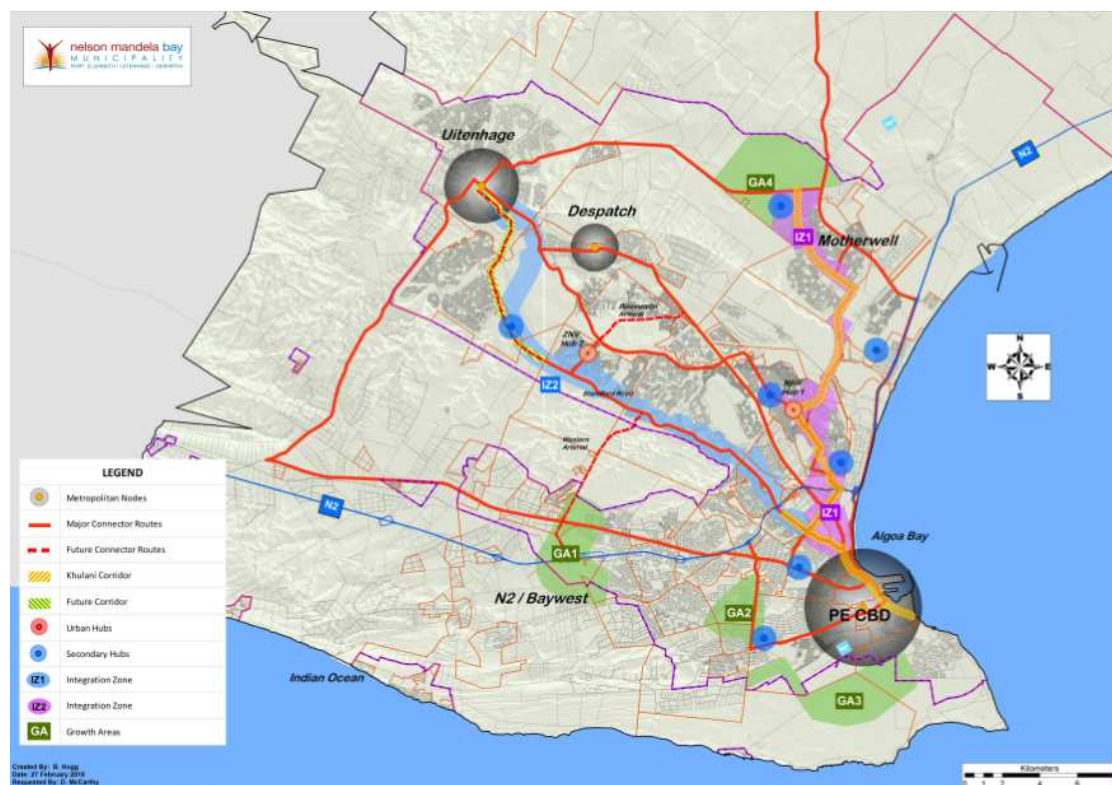
Secondary Hub 4 (Motherwell North):

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

Secondary Hub 5 (Wells Estate):

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

FIGURE 12: Urban Network Strategy with Secondary Hubs

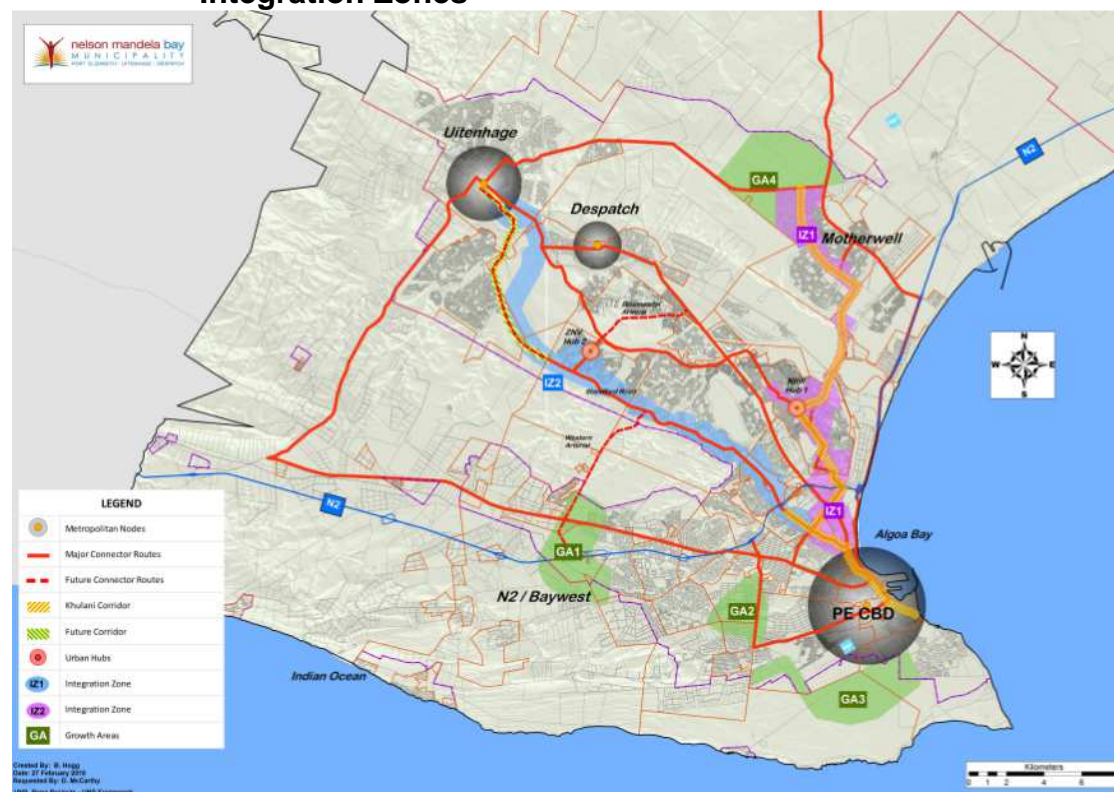


Source: NMBM 2015

2.1.2.1.5 Integration Zones

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

FIGURE 13: Urban Network Framework with Urban Hubs and Integration Zones



Source: NMBM, 2018

Two Integration Zones are identified linking the CBD and Primary Hubs. The Integration Zones traverse the poorest parts of the city where catalytic development is targeted.

The Integration Zones are described below.

Prioritisation of Integration Zones

The Integration Zone 1 was revised from the 2017/18 BEPP to extend it to Motherwell Secondary Hub. This was a logical extension based upon activities taking place in the Motherwell area. Consideration has been given to the prioritisation of the Integration Zones with the following result:

TABLE 2: Integration Zone Prioritisation

Integration Zone	Priority
Khulani / Njoli / Motherwell	IZ1
Standford Road	IZ2

It should be noted that notwithstanding this prioritisation, development in both Integration Zones will take place simultaneously.

The Khulani/ Njoli / Motherwell Integration Zone has been prioritised above Standford Road due to the advanced development of the two catalytic projects of Njoli Square and the Red Location Precinct and Motherwell Passenger Rail Corridor in that zone.

The Port Elizabeth CBD is the anchor for both Integration Zone 1 and Integration Zone 2 and holds significant potential for inner city revitalisation with initiatives as included in the Port Baakens Catalytic Programme.

The key strategy for the CBD is focused on transformation of the inner city to become an inner city aligned to the New Urban Agenda and a Post- Apartheid City. A full list of projects that will develop these objectives is incorporated in the Inter-governmental Project Pipeline Matrix (Annexure “J”).

The projects include:

- Govan Mbeki Precinct
- Old Library

- Baakens Valley Programme and Port Baakens Precinct Development PE Station Upgrade
- Vuyisile Mini Node
- Fleming Street and North Union Street Upgrade

The Mandela Bay Development Agency, a wholly owned entity of the Municipality has the CBD and Port/ Baakens Valley Precincts as its primary focus.

The Integration Zones are described below:

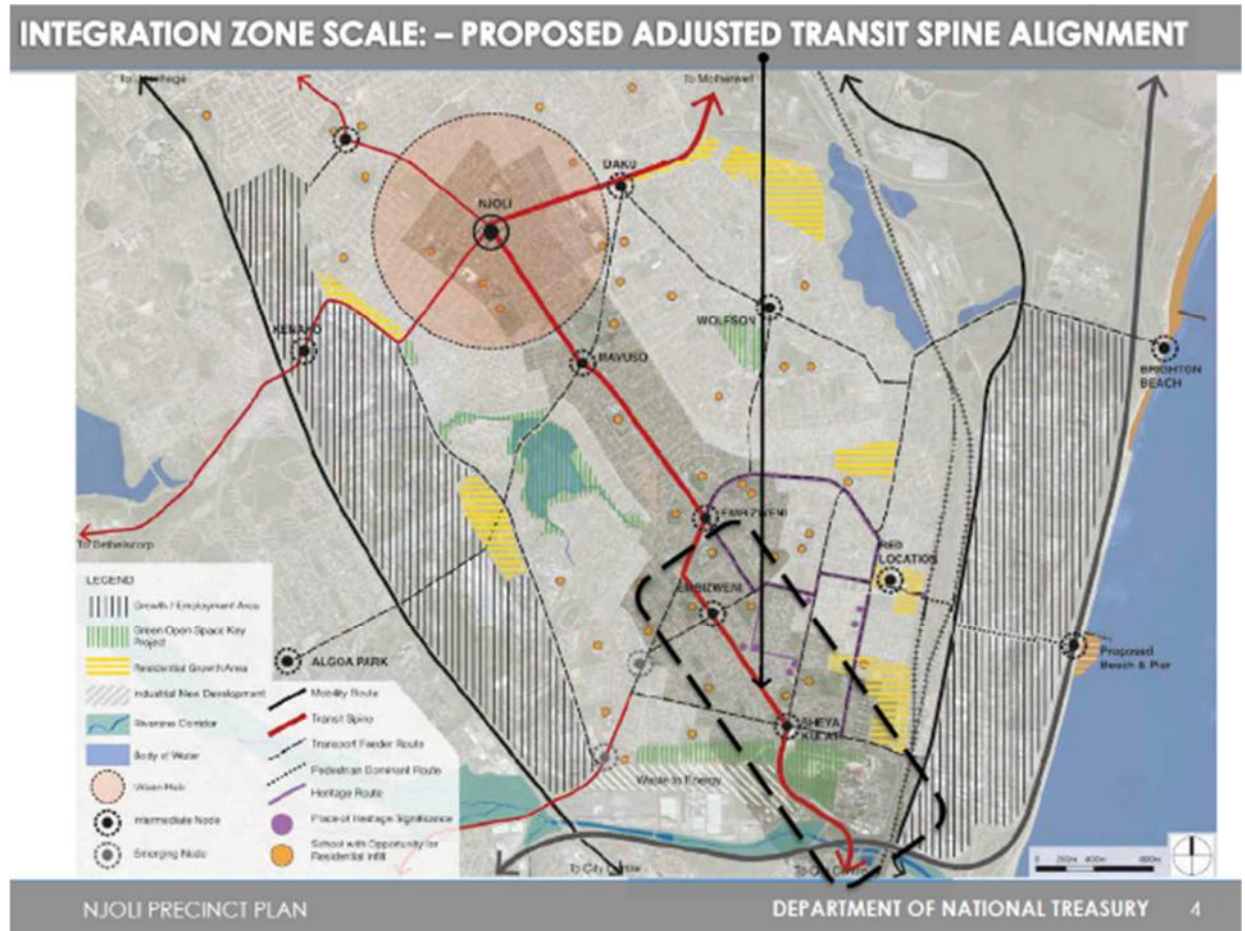
Integration Zone 1 (IZ1) (CBD/Khulani/ Njoli):

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

A stronger link between Njoli Square and Kenako Mall must be established in order to create an economic node. This node must be extended to link and integrate the previously segregated townships of Ibhayi and Bethelsdorp. Mixed-use and higher density development is encouraged along routes that link Njoli Square, Kenako Mall, Eastern Cape Training Centre (ETC), Straundale Industrial Area, Vista Campus, Dora Nginza hospital, and developments at the corner of Spondo and Njoli Road in order to integrate and strengthen the linkage between these areas.

The key strategy for this Integration Zone is focused on Accessibility and precinct development, in-situ informal settlement upgrading and cultural / tourism development. A full list of projects that will fit these objectives is incorporated in the Inter-Governmental Project Pipeline matrix attached as Annexure “J”.

FIGURE 14: Draft Conceptual Njoli Precinct Plan



Source: NMBM/ National Treasury, 2016

The plan above shows more detailed work that has been done in the Njoli and Red Location Catalytic Project Areas. It identifies a number Intermediate and Emerging Nodes for future public transport stops and mixed use activity. It also identifies broad areas for residential and economic infill development which will be interrogated for implementation as a next step.

Integration Zone 2 (IZ2) (Standford Road):

This Integration Zone along Stanford Road serves as a spatial link between Integration Zone 1 and the Chatty Jachtlakte Hub. Environmental and spatial constraints make it a very narrow corridor with limited scope for catalytic development intervention. This would be limited to modal interchanges along

Standford Road such as the Cleary Park Modal interchange. The extent of the Integration Zone around the Zanemvula Chatty Hub has been amended to incorporate the Chatty/Jachtlakke, Zanemvula and Kwanobuhle Estate Housing Projects.

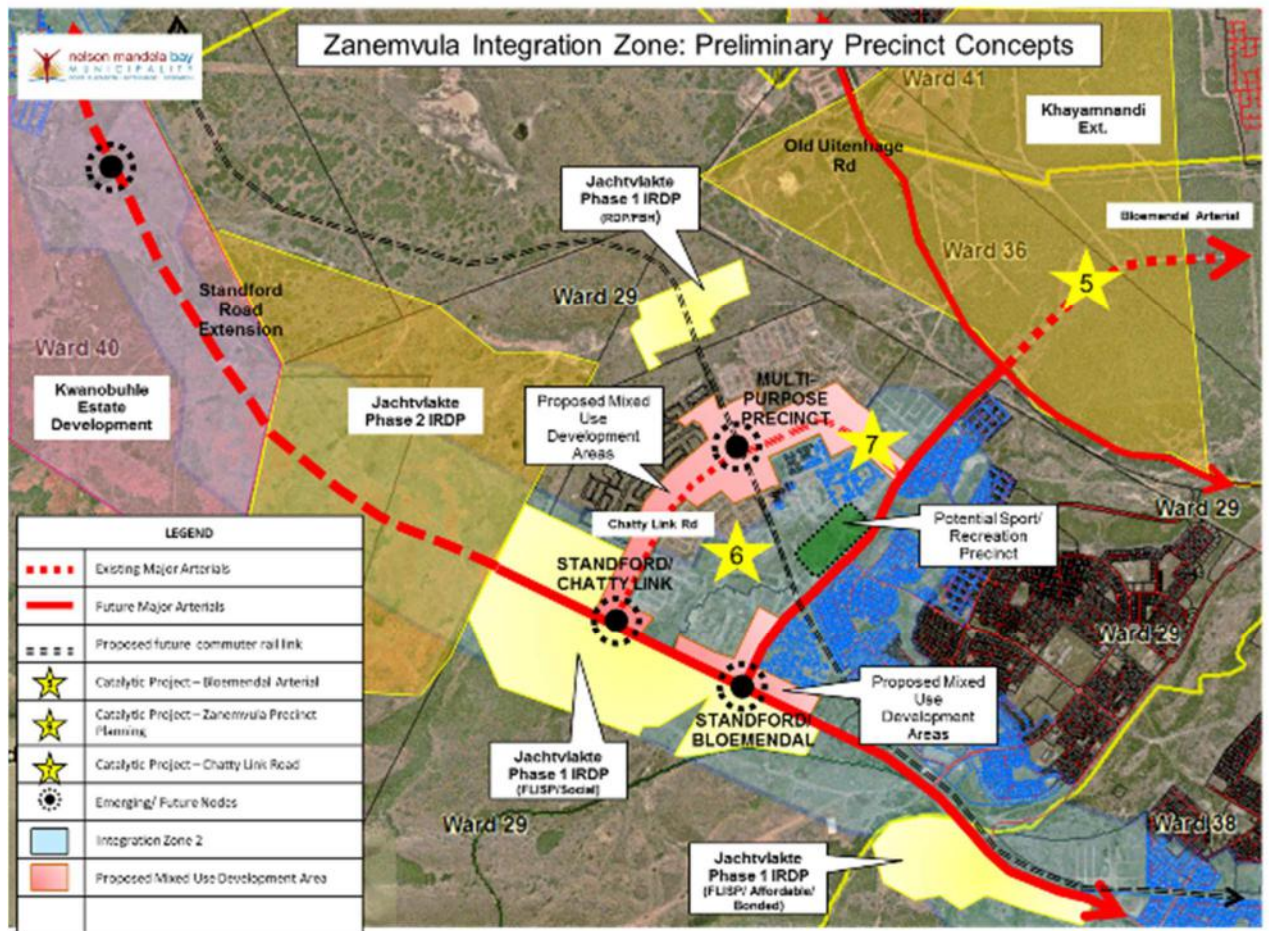
The Chatty Jachtlakke economic node within this integration zone is in great need of catalytic interventions to unlock the development potential of this newly developed area. It is situated to the West of Njoli around the intersection of the Bloemendal Arterial and Stanford Road. This Node is at the core of the greenfields component of the Zanemvula Mega Project, developed as an initiative of the National Department of Human Settlements; Provincial Department of Human Settlements and the Municipality.

Key elements in this node include:

- The convergence of Stanford Road, Bloemendal Arterials and the MR448 (Old Uitenhage Road). Stanford Road is one of the primary links between the Port Elizabeth CBD and Uitenhage. The Bloemendal Arterial on the other hand is not yet fully developed, but serves as an important North/South linkage between the R75 and Stanford Road. MR 368 still serves as an important secondary link between Port Elizabeth and Uitenhage and has the potential to link the Njoli and Chatty Jachtlakke nodes.
- An estimated 54 000 residential development opportunities in Joe Slovo West; Bethelsdorp North; Khayamandi; the Chatty developments and the Jachtlakke/Kwanobuhle is being developed and it will provide densities adequate enough to sustain socio-economic activities in the area.

The key strategy for this Integration Zone is focused on spatial transformation and integrated residential development. A full list of projects that will develop these objectives is incorporated in the Inter-governmental Project Pipeline (Annexure “J”).

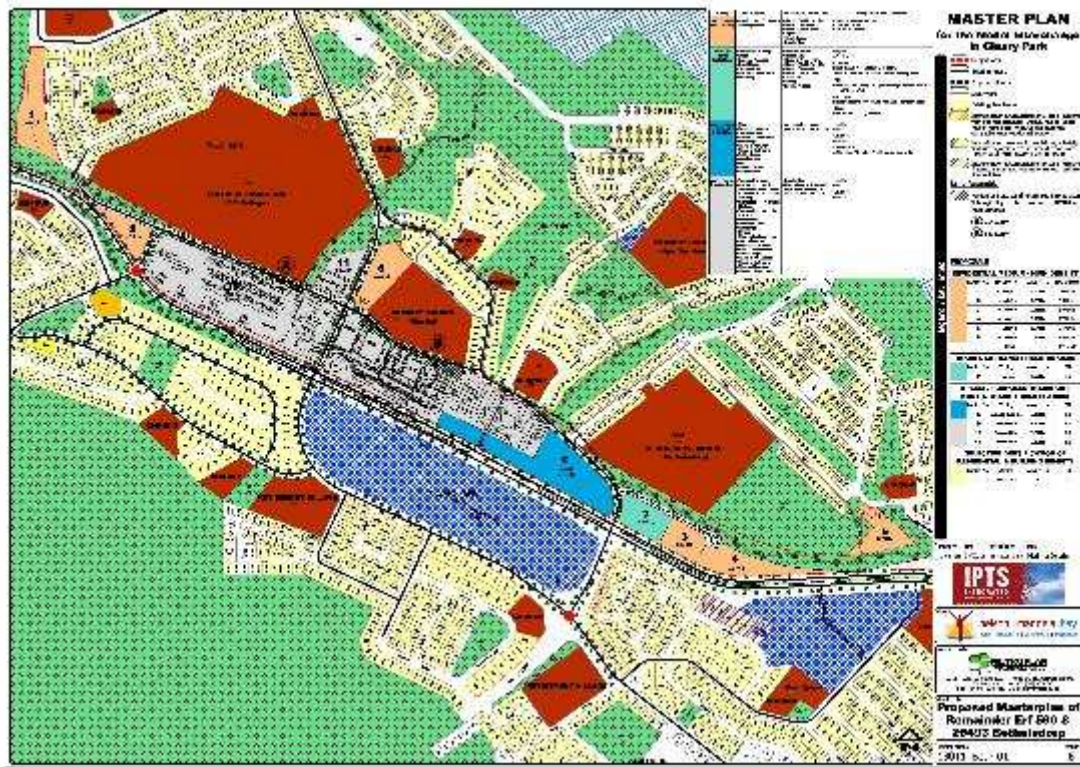
FIGURE 15: Zanemvula Precinct Plan Concept



Source: NMBM, 2017

The plan above shows more detailed work that has been done in the Zanemvula (Chatty) Catalytic Project Area. It identifies nodes for future public transport stops and mixed use activity. It also identifies broad areas for residential and economic infill development which will be interrogated for implementation as a next step.

FIGURE 16: Draft Cleary Park Precinct Plan



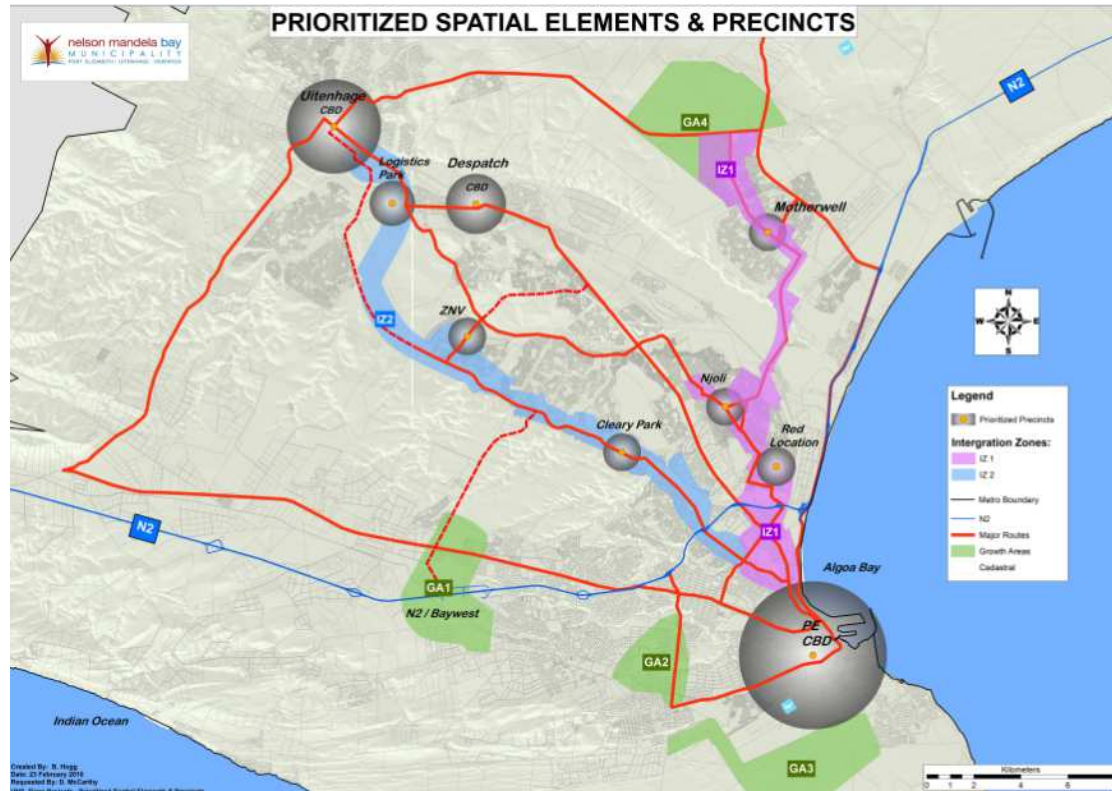
Source: NMBM, IPTS 2017

The plan above shows detailed precinct planning for the Cleary Park Modal Interchange Catalytic Project Area. The plan is undergoing technical verification where-after it will be submitted to Council for approval prior to implementation.

The following plan shows the prioritised Integration zones (1 and 2) including the prioritised spatial elements and precincts within those zones as follows:

- PE/CBD
- Uitenhage CBD.
- Njoli Precinct
- Motherwell Precinct
- Zanenvula Precinct
- Red Location precinct
- Cleary Park Precinct
- Uitenhage Logistics Park Precinct

FIGURE 17: Integration Zones and Prioritised Spatial Elements and Precincts



Source: NMBM, IPTS 2017

2.1.2.1.6 Marginalised Residential Areas / Informal Settlements

The Municipality has a dedicated programme for the elimination of informal settlements, as contained in the Informal Settlements Upgrading Plan (NMBM: Human Settlement Directorate, 2008). The Plan was developed in 2008 and included 107 informal settlements. This plan formed the basis of the Human Settlements Plan as well as the Human Settlements Sector Plan that was approved in December 2012. The informal settlements are contained in a matrix of in- situ upgrading/destination areas, programmed over time, prioritised and implemented according to priority the availability of funding.

The map and matrix attached as Annexures “F” and “G” show municipal proposals for low income housing development.

In terms of municipal policy, the relocation of informal settlements happens as a last resort. Where an informal settlement can be formalised in situ, this is done. In some instances, due to density, not everyone in an informal settlement can be accommodated in situ. In these cases, the remaining residents are relocated to locations situated as close-by as possible. Informal settlements in stressed areas, such as under power lines, on tip sites, in floodplains or other such areas, are relocated to new areas. To date 52 informal settlements have been in-situ upgraded and 16 green field sites have been developed for relocation on an incremental basis with full water and sanitation and basic roads. This includes more than 29 600 sites.

