MANGAUNG METROPOLITAN MUNICIPALITY

INTEGRATED CITY DEVELOPMENT GRANT

Built Environment Performance Plan

2014 / 2015

Final

DATE: 30 May 2014

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Glossary

ADN	Airport Development Node
AFS	Annual Financial Statements
AG	Auditor General
AMP	Asset Management Plan
BEPP	Built Environment Performance Plan
BNG	Breaking New Ground
BRT	Bus Rapid Transport
CBD	Central Business District
CBF	Cities Budget Forum
CRR	Capital Redemption Reserves
CSP	Cities Support Programme
DBSA	Development Bank of Southern Africa
DORA	Division of Revenue
EDS	Economic Development Strategy
EIMP	Environmental Implementation and Management Plan
EMT	Executive Management Team
EPWP	Extended Public Works Programme
FSHC	Free State Social Housing Company
GRAP	Generally Recognised Accounting Practice
HDA	Housing Development Association
HSDG	Human Settlements Development Grant
IA	Internal Auditor
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IHSP	Integrated Human Settlements Plan
INEP	Integrated National Electrification Grant
IRPTN	Integrated Rapid Public Transport Network
ISUS	Informal Settlements Upgrading Strategy
ITF	Intermodal Transport Facility
ITP	Integrated Transport Plan
LED	Local Economic Development
LUMS	Land Use Management Scheme
MAYCO	Mayoral Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MLM	Mangaung Local Municipality
MMM	Mangaung Metropolitan Municipality
MPPMR	Municipal Planning and Performance Management Regulations
MSA	Municipal Systems Act
MSDF	Metropolitan Spatial Development Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDPG	Neighborhood Development Partnership Grant
NDP	Neighborhood Development Programme Unit
PTIG	Public Transport Infrastructure Grand
SDBIP's	Service Delivery and Budget Implementation Plans

SIP	Strategic Integrated Projects
SMME	Small, Medium and Micro Enterprise
SPLUMA	Spatial Planning and Land Use Management Act 2013
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
WC/WDM	Water Conservation/Water Demand Management
WWTW	Waste Water Treatment Works

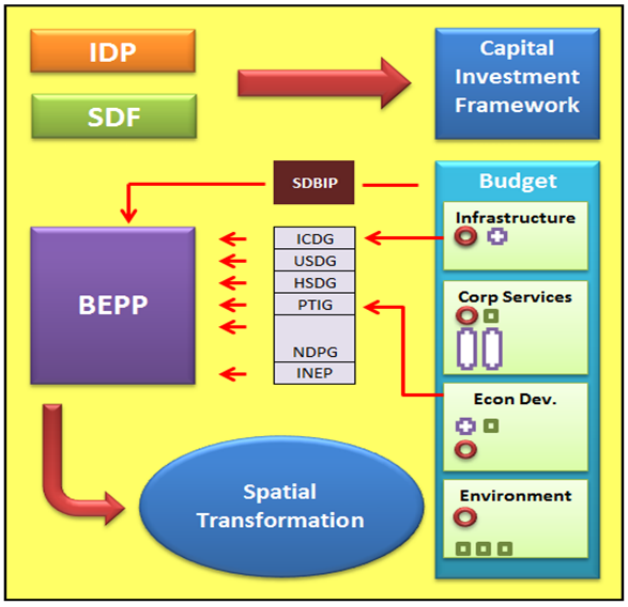
PREAMBLE

The **Integrated City Development Grant** (ICDG) is a new grant for Metropolitan Municipalities, introduced by National Government during the 2013/14 National budget. The Grant is regarded as a performance grant and aims to incentivise participating Municipalities who transform their cities through effective integration, alignment of sector departments and achieving their development objectives, indicators and targets. The objective is to support the development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities.

The intended strategic outcome of the **ICDG** is to stimulate good governance and spatial transformation of metropolitan cities. In support of this, the Mangaung Metropolitan Municipality (MMM) has identified specific, medium-term strategies, objectives and targets, as contained in this Built Environment Performance Plan (BEPP). These strategies, objectives and targets are to be closely monitored during the next financial year in accordance with the Municipality's Capital Investment Programme.

This **Built Environment Performance Plan** (BEPP) is a strategic plan that aims to improving the performance of metropolitan built environs over the long term. It also serves as an instrument to enhancing inter-governmental relations and is not only an eligible requirement for the ICDG, but also covers all infrastructure grants including the Urban Settlements Development Grant (USDG), Human Settlements Development Grant (HSDG), Public Transport Infrastructure Grant (PTIG), Neighbourhood Development Partnership Grant (NDPG) and Integrated National Electrification Grant (INEP).

More specifically, the **BEPP** relates to the long term growth and development strategies, as well as financial and investment frameworks of the Municipality. Consequently, the BEPP is informed by several existing statutory policy plans of the Municipality, including the Integrated Development Plan (IDP), the Metropolitan Spatial Development Framework (MSDF), the medium term revenue and expenditure framework (MTREF), the Service Delivery and Budget Implementation Plans (SDBIP), reporting requirements in terms of the Municipal Finance Management Act No 56 of 2003 (MFMA), as well as several other performance management and sector plan requirements.



The MMM is committed towards the spatial transformation of the entire municipal area and strives toward accelerated and inclusive economic growth. In accordance with the Guidance Note of the BEPP, November 2013, this document provides a strategic overview of the built environment, outlines the focus areas, strategies, programmes and targets of the municipality, as well as providing for institutional and financial arrangements to achieve the required outcomes and outputs. In complying with the prescribed format of National Treasury, this BEPP will contribute positively to the desired spatial restructuring of Mangaung and improve the overall performance of the built environment.

SECTION A. INTRODUCTION AND BACKGROUND

A.1 Guiding documentation

The following documents were used as references in compiling the BEPP;

A.1.1 Documents from National Treasury

- Cities Support Programme Guidance Note: Built Environment Performance Plans (BEPPs) Guidance Note for 2014/15 (http://ndp.treasury.gov.za)
- MFMA Circular No 70: Municipal Budget Circular for the 2014/15 MTREF, December 2013.
- MFMA Circular No 71: Financial Ratios and Norms, January 2014.
- MFMA Circular No 72: Municipal Budget Circular for the 2014/15 MTREF, March 2014.
- Budget Preparation 2014/15, City Budget Forum.
- Guidelines for the implementation of the Integrated City Development Grant in 2013/14, May 2013.
- Guideline for Framing Built Environment Performance Indicators for Metropolitan Municipalities, October 2013.
- Neighbourhood Development Programme Unit Guidance Note: Municipal Guidance on the identification of the Urban Network Elements
- Neighbourhood Development Programme Unit: Key Terminology, July 2013.
- Neighbourhood Development Partnership Programme: Guidance on Municipal Output, May 2013.
- Urban Hub Design Toolkit: Design Methodology for the Urban Network Strategy, March 2013.
- Neighbourhood Development Partnership Grant Programme: Identification of the Urban Hub, Document 1: Methodology Development, Version 7, April 2013.

A.1.2 Municipal policy frameworks and supporting documents

- Mangaung Integrated Development Plan, 2012 – 2014.
- Metropolitan Spatial Development Framework, 2012 – 2014.
- Mangaung Medium Term Revenue and Expenditure Framework, 2014/15 – 2016/17.
- Mangaung Annual Budget 2014 / 2015.
- Draft Service Delivery and Budget Implementation Plan (SDBIP) 2013 / 2014.
- Economic data and Sector study for Mangaung Metropolitan Municipality, 2012.

A.1.3 Other documents

- Spatial Land Use Management Act No. 16 of 2013
- Division of Revenue Bill, Government Gazette No. 37337 of 21 February 2014.

A.2 Adoption of the BEPP

"The municipal council notes:

a) The DORA allocation of funding from the Integrated City Development Grant, the Urban Settlement Development Grant, the Human Settlements Development Grant, The Public Transport Infrastructure Grant, the Neighbourhood Development Partnership Grant, and the Integrated National Electrification Grant for the 2013/14 financial year;

b) An incentive grant will be made available to the Municipality by the National Department of treasury if the municipality demonstrates its commitment and provides evidence of spatial restructuring within its area of jurisdiction.

Therefore the municipal council undertakes to submit this Built Environment Performance Plan for 2014/15 together with the Municipal IDP and SDF, as well as the 2014/15 budget, for approval.

SECTION B. STRATEGIC REVIEW OF THE BUILT ENVIRONMENT

B.1 Current performance of the built environment

The Mangaung Municipal Area covers 6 157 km² and comprises three prominent urban centres, namely Bloemfontein, Botshabelo and Thaba Nchu. These centres are surrounded by an extensive rural area.

Due to its central location within the Free State and the country, Mangaung is extremely well linked with other provinces via National road networks including the **N1** (which links Gauteng with the Southern and Western Cape), the **N6** (which links Bloemfontein to the Eastern Cape), and the **N8** (which links Lesotho in the east with the Northern Cape in the west via Bloemfontein). Mangaung is also well linked via rail and air transport networks, although the rail transport system is not fully functional in terms of servicing all the areas.

Bloemfontein is the capital of the Free State Province and also the Judicial Capital of South Africa. It represents the economic hub of the local economy and also serves as the administrative headquarters of the Province.

Botshabelo is located 55km to the east of Bloemfontein and was established in the early 1980s to provide much needed labour in Bloemfontein without the inconvenience of having labour at the employers' doorstep.

Thaba Nchu is situated 12km further to the east of Botshabelo and use to be part of the Bophuthatswana "Bantustan". As a result it exhibits a large area of rural settlements on former trusts lands.

From the above it is evident that that a huge spatial divide exists between the three urban centres mentioned above

B.1.1 Spatial patterns

The existing spatial pattern of Mangaung is depicted in the table and graph below;

Table B1.1: Size and Number of land units in Mangaung

Land Use Type		Land Units				Size	
		Residential	%	Other Land Uses	%	Area(Km²)	%
Formal Stands	Bloemfontein	91 084	54.21%	6 567	58.23%	106	1.72%
	Botshabelo	49 951	29.73%	1 426	12.64%	39	0.63%
	Thaba Nchu	22 073	13.14%	731	6.48%	25	0.41%
Small Holdings		2 767	1.65%	405	3.59%	133	2.16%
Farms & Other		2 161	1.29%	2 149	19.05%	5855	95.08%
Total		**168 036**	**100.00%**	**11 278**	**100.00%**	**6157**	**100.00%**

Source: Surveyor General, February 2014

The following conclusions are drawn from the above table;

- Bloemfontein houses just more than half of the entire population, whilst Botshabelo houses 30% and Thaba Nchu just below 15%;
- Urban areas make out less than 3% of the total municipal area, although 97% of all residential properties are to be found in urban areas.

The Spatial pattern of Mangaung is depicted in **Plan 1** attached hereto.

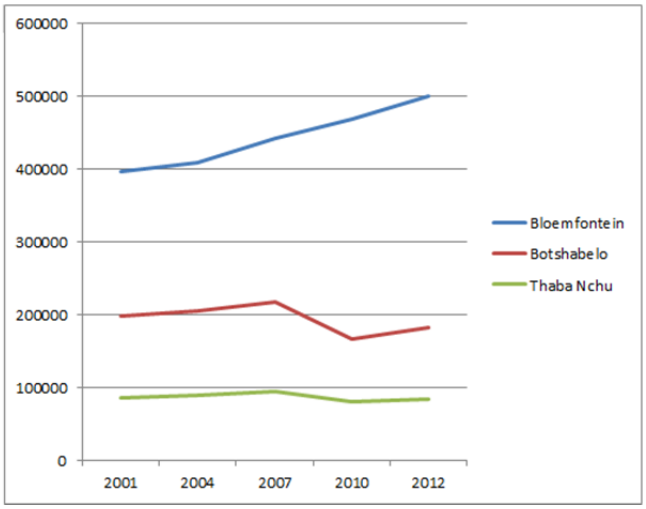
B.1.2 Demographics

The population figure for Mangaung has increased from 679 274 in 2001 to 767 264 in 2012, indicating a population growth of 1.11% (i.e. 88 000 people) over the eleven year period.

Table B1.2: Population Figures and percentage growth between 2001 – 2012

Year	Bloemfontein	Botshabelo	Thaba Nchu	TOTAL
2001	396020	197082	86172	**679274**
%	58.3	29	12.7	**100%**
2004	409044	205645	89372	**704061**
%	58.1	29.2	12.7	**100%**
2007	442083	217300	94052	**753435**
%	58.7	28.8	12.5	**100%**
2010	469156	166705	79949	**715810**
%	65.5	23.3	11.2	**100%**
2012	501017	182914	83333	**767264**
%	65.3	23.8	10.9	**100%**

% Growth	Bloemfontein	Botshabelo	Thaba Nchu	Average
2001 - 2004	1.08%	1.43%	1.22%	1.20%
2004 - 2007	1.07%	1.41%	1.21%	1.19%
2007 - 2010	2.00%	-8.46%	-5.27%	-1.69%
2010 - 2012	3.34%	4.75%	2.09%	3.53%
Average 2001 - 2012	2.16%	-0.68%	-0.30%	1.11%



Source: Economic data and sector study for Mangaung, 2012

The following can be concluded from the above table and Graph;

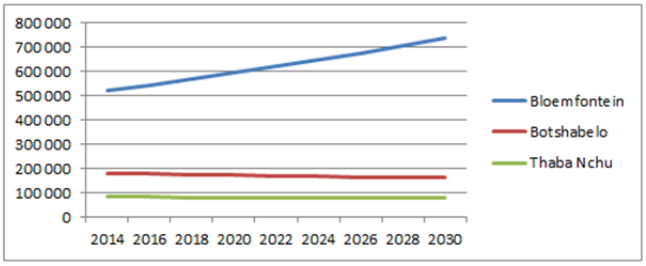
- The population for Bloemfontein has grown significantly between 2007 – 2012, whilst the population for both Botshabelo and Thaba Nchu have shown a drastic decline.
- About 45 000 people have relocated from Botshabelo and Thaba Nchu to Bloemfontein between 2007 to 2012 (9 000 people per annum);
- Botshabelo is slowly regaining momentum in terms of population growth.
- Thaba Nchu appears to be more stable in terms of people emigrating to other areas;
- Bloemfontein now houses almost two thirds of the entire Mangaung Population.

Botshabelo has the highest population density at 1396.84 persons per km², whilst that of Bloemfontein is 90.23 persons per km² and that of Thaba Nchu is 64.78 persons per km².

The following table indicates the expected population growth for Mangaung until 2013;

Table B1.3: Expected population growth for Mangaung until 2030

Year	Bloemfontein	Botshabelo	Thaba Nchu	Total Population
2014	522 895	180 435	82 834	786 163
2016	545 728	177 989	82 337	806 054
2018	569 558	175 577	81 844	826 979
2020	594 428	173 197	81 354	848 979
2022	620 385	170 850	80 866	872 101
2024	647 475	168 534	80 382	896 391
2026	675 748	166 250	79 900	921 898
2028	705 256	163 996	79 422	948 674
2030	736 052	161 774	78 946	976 771



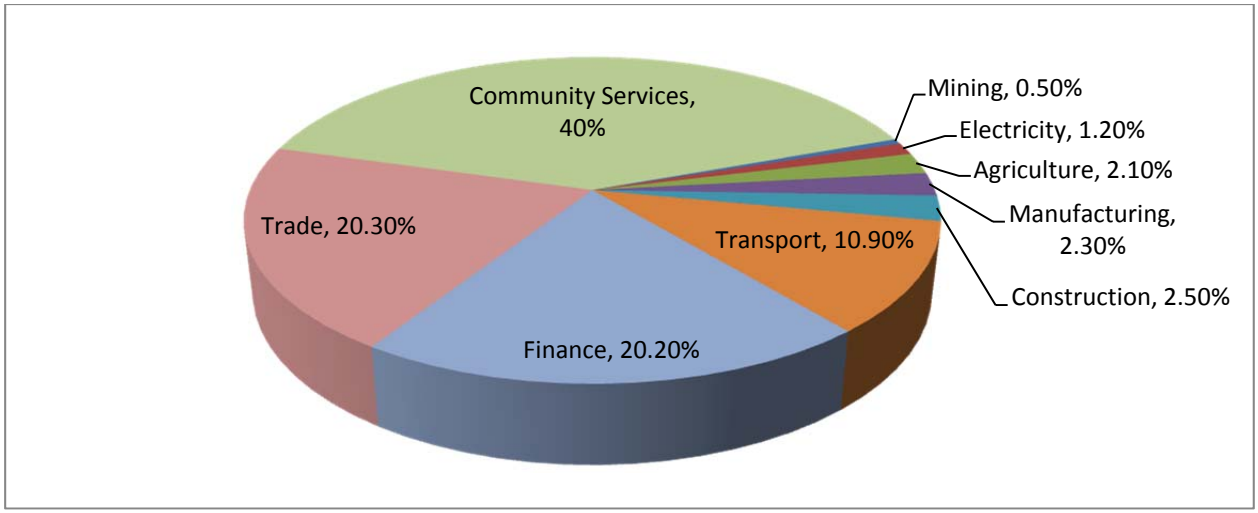
The average growth rates for the past 11 years have been used in respect of each individual area to calculate the projected population growth. It is expected that the population for Bloemfontein will continue to grow at an average rate of 2.1%, whilst that of Botshabelo and Thaba Nchu is expected to remain stable.

Additional key statistics of Mangaung is set out in **Annexure C,** attached hereto.

B.2 Economic Infrastructure Review

Mangaung has a well-developed economy and is the largest contributor to the GDP of the province (29,8%). This contribution of Mangaung to the Free State's economy is larger than its population share of 27,2%. The economy is, however, regarded as one of the most diverse economies with the key sectors being trade, transport, finance and community services.

