

**MERAFONG CITY MUNICIPAL SPATIAL DEVELOPMENT
FRAMEWORK 2016-2021**

ANNEXURE A

IMPLEMENTATION PLAN

CAPITAL INVESTMENT FRAMEWORK

Introduction

Capital investment plays a key role in the economic growth, social development, urban efficiency and environmental well-being of any municipality. This document provides a spatial perspective on public investment for Merafong. The Capital Investment Framework (CIF) aims to improve the management of Merafong's infrastructure. The CIF has a role of guiding future capital investment and management of the municipality in order to attain the municipality's goals as quickly and efficiently as possible. This framework shows where council should steer the budget for capital projects in Merafong over the short to medium term. This document also provides the community (including potential investors/developers) with the necessary information to understand the context for decisions on capital investment.

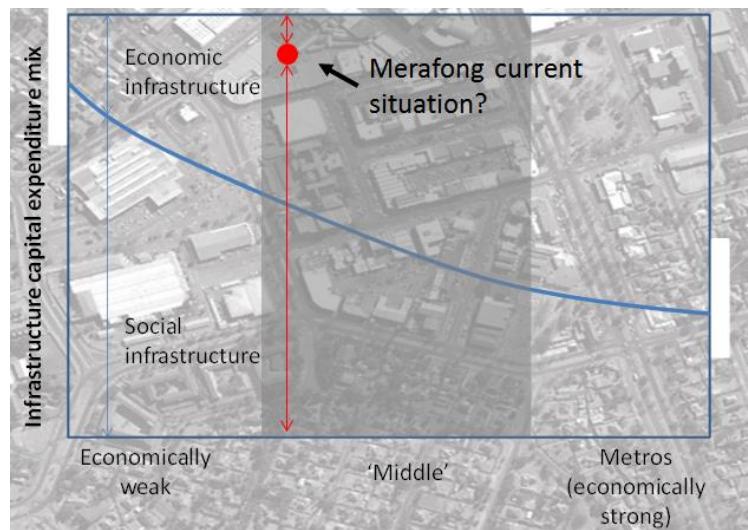
The CIF will result in efficient provision of infrastructure linked to appropriate developmental needs and will result in the following:

- ✓ Improved service delivery
- ✓ Increased economic growth
- ✓ Higher levels of social development
- ✓ Greater understanding of spatial linkages to budget allocations.

Needs and requirements

The municipality has a very difficult task of balancing its budget between the needs of social development, economic development and urban efficiency. The needs of the present must also be weighed against sustainability and viability in the future. These different areas of focus are not mutually exclusive and in many instances investment in one focus area can have positive effects on many other areas.

The figure below depicts an ideal capital investment scenario for Merafong. Merafong is generally underspending on the maintenance of its infrastructure in and is rapidly expanding its social infrastructure such as basic water provision due to the existing backlogs and needs of the community. This expansion is occurring at the expense of investment in economic infrastructure such as serviced industrial land. The municipality has to increase its investment in economic infrastructure in order to enable economic development away from mining whilst the 'window of opportunity' remains open.



Furthermore a number of infrastructure bottlenecks exist, as mentioned in Section 4, that are inhibiting further investment in urban development by the public and private sector.

The available resources from the provincial and national government should be utilised to fund feasibility and business case studies and necessary infrastructure for game changer projects. Public institutions that should be worked with include the Gauteng Infrastructure Funding Agency (GIFA), Office of the Premiere, the Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA) and others.

Efforts between national Government (DMR), Gauteng Province, the West Rand District Municipality and Merafong are underway to integrate the Social Labour Plan (SLP) spending of mines with the game changer projects and critical bulk infrastructure shortages that are inhibiting further public and private sector investment.

