

“Annexure A”

BUFFALO CITY METROPOLITAN MUNICIPALITY



INTEGRATED DEVELOPMENT PLAN 2011 – 2016

“a City growing with you”

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GLOSSARY OF ABBREVIATIONS

A.B.E.T.	Adult Basic Education Training
A.D.M.	Amathole District Municipality
Aids	Acquired Immune Deficiency Syndrome
A.N.C ₁	African National Congress
A.N.C ₂	Antenatal Care
A.R.T.	Anti-Retroviral Therapy
A.S.G.I.S.A	Accelerated Shared Growth Initiative of South Africa
B.B.B.E.E.	Broad-Based Black Economic Empowerment
B.C.M.M	Buffalo City Metropolitan Municipality
B.C.D.A.	Buffalo City Development Agency
B.C.D.S.	Buffalo City Development Strategy
B.E.E.	Black Economic Empowerment
B.M.S.	Bridge Management System
B.R.T	Bus Rapid Transit
C.B.D.	Central Business District
C.C.T.V	Close Circuit Television
C.D.S.	City Development Strategy
C.E.C	Committee for Environmental Co-ordination
C.E.O	Chief Executive Officer
C.I.P.	Capital Investment Plan
C.O.O	Chief Operating Officer
C.P.M.D	Certificate in Programme Management Development
C.R.M	Customer Relations Management
C.R.R	Capital Replacement Reserve
C.S	Community Survey
D.B.S.A.	Development Bank South Africa
D.C.S.A.	Daimler Chrysler South Africa
D.E.A.T	Department of Environmental Affairs and Tourism
D.L.A.	Department of Land Affairs
D.L.G.H.	Department of Local Government & Housing
D.M.F.	Disaster Management Fund
D.P.L.G.	Department of Provincial & Local Government
D.T.I.	Department of Trade & Industries
D.W.A.F.	Department of Water & Forestry
E.C.	European Commission
E.C.D.O.H.	Eastern Cape Department of Health
E.C.G.D.S.	Eastern Cape Growth & Development Strategy
E.E.A	Employment Equity Act
E.F.F.	External Financing Fund
E.I.A	Environmental Impact Assessment
E.L.	East London
E.L.I.D.Z.	East London Industrial Development Zone
E.P.W.P	Expanded Public Works Programme
E.U.	European Union
F.M.G.	Finance Management Grant
G.A.M.A.P.	Generally Accepted Municipal Accounting Practice
G.D.P.	Growth and Development Plan
G.D.S.	Growth & Development Strategy
G.I.S.	Geographic Information Systems
G.R.A.P.	Generally Recognized Accounting Practice
G.T.Z.	German Agency for Technical Cooperation
G.V.A.	Gross Value Added
H.D.I	Human Development Index
H.D.Is	Historically Disadvantaged Individuals
H.R.	Human Resources
H.I.V	Human Immunodeficiency Virus

I.C.D.L	International Computer Drivers License
I.C.Z.M.P.	Integrated Coastal Zone Management Plan
I.D.C.	Industrial Development Cooperation
I.D.P.	Integrated Development Plan
I.D.Z.	Industrial Development Zone
I.E.M.	Integrated Environment Management
I.E.M.P.	Integrated Environmental Management Plan
I.G.R	Inter-governmental Relations
I.M.A.T.U	Independent Municipal and Allied Trade Union
I.N.E.P.	Integrated National Electrification Programme
I.P.M.S.	Individual Performance Management System
I.S.H.S.P	Integrated Sustainable Human Settlement Plan
I.T.	Information Technology
I.T.P	Integrated Transport Plan
I.W.M.P	Integrated Waste Management Plan
J.I.P.S.A	Joint Initiative for the Prioritization of Scarce Skills
KfW	German Development Bank
K.P.A	Key Performance Area
K.W.T.	King Williams Town
L.A. 21	Local Agenda 21
L.E.D.	Local Economic Development
L.G.H.	Local Government Housing
L.G.S.E.T.A	Local Government Sector Education Training Authority
L.O.S.	Levels of Service
L.S.D.F.	Local Spatial Development Framework
M.E.C.	Member of the Executive Council
M.E.L.D.	Mdantsane East London Development
M.F.M.A.	Municipal Finance Management Act
M.D.Gs	Millennium Development Goals
M.D.R	Multi Drug Resistant
M.H.S	Municipal Health Service
M.I.G.	Municipal Infrastructure Grant
M.O.S.S	Municipal Open Space System
M.S.	Municipal Scorecard
M.S.A.	Municipal Systems Act
M.T.R.E.F.	Medium-Term Revenue and Expenditure Framework
M.U.R.P.	Mdantsane Urban Renewal Programme
N.A.T.I.S.	National Traffic Information system
N.E.M.A	National Environmental Management Act
N.E.M.W.A	National Environmental Management Waste Act
N.E.R.S.A.	National Electricity Regulator of South Africa
N.G.O.'s	Non-Government Organisations
N.H.A	National Health Act
N.S.D.P.	National Spatial Development Perspective
O.D.A.	Organizational Development Africa
O.S.S.	Open Space System
P.G.D.P.	Provincial Growth and Development Plan
P.H.C.	Primary Health Care
P.J.E.C	Principal Job Evaluation Committee
P.M.S.	Performance Management System
P.M.T.C.T.	Prevention of Mother to Child Transmission
P.O.S.S	Public Open Spaces
P.O.W.A	People of working age
P.P.E.	Property, Plant & Equipment
P.P.P.'s	Public Private Partnerships
R.G.	Restructuring Grant

R.M.S.	Road Management System
R.S.A.	Republic of South Africa
S.A.	South Africa
S.A.C.N.	South African Cities Network
S.A.L.G.A	South African Local Government Association
S.A.M.W.U	South African Municipal Workers Union
S.A.N.S	South African National Standards
S.A.S.Q.A.F	South African Statistical Qualifications Framework
S.C.M	Supply Chain Management
S.D.	Sustainable Development
S.D.B.I.P.	Service Delivery and Budget Implementation Plan
S.D.F.	Spatial Development Framework
S.I.D.A.	Swedish international Development Cooperation Agency
S.L.G.P.	Strengthening Local Governance Programme
S.M.M.E.	Small, Medium & Micro Enterprises
S.O.C.Z.R	State of the Coastal Zone Report
S.O.E.R	State of the Environmental Report
S.O.S.R	State of Sanitation Report
S.P. ₁	Sanitation Policy and Strategy
S.P. ₂	Single Public Service
S.P.S.P.	Sector Policy Support Programme
S.T.E.P.	Sub-Tropical Thicket Ecosystem Planning
T.B	Tuberculosis
U.N.C.E.D.	United Nations Conference on the Environment & Development
V.C.T.	Voluntary Counselling & Testing
V.I.P.	Ventilated Improved Pit Latrine
W.H.O	World Health Organisation
W.S.A.	Water Services Authority
W.S.D.P.	Water Services Development Plan
W.S.P	Workplace Skills Plan
X.D.R	Extreme Drug Resistant

Executive Mayor's Foreword

It is with a sense of dutiful commitment that I present to the community of Buffalo City Metropolitan Municipality this Integrated Development Plan (IDP) for 2011-2016. The just ended third democratic local government elections held on the 18th May 2011, heralded the establishment of Buffalo City as one of the newest Metropolitan Municipality in the sphere of Local Government in South Africa.

As a metropolitan municipality, Buffalo City now has exclusive legislative and executive authority over all constitutional local government matters within its demarcated area of jurisdiction.

In line with this new mandate to govern the metropolitan area, this Integrated Development Plan introduces the long term vision, mission and priorities of the Buffalo City Metropolitan Council. The plan also contains the spatial and developmental plans for the metro area, as well as the sector plans for the various service delivery programmes rendered by the municipality.

This Integrated Development Plan further contains the key performance areas and indicators through which the citizenry of Buffalo City Metro will hold the Council accountable and responsible. Therefore, on a yearly basis, we shall prepare an Annual Report on the progress achieved with the implementation of this Integrated Development Plan. Furthermore, we shall review the Integrated Development Plan on a yearly basis to ensure continual appraisal and alignment of community needs.

Armed with the key performance beacons contained in this document, the Buffalo City Metropolitan Municipality is embarking on a development path that is meant to address the needs of our people, to create an environment that is conducive to economic growth, to alleviate poverty, to create a better life for our people, to bring meaning and respectability to the lives of the diverse communities of Buffalo City, and to transform metropolitan area into the kind of home that all aspire for.

Our commitment as the duly elected representatives of the people of the Buffalo City Metro is to ensure that the service delivery priorities and plans contained in this Integrated Development Plan are implemented efficiently, effectively and economically in order to make Buffalo City Metropolitan Municipality a responsive, people centred and developmental Metro.

ZUKISWA NCITHA
EXECUTIVE MAYOR

Overview by the Acting Municipal Manager

The 2011-2016 Integrated Development Plan is the strategic blueprint for the Buffalo City Metropolitan Municipality. The plan communicates to the community of Buffalo City, the service delivery priorities of Council for the next five (5) years.

This plan takes cognizance of the successes and challenges of the erstwhile Buffalo City Municipality in the last decade. Through the situational analysis, this plan assesses the state affairs, key statistics and data, including service delivery backlogs.

Based on the situational analysis, this IDP is intended to infuse a new lease of life to the new entity of the Metropolitan Municipality. The strategy is premised on the establishment of a new *vision, mission* and *values* for the Metropolitan Council. These distinguish the new Metropolitan Municipality from the erstwhile Buffalo City Municipality.

This plan gives an overall framework for development in the greater Metropolitan Municipality. It looks at economic and social development for the metropolitan area as a whole, and through the Spatial Development Plan, establish a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected. The plan acknowledges the spatial reality that almost two thirds of the metropolitan area is rural in nature, and required area based service delivery methodologies to ensure equitable service delivery provisioning in both urban and rural nodes.

From an administrative perspective, this IDP provides the basis to review and redesign the administrative and/or business units of the metropolitan municipality. The review informs the service standards and norms as well as the operational efficiencies to enable effective provisioning of services to the communities. In addition, the IDP provides the overall key performance areas and indicators, which will serve as a basis for assessing the municipality's progress in rendering services.

Finally, the aspirations of the Buffalo City Metropolitan Council, the community which we serve and the various stakeholders within the City's boundaries require the inculcation of a renewed work ethic from all who wear the name and brand of the municipality. The successful implementation of this IDP requires the application of good governance and management principles, as well as dedication and professionalism.

A. FANI
ACTING MUNICIPAL MANAGER

SECTION A

INTRODUCTION

1.1 INTRODUCTION

Buffalo City Metropolitan Municipality is undergoing a transition from a category B to a category A municipality, which takes effect immediately after the 2011 local government elections. This transition and the end of the term of Council which commenced in 2006 necessitated the development of new five year Integrated Development Plan which will guide development over the period 2011-2016.

To guide the development of a new five year Integrated Development Plan adopted a process plan in line with section 28 of the Municipal Systems Act. Amongst the events and activities that the City undertook towards crafting of this document was an Institutional Strategic Planning Session, which was held from 13-15 January 2010 with the top leadership of the institution in attendance. Key objectives of the session included considering outcomes of the situation analysis phase, review and determine the vision, mission and values of the City, identify and set strategic objectives as well key strategic focal areas to be pursued by the Metro over the next term of Council.

The section that follows details the outcomes of session and it outlines the revised vision, mission and values of the Buffalo City Metropolitan Municipality. It further unpacks the key issues confronting the municipality and details key strategic objectives and isolates strategic focal areas that the Metro will pay special attention to in realizing the long-term vision.

Preparations towards attainment of the metropolitan municipality status were driven by the Transitional Project Management Unit and they occurred within the context of five work streams, namely:

- Institutional Strategy and Performance Management
- Governance and Corporate Planning
- Spatial and Infrastructure Planning
- Finance
- Agency based services

These work streams were established to provide the technical mainframe for the basic compliance requirements expected of the new Buffalo City Metropolitan Municipality on the effective day of assuming the metro status. Deliberations of the work streams also find expression in this document.

This chapter outlines the legislative framework that guides the development of the Integrated Development Plan and municipal Budget, the revised long-term municipal vision and mission which will guide our development over the next term and beyond, and the key strategic objectives and focal areas that will assist towards realization of the vision. National and provincial plans and policies are also highlighted as they relate to the future plans of the City.

1.2 LEGISLATIVE FRAMEWORK

Key pieces of legislation that provide guidance and define the nature of integrated development planning include the South African Constitution, the Municipal Systems Act, and the Municipal Finance Management Act.

1.2.1 *South African Constitution, 1996*

Section 153(a) of the Constitution gives effect to the IDP through stipulating that a municipality must structure its administration and budgeting and planning processes to give priority to the basic needs of its communities and promote the social and economic development of the community.

1.2.2 Municipal Systems Act, 2000

Section 25 of the Municipal Systems Act stipulates that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality. An integrated Development Plan, adopted by the Council of a municipality is the key strategic planning tool for the municipality. Section 35(1)(a) of the Municipal Systems Act, 32 of 2000 as amended, describes an IDP as:

- (a) ...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality;
- (b) binds the municipality in the exercise of its executive authority

In terms of section 34 a municipality is required to review its IDP annually. Annual reviews allow the municipality to expand upon or refine plans and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning.

The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the municipality

1.2.2 Municipal Finance Management Act, 2003

Section 21(1)(a) of the Municipal Finance Management Act states that the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure the budget and integrated development plan are mutually consistent and credible. The act further makes provision for development of the Service Delivery and Budget Implementation Plan as a mechanism to strengthen alignment between the IDP and Budget.

1.3 MUNICIPAL VISION AND MISSION

Through strategic planning sessions leadership of the municipality has refined the vision and mission of the institution to be more robust, comprehensible and realistic, thus making it a useful instrument in guiding the actions of the City, its citizens and key stakeholders in the development process.

A long term Vision and mission of Buffalo City Metropolitan Municipality is to be ***“a responsive, people centered and developmental City”*** which:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service the City and its community;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho Pele principles at the centre of service delivery

1.4 CORE VALUES

Buffalo City Metropolitan Municipality espouses the following values as committed to serving its communities and providing services in a manner that is consistent with these:

- (i) Integrity
- (ii) Good Governance
- (iii) Transparency
- (iv) Accountability
- (v) Fairness and equity
- (vi) Professionalism
- (vii) Loyalty
- (viii) Service Excellence
- (ix) Respect for cultural diversity
- (x) Unity of purpose
- (xi) Ubuntu

1.5 KEY STRATEGIC OBJECTIVES

Emanating from a situation analysis undertaken towards development of the IDP, Buffalo City Metropolitan Municipality identified a number of challenges and constraints which impact on the way in which the municipality functions and fulfils its mandate as per section 152 of the South African Constitution. Challenges confronting the Metro include a declining revenue base and poor management of resources, inefficiencies that limit the manner in which the City interfaces with the communities, ageing infrastructure and deferred maintenance, structural inefficiencies that result in poor service delivery standards, low economic growth and a high rate of unemployment, vulnerable environmental assets and natural resources.

To address the identified challenges and work towards realization of the vision, the City has identified seven strategic focal areas and set the following long term strategic objectives:

- 1.5.1 BCMM 1:** *To be a financially sound organisation that efficiently manages its resources;*
- 1.5.2 BCMM 2:** *To be an institutionally efficient and effective City that inclusively works with communities;*
- 1.5.3 BCMM 3:** *To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality;*
- 1.5.4 BCMM 4:** *To deliver sustainable infrastructure that support social and economic development;*
- 1.5.5 BCMM 5:** *To be a well structured and capacitated institution that renders effective and efficient services to all by 2016*
- 1.5.6 BCMM 6:** *To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016*

The Metro has aligned the key strategic objectives and will strive to attain them within the context of the five key local government performance areas which are:

- Basic Service Delivery and Infrastructure Development
- Municipal Transformation and Organisational Development
- Municipal Financial Viability and Management
- Local Economic Development
- Good Governance and Public Participation

1.6 STRATEGIC FOCAL AREAS

Taking into account the prevailing economic environment and global factors that impact on development, the City has made significant inroads to address key development challenges within the municipality. There is however, more work to be done towards addressing the identified focal areas.

Over the next five year term the City will concentrate on the 6 strategic focal areas outlined below.

1.6.1 *Creation of integrated and sustainable human settlements*

The focus over the past years has been on delivering basic needs and housing. In spite of the remaining backlogs major strides have been in this regard, however, there still remains a huge challenge in terms of ensuring that we do not just deliver houses but create integrated and sustainable settlements.

The challenge is not only about providing basic services and housing, but is also about 'building sustainable human settlements' where residents have access to social and community facilities, economic opportunities, a healthy and sustainable environment and where opportunities can be accessed through convenient public transport and a safe road network.

Integral to the creation of 'sustainable human settlements' is, integrated planning and implementation. The Metro is currently in the process of developing an '*Integrated Sustainable Human Settlement Plan*', which will guide future investment and development.

Creation of integrated and sustainable human settlements will directly contribute towards building of strong and integrated communities that manifest resilience against social, economic and natural adversities.

1.6.2 *Economic growth and job creation*

The City acknowledges that low economic growth and a high rate of unemployment are still prevalent and present a major challenge. This further translates to relatively high levels of poverty which is widespread within the City.

High levels of poverty are apparent in the statistics from last Census where approximately 70% of households in the City indicated an income of less than R1500 per month, with 28% of all households indicating no income at all. Unemployment rate with the Metro is estimated to be about 24%.

One of the threats to the future development of Buffalo City Metro is lack of appropriate education and skills levels. A significant portion of the Metro's potential labour force have not attended school or completed their primary phase. Further, according to the last Census conducted in 2001 only 21% of the City's 20 years and above population, had grade 12, 16% had post-school education and only 17% of 15 - 24 year olds were enrolled in post-school study. The recent 2007 community survey revealed a slight improvement, albeit

To arrest the situation over the next five years the City will make concerted efforts, through its various programmes, in particular local economic development programmes, to attract investors into the City and thus contribute towards the national imperative of job creation.

Buffalo City also contains a number of strengths to build upon for growth and development. A coastal location, unspoilt nature, a well-performing automotive industry and the status of being the capital of the Eastern Cape Province are a few of these comparative advantages to exploit in order to combat poverty and create jobs.

1.6.3 *Access and mobility*

It is common knowledge that within the City access to basic household and community services are less than optimal. Mobility to access services is further constrained by a fragmented spatial form which is largely attributable to flawed apartheid spatial planning patterns. There are also disparities in how rural and urban communities access services, with provision of services biased in favour of urban services. The disparities will have to be addressed in a manner that makes no distinction between rural and urban areas.

To improve mobility within the Metro will also require expediting the implementation of the Integrated Transport Plan including the transport corridor with feeder system, connecting the urban nodes along the “spine” of Buffalo City stretching from East London via Mdantsane, King William’s Town/Bhisho to Dimbaza.

1.6.4 Equitable provision of services

In the next five years the City will ensure that residents have equal access to the services they are entitled to. Some areas, by virtue of their location do not receive certain services. For instance, most rural areas are not provided with a refuse removal service and do not benefit from free basic electricity, water and sanitation services. Disparities in provision of services also exist within the urban areas wherein standards of services vary.

1.6.5 Financial and Environmental sustainability

In order for the Metro to fulfill its mandate as stipulated in the Constitution of the country, there is a need to maintain financial viability and expand its revenue base in relation to expenditure. This requires robust strategies to turn around the current predicament and ensure that the City is a financially sound position over the next five years and beyond.

With regard to environmental sustainability, Buffalo City Metropolitan Municipality area is geographically and environmentally diverse with a range of ecosystems, from coastal to forested areas in the hinterland. Many of these areas are conservation worthy; subtropical thicket; wetlands; river systems; cultural sites; rare and endangered species; and of particular importance, economically and biophysically, is the 70 km of coastline. Pressures on the biophysical environment impact on the state and quality of the natural environment and consequently the health, well-being and opportunities of present and future generations.

1.6.6 Good Governance and effective leadership

Corruption and poor service delivery undermines the credibility of the state. Poor state credibility leads to a democratic deficit undermining democracy and investment confidence. A weak local government leads to low investor confidence for both state and private sector decisions. Poor governance leads to poor economic performance.

A well-governed city means that a clear and transparent agenda for the long term strategic work is formulated in co-operation with all stakeholders and communicated to all parties affected by the development process. A well-governed city is dependent on a reciprocal approach by other government spheres and agencies. Increased community feedback and engagement and improved customer reciprocity are other mitigating measures to apply in a democratic and well-governed city.

It also means that quality basic services are provided through a financially sound and clear investment framework, which is aligned with the interventions by other public sector providers of basic services. Going forward, Buffalo City Metro will strive to become a well governed City.

1.7 THE IDP PROCESS

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its integrated development plan. In compliance with this requirement Buffalo City Metropolitan Municipality adopted the plan on 31 August 2010. Key activities in the development of the IDP towards 2011-2016 include the following:

- 31 August 2010 – Council adopted the IDP/Budget/PMS Process Plan;
- 1-2 September 2010 – IDP Thematic Clusters convened to commence with a situation analysis, aimed at identifying development challenges and backlogs;
- 30 September 2010 – An IDP/Budget/PMS External Representative Forum meeting was held to consider institutional performance over the previous financial year and prepare external stakeholders for the IDP development process ahead;
- 7 October 2010 – A stakeholders engagement session was convened by the City with provincial and national government departments as well as civil society organs to foster collaborative planning and to share information about initiatives that are undertaken within the municipal jurisdiction;
- 14-15 January 2011 – Institutional Strategic Planning Session was held to review the vision, mission and values of the municipality, determine key themes for the Integrated Development Plan, develop strategic objectives of the institution, conduct an evaluation of the IDP implementation process, and consider implications and progress made towards attainment of the metro status;
- 16 February 2011 – An IDP/Budget/PMS Technical Working Group meeting was convened to fine tune cluster objectives, strategies, indicators, targets, projects and programmes;
- 31 March 2011 – Tabling in Council of the draft 2011/12 IDP and 2011/12 MTREF for public consultation;
- 26 – 27 May 2011 - Pre- Induction Programme for Councillors (to inter alia consider a presentation on the IDP and MTREF Budget)
- 31 May 2011 - First [1st] Council Meeting (to inter alia consider the Proposed Implementation Plan and Draft Tariff Policy – 2011/12)
- 1 June 2011 - Publication of Draft Tariff Policy for Public Comment (per section 75A – Municipal Systems Act, 2000)
- 4 June 2011 - IDP/Budget Meeting
- 7 June 2011 - Briefing of ward Councillors and PR Councillors on IDP/Budget Hearings
- 9-10 June 2011 – IDP/Budget Public Hearings [King William’s Town, Mdantsane & East London]
- June 2011 – IDP/Budget Meeting at Mgqesha Great Place [All traditional Councils]
- 17 June 2011 - Council Open Day
- 24 June 2011 - IDP/Budget Business Breakfast
- 30 June 2011 - Council Meeting [adoption of the Final IDP and MTREF Budget]

- 14 July 2011 - Submission of Draft Service Delivery and Budget Implementation Plan (SDBIP) and Draft Performance Contracts to Executive Mayor
- 28 July 2011 - Approval of SDBIP and Performance Contracts

The development of the Integrated Development Plan and Budget involves municipal officials, Councillors, as well as stakeholders external to the Municipality. The table below describes the institutional arrangements, roles and responsibilities:

Table 3: Institutional Arrangements, Roles and Responsibilities

The Executive Mayor	<p>The Executive Mayor of Buffalo City Metropolitan Municipality has the ultimate responsibility for the preparation and implementation of the IDP, Budget & Performance Management. In her executive capacity she has to:</p> <ul style="list-style-type: none"> • be responsible for the overall oversight, development and monitoring of the process or delegate IDP & PMS responsibilities to the Municipal Manager; • ensure that the budget, IDP & budget related policies are mutually consistent & credible; • submit the revised IDP & the Annual Budget to the municipal Council for adoption; • submit the proposed Performance Management System to the municipal council for adoption.
Municipal Manager	<p>The Municipal Manager has the responsibility to provide guidance and ensure that the administration actively participates and supports the development and review of the IDP and Budget and works towards its implementation.</p>
Municipal Council	<p>The Buffalo City Municipal Council is the ultimate political decision-making body of the municipality and the Council has the responsibility to:</p> <ul style="list-style-type: none"> • consider and adopt the IDP Process Plan & time schedule for the preparation, tabling & approval of the annual budget; • consider and adopt the IDP and annual Budget; • ensure the municipal budget is coordinated with and based on the IDP; • adopt a Performance Management System (PMS) • Monitor progress, re. IDP implementation
Ward Councillors & Ward Committees	<p>Ward Councillors are the major link between the municipal government and the residents. As such, their role is to:</p> <ul style="list-style-type: none"> • link the planning process to their constituencies and/or wards; • ensure communities understand the purpose and the key mechanisms of the IDP, Budget process, Performance Management and are motivated to actively participate; • facilitate public consultation and participation within their wards. • provide feedback to their communities on the adopted IDP and Budget.
IDP, Budget Policy, Performance Management Strategic Committee	<p>The role of the Strategic Committee is to provide political and strategic guidance and direction to the IDP, Budget, Performance Management processes and IDP implementation.</p>
IDP/Budget/PMS Technical Working Group	<p>The IDP/Budget/PMS Technical Working Group is chaired by the Municipal Manager and has sitting on the Committee the Directors and the technical leaders of the different Clusters. The tasks of the Working Group are to:</p> <ul style="list-style-type: none"> • provide technical oversight and support to the IDP/ Budget review and implementation thereof; • consider and advise on IDP/ Budget content and process; • ensure inter-directorate co-operation, co-ordination, communication and strategic thinking to address priority issues • ensure sector and spatial co-ordination and alignment • ensure IDP & budget linkage • ensure Performance Management is linked to the IDP • ensure the organisation is oriented towards implementing the IDP • ensure time-frames set for the review are met. <p>It is proposed that the Working Group meet at least once a month.</p>

Directorates & Departments	<p>Directorates and Departments are responsible for sector planning and for the implementation of the IDP. The participation of all Departments is thus critical as they :</p> <ul style="list-style-type: none"> • provide technical / sector expertise and information, throughout the IDP Budget process; • ensure that the review process is participatory, integrated, strategic, implementation-oriented, budget linked and aligned with and satisfies sector planning requirements;
IDP Thematic Clusters: <ul style="list-style-type: none"> • Institutional & Finance • Economic Dev • Infrastructure & Spatial • Social & Environment 	<p>IDP Clusters are led politically by Mayoral Committee Councillors and technically by Directors. All Councillors, all General Managers and identified key officials are members of the different Clusters. The Clusters are required to:</p> <ul style="list-style-type: none"> • assist with the identification of key issues, the development of objectives, strategies, indicators and programmes, projects & budgets for the relevant themes • ensure inter-sectoral co-operation, communication and strategic thinking to address priority issues • consider & incorporate the cross-cutting issues – HIV/ AIDS, Agenda 21, poverty, gender, youth, elderly and disabled • monitor progress with respect to the implementation of the IDP
Representative Forum and Community Stakeholders	<p>The IDP/ PM/ Budget Representative Forum constitutes the structure that institutionalises sectoral participation in the IDP Process. The members of the IDP Representative Forum include Business, Government & NGO sectors (as well as political and technical leaders of the IDP Clusters)</p> <p>The Executive Mayor or her nominee chairs the Forum. The Forum has the following functions and duties:</p> <ul style="list-style-type: none"> • represents the interests of their constituents in the IDP process; • provide an organisational mechanism for discussion and consensus-building between the different stakeholders and the Municipal Government; • monitor the performance of the planning, implementation and review process; • ensures an efficient flow of information to and from stakeholder groups.
Public Consultation/ Imbizo Preparation Committee	<p>The Public Consultation/ Imbizo Preparation Committee is led by the Mayoral Committee Councillors for IDP, Public Participation and Finance. Members of the technical Committee include:</p> <ul style="list-style-type: none"> • GM IDP, PM & Budget Integration • GM Public Participation & Special Programmes • GM Development Co-operation and Communication • GM Budget & Treasury • GM Organisational Support • GM Public Safety • GM Community Services <p>The purpose of the Committee is to provide political guidance and ensure the administrative co-ordination of key public consultations and imbizos.</p>
IDP, PM, Budget Integration & GIS Department	<p>The IDP, Budget Integration, Performance Management and GIS Department reports to the Director: Executive Support Services and is required to manage and co-ordinate the IDP review process, ensure IDP / budget integration, the roll out of Performance Management System and monitor the implementation of the IDP, including:</p> <ul style="list-style-type: none"> • preparing the Process Plan for the development of the IDP; • undertaking the overall management and co-ordination of the planning and review process under consideration of time, resources and people • ensuring that the review process is participatory, strategic, implementation-oriented, integrated with the budget process, is horizontally and vertically aligned and satisfies sector planning requirements ;

1.8 ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS

The national sphere of government develops and promulgates legislation, policies and strategies which all spheres have to implement. In developing their own plans and policies, other spheres of government, particularly the local government sphere has to ensure that there is alignment with both National and

Provincial plans. Key plans and policies include the National Spatial Development Perspective, Provincial Growth and Development Plan, Millennium Development Goals and the 12 Local Government Outcomes. These are aligned below.

National Spatial Development Perspective	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic objectives
<p>Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens, should therefore be focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities</p>	<p>To maintain an economic growth rate of between 5% - 8% per annum</p> <p>To halve the unemployment rate by 2014</p>	<p>Develop a global partnership for development</p>	<p>Decent employment through inclusive economic growth</p> <p>A skilled and capable workforce to support inclusive growth</p> <p>An efficient, competitive and responsive economic infrastructure network</p>	<p>To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality</p>
<p>Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation</p>	<p>To reduce by between 60%-80% the number of households living below the poverty line by 2014</p> <p>To reduce by between 60%-80% the proportion of people suffering from hunger by 2014</p> <p>To establish food self-sufficiency in the province by 2014</p>	<p>Eradicate extreme poverty and hunger</p>	<p>Vibrant, equitable and sustainable rural communities and food security</p>	<p>To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality</p>
<p>To ensure universal primary education by 2014, with all children proceeding to the first exit point in a secondary education.</p> <p>To improve the literacy rate in the province by 50% by 2014</p> <p>To improve the literacy rate in the province by 50% by 2014</p>	<p>Achieve universal primary education</p>	<p>Achieve universal primary education</p>	<p>Improve the quality of basic education</p>	<p>To be a well structured and capacitated institution that renders effective and efficient services to all by 2016.</p>
<p>To reduce by two thirds the under-five mortality rate by 2014</p> <p>To reduce by three-quarters the maternal</p>	<p>Reduce child mortality rate</p> <p>Improve maternal health</p>	<p>Reduce child mortality rate</p> <p>Improve maternal health</p>	<p>Improve health and life expectancy</p>	<p>To produce sustainable infrastructure that</p>

National Spatial Development Perspective	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic objectives
	mortality rate by 2014. To halt and begin to reverse the spread of HIV-Aids by 2014 To halt and begin to reverse the spread of tuberculosis by 2014.	Combat HIV/AIDS, malaria, and other diseases		support social and economic development
In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. Infrastructure investment and development spending should primarily support localities that will become major growth nodes in South Africa and the Southern African Development Community region to create regional gateways to the global economy	To provide clean water to all in the province by 2014 To eliminate sanitation problems by 2014		Sustainable human settlements and improved quality of household life	To be a well structured and capacitated institution that renders effective and efficient services to all by 2016
Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence. This will enable people to become more mobile			(17) All people in South Africa protected and feel safe	To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016.