Figure B2.1: Sector contribution to GDP



Mangaung Economic Data & Sector Study, 2012

Trade and Transport have shown slight decreases over the past few years, whilst Finance and Community services have shown steady increases. **Annexure G** provides an overview of the proportional share of the economic sectors per sub-area in MMM from 2001 to 2012. The following notable conclusions are drawn from this annexure;

- The dominance of Trade and Community services in Botshabelo and Thaba Nchu should be noted. In Thaba Nchu, these two sectors contributed 70.5% of the economy in 2012. The relative figure for Botshabelo is 64.7% (and in Bloemfontein it is only 53.4%).

- The strong contribution of Finance to the economy of Bloemfontein should also be noted, though the sector has seen some contraction in Bloemfontein recently. Finance has recently also seen strong growth in Botshabelo and Thaba Nchu.

The overall economy of MMM has grown at a steady pace of 4,65% per annum between 2001 and 2012. Although Bloemfontein remains the economic hub of the region, both Botshabelo and Thaba Nchu have shown strong growth between 2010 and 2012 (11,78% and 8,13% respectively), whilst the Bloemfontein economy contracted (-1,45%).

Employment creation in Mangaung had been significant between 2001 and 2012 with 14 531 jobs added to the economy over the past 11 years. Although Bloemfontein has shown a modest increase in employment opportunities, the other two urban centres have shown a steady decrease. The sector that created the most employment over this period is Community Services with a net gain of 18 640 employment opportunities, compensating for significant losses in other sectors. This situation is becoming potentially dangerous as too many people are dependent on a single employer (the state).

The economic active population of Mangaung represents 36.25% of the total population with 24.66% residing in Bloemfontein, 8.71% in Botshabelo and 3.88% in Thaba Nchu. Due to the high influx rate of people seeking better living conditions the area has a high unemployment rate (27.7%), and is characterised by high levels of poverty.

The average annual household income in Mangaung was R141 294 during 2012. Once again, the dominance of Bloemfontein is evident with a household income of R165 700 per annum, whilst those of Botshabelo and Thaba Nchu were R91 906 and R102 967 respectively.

The per capita annual income (2012) in MMM (R43 448) was more than the per capita income in the Free State (40 633) and also higher than the national average (R41 925). As was the case with household income, Bloemfontein has a significantly higher per capita income compared to Botshabelo and Thaba Nchu. (R53 037 versus R25 685 and R31 813)

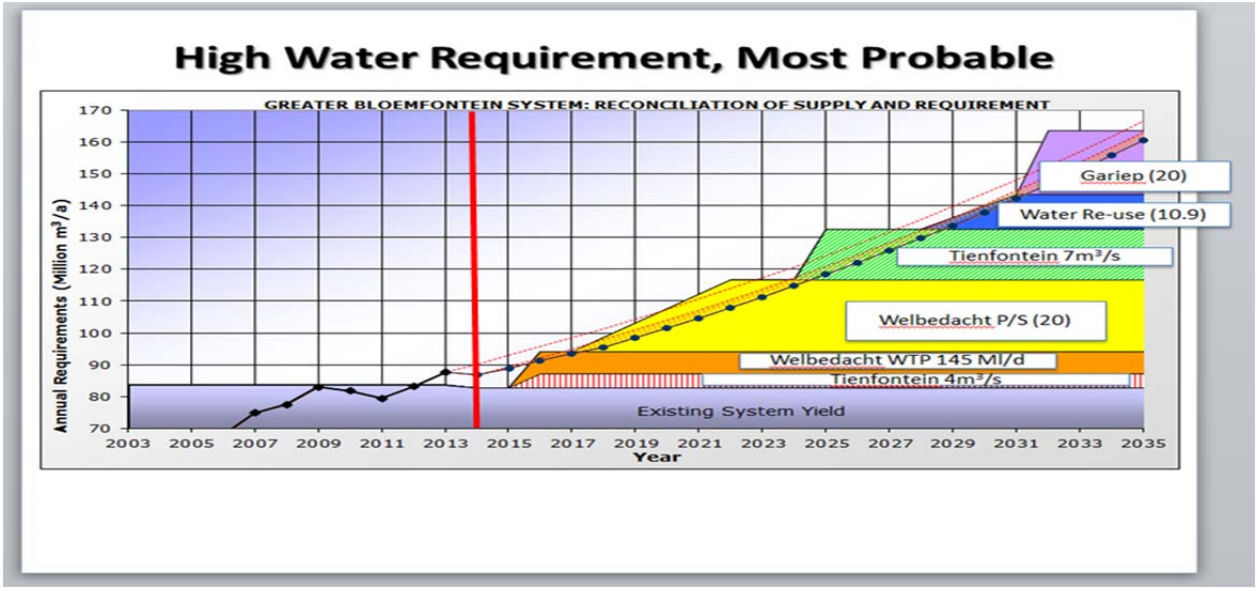
B.3 Basic Infrastructure Review

B.3.1 Existing Capacities

a) Bulk Water

Mangaung is currently experiencing increasing shortages in terms of bulk water supply, as indicated in the diagram below. It is evident that a shortage of supply will continue until 2015 when the Tierfontein Pump station and the Welbedacht WTW are upgraded.

Figure B3.1: Bulk water supply



All reservoirs in Bloemfontein, Botshabelo and Thaba Nchu have sufficient capacity to cater for daily demands, except the three reservoirs indicated in the table below.

Table B3.1: Reservoirs in Mangaung with insufficient capacity

Area	Reservoir / Tower	Area affected	Backlog AADD Mℓ/d required	Backlog Storage required (Mℓ/d)
Bloemfontein	Longridge 1,2,3	Zones 4,6,10	6.02	12.05
Botshabelo	No. 5	Block F	2	3.528
Thaba Nchu	OK	OK	1.7	3.42

The existing capacity of reservoirs is indicated in **Annexure D (Tables D1 & D2)**, whilst the location of Reservoirs is indicated on **Plans 2A and 2B**, attached hereto.

b) Sanitation

Most of the Waste Water Treatment Works (WWTW) in Mangaung are operating to full capacity, whilst several other are completely under capacity. The combined capacity of all WWTW is 118.4 Ml/day, whilst the current demand is 164.12 Ml/day. The demand therefore exceeds the existing capacity with 45.72Ml/day.

The WWTW's that currently operate under capacity are summarised in the table below.

Table B3.2: Mangaung WWTW operating under capacity

WWTW	Community Served	Design Hydraulic Capacity (Ml/day)	Current Hydraulic Demand (Ml/day)	Spare Capacity Hydraulic (Ml/day)	Design Capacity Organic (kg/day)
Bloemspruit	Bloemfontein	42.3	62.4	-20.1	25930
	Mangaung	13.7	21.7	-8.0	8398
Sterkwater	Mangaung	20	24.7	-4.7	12 260.0
Botshabelo	Botshabelo	20	33.2	-13.2	12260
Selosesha	Thaba Nchu	6.5	11.1	-4.6	3594.5
Total:		**118.4**	**164.126**	**-45.726**	**72189**

A detailed breakdown of the capacity for all WWTW in Mangaung is reflected in **Annexure D (Table D3)**, whilst the positions of the WWTW's are indicated on **Plans 2A and 2B,** attached hereto.

c) Roads

MMM's bulk roads services consist of approximately 197 km of main roads. Visual assessments are done every two years on MMM's road networks and the results are captured into the Pavement Management System, which is used to prioritise the roads to be resealed/rehabilitated. Each year some of the main roads are rehabilitated, but more funding is needed to eradicate the backlog. In cases of new developments and densification of existing urban areas, the capacity of the main roads is investigated and upgrading of the existing main roads is proposed if needed.

d) Stormwater

MMM's bulk stormwater consists of approximately 56 km of major stormwater canals. The capacity of the major systems varies from a 10-25 year storm frequency depending on the area to be served. In general there are no major capacity constrains in the major systems, however some portions of the major systems need serious rehabilitation regarding vegetation and structural collapses. MMM is making use of a Stormwater Management System (SMS) to determine the flows and capacities of the stormwater conduits. There are contractors appointed on a 3 year contract to do rehabilitation work on the major stormwater systems, but more funding will be needed to cater for the total rehabilitation need.

e) Electricity

Centlec, a Municipal utility, is responsible for providing electricity in Mangaung. When a development within the urban area occurs it is necessary to do electrical design in such a manner that will make provision for electrical supply capacity for a number of years to come. The ongoing growth due to the new developments over the years results in electrical load growth as well. Centlec is faced with the following challenges concerning the lack of investment in respect of electrical infrastructure;

- Loss of firm capacity;
- Overloading of electrical infrastructure;
- Weakened voltage levels;
- Un-economic levels of system distribution losses;
- Reduced life expectancy of distribution equipment;
- Loss of energy sales due to poor performance of networks; and
- Loss of customer confidence due to unreliable electricity supply.

Centlec has budgeted R192 million in the MTREF to upgrade and build six Distribution Centres to increase the capacity of electricity to deal with the backlog and also future developments. The detail concerning the six distribution centres is set out in **Annexure H.**

f) Solid Waste

Most Municipal areas have access to waste services, whilst rural areas, farms, small holdings and some informal areas do not have access to the service due to, amongst other, accessibility and distance. Low availability of fleet and equipment and lack of skilled personnel exacerbates the situation. The capacities of existing Landfill sites are summarised in the table below and also indicated on **Plans 2A and 2B**, attached hereto.

Table B3.3: Capacity of existing Landfill Sites in Mangaung

Area	Description	Capacity	Comments
Bloemfontein	Northern Landfill	The Northern landfill site is nearing its useful life, and coupled with that a housing development has encroached into the 600m buffer zone of this site. *Remaining airspace – appox. 885362 m^3*	The city would be compelled to close it even before it has reached its lifespan due to its close proximity to the residential area.
	Southern Landfill	*Remaining airspace – appox. 5 504 332 m^3*	The site has a potential for the development of a waste to energy project and also creation of green jobs through sorting and separation of waste
Botshabelo	Botshabelo Landfill	*Remaining airspace – Appox. 1 330518 m^3*	There is a potential for the expansion of the lifespan of this site due to less waste that will be received when the Thaba Nchu transfer station is in operation.
Thaba Nchu	Thaba Nchu Landfill	(this site is not saturated. Operations on this site ceased in 2002 because it was illegal to further operate it. DWAF refused to permit it due to some concerns and as a result it has to be closed according the legal requirements) Saturated	The Thaba Nchu landfill site is undergoing a formal closure in terms of the legal requirements. This will return the area to its natural state. This will also improve negative impacts to the water quality in the area and preventing further environmental impacts.

The currently utilised landfills are permitted but are not being operated in accordance with the permit requirements and are therefore non-compliant. Landfilling operations are being improved to ensure operational compliance.

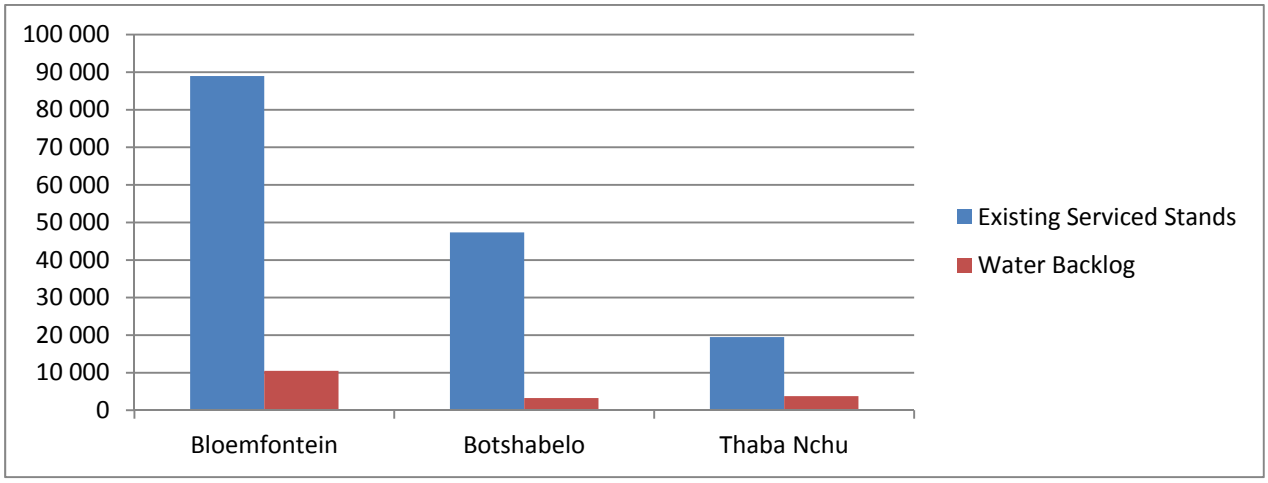
B.3.2 Current level of services, demands and backlogs

The current level of internal services infrastructure is indicated in detail per service type in **Annexure D**, whilst the backlogs are summarised below.

a) Water

The current water demand is calculated at 600 litre / unit / day. The water backlog in Mangaung can be quantified at **17 555 stands (10%)** with 10 505 located in Bloemfontein, 3 267 in Botshabelo and 3 783 in Thaba Nchu. The cost for providing households with metered water connections is estimated at **R140 million**. (Also refer to **Table D5 (Annexure D)**.

Figure B3.2: Water Backlog in Mangaung

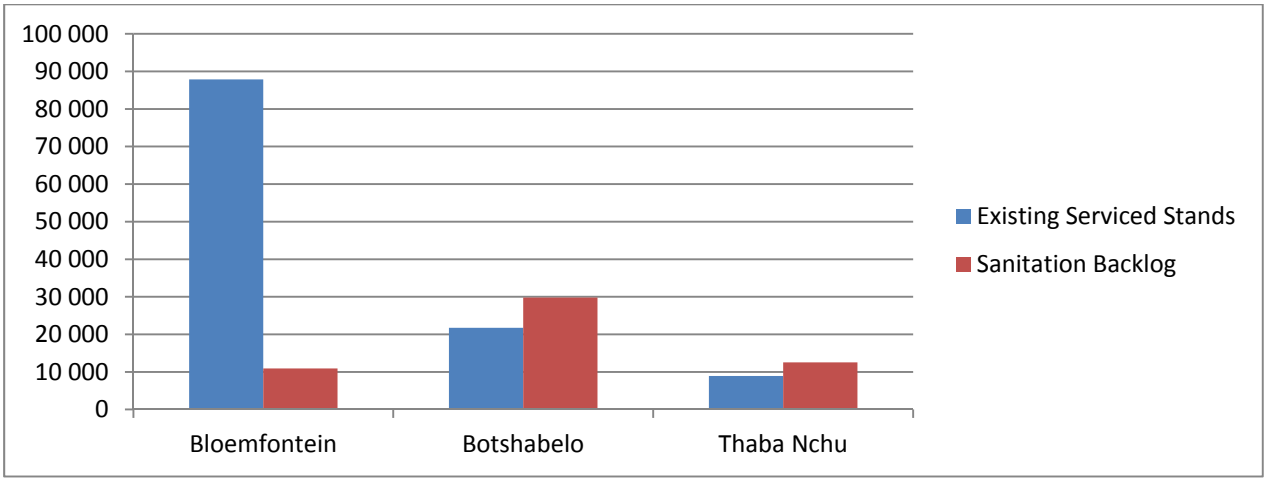


The municipality has set itself a target of connecting 3 300 formal erven each year. Considering the fact that the number of formal erven increases with approximately 1 000 new stands per annum, it will take approximately 8 years until 2022 to eradicate the water connection backlog.

b) Sanitation

The current sanitation demand is calculated at 500 litre / unit / day. The sanitation backlog (households without any access to sanitation) in Mangaung can be quantified at **53 259 stands** with 10 940 located in Bloemfontein, 29 783 in Botshabelo and 12 536 in Thaba Nchu. The cost for upgrading is estimated at **R1.33 billion**. (Also refer to **Table D6 (Annexure D)**.

Figure B3.3: Sanitation Backlog in Mangaung



The municipality has set itself a target of connecting 11 300 formal erven each year, subject to the availability of sufficient funds to upgrade the bulk networks alongside the set target. Considering the fact that the number of formal erven increases with approximately 1 000 new stands per annum, it will take approximately 6 years until 2020 to eradicate the sanitation backlog.

c) Roads

The backlog within existing formal developments is **1,049km** of roads affecting 167,800 households, whilst the distance within informal settlements is **924km**. The total length of roads to be constructed within new future developments is **273km**. (Refer to **Table D7, Annexure D)**.

The Municipality aims to upgrade 150km of gravel roads per year over the next 5 years, although the entire upgrade will take longer than 10 years, subject to the availability of funds.

d) Stormwater

Stormwater management remains a big challenge for the Municipality, since continued urbanization interferes with the natural discharge of storm water. The volumes of discharge, as well as peak flows, increase, radically in comparison with undeveloped areas. The current storm water backlog can be summarised as follows (Refer to **Table D7, Annexure D)**;

- Existing developments: 800km
- Informal settlements: 717km
- Future developments: 219km

The **objective of storm water management** is to limit development in sensitive areas and to provide guidelines for development in order to limit peak flows or to convey storm water in a controlled manner. Precautionary measures are Included in the **Stormwater Management System (SMS)**, in terms of which the relevant directorate is responsible to identify and prioritize projects, as well as to find solutions for problems via hydrological modelling of stormwater.

e) Electricity

All formalized areas within Mangaung have been provided with electricity and technically there are no shortages. The provision of electricity in Mangaung is at all-times high – more than 90%.