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

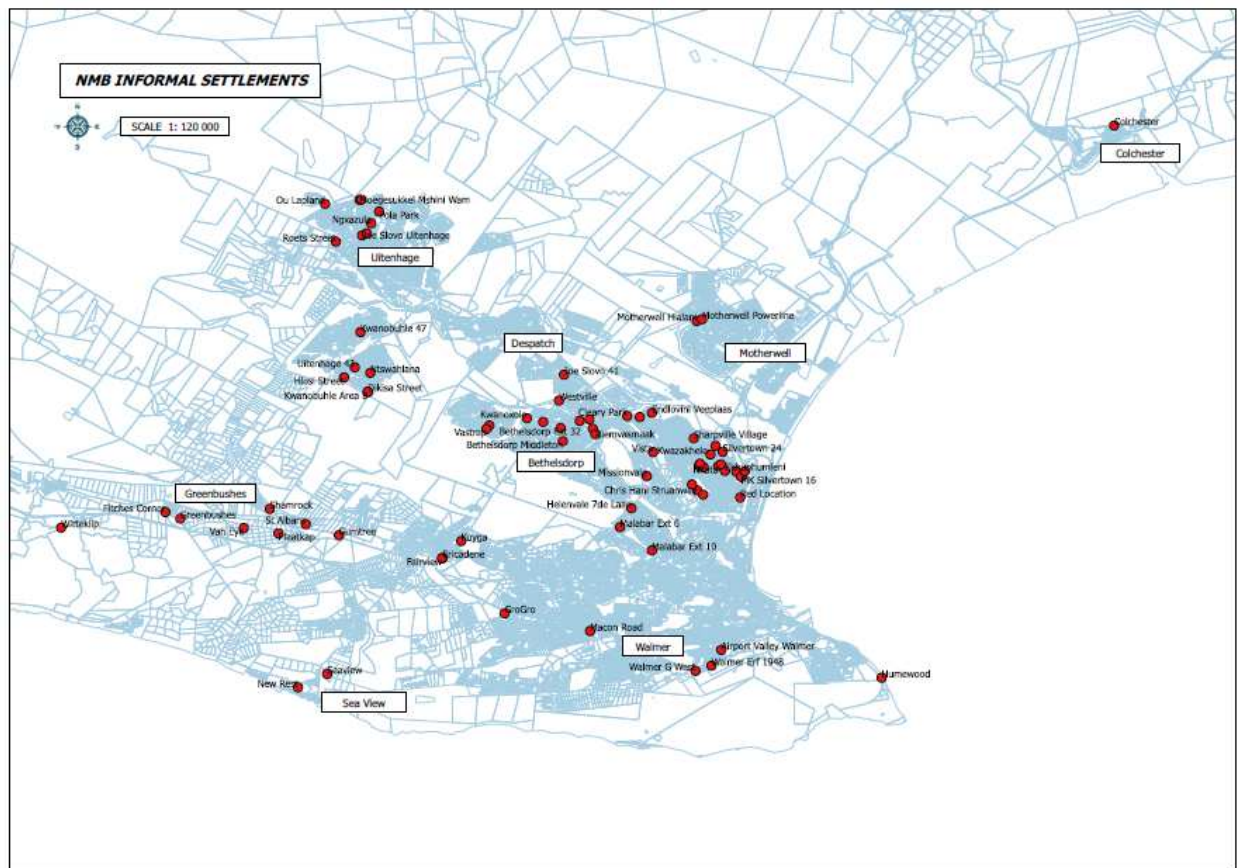
The NMBM's focus is on creating a pipeline of projects focusing on the implementation of the national housing programmes across the City. This will assist in making sure that we create housing opportunities that can accommodate as many households as possible. This is also an acknowledgement that not all residents of the City are in need of a state subsidised low cost house (RDP house). Through the appropriate measures, we are embarking on a programme to popularise all the national housing programmes that are available in the market. Some of these can enhance good working relations with the private developers and banks i.e. FLISP and Social Housing. This will ensure that we sustain an accelerated housing delivery programme in the City with guaranteed quality and sustainability of housing products provided for all the residents of the City.

A programme is underway to integrate a comprehensive City wide "National Housing Needs Register" for housing opportunities. This will help the city and

its private players to plan and budget for housing opportunities well informed about the demand for housing in the metro (creation of a planning and budget tool for housing development).

The following map shows existing informal settlement areas in Nelson Mandela Bay which form part of the upgrading programme.

FIGURE 18: Existing informal settlement areas in Nelson Mandela Bay



Source: NMBM, 2018

Status of Housing Developments

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

Management and upgrading of Informal Settlements

The Informal Settlements Upgrading Plan was prepared in 2008 and makes provision for the following:

- Elimination of the housing delivery backlog of 72 411 units (49 000 backyard shacks and 23 411 informal settlements) through the provision of quality housing and the structured upgrading of informal settlements.
- Upgrading of informal settlements and backyard dwellings, preferably in-situ, and well located Greenfield developments. To date 52 *in situ* informal settlements have been upgraded, and 16 Greenfield development have been prepared for relocations.
- Providing housing opportunities for an estimated 35 000 beneficiaries that are not being catered for in the current housing projects that are focused on beneficiaries earning R3 500 and below per month.
- Relocation of 3 000 communities living in stressed areas (such as flood-plain areas, tip-sites and power line areas) in terms of the Relocation Plan, which is an integral part of the Informal Settlements Upgrading Plan. The identification of well-located land in priority areas and integration zones will be key.

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

The prioritisation of projects is based on technical readiness, including town planning layout approvals, general plan layout approvals, environmental approvals, completed geotechnical investigations, and the availability of bulk infrastructure. Greenfield projects are also prioritised as destination projects for relocation purposes.

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

Emergency housing for households living in life-threatening conditions

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

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

Strategy for better located housing development, specifically the poor.

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

The density of existing areas should be increased through infill development on vacant land not required for other purposes. Corridor development along public transport and other major transport routes will also increase densities in existing areas.

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

It is predicted that more than 80% of the future residential demand in the Metro will be for low-income housing that is currently subsidised. In view of the need for densification, it is this sector that will, of necessity, be most affected. The Situational Analysis attached as Annexure “C” gives a more detailed breakdown of the demand for housing.

The current practice of creating erven of 200 to 300m² for low-income housing is unsustainable from an economic and land utilisation point of view. Increased densities can decrease land and servicing infrastructure costs and also enhance the viability of public transport systems and more importantly access to employment, services and amenities for households.

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

- To strengthen existing major bus routes and commuter routes by the addition of high-density development along the routes especially in the identified Integration Zones.
- To intensify development around existing public open spaces, where appropriate. Intensification refers to the subdivision of the existing appropriately located and designed brownfield erven.

Planning for Informal Settlements

The programme for informal settlements and marginalised areas is discussed above. Local area planning takes place at the point of design of the new township. Layouts for these developments are prepared in advance and in accordance with the Local Spatial Development Frameworks and the Sustainable Community Planning Methodology which are part of the Spatial

Development Strategy of the City. Community participation in the development of the layouts is important.

In terms of the Capacity Support Implementation Plan, a land and housing market trend analysis has been done with a view to develop proposals to revise the NMBM Housing Policy in a manner that is more sustainable and meets spatial restructuring objectives. This work will verify and supplement the work described above. A proposal has been completed and will be introduced to the administrative and political leadership in 2018/19 financial year with a view towards implementation of a demonstration project. The project is more fully described elsewhere in this report in the section that deals with the alignment of housing with the Integration Zones.

Land Identification and Release for Informal Settlement Upgrading

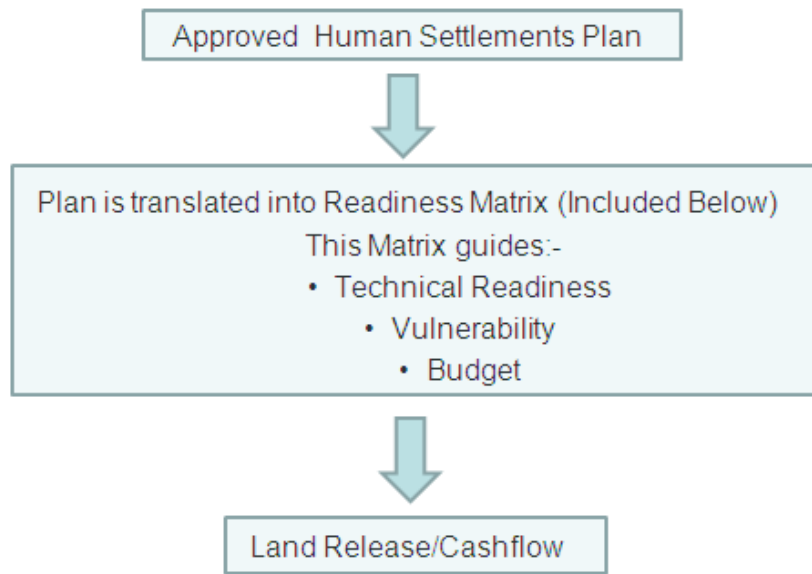
The Human Settlements Plan (NMBM Human Settlement Directorate, 2012) provides for residential development on land that is owned by the Municipality and the development of this land is done in accordance with the Development Readiness Matrix, which is a project management tool for the Housing Programme.

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

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

The development process is shown in the figure below.

FIGURE 19: Development Process



Attached as Annexures “F” and “G” is a map and matrix that reflects all of the current informal settlements upgrading and relocation projects within the Municipality. These projects take place on municipally owned land and in some instances land is acquired for special circumstances.

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

The Municipality has always prepared a number of sites in advance of the allocation of HSDG funds for development. In 2013/2014 financial year, 4012 sites were serviced, 2014/2015 financial year 4035 sites were serviced, in the 2015/2016 financial year 3003 sites were serviced, in the 2016/2017 financial year 4004 sites were serviced and during the current financial year up to 2nd quarter, 1043 sites have been serviced. More than 15 000 serviced sites have been made available.

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

TABLE 3: Serviced Sites available for development - May 2018

Item	Project Name	No. of Sites	Type of Development	Project Status	Expected Date of Readiness
1	Motherwell NU 12	350	Greenfields	Serviced	Ready
2	Motherwell NU 30	1405	Greenfields	Serviced	Ready
3	Khayamnandi Ext. Phase 1A&B	471	Greenfields	Serviced	Ready
4	Khayamnandi Ext. Phase 2	1013	Greenfields	Serviced	Ready
5	Khayamnandi Ext. Phase 3	208	Greenfields	Serviced	Ready
6	Khayamnandi Ext. Phase 4A	358	Greenfields	Serviced	Ready
7	Khayamnandi Ext. Phase 4B	372	Greenfields	Serviced	Ready
8	KwaNobuhle Area 11	1414	Greenfields	Serviced	Ready
9	Joe Slovo Uitenhage	300	In-situ	Serviced	Ready
10	Kwanobuhle Area 7 Ph 4	244	In-situ	Serviced	Ready
11	Kwanobuhle Area 8 Ph 4	266	In-situ	Serviced	Ready
12	Doorenhok	40	In-situ	Serviced	Ready
13	Red Location	172	In-situ	Serviced	Ready
14	Motherwell High Density	109	In-situ	Serviced	Ready
15	Kwanobuhle erf 8228	111	In-situ	Serviced	Ready
16	Pola Park	117	In-situ	Serviced	Ready
17	Rosedale	249	In-situ	Serviced	Ready
18	Masekhane Village	125	In-situ	Serviced	Ready
19	Kabah Phase 6	54	In-situ	Serviced	Ready
20	Kwanobuhle Erf 3179	42	In-situ	Serviced	Ready
21	Kwanobuhle Erf 12931 & 12872	65	In-situ	Serviced	Ready
22	Joe Modise	15	In-situ	Serviced	Ready
23	Mandelaville Uitenhage	121	In-situ	Service;2 d	Ready
24	Kwanobuhle Erf 10015	12	In-situ	Serviced	Ready
25	Mk Silvertown	270	In-situ	Serviced	Ready
26	Mk Qaqawuli	491	In-situ	Serviced	Ready
Total		8519			

2.1.2.1.7 Other Marginalised Residential Areas

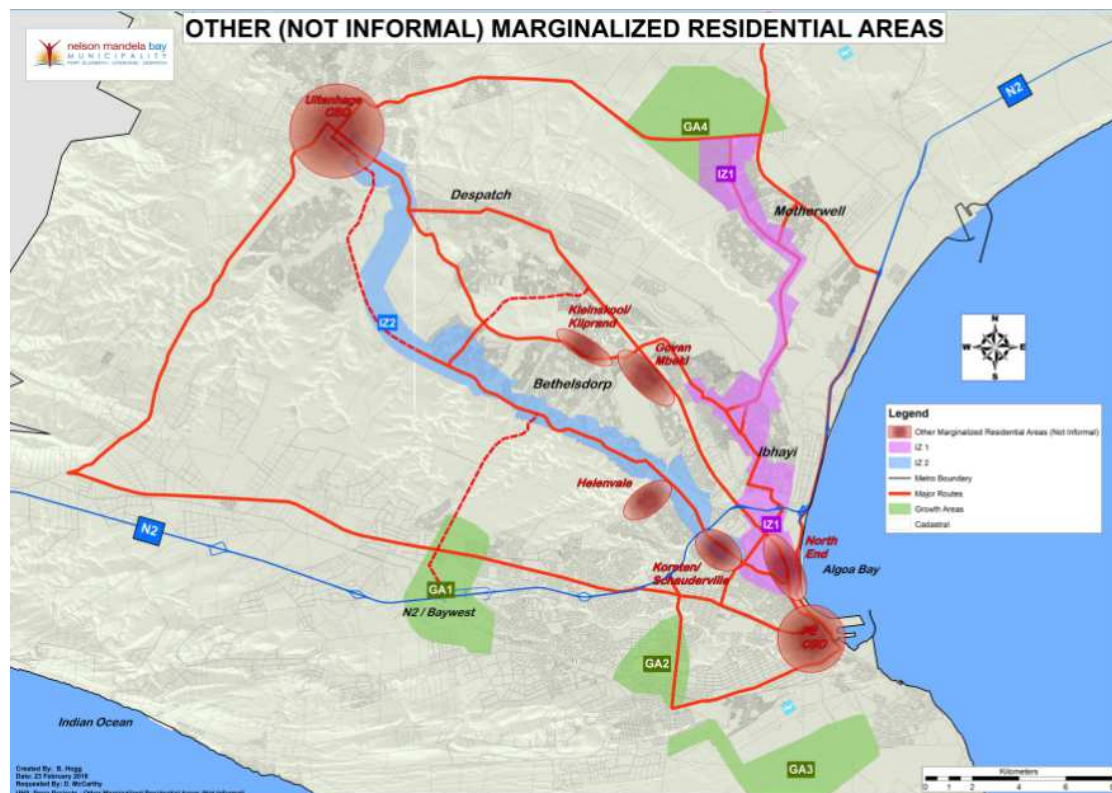
In addition to informal settlements there are other residential areas that are in decline. These areas are generally characterised by deteriorating civic (where it exists) and private infrastructure, increasing informality (backyard shacks, informal businesses), invaded open spaces, and high levels of crime and economic and social dysfunctionality. These areas generally have little investment and there is a lack of private sector interest.

Measures need to be taken in these areas to revitalise them and address the neglect. In this regard government has to act as a catalyst for private sector involvement.

Many parts of the city can be seen to be in decline. However, the following areas have been initially identified.

- Portions of the former Port Elizabeth CBD
- Portions of the Uitenhage CBD
- North End
- Helenvale
- Korsten / Schauderville
- Govan Mbeki
- Kleinskool/Kliprand

FIGURE 20: Other Marginalised Residential Areas in relations to Integration Zones



Source: NMBM, 2018

It is understood that the socio economic issues need to be addressed as well as the built environment and safety /cleansing aspects.

More detail on interventions in some of these areas is included in the Urban Management section of this report.

PE and Uitenhage CBD's

The NMBM has in recent years focussed on improving cleansing and safety aspects as well as development interventions in the CBD's of Port Elizabeth and Uitenhage. This has largely been carried out by the MBDA

Korsten Schauderville

The MBDA, in line with its mandate of upgrading areas that have seen some form of environmental decay, and through assistance with funding from the IDC, formulated and approved a master plan for Korsten / Schauderville in September 2015. The plan identifies key interventions necessary for the revitalisation of the area.

Helenvale

An intervention titled "Safety and Peace through Urban Upgrading (SPUU)" is underway in Helenvale

Helenvale, with an estimated population of 21,236 has intertwined problems of crime and socio-economic deprivation. The main manifestations of violence are violent gangs often involved in drug trafficking, domestic violence, violence in schools and violence among young people.

Many factors contribute to the high levels of violence and crime in Helenvale, including overcrowding and poor housing conditions, unemployment and low income, inadequate urban services, widespread alcohol and substance abuse, division of community structures, increased individualisation and the disintegration of families.

Taking into consideration the contextual realities of Helenvale, the SPUU programme is designed to combine a number of approaches:

The overall goal of the SPUU programme is "to improve the quality of life of the residents of Helenvale, especially through the reduction of crime and violence."

The programme objective is "to increase the safety of the residents with special regard to the main component areas, namely the public space and physical infrastructure, safer schools, youth employment, domestic violence prevention and a pilot housing scheme".

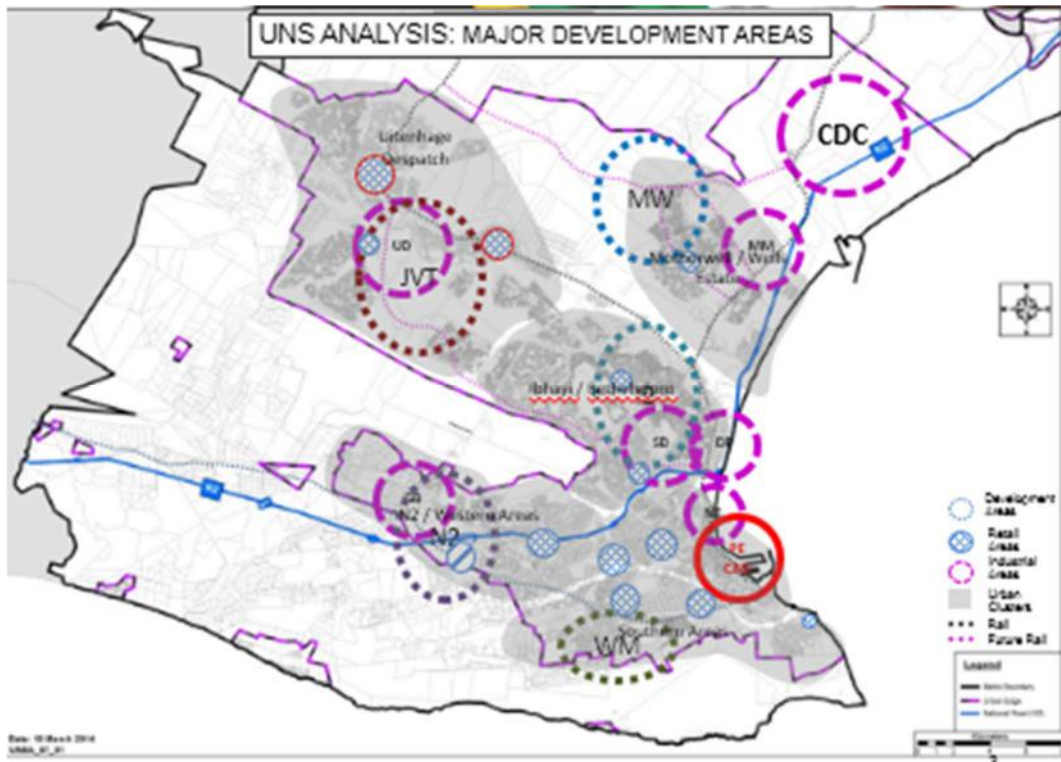
A distinct strategy for the development and further prioritisation of these areas is yet to be developed largely because of the constrained finances of the municipality.

2.1.2.1.8 Economic Nodes (Commercial and Industrial) Identification and Prioritisation

Economic Nodes analysis

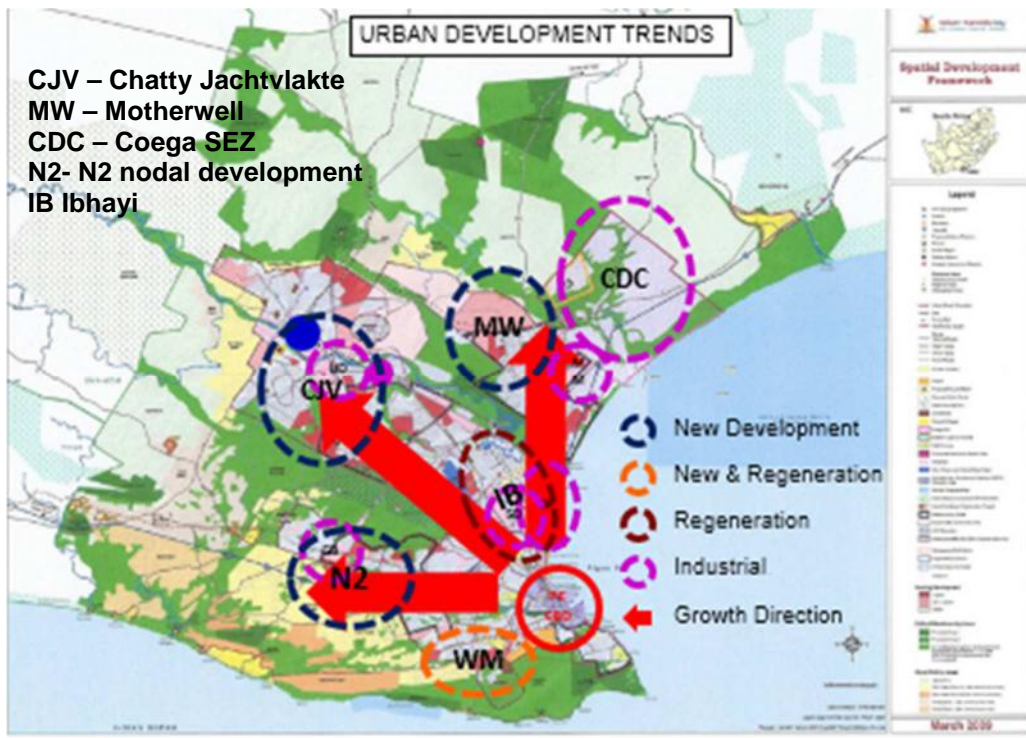
The following maps highlight the major development areas and urban growth directions. They show areas of new development, largely residential and mixed-use development, the major industrial development areas, as well as areas in which urban renewal and infill development (regeneration development) is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

FIGURE 21: Major Development Areas



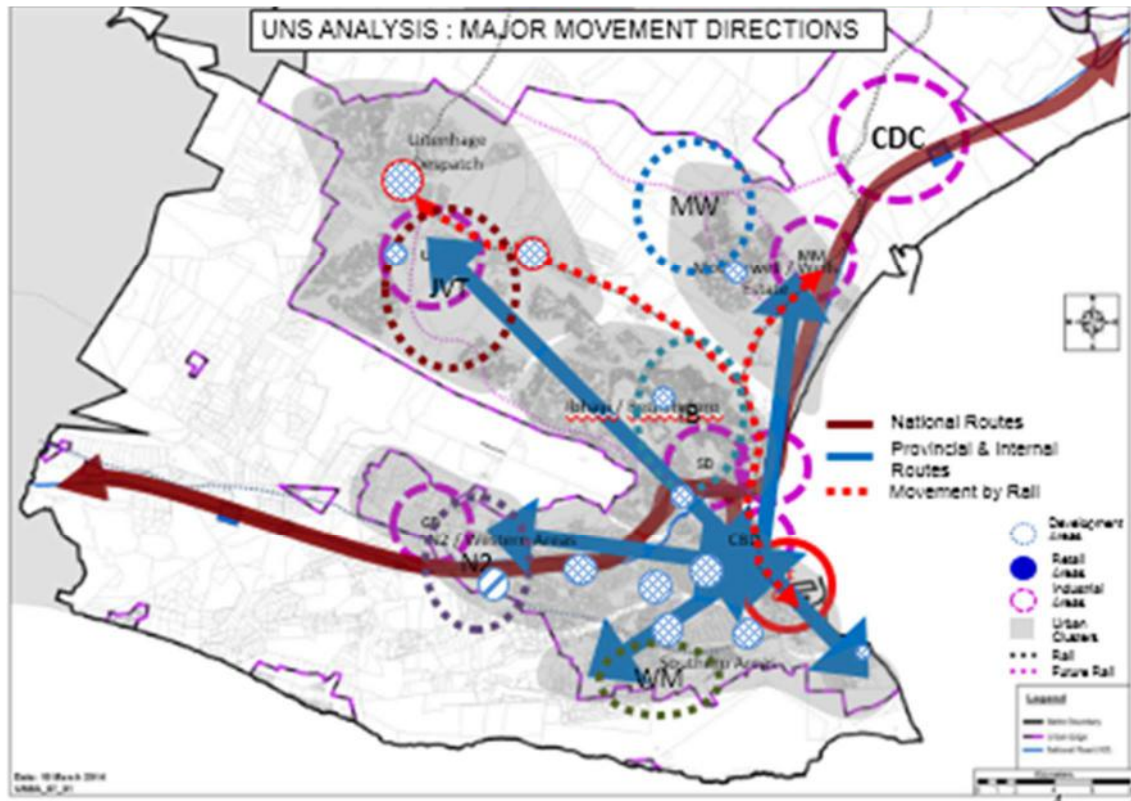
Source: NMBM, 2018

Figure 22: Characteristics of Economic Nodes and growth Direction



Source: NMBM 2018

FIGURE 23: Major Movement Directions in relation to existing and new employment nodes



Source NMBM, 2018

TABLE 4: Growth Area/ Economic Node Categorisation

	Node Description	Node Category
GA 1	Baywest / N2 Nodal Development Area	Emerging
GA 2	Fairview	Emerging
GA 3	Walmer/ Summerstrand	Established with new growth
GA 4	Motherwell/ Wells Estate	Declining with new growth potential
EN 1	Greenacres	Established – No intervention
EN 2	Walmer Commercial	Established – No intervention
EN 3	Great Westway Framesby	Established – No intervention
Coega SEZ	Established major employment centre	Government Driven

Source, NMBM 2018

Economic Node Prioritisation and features

The Central Business Districts of Uitenhage and Port Elizabeth are obvious key economic nodes and are not further discussed in this analysis. The key features of the other major Economic Nodes are identified below:

Four Growth Areas / Economic Nodes (GA 1 to GA 4) have been identified as shown and discussed below:

Annexure “J”, Inter-governmental Project Pipeline Matrix, contains a detailed list and description of all the public and private projects that exist or are anticipated for these growth areas/ economic nodes.

Growth Area 1: Baywest / N2 Nodal Development Area

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

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

This growth area has also been identified as one of the National Department of Human Settlements Catalytic projects referred to as the N2 Nodal Development Catalytic Project.

Other developments such as the Kuyga extension, Westbrook and Parsonsvele form part of the larger N2 nodal development area and contribute to additional mixed use and residential development with a potential to yield an estimated 6 500 residential opportunities.