National Spatial Development Perspective	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic objectives
and migrate, if they choose, to localities that are more likely to provide sustainable employment or other economic opportunities.				
			A response and, accountable, effective and efficient local government system	To be an institutionally efficient and effective City that inclusively works with communities
		Ensure environmental sustainability	Protection and enhancement of environmental assets and natural resources	To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016
			A better South Africa, a better and safer Africa and world	To produce sustainable infrastructure that support social and economic development
			A development-orientated public service and inclusive citizenship	To be an institutionally efficient and effective City that inclusively works with communities

SECTION B

SITUATION ANALYSIS

1. Buffalo City Profile

1.1 Buffalo City in Context

Buffalo City is situated relatively centrally in the Eastern Cape Province, which is bounded to the south-east by the long coastline along the Indian Ocean.

The Eastern Cape Province is the second largest province in land area in South Africa, and covers some 169,580 square kilometres, which is 13,9% of South Africa's total land area. The province has the third largest population of South Africa's Provinces, approximately 6,4 million people (Census 2001), which is 14,1% of South Africa's people. The province is generally seen as one of the two poorest in South Africa. There are two major urban conurbations within the Province, Nelson Mandela Metropolitan and Buffalo City.

Buffalo City is the key urban centre of the eastern part of the Eastern Cape. It consists of a corridor of urban areas, stretching from the port city of East London to the east, through to Mdantsane and reaching Dimbaza in the west. East London is the primary node, whilst the King Williams Town (KWT) area is the secondary node. It also contains a wide band of rural areas on either side of the urban corridor. (See Figure B.1 below). Buffalo City's land area is approximately 2,515 km², with 68km of coastline.

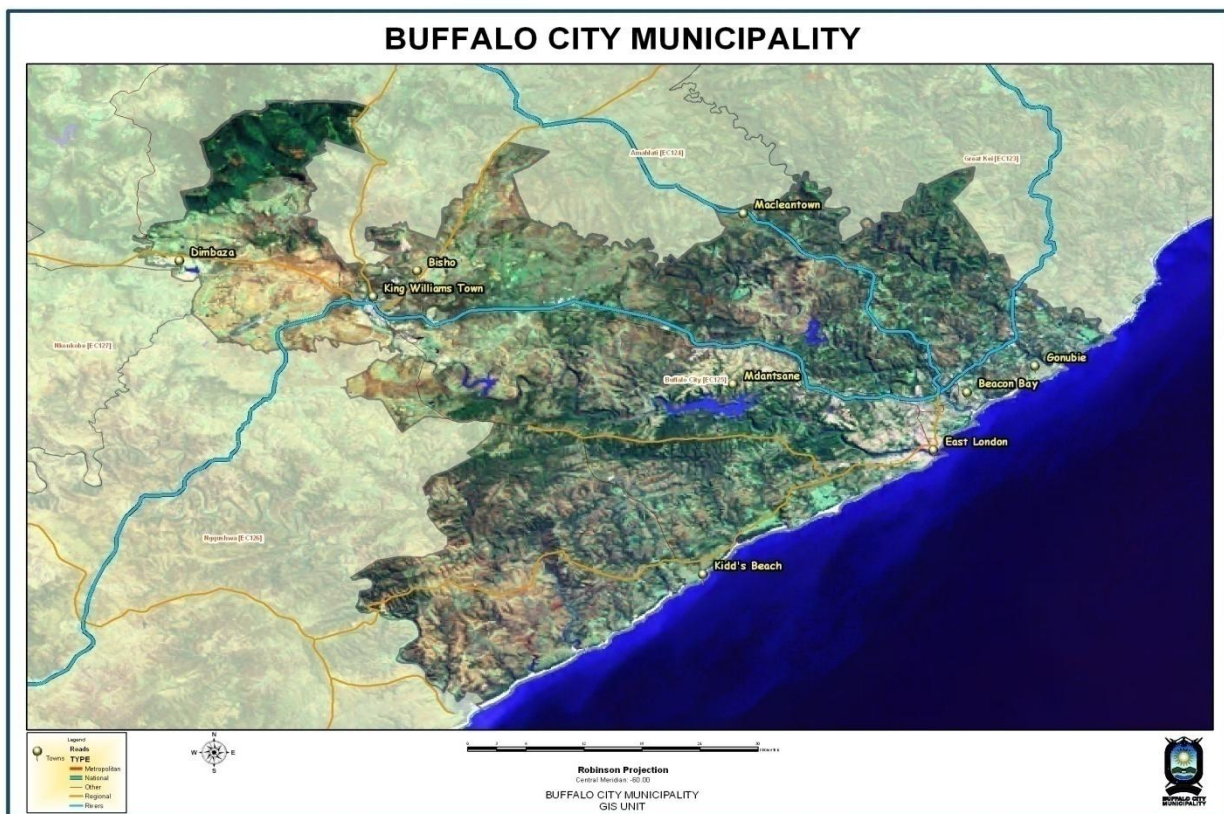


Figure B.1: BCMM Boundaries and Key Urban Centres

Source: BCMM GIS Department

Both King William's Town and East London have important functions. KWT functions as a Regional Service Centre and together with Bhisho, is the Provincial Administrative Centre and contains the seat of the Provincial Government of the Eastern Cape Province, whilst East London is the dominant economic centre.

Buffalo City is broadly characterised by three main identifiable land use patterns.

The first has been described above, that is, the dominant urban axis of East London – Mdantsane–KWT–Dimbaza, which dominates the industrial and service sector centres and attracts people from throughout the greater Amathole region in search of work and better access to urban service and facilities.

The second is the area comprising the fringe peri-urban and rural settlement areas, which, whilst remaining under the influence of the urban axis, is distinct in character and land use patterns. These include the Newlands settlements, those settlements that previously fell within the former Ciskei Bantustans, and the Ncera settlements located west of East London.

Thirdly, the commercial farming areas form a distinctive type of area. These areas are dominant in the north-eastern and south-western (coastal) sectors of the Municipality and are characterised by extensive land uses, with certain areas making use of intensive farming (irrigation-based).

1.2 Buffalo City Population

(a) Population

The Community Survey conducted in October 2007 by Statistics South Africa, estimates the total population of Buffalo City to be 724 306, a marked growth from the 2001 census which put it at 701 895. However, the community survey does not provide a breakdown of the population figures per constituent areas of BCMM as it is normally done in previous censuses. In the last two censuses the BCMM population was broken down as follows:

Table B.1: Population 2001 & 1996 (Census)

Area	2001	1996
KWT & Surrounds	184,246	183,934
East London Area	204,862	187,120
Mdantsane Area	168,284	176,483
Rural South	63,967	62,530
Rural North	80,536	76,881
Total	701,895	686,948

Whilst there has been some debate regarding possible under-counting of BCMM in the Censuses, the Census figures are recognized as the official statistics.

1.2.1 Current and Projected Future Population

The following points are highlighted with regard to the resident population in Buffalo City: -

- Based on growth projections by Rhodes University, the current population for Buffalo City Municipality is estimated at some 1,020,000 people.
- Growth projections to the year 2020, taking into account the anticipated impact of HIV/AIDS, indicate an estimated total population of some 1,290,000 people.

- There has been an average annual increase of 1.49%. It must be noted that an increase in the number of dwelling units does not necessarily equate to a correlated increase in population as recent surveys have shown a trend for households to “split”, whereby large families will occupy several small informal structures (either attached to a formal dwelling or in a separate locality) as the children of the household get older and require more personal space. This results in lower occupancy rates per unit, which in turn equates to an increase in demand for housing. Such demand, however, does not necessarily indicate a commensurate growth in population thus putting pressure on the need for accommodation and hence infrastructure.

The projections represents a potential growth over a 15 to 20-year period of some 270,000 people, which has consequences for the spatial requirements for development (especially housing and associated social facilities).

1.2.2 Demographic Profile and Socio-Economic Aspects

The demographic and socio-economic profile of the residents of Buffalo City indicates the following: -

- Some 41% of the population is aged 19 or below whilst 52% of the population is aged between 20 and 59 years of age. This relatively youthful profile of the population suggests ongoing pressure to provide not only the physical facilities required (housing, schooling and training facilities etc.) but also highlights the need to increase the rate of job creation in the local economy. The large cohort of youth coming through has implications for local economy and hence need for funding for economic development programmes.
- The relative preponderance of females in the economically active age cohorts indicates that the area remains a net exporter of male labour to other economic centres in the country, albeit at a lower rate than is characteristic of other parts of the Eastern Cape. This indicates that, relatively, within the Eastern Cape Buffalo City remains an area where people seek opportunities in the formal and informal economies.
- The rate of unemployment in Buffalo City, at an estimated 24,3%, is lower than the Eastern Cape Provincial average of 31.3%. (ECSECC, 2009)
- The relative affluence of the majority of Buffalo City residents remains low, with only some 36% of the households in the area earning more than R1, 500 per month.
- This indicates that disposable income is at a premium in Buffalo City, and generally speaking, levels of affordability of residents is low, which has an impact on the diversification of the economy and, more particularly for the Spatial Development Framework, has implications for the forms of spatial development that are best suited to facilitating an improvement in the majority of residents' socio-economic circumstances.
- Circulatory Migration has implications for housing types, including the growth of informal settlements
- Population growth is low but families (multiple households in one dwelling) are splitting up, each household endeavouring to occupy an own dwelling and thus putting pressure on the need for accommodation and hence infrastructure

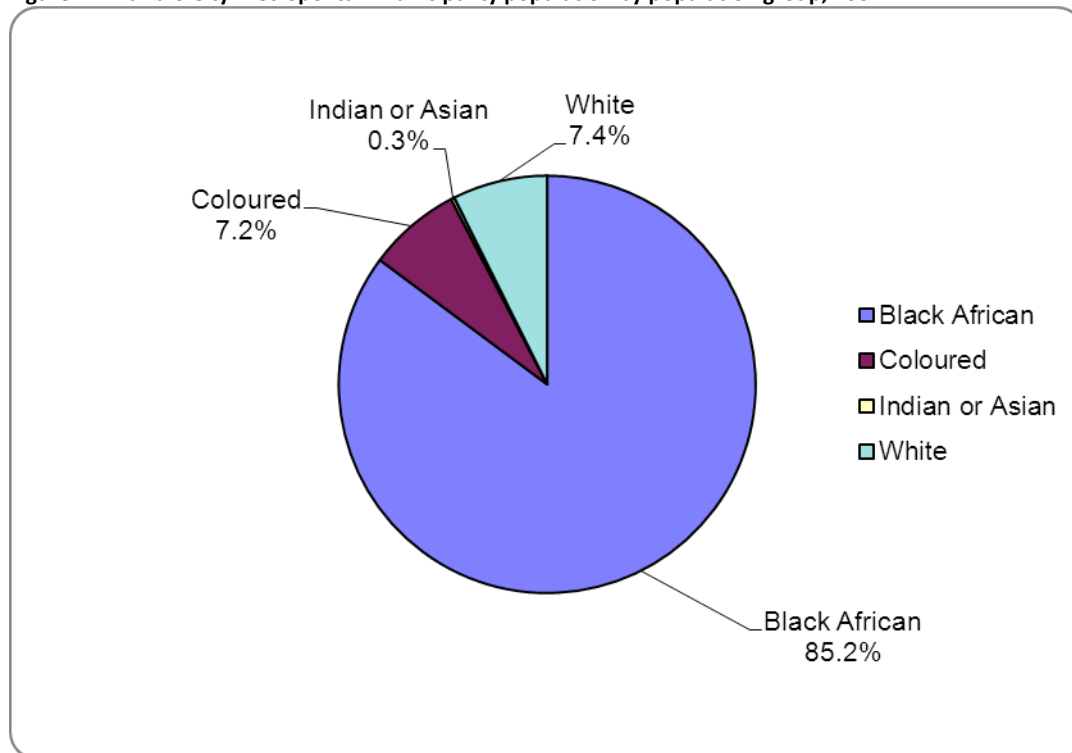
Table B2 shows that out of the total population residing in Buffalo City, the Black African population accounted for 598 258 in 2001 and 616 833 in 2007. The smallest group was the Indian/Asian population with 4 334 in 2001 and 1 950 in 2007.

Table B2: Buffalo City Metropolitan Municipality population by population group, 2001 and 2007

Population group	2001		2007	
	N	%	N	%
Black African	598 258	85.2	616 833	85.2
Coloured	39 998	5.7	52 212	7.2
Indian or Asian	4 334	0.6	1 950	0.3
White	59 300	8.4	53 311	7.4

Source: Statistics South Africa, Population census 2001, CS 2007

Figure B2: Buffalo City Metropolitan Municipality population by population group, 2007



Source: Statistics South Africa, Population Community Survey 2007

The population has grown relatively slowly from 1996 - 2001 at 2, 87%, an average of 0.6% per annum. Households have, however, grown at a much faster rate, as extended households 'disaggregate'. The growth rate for households over the five year period was 19,82%, an average annual household growth of 3,68%. This growth in the number of households translates into an increased demand for municipal services.

Table B.3: Households 2001 (Census) & 2007 (Community Survey)

	2001	2007
Households	191 234	208 389

Population migration

Total % of 2001 population that is newly migrant	Ratio of out-migration to in-migration	
	Out	In
6,66%	49	51

The table above details the movement of the population in and out of Buffalo City over the period 1996-2001. The statistics reflect a lower level of migration than previously anticipated, with only 6.6% of the population newly migrant and the ratio of out-migration to in-migration being 49:51. Internal migration, moving from one settlement to another within the boundaries of Buffalo City also needs to be considered by BCMM.

The table below gives the population by gender with the chart below showing that the proportion of males in the population has been increasing.

Table B4: Buffalo City population by gender: Stats SA Census 1996, 2001 and 2007 CS

GENDER	1996	2001	2007
BUFFALO CITY	686 948	701 895	724 306
Male	328 478	329 138	354 106
Female	358 470	372 757	370 200

Table B.5 : Buffalo City population by age: 1996, 2001 and 2007

AGE	1996	2001	2007
BUFFALO CITY	686 948	701 895	724 306
Young (0-14)	226 298	192 341	196 085
POWA (15-64)	426 267	473 267	488 103
Old (65+)	34 383	36 287	40 118

Population by age figures show that the school age population fell significantly between 1996 and 2001 before increasing slightly in the 2001-07 period. By contrast the **population of working age (POWA)** and the post retirement age population both consistently increased throughout the period. The chart below shows the population proportions by age.

The increase in the proportion of the population taken by POWA supports the finding that Buffalo City is a destination for migrants from the rest of the province in search of employment. The increase in the proportion taken by POWA also seems to have been more rapid between 1996 and 2001 rather than in the later period. Other studies (ECDoLGTA, 2010) have shown that permanent migration was relatively large during the 1990s and reduced to lower, though still significant levels, during the last decade.

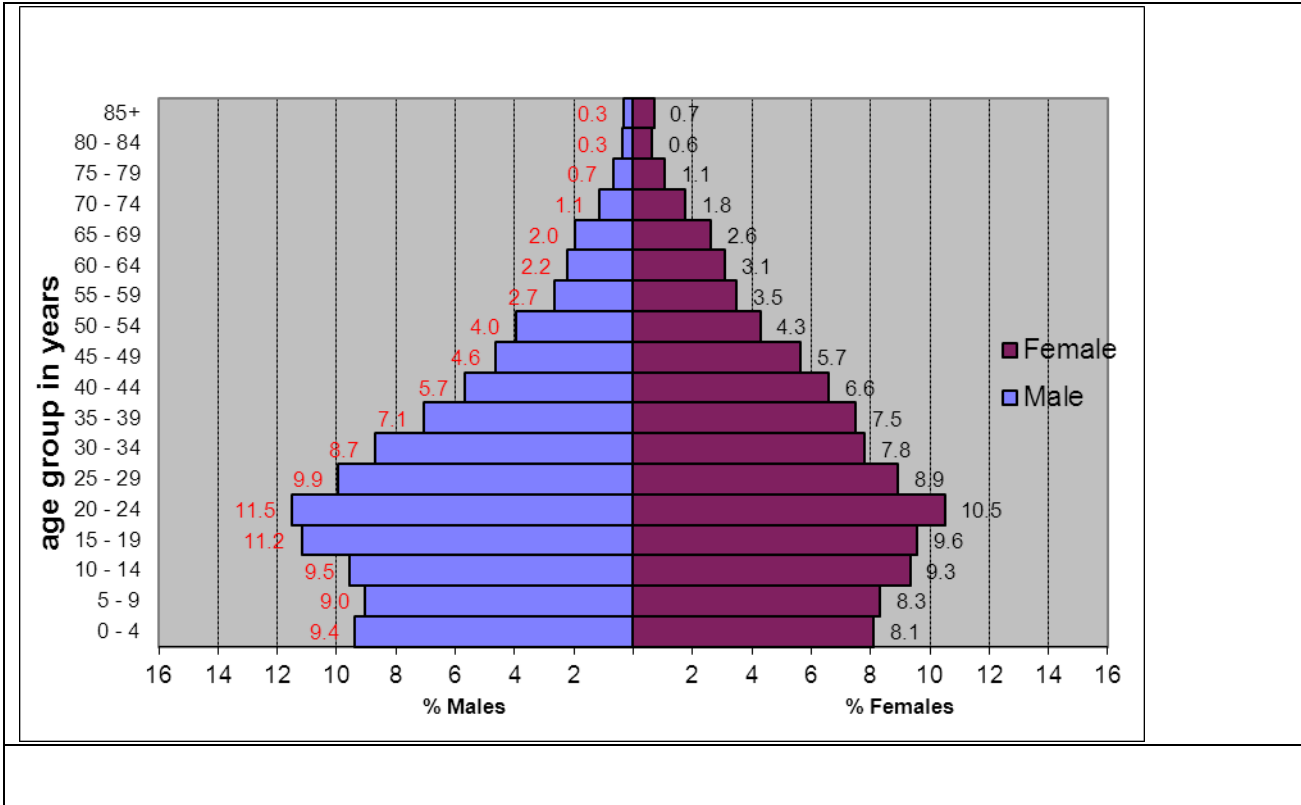
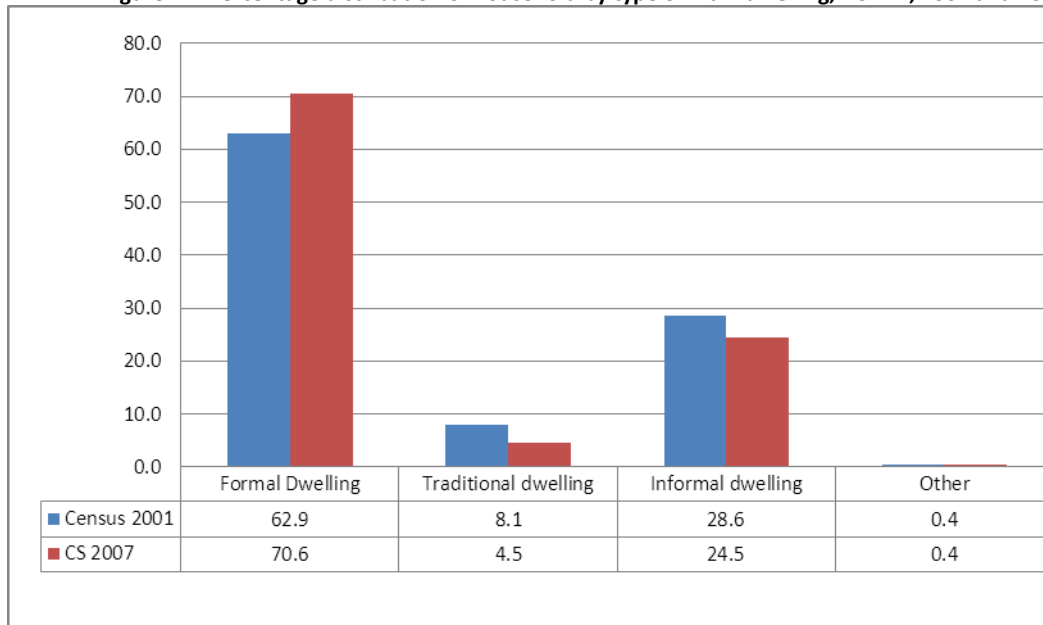


Figure B6: Population by age group, sex, Buffalo City, 2007

(b) Main Dwelling

Figure B7: Percentage distribution of household by type of main dwelling, BCMM, 2001 and 2007



Source: Stats SA Community Survey, 2007

Dwellings have been classified into four basic categories in this table: (a) formal (b) traditional, (c) informal and (d) other. Figure B7 indicates the type of main dwelling in which households lived in 2001 and 2007.

- It shows that the percentage of households living in formal dwellings has increased from 62,9% in 2001 to 70,6% in 2007.
- There was a corresponding decrease in the proportion of households living in the traditional dwellings over the time period from 8,1% in 2001 to 4,5% in 2007.
- The percentage of households living in informal dwellings decreased from 28,6% in 2001 to 24,5% in 2007.

1. Grouping “formal dwelling” includes the following categories: house, flat, semi-detached house, unit in a complex (e.g. simplex), room in backyard and room not in backyard.

2. “Other” includes caravan, private ship and workers hostel.

(c) Tenure Status

Figure B8: Percentage of households by tenure status, BCMM, 2001 and 2007

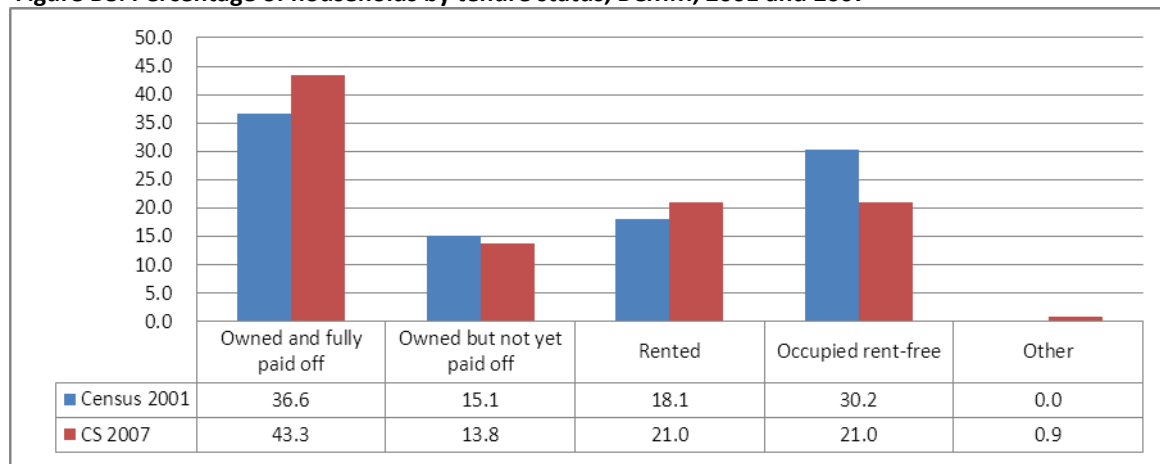
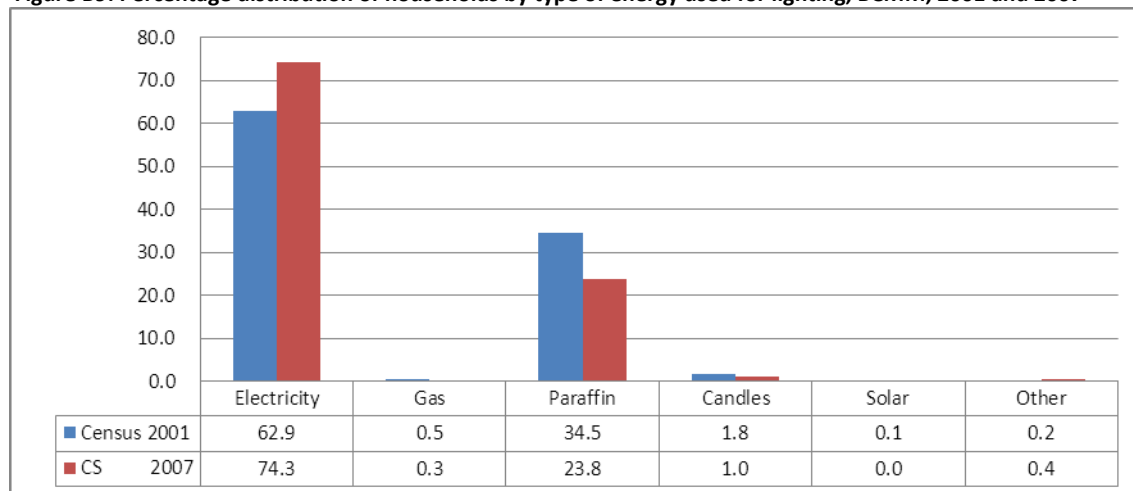


Figure B8 shows that the percentage of households who owned and fully paid off their dwellings increased from 36,6% in 2001 to 43,3% in 2007. The percentage of households who owned but had not yet paid off declined by 1,3%.

(d) Energy/Fuel

Figure B9: Percentage distribution of households by type of energy used for lighting, BCMM, 2001 and 2007



Source: Stats SA Community Survey, 2007

Figure B9 shows that in 2001 and 2007, electricity has been the main energy source for lighting. The use of electricity by households as the main source of lighting rose from 62,9% in 2001 to 74,3% in 2007. There was a corresponding decrease of households using paraffin and candles for lighting over the period, (paraffin: 34,5% in 2001, to 23,8% in 2007 and candles: 1,8% in 2001, to 1,0% in 2007).

Table B.6: Percentage distribution of households by type of energy / fuel used for heating

	Census 2001	CS 2007
Electricity	35.8	46.5
Gas	1.0	1.1
Paraffin	46.5	43.3
Wood	11.0	6.0
Coal	0.6	0.4
Animal dung	0.3	0.1
Solar	0.1	0.1
Other	4.8	2.7
Not applicable	0.0	-
Total	100.0	100.0

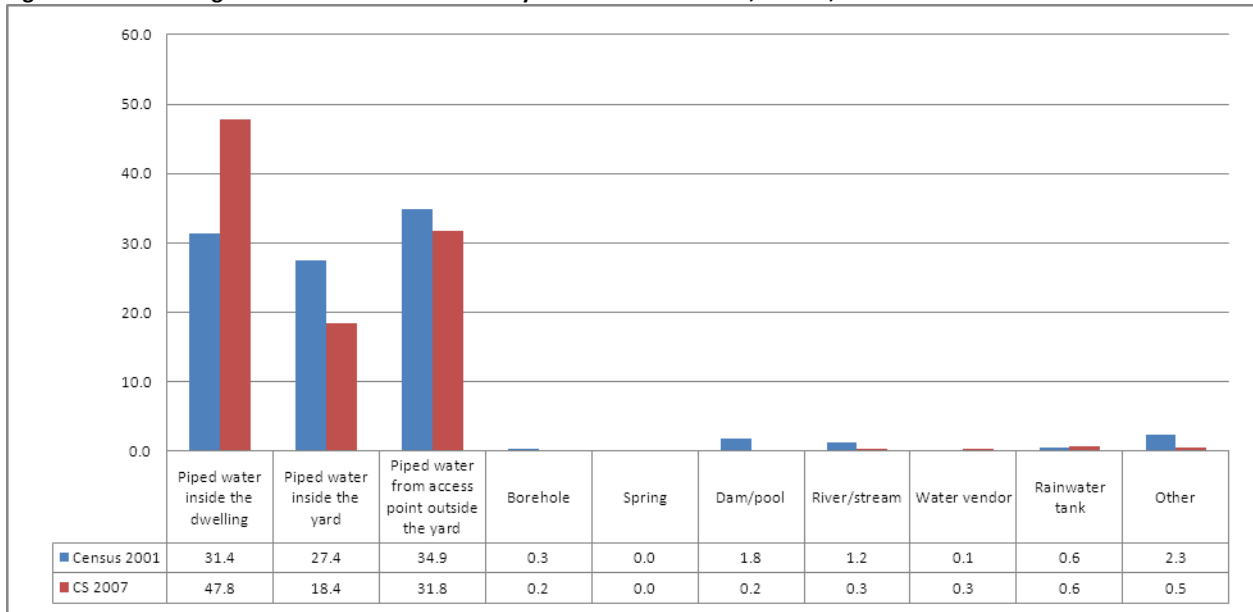
The main source of energy / fuel used for heating in 2001 was paraffin at 46.5%, this figure changed slightly to 43.3% in 2007. Electricity consumption rose from 35.8% in 2001 to 46.5% in 2007. Usage of wood dropped from 11.0% in 2001 to 6.0% in 2007.

