

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

BEPP/USDG REVIEW

PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS

5 JUNE 2013



**nelson mandela bay
MUNICIPALITY**

Structure of Presentation:

**Part One: Matters arising from previous
Parliamentary Portfolio Committee
meeting of 27 February 2013**

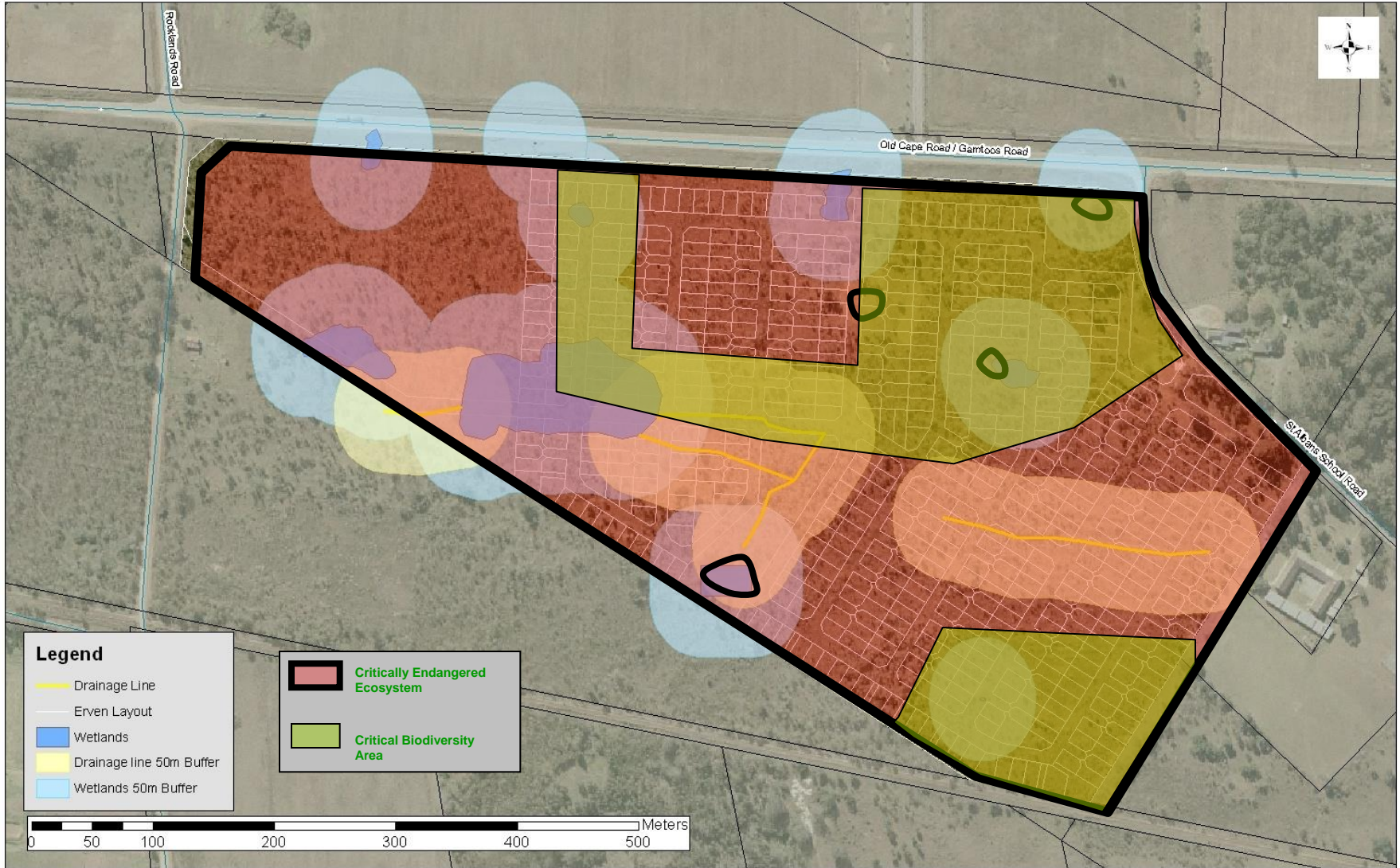
Part Two: 2012/13 Expenditure

- Quarter Four: USDG expenditure 2012/13
- Recovery plan on 2012/13 USDG expenditure