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

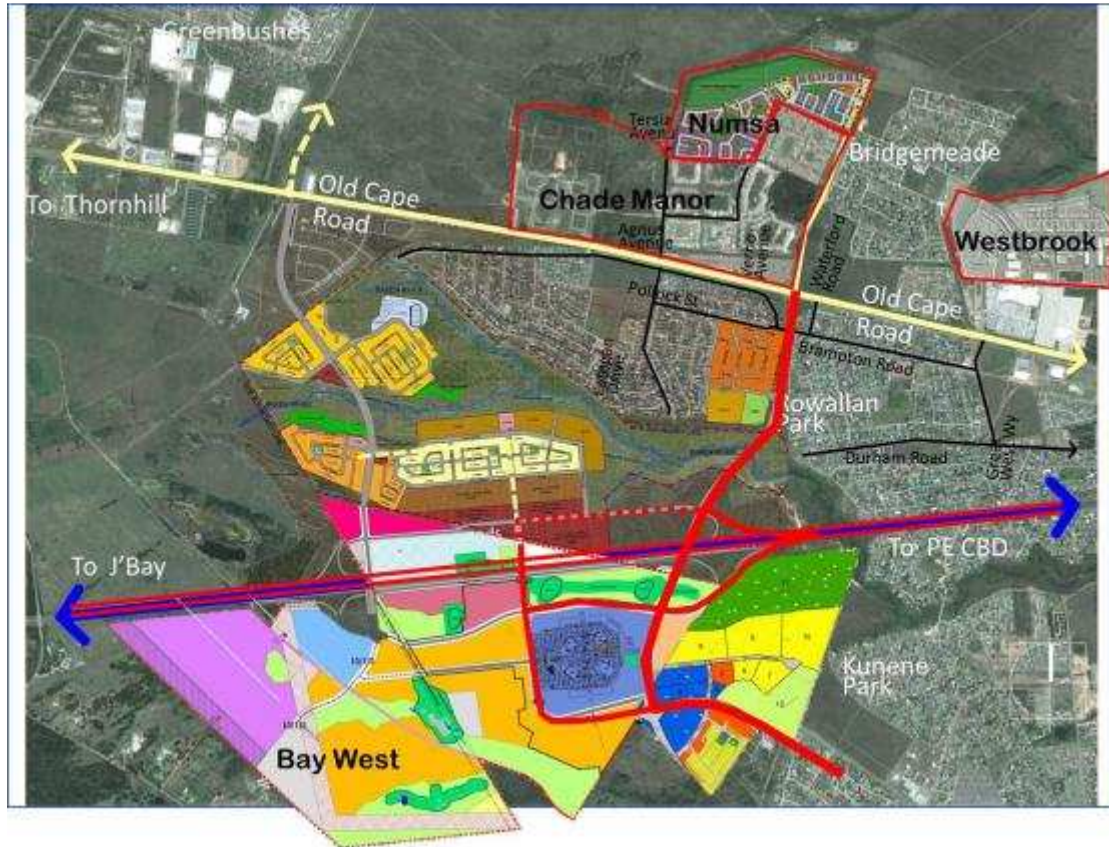
The key strategy for this Growth Area is the development of a growth node comprising of integrated residential and economic development. Projects include inter alia:

- Walker Drive to N2
- Western Arterial - N2 Cape Road Link
- Western Arterial - Stanford Road Link
- N2 North
- Utopia Development
- Erf 432 Development
- Kuyga Extension

The high level intervention strategy of the municipality has been to enter into service level agreements that have facilitated the development of bulk infrastructure to allow the private sector development of the area. In addition, the Municipality is pursuing the development of the Western Arterial as a catalytic linkage project to link this area to the Chatty / Jachtlakte / Zanemvula area. All major private sector development applications in this

node have been approved. The Municipality will be the developer of the N2 North area and a public private partnership is being investigated.

FIGURE 24: N2 Baywest Growth Area



Source: NMBM, Western Areas LSDF, 2013

Growth Area / Economic Node 2 (GA2): Fairview West

Fairview West area is located within an 8 km radius of the CBD and is adjacent to the William Moffet Expressway and Circular Drive activity corridors. It forms part of a land restitution area from which large numbers of people were relocated. A number of housing projects, comprised of mixed residential typologies aimed at the lower income groups, contribute to the area being identified as an area of substantial development potential to enhance spatial transformation.

The key strategy for this Growth Area is focussed on densification and spatial transformation of this node as a high density integrated and mixed housing area. A list of projects that will develop these objectives is incorporated in the Inter-governmental Project Pipeline Matrix (Annexure “J”). These projects include:

- William Moffet Expressway
- Circular Drive
- Willow Road Upgrade
- Fairview Links
- Willowdene
- Fairview West

The key developments in this area are the social rental and finance linked subsidised (FLISP) housing developments developed in 2015 and 2016. These developments have brought higher density populations into this emerging area. In addition, new commercial developments are taking place along William Moffet Expressway and along Circular Drive that form the boundaries of this node.

The intervention strategy for this growth area has been to support and facilitate the social housing developments. The commercial developments have been facilitated by the recently approved Local Spatial Development Framework.

Certain bulk infrastructure is needed for the further development of this area and is quantified in Annexure “J” which contains the detailed project list. It is the intention of the Municipality to fund this bulk infrastructure in the medium term.

Growth Area / Economic Node 3 (GA3): Walmer

This Growth Area is a combination of existing well established residential and economic development as well new integrated residential development.

The key strategy for this Growth Area is spatial transformation and integrated residential development for lower income communities. A list of projects that will develop these objectives is incorporated in the Inter-governmental Project Pipeline Matrix (Annexure “J”) and includes:

- Erf 1948 Walmer Phase 1
- Erf 1948 Walmer Phase 2 PE Airport expansion
- Erf 11305 Walmer
- Walmer Development - Human Settlement (Services)
- Reinforcement of Electricity Network - Walmer Lorraine
- Industrial Site (Airport Valley) - Bulk Sewer
- Upgrading of Fountain Road - Walmer Township
- H103: Heugh Road (MR427) Widening (3rd Avenue to Wentworth)
- Theescombe / Gqebera Bulk Stormwater
- Stormwater retention
- Walmer Cosmo
- Driftsands Collector Sewer
- Driftsands WWWT Augmentation
- Walmer Gqebera - Urban Rejuvenation
- Possible Railway Station - Apple Express
- Allister Miller Drive
- Precinct Plan/ Walmer Gqebera

The intervention strategy of the Municipality for this area has been to collaborate with the Provincial Department of Human Settlement to fast track the formalisation of the informal settlements in the area. In addition, major funding was provided for the much needed bulk infrastructure such the

Driftsands collector sewer and stormwater management. The development and upgrade of Fountain Road commercial facilities form part of the interventions of this economic node. In addition, sport fields and other amenities have been prioritised and developed. Detailed layout planning and environmental authorisation for the major developments have been prioritised.

The development of the Walmer Links social rental and finance linked (FLISP) housing has been made possible through the provision of municipal land.

Growth Area/ Economic Node 4 (GA4): Motherwell

Motherwell is prioritised for transformation by the Municipality, primarily because of its history as a dormitory town. It is under serviced in terms of economic and social facilities and amenities. Even where those facilities and amenities exist, the quality is sub-standard. Major extensions to the township area (Motherwell Extensions 12, 29, 30 and 31) are currently under construction as part of the municipal human settlement programme. This development, which is rolled out as an integrated residential development, will yield almost 12 500 residential opportunities for approximately 50 000 people.

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

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

Although planning for the area is mostly complete, detailed precinct planning is needed around the future Motherwell Rail Corridor stations and public transport nodes. This is currently being undertaken.

Projects include:

- Motherwell Traffic and Licensing Centre (Conversion of un-utilised and vacant Thusong Centre)
- Motherwell Rail Corridor Phase 1 (Planning and implementation of commuter rail link with stations between Swartkops rail line and Motherwell NU29)
- Motherwell High Density Housing Project
- Infill Residential Development (Low Income Residential Development)
- Motherwell Modal Interchange (Planning of Modal Interchange as part of Precinct Development and complementary to Motherwell Rail Corridor)
- Motherwell NU31 IRDP (Greenfield Residential Development)
- Tyinira Endlovini
- Ramaphosa West
- Cultural Centre Motherwell
- Motherwell NU 29 & 30 : Roads and Stormwater Bulk Infrastructure
- Motherwell North Bulk Sewerage
- Fire Station Motherwell - Refurbishment
- Motherwell Arterial Development
- Motherwell NU 30 - Human Settlement (Services)
- Motherwell NU 31 - Human Settlement (Services)

The intervention strategy of the municipality for this area is implemented through the Motherwell Urban Renewal Programme (MURP) which has a dedicated office within the Economic Development, Tourism and Agriculture Directorate that deals only with Motherwell projects and programmes, ranging from spatial to cultural and economic interventions.

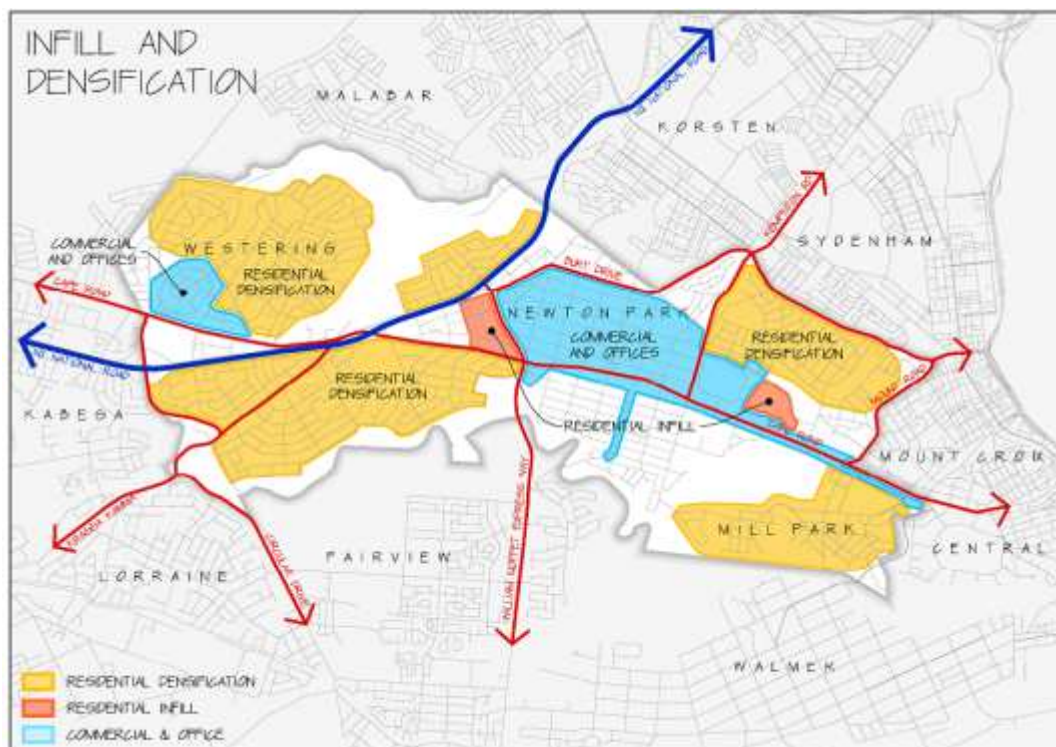
Other Existing Economic Nodes

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

Greenacres/ Newton Park Node:

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

FIGURE 25: Greenacres/ Newton Park Node

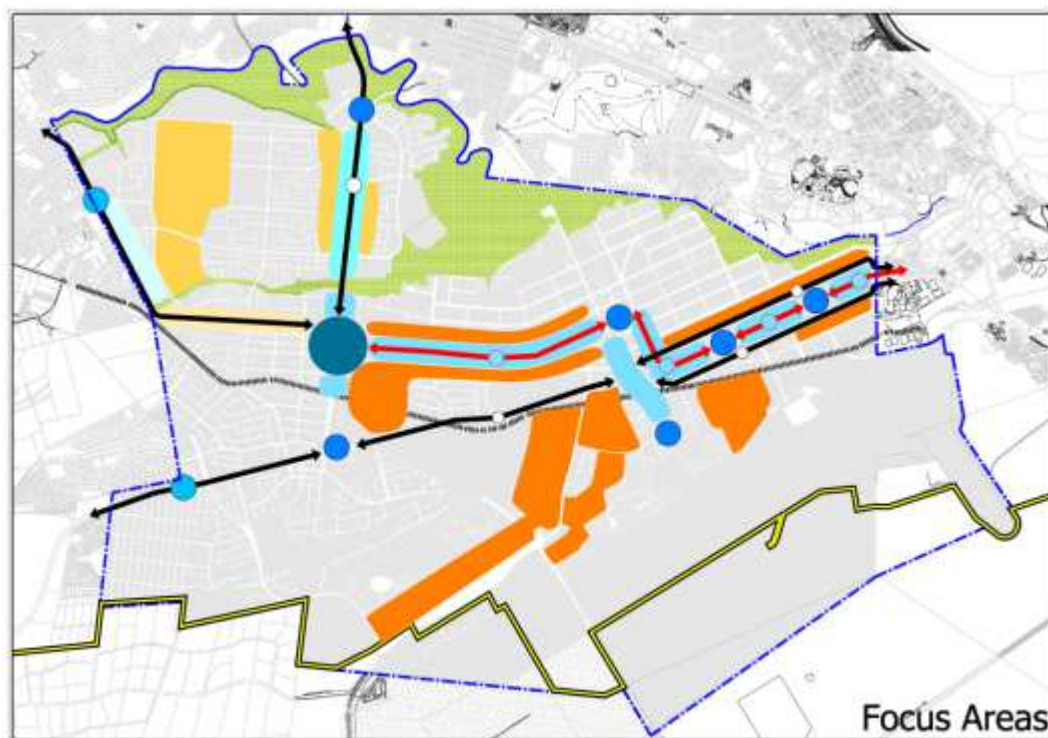


Source: NMBM Cape Road (Mill Park to Westering) LSDF, April 2014

Walmer Commercial Node (S7):

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

FIGURE 26: Walmer Node



Focus Areas for Priority Actions Required

Source: Greater Walmer LSDF, October 2013

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

Great Westway (Makro/Framesby/Westering) Node

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

FIGURE 27: Great Westway Node



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

Coega SEZ Growth Node

The Coega Special Economic Zone (SEZ) is a government initiated catalyst for socio economic development. The Coega SEZ has the mission of providing a competitive investment location for supporting the establishment of value-added business services that enable socio-economic development in the NMBM, Eastern Cape and South Africa. The growth node is based on a cluster model, which strategically positions related and synergistic industries and their supply chains in close proximity to one another with a view to

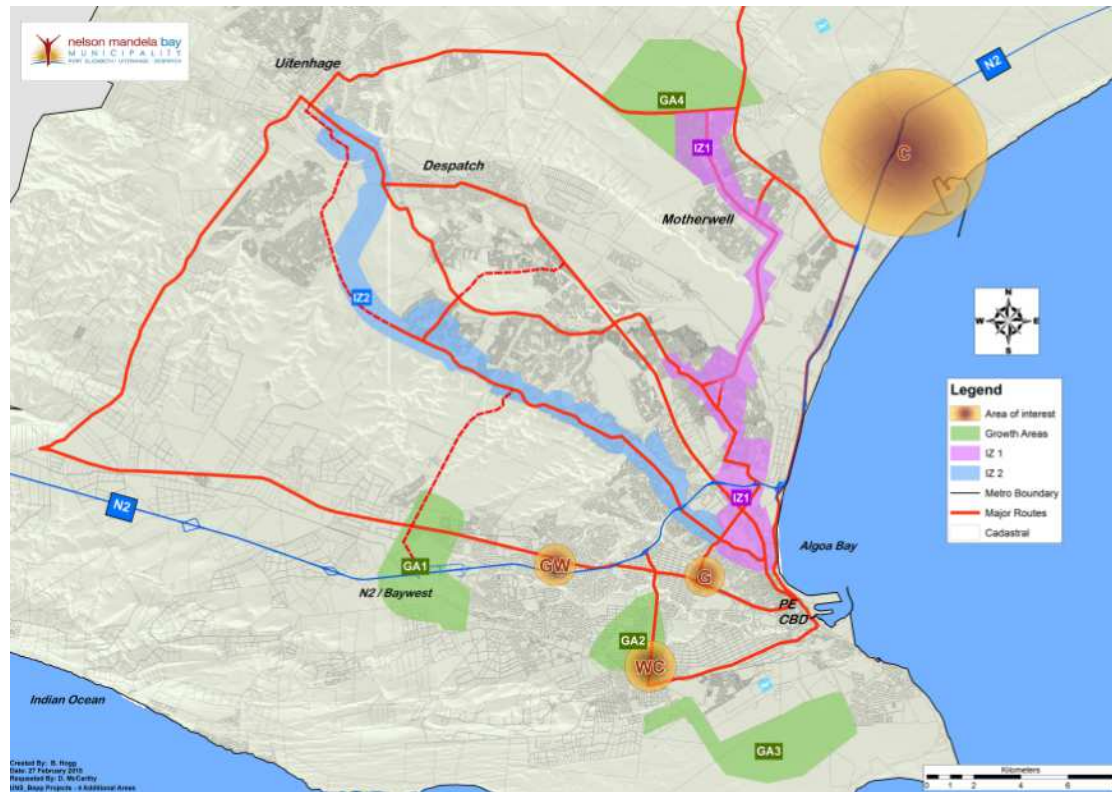
developing agglomerative economies. The Coega SEZ has 14 zones, with a focus on (but not limited to) the following sectors:

- Metallurgical
- Business Process Outsourcing
- Automotive
- Chemicals and Petro-Chemicals
- Agro Processing and Aquaculture
- Logistics
- Energy and Green Economy
- Maritime

The Coega SEZ is developed in terms of a Development Framework Plan which is approved by the NMBM. There are strong synergies between the Motherwell Growth Node and the Coega SEZ Growth Node with interdependencies in the provision of transportation, water and wastewater infrastructure.

The following map shows the Economic Nodes identified above in relation to the Urban Network Strategy.

FIGURE 28: Other Existing Economic Nodes in relation to Integration Zones



Source: NMBM, 2018

Other Activity Corridors

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

1. *Walmer*: This corridor begins at Marine Drive as Walmer Boulevard, increases in activity at 1st Avenue intersection, from where the road becomes Heugh Road, and continues to the intersection of Buffelsfontein Road and 17th Avenue.
2. *Walmer Main Road*: This corridor commences in Heugh Road, it runs to Walmer Main Road, to the intersection with the William Moffet Expressway.

3. *William Moffet Expressway*: This corridor starts from the intersection of Buffelsfontein and 17th Avenue and runs along William Moffet Expressway to Cape Road.
4. *Cape Road*: This corridor starts at the intersection of William Moffet Drive and Cape Road, and runs to Greenacres, terminating in the CBD.

Planning for Economic Nodes

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

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

The Ibhayi Precinct plan includes significant historic nodes such as Njoli Square, Embizweni Square, Mendi Arts Centre and Red Location. These nodes are aligned with public transportation and pedestrian routes. These nodes collectively provide structure and the opportunity for focal points for the delivery of community facilities, commercial activities.

Njoli Square is a Modal Transport interchange that will be complemented with commercial development, medical suites, a future library and civic building, and stalls for informal traders.

Embizweni Square is a business and entertainment hub that offers an array of businesses that play a role in the growth of the local economy. Embizweni Square has the potential to unlock economic opportunities and it could become branded as a tourist hub for both local and international visitors. Already new and trendy businesses are mushrooming in the area which is a sign of investor confidence in the township economy.

Mendi Arts Centre was a 'blacks-only' Beer Hall during the Apartheid era. In the early 2000s it was ear-marked for redevelopment as a community building. Following an extensive community involvement process a project brief was finalised in January 2011 along with comprehensive Business Plan for the development of a Multi-Cultural Centre. The Centre is focused primarily on the Performance Arts in the local community, providing a platform for artists to further their development. The following components were identified to form part of the new Centre: performance hall, visual arts studio, entrance foyer, restaurant, office and administration component, ablution facilities and general storage areas. The building has undergone a R25m revamp and is close to being operationalised.

Red Location is known as the cultural node in this precinct. It includes the Red Location Museum of Apartheid, an art gallery, an electronic library; a backpackers' lodge as well as the regenerated of Singhapi Street.

The development of this precinct has the potential to unblock economic opportunities. It is not often that a precinct offers such diversity of activities. It combines transport, commercial, arts, culture and entrainment. The precinct is well connected to the rest of the city. It is located near work opportunities in Struandale and Deal Party. It offers an opportunity for "work, live and play".

2.1.2.1.9 Initiatives for the development of Other Marginalised Residential Areas and Growth Areas / Economic Nodes

In this regard the following are some of the initiatives that are Implemented in various areas in the NMBM which assist with the development of the economic nodes, development areas and other marginalised residential areas.

Partnerships

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

Currently, partnerships exist in respect of the Bay West and Utopia Developments which form part of the N2 Node Catalytic Programme. This is in the form of municipal services agreements. The agreements commit the developers and the Municipality to counter-funding for the provision of bulk services to the area.

The Mandela Bay Development Agency (MBDA) is a municipal entity and implementing partner of the Municipality. The MBDA has done extensive work in the marginalised residential areas of Helenvale, Motherwell, Schauderville, Korsten and portions of Ibhayi.

Seamless co-operation between the MBDA and NMBM is vital to the successful implementation of these projects.

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

Development Clusters

The Municipality through its Economic Development Tourism and Agriculture Directorate is working with different industrial and economic clusters in order to drive manufacturing that will ultimately create decent jobs. There are three Industrial Clusters that the city is collaborating with in the region:

- Automotive Cluster
- Composite Cluster
- Maritime Cluster

Automotive Cluster:

The Automotive Industry Development Centre (AIDC) provides support to the Original Equipment Manufacturers (OEMs) and suppliers through their programmes in order to enhance global competitiveness. Their programmes include:

- Skills development and training
- Supplier and enterprise development
- Incubation programmes
- Energy management

Composite Cluster:

The cluster coordinates Research and Design (R&D), skills development and industrialisation efforts to activate value chains that make use of non-corrosive and lightweight composite technology, but covering all non-metallic polymeric technologies including composites, plastics, elastomers and specialty coatings.

The cluster aims to establish a dedicated non-metallic hand skill training capability, a collaborative R&D capability in which scientists and engineers (academia and industry) can work together on developing non-metallic solutions that can enhance the competitiveness of existing value chains and unlock new ones.

The aim is to cross-pollinate technology and skills between boat building, renewable energy, automotive and aerospace using shared infrastructure.

Maritime Cluster:

The Nelson Mandela Bay Maritime Cluster was only founded in 2012 and is still in the process of developing. Nelson Mandela Bay Maritime Cluster's

objective is to enhance networking opportunities between local maritime business, government and institutions of higher learning.

The Nelson Mandela Bay Maritime Cluster strives to increase competitiveness within the ocean economy and work towards creating opportunities for investment and job creation.

Investment Incentives Policy

Incentives are one of the many policy tools used by governments to encourage investments in a particular area or sector. There are various investment incentives and other financial and non-financial support for investment offered by government. NMBM has an approved Investment Incentives Policy which is aligned to these national incentives and support initiatives.

The NMBM Incentive Policy provides the necessary guiding principles, details on incentives offered by NMBM, application processes, relevant requirements and approval procedures, and defines roles and responsibilities to enable a professional, consistent and transparent incentive management dispensation. The Incentive Policy is specifically focused to attract additional investments from new and existing investors to Nelson Mandela Bay in the following key sectors as identified in the NMBM Economic Growth and Development Strategy:

Manufacturing sub-sectors: fuel, petroleum, rubber products, wood and related products:

- Automotive manufacturing sub-sector
- Tourism and hospitality
- Agriculture
- Construction
- Logistics
- Other knowledge and information sectors (incl. BPO)

The Incentive Policy is directed at new medium to large investments, as defined by the National Small Business Amendment Act (2003), i.e. new investments that will create 50 or more permanent jobs and have minimum asset values of between R2 million and R5 million, depending on the sector the business operates within.

The biggest challenge NMBM has with the policy is the insufficient budget available to implement all the incentives.

The Coega SEZ Growth Node represents an opportunity for applying a rates based incentive scheme. With land being under leasehold to industrial tenants, and the CDC being the operator and landowner of the SEZ, opportunities are available for introducing rating categories for Coega SEZ properties given the services agreements between the CDC and the NMBM. Rates based incentives schemes will be investigated.

Top 50 Programme

Nelson Mandela Bay Municipality has identified the need to recognise local companies for their contribution to economic development and growth of the region. Despite the challenges, local cost of doing business and a globally competitive market place the local companies continue to grow.

The NMB Top 50 Programme acknowledges these companies. The Programme was established in 2015 and has two main objectives:

The first objective is that of recognition and retention of the top 50 NMB companies for their contributions to the economic growth of the region across five specific categories. Proposed categories which have been identified include but are not limited to: Top Exporters, Top Investors, Top New-Comers, Long Standing Companies and Top Job Creators.

The second objective is to extend the service offering of the Export Help desk through the stakeholder engagement exercise in order to develop lasting relationships with the top 50 local companies.

NMBM recognises the impact created by these local companies in their contribution to job creation and sustainability, economic growth, increase in exports and investments and expansions.

Since March 2016, the NMBM hosts an annual award ceremony where the Top Companies are awarded a certificate of recognition from the Municipality.

2.1.2.1.10 Housing Project Areas and IPTS in relation to Integration Zones

Housing

The following map shows the location of the Integration Zones in relation to the housing project areas. It should be noted that some housing project areas are within Integration Zones. There are a number of housing project areas which do not necessarily correlate well with the Urban Network Strategy priority areas.

As has been mentioned elsewhere in this report, in order to deliver housing in a more sustainable manner, the NMBM is undertaking, through the CSP, a Housing Strategy Review. In particular, this will prioritise delivery of higher density housing within UNS priority areas, i.e. Integration Zones and Growth Nodes.

The Housing Strategy Review has begun with a high level strategic review and formulation of recommendations for the housing component (of the human settlement framework) in NMBM. This work was performed by Shisaka. More detail of the findings of the review are contained in the Situational Analysis of NMBM attached as Annexure "C".

The completed report details a set of recommendations and outlines a proposed strategic shift in dealing with housing. It has not yet been adopted by Council and is in the process of being dealt with administratively and politically in order to take the proposals further as a reviewed Housing Strategy for Nelson Mandela Bay.

The preliminary strategic shifts revolve around the provision of subsidised BNG housing; the provision of serviced sites not only for qualifying BNG households, but also for households qualifying to access the FLISP (Finance Linked Individual Subsidy Programmes) programmes and rental housing provision.

The focus of the current initiative is to review the housing circumstance and strategic options as reflected in the 2015 report by Shisaka titled “Sustainable Provision of Housing in Nelson Mandela Bay”, updated in 2017 with a view to prepare a Draft Housing Strategy for Nelson Mandela Bay for consideration and adoption by Council.

It is further envisaged that a demonstration phase will involve the piloting of new innovative and different methodologies for undertaking housing delivery. Three areas of focus are currently recommended for consideration during the demonstration phase:

- The Regularisation and Progressive Upgrading of Informal Settlements
- Increased supply of new housing opportunities in existing areas by existing households (household densification)
- Building the housing delivery sector

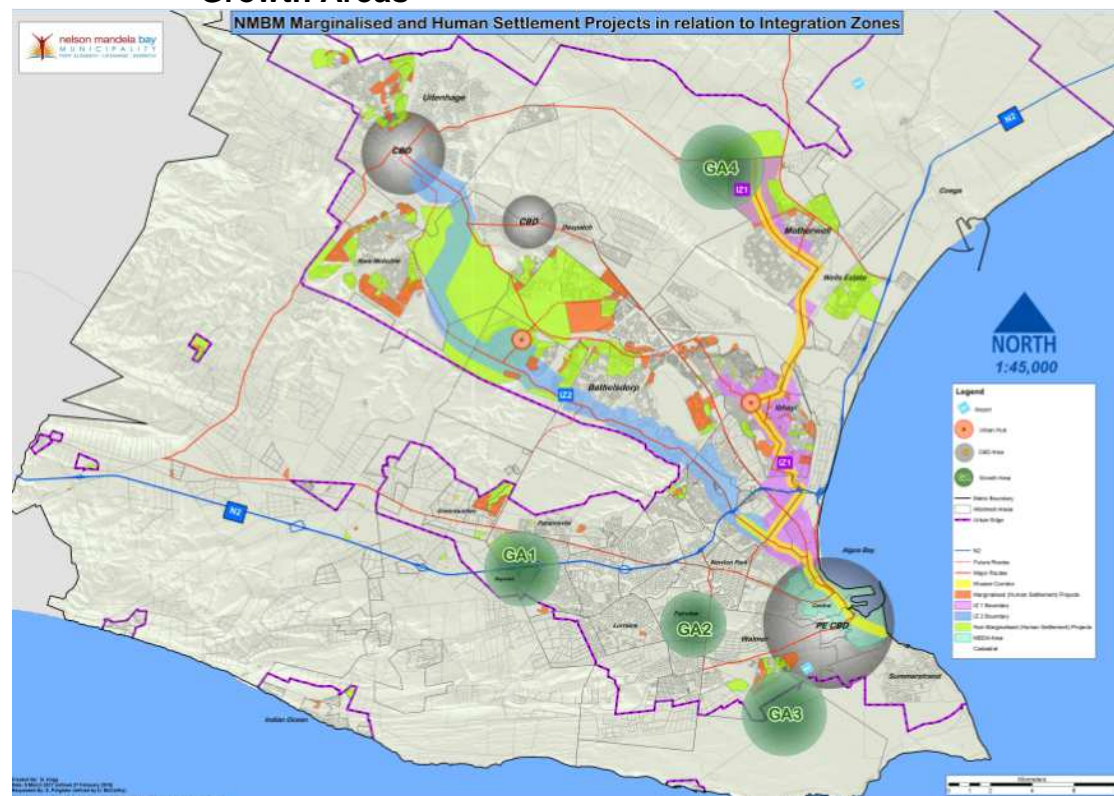
Current work in the strategic review involves the verification of the status quo housing circumstance analysis and the alignment thereof with the planning time frames of other NMBM strategic documents as well as other relevant policy documents. This will be followed by drafting of a final housing strategy

and the testing thereof with technical directorates prior to presentation to key administrative and political structures in the NMBM.

