



Built Environment Performance Plan

Section **C**: Catalytic Land Development 2019/2020
Programme and Preparation

Version: 1.00 **Draft**

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Addendums

Addendum A: Capital Prioritisation Model Report

Abbreviations

BEPP	Built Environment Performance Plan
BSC	Budget Steering Committee
CAPEX	Capital Expenditure
CAPS	Tshwane's Capital Planning and Prioritisation System
CBD	Central Business District
CIF	Capital Investment Framework
CITP	Comprehensive Integrated Transport Plan
CLDPs	Catalytic Land Development Programmes
CPM	Capital Prioritisation Model
COT	City of Tshwane
CR&R	Climate Responsiveness and Resilience
DIPS	Development Intervention Portfolios
DORA	Division of Revenue Act (2 of 2013)
EDPQ	Economic Development Priority Quadrant
FDI	Foreign Direct Investment
GCR	Global City Region
GGMP	Gauteng Growth Management Perspective
GPG	Gauteng Provincial Government
GSDF	Gauteng Spatial Development Framework
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IRPTN	Integrated Rapid Public Transport Network
LSDF	Local Spatial Development Framework
MCA	Multi-Criteria Analysis
MFMA	Municipal Financial and Management Act (56 of 2003)
MSA	Municipal Systems Act (32 of 2000)
MSDF	Metropolitan Spatial Development Framework
MSCOA	Municipal Standard Chart of Accounts
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
NSDP	National Spatial Development Perspective
OPEX	Operational Expenditure
PFMA	Provincial Finance Management Act (1 of 1999)
PMP	Project Management Plan
PPP	Public Private Partnership
RSDF	Regional Spatial Development Framework
SAF	Strategic Area Framework
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SIP	Strategic Infrastructure Project
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SOCA	State of the City Address
SPLUMA	Spatial Planning and Land Use Management Act (13 of 2013)

TOD	Transit Oriented Development
TRT	Tshwane Rapid Transit System
UDF	Urban Development Framework
UNS	Urban Network Structure
USDG	Urban Settlements Development Grant

C Catalytic Land Development Programme Preparation

C.1 Contextualisation

The city defines Catalytic Land Development Programmes (CLDPs) as projects which are situated within the Integration Zones¹. Section B of the BEPP depicts the process of identifying the need and potential within the city's spatial economy. Furthermore, it identifies the Urban Network Structure (UNS) from which the City of Tshwane BEPP Economic Development Priority Quadrants (EDPQs) are derived.

This section comprises of two parts:

- The first part outlines the CLDP preparation process which includes project identification, prioritisation and CLDP identified projects.
- The second part will discuss the Inter-governmental project pipeline requirement as outlined within the 2018/19 BEPP Guideline.

The first part of Section C focusses on the preparation process surrounding the identification of CLDPs and consequent projects located within these programmes. During CLDP preparation the city identified the need to align project planning and preparation to project lifecycle governance, which includes the Standard for Infrastructure Procurement and Delivery Management (SIPDM) and the city's Stage Gate Standard and Workflow Process (which was derived in part from the SIPDM methodologies). In addition to aligning with project lifecycle governance, the city has an established project planning (preparation) and capturing process which is discussed in Section C.2.2.

In order for the city to develop a prioritised list of projects, which feeds into CLDPs, the city has established the use of a Capital Planning and Prioritisation System (CAPS). CAPS is the mechanism that links planning theory and Climate Responsiveness and Resilience (CR&R) mainstreaming objectives to budgeting and implementation. Components associated with CR&R mainstreaming has been included within the Capital Prioritisation Model (CPM), refer to Addendum A, and includes spatial reference to social vulnerability areas together with the strategic alignment of projects to ten (10) priority intervention programmes. Section C.2.3 outlines the prioritisation methodology and criteria of projects which enables spatial targeting and focussed investment in order to achieve sustainable urban development and efficient capital investment. Section C.2.4 builds on the results of the prioritised list of projects and the Draft 2019/20 Annexure A and identifies CLDP projects for inclusion into Annexures 1, 2 and 3.

The second component of Section C highlights the Inter-governmental project pipeline functionality and the possible benefits that can be derived from collaborative investment planning. Section C.3 aims to provide a discussion regarding intergovernmental capital project alignment and the alignment of Gauteng focus areas to the city's BEPP EDPQ's. Projects identified from Gauteng Province will be evaluated and spatially linked to the city's EDPQ's, based on the provincial Draft 2019/2020 MTREF budget, and will form part of the inter-governmental project pipeline CLDP's as indicated in Annexure 2 and 3.

¹ The integration zone identification and delineation is included as part of Section B.

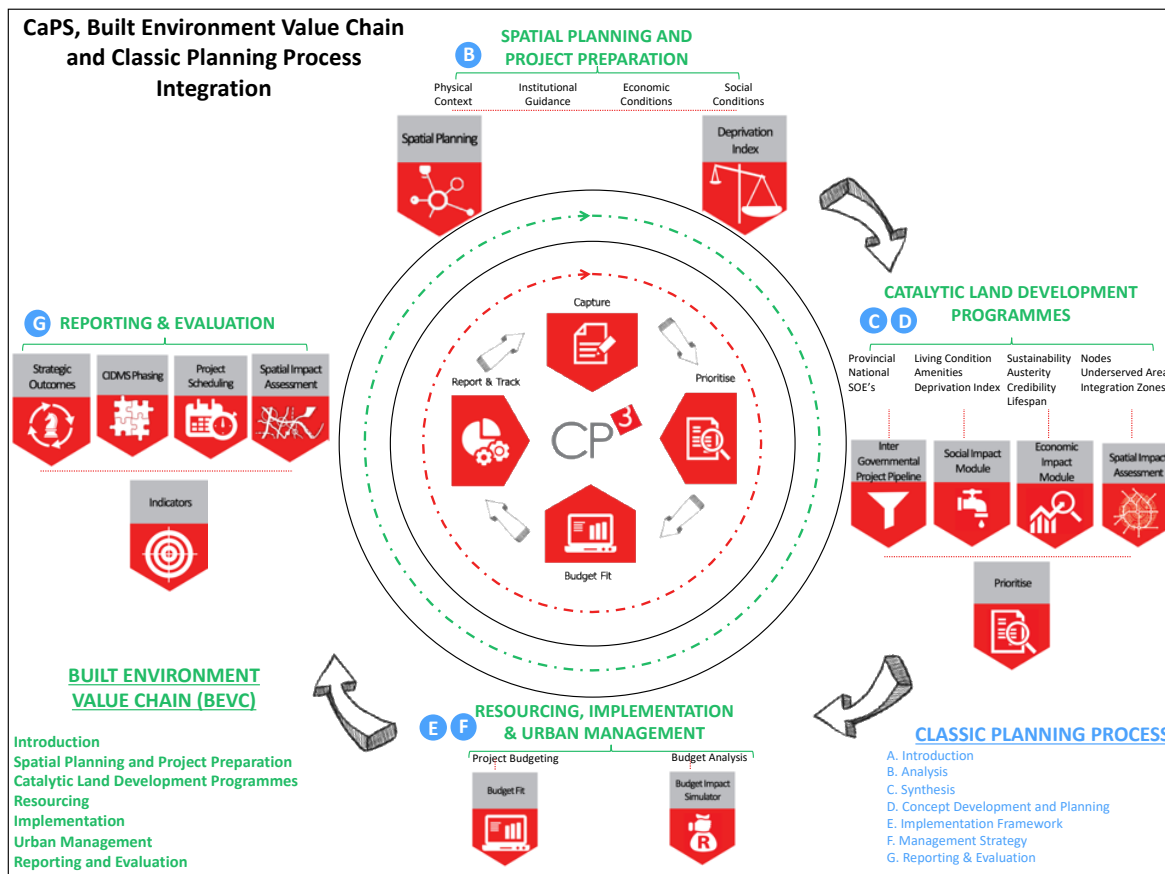


Figure C-1: Contextualisation

C.2 Catalytic Land Development Programme Preparation

C.2.1 Project Life-Cycle Planning and Governance

C.2.1.1 Standard for Infrastructure Procurement and Delivery Management (SIPDM)

National Treasury has defined a framework outlining the life-cycle of infrastructure delivery, through the publication of the SIPDM. The adoption of SIPDM within the municipal space derives from instruction as outlined in Section 76(4)(c) of the Public Finance Management Act (PFMA) of 1999 (Act 1 of 1999). Furthermore, the SIPDM forms an integral part of the Model Supply Chain Management (SCM) Policy for Infrastructure Delivery Management, issued by National Treasury as a guideline document, establishing a standard for municipal supply chain management which conforms to Section 168 of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) in support of Regulation 3(2) of the Supply Chain Management Regulations. Various organs of state should comply with the SIPDM framework which include national, provincial and municipal departments.

The SIPDM standard establishes a supply chain management system for infrastructure procurement and delivery management. The SIPDM framework consists out of stages and gates, of which each contain a number of key deliverables and gate criteria. Infrastructure planning initiates the SIPDM life-cycle and should clearly outline timelines, objectives, expected outcomes and cost. Figure C-2 below outlines the SIPDM life-cycle phases, sub-phases and milestones or deliverables which would serve as documentary evidence that a particular life-cycle phase or sub-phase has been concluded.

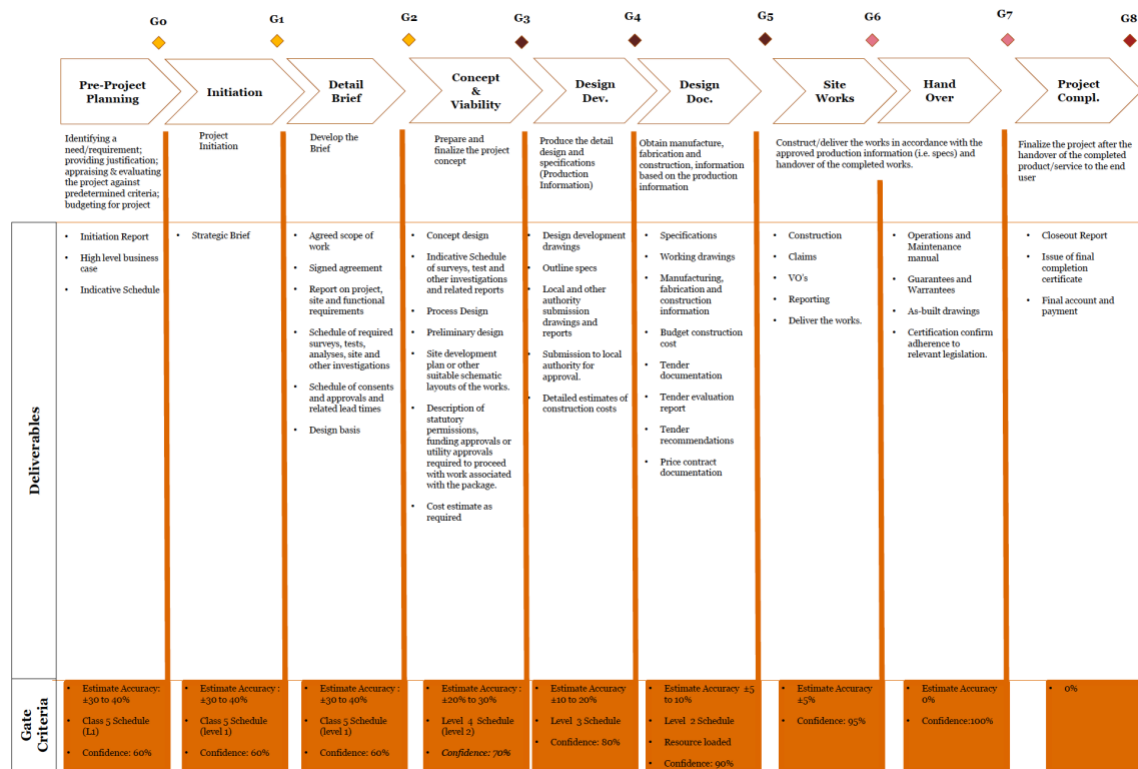


Figure C-2: SIPDM Framework Project Life Cycle

The city has adopted the SIPDM framework, which forms part of the CAPS system. During project preparation, project life-cycle phases and sub-phases and budgets required per life-cycle phase and sub-phase are recorded for each project in order to determine the stage of the project (refer to Section C.2.2). Together with implementing the SIPDM framework, the city has established a Stage Gate standard and workflow process guideline which aligns to the principles as established within the SIPDM framework. Section C.2.1.2 below provides an overview of the Stage Gate Standard adopted within the city, together with the alignment to the SIPDM framework.

C.2.1.2 City of Tshwane Stage Gate Standard and Workflow Process

The city has established a Stage Gate standard and workflow process² which aims to assist in the identification, strategic alignment, prioritisation, budget approval and execution of all capital projects within the city. In order to support this process, the CAPS system has been configured to facilitate the Stage Gate standard and workflow as part of the annual capital budget preparation process.

The project preparation process involves the evolution of capital projects from inception phase to close-out and is identified through a number of municipal strategies and economic or spatial priorities. The city has identified the need to implement effective tools and techniques in order to apply sound project management practices which aligns to the SIPDM framework as discussed above. The following section will provide an overview of the city's stage gate standard together with the alignment thereof to the SIPDM framework. Section C.4 will outline the institutional arrangements with reference to the implantation and management of the Stage Gate standard and workflow process.

C.2.1.2.1 Stage Gate Overview

The implementation of stage gate management aims to assist departments with the capability to ensure that project planning and execution is performed effectively and efficiently. In addition to the above, stage gate implementation will provide a platform in which measurable information is

² Draft E-PMU Stage Gate Standard And Workflow Process Guideline, Version 4 (01 October 2018).

recorded which allows for accurate reporting of monthly and quarterly deliverables. In order to achieve the above, the stage gate standard comprises of ten (10) stage gates as outlined in Figure C-3.

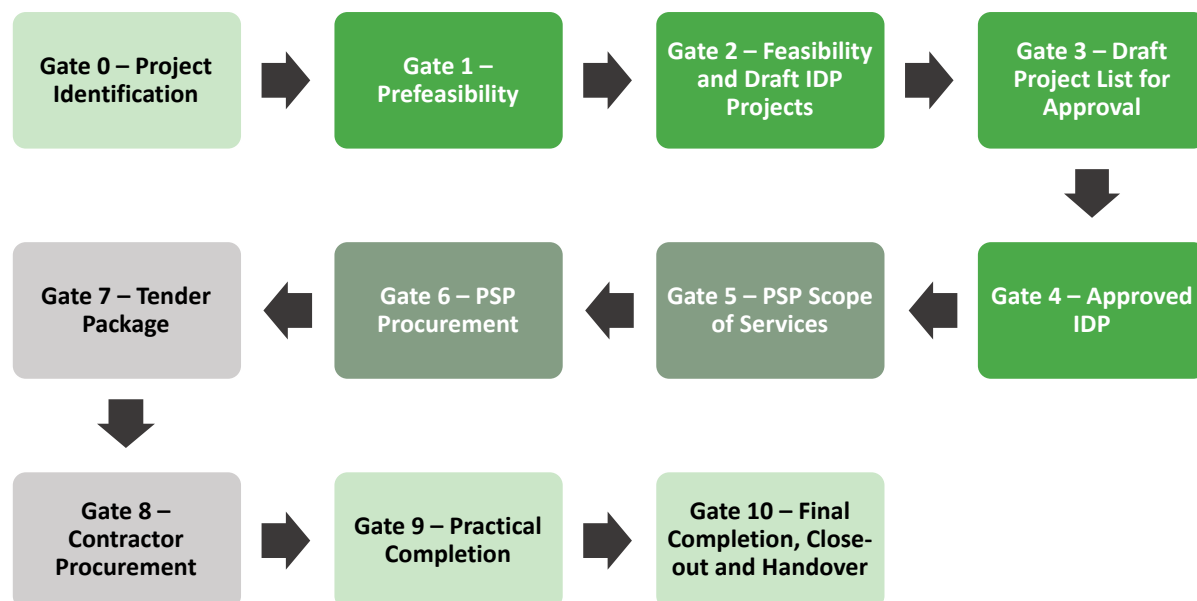


Figure C-3: Stage Gate Overview

Each stage gate has been designed, based on a set of objectives and deliverables which include the following:

- **Stage Gate 0 – Project Identification**

The objective for Gate 0 is to prepare a project list comprised out of candidate projects were identified from departmental master plans, community engagement and economic or spatial priorities within the city. In addition to the needs of the city, Gate 0 will cater for the identification of projects from inter-governmental stakeholders, including national and provincial departments.