However, CENTLEC is experiencing serious maintenance backlogs over the past seven years and it has been very difficult for the CENTLEC to clear these backlogs on maintenance and strengthening network projects that maintains a constant, reliable electricity supply to the communities of Mangaung. The lack of investing in the main back bone projects is also a contribution factor to the outages that are being experienced in recent years. It is important to note that Mangaung Municipality will also need a reliable electricity supply for all new developments that are mushrooming around the N8 corridor and the surrounding areas.

In addition to the above, not all informal areas have been provided with electricity. In order to facilitate the provision of electricity in informal areas, Government has set up strategies and guidelines to encourage service providers to electrify un-proclaimed / informal settlements by making a contribution towards the cost of connection and treating these connections as part of Government's electrification targets.

The following areas have been targeted as electrification projects for the 2014/15 financial year;

- Bloemside 7: 366 connections
- Grasslands Phase 4 (Khayelitsha): 500 connections;
- Meriting: 1880 connections

f) Solid waste

The following projects and initiatives are being implemented;

- Rehabilitation and official closure of Thaba Nchu landfill site;
- Upgrading of all the three permitted landfill sites ;
- Establishment of a waste transfer station in Thaba Nchu;

The following additional projects will be funded by the Department of Tourism and Environmental Affairs (DTEA);

- Establishment of 5 drop –off/recycling facilities in Mangaung.
- Establishment of a waste transfer station in Thaba Nchu (in Mangaung's current budget but also additional funding from DEA).

B.3.3 Condition of infrastructure assets and maintenance

Mangaung is currently experiencing huge challenges in terms of managing its infrastructure assets and providing for the increasing needs at the same time. The diversion of resources to new problems makes it extremely difficult to maintain existing infrastructure, with serious repercussions. At the same time, roads and stormwater, parks, water and sanitation services are all deteriorating gradually.

Consequently, there is now a desperate need to address the problems of ageing infrastructure networks with countless water leaks and sewage spillages. Parallel to this, the Municipality is attempting to upgrade, expand, maintain and refurbish infrastructure in existing and new developments, especially recently formalised settlements.

a) Water and Sanitation

The table below shows the 2012/13 asset register for water and sanitation network conditions and replacement values for a period ranging between 8 to 40 years.

Table B3.4: Mangaung water and sanitation network conditions and replacement values

Description		Condition and Replacement Value					
		Very Poor1	Poor 2	Fair 3	Good 4	Very Good 5	Total
FinYear	0	8	16	24	32	40	
Network Pipe lengths (m)							
Bulk Sewer Pipeline		2 475	4 089	29 492	52 669	50 162	132 324
Sewer Network Pipeline		92 389	119 324	296 716	666 957	350 174	1 313 847
Bulk Water Pipeline		4 129	29 889	23 985	166 572	297 472	488 030
Water Network Pipeline		16 818	74 416	299 589	408 853	2 236 629	2 945 071
Network Pipe Replacement Value							
Bulk Sewer Pipeline		R 2 564 355	R 5 845 856	R 58 875 531	R 100 705 849	R 76 421 515	R 236 002 895
Sewer Network Pipeline		R 45 427 939	R 68 381 921	R 172 399 090	R 320 591 166	R 198 361 130	R 691 351 386
Bulk Water Pipeline		R 6 128 694	R 112 301 406	R 46 195 854	R 286 849 174	R 413 094 845	R 746 139 873
Water Network Pipeline		R 14 093 638	R 32 494 896	R 145 753 614	R 225 240 347	R 923 020 008	R 1 294 013 969
							R 2 967 508 123

The following table shows the total replacement cost that will be needed every 8 years

Table B3.5: Total replacement cost every 8 years

FinYear	0	8	16	24	32	40
Sewer Replacement	R -	5 999 036.78	9 278 472.12	28 909 327.64	52 662 126.86	34 347 830.60
Water Replacement	R -	2 527 791.46	18 099 537.71	23 993 683.46	64 011 190.22	167 014 356.66
TOTAL	R -	R 8 526 828.2	R 27 378 009.8	R 52 903 011.1	R 116 673 317.1	R 201 362 187.3

b) Roads and Stormwater

The Table below shows the fair (Current) value of the MMM roads and stormwater assets. It shows that MMM must annually invest a minimum of **R93.4 million** on roads and stormwater to ensure that these services do not exceed its optimistic remaining useful lives. The table also indicates the optimistic remaining useful life, the annual replacement cost and the subsequent shortfall.

Table B3.6: Rehabilitation backlog for Roads and Stormwater

Service	Fair Current Value	Remaining Useful Life (Optimistic)	Annual Replacement Cost	Provided on Annual Capital Budget	Annual Shortfall
Roads	R 3,019,800,000	25	R 120,792,000	R 32,850,000	R 87,942,000
Stormwater	R 702,000,000	70	R 10,028,571	R 4,500,000	R 5,528,571
TOTAL	R 3721,800,000		R 130,820,672	R 37,350,000	R 93,470,571

c) Electricity

For a number of years Centlec's infrastructure network has been perceived to be one of the best in the country. It is now evident by a number of faults occurring on the system that the utility is experiencing problems with its ageing infrastructure due to the lack of investing on network strengthening projects

and its maintenance plans. The utility has now incurred a substantial backlog on both capital and maintenance projects.

The following refurbishment projects have been targeted for the 2014/15 financial year;

- Replacement of 11KV switchgears: R5,000,000
- Remedial work 132KV southern lines: R4,000,000
- Replacement of oilplant: R 800,000

B.4 Residential Infrastructure Review

B.4.1 Current status of land and housing

The table below indicates the types of dwellings that people live in, as recorded during the 2007 community survey.

Table B4.1: Type of main dwelling for H/holds: MMM

Type of dwelling	Households
House or brick structure on a separate stand or yard	139 022
Traditional dwelling/hut/structure made of traditional material	6 412
Flat in block of flats	6 323
Town/cluster/semi-detached house (simplex	4 483
House/flat/room in backyard	7 883
Informal dwelling/shack in backyard	6 215
Informal dwelling/shack NOT in backyard	30 604
Room/flat NOT in backyard but on a shared property	1 234
Caravan or tent	227
Private ship/boat	55
Workers' hostel (bed/room)	127
Other	178
Total	**202 762**

Source: Stats SA - Community Survey 2007

The current **Housing Backlog** stands on **58 820 housing units**, of which **27 735 households** are living in informal settlements and the GAP market, as indicated in the table below.

Table B4.2: Current housing demand in Mangaung (updated March 2013)

Income Group	Market Segment	Demand	
		No households (or units)	Area (or location)
Medium (R8 000+)	Affordable market	10 500	7 land parcels
Medium (R3 500 – R8 000)	GAP market	10 820	7 land parcels
Low (R0 – R800)	Subsidy market	35 000	informal settlements and identified land for human settlement
Low (R800 – R3 500)	Rental market (formal & informal)	2 500	CBD/White City & Kgatelopele
Totals		**58 820**	

Over 50% of the backlog is experienced in the Bloemfontein area, as it has better social and economic opportunities than Botshabelo and Thaba-Nchu.

a) Types of housing developments

The table below indicates the number of houses that were provided within Mangaung since the 2006/07 financial year.

Table B4.3: Number of Housing Units provided in MMM between 2006 and 2012 (Updated April 2013)

Financial Year	Number of Housing Units	Total Expenditure (R million)
2006/07	2 850	120 047 700
2007/08	1 097	49 179 607
2008/9	3 600	226 252 800
2009/10	3 904	250 098 048
2010/2011	5 300	339 528 600
2011/2012	1 200	81 178 800
TOTAL	17 951	1 066 285 555

Source: MLM, 2006-2012

The **17 951** housing units that were completed during the past five years mainly represent project linked subsidies. In addition to the above, the following allocations were also made for the same period;

- Hostel Development (CRU): 200 units
- PHP: 216 units
- Extended Discount Benefit Scheme: 993 units
- Act 81 tenure conversions: 4 089 units

The spending of the Directorate was also directed towards **integration** with particular focus on;

- The Brandwag Social Housing Project;
- obtaining land for the new proposed Botshabelo/Thaba-Nchu development node; and
- Three mixed-development pilot projects in Bloemfontein, addressing the Gap market.

All the above projects are aimed at restructuring the spatial pattern of the city.

b) Upgrading of Informal settlements

There are currently 28 informal settlement groupings comprising in approximately 27 735 structures scattered all over Mangaung, with the most located in Bloemfontein, and several in Botshabelo and Thaba Nchu. The location of these informal settlements is depicted on **Plans 4A and 4B**, attached hereto, whilst the Informal Settlements Upgrading Plan is attached hereto as **Annexure E**.

In line with developing sustainable human settlements, the Metro with the assistance of the **HAD,** has developed an **Informal Settlements Upgrading Strategy (ISUS),** which aim is to come up with a more focused and logical manner to deal with upgrading of Informal Settlements. The objectives of the ISUS are to;

- Ensure alignment with National and Provincial Human Settlement strategies, planning directives and policies;
- Ensure sustainable and spatially integrated Human Settlement delivery;
- Consolidating, confirming and installing a shared human settlement division between Mangaung Metro and all spheres of government, role players and stakeholders by outlining and emphasising targeted informal settlements focus areas in respect of informal settlements within the Municipal area;
- Ensure alignment and integration with the Metro's other strategic documents (e.g. Integrated Human Settlements Plan, Spatial Development Framework, Metro Growth and Development Plan, 2040, etc.);
- Align budgets and capacities to the objectives of the Metro.

The prioritization criteria for implementing the informal settlement upgrade programme are discussed later in this document.

c) Prevention of illegal occupation of land

The **illegal occupation of land** is still evident, particularly in areas far away from job opportunities or along public transport routes, although backyard dwellings have decreased in recent years. This has given rise to a continuation of urban sprawl and low-density residential developments in favour of medium to high density developments in the disadvantaged areas, which has resulted in longer travelling distances and the dislocation of poor people on the fringe of the urban areas.

In addition to the **ISUS**, the Metro is in the process of developing an **Informal Settlements Resettlement Plan (ISRP)** in an attempt to prevent further proliferation of the informal settlements within the

jurisdiction of Mangaung. The following Strategies were identified to prevent informal settlements from mushrooming;

Table B4.4: Strategy Interventions to prevent illegal occupation of land

	CHALLENGES	STRATEGY INTERVENTIONS
1	Continuous mushrooming of informal settlements	• Consumer education • Forward planning • Regulation and Enforcement
2	Ad hoc approach to upgrade settlements	• ISU Strategy document
3	Settlements located in unsuitable areas	• Resettlement plans • Forward planning • Consumer education
4	Lack of basic services	• Upgrading of settlements (Land development processes) • Integrated resource planning
5	Lack of tenure security	• Upgrading of settlements (Land development processes) • Forward planning
6	Lack of socio-economic amenities	• Sector alignment • Integrated planning

d) Emergency housing options

Mangaung doesn't currently have an emergency housing and assistance policy in place and should consider drafting such a policy within the 2015/16 financial year.

B.4.2 Housing improvement strategies

a) Improved housing locations

The location of new housing projects is mainly driven by the SDF, which makes provision for both public and private initiated developments within the Urban Edge. Apart from the ISUS that deals with informal settlements only, several priority locations have been identified for future development. These include the 7 land parcels around Bloemfontein and Mangaung, as well as the Airport Development Node (ADN) – also referred to as the eight (8) land parcels elsewhere in this report.

b) Densification strategy

The Municipality has not formulated a densification strategy *per se*, but supports densification in general through the following;

- Supporting applications for the subdivision of land;
- Supporting applications for higher density residential development;
- Supporting applications for second dwellings; and
- Planning/initiating multi-dwelling unit residential developments.

Some areas earmarked for densification are summarised in the table below.

Table B4.5: Identified Densification Areas in Mangaung

AREAS EARMARKED FOR DENSIFICATION	DENSIFICATION CHALLENDES
1. Mkhondo	▪ Planning processes are at the advanced stage or completed
2. Bloemside Phase 4 & Sonderwater	▪ Community formally allocated sites with occupation permits
3. Jacob Zuma	▪ Formal structures already been built in some of the settlements
4. Kgatelopele	▪ Settlements earmarked for relocation due to unsuitable land for human settlement
5. Khayelitsha	▪ Socio-economic survey to determine the housing needs

Additional densification areas and principles, which are in line with the urban networks and integration nodes, need to be identified in the 2015/16 financial year.

c) Access to urban opportunities

In 2013 the Metro adopted an **Integrated Human Settlements Plan (IHSP)**, which main aim is to bring about more integrated development with a combination of mixed housing typologies. In this plan, the city has changed focus from the provision of low-income housing to mixed housing developments, including the provision of "gap market" housing which was neglected for many years. The Metro is currently implementing such as projects in Vista Park 2; Vista Park 3 and Hillside View as pilot projects to provide a range of housing for different typologies and income groups, and must be affordable to all the residents. Another project currently being implemented by the municipality, and that will make a valuable contribution to housing in future, is the Airport Development Node (ADN).

Additional opportunities exist on land identified by the Municipality, including Lourierpark extension, Brandkop and Cecilia.

In another attempt to bring about spatial, social and economic integration, the Metro is working together with the **Free State Social Housing Company (FSHC)** for the development of the Brandwag Social Housing Project, which is almost completed. This is a rental housing scheme for households earning between R1,500 to R7,500 and is situated in a **Restructuring Zone**, close to social and economic amenities, as well as the CBD of Bloemfontein.

d) Integration with public transport

All developments are accessible from major transportation routes and main arterials. The public transport system, however, comprise only of privately operated taxis, as well as a heavily subsidised bus service between Thaba Nchu, Botshabelo and Bloemfontein. The absence of an integrated transport plan (ITP) in Mangaung hampers the proper integration of residential infrastructure and other urban opportunities with public transport.

B.5 Community Infrastructure Review

Mangaung is well developed in terms of social infrastructure and community services, although most of these are concentrated in Bloemfontein. **Annexure J** attached hereto represents a strategic overview of the capital requirements from the Social Services Directorate, whilst the needs in respect of different types of social infrastructure are discussed in more detail below.

a) Educational Facilities

The City is well known for its high standard of educational facilities with several tertiary institutions located centrally and which are highly accessible. Sufficient provision (land) has also been made in all urban areas for primary and secondary schools in terms of the town planning standards. The challenge, however, is the construction of schools in less established areas due to budget constraints and lack of proper co-ordination between the municipality and the Department of Education.

The best schools with good facilities are located in Bloemfontein and in the high-income suburbs while the former black townships don't have equal access to such schools. Botshabelo for instance, has an oversupply of school sites, but very little schools. As a result the children in the previously disadvantaged areas have to travel long distances to attend school.

The municipality is committed to assisting the Provincial Department of Education in providing both primary and secondary schools within a radius of 1000 metres from all residential areas within the next five years. The Department of Education has identified three areas (Caleb Motshabi, Bloemside Phase 6 and Botshabelo West), in the MMM for the construction of new schools within the MTREF period.

b) Sport Facilities

Mangaung boasts excellent regional sport facilities and the municipality has recently succeeded in developing and upgrading several facilities linked to a number of sporting codes.

The backlog in terms of sports facilities in the historically disadvantaged areas is still huge, especially in Thaba Nchu and Botshabelo.

c) Health Facilities

Similar to education facilities, Mangaung is also well served with a number of excellent hospitals and health facilities, as well as several other welfare related institutions. Although land for health facilities have also been well provided in terms of the town planning standards, the actual provision of health care facilities are not always forthcoming. There is currently a huge backlog in terms of clinics, especially in new settlements in the south-eastern part of Bloemfontein, the western settlements of Botshabelo and in the rural trusts of Thaba-Nchu.

The Municipality in co-operation with the Provincial Department of Health aims to ensure that sufficient primary health care facilities are provided within a radius of 1 000 metres from all urban residential areas, as well as the functioning of mobile clinics at least twice a week in the rural areas.

d) Public Service Facilities

Public Service Facilities includes amenities such as libraries, community centres, post offices, police stations, fire stations, etc. These facilities are also important for the development of human settlements and are in shortage in the south-eastern quadrant of Bloemfontein, as well as in Thaba-Nchu and Botshabelo. For instance, there is only one public library in Thaba-Nchu and also about four in Botshabelo which is far below the required standards.

As much as these amenities are also provided for in layout plans for most new townships, budgetary constraints have made it difficult for government to construct such amenities.

The Municipality plans to use external grant funding to build multi-purpose centres to accommodate these amenities, easily accessible to all residents. The target is to build at least four multi-purpose centres in previously disadvantaged areas in the next five years. The Municipality in co-operation with the Provincial Department Sport, Art and Culture are currently in the planning stage for the establishment, within the next two years, of a new Regional Library in Selosesha (Thaba Nchu area).

Another priority need to be addressed in the next financial year is the construction of a fire station in the south eastern parts of Bloemfontein. This will drastically reduce response times to fires and other emergencies, which will lower the risk of loss of life and increased damage to property.

e) Parks and Cemeteries Facilities

The Mangaung Metropolitan Municipality has 883 areas zoned as public open spaces of which 158 of these areas are developed into recreation spaces catering for the recreation needs of the community. Although the backlog is still huge especially in the historically disadvantaged areas, the development of two recreational parks (Kagisanong and Botshabelo) and one Regional Park (Thaba Nchu) within the following three years (2013-2015) will assist in addressing the backlog challenges.

Mangaung Metropolitan Municipality has a total of 18 cemeteries with 12 in Bloemfontein, 3 in Botshabelo and 3 in Thaba-Nchu. Furthermore, there is one crematorium that has been outsourced. In addition to these cemeteries, there are also 45 cemeteries in the rural trust areas and are under the control of Barolong Tribal Authority. Subsequently, the municipality does not play an active role in the burials in those areas.