PART 1:
**Matters arising from previous
Parliamentary Portfolio
Committee meeting held on
27 February 2013**

FITCH'S CORNER INFORMAL SETTLEMENT

- Fitch's Corner has approx. 95 shacks occupying a cemetery site.
- The site cannot be serviced (water and sewerage) from a technical perspective.
- Original plan was to relocate to St Albans but the site has severe environmental constraints.
 - 10 Wetland areas
 - Interconnecting drainage
 - Site is listed as Critical Biodiversity Area
 - Site has Critically endangered Ecosystem areas



Project No:	Datum:
397552	HH94
	Projection:
	TM
	Central Meridian/Zone:
	LO26

ST ALBANS LOW COST HOUSING
WETLANDS LOCALITY

Date:	Scale on A3:
12/04/2010	5 1:3,000
Compiled by:	Fig No:
VANE	001

FITCH'S CORNER INFORMAL SETTLEMENT (continued)

- The plan is now to relocate the households to Witteklip.
- The Witteklip land has been donated to council in late 2011.
- All planning related issues have been resolved and environmental approval has been given for the Housing and internal services portion of the project.
- The only outstanding issue is the environmental approval for bulk sewer, this is estimated to take 9 months to finalize.
- Subject to a positive ROD, civil engineering construction will commence.
- Top-structures will follow services.

WITTEKLIP & FITCH'S CORNER LOCALITY



Legend
— Roads
▭ Subject Erf

CREATED BY: B. HOGG
2 FEBRUARY 2012

**Distance to
Witteklip = 3 km**

1:20,000

GROGRO SETTLEMENT

- The land is privately owned – Erf 432 Hunters Retreat
- Preliminary environmental study shows that the site is environmentally sensitive and has critically endangered species on it.
- Access to the site is problematic.
- The land is outside the urban edge and will promote urban sprawl contrary to the approved SDF.
- The site does not have bulk services.

GROGRO SETTLEMENT

- Should this portion of land be earmarked for development it is expected that this will only be able to take place within 48 months if at all possible.
- Outstanding issues that need to be resolved :-
 - Land Transfer/Procurement(Private Land)
 - Bulk water and sanitation
 - Environmental approval
 - Adhering to environmental conditions
 - Town Planning
 - Internal services

N2 DEVELOPMENT (Grogro - Current Solution)

- The land is Municipally owned – Erf 455 Hunters Retreat.
- This land is vacant and available for relocation within a close developing precinct where transportation, commercial i.e. employment opportunities and community facilities are planned.
- A proposal call will be advertised for development of Erf 455 to include an Integrated mixed use and residential development that will accommodate Grogro residents.
- Variety of housing typologies and tenure options:
 - Bonded and GAP Housing
 - FLISP and Affordable housing
 - Social and private rental
 - Subsidized incorporating Gro-gro

N2 DEVELOPMENT

- Draft engineering services reports under preparation.
- Environmental scoping under way – Commenced March 2013.
- Environmental constraints and challenges may reduce development scope.
- Draft feasibility studies under way – Commenced May 2013.
- Relocations expected to commence in approximately 24 months subject to a positive ROD.

HUNTERS RETREAT



Legend

- Roads
- ▭ Subject Erven

CREATED BY: B. HOGG
2 FEBRUARY 2012

1:20,000

MALABAR EXT. 6 (DEVELOPMENT)

- Draft layout plan prepared, currently under revision.
- Environmental assessment current.
 - Draft scoping report submitted and approved on the 12 April 2013.
 - Social Impact assessment submitted on the 9 May 2013.
 - Draft final assessment under prep.
 - Various environmental challenges highlighted in specialist studies.
- Community resistance to development.
- Mitigation options open possibility for integrated residential development variety of tenure and housing typologies.