A high level implementation plan, including provision for change management and industry building is also incorporated in the scope of works.

It is envisaged that the aforementioned tasks will be completed during the 2018 Calendar Year.

FIGURE 29: Housing Programmes in relation to Integration Zones and Growth Areas



Source: NMBM, 2018

IPTS and Public Transport Management

According to the Technical Transport Planning Guidelines for CITPs prepared by the Department of Transport, the alignment of an Integrated Public Transport System (IPTS) should inform land development, thereby providing proposed developments access to existing and operational public transport facilities. Additionally, the CITP can indicate the necessary intensification requirements of commercial, residential and activity land-uses that would make an IPTS viable. Low density, dispersed developments beyond the reach of public transport corridors have numerous negative impacts on the transport system, including long trip-times to public transport nodes, poor non-motorised transport (NMT) opportunities and the promotion of private vehicle use. These developments should consequently not be prioritised for development until they are linked to the public transport system or employment opportunities are provided within or close to the development and urban densities are increased to sustainable levels.

The MSDF, and the individual project proposals specified by the MSDF, should be evaluated according to the transport implications of the project alternatives. Selection of project alternatives should be made with reference to the performance of the proposal and transport system in terms of the following objectives:

- Integration
- Safety
- Environmental Impact
- Economy
- Accessibility

It is recognised that poor integration of land-uses and inadequate accessibility to work opportunities by public transport, negatively impacts the economy and environment through long average travel times, high fuel usage and wasted time. This thinking is paramount to the planning of the Integration Zones and Priority precincts.

One of the focal points of the MSDF is to develop corridors along major transport routes. These corridors are to be flanked by mixed-use development and supported by improved public transport routes, such as the Khulani Corridor (Integration Zone 1) that extends from the CBD to NMBM 2010 Stadium to Njoli Square and Motherwell. These corridors thereby promote accessibility to a number of amenities, facilities and jobs, as well as improve mobility within the City.

The strategic development projects included in the MSDF implement the core development focus areas. A number of Prioritised Precincts in the Urban Network Strategy programmes, such as Njoli Square, Motherwell and Zanemvula to name a few, include strategies to promote mixed-use development, increase urban density and develop infill housing on currently vacant land, especially along transport corridors.

These approaches have numerous advantages in terms of the transport system that cover all of the objectives for projects mentioned above.

Improved integration can be assured by promoting public transport development, which is made viable by increasing housing densities as more people can make use of fewer public transport stops. The safety of non-motorised transport (NMT) users is enhanced by upgrading the road reserves as well as through densification: by placing more residences and businesses adjacent to the access routes, human presence on the street is increased thereby enhancing pedestrian security.

Consideration of the potential for the Metropolitan Open Space System to support Green Lanes for Non-Motorized Transportation (NMT) is important. The basis for NMT is currently the NMBM CITP (2011/12), but, this plan considers neither the concept of Green Lanes, nor the coastal bike path from Cape Recife to Kings Beach and from Papenkuils River mouth (Smelly Creek) to Coega.

Environmental impact is mitigated by reducing travel distances and time spent travelling by promoting mixed-use developments and public transport. Dense, mixed-use neighbourhoods allow economic opportunities and community facilities to be located closer to a greater number of residents, thereby making the provision of facilities more cost effective. Accessibility to public transport and facilities is also improved by dense, mixed-use development strategies on defined transport corridors.

The economic situation of the majority of residents in NMBM makes them captive to public transport or NMT. Public transport itself encourages the use of NMT for the initial trip phase, from home to a public transport stop, and the final trip phase, from stop to destination. It is therefore vital for the effectiveness of a public transport system, that NMT users can safely and securely reach public transport. Community segregation is another issue that should be actively dealt with by the MSDF, as segregation restricts access to some parts of the community, reducing ability to reach public transport and community facilities.

Trends and Demand for Transportation

Fundamental to the concept of the Integration Zones is the accessibility via public transport. This is in accordance with the CITP objectives of:

- Integration
- Safety

- Environmental Impact
- Economy
- Accessibility

Poor integration due to historic spatial planning and land-uses perpetuates inadequacy in accessibility to work opportunities and other amenities by public transport which impacts negatively on the economy, environment and other social factors through long average travel times and high fuel usage.

The MSDF aims to develop corridors along major transport routes. The corridors in the proposed integration zones are to be flanked by mixed-use development and will be supported by improved public transport routes that were identified specifically to facilitate mobility and accessibility within the Integration Zones. The starter service as it is currently being planned mainly subscribes to the five objectives of the CITP that seek to foster integration and provide a safe and secure service while increasing accessibility by either contributing or facilitating socio and economic activities within the NMBM and beyond.

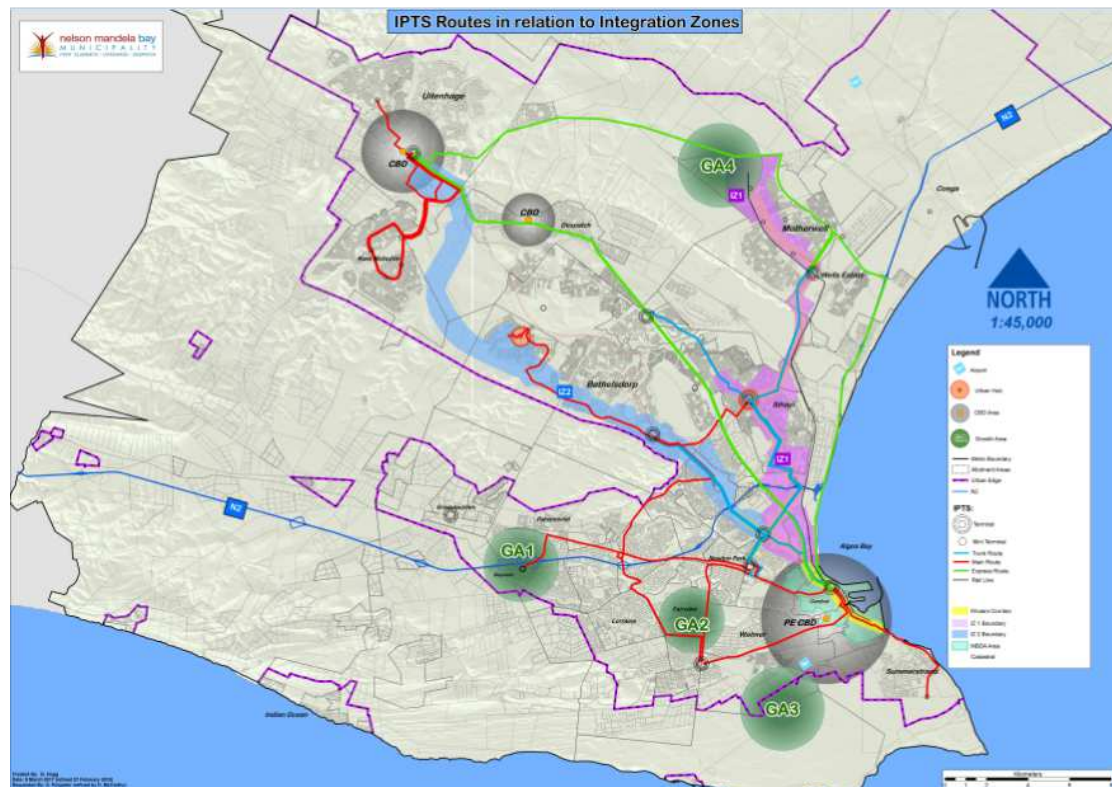
The implementation strategy for the IPTS as outlined in the Public Transport Network Grant (PTNG) Budget Proposal for the MTEF 2018/19 to 2020/21 was mainly based on the existing public transport network of NMBM. In terms of this strategy there is integration with human settlements at an MSDF level and as part of the IPTS review, the NMBM intends to cascade the integration in the implementation so that alignment with housing development plans is achieved as per the requirements of BEPP.

It is important to note that the NMBM's current transport planning is limited to the MTEF period only, as apart from the data collected from the surveys conducted in July 2016 on the Starter Service routes and the data that was modelled from the 2004 surveys for the entire city, there is no current data available on public transport operations.

Consequently, the NMBM intends to conduct comprehensive Household Travel Surveys before the end of 2018 with the intention of updating the Public Transport Plan towards the development of a 20 year Integrated Public Transport Strategy.

The following map shows the current transport plan- which is under review- in relation to the top priority target areas of the Urban Network Strategy. In particular, it demonstrates that the IPTS system is located within and prioritises the UNS.

FIGURE 30: IPTS Routes in relation to Integration Zones



Source: NMBM, IPTS, 2018

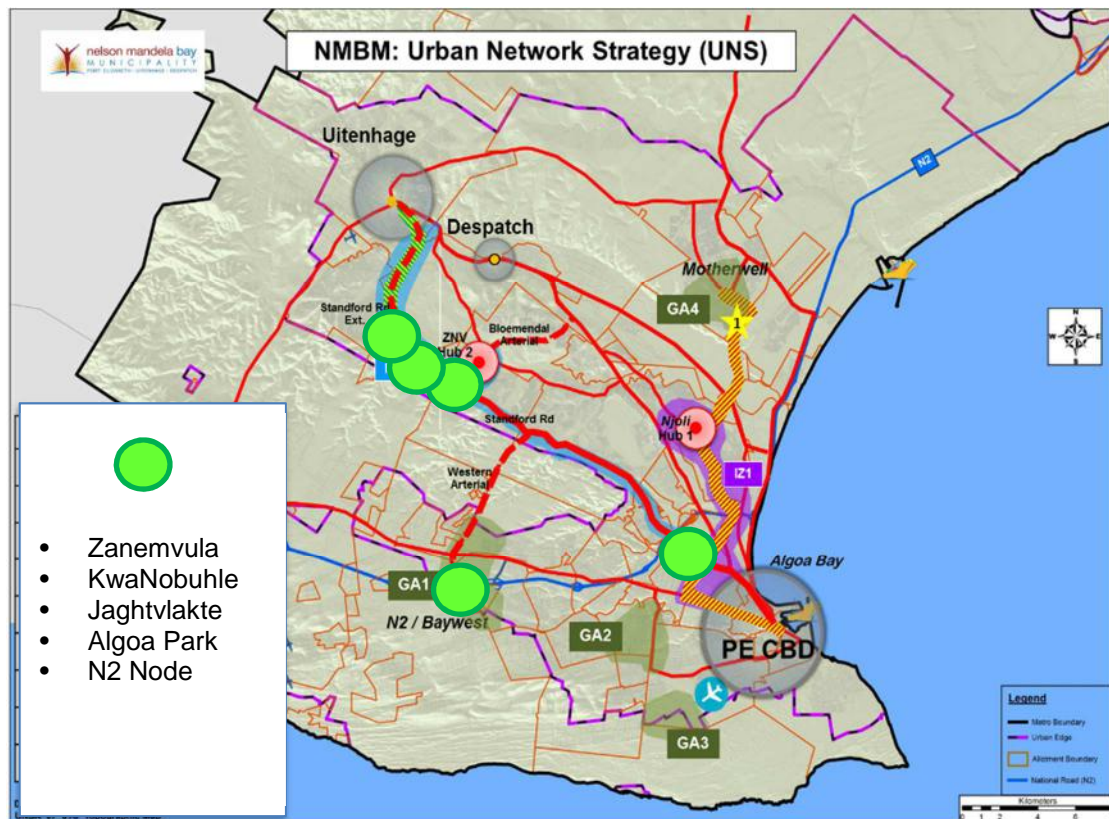
National Department of Human Settlements Catalytic Projects and Alignment with NMBM Catalytic Programme

The National Department of Human Settlements launched a programme in 2015 to identify what have been termed “Mega Catalytic Projects.” The intention was to develop housing opportunities at scale in various locations around South Africa through the selection and prioritisation of selected projects nominated by Municipalities, Provinces and the private sector.

The intention was further to monitor progress at a national level and to ensure progress with projects through a reporting system. The Housing Development Agency was tasked with this responsibility.

Initially 5 projects were identified for NMBM these are shown on plan below.

FIGURE 31: Plan showing Initially proposed Human Settlements Mega Catalytic Projects on NMBM Urban Network



Source: NMBM, 2017

Attempts were made through the HDA to conclude Memoranda of Agreement with the NMBM for the implementation of these projects, however, these were not finally concluded and the National Department of Human Settlements is reconsidering those projects that do not align with metro planning priorities and further those that are of extended time frames. Projects to be finalised will need to accord with the BEPP's of municipalities.

The following projects show alignment with the NMBM's Catalytic programme and are identified below:

Kwanobuhle Estate

The proposed Kwanobuhle Estate development is a private sector catalytic project and is situated near Kwanobuhle along the North Western development spine and forms part of the Jachtlakte Precinct Area.

It is envisaged that the development comprising of approximately 12800 residential opportunities will be developed in two stages. The first stage is situated immediately adjacent to the Eastern part of Kwanobuhle and is scheduled for development from 2019 to 2024, subject to all approvals being in place prior to anticipated commencement of construction in January 2019.

Stage 2 is dependent on the installation of bulk water and sanitation, as well as the augmentation of the Kelvin Jones Waste Water Treatment Works and will only commence once significant progress with the development of Stage 1 has been made and when agreement has been reached between the Municipality and the developer.

It is envisaged that a set of municipal service level agreements and implementation protocols will be concluded between the developer, the municipality, inter-governmental structures and possible private sector structures in order to capture the respective roles and responsibilities as well financial and other arrangements required for successful implementation.

The developer is currently awaiting the environmental and land use authorisation prior to commencement.

Jachtlakte Sustainable Human Settlement

The Jachtlakte Sustainable Human Settlement refers to the two-staged development of the large land parcel situated on the North-Western development spine between the existing Chatty Extensions (Zanemvula), Kwanobuhle and the Uitenhage Industrial areas. It is a public driven catalytic programme of the NMBM and will yield approximately 12000 residential opportunities of various typologies and is aimed at a broad socio-economic spectrum.

Stage 1 is, similar to the Stage 1 development of the Kwanobuhle Estate project, not dependent on bulk infrastructure, whilst Stage 2 is dependent on the same bulk requirements as the Kwanobuhle Project. It will yield between 4500 and 5000 residential opportunities and is situated immediately adjacent to the Zanemvula Chatty development. It actually contains the portions of the aforementioned development that could not be developed due to bulk infrastructure constraints.

Stage 2 will continue along the Stanford Road extension and will comprise of a further 7000 to 7500 residential opportunities, as well as other mixed use developments. It also includes an extension of the Logistics Park, which could be developed independently from the residential development and which could serve as an employment node for these new developments.

The development of Stage 2 will be impacted by long term development trajectories and development potential take up in the city.

N2 Nodal Development

The N2 node is identified, as noted elsewhere, as an NMBM Catalytic Programme. It is also identified as one of the Growth Areas (Growth Area 1)/ Economic Nodes in the metro.

The current development status in the various components is as follows:

- **Western Arterial**

The development of the Western Interchange and western Arterial Link between the N2 and Cape Road is dependent upon an appeal outcome of a negative environmental authorisation in terms of the National Environmental Management Act. The importance of this link road was highlighted in the appeal submission

- **Baywest Precinct**

The Baywest Precinct comprises of two phases, i.e. a first phase centred around the already functional super regional mall; and a second phase around residential and high tech light industrial (warehousing) development. Additional office development around the mall has already commenced and the first thereof accommodates the new regional offices of SANRAL. It is reported that the construction of further office blocks and the life style centre, will be commencing in the 2018/19 reporting period, subject to economic stability.

A residential component in Phase 1 has now obtained the necessary authorisations in terms of SPLUMA and is reported to be commencing in the same period. This development will essentially be comprised of medium to high density residential development targeted at the middle to higher income groups.

The phase 2 development is subject to bulk water and sanitation requirements and is not foreseen to commence within the next 5 years.

- **N2 North**

The proposed N2 North development is similarly dependent on the outcome of the aforementioned appeal submitted at the end of January 2018.

- **Utopia**

Preparations are being made by the developers to commence with some of the residential and retail components of the proposed mixed use and integrated development. It is envisaged that portions thereof will be released to private sector developers once the installation of the internal infrastructure has been completed and the necessary completion certificates have been issued.

Delays in take up and implementation are primarily due to the slow economy.

- **Low Income Residential Development (Previously noted as Erf 432 Development)**

Land assembly processes for the development of a low income residential development to accommodate the informal settlement situated on Erf 432, Hunters Retreat, as well as other surrounding informal settlements, will be initiated during the forthcoming reporting period and will be subject to availability of funding for land acquisition and the required authorisations in terms of NEMA and SPLUMA legislation.

- **Kuyga Extension**

Land assembly processes for the extension of the existing Kuyga residential area will similarly be attended to and will be subject to similar development prerequisites.

2.2 INSTITUTIONAL ARRANGEMENTS FOR SPATIAL PLANNING AND TARGETING

Section A above deals comprehensively with the embedding of the BEPP and UNS in the Metro institution.

In relation to the transversal arrangement for planning and implementation it is worth reiterating the role of the BEPP Multi Sectoral task team.

The BEPP Multi Sectoral Task Team is comprised of senior members from all Directorates in the Municipality who play a crucial role in the built environment.


The Task Team meetings focus, inter alia, on driving the suite of catalytic programmes, Integration Zone development, major municipal projects and all BEPP related matters. In particular, the transversal responsibility for the programmes and development is emphasised and meetings are deliberately constructed to foster this culture of transversal responsibility.

Some of the Task Team meetings are devoted to specific focus areas and in the 2017/18 Financial year sessions have been dedicated to IPTS, PRASA, Public Works and the Housing Policy change.

In addition, the Task Team monitors grant expenditure – in particular the Urban Settlements Development Grant and the Integrated City Development Grant.

The template below is an example of a typical BMSTT agenda showing the reporting on catalytic projects, grants, Integration Zones and precinct planning.

FIGURE 32: Typical example of a BMSTT Agenda

	
BUILT ENVIRONMENT PERFORMANCE PLAN BEPP MULTI-SECTORAL TASK TEAM MEETING Thursday, 25 January 2018 at 09:00 First Floor, Kwantu Towers AGENDA	
1. Opening and welcome	Chairperson
2. Apologies	
a. Absence with apology	
b. Absence without apology	
3. Confirmation of minutes	All
4. Matters arising from BEPP meeting (23 November 2017)	Chairperson
5. Standard Items: Progress report on Catalytic Projects:	
• Port Baakens	D Sapere / A Büchner
• Uitenhage Logistics Park	A Büchner
• Njoll Precinct	A Büchner / S Potgieter
• Red Location	A Büchner / D Sapere / C Williams
• Motherwell Precinct	S Mnyaka
• Zanemvula Precinct	S Potgieter
• Cleary Park	L Mabhoza / L Ntshibe
• N2	S Potgieter
• Fairview	S Potgieter
• Uitenhage Railway Shed Recreational Precinct	C Williams / S Potgieter / A Büchner / D Sapere
• Western Arterial	S Agherdien
• Chatty Link Road	S Agherdien
• Bloemendal Arterial	S Agherdien
• Motherwell Rail Commuter Corridor	T Arthur
• Precinct planning report back (Bethelsdorp, Motherwell, Ibhayi)	S Potgieter
6. BEPP Indicators	A Dowd-Krause
7. BEPP Attendance	Chairperson
8. Mid-Term Budget and Performance Assessment Visit	Chairperson
9. Asset Register – Department of Public Works	Chairperson
10. Human Settlements Strategy	S Potgieter
11. Preparations for Draft BEPP	Chairperson
12. General	
13. Closure	

Source: NMBM, 2018

In addition to the above – the reporting on the Catalytic Programme has been centred around the preparation of a series of templates responding to each programme.

These templates highlight combined sectoral responsibilities for the programme identified and are also introduced to ensure that all Directorates in the NMBM are aware of the programmes and are able to identify their role in the programme. This includes aspects such as Safety and Security which are not necessarily hard infrastructure/capital investment issues.

Intergovernmental role players are additionally identified in the reporting template. The templates are revised on a monthly basis. In some instances, the information is well populated and in others there is still work in progress.

A typical example of a template for one of the programmes is attached as Annexure “H”.

SECTION C – CATALYTIC URBAN DEVELOPMENT PROGRAMME AND PREPARATION

3. CATALYTIC URBAN DEVELOPMENT PROGRAMME

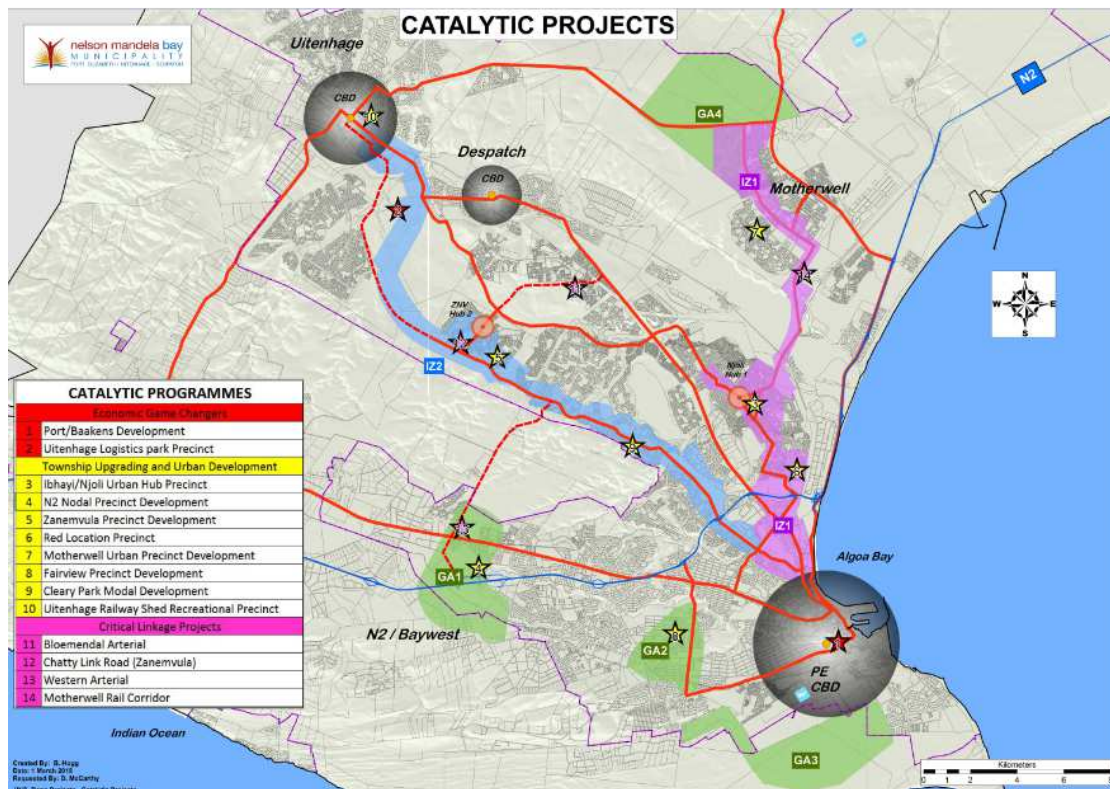
The Catalytic Programmes identified in this BEPP reflect interventions that include developments that:

- 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 support public transport viability within the integration zones.
- Are game changers in nature and scope with significant impact on spatial form and the economy.
- Involve major infrastructure development.
- Require a blend of finance where a mix of public funds can leverage private sector investment as well as household investment.
- Have multiple stakeholders and require a range of skills across a number of professions.
- inner city, mixed use, social, commercial and residential development initiatives.
- informal settlements and marginalised area upgrading.
- linkage projects such as critical road infrastructure to ensure the proper linkages of the Integration Zones to the rest of the city.

This accords with the BEPP Guidelines classification issued by National Treasury.

The following map shows the location of the selected catalytic programmes in relation to the Integration Zones and the Urban Network Strategy framework.

FIGURE 33: NMBM Catalytic Programmes



Source: NMBM, 2018

These catalytic programmes will be vigorously pursued during the 2018/19 financial year and beyond. It is the intention to move the catalytic programmes as quickly as possible from planning to the implementation phase, in collaboration with all role players.

Annexure “I” is the Catalytic Programme Matrix and it maps the institutional and funding requirements for implementation. It is in the later stages of programme development that timing and budget aspects of each catalytic project will become more refined. Annexure “I” will continue to be refined on an on-going basis.

NMBM is characterised by slow economic growth. It can therefore be concluded that positive change will be slow. In view of this, the City does not have an opportunity for many economic and “game changing” programmes. It is important therefore to focus efforts on a limited number of strategic programmes that can have maximum impact. In addition, because of the extreme poverty of the city, poor areas need to be targeted for investment and

development. The City is spatially divided due to the geography and historic patterns of development. Linkage projects to increase access have therefore also been specifically prioritised.

The 14 Catalytic Programmes prioritised can be broadly categorised into three groupings:

- Economic Game Changing Programmes
- Township Upgrading and Development Programmes
- Critical Linkages

These are as follows:

TABLE 5: Catalytic Programme Categorisation

Catalytic Category	Project
Economic Game Changers	1. Port Baakens Development
	2. Uitenhage Logistics Park
Township Upgrading and Urban Development	3. Zanemvula Precinct Development
	4. Motherwell Precinct Development
	5. Red Location Precinct
	6. Njoli Urban Hub Precinct
	7. Cleary Park Modal Development
	8. Fairview Precinct Development
	9. Uitenhage Railway Shed Recreational Precinct
	10. N2 Nodal Development
Critical Linkages	11. Bloemendal Arterial
	12. Chatty Link Road
	13. Western Arterial
	14. Motherwell Rail Corridor

Source: NMBM, 2018

The prioritised programmes and the rationale for the programmes is described below.