Although the existing cemeteries seem to be sufficient for now, there is a constant need to identify more land for cemeteries for the area. Due to population growth from urbanisation and natural growth, the MMM intends to consider and promote alternative burial methods such as cremation, recycling, mausoleums, alkaline hydrolysis, etc. In addition to this there is also a move towards regionalising the Cemetery function where one cemetery will cater for all the burial needs of a larger community, rather than having these small and scattered cemeteries which put a lot of strain on maintenance.

B.6 Transportation Review

Approximately 17 000 people commute to-and-from work in Bloemfontein on a daily basis, which has forced the municipality to subsidise transport to an amount of R80 million per annum.

Despite the large number of commuters within Mangaung, most developments still favour private motor vehicles as the mode of transport and there is a lack of non-motorised transport routes, proper pedestrian walkways and public transport amenities within bigger developments.
Inadequate on-site delivery facilities are provided with most of the new developments while insufficient taxi amenities leads to littering and pedestrian-vehicle conflict.

The Municipality is currently in a process of drafting an Integrated Public Transport Network (IPTN) Plan, which is expected to be completed by June 2014. The IPTN aims to bring an affordable public transportation alternative for the citizens in Mangaung and will address trends in demand for transport services by mode and income group; average trip lengths (time, distance, cost, reliability, safety). A preliminary Public Transport Plan is, nevertheless, attached hereto as **Annexure F**.

B.7 Sustainable Development Review

MMM currently has an environmental sector plan called the Environmental Implementation and Management Plan (EIMP), drafted in 2004. The sector plan is, however, currently under review due to geographical, political, economic and social changes in Mangaung.

The key objective of the Environmental Sector Plan is to promote sustainable development by integrating environmental management information into decision making processes. This is done through the use of various legal and management tools.

The purpose of the EIMP is to promote sustainable development and, as such, has a long-term impact on the wellness of the current and future generations of the community in terms of economic, social and bio-physical factors for development, as well as future planning. The EIMP is a tool to reduce conflict between development and conservation and thus facilitate economic development. In addition the EIMP identifies a variety of future projects which, when implemented, would create jobs and stimulate the local economy (green economy).

One of the pressures threatening the protection of the natural environment is the increasing phenomenon of small agricultural subdivisions of farmland and small holdings, particularly around the urban centres within the municipal area and in the Bainsvlei area to the west of Bloemfontein.

B.8 Impact of sector reviews on spatial form

B.8.1 Spatial Restructuring challenges

Mangaung has a spatially fragmented, but interdependent spatial pattern, which is currently under severe stress. The spatial pattern of Bloemfontein has largely remained segregated whilst the marginalised areas are poorly serviced. This pattern is manifested in the following;

- the CBD is a vital economic asset, but is deteriorating rapidly;
- the extensive growth in opposite spatial directions of the south-eastern and north-western areas, which is pulling Bloemfontein apart;
- Botshabelo and Thaba Nchu are two poorly serviced and over populated areas located far away from the economic centre and have over the years become remote urban dependants of Bloemfontein;
- Imbalanced linkages between the urban areas of Bloemfontein, Botshabelo and Thaba Nchu and some remote rural dependants and neighbours in other municipalities.

The current spatial challenges of Mangaung, and particularly of Bloemfontein, are characterised by the following aspects:

- low density in most of the old and new residential areas catering to the lower, middle and upper income groups contributing to the sprawl of the city;
- inequitable access to the opportunities and benefits of the urban areas due to the historic spatial structure and more recent locations of residential and economic development;
- inefficient land use in the overall spatial distribution of residential development areas, economic opportunity and social services and facilities; and
- Low intensity of investment in the south eastern quadrant of Bloemfontein, as well as in Botshabelo and Thaba Nchu.

B.8.2 Human settlements

- Huge housing backlogs exist amongst the poorer communities whilst almost 3,4% of Mangaung's residents reside in informal settlements with very little or no access to services.
- Historically Mangaung is regarded as a mono-centric city with one main node. It is therefore expensive and difficult to provide affordable housing in well located areas with access to social and economic amenities.
- Backlogs - although the Municipality is delivering on backlogs, the problem is exacerbated by the continuous immigration from smaller towns and the rural area into the urban areas.

B.8.3 Economic development

- The economy of Mangaung depends mainly on trade, finance and community services, whilst the area offers very little opportunities so as to attract major economic sectors such as mining, manufacturing and construction. This underlines the importance to diversify the region's economy to attract larger investment.
- Botshabelo (55km from Bloemfontein) and Thaba Nchu (67km from Bloemfontein), offer limited employment opportunities and these areas are becoming increasingly dependent on the economy of Bloemfontein, which puts tremendous pressure on the Public transport / commuter systems. Poor people have to travel long distances, associated with high transport costs, for employment opportunities and access to community facilities.
- Botshabelo and Thaba Nchu are also poorly serviced and extremely dependent on BFN in terms of access to economic opportunities. This economic dependency on Bloemfontein has also resulted into an influx of people to the city, which again causes serious social and economic problems;
- There are opportunities to develop the CBD of Botshabelo and Thaba-Nchu, although the challenge lies in stimulating significant public and private sector investment in the area.

B.8.4 Transport

- The exceptional long distances between urban centres (Botshabelo and Thaba Nchu), places tremendous pressure on transport cost and becomes totally unaffordable to the commuter, unless it is subsidised, as is currently the case.

B.8.5 Infrastructure

- Increasing pressure on the repairs and maintenance budget due to ageing infrastructure and an inherited massive service delivery backlogs to be eradicated;
- Maintenance backlogs in respect of service delivery infrastructure and utilities;
- The Municipality's infrastructure needs are enormous - the challenge is to balance the demands for services with the available resources;
- Eliminating service delivery backlogs requires R7.5 billion in incurrent financial terms. This will be compounded by the phenomenon of urbanisation.
- The key challenge is to differentiate and prioritize between all the above challenges (i.e. Bulk infrastructure, backlogs, maintenance and replacement of and ageing infrastructure).

B.8.6 Financial constraints

Pressures relating to general service delivery and hindering economic development include the following:

- Higher levels of expenditure (operating and capital) than revenue received;
- Deteriorating debtors book over the years.
- Total reliance on conditional grants, instead of using own funds to fund capital expenditure projects;
- Huge amounts of unspent conditional grants and unsatisfactory expenditure on capital projects.

- Provision for bad debt;
- Compilation of a GRAP compliant asset register;

B.8.7 Social Infrastructure

Sector departments are mostly unable to provide required social amenities in poor areas, which cause the poor having to travel long distances to have access to these services. Although sufficient land is available, there are limited schools, clinics, libraries, etc. in the south-eastern part of the Bloemfontein city and also in the other two regions of Botshabelo and Thaba-Nchu.

B.8.8 Environment

The Key Challenges highlighted by the Environmental Implementation and Management Plan (EIMP) are as follows;

- Development applications put pressure on existing open spaces;
- Reduction of metropolitan open spaces system (MOSS) and green lungs of city;
- Increase in waste with reduced life span of waste site;
- Air Quality;
- Water resource management and overall need to conserve water;
- Need for increased greening and climate change strategy;
- Poor environmental awareness in communities;
- Biodiversity and sensitive areas;
- Energy resources and energy use; and
- Land use management.

B.8.9 General

The following general constraints were identified as potentially having a direct impact on the attainment of the intensions of the municipality to ensure spatial transformation:

- **Financial constraints:** To deliver on Infrastructure, housing etc., the pro-active planning is required whilst sufficient financial resources are not always allocated to implement planned projects;
- **Institutional constraints:** There is insufficient human resources and organisational capacity dedicated to meet the required targets;
- **Implementation constraints:** the municipality's ability to implement projects effectively and efficiently is hampered by limited resources , both financial and human;
- **Governance constraints:** there is insufficient guidance and control to ensure that targets are met.

SECTION C. STRATEGIES AND PROGRAMMES

C.1 Long Term Vision

In line with its IDP vision that Mangaung is **"*globally safe and attractive to live, work and invest in*"**, the municipality is furthermore committed to bring about spatial transformation by ensuring that ***"Mangaung has a thriving urban community where people live productive lives and enjoy the mutual benefits of a well-balanced social and economic environment."***

C.2 The spatial development strategy of the municipality

C.2.1 Strategic Objectives

The strategic objectives of the Municipality to striking a balance between providing well located serviced land to poor communities and ensuring economic growth and job creation at the same time, are to;

- Identifying **appropriately located land** which can be serviced cost effectively;

- creating **sustainable human settlements** through undertaking housing developments with secure tenure, which establish and maintain habitable, stable and sustainable public and private residential environments;

- ensuring viable households and communities in areas allowing convenient **access to economic opportunities, health, educational, social amenities, potable water, adequate sanitary facilities and domestic energy supply**;

- correcting spatial disparities through **cautiously planned developments and ensure integration** between housing and other service sectors such as the economy, infrastructure development, roads, transport, education, health, safety and security, as well as other myriad municipal services.

C.2.2 Planning Instruments

The Municipal **Integrated Development Plan (IDP)**, forms the backbone of all planning instruments and serves as the main intervention tool to facilitate spatial and racial integration, effective service delivery, poverty reduction and employment creation, overall economic growth and social justice. More specifically the IDP leads to the formulation of a capital investment framework (budget) that is aimed at promoting equity, efficiency, public and environmental protection and the effective use of scarce recourses.

The city's **Spatial Development Framework (SDF)** is regarded as the spatial representation of the IDP and acts as a planning instrument to bring about spatial transformation and creating a more compact and efficient built environment. More specifically the SDF is aimed at:

- Supporting an efficient movement system;
- Supporting sustainable Environmental Management;

- Initiating and implementing Corridor Development;
- Managing Urban Growth and densification;
- delineating an urban development boundary; and
- Facilitating sustainable housing environments in appropriate locations.

The SDF is geared towards promoting a **compact city model** in terms of urban development, including settlement densification and the imposition of an urban edge to maximise the utilisation of infrastructure capacity. All the housing projects within the Bloemfontein City are developed within the urban edge to ensure that the existing infrastructure is fully utilised.

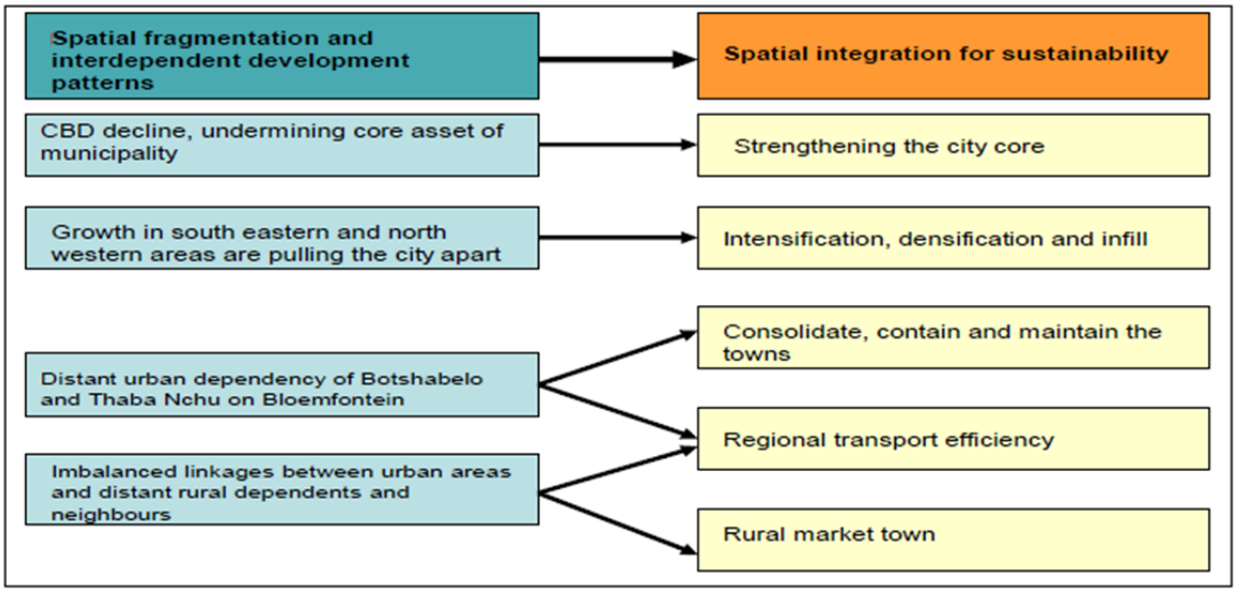
The Municipality is also in a process of compiling a new **Land Use Management Scheme (LUMS)** in accordance with the Spatial Planning and Land Use Management Act, No 16 of 2013. The LUMS will replace older Town Planning Schemes and the purpose thereof is to guide land use management within the entire Municipal area, inclusive of areas that were previously excluded from such schemes.

Other planning instruments that are currently in a process of being compiled by the Municipality include an **Integrated Transport Plan (ITP)**, as well as an **Environmental Implementation and Management Plan (EIMP)**.

C.2.3 SDF Interventions

The **Municipal SDF** identifies several key issues in terms of urban form and proposes strategies to address these challenges, as indicated in the diagram below.

Diagram C2.1: Key Issues and Strategies relating to Urban Form.



The SDF interventions to meeting the objectives of the IDP can be summarised as follows:

- The creation of improved spatial efficiencies and development patterns;
- Improving the use of existing investments and resources of the CBD;
- Providing more efficient access to resources for support;
- Maximising existing resources & creating easier access to the supply of new resources;
- Creating greater efficiencies to access locations;

- Intensifying locations that are more accessible;
- Focusing economic investment to maximise the potential of the current situation;
- Improving the existing environmental opportunities through consolidation & maintenance to maximising their benefits; and
- Providing a spatial transformation to ensure sustained development and investment.

C.2.4 Key Economic Strategies to ensure faster growth

Local economic development (LED) is regarded as one of the key priorities for the MMM to ensure spatial transformation. The Municipality plays an important role in creating the right conditions for sustained growth, and in accepting this challenge the MMM has developed an Economic Development Strategy (EDS) to facilitate and fast track economic growth.

A number of key thrusts and programmes have been identified through the EDS, as summarised below;

- The **N8** corridor development will pave the way for creating a corridor with strategic nodal points that will assist in creating a vibrant, sustainable and investor-friendly municipality that can serve as a globally competitive economic centre, attracting new investment to the area. This initiative will make public transport more sustainable by reducing costs, reducing subsidies and improving the efficiency of transport infrastructure. It will also attract further residential development along the N8, which coincides with the long term vision from a human settlement perspective, as well as the land acquisition strategy from the Municipality.

- The diversification of the local economy into a balanced assortment of economic sectors. Mangaung has committed to striking certain **economic partnerships** to invigorate lagging sectors. The City's economy plays host to a number of parastatals such as Eskom, Transnet and Telkom, which are also the major employers in the city's economy. The City has also established networks with local businesses through the two main business chambers to communicate the city's economic intent and to receive consistent engagement from the business community.

- In order to ensure that Mangaung contributes towards facilitating a **user-friendly economic and business environment**, a range of specific enabling projects have been identified ranging from major investment projects to smaller temporary job creation initiatives, linked to the human settlement programme of the Municipality.

- The Municipality, in co-operation with other spheres of government, need to focus on the creation of **development zones and corridors** where economic development can be concentrated.

- The support and **expansion of SMME's** is a key strategy for the Municipality to broaden the participation in the economy.

- Another key aspect for employment creation is to **enhance value adding** to local products.

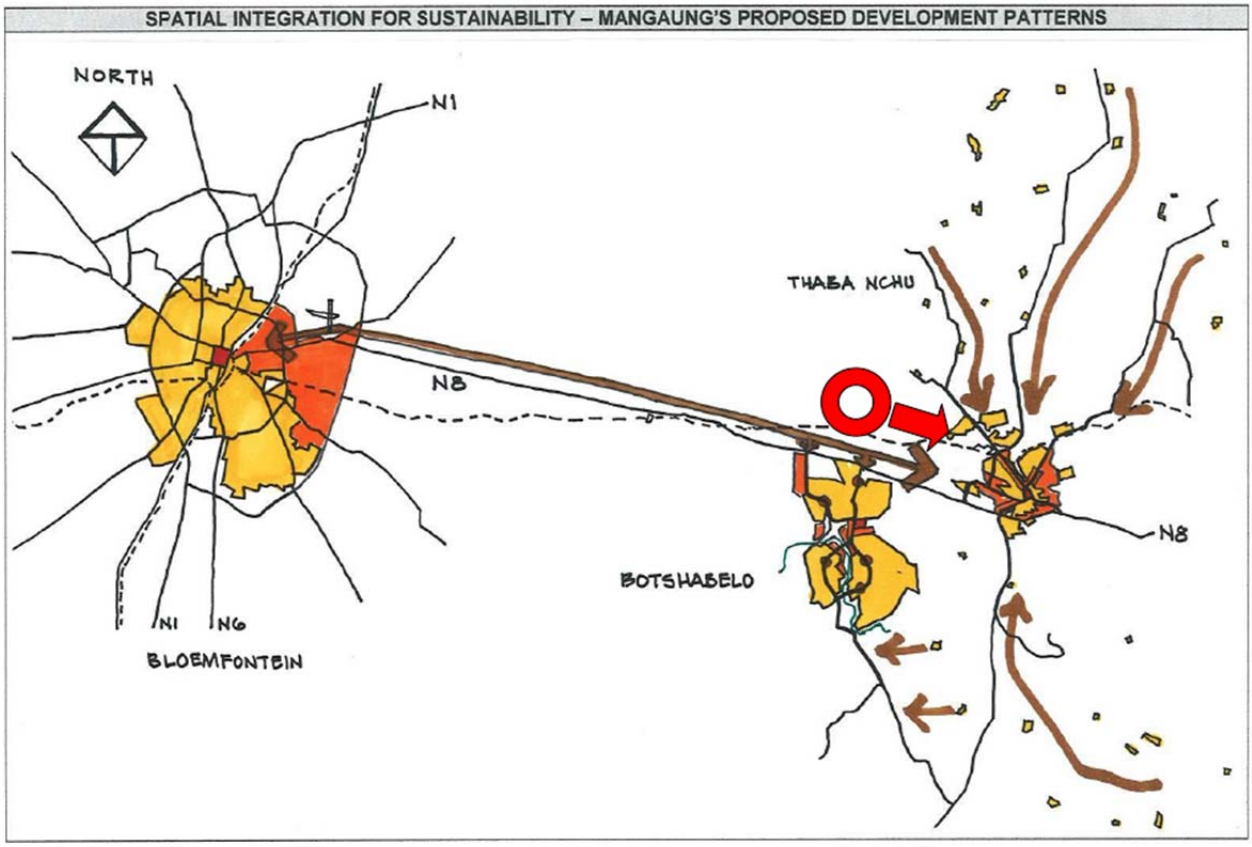
C.3 Strategy implementation and alignment

The central concern underpinning the Built Environment Vision of Mangaung is the need to create a new spatial form, ensure economic prosperity and improving the lives of people in all settlements in its area of jurisdiction. The focus will be to improving low density developments, sprawling, fragmented and largely mono-functional settlement forms. More specifically the MMM will strive to achieve the following qualities:

- To generate a wide range of economic opportunities;
- To be convenient to inhabitants to conduct their daily activities, easily and as inexpensively as possible;
- To offer a choice of living conditions to all;
- To be equitable in the sense that all inhabitants have reasonable access to the opportunities and facilities which support living in settlements;
- To promote the efficient use of resources, and
- To give dignity to people through the quality of the public spatial environment.