Table B.7: Percentage distribution of households by type of water source

	Census 2001	CS 2007
Piped water		
Inside the dwelling	31.4	47.8
Inside the yard	27.4	18.4
From access point outside the yard	34.9	31.8
Borehole	0.3	0.2
Spring	0.0	0.0
Dam / pool	1.8	0.2
River / stream	1.2	0.3
Water vendor	0.1	0.3
Rainwater tank	0.6	0.6
Other	2.3	0.5
Total	100.0	100.0

(e) Access to Water

Figure B10: Percentage distribution of households by main source of water, BCMM, 2001 and 2007

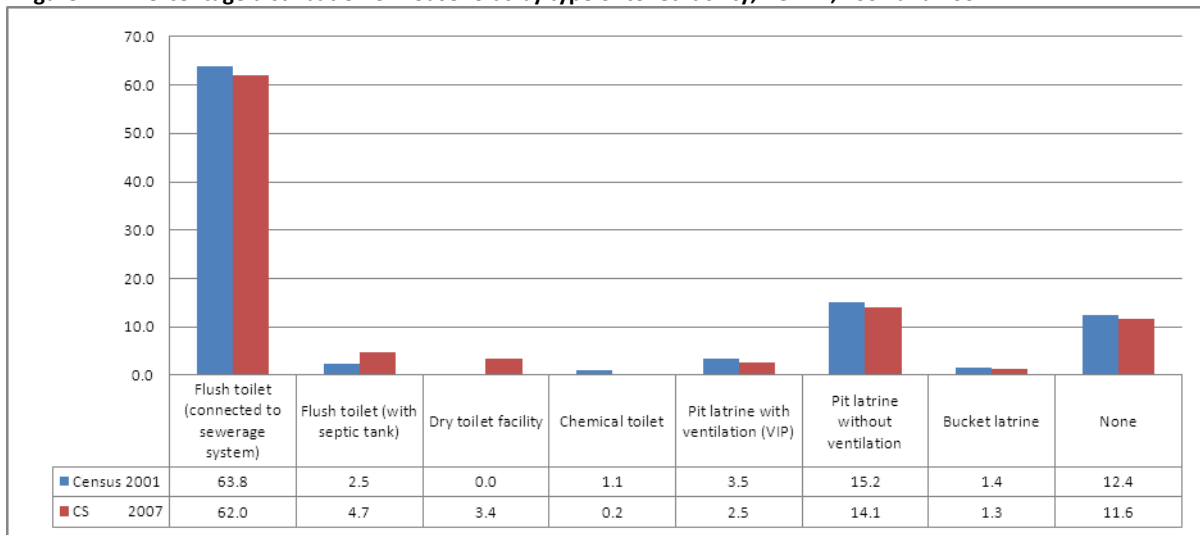


Source: Stats SA Community Survey, 2007

Figure B10 shows an increase in the percentage of households obtaining water from piped water inside the dwelling from 31,4% in 2001 to 47,8% in 2007. It also shows a corresponding decrease in the percentage of households which obtain piped water inside the yard from 27,4% in 2001 to 18,4% in 2007 and piped water from access point outside the yard from 34,9% in 2001 to 31,8% in 2007

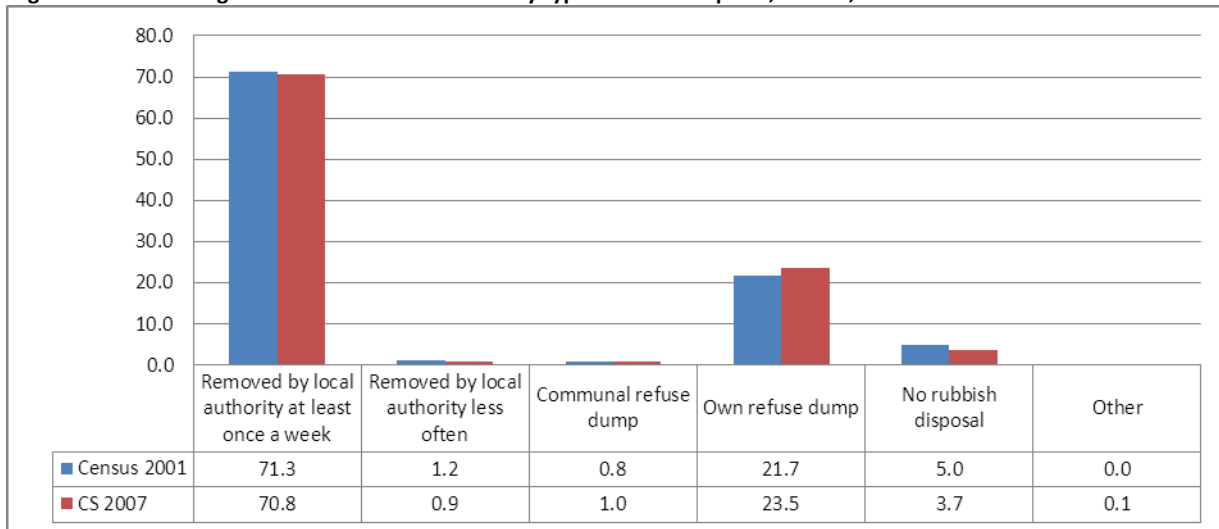
(f) Toilet facilities

Figure B11: Percentage distribution of households by type of toilet facility, BCMM, 2001 and 2007



Source: Stats SA Community Survey, 2007

Figure B11 indicates that the percentage of households with access to flush toilet connected to a sewerage system increased from 63,8% in 2001 to 62,0% in 2007. While the use of pit latrines (without ventilation) declined from 15,2% in 2001 to 14,1% in 2007. However the proportion of households without access to any toilet facility also declined from 12,4% in 2001 to 11,6% in 2007. Dry toilet was not asked in Census 2001.

(g) Refuse Disposal**Figure B12: Percentage distribution of households by type of refuse disposal, BCMM, 2001 and 2007**

Source: Stats SA Community Survey, 2007

Figure B12 shows that the percentage of households whose refuse was removed by local authority at least once a week increased from 71,3% in 2001 to 70,8% in 2007. The graph also shows the percentage of households that relied on their refuse dump increased by 1,8% in 2007.

(h) Highest Levels of Education**TableB8: Buffalo City POWA by highest level of education: 1996, 2001 and 2007**

	1996	2001	2007
BUFFALO CITY POWA	433 439	473 822	488 963
No schooling	38 170	34 967	12 696
Some primary education (below Grade 7)	63 638	67 120	50 836
Complete primary education (Grade 7)	43 970	40 604	33 759
Some secondary education (below Grade 12)	177 563	192 627	229 291
Complete secondary education (Grade 12)	66 261	94 864	78 816
Further education (certificate or diploma)	24 487	31 803	49 606
Higher education (first degree and higher)	7 105	11 837	19 782
Other/unspecified/not answered	12 244	0	14 177

Source: StatsSA census 1996, 2001 and 2007 Community Survey

Levels of education and training are strongly related to employment and employability, especially as South Africa moves increasingly to a service based economy that is highly integrated with the rest of the world. The table below summarises the highest levels of education for Buffalo City for 1996, 2001 and 2007.

1.3 Economic Profile of Buffalo City Metropolitan Municipality

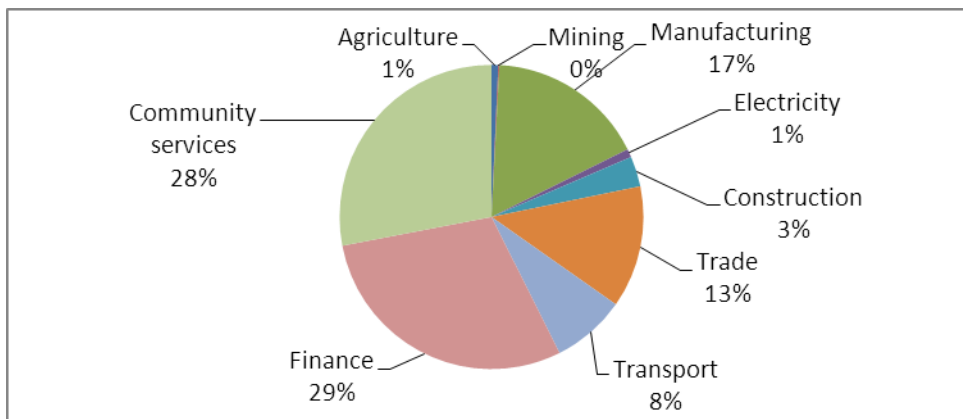
Buffalo City has the 2nd largest economy in the Eastern Cape with a Gross Value Add of R29.7 Billion in the Eastern Cape after the Nelson Mandela Metro (Gross Value Add of R40 Billion) in 2009. The graphic below reflects the sectoral production structure of Buffalo City. The finance sector is the largest sector in Buffalo City Municipality representing 29 percent of the total economy. This is followed closely by Community

Services which accounts for 28 percent of Buffalo City's economy. This is followed by manufacturing (17 percent) and trade (13 percent) and transport 8 percent. The contribution of agriculture (1 percent) and mining (0.4 percent) remains minimal. The size of the financial sector at BCMM can be attributed to the regional head offices of the finance institutions which are domiciled in East London. The strength of the community services sector can be attributed to the Provincial Government Head Offices in Bhisho as well as the regional offices of the government departments that are in East London.

(a) Economic Sectors

Key economic sectors of the BCMM economy are graphically depicted in the figure below.

Figure b13: Buffalo City Economy by sectors



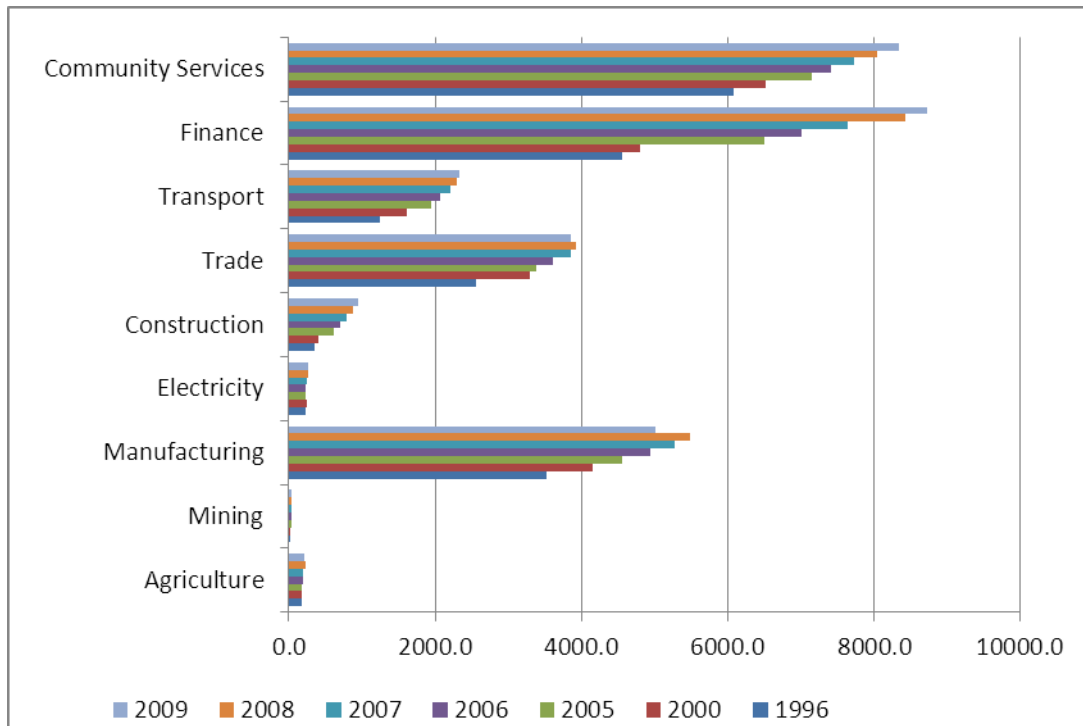
Source: Ecsecc data, 2010

(b) Performance of Buffalo City's economy

Figure b14 below reflects the performance and size of the sectors in Buffalo City's economy over the years. From the figure below, we are able to find out the following:

- The community services sector which includes government has traditionally been the largest sector at BCMM.
- Finance has recently overtaken the community services sector, to become the largest sector in the BCMM area.
- The manufacturing sector (which is based on automotive manufacturing) has been affected by the global recession as illustrated by the shrinking in size (8 percent) between 2008 and 2009. It should be remembered that this industry is based primarily on exports to global markets which were severely affected by the recession
- Trade was also affected by the recession as illustrated by the shrink (2 percent) between 2008 and 2009. This is because with loss of income through the job losses that come with a recession, there is less money for people to spend.
- The R29.7 billion which represents the GVA of Buffalo City Metropolitan Municipality for 2009 represents a 0.5 percent growth compared to 5 percent growth in 2008. This can be attributed to the impact of the global recession.

Figure B14. Performance of Buffalo City's economy 1996 to 2009

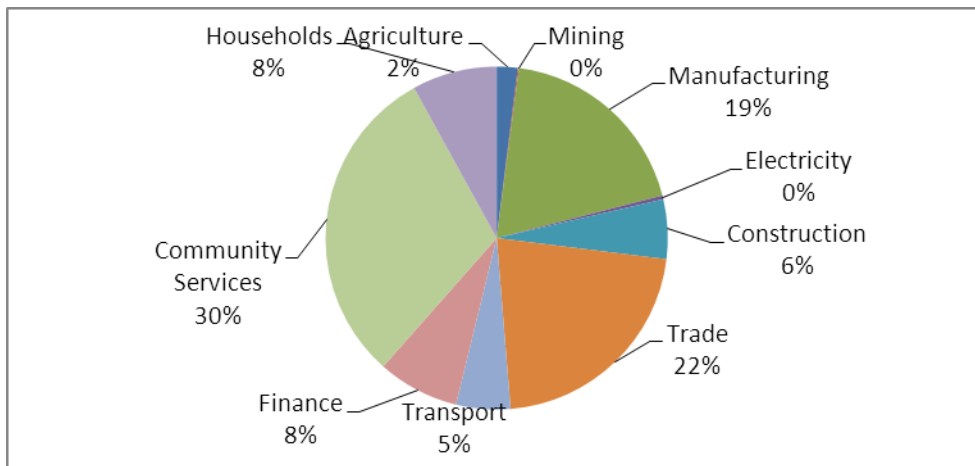


Source: Ecsecc data 2010

(c) Labour Market

Figure B15 below refers to the employment profile of BCMM in terms of the sectors. As illustrated in figure B14, the community services sector employed about 30 percent of the employed in BCMM. This is followed by trade (22 percent) and manufacturing 19 percent. It is interesting to note that the finance sector, the largest sector by size, employs only 8 percent of those employed in BCMM. It is also interesting to note that a new sector emerges when we look at employment figures in the form of the households sector. This sector refers to employment around households and currently accounts for 8 percent of all jobs in BCMM. Construction accounts for about 6 percent of the total jobs, agriculture employs 2 percent of the employed.

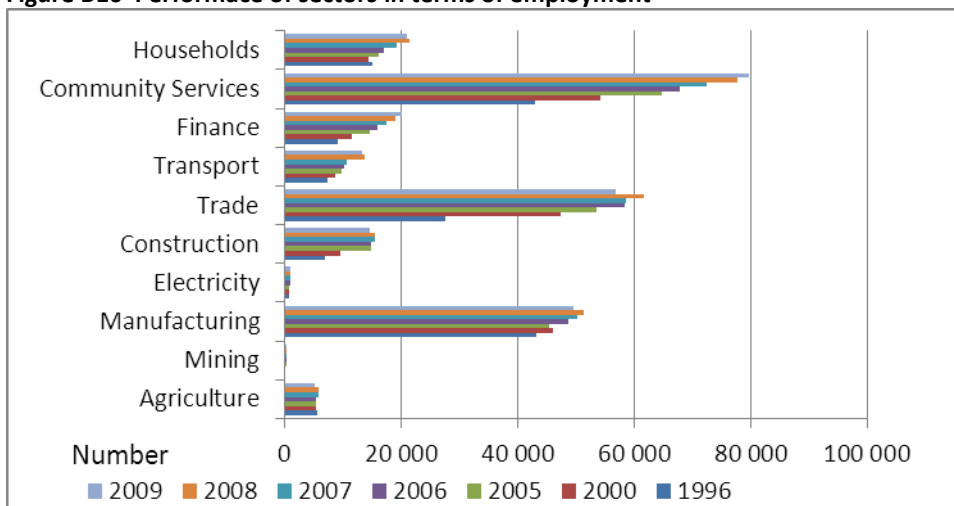
Figure B16: Labour Market



Source: Ecsecc data, 2010

As illustrated in figure B16 below, the community services sector continued to employ people, even during the recession as there was an increase in the number of people employed. However, the sectors that rely on industry (trade, manufacturing and transport and construction) all shed jobs between 2008 and 2009. The number of people employed in Buffalo City shrank from 267 332 to 261 882 jobs, representing a loss of 5400 jobs. The impact of the job losses is much more if consideration is given to the fact that employed people often have families to support and the loss of a job can have disastrous consequences.

Figure B16 Performance of sectors in terms of employment

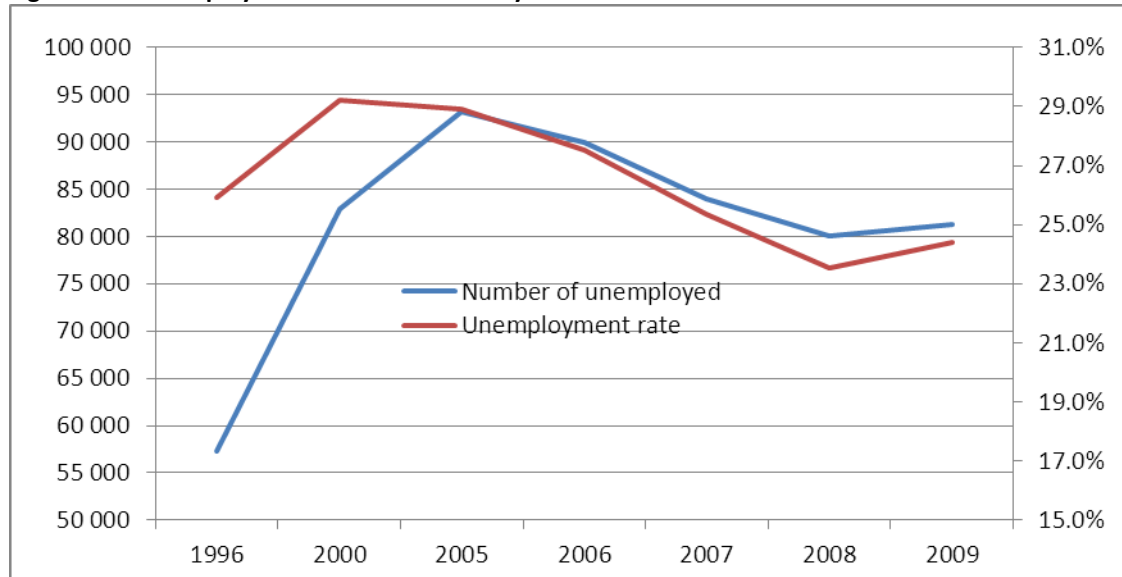


Source: Ecsecc data, 2010

(d) Unemployment rate in Buffalo City Metropolitan Municipality

Figure B17 represents the situation with regards to the unemployment rate at Buffalo City Metropolitan Municipality. After a period of decline from 2005, the unemployment rate at Buffalo City started to trend upwards especially during the period 2008 and 2009. This can be attributed to the recession which led to the loss of 5400 jobs as alluded to earlier. The number of unemployed people also increased accordingly to 82 000 during the period under discussion. With the expected recovery that is expected during 2010, the figures are expected to look much better. The unemployment rate of 24 percent at BCMM is much better than the 31 percent that was experienced across the province in 2009. The national unemployment rate averaged 23.8 percent in 2009

FigureB17: Unemployment rate in Buffalo City 1996 to 2009



Source: Ecsecc

(e) Household income

From the table below more than 100 000 households earn less than R1,600 per month.

Table B.9 – Household income

Income Category	Number of households
Between R1- R400	18 677
R401 – R800	26 181
R801 – R1, 600	62 514
R1,601 – R3,200	29 461
R3,201 – R6,400	25 179
R6, 401 – R12, 800	20 605
R12, 801 – R25, 600	7 520
R25, 601 – R51, 200	2 613
R51, 201 – R102, 400	1 054
R102, 401 – R204, 800	609
R204, 801 or more	283

Source: StatsSA 2007 Community Survey

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(f) Human Development Index

The Human Development Index (HDI) is an indicator which measures development. It measures life expectancy, literacy and income of a particular district. It is measured on a scale of 0 to 1 and an HDI should preferably be above 0.50 to represent an acceptable level of development. Buffalo City has a higher level of HDI than the Amathole District, the Eastern Cape and National HDI. This can be explained by the presence of good education facilities within the area, a vibrant economy as well as good health facilities. The HDI has improved from 0.58 to 0.60 between 1996 and 2009.

Table B: 10 HDI from 1996 to 2009

	National	Eastern Cape	Amathole District Municipality	Buffalo City Metropolitan Municipality

1996	0.56	0.49	0.50	0.58
2000	0.57	0.50	0.51	0.60
2006	0.58	0.51	0.53	0.61
2007	0.58	0.51	0.53	0.61
2008	0.56	0.49	0.51	0.60

Source: Ecsecc data, 2010

(g) Gini Coefficient

The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing). In practice the coefficient is likely to vary from approximately 0, 25 to 0, 70. The figures for Buffalo City as illustrated in table below indicate that inequality has been increasing in Buffalo City from 1996 even though this has slackened between 2008 and 2009. Comparisons with the Amathole District, the Eastern Cape and the rest of South Africa indicate that inequality is a countrywide problem.

Table B: 11, Gini Coefficient

	National	Eastern Cape	Amathole District	Buffalo City MM
1996	0.62	0.62	0.60	0.59
2000	0.65	0.65	0.64	0.63
2006	0.67	0.66	0.66	0.65
2007	0.66	0.66	0.66	0.65
2008	0.66	0.66	0.65	0.65
2009	0.65	0.65	0.64	0.64

Source: Ecsecc data, 2010

(h) Observations on the profile of BCMM

Like the rest of the province and the country, Buffalo City Metropolitan Municipality experiences high levels of unemployment, poverty and inequality. The relationship between these three social ills suggests that they are difficult to separate as one often leads to the other or is the cause of the other. Interventions should thus be focussed on breaking this cycle. For this to happen, the combined efforts of all stakeholders are required. As is often said, this requires all hands to be on board.

2. SITUATION ANALYSIS OF BUFFALO CITY METROPOLITAN MUNICIPALITY

2.1 INTRODUCTION

IDP thematic clusters namely: Economic Development, Institution and Finance, Social and Environmental and Infrastructure and Spatial clusters conducted an indepth analysis of the situation in Buffalo City. The situation analysis has been categorised according to the five (5) Local Government Key Performance Areas namely:

- KPA 1: Municipal Transformation and Development
- KPA 2: Service Delivery and Infrastructure
- KPA 3: Local Economic Development
- KPA 4: Financial Viability and Management
- KPA 5: Good Governance and Public Participation

2.2 KPA 1: MUNICIPAL TRANSFORMATION AND DEVELOPMENT

The legal framework guiding the institutional aspects of the IDP is contained in acts such as the Municipal Structures Act 117 of 1998, the Municipal Systems Act 32 of 2000, the Municipal Finance Management Act 56 of 2003, as well as the labour legislation applicable to workplaces in the Republic of South Africa.

This section will deal with the following issues:

- Organisational structure of BCMM
- Powers and functions of BCMM
- Employment Equity
- Skills Development
- Job Evaluation
- Occupational Health and safety
- Employee health and well – being
- Grievance and disciplinary management
- Control of staff expenditure
- Single public service
- Provincialization of health services
- Communication and Development Corporation
- Inter-governmental Relations
- Customer Relations Management
- Knowledge Management, Research and Policy
- Information and Communication Technology
- Geographic Information System

2.2.1 Organizational design of Buffalo City Metropolitan Municipality

BCMM has an organizational structure which is aligned to the IDP and is continuously reviewed in order to ensure operational effectiveness. The organizational structure comprises of a total of 5025 funded posts. Of these funded posts, 450 are vacant as at 30 June 2010. BCMM has an office for the Municipal Manager and 8 Directorates.

2.2.2 Human Resources

(a) Employment Equity

Employment Equity Act (EEA) 55 OF 1998 is meant to drive equality in the workplace through equitable representation of employees from designated groups to broadly reflect the national demographics of the Economically Active Population (EAP). The Act is intended to ensure that workplaces are free of discrimination and that employers take active steps to promote employment equity. Chapter 3 of the Act requires employers to take certain affirmative action measures to achieve employment equity. These are set out in an Employment Equity Plan.

BCMM has developed a 5 year Employment Equity Plan, which will expire in September 2011 and has made substantial progress with its implementation. Reasonable progress in terms of

appointing persons from designated groups at top management level (0-1) has been achieved. Persons appointed at top management level (0-1) are all from designated group, this is 100% in terms of race. 28.6 % constitutes of females however there are still vacancies available. Concerted efforts are now in place to attract more females at these levels. Buffalo City Metropolitan Municipality therefore remains committed to attracting suitable qualified, dedicated personnel by endeavoring to achieve defined equity targets. There is still a room for improvement when it comes to meeting target of people with disabilities as they only constitute 0.7 % of the total workforce. Women are underrepresented in all levels. The table below represents targets that were set in the Employment Equity Plan and the current status of BCMM.

Current Status on implementation of Employment Equity Plan – All directorates

Targets set 26 September 2006

Achievements (Current Status) as at 30 September 2010

Table B: 10

OCCUPATIONAL LEVELS	AM	CM	IM	WM	AF	CF	IF	WF	TOTAL
0-1 Target	1	0	2	2	2	0	0	0	7
0-1 Achievement	5	1	0	0	2	0	0	0	8
2-4 Target	18	9	3	28	17	4	3	6	88
2-4 Achievement	21	2	3	19	12	0	2	1	60
5-7 Target	33	13	7	50	26	8	1	13	151
5-7 Achievement	69	14	5	64	51	6	2	13	215
8-10 Target	123	41	7	95	95	23	7	35	426
8-10 Achievement	257	108	23	180	253	51	8	99	989
11-18 Target	588	117	11	108	263	59	6	93	1245
11-18 Achievement	614	97	10	66	359	74	10	57	1287
19-22 Target	1324	21	2	13	472	12	5	6	1855
19-22 Achievement	1393	36	0	8	633	8	1	4	2083

AM = African Male

CM = Coloured Male

IM = Indian Male

WM = White Male

AF = African Female

CM = Coloured Female

IF = Indian Female

WF = White Female

(b) Skills Development

Skills development of human capital is one of BCMM's priorities. To this effect, BCMM annually develops a Workplace Skills Plan which sets out the training needs and plans for the financial year for Councillors

and staff. Such plan is then submitted to the Employment Equity and Training Steering Committee for consultation and then to Council for approval. The Workplace Skills Plan (WSP) is submitted to the LGSETA as well. In preparation for the 2011/12 WSP, the Dept of Co-operative Governance and Traditional Affairs has provided municipalities with a web-based skills audit tool which is being piloted in BCMM. This tool will assist the new BCMM in its preparations for skills development. At present, BCMM has also implemented further human resources development initiatives such as learnerships, internships, in-service training of students, adult basic education training (ABET), apprenticeships, as well as bursaries to both members of the public and staff members.

Occupational Health and Safety

Buffalo City Metropolitan Municipality needs to comply with the requirements of the Occupational Health and Safety Act of 1993, and regulations, to provide for the Health and Safety of persons at work. All injuries are being investigated by Management in order to determine preventative measures and necessary action to rectify below standard work environment and employee behaviour.

The Municipal Executive Safety Committee keeps track of any outstanding accident reports or outstanding accident prevention measures that need to be implemented. Safety committee structures are in place in all Directorates and Departments, Safety representatives and Committee members are appointed in department by their Directors. Monthly Departmental Safety meetings are being held to monitor implementation of the Safety plan.

The reporting, recording and investigation of workplace accidents are receiving continuous attention. Technical and Safety compliance audits are conducted throughout the year. Safety deficiencies are reported to Management for corrective action. Safety / health Induction Program for new employees form part of the safety strategy.

All municipal employees receive Primary Health care as well as Occupational Health services at the Employee Wellness Centre as and when required. Occupational Health and TB awareness programmes forms part of the employee health strategy

(c) Employee Health and Well Being

One of the key threats for BCMM is HIV/Aids. In 2004, BCMM undertook an employee HIV/Aids Prevalence Study. The results showed that HIV/Aids prevalence was 10.3% among the BCMM workforce. BCMM has also implemented an Employee Wellness Programme dealing with various aspects of employee wellness such as HIV/Aids, substance abuse etc. At this stage, BCMM has further completed a well supported voluntary HIV testing, counseling and treatment campaign with its councilors and staff. BCMM employees have taken responsibility and ownership of the HIV/AIDS Workplace programme through BCMM ambassadors called Peer Educators.

Awareness raising has been done in different forms and platforms namely, candlelight memorials, World Aids Day commemoration etc. This has also been used as a marketing tool for the programme with the goal of involving all BCMM employees. Support and involvement of line managers is still a big challenge with only a few managers that are showing interest and support for the programme. BCMM has also seen the programme taking a better shape with a number of employees disclosing their status and seeking help. This may be an indication that the programme is being acknowledged and there is a decrease in discrimination and stigmatization of HIV positive employees. The results indicate a drop in the prevalence rate from 10.3% in 2004 to 8.98% in 2007, to 3.17% in 2009 demonstrating that the programme has had an impact.

One of the ways in which BCMM supports the health and well-being of its employees is through the BCMM Employee Wellness Programme. The Employee Wellness Programme has elements of an Employee Assistance Programme (including dealing with life skills empowerment, change management, substance abuse, disability and incapacity), a Safety, Health and Environment Programme and a HIV/AIDS Wellness Programme (including access to Voluntary Testing and Counseling, nutritional supplements and anti-retrovirals if needed), through the Siyakhana project, a partnership between BCMM and Daimler Chrysler.

(d) Single Public Service

Although the Single Public Service (SPS) Bill has been promulgated, this matter has not yet been finalized. In terms of this Bill, a single public service would be created incorporating national, provincial and local government. The Minister of Co-operative Governance and Traditional Affairs addressed the SALGA HRD conference in Sept 2010 advising that the government intends to continue with implementation of the SPS and SALGA resolved to consider this internally before liaising further with municipalities thereupon.

(e) Provincialisation of Health Services

The Department of Health has indicated its intention to proceed with the provincialisation of primary care health services with effect from 1 January 2011. This matter is still under discussion to determine the way forward. As a result, the Department of health has ceased to fund BCMMs Primary Health Care Services as from 1 January 2011.

2.2.4 Knowledge Management, Research and Policy

(a) Knowledge Management

BCMM realised the value of institutionalising the knowledge assets within the municipality, and established the Knowledge Management & Research Unit in 2005. BCMM recognises the critical nature of creating and nurturing an environment conducive to sharing and managing knowledge in order for the intervention to become sustainable and to deliver on its objectives. Knowledge continues to be the most important element of the Buffalo City Metropolitan Municipality's day-to-day operations. BCMM as a learning organisation needs to capture and bank the institutional memory (transformation and innovation); learn from its experience and best practices of others; as well as to encourage the establishment of informational networks and exchange.