Merafong Capital Budget

CAPITAL BUDGET 2016/17 TO 2018/19				
Projects	2016-2017	2017-2018	2018-2019	Source of Funding
Roads and Storm water				
Khutsong Roads and Storm water (Phase 1)	6 813 010	7 000 000	7 000 000	MIG
Kokosi Roads and Storm water (Phase 2)	7 979 700	7 000 000	7 000 000	MIG
Wedela Ext 3 Roads and Storm water (Phase 1)	5 036 000	7 000 000	7 000 000	MIG
Electricity				
Street Light Merafong Phase 3	1 924 000	3 000 000	3 000 000	MIG
Khutsong South Electrification	13 000 000	16 000 000		Integrated National Electrification Programme
Kokosi Ext 99 Electrification	2 000 000			Integrated National Electrification Programme
Kokosi Ext 6 Electrification			20 000 000	Integrated National Electrification Programme
Waste removal				
Construction of Carletonville Waste Management Depot	4 674 636	15 000 000	21 296 739	MIG

Public Works				
Khutsong Multi-Purpose Community Centre	20 105 493			MIG
<u>LED</u>				
Informal Trading Area Carletonville Phase 2	629 100			MIG
<u>Waste Water</u>				
Sludge Drying Beds - Kokosi & Khutsong WWTW	3 121 061	10 300 000	7 369 261	MIG
<u>Sanitation</u>				
Khutsong North Water & Sewer Reticulation	5 000 000	10 000 000	10 000 000	MIG
<u>Water</u>				
Replacement of Khutsong Reservoir	20 000 000	20 000 000	30 000 000	Water Services Infrastructure Grant
	<u>90 283 000</u>	<u>95 300 000</u>	<u>112 666 000</u>	

In the first 3 years the capital expenditure from the municipality's side will only be able to cover one reservoir. Continued investment in addition to sourcing funding from other sources such as mining SLPs is critical.

Khutsong South – Welverdiend area

- 20 MI Water reservoir (Khutsong South) – R 70,000,000 (Addressed in the current budget)
- Of the required 48 hour water holding capacity, currently 0 hours available.
- Bulk Supply Khutsong South 132kV Substation - R86,000,000
- Bulk supply Khutsong South secondary network - R17,500,000

Fochville - Kokosi area

- 30 MI Water reservoir – R159,000,000
- Kokosi Waste Water Treatment Works modular addition – R98,500,000

Carletonville area

- 20 MI Water reservoir – R 70,000,000

Mining SLP funding is currently focussed on social development, however as agreed with the Department of Mineral Resources, mining SLP funding will in future focus on economic development as guided by the Game Changer projects.

Sibanye Gold

SLP PROJECT	BUDGET	2016/2017	2017/2018
Eradication of Alien Invader Tree Species & Nursery	1,500,000	1,500,000	
Enterprise Development Project	3,000,000	3,000,000	
Mphahlwa Village Community Development Project	3,000,000	3,000,000	

Anglo Gold Ashanti

SLP PROJECT	BUDGET	2016/2017	2017/2018
Wedela Primary Science Laboratory	1,900,000	1,900,000	
Khutsong Community Care Centre	3,000,000	3,000,000	

Hlangabeza Primary Science laboratory	1,900,000	1,900,000	
Greenspark Primary additional classrooms	1,500,000	1,500,000	
Boiteko Special School additional classrooms	1,500,000		1,500,000
Upgrade of community sports facility	4,500,000		4,500,000
Nayaboswa Primary School Science Laboratory	1,900,000		1,900,000
Community Health Care Clinic Kokosi	7,500,000		7,500,000
Housing Development Fochville Egoli	14,700,000	7,300,000	7,400,000
Urban planning & formalization of non-urban AGA land & property holdings	7,000,000	7,000,000	
Enterprise Development Centre	30,000,000	30,000,000	
Agricultural project – Wedela Farm	4,000,000	4,000,000	