PORT BAAKENS DEVELOPMENT

This programme is the most significant BEPP Catalytic Programme from an economic development perspective. The Baakens River Precinct has been conceptualised as an integral part of the Port Marina Precinct, which is concurrently being planned by Transnet. It is envisaged that the 23 km of Baakens River Valley, together with the sea water frontage and port area, will contribute to an alternative economy for the City. A number of priority projects within the programme have been identified, as part of the Baakens River Precinct Plan, in order to maximise the success of the precinct. These include:

- Vuyisile Mini Square upgrade; The upgrade of the square and adjoining precinct focusses on ensuring that the heart of the city is a safe, accessible and inclusive public space. It is anticipated that investment into the public space will galvanise investment from the private sector into the adjoining heritage buildings, that maximises the potential of the unique built environment of the square to be repurposed in a socially inclusive way
- The Baakens Valley: The Valley offers significant potential for property development through the rehabilitation of the river to provide a recreational and tourism attraction to local and international tourists. A pedestrian bridge will be built over the Baakens River to provide pedestrian access between the heart of the city and the Baakens/Port Marina precinct. Increased parking along Produce Street will enable the newly developed Tramway Building to function effectively as a destination for events for the city.
- St Peter's land: The aim is to refurbish the ruins of the St Peter's church site, landscape the area and provide a multi-purpose events space. The maintenance and cleaning of the cemetery and surrounding area will include the Paupers Grave and the Black Steps. Pedestrian connections will be provided and lighting to the whole area, improved. The development of a tourism route celebrating the mixed heritage cultural stories within the precinct and offering the opportunity for the

creative sector to access jobs in terms of public art, performance, film making and participation in events, will form an integral part of the programme. Land assembly and redevelopment: The majority of the buildings in the precinct are underutilised or vacant, offering an opportunity to regenerate the historic CBD.

- The Baakens River Park: The need for an attractive environment with pedestrian/cycle paths that link into Settlers Park together with a safe and secure park where people can walk and play will support and enrich future adjacent uses.
- South End mixed use precinct comprises affordable, high density, low rise housing together with micro enterprise/ incubator opportunities. The Baakens Valley Precinct Plan identifies the possible development of up to 1000 housing units.
- The upgrading and restoration of the Port Elizabeth Library which is a historical monument is currently taking place.
- Govan Mbeki Avenue: The project aims to transform the main street of the City into a new, precinct to live work and play, ensuring social inclusion. The emphasis will be on the 40 000 students that currently live in Central.

There are also a number of related linkage aspects associated with the programme. These include the Apple Express and the beachfront and harbour access. Integral to the longer term development of this area is the development of alternative sites for the manganese ore dumps and oil tank farm at Coega SEZ, where appropriate infrastructure and sites are being developed.

The programme will contribute to addressing challenges of poverty, unemployment and social inequality through the development of a diverse economy based on tourism real estate. It responds directly to the key performance area of Local Economic Development through the provision of public sector investment into infrastructure to attract private sector investment. The programme will increase the rates base of the city and is at the initial phases of implementation. It will also assist with socio-economic integration of the area.

Transnet has recently begun a process to develop non-port related activities at the Port Elizabeth Port which forms an integral part of this project. The NMBM is interacting with Transnet in order to ensure a common development vision for the entire area and related projects. A constructive partnership needs to be formed for the planning and implementation of the programmes for this area for the benefit of the citizens of NMBM. Processes are under way to ensure that this happens.

UITENHAGE NELSON MANDELA BAY LOGISTICS PARK

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

Precinct A of the Park is 57 hectares and features purpose-built infrastructure and shared services including security, ICT and logistics to minimise costs for new investors and existing tenants. More than 1000 people are employed within Precinct A of the Park. Developments in Precinct A have reached a stage where expansion will have to be undertaken into Precinct B. Investments need to be made in economic enabling infrastructure for essential services and utilities such as electricity, water, a fire-ring main for emergencies and internal roads.

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

There is a demand to implement Precinct B, to occupy an estimated area of 126 hectares. Due to the potential job creation and economic impact the logistics precinct is now identified as a BEPP Catalytic Programme.

To complete the required infrastructure for Precinct A and to develop Precinct B an estimated investment of R350m is required.

The programme will have considerable socio-economic benefits for the Nelson Mandela Bay Municipality and the Eastern Cape Province as it will contribute to sustaining jobs in the automotive sector, create export led growth and a positive balance of payments. These interventions are in line with IPAP and are expected to lead to substantially increased investment in the automotive and metal sectors, leading to increased production, job creation and diversification of the two closely linked sectors.

Precinct 2 is in its concept phase (pre-planning). During the planning phase attention will be given to access linkages with abutting land uses as the Logistics Park development forms part of the Jaghtvlakte development. The next step in the project is to submit a report to NMBM Council to secure clarity on who will be the developer, the managing agent, funding options and applying to the dti SEZ Board that the NMBLP be designated as a Special Economic Zone. The Coega Development Corporation (CDC) has leased and operated Precinct 1 of the project since 2008 and the existing lease makes provision for extending the development to include Precinct 2.

Upon Council resolution on Precinct 2, detailed cost estimates and a business case can be submitted to potential funders in collaboration with the CDC, e.g. ECDC, National Treasury, Critical Infrastructure Programme administered by the Department of Trade and Industry (dti). Some of the challenges that this project could face are the slow growth in the economy (which will result in slow demand for the land) and securing funding to implement the project.

ZANEMVULA PRECINCT DEVELOPMENT

The Zanemvula precinct development intends to ensure that socio-economic facilities and amenities and alternative residential types are provided within these RDP housing areas.

Amenities in this area will also serve the Bloemendal and KwaNobuhle areas.

Mixed use areas have been planned alongside the transport spine.- (Chatty Link Road) which traverses this area in the heart of Zanemvula project (45 000 residential opportunities). The newly constructed Chatty Link Road presents the opportunity to stimulate the economy in this very poor residential area. The Chatty Link Road is clearly a catalyst for economic development.

Opportunities do not exist for connectivity of this area to the rest of the city and the role of this area as a transport hub needs to be recognised.

The hub will fulfil a larger role of city building in this area and bring much needed economic and social activity to what is presently a sea of houses in isolation of any other city fabric. The area is located in the integration zone identified in the Urban Network Strategy.

The development in the Chatty Jachtlakte Node involves mixed-use and residential development by the private sector and the Municipality, with an estimated yield of 32 000 new residential opportunities in the middle, affordable (rental and ownership) and subsidised housing segments. To the North of the Zanemvula /Chatty Jachtlakte Node is the Nelson Mandela Bay Logistics Park. Phase 1 is fully developed and there is a demand to develop Phase 2 which is now identified as a catalytic programme and is described above. This can provide much needed work opportunities for the residents of the Zanemvula area.

The programme will enable the following:

- Access to economic opportunity - employment and entrepreneurship opportunities from businesses that operate at public transport nodes – bus stations, train terminals, and taxi ranks.

- Social spaces - where people can connect, network, and share knowledge. By creating a safe environment for people to interact, a myriad of opportunities can emerge.
- Easier movement of labour - integrated and efficient transport routes reduce wasted time (such as waiting time, and walking between a train and a taxi station) – people can therefore be more productive.

There is synergy between this programme and the project which is the subject of the South African Germany Peer to Peer Network which examines projects in three South African Cities and three German Cities. This project is being led by COGTA and the Zanemvula mixed use corridor is the NMBM project for the Network.

MOTHERWELL PRECINCT DEVELOPMENT

Development in the Motherwell area comprises municipal and private sector developments. Critical to the development of this area is the implementation of a commuter rail link with four stations between the Swartkops line and Motherwell NU29 as a first phase. This is discussed in more detail under the catalytic programme of Motherwell Rail Corridor below.

The Motherwell Growth Area / Economic Node is discussed in more detail above.

RED LOCATION PRECINCT

Located in the historic Red Location area of Ibhayi, the precinct consists of the Apartheid Museum, Art Gallery, Electronic Library and Back-packers Lodge. The Apartheid Museum was completed in 2004. The Art Gallery and Electronic Library buildings were completed in 2011. The performing arts complex and school of music form the last two phases of the precinct. The Business Plan for the performing arts complex is complete.

The access roads to the Red Location Precinct are in a state of disrepair. Hence it was considered important to upgrade Singhapi Street as a major tourism approach route to Red Location in order to maximise the tourism

opportunities for the residents of the area themselves and enable them to develop a street similar to Vilakazi Street in Soweto, Johannesburg, celebrating the art, culture and heritage of New Brighton. The Singhapi Street project is further implemented to promote local economic development in the so-called township areas aligned to the urban renewal initiatives within the inner city.

The Iconic Red Location Museum received approximately 150 000 visitors per annum when it was open. The museum remains closed due to community demands. Meetings between the community and political leadership (from local, provincial and national level) have not managed to resolve the impasse. The continued closure of Red Location Museum is hampering that the full potential of the precinct is being maximized.

The precinct will play a significant role as a cultural/tourism node and can be directly linked with the Port Elizabeth CBD by means of the New Brighton Railway Station, which is within walking distance. It will furthermore complement and strengthen not only the Njoli Hub, but also the Khulani Corridor.

NJOLI URBAN HUB PRECINCT

Njoli Square is in the heart of one of the oldest dormitory suburbs in Port Elizabeth. The multi-million rand redevelopment initiative around the historic Njoli Square will contribute to creating a dignified space within a previously marginalised community. It is aimed specifically at economic upliftment.

The programme includes the following:

- Reconfiguration of the junction of Njoli and Daku Roads to accommodate traffic flow through a compact four-legged intersection;
- Accommodation of development components on the four quadrants surrounding the intersection, such as commercial development, medical suites, space for a future library and civil building, and stalls for informal traders and a Modal Transport interchange;

- Promoting pedestrian accommodation through safe and controlled crossing points;
- Accommodating future IPTS stations on the approaches to the intersection and
- Accommodating all minibus-taxi operations in one facility at or close to the existing off-street facility.

A Precinct Plan for the Njoli Hub and surrounds (including major road corridors leading to Njoli Square) is soon to be completed. The objective of the precinct plan is to facilitate the creation of an urban development zone to incentivize mixed use intensification and densification over time by the private sector.

The NDPG section of National Treasury is awaiting a detailed breakdown of the project elements with a layout plan from NMBM on the project before NPDG funding is approved.

It is anticipated that the cost breakdown and plan will be submitted to the NDP to secure funding of the project. Thereafter detailed designs will commence followed by the procurement process for a contractor and the Request for Proposals to attract private sector development.

The risks associated with this project include:

- Land invasion of the vacant land in and around Njoli.
- The time it is taking to resolve the appointment of the consultants.
- The community is losing interest in the project because it is taking so long.
- Inflation is making the project un-affordable.

CLEARY PARK MODAL DEVELOPMENT

A modal interchange has been planned at Cleary Park in close proximity to the existing shopping centre. The intention is to develop:

- Catalytic activities around the modal interchange
- Opportunities for public transport activities and densification along Cleary park route

The Cleary Park route is very constrained and needs planning intervention as a section runs alongside the commuter railway.

FAIRVIEW PRECINCT DEVELOPMENT

This precinct is not only a catalytic programme but is also recognised as a Growth Area/ Economic Node of the City. It is an Integrated Mixed Use and Residential Development in the Fairview / Willowdene as discussed in detail in the section covering Growth Areas and Economic Nodes above.

UITENHAGE RAILWAY SHED RECREATIONAL PRECINCT

This programme involves the development of an integrated mixed use and recreational precinct that links the Uitenhage Railway Shed development with a planned open space and regional recreational facility. This programme is important for the Uitenhage area as it will bring regional recreational opportunities to the area and will support the Railway Shed and Science Park Centre which have been developed by the Municipality.

The precinct consists of four sub-projects:

- Project 1: Unblocking of the development (Sale of land and Lease Agreement) with the private sector. Legal intervention is taking place to unlick the sale and lease processes which have not been concluded in eight years.
- Project 2: The upgrade of Railway Sheds on the lease portion that forms part of the Science Centre Precinct. The MBDA is in the process of appointing a service provider to assist with the assessment of the buildings as they are of historic value.

- Project 3: Unblocking potential of the under-utilised sports facilities (Central Sport fields and Swifts Sports Ground). A structural assessment of the existing buildings must be done. A way forward must be determined on how to deal with the illegal occupants in the buildings.
- Project 4: Development of a precinct plan incorporating all 3 projects referred to above and identifying potential new projects.

N2 NODAL DEVELOPMENT

The N2 Growth Area/ Economic Node is discussed in detail above. The programme is reflected as both a BEPP Catalytic Programme and Economic Node/Growth Area. This area is the fastest growing development area in the NMBM.

The project area is anchored by the Baywest Shopping Mall of 90 000 m² GLA. The greater area includes 450 000 m² of mixed retail and office space, a hospital, hotel and ICC.

The area will contribute to socio-economic integration and will, once fully developed, provide a range of housing opportunities. In order to further the objectives of integration and access, this area will need to be physically linked to the Zanemvula Chatty area via the Western Arterial.

BLOEMENDAL ARTERIAL

The Bloemendal Arterial is a critical link that connects the Njoli and Chatty Jachtlakte Hubs. The construction of this critical linkage forms part of the longer-term proposal of the Comprehensive Integrated Transport Plan.

The road is 9 km in length and is comprised of two portions made up of 6.5 km and 2.5 km. Once constructed, it will strengthen access and integration by spatially linking the two areas. By improving connectivity between areas, economic activity will also increase.

A spin off of the development of this road will be that as an essential transport collector it could fast track development in the area. The impact will directly assist the predominantly poor area.

The road will form a catalyst for commercial development, employment and other social facilities which have presently been constrained due to no access.

CHATTY LINK ROAD

The Chatty Link Road is a Catalytic Programme as it is critical for the further development of the mixed use planned area which abuts it. This area will allow development of much needed alternative higher density housing opportunities, community and economic amenities as well as open spaces and meeting places.

The road is a 1.98 km link road between Stanford Road and Bloemendal Arterial Routes and has recently been completed partially using ICDG funding. Tree planting and the provision of park amenities are currently taking place.

WESTERN ARTERIAL

The Western Arterial is a critical link road linking the N2 nodal area to the Chatty Jachtlakte area and greater Uitenhage. It is approximately 10 km in length and preliminary designs are completed. Detailed designs have been finalised for the interchange with the N2 as well as the link between the interchange and Cape Road.

Route alignment between Cape Road and Stanford Road is currently being finalised through the EIA process.

This route will connect areas of poverty and unemployment to the growing N2 economic node. Presently people from Uitenhage and surrounds need to travel into Korsten in order to get to the N2 node which offers many employment opportunities.

The estimated cost for the interchange and Cape Road link is R400 million. Submissions have been made to SANRAL for financial support to fund the road. SANRAL has indicated positive intentions to partially support the construction of the road. With construction of the road, access and integration of the City will be substantially enhanced.

MOTHERWELL RAIL CORRIDOR

PRASA is due to invest R1,4 billion for the completion of the first phase of this corridor which will ultimately run from PE CBD to Motherwell NU29 in its first phase. It involves 7.8km of new railway and four new stations.

Detailed designs of the rail link and stations are complete and are undergoing environmental authorisation.

FIGURE 34: Motherwell Rail Corridor route showing station location



Source: Aecom 2018

An MOU between NMBM and PRASA has been developed and will be concluded shortly. The MOU makes provision for the institutional and technical support to give effect to the development such as land exchanges, infrastructure provision etc.

The route is hampered by the existence of some informal settlements in the way of the route alignment. These challenges will have to be overcome in due course.

A future phase 2 is intended and will continue the loop through Coega SEZ and Markman.

The rail is complementary to the IPTS route between Port Elizabeth CBD and Motherwell.

A final longer term phase is a link to Uitenhage station from Motherwell.

3.1 PROGRAMME PREPARATION

The BEPP Situational Analysis section on built environment trends (Annexure “C”) show a sluggish economy with little private sector investment. Within this context, the following can be seen to be impediments for the full realisation of the NMBM catalytic programmes:

- Moving the projects from planning stage to implementation stage in terms of critical processes.
- The time critical processes such as EIA's, Infrastructure assessments and other expert reports take to complete before costing and viability can be finalised.
- The achievement of the total funding needed for holistic development including civic amenities and facilities such as parks and recreational areas, street lighting, tarred roads, schools and clinics.
- The timing of the provision of services and amenities to be provided by other spheres of government to align with NMBM's development objectives.
- The general funding for associated bulk infrastructure including public transportation.

- The tendency for dependent communities to resist higher density development in favour of RDP type housing on separate erven.
- The lack of interest shown by the private sector to invest in municipal project areas.
- The difficulty to achieve socio-economic integration in such areas and provision and take-up of a range of housing opportunities.

The Catalytic Programmes are being evaluated and assisted through the City Support Programme using expert assistance offered in terms of the CSP Programme.

3.2 INTERGOVERNMENTAL PROJECT PIPELINE

3.2.1 Critical Growth and Development Projects for all Sectors

The intergovernmental project pipeline is contained in Annexure “J” attached hereto. This annexure contains not only the BEPP Catalytic Programmes but also other growth and investment projects that the City needs to undertake.

The following projects have been preliminarily identified as critical for sustained growth and development of the City. They require screening, detailed evaluation and prioritisation. However, should they prove to be unavoidable, major capital investment will be required.

TABLE 6: Potential Critical Investment Priorities in the NMBM

No	Description	Cost Est.	Budget	Timeframes	Project Status
1	Nooitgedaght Phase 3	R350M	DWS	Dec-19	Construction stage
2	Borehole Water Exploration	R200M	'18/19 – R12M; 19/20 - R23M; 20/21 - R25M	Dec-19	Production boreholes under construction. Tender for treatment facilities to be advertise during 1 st quarter of 2018/19.

No	Description	Cost Est.	Budget	Timeframes	Project Status
3	Western Desalination	R1,500M	'18/19 – R4M; 19/20 – R4M; 20/21 – R4.5M	5 yrs.	60MI/d: Cost estimate excludes link pipe & pump station network to distribution network. Subject to EIA processes
4	Sundays River	R1,000M	R100M pa	5 yrs.	55MI/d: Cost estimate includes link pipe & pump station network to distribution network. Subject to EIA processes
5	Fishwater Flats	R1,300M	R100M pa	5-10 yrs.	Phase 1: 95% complete
6	Coega Wastewater Treatment Works	R1,500M	'18/19 – R7M; 19/20 – R5M; 20/21 – R7M	5 yrs.	Preliminary planning phase.
7	Coega Return Effluent	R600M	'18/19 – R1M; 19/20 – R1M; 20/21 – R1M	3 yrs.	Project ready for implementation
8	Non-Revenue Water	R1,400M	R650M for First 5 yrs.	10 yr. Plan	Project Commenced. R1010M required for infrastructure upgrades. These are cost estimates, 10 Year Plan being drafted.

Source: NMBM 2017

- The completion of the Nooitgedacht Low Level Scheme remains the most significant project to ensure long-term water sustainability in the NMBM. This project supports the provision of basic water and also water for economic growth and development. Phase 2 was commissioned in July 2017. Phase 3 is being implemented by Amatola Water as the Implementing Agent by DWS who is funding the phase by an amount of about R400 million.
- Fishwater Flats Wastewater Treatment Works (FWFWWTW) upgrade has commenced with the completion of the inlet works in June 2017. The Wastewater Treatment Works is critical for further growth and

development in the Metro. The total funding needed is estimated at R1,3 billion.

- Economic infrastructure for developments such as the Coega Wastewater Treatment Works and the Coega Return Effluent Scheme, is needed to support the Coega SEZ. Further development of the SEZ will be hampered without funding for these projects. An investment of approximately R600 million is required to complete the Return Effluent project.
- Planning has commenced on a new wastewater treatment facility to support the housing developments north of Motherwell and the Coega SEZ. This plant is planned for an ultimate capacity of 120 MI/d costing in the region of R1,5 billion. A start up capacity of approximately 20MI/d will be required.

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

Backlogs and funding requirements

Annexure “C” (BEPP Situational Analysis) attached indicates the detailed infrastructure and maintenance requirements per sector for NMBM. Many of these have an intergovernmental responsibility.

The table below reflects the estimated total infrastructure capital backlog for NMBM. The figures are currently being reviewed for greater accuracy.

TABLE 7: Total Infrastructure Capital Backlog

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

The abovementioned amount of R23,562 billion does not include the provision of public amenities such as schools, libraries and clinics, public transport provision and housing for backyard dwellers. The Electricity and Energy Directorate has applied for and received a grant from the French government to conduct a full audit, feasibility study and development of a business case for the recapitalisation of the Electrical network in the NMBM. The study commenced in March 2017 and was concluded in August 2017. A business case was developed in November 2017 and will be implemented.

3.2.2 Coordination and alignment with SIPS

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

The following SIPs apply in NMBM:

- **SIP 3: South Eastern Node and Corridor Development**

Focused on the creation of infrastructure for economic purposes.

- **SIP 7: Integrated Urban Space and Public Transport Programme**

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

• **SIP 18: Water and Sanitation**

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

The PICC provides a coordinating function for all the projects identified at local level and does not provide any finances for the implementation of the projects.

TABLE 8: Current SIP Projects in NMBM

Project Name and Scope	Project status	Project budget	
Coega SEZ & Port of Ngqura: Water & Sanitation Services <i>Construction of a water treatment works, waste Water treatment works, pump stations, reservoirs and pipelines.</i>	1. Nooitgedacht: Phase 1: 100% complete. Phase 2 – Operational. Phase 3 – construction commenced and scheduled for completion in December 2019. 2. Wastewater Treatment Works: Preliminary design and EIA commenced. 3. Recycled effluent schemes in preliminary design stage. ROD received for RE scheme. Reclaimed reservoir is being constructed. Business plan being prepared with the Coega SEZ for funding.	Bulk Water: Wastewater Treatment: Recycled water for Industrial Use	Phase 3: DWS appointed Amatola Water as the implementing agent (±R400m) R1300M R600M

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

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

The projects identified under the three applicable SIPs for the NMBM are all part of current and future budget cycles. The available budget for the implementation of the different phases is based on the priorities identified in the IDP, environmental concerns and legislative requirements.

3.3 INSTITUTIONAL ARRANGEMENTS

3.3.1 LEADERSHIP AND GOOD GOVERNANCE

The following aspects highlight the attempts the NMBM has made to provide the correct environment for enhanced implementation of the Catalytic Urban Development Programme.

CSIP Projects

The CSP Capacity Support Implementation Projects supports leadership and good governance.

The Strategic Development Review as well as the CSIP and status of projects in detail is dealt with elsewhere in this report.

The following specific leadership and good governance projects form part of the CSIP and assist in providing the right environment for moving the programmes from planning to implementation.

Organisational change management support

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

Long-term Strategic Planning Support

There is widespread distrust and there are constant challenges to city initiatives due to inadequate and inappropriate consultation and citizen engagement. In addition, there are constant protests challenging the institution. The IDP/budget participation processes have been greatly enhanced since 2017/18 by developing processes through which citizen trust can be enhanced and with proper participation, lead to a credible and well understood IDP and budget process. This process is still under way and has led to the development of the Long-term Growth and Development Plan.

In this regard the NMBM had no substantive development vision and strategy. A mission and vision forming a core ideology for the City have now been developed and are contained in the Long-term Growth and Development Plan and all other strategic plans.

Financial planning support

This support seeks to assist in the development of a Long Term Financial Sustainability Strategy (LTFSS). This is discussed later in this report in more detail. A further aspect to be addressed is an improvement of the IDP Budget processes and alignment. The intention is to establish a credible budget planning process within the NMBM that addresses the key issues proactively and timeously to support a smooth budget process.

Revenue strategy and management support

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

Competitive Cities Programme

A key Catalytic Programme is the Port/ Baakens Valley. Key to progress of this and other projects however is: a) capacitation of the city departments tasked with leading the implementation of the project; b) an action plan around engagements with key stakeholders –Transnet, Portnet and other private sector stakeholders; and c) the start of implementation of such engagements. The competitive cities partnering can assist with this process for the main Port/ Baakens programme and others through its support for a “partnering approach” and based on a partnering initiative with key stakeholders, and action planned around specific issues.

Land Development Transaction Support for Nelson Mandela Bay (catalytic projects)

A ULI panel visited the city and produced a report on steps to take to unlock the Baakens Valley initiative. One of the key recommendations emerging from the panel review was that the city "prioritise working with the private sector to create new development deals". This project will provide technical support around structuring the financial deals, with an additional project providing Partnership Support to complement this.

Catalytic Programme Technical Support

This project supports the NMBM on technical assistance for the catalytic programme.

Meetings have been held to determine what kind technical assistance could be offered to NMBM on a selected catalytic programme. Three programmes have been discussed namely:

- Logistics Park Phase 2 (managed by Coega Development Corporation)
- Port Baakens Development Programme-Baakens River Valley sub-programme
- N2 Nodal Development

The technical assistance is to assess the current status quo of the programmes and determine what is required to move the programmes of the next level towards implementation.

Mainstreaming Climate Response into City Plans, Budgets and Grant Conditions

This project is intended to: ensure investments in built environment infrastructure deliver services within their planned lifespans with the required return on investment; enable economic growth and service delivery in cities while reducing the consumption of non-renewable resources; support the growth and expansion of new and existing sectors that are responding to climate change; and create jobs in these sectors, and through other adaptation and mitigation efforts. The programme in NMBM has just begun.

Strengthening city integrity, transparency and accountability

This project is intended to provide the city with the opportunity to conduct self-assessments of current integrity and accountability mechanisms; improve their performance through access tools and good practice; support better governance through smart city solutions; and address key areas of integrity and accountability and vulnerability in the urban development lifecycle. The project is currently being implemented and a report of initial findings has been presented to senior management.

Transversal Management Support

The project provides technical assistance to assist NMBM to improve transversal management systems and practices, with the specific intent to help it to better design and implement strategic projects for improved spatial targeting and integration. Knowledge, training, recommendations, and technical assistance will be provided.

3.3.2 Inter-sectoral Municipal Provincial, SOC, National Consultation

The following initiatives support the NMBM service delivery programme. Continual efforts are being made for Government Departments and SOC's to align with the NMBM development strategy and to ensure investments are optimised around this strategy.

IGR FORUM

The NMBM has held regular IGR forum meetings to which other spheres of government sector departments are invited to deal with inter-sectoral issues.

The terms of reference for this forum have been re-evaluated in order to ensure that this forum becomes more strategic in its work. The revised terms of reference are to be approved by Council in the first quarter of 2018.

NELSON MANDELA BAY STRATEGIC INTERFACE FORUM

A Memorandum of Understanding was signed in 2014 between Transnet SOC Limited, Transnet National Ports Authority, Coega Development Corporation, Nelson Mandela Bay Metropolitan Municipality and the Mandela Bay Development Agency to establish the Nelson Mandela Bay Strategic Interface Forum (NMBM SIF).

The purpose of the MOU is to promote and facilitate collaborative effort between the parties through engagement on strategic issues of mutual significance. It furthermore outlines the structures and sub-committees which *inter alia* included a sub-committee on Spatial Planning and Development (SPD) issues and a Projects Committee.

This MOU was reviewed in September 2016 by a special sub-committee that recommended, *inter alia*, the following amendments to the MOU:

- The inclusion of PRASA; ACSA and NMMU as parties to the MOU.
- Alternating the responsibility of the Chair between the Port Manager and a City representative.
- A plenary that involves all stakeholders at least twice a year.

The SIF meets every second month. It has challenges of commitment from all parties; transparency and getting the same representative to the meetings for continuity, but these are being addressed.

The SPD meets monthly and is well represented by technical officials from all SOC's and NMBM Directorates. The SPD has developed a dashboard of 48 projects which is a combination of the key strategic projects that the different SOC's are working on. The dashboard is updated on a quarterly basis. Challenges on projects that cannot be resolved at SPD level are elevated to the SIF to unblock.

Specific engagement with Government Departments and SOC's

Since the last 2017/18 BEPP submission where interaction with other spheres of government and SOC's had proven difficult, specific attention has been paid to increase the understanding of stakeholders regarding the NMBM planning and to align investment within the strategic planning framework of the City.

To a large extent the National Treasury organisation of the attendance of these stakeholders at the Mid Term reviews and Budget Benchmarking sessions has assisted in initiating a more collaborative approach.