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The Unit's strategic objectives exist to support the use of knowledge to achieve key IDP objectives by:

- Ensuring the identification and selection of key, strategically aligned and operationally essential knowledge needs and drivers;
- Creating and nurture a knowledge sharing culture and environment;
- Developing and establishing knowledge habits and practices;
- Identifying and making easily accessible, all the relevant knowledge assets and experts;
- Optimising the use and application of existing technologies and ensuring an integrated systems thinking approach to future applications;
- Managing the journey of change required in practices, processes and behaviours
- Utilising proven project management methods and an integrated systems thinking approach
- Driving the implementation of the Knowledge Management initiatives; and
- Identifying, nurturing and developing innovation within the City in pursuit of better and improved service delivery.

(b) Research

In addition to the Knowledge Management function, the Unit is also responsible for coordinating the research needs of all Directorates and Departments,. During the past year, the Knowledge Management and Research Unit has successfully undertaken numerous activities and tasks surrounding the research function at BCMM.

(c) Policy

The Knowledge Management and Research Unit is also mandated to coordinate policy development and review at BCMM. Recent policy related achievements include the following:

Ongoing implementation of the Policy framework and Guidelines adopted by Council in October 2005 across BCMM. Uploading newly developed and reviewed policies, as well as research studies recently concluded onto to the KM Policy Database

Developing and facilitating regular reviews of policies in conjunction with the departmental policy owners.

(d) Multi-media

The Unit also has multi-media functionality, through which various events, programmes and projects, as identified and requested by individual departments, are captured by means of digital camera, and transformed into DVD productions through the Unit's multimedia editing equipment.

2.2.5 Information and Communication Technology

Buffalo City Metropolitan Municipality – Information Communication Technology (ICT) division is responsible for providing Information, Communication and Technology support services to its internal and external clients.

The Municipality has gone through major initiatives with the intention of enhancing Information and Communication Technologies services that are delivered to support its delivery objectives.

These initiatives are the Information Communication Technology strategy programmes.

Information Communication Technology strategy program provided a solid ³⁸ Information Communication Technology infrastructure provisioning platform, however not much was achieved through this program on skills resources provisioning, process improvement, and management tools.

(a) Application Architecture

Application architecture is a programmable software, designed a solution to specific environment to improve and automate the processes of the environment for and effective and efficient running of the operations.

Buffalo City Metropolitan Municipality is faced with challenges of poor application functionality, lack of accurate information, serious integration problems, availability of accurate and timely information, and the existence of old and obsolete systems. The current billing system is inflexible and not reliable to serve the needs of the Buffalo City Metropolitan Municipality.

The recommended option is to implement an Integrated Enterprise Resource Planning (ERP) System. This opportunity will give Buffalo City Metropolitan Municipality the ability to :-

- Review and improve core business process (such as billing, budgeting, costing, etc);
- Produce better and more flexible management reporting;
- Provides a good base and good foundation for future projects and initiatives, such as Activity based costing; Fleet Management; Asset Management etc;
- Migrate all historic data from previous administrations (King Williams Town and East London) into one repository;
- Centralize data from all applications (legacy);
- Provide users with an enhanced, user-friendly Graphic User Interface (GUI) or icons; and
- Takes advantage of technology enablers (e.g. Internet, etc.)

(b) Technical Architecture

The current Buffalo City Metropolitan Municipality environment has problems of insufficient, unreliable, inaccessible environment, poorly integrated and non-standardized infrastructure that is too expensive to maintain, and difficult to support.

The recommended option is to standardize and consolidate the current environment. Buffalo City Metropolitan Municipality needs to standardize on the server hardware, operating platform for the new applications, consolidate servers to few bigger servers and consolidate storage to external storage systems. This option would eliminate the deficiencies of the infrastructure maintenance and support, whilst increasing reliability, accessibility and capacity.

The standardization of servers and workstation make it easier for the Information Communication Technology division to support and maintain the environment, at the same time conforms to the security recommendations. The standardization of workstation and desktop software makes it easier for the users to access information and communicate with the organization.

The network redesign will enable better communication and access to applications and systems at Buffalo City Metropolitan Municipality. Network reliability is also an important aspect of the communication. Network redundancy and provision for Disaster Recovery is an important aspect of the redesign.

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Storage consolidation provides access to a more scalable storage infrastructure, leverages on the backup and support operations. Consolidated storage is much cheaper to purchase and maintain than segregated storage. Users need more disk storage space to store their day-to-day work, email archive and eliminate the storage space as a bottleneck to better infrastructure services.

Better infrastructure is the core requirement for any new applications, critical for delivery of improved Information Communication Technology Services, importance for added services such as DRP and business continuity.

(c) Information Security

Information is an asset, which likes other important business assets, adds value to the organization and consequently requires suitable protection. Major threats to adequately and sustainable information risk management, as indentified in Buffalo City Metropolitan Municipality, are:-

- Lack of visible and formal senior management commitment to information security;
- Lack of Information Communication Technology Capacity (resources and skills) to cope with the additional responsibility of information security management;
- Policies, procedures and standards that are not endorsed by senior management and/or incomplete;
- No formal knowledge of criticality of information systems;
- Incident, contingency and disaster management processes that are not formally endorsed by senior management and/or incomplete

2.2.6 Archiving and Document Management

Archiving and Document Management is regulated by the Promotion of Access to Information Act (PAIA) and as such it deals with overall document management of the institution. The impending need for proper document management has necessitated that Buffalo City Metropolitan Municipality integrate its systems to ensure that there is compliance with the act and that we properly document institutional information assets.

The current implementation of Electronic Document Management Systems (EDMS) bears testimony to the fact that the institution is going with times with regards to contemporal issues around archiving, the project has not reached its entirety, currently the change management and mentoring is being implemented.

The department is in the process of looking at acquiring a building which will be used as an offsite to store copies of records and archives of great importance to manage the risk that could take place and damage vital records and documents which could lead into a situation whereby BCMM would not be able to operate effectively should these records be destroyed either by fire or floods.

The department is also working with Community Services Solid waste department in disposal of non –vital documents e.g. certain old gazette with no archival value are being fetched by this department for recycling and the proceeds thereof are used to fund Council projects.

2.2.7 Geographical Information System

In 2002 the Buffalo City Metropolitan Municipality adopted a Geographical Information System (GIS) implementation strategy to establish a GIS unit on the municipal structure and to disseminate GIS throughout the institution. Spatial information forms an integral part of municipal planning, development, decision making and service delivery. Without adequate and updated spatial information various components of the integrated development plan (IDP) would not be effectively implemented.

(a) Legislation applicable to Spatial Information

The use of spatial information and access to spatial information is regulated by the Spatial Data Infrastructure Act, No. 54 of 2003. This Act applies to organs of state which hold spatial information and to users of spatial information.

The South African Spatial Data Infrastructure is established as the national, technical, institutional and policy framework to facilitate the capture, management, maintenance, integration, distribution and use of spatial information.

Buffalo City Metropolitan Municipality's role in the distribution of spatial information and management of spatial information within its boundaries is therefore legislated.

(b) Current Status of GIS within the Municipality

The GIS unit role within the municipality is to implement approved strategies, provide adequate, current spatial information, safeguarding of spatial information, the distribution, sharing of spatial information and development of GIS skills. BCMM users of GIS can access applications and spatial information through various methods depending on the type of data requirements:

- GISTEXT (Land Information Web based application)
- City Map (Intranet Map Services)
- ArcGIS Desktop (GIS specialists & Gis Technicians)

The core spatial datasets available on the BCMM GIS is listed below:

- Aerial Photography (2001, 2006 & 2008)
- Cadastral Boundaries (Erven & Farms)
- Road Centerlines
- Clinics, Halls & Libraries
- Ward boundaries
- Settlements
- Suburbs
- Zoning
- Land Use

(c) Main GIS Strategies

GIS is comprised of 5 components which need to be fully functioning and capacitated to ensure a sustainable GIS within Buffalo City Metropolitan Municipality. The strategies was interlinked but was divided into Data, Software, Hardware, People and Process

2.3 KPA 2: SERVICE DELIVERY AND BASIC INFRASTRUCTURE

This section encompasses five critical Directorates within BCMM; Chief Operating Officer, Engineering, Planning & Economic Development, Community Services and Health and Public Safety. They are responsible for:

- Spatial & Land Use;
- Housing;
- Transportation;
- Traffic Safety;
- Roads;
- Water & Sanitation;
- Electricity;
- Fleet Management;
- Primary Health Care and Municipal Health Services;
- Public Safety and Security Services;
- Amenities facilities and Services; and

- Environmental Sustainability.

There are a number of important factors that the cluster bases its objectives on. These are:

2.3.1 Spatial

(a) Spatial Development and Land Use Management

Buffalo City has historically been characterised by social segregation and spatial fragmentation, with consequent inefficiencies in the functioning of the built environment.

Buffalo City's **Spatial Development Framework (SDF)**, identifies and details potential ways of mitigating past inefficiencies and maximising opportunities. **Local Spatial Development Frameworks (LSDF)** support the SDF and provide a more detailed view of specific localities. LSDF's have been completed for the West Bank, Vincent/ Berea, Dimbaza/Mount Coke, Quenera, Integration of Bisho - KWT and Mount Ruth and are being developed for Duncan Village, Arnoldton and Bonza Bay.

There is increasing pressure to develop outside the "urban edge", on the urban fringe, in areas such as the Gonubie Valley and the West Bank. BCMM is currently developing an **Urban Edge Framework**, which will provide clear guidance to prospective developers. We cannot however set aside the fact that development nodes such as Crossways and the coastal villages will develop in terms of investment demands. To this end planning especially for bulk services capacity will need to be considered.

Significant potential exists for the re-development or 'urban renewal' of urban settlements such as Mdantsane, Duncan Village and Zwelitsha, as well as inner city areas such as Southernwood, Quigney and the CBD/Sleeper Site. Urban renewal has the potential to redress chronic problems in areas, allowing the Municipality to focus on the creation of renewed built environments.

Mdantsane is one of the national urban renewal nodes and it is expected that a significant amount of funding, from a variety of donor and government sources, will be channelled into the area in support of the goals of the **Mdantsane Urban Renewal Programme (MURP)**. Consideration of the peripheral areas such as Newlands, Berlin and the at present arid agricultural land should taken into account as these could be a source of fresh produce, job opportunities and industrial/commercial/tourism (Mpongo Park) for Mdantsane.

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There is a great deal of movement in and out of Buffalo City. Significant movement also occurs within Buffalo City, between urban and rural settlements, as people search for opportunities. This is most evident in places such as Duncan Village where a high demand exists for informal residential accommodation, due to its proximity to places of employment in the city centre and West Bank. This has resulted in dense shack settlements developing in the area and a high density of dwellings within certain parts of Duncan Village.

(b) Land Use Management

Draft Zoning Regulations for areas administered in terms of the Land Use Regulations Act 15 of 1987 (former Ciskei Areas) and Proclamation R 293 was approved by Council and has been submitted to the Provincial Government for final approval.

The new Buffalo City Zoning Scheme incorporating the Zoning Schemes for East London, King William's Town and the former Amathole District Municipality have been implemented and taken into use.

The Buffalo City Zoning Scheme will also be made applicable to Duncan Village, once the registration of underlying erven in Duncan village has been completed

(c) Rural Spatial Development

The Land Reform and Settlement Plan (2005) prepared by the Amathole District Municipality identified land reform and settlement zones within Buffalo City municipal area. These zones are conceived as proposed areas of priority for land reform and/or spatial planning and livelihoods planning initiatives

The following areas have been identified in BCMM:

- Spatial planning and formalisation of existing settlements located in the West Bank – Igoda area
- Densification and/or formalisation of existing settlements located in the Needs Camp Zone. Settlement planning has been completed but the state land ownership issues must still be issued
- Densification and/or formalisation of existing settlements located in the Mount Coke – Dimbaza Zone. The planning and formalisation of high priority settlements will be targeted in the forthcoming financial year
- Densification and/or formalisation of existing settlements located in the Ilitha – Phakamisa area. Settlement planning for these urban and rural settlements has been completed
- Densification and/or formalisation of existing settlements located in the Yellowwoods – Kei Road Zone. Settlement planning for these rural settlements has been completed.

2.3.2 Housing

(a) Background

The Housing Mandate is to have an approved integrated sustainable human settlement plan, **single housing needs register** with a housing allocation policy in order to deliver or facilitate the delivery of proper and quality houses with basic level of services to all BCMM citizens especially the poor and those with special needs. (43)

Buffalo City is a secondary City with the 7th largest population in South Africa with a population of approximately 800,000 people. Three urban cores exist, namely, East London, Mdantsane and King William's Town with about 230 rural villages. **A total of 156 informal settlements** exist within the urban edge, with approximately 41,683 informal dwellings. **Within the 156 informal settlements** it is estimated that approximately 160,088 residents reside (+- 3.8 people per unit). Within the 230 rural villages it is estimated that 66,815 households reside (+- 3.8 people per unit).

To deliver in terms of its mandate infrastructure challenges such as bulk water and sanitation needs to be addressed in strategic areas to unlock the provision of formal housing. MIG and housing subsidy funding from Provincial and National spheres of Government needs to increase to meet the housing demand of the Municipality. Formal housing provision within the city is undertaken by the Municipality as the developer, the Provincial Department of Human Settlements and private service providers. In terms of National guidelines an incremental

approach must be undertaken to improve the quality of lives of the homeless offering a variety of infrastructure services and tenure followed by formal top structures being built.

The Establishment of the Urban Settlements Development Grant (USDG)

Following the establishment of the National Department of Human Settlements (NDHS) in 2009, a number of processes, initiatives and actions have been undertaken to ensure that the mandate and outcome/s required of the NDHS are realised. One of the primary matters identified for attention and resolution is the consolidation of funding to ensure “sustainable human settlements and improved quality of household life” is achieved. In this regard the Minister of Human Settlements in a presentation to a Special Presidential Coordinating Committee on the 18th May 2010 identified the need to ensure an appropriate funding model for human settlements is developed and activated, in conjunction with the relevant line function departments and National Treasury. The USDG has been introduced in the 20011/12 national budget, parallel to the Level 2 Accreditation (delegation of responsibilities) of many large urban municipalities.

The USDG is intended to fast track land development and infrastructure connections that will complement the activities of the Human Settlement Development Grant (HSDG).

Buffalo City Metropolitan Municipality has been delegated the level 1 Accreditation function from the Provincial MEC of Human Settlements. The delegated function will ensure that the Municipality will be in a better position to identify its housing needs, undertaken strategic planning and, prioritization in terms of its relevant programmes and projects to meet its mandate. In terms of the delegated function, the following functional areas are being implemented;

- Emergency Housing Programme
- Upgrading of Informal Settlement Programme
- Rural Housing Subsidy Programme
- Project Linked Subsidy Programme
- Disposal of Municipal Housing Stock (discount benefit scheme)
- Social Housing Support Programme
- Consumer Education.

Currently the Municipality is now proceeding to be accredited with the level 2 accreditation function which will be focused on beneficiary management, project and financial management. It is anticipated in the 2011 / 2012 financial year, Buffalo City Metropolitan Municipality will be delegated the level 2 accreditation function which will increase its institutional capacity to implement and focus on quality housing **roll out**.

The municipality is embarking on the following key programmes to address the housing need of its citizens:

(b) Establishment of housing needs data base for the Municipality:

The data base will be a single integrated system which will capture the actual housing needs for the entire City taking into account all income bands. This is an initiative undertaken by the City which is fully supported by the National / Provincial Dept of Human Settlements. It will address the housing needs of communities residing in informal settlements, back yard shacks overcrowding within formal houses, and those with special needs.

Beneficiaries residing within 82 informal settlements have already been registered on the new **Housing Needs Register**. A total number of 6,000 backyard informal dwellers have also been registered on the new Housing Needs Demand Database. The intention of the new housing needs demand data base is to have one single system managed by the administration to address the allocation of housing. It is anticipated that this programme is to be completed in the year 2011.

To ensure fairness in the housing allocation process, the Municipality is drafting a housing allocation and relocation policy based on National Guidelines. It is anticipated that this policy will be approved within the current financial year.

(c) Preparation of a 10 year Integrated Sustainable Human Settlement Plan

It is important for the City to achieve a non-racial, integrated society through the development of sustainable human settlements with quality housing opportunities. In January 2010 Cabinet Lekgotla approved an outcome based approach to service delivery and one of them being **outcome 8 which reflect the creation of sustainable human settlements to improve the quality of household life**. The Municipality has been identified as one of the key stakeholders in meeting the targets set at a National level in the creation of Sustainable Human Settlements.

Reflecting on National priorities and guidance, the City has moved forward towards drafting of a Comprehensive Integrated Sustainable Human Settlement Plan is an effort towards the establishment of sustainable settlement through integrated development involving housing, infrastructure, social facilities, economic opportunities and transport. Previous spatial plans that that do not reflect integration and mixed use development will have to be reviewed.

Buffalo City Metropolitan Municipality has an approved Housing Sector Plan which reflects housing development within strategic areas of the city. The Integrated Sustainable Human Settlement Plan is a move from housing chapters /sector plan - which is an analysis of the housing demand, a strategy of supply, and a set of designed and prioritized housing projects to more holistic sustainable development (variety of services).

The Integrated Sustainable Human Settlement Plan will address the housing need in terms of the demand data base by ensuring integrated development is taking place by offering different tenure options and housing typologies. The ten year integrated sustainable human settlement plan will take into account urban and rural areas in terms of housing developments. The plan will focus on the rural spatial development framework priorities when it comes to rural areas and on bulk infrastructure availability on the urban areas among other things. The success of developing an Integrated Sustainable Human Settlement Plan requires collective participation and inputs from relevant departments to ensure effective planning, budgeting and alignment of resources.

The plan will be part of the IDP and would not be seen as a "Strategic Planning Document", but would rather focus on a more holistic approach to service and housing delivery. The ISHSP will be completed in the 2010/2011 financial year.

(d) Progress made towards improving the quality of household life

In the financial year the Municipality has approved a 3 year and 1 year housing delivery plan based on the state of readiness of projects to be implemented;

- **1 Year Plan (2011 / 2012) = 4,136 Low Cost Housing Units and 5,457 Internal Service Sites**
- **3 Year Plan (2011 / 2014) = 20,603 Low Cost Housing Units and Internal 18,030 Service Sites**

Within the 10 year period the focus will also reflect on Duncan Village being approximately 21,000 housing units to address the densification and de-densification of the existing settlement. In terms of the Duncan Village Redevelopment Initiative the Integrated Housing Strategy is underway which will reflect a housing roll out programme for the area with bulk / internal infrastructure funding requirements. In terms of de-densification of Duncan Village approx 7000 new formal housing units are being provided in the Reeston area. Further sites have been identified to roll out a further 5000 units in land parcels identified close to the city centre.

Since the year 2000 approximately **17,139** low cost formal housing units were built and handed over to beneficiaries. Currently a total of approximately **14,006** houses are being developed within the City which is at various stages of implementation and completion.

In the preparation and finalization of the various key programmes various current challenges such as integrated coordinated planning and development, land identification, land invasion, uncontrolled growth of informal settlements, bulk infrastructure services, funding provision will be addressed.

(e) Private funded residential developments

Housing demand trends in the private property market sector are less easily quantified. Coincident with the property market “boom” in the period 2002 – 2008, Buffalo City experienced a growth in residential property development (greenfields as well as brownfields [i.e. subdivision of existing single residential stands]). However, with the restrictions on loan funding availability brought about by the National Credit Act, 2007 and, later, by the fall-out related to the Global financial crises in 2008 onward, there has been a reported slowdown in new developments (proposed) as well as in the take-up of new stock developed earlier. Areas where new residential developments were targeted in the early-mid 2000’s included Beacon Bay, Gonubie, Abbotsford/Nahoon Valley and Amalinda. The demand town house developments largely occurred in the Quenera area. The Quenera is a largely unserviced greenfields development area situated between Beacon Bay and Gonubie with a capacity of approximately 20 000 housing units. This area was identified as the city’s first opportunity to create an integrated housing area. Unfortunately the developments proposed by developers in this area have also been put on hold since the end of the property boom.

A second unserviced green fields integrated development area on the western coastline of the city known as Rockcliff that was capable of housing 20 000 dwelling units in the proximity of the IDZ and the Airport is also identified integrated housing. This development which was proposed to consist of a full range of housing types has also not developed as proposed.

Large so-called Lifestyle Estate developments proposed (e.g. the Sinati Golf Estate north-east of Gonubie, Golf Estate north-east of Kidds Beach) have, to date, not shown tangible progress towards being brought to market. Most of this demand came to the Eastern Cape late in the boom period as developers sought out cheaper coastal land further afield from the already saturated Natal and Western Cape Provinces. With the exception of only one golfing estate all the estate demand was for the cheaper farm land adjacent to the urban edge to the east and west coast of the city. The demand for low density estates set in place an alarming trend that would have perpetuated urban sprawl and all the hidden costs to the city

and to the communities usually associated with low density sprawl. This demand has not been realised as a result of the slump in demand for higher end property.

The Municipal Planning Division currently processes about 35 applications annually for the rezoning of land for private funded housing purposes. These applications are generally for multiple unit developments. Until the end of the property boom in 2007/8 the biggest demand has been for estate type housing such as higher density town houses and also lower density golfing/leisure type estates. The draft City Development Strategy has identified that Buffalo City has a comparative advantage in the form of its unspoilt natural environment. As such land use policy was formulated with the objective of encouraging lifestyle developments at very low density in such a manner that they do not create a burden for the city but rather as custodians of our natural environment. Initially there was great demand for this in rural areas closer to the urban core but this demand has also faded. Most of the greenfield land in BCM is unserviced. The market has thus resorted to subdividing already serviced land. The demand for subdividing the 1000sqm plots in the urban core has continued unabated since 2008 with not much discount being offered as a result of the property slump. The default situation where the city has been unable to provide serviced land for middle income housing has resulted that market forces have effectively driven densification in the urban core. This situation has been encouraged by the BCM Zoning Scheme which effectively allows for the ownership of an average of 4 residential units on what used to contain 1 house with a large garden. Approximately 140 applications are processed annually for the subdivision of single residential erven. Whilst this manner of increasing the number of residential units is cost effective the city will need to budget to upgrade and replace aging and under capacity infrastructure. This trend is unpacked further in the section on BCM's densification initiatives.

A further trend that predates the densification trend is the demand for second dwelling units predominantly in the urban core. This trend that has accommodated the demand for rental stock clearly indicates that there is a need for well located and generally affordable rental units. The number of second dwelling units has remained unquantified since many such units are illegal. The trend for rental stock is not limited to the traditional suburbs but is clearly evident in centrally located areas such as Duncan Village and more recently Nompumelelo outside of Beacon Bay. Many, if not the majority, of informal dwellings in Duncan Village are rented out by 'shack lords' who provide a vital service to those who wish only to live in Duncan Village during the working week but who take their meagre earnings home to the rural areas where their parents and children live. This trend has implications for any housing demand calculation taken at face value. It is apparent that the current ownership-biased approach to housing may not be appropriate for a good percentage of the poorest of the poor who do not have regular income and can subsequently not afford Social Housing units. Social housing units have been developed in recent years in the urban core only and appear to be meeting a small but very real demand for affordable rental units.

It is unclear whether the demand for luxury estate-type living will in future be repeated in this part of the Eastern Cape. What is more evident is that the demand for well located and affordable higher density ownership and rental units will grow driven by the ever growing middle income group associated mostly with office workers from the government sector. With this demand there will also be a huge demand for all soft and hard services. In particular the supply of raw water is likely to become problematic.

Planning Implications: Private funded development in the identified development areas to the east and west of the city have budget implications but are vital areas for city revenue. It is imperative that BCMM adopt a coherent Development Levy Policy for private funded greenfield developments so that developers share with council the cost of services but in such a manner as to not discourage rateable income.

2.3.4 Land Reform

The government land reform programme is made up of the following principal sub programmes: land redistribution, land restitution and land tenure reform.

Tenure redistribution makes it possible for poor and disadvantaged people to buy land with the help of a settlement/land acquisition grant. Land restitution entails restoring land or compensating victims for land rights lost due to past racially discriminatory laws passed since 19 June 1913.

Land tenure reform is the most complex area of land reform and it aims to bring all people occupying land under a unitary legally validated system of landholding. It will provide for secure forms of land tenure and help resolve tenure disputes and make awards to provide people with secure tenure.

(a) Tenure Upgrading

Tenure reform must address difficult problems created in the past. Guiding principles of tenure reform must move towards rights and away from permits. It must also build a unitary non racial system of land rights for all South Africans. It should further allow people to choose the tenure system which is appropriate to their circumstances. Tenure must also be consistent with the Constitution's commitment to basic human rights and equality.

Mdantsane Unit 2

Mdantsane is 90% upgraded except for Unit 2. There is double registration at Unit 2, the legal department has been instructed to deal with the matter in respect of the following erven: 9762, 9770, 9776 and 9784 in Mdantsane Unit 2.

Ilitha, Zwelitsha, Phakamisa and Dimbaza

These areas have not yet been upgraded. All general plans and small scale diagrams have been ordered from the Surveyor – General, so as to enable the implementation of the upgrading process. A firm of attorneys has also been appointed to effect registration and transfers to the name of beneficiaries.

(b) Land Redistribution

The purpose of the land redistribution programme is to provide the poor with access to land for residential and productive uses, in order to improve their income and quality of life.

It also aims to assist the poor, labour tenants, farm workers, women as well as emerging farmers. Redistributive land reform is largely based on willing-buyer, willing- seller arrangements.

Access to land will be achieved for a significant number of eligible beneficiaries, assisted by grants and services provided by government, a more equitable distribution of land and therefore contribute to national reconciliation and stability. It will also help in solving problems of landlessness and pave the way for an improvement in settlement conditions in urban and rural areas.

Table B: 13

AREA	TOTAL TRANSFERS
AIRPORT PHASE 1	69
AMALINDA FOREST	11
BRAELYN EXT 10	27
CAMBRIDGE	1
NOMPUMELELO TOWNSHIP	85

MZAMOMHLE TOWNSHIP	121
MDANTSANE N.U. 18	211
REESTON PHASE 1 & 2	2600
CHRIS HANI	72
SIMANYENE	10
MDANTSANE UNIT P	96

Transfers and Registrations: Extended Discount Benefit Scheme

Table B: 14

PERCENTAGE OF HOUSING STOCK TRANSFERRED TO BENEFICIARIES AREA	TOTAL TRANSFERS
BREIDBACH	3
BRAELYN	4
BUFFALO FLATS	7
CAMBRIDGE	4
GINSBERG	2
GOMPO	1
MILNER ESTATE	21
PARKRIDGE	7
PARKSIDE	1
PEFFERVILLE	1
SCHORNVILLE	1
MDANTSANE	5

(c) Land Restitution

The goal of the restitution policy is to restore land and provide other restitution remedies to people dispossessed by racially discriminatory legislation and policies, in such a way as to provide support to the vital process of reconciliation, reconstruction and development. Restitution is an integral part of the broader land reform programme and closely linked to the need for the redistribution of land tenure reform.

The Restitution of Land Rights Act 22 of 1994 and the Constitution provide a legal framework for the resolution of land claims against the state, where possible through negotiated settlements.

With regard to restitution of land rights we have three projects namely, ⁴⁹(East Bank), West Bank and Macleantown.

(i) East Bank

City Planning has identified land for East Bank Restitution Project. The identified erven are 1829,1830,2388,2389 and portion of erven 1128, 2390, 2396 and 2413 Amalinda, East London.

(ii) West Bank

West Bank Township has been registered and there are currently 124 informal dwellers which are settled on the West Restitution land but are willing to be relocated as soon as the alternative arrangement is provided.

(iii) Macleantown

There are 73 housing beneficiaries approved and 4 households outstanding. The general plan is in place and the township register has not yet been opened. There are a number of challenges which include the following:

- Roads constructed are not according to specifications;
- There is no storm water drainage system in place;
- Invasion of land by informal dwellers;
- Review of commonage by laws; and
- Valuation disputes by farmers resulting in delay of the process.

There is a multiplicity of land tenure forms and related land management and land planning legislation across Buffalo City. The complexity of land-related legislation, the overlapping layers of land tenure and informal land rights, hampers an integrated, sustainable approach to spatial development. This is a barrier to development and in some instances results in the lack of tenure security and the population movements evident in the Buffalo City area.

However, there remains much opportunity for rural development and land reform within Buffalo City. Planning has already been completed in some areas through the ADM's Land Reform & Settlement Plan and Buffalo City's LSDF. The implementation of these plans will increase tenure security and boost economic development and the livelihoods of the rural poor.

2.3.5 Land and Property Management

(a) Land Management

Land Management Policy for Buffalo City Metropolitan Municipality was adopted by Council in 2007. The policy seeks to address the following key issues:

- Elimination of significant and high priority informal settlements by 2014
- Elimination of all informal settlements as appropriate serviced land housing becomes available as soon as possible
- Prevention of new informal settlements being allowed to develop
- Prevention of existing informal settlement being allowed to grow in an uncontrolled manner.

{ 50 }

The policy therefore sets out a more structured approach in responding and addressing challenges relating to invasion and informal settlements.

(b) Property Management

In terms of the Municipal Finance Management Act municipalities are obliged to manage the assets under its control, section 78 of the Act specifically stipulates that senior management should take all reasonable steps within their respective areas of responsibility to ensure, inter alia, "that assets of the municipality are managed effectively and maintained to the extent necessary to derive maximum benefits from these assets both in providing basic infrastructure and generating revenue.

An immovable capital assets management and maintenance information system is in place and this is a comprehensive system which incorporates collection of all data related to municipal owned properties, verification of new and existing data, quality control and skills transfer. It also incorporate all property

valuations that have obtained through the General Valuations as well as all maintenance and expenditure carried out on each municipal property.