MALABAR EXT. 6 SETTLEMENT

- Interim basic services:
 - Communal stand pipes provided for water.
 - Sanitation:
 - Access to the site is problematic with trucks and interim roads are being graded.
 - Buckets will be provided while the interim sanitation programme is being rolled out.

SANITATION : PROGRESS ON BUCKET ERADICATION

Review Buckets Eradication Strategy:

- Two prong approach:
 - Interim solution:
 - Pilot toilets completed on 30 May 2013
 - Calling for tenders (4) by July 2013 to rollout programme.
 - Testing viable sanitation solutions per location.

SANITATION : PROGRESS ON BUCKET ERADICATION



SANITATION : PROGRESS ON BUCKET ERADICATION

Review Buckets Eradication Strategy:

- Two prong approach:
 - Permanent eradication (housing programme.)
 - ❑ 1200 houses built = buckets eradicated
 - ❑ May 2013: ±150 buckets to be eradicated (Silvertown, New Brighton and Rolihlahla)
 - ❑ 3647 sites serviced for formal houses to eradicate buckets.
 - ❑ Bucket audit to be carried out to evaluate the gains made i.t.o. bucket eradication through the Housing Programme.

PROGRESS ON INTERNAL ROADS

- Contractors are on site.
- ±10 kms of road are being constructed.
- Construction cost that cover the current financial year budget is scheduled for completion by 30 June 2013.
- Construction is also commencing on roads planned for next financial year.

Rectification

- Guideline for rectification changed:
 - Only 10% of funds to be allocated for rectification.
 - 90% to new housing projects.
- Discussions with Prov. Dept. of HS to find additional alternative funding to support the current applications.

TRENDS

Years	Budget Allocated	Target	Actual Expenditure	Delivered Units
2011/2012	R151 843 000	1919	R221 859 000	2608
2012/2013	R158 925 000	1611	R258 603 243	2866
2013/2014	R81 467 721	506		

From the above table it should be noted that the region had outperformed the set targets. It is worth noting that there will be sharp decline due to the new rectification policy that does not allow rectification to be allocated more than 10% of the HSDG budget.