- **Stage Gate 1 – Prefeasibility**

The objective for Gate 1 is to identify pre-feasibility needs within the master planning process. Through the implementation of Gate 1, the city aims to achieve integration between planning and the roll-out of bulk services. This process should guide technical departments towards the identification of pre-feasibility needs before requesting capital budget for project implementation.

- **Stage Gate 2 – Feasibility and Draft IDP Projects**

The objective for Gate 2 is to draft a list of projects for the Integrated Development Plan (IDP), which include project plans aligned to the SDBIP framework and improved high-level cost estimates. These projects should be subjected to a prioritisation model in order to ensure that selected projects align optimally to the city's strategic, financial, socio-economic, technical and spatial / developmental objectives.

- **Stage Gate 3 – Draft Project List for Approval**

The objective for Gate 3 is to draft a project list for the annual capital works-plan of the city. Project plans for projects classified as Stage 3 should include monthly life-cycle phases, sub-phases, cash flows, milestones, budget deviation and procurement planning. During Stage 3

procurement plans should be drafted before the approval of the capital works plan. Once the project list has been approved, detailed procurement plans should be developed.

- **Stage Gate 4 – Approved IDP**

The objective for Gate 4 is to develop a capital works-plan for approval, based on the project list identified as part of Gate 3. During Gate 4, the Budget Steering Committee (BSC) evaluates the draft list of projects included within the capital works plan, which is ultimately submitted to Council for approval. The project list which results from this process then forms part of the annual IDP.

- **Stage Gate 5 – PSP Scope of Services**

The objective of Gate 5 is to generate a scope of services specification for the appointment of a professional service provider, which executes the design process. This stage coincides with the development of a Project Management Plan (PMP) and the opening of the project file.

- **Stage Gate 6 – PSP Procurement**

The objective of Gate 6 is to ensure the appointment of an appropriate and capable service provider for purposes of preparing preliminary and detail infrastructure designs. The execution of Gate 6 will assist SCM and departments to prepare and receive documentation which aligns to the correct format and standard of the city.

- **Stage Gate 7 – Tender Package**

The objective of Gate 7 is to ensure comprehensive designs and procurement specifications or documentation. This will provide increased potential for approval and use by SCM for procurement of an appropriate and capable contractor.

- **Stage Gate 8 – Contractor Procurement**

The objective of Gate 8 is to ensure the appointment of an appropriate and capable contractor. The execution of Gate 8 will assist SCM and departments to prepare and receive documentation which aligns to the correct format and standard of the city.

- **Stage Gate 9 – Practical Completion**

The objective of Gate 9 is to assist departments with the implementation and execution of projects. Gate 9 will assist and guide project managers to successfully execute and manage projects through the application of established tools and processes. Gate 9 ultimately aims to achieve successful practical completion.

- **Stage Gate 10 – Final Completion, Close-out and Handover**

The objective of Gate 10 is to advise and assist departments with the execution of the final completion phase through the provision of established tools, processes and procedures. Gate 10 includes the management of the snagging period, final inspection, issuing of the completion certificate and authorizing final payment and retention. This phase is also critical to mature projects from an “assets under construction” status to a capitalized asset listed on the fixed asset register of the city.

Each stage gate includes a detailed workflow process specifically designed to achieve the deliverables as described above. The workflow determines the progress of planning, approval and execution and has been designed to align to the complex municipal environment. For details pertaining to each Stage Gate’s established workflow, refer to the Draft E-PMU Stage Gate Standard and Workflow Process Guideline (01 October 2018).

C.2.1.2.2 Stage Gate Alignment to the SIPDM Framework

Section C.2.1.1 above outlined the SIPDM framework which consists of stages and gates, each containing a number of key deliverables and gate criteria (refer to Figure C-2). The control framework and principles established within the SIPDM is outlined in Figure C-4 below.

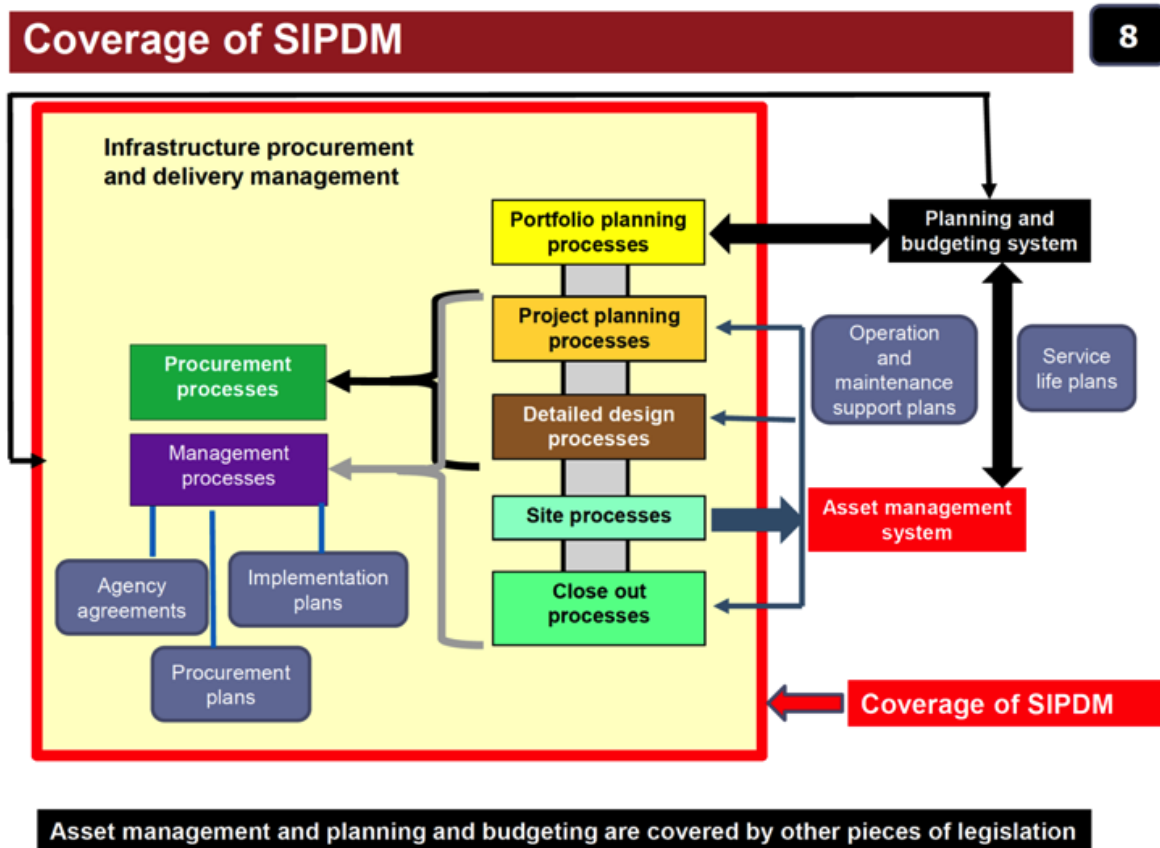


Figure C-4: SIPDM Control Framework³

As mentioned above, the city’s Stage Gate standard and workflow process has been based on the principles of SIPDM and conforms to the control framework. It is important to note that the principles within the SIPDM are conformed to business processes of the City of Tshwane and have been further contextualised by the city’s Stage Gate standard and workflow process (refer to Figure C-5 below).

³ Standard for Infrastructure Procurement and Delivery Management (SIPDM), Application workshop (National Treasury 2016).

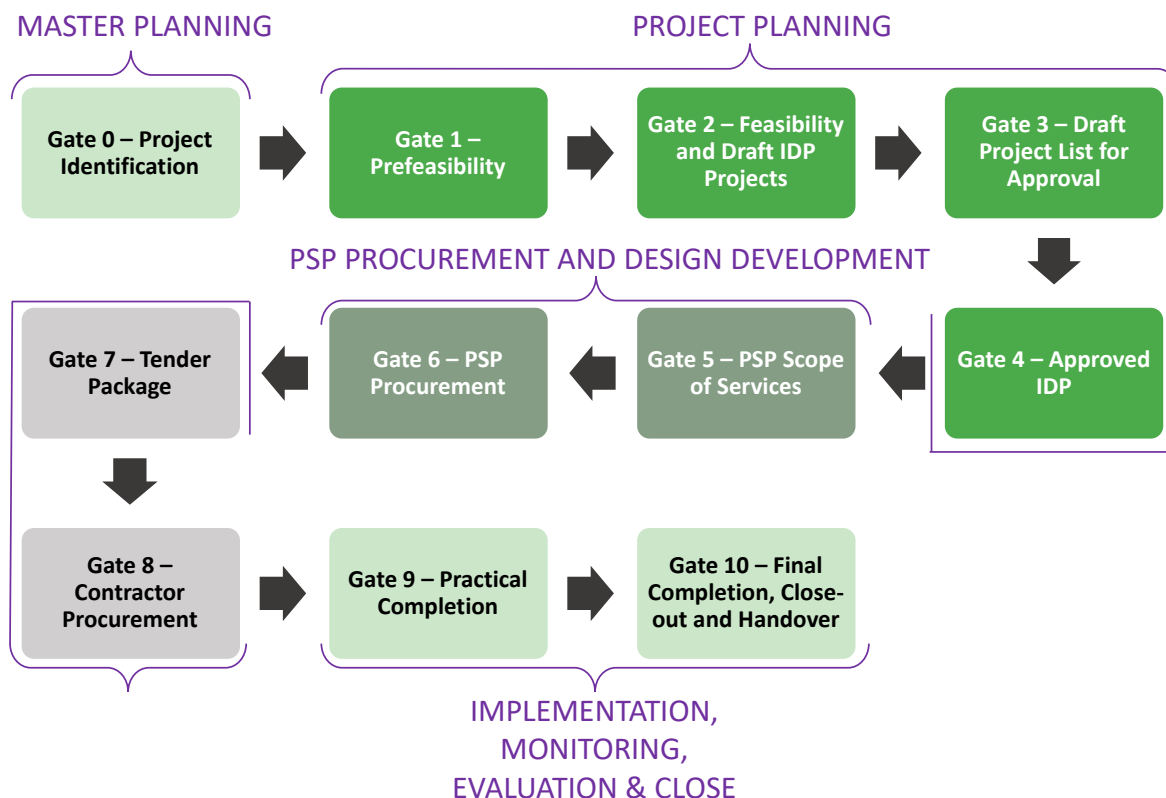


Figure C-5: City of Tshwane Stage Gate Alignment to SIPDM control framework

Based on the synthesis between the city's Stage Gate standard and National Treasury's SIPDM framework, it is evident that the portfolio and project planning process occurs within Gate 1 – 4. The detail design process occurs within Gates 6 and 7 together with the SCM or procurement process, and the close-out process occurs within Gates 9 and 10. The procurement process, Gates 5 – 8, is discussed in further detail as part of Section E of the BEPP and aligns to the implementation stage of the Built Environment Value Chain.

The project identification process (Gate 0) is discussed below and conforms to the project/programme preparation stage of the Built Environment Value Chain. Project Preparation within the city includes the capturing of a project wish-list (Gate 0) onto the CAPS system. Section C.2.2 outlines the project preparation process and the information required to establish projects as part of Gate 0.

C.2.2 Project Preparation within the City of Tshwane

The City of Tshwane utilises a project preparation, planning and prioritisation information system (CAPS) to solicit medium-to-long term development plans and implementation strategies which give effect to the city's vision, metropolitan-, regional- and local Spatial Development Frameworks (SDFs) and precinct plans. In so doing, CAPS has been institutionalised as a centralised project database which contains all identified projects and enabling factors required to facilitate and support development (i.e. required bulk infrastructure, transport infrastructure, social amenities etc.). As outlined in Figure C-5 above, project identification (Stage Gate 0) should identify capital needs or projects from the various master planning and IDP community engagement processes. Figure C-6 shows system content from the CAPS system, and more specifically where capital projects are captured per unit or departmental cluster in accordance with the minimum project preparation requirements of the city.

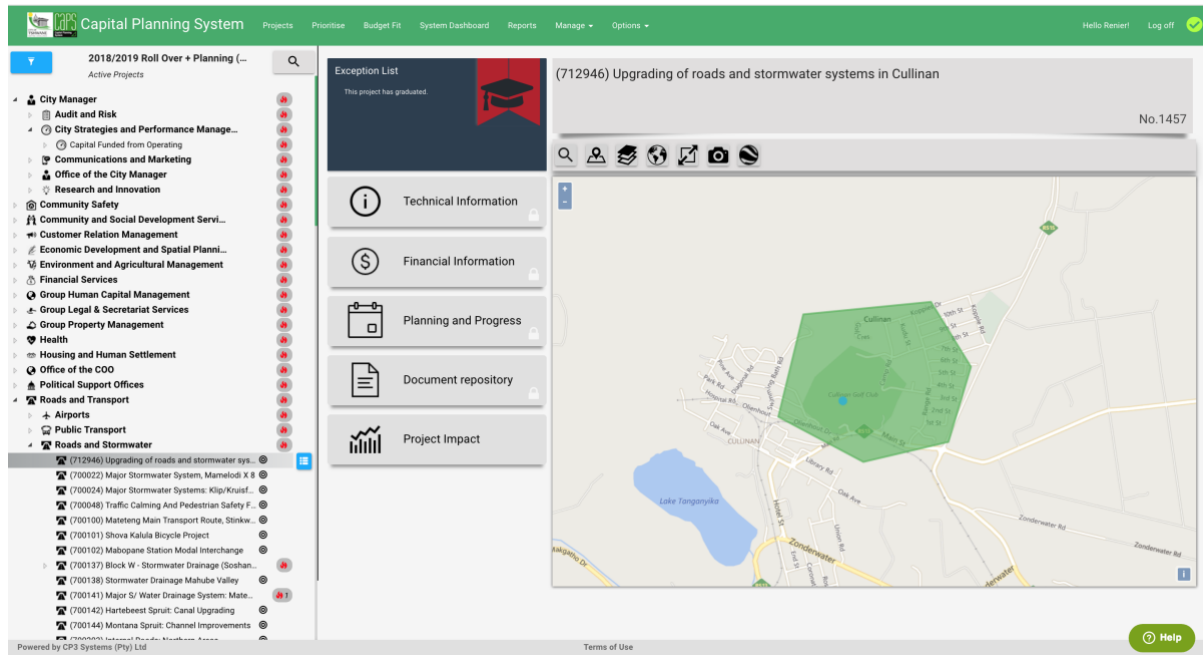


Figure C-6: City of Tshwane Capital Planning and Prioritisation Information System (CAPS)

As mentioned above, project preparation includes the capturing of a project wish-list (Gate 0) onto CAPS. Capturing of the project wish-list occurs annually, during the city's capital budget planning and preparation process (as per the annually approved IDP process plan), and require departments to conform to a minimum set of project information criteria. The CAPS project information criteria aligns to the SIPDM framework as displayed in Figure C-2 and caters for the identification of stage gates as outlined in Figure C-3. In addition to the alignment of project phasing, the requirements also conform to the MFMA Municipal Standard Chart of Accounts (mSCOA). Figure C-7 outlines the project life-cycle process flow within the CAPS environment, and indicates the process of identifying a project wish-list. The prioritisation part of the process flow will be discussed in Section C.2.3 below, whereas the budget fitting or budget scenario preparation process will be discussed as part of Section D.