2.3.6 Transportation

The current transport networks and modes of public transport are characterised by: -

- A spatial distribution and layout of road (and rail) networks mainly running along spurs and ridgelines, with few cross-river linkages inhibiting cross-town mobility in the greater East London area.
- For the most part, people resident in areas where access to opportunities is poorest are most reliant on public transportation.
- The spatial pattern and concentrations of development in these areas, however, have not historically favoured the sustainability of most modes of mass-based public transport. The consequence of this is that neither the form of the built environment or the public transport systems that have endured (principally the mini-bus taxi industry) has served the neediest residents in an optimum manner.
- Present proposals for bridge crossings of Buffalo River and the linkage of the N2 and coastal routes (R72) would facilitate improved mobility of people resident in the Mdantsane/Reeston/Duncan Village areas to areas of opportunity in the West Bank area of the city.
- Of note for the Spatial Development Framework is the proposed revitalisation of the rail commuter service linking East London to Berlin via Mdantsane. The success of this venture requires a long-term view of spatial development in the rail corridor area, with an emphasis falling on the development of appropriate densities to support operating thresholds of the mooted service, over time.
- For citizens of Buffalo City, access to transport is, like for most other cities of South Africa, characterized by a high car usage amongst the economically well-off population, while people with low income have to rely on public transport or must walk. Currently very few formal scheduled public transport services exist in Buffalo City. There is a crucial need to redevelop a quality formal public transport system in order to hold back the growth of car traffic and also to provide accessibility for all citizens, and thereby facilitate the socio-economic development of the City.

A significant proportion of the population living in the disadvantaged areas of Buffalo City get access to work, education and other activities by walking as their only mode, often over (unacceptably) long distances because of no choice or the inability to afford a public transport fare. Walking is the mode of transport for half of all trips performed. The use of bicycle for daily needs of transport is currently negligible, and is used mainly for recreation and sports activities.

The current transport system is unfriendly to would-be transport users with physical, mental or age-related circumstances. All aspects of the transport system must in future be designed to accommodate persons with "special needs" so that they can have greater access to transport.

The arterial road system of Buffalo City has a generally high design standard although there are unsatisfactory sections of roads. The capacity of the road system is in general acceptable, except in the highly built-up areas around the East London and King William's Town CBD's. Other satellite CBD's are showing signs of congestion due to traffic generated by the expanding development of office and retail developments. It is also envisaged that the growing traffic will create a demand that will call for the completion of new road links, the planned new crossing of the Buffalo River being one such proposal.

The accident record of Buffalo City Metro is unacceptable. Pedestrian safety is a priority within Buffalo City as half of all people that are killed in traffic accidents are pedestrians. The incidence of public transport vehicles involved in accidents is also high compared to the number of licensed vehicles in Buffalo City (almost ten times as many accidents per vehicle compared to the average of all registered vehicles), and this needs to be addressed. The need for the development of the integrated transport plan stems from an unsatisfactory current situation whereby certain fundamental aspects of the transport system must be improved. The main issues underlying these problems are discussed in this Section.

Access - "accessibility" – for citizens of Buffalo City is, like most other cities of South Africa, dependent on car usage amongst the economically well-off population, and reliance on public transport or walking for people with low income.

Public versus private transport

The economically well-off population has access to private cars to an extent comparable with people living in developed countries. Due to generally poor or non-existent public transport services, this group of people does not use public transport. This means that they contribute to a significantly high proportion of the volumes of car traffic in relation to the size of population they represent. Their preference for using the private car is also one of the main reasons for the decline of such scheduled bus and rail public transport services that were provided in previous years. In the course of the last two decades the provision and use of scheduled public transport services has declined as access to and use of the private car has grown.

Bus and minibus-taxi modes

Public transport includes bus, minibus-taxi and rail services, all of which are provided in Buffalo City. With regard to bus, only a small fragment of former municipal bus services that operated in Buffalo City up to the mid-eighties remains. Buffalo City's municipal bus service has a small number of buses in the former East London municipal area, and Mayibuye (the Province-owned bus company) operates a small number of buses that service the peri-urban areas of East London and further a-field. The majority of public transport passengers in the corridors of high volume person trips are now carried by minibus-taxi, which has taken over the former bus operations.

Public Transport Strategy

The Public Transport Plan features a new public transport strategy to restore scheduled public transport services in the City. This will lead to a customer-based planned and regulated system, where each mode of public transport is appropriate to its economic function (i.e. complies with rational nodal economics), and moreover operates on a fixed route and in accordance with a fixed timetable. The future services will operate in accordance with the Public Transport Plan developed by Buffalo City as the planning authority.

Public Transport Framework Plan – guiding long-term plan for 2020 Buffalo City's "Public Transport Framework Plan: 2020 vision for future network and services", published in February 2005, documents an intensive planning and consultation process which forms the guiding long-term public transport plan for the future. The principles of the Public Transport Framework Plan have been approved by Buffalo City's Council, the Eastern Cape Provincial Department of Roads and Transport, National Department of Transport and the South African Rail Commuter Corporation.

The strategy for developing the public transport system for Buffalo City is based on a substantially upgraded passenger rail service on the Mdantsane East London Development Corridor. This service, operating as at present between Berlin and East London, will be the backbone of the system. In addition to the railway, a network of trunk-bus services (corridor bus services of high frequency and high volume) and other major bus routes will serve Buffalo City. Feeder services consisting of local buses and minibus-

taxis will serve areas that have no direct connection to the railway stations and trunk bus routes. The principles of the long term strategy are illustrated below.

Every effort has been made to integrate the long term planning of the SARCC and BCMM, however the rate at which the rail service is improved is the responsibility of the SARCC and BCMM does not have complete control over the roll-out of the Public Transport Plan. The upgrading of the rail system may therefore not take place in accordance with the envisaged time frames. Further, the development of the rail services is dependent on land use and the development of the nodes around key stations and along the rail corridor and needs to take place for the improvements to the rail to be effective. The development of the nodes and corridor could take several years. For these reasons it would be prudent to consider an alternative implementation strategy for the future public transport service. In the future public transport system it is proposed that the rail service is improved first and that limited “parallel” trunk bus service running in the Mdantsane / East London corridor along the Mdantsane Access Road is introduced to cater for areas not accessible by commuter rail. These parallel trunk bus services would later be substantially increased to supplement the rail services as demands increase beyond the capacity of the commuter rail system.

It is envisaged that ultimately the trunk bus and commuter rail services will carry equal numbers of passengers per day. An alternative strategy to develop Scenario C could be to introduce the parallel trunk bus service ahead of the rail as the dominant public transport mode in the corridor. This can be achieved by providing separated exclusive right of way facilities for large buses operating as a “Bus Rapid Transit” (BRT) type system within the existing road reserve. The advantages of this is that such a system can be implemented, controlled and regulated by BCMM and will offer the same level of service to commuters and as that of an upgraded rail service.

The rail service will still operate but may not be the dominant mode initially until it is fully upgraded. The adoption of this type of alternative future public transport system will have little or no effect on other planning initiatives that have taken place since Scenario C were adopted nor will it affect the planned future feeder public transport services within Mdantsane or the development of the Mount Ruth node. All that it means is that the priority will shift to developing the trunk bus services first instead of the commuter rail services.

Mount Ruth will still be viable as a development node even if the long term public transport scenario with rail as the backbone to the system is not realised to its full extent. This is due to the fact that the rail service will continue to operate to at least the same level of operation in the future as it does currently and that Mount Ruth has the best potential for external linkages of regional significance (N2 and N6) than any other part of Mdantsane. A BRT line can easily be extended to the Mount Ruth Node.

For citizens of Buffalo City, access to transport is, like for most other cities of South Africa, characterized by a high car usage amongst the economically well-off population, while people with low income have to rely on public transport or must walk.

2.3.7 Infrastructure

(a) Road Network

The road network is one of the key components of the transportation system. A large percentage of Buffalo City’s road infrastructure is old, rapidly deteriorating and in some cases past its functional life.

Exorbitant costs are involved in order to upgrade the rural road networks from gravel to bitumen surface In Mdantsane where road infrastructure has had little or no maintenance for the past 25 years, an estimated amount of R600 million is required to upgrade gravel roads to surfaced standard (surfacing of 250 km).

Capital allocations are insufficient and only a small percentage of the road network is adequately maintained or upgraded on an annual basis.

BCMM faces resource constraints for both the extension and maintenance of the road infrastructure. The annual increase in the maintenance budget has not kept pace with the escalation rates associated with this activity. Funding Backlog for maintenance of BCMM roads is estimated at R500 million. R100 million must be spent annually over a period of five years in order to eliminate this backlog.

For the next two financial years R300 million is required for rehabilitation of surfaced roads so as to extend their life.

The next five years for roads rehabilitation. **(The BCMM Pavement Management System has reference).**

The estimated replacement costs for 1 425 km of BCMM surfaced road network is R5 billion.

The estimated maintenance amount required for maintenance and reconstruction of in excess of 778km of BCMM's gravel road network is estimated at R 400 million.

In financial years 2010/2011 it is proposed that all roads currently on the Pavement Management System (PMS) in addition to new and upgraded roads be assessed in terms of condition and structure.

The PMS is the key tool to ensuring the most judicious use of the limited funding. It facilitates the monitoring of road conditions and prioritises roads for rehabilitative treatments based on data entered into the data base. Road inspections for the updating of the PMS should be undertaken bi-annually for surfaced roads and every five years for gravel road, but due to financial constraints, this does not happen.

The Bridge Management System (BMS) has facilitated the identification of 126 bridge structures. The next step will be to undertake a detailed analysis in order to cost and implement planned maintenance. This process will be undertaken during the 2010/2011 financial year, subject to the availability of funds (CRR)

The Storm water Management System (SMS) is being implemented and was funded jointly by BCMM and Leiden up to 2009 / 2010. In 2010/11 it is funded by BCMM. The Northern and Central regions of Buffalo City are currently at an advanced stage, and the remaining Eastern and Western regions are to be undertaken in the 2010/2011 financial year. The SMS will assist in mitigation of storm water challenges within Buffalo City Metropolitan Municipality. The appointment of the consulting consortium has been extended to 30 April 2012.

2.3.8 Water Services

Buffalo City has been designated as a Water Services Authority and has in place a **Water Services Development Plan**, which guides the Municipality in the delivery of water and sanitation services. Feeding into this WSDP are Master Plans for Water and Sanitation.

BCMM has undertaken an assessment in terms of Section 78(1) of the Municipal Systems Act in order to determine the most appropriate and cost-effective mechanism to deliver water services. Council has resolved to form an internal business unit in terms of this Act.

(a) Water Supplies

The Amatola Water Resource System supplies the urban and rural areas of Buffalo City. Water is sourced from the Bridle Drift (main source), Rooikrantz, Nahoon, Laing and Sandile Dams and the Peddie Scheme. The Wriggleswade Dam provides storage backup for the system. The system is complex and is made up primarily of surface water resources, with limited groundwater resources suitable for only a few localised schemes.

A **Feasibility Report on the Augmentation of Raw Water Resources** has been completed and BCMM is now considering the most appropriate and cost effective means of implementing the proposals.

(b) Water Demand Management

The City has had a relatively large incidence of 'water loss' or non-revenue water. This occurs either through physical losses (leaks etc.), billing inaccuracies, users who are not on the database or illegal connections. The result is an unnecessary demand on water resources, wastage of water and loss of income.

A comprehensive water loss study has been undertaken and the recommendations emanating from this study are being implemented, according to the available resources. Intervention in Mdantsane has proved to be very successful. A considerable amount of mid-block water mains have been decommissioned and replaced with mains in the road reserves. Fire fighting capacity has been provided for and metering of consumers has been undertaken. A similar exercise is underway in Gompo where excessive night flows in the Sewer Conveyance network were of great concern as they were contributing to the over flow of the Second Creek pump station. Sewer night flows in both areas have decreased significantly and further reduction will be evident as the projects proceed. Intervention on indigent properties is to start soon and a public education programme has been implemented as well. An amount of R6 million has been provided to commence effective water loss intervention targeting Duncan Village, Scenery Park, Zwelitsha and Dimbaza for the initial intervention programme

(c) Bulk Water & Sewerage Systems

BCMM's bulk water is purchased from Amatola Water (32%) with the remainder coming from the Umzoniana Treatment Works and a small amount from the KWT Treatment Works. The cost of the water from the Umzoniana Treatment Works is R1.52/ kl whilst the cost from Amatola Water is R4.561/ kl, hence BCMM must continue to optimise its usage from the Umzoniana Water Treatment Works. Feasibility studies into the Umzoniana Treatment Works and water systems have been undertaken and refurbishment / augmentation/ renewals are underway. Already a

sustained 13,5 Mℓ/day water loss has been effected. It is envisaged that up to 20% of the Umzoniana Water Treatment Works capacity (24 Mℓ/day) will be saved at the end of the project. The development of the water master plan for all urban areas within Buffalo City Metropolitan Municipality is currently underway, this water master plan will help to identify all bulk water infrastructure needs in order to meet the housing delivery and the growth of the city.

In line with legislation's requirements the drinking water supplied to consumers and wastewater removed and treated must be of adequate quality. Water quality monitoring is carried out by the municipal laboratory and monitoring data reported to the Department of Water Affairs. The laboratory is in the process of upgrade to enable extension of the monitoring programme and preparation towards accreditation.

Sewerage systems in the City are well beyond their design lives, are in poor condition and are operating at capacity. The effect of this situation is that expansion of the city and the housing programme is now severely constrained and the environment is under threat from sewage spills and leakages. Significant funding is required to refurbish and upgrade this bulk infrastructure within the next five years.

To alleviate current constraints within the system, application has been made to DBSA for R64 million. Proposed projects include Phase 1 of the Regional Waste Water Treatment Scheme for King Williams Town, Bhisho, Breidbach, partial diversion of flow from the Central Waste Water Treatment Works to Reeston (WWTW), refurbishment of the Pontoon Road sewer tunnel and refurbishment to the Eastern Beach sewers. The contract has been awarded for the upgrade of Gonubie (WWTW) to the value of R48 million. It is estimated the contract will be completed in 18 months. Other projects underway include Phase 1C Bufferstrip bulk sanitation to the value of R18 million.

It is estimated that the cost of deferred maintenance for water and sanitation services is R750,000,000:

Table B.15: Estimated Deferred Maintenance

Service	Estimated deferred maintenance
Water	200,000,000
Wastewater	550,000,000
Total:	750,000,000

(d) Water & Sanitation Backlog

The latest information from the Water and Sanitation Master Plan Studies are as follows:

Table B.16: Community Survey 2007: Household Access to Basic Services

	Water (access to piped water in dwelling/ yard or within 200m)	Sanitation (flush toilet, septic tank, chemical toilet, VIP)
No of Households	204 151	139 523
% of Household	98%	67%

The water backlogs for greenfields work amounts to R26,26 million and that of remedial work to R35,04 million. The backlog areas include Needs Camp, Ncera, Mount Coke, Potsdam and some Rural areas in the King Williams Town District. Needs Camp, Ncera and Mount Coke are being addressed by a three year MIG Project which is already underway. The other areas are awaiting

funding from MIG but some in-roads have been made by addressing supplies to areas handed over by DWAF.

The key findings of the Rural Sanitation Master Plan investigations in terms of rural basic sanitation backlogs are summarized as follows:

Outside urban edge (i.e. rural)

• Greenfields:	51 192
• Remedial / refurbishment:	<u>885</u>
Sub total	52 077 households

Inside urban edge but rural of nature (i.e. peri-urban)

• Greenfields:	20 637
• Remedial / refurbishment :	<u>1 162</u>
Sub total	21 799 households

Total **73 876** households

Funding required to address the backlog: **R456 785 175**

Given the extent of the backlogs and the requirement to eradicate these sanitation backlogs by 2011, expenditures of ±R100 million per annum will be required. Applications have been submitted for MIG funding to address these backlogs within the national timeframe.

2.3.9 Electricity

The electricity department has a backlog of R650 Million in replacement upgrading and deferred maintenance. Without a significant capital reinvestment plan and the funding to implement the plan Buffalo City could experience a number of electrical failures which would have an impact on city growth and income as electricity sale account for the largest portion of Buffalo City's yearly income.

During the 2009/2010 financial year the following has been achieved: A number of projects have commenced and have progressed well and other projects have been successfully completed.

2.3.10 Fleet Management

A **Fleet Management Policy** has been developed and is being "work shopped" with departments to assist with addressing of problems relating to inefficient use of Municipal vehicles, vehicle abuse and record keeping.

The Fleet Management Policy has been used as the operational guidelines to assist with addressing of problems relating to use and of Municipal vehicles, record keeping and replacement scheduling.

The R90 million made available to address the problem of inadequate maintenance and the general poor condition of the fleet, resulted in new purchases of vehicles to support service

delivery. Of particular interest would be the 6 Refuse Compaction units for Solid Waste and the 12 Aerial Platform Trucks for the Electricity Departments.

2.3.11 Primary Health Care and Municipal Health Services

Health Services is comprised of two component functions, Primary Health Care and Municipal Health services.

Prior to 1st July 2011 BCMM was providing Primary Health Care services on behalf of the Eastern Cape Department of Health and Municipal Health Services on behalf of Amatole District Municipality through Service Level Agreement's as per National Health Act, Act 61 of 2003. Health Services offered by the city includes:

(a) Primary Health Care & Health Support Services:

Primary Health Care programme is the cornerstone of Health System in the South African government. According to the National Department of Health Strategic Plan for 2010/11 – 2012/13, it states that "South Africa faces a quadruple burden of diseases consisting of HIV and AIDS, communicable diseases, non-communicable diseases, violence and injuries. The consequence of this is high levels of mortality and morbidity. The Primary Health Care programme consists of four stages of primary health care viz, promotion, preventative, curative and rehabilitative services. These services are offered to BCMM communities via its twenty eight fixed clinics and four mobile clinics which offers primary health care to areas not serviced by the fixed clinics.

Health Support Services Division provides complementary services viz, Pharmacy & Medical Services, Health Promotion & Aids Training & Information & Councelling, to the Nursing Services and Environmental Health Services as embedded in the Millennium Development Goals and National Health Policy, and also by way of interpreting primary health care indicator data, in the following areas pertinent to Health Services:

- Child mortality
- Maternal health
- HIV/AIDS, malaria and other diseases
- Environmental sustainability

HIV and AIDS remains a large and growing threat within the BC Metro's development trajectory in its quest to be a productive, inclusive, sustainable and well-governed metro and as such, is considered to be a strategic priority because of its potential to undermine development and exacerbate poverty. HIV and the progression to AIDS is synonymous with vulnerability and being marginalized.

The disease progression places severe financial and emotional strain not only on the metro, but on the family as individuals are absent from work due to their own ill health or to take care of family members.

Less than half (49,000) of the 111,000 Eastern Cape persons in need of Antiretroviral Treatment were able to access such treatment by midyear 2008. An estimated 314 000 South Africans died as a result of AIDS during 2009. Within the Eastern Cape the number of new infections was estimated at 223 per day and at least 120 AIDS deaths per day.

The pandemic continues to exacerbate the levels of poverty, unemployment, informal housing/ slums, low economic growth, low education, decreased skills levels and reduced human capital. It is estimated that

by 2015, the labour force in South Africa will decrease by 21% due to HIV and AIDS, thereby placing additional strain on the metro's resources as the demand for service delivery and indigent benefits increases and inversely proportional, the ability of the municipality to generate revenue as households simply can't afford to pay for services rendered by the metro.

The metro realizes that an aggressive, targeted, holistic, coordinated social mobilization of role-players and broad based support from all sectors in responding to the pandemic is required if any success is to be achieved.

Table B18: HIV prevalence among antenatal women by district in the Eastern Cape, 2007 to 2009. Buffalo City is represented in the Amatole District Statistics

	2007			2008			2009			
	N ₁	% Prev.	95% CI	N ₁	% Prev.	95% CI	N ₁	N ₂	% Prev.	95% CI
Provincial	4118	28.8	26.9 – 30.7	4216	27.6	25.6 – 29.6	4225	1186	28.1	26.1 – 30.1
Alfred Nzo	189	24.8	20.9 – 29.3	201	29.8	22.3 – 38.6	186	44	23.7	16.3 – 33.0
Amatole	1058	29.2	26.5 – 32.0	1128	26.5	23.0 – 30.3	1116	304	27.2	24.5 – 30.2
Cacadu	269	20.0	15.2 – 26.0	281	23.8	17.7 – 31.2	255	62	24.3	16.4 – 34.5
Chris Hani	572	30.2	26.2 – 34.5	529	27.0	22.9 – 31.5	491	133	27.1	23.1 – 31.4
N.M.M.	770	28.9	22.8 – 35.9	795	29.0	23.4 – 35.4	785	241	30.7	24.0 – 38.4
O.R. Tambo	1036	30.3	26.6 – 34.2	1063	29.6	26.2 – 33.2	1192	355	29.8	27.1 – 32.6
Ukhahlamba	224	29.4	24.3 – 35.1	219	21.9	15.2 – 30.5	200	47	23.5	16.0 – 33.2

N = Realised sample size; N₂ = Number of HIV positive women in the sample; CI = Confidence Interval

As might be expected substantial year on year changes are observed in the districts with smaller sample sizes (Alfred Nzo, Cacadu, and Ukhahlamba).

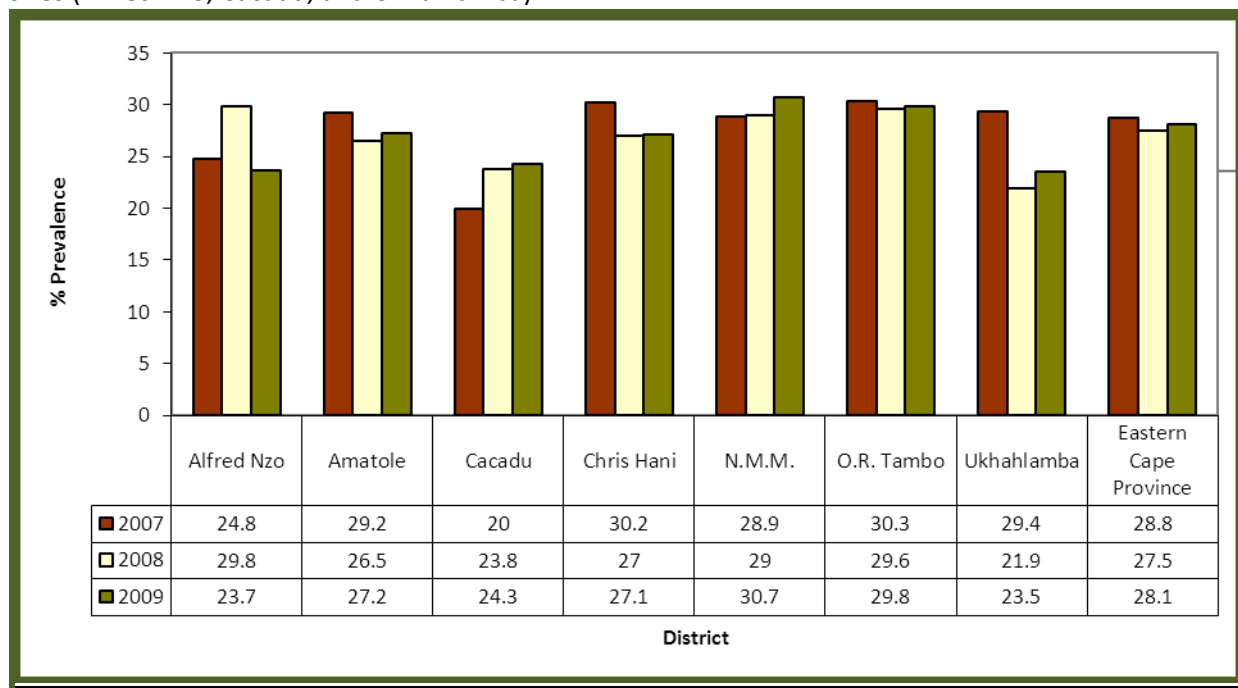


Figure 1: HIV prevalence trends among antenatal women by district, Eastern Cape, 2007 to 2009.

TB – To Improve the Cure Rate by 50%

- Amathole has been declared as a TB crisis district by National Department due to high disease burden, low cure rates and high defaulting rates. Several strategies were adopted to pull the district out of crisis situation, but all seem to have not been fully functional, hence the label as the poorest performing district in TB management in the country
- There were an estimated 9,4 million new cases of TB in 2008 and an estimated 1,8 million deaths (including 500,000 people with HIV) making this disease one of the worlds biggest and infectious killer disease. Majority of the people who died are those who do not comply with TB treatment and especially the defaulters, some they complicate to be Multiple Drug Resistant (MDR). The drugs needed to treat MDR or XDR patients is very much costly than an ordinary one
- The current situation for Amathole District for TB smear conversion is 41,3% and the cure rate is 48,3%. The national smear conversion rate is supposed to be 85% and the cure rate is 185%
- WHO, in collaboration with STOP TB partnership, is working to combat the epidemic through STOP TB strategy, namely:
 - pursue high quality, DOTS expansion and enhancement
 - Address TB/HIV, MDR and the needs of the poor and a vulnerable population
 - Engage all care providers
 - Ensure the health awareness programmes on TB/HIV are reaching out to communities through partnerships with NGO's and through health promotion departments
 - Contribute to health system strengthening based on Primary Health Care
 - Enable and promote research

(b) Municipal Health (Environmental Health)

The National Health Act, 1977 (Act 61 of 2003) defines Municipal Health Services as a service that include: Water Quality Monitoring, Food Control Waste Management, Health Surveillance of premises, Surveillance and prevention of Communicable Diseases excluding immunization, Vector Control, Environmental Pollution Control, Disposal of the dead and Chemical Safety. The definition however excludes Malaria Control, Port health services and control of hazardous substances. Furthermore the NHA assigns the function of MHS to Category A and Category C municipalities. It is for this reason that BCMM has been entering into a Service Level Agreement with the Amathole District Municipality to render the MHS on its behalf.

From 1st July, M.H.S becomes a core competency of BCMM as a Metropolitan Municipality. This implies that BCMM now has to render MHS Services to areas within BCMM that were previously provided for by E.C.D.O.H e.g. in former R293 townships & rural areas of BCMM. In terms of NEMA, BCMM as a Metro has to develop a Air Quality Management Plan and a Water Quality Management Plan in order to address environmental pollution.

(c) Implementation Plan

Section 76 to 78 of Municipal Structures Act, 1998 requires that proper investigation be undertaken to ascertain whether Category A (Metro) or Category D (District Municipality) has the current and future capacity to render new or additional services.

The assessment will indicate the following:

- Status quo with respect to provision of MHS in the entire BCMM area
- The direct and indirect costs and the extent on which Municipal Health Services can be provided.

- The Municipality's capacity and potential future capacity to furnish the skills, expertise and resources necessary for the provision of the service.

(d) Expected Outcomes of the Section 78 assessment

- Implementation Plan that will ensure service delivery continuity;
- Clear funding arrangements;
- Compile and validated costing of Municipal Health Services in Buffalo City Metropolitan Municipality;
- Defined models for service delivery and organizational structures; and
- Service Delivery Implementation Plans aligned to PGDP and MDG.

2.3.12 Public Safety and Security Services

In terms of The Constitution of the Republic of South Africa, Chapter 7, subsection 156, Buffalo City Metropolitan Municipality provides a Fire & Rescue Service and Traffic & Law Enforcement Service to the entire Buffalo City jurisdictional area.

(i) Fire and Rescue Services

BCMM **Fire & Rescue Service** is the seventh largest service in the country and is mainly located within the urban areas and townships. The services rendered to BCMM communities include provision of Fire & Rescue service, fire safety inspections, internal & external (public) training & risk assessments. Fire & Rescue services response times is governed by the South African National Standards (SANS) Code 10090 – Community Protection Against Fire.

(ii) Traffic and Law Enforcement

Crime remains a critical issue for BCMM in terms of its impact on the quality of life of residents and on economic growth. The Quality of Life Survey carried out in Buffalo City in 2001 states that over 30% of the people surveyed had been the victims of crime against property, 14% had suffered violent crime. People living in informal housing areas are more likely to be victims of such crime, according to this survey.

The primary function of the Buffalo City **Traffic & Law Enforcement Services** is the provision of traffic control, monitoring and enforcement of legislation, road education, registration of motor vehicles, roadworthy testing of vehicles, drivers & learners licence testing, dog taxes, monitoring of informal street trading, enforcement of by-laws, crime prevention, approval of protest marches & processions, control of public nuisances and rendering of cash in transit protection services.

As from 1st July 2011, metro powers & functions will dictate that Traffic & Law Enforcement Services operate as a Metro Police Service and therefore Metro Police Services will be established in the entire BCMM area that will include to its services the control of undertakings that sell liquor to the public.

(iii) Disaster Management

In terms of the **Disaster Management Act** (Act 57 of 2002) Disaster Management is the competency of District and Metro Municipalities; however BCMM has been performing Disaster Management functions even prior to 1st July 2011.

As a metropolitan municipality, BCMM will develop its own Disaster Management Policy Framework Plan.

(a) Public Safety & Security Services Achievements

Public Safety and Security Services has succeeded in reducing the average age of fire engines from 18 years old in 2002 to 4 years old in 2011. To enhance the service delivered by Public Safety and Security services the following Fire Stations were upgraded :

- Dimbaza Fire Station
- Fleet Street
- Mdantsane Fire Station

Public Safety & Security was also instrumental in successfully hosting incidence free international sporting & major events e.g. Cricket World Cup, Ironman 70.3, Soccer and Rugby matches.

2.3.13 Local Amenities and Services

The huge inequalities and fragmentation of South Africa's past apartheid cities and towns still prevail in Buffalo City despite the progressive legislation in the country.

In order to address this, the municipality is to embark on various strategies and programmes which will include upgrading of the existing infrastructure, capacitation of its personnel and strengthen its maintenance of the facilities.

(a) Sports Fields

The biggest backlog exists in the sports fields section of Amenities. Many rural sports fields lack the basic infrastructure that is required in order for the community's sport participants to thrive. There are currently 130 recorded sports facilities in BCMM, but the number of facilities must still be verified via an audit. The sports facilities are captured in a GIS format and available via the intranet. The current backlog can be quantified as per the number of sports facilities that are requested, via the IDP consultation process with communities. Eleven facilities were identified of which 6 were for new sports fields or stadiums, and 5 were identified for upgrading and maintenance.

An analysis of the operational budget needs for the 2010 legacy stadiums reveals an amount of R19 341 332, 00 (which is made up staff costs, repairs and maintenance, general expenses and new equipment) which is not budgeted for and thus can be considered a backlog.

(b) Swimming Pools

The lack of a sufficient number of swimming pools for the previously disadvantaged communities also needs to be prioritized even in high population areas, namely: Bisho, Mdantsane and Duncan Village there are no swimming pools currently.

Development in Buffalo City has to address this backlog with its central mandate to develop service delivery capacity to meet the basic needs of communities. The current backlog for swimming pools is two, namely: Mdantsane and Duncan Village that have no swimming pools currently. A concept plan for the redevelopment of Mdantsane Sports Complex has been finalized, but a principle approval for the concept and identification of funding sources are required.