RELATIONSHIP BETWEEN NMBM AND HDA

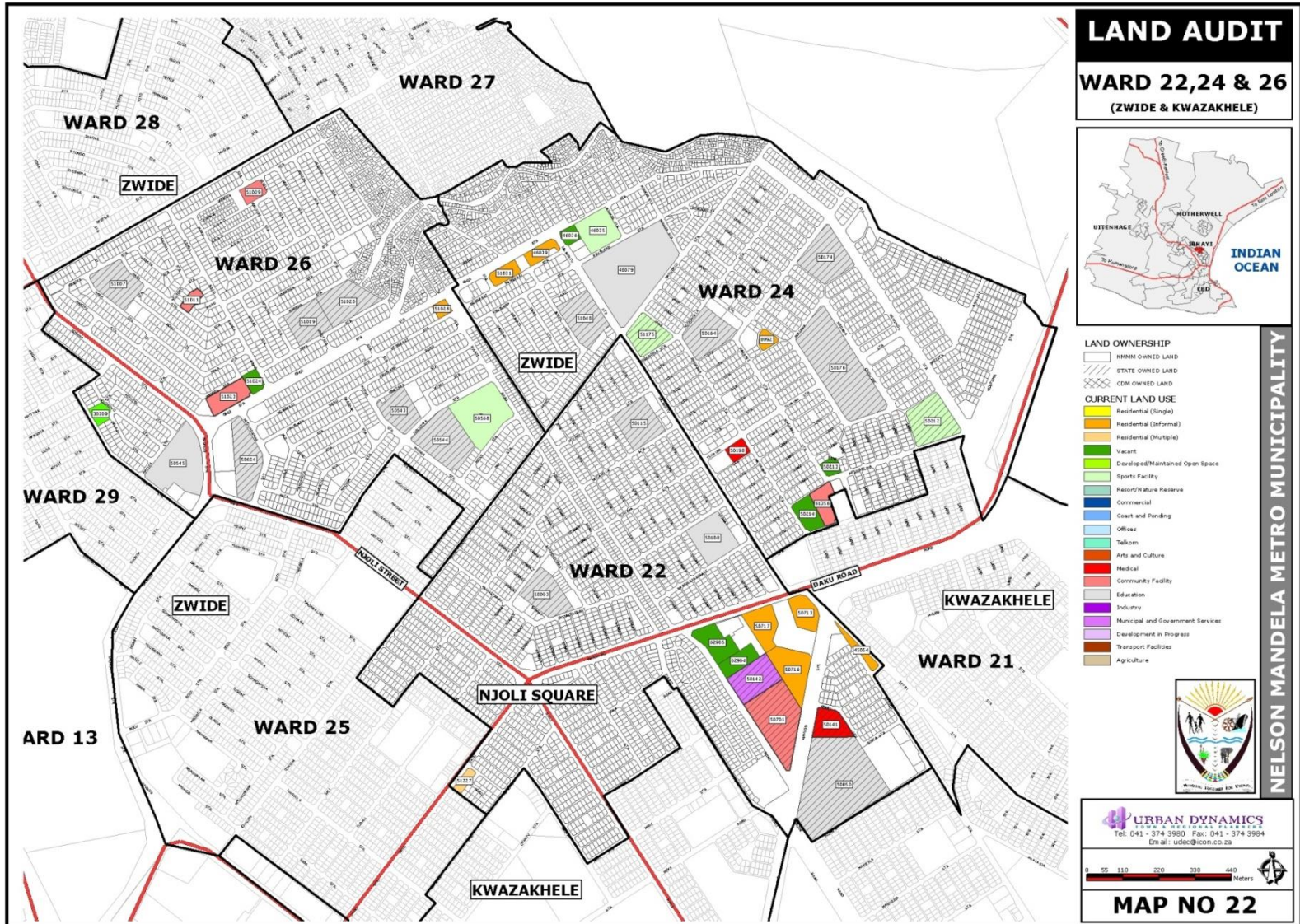
- An MOU was signed between the NMBM and the HDA in 2010.
- It specifically was agreed for the HDA to assist the Metro with the acquisition of well located State land for Human Settlement purposes.
- The NMBM identified land parcels that it required for Human Settlement purposes in the following areas:
 - Parsonsvele
 - Kuyga
 - Fairview
 - New Brighton

RELATIONSHIP BETWEEN NMBM AND HAD *(continued)*

- The HDA are busy with technical assessments of the above mentioned land parcels.
- In addition the NMBMM Property Section is also negotiating with various State and Public entities with regard to the acquisition of land for Human Settlements purposes.

THE OLD LAND AUDIT

- Completed 2006.
- Need for accurate land data base identified in 2003.
- Identified all vacant municipal and state land > 250m².
- Excel spreadsheets /maps per ward.
- 5940 - NMBM owned (31 492 ha).
- 2027- State owned – (9 805 ha).
- Total 7967 erven (41 297 ha).
- Many of the areas undevelopable as POS, stormwater areas etc.



LAND AUDIT TO LAMACS - LAND ASSET MANAGEMENT AND CONTROL SYSTEM

- GRAP requires all immovable assets to be identified & valued - not only vacant land as per audit e.g. road reserves, sub stations etc.
- 22 000 land parcels.
- Land Audit incorporated into LAMACS.
- Accurate data base – all municipal land.
- Identifies transactions – leases sales etc.
- Leases linked to billing system.

APPOINTMENT OF LAMACS (Pty) Ltd.

- Establishment of immovable assets register. Expanded to incorporate buildings and installations as well.
- LAMACS represents a computerised asset management system:
 - Reliable reporting tool
 - Assist in reporting for budget purposes i.e. Income generated and rental income
 - Auditing purposes
- Current status – immovable asset register on line.
- Installation of LAMACS system and training of participants to use the system with a desk top icon taking place regularly.