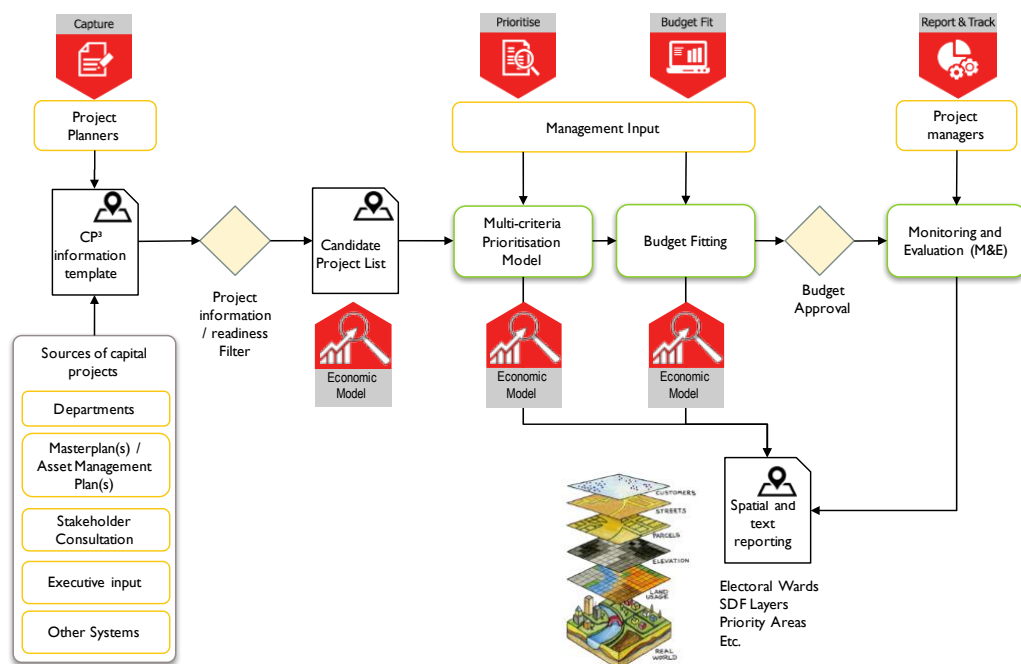


Figure C-7: High Level Project Life-cycle Process Flow within CAPS

C.2.2.1 CAPS Minimum Project Information Requirements

Figure C-8 below outlines the criteria and minimum information requirements for project capturing during the annual project planning and preparation process of the city. As mentioned above, project planning and preparation conforms to Gate 0 of the Stage Gate standard and workflow process and initiates the project life-cycle process flow within CAPS.

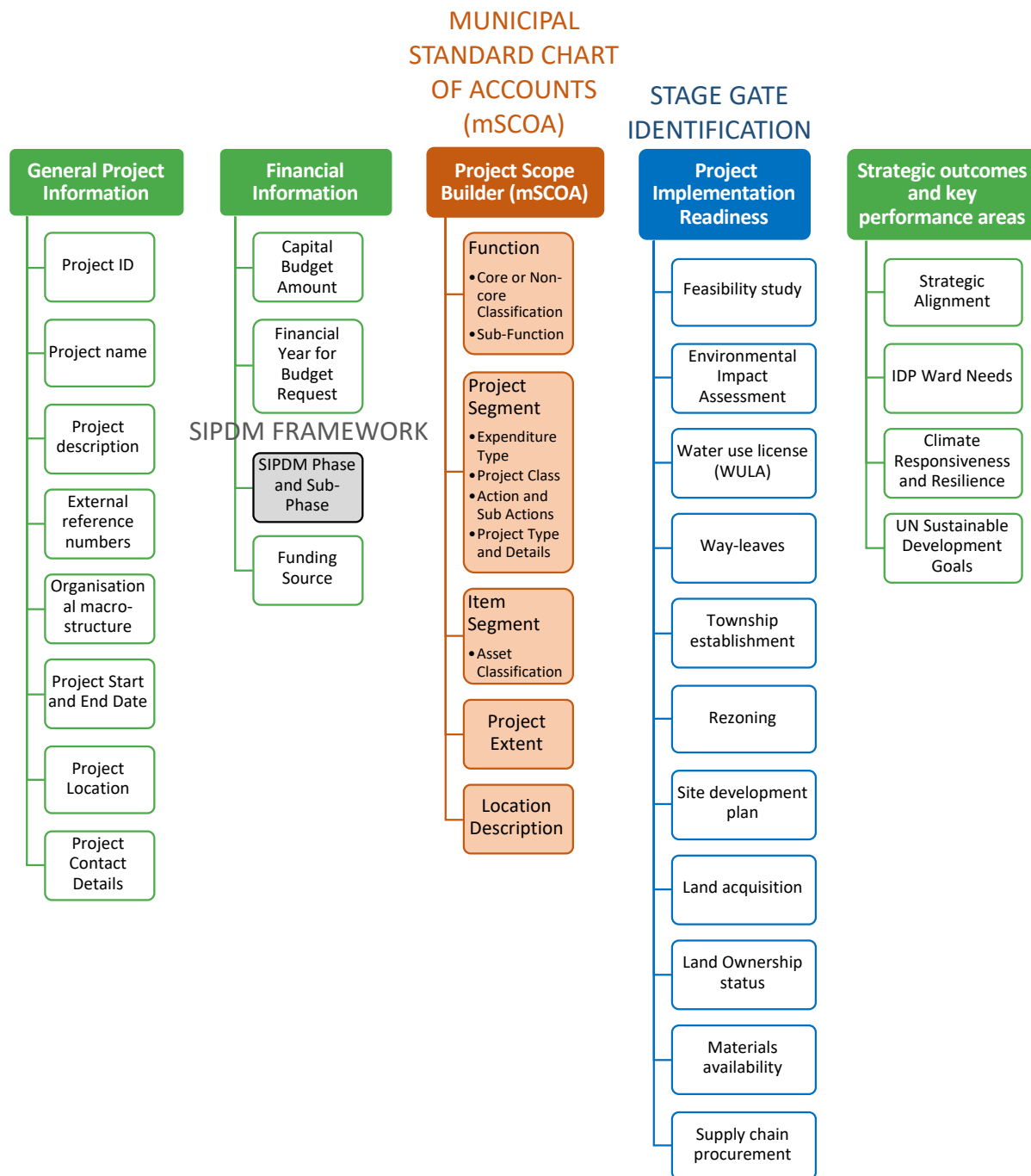


Figure C-8: CAPS Minimum Project Information Requirements

The items marked in grey indicates project information alignment to the SIPDM framework, whereas items marked in blue indicates the project information alignment to the city's Stage Gate standard and workflow process. Project information Items specifically aligned to mSCOA requirements have been marked in orange.

C.2.2.2 Evidence-based Project Preparation

The SIPDM framework, together with the Stage Gate standard and workflow process, requires evidence-based programme or project planning. To allow for evidence-based planning and reporting, specific evidence items are required in order to establish the stage gate in which a project is captured onto CAPS. Through the use of evidence-based reporting and tracking, the city will be in a position to establish whether a programme or project should remain in the current gate or proceed onto the next gate (as displayed in Figure C-3 above).

In addition to the information requirements as outlined in Figure C-8, the project planning and capturing process (project preparation) require evidence based documentation pertaining to certain aspects of each project or programme. Project preparation evidence associated with particular stage gates are uploaded onto the CAPS document management system. A typical portfolio of evidence could consist of the following supportive documentation:

- Technical Feasibility
 - Pre-feasibility study
 - Feasibility study
- Financial Feasibility
 - Cost estimate, bill of quantities etc.
 - Economic impact studies
- Implementation Readiness
 - Environmental Impact Assessment – Record of Decision (ROD) (if applicable)
 - Water Use Licence approvals (if applicable)
 - Way-leave approvals (if applicable)
 - Township establishment approvals (if applicable)
 - Rezoning approvals (if applicable)
 - Site development plan approvals (if applicable)
 - Land ownership - Title deed
 - Materials availability - purchase orders
 - Supply chain / procurement – letter of appointment, contracts, service level agreements etc.

C.2.3 Capital Prioritisation Model (CPM)

Section C.2.1 and C.2.2 outlined the project preparation and capturing process which aims to achieve Stage Gate 0 projects which includes the city's project wish-list (demand). The following section outlines the prioritisation process, which occurs after the establishment of a project wish-list (Gate 0), and aims to achieve a list of prioritised projects in preparation for Stage Gate 3. In conclusion to this section, the results of the CPM will be outlined and discussed.

The structure and content of the CPM is based on a high-level assessment for purposes of the BEPP. For details pertaining to the CPM refer to Addendum A – City of Tshwane CPM, which outlines a detailed assessment of the elements, formulae and measurements criteria incorporated into the CPM.

C.2.3.1 Purpose of the CPM

The CPM of the City of Tshwane is a systematic and objective methodology that provides a way to sort a diverse set of capital needs or projects into an order of importance based on each capital need / project's alignment to the strategic, spatial, developmental, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project's relative importance by deriving a numerical value representative of the project's priority.

The CPM provides a means for ranking capital needs / projects based on criteria that are the most important to focus on first in terms of meeting the city’s overarching developmental objectives and strategies. This also assists in promoting co-ordinated and aligned departmental planning and budgeting.

Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project’s alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. All the impacts associated with a capital project are identified, and where possible, costs and benefits valued in monetary terms, so as to ensure that project prioritised and selected for implementation by city will provide the maximum net benefit to the community, economy and environment – the balancing effect.

C.2.3.2 Capital Prioritisation Model Outline

C.2.3.2.1 CPM High-level Structure

The CPM structure has been divided into two main parts (refer to Figure C-9), namely:

- Model criteria measuring alignment to city strategies
- Model criteria measuring project implementation readiness.

The percentage weight distribution between the two main model branches is 90% for the strategic alignment model and 10% for project implementation readiness. Refer to Section C.2.3.2.2 for an outline and description of the implementation readiness component of the CPM.

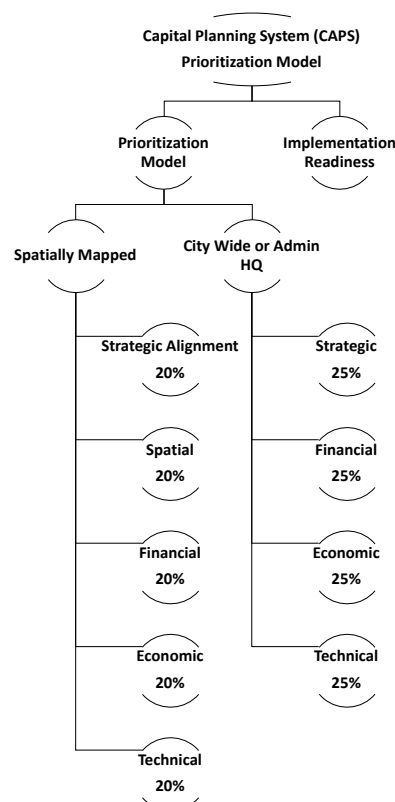


Figure C-9: CPM High Level Structure

The CPM structure allows for projects to be scored between two mutually exclusive branches (Refer to Figure C-9) namely:

- Spatially Mapped

- City Wide projects or projects relating to administrative headquarters (Admin HQ)

These two model branches are mutually exclusive, which means that a project can only pass through one of the two branches and can never be scored on both branches. Projects which have spatial locations (i.e. geo-referenced works locations and affected or beneficiary areas) are evaluated through the “Spatially Mapped” branch of the model, whereas unmapped projects marked under the MSCOA regional segment as “City Wide” or “Admin HQ” are evaluated through the “City Wide / Admin HQ” branch of the model. This distinction is made so that City Wide and Admin HQ projects are not substantially penalised under the “Spatial” branch of the prioritisation model – given that they cannot score on spatial measurement criteria.

Once it has been determined whether a project is spatially mapped or City Wide/Admin HQ, the project evaluation takes place according to the following thematic categories or goals:

- Strategic alignment
- Spatial alignment
- Financial alignment
- Economic alignment
- Technical alignment

It is evident from the high-level tree structure above (refer to Figure C-9) that the “Spatial alignment” theme is only utilised under the “Spatially Mapped” scorecard.

C.2.3.2.1.1 Strategic Alignment

The strategic alignment goal or theme of the CPM evaluates the degree to which projects in the municipal capital budget aligns with the organisational policy and developmental objectives as well as strategic outcomes set out in various strategic documents of the municipality, as well as provincial and national government. The strategic alignment branch has been formulated to conform to the strategic pillars of the city, as set out in the 2017- 2021 Integrated Development Plan (IDP). Each sub-branch has been designed to include a set of elements which aim to achieve the objectives for each of the strategic pillars. The five (5) strategic pillars include:

- A City that facilitates economic growth and job creation;
- A City that cares for residents and promotes inclusivity;
- A City that delivers excellent services and protects the environment;
- A City that keeps residents safe, and;
- A City that is open, honest and responsive.

The structure of the strategic alignment branch is displayed in Figure C-10 below.

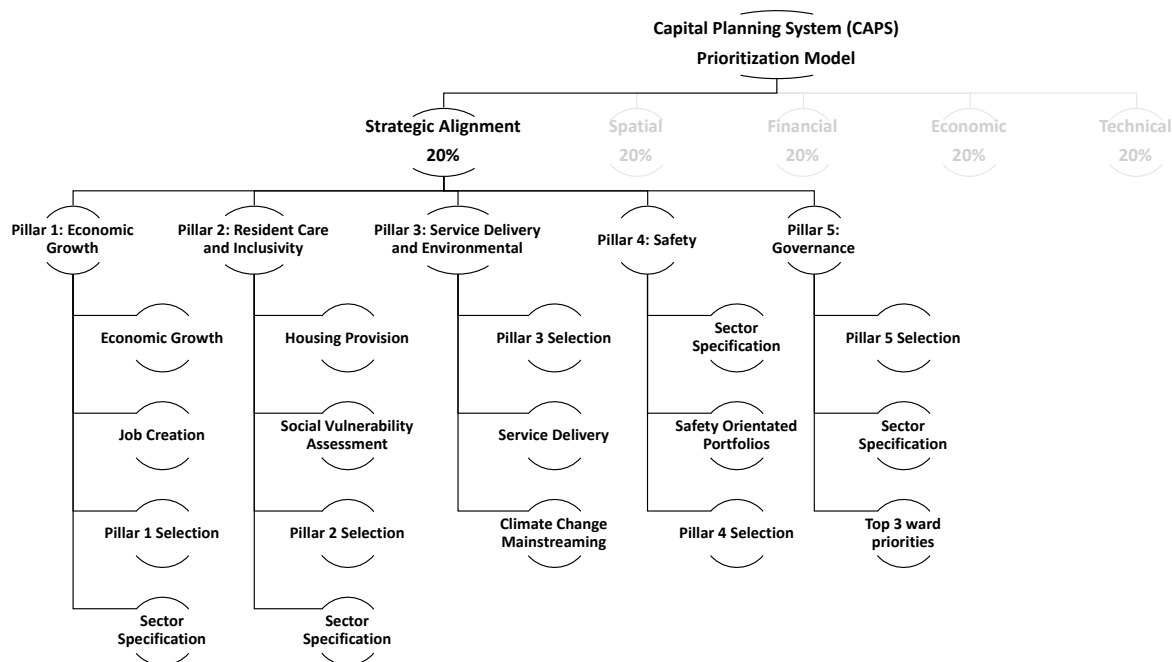


Figure C-10: Strategic Alignment

C.2.3.2.1.2 Spatial Alignment

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the SDF and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, RSDF, BEPP, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Public Transport Corridors;
 - IRPTN Corridors
 - TOD Precincts
- Urban Cores;
- Specialised Nodes;
- MSDF Nodal Hierarchy;
- BEPP Economic Development Priority Quadrants, and;
- Technical Backlogs and Pressure Areas

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

The structure of the spatial alignment branch is displayed in Figure C-11 below.