(c) Beachfront Upgrade

The need to integrate and upgrade the beachfront including Marina Glen needs to be considered, so that it is attractive and becomes a hub of leisure, recreation and sport. The assistance of the City Planning in identifying land on the beachfront that has been earmarked for the above uses and for development is required. Feasibility studies conducted in the past must also be made available so that a conceptual plan can be developed.

In total Amenities has a backlog of an estimated R2 200 000, 00 in deferred maintenance.

(d) Parks

Open spaces need to be developed for recreational purposes. There are no formal parks in the Townships.

(e) Libraries and Halls

Other very important Buffalo City community facilities and services include the following:

- The running and maintenance of 33 Halls in respect of which 5 were partially renovated, during the 2009/2010 financial year, at a cost of R1,8 million, major renovation work is still required at councils 28 other halls
- Maintaining and Managing 17 Libraries that are spread across the length and breadth of BCMM. All 17 libraries are in need of major renovations

2.3.14 Crematoria and Cemeteries

The mortality rate in Buffalo City has reached unprecedented levels. This has put a very serious pressure on Buffalo City's existing cemetery facilities.

Buffalo City is rapidly running out of grave sites and is under tremendous strain to develop new sites. Suitable land within 12km of residential areas is a challenge to get and this poses a problem with regards to accessibility of cemeteries. In order to sustain the existing cemeteries new cemeteries By-laws were promulgated which permit the burial of more than one body in a grave.

There is an observable increase in the number of pauper burials in Buffalo City because of indigent and poor families. There are approximately **279 cemeteries** in the entire Buffalo City Municipal area and only one crematorium which are situated in the Cambridge area in East London. Of the ⁶³279 cemeteries twenty nine (29) are formal whilst the rest are informal. The majority of burial sites is in the rural areas and are either located on unsuitable or undeveloped land. The twenty nine formal cemeteries were properly established and are meet the legal standards.

The crematorium at the Cambridge cemetery has recently been upgraded with the installation of new gas operated incinerators which provides an alternative to the conventional burial practice. Serious education drive needs to be implemented in order to change the cultural beliefs regarding alternative burial methods.

A new cemetery environment has still to be established aligning cemetery design, planning and development with the Buffalo City strategic goals and objectives. Aspects to be looked at include:

- Cemeteries that meet sustainable, technical and environmental criteria are needed in order to contribute to a sustainable Buffalo City.
- Cemeteries accommodating Buffalo City's diverse cultural requirements, their functioning as significant public spaces as well as places ensuring that needs are provided for all in order to reflect a dignified city;

- Building civil society and private sector partnerships in cemetery development and management;
- Giving special attention to the indigent, respecting the needs of bereavement at burial, protecting cemeteries as public property and ensuring safe working conditions for employees working in cemeteries.

2.3.15 Environmental Sustainability

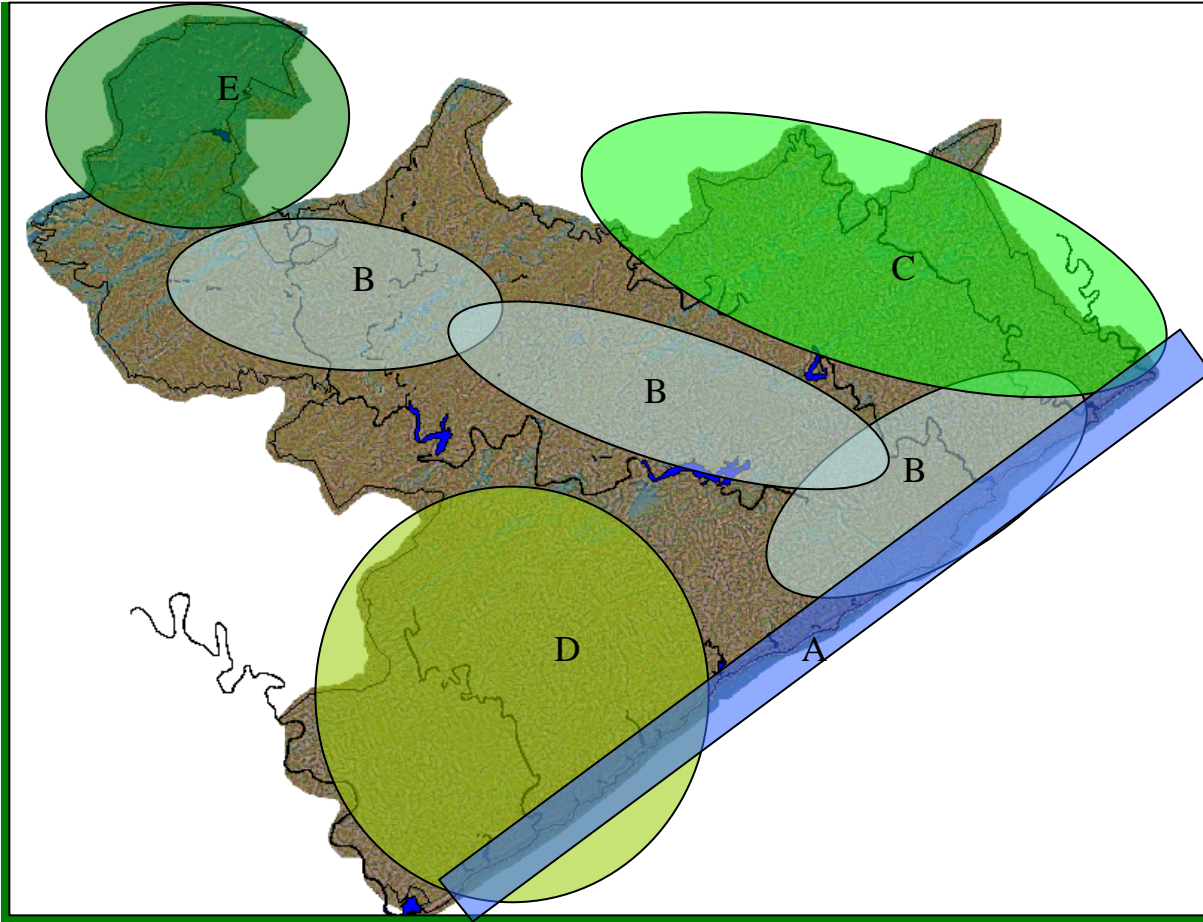


Figure 1: Diagrammatical view of the broad developmental components of BCMM.: A - Coastal environment; B - Various urban areas; C - Privately owned rural agricultural areas in the Mclean Town area; D - Communal land in the west; E - Indigenous afro-montaine and plantation forests.

The Metro has a significant obligation to ensure that the environment over which it has jurisdiction is managed in a sustainable manner, both in terms of its own activities and the activities of its citizens. The Metro environmental responsibilities are underpinned by the following main national legislation and policies.

- The Bill of Rights, contained within section 24 of the Constitution, which states that everyone has the right to an environment that is not harmful to his or her wellbeing and the right to an environment protected for current and future generations;
- Section 7 of the Constitution, which states that the objectives of local government include the promotion of a safe and healthy environment;
- The underlying principle of NEMA is that development must be socially, environmentally and economically sustainable and that environmental management must address human needs;

- This section of the act sets out the considerations that must be taken into account to enable sustainable development, including the need to protect ecosystems, the "polluter-pays" principle, the precautionary principle, the preventative principle, waste minimisation and public participation;
- The Municipal Systems Act, 2000 (Act 32 of 2000), which recognises that it is the duty of the local government to strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner and that they must promote a safe and healthy environment within the municipal area;
- The National Health Act, 2003 (Act 61 of 2003), which details responsibilities in terms of municipal health services, including environmental pollution control;
- The National Health Act, which states that every local authority is required to take all necessary, reasonable and practical measures to maintain a hygienic and clean district at all times and to prevent the occurrence of any nuisance or unhygienic condition; and
- The 1998 White Paper on Local Government, which concludes that environmental sustainability, is an integral component of an IDP.

In response to the legislation, Buffalo City has set up an Integrated Environmental & Sustainable Development Unit. This Unit has an overarching strategic responsibility for the protection and management of the natural environment in Buffalo City. The Unit is strongly supported by the following BCMM departments:

- Integrated Environmental Development
- Environmental Health
- Amenities (including Marine Services)
- Development Planning
- Land Administration
- Solid Waste Management Services
- Water and Scientific Services
- Disaster Management
- Other Provincial and National Departments (DWAF – Coast Care, DEDEA – Eastern Cape Parks Board)

(a) Climate Change and Global Warming

The Buffalo City Metropolitan Municipality has recognized the importance of climate change mitigation and adaptation in its overall environmental management. The municipality has developed a Climate Change and Sustainable Energy Strategy & Policy in line with the National Sustainable Energy for Environment & Development Programme and other relevant legislation and international treaties. The technical champions of the BCMM Climate Change Strategy attended the Climate Change Summit and the outcomes of the summit proven to be highly relevant to BCMM and critical elements of the summit are currently being incorporated to the BCMM strategy. Coming out of the strategy, BCMM as one of the leading Metropolitan municipalities in climate change issues and can expect a decrease in the rate of future demand of electricity and increased energy security; reduction in greenhouse gas emissions; reduction in energy poverty and increased employment opportunities as renewable energy and energy efficiency technologies have been shown to provide more employment than their fossil fuel counterparts. The strategy has identified a number of potential projects such as landfill gas extraction, leachate drainage and other alternative renewable energy programmes, such as solar and wind energy amongst others.

2.3.16 Sectoral Planning

Buffalo City Metro has completed the following strategic plans:

- **Integrated Waste Management Plan (IWMP)**
- **State of the Environment Report (SOER)**
- **State of the Coastal Zone Report (SOCZR)**
- **State of Sanitation Report (SOSR)**
- **Integrated Environmental Management Plan (IEMP)**
- **Integrated Coastal Zone Management Plan (ICZMP)**
- **Sanitation Policy & Strategy (SPS)**
- **Municipal Open Space System (MOSS)**

These strategic sectoral plans provide guidance and determine how Buffalo City fulfils its responsibility with respect to the management and protection of the natural environment.

- Engaged partnerships with Department of Environmental Affairs and Tourism, Department of Environmental Affairs and Development Planning, Amathole District Municipality, Nelson Mandela Bay Metropolitan Municipality, National Association of Clean Air (NACA) and other interested and affected parties.

2.3.17 Solid Waste Management

Solid Waste Management Services are at the centre of environmental sustainability and cover all waste services within the Metro. This Department has aligned its core functions to the National Environmental Management Waste Act (NEMWA) guidelines which are Collections, Landfills & Recycling. It is also guided by its Strategic Integrated Waste Plan which is at present under review. Environmental functions are also under-pinned by Environmental Legislation both new and old. As Environmental issues vary considerably the approach to Environmental management in the Metro is diverse where it ranges from pollution resulting from urban related activities to management of rural communal commonage areas.

In Solid Waste the following services are being rendered:

- Street sweeping
- Refuse removal
- Landfills
- Transfer Stations
- Waste Minimization

As per the National Domestic Standards, refuse is collected from all urban areas at least once a week. In areas where accessibility is a problem drop-off points have been constructed for storage purposes. +- 54 000 households get free basic services

The physical count to survey the number of households receiving a refuse removal service will be concluded by the end of July 2011

However as the Metro population increases so do the challenges to the Waste Department thus the Metro recognizes that, although development must be economically and socially acceptable, it is imperative that the development challenges facing BCM Metro be addressed in an environmentally sustainable manner.

BCM Metro has an obligation and responsibility to manage the natural environment, as detailed in the respective legislation and policy.

- Engaged partnerships with Department of Environmental Affairs and Tourism, Department of Environmental Affairs and Development Planning, Amathole District Municipality, Nelson Mandela Bay Metropolitan Municipality, National Association of Clean Air (NACA) and other interested and affected parties.

There are many pressures on the biophysical environment in the Metro. These include (but are not limited to):

- increased development pressure, especially along the coastline, estuaries & rivers;
- proliferation of informal settlements;
- poor sanitation, especially informal housing
- poor operational state of certain wastewater treatment infrastructure;
- unpermitted and non compliant waste sites;
- lack of proper waste minimization facilities;
- illegal industrial effluent discharges and other illegal dumping;
- poor storm water management;
- Overgrazing on commonage and communal land.

The pressures described above have a serious impact on the state and quality of Metro's natural environment. This results in:

- polluted water resources, including coastal waters, estuaries, rivers & groundwater;
- polluted air;
- damage to the landscape and loss of biodiversity in sensitive coastal areas, natural forests and other important ecosystems (thicket);
- increased invasion by alien plant species;
- erosion, particularly in the peri-urban and rural areas;
- Loss of urban open space.

2.4 KPA 3: LOCAL ECONOMIC DEVELOPMENT

The Economic Development cluster mandate is to create an enabling environment for economy, derived from the following legislations:

{ 67 }

- Constitution of the Republic of South Africa, 1996
- Municipal Systems Act, 32 of 2000
- National Local Economic Development Framework

Various interventions have been implemented in support of the BCMM economy; however the economic recession, macro and micro environmental challenges had a negative impact on economic growth in Buffalo City. Some of the undesirable consequences include, but not limited to the following:

- Job losses through retrenchments
- Limited investment attraction
- Declining economy
- Business relocation

- Increasing numbers of unemployment.

In fulfilling the Local Economic Development Key Performance, Buffalo City Metropolitan Municipality has developed a five year Economic Development Strategy (EDS).

In response to the above challenges the economic development strategy identified key interventions documented in the section that follows.

2.4.1 Agriculture and Rural Development

Rural development and agriculture are distinct activities. Agriculture is one of the main components towards achieving rural development. The Programme of Agriculture & Rural Development within the LED, Tourism & Rural Development Department is mandated to facilitate agricultural development within Buffalo City Metropolitan Municipality, whereas rural development is a cross cutting activity throughout the BCMM directorates, as it would include activities such as roads, transport, housing, health and all other socio economic activities.

During the 2008/2009 financial year, the division was allocated an amount of R4 000 000, 00 from DBSA. These funds were approved for three nodes, namely, Mount Coke Dimbaza Node, Yellowwoods Kei Road Node and Needs Camp Zone. These nodes have been allocated, R1 900 000.00, R1 000 000, 00 and R1 100 000.00 respectively. The funds were used to support existing agricultural co-operatives with agricultural implements such as tractors, ploughing implements, as well as fencing of camp fields within the nodes.

However, in the 2009/2010 financial year, there has been no allocation for agriculture and rural development. The Cooperative Support Fund provided financial support to 10 co-operatives to the tune of R2 000 000, 00. In the King Williams Town area two cooperatives have been trained in organic farming methods and five co-operatives have been trained on Hydroponic or tunnel farming.

During the 2009/2010 financial year the programme has managed to link farmers to the East London IDZ to access information related to incentives, export opportunities and how the Industrial Development Zone can be of assistance to farmers. The programme has also been mobilising funds and technical assistance from the Industrial Corporation (IDC), Eastern Cape Development Corporation (ECDC) as well as the Department of Economic Development and Environmental Affairs (DEDEA) for co-operative support funds. The programme is also assisting farmers to access land through the Department of Agriculture and Rural

2.4.2 East London Fresh Produce Market

This is a municipal entity that provides facilities for the storage and distribution of the fresh produce. It receives and sells the produce to the public on behalf of the farmers who are the suppliers. This is also a revenue source for the municipality. The market agents operate in the allocated floor space. Transformation and economic empowerment still remains a challenge of as the Market Agents still remain a predominantly white sector.

Key objective of the East Fresh Produce Market is to transform the market and encourage participation of historically disadvantaged groups. This objective would be met by facilitating access into the market by historically disadvantaged individuals (HDI). For 2009/10 the Fresh Produce Market prioritised the following programmes extension of the sales hall, upgrading of the Sales System, Upgrading of informal traders (hawkers) storage facilities, Upgrade of cold room facilities. The extension of the sales hall is an

attempt to create more trading space and thus allow access for HDI Market Agents. This is also an opportunity made available to SMME's and Cooperatives in the Agricultural produce sector.

As part of the contribution in the Informal Development support, eleven (11) Informal Traders Storage facilities were constructed and of which two (2) were reserved for people living with disabilities. This is in line with streamlining of cross cutting responsibilities of the municipalities (HIV & AIDS, Youth and Designated groups), providing a municipal facility that provides facilities for the storage and distribution of the fresh produce. To improve the administrative efficiency of the market there was upgrading of the sales system into Fresh mark system. This is an administrative used by the majority of municipal fresh produce markets.

In terms of financial performance of the Market, the annual turnover is at an average of R284 million. The market is supplied by about 850 commercial farmers of which 2% are emerging farmers. The informal traders (hawkers) constitute 35% of the traders at the market.

2.4.3 Tourism Development and Promotion

Tourism is one of the key growth economic sectors of the municipal economy. Despite the recession it has continued to show prospects of job creation, skills development and marketing of the Buffalo City Metropolitan Municipality as tourism destination. For 2009/10 the key objective of the unit was to market the city as a Tourist Destination of choice. This objective would be realised by implementing three (3) programmes which are marketing and quality assurance initiatives.

The Tourism Unit prioritized the following programmes; under quality assurance it was training and capacity building, Tourism SMME Support and under marketing it was tourism events. In line with national government conference resolutions on the Tourism INDABA held in Cape Town, the unit also undertook a process to review the sector plan (Tourism Masterplan)

A total budget of R1, 2 Million was allocated for tourism. As part of the tourism training and capacity building, a total of 60 tourism entrepreneurs were trained in Mdantsane, King Williams Town and East London. The training was targeting individuals who were interested in starting their tourism related businesses in the following subsectors: Bed and Breakfast, Restaurants, Tour Operators. The research that has been conducted indicates that there are a number of tourism related businesses which are operating without following proper guidelines and policies hence the training was organized to give people an understanding of what are the processes that need to be followed (when) starting a tourism business.

As part of the Awareness Program the unit hosted two tourism awareness programs targeting communities and learners. The first event was a Tourism Day Celebration held in Mdantsane at Sisa Dukashe as part of the tourism month celebrations. The event targeted communities to give information about the importance of tourism in the economy whilst it created a platform for people in the tourism industry to showcase their products. The second event was a Tourism Speech and Awards Day which was held in King Williams where a total of 18 schools that are offering tourism as a course participated in the program. The program gave an opportunity to learners to debate tourism related issues and ultimately a tour to all tourism attractions in Buffalo City was organized for the learners that participated in the program. A total of 30 learners and 20 teachers benefited from the program. This programme is in line with national government tourism career expo to encourage students to consider careers and profession in the tourism industry.

The Tourism Unit as part of the Tourism SMME Support Program supported the launch of Emonti Bed & Breakfast Association known as EMMBA. This is an association that has more than 40 Bed & Breakfasts affiliates and such businesses are owned by previously disadvantaged individuals. This is the highlight of the tourism sector transformation in Buffalo City.

Buffalo City Metropolitan Municipality further identified a need to support these businesses by giving them access to marketing platforms in order for their businesses to grow. As part of the marketing platforms created was the participation at both Indaba Trade Show in Durban (annual international trade show) and Kyalami outdoor show in Johannesburg (Annual Domestic Tourism Show). The unit assisted SMME's in Mdantsane, King Williams and East London with the production of marketing material to be distributed at these shows.

Whilst the Tourism Programme is progressing well with implementation of the programs that seek to contribute towards tourism development and promotion, a need was also identified to review the Tourism master Plan. The Tourism Master plan is a sector plan that guides planning, identification and implementation of tourism programmes. The document is currently under review in order to give new strategic direction with regard to tourism development and marketing.

There has been a number of events that are hosted by the city that contributed significantly towards tourism growth. The city has for the first time organized the summer season program in-house which included both the switching on of the festive lights and the Christmas Carnival. Focusing on 2010 the municipality partnered with the Provincial 2010 unit in hosting a switching on of the lights with a 2010 flavour to prepare the city for the 2010 soccer world cup and this was a success. Even though the city is slowly prioritizing events as one of the sector that could contribute towards economic growth, there is still a need to develop an event strategy that will clearly identify the type of events that the city will want to host, how much contribution will hosting of such events bring to the economy of the city and how should the city prioritize events. The hosting of 2010 Soccer World Cup has had positive spin-offs in South Africa. Buffalo City might not have had the stadiums but the marketing and profiling of the country in international platforms will have a long term benefit to the country as a whole

2.4.4 SMME Development

Business Development is a key economic development tool and Buffalo City Metropolitan Municipality focused on the development of the second economy as its key intervention. Second economy is known for its potential to create jobs, encourage entrepreneurship and improve competitiveness.)

For 2009/10 key objective of the Business Development Unit was to grow the (SMME) Small Medium Enterprises sector. This objective would be met by implementing two programmes which are SMME Infrastructure and Capacity Building.

The following are the performance highlights of the Business Development Unit. The R4 million Duncan Village Business Support Centre aimed at promoting, growing, and developing SMMEs has been completed and it was launched by the Executive Mayor on the 28th of May 2010. More than 100 people from Duncan Village were employed during the construction of the centre.

Twenty (20) emerging contractors from the Inland Region were taken through an NQF 2 emerging contractor training programme. This is a programme that is inline with Expanded Public Works Programme (EPWP). As part of the informal sector development which include Street Traders and Hawkers. Ninety (19) Hawkers were taken through business management training.

The outcome of the training was the formal registration of hawkers as business entities i.e. Close Corporation and Cooperatives and opening of bank accounts with financial institutions. The informal sector development included the provision of infrastructure. Fifty five (55) hawker stalls were constructed and distributed to hawkers during the 09/10 financial year. This is aimed at formalising the informal sector.

Two SMME information seminars aimed at creating a platform for SMME and government networking and sharing of information were held. This was to promote entrepreneurship and Sixty SMMEs were taken through Tender Advice and Training Course.

Implementation of the Cooperative Development support was one of the highlight under Business Development. Fifty (50) cooperatives were registered during the 09/10 financial year. Twenty (20) Cooperatives from within BCMM benefitted from the R1 million Cooperative Support Fund. Each cooperative received R50 000 worth of items to develop these cooperatives.

In the marketing and promotion of local SMME'S, ten (10) SMME'S exhibited during the Business Unlimited Expo held on the 22-23 October 2009. This event helped the SMME'S market their businesses throughout the Eastern Cape and beyond.

Work in progress is the review of the municipal supply chain management policy to ensure that SMME'S and Cooperatives are given opportunities to tap into the procurement opportunities. This is in line with the objectives of the Broad Based Black Economic Empowerment Act to promote enterprise development

2.4.5 Trade and Investment

Trade and Investment is a critical factor for sustained economic development and growth. Key objective was to increase and attract foreign and domestic investment. This objective would be met by implementing three programmes which are research initiatives (Economic Intelligence), Business Retention and Expansion (BRE) and Invest Buffalo City. Economic recession had a negative impact on the investment recruitment and attraction. Further more limited internal and external resources comprised the implementation of projects earmarked to achieve this noble objective.

Annual Business Unlimited Expo was successful event held to promote local businesses. Five SMME'S were supported by the department to participate in the event. The supports included the registration to the pre-event training, exhibition stand to exhibit products and participate in workshop targeted to SMME'S.

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Invest Buffalo City is programme still at conceptual stage. It is partnership between Buffalo City Metropolitan Municipality, Eastern Cape Development Corporation and East London Industrial Development Zone.

Partnerships with institutions involved in Investment recruitment was explored with East London Industrial Development Zone (ELIDZ), Eastern Cape Development Corporation and the Border Kei Chamber on the Invest Buffalo City initiative.

2.5KPA 4: FINANCIAL VIABILITY AND MANAGEMENT

This section deals with financial related issues such as:

- Analysis of financial statements
- Revenue Management
- Financial Structure/Liquidity
- Supply Chain Management

2.5.1 Summarised Financial Statement

The Financial Statements listed below relate to the last 3 years of audited financial information viz. 2009/10, 2007/08 and 2007/08.

Table B.20: Income Statements for Respective Years: 1 July 2007 – 30 June 2010

	2009/10 R m	2008/9 R m	2007/8 R m
INCOME			
Government grants	805	615	571
Assessment rates	443	363	325
Sale of electricity	802	610	466
Sale of water	202	181	173
Other service charges	519	524	480
Total income	2771	2293	2015

	2009/10 R m	2008/9 R m	2007/8 R m
EXPENDITURE			
Salaries	786	676	586
General expenses	672	703	629
Purchase of electricity	488	363	268
Purchase of water	106	103	91
Repairs and maintenance	175	117	80
Capital charges	636	306	182
Contributions	0	0	0
Amounts charged out	0	0	0
Total expenditure	2862	2268	1836
SURPLUS / -DEFICIT	-91	96	179

(Source: Unaudited Financial Statements)

Table B.21: Balance Sheets as at 30 June 2010

	2009/10 R m	2008/9 R m	2007/8 R m
CAPITAL EMPLOYED			
Statutory funds and reserves	17	17	248
Accumulated surplus / (-deficit)	12385	12330	6126
Long term liabilities	497	537	513

	2009/10 R m	2008/9 R m	2007/8 R m
Other	295	306	280
TOTAL	13194	13190	7167
EMPLOYMENT OF CAPITAL			
Fixed assets	12616	12581	6591
Investments	205	209	6
Long term debtors / other assets	13	12	
Current assets	1163	1140	1047
Debtors	407	292	374
Cash and short term investments	558	695	609
Other current assets	198	153	64
Current liabilities	803	752	477
Creditors	344	298	269
Bank overdraft			
Other current liabilities	459	454	208
TOTAL	13194	13190	7167

(Source: Unaudited Financial Statements)

(a) Financial Analysis – Selected Financial Indicators

The selected trends and financial ratios relating to Buffalo City for the period under review are listed below. These provide a platform to analyze the current financial situation of the City. The trends and ratios have been divided into the following categories:

- Income and Expenditure
- Revenue management / liquidity
- Borrowing management
- Assets (PPE)

Table B 21.: Income & Expenditure

	2009/10	2008/09	2007/08
	R m	R m	R m
Total income	2771	2293	2015
<i>% Increase over previous year</i>	21%	14%	16%
Total expenditure	2862	2268	1836
<i>% Increase over previous year</i>	26%	24%	13%
	2009/10	2008/09	2007/08
	R m	R m	R m
Surplus / -Deficit	-91	-216	179
Budgeted expenditure	2910	2453	1876
<i>% Increase / (Decrease) over previous year</i>	19%	31%	14%
Salaries	783	670	586
<i>% Of income</i>	28%	30%	29%
<i>% Of expenditure</i>	27%	27%	32%
<i>% Increase over previous year</i>	17%	14%	11%

Number of employees	4625	4576	4230
<i>% Increase / (Decrease) over previous year</i>	1%	8%	2%
Repairs and maintenance	174	117	80
<i>% Of expenditure</i>	6%	5%	4%
<i>% Increase / (Decrease) over previous year</i>	49%	46%	-5%
Capital charges	517	306	182
<i>% Of expenditure</i>	18%	12%	10%
<i>% Increase / (Decrease) over previous year</i>	69%	68%	24%
External interest	62.0	62.2	69.7
<i>% Of expenditure</i>	2%	3%	4%
<i>% Increase / (Decrease) over previous year</i>	0%	-11%	51%
Grant Income			
<i>% Of total income</i>	29%	26%	28%
<i>% Increase / (Decrease) over previous year</i>	-13%	8%	-5%

(b) Total Income versus Total Expenditure

The net deficit for the period under review amounted to R91 million. The revenue growth was higher than the expenditure grown in the past year (Revenue: 23%, Expenditure: 15%). The main contributing factor to the deficit net results is the high capital charges that were the results of asset revaluation.

(c) Revenue

In the 2009/10 financial year 29% of our total revenue was Government Grants (2008/09: 27%, 2007/08: 28). Increasing tariffs to improve our revenue is still a challenge as this seems to result into high debtors' book due to the non affordability of our consumers. This is a threat to the municipality as this means we continue to rely on grant funding in order to address service delivery backlogs.

(d) Expenditure

Repairs and maintenance has increased drastically in the past two years (2009/10: 49%, 2008/09: 48%). This is positive outlook as it means that we are putting more emphasis in maintaining our infrastructure and or assets. However repairs and maintenance as the percentage of total expenditure is steadily sitting between 6% and 4% for the past three years. This means we still need to allocate more resources and attention in maintaining our assets.

Capital charges relates to depreciation as well as interest paid. Depreciation has increased drastically over the past two years due to the revaluation of municipal assets that is required to be in compliance with GRAP (2009/10: 69%, 2008/09: 68%). This is the main reason that our results are showing a net deficit.

The focus on human resource costs as a proportion of operating income has led to a drop from 30% to 28%. More precise budgeting has contributed to this.

(e) Capital Expenditure and Funding

The following table compares Buffalo City's actual capital expenditure, spanning the three years 2007/08 to 2009/10.

The amount for housing excludes the amount that was spent on Operational Projects funded from Local Government and Housing.

Capital spending has increased when compared to the previous year (2009/10: 58%, 2008/09: 53%). This has however decreased when compared to 2007/08 financial year which was 79%. This might be due to the fact that the capital budget has drastically increased in the past two years.

Table B.22: Capital Expenditure

Capital Expenditure Per Service (Rm)	2009/10 Budget R m	2009/10 Actual R m	2008/09 Budget R m	2008/09 Actual R m	2007/08 Budget R m	2007/08 Actual R m
Housing	36.3	25.9	27.9	0.2	27.9	0
Electricity	63.2	68.5	101	78	48.7	49.6
Market	5.8	2.0	3.1	0.6	2.2	0.9
Water	51.7	71.1	76.4	47.6	29.5	47.0
Waste Management	49.7	86.7	95	53	47.0	61.2
Roads	108.6	126.9	121	72	47.0	69.3
Other	421.1	48.8	260	115	170.0	68.8
Total Capital Expenditure	736.4	429.9	684.9	366.8	372.3	296.8

Table B.23: Capital Expenditure per Funding Source

Capital Expenditure Funding Source (Rm)	2009/10 Budget R m	2009/10 Actual R m	2008/09 Budget R m	2008/09 Actual R m	2007/08 Budget R m	2007/08 Actual R m
Grant Funding	365.3	237.5	301.4	164.2	196.7	159.7
Loan Funding	162.7	97.2	206	126.8	125.5	103.7
Own Funding	208.4	95.2	177.3	75.8	50.1	33.4
Total Capital Expenditure	736.4	429.9	684.9	366.8	372.3	296.8

The table above reflects that our capital budget is mainly depending on grant funding. In 2009/10 financial year our capital budget was funded as follows: grant funding 50% (2008/09: 44%, 2007/08: 53%) followed by own funding of 28% (2008/09: 26%, 2007/08: 13%) and loan funding of 22% (2008/09: 30%, 2007/08: 34%).

