

Cape Town Medium-term Infrastructure Investment Framework (MTIIF)

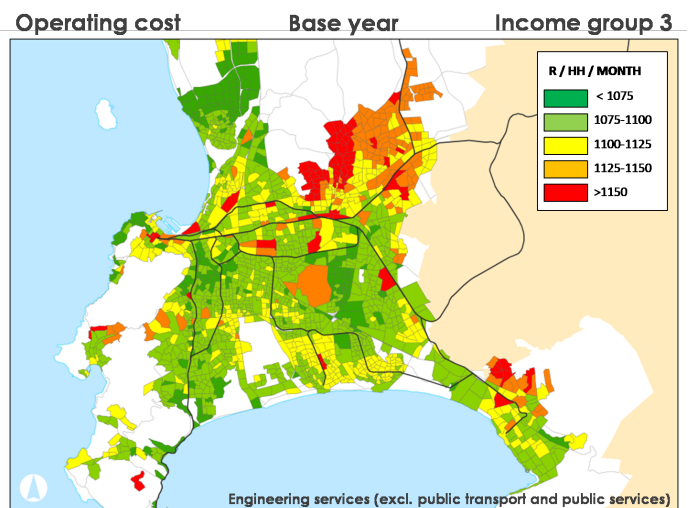


The City of Cape Town is a rapidly growing city. While the Cape Town faced the triple threat of rapid urbanisation, mounting fiscal pressure and adverse structural, the City of Cape Town was concerned with the long-term implications of infrastructure investment and spatial planning decision being made. The City sought an integrated, evidence-based framework to resolve the difficult questions that confronted the City: balancing the need to maintain and renew existing assets against new infrastructure to grow the economy, meeting the funding gap with new financing mechanisms, and interrogating the sustainability of current levels of service.

A consulting team led by AECOM was appointed to develop the framework. PDG's role on the team was to lead the financial cost-benefit analysis and to develop a tool to enable the City to quantify the impacts of alternative growth scenarios. PDG first undertook a historic analysis of capital investment in space and by sector to understand drivers for capital investment and areas of excess capacity.

In order to accurately assess the cost to the City of growth in any particular area, PDG used statistical regression on large operating cost data sets to provide a detailed assessment of the spatial drivers of operating expenditure for all the engineering services. These operating cost parameters were combined with capital cost projections prepared by AECOM to conceptualise and develop a Spatial Costing Tool (SCOT) to quantify the fiscal, financial and social impacts of three growth scenarios over 20 years.

The application of the SCOT allowed the City, for the first time, to holistically quantify the life-cycle costs of spatial growth to the City. It also provided an indication of the



impact on the relative different impacts on the national fiscus and on individual households of different income levels living in different parts of the City. Some important and occasionally counter-intuitive insights were gained. For example, the differences in capital costs of infrastructure between the three scenarios were negligible.

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CTIF PROJECT:

Project Profile: Cape Town Medium-Term Infrastructure Investment Framework

Client: City of Cape Town (AECOM lead consultants)

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