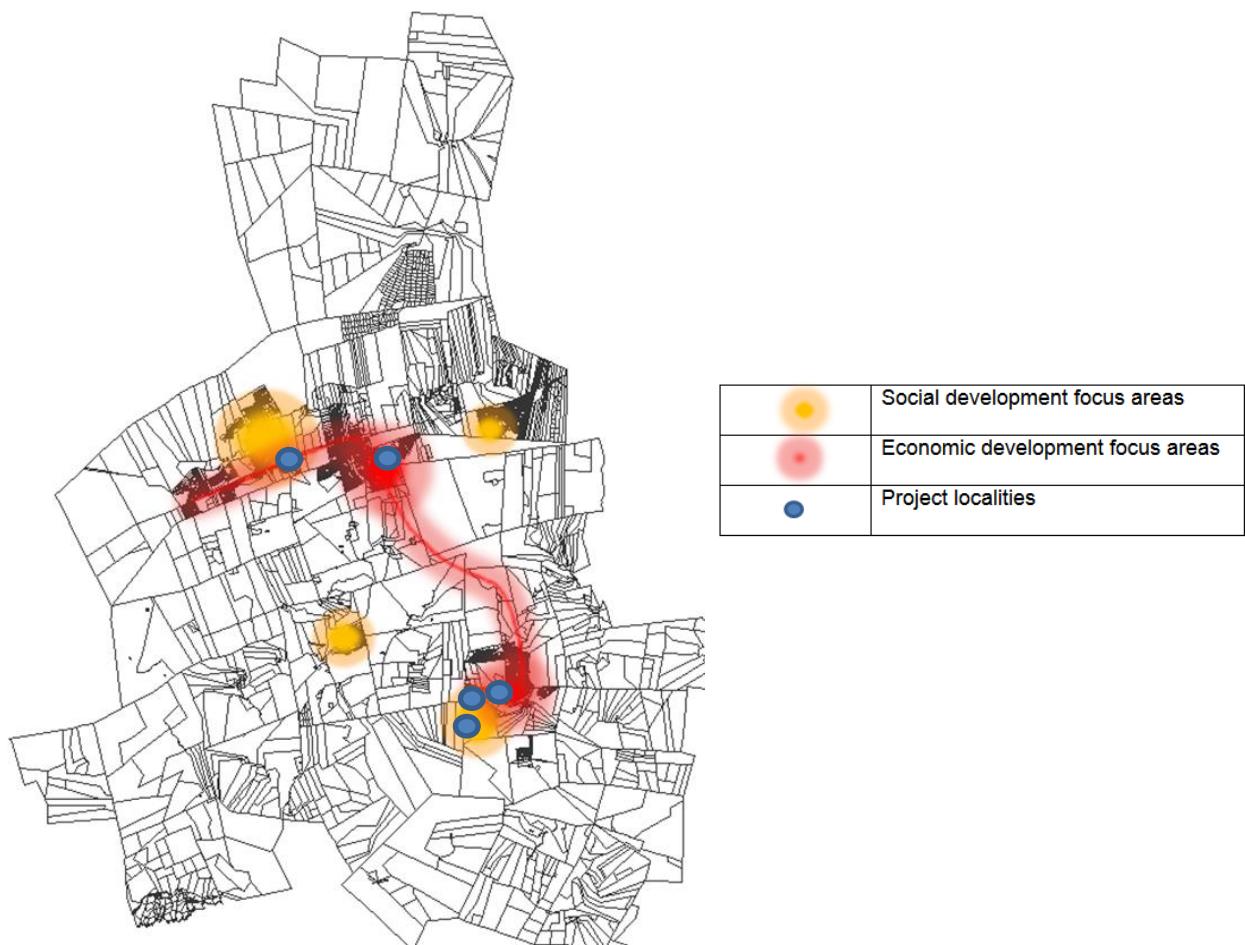


	Social development focus areas
	Economic development focus areas
	Project localities

Provincial projects

Department of Health

Project Name/ Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
					2016/2017	2017/2018
					2017/2018	2018/2019
Carletonville Hospital	Carletonville	Identified	Hospital Renovations	–	100 000	100 000
Kokosi	Fochville	Tender	Clinic	3 000 000	10 100 000	15 000 000
Khutsong	Carletonville	Construction	Clinic	20 000 000	30 000 000	5 000 000
Greenspark	Fochville	Tender	Clinic	10 000 000	20 000 000	30 000 000
Carletonville Hospital	Carletonville	Identified	Refurbishment of TB wards (Hospital)	100 000	–	–
Carletonville Hospital	Carletonville	Construction	District Hospital: Maintenance (Hospital)	8,030 000	12,581 000	15,223 000
Fochville EMS	Fochville	Construction	EMS Maintenance	500 000	500 000	750 000