The following information in relation to some of the interactions is provided.

Engagements with Department of public Works (DPW)

A series of engagements has taken place with the National Department of Public Works. An introduction to Public Works precinct planning was done to the BEPP Multi Sectoral

Task Team with a simultaneous presentation by NMBM of the Urban Network Strategy and Catalytic Programmes.

Since then work was done on aligning the asset registers of NMBM and Department of Public Works and all assets have been verified and are located on the NMBM Corporate GIS.

DPW wish to agglomerate the provision of their facilities and rationalise their investments. Key in this is the consideration of population densities, access and amenity.

DPW and NMBM have agreed that in rationalising DPW's investments in the City priority areas aligned to the UNS will be selected. Initially the PE CBD and the Uitenhage CBD have been identified as priorities for investment and rationalised location of facilities whilst priority precincts within the Integration Zones (such as Njoli and Zanemvula precincts) have been identified and where there is an absence of facilities these areas will be prioritised in the future.

Engagement with SANRAL

Engagements with SANRAL – the implementing arm of the Department of Transport have taken place through a forum established for interaction with SOC's and others, including Transnet. The Strategic Interface Forum dealt with in more detail above.

SANRAL, through this forum indicated that from 2009 to 2019 a total investment in NMBM is as follows:

2009- 2016	2017-2018	2018-2019
R1,34 Billion	R1,8 Billion	R300 million

Current and future projects include the following:

- **Rehabilitation of the R75 Phase 1 between Port Elizabeth and Despatch**

This project commenced in May 2017 and will continue to May 2019. The total cost is R360 million.

- **N2 Interchange improvements**

The project will start in May 2019 and endure for 18 months at a cost of R120 million.

- **R335 upgrade between Motherwell and Addo**

The project will commence in 2018 for 3 to 4 years at a cost of R580 million.

- **Colchester Interchange Construction**

This project started in October 2017 and will continue for 18 months at a cost of R100 million.

Engagements with ACSA

In April 2018 in relation to the IDP, ACSA committed to supporting the alignment of their investments with NMBM planning. Their focus is not only on economic beneficiation but also social beneficiation.

There has been a steady increase in passenger volumes to and from Port Elizabeth Airport over time and volumes are currently at 1,641,393 passenger trips per annum. The existing airport infrastructure can handle approximately 2 million passengers per annum which means some investment in enhancing the airport capacity in the near future is required.

Enhancements currently include extensions to the terminal building, a new passenger processing facility, an improved concourse and contact stands.

It is envisaged that the planning phase which will be done in conjunction with the NMBM will take place from 2019 – 20123 and construction is intended from 20124- 20126. Total investment for the upgrade is estimated to be R1,2 billion.

Various aspects of the proposed upgrades are being worked on in collaboration with the NMBM and these include land aspects regarding the extension to the runways, the new fire and rescue facility and the collaboration regarding the area north of Allister Miller Drive for airport, transport and other purposes that recognise the strategic importance of the airport.

Engagements with Provincial Treasury

Extremely productive engagements have taken place with the Eastern Cape Provincial Treasury in relation to the investment of government departments in NMBM and planning. The Province is implementing the Infrastructure Demand Management System (IDMS) which is providing good information in a holistic manner to support the system.

It has been agreed that a process be established for ongoing interaction between NMBM and the Provincial Treasury with a view to NMBM being involved in project preparation in order that the NMBM priorities can become the provincial investment priorities.

The following plans, produced by the Provincial Treasury, show the extent to which matching provincial departments investments with the NMBM Urban Network Framework has taken place.

This process will be refined on an ongoing basis.

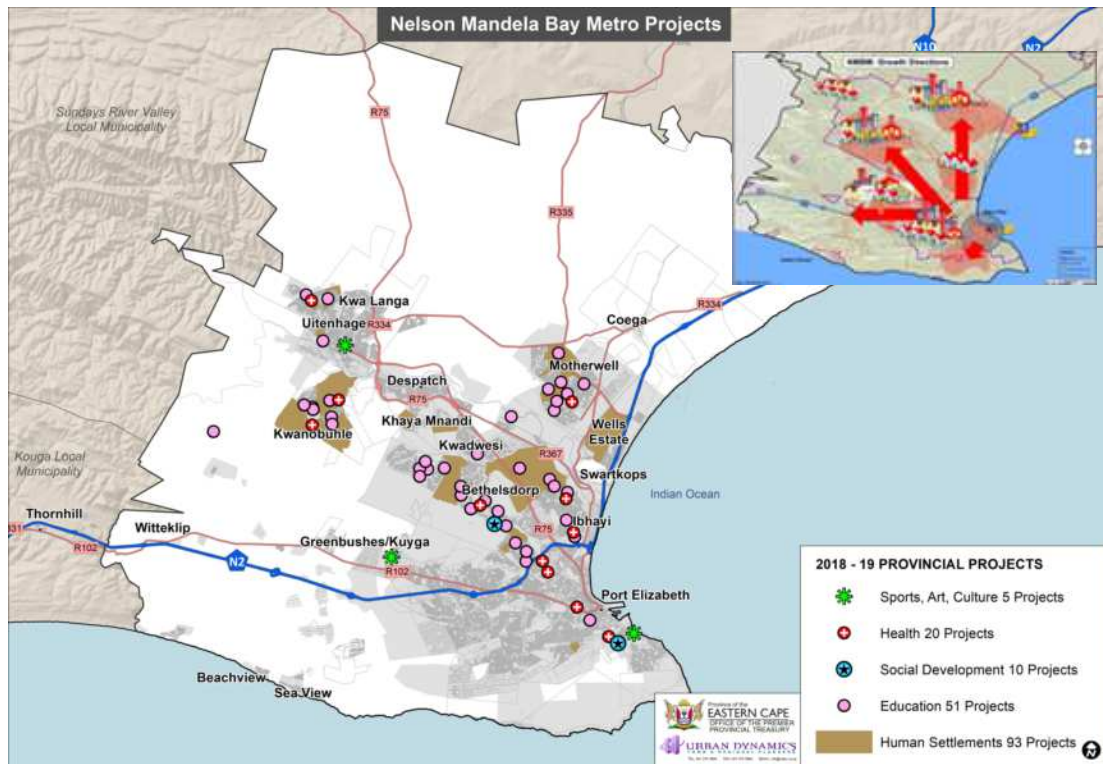
Infrastructure Investments in the NMBM Urban Network Strategy

PROVINCIAL DEPARTMENT PROJECTS
 PLANNED AND UNDER CONSTRUCTION
 2018/19
 3 YR MTEF PERIOD

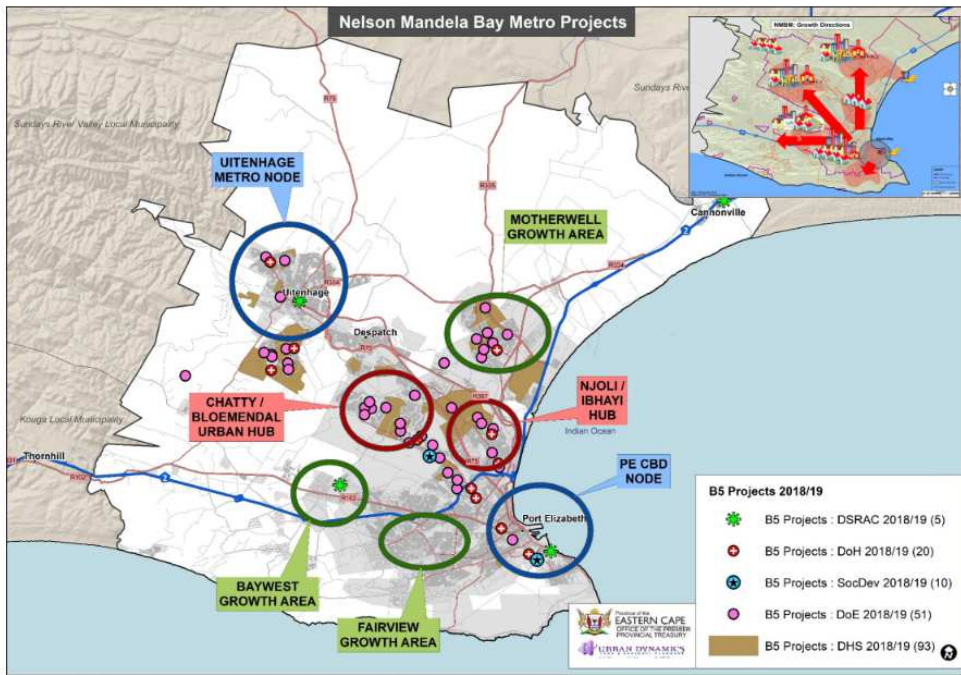


DEPARTMENT	PROJECTS	BUDGET (mil) 2018/19	BUDGET (mil) 2019/20	BUDGET (mil) 2020/21	TOTAL (million)
DSRAC	5	50	900	950	1 900
DOH	20	44 029	63 090	131 384	238 503
DSD	10	12 879	34 703	52 959	100 541
DOH	93	562 281	574 534	601 486	1 738 300
DOE	51	161 191	101 389	88 496	351 076

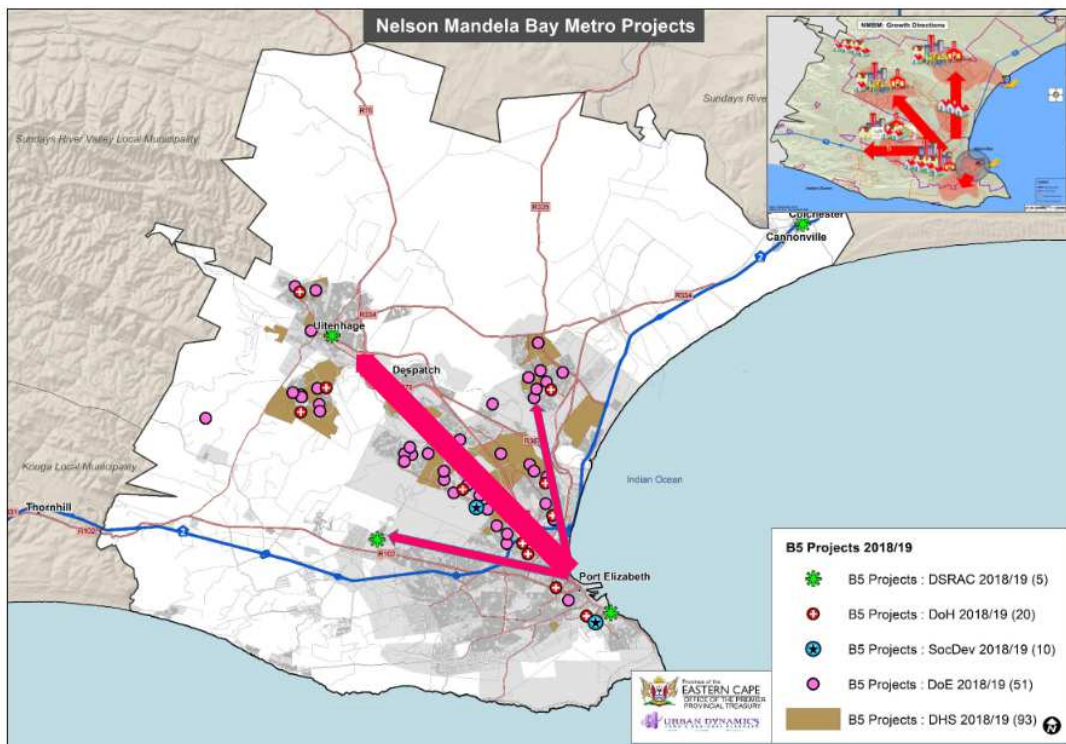
Provincial Department Infrastructure Investment in NMBM



Infrastructure Investments in the Metro Nodes and Growth Areas



Infrastructure Investments along Metro Corridors



Abbreviations used above are as follows:

- DSRAC- Department of Sport Recreation Arts and Culture
- DOH – Department of Health
- DSD – Department of Social Development
- DOHS- Department of Human Settlements
- DOE- Department of Education
- B5- Provincial Treasury Capital Project number

Engagement with PRASA Passenger Rail Network

In relation to the Catalytic Programme of Motherwell Rail Corridor, collaboration between the Passenger Rail Agency of South Africa (PRASA) and the Municipality has been taking place formally since 2011/12 and has culminated in a Draft Memorandum of Understanding between the parties in relation to the construction of the first phase of a 7,866 km rail service line in Motherwell as part of the Integrated Public Transport Network.

The collaboration was structured around the establishment of a broader working group and thematic work streams that held regular meetings to attend to the various elements and components of the proposed R1,4bn project. These included:

- Land Use and Legal Work Stream – attending to legal (MOU) and land use related aspects.
- Environmental Work Stream – tending to environmental issues, including the environmental impact assessment process.

The collaboration also included interaction at senior administrative and political level with various submissions at Executive Mayoral Committee as well as Council.

It is envisaged that the construction which includes the construction of the 7,8667km rail line and four stations will commence during 2019/2020, subject to environmental authorisation and other approvals.

The impact of the proposed rail network on existing public and private property was intensely investigated and captured in detail in the appendices to the Draft MOU which is anticipated to be signed before the end of the 2017/18 financial year.

The Motherwell Precinct Plan will incorporate the station and ancillary functional design elements along the rail corridor.

3.3.3 Risk Mitigation

Each Catalytic Programme is broadly monitored through the use of a reporting template (example attached as Annexure “H”) and the programme managers are required to identify possible risks and mitigations related to those risks in the programme implementation. On a monthly basis the templates are discussed in the BEPP Multi Sectoral Task Team meetings and transversal ways to take responsibility for risk mitigation and other mechanisms to address the risks or elevate the risks are discussed.

Including the Catalytic Programmes in performance score cards of responsible managers also enhances risk mitigation as the performance score cards are required to specifically identify the risks and the category of risk identified. This is then monitored continually throughout the financial year.

SECTION D – CATALYTIC URBAN DEVELOPMENT RESOURCING

4. INVESTMENT STRATEGIES, RESOURCING PLAN AND INSTITUTIONAL ARRANGEMENTS

4.1 LONG-TERM FINANCIAL SUSTAINABILITY STRATEGY

It is the role of the municipality to provide for growth and development into the future for all present and future populations in a way that reduces poverty and inequality.

NMBM has been working with the National Treasury City Support Programme to produce a Long Term Financial Planning Model as a decision making tool in order to identify projects that satisfy city needs and ensure their financing over the longer term.

The model aims to:

- be a tool to evaluate the Metros borrowing and investment practices and capacity
- understand the financial implications of various projects and financing decisions
- identify and develop infrastructure projects that meet city needs taking into account spatial demands and infrastructure cost and financing implications
- help to identify issues that need to be addressed when developing a credible long term financing strategy

Through the development of the LTF Model and LTFSS the city will have more integrated transversal planning processes across departments and will be able to make more informed policy choices around the critical budgeting aspects such as rates and tariffs, cash flow data (receivables and payments) and asset management (repairs and maintenance and losses).

The ultimate aim is to have a sustainable and integrated infrastructure development program including the catalytic development programme.

Progress

The NMBM has been engaged in preparing a Long Term Financial Planning Model as a precursor to the Long Term Financial Planning Strategy since 2016. Work is taking place with the Municipalities Budget and Treasury Directorate in conjunction with INCA who provide technical expertise.

Base data is being populated into the modelling framework. Initially it was intended to use the 2015/16 financial statements to provide the base data however there were numerous changes to the NMBM Chart of Accounts in order to align it with the new mSCOA (Municipal Standard Chart of Accounts) requirements as prescribed by National Treasury.

After consultation with INCA it was agreed that it would be preferable to use the audited financial statements for 2016/17 to populate the model base data requirements. This decision has obviously caused a delay in finalising the development of the model but it will ultimately render more accurate projections going forward.

The current status is that Budget and Treasury Directorate in conjunction with INCA is in the process of verifying and populating the data that is required to be encapsulated in the model in order to ensure that the projections and forecasts, when using the model, will be as accurate as possible.

A number of re-alignments to comply with mSCOA for both revenue and expenditure categories need to be made.

Once completed, Budget and Treasury Directorate will be in a position to project the impact of different variables, i.e. percentage changes to rates and tariffs as well as changes in values, on revenue and expenditure streams and see the impact on the bottom line (Surplus/Deficit), Cash Flows, etc. for a period of up to 20 years into the future.

It is intended to have the model data population fully completed prior to the end of the 2017/18 financial year.

4.2 RESOURCING THE PROJECT PIPELINE/SPATIAL BUDGET MIX

4.2.1 CAPITAL FUNDING

The funding of the draft 2018/19 Capital Budget is indicated in the table below. The NMBM will go to the market to acquire loan funding to complement the 2018/19 Capital Budget. Council approval has been obtained in terms of the requirements. The loan funding will specifically be utilised to fund revenue generating infrastructure. In this way the municipality will be in a position to release some own revenue for the catalytic programme and other critical projects.

The intended loan of R750 million will be taken up over a four-year period starting with R148 289 700 in the 2018/19 financial year.

The following table indicates the extent of grant dependency of the NMBM.

TABLE 9: Capital Budget (2018/19) Source of Funds

	2018/19	2019/20	2020/21
Total CRR - 901	89 492 500	93 169 553	67 050 000
Total Electricity CRR - 904	61 000 000	86 000 000	86 000 000
Total Levies Replacement Grant Funding - 959	349 304 348	379 889 896	390 249 887
Total Public Contributions Funding - 923	52 000 000	62 000 000	62 000 000
Urban Settlements Development Grant - 951	763 907 896	802 734 887	846 901 939
Total DME Grant Funding - 953	22 302 609	27 826 087	27 826 087
IPTS Grant - 918	180 621 122	169 569 904	178 340 452
Neighbourhood Development Grant - 919	-	17 391 304	4 347 826
Integrated City Development Grant - 916	10 743 478	16 050 435	16 096 522
External Finance Fund - 962	148 289 700	286 369 700	235 942 700
Total Capital Budget Funding	1 677 661 653	1 941 001 766	1 914 755 413

Amounts listed above are VAT exclusive

Source: NMBM Budget and Treasury 2018

4.2.1.1 Capital Budget Allocations to Integration Zones/ Growth Areas

The development priorities are illustrated in the NMBM IDP and which is led from the Long-term Growth and Development Plan. These are then further captured and given expression by the distribution of funding priorities in terms of the 2018/2019 Capital Budget.

The following tables have been prepared, showing the Budget for projects in the elements of the Urban Network Strategy priority areas and precincts.

TABLE 10: Urban Network Strategy Priorities in Nelson Mandela Bay (2018/19) budget

Description	Draft Capital Budget 2018/19	%
CENTRAL BUSINESS DISTRICT (CBD)	13 500 000	1%
GROWTH AREA 1 & INFORMAL SETTLEMENT UPGRADING	1 000 000	0%
GROWTH AREA 2	1 500 000	0%
GROWTH AREA 3 & INFORMAL SETTLEMENT UPGRADING	45 500 000	3%
GROWTH AREA 4	13 699 426	1%
GROWTH AREA 4 & INFORMAL SETTLEMENT UPGRADING	17 500 000	1%
INFORMAL SETTLEMENT UPGRADING	238 760 885	14%
INTEGRATION ZONE 1	6 000 000	0%
INTEGRATION ZONE 1 & CATALYTIC PROJECT	-	0%
INTEGRATION ZONE 1 & INFORMAL SETTLEMENT UPGRADING	2 200 000	0%
INTEGRATION ZONE 2	24 300 000	1%
INTEGRATION ZONE 2 & INFORMAL SETTLEMENT UPGRADING	37 917 012	2%
UNS CATALYTIC PROJECTS	44 574 420	3%
MUNICIPAL MAJOR PROJECTS	170 050 000	10%
Total Draft Capital Budget Allocation	616 501 743	37%
REST OF THE METRO INVESTMENT	1 061 159 910	63%
TOTAL CAPITAL BUDGET	1 677 661 653	100%

Source NMBM, 2018

TABLE 11: Integration Zone and Growth Area Budget Allocations

CENTRAL BUSINESS DISTRICT (CDB)

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20060113	Upgrade and Restoration of Main Library	4 988 765	11 000 000	13 500 000	13 500 000	7 000 000
TOTAL		4 988 765	11 000 000	13 500 000	13 500 000	7 000 000

GROWTH AREA 1 & INFORMAL SETTLEMENT UPGRADING

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20120048	N2 North Development -- Services	4 460 123	500 000	500 000	-	-
20170111	N2 North Development - Stormwater (Human Settlements)		500 000	150 000		
20170112	N2 North Development - Water Bulks (Human Settlements)		500 000	150 000		
20170113	N2 North Development - Sewer Bulks (Human Settlements)		500 000	200 000		
TOTAL		4 460 123	2 000 000	1 000 000	-	-

GROWTH AREA 2

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20090039	Fairview Refurbishment	1 885 629	500 000	1 000 000	1 500 000	2 000 000
19990144	Rehabilitation of William Moffett Expressway			500 000	5 000 000	5 000 000
TOTAL		1 885 629	500 000	1 500 000	6 500 000	7 000 000

**GROWTH AREA 3 & INFORMAL SETTLEMENT
UPGRADING**

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
19980285	Upgrade Existing Sports Facilities (Walmer)	4 164 866	7 077 220	8 500 000	5 000 000	5 000 000
20030471	Reinforcement of Electricity Network - Walmer Lorraine	4 828 600	9 650 000	6 000 000	3 000 000	4 500 000
20060240	Theescombe / Gqebera Bulk Stormwater	14 419 812	3 000 000	-	-	-
20120047	Walmer Development - Roadworks (Human Settlements)	24 329 874	11 935 790	10 850 000	15 233 683	17 500 000
20170108	Walmer Development - Stormwater (Human Settlements)			3 100 000	4 352 480	6 000 000
20170109	Walmer Development - Water Bulks (Human Settlements)			7 750 000	10 881 202	12 500 000
20170110	Walmer Development - Sewer Bulks (Human Settlements)			9 300 000	13 057 443	15 000 000
TOTAL		47 743 152	31 663 010	45 500 000	51 524 808	60 500 000

GROWTH AREA 4

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20030379	Motherwell NU29 & 30 : Roads & S/W Bulk Infrastructure	-	2 000 000	1 000 000	8 000 000	8 000 000
20060106	Motherwell North Bulk Sewerage	3 433 638	2 000 000	2 000 000	3 000 000	3 000 000
20100060	Fire Station Motherwell- Refurbishment	2 935 674	1 650 000	614 518	2 000 000	-
20090018	Motherwell Traffic and Licensing Centre	18 660 551	7 894 737	-	-	-
MBDA	Motherwell Arterial Development	-	-	10 084 908	-	-
TOTAL		25 029 863	13 544 737	13 699 426	13 000 000	11 000 000

GROWTH AREA 4 & INFORMAL SETTLEMENT UPGRADING

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
New	Motherwell NU 29 - Roadworks (Human Settlements)	-	441 800	3 000 000	-	-
20120055	Motherwell NU 30 - Human Settlement (Services)	33 962 604	17 168 000	8 800 000	-	-
20170115	Motherwell NU 30 - Stormwater (Human Settlements)			2 200 000		
20120061	Motherwell NU 31 - Human Settlement (Services)	154 545	703 000	1 750 000	1 000 000	5 000 000
20170073	Motherwell NU 31 - Stormwater (Human Settlements)			525 000	300 000	1 500 000
20170074	Motherwell NU 31 - Water Bulks (Human Settlements)			525 000	300 000	1 500 000
20170076	Motherwell NU 31 - Sewer Bulks (Human Settlements)			700 000	400 000	1 676 228
TOTAL		34 117 149	18 312 800	17 500 000	2 000 000	9 676 228

INFORMAL SETTLEMENT UPGRADING

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
19930264	Informal Housing Electrification	32 169 177	35 715 789	22 302 609	27 826 087	27 826 087
19930283	Public Lighting	33 363 084	33 335 960	19 725 816	25 000 000	29 249 000
19980402	Reinforcement of Electricity Network - Malabar/ Helenvale	309 352	100 000	1 000 000	1 000 000	1 000 000
20110091	Khayamnandi Extension - Human Settlement (Services)	30 866 332	11 500 000	10 299 748	664 987	12 140 800
20170070	Khayamnandi Extension - Stormwater (Human Settlements)		250 000	3 089 924	199 496	3 642 239

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20170069	Khayamnandi Extension - Water Bulks (Human Settlements)		250 000	3 089 924	199 496	3 642 239
20170072	Khayamnandi Extension - Sewer Bulks (Human Settlements)		450 000	4 119 900	265 995	4 856 320
20120030	Kwanobuhle Area 11 - Human Settlement (Services)	18 008 208	17 376 316	17 000 000	16 500 000	1 250 000
20170079	Kwanobuhle Area 11 - Stormwater (Human Settlements)		5 946 000	5 100 000	4 950 000	375 000
20170081	Kwanobuhle Area 11 - Water Bulks (Human Settlements)		4 500 400	5 100 000	4 950 000	375 000
20170083	Kwanobuhle Area 11 - Sewer Bulks (Human Settlements)		4 318 930	6 800 000	6 600 000	550 000
20120043	Seaview Housing Job - Human Settlement (Services)	497 229	50 000	250 000	7 875 000	12 500 000
20170097	Seaview Housing Job - Stormwater (Human Settlements)		50 000	75 000	2 250 000	3 750 000
20170099	Seaview Housing Job - Water Bulks (Human Settlements)		50 000	75 000	5 625 000	3 750 000
20170101	Seaview Housing Job - Sewer Bulks (Human Settlements)		50 000	100 000	6 750 000	5 000 000
20120059	Malabar Ext 6 Phase 2 - Human Settlement (Services)	2 420 766	8 050 000	10 000 000	350 000	-
20170067	Malabar Ext 6 Phase 2 - Stormwater (Human Settlements)		2 000 000	3 000 000	105 000	
20170068	Malabar Ext 6 Phase 2 - Water Bulks (Human Settlements)		5 350 000	3 000 000	105 000	
20170071	Malabar Ext 6 Phase 2 - Sewer Bulks (Human Settlements)		6 900 000	4 000 000	210 000	
20120062	Kuyga Phase 3 - Human Settlement (Services)	175 000	-	-	250 000	5 000 000
20170073	Motherwell NU 31 - Stormwater (Human Settlements)			525 000	300 000	1 500 000
20170074	Motherwell NU 31 - Water Bulks (Human Settlements)		142 000	525 000	300 000	1 500 000
20170076	Motherwell NU 31 - Sewer Bulks (Human Settlements)		483 000	700 000	400 000	1 676 228