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(f) Financial Profile

BCMM's cash generation remains stable, own funds invested have declined, contributing to this is the increase in debtors both current and long-term, and the ongoing global economic crisis is also a cause of real concern to the City. Operations have settled and tight cash controls have ensured that cash optimization in spending occurs rather than a focus on cash generation.

An area needing close monitoring will be that of revenue collection so that it can be improved. This is critical to the financial sustainability of the City.

Net assets remain strong and the high increase is mainly attributable to growth in reserves. The ability to meet short-term commitments, has remained, the key strength of the balance sheet, whilst debtors have increased significantly from 2008/09 (R 264 million) to 2009/10 (R 388 million) Cash and cash investments decreased from the 2008/09 financial period to the 2009/10 financial year due to prudent budgeting; cash-vetting before project spending takes place, increase in consumer debtors and current economic environment. Tight controls have been placed on monitoring projects funded externally. This means

project spend only occurs when Buffalo City's is certain that cash is available and bridging finance for external public sector institutions is minimized.

Table B.24: Revenue Management and Liquidity

REVENUE MANAGEMENT	2009/10	2008/09	2007/08
Annual debtors collection rate	93.58%	93.80%	94.61%
Net debtors to annual income	14.70%	13.10%	17%
Days debtors outstanding	54	47.8	65
LIQUIDITY	Jun-10	Jun-09	Jun-08
Current ratio	1.45	1.67	2.2
Liquid ratio	0.70	1.02	1.28

2.5.2 Revenue management

The annual debtor's collection ratio has decreased when compared to the previous financial year. This is due to the current global economic climate.

A negative note is that the net debtor to annual income has increased, meaning that revenue streams are growing at a slower rate than the debtor's book. A revenue management feature that stands out, is the well-implemented credit control policy: the continued effort to manage debtors in a rehabilitation environment, rather than a command-and-control technique.

2.5.3 Financial Structure/Liquidity

Financial gearing levels, displayed over the past four years, have improved, whilst the cash generation and liquidity exhibited strong increases over the past two years.

Structural improvements in the finances show that:

- The total debt to total income ratio has decreased to 27.41% for the period under review (2008/09: 28.40%). This in line with National Treasury targets (35%). Debt capacity remains a strong intangible asset of the municipality to weather future capital infrastructure expenditure shocks. The City has an existing facility with DBSA, once fully taken up the City's ratio will be at 39.31%, 4% above National Treasury's target. The City will therefore by end of 2010/11 financial year exhaust its long-term borrowing capacity and will not be able to borrow any additional funding for Capital Projects in the near future unless it can expand its revenue base.
- An analysis of long-term debt maturity profile reveals no undue maturity concentrations, with the majority of long term outstanding debt spread fairly evenly between 2009/10 and 2029/30. Maturity dates of 2009/10 will require conservative operational budgets, whilst the municipality gears up for stringent debt, asset and cash management.
- Slowed capital expenditure, although not desirable, has proven to bring alleviation to the operational budget and true tariffs payable by ratepayers.
- Both the current and liquidity ratio's need to improve, the standard set for current ratio is 2:1 and the City is currently at 1.45:1, this is a dramatic decline over the past 4 financial years. Likewise the liquidity standard is 1:1, the City is experiencing a rate of 0.7:1, worrying is the decline over the past 4 years which is threatening the ability of the city to honour its short term debts in the near future.

Table B.26: Borrowing Management

	2009/10	2008/09	2007/08
Total debt to total asset ratio	3.80%	4.60%	7%
Interest bearing debt / Total income	27.41%	28.40%	23.10%
Average Interest Paid on Debt	10.69%	11.50%	11.90%
Capital Charges to Operating Expenditure	21.92%	13.50%	9.91%

Table B.27 Assets (PPE)

	Cost	Accumulated Depreciation	Carrying Value
Fixed Assets	13 530 196 009	900 115 420	12 630 080 589
Movable Assets	334 029 146	135 155 950	198 873 196
TOTAL	13 864 225 155	1 035 271 370	12 828 953 785

Development and implementation of Standard Operating Procedures(SOP's) in respect of the preparation of BCMM Financial Statements and the compilation of Asset Registers.

2.5.4 Supply Chain Management

The core focal areas of the Supply Chain Management unit are as follows:

- Contracts management
- Acquisition management
- Supplier development
- Logistics management

(a) Contracts and Risk Management

Value for money: is the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required from the contract.

Performance Management: It also involves building a good working relationship between customer and provider; it continues throughout the life of a contract and involves managing proactively to anticipate future needs as well as reacting to situations that arise.

Risk Management: This means optimising the efficiency, effectiveness and economy of the service or relationship described by the contract, balancing costs against risks.

(b) Acquisition Management

Sourcing Strategies: Buying function for different items as per the requirements of the departments through the rotation of suppliers from our accredited database

Demand planning process: the institutionalising of the planning process to ensure balancing of the budget vs. activities for the institution

(c) Supplier development

Stakeholders relations: training and capacitating of the SMMEs, Cooperatives with regards to the procurement processes of Buffalo City Metropolitan Municipality

Improving on-time delivery: Suppliers to understand the criticalness goods and services can provide major competitive benefits, in the form of lower costs, improved quality, on-time delivery

and customer service, hence the introduction of the supplier development unit to develop and train our suppliers to be competitive and able to deliver the required services on time

Reducing order fulfillment cycle time: Supplier development can result in significant improvements in supplier performance

(d) Logistics management

Warehousing and storage of inventory: The coordination of services of the institution and storage
Inventory and Management: the inventory is kept and managed in this section for the use by the line directorates

2.6 KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

This section deals with public participation and governance issues and these are:

- Corporate Governance (internal Audit, Risk and Fraud Mitigation Management, Legal Services and Compliance);
- Public Participation;
- Cross cutting issues (Special Programmes);
- Integrated Development Plan; and
- Performance Management System

2.6.1 Corporate Governance

Corporate governance is comprised of Risk Management and Fraud Mitigation, Internal Audit/ Audit Committee, Compliance Services, Legal Services, Communication and Development Cooperation, Public Participation and Special Programmes, Knowledge Management, Research and Policy;

The preamble to the Local Government: Municipal Systems Act provides inter alia for the “core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities; ... to define the legal nature of a municipality as including the local community ... working in partnership with the municipality’s political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed; to provide for community participation; to establish a[n] ... enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government; to provide a framework for local public administration and human resource development; .. to ... put in place service tariffs and credit control policies ... by providing a framework for the provision of services, service delivery agreements ... ; to provide for credit control and debt collection; ... and to provide for matters incidental thereto”.

The importance of good governance is widely recognized. Good corporate governance generates the goodwill necessary to enable sustainable value creation.

Other pieces of the legislative framework impact on the activities of the Municipality and for the purpose of this cluster the King III Report is considered important. The introduction of the King III Report on Corporate Governance necessitates increased attention being paid to compliance issues. This covers activities such as Internal Audit, Fraud and Risk Management as well as Information Technology. In addition the implications of the introduction of a Municipal Public Accounts Committee should also be considered.

Within this overall framework fall activities such as risk and fraud management, internal audit, legal and compliance, knowledge management as well as public participation.

The sections set out hereunder all exhibit similar constraints. As a result, material backlogs in dealing with core governance issues develop, resulting in adverse findings by regulatory and oversight bodies. In all instances, backlogs cannot be quantified as the outcomes from this sector relate more to qualitative than quantitative issues.

(a) Risk and Fraud Mitigation

Risk Management within the Municipality is considered to be in a developmental stage. It has not reached the level of being embedded within the Municipality. A Risk Management Framework has been approved and a risk identification process conducted. However, the key risks identified still require to be assessed and mitigating strategies defined. There is a need to identify dedicated resources for this activity and resource capacity constraints hinder implementation of this strategy.

While risk assessments within specific activities are conducted, there is no overall co-ordination of the activity. This compromises the ranking and prioritization of risks.

A similar situation exists with Fraud Mitigation. A draft Strategy document has been compiled and submitted for consideration. There is a need to identify dedicated resources for this activity and resource capacity constraints hinder implementation of this strategy. The number of detected cases of fraud and related irregularities within the Municipality is cause for concern. The resources required for implementation will require to be considered during future budgetary cycles.

(b) Internal Audit / Audit Committee

Buffalo City Metropolitan Municipality has an established Internal Audit Unit which operates in accordance with an approved Internal Audit Charter. The Units mandate is spelled out in the Local Government Municipal Finance Management Act. This includes providing advice to the accounting officer and audit committee on matters relating to internal audits, internal controls, accounting procedures and practices, risk and risk management, performance management, loss control, and compliance with applicable legislation.

The unit is under capacitated. Consequently, not all activities can be subjected to audit. This compromises the overall control environment within the Municipality. The Unit does not undertake investigations of fraud which is the responsibility of line management.

The operations of the Unit and its ability to have an impact on the governance of the municipality are negatively impacted by the location of the Unit. The Unit reports to the Audit Committee on its operations and administratively to the Accounting Officer.

The Municipality has a functioning Audit Committee in place. This Committee operates in accordance with an approved Audit Committee Charter and meets on a regular basis. The Committee reports quarterly in writing to the Executive Mayor.

The mandate of the Committee covers matters such as advising the council, political office-bearers, accounting officer and management of the municipality, on matters relating to internal financial control and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with applicable legislation, etc.

In addition, the Committee reviews the annual financial statements and responds to the council on issues raised by the Auditor-General in the audit report. The operations of the Audit Committee and its ability to have an impact on the governance of the municipality are negatively impacted by the location of the Unit. The Committee is largely seen as an Internal Audit Committee as opposed to an Audit Committee. As a consequence, vital governance procedures are compromised.

The Audit Committee is of the view that the control environment within the Municipality is stressed which evidences itself through the failure to embed fraud, risk, internal audit and managerial reviews into daily operations resulting in adverse findings by both the Internal Audit Unit as well as the Auditor General.

(c) Compliance

Buffalo City Metropolitan Municipality has an established Compliance Unit. This unit, in common with the internal audit unit, provides advice to the accounting officer and management on compliance issues. The responsibility for physical compliance with laws, regulations and policies occurs within the various operating units.

The unit is under capacitated. Consequently, not all compliance activities can be either identified or monitored in a structured manner. This compromises the overall control environment within the Municipality. The Unit reports to the Accounting Officer. The operations of the Unit and its ability to have an impact on the governance of the municipality are negatively impacted by the location of the Unit.

(d) Legal

Legal Services occupies a strategic position within the municipality and ensures the provision of in-house legal services to all Departments and significant Units within the municipality. Importantly, the Unit recognises its positioning in the successful achievement and implementation of the IDP objectives and strategies, however, its intentions must be understood in the context of staff and human resource limitations, as well as service delivery priorities, which impacts in its activity patterns.

The continued lack of understanding of the role of the Unit affects consistent, effective and optimum use of services and this frequently results in the disregard of advice by relevant functionaries and delayed decision making and assumption of responsibility and accountability. The re-engineering of the Legal and Compliance components to create better identity and role definition may permit for beneficial usage of the available resources from a governance perspective.

2.6.2 Public Participation

The goal of the Buffalo City Metro on Good Governance and Public Participation is to realize a viable and caring institution that will promote and support a consultative and participatory local government. Good governance is in the main a participatory, transparent, democratic and accountable system of governance. Developmental local government legislation put in place mechanisms for community interface so as to create enablers to realize good governance within a municipality. The key focal area within good governance is that good governance is a responsibility of all service delivery directorates / units and as such must find a concrete expression in their operational plans. The strategic intent of good governance and public participation is to ensure that BC Metro is accessible to its citizens. This is in keeping with the current municipal vision "A responsive, people-centred and developmental City".

(a) Mechanisms to promote a culture of community participation

In terms of Section 43 of the Municipal Structures Act, a municipality through appropriate mechanisms, processes and procedures must involve the local community in the development, implementation and review of the Municipality's management system. The Metro shall strive to build a strong leadership, with clear vision, maximum participation by the community, the private sector and all stakeholders to meet the basic needs of all and build a solid foundation for growth and lasting prosperity".

Buffalo City Metro has within its realm of development established different platforms to enhance participatory local governance.

(b) Involving our communities

The National draft policy guideline on public participation details the following basic assumptions of public participation:

- Public participation is designed to promote the values of good governance and human rights;
- Public participation acknowledges a fundamental right of all people to participate in the governance system;
- Public participation is designed to narrow the social distance between the electorate and elected institutions.

(c) Mechanisms in brief

Table B.28

Requirement	Tools	Example
'Inform'	Ward Committees	These are critical platforms or organs of peoples power our communities use to interface with their municipality. Informing the community of council decisions, community rights and duties, municipal affairs etc. Community informing ward councillor of their concerns.
	Public meeting or imbizo	Informing the community of council decisions, community rights and duties, municipal affairs etc. Community informing councillors and officials of their issues that concerns its inhabitants.
	Council meetings open to public	Informing the community of council decisions, community rights and duties, municipal affairs etc.
	Annual report	Informing the community of municipal activities
	Surveys	Informing the municipality of the needs of a local ward, or of the levels of satisfaction with the delivery of a service like electricity.
	Newsletter	Informing the community of council decisions and municipal affairs.
	Posters, loudhailers, banners, email notification, media adverts	Inform public of an event or meeting, eg council meeting or imbizo
	Access to Information Act Manual	Communities and stakeholders are allowed by law to access information.
	State of the City Address	The Executive Mayor outlines the programme for the

		year and how our communities can track municipal service delivery programmes
	Community Development Workers	whose key task is to improve service delivery, accessibility and to ensure that there's constant interaction between government and communities
	IDP Stakeholder / Rep forum	Municipality involves stakeholders in the IDP, Budget, Performance management system, performance assessment and service delivery agreements processes.

2.6.3 Special Programmes Cross-Cutting Issues

BCMM Metro must ensure that the MGDs are integrated/ mainstreamed both internally as an employer and externally as a provider of service, so as to address the needs of the vulnerable and marginalized groups. Within this IDP the following are termed cross-cutting issues;

- HIV and AIDS
- Local Agenda 21
- Poverty
- Gender
- Disability
- Older Persons
- Youth and Children
- Public Participation

Each of the Special Programmes Focal Areas namely HIV and AIDS, Youth and Children, Gender, Disability and Older Persons have dedicated BC Metro Strategies.

(a) Mainstreaming Vulnerability as a Cross-Cutting Issue

Mainstreaming seeks to firstly address and redress the challenges faced by marginalized groups within the cross-cutting cluster in terms of their susceptibility or becoming at risk or negatively impacted on due to various factors namely; biological (access to clean water and health services), behavioral (gender inequality) and social factors (children and women at risk of social violence as a result of unsafe housing and inadequate environmental lighting). Secondly, mainstreaming focuses on vulnerability namely, the consequences and results of being for instance HIV infected, the ability of child headed households, indigents and those living in abject poverty to access livelihood assets and support from the state and other agencies.

Within each Ward Committee there is a portfolio holder representative for women, youth, disability, older persons and HIV/ health. During the Financial Year 2010/11 the Women's, Youth, Disability and Older Persons Forums including the Local AIDS Council were established which seek to ensure mainstreaming and participation of vulnerable groups within the metro processes.

IDP mainstreaming remains a challenge in that clusters grapple with firstly how the cross-cutting issues are impacted on by their municipal service delivery; secondly how the cross-cutting issues impact on them as directorates delivering municipal services; and thirdly, as to where the specific directorate has a comparative advantage in order to expand the positive impacts and eliminate or mitigate the negative impacts of its core function on the cross-cutting issues.

HIV and AIDS is synonymous with vulnerability and remains a large and growing threat within the BC Metro's development trajectory. While the levels of new HIV infections are leveling off, the full impact of AIDS in South Africa will only be felt from 2010 onwards. It is estimated that 28% of HIV infections are found within the fourteen major metropolitan areas. During 2009 the new HIV infection rate within the Eastern Cape was estimated at 223 per day, with only less than half the population being able to access of Antiretroviral Treatment and at least 120 AIDS deaths per day. The general South African antenatal clinic prevalence rate was 29.4% in comparison to the Eastern Cape Province's rate of 28.1%. The general adult population infection rate was 17.8%.

An estimated 314 000 South Africans died as a result of AIDS during 2009 and it estimated that by 2015, the labour force will decrease by 21% due to HIV and AIDS with the average life expectancy projected to fall from about 60 to 40 years. The disproportional link between women and poverty is evidenced in the estimation that of the 5.3 million South African HIV infections during 2009, 3.3 million were female and 334000 children. The rising Orphans and Vulnerable Children (OVC) population places additional strain on the metro's resources as the demand for service delivery and indigent benefits increases and inversely proportional, the ability to generate revenue.

Youth younger than 29 years of age account for 65% of BC Metro's unemployed population. According to the State of the Cities Report 2006, only 1.2% of the BC Metro's population possessed a university degree whilst 16.2% had no schooling. Despite this, the metro has a greater ability to provide employment for its working age population in comparison to the Eastern Cape Province and many individuals in search of employment opportunities, better access to health, education and basic services frequent the metro. Employment is an important determinant of one's standard of living and unemployment was cited as one of the main reasons for youth dissatisfaction with life in general and the most serious day-to-day problem being faced by them.

BC Metro has entered into a successful partnership with the National Youth Development Agency which has culminated in 3 Youth Advisory Centers being established. These Centers offer information to youth on career guidance and entrepreneurial opportunities. The BC Metro Bursary Fund provides assistance to deserving youth pursuing scarce skills qualifications. These flagship programmes focus on the development of human capital for the metro and its inhabitants.

According to Census 2001, approximately 5% of Buffalo City's population lives with disabilities. It remains a challenge to obtain updated statistics with regards to the disabled community. Both the East London Central Library and 3 Primary Health Care Clinics have been converted into disability friendly services. The metro has a growing older person's population which is projected to increase from 8% to 10, 5% by 2015.

(b) Reducing vulnerability

Individual and group vulnerability can only be reduced and remedied through the active participation of these groups within metro planning process as the solution lies in access to equitable and multi-functional development programmes, habitable living conditions and access to basic services all of which not only improve the quality of life, but also result in a safer, healthier, productive and sustainable environment.

2.6.4 Integrated Development Planning and Performance Management

Section 25 (1) of the Municipal Systems Act 32 Of 2000 stipulates that "each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- i. Links, integrates and co-ordinates plans and take into account proposals for the development of the municipality;

- ii. Aligns the resources and capacity of the municipality with the implementation of the plan;
- iii. Forms the policy framework and general basis on which annual budgets must be based

The act further defines an integrated plan as a “principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”. It also binds the municipality in the exercise of its executive authority. An IDP is developed for a 5 year period which coincides with a term of Council. Such a plan has to be reviewed on an annual basis.

Performance Management fulfils the implementation of the Integrated Development Plan. The performance of an organisation is integrally linked to that of its staff. It is critical and important for any organisation to periodically review its own performance as well as that of its employees. In order to comply with legislation and to improve on good governance and service delivery it is essential for municipality to adopt a policy on Institutional and individual performance management. On the 28 August 2007 Council approved Framework for Institutional Performance Management. The Framework contains an annual work plan with processes to be followed in developing and implementing Performance Management.

Performance Management is a strategic approach through which the performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards allowing for regular planning, monitoring, evaluating and reviewing of performance at both organisational and individual levels, effectively responding to inadequate performance and recognising outstanding performance.

(a) Some Institutional Challenges

Even though strides have been made with regard to annual reviews of the Integrated Development Plan and the roll-out of a Performance Management System there still remains a few recurring institutional challenges, which relate to the following:

- IDP thematic cluster working groups are still not able to fully function independently and carry out activities as outlined in the process plan. Four Clusters, namely, Institutional and Finance; Economic Development; Infrastructure and Spatial; and Social and Environmental were established to serve as vehicles through which the IDP review process would be carried out but these had difficulty functioning independently. Efforts aimed at ensuring that Clusters function independently included appointment of technical cluster leaders for each cluster
- alignment of the Integrated Development Plan and Budget, even though to a certain extent alignment could be established it still remains a challenge to explicitly demonstrate a 100% alignment of the IDP and Budget.
- There are also limitations within the institution in terms of fully comprehending the concept of integrated development planning, particularly the fact that it should inform and guide all planning, decisions and developments within the municipality.
- Non involvement of communities in setting of key performance indicators.
- Lack of integration between formal reporting and reporting to communities, e.g. performance is reported quarterly in addition to that, political leadership should also report to communities regularly on municipal performance.
- Lack of integrated municipal planning and reporting on basic services.

2.6.6 Communications and Development Co-operation

Communications and Development Cooperation plays a pivotal role in harnessing and maintaining strategic relationships locally and globally. This positions the organization as a strategic tool for the facilitation of effective and efficient service delivery.

(a) Communication

BCMM has a comprehensive Communication and Media Strategy which was adopted by Council.

(b) Intergovernmental Relations

Buffalo City Metro has a responsibility of forging relations with other spheres of government. The aim is to integrate planning, resource utilization and mobilization to maximize service delivery. Our multi-sphere engagements strive to comply with Act No 13. of 2005 of IGR Framework Act .

The concerns of the national and provincial government are also concerns of the municipality. Therefore going forward as metro concerted and co-ordinated efforts will be required so that Buffalo City works with and leverages of all of government, parastatals, the private sector and civil society partners. It would also align the organisation, strategy, budget and implementation programmes so that resources are used optimally and to enhancing service delivery.

(c) Development Cooperation and International Relations

The international relations programme is designed to position the Municipality as a strategic global player. The role of the development cooperation and international relations unit is to manage and coordinate all sister city partnerships, international donor relations and other strategic international relations that will strategically enhance the municipality's integrated development plan.

Highlights of scope covered

Buffalo City has made a significant footprint in international relations. Some of the more prominent current initiatives include twinning agreements with the Cities of Gävle (Sweden), Leiden (Netherlands) and Milwaukee (USA); partnerships with other international local government associations namely VNG (Netherlands) and ICLD (Sweden); and ongoing development assistance through donor agencies such as SIDA, EU, GTZ and KFW. In March 2009, a tripartite agreement was signed by Amathole District Municipality and Buffalo City Metropolitan Municipality for partnership activities with the City of Glasgow, Scotland. In October 2010 a tripartite partnership was signed with the City of Glasgow, Scotland. In addition, an exploratory visit to Francistown, Botswana was initiated to revive a dormant partnership and identify new possible areas of collaboration. The NetsAfrica programme which looks at decentralization and local developmental policies was initiated in 2009 between the Region of Tuscany, the Italian Foreign Ministry and the former Department of Local and Provincial Government. The International relations Framework has been approved by Council and the Draft International Relations policy will be workshopped and submitted to Council for approval

The critical focus areas for the metro on international relations and development cooperation would be to optimise development cooperation efforts in the South, i.e. South-South partnerships within South Africa and in Africa therefore realising the African Agenda. Furthermore, the municipality would need to

maintain existing partnership agreements and the sign new strategic agreements to gain competitive advantage for economic growth and develop municipal and city capacity.

(d) Customer Relationship Management

Successful customer relationship management (CRM) starts with a business strategy, which drives change in the organization and work processes, enabled by technology. It needs to be recognised as a cross-cutting function whose main purpose is to see to the implementation of CRM initiatives in a consistent way across the political, corporate and functional dimensions of the organisation.

Matters for consideration by Buffalo City Metro would include capacity, skills and resource constraints which remain a problem in the municipal environment. Internal streamlining will also need to be aligned as it provides a major stumbling block in providing adequate service delivery. Furthermore, blockages need to be removed, processes need to be streamlined and systems need to be put in place to avoid bottlenecks and misinformation. Customer relationship management can provide immense opportunity for turning negative perceptions into a positive image of the City.

3. Summary of key issues from the situation analysis

- (a) Declining revenue base thus negatively impacting on financial viability and sustainability;
- (b) Institutional inefficiencies that limit BCMM's responsiveness to community issues;
- (c) Disintegrated management and compliance systems;
- (d) Low economic growth, high rate of unemployment and widespread poverty;
- (e) Capacity to assume new powers and functions in relation to healthcare and other service delivery mandates; and
- (f) Service delivery backlogs hampering economic growth, tourism development and quality of life.

4. Key Institutional Challenges

Emanating from the situation analysis exercise and a SWOT analysis of the institutional environment which was undertaken to ensure that BCMM acknowledges its existing challenges, the following critical areas were identified:

Political environment:

- Real and perceived political tensions
- Management of the political administrative interface
- Unclear roles and responsibilities
- Ineffective stakeholder management
- Responsiveness to BCM's needs by other spheres of government
- An inactive IGR Forum

Economic environment:

- The BCM budget is historically and not scientifically based
- The budget relies heavily on donor funding
- BCM's finances are not sustainable
- The credit control policy is not fully implemented
- The development of the local economy does not receive adequate priority status
- A lack of funding and resources is hampering service delivery.
- Infrastructure provision and maintenance costs are expected to rise rapidly and continuously.

Social Environment

- The majority of BCM's population lives under poor socio economic conditions

- Poor socio economic conditions manifest in a number of social ills
- High poverty levels negatively affect people's ability to pay for services rendered.
- Poor social conditions require additional social services for which there are limited resources
- Poor spatial planning worsens socio economic conditions and hampers service delivery

Technical Environment

- Sustainable service delivery is hampered by a lack of critical technical skills.
- There is a high staff turnover, skills are hard to retain and there is no succession planning.
- There is a lack of sufficient resources and a lack of alignment between functions and funding.
- There is a lack of IT support and equipment (computers)
- There are a number of staff in acting capacity
- Ineffective usage is made of the MMDC forum
- Legislative and regulatory standards are not fully understood

Institutional Environment

- Human resource management issues; including a high technical staff turnover, skills shortages, and a lack of support to personnel.
- Organisational development issues including a lack of strong leadership, silo mentality, a lack of teamwork and low morale and work ethics
- Poor stakeholder management on all levels
- There is a lack of integration between the various municipal plans
- A lack of understanding of the impending changes as a result of the transition to a metropolitan municipality.
- Employee accommodation is fragmented (offices and workshops) which limits institutional efficiency and hampers effective service delivery

Legal environment

- Legal compliance is not yet at the desired level
- Underutilisation of the internal audit unit to ensure compliance
- Legal compliance is not approached holistically
- There is a high turnaround time within the legal services section which implies that critical legal actions may be compromised
- There are numerous legal actions instituted against the municipality
- Legal processes are complex, bureaucratic and frequently misunderstood
- Legislation and regulations applicable to the local sphere of government are also complex and poorly understood.

SECTION C

SPATIAL DEVELOPMENT FRAMEWORK

1. Introduction

The **Spatial Development Framework (SDF)** for Buffalo City has been compiled to support the development vision, and sectoral objectives and strategies identified in the BCMM's Integrated Development Plan (IDP).

In terms of Section 26(e) of the Municipal Systems Act (Act No. 32 of 2000), the SDF is a legally required component of the Municipality's IDP. Whilst the full SDF document is available as a 'stand alone' report, this section serves to focus on the key elements contained in that report, which identify the desired spatial form of Buffalo City.

Once approved by the Municipal Council, the Buffalo City SDF has the status of a statutory plan, serving to *guide and inform all decisions on spatial development and land use management* in the area to which it applies.

However, it is critical to understand that the SDF is not a comprehensive, blueprint plan. Rather, in line with a new, more flexible conception of spatial planning and its interrelationship with other (spatial and non-spatial) development processes prevailing in South Africa now, the Framework is *indicative* in nature and not, in the final instance, prescriptive.

Following the direction of the *White Paper on Wise Land Use: Spatial Planning and Land Use Management* (Department of Land Affairs, 2001), **the SDF is intended to:**

- Function as a strategic, indicative and flexible *forward planning tool*, to guide decisions on land development;
- Develop a set of policies and principles, and an approach to the management of spatial development in the Buffalo City area, which is clear enough to guide decision-makers in dealing with land development applications (i.e. it will serve to inform the formulation of a new Land Use Management System);
- Provide a clear and logical framework for spatial development by providing an indication of where the public sector would, in the first instance, support certain forms of development and where state investment is likely to be targeted in the short – medium term;
- Based on this, to provide a clear spatial logic that would facilitate private sector decisions on investment in the built environment;
- Facilitate the social, economic and environmental sustainability of the area; and
- In the rural context, provide a framework for dealing with key issues such as natural resource management, land reform, sub-division of rural land and the conservation of prime and unique agricultural land.

2. Key Informants of the Spatial Development Framework

For the purposes of the Buffalo City SDF, the key legislative and policy elements of this new approach to spatial planning are derived from: -

- The Municipal Systems Act (Act 32 of 2000);
- The Development Facilitation Act (Act 67 of 1995);
- The White Paper on Wise Land Use: Spatial Planning and Land Use Management (March 2001); and
- The Draft Land Use Management Bill (July, 2010).

The above laws and policy documents provide the foundations for establishing the parameters of a SDF. As such, these are the principle informants on matters of policy for the BCMM and, in the case of the enacted laws, the Municipality is legally obliged to apply their provisions when engaging in spatial planning and land use management.

In addition, the SDF is materially informed by the outcomes of completed and ongoing Sector Planning processes within the BCMM and the ADM.

3. Spatial Development Scenario

After evaluating a number of alternative strategies, the BCMM's IDP has adopted a broad spatial development scenario identified as **Building on Urban and Rural Strengths**. For the purposes of this SDF, this overall concept is accepted and endorsed as a strategic direction provided by the Municipal Council.

In this regard, the Buffalo City IDP notes that:

- In essence, the [approach of Building on Urban and Rural Strengths] acknowledges that the urban areas of greater East London/Mdantsane and King William's Town/Bhisho and environs are focal points for significant economic growth and development within Buffalo City over an extended period of time.
- However, it is accepted that there is a dependency amongst a significant proportion of the residents of Buffalo City on access to peri-urban and/or rural land for basic livelihood (i.e. survival or subsistence) purposes, and that this is likely to continue to be so, at least in the medium term (10 years).
- Therefore, it is concluded that it is most rational and economically effective to focus higher order development investment (in infrastructure, housing and a diversity of economic enterprises) in the urban core areas.
- However, a proportion of the resources of the BCMM must also be targeted in areas of opportunity and areas of need in fringe rural and peri-urban areas, in order to upgrade existing settlements and create or facilitate new development opportunities in these areas.