SOCIAL HOUSING

- Completed projects:
 - **Park Towers**
Brownfields project from Own Haven with 136 units.
 - **Talana Court**
Brownfields project from Own Haven with 12 units.
 - **Milner Court**
Brownfields project from Own Haven with 10 units.
 - **Walmer Link**
Greenfields project from Imizi Housing Association with 347 units.

SOCIAL HOUSING (*continued*)

- Current projects:
 - **John Street / Henrietta Lane – Uitenhage**
Greenfields project by Sohco Housing Association with 380 units. Funding approved by SHRA and Province under old quantum. Service installation to commence Sept 2013 provided new quantum can be applied. Completion Dec 2014.
 - **Fairview Links**
Greenfields project by Imizi Housing Association with 368 units. Funding approved by SHRA and Province. Servicing under way and first units anticipated to be ready for occupation during Dec 2013/Jan 2014 provided there are no weather delays or labour/social unrest.

SOCIAL HOUSING (*continued*)

- Land under preparation:
 - **Mount Croix** – EIA process completed. Potential of 250 sites. Dealing with rezoning.
 - **Fairview** – Land in process of devolution from Provincial Department of Human Settlements. Devolution agreement ready for signature by City Manager and MEC. Total land area is 18 ha. Plans for 500 – 600 social housing units and FLISP component.
 - **Albany Heights** – Brownfield development of 33 units by Own Haven. Application for funding submitted to SHRA.

SOCIAL HOUSING (*continued*)

- Land under preparation (*continued*):
 - **Korsten, Parsons Vlei and Summerstrand** – Land has been identified and approved by the Council’s Human Settlements Committee in the above areas subject to the approval of the proposed amended Restructuring Zones by the Minister of Human Settlements.

There are also a large number of land parcels set aside for social and rental housing purposes in the approved township layouts of areas such as Wells Estate, Motherwell NU29 and Kwa-Nobuhle.

FLISP PROJECTS

- There is currently one Flisp project under construction in the Metro namely Walmer Link which will have 430 units when complete. The developer is The Home Market.
- The same developer is planning a second project in Fairview on completion of the first project. The potential number of units are not known at this stage.

OTHER ISSUES

- Supply Chain Management processes have improved.
 - Additional Committee System is also being considered.
 - Tenders are being awarded and this puts NMBM in a better position for the new financial year.
- Senior Management positions were advertised during May 2013.

PART 2:

2012/13 Expenditure of the

USDG

Quarter 4: USDG expenditure 2012/13

Directorates	Budget	Actual Expenditure as at 27 May 2013	Percentage
Human Settlements	134,868,450.00	129,461,970.24	96%
Water Services	157,901,550.00	123,520,343.76	78%
Sanitation Services	201,600,000.00	126,703,168.11	63%
Roads and Stormwater	98,500,000.00	25,832,118.45	26%
	592,870,000.00	405,517,600.56	68%

Unpaid Captured Invoices in the system to be paid during at 31 May 2013	Total Expenditure including captured invoices to be paid in May 2013	Percentage
14,332,081.05	143,794,051.29	107%
9,633,115.05	133,153,458.81	84%
2,080,398.59	128,783,566.70	64%
2,421,158.44	28,253,276.89	29%
28,466,753.13	433,984,353.69	73%

- **The above status is for work done up to end April 2013.**

USDG Expenditure Recovery Plan for 2012/13

- The main reason for low expenditure under Roads (tarring of gravel roads) was that there was a delay in the ward approval of the tarring of gravel roads priorities.
- However, since its approval, multiple contractors have been appointed to accelerate spending. The adjusted project program indicates that the full budget allocation is contractually committed and should be spend by 30 June 2013.
- Monthly meetings are held with contractors and in terms of the project plans the full budget allocation will be spent.
- In addition, Supply Chain Management have expedited the SCM meetings to ensure no delays in awarding of tenders.
- Advanced planning has commenced for 2013/14 and some expenditure will take place in the current financial year.

THANK YOU