Department of Education

Project Name/ Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
					2016/2017	2017/2018
Reakgona Primary	Kokosi	Feasibility	School - Primary - Fencing	–	–	1,400 000
Retile Primary	Kokosi	Feasibility	School-Primary-Fencing	–	1,201 000	–
Tsitsiboga Primary School	Khutsong	Feasibility	School-Primary-Fencing	–	1,201 000	–
Laer Gedenkskool Danie Theron	Carletonville	Feasibility	School - Primary Grade R - ACT	994 000	–	–
Laerskool Oos-Driefontein	Carletonville	Feasibility	School - Primary Grade R - ACT	1,496 000	–	–
Letsatsing Primary Mine School	Carletonville	Feasibility	School - Primary Grade R - ACT	497 000	–	–
Losberg Primary School	Fochville	Feasibility	School - Primary Grade R - ACT	497 000	–	–

Project Name/ Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
					2016/2017	2017/2018
Phororong Primary School	Khutsong	Feasibility	School - Primary Grade R - ACT	994 000	–	–
Reakgona Primary	Kokosi	Feasibility	School - Primary Grade R - ACT	994 000	–	–
Badirile Secondary	Khutsong	Feasibility	School - Secondary - ACT Classroom	326 000	–	–
Relebogile Secondary School	Khutsong	Feasibility	School - Secondary - ACT Classroom	625 000	–	–
Badirile Secondary School	Khutsong	Feasibility	School - Secondary - Smart Classrooms	663 000	–	–
Imfundo Secondary School	Kokosi	Feasibility	School - Secondary - Smart Classrooms	181 000	–	–
Letsatsing Primary Mine School	Carletonville	Feasibility	School - Secondary - Smart Classrooms	361 000	–	–

Project Name/ Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
					2016/2017	2017/2018

Relebogile Secondary School	Khutsong	Feasibility	School - Secondary - Smart Classrooms	361 000	–	–
Thuto-Kitso Secondary School	Kokosi	Feasibility	School - Secondary - Smart Classrooms	301 000	–	–
Tswasongu Secondary School	Khutsong	Feasibility	School - Secondary - Smart Classrooms	663 000	–	–
Wedela Technical Secondary	Wedela	Feasibility	School - Secondary - Smart Classrooms	361 000	–	–
Kamohelo Primary School	Khutsong	Design	School - Primary - Rehabilitation	500 000	8 000 000	3 000 000
Boiteko School(LSEN)	Khutsong	Construction	School - Special - Rehabilitation	2 452 000	–	–



	Social development focus areas
	Economic development focus areas
	Project localities