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20130054	Bethelsdorp Ext 32, 34 & 36 - Human Settlement (Services)	127 695	150 000	375 000	16 000 000	5 000 000
20170090	Bethelsdorp Ext 32, 34 & 36 - Stormwater (Human Settlements)		70 000	112 500	5 000 000	1 500 000
20170092	Bethelsdorp Ext 32, 34 & 36 - Water Bulks (Human Settlements)		100 000	112 500	5 000 000	1 500 000
20170094	Bethelsdorp Ext 32, 34 & 36 - Sewer Bulks (Human Settlements)		150 000	150 000	9 000 000	2 000 000
20130057	Kleinskool Kliprand - Human Settlement (Services)	55 050	60 000	250 000	10 000 000	15 000 000
20170095	Kleinskool Kliprand - Stormwater (Human Settlements)		60 000	75 000	3 000 000	4 500 000
20170098	Kleinskool Kliprand - Water Bulks (Human Settlements)		50 000	75 000	3 000 000	4 500 000
20170100	Kleinskool Kliprand - Sewer Bulks (Human Settlements)		50 000	100 000	4 000 000	6 000 000
20080079	Wells Estate - Stormwater Improvements	-	-	-	1 000 000	1 000 000
20050286	Tarring of Gravel Roads	71 196 821	97 000 000	93 532 964	105 000 000	110 000 000
20030167	Rockland PHB Housing Project: Wastewater Treatment Works	1 772 008	-	500 000	500 000	1 000 000
20030405	Witteklip Bulk Sewerage	212 986		100 000	500 000	1 000 000
20030407	Seaview Bulk Sewer	-		500 000	500 000	1 000 000
20050247	Rudimentary Services: Sanitation	-		-	500 000	-
20050248	Bucket Eradication Programme	13 136 031		10 000 000	10 000 000	10 000 000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	4 966 523		13 000 000	15 000 000	20 000 000
20110067	Industrial Site (Airport Valley) - Bulk Sewer			-	500 000	500 000
20110068	KwaNobuhle Area 11 - Link Sewer	175 365		-	-	-
TOTAL		209 451 627	234 558 395	238 760 885	301 176 061	304 082 913

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

INTEGRATION ZONE 1

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20100104	Mendi Bottle Store Renovation	13 907 929	2 500 000	6 000 000	6 000 000	6 000 000
		13 907 929	2 500 000	6 000 000	6 000 000	6 000 000

INTEGRATION ZONE 1 & CATALYTIC PROJECT

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
19990168	Njoli Square Redevelopment	1 134 097	-	-	17 391 304	4 347 826
		1 134 097	-	-	17 391 304	4 347 826

INTEGRATION ZONE 1 & INFORMAL SETTLEMENT UPGRADING

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20010118	Reinforcement of Electricity Network - Ibhayi	-	200 000	1 700 000	1 600 000	1 600 000
20130040	Nkatha/Seyisi - Human Settlement (Services)	-	150 000	250 000	2 660 000	250 000
20170084	Nkatha/Seyisi - Stormwater (Human Settlements)		50 000	75 000	760 000	75 000
20170086	Nkatha/Seyisi - Water Bulks (Human Settlements)		50 000	75 000	1 900 000	75 000
20170088	Nkatha/Seyisi - Sewer Bulks (Human Settlements)		50 000	100 000	2 280 000	100 000
		-	500 000	2 200 000	9 200 000	2 100 000

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

INTEGRATION ZONE 2

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20060251	Access Road to Chatty Developments		11 410 526	-	-	-
20060103	Jagtlakte Bulk Sewerage		250 000	500 000	1 000 000	3 000 000
20070144	Kwanobuhle WWTW : Upgrading		6 000 000	21 300 000	1 000 000	1 000 000
20080138	Kwanobuhle: Upgrading of sewer reticulation		-	500 000	-	500 000
20110068	KwaNobuhle Area 11 - Link Sewer		500 000	-	-	-
20080048	Jagtlakte: Bulk Water Supply Pipeline		-	2 000 000	1 000 000	1 000 000
20080144	Kwanobuhle: Upgrading of water reticulation		-	-	500 000	500 000
20120085	Kwanobuhle Reservoir Link Watermain		-	-	500 000	500 000
		-	18 160 526	24 300 000	4 000 000	6 500 000

INTEGRATION ZONE 2 & INFORMAL SETTLEMENT UPGRADING

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20120033	Jagvlagte (Chatty 11-14) - Human Settlement (Services)		50 000 000	18 958 506	17 500 000	25 000 000
20170091	Jagvlagte (Chatty 11-14) - Stormwater (Human Settlements)		7 200 000	5 687 552	5 250 000	7 500 000
20170093	Jagvlagte (Chatty 11-14) - Water Bulks (Human Settlements)		7 000 000	5 687 552	5 250 000	7 500 000
20170096	Jagvlagte (Chatty 11-14) - Sewer Bulks (Human Settlements)		8 000 000	7 583 402	7 000 000	10 000 000
			72 200 000	37 917 012	35 000 000	50 000 000

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

CATALYTIC PROJECTS

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20140010	Construction of Bloemendal Arterial		500 000	2 000 000	10 000 000	10 000 000
MBDA	Baakens Pilot Housing				5 000 000	2 000 000
MBDA	South End Mixed Use Precinct - New Property			3 000 000	5 000 000	
MBDA	Baakens River Pedestrian Bridge			9 200 000		
MBDA	Telkom Park Redevelopment			2 500 000	5 000 000	5 000 000
MBDA	Bayworld Rehabilitation / Redevelopment			2 500 000	5 000 000	5 000 000
MBDA	Korsten / Schauderville - Other					10 000 000
MBDA	Singapi Road Upgrade Phase 3A			3 000 000		
MBDA	New Brighton Cultural Precinct Development					13 223 000
MBDA	Uitenhage Rails Shed / SC Precinct Development			11 148 920	10 000 000	
MBDA	Green Solutions Capex Initiative				3 229 000	
MBDA	Helenvale SPUU FDFP Programme			11 225 500		
		-	500 000	44 574 420	43 229 000	45 223 000

MUNICIPAL MAJOR PROJECTS

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
19960525	Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	15 446 518	500 000	500 000	-	-
20000037	Loerie Treatment Works: Rehabilitation	3 634 885	4 000 000	1 000 000	1 000 000	20 000 000
20010307	Upgrade of Groendal Water Treatment Works	1 343 500	1 000 000	1 000 000	1 000 000	1 000 000

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20030030	Lorraine - Bulk Sewerage Augmentation	-	150 000	500 000	-	20 000 000
20030034	Markman - Replace 600mm Sewer	417 783	1 000 000	30 000 000	3 000 000	1 000 000
20030295	Construction of Amanzi Reservoir and Pipeline	862 953	1 000 000	2 750 000	5 000 000	5 000 000
20030511	Seaview Bulk Water	1 219 054	600 000	7 000 000	9 000 000	7 000 000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	1 794 846	3 000 000	1 000 000	1 000 000	500 000
20050097	Nooitgedagt / Coega Low Level Scheme	70 990 844	23 450 000	2 100 000	5 000 000	5 000 000
20050106	Seaview Pump Station: Upgrade	1 392 646	2 800 000	35 000 000	29 000 000	20 000 000
20050250	Driftsands WWTW Phase 3 extension	283 669	2 500 000	500 000	500 000	500 000
20060075	Cape Receife WWTW : Upgrade	2 982 650	1 200 000	2 000 000	25 000 000	25 000 000
20060080	Upgrading of Churchill Water Treatment Works	3 666 177	1 500 000	5 900 000	11 900 000	42 000 000
20060081	Coega Reclaimed Effluent Scheme	-	500 000	1 000 000	1 000 000	1 500 000
20060107	Motherwell/Coega WWTW and Outfall Sewer	2 996 846	3 000 000	2 000 000	3 000 000	5 000 000
20060177	Driftsands Collector Sewer - Augmentation	9 490 658	19 000 000	500 000	500 000	1 100 000
20070143	Rehabilitation of Kwazakhele Collector Sewer	684 342	1 500 000	2 000 000	22 700 000	25 000 000
20070144	Kwanobuhle WWTW : Upgrading	-	6 000 000	21 300 000	1 000 000	1 000 000
20070147	Kelvin Jones WWTW: Upgrade	46 473 205	2 100 000	5 000 000	60 000 000	45 000 000
20070156	Fishwater Flats WWTW Upgrade	72 942 162	21 050 000	27 500 000	74 500 000	81 800 000
20080048	Jagtlakte: Bulk Water Supply Pipeline	-	-	2 000 000	1 000 000	1 000 000
20080080	Cannonville/Colchester: Stormwater improvements	2 460 421	8 500 000	8 500 000	8 500 000	8 500 000
20080138	Kwanobuhle: Upgrading of sewer reticulation	-	-	500 000	-	500 000
20100034	Balmoral Reservoir and Bulk Pipeline	-	-	-	1 000 000	1 000 000
20110054	Motherwell Main Sewer Upgrade	-	-	500 000	1 000 000	5 000 000
20110056	Swartkops Low Level Collector Sewer Upgrade	711 409	10 000 000	10 000 000	33 000 000	-

Built Environment Performance Plan (BEPP) - Nelson Mandela Bay, 2018/19 – 2020/21

Project ID	Project Title	Actual Expenditure 2016/17	2017/18 Adjustments Budget	Draft Budget 2018/19	Draft Budget 2019/20	Draft Budget 2020/21
20120085	Kwanobuhle Reservoir Link Watermain	-	-	-	500 000	500 000
New	Waste Beneficiation and Diversion		PPP	PPP	PPP	PPP
New	Landfill Gas Extraction and Beneficial Utilisation		PPP	PPP	PPP	PPP
		239 794 568	114 350 000	170 050 000	299 100 000	323 900 000

Source: NMBM Budget & Treasury, 2018

4.3 INVESTMENT STRATEGY

4.3.1 Application of Grant Allocations

The application of grant resources is reflected below.

The Nelson Mandela Bay Municipality fully complies with the grant conditions as stipulated in the Division of Revenue Act. The NMBM is a largely grant dependent municipality with little discretionary funding from its own sources for capital spending. The municipality spends the grant in the following service delivery areas:

Formalising informal areas by providing:

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

The NMBM applies its grant funding (USDG) for the development of infrastructure that supports the Housing Programme. This has resulted in the installation of water and sewer pipelines that serve each of the identified human settlements for house construction. In addition, the funds have also been used for the upgrade and development of sewer pump stations and water and waste water treatment works.

With this as background, it has also formed the basis of the NMBM adopted approach to bucket eradication through, inter alia, the establishment of integrated human settlements, in terms of which communities are relocated from stressful situations to subsidised houses (HSDG) with waterborne sanitation. The challenge is the misalignment of the USDG and the HSDG in that the HSDG subsidies are not keeping pace with available serviced sites. Approximately 8500 sites are ready for development should HSDG money be received (Table 3). In addition, beneficiary management is a challenge.

TABLE 12: Application of Grant Resources – 2018/19 Capital Budget

Urban Settlements Development Grant (USDG)		905,664,000
	Tarring of Gravel Roads	83,614,365
	Bulk Water and Sanitation Services	549,096,095
	Internal Services for Housing Delivery	210,975,468
	Public Lighting	10,558,146
	Development of Public Open Spaces and Cemeteries	24,249,999
	3% operational expenses	27,169,927
Public Transport Infrastructure Grant (PTIG)		205,908,079
	Public Transport Road Infrastructure	205,908,079
Integrated National Electrification Grant (INEP)		0
	Informal Housing Electrification	0
Neighbourhood Development Partnership Grant (NDPG)		0
	Precinct Upgrading for Economic Development	0
Integrated City Development Grant (ICDG)		25,648,000
	Spatial Planning & creating connectivity	25,648,000

Source: NMBM, 2018

4.3.2 Proposed Urban Settlements Development Plan

In accordance with the requirements of the Division of Revenue Act and the National Department of Human Settlements, the Urban Settlements Development Grant Plan for 2017/18 is attached as Annexure “M”.

4.4 VALUE OF PROGRAMMES AND PROJECTS BY SECTOR

The consolidated Operating Budget per Directorate is contained in Section 6.3 which follows. The Capital Budget per Directorate is reflected below.

The following is the value of programmes by Sector:

TABLE 13: Capital Budget by Directorate

Org Code	Directorate	Draft 2018/19 Capital Budget Request	Draft 2019/20 Capital Budget Request	Draft 2020/21 Capital Budget Request
1198	Budget & Treasury	9 942 500	20 869 553	3 900 000
1656	Chief Operating Officer	10 743 478	16 050 435	16 096 522
1197	Corporate Services	29 150 000	17 085 000	24 085 000
1196	Economic Development, Tourism and Agriculture	500 000	-	-
1194	Sport and Recreation	35 500 000	35 500 000	28 000 000
1191	Human Settlements	203 266 508	203 474 783	228 007 826
1477	Electricity and Energy	254 457 255	340 434 787	290 007 787
384	Roads, Stormwater, Transportation & Fleet	478 854 086	518 721 208	519 448 278
1412	Water Services	265 100 000	331 500 000	343 500 000
1411	Sanitation Services	295 500 000	357 500 000	361 500 000
1193	Public Health	56 347 826	65 766 000	65 766 000
1195	Safety & Security	25 300 000	29 100 000	29 444 000
1474	Motherwell Urban Renewal Programme	-	-	-
1694	NMBM Stadium	13 000 000	5 000 000	5 000 000
		1 677 661 653	1 941 001 766	1 914 755 413

Source: NMBM, 2018

4.5 INSTITUTIONAL ARRANGEMENTS

4.5.1 Leadership, Good Governance, Planning and Strategy-led Budgeting

Relevant information in respect of the progress the NMBM has made with regard to strategy led budgeting is contained in Section A of this report and is repeated hereunder.

Establishment of a Strategic Planning Steering Committee

The Municipality previously had an IDP and Budget Steering Committee to manage the annual processes related to IDP and Budget preparation and adoption. In recognition of the need for greater strategic alignment and the role of the BEPP a Strategic Planning Steering Committee was established in October 2016 to replace the former IDP and Budget Steering Committee. This Committee is politically led by the political portfolio head of Economic Development, Tourism and Agriculture and includes the Mayor's Office, City Manager, Chief Financial Officer, Chief Operating Officer as well as portfolio Councillors and Executive Directors and relevant officials responsible for Budget and Treasury, Economic Development, Human Settlements, Infrastructure and Engineering, Electricity and Energy, the City Manager's Office and Strategic Planning.

The Terms of Reference of this Committee include oversight over:

- Development and promotion of the Municipality's mission and vision.
- Development and promotion of a Long-term Growth and Development Plan
- Development and review of a five-year IDP.
- Development of a medium-term budget which supports the Built Environment Performance Plan (BEPP) and IDP, is demonstrably funded, and demonstrably sustainable, as shown by the long term financial model. Furthermore, its capital projects should be supported by thorough business cases and feasibility studies.
- Ensuring alignment of the Long-term Growth and Development Plan, Long-term Financial Plan, BEPP, IDP and Budget.
- Ensuring stakeholder support for strategic planning processes.

The Committee meets monthly and meetings are preceded by a technical team meeting where aspects relevant to the preparation, and specifically, the alignment of the strategic plans and the budget are discussed.

Strategic Planning Time Schedule and Alignment Workshops.

With the replacement of the IDP and Budget Steering Committee by the Strategic Planning Steering Committee the former IDP and Budget time schedule of activities was replaced by a Strategic Planning Time Schedule.

This time schedule includes key dates in the programming and alignment of the Long Term Growth and Development Plan, BEPP, IDP and Budget and is submitted to Council Structures for approval (in accordance with the legislation applicable to the IDP and Budget processes). This time schedule includes the dates of the Strategic Planning Steering Committee meetings and makes further provision for three Strategic Planning Workshops at critical times in the annual planning and budgeting cycle where major strategic decisions are taken

In preparation for the 2018/19 MTREF the workshops were facilitated by the National treasury CSP Economic representative.

From 1 July 2018, in preparation for the 2019/20 MTREF, the Time Schedule will be expanded upon to include a schedule of activities in relation to the strategic planning for the entire MTREF period and not just one year. Furthermore, the Time Schedule will be submitted to Council for approval prior to August 2018 for early preparation for the financial year programme.

A copy of the 2017/18 Strategic Planning Time Schedule is attached as Annexure “D”.

Capital Prioritisation Model

The City, for the first time, has introduced a Capital Prioritisation Model. The model is deliberately simple and attempts were made to pilot it in the budgeting process for the 2018/19 Financial year. Full implementation is expected in the 2019/20 budget preparation. Criteria in relation to the model relate directly to the BEPP, Urban Network Strategy and the responsibility for catalytic programmes are included in the model and these projects/programmes will have a higher priority rating for funding.

SECTION E – CATALYTIC URBAN DEVELOPMENT PROGRAMME RESOURCING/IMPLEMENTATION

5. LAND RELEASE, PROCUREMENT AND REGULATORY REFORM

5.1 LAND ASSEMBLY AND RELEASE STRATEGY

A Draft Nelson Mandela Bay Municipal Land Strategy exists for the assembly and release of land. It has been developed as an instrument to guide and direct the processes and procedures required for the strategic and ad hoc (incidental) identification of land for acquisition and release.

The Draft has yet to be approved by Council and is going through internal processes however it is also intended that it be updated from time to time to accommodate legislative and policy directives at National, Provincial and local level, and procedures and implementation programmes formulated for the overall objective of creating a “One City, One Future” for Nelson Mandela Bay.

Previously the assembly and release of municipal, State, and privately owned land was dealt with on an ad hoc, uncoordinated and re-active manner without being guided by coherent strategies in line with strategic planning principles. This has in the past resulted in acquisition of undevelopable land parcels due to planning, environmental or infrastructure challenges.

The Nelson Mandela Bay Municipal Land Strategy for the assembly and release of land is aimed at establishing a guide to identify Metro’s land requirements to meet its development obligations and also the release of land to not only provide the needs of the broader community, but to also act as catalyst for economic and socio-economic development of the City. This includes land in the priority precincts and catalytic programmes.

Land assembly covers:

- Methods of acquisition
- Identification of land
- Land assembly processes
- Strategic land identification

Land release involves the process of identifying land parcels for specific or targeted release; as well as “on demand” (ad hoc / incidental) release and furthermore the processes and procedures associate with the disposal thereof.

The following aspects of land release are covered:

- Land Identification
- Authorisation for land release
- Method of release
- Conditions of disposal

Strategic Land Release

This category refers to the release of strategically identified and targeted land parcels to be released for economic and other socio-economic development imperatives such as catalytic interventions to secure/ facilitate the development of socio-economic facilities and amenities in various areas, in particular less privileged areas of the metro. This would necessarily also include making land available to the private sector for key strategic developments.

Land parcels identified for such purposes are, as in the case of land identified for strategic land assembly, predetermined in terms of the Metropolitan Spatial Development Framework (MSDF); a Local Spatial Development Framework (LSDF); a Precinct Plan and the Built Environment Performance Plan (BEPP).

The release or disposal of land is governed by the Municipal Finance Management Act, Act 56 of 2003 and the regulations thereto, as amended and furthermore as managed in terms of the NMBM Policy and Procedures for the disposal of Immovable Assets, approved by Council on 15 September 2016.

5.2 PROCUREMENT APPROACH FOR CATALYTIC URBAN DEVELOPMENT PROGRAMMES

Supply Chain Management and Procurement Plan

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

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

Approximately 45% of any Capital Budget is contractually committed to projects as procurement of multi-year projects starts in prior financial years. Due to the infrastructure planning and condition assessment cycles, the procurement plans of some projects only start the procurement processes late in the financial year.

The electronic SCM system has helped to ensure that all attendance registers, minutes and items presented to all the Bid Committees are in place. This has significantly reduced the risk of incomplete files, however, the submitted tenders have been isolated as the main problem. For these reasons Budget and Treasury are considering removing the function of filing and record keeping from the SCM unit.

5.3 REGULATORY REFORM PROGRAMME

Incentives are one of the many policy tools used by governments to encourage investments in a particular area or sector. There are various investment incentives and other financial and non-financial support for investment offered by government. NMBM

has an approved Investment Incentives Policy which is aligned to these national incentives and support initiatives.

The NMBM Incentive Policy provides the necessary guiding principles, details on incentives offered by NMBM, application processes, relevant requirements and approval procedures, and defines roles and responsibilities to enable a professional, consistent and transparent incentive management dispensation. The Incentive Policy is specifically focused to attract additional investments from new and existing investors to Nelson Mandela Bay in key sectors as identified in the NMBM Economic Growth and Development Strategy.

The most significant reforms that are taking place are through the Sub National Doing Business Reform Programme where reforms are being made in the following three identified areas:

- Dealing with Construction Permits
- Getting Electricity
- Registering property

The 2018 reform Action Plan for the NMBM is attached as Annexure “N”.

Although these regulatory reforms are not site specific, in the context of the economy of the NMBM and the slow growth scenario these reforms will assist growth and development in all areas including the priority precincts.

Other aspects of relevance are included in the section on Urban management which appears later in this report.

5.4 INSTITUTIONAL ARRANGEMENTS

5.4.1 Capital Programme

This BEPP results in a Capital Programme to meet infrastructure needs, as captured in the IDP. The supporting sector plans identify the needs/gaps in infrastructure, which are then scheduled for implementation in the three-year Capital Programme. Part of this programme is to support private development and to increase the rates and revenue base for the municipality in its efforts to become less grant funding dependant.

Planning for implementation includes the concept designs, water use license applications, environmental assessments, final designs and construction, which are the different phases that are planned for and that are critical for the successful spending of the Capital Budget.

The Capital Budget Performance for the past few years was as follows:

Financial Year	Original Budget %	Adjustments Budget %
2015/16	98%	89%
2016/17	98%	89%

Structures have been set up for the monitoring of implementation and expenditure as follows:

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

The above measures assist the successful implementation of the Budget Programmes and the Annual Report. Although good budget expenditure has consistently been achieved, concerns have been raised about the “hockey stick” expenditure curve versus the traditional S-curve. The performance of the municipality is linked to the project cycle and cash flows of more than 200 individual projects each year on the capital budget. The Budget and Treasury Directorate has, however, strengthened controls by adding the requirement of a detailed procurement plan for each project before it will be considered for entering the Capital Budget. However, within the municipal implementation space, various other factors impact seriously on the project cycle, such as:

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

5.4.2 Capacity Support Implementation Plan (CSIP)

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

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

Where relevant, the specific programmes are described in more detail elsewhere in this report.

Table 14: Capacity Support Implementation Plan 2018/19

Project	Purpose	Activities	Status
Strengthening City Integrity, transparency and accountability	<ul style="list-style-type: none"> To enhance integrity and accountability within the municipality 	<ul style="list-style-type: none"> Analysis Action plan developed monitoring 	<ul style="list-style-type: none"> Phase 1 report on survey and interview results produced with action areas
Financial planning Infrastructure financing support	<ul style="list-style-type: none"> Entrench use of a long-term financial model as basis for city financial strategy Assist to finance its infrastructure and catalytic projects 	<ul style="list-style-type: none"> Long-term financial model built and calibrated Assessed status and readiness of proposed capital projects to get financing 	<ul style="list-style-type: none"> Long-term financial model has yet to be used to develop a financial strategy Need to institute a proper project pipeline, where project choices are made and appropriate financing sought LTF Strategy to be developed
Revenue strategy & management support	<ul style="list-style-type: none"> To assist NMBM to review its tax and tariff structure 	<ul style="list-style-type: none"> Scoping completed 	<ul style="list-style-type: none"> Ongoing advice
Review of integrated public transport system	Technical expertise to facilitate reaching broad agreement on an appropriate approach to public transport	<ul style="list-style-type: none"> Technical analysis and engagements to prove unviability of original plans Facilitation to assist in resetting relationship with industry 	<ul style="list-style-type: none"> Ongoing support
Human settlements support	To develop and support more appropriate approach to housing delivery in the city	<ul style="list-style-type: none"> Draft of proposed appropriate approach developed for discussion Managing transition to appropriate approach Appropriate location of housing projects 	<ul style="list-style-type: none"> Ongoing
Finance solutions for resilient delivery of water and sanitation service delivery	Examine investment needs for critical service delivery	<ul style="list-style-type: none"> Status quo reports Application feasibility support 	<ul style="list-style-type: none"> Ongoing

Project	Purpose	Activities	Status
Support for BEPP annual process	To support NMBM to continue to improve and refine its BEPP	<ul style="list-style-type: none"> • Repeated iterations to high quality BEPP • Entrenching spatial planning and the BEPP among senior managers • Outcome indicators 	• Ongoing
Support for catalytic projects – Land development Transaction support	To support catalytic project preparation & implementation	<ul style="list-style-type: none"> • Repeated iterations to sound choice of catalytic projects • To ensure that catalytic projects are given adequate attention, priority, capacity and budget • Move catalytic programmes along the path to implementation 	• Ongoing
Sub-national doing business	To improve city regulatory and administrative performance in respect of economic activities	<ul style="list-style-type: none"> • Process improvement action plans developed for Construction Permits & Getting Electricity and registering property 	• Ongoing
City economic partnerships/ Competitive Cities	To establish partnering as a standard approach to city government economic development initiatives.	<ul style="list-style-type: none"> • determine opportunity or challenge around which partnership programme will take place 	• Ongoing
Mainstreaming Climate Response into City Plans , Budgets and Grant Conditions	Ensure investments in infrastructure deliver return on investment as well as enable growth whilst reducing the consumption of non-renewables and ensuring appropriate climate responses	<ul style="list-style-type: none"> • Desk top evaluation • Evaluation of key municipal processes • Reporting on changes 	• Inception February 2018 – ongoing
Transversal Management support	Technical assistance for better transversal management for better design and implementation of programmes.	<ul style="list-style-type: none"> • Knowledge • Training • Technical assistance 	• Not yet started

Source: NMBM, 2018

The capacity support Implementation Plan is designed to match the needs of the municipality. Regular engagement between the NMBM and the City Support Programme at National Treasury has ensured that specific projects suitable to the needs and circumstances of the city are performed in addition to those applicable to the all metros through the CSP Programme.

SECTION F – URBAN MANAGEMENT

6. URBAN MANAGEMENT AND INSTITUTIONAL ARRANGEMENTS

6.1 URBAN MANAGEMENT INTERVENTIONS

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

Because the Municipality has not finalised all precinct planning in the Integration Zones, some area specific urban management initiatives have not yet been identified. This aspect will receive attention after the precinct planning is complete and once the organisational structure is finalised. Precinct planning in selected Integration Zones is expected to be completed in 2018.

The New Brighton and Kwazakhele LSDF (2014-2020) has been approved by NMBM Council. This LSDF provides broad spatial planning proposals. In terms of this LSDF, the Municipality is in the process of preparing a precinct plan that stretches from Njoli Square, through Embizweni Square, Mendi Arts Centre to Red Location. The precinct plan is in the phase of procuring a service provider. The tender was approved by the Adjudication Committee during February 2018. The preparation process will take approximately 6 months. The Consultants will be responsible for Community Consultation and Stakeholder participation during the preparation of the plan. The final Precinct Plan will include a precinct management plan and a list of projects with a cost estimate for each project. This will be presented to National Treasury for discussion of funding possibilities.

Precinct planning in selected other Integration Zones is expected to be completed in the course of 2018.

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

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

The following table shows the priority precincts where interventions exist and those where there is intended to be an intervention in the medium term. The specific nature of the interventions is described below the table in detail.

TABLE 15: Priority Areas and Urban Management Interventions

Catalytic Programme/ Growth Area/ Economic Node		
Area	Intervention	Comment
Port Elizabeth CBD	SRA implemented and other interventions through MBDA	Priority Area for Interventions through the MBDA
Uitenhage CBD	MBDA Interventions	
Port/ Baakens	MBDA Interventions	
Zanemvula Precinct	No intervention yet	Precinct Planning to be completed
Red Location	No intervention yet	Precinct Planning to be completed
Njoli Precinct	No intervention yet	Precinct Planning to be completed
Cleary Park Nodal Precinct	No Intervention yet	Precinct planning to be completed
N2 Nodal Precinct	No Intervention yet	Precinct planning to be completed
Motherwell Precinct	MURP Programme	

Catalytic Programme/ Growth Area/ Economic Node		
Area	Intervention	Comment
Motherwell Rail Corridor	Management of Station Precinct important	Planning to be completed and arrangements with PRASA.
Coega SEZ	CDC	
Other Marginalised Areas		
Helenvale	HURP MBDA interventions through SPUU	Priority area for socio economic interventions
Korsten Schauderville	MBDA interventions	

Source: NMBM, 2018

The MBDA has been responsible for partial urban management initiatives in the areas where it is mandated to work. These initiatives include:

Operations

The MBDA maintains its completed projects and assets in its mandate areas such as the CBD, township areas including the prioritised other marginalised areas of Helenvale, Korsten/Schauderville and designated tourism precincts. The MBDA has taken ownership of the maintenance of assets, infrastructure and other operational initiatives, including security, cleaning, regulation and management of informal trading and the maintenance of its key projects.