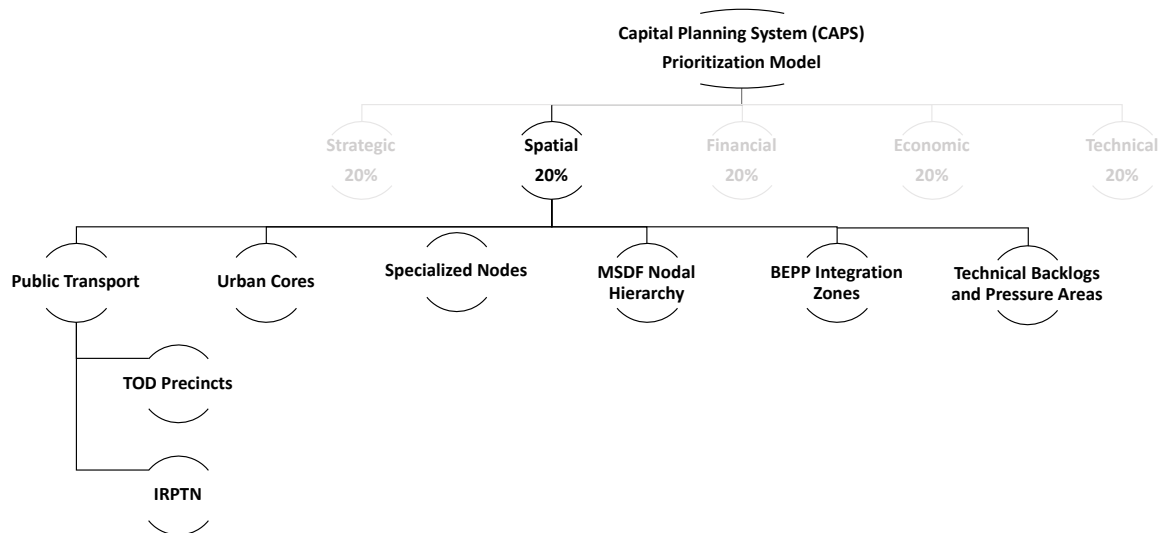


Figure C-11: Spatial Alignment

C.2.3.2.1.3 Financial Alignment

The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within four distinct categories, namely:

- **Credibility**
 - Estimated Lifespan of Asset
 - Budget Estimate Credibility
- **Austerity**
 - Affordability
 - Co-funding
 - Opex Burden
- **Increased Rates Base**
 - Maintenance of rateable infrastructure
 - New rateable infrastructure
 - Upgrading of existing rateable infrastructure

The structure of the financial alignment branch is displayed in Figure C-12 below.

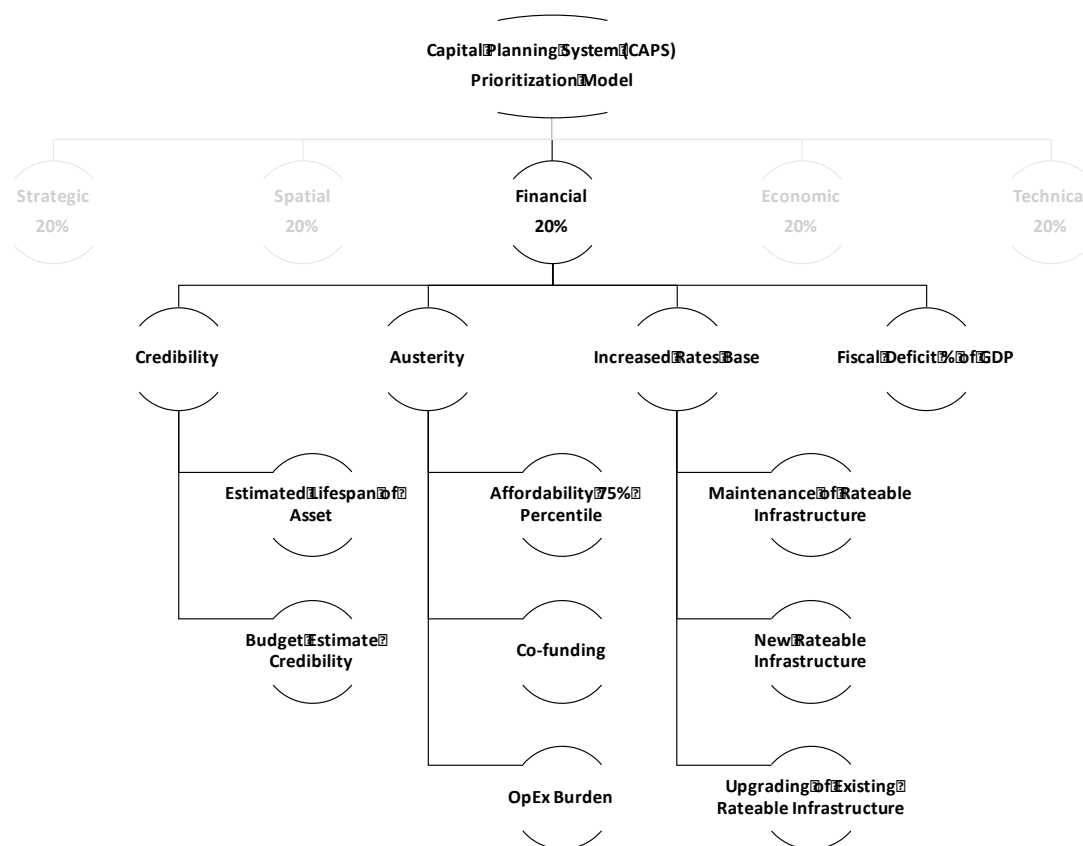


Figure C-12: Financial Alignment

C.2.3.2.1.4 Economic Alignment

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact module (EIM) was developed for the municipality specifically to make use of the data from the CAPS system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from Statistics South Africa. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the city as a whole, as well as a selection of key sub-regions or ‘main places’.

The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect city-wide impacts of projects and programmes – not only the localised ward-specific impact. The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project’s location and affected area, with geographic areas that were graded across the entire municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely (refer to Figure C-13):

- Focus on impact
- Focus on people

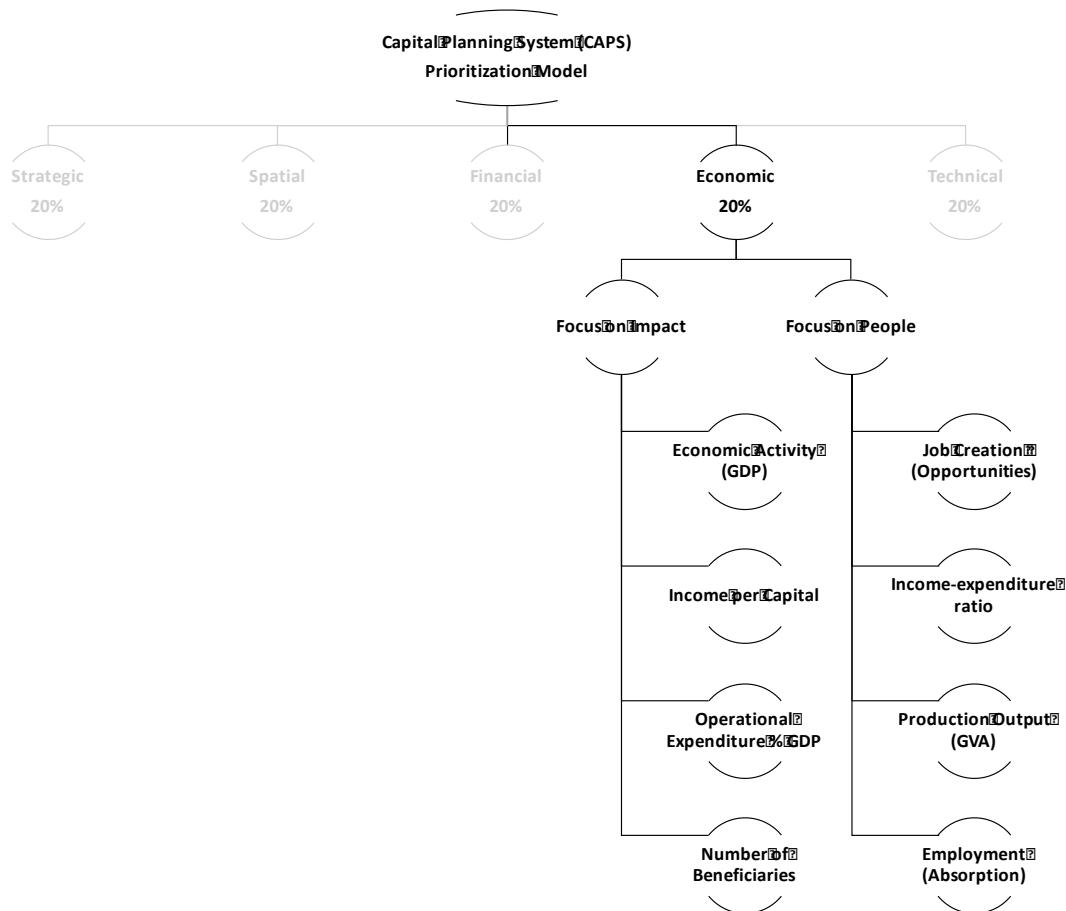


Figure C-13: Economic Alignment

C.2.3.2.1.5 Technical Alignment

The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments. The technical alignment score is calculated using departmental rating criteria.

The structure of the technical alignment branch is displayed in Figure C-14 below.

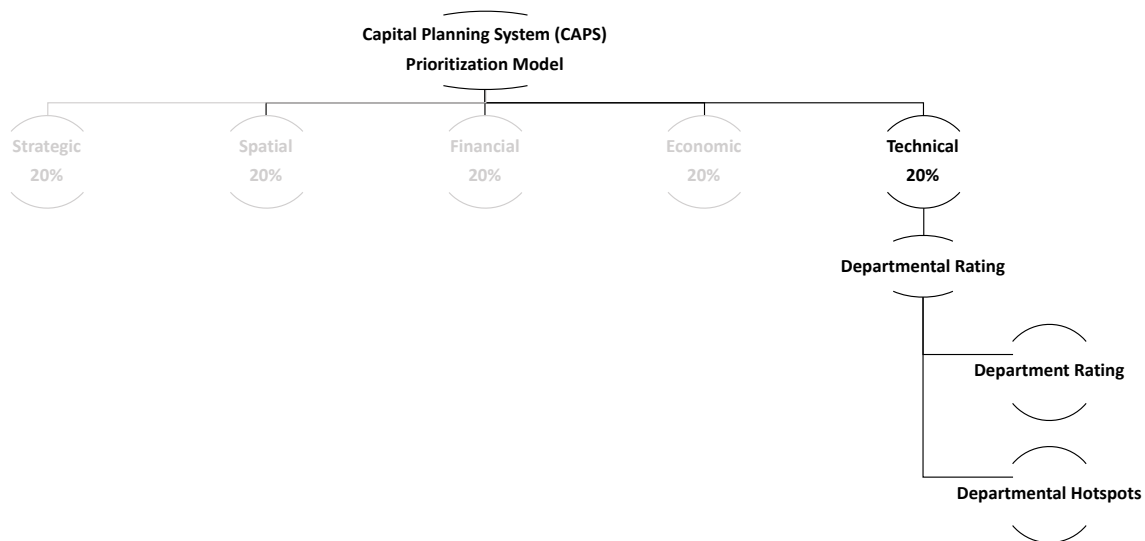


Figure C-14: Technical Alignment

C.2.3.2.2 Implementation Readiness

The implementation readiness branch forms part of the two main components of the CPM. Implementation readiness determines the status of a project when requesting capital budget for project implementation. By measuring the implementation readiness, the CPM ensures that projects will be able to spend the allocated budget for a specific financial year because all legislative, regulatory and procedural (i.e. stage gate) requirements for the project have been met.

The implementation readiness branch is designed to measure a number of project readiness questions, which then determines the overall branch score on a project specific level. If a project is ready to implemented the project will receive an elevated score. Alternatively, if project readiness information was not completed or indicates that a project is not ready for implementation owing to outstanding legislative, regulatory or procedural requirements, the project will be penalised with a lower branch score. Figure C-15 below indicates the structure of the implementation readiness branch.

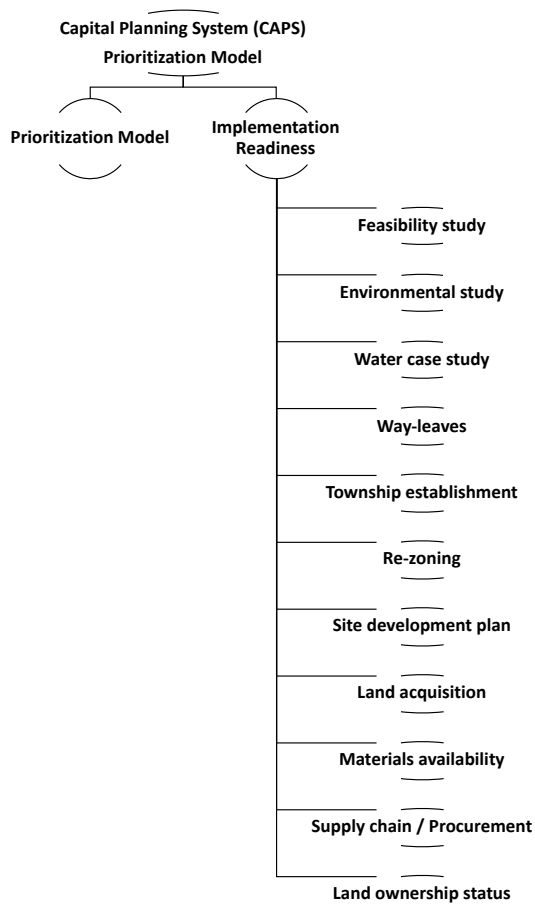


Figure C-15: Implementation Readiness Structure

C.2.3.3 Proposed improvements for 2020/21 Budget Cycle

The current Tshwane CPM is refined and updated annually to incorporate the latest changes to sectoral plans such as the IDP, the MSDP, the IRPTN, the climate change priority areas, etc. as and when these changes occur or gets introduced. The CPM was set up to model all of the strategic elements that are embodied in the city’s strategies as well as incorporating national, provincial and local strategic outcomes. Furthermore, the economic-, the socio-economic-, the financial- and the technical impacts of each project is taken into account.

The CAPS CPM therefore constantly incorporates new elements as soon as the data becomes available. The methodology is based on neutral, defensible aspects that aligns with the many documents and strategies informing the City’s goals and objectives. This section briefly describes what the objectives will be over the next two financial years as far as optimizing the CPM is concerned, to stay in step with the City’s aspirations.