Department of Agriculture and Rural Development

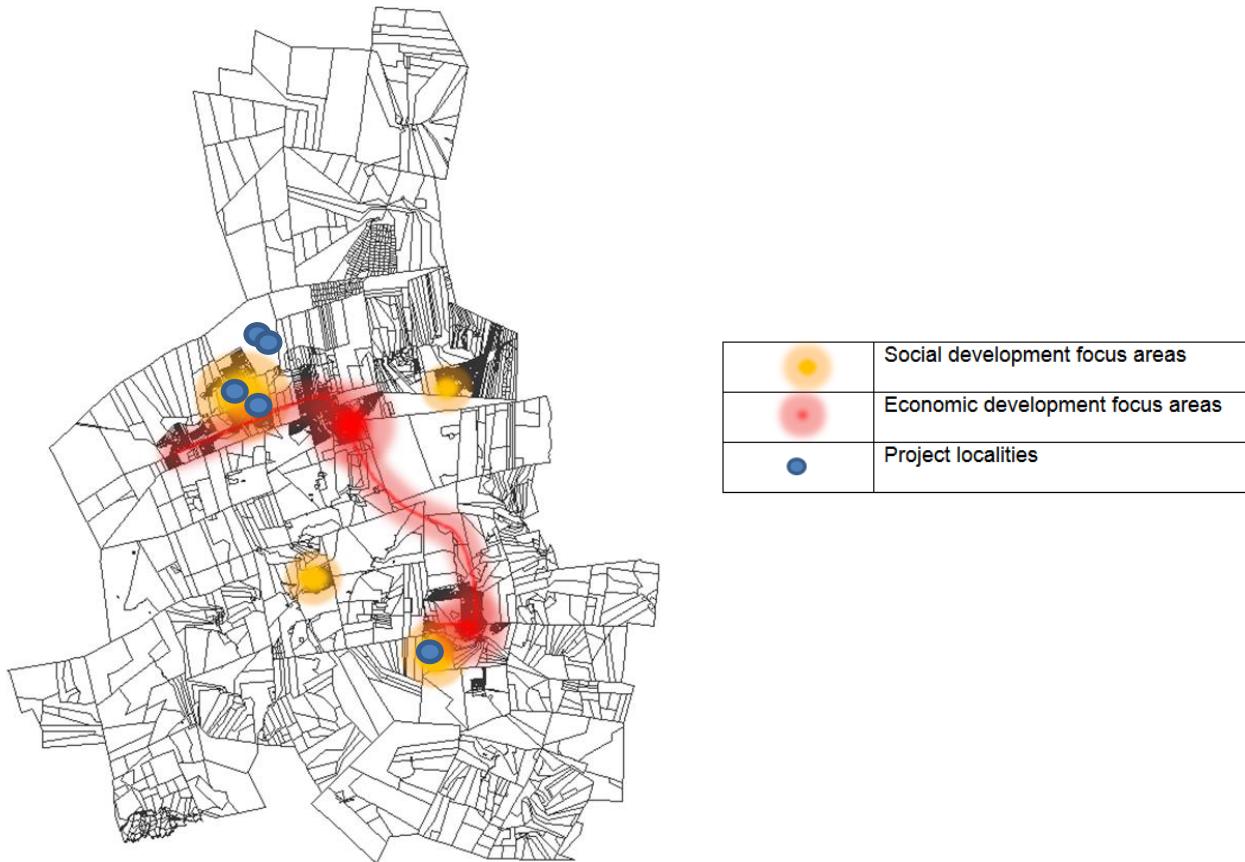
Project Name/Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
				2016/2017	2017/2018	2018/2019
Abe bailey Nature Reserve	Khutsong	Tender	Nature Reserve: Construction of fence	1 000 000	–	8,338 000
Abe bailey Nature Reserve	Khutsong	Project initiation	Nature Reserve	1,400 000	2,000 000	7,800 000

Department of Social Development

Project Name/Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
				2016/2017	2017/2018	2018/2019
Khutsong Social Integrated Facility	Khutsong	Construction	ECD, Community Facility for Older Persons, and Regional Offices	7,000 000	10,000 000	–

Department of Sport, Arts, Culture and Recreation

Project Name/Description	Township/ Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
				2016/2017	2017/2018	2018/2019
Kokosi Community Library	Kokosi	Feasibility	Community Library	1,300 000	14,500 000	–
Khutsong(Batswan eng) Modular Library	Khutsong (Batswaneng)	Project Initiation	Modular library	1, 500.000	-	-