This accepted approach to urban development, which puts the basics in place, ensures that regenerated and revived destinations are protected against future urban decay. This in turn helps to ensure that private and public sector investments are protected, that investor confidence is maintained and that the quality of life and the environment around venues and facilities are preserved and protected.

In the 2016/17 financial year, the MBDA continued to implement programmes which included:

- security top-up services to those of the municipality in the Port Elizabeth CBD in the form of a private security company;
- provision of cleansing top-up services to those of the municipality in the CBDs of Port Elizabeth and Uitenhage;
- regulation and management of informal trading in the CBDs of Port Elizabeth and Uitenhage;
- general maintenance of all MBDA completed projects both in Port Elizabeth and Uitenhage CBDs, including plumbing, electricity, masonry, painting and steel work;
- helping communities within MBDA mandated areas, as well as outside, with the establishment of Special Rating Areas (SRAs);
- introduction of a Mobile Parking Meter Plan encompassing 1329 metres in certain areas of the Port Elizabeth CBD;
- provision of maintenance, upkeep and security in the Uitenhage Science & Technology Centre and
- the operationalisation, upkeep, maintenance and security of the revamped Campanile in the CBD of Port Elizabeth on behalf of the Metro for the financial year 2017/18.

Security

A major step was taken in creating a safer inner city through the launch of a multimillion-rand anti-crime programme. Through the MBDA Security Programme, an additional private sector security support layer was introduced to augment law enforcement capacity in the CBD and to prevent and reduce crime.

This initiative, which complements work that is already being done by the South African Police Service (SAPS), NMBM Safety and Security and the Metro Police has the following overarching goals and is mandated to:

- promote community involvement in response to safety and security matters;
- provide protection to the general public, businesses and properties;
- create a safer environment for the community, residents and business owners;
- monitor and to analyse crime tendencies;
- design and implement strategic measures to reduce crime in the CBD;
- protect tourist attractions in the identified precincts;
- promote safety initiatives in the identified precincts amongst the various communities;
- monitor and identify illegal traders;
- fulfil tourism ambassadorial roles; and
- participate in blitz raids in conjunction with law enforcement authorities.

The programme introduced 63 trained and accredited security officers for random and routine foot patrols as well as criminal apprehension and on-site detention (to facilitate arrests through law-enforcement agents). Five vehicle units were introduced, including two K9 reaction vehicles for random and routine patrols and rapid response. Eight trained dogs for criminal apprehension, patrolling, narcotics detection, officer protection, tracking and on-site detention (to facilitate arrests through law-enforcement agents) were acquired. Six reaction officers for rapid response, criminal apprehension and on-site detention and three roving information kiosks were also introduced.

The introduction of the business forum chat group saw Metro Security guards working even harder than before. This yielded a minimum of two apprehensions per day.

Informal trade regulation

Informal trade is the livelihood of many individuals, households and communities in the shadow of the formal economy. With this understanding in mind, the NMBM is committed to creating appropriate spaces where vendors can trade to earn a living.

Through its MBDA work in this area there has been strong and positive endorsement from establishments such as Nelson Mandela University's Institute of Law which highlighted the manner in which the MBDA regulates and manages the informal trading in the CBD of Port Elizabeth to ensure fairness and transparency.

In a bid to ensure that informal traders tap into economic opportunities, the Uitenhage CBD Uncedo Taxi Rank was developed and twenty-five trolleys, which will be used to provide afterhours storage, were procured and branded. These trolleys will be handed over to informal traders.

Special rating areas

A special rating area (SRA) is an area in which property owners agree to pay a small additional amount in rates. These funds are then used to provide extra security and cleansing services. SRAs provide a formal structure, through which owners pay additional monthly rates for improvements. This allows property values to be maintained and/or improved and occupants to be safeguarded.

The NMBM through its MBDA has embarked on introducing SRAs in a bid to continue promoting economic development in areas prone to urban decay such as the other marginalised areas identified in this BEPP. Based on international best practices, the Metro's first SRA was established in Richmond Hill in the 2014/15 financial year.

Richmond Hill is one of the Nelson Mandela Bay Metro's oldest suburbs close to the Port Elizabeth CBD, and has seen significant redevelopment over the last five years. Driven exclusively by private investment, small scale urban renewal has occurred which has seen the introduction of a number of new businesses into the area – particularly restaurants – focused in, and around Stanley Street. The introduction of these restaurants to the area has helped to stimulate the redevelopment of the surrounding residential area. Local residents have made a number of improvements to their properties, which has led to a corresponding increase in property values.

Based on empirical observations the SRA is doing well with a visible improvement in maintenance and improvements to properties, a reduction in crime, and a more aesthetic setting through litter removal.

This has encouraged the Central community with the help of MBDA to embark on the process of establishing their own SRA. To date several public participation meetings have been held and the proposed area boundary has been agreed upon.

Through the commitment of some property/business owners, an interim committee was elected to drive this process and engage all the relevant municipal/government authorities to ensure the establishment of their own SRA.

Currently they are busy with the consenting process and have also created their own website where all their information is posted and where consenting can be done.

Furthermore, the success of the SRA model has resulted in home owners and property investors in Mount Croix, Walmer Heights and Walmer Links starting applications for SRAs, with the help of the MBDA.

Tourism ambassadors

Nelson Mandela Bay is endowed with well-known heritage sites, tourist destinations and various upgraded urban spaces. The NMBM is committed to promoting economic and tourism development against the backdrop of urban renewal. To this end, the MBDA sponsored tourism ambassadors who approach and welcome visitors in order to promote visits to the city's main and most memorable attractions. The initiative was launched in the previous financial year and continues.

The initiative is also aligned with the municipality's objectives of promoting Nelson Mandela Bay's heritage, and recognising tourist attractions as important drivers of economic growth and job creation.

In this regard, MBDA's tourism ambassadors deal with tourists from a customer service point of view. They also conduct scheduled cleaning up of sites, while generally providing security and guidance in terms of information and directions.

The programme also empowers unemployed youth and provides on-the-job skills development and employment opportunities.

Mobile parking meters

A public consultation and information sharing programme on the planned implementation of the first Inner City Mobile Parking Meter Programme in designated areas of the inner city of Port Elizabeth was launched.

In a bid to maximise revenue collection, NMBM noted this project as a way to accrue new revenue streams and tasked the MBDA with the application process and the vetting of parties interested in the project.

Platforms to discuss the plan with all stakeholders, whether directly or indirectly affected were created. Through this process the public and businesses were provided with the opportunity to register ideas that will strengthen the programme and make it beneficial to all.

The intention of the Inner City Mobile Parking Meter Programme is to ensure efficient, effective, fair and equitable use of parking bays. In addition, the public will be provided with a safe and secure parking environment through the programme which will integrate illegal car guards in the identified areas.

The benefits of the Inner City Mobile Parking Meter Programme include: visible foot patrolling and monitoring of the designated parking bays which will help to curb crime; patrollers/parking attendants will act as guides to visitors; an additional layer of security, monitoring and reporting of suspected criminal activities; and a safer environment for the public to shop, work, park, play and visit.

Schauderville/Korsten

This area has been identified as one of the priority “Other Marginalised Precincts”. In line with its mandate of upgrading areas that have seen some form of environmental decay, the MBDA, through assistance with funding from the IDC, enabled the preparation of a master plan for Schauderville and Korsten in September 2015. This is now approved and will be implemented by the NMBM.

Helenvale - Safety and Peace through Urban Upgrading (SPUU)

Helenvale, with an estimated population of 21,236 has intertwined problems of crime and socio-economic deprivation. According to the SPUU feasibility study, the main manifestations of violence are violent gangs often involved in drug trafficking, domestic violence, violence in schools and violence among young people.

Many factors contribute to the high levels of violence and crime in Helenvale, including overcrowding and poor housing conditions, unemployment and low income, inadequate urban services, widespread alcohol and substance abuse, division of community structures, increased individualisation and the disintegration of families.

Taking into consideration the contextual realities of Helenvale the SPUU programme is designed to combine three approaches:

- situational prevention by improvements which reduce the opportunities of crime;
- social prevention by strengthening appropriate community initiatives; and
- institutional prevention by facilitating the cooperation of competent institutions.

The overall goal of the SPUU programme is "to improve the quality of life of the residents of Helenvale, especially through the reduction of crime and violence."

The programme objective is "to increase the safety of the residents with special regard to the main component areas, namely the public space and physical infrastructure, safer schools, youth employment, domestic violence prevention and a pilot housing scheme". The programme has five components and related objectives which are summarised in the table below.

TABLE 16: SPUU Interventions

Component area	Objective
Safe public space	Violence preventive infrastructure is provided with participation of the residents. Self-help potentials of the target group are strengthened.
Safer schools	All schools in Helenvale are adequately equipped. Teacher, parents and students collectively contribute to the reduction of violence at schools.
Perspectives for the youth	Employment schemes, training and education programmes, counselling services as well as recreational activities are available for the youth in Helenvale.
Domestic violence prevention	Services and support mechanisms for the fight against domestic violence are available for the inhabitants of Helenvale.
Improvement of living spaces (housing)	Implement user-driven housing and neighbourhood improvement programme.

6.2 INSTITUTIONAL ARRANGEMENTS AND OPERATING BUDGET

As stated above, all precincts within the integration zones have not yet been detailed. It is intended during 2018 to complete precinct planning for Ibhayi, Bethelsdorp and Motherwell areas which support the Integration Zones. Once this is completed precinct management entities can be established.

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

6.2.1 PRECINCT-BASED MANAGEMENT ENTITIES

There are four precinct-based management initiatives. These are:

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

6.2.1.1 Mandela Bay Development Agency (MBDA)

The Mandela Bay Development Agency (MBDA) is a municipal entity and was established in 2003 by the Nelson Mandela Bay Municipality (NMBM) with the support of the Industrial Development Corporation (IDC). It has implemented urban regeneration in Nelson Mandela Bay's inner city.

In 2017 the NMBM with the MBDA went through a process to re-establish its strategic direction. This has allowed the Agency and city to map a new course that is intended to unlock transformation, social inclusivity, economic growth, investment, environmental justice and shared prosperity for residents, business owners and communities in Nelson Mandela Bay. This process of reinvention has been important to realign the City's development agency taking the City's Long-term Growth and Development Plan and several national development mandates and a variety of factors into account.

The Agency's new vision will focus on creating "an iconic world-class ocean city showcasing its diversity of people, culture, heritage and environment." To achieve this the MBDA sets out a mission "to become a knowledge-based developmental agency that seeks to achieve social, spatial and economic transformation in Nelson Mandela Bay."

The Agency has also created a map of strategic objectives or focus areas.

Four strategic marketing areas will define the activity spheres of the MBDA:

- Facility management, which will include running assets developed by the MBDA such as the Tramways, Campanile and Helenvale Resource Centre or assets such as the Nelson Mandela Bay Stadium assigned to be operated by the MBDA.
- Area management, which entails security, cleansing and traffic management in special spatial nodes that have been upgraded or revitalised by the MBDA.
- Socio-economic programmes which focus on uplifting or improving the lives of communities living on margins of society and in high levels of poverty, unemployment and crime.
- Research and knowledge creation.

The following projects are being pursued:

- Happy Valley Precinct development/ Telkom Park / Eastern Province Rugby Union (EPRU) Stadium redevelopment
- Bayworld/Baakens River Precinct Node 1 – Vuyisile Mini Square Upgrade, Upgrade of Flemming and North Union Street
- Baakens River Precinct Node 1 – Pedestrian Bridge
- Baakens River Node 2 – South End Mixed Use Precinct
- Singhapi Street Environmental Upgrade
- New Brighton Swimming Pool
- Restoration of the Campanile building
- Uitenhage Railway Shed Upgrade Shed 1

Of the above, the Baakens River Precinct, Uitenhage Railway Shed upgrade, Singhapi Street are closely aligned to catalytic programmes and priority precincts of the BEPP.

The Uitenhage Despatch Development Initiative (UDDI) was collapsed into the MBDA during 2017 – Activities of the UDDI are now undertaken by the MBDA where relevant.

6.2.1.2 Motherwell Urban Renewal Programme (MURP)

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

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

The key strategic objectives of the Urban Renewal Strategy are:

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

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

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

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

To enhance Motherwell as a Growth Node, the following projects are being planned:

Project	Investor/s	Time lines
Motherwell Rail Link	PRASA – R1.3 billion	2018/19
Film Centre	National Film & Video Foundation	2018/19 The project has been awarded to NMBM – Motherwell area.

6.2.1.3 Helenvale Urban Renewal Programme (HURP)

This programme is discussed elsewhere in this report however the following is relevant. Helenvale was declared an urban renewal area in 2006. National and provincial investment has resulted in R78 million worth of investment between 2007 and 2012 specifically focused on infrastructure, skills programmes and job creation.

The German Development Bank has invested R50 million, for the Safety and Peace through Urban Upgrading Programme (SPUU) upgrading project in Helenvale.

The project is now in its third year. A SPUU Master Plan was completed and includes infrastructure and community projects, such as violence prevention. The SPUU Master Plan is the result of extensive public participation. Helenvale is one of the most down trodden townships in the Nelson Mandela Bay with a very high crime rate, unemployment and social decay. The MBDA has project managed the construction of the Helenvale Resource Centre at a cost of R38 m and general road upgrades (pavements, lights, etc.) at a cost of R78 m (all National Treasury funding). The MBDA also operates the Helenvale Resource Centre.

A Finance Agreement was signed with the German Kfw Bank for 5 million Euros. The possibility exists for a further funding (5 million Euros) after the completion of the first phase which ends in early 2018. The first three projects: schools, safe walkways and a soccer field have commenced. The total amount of these projects financed by Kfw Bank is R20 million.

6.2.1.4 Coega SEZ and the Coega Development Corporation

The Coega Development Corporation (Pty) Ltd (“CDC”) was established in 1999 to develop and operate the Coega Special Economic Zone (“CSEZ”). The CDC is a government owned entity which has the operator’s licence for the 11500 hectare (ha) SEZ area. The SEZ is adjacent to the deep water Port of Ngqura which is managed by Transnet.

A revised legislative framework was established for the SEZ with the promulgation of the Special Economic Zones Act 16 of 2014 (Act 16 of 2014) enacted through the SEZ regulations of 09 February 2016. An SEZ is an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology. The SEZ is intended to:

- Facilitate the creation of an industrial complex having strategic national economic advantage for targeted investments and industries in the manufacturing sector and tradable services;
- Development infrastructure required to support the development of targeted industrial activities;
- Attracting foreign and domestic direct investment;
- Providing the location for the establishment of targeted investments;
- Enabling the beneficiation of mineral and natural resources;
- Taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production;
- Promoting regional development;

- Creating decent work and other socio economic and social benefits in the region in which it is located; and
- Generating new and innovative economic activities

The NMBM and the CDC have an agreement in place that outlines the relationship between the organizations in order to meet the developmental objectives of government. To date, the CDC has accessed funding from national and provincial government to construct the necessary infrastructure for support the Coega SEZ (CSEZ). The infrastructure includes roads and bulk services.

Water and sanitation for the Coega SEZ have been identified as areas of concern by the NMBM and CDC. The availability of water and sanitation imposes limits to the growth of the Coega SEZ, having the implication that high water users cannot invest in the SEZ until utility requirements have been addressed. A Water, Sewer and Return Effluent Master Plan has been developed for the Coega SEZ.

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

(i) Nooitgedacht Low Level Scheme (NLLS):

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

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

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

(iii) Coega Return Effluent Scheme:

Due to the scale (finance) of the projects, the NMBM is unable to commence with detailed design. The NMBM has commenced with preliminary planning and as such an ROD has been issued for the system. With the cooperation of the Coega Development Corporation (CDC), detailed design has commenced and the Return Effluent Reservoir with the outlet pipe work at the Coega Kop site is being constructed with funding from the CDC. Until such time that return effluent from the Fish Water Flats WWTW becomes available, the reservoir will be utilized for potable water.

The change introduced by the SEZ legislation of 2014 has impacted on the funding model for the Coega SEZ bringing both threats and opportunities. Opportunities have been enhanced by the improved incentive packages which will enable the Coega SEZ to attract more local and foreign direct investment, but, with the establishment of more SEZ's in South Africa, the Coega SEZ will also face increased competition for limited funding. To become more competitive in increasing the rates base of Coega SEZ properties, the NMBM would have to consider the introduction of ratings policies and structures which leverage the available infrastructure at the Coega SEZ and the options for more competitive SEZ rates structures and incentives.

The CDC Strategic Plan for 2015/16 to 2019/20 has identified strategic goals and objectives aimed at achieving financial self-sustainability by the end of the five year planning framework. The strategic objectives are:

- Securing 54 investors valued at R10.28 billion by 2019/20
- Sustaining tenant industries to realise 50 operational investors by 2019/20
- Diversify and grow the CDC income streams to a sum of R2.47 billion by 2019/20
- Realise 61,772 jobs from all spheres of CDC operations by 2019/20
- Train 29,227 people by 2019/20
- Achieve 40% of procurement spend on SMMEs by 2019/20

The capital expenditure of the CDC is determined by investor requirements. Provision is made for capital expenditure over the Medium Term Expenditure Framework (MTEF), but, capital expenditure will only materialize once the relevant investor is secured in the SEZ.

A total capital budget of R6.7 billion is required for projects over the five year planning framework of the CDC for the development of infrastructure to support economic development and is detailed within table 15.

TABLE 17: SEZ Initiatives

Name	Description
Coega/Ngqura Manganese Ore Export Terminal	The terminal comprises of an exchange yard in Zone 11, a dual track to the stockpile area in Zone 9 and a conveyor corridor to the export berths on the finger jetty of the Port of Ngqura. The completion of the project has been delayed from 2016 to 2023.
Rail Upgrade (Coega To Sishen)	Has the same initial capacity as for the terminal and needs to be aligned with the terminal capacity and the provision of new locomotives and rolling stock by Transnet Freight Rail.
CCGT Powerstation and LNG Terminal	The CCGT Power Station and associated Liquid Natural Gas Supply are planned in the Zone 10 and 11 areas. Bulk infrastructure to support the developments within the Coega SEZ are required and funding would have to be identified.
Nuclear Fuel Cycle	An Advanced Manufacturing cluster is provided for within the Development Framework Plan for the CSEZ. The development of a nuclear fuel cycle to beneficiate the country mineral resources is fully dependent on the nuclear new build programme.
Bulk Liquid Tank Farm	A site has been allocated within the Port of Ngqura and the infrastructure and municipal services required to make the east bank of the Port of Ngqura operational are being provided by the CDC.
Crude oil refinery	There is a business case for Project Mthombo and a more detailed review leading up to the decision to proceed with Front End Engineering and Design is being carried out.

Name	Description
Nooitgedacht Low level Scheme	This potable water augmentation scheme for the NMBM is critical to the CDC for continuing to attract prospective investors.
Fishwater Flats Waste Water Treatment Works (FWF WWTW)	FWF WWTW is the main treatment plant for the NMBM and the Coega SEZ. Currently, the plant is overloaded and requires upgrading. Return effluent from the WWTW would be utilised by the SEZ. Return Effluent is a key enabler for the future of the Coega SEZ and NMBM. In a water scarce area, recycling of effluent to provide industrial process water is an essential requirement
Coega WWTW	Project Mthombo and other industrial water use projects together with the domestic waste water from Motherwell North developments will necessitate the development of the planned Coega WWTW in Zone 9 of the SEZ. Studies to support the establishment of the Coega WWTW will continue during 2018/19.
Return Effluent Scheme	Return Effluent is a key enabler for the future of the Coega SEZ and NMBM. In a water scarce area, recycling of effluent to provide industrial process water is an essential requirement.
Maritime Opportunity	The CDC has identified the Maritime Industry as a business opportunity that is untapped and thus has a potential as a reliable revenue generation opportunity.
Aquaculture and Desalination	In 2018, an environmental authorisation was issued for a Aquaculture Development Zone within Zone 10 of the CSEZ. The authorisation includes provision for a 60 MI per day desalination facility.

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

Maritime and Port related logistics is a key focus area for the Coega SEZ. The development of Zone 1 will continue with the provision of services to the Port laydown area and sites to investors locating in the area. The Logistics competitiveness of the area has been enhanced with the establishment of the BAIC automotive investment in Zone 1 South.

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

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

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

Zone 5 is serviced and available for the establishment of metallurgical related investments. The Osho Cement Plant is currently under construction within the Zone and will be commissioned in 2019.

Master Planning for the area east of the Coega River has been completed and has focused on ensuring a planning framework with sufficient flexibility to accommodate a range of development scenarios geared to stimulate agglomerative economies.

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

Opportunities exist for the optimisation of container rail links to the interior by developing near port logistics for the expected increases in container volumes through the Port of Ngqura. With the upgrading of the Durban berths, the diversion of container volumes will necessitate an optimised near port logistics solution which is able to establish a competitive tariff structure and reduced dwell times for container traffic between the port and the hinterland.

Zone 10 is the site for a proposed CCGT Energy complex which is being considered as part of an Independent Power Producers project being led by the Department of Energy. The process of establishing a chemicals cluster within Zone 7 of the SEZ will continue with, two new facilities having been established in 2017.

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

6.3 CONSOLIDATED OPERATING BUDGET

The Consolidated Operating Budget is based on the 2016/17 financial year and is mSCOA compliant.

TABLE 18: Consolidated Draft Operating Budget trends

R thousands	Original Budget 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
Total Operating Revenue	9,363,536	10,162,462	10,882,995	11,685,644
Total Operating Expenditure	9,488,809	10,196,714	10,838,642	11,489,208
Surplus/(Deficit)	(125,274)	(34,253)	44,353	196,436

SECTION G – REPORTING AND EVALUATION

7. BUILT ENVIRONMENT OUTCOME INDICATORS AND TARGETS AND THEORY OF CHANGE

7.1 BUILT ENVIRONMENT OUTCOME INDICATORS AND TARGETS

The BEPP has been identified as the most appropriate planning instrument through which the 16 City Transformation Outcome Indicators find expression.

Notwithstanding the challenges experienced with data sources and reporting systems, Nelson Mandela Bay Municipality established baseline information and projected targets for all City Transformation Outcome indicators for the remaining term of the IDP.

To facilitate alignment between strategic planning, the BEPP is crafted in such a way as to align each City Transformation Outcome Indicators to one of the 6 Pillars (Opportunity City, Safe City, Forward thinking city, Inclusive City, Well run City and Caring City) contained in the IDP of Nelson Mandela Bay Municipality.

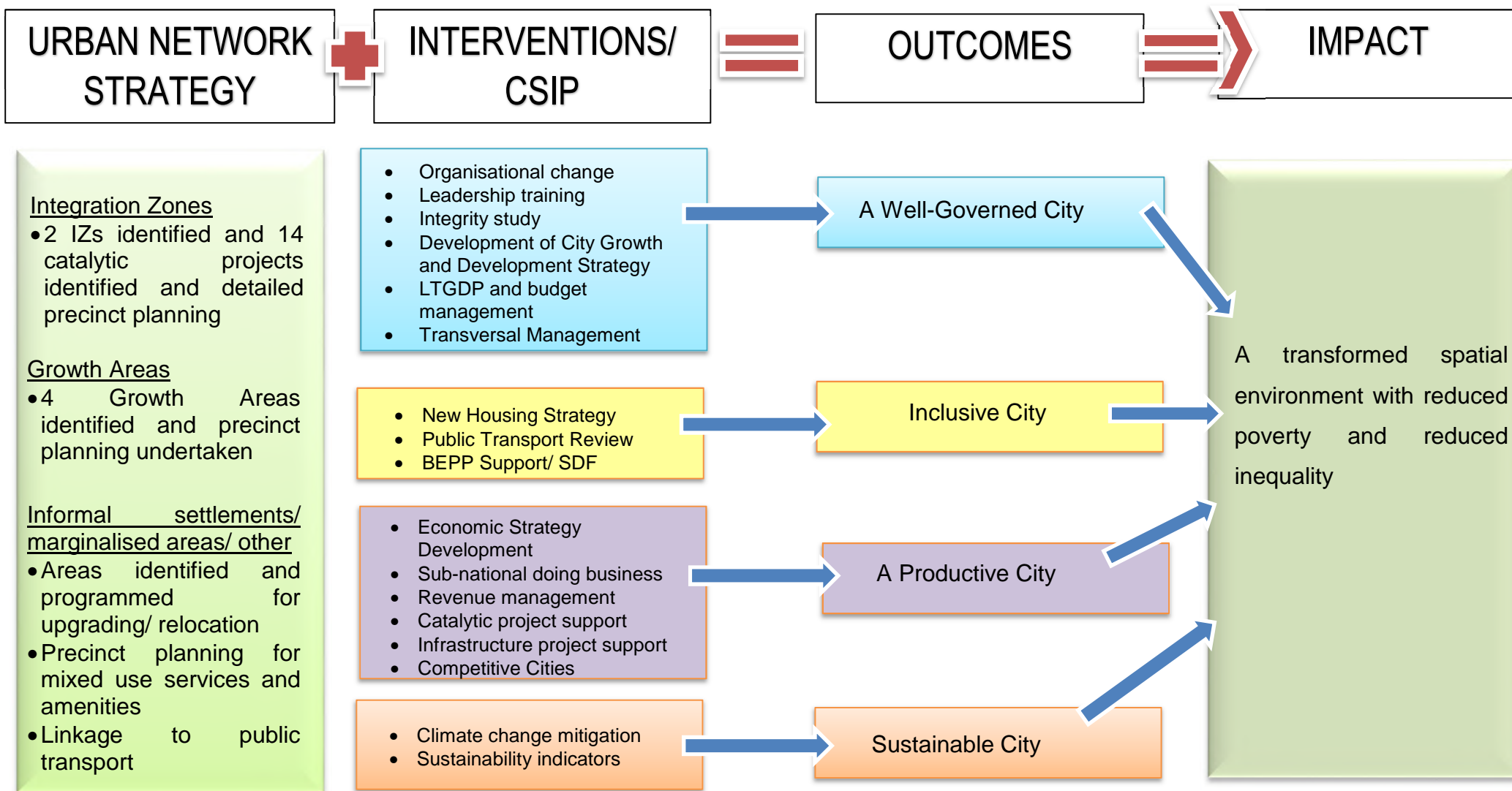
The Municipality furthermore commits to report performance against each of the City Transformation Outcome Indicators on an annual basis, followed by a review and realignment of BEPP targets.

Attached as Annexure “L” is the table containing the populated list of City Transformation Indicators.

7.2 THEORY OF CHANGE

The Theory of Change requires a comprehensive illustration of why desired change should happen. In order to do this, we have to work back from the long-term goals to identify the conditions that need to be in place to achieve the outcomes desired. The following figure is a basic mapping of the theory of change of this BEPP.

FIGURE 35: BASIC MAPPING OF THEORY OF CHANGE OF THIS BEPP



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