The capital expenditure of the City has to address backlogs, maintain existing areas and invest in new areas that would stimulate the economy and create jobs. Going forward, the model will be adjusted to incorporate additional considerations. Special attention will be given to further emphasizing the needs of the Human Settlements Department, as far as the eradication of backlogs are concerned.

As far as focusing on maintaining the existing infrastructure investment base is concerned, information from Tshwane’s Asset Management Plans will be sourced as the main input into this process. The strategy on where the most appropriate spatial targeting should be for new

developments in terms of economic development, will emanate from the Economic Development and Spatial Planning Department.

Further enhancements to the model will entail the spatial targeting and prioritization of specific wards. The strategy around the wards will focus on the following:

- Wards 1, 2, 5 and 7 – Special focus on service delivery
- Wards 3, 4 and 6 – Special focus on execution and maintenance

Similar types of assets e.g. libraries should typically score similar in the prioritization process. The addition of a spatial lens on top of these scores should then provide the distinction and variability between similar assets. Therefore a similar asset in an a spatially prioritized area will score more than another asset that is not in a prioritized area.

Previously, the CPM penalized projects on the basis of lack of readiness to be implemented. Going forward, the readiness of projects will no longer be considered as part of the prioritization process. The recommended outcomes of the prioritization process will however be reported in the context of project readiness.

Due to the huge backlogs within the portfolio of capital needs, the CPM used to focus strongly on the determination of priorities in a reactive manner. The model will however be tweaked to provide more emphasis on playing a leading, as opposed to a reactive role. It is foreseen that stronger spatial targeting, a focus on climate change issues and an emphasis on economic stimulus will play a central role in this process, as job creation and the enhancement of a responsive rate-payers base will be key in Tshwane's sustainability objectives.

An area that can benefit from certain, standardization guidelines, is the estimation of each project's affected area. Currently, the area affected by each project is entered rather subjectively by each official. The introduction of a set of guidelines will benefit the process and will introduce parity and probity to this metric. The reason why this is so important, is because National Treasury is really interested in the area affected by the City's expenditure as opposed the actual location of the asset. A good example to contemplate is the construction of a water-reservoir that may be located in one specific ward, but provides benefit to many of its adjacent wards.

Currently, the CPM is divided into two similar model – the one model incorporates spatial prioritization aspects whilst the other model does not. The logic was that certain assets asking for capital is not spatial e.g. a vehicle such as a fire-truck. The possibility will be investigated to only use one model that always takes into account spatial considerations. This will have the implication that henceforth, officials would have to provide the area benefiting from elements such as vehicle, because the reality of such movable assets is that these assets really only serves or benefits particular areas.

The current CPM provides some benefit to projects that are being co-funded through grant-funding or other funds. A stronger counter-balance to this consideration will be introduced to consider the role of the subsequent OpEx burden on the city more. The logic is that it may be beneficial from a capital perspective if the funding does not come from city coffers, however, the subsequent operation costs are always carried by the city and should therefore be considered strongly in the process.

Many of these issues are already accommodated in the CPM – the idea would be to provide more emphasis on some of these considerations as before.

C.2.3.4 Capital Prioritisation Model Results

The Capital Prioritisation Model (CPM) of the City is a systematic and objective methodology that provides a way to sort a diverse set of items/projects into an order of importance based on each project’s alignment to the strategic, developmental, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project’s relative importance by deriving a numerical value, representative of the project’s priority.

The prioritisation model outline was discussed as part of Section B and includes a detailed assessment of each component which formed part of the CPM (refer to Chapter B.3). The following section shows an overview of the results from the CPM, which feeds into the budgeting process (refer to Chapter C.4), and consequently provides a portfolio of projects for the 2019/20 Draft Annexure A (Chapter C.5). The CPM was run using the following CaPS settings as input:

- Financial Baseline: 2019/2020 Planning + Annexure B (20190215)
- Applicable Financial Year: 2019/2020
- Prioritisation model name: 20181207_Tshwane_Model_19-20_V3
- Prioritisation model version: 2018-12-09 08:12

C.2.3.4.1 Modelling Results per Unit

The CPM results per Unit, is shown in Figure D 8 as a “box-and-whisker” diagram. The “box” component of the diagram shows where the projects that scored between the 25th and 75th percentile, scored for each specific unit. The average score of the unit is marked on the graph by a “x”. The “ends” of the whiskers provide the maximum and minimum scores. Projects scoring between the minimum value and the 25th percentile are arranged along the bottom whisker, and projects scoring between the maximum value and the 75th percentile are arranged along the top whisker and the box.

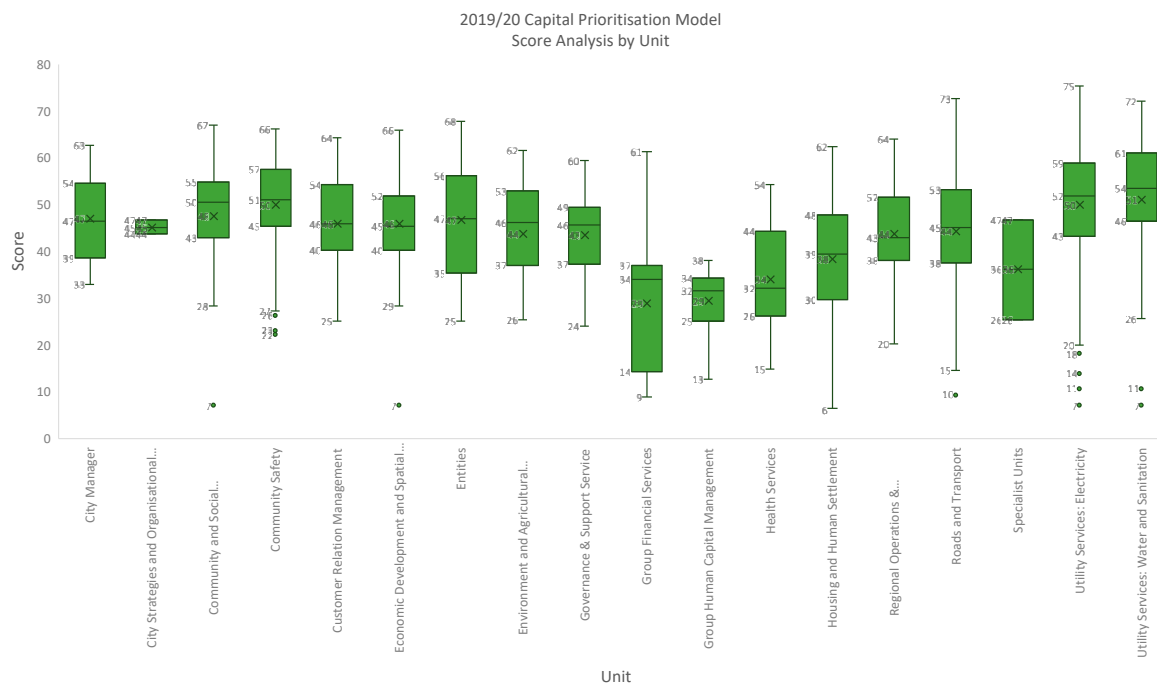


Figure C-16: Prioritisation model results – score per unit

The reason for showing projects in this way (Figure C-16) is that it provides quick insight into the level of variability of scores within each department. Where there is a lot of “bunching” of scores, the reasons for this are investigated to ensure the veracity of the model outcomes. It may for instance be, that the project scores are “bunching” at a specific unit because the particular official or officials simply copied the responses from one project to the next, and in so doing compromising the process. In such instances, the data is investigated and the model is run again until there is confidence in the legitimacy of the model outcomes. This is a very important first step in the evaluation of modelling results.

C.2.3.4.2 Modelling Results per Department

An appraisal of the averaged scores as shown in Figure C-17 and Table C-1, is done for the purpose of further verification of the modelling results. Departments within the City that focus on the provision of basic infrastructure and services, should preferably score better than the other departments – this should include the provision of housing.

The average score also serves as a warning system to highlight further investigation into departments with low average scores stemming from the model. One of the main reasons for low average scores can often be found in the fact that the projects that are evaluated, are simply devoid of any data that can be used for prioritisation – so the project may be a good project, but there simply isn’t any data populated on the system by that particular department to enable the system to score the project properly and fairly. Instances where this is the case is highlighted and communicated back to the applicable departments.

On the opposite end of the scale, some departmental averages may be very high in relation to other departments – this is often the case with smaller departments that may only have one or two projects asking for funding. It is much easier for a small number of projects to obtain a high average score than it is for larger infrastructure provision departments e.g. the Road and Stormwater Department.

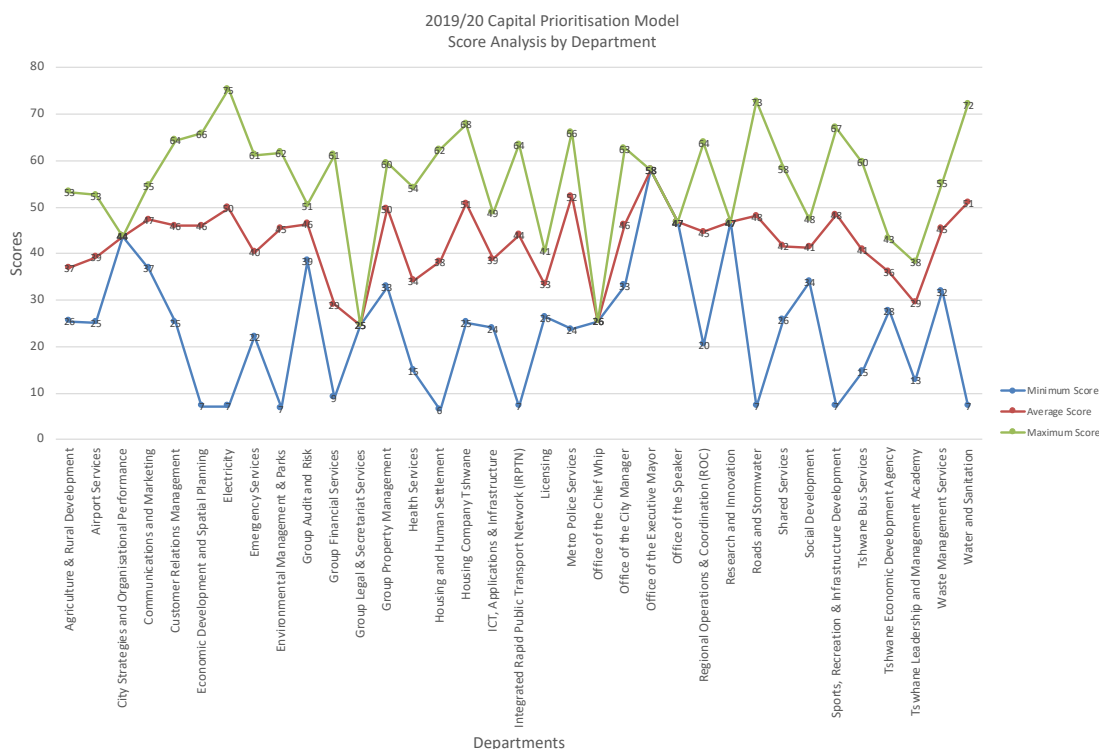


Figure C-17: Prioritisation model results – Score per department

Table C-1: Prioritisation model results – Score per department

Unit/Department	Minimum Score	Average Score	Maximum Score
City Manager	33	47	63
Communications and Marketing	37	47	55
Group Audit and Risk	39	46	51
Office of the City Manager	33	46	63
Office of the Executive Mayor	58	58	58
City Strategies and Organisational Performance	44	45	47
City Strategies and Organisational Performance	44	44	44
Research and Innovation	47	47	47
Community and Social Development Services	7	48	67
Social Development	34	41	48
Sports, Recreation & Infrastructure Development	7	48	67
Community Safety	22	50	66
Emergency Services	22	40	61
Metro Police Services	24	52	66
Customer Relation Management	25	46	64
Customer Relations Management	25	46	64
Economic Development and Spatial Planning	7	46	66
Economic Development and Spatial Planning	7	46	66
Entities	25	47	68
Housing Company Tshwane	25	51	68
Tshwane Economic Development Agency	28	36	43
Environment and Agricultural Management	7	44	62
Agriculture & Rural Development	26	37	53
Environmental Management & Parks	7	45	62
Waste Management Services	32	45	55
Governance & Support Service	24	43	60
Group Legal & Secretariat Services	25	25	25
Group Property Management	33	50	60
ICT, Applications & Infrastructure	24	39	49
Shared Services	26	42	58
Group Financial Services	9	29	61
Group Financial Services	9	29	61
Group Human Capital Management	13	29	38
Tshwane Leadership and Management Academy	13	29	38
Health Services	15	34	54
Health Services	15	34	54
Housing and Human Settlement	6	38	62
Housing and Human Settlement	6	38	62
Regional Operations & Coordination (ROC)	20	45	64
Regional Operations & Coordination (ROC)	20	45	64
Roads and Transport	7	44	73
Airport Services	25	39	53

Unit/Department	Minimum Score	Average Score	Maximum Score
Integrated Rapid Public Transport Network	7	44	64
Licensing	26	33	41
Roads and Storm-water	7	48	73
Tshwane Bus Services	15	41	60
Specialist Units	26	36	47
Office of the Chief Whip	26	26	26
Office of the Speaker	47	47	47
Utility Services: Electricity	7	50	75
Electricity	7	50	75
Utility Services: Water and Sanitation	7	51	72
Water and Sanitation	7	51	72
Grand Total	6	45	75

In other instances, a low or high average score can simply imply that the projects typically stemming from that department align best with the strategic priorities of the City. The lowest and highest scoring projects for each department are interesting but statistically insignificant, because these scores only relate to one single project stemming from that particular department – that score is therefore not representative of the typical scores from that department and may simply be an outlier. It does however assist in comprehending the total span of project scores that was obtained from the modelling process.

The average scores as presented in Figure C-18 are in line with the priorities of the city and with indicative budgets that were tabled in preceding years. This findings of this in the appraisal of the modelling results are therefore satisfactory and do not raise any red flags.



Figure C-18: Project Score Distribution

A second methodology of testing the legitimacy of the results is by appraising the overall statistical distribution of the results as shown in Figure C-18. The S-curve distribution is a typical “normal distribution” of results. A typical normal distribution is preferred as this is an indication of a well-balanced and thoroughly calibrated model. Bunching or skewness in the normal distribution would have been indicative of a undue bias or imbalance in the modelling criteria.

C.2.3.4.3 Spatial Distribution of Modelling Results

One of the key benefits of the Tshwane prioritisation model is that it enables the use of alphanumeric, numeric and spatial data as inputs – this aligns with legislative requirements as provided in Section A of this report. Spatial targeting is therefore a fundamental input into the modelling process and the priority of certain spatial areas can be tweaked until the outcomes of the model represents the city’s priorities optimally.

Each dot shown in Figure C-19 represents a project – the size of the dot is an indication of how much the project has scored (range of scores is between 0 and 100). Considering the spatial parameters that were included in the prioritisation model, it is not surprising to see that projects within the BEPP Economic Development Priority Quadrants scored higher in comparison to projects outside these areas (Figure C-19). Furthermore, all areas that are considered to be at the forefront of the pro-poor agenda, did exceptionally well overall.