Department of Human Settlements

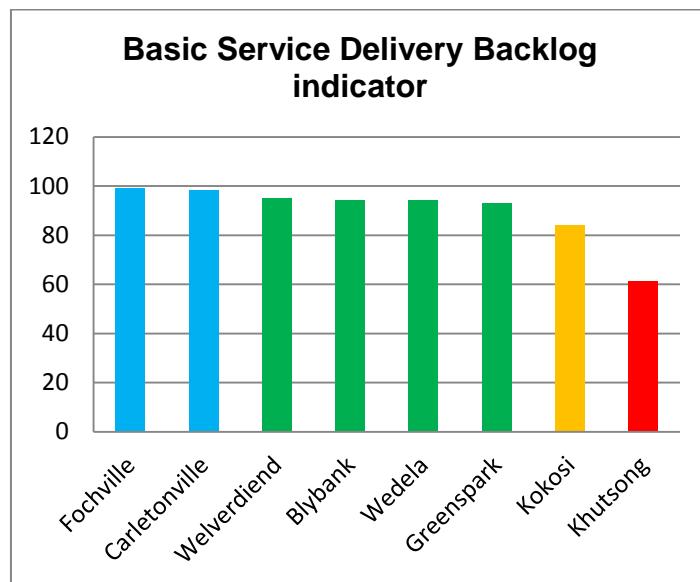
Project Name/Description	Township/Suburb name	Project Status	Type of Infrastructure	Total Available	MTEF forward Estimates	
					2016/2017	2017/2018
Fochville	Fochville	Feasibility	Housing Units	–	–	50,000 000
Khutsong South Ext 1,2 & 3	Khutsong	Construction	Services: Installation of services and Top Structure Construction	30,189 000	203,522 000	–
Khutsong South Ext. 1,2 &4	Khutsong	Construction	Professional fees	2,059 000	–	–
Kokosi Ext 6	Kokosi	Construction	Housing units	47,451 000	–	–
Kokosi Ext 7	Kokosi	Design	Services: Installation of services	–	52,787 000	150,735 000
Kokosi Ext 7	Kokosi	Design	Sewer Outfall line	10,000 000	–	–



	Social development focus areas
	Economic development focus areas
	Project localities

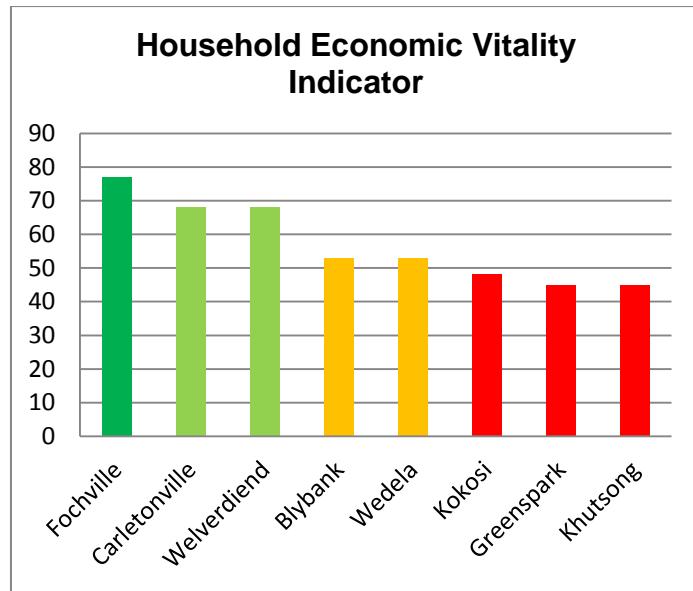
Sector department expenditure is broadly in line with spatial planning directives. There is however a lack of spending on economic infrastructure and maintenance of infrastructure. This trend will be improved upon when mining SLP expenditure shifts towards economic projects, however capital expenditure by the municipality itself will remain severely constrained for years to come whilst the municipality recovers from a weakened financial position.

The following indicators help guide the type of expenditure.



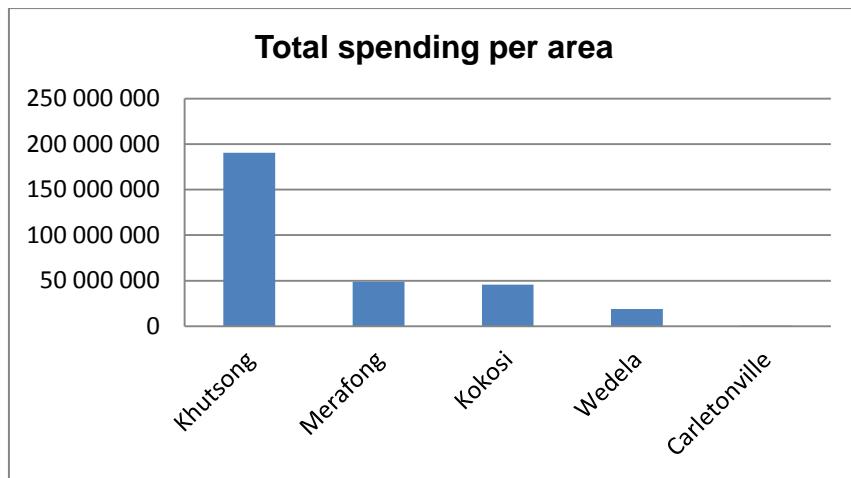
The **Basic Service Delivery backlog Indicator** gives an overall view of basic service backlogs. Some areas will have services higher than basic level; however this indicator will not show that. If an area has 100% it means that to the knowledge of the municipality all legally occupied erven are completely served with at least basic services. The following basic groupings are discernible:

- Carletonville and Fochville are virtually at 100% with no investment required for backlogs, however it does not account for new developments.
- Welverdiend, Blybank, Wedela and Greenspark have reached levels close to 100%. Most backlogs may have arisen from illegal structures as well as informal settlements.
- Kokosi and Khutsong are further behind with Khutsong having the biggest backlog at just over 60%. These areas should be the focus of social and basic service delivery spending. Emergency measures have been put in place to bring temporary relief.



The **Household Economic Vitality Indicator** gives an indication of the economic vitality as well as ability to obtain employment based on levels of employment, income, level of education and levels of service delivery. Four basic categories are discernible:

- Fochville attains the highest level with the most educated and wealthy residents. This area does not require any more significant investment in social development. Development should focus on strengthening economic infrastructure and improving and maintaining the current social infrastructure as well as aesthetic upgrading and place making.
- Carletonville and Welverdiend attain levels close to that of Fochville, however income levels are lower and education levels are slightly lower. These areas do not require any more significant investment in social development. Development should focus on strengthening economic infrastructure and improving and maintaining the current social infrastructure as well as aesthetic upgrading and place making.
- Blybank and Wedela attain mid-range values due to significant mining employment with lower levels of education and significant unemployment. Social spending should focus on improving education and supporting the unemployed. Economic infrastructure spending should be restricted due to lower viability.
- Kokosi, Greenspark and Khutsong attain the lowest levels with high unemployment, low levels of education and significant service backlogs. Social infrastructure should be improved and context specific economic infrastructure upgrading should occur.



The total spending per area is reflective of social needs and population. The bulk of capital expenditure is on basic services and bulk infrastructure. It is in line with where the need for social spending is most needed. Due to a lack of maintenance, sinkholes (Which is also related to maintenance) and backlogs massive spending is needed on bulk infrastructure to the amount of about 403 million Rand which the municipality can finance at a rate of between 20 and 40 million per year from grant funding. Therefore additional funding is required from national and provincial government and other sources such as mining SLPs. The following table depicts a summary guideline for capital investment in Merafong. Areas with high economic potential should receive the bulk of economic infrastructure spending and areas with the highest human need should receive the bulk of social infrastructure spending.

INCREASING ECONOMIC POTENTIAL	Carletonville Fochville			1
	Welverdiend		Khutsong Kokosi	2
		Greenspark Wedela Blybank		3
	INCREASING HUMAN NEED			

The following depicts capital spending on human settlements developments based on needs and available resources

NORTHERN CONURBATION						
(Residential Development)	Baseline information		Residential stands planned to serve, actual no. of residential stands served, estimated capital and rehabilitation costs (excluding bulk)			New Bulk infrastructure, capital costs and rehabilitation of bulk infrastructure required
	No. of households in the municipality (at a growth rate of 1,25% p.a.)	Baseline: list number of houses required to eliminate backlogs in terms of new residential areas	No. of erven planned to process/approve	Estimated new capital costs (R Value) per annum	Top structure costs per annum (DoHS) (R110,000)	Specify infrastructure (Roads & storm water: R4,7 mil/km & 0,013km/erf)
Year 1 (16/17)	78802	8669	Khutsong South Ext 5 (Phase 1: 500 erven)	R21,813,000		
			Khutsong South Ext 5 (Phase 2: 935 erven)	R30,189,000		
			Khutsong South Ext 5 (Phase 1: 265 t/s)		R29,150,000	Roads & storm water: 29,15km + Bridge over rail + interchange
			Khutsong South Ext 5 (Phase 2: 250 t/s)		R27,500,000	
			Khutsong South Ext 5 (GAP -253)	PRIVATE DEVELOPMENT		
			Total: 768	Total: R56.650,000	R52,002,000	
Year 2 (17/18)	80555	7901	Khutsong South Ext 5 & 6 (578 erven)	R24,854,000		
			Khutsong South Ext 5 & 6 (920 t/s)		R101,200,000	Water: New 20 ML Reservoir
			Khutsong South Ext 7 (1250)	R53,750,000	R137,500,000	Roads & storm water: 16,4km
			Varkenslaagte (10 000)	PRIVATE DEVELOPMENT		R77 million
			Total: 12 170	Total: R78,604,000	R238,700,000	