The diagram below indicates the envisaged spatial integration for sustainability.

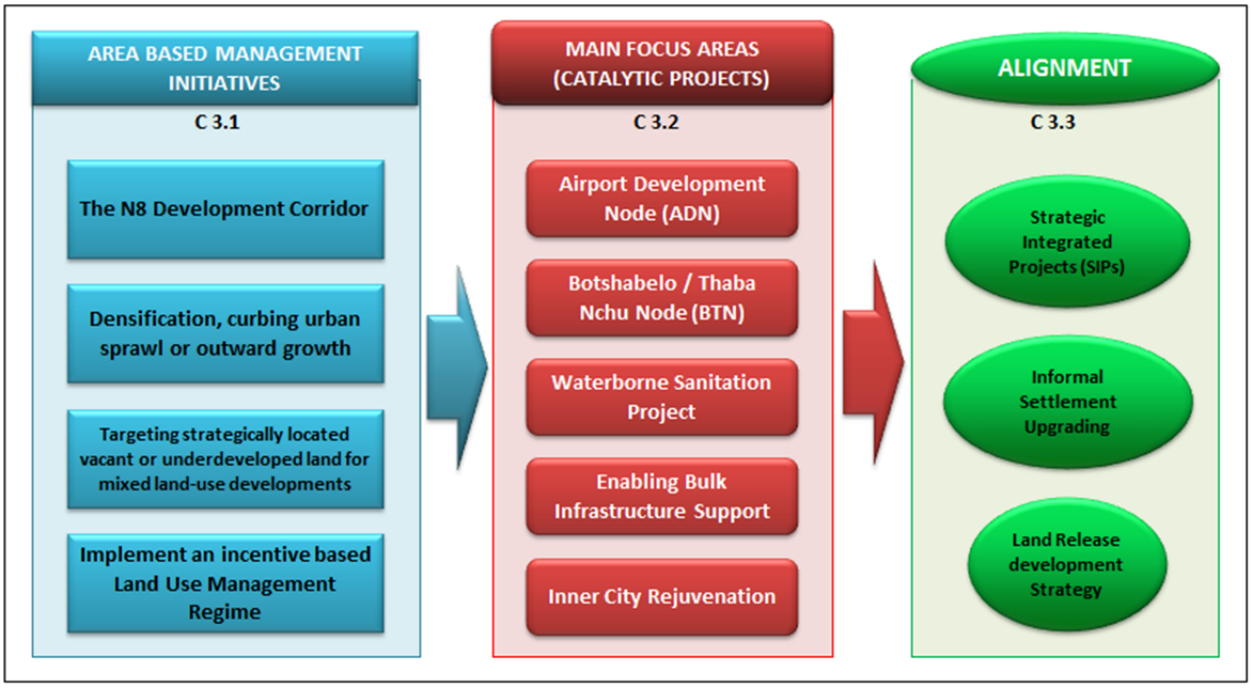
Figure C3.1: Spatial integration for sustainability



The MMM has identified three pillars through which to address spatial transformation. The first pillar refers to certain management initiatives that were derived from the SDF objectives and key directives. These management initiatives has led to the identification of 5 focus areas (catalytic projects) that will be

implemented to bring about spatial restructuring. The third pillar refers to the alignment of the focus areas with several city-wide challenges.

Diagram C3.1: Strategy implementation and alignment



The three pillars are discussed in more detail below;

C.3.1 Area based Management Initiatives

a) N8 corridor development

The N8 Development Corridor focuses on three instruments, namely;

- increasing connectivity and improving mobility;
- igniting nodal development; and
- facilitating linear growth along the corridor (long term).

This development is expected to increase mobility and inter-dependence and linkages between the three urban centres of the MMM. In terms of increasing mobility, the provincial government is in the process of resuscitating the underutilised rail network between Bloemfontein and Lesotho. This development is expected to reduce the pressure on the roads and reduce transport along the N8.

In support of the N8 Corridor development two nodal developments have been identified, namely the **airport development node** and the **Botshabelo / Thaba-Nchu node**, with the view to ensuring the integration of communities. These nodal developments will contribute positively towards the development of integrated sustainable human settlements with a variety of land-uses and housing typologies built in one development.

b) Curbing Urban Sprawl

As part of the pillars towards transformation, the MMM has adopted the use of the "smart growth" or urban edge instrument to curb outward growth or urban sprawl. This instrument is used to discourage any township development outside the edge and it encourages optimal usage of existing infrastructure to achieve urban efficiency and also to encourage a more compact and integrated urban form and structure.

This development approach has been adopted in the three urban centres of the MMM with clearly defined urban edge, which does not allow developments beyond the borders of the urban edge.

c) Targeting vacant or underdeveloped land

As part of the land release and development strategy, Mangaung has already facilitated the release of more than 30 000 hectares of strategically located land that will benefit more than 50 000 households. The Municipality is continuously busy identifying and acquiring land for mixed land uses and for investment opportunities

d) Incentive base land use management

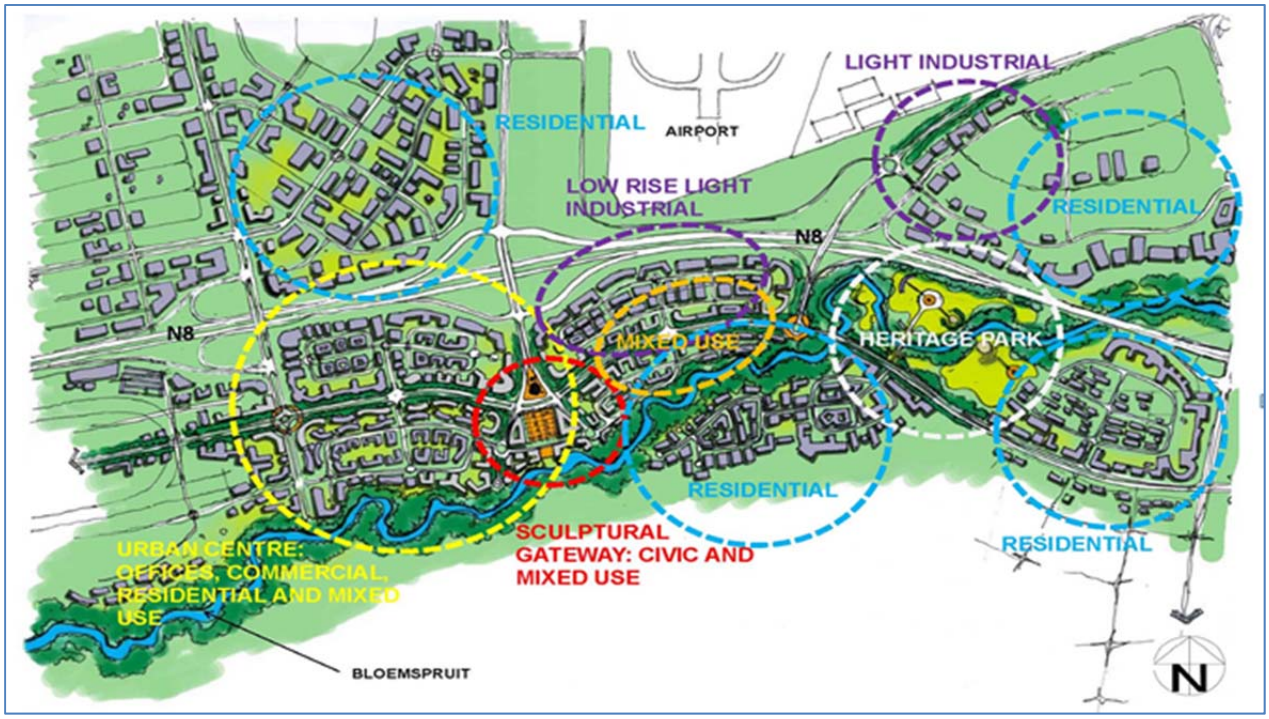
Prosperity is often measured by economic success and a social cohesion that is underpinned by intact moral conscience within a community. To this effect, the municipality is creating more investment opportunities in a conducive and safe environment resulting from a well-coordinated land use management system.

C.3.2 Main Focus Areas (Catalytic Projects)

a) Airport Development Node (ADN)

The Mangaung Metropolitan Municipality has earmarked the Airport Development Node (ADN) as the most significant development that the administration will be undertaking.

Figure C3.2: Conceptual design of the airport node



The ADN along the N8 Corridor is expected to liberate the city economically and financially. The node will boast services ranging from a shopping mall, educational and civic sites, an urban square and an international conference centre, hotels, and mixed housing.

The ADN covers a land area of 1 800 hectares and will be executed in two phases, the status of which is summarised in the table below;

Table C3.1: Current status of airport development node

Activity	Phase 1	Phase 2
Land Area	700 ha	1 100 ha
Urban Designs	Completed 2012	Completed 2013
Town Planning	Completed 2012	Ongoing
Engineering Designs	Completed 2012	August 2014
Request for proposals	July 2013	t.b.d.
Construction	June 2013	April 2015

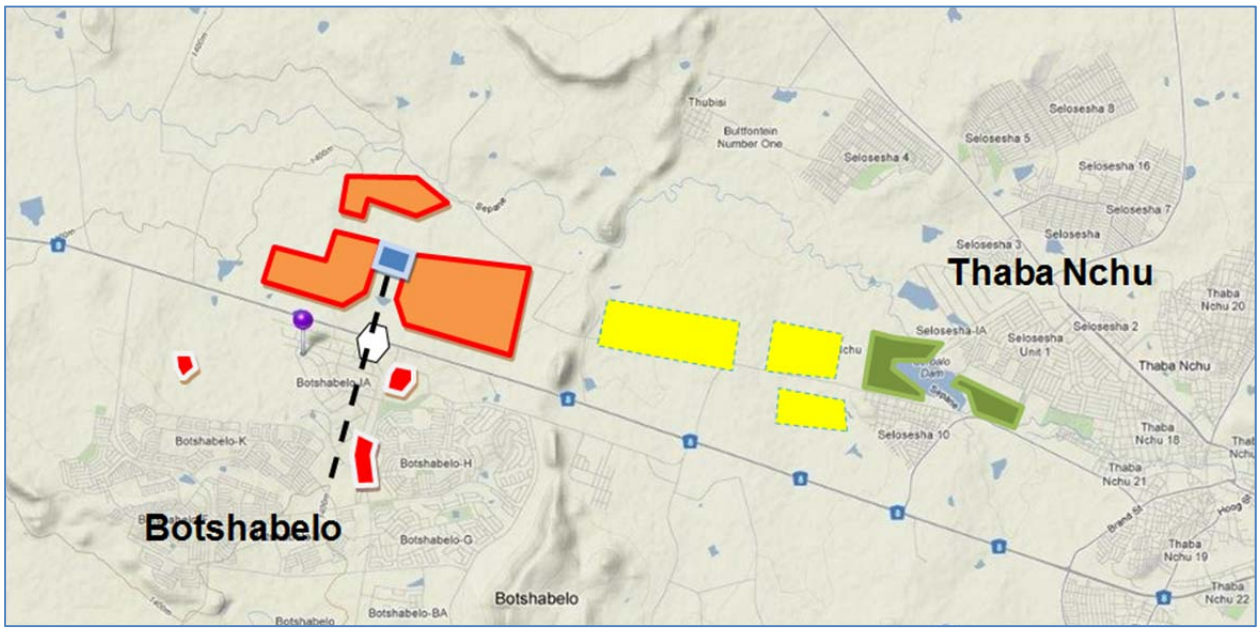
While the entire area to be developed is 2 000 hectares, the first phase which is currently being implemented is 700 hectares. This is about the size of the entire CBD of Bloemfontein.

The ADN will be implemented at an estimated cost of R100 billion and will create 11 000 employment opportunities. The revenue generated from this massive project will be used for necessary cross-subsidization of critical projects in the Botshabelo/Thaba Nchu node. Through this initiative the city seeks to address the five-fold issues of economic growth, job creation, poverty reduction, effective service delivery and social justice.

b) Botshabelo / Thaba Nchu Development Node (BTN)

The new **Botshabelo/Thaba-Nchu development node** is expected to create a lot of economic activity to the east of Bloemfontein City.

Figure C3.3: Framework Plan for Botshabelo / Thaba Nchu Development Node



This nodal development will form a new city to reduce over-dependence on Bloemfontein for work opportunities and other benefits offered by the city. The current status of the Botshabelo / Thaba Nchu Node is as follows;

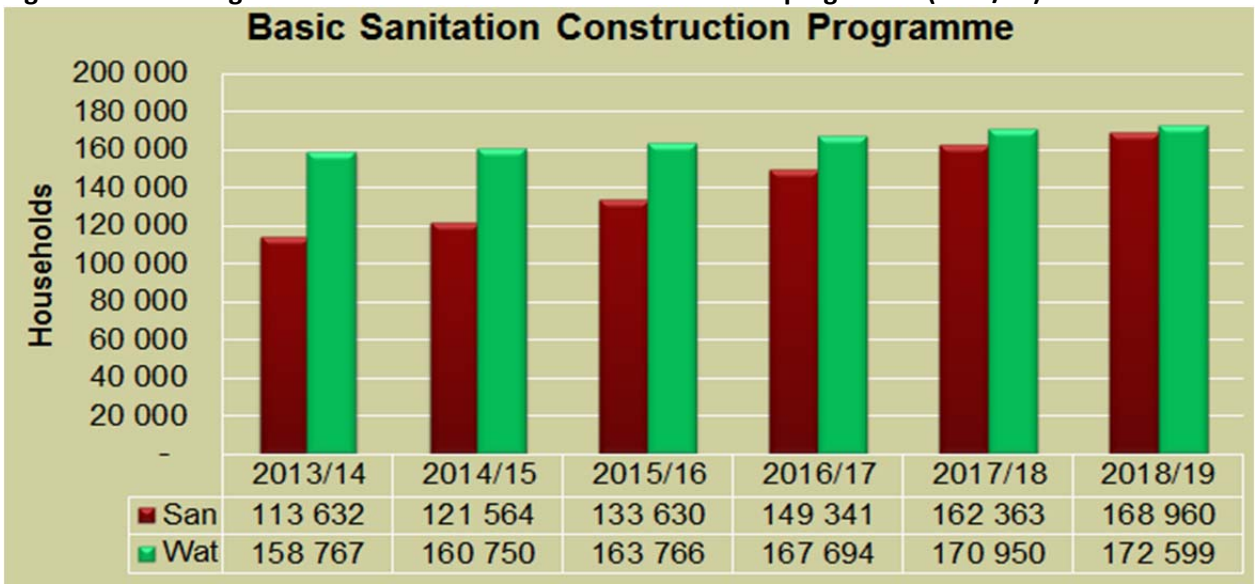
- Some land required for the node had already been acquired;
- Construction of the Regional Recreation park in Thaba Nchu has commenced
- Environmental & Engineering designs to commence during 2014/15
- Botshabelo entrance at SCM stage

c) Waterborne Sanitation Project

The main objective of this programme is simple, namely to eradicate over 53 000 VIP, Pit and bucket toilets in all three the main urban areas, but the most of which are located in Botshabelo and Thaba Nchu. The first phase comprising approximately 660 stands had been successfully completed during the 2012/13 financial year and covered the townships of Ratau and parts of Bultfontein in Thaba Nchu, as well as parts of Section F in Botshabelo. Phase 2 comprising approximately 1 585 stands will cover the remaining parts of Section F, Sections J & K in Botshabelo, Seroalo and the remaining parts of Bultfontein in Thaba Nchu, as well as parts of Bloemside 6 and Rocklands in Mangaung.

In order to eradicate the entire backlog by installing waterborne sewerage will cost approximately R2.52 Billion and will have to be phased over a number of financial years until 2020, subject to the availability of funding. The phasing of the programme is depicted in the diagram below.