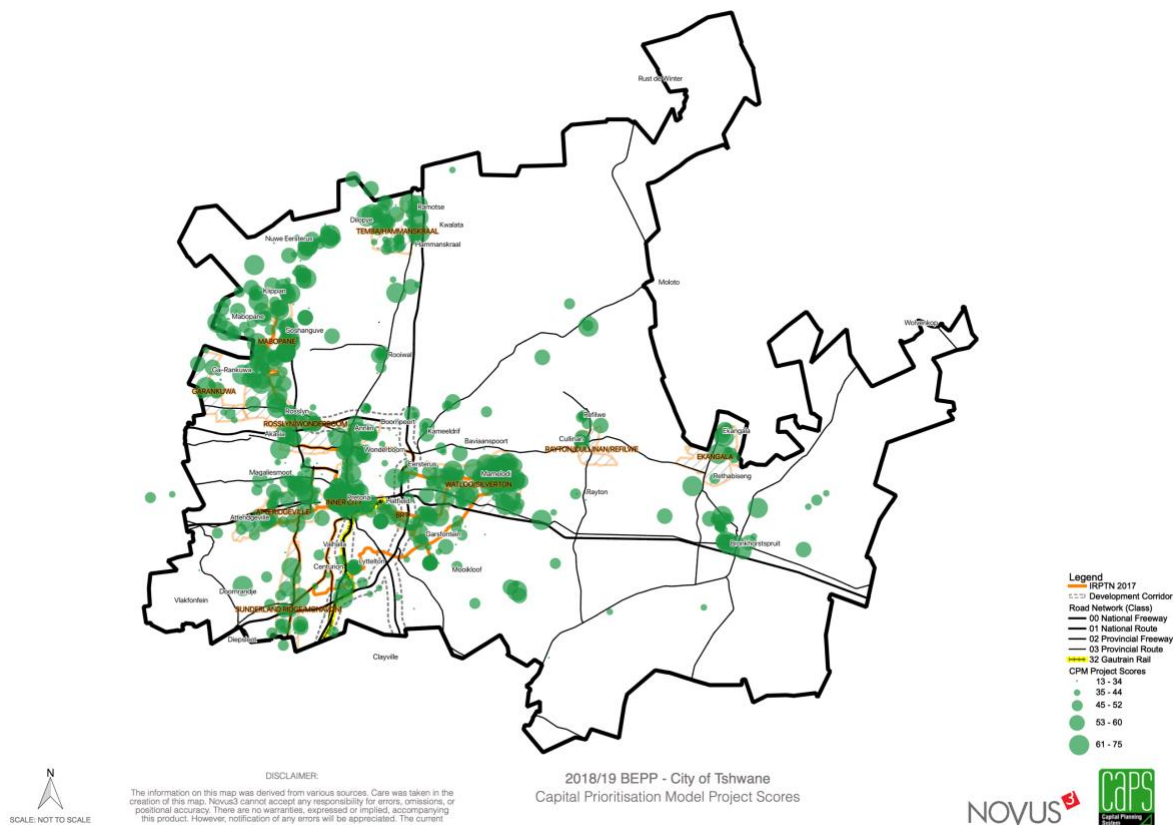


Figure C-19: Project Prioritisation Results – Spatial

The project scores shown above relates to all of the projects captured as part of the 2019/20 list of projects competing for budget. The next step is to apply the budgeting or “budget fit” methodology described in Section D in order to compile a draft MTREF budget.

Please take note that a projects' work location is captured on the CaPS system as one of the following possible geometric features:

- Points;
- Lines; or
- Polygons.

The map project locations shown in Figure C-19 were reduced to a representation of the centroid of each project location. Project locations as depicted are therefore representative of a project, and not absolute.

C.2.4 City of Tshwane Catalytic Land Development Programmes

The following section concludes the project planning and preparation process, and identifies projects into catalytic land development programmes based on the prioritised BEPP EDQs (Integration Zones) as outlined in Section B. Section C.2.1 outlined the project life-cycle planning management process, whereas Section C.2.2 included the capturing and project planning process towards achieving the objective of Stage Gate 0 (project wish-list). Section C.2.3 described the prioritisation methodology applied to projects within Gate 0 (project wish-list), with the aim of progressing some of these projects to Gate 3 (Draft IDP project list). Section C.2.3 concluded with the results of the CPM.

The identification of projects, which form part of catalytic land development programmes, were based on the results of the CPM together with the available envelope for the city, as determined by the budget indicatives received from the city's finance department. The resourcing and financial strategy of the city is discussed in Section D. For purposes of this section, reference will be made to projects which have progressed to Stage Gate 3. The objective of Gate 3 includes a draft IDP project list for approval, and refers to the Draft 2019/20 Annexure A to the IDP as outlined in section D.

C.2.4.1 *Defining Catalytic Land Development Programmes*

The 2018/19 BEPP Guidelines define catalytic land development programmes as programmes which combine spatially relative⁴ projects from an array of entities which include municipal departments, national and provincial governments and public private partnerships (PPPs). In addition to the combination of projects, catalytic land development programmes should achieve the following objectives:

- Enable integration which promotes mixed land use in support of viable public transport systems;
- Promote economic activity through the strategic location of programmes within the city's integration zones;
- Encompass major infrastructure investment;
- Promote finance resourcing which includes a mix of public funds leveraging private sector investment, and;
- Acquisition of specific skills across various professions inclusive of multiple stakeholders.

C.2.4.2 *Identifying Catalytic Land Development Programmes*

Based on the definition as outlined above, the identification of catalytic land development programmes should align with the medium to long-term implementation priorities of the city. Section B outlines these priority areas, based on the BEPP EDQs (Integration Zones), which includes the following (in order of priority):

- (1) Inner City (Capital Core);

⁴ Spatially relative projects refer to projects located within the spatially targeted areas of the city.

- (2) Rosslyn/Wonderboom quadrant, and;
- (3) Waltloo/Silverton quadrant.

Each of the above mentioned BEPP EDPQs (Integration Zones) forms a catalytic land development programme, consisting out of various projects sourced from the project list which has progressed from Stage Gate 0⁵ to Stage Gate 3⁶. Table C-2 below indicates an overview of the catalytic land development programmes identified within the city.

Table C-2: City of Tshwane Catalytic Land Development Programme Overview

Department	Total Projects	2019/20 Budget	%	2020/21 Budget	%	2021/22 Budget	%
Inner City (Capital Core)							
Economic Development and Spatial Planning	5	R130 133 400	46,3%	R350 000	0,2%	R81 200 000	18,5%
Emergency Services	1	R0	0,0%	R2 500 000	1,5%	R0	0,0%
Group Financial Services	3	R14 500 000	5,2%	R500 000	0,3%	R40 000 000	9,1%
Housing Company Tshwane	3	R83 081 450	29,6%	R101 059 860	59,8%	R123 584 754	28,1%
Integrated Rapid Public Transport Network (IRPTN)	1	R0	0,0%	R10 000 000	5,9%	R0	0,0%
Metro Police Services	9	R23 500 000	8,4%	R30 750 000	18,2%	R129 000 000	29,4%
Regional Operations & Coordination (ROC)	1	R1 200 000	0,4%	R1 200 000	0,7%	R0	0,0%
Roads and Stormwater	3	R10 500 000	3,7%	R10 500 000	6,2%	R65 000 000	14,8%
Sports, Recreation & Infrastructure Development	2	R15 800 000	5,6%	R11 300 000	6,7%	R0	0,0%
Tshwane Bus Services	1	R0	0,0%	R0	0,0%	R100 000	0,0%
Tshwane Economic Development Agency	1	R1 620 907	0,6%	R352 811	0,2%	R0	0,0%
Water and Sanitation	1	R500 000	0,2%	R500 000	0,3%	R500 000	0,1%
Sub-total	31	R280 835 757	100,0%	R169 012 671	100,0%	R439 384 754	100,0%
Rosslyn/Wonderboom Quadrant							
Airport Services	4	R44 822 420	13,2%	R35 000 000	15,4%	R0	0,0%
Economic Development and Spatial Planning	1	R28 011 000	8,3%	R39 899 000	17,5%	R0	0,0%
Electricity	3	R15 000 000	4,4%	R10 000 000	4,4%	R22 500 000	14,9%
Emergency Services	1	R0	0,0%	R3 000 000	1,3%	R0	0,0%
Health Services	1	R11 718 000	3,5%	R0	0,0%	R0	0,0%
Housing and Human Settlement	4	R50 000 000	14,8%	R0	0,0%	R0	0,0%

⁵ Refers to the 2019/20 Demand Budget (Project wish-list).

⁶ Refers to the 2019/20 Draft IDP (Annexure A) project list.

Department	Total Projects	2019/20 Budget	%	2020/21 Budget	%	2021/22 Budget	%
Integrated Rapid Public Transport Network (IRPTN)	2	R84 127 757	24,8%	R0	0,0%	R24 000 000	15,8%
Roads and Stormwater	1	R0	0,0%	R55 500 000	24,4%	R0	0,0%
Water and Sanitation	4	R105 000 000	31,0%	R84 123 982	37,0%	R105 000 000	69,3%
<i>Sub-total</i>	<i>21</i>	<i>R338 679 177</i>	<i>100,0%</i>	<i>R227 522 982</i>	<i>100,0%</i>	<i>R151 500 000</i>	<i>100,0%</i>
Waltloo/Silverton Quadrant							
Customer Relations Management	1	R0	0,0%	R0	0,0%	R3 500 000	0,8%
Electricity	4	R0	0,0%	R30 000 000	8,2%	R81 800 000	18,6%
Emergency Services	1	R32 000 000	9,9%	R0	0,0%	R0	0,0%
Environmental Management & Parks	1	R15 000 000	4,7%	R6 000 000	1,6%	R0	0,0%
Health Services	1	R9 500 000	2,9%	R20 000 000	5,4%	R0	0,0%
Housing and Human Settlement	4	R69 000 000	21,4%	R25 000 000	6,8%	R27 500 000	6,2%
Office of the City Manager	2	R29 635 000	9,2%	R55 000 000	14,9%	R0	0,0%
Roads and Stormwater	7	R0	0,0%	R0	0,0%	R90 000 000	20,4%
Sports, Recreation & Infrastructure Development	4	R0	0,0%	R62 000 000	16,8%	R133 000 000	30,2%
Waste Management Services	1	R7 000 000	2,2%	R0	0,0%	R10 000 000	2,3%
Water and Sanitation	4	R160 000 000	49,7%	R170 000 000	46,2%	R95 000 000	21,6%
<i>Sub-total</i>	<i>30</i>	<i>R322 135 000</i>	<i>100,0%</i>	<i>R368 000 000</i>	<i>100,0%</i>	<i>R440 800 000</i>	<i>100,0%</i>
Grand Total	82	R941 649 934		R764 535 653		R1 031 684 754	
Total Capital Budget	296	R4 096 366 837		R4 261 414 251		R4 426 250 287	
% of Total Capital Budget	28%	23%		18%		23%	

The table above shows a high-level overview of the catalytic land development programmes and the projects which form part of these programmes. The detailed project list for each of the above mentioned land development programmes have been included as part of Annexures 1,2 and 3 and is illustrated in Figure C-1 below.

Based on the finding as tabulated above, the following can be deduced:

- **The Inner City (Capital Core) land development programme** consists of 31 projects, with the largest portion of projects and capital budget being implemented by Economic Development Spatial Planning. This aligns to the Inner City Development and Regeneration Strategy (2016) focus, as described in section B.
- **The Rosslyn/Wonderboom land development programme** consists of 21 projects, with the largest portion of projects implemented by Airport Services, Housing & Human Settlements and Water & Sanitation. This conforms to the city's focus on housing provision present within Region 1 and the location of the Wonderboom Airport within this area. The Integrated Rapid Public

Transport Network (IRPTN) department indicates the highest 2019/20 capital budget expenditure within the area, which correlates with the implementation of IRPTN Line 1.

- **The Waltloo/Silverton land development programme** consists of 30 projects, with the largest portion of projects implemented by Roads and Stormwater. Although the largest portion of projects indicate Roads and Stormwater, these projects will only be implemented in the outer year of the MTREF (2021/22). The Water and Sanitation department indicates the highest capital budget expenditure for 2019/20.

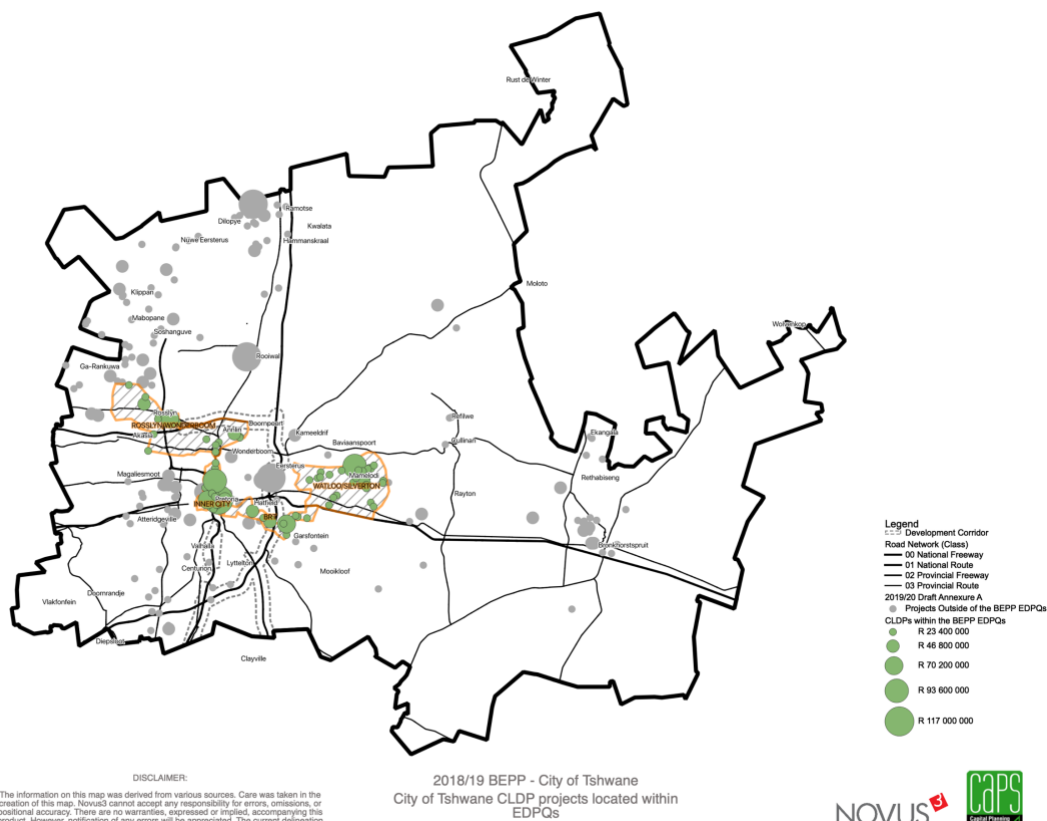


Figure C-20: City of Tshwane Catalytic Land Development Programmes

C.3 Intergovernmental Project Pipeline

The 2018/19 BEPP guidelines require municipalities to identify inter-governmental (IGR) pipeline projects and programmes which correspond to spatially targeted areas. The following section details the spatial alignment between the provincial and municipal spatial development framework, with the aim of identifying provincial capital focus areas and corresponding spatial targeted areas as outlined in Section B.

The contents included within this section aligns with the catalytic land development programmes included in Annexure 2 and 3 and includes an overview of key stakeholders and the IGR project pipeline data gathering process. In conclusion, a spatial analysis of the IGR project pipeline will be conducted in order to identify provincial projects which align with the city's spatially targeted areas.