SOUTHERN CONURBATION							
(Residential Development)	Baseline information		Residential stands planned to serve, actual no. of residential stands served, estimated capital and rehabilitation costs (excluding bulk)			New Bulk infrastructure, capital costs and rehabilitation of bulk infrastructure required	
	No. of household s in the municipali ty (at a growth rate of 1,25% p.a.)	Baseline: list number of houses required to eliminate backlogs in terms of new residential areas	No. of erven planned to process/approve	Estimated new capital costs (R Value) per annum	Top structure costs per annum (DoHS) (R110,000)	Specify infrastructure (Roads & storm water: R4,7 mil/km & 0,013km/erf	Bulk infrastructure (Roads & storm water: R4,7 mil/km & 0,013km/erf)
Year 4 (14/15)	73451	2848	Wedela/Koko si (16)				
Year 5 (15/16)	74385	2832	Kokosi Ext 6 (Phase 1 - 1010)	R43,430,000	R111,100,000	WWTP: Standby generator WWTP: sludge drying equip WWTP: Concrete lining sludge WWTP: Concrete fencing Sewer: Bulk sewerage pump stations & raising main (R??) Sewer: Phase 1 upgrade of WWTP to 11,7ML (R74 mil) Roads & Storm water: 24,55km (R115,385 mil) Electricity: Upgrade Fochville Main Substation	

Year 1 (16/17)	76325	1822	Kokosi Ext 6 (Phase 2 - 736)	R31,648,000	R80,960,000	Sewer: Main outfall pipeline to Kokosi WWTP	R10,000,000
Year 2 (17/18)	74385	1086	Kokosi Ext 6 (Phase 3 - 392)	R16,856,000	R43,120,000		
			Kokosi Ext 7 (2430 – RDP 728 – GAP 11 - Mixed) Servicing of 3169 stands	R52 787,000 0	R348,590,00 0	WWTP: Phase 2 upgrade of WWTP to 18,4ML (R118,05 mil)	
						Roads & storm water: 10km (R47 mil)	
						Water: new 24ML reservoir (R96 mil)	
						Water: 3ML elevated pressure tower (R6,6 mil)	
						Water: bulk water supply pipelines (R??)	
			Total: 3561	R69,643,000	R391,710,00		

AMENDMENTS TO LAND USE SCHEMES

Introduction

Section 21(p) (ii) of the Spatial Planning & Land Use Management Act (Act 16 of 2013) commits the MSDF to make recommendations on the necessary amendments to land use schemes. Merafong plans to proclaim a wall-to-wall uniform land use scheme by 2020. In the meantime amendments to the existing schemes have to be considered.

Detailed investigation has to be made into the following areas:

- Enabling Spaza shops in previously disadvantaged areas without having to rezone.
- Enabling easier and less expensive processes to get approval for places of child care (Crèches) in all areas.
- Enabling easier and less expensive processes to get approval for home enterprises in all areas.
- Where lines of no access can be removed to benefit the development of nodes and corridors in previously disadvantaged areas.
- Enabling urban agriculture
- Relaxation of building lines to promote densification in certain areas and under certain conditions.
- Measures to expedite the rezoning of municipal properties without affecting public participation negatively.
- Measures to start phasing in Overlay Zones. A thorough study into this aspect is required.
- A study into incentives and disincentives especially regarding the development of nodes and corridors is needed.

Investigating these aspects will not only benefit development in the short term, but will also benefit the process of developing a new land use scheme.