Figure C3.4: Phasing of the basic water and sanitation construction programme (2013/19)



d) Enabling Bulk Infrastructure support

In order to efficiently unlock the economic potential of the city, Mangaung is also prioritizing the improvement of water and sanitation infrastructure. Due to the growing population and development of the **identified urban nodes**, the demand for reliable water supply has become an absolute necessity.

Furthermore, in order to support the **waterborne sanitation project** referred to above, it is necessary to also upgrade several Municipal bulk infrastructure (Water and Sanitation), as further discussed below;

(i) Sanitation

The City is currently busy with the construction of the **North Eastern Waste Water Treatment Works** that will benefit approximately 45 000 people in the long-term, as sewer services will be provided. This project is about 60% complete, but is a multi-year project and will consequently extend over the 2014/15 financial year.

In addition to the above the Municipality has also started with the upgrading of the Sterkwater **Waste Water Treatment Works** that is currently running at its full capacity. This WWTW serves approximately 26500 low income dwellings from the south-eastern parts of Bloemfontein. The upgrading of this project will double the capacity of the Sterkwater WWTW to 20Ml/day and will serve three of the seven land parcels located in Vista Park and Hillside View.

The Table below reflects the current bulk sanitation expenditure and anticipated expenditure for the next financial years.

Table C3.2: Current and future bulk sanitation expenditure.

Project	Description	Suburb	Expected Expenditure 2013/14	Expected Expenditure 2014/15
Botshabelo WWTW	20Ml/day capacity with a current hydraulic demand of 11 Ml/day. The spare capacity can only accommodate approx. 15 652 additional stands before an upgrade is required.	Botshabelo	R608 000	R11 662 000
Thaba Nchu WWTW	6,5Ml/day capacity with a current hydraulic demand of 4,5 Ml/day. The spare capacity can only accommodate approx. 3 487 additional stands before an upgrade is required.	Selosesha Thaba Nchu	R1 400 000	R2 600 000
North-Eastern WWTW	Further upgrade of the North Eastern WWTW with an additional 15 Ml/day	Bloemfontein	R1 665 000	R3 600 000
Sterkwater WWTW	The upgrade of the Sterkwater WWTW with an additional 10 Ml/day.	Mangaung	R1 000 000	R17 600 000

These new projects will unlock development in the northern and southern regions of the city

(ii) Water

The city has developed an extensive plan for developing seven new reservoirs of variable capacity to meet the future water services needs of the city. Mangaung celebrates the fact that in the past 30 months, two reservoirs — Naval Hill (35 megalitres) and Longridge (45 megalitres) are practically complete and will be servicing the residents of Bloemfontein, the Airport

Development Node, 18 000 new sites in Vista Park, 6500 new stands in Grasslands and 6500 existing stands in Rocklands.

The following Table reflects the current bulk water expenditure and anticipated expenditure for the next financial year.

Table C3.3: Current and future bulk water expenditure.

Project No	Description	Suburb	Expected Expenditure 2013/14	Expected Expenditure 2014/15
W1106A	Construction of 8Ml Reservoir	Botshabelo Section F	R4 240 000	R17 760 000
W1106B	Bulk Water Delivery and supply pipelines	Botshabelo Section F	R7 360 000	R13 540 000
W0911A	35Ml Naval Hill Reservoir	Bloemfontein	R7 072 638	R22 000 000
W0911B	45Ml Longridge Reservoir	Bloemfontein	R2 352 648	
WO911C	Longridge reservoir supply line	Bloemfontein	R40 204 000	R25 000 000
WO911D	Bulk water supply to Mangaung and 4km delivery lines to Naval Hill Reservoir	Bloemfontein	R35 417 850	R26 000 000

e) Inner City Rejuvenation

(i) **Naval Hill Development**

Naval Hill is one of the prime tourism destinations in Mangaung. As the single most prominent and iconic natural feature within the built area of MMM, Naval Hill now attracts more than 500 000 visitors from all walks of life annually.

In November 2013, the hill became home to the first digital planetarium in sub-Saharan Africa, after its official opening by the National Minister of Science and Technology, Mr. Derek Hanekom. The digital planetarium is a joint-partnership between Mangaung, the Free State Department of Tourism and the University of the Free State.

In addition to the above, the rejuvenation of Naval Hill also includes the newly constructed 35Ml reservoir, the Nelson Mandela Statue precinct with a Restaurant and view- points, a cable car and additional viewing platforms.

(ii) **CBD Regeneration**

Regeneration of the respective CBDs will take place in accordance with a CBD Master Plan and the subsequent projects identified in such a document. Bloemfontein has an existing CBD Master Plan, whilst provision has been made on the 2014/15 budget to compile similar plans for Botshabelo and Thaba Nchu.

Some of the more prominent projects that are currently being implemented include the Hoffman Square development, the Waaihoek Precinct, as well as the Relocation of the Zoo.

C.3.3 Alignment

a) Co-ordination and alignment with Strategic Integrated Projects (SIPs)

The identification and implementation of Strategic Integrated Projects (SIPs) is led by the Presidential Infrastructure Co-ordinating Commission (PICC).

SIP 7 focuses on coordination of planning and implementation of integrated public transport networks, sustainable human settlement and economic and social infrastructure with the objective of addressing the economic and social challenges of our urban spaces. The **Passenger Rail Agency of South Africa (PRASA)** has been tasked to drive SIP 7 under the PICC.

Mangaung has submitted projects under SIP 7 with an estimated capital investment funding requirement of R1,7 billion over the MTEF period and R19.63 billion over the Long Term. These projects primarily relate to improving the public transport system between Thaba Nchu, Botshabelo and Bloemfontein, as well as to modernize the public transport system of the city through the introduction of the **Bus Rapid Transport (BRT)**,

The Integrated Public Transport Network (IPTN) is an anchor programme for the City to support the strategic objectives and implementation of SIP 7. This plan was initially delayed, but is currently being compiled and will be finalised by June 2014.

b) Co-ordination and alignment with Informal Settlements

In accordance with the informal settlements upgrading programme of Mangaung, the Municipality has identified 5 areas comprising 16 450 households for priority upgrading, as set out in the table below;

Table C3.4: Settlement Prioritization for implementation

Settlement	Prioritisation criteria
1. Kgotsong & Caleb Motshabi	• Pressure point and one of the oldest settlements • Size – Bigger settlement to make significant impact • Progress – advanced planning processes
2. MK Square & Sibuyile	• Pressure point i.e. bulk infrastructure, instability • One of the oldest settlement • Infill upgrading project with services available • Size – Bigger settlement to make significant impact • Progress – advanced planning processes
3. Botshabelo West	• Pressure point i.e. instability, but subject to Flooding (disaster prone) • Size – bigger settlement to make significant impact • Progress – advanced planning processes
4. Grasslands Phase 4 (Khayelitsha)	• Pressure point but subject to Floodline area (disaster prone) • Size – Bigger settlement to make significant impact
5. Bloemside Phase 4 (Sonderwater)	• Pressure point • Infill upgrading project with services available • Progress – advanced planning processes

In addition to the above, the Municipality also intends continuing with the in-situ upgrading of 15 informal settlements comprising 10 686 units in accordance with the National Upgrading Support

Programme (NUSP), whilst 8 informal settlement areas comprising 599 units have been earmarked for relocation.

In terms of programming the work will not be phased by targeting and completing specific settlement areas, but rather the execution of work in different planning implementing stages for all the settlements at once. The time frame and programming for upgrading is therefore structured over the entire MTEF period and beyond, as indicated in the table below, reflecting the amounts required until 2020.

Table C3.5: Time frame and programme for implementation of Informal settlement upgrading

Projects/High Level Activities	Target	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total Estimated Budget Required
5 Prioritised Settlements	16450 Sites	R 7 832 071.90	R 44 785 519.90	R 52 146 088.70	R 51 092 783.00	R 26 751 450.00	R 0.00	R 0.00	**R 182 607 913.50**
15 In-situ Settlements	10686 Sites	R 0.00	R 3 886 008.72	R 25 689 736.43	R 34 457 805.25	R 33 496 346.55	R 18 504 869.68	R 5 652 598.08	**R 121 687 364.71**
8 Relocation Settlements	599 Sites	R 0.00	R 3 479 530.20	R 455 938.44	R 4 651 415.04	R 0.00	R 0.00	R 0.00	**R 8 586 883.68**
TOTAL		**R 7 832 071.90**	**R 52 151 058.82**	**R 78 291 763.57**	**R 90 202 003.29**	**R 60 247 796.55**	**R 18 504 869.68**	**R 5 652 598.08**	**R 312 882 161.89**

A more detailed list of the informal settlements that are currently being upgraded in relation to those that need to be relocated, are listed in in **Annexure E**, whilst they are also indicated on **Plans 4A and 4B**, attached hereto.

In order to achieve the objectives in relation to the above programme it would be necessary to allocate at least 10% of the USDG budget annually towards informal settlement upgrading.

c) Land release and development implementation strategy

The current land release programme is regarded as the largest and most bold land development programme in the province since 1994. The programme will ensure the release of more than 30 000 hectares of land, creating more than 45 000 employment opportunities and ensure phenomenal growth in the construction industry. It will also create major downstream benefits in other sectors of the economy.

The land release programme is approached from both a long term- and medium term perspectives.

The long term approach is focussed on correcting the imbalances of the past through poverty alleviation, integration of the urban fabric and long term economic growth. This approach includes the following;

- Eight land parcels for sustainable human settlements
- Land acquisition for BNG projects

The medium term approach is more focussed on accelerated land release, optimal use of infrastructure, capitalizing on investment and generating revenue. These include;

- Land for economic investment

(i) Eight land parcels for sustainable human settlement (GAP Market)

Various Portions of land owned by the Municipality and falling within the urban edge have been identified to be integrated successfully within the existing urban fabric. These land parcels are strategically located between the affluent and poor parts of the city and therefore presenting

opportunities for integrating the city spatially, socially and economically to also break the racial barriers created under the "*apartheid*" regime. These land parcels are mainly meant to drive integrated development in the city by making available 13 000 housing opportunities for the GAP market.

Eight land parcels have been identified to provide sustainable human settlements to the GAP market over the medium term, as depicted in the table below, and also indicated on **Plan 5** attached hereto.

Table C3.6: Land Parcels earmarked for the GAP Market (updated 31 March 2013)

Map No.	Land Parcel	Size (ha)	Land Use	Development Status				Output	
				Planning	Service	Housing	Tenure	No Units	Density
1	Cecelia 2532	155	Vacant	No	No	No	No	1900	12.26
2	Brandkop Race Track (BFN 654)	140	Vacant	No	No	No	No	1100	7.86
3	Pellissier Infill development	22	Vacant	Yes	Partly	No	No	200	9.09
4	Brandkop 702 (BFN 654)	285	Vacant	No	No	No	No	2700	9.47
5	Vista Park 2 (BFN 654),	155	Vacant	Yes	No	No	No	3397	21.92
6	Vista Park 3 (BFN 654),	131	Vacant	No	No	No	No	2620	20.00
7	**Hillside (Farm Rocklands 684)	85	Vacant	Yes	No	No	No	920	10.82
17	Sunnyside 2620	70	Vacant	No	No	No	No	200	2.86
	TOTALS	**1043**						**13037**	**12.5**

*Note: ** Portion of Hillside also included under BNG land parcels*

The 8 land portions identified for the GAP market will yield a total of 13 000 housing opportunities at an average density of 12,5 units per hectare.

Three of these land parcels i.e. Hillside View, Vista Park 2 and Vista Park 3 are currently being developed for mixed land-use initiatives by development partners to accommodate high-income households, households in the gap market and marginalised households, all integrated into a single development. These developments are at advanced stages and a new District Hospital will also form part of the new development of Vista Park 3.

In addition, the MMM has already developed conceptual designs for mixed land-use developments in respect of three other remaining land parcels i.e. Cecilia, Brandkop and the Airport Node.

Annexure I attached hereto provides a more detailed description of the progress in respect of each land portion.

(ii) Land Acquisition for BNG Projects

A program of selective upgrade was adopted in the SDF where investigations were carried out to ascertain the development potential of areas being occupied illegally. The following land parcels, identified mainly to the south-east of Bloemfontein, were acquired over the past 10 years from private owners for the purpose of human settlement, specifically targeting BNG projects.

Table C3.7: Land Parcels earmarked for BNG projects (updated 31 March 2013)

Map No.	Land Parcel	Size (ha)	Land Use	Development Status				Output	
				Planning	Services	Housing	Tenure	No Units	Density
7	Portion 2, 4, 5 Rocklands 684	171	Vacant	Yes	No	No	No	2654	15.52
8	Farm Liege Valley 1325	272	Occupied	Yes	No	Informal	No	12094	15.35
9	Farm Turflaagte 881	516	Occupied						
10	Remainder of Farm Rodenbeck 2972	710	Occupied	Yes	Basic	Informal	No	4200	5.92
11	Grassland Phase 2	198	Occupied	Yes	Basic	Formalized	No	2882	14.56
12	Grassland Phase 3	134	Occupied	Yes	Basic	Formalized	No	2808	20.96
	TOTALS	**2001**						**24638**	**12.31**

From the above table it is evident that the 6 land parcels identified for BNG projects will yield approximately 24,600 units at an average density of 12,3 units per hectare. It is, however, important to note that the average density represent gross density in relation to the total size of a land parcel and therefore includes all supporting social infrastructure and community services such as schools, crèches, public open space, etc. The lower residential density areas can be ascribed to large land parcels unsuitable for development.

In addition to the above, the Municipality has also acquired several land portions for future development towards the east of Bloemfontein, as indicated on **Plan 6**, attached hereto.

(iii) Land for economic investment (Renewable energy Complex)

Municipal land has been identified in close proximity to Bloemdustria to harvest solar and wind energy. This initiative supports the cities single-project approach where all suitably located municipal owned land is identified, planned and linked to a development concept aimed at supporting the overall vision and objectives of the municipality.

Located adjacent to the N8 national road, this project will also contribute towards the linear growth and strengthening of the corridor between Bloemfontein, Botshabelo and Thaba Nchu. In addition to harvesting the energy, it's also intended to manufacture solar energy components for local, National and International distribution and to become an international repair centre.

C.4 Urban Networks, Integration zones and hubs

C.4.1 Identification of Urban Networks, Integration Zones and Hubs

The identification and prioritization of network elements are indicated in the diagram and table below.

Figure C4.1: Mangaung Urban Networks and Integration Zones

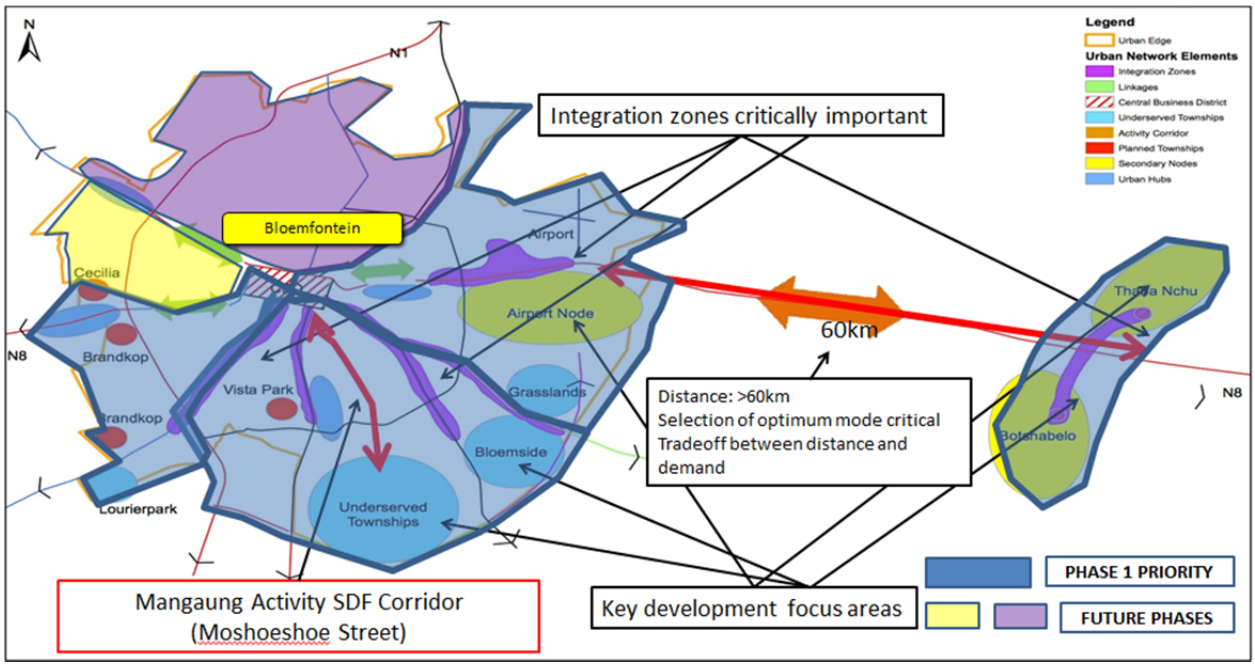


Table C4.1: Urban Network Elements

NR	NETWORK ELEMENT	MUNICIPAL DESCRIPTION	PRIORITY	Supporting documentation
1	CBD	Bloemfontein CBD		Refer to attached Plan 7, Plan 8, Plan 9, Annexure K and Annexure L.
		Botshabelo CBD		
		Thaba Nchu CBD		
2	URBAN HUB AND PRIMARY TRANSPORT LINK	Primary Route 1 Bfn – Dr Belcher / Moshoeshoe		
		Primary Route 2 : Bfn CBD via N8 to Both CBD and Thaba Nchu CBD linking all nodes along Corridor		
3	ACTIVITY CORRIDOR	N8 Corridor		
		Moshoeshoe street		
		Dr Belcher Road		
		Church street		
		Raymond Mhlaba street		
4	EMERGING NODE	Airport Node Phase 1 and Phase 2		
		Botshabelo / Thaba Nchu Node		
5	SECONDARY NODE AND TRANSPORT LINK	Nodal points between Botshabelo CBD & Thaba Nchu CBD		
6	ESTABLISHED CORRIDOR NODE			

a) Strengthening of the CBD

(i) Bloemfontein

Bloemfontein has a well-developed CBD, which forms a strong business and services node, supported by a variety of mixed activities and community facilities. There are two very large regional shopping centres located in the city. Bloemfontein has three industrial areas, one of which is located along the N8, on route to Botshabelo.