C.3.1 Provincial Planning

Gauteng Provincial Government (GPG) acknowledges spatial targeting as an effective planning mechanism and acknowledges that government on its own cannot solve all spatial challenges in every place at the same time due to resource and financial constraints. Therefore, government must prioritise and, as part of that prioritisation, discover which levers can be used to maximise impact.

GSDF 2030 implementation introduces “focus areas” to direct, guide, align, coordinate and harmonise all public social and infrastructure investment and development spending in the province, in accordance with a spatial development logic built on ensuring rapid, sustainable and inclusive provincial economic growth, township redevelopment and decisive spatial transformation. As these focus areas coincide with other national and municipal nodes, they present an opportunity for crowding-in investments in a coordinated manner, as well as guide investors on where and in what to invest, therefore signaling certainty and clarity about the provincial spatial focus.

The GSDF’s position is that setting priorities, allocating resources and implementation programmes will require: better alignment of strategic development priorities in all planning and budgeting processes; a shared agreement on the nature and characteristics of the Gauteng space economy; and most importantly, a spatial logic for ordering development spending.

C.3.1.1 Area of Focus for Economic Consolidation

These areas represent the anchors of the provincial, and by implication, the national economy. Drawing on economic growth trends over the past two decades, the areas are delineated based on their contributions to provincial economy, and their relative accessibility and connectivity to the rest of the province. The areas also contain a sizeable amount of income-poor households.

As the core of the current provincial spatial form, the sustained growth of these areas is imperative for the well-being of the entire province. Government and the private sector need to adopt a thoroughly coordinated and collaborative approach when investing in these areas. Provincial government must intensify support for the area through providing convenient affordable public transport infrastructure, and enhancing safety and security.

Municipalities must leverage long-term infrastructure planning, and maintenance, as well as progressive land-use policies to make these areas work. In line with this, municipalities must guide private sector development in providing higher residential densities, diverse mix of land-uses and opportunities for a wider mix of people of various income and social groups. To accomplish this, innovative and stronger collaboration between engineering and urban design professionals in the making of the built environment is imperative.

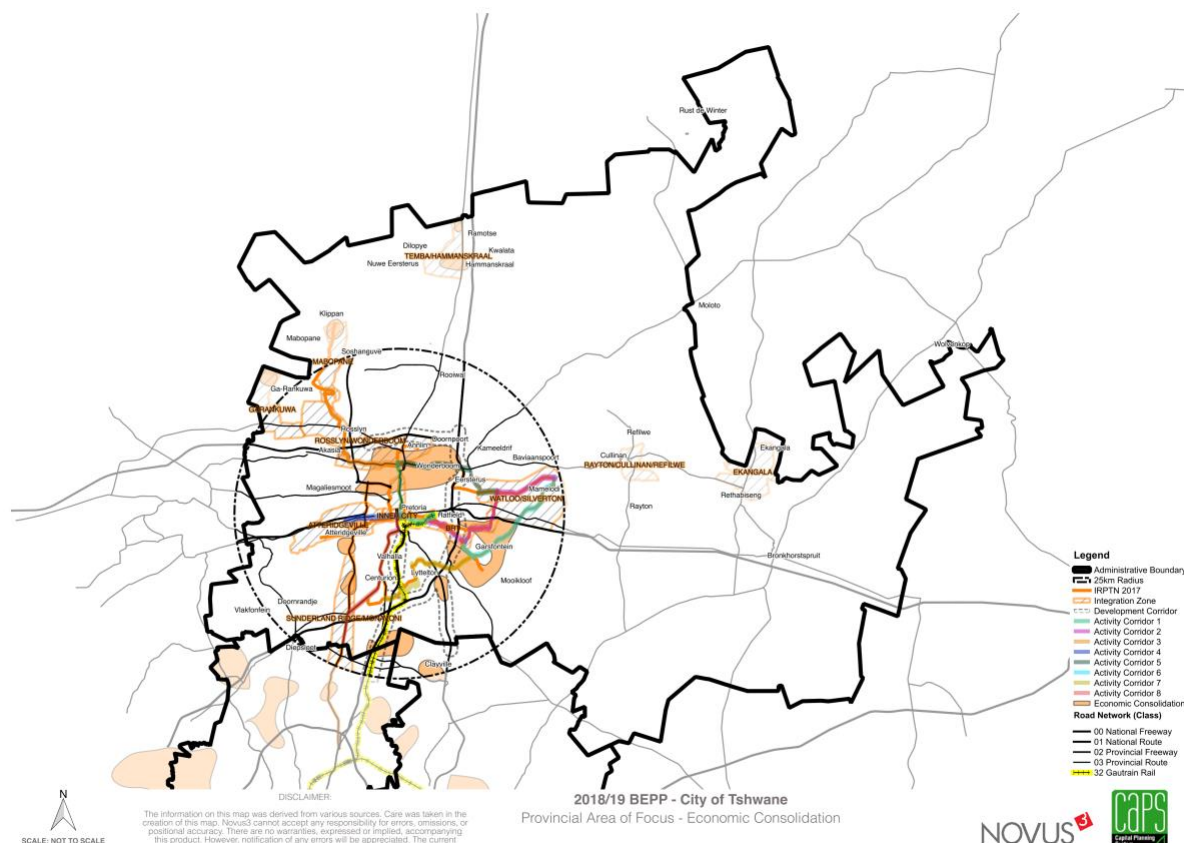


Figure C-21: Gauteng SDF Area of Focus – Economic Consolidation

C.3.1.2 Area of Focus for Socio-Economic Integration

The objective is to determine which locations offer Gauteng the most opportunity for socio-economic integration. These areas include parts of the province that have high levels of unemployment and poverty, and high dependency ratios, but are close to the provincial core economic areas. Spatial analyses of socio-economic, demographic and accessibility data was used to delineate the areas. These areas offer the highest prospect for social and economic integration on a provincial scale because of their high population densities and relative connectedness with the provincial economic core. Public investment needs to be targeted at these areas over a sustained period of time, together with incentives and a supportive regulatory framework that encourages the crowding-in of private sector investment. Provincial government must focus on developing health and education infrastructure development, building capacity, developing skills, and developing initiatives aimed at youth and women.

Transport infrastructure must be maintained and public transport infrastructure extended to these areas. Municipalities should equally prioritise long-term bulk infrastructure planning and maintenance for these areas. The private sector should be encouraged to focus on place-making efforts in these areas, through innovative urban design making the area attractive for people from the wider provincial area. Higher residential densities and a diverse mix of land-uses and opportunities for a broader mix of people of various income and social groups should be encouraged.



Figure C-22: Gauteng SDF: Area of Focus – Socio Economic Integration

C.3.1.3 Area of Focus for Social and Local Economic Support

The objective is to determine which locations in Gauteng require targeted social and local economic support. These areas include parts of the province that have high levels of unemployment and poverty and high dependency ratios but are comparatively poorly integrated with the province’s socio-economic prosperity. Long-term integration of these areas with adjacent economic-consolidation focus areas is crucial. All three spheres of government need to coordinate their localised interventions over the medium to long term in order to lay a foundation for economic redevelopment and transformation.

Provincial government should focus on early childhood development, basic health care, quality primary and secondary education, community-based research and planning, sports infrastructure development, skills development, food security initiatives, sustainable livelihood initiatives, substance abuse prevention, treatment and rehabilitation, as well crime prevention and support. Provincial government should also support and nurture emerging local transport businesses in these areas.

Municipalities should review old inhibitive by-laws and ensure responsive land release to support local economic development. However, municipalities should cautiously manage settlement expansion in these areas and ensure place-making from the outset, through innovative urban design, to lay a foundation that will enable these areas to grow in a sustainable fashion over the longer term.

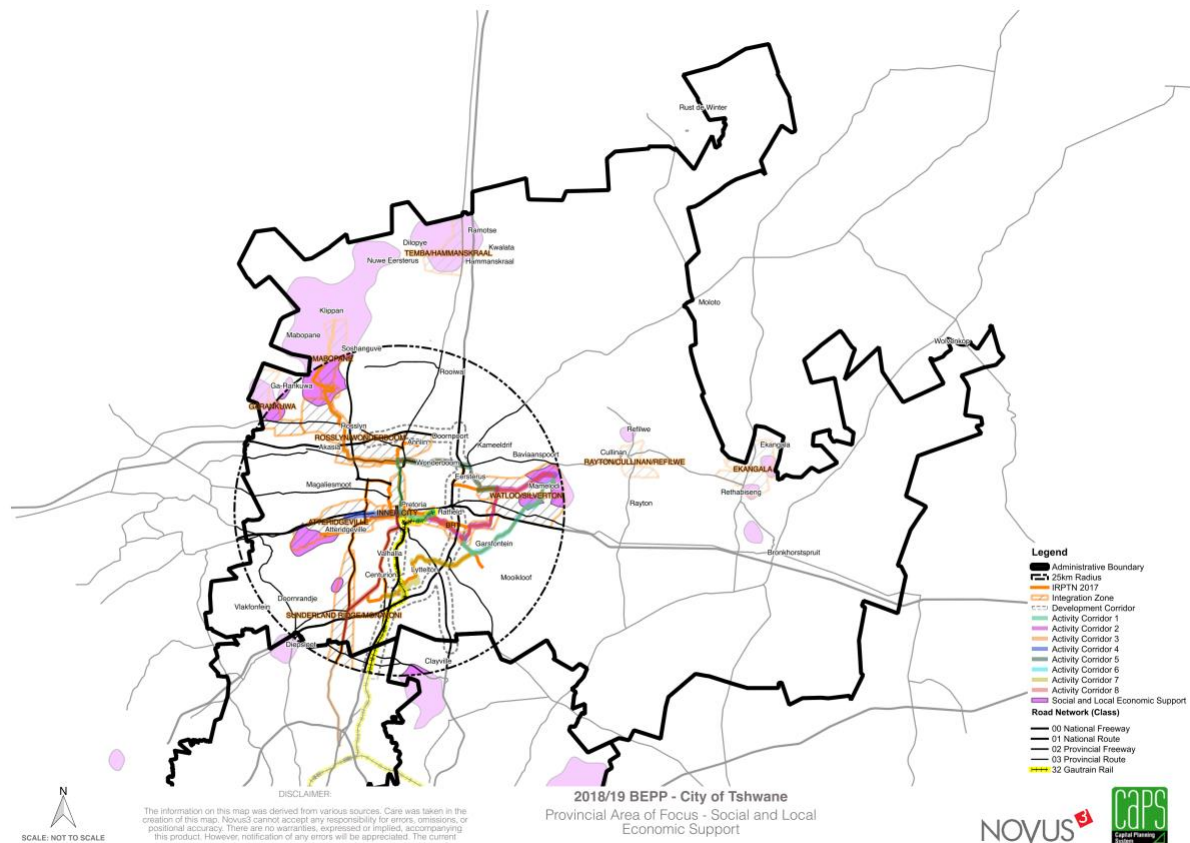


Figure C-23: Gauteng SDF: Area of Focus – Socio and local economic support

C.3.1.4 Area of Focus for Economic Prosperity

The objective is to determine which locations offer Gauteng the best opportunity for shared economic prosperity. These areas represent the anchors of the provincial, and by implication national economy. Drawing on economic growth trends over the past two decades, the areas are delineated based on their contributions to provincial economy, and their relative accessibility and connectivity to the rest of the province. The areas also contain a sizeable amount of income-poor households. As the core of the current provincial spatial form, the sustained growth of these areas is imperative for the wellbeing of the entire province.

Government and the private sector need to adopt a thoroughly coordinated and collaborative approach when investing in these areas. Provincial government must intensify support for the area through providing convenient affordable public transport infrastructure and enhancing safety and security.

Municipalities must leverage long-term infrastructure planning, and maintenance, as well as progressive land-use policies to make these areas work. In line with this, municipalities must guide private sector development in providing higher residential densities, diverse mix of land-uses and opportunities for a wider mix of people of various income and social groups. To accomplish this, innovative and stronger collaboration between engineering and urban design professionals in the making of the built environment is imperative.



Figure C-24: Gauteng SDF: Area of Focus – Economic Prosperity

C.3.1.5 Provincial and Municipal Planning Alignment

Sections C.3.1.1 to C.3.1.4 outlined a detailed description of the four (4) areas of focus as identified within the GSDF 2030. The establishment of these focus areas have been based on municipal SDFs within Gauteng, and indicates similar objectives in terms of:

- (1) Promoting densification within specific areas;
- (2) Establishing an integrated open space network;
- (3) Integrating economically disadvantaged communities into the urban space;
- (4) Supporting viable public transport systems, and;
- (5) The establishment of a hierarchy of nodes which support existing development nodes and emerging nodes.

Section B of this document outlined the identification of spatially targeted areas, based on the city's MSDF and Integration Zones. Given that the GSDF 2030 identifies the importance of existing spatially targeted areas on a municipal level, the areas of focus suggests a strong alignment and inclusion of the BEPP EDPQ areas. Figure C-25 below illustrates the alignment between municipal and provincial spatially targeted areas, which include the following:

- The inner city coincides with both the GSDF area of focus for socio-economic integration and economic prosperity.
- The Rosslyn/Wonderboom area coincides with both the GSDF focus area for economic prosperity and economic consolidation.
- The Waltloo/Silverton area coincides with three (3) GSDF focus areas namely:
 - (1) Economic prosperity;
 - (2) Social and local economic support, and;

o (3) Socio-economic integration.

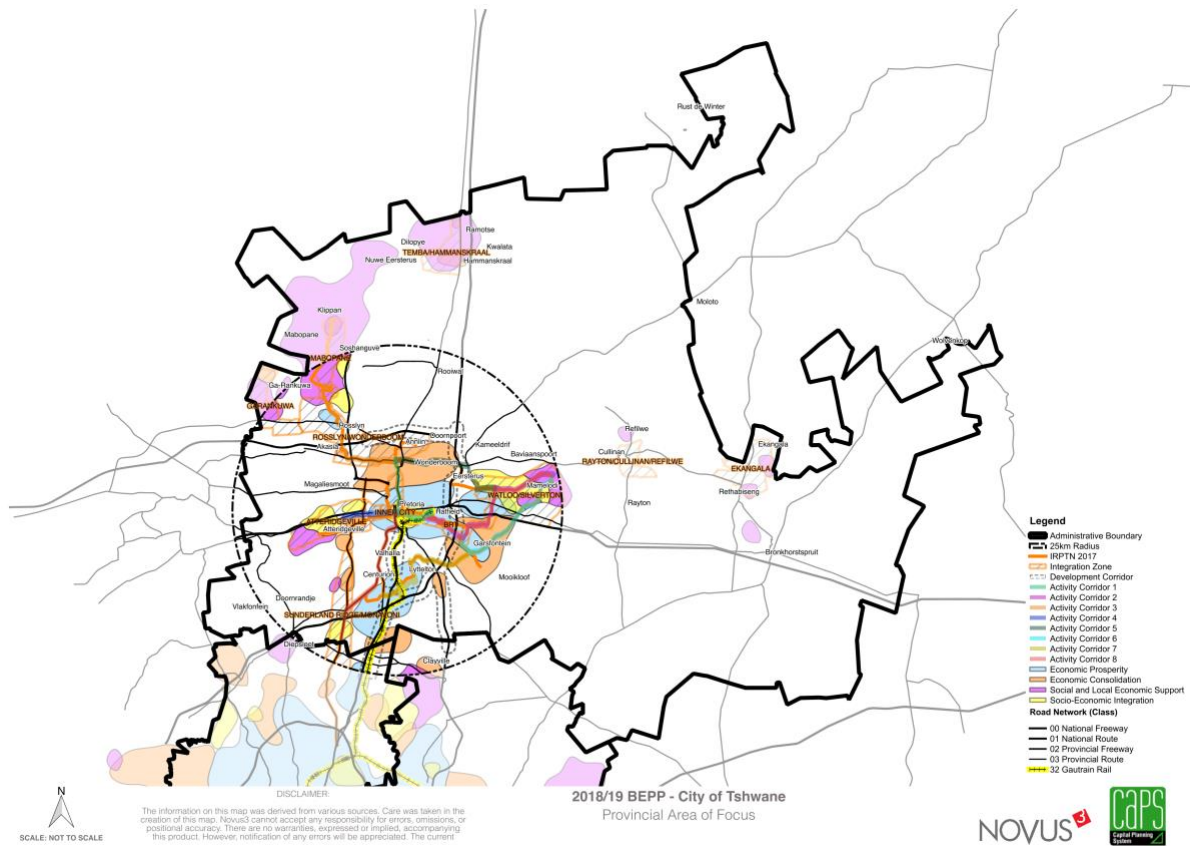


Figure C-25: Municipal and Provincial Planning Framework Alignment

C.3.2 Identification of Key Role Players

In order for the city to successfully identify an inter-governmental project pipeline, a number of key role players have been identified as outlined in Figure C-26 below. The identification of an inter-governmental project pipeline aims to incorporate funding and projects from all spheres of government to prioritise collective public investment in targeted spaces⁷.