The CBD forms the heart-beat of the City as this is where all transport routes converge and where most people from the Municipal area do their shopping. The Municipality will continue to strengthen the Bloemfontein CBD through rejuvenation, upgrading, conservation and beautifying projects.

(ii) Botshabelo

Botshabelo doesn't have a strong CBD and commercial activities are spread all over the area. Although provision had been made for a large number of supporting community facilities, most of these remain undeveloped. The area is characterized by an oversupply of school sites and public open spaces.

Botshabelo also includes an industrial park with factories and infrastructure worth R500 million. As such there are presently 138 factory buildings in Botshabelo with a total floor area of 200,000m². Fully serviced stands are available for further development, backed up by adequate supportive services.

The CBD needs to be strengthened through providing incentives to stimulate public and private investment.

(iii) Thaba Nchu

Thaba Nchu is characterized by large stretches of communal grazing land – utilized for cattle. The majority of new urban development has taken place towards the west along Station Road, while the CBD has developed to the east of these extensions.

The area has two industrial areas, one to the west near the railway station and the other east of the CBD, The western industrial area was developed along the railway line and has side-line facilities and is the more viable of the two. However inaccessibility and the lack of direct access from the N8 route hampers future expansion – it is presently only 65% occupied.

The CBD of Thaba Nchu fulfils and important role in terms of the local economy and should be strengthened through renewal actions and stimulating private investments through incentive schemes.

b) Activity Corridor selection

- Due to the transport activity between Thaba Nchu, Botshabelo and Bloemfontein on a daily basis, the N8 is regarded as the activity with the highest priority.

- Although Dr. Belcher Road currently carries a great volume of public transport passengers, it has a very poor level of accessibility to the corridor, owing to the poor permeability of the road network connecting to the corridor.
- Meadows Road similarly yields a relatively low level of accessibility to the proposed corridor alignment.
- Moshoeshoe Street, along either the Ramatsoele Road / Mkhuhlane Street alignment or the Maphisa Road alignment, provides a higher degree of accessibility and network permeability than Dr. Belcher or Meadows Road.
- The degree of coverage from the conceptual 800m spaced public transport stops is higher for the Moshoeshoe Street corridor.
- The finding of the walkability, network permeability and public transport accessibility level assessment validates and confirms the selection of Moshoeshoe Street corridor as a future "Activity Street" of Bloemfontein urban node, as identified within the Mangaung Spatial Development Framework.

C.4.2 Spatial Targeting Instruments

a) CBD Interventions

During compilation of the IPTN a number of key issues within each of the CBDs have been identified. The proposed solutions to addressing these issues are summarised in **Annexure K.**

b) Targeting Integration Zones

Two Main Integration zones have been identified. The **first** zone is located along the N8 route and aims to achieve integration between Bloemfontein, Botshabelo and Thaba Nchu. The **second** integration zone is somewhat dispersed in the south-western quadrant of Bloemfontein and aims to integrate previously segregated areas, as well as to develop vast parcels of underutilized land.

(i) N8 Integration Zone

Since the N8 forms the main link between the between the urban clusters, the objective is to strengthen the link itself. This will be achieved by three interventions

- Bringing the urban clusters closer to the N8 link by creating new urban nodes around major transport intersections. The two nodes that will have a significant impact include the Airport development Node (ADN) and the Botshabelo / Thaba Nchu Node (BTN).
- Strengthening of the transport system in between the urban nodes will drastically improve the mass public transportation of the commuting public. In this regard the involvement of the Municipality and PRASA with SIP 7 will facilitate the reactivation of the railway system between the areas.
- The pro-active identification of municipal / state owned land along the N8 route and linkage with economic development initiatives will stimulate both public and private

investment in the area. The Municipality has already initiated the renewable energy complex on land directly adjacent to Bloemdustria. One of the objectives would be to stimulate employment opportunities along the N8 route over the long term.

- The continuous identification and acquisition of privately owned land to compliment existing initiatives will also assist with stimulating development along the N8 in the long run.

(ii) South West Integration Zone

This integration zone involves the integration of historically segregated neighbourhoods by the development of the **7 land parcels**. As described already, the 7 land parcels (measuring more than a 1 000 hectares all together), are primarily targeted at the residential market (mixed housing typologies at varying densities), and will yield approximately 13,000 housing units. In addition to this the land parcels will also provide for a variety of supporting community facilities and other mixed activities.

The current progress with regard to the implementation of the 7 land parcels is described in **Annexure I** attached hereto.

c) Secondary corridor Interventions

Although several priority corridors exist around Mangaung, a system of public transport demand corridors have been selected as a **Phase 1** intervention. This corridor network will be known as Hauweng Phase 1 Corridor system and is indicated in **Annexure L.**

The system will have an impact on 30 000 households and will be implemented in three distinct phases;

- Phase 1A: CBD – Batho – Moshoeshoe
- Phase 1B: Moshoeshoe Corridor – Rocklands
- Phase 1C: CBD – Waterfront – University (UOFS)

Phase 1A/B will include 11km of infrastructure upgrades and approximately 11 median stations.

C.4.3 Required policy adjustments

- IDP and SDF
- Land use management system
- IPTN
- Other policy instruments

C.4.4 Projects and Programmes for Identified Network Elements

The projects and programmes for identified Network elements over the MTEF period are indicated in the table below and include 46 projects in total. A more detailed description of the various projects is reflected in **Annexure N**, attached hereto.

From the amounts it can be seen that the Network elements represent 21.08%, 27.21% and 16.91% of the total budgets for the respective years.

Table C4.2: Projects and Programmes for identified Network Elements

Network Element	No. of Projects	2014/15	2015/16	2016/17
7 LAND PARCELS	2	R 37 000 000	R 40 000 000	R 0
AIRPORT DEVELOPMENT NODE	4	R 97 000 000	R 125 000 000	R 66 000 000
BOTSHABELO / THABA NCHU NODE	3	R 40 000 000	R 88 000 000	R 0
N8 CORRIDOR	4	R 8 791 775	R 35 860 249	R 38 378 891
CBD	11	R 45 405 932	R 76 152 706	R 74 645 337
INFORMAL SETTLEMENTS UPGRADING	11	R 44 232 718	R 16 719 000	R 20 500 000
WATERBORNE SANITATION PROJECT	15	R 37 382 200	R 0	R 0
		R 309 812 625	R 381 731 955	R 199 524 228
		21.08%	**27.21%**	**16.91%**

C.4.5 Development Strategies for Integration Zones

The key integration strategies of the MMM are focussed on the 7 land parcels inclusionary housing projects, N8 Corridor Development and the Botshabelo / Thaba Nchu Integration Strategies which is predominantly greenfield developments . The Airport Node development along the N8 signifies a strategic investment Node to enhance integration and encourage development and investment in close proximity to the marginalised communities on the east.

There are further potential for brownfield developments along the main transport corridors in the underserved townships by increasing densities, once the IPTN project is completed. The identification of strategic projects within integration zones will be planned during the course of 2015/2016 financial year. This will then culminate in towards the completion of implementation of projects and the time frames.

SECTION D. OUTCOMES AND OUTPUTS

D.1 Summary of anticipated outcomes and outputs

The anticipated outcomes and outputs of investment in the Built Environment are summarised below. Also refer to the Performance Matrix, attached hereto as **Annexure A**.

Table C1.1: Anticipated spent on Built Environment Indicators

Catalyst Projects		Bloemfontein	Botshabelo	Thaba Nchu	All Areas
Airport Development Node		R 97 000 000			
Botshabelo / Thaba Nchu Node			R 25 000 000	R 15 000 000	
7 land parcels		R 37 000 000			
Informal settlement upgraging		R 20 099 063			
Sanitation Project		R 2 014 542	R 26 787 557	R 8 580 101	
Bulk Services	Water	R 80 021 000	R 28 699 069		R 10 000 000
	Sanitation	R 105 119 871		R 10 000 000	
	Electricity	R 76 405 000	R 20 131 228		
New Infrastructure	Water				R 20 000 000
	Electricity	R 29 119 113			R 32 627 015
	Traffic				R 456 522
Infrastructure Upgrading	Roads & Stormwater	R 140 602 286	R 31 370 393	R 13 596 439	R 2 431 000
	Solid Waste	R 4 850 000	R 4 700 000	R 11 300 000	
	Emergency	R 1 150 000			
Infrastructure Maintenance	Water	R 24 000 000			R 116 000 000
	Electricity	R 743 837			R 61 980 887
	Sanitation	R 32 500 000			
	Traffic				R 2 000 000
	Other	R 2 700 000			
		R 653 324 712	**R 136 688 247**	**R 58 476 540**	**R 245 495 424**

D.2 Development objectives and desired outcomes

The metro capital budget is linked to the IDP Strategic Objectives and action plans. Each submitted budget project has to demonstrate relevance and linkage in meeting service delivery needs. Refer to the table below:

Table D2.1: Reconciliation of IDP Strategic Objectives and Budget (Capital)

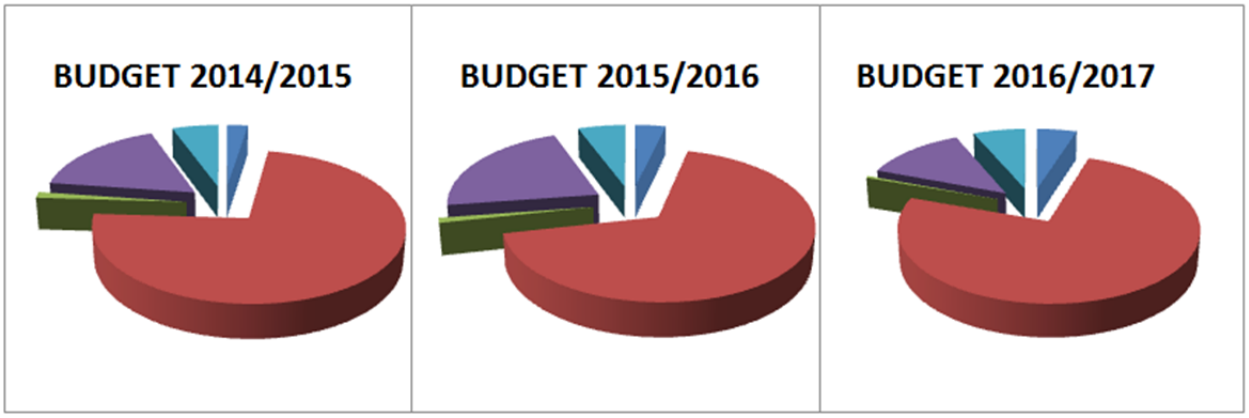
MANGAUNG AND CENTLEC					
IDP STRATEGIC OBJECTIVES AND ACTION PLANS	STRATEGIC OBJECTIVE	IDP CODE	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
Strategic Leadership and Planning	Good Governance	1	**400 000**	500 000	-
IT governance and planning	Good Governance	2	**5 320 000**	3 900 000	3 850 000
Human Resource Management	Good Governance	3	**21 388 868**	28 640 313	34 909 070
Fleet Management and Support	Upgrading and Maintenance of Infrastructure	4	**47 517 759**	58 046 534	34 464 782
Staregic Management Programmes	Good Governance	5	**5 000 000**	16 878 000	17 744 000
Fire and Disaster Management	Social and Community Service	6	**4 598 000**	1 144 200	10 080 000
Environment Health	Social and Community Service	7	**5 000 000**	-	-
Parks and Cemeteries Management	Social and Community Service	8	**68 127 160**	74 594 866	54 741 337
Law Enforcement and Safety	Social and Community Service	9	**4 180 000**	4 190 000	11 927 000
Social and Community Development	Social and Community Service	10	**354 000**	-	-
Economic Development	Poverty Reduction, Job Creation, Rural and Econ	11	**251 415 775**	302 960 249	149 778 891
Market Services Management	Poverty Reduction, Job Creation, Rural and Econ	12	**700 000**	500 000	500 000
Fiscal Prudence	Financial Sustainability	13	**5 075 000**	1 953 750	2 116 438
Roads and Stormwater Improvement	Upgrading and Maintenance of Infrastructure	14	**193 286 640**	215 269 309	327 863 252
Solid Waste Management	Upgrading and Maintenance of Infrastructure	15	**21 150 000**	16 800 000	12 300 000
Water and Sanitation Provision	Eradication of Bucket System, VIP Toilets	16	**239 002 071**	117 600 000	116 549 927
Sustainable Shelter Provision	Human Settlement	17	**19 264 063**	15 411 000	5 435 000
Purified Water Provision	Upgrading and Maintenance of Infrastructure	18	**278 720 069**	263 981 423	111 838 522
Electricity Provision and Maintenance	Upgrading and Maintenance of Infrastructure	19	**298 963 243**	280 754 244	286 081 410
			1 469 462 648	1 403 123 888	1 180 179 629

D.3 Sector Development outcomes and outputs

The sector outcomes are summarised in the table below;

Table D3.1: Sector outcomes

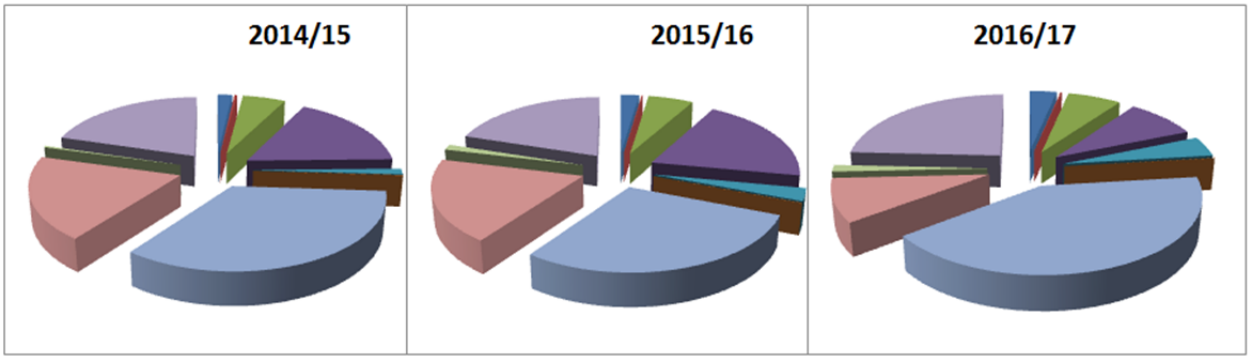
SECTOR	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
Government Services	37 183 868	51 872 063	58 619 508
Infrastructure	1 078 639 782	952 451 510	889 097 893
Housing	19 264 063	15 411 000	5 435 000
Economic Development	252 115 775	303 460 249	150 278 891
Social Services	82 259 160	79 929 066	76 748 337
	1 469 462 648	1 403 123 888	1 180 179 629



The anticipated spent per service directorate for the MTEF period is indicated in the following table and graphs;

Table D3.2: Anticipated spent per directorate

DIRECTORATE	2014/15	2015/16	2016/17
Corporate Services	26 708 868	32 540 313	38 759 070
Finance	5 075 000	1 953 750	2 116 438
Social Services	79 259 160	79 929 066	76 748 337
Planning	251 415 775	278 288 788	103 266 105
Human Settlements	19 264 063	40 082 461	51 947 786
Market	700 000	500 000	500 000
Engineering	503 956 470	407 715 843	491 177 961
Water	278 720 069	263 981 423	111 838 522
Strategic Projects	5 400 000	17 378 000	17 744 000
Electricity	298 963 243	280 754 244	286 081 410
	1 469 462 648	**1 403 123 888**	**1 180 179 629**



D.4 Outcomes and Impact of Integration Zones

Each budget project needs to indicate the proposed ward location and serves to demonstrated public consultations and participations. The wards are the grouped into clusters as agreed to with the respective ward councillors for maximum impact. The budget is therefore divided in clusters as per the table below:

Table D4.1: Capital budget spread

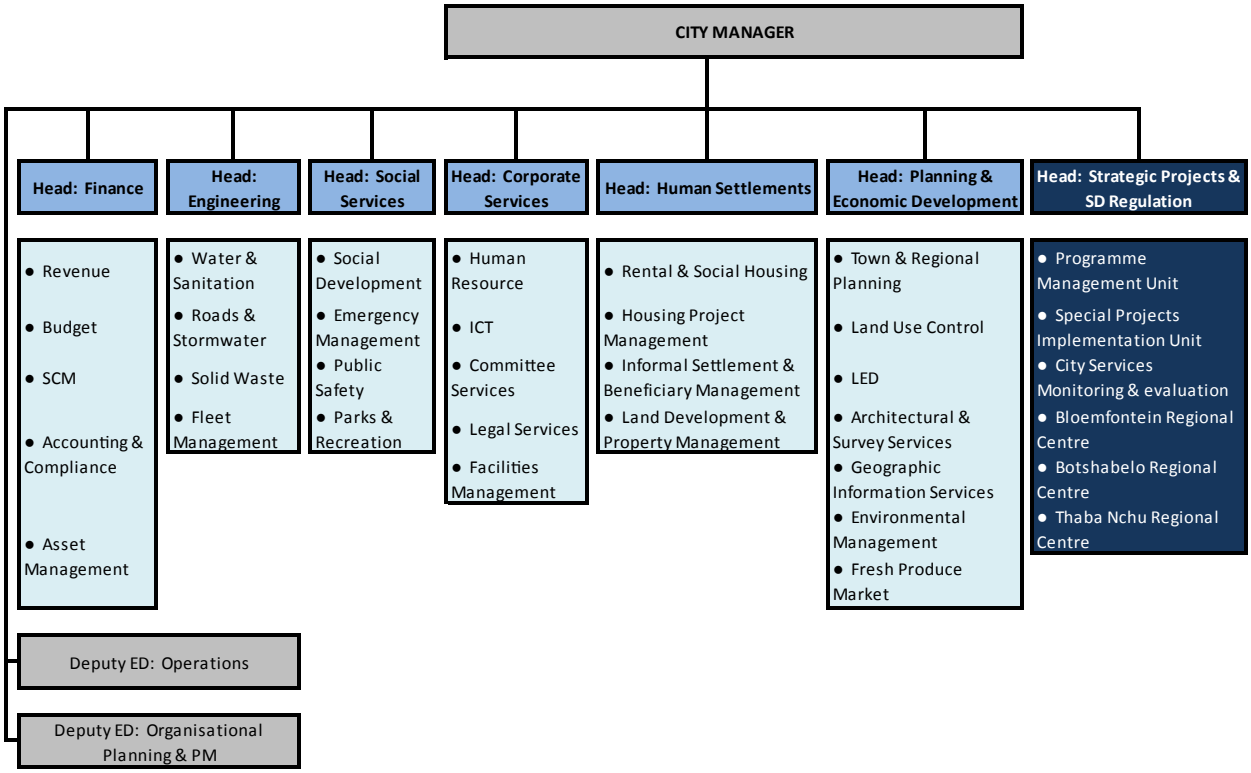
MANGAUNG AND CENTLEC	CLUSTER	WARD NR's	CAPITAL ESTIMATES		
CLUSTERS			BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
Bloemfontein Central	A	1, 2, 3, 4, 5	**40 861 551**	88 018 057	131 517 393
Mangaung South	B	9 ,13, 14, 15,18	**60 027 389**	9 288 500	11 461 483
Bloemfontein South	C	6, 7,10, 11, 12	**34 121 708**	27 123 488	11 283 522
Bloemfontein East	D	8,17,45,46,16,47	**253 391 591**	169 266 160	76 348 366
Bloemfontein North	E	19,21,44,48	**93 840 932**	113 905 706	83 235 524
Bloemfontein West	F	20,22,23,24,25,26	**95 098 124**	43 270 000	37 540 000
Botshabelo North	G	27,28,29,30	**56 611 228**	56 307 438	49 439 958
Botshabelo East	H	31,32,33,35	**13 203 868**	30 372 766	11 325 000
Botshabelo South	I	34,36,37	**17 488 625**	4 000 000	85 955 434
Thaba Nchu Central	J	39,40,43	**4 732 903**	20 732 331	300 000
Thaba Nchu Peri-Urban	K	42,49	**19 596 439**	3 000 000	9 860 000
Thaba Nchu, Botshabelo	L	38,41	**9 693 000**	2 100 000	2 400 000
Not Dermined (Utilization in all wards)	N	All	**770 795 290**	835 739 441	669 512 949
	TOTAL		**1 469 462 648**	1 403 123 888	1 180 179 629

SECTION E. INSTITUTIONAL AND FINANCIAL ARRANGEMENTS

E.1 Institutional arrangements for sector integration

The City of Mangaung is committed to providing effective service delivery to its communities and for this purpose has structured its administration into **seven** directorates, as indicated in the diagram below;

Diagram E1.1: Organisational Structure of MMM



The Office of the Municipal Manager provides the momentum of the administration and integrates all the disparate components of the Municipality.

The main thrusts for sector integration are to;

- facilitate ring-fencing of the functions associated with provision of services for proper costing and to enhance effective service delivery;
- build capacity to ensure effective integrated planning and coordination of key projects, especially those that are grant funded; and
- Implement a service delivery performance monitoring and evaluation function, in line with the national and provincial government initiative.

In addition to the above directorates, the Office of the City Manager is further capacitated with two significant strategic functions, namely the Operations unit and the Organisational Planning and Performance Monitoring unit. These functions support the City Manager in the compilation of the IDP,

SDBIP, and in ensuring that governance systems are in place to manage and track institutional performance.

E.2 Institutional arrangements for capital programme management

E.2.1 Budgeting Process

The projects selected to be implemented are budgeted as accurately as possible to be included on the Draft Capital Budget. The Finance Department is responsible to verify the Draft Budget against the funds available. Budget meetings will follow to do the necessary adjustment and to finalise the Capital Budget.

E.2.2 Tender Evaluation

Once the budget has been approved, projects are put out tender. Guidelines are followed as set out in the municipality's Procurement Policy. The Supply Chain Management process is followed to evaluate the tenders. Members of the Supply Chain Unit verify the validity of the tenders and the consultants compile an evaluation report according to rules as prescribed by municipal officials, within the requirements of the MFMA.

The Bid Evaluation Committee strives to succeed in the following key objectives:

- Quality in service delivery
- The spreading of work in a fair and professional manner
- The accommodation of emerging service providers

E.2.3 Implementation of Projects

During the implementation of projects the consultants are responsible for project management and quality control, monitored by municipal officials. All stakeholders are involved by means of technical meetings, project steering committee meetings and monthly site meetings. The community is represented by ward councillor's, CLO's and project steering committee members.

It is expected of consultants to do full time supervision on site and to give accurate feedback on progress, expenditure, challenges, job creation, etc. Progress reports are submitted on a monthly basis.

The key objectives of project implementation are:

- To complete the projects within the required timeframe's;
- To complete the projects not exceeding the budgeted amounts;
- To complete the projects to the standards required;
- To apply labour intensive construction methods as far as possible.

E.3 Supply chain managements and procurement plan

E.3.1 Compliance

The MMM has established a Supply Chain Unit in line with the internal Supply Chain Management (SCM) Policy. The head of the unit is a general manager, who reports to the Chief Financial Officer.

E.3.2 Delegated Authority

Section 79 and 106 of the MFMA empower the Accounting Officer of MMM to delegate decision-making powers to officials. The following should apply to acquisition of goods and services and the disposal and letting of assets:

- All delegations must be in writing;
- No supply chain management duties or powers may be delegated or sub-delegated to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.

E.3.3 SCM Procedure

The calling for tenders to secure supplies of goods and services is an integral part of SCM, as legislation compels public institutions to procure goods and services through this process. A thorough knowledge of the different phases of the tendering process and the accompanying procedures is therefore necessary to ensure that public officials procure goods and services timeously and according to their requirements.

In line with the MFMA, the Accounting Officer has approved the Bid Committees.

The Municipality ensures that the tender process is fair, transparent and equitable and cost effective to all parties. More specifically it will:

- Clearly separate its role as a purchaser from that of a provider of services;
- Produce tender documents, which clearly specify MMM's required services to allow bidders to bid for and price their work accurately;
- Package work put to tender in a manner which encourages competition and the best outcome for residents and ratepayers;
- Actively discourage improper tendering practices such as collusion, misrepresentation, and disclosure of confidential information;
- Require any conflict to interest to be disclosed immediately.

E.4 Partnerships

The Municipality is aware that the desired future is only possible if programmatic partnerships are forged with all stakeholders, given the finite resources at the disposal of state and the absolute necessity of yielding maximum impact through collaboration. Vertical alignment with National and Provincial Government is critical for maximizing this developmental impact.

The following provides a summary of the financial commitment of Provincial Government departments in terms of projects located within Mangaung. A more detailed breakdown of the various projects is reflected in **Annexure M**.

Table E4.1: Summary of Partnership Programmes

DEPARTMENT	MTREF		
	2014/15	2015/16	2016/17
Police Roads and Transport	R 30 000	R 0	R 0
Public Works	R 41 691 000	R 92 372 000	R 88 873 000
DETEA	R 5 500 000	R 7 000 000	R 8 000 000
Human Settlement	R 593 997 029	R 0	R 0
Department of Energy	R 26 315 789	R 20 175 438	R 22 807 018
Water Affairs	R 4 000 000	R 0	R 0
Department of Health	R 141 814 900	R 112 260 000	R 0
Social Development	R 4 000 000	R 0	R 0
TOTAL ALL DEPARTMENTS	**R 817 348 718**	**R 231 807 438**	**R 119 680 018**

Additional Partnerships with National Departments and parastatals are as follows;

Table E4.2: Additional Partnerships

Area of Concern	Partner
VIP Eradication	DWAF
Waste water	Bloem Water
Raw water supply	DWAF
Electricity	ESKOM
Underutilized rail transport	PRASA
Dormant airports	ACSA
Economic Growth	DED, DTI, DRDLA
Informal Settlements	NDHS
Waaihoek	NDPG

E.5 Project and programme values per sector

Refer to tables A5 and SA6 forming part of **Annexure B.**

E.5.1 Capital Budget Expenditure by Vote

The draft proposed capital budget expenditure for the Metro is set at R 4,315 billion for the MTREF period. Table C5 below gives an outline of the budget amounts per vote. The proposed multi-year expenditure appropriation is R 3,359 billion for the MTREF period with a bias towards new infrastructure development and economic development catalyst projects. The proposed single year expenditure amounts to R 959,595 million, with the biggest benefactor being engineering services at R 629,663 million.

See Table C5 (A5) forming part of **Annexure B**

- Multi-Year expenditure appropriation
- Single-Year expenditure appropriation

E.5.2 Capital Expenditure by Standard Classification

The proposed budget by standard classification is an outline in Table C5 (**Annexure B**). Economic and environmental services has grown by 184,11% in the 2014/15 budget year to R 516, 620 million when compared to the 2013/14 allocation of R 181,837 million. Planning and Development being the biggest benefactor of the allocation.

See Table C5 (A5) forming part of **Annexure B**
Capital expenditure : Standard Classification

E.6 Project and programme values per integration zone

The table below gives an outline in which the category of the fixed asset register is likely to be impacted by the proposed MTREF capital budget expenditure. The major component of spending is in the municipal infrastructure area.

Table E6.1: Project and programme values per integration zone

MANGAUNG AND CENTLEC		CAPITAL ESTIMATES		
STANDARD CLASSIFICATION PER ASSET CLASSS	Code	BUDGET 2014/2015	BUDGET 2015/2016	BUDGET 2016/2017
INFRASTRUCTURE				
Roads, Pavements, Bridges & Storm Water	0300	**207 456 640**	251 339 309	352 463 252
Water Reservoirs & Reticulation	0400	**288 720 069**	278 981 423	111 838 522
Car Parks, Bus Terminals and Taxi Ranks	0500	**500 000**	-	-
Electricity Reticulation	0600	**249 457 080**	223 935 711	229 596 043
Sewerage Purification & Reticulation	0700	**229 002 071**	118 011 000	116 549 927
Housing	0800	**20 099 063**	24 671 461	46 512 786
Street Lighting	0900	**-**	-	-
Refuse sites	1000	**20 850 000**	16 500 000	12 000 000
Gas	1100	**-**	-	-
Other	1200	**100 000**	100 000	100 000
COMMUNITY				
Establishment of Parks & Gardens	1500	**38 013 003**	48 190 948	33 866 105
Sportsfields	1600	**12 708 868**	13 040 313	4 000 000
Community Halls	1700	**-**	-	-
Libraries	1800	**-**	-	-
Recreational Facilities	1900	**5 500 000**	9 326 000	9 340 000
Clinics	2000	**-**	-	-
Museums and Art Galaries	2100	**-**	-	-
Other	2200	**9 693 000**	2 100 000	2 400 000
HERITAGE ASSETS				
Heritage Assets	2311	**320 000**	-	-
INVESTMENT PROPERTIES				
Investment Properties	2321	**-**	-	-
OTHER ASSETS				
Other motor vehicles	2500	**82 517 759**	81 046 534	61 349 782
Plant & equipment	2600	**7 851 000**	5 292 950	8 838 663
Computers	2650	**6 530 000**	3 660 000	3 203 850
Office equipment	2700	**18 730 163**	13 603 533	11 827 692
Abattoirs	2800	**-**	-	-
Markets	2900	**-**	-	-
Airports	3000	**-**	-	-
Security Measures	3100	**16 680 000**	6 950 000	17 787 000
Civic Land and Buildings	3110	**82 733 932**	67 496 706	87 762 007
Other Land and Buildings	3120	**172 000 000**	232 878 000	68 744 000
Other	3200	**-**	-	-
SPECIALIZED VEHICLES				
Refuse	3500	**-**	-	-
Fire	3600	**-**	6 000 000	-
Conservancy	3700	**-**	-	-
Ambulances	3800	**-**	-	-
Buses	3900	**-**	-	-
AGRICULTURAL ASSETS				
Agricultural Assets	4011	**-**	-	-
BIOLOGICAL ASSETS				
Biological Assets	4021	**-**	-	2 000 000
INTANGIBLES				
Intangibles	4031	**-**	-	-
		1 469 462 648	1 403 123 888	1 180 179 629

E.7 Project and programme values per network element

Refer to table SA36 forming part of **Annexure B.**

E.8 Non-Infrastructure interventions

The non-Infrastructure interventions for the MTEF period is indicated in the table below and comprise various types of equipment. From the amounts it can be seen that the non-infrastructure interventions represent 10.02%, 9.87% and 10.09% of the total budgets for the respective years.

Table E8.1: Non Infrastructure interventions

NonInfrastructure interventions	2014/15	2015/16	2016/17
Clothing	R 54 000	R 0	R 0
Communication	R 1 000 000	R 1 150 000	R 1 000 000
Computor	R 3 530 000	R 3 660 000	R 3 203 850
Electricity	R 25 456 163	R 27 120 242	R 25 553 738
Electronic	R 800 000	R 0	R 0
Emergengy	R 807 000	R 252 000	R 696 000
Farming	R 6 793 000	R 0	R 0
Furniture	R 4 445 000	R 2 950 000	R 3 147 000
Information Technology	R 15 455 000	R 7 150 000	R 6 800 000
Medical	R 1 754 000	R 718 000	R 2 760 000
Recreation	R 0	R 2 326 000	R 2 340 000
Security	R 500 000	R 664 200	R 734 000
Traffic	R 2 500 000	R 3 750 000	R 9 787 000
Vehicles	R 82 517 759	R 87 046 534	R 61 349 782
Other	R 1 575 000	R 1 653 750	R 1 736 438
	R 147 186 922	**R 138 440 726**	**R 119 107 808**
	10.02%	**9.87%**	**10.09%**

E.9 Grant Application and allocations

The draft capital expenditure budget is R 4,052 billion for the MTREF period. The municipality requires R 4,052 billion to fund the proposed capital expenditure budget for the MTREF period. Funding from the government continues to be the anchor for the capital budget funding at 55,13% (R 2,234 billion) - (subject to DORA confirmation). The municipality envisages approaching the funds market for an additional R 600 million, for specific projects aimed at boosting economic development activities within the metro area. The envisaged borrowings amount to R 725,03 million for the MTREF period. Internal generated funds for the MTREF period amounts to R 1,093 billion.

Table E9.1: Funding sources for capital budget

FINANCING - MANGAUNG AND CENTLEC		Budget 2014/15	Budget 2015/16	Budget 2016/17
4300	External Loans	**368 517 759**	322 046 534	34 464 782
4400	Own Funds (CRR)	**75 548 646**	102 538 110	118 701 438
4500	Revenue	**253 205 000**	239 625 927	240 530 041
4600	Public Contributions/Donations	**19 267 015**	20 952 879	22 744 351
4800	National Lottery	-	-	-
4801	District Municipality	-	-	-
4900	Other ad - hoc financial Sources	-	-	-
5000	Other not included in above	-	-	-
Grants and Subsidies				
4700A	Municipal Infrastructure Grant (MIG)	-	-	-
4700B	Public Transport Infrastructure & Systems Grant	**30 000 000**	-	-
4700C	Department of Water Affairs	**4 000 000**	-	-
4700D	USDG Grant	**654 406 000**	680 907 000	723 187 999
4700F	Housing Accreditation Subsidy	-	-	-
4700J	Integrated City Development Grant	**5 596 000**	-	-
4700E	Municipal Systems Improvement Grant	-	-	-
4700K	Free State Province Development Grant	-	-	-
4700L	EPWP Incentive Grant	**2 431 000**	-	-
4700G	2010 FIFA World Cup Stadium Development Grant	-	-	-
4700H	Provincial Grants and Subsidies Hlasela	-	-	-
4700I	National Electrification Programme	**26 491 228**	20 175 438	22 807 018
4700M	Demand Side Management Grant	-	-	-
4700N	Provincial Grant CCTV Cameras	-	-	-
4700P	Provincial Human Settlement Grant	**25 000 000**	-	-
4700Q	Neighbourhood Development Partnership Grant	**5 000 000**	16 878 000	17 744 000
		1 469 462 648	**1 403 123 888**	**1 180 179 629**

Also refer to the detail Capital budget for the status of different grants by programme and project.

CLOSING REMARKS AND RECOMMENDATION

The document reflects the current status of the Built Environment of Mangaung and also aims to provide the strategies required to bring about spatial transformation of the city to ensure long term sustainability and prosperity to all inhabitants. It is recommended that this Mangaung BEPP plan for 2014/2015 be approved by the National Department of Treasure to give effect to the implementation of the ICDG, with the view to improving the overall performance of the Mangaung Metro Municipality.