⁷ 2018/19 BEPP Core Guidance Note (Cities Support Programme, August 2017)

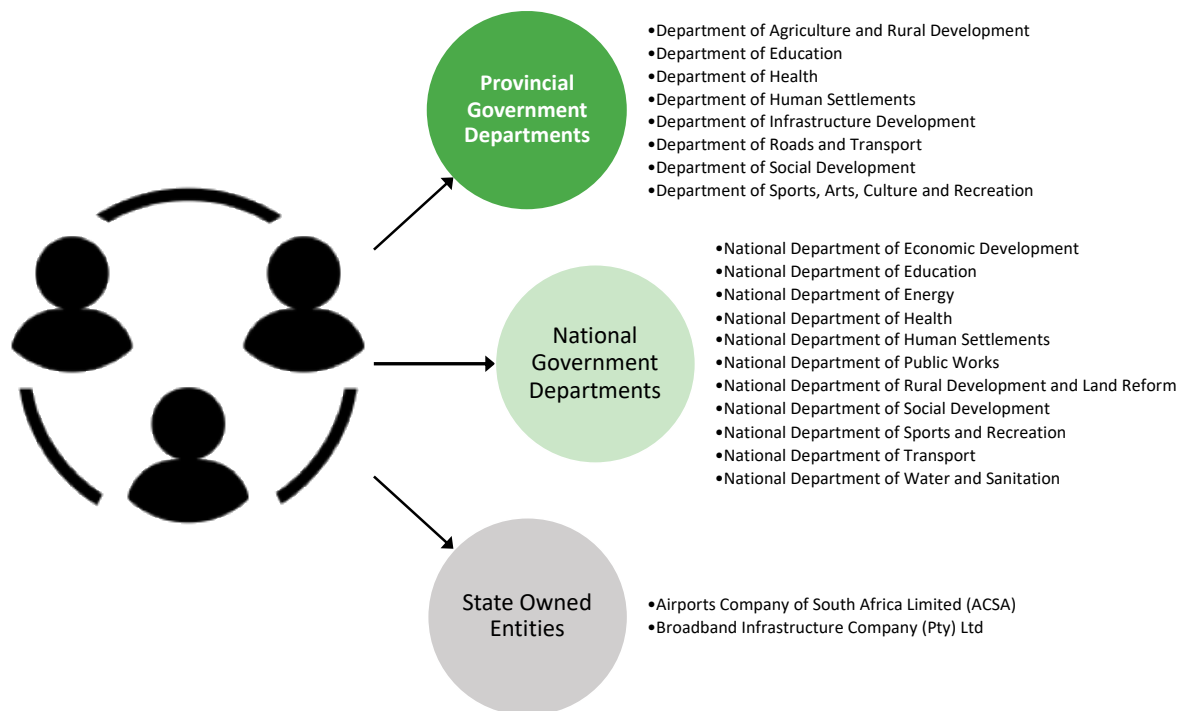


Figure C-26: Intergovernmental Project Pipeline - Key Stakeholders

With the aim of achieving an inter-governmental project pipeline, the city engaged with a number of key stakeholders, as outlined in Figure C-26, during 2018. For purposes of the 2019/20 BEPP, the city only managed to collect project information from Gauteng Provincial Government. This is largely attributed to the following challenges experienced during the stakeholder engagement process:

- Willingness of other public entities;
- No clear directive to provide information, and;
- Readiness of project information and MTREF Project lists.

During the stakeholder engagement process, some public entities were reluctant to engage in discussions regarding the IGR platform for reasons unknown. It was also difficult to request the data based on an argument which can be distilled to “BEPP requirements”. One of the more structural challenges within the public sector is the fact that municipal, provincial and national budget cycles are not aligned, which means that the 2019/20 MTREF project list for certain stakeholders were not readily available during the submission of the 2019/20 BEPP.

C.3.3 Data gathering and input

The city is continuously aiming towards collaboration and integration with the above-mentioned stakeholders. During the reporting period however, only Gauteng Province participated in the IGR process. Through collaborative workshops, the City has managed to obtain the following project information from Gauteng Province.

- Gauteng 2019/20 MTREF Draft Project List
 - Project Location,
 - Project Name,
 - Project Description,
 - Implementing Department,
 - Asset Type
 - 2019/20 and 2020/21 Capital Budget

Table C-3 below outlines a summary of the 2019/20 and 2020/21 capital budget by implementing department, as derived from the Gauteng Provincial Government project list. Figure C-27 indicates the location of the Gauteng Provincial Government projects in relation to the City of Tshwane.

Table C-3: Gauteng Provincial Government 2019/20 MTREF capital budget for 2019/2020

Gauteng Department	MTREF 2019/2020	MTREF 2020/2021
Agriculture and Rural Development	R 62 808 000	R 30 547 000
Education	R 1 363 358 831	R 1 398 921 898
Health	R 903 387 893	R 951 908 140
Human Settlements	R 5 339 210 000	R 5 698 971 000
Infrastructure Development	R 104 826 600	R 68 219 922
Roads and Transport	R 2 437 621 000	R 1 764 582 000
Social Development	R 55 345 000	R 49 867 000
Sports, Arts, Culture and Recreation	R 93 987 000	R 95 677 000
Grand Total	R 10 360 544 324	R 10 058 693 960

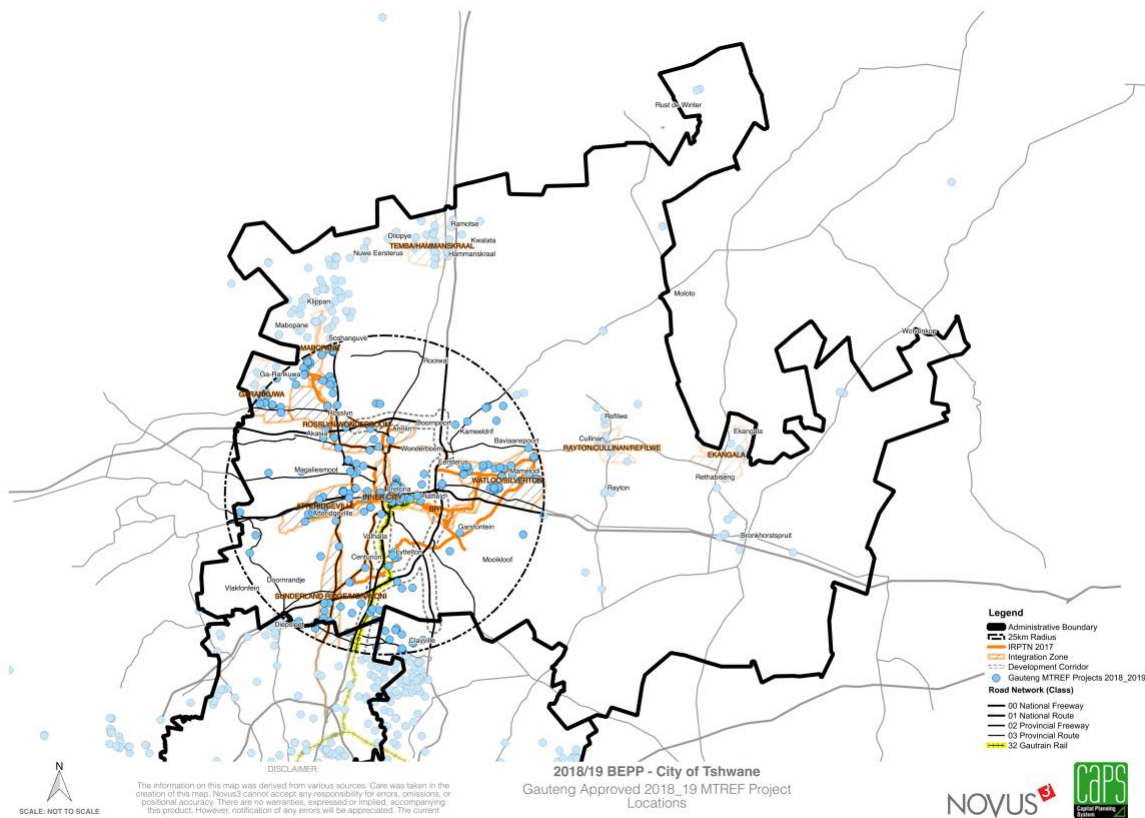


Figure C-27: Gauteng Provincial Government 2019/2020 MTREF capital budget

C.3.4 Provincial and Municipal Project Alignment Analysis

The project information collected from GPG includes the spatial location of each project as well as the 2019/20 and 2020/21 capital budget (refer to Section C.3.3). For purposes of identifying projects located within the city's spatially targeted areas, and consequent inclusion of these projects as part of Annexure 2 and 3, the following spatial analysis identifies provincial projects within the city's BEPP EDPOs as identified as part of Section B.

Table C-4 below shows the total capital budget for projects located within the city’s BEPP EDPGs (Integration Zones), as a percentage of the total provincial capital budget outlined in Table C-3.

Table C-4: Gauteng Provincial Government 2019/2020 capital budget within the BEPP EDPG’s

BEPP Integration Zones	2019/20 Capital Budget	%	2020/21 Capital Budget	%
City Wide/Administrative HQ	R896 591 563	8,7%	R876 150 015	8,7%
Atteridgeville	R59 752 251	0,6%	R18 486 460	0,2%
Ekgangala	R50 000	0,0%	R1 564 857	0,0%
Garankuwa	R22 716 254	0,2%	R34 743 608	0,3%
Inner city	R39 123 115	0,4%	R10 099 048	0,1%
Mabopane	R57 063 789	0,6%	R85 009 655	0,8%
Rayton/Cullinan/refilwe	R3 114 129	0,0%	R4 077 141	0,0%
Rosslyn/Wonderboom	R10 414 000	0,1%	R37 488 462	0,4%
Sunderland ridge/Monavoni	R74 021 744	0,7%	R13 650 000	0,1%
Temba/Hammanskraal	R43 040 161	0,4%	R27 323 000	0,3%
Waltloo/Silverton	R284 728 060	2,7%	R210 756 922	2,1%
Sub-total within Integration Zones	R594 023 502	5,7%	R443 199 154	4,4%
Total Provincial Capital Budget	R10 360 544 324	100,0%	R10 058 693 960	100,0%

The table above indicates that only 5,7% of the total provincial capital has been allocated within the city’s BEPP EDPGs (Integration Zones) for 2019/20 and 4,4% for 2020/21.

The percentage allocation of the total provincial capital budget for 2019/20, within the medium to long-term implementation priorities of the BEPP EDPGs, indicate that the (1) Inner City receives 0,4%; (2) Rosslyn/Wonderboom receives 0,7% and (3) Waltloo/Silverton receives 2,7%. Projects which are located within the medium to long-term implementation priorities of the BEPP EDPGs have been included as part of Annexure 2 and 3 and is illustrated in Figure C-28 below.

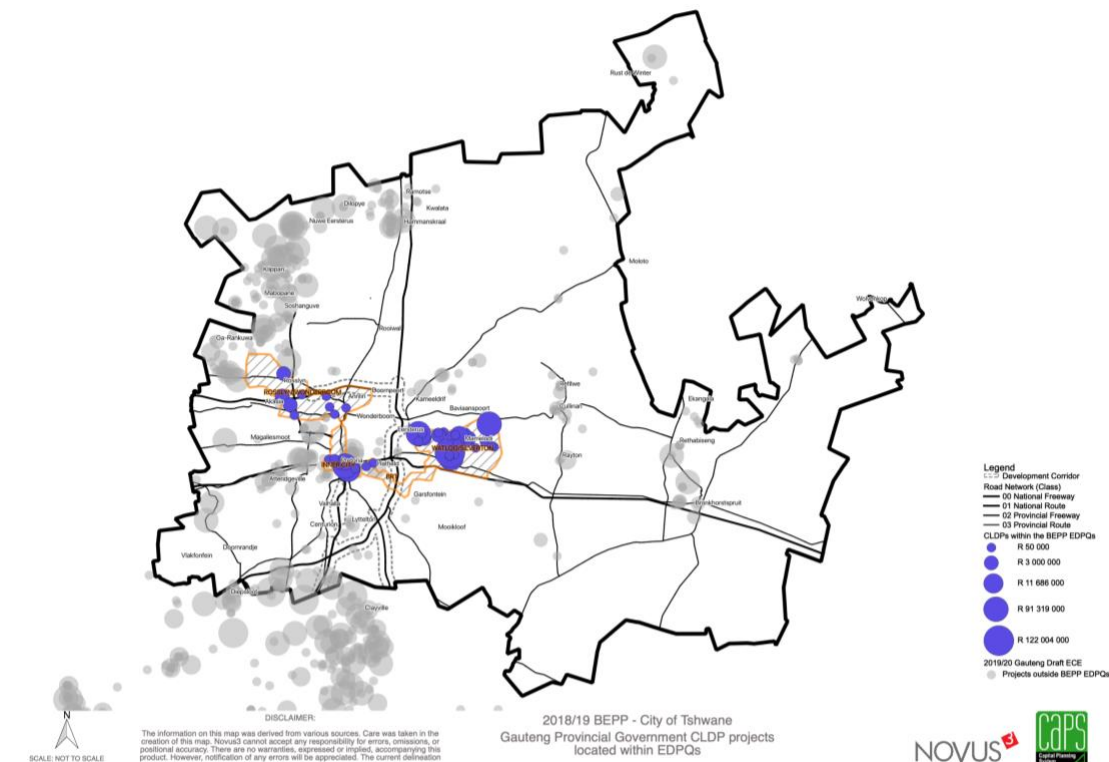


Figure C-28: Gauteng 2019/2020 Capital budget within the BEPP EDPG’s

The majority of the capital provincial budget has been allocated to Waltloo/Silverton quadrant, as this area coincides with three (3) GDSF focus areas which include economic prosperity; social and local economic support and socio-economic integration. Although Section C.3.1 concludes with a strong alignment between the GDSF focus areas and the city's BEPP EDPQs, the provincial capital budget has not been fully aligned to the city's BEPP EDPQs.

C.4 Institutional Arrangement

The city is continually engaging with other public entities in order to firstly explain the spatial targeting and capital expenditure logic of the city and secondly, to establish working relationships with these spheres of government departments and entities. Even though this is an ongoing and long term process, the city has made various inroads in not only obtaining data but also in establishing a working relationship with other public entities. Support from National Treasury with regards to collaboration and cooperation of relevant public entities is required.