In response to the above Scenario, the SDF for Buffalo City is based on the **Objectives and Strategies** for the management and direction of spatial development and land use management in the area, which are set out below.

4. Spatial Development Objectives & Strategies

The following issues, objectives strategies were identified in the IDP 2011-2016:

Priority Area	Strategic Objective	Specific Objective	Strategy
Spatial Planning	BCMM 3: To create an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality	Planning for sustainable human settlements, especially in the former marginalised priority townships of BCMM (i.e. Duncan Village & Mdantsane)	Generate Township Establishments
		To integrate the fragmented spatial form	Generate Local Spatial Development Frameworks that will guide growth, & development in the metro.

5. Proposed Spatial Structure of Buffalo City

This section highlights the basic **Spatial Structuring Elements** identified in Buffalo City. These elements are used to manage and guide development into certain patterns or arrangements, which will lead to a better and more efficient city in future.

5.1 Conceptual Approach to Spatial Elements

From a conceptual point of view, the urban portion of Buffalo City extends in a linear form along the main watershed between East London and King Williams Town, with the historical settlements and urban nodes using the main roads and railway line as the main transport route to the surrounding area.

This urban form can be simply described as 'beads on a string' and, in order to enhance the operational effectiveness of this built form, it is envisaged that future development should be directed in such a way that the various settlements or nodes (beads) along the main rail and road transport routes (or string) be allowed to develop in intensity (i.e. density and variety or mix of land uses).

This is intended to create areas where the density of development and the increased variety of opportunities at points of good access to the majority of residents would improve both the overall functioning of the built environment in Buffalo City, as well as offer better social and economic opportunities for the residents.

More specifically, it is suggested that within areas of high need and/or development potential, the integration of modes of transportation, particularly public transportation modes, should be undertaken to create points of high accessibility for a greater number of people. Of particular importance in the longer term is maximising the potential of historical investments in rail infrastructure.

There are also signs that use of this mode is increasing, and this should be vigorously encouraged. In this context, the main railway stations represent points of particular potential. Creating high density, mixed-use nodes, which provide intensive local markets, and thus, a climate in which small business can flourish around them, should reinforce these high accessibility points. The components of these nodes are discussed below.

For the purposes of the Buffalo City SDF, then, the central development concept is one of 'beads on a string', with the string comprising a linear system of integrated movement modes and the beads being the intensive mixed-use nodes, around multi-modal transportation terminals. An alternative (or more

technical) description of the concept would be to focus on the concepts of nodes (beads) and corridors (string).

Using the basic concept of nodes and corridors as a fundamental planning tool, the conceptual framework is extended to incorporate the following key aspects: -

At each Node, it is desirable to integrate a number of physical elements, including: -

Public transportation terminals: An important theme running through the concepts is the integration of different modes of transportation, particularly public transportation. The existing rail system, although badly under-utilised at present, represents a major potential asset. A conscious attempt should be made to activate this potential by significantly increasing housing densities around stations and by integrating stations with taxi and bus terminals. The success of the plan, however, is not dependent on the utilisation of the train system.

Public facilities: Wherever un-served demand for public services exists, the nodes should become the focus of social facilities and services such as schools, clinics, community halls, sports fields, pension payout points, libraries and so on.

The public spatial environment: At all nodes, careful attention is given to this. There are two main reasons for this. The first is that the quality of the public spatial environment has a profound impact on private investor confidence. The second is that the public spaces have a direct economic role, in that they provide viable opportunities for informal trade, at very low overheads. If properly managed, this kind of activity can add to the vibrancy and attractive power of the node.

Housing: The nodes provide opportunities for high-density housing, where households, who wish to do so, trade off space for much greater convenience and lower costs. The nodes also offer entrepreneurs economic opportunities through the provision of rental accommodation and lodging.

Manufacture and Retail: Develop opportunities for smaller and larger forms of manufacture and trade, both formal and informal.

There can be no doubt that an efficient transport system is fundamental for the successful development of the City. The greater the integration between development and the road, rail and modes of transport, the more opportunities there will be for economic development. This implies a need to develop intense and higher density settlements with mixed uses along the main transport routes; inner city medium density residential environments surrounding the East London and King (William's) Town CBD's and medium density residential development not more than 120 metres from bus/taxi routes and near stations.

As a refinement of this model, the MELD plan completed in 1999 also conceptualised 'Public Transport suburbs' situated within 500 metres of public transport and railway stations, giving way to vehicle priority suburbs further away from the main transport routes.

The rural areas, which contain agricultural/residential mixed uses, would be located in suitable areas where water soils and topography could sustain 'urban agricultural environments'. It is further proposed that market garden living environments be supported where commercial scale agriculture could be sustained.

Such a conceptual framework would enable a close relationship to develop between urban and rural settlements. There is a danger that urban sprawl could erode valuable agricultural land if it continues

unchecked. Accordingly, it is believed essential that increased densities close to transport and economic centres are a vital strategy.

New investment in housing, commercial buildings, industrial sites and recreation facilities should be used to increase the intensity of land use within the confines of the existing urban area and thereby raise living densities, improve public transport viability and increase economic activity.

Investment in public facilities can also be used as development facilitators through the development of intensive mixed use nodes and creation of 'community bundles' containing public facilities, community services and sports infrastructure. Through this conceptual framework of integrating development closely with efficient transport systems, an improved environment is expected for the future city. In order to achieve such a future vision, certain key spatial structuring elements need to be used in all development decision making to direct growth and ensure the city starts to re-direct development into a framework which is more appropriate and desirable.

5.2 Spatial Structuring Elements in Buffalo City

Recognising the need to plan for efficient transport access, maximise use of resources and achieve sustainability; there is a need to focus limited public resources in areas of opportunity and create maximum impact. This in essence is the Compact City Model and it espouses the need for Structuring Elements/Concepts. These structuring elements are clustered into six main components: -

1. Nodes
2. Corridors
3. Urban Edge
4. Open Space System (OSS)
5. Densification/Residential Intensification
6. Mixed Uses

5.2.1 Definitions

1. **Nodes** – comprising existing and proposed nodal points in the city where mixed uses and high intensity transport, business and residential activities can or do take place. There are two main types of Nodes applicable in BCMM:
 - **Metropolitan or Primary Nodes** – these are nodes that are of such significance in terms of scale, location, impact, diversity and agglomeration of function (facilities, services and economic activities), that they impact on the metropolitan region as a whole (or have potential to do so in the context of the SDF).
 - **Local Nodes** – these are modal interchanges and lower-order intersections within a corridor or activity street where a range of lower-level activities and services, aimed at local needs, tends to locate.
2. **Corridors** – described variously as follows: -
 - **Activity Corridors**, which are described as bands of high-density urban development up to 800 metres wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use, which are commonly called nodes. Activity corridors are generally considered the highest order of corridor. In Buffalo City, two activity corridors have been identified: -
 - o **The Mdantsane – East London Corridor (MELD)**

- **The Rail Corridor** associated with the passenger rail link from Mdantsane to East London CBD.
 - **Activity Spines**, which are defined as the central road or railway line within an activity corridor that links major or minor nodes.
 - **Activity Street**, which is usually defined as a local street that is located within the sphere of influence of an activity corridor and reinforces it. To be classified as an activity street, vehicle and pedestrian access to a mix of land uses is a priority.
 - **Mobility Routes**, which are defined as roads with limited access that principally, carry traffic between major nodes. An example of a mobility route would be the N2 linking East London to King William's Town.
3. **The Urban Edge** - is a demarcated line and interrelated policy that serves to manage, direct and limit urban expansion. Certain types of urban development outside the continuous development of the urban core area should only be allowed:
- Within small towns and rural nodes, and
 - Where the natural environment and agriculture are not compromised.

The urban edge forms the boundary between urban development and the valuable natural and agricultural hinterland and serves to contain the lateral growth of the urban areas.

4. **The Open Space System** - is a rationalised network of interconnected open space aimed at:
- Complementing the built fabric by providing the urban environment with variety, character, a sense of visual relief, open space enjoyment, recreation and general amenity, and
 - Protecting biodiversity in urban areas, and providing animal and plant species with habitats.

The Open Space System identified in the Municipal area, comprises of designated Protected Areas, areas identified for protection, environmentally sensitive areas (conservancy areas etc.) and sensitive areas associated with water courses and major river systems.

5. **Densification/Residential Intensification** – is the process whereby residential densities (the number of dwellings per hectare) are increased in a planned and meaningful manner within the existing boundaries of a specific area.

6. **Mixed Uses** – Mixed-Use development is the horizontal and vertical integration of suitable and compatible residential and non-residential land uses within the same area or on the same parcel of land. It is aimed at facilitating a wide range of residential types within close proximity to employment, educational, social and recreational opportunities.

The proposed structuring elements of the city are described below:-

5.2.2 Development Nodes

Nodes are generally described as areas of mixed-use development, usually having a high intensity of activities involving retail, traffic, office, industry and residential land uses. These are the places where most interaction takes place between people and organisations, enabling most efficient transactions and exchange of goods and services. Nodes are usually located at nodal interchanges to provide maximum access and usually act as catalysts for new growth and development.

The following classes of node have been identified and/or are proposed:

NODE TYPE	AREA/DESCRIPTION OF LOCALITY
PRIMARY NODES:	
Central Business Districts (CBDs)	<ol style="list-style-type: none"> 1. East London 2. King William's Town 3. Mdantsane 4. Dimbaza
Major Mixed Land Use Nodes (Potential)	<ol style="list-style-type: none"> 1. Mount Ruth Station 2. Arnoldton Station
LOCAL NODES:	
Minor Mixed Land Use Nodes (Existing)	<ol style="list-style-type: none"> 1. Meisieshalt 2. Bonza Bay Road (Sparg's Centre) 3. Ndende (Duncan Village) 4. Golden Highway (Mdantsane) 5. Berlin town centre 6. Zwelitsha town centre
Minor Mixed Land Use Nodes (Potential)	<ol style="list-style-type: none"> 1. Quenera 2. Brakfontein 3. Chester Road 4. Cove Ridge 5. Nahoon Valley 6. Mdantsane Station 7. Mtsofso Station 8. Needs Camp 9. Zone CC (Mdantsane) 10. Fort Jackson Station 11. Ndevana 12. Phakamisa Junction
Administrative Node	<ol style="list-style-type: none"> 1. Bhisho
Commercial Nodes	<ol style="list-style-type: none"> 1. Vincent Park 2. Beacon Bay Retail Park/The Hub
Industrial Node	<ol style="list-style-type: none"> 1. East London IDZ
Coastal Nodes	<ol style="list-style-type: none"> 1. Kidd's Beach 2. Sunrise-on-Sea
Rural Service Centre (Existing)	<ol style="list-style-type: none"> 1. Crossways 2. St Luke's (Newlands) 3. Kidd's Beach Interchange 4. Thorn Park
Rural Service Centre (Potential)	<ol style="list-style-type: none"> 1. Khwetyana Intersection (Newlands)Thornpark 2. Kuni Village 3. Upper eJojweni Village (Tyolomnqa) 4. Drayini Village (Yellowwoods)

Specific preferred land use outcomes and associated land use management guidelines are outlined in the various Local Spatial Development Frameworks (LSDF) approved by council and which now form part of the SDF. Please refer to the City Planning Division to find out if there is a LSDF for your area before proceeding with any development.

5.2.3 Development Corridors

(Refer to Plan No. 5: Structuring Elements – Nodes & Corridors)

As per the definition outlined above, the following corridors are identified within Buffalo City: -

CORRIDOR TYPE	AREA/DESCRIPTION OF LOCALITY
Activity Corridors	<ol style="list-style-type: none"> 1. Mdantsane – EL Development Corridor 2. Railway Corridor
Activity Streets	<ol style="list-style-type: none"> 1. Devereux Avenue (Vincent) 2. Lukin Road/Pearce Street (Berea) 3. Old Transkei Road (Stirling/Nahoon) 4. Gonubie Main Road 5. KWT to Bhisho link (Maitland Road)
Mobility Routes	<ol style="list-style-type: none"> 1. N2 (East London / KWT & EL/Umtata) 2. N6 (East London / interior) 3. R72 Coastal Road (EL/Port Alfred) 4. Mount Coke Road ([346] EL to KWT) 5. DR02909 linking Ilitha to Zwelitsha via Phakamisa & Ndevana
Proposed Mobility Routes	<ol style="list-style-type: none"> 1. Quenera Road linking Beacon Bay Retail Park to Gonubie 2. N2 Bypass (realigned) from Amalinda Interchange through Haven Hills and across Buffalo River to link into R72 3. Mdantsane Access Road south to Mount Coke Road (346) via Reeston Phase 3 4. Route from Mdantsane Zone CC via Potsdam Village across Buffalo River to Needs Camp and 346

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Specific preferred land use outcomes and associated planning and aesthetic concerns at the above localities are outlined in Section G below. These form part of the Land Use Management Guidelines of the Spatial Development Framework.

5.2.4 Open Space System/Environmental Network

The environmental conservation and management areas in the city comprise all afforested areas, coastal reserves, nature reserves, estuaries and river flood plains, steep slopes in excess of 1 in 6 gradient and fragile ecosystems.

These areas are further defined in the Buffalo City Integrated Environmental Management Plan and Coastal Zone Management Plan.

Plan 6 depicts the Open Space System/Environmental Network in a conceptual manner including those areas of Buffalo City where main environmental management areas are situated.

The main areas comprise the Amathole forest inland from KWT, the Nature Reserves (Umtiza, Fort Pato, Gonubie and Amalinda), the coastal belt and the main river valleys throughout the city.

A network of open space within the city is envisaged to ultimately achieve linkages between river valleys, parks and forests. These would embrace the Nahoon Valley Conservancy (which is proposed as a future Metropolitan Park) and the proposed Nahoon/Blind River Nature Reserve along the beachfront as well as the Cove Rock Conservancy.

A key proposal of the SDF is the extension of the Umtiza and Fort Pato reserves along the northern side of the Mount Coke Road (346), between the road and the Buffalo River. The primary motivation for this proposal is to establish a conservancy network that is home to a number of endangered species and other conservation-worthy plants and animals.

Finally, a key structuring element is the definition of an extended conservancy network along the northern borders of Buffalo City by the **Sub-Tropical Thicket Ecosystem Planning (STEP) Programme**. This area is defined as one that contains systems of natural pathways for conservation-worthy plants and animals that ensure these species survival. As such, this area should be protected from high-impact land uses.

5.2.5 The Urban Edge

As part of the effort to consolidate the urban areas and achieve a more compact city, the Spatial Development Framework proposes that an Urban Edge be defined beyond which it is envisaged that lower density rural development will be favoured). As is illustrated, the Urban Edge encompasses the existing urban components of Buffalo City and their immediate hinterlands.

The Urban Edge defines the zone within which the municipality will endeavour *to upgrade levels of infrastructure over a period of time and according to available resources, to support higher densities of residential, industrial, and commercial development.*

Beyond the Urban Edge, it is envisaged that rural communities will enjoy lower density environments with basic infrastructure and social facilities.

The delineation of an Urban Edge is vital for the achievement of development (principles) regarding the containment of urban sprawl, the intensification of development and the integration of urban areas.

The Urban Edge is used to:

- contain urban sprawl
- protect significant environments and resources
- re-orientate Growth Expectations
- densify built environments
- restructure growth patterns
- rationalise service delivery areas

Council has approved the Urban Edge Policy Framework to which reference must now be made with respect development outside of the Urban Edge. In addition to that Council has also approved the North Eastern Urban Edge Study.

5.2.6 Densification and Erf Sizes

Densification supports the Urban Edge with the achievement of a more compact city by encouraging the intensification of residential land uses in areas within the Urban Edge and thereby limiting Urban Sprawl. Densification can be achieved by:

- Allowing the development of smaller residential erven (access to these smaller erven by using 'panhandles' and Right of Way servitudes, needs to be carefully considered).
- Encouraging higher densities in 'low cost' housing developments.
- Encouraging the development of flats and townhouses (cluster housing).
- Discouraging the subdivision of agricultural land (outside of the Urban Edge) by setting a minimum subdivision size of 10ha. This will encourage densification within the Urban Edge and protect valuable agricultural land.
- Encouraging the development of 'Social Housing' in appropriate locations within the Urban Edge.
- Supporting the range of generic settlement models proposed in the ADM in the Land Reform & Settlement Plan E.3.6.1 Settlement Models and Prototypical Levels of Services.

Notwithstanding the principle of limiting residential development outside of the Urban Edge, rural settlement upgrading and land reform is supported by Settlement Models and Prototypical Levels of Services.

The principal informant in guiding the definitions of different levels of service (LOS) for the purposes of defining the Urban Edge is the work approved by the Amatole District Municipality in the Land Reform & Settlement Plan (2003).

The intention of defining the different settlement models would be the establishment of a range of options that the BCMM could endorse and make available to prospective beneficiaries of a land development process.

It is acknowledged at the outset that the range of settlement models is more easily contemplated in a 'Greenfields' situation such as in those areas where freehold tenure/commercial farming is the norm. However, the models are not only for new developments, but can be used to broadly identify and categorise existing settlements in order to shape planning and support interventions in these areas.

5.2.7 Mixed Uses

Depending on the land-use mix and the location of development, it may not always be desirable to have a mix of uses on one land parcel. The issue of mixed-use needs to be viewed at two scales:

- *Macro-scale* (i.e. within a local authority) - residential developments closer to work opportunities and business activities closer to residential areas should be encouraged, thereby achieving a better land-use mix over time.
- *Micro-scale* (i.e. on a single parcel of land) – strategies can be adopted to create a mix of land-use to create diverse, interesting and opportunity rich environments. Each case should be viewed on its merits; bearing in mind that overall a greater mix of activities is desirable.

The ideal of having mixed-use development is not a blanket philosophy. There may well be areas in which it remains desirable to limit business activities.

6. Special Development Areas

In order to give focus to the organisational activities of the BCMM as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as **Special Development Areas**: - areas where the Municipality would need to prioritise its spending and resources to enhance and promote integrated development outcomes. These are proposed as: -

The **Central Business Districts** of East London, KWT, Mdantsane and Dimbaza.

Urban Renewal Areas identified as Mdantsane (an existing Urban Renewal Area identified as a Presidential Priority Project area and funded from various sources on that basis) and proposed 'Inner City Urban Renewal Areas': Duncan Village, Southernwood and Quigney.

Development Corridors identified as major transportation routes along which development could be encouraged, either as a band of development along a corridor or as nodal development. The two development corridors proposed for further action in Buffalo City are the MELD Corridor, for which a planning framework has already been completed, and the (related) Rail Corridor between Mdantsane and EL.

The West Bank Mixed Land Use Cluster, which is associated principally with the ELIDZ, but which is comprised of numerous existing and potential developments, including the EL Harbour, the Daimler Chrysler Manufacturing Plant and areas identified for industrial development, mixed land use, and public-funded housing.

Rural Development Areas where the focus would be on development planning for livelihoods support and agricultural development. These areas are seen as key target areas for land reform, principally for land redistribution, land tenure reform and land reform for agricultural development. The principal target areas are associated with land that fell within or on the fringes of the former Ciskei, and land that is presently under pressure for settlement. The main component areas include: -

- Yellowwoods / Kei Road
- Newlands
- Needs Camp
- Chalumna
- Ncera Tribal Trust Area
- Dimbaza hinterland

7. Spatial Planning & Land Use Programmes

In order to give effect to the SDF, three spatial development programmes and related priority projects are identified. It should be noted that the Priority Projects identified within the Programmes are not prioritised for completion in the time frame under review but extend beyond that.

The three spatial development programmes are noted as: -

- The Urban and Rural Forward Planning Programme;
- The Settlement Planning Programme;
- Land Use Management

7.1 The Urban and Rural Forward Planning Programme: 2010 - 2013

This programme addresses the ongoing need for the BCMM to be pro-active in spatial planning matters to ensure a secure and facilitative environment within which development can occur. The need for forward planning is acknowledged in the Development Facilitation Act (Act No. 67 of 1995) as well as the White Paper on Wise Land Use: Spatial Planning and Land Use Management and the related Land Use Management Bill (2001).

In essence, the SDF defines the notion of forward planning, in that it is the overall indicative plan applicable to a given municipal area. However, it is necessary for forward planning to be applied at different levels of detail in order to guide and inform current and future land developments and land uses at different scales. To this end BCMM has developed and is developing more detailed or Local SDF's, to apply to certain precincts within the overall municipal area, where this is deemed necessary or desirable within the overall framework.

Since the approval of the BCMM SDF in 2003 the following Local Spatial Development Frameworks have been approved by Council:

- Vincent Berea LSDF
- West Bank LSDF
- Mount Ruth Nodal Framework Plan
- Quenera LSDF
- Mount Coke Dimbaza LSDF
- Urban Edge Policy Framework
- Bonza Bay LSDF
- Duncan Village LSDF
- Beach Front LSDF

The following have been identified as **priority Urban and Rural Forward Planning projects**, to give effect to the directions established in this SDF.

Projects	Total Budget	2010/2011	2011/2012	2012/2013
Gonubie Main Road LSDF	500,000	310,000		
Kwelera LSDF	500,000	300,000		
Bhisho/KWT LSDF	900,000	400,000	500,000	
Mdantsane LSDF	800,000	468,000		
Southernwood/Belgravia LSDF	500,000			600,000

SDF Review	800,000	400,000	550,000	
Vincent Berea LSDF Review	500,000		500,00	
Settlers Way LSDF	500,000			500,000
Amalinda Main Road LSDF	500,000			500,000
Sub Total	5,500,000	1,878,000	1,550,000	1,600,000

7.2 The Settlement Planning Programme: 2010 - 2013

This Programme focuses on the design of settlements for human habitation and includes the following: -

- Implementation, management, monitoring and evaluation of in-house and consultant project teams for a wide variety of Settlement Planning projects and interventions;
- Planning for municipal 'Greenfield' developments (i.e. the design and layout of new settlements);
- Planning for municipal 'Brownfield' developments (i.e. the re-design and subdivision and/or consolidation of existing settlements or developed areas);
- Planning for and upgrading of in-situ settlements of existing less formal and informal urban, peri-urban and rural settlements; and
- A wide range of feasibility studies that enable successful and comprehensive Settlement Planning projects.

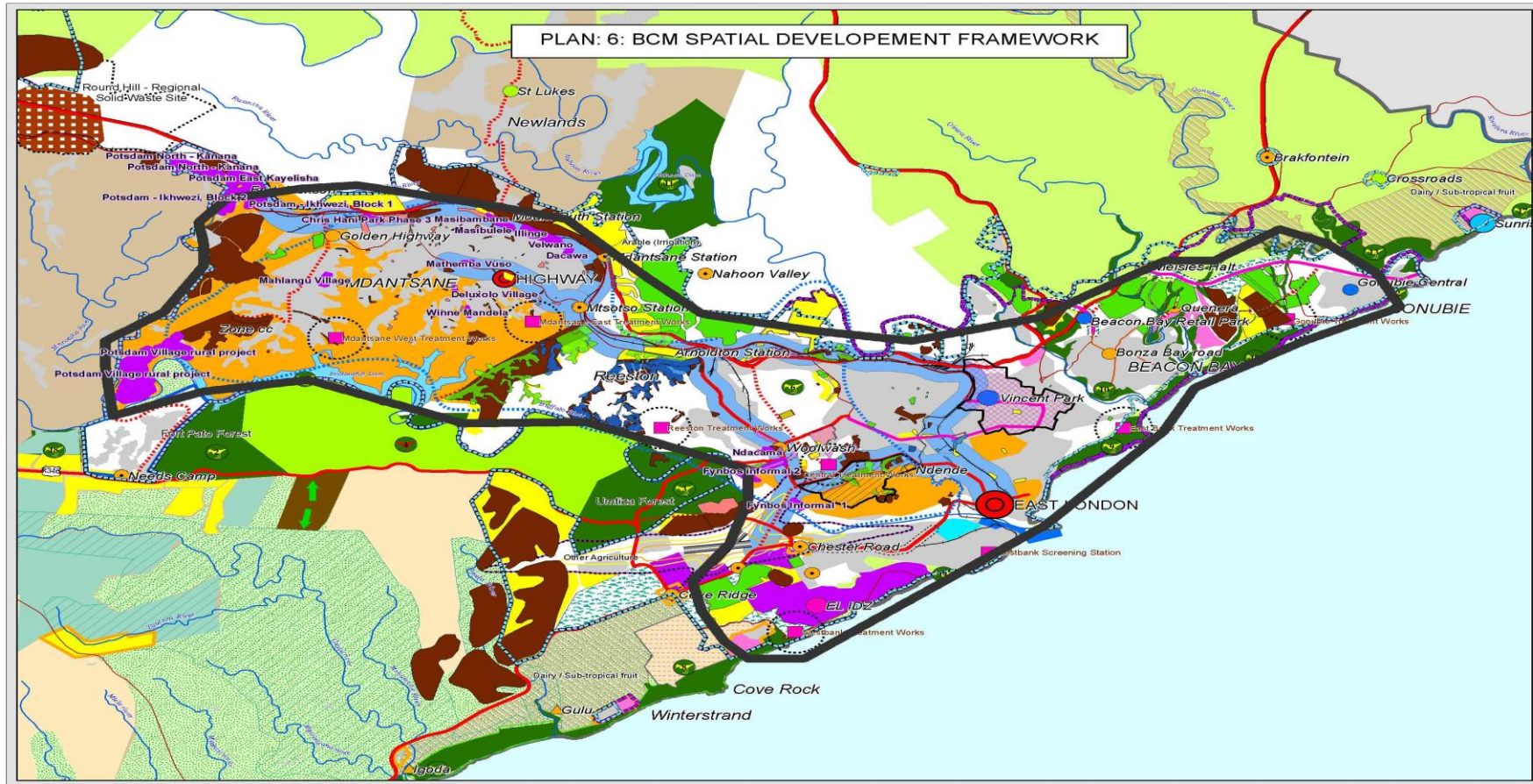
The following have been prioritised as **Settlement Planning Branch projects**: -

Projects	Total Budget	2010/2011	2011/2012	2012/2013
Amalinda Nature Reserve Feasibility Study	300,000	300,000	0	0
Mzamomhle Feasibility Study	500,000	500,000	0	0
BCMM Informal Settlement Study	300,000	300,000	0	0
DV : C-section Township Establishment	500,000	350 000	150,000	0
DV : D-Hostel & DV Proper Township Establishment	380,000	300,000	80,000	0
Braelynn Ext 10 North Township Establishment	680,000	500,000	180,000	0
Mdantsane Infill Areas Phase 2	300,000	200,000	100 000	0
Sub Total	2,960,000	2,450,000	510,000	0

7.3 Land Use Management

Land Use Management addresses the ongoing need for the BCMM to engage in land use management within the terms of reference of the new, normative planning system promoted by National government in recent policy and legislation.

Key activities here include establishing a sound knowledge base to provide clear direction on land use and potential areas for land development and land use changes, but principally, the formulation of a new, integrated and unitary Land Use Management Scheme, which would have a binding effect on land development and land use management in the different settings of the urban and rural environments in Buffalo City.



SECTION D

OBJECTIVES, STRATEGIES, INDICATORS AND TARGETS

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

STRATEGIC FOCAL AREA: GOOD GOVERNANCE AND EFFECTIVE LEADERSHIP

Corruption and poor service delivery undermines the credibility of the state. Poor state credibility leads to a democratic deficit undermining democracy and investment confidence. A weak local government leads to low investor confidence for both state and private sector decisions. Poor governance leads to poor economic performance.

A well governed city means that a clear transparent agenda for the long terms strategic work is formulated in co-operation with all stakeholders and communicated to all parties affected by the development process. A well governed city is dependent on a reciprocal approach by other government spheres and agencies. Increased community feedback and engagement and improved customer reciprocity are other mitigating measures to apply in a democratic and well-governed city.

It also means that quality basic services are provide through a financially sound and clear investment framework, which is aligned with the interventions by other public sector providers of basic services. Going forward, Buffalo City Metro will strive to become a well governed city.

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Human Resources	Develop organisational staff and promote skills development	Reviewal and adoption of a new organogram	Approved revised structure	Existing BCMM structure	Organogram in line with IDP	Organogram in line with IDP	Organogram in line with IDP	Organogram in line with IDP	Organogram in line with IDP
	To create health working environment	Review Employee wellness programme	Increase number of wellness programmes annually	6	8	10	12	14	16
Organisational Support	Provide an effective and efficient Information and Communication Technology to BCMM internal and External Customers	Integrate ICT business processes and systems	% integration of business systems	5%	Feasibility Study 100% Done	20% ERP Implementation	50% ERP Implementation	80% ERP Implementation	95% ERP Implementation
Knowledge Management	Grow the Municipality's Knowledge, creativity and	Implementation of Knowledge Management Strategy	Milestone towards the KM strategy	Existing KM strategy	Basic and Intermediate training	Advanced Training	-	-	-

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
	innovative base								
GIS	The promotion of access to spatial information to the public	The deployment of GIS on the Internet	% progress made to deploy GIS on the Internet	CITY MAP on Intranet	100%	0	0	0	0

Constraints/ Risks	Mitigating factors
Insufficient funding received from LGSETA	Determine additional funding sources including own funding
New web-based skills audit processes not fully implemented.	Scope and implement project to ensure web-based skills audit fully implemented in next financial year
Line management not implementing training as per WSP	Skills Development section to monitor and facilitate proper implementation
Scarce skills Inability to fill position within the targeted group	Scarce skill allowance Implementation of Succession Policy
Fear to disclose of disability	Disability awareness campaign
Standardised employee wellness programme will lose effectiveness	Scope and implement an enhanced wellness programme introducing new initiatives

KPA 2: SERVICE DELIVERY AND BASIC INFRASTRUCTURE

STRATEGIC FOCAL AREA: CREATION OF INTEGRATED AND SUSTAINABLE HUMAN SETTLEMENTS

The focus over the past years has been on delivering basic needs and housing. In spite of the maintaining backlogs major strides have been in this regard, however, there still remains a huge challenge in terms of ensuring that we do not just deliver houses but create integrated and sustainable settlements.

The challenge is not only about providing basic services and housing, but is also about “building sustainable human settlements” where residents have access to social and community facilities, economic opportunities, a healthy and sustainable environment and where opportunities can be accessed through convenient public transport and a safe road network.

Integral to the creation of “sustainable human settlements” is, integrated planning and implementation. The Metro is currently in the process of developing an “*Integrated Sustainable Human Settlement Plan*”, which will guide future investment and development

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Housing	Upgrade informal settlements and provide proper services with land and	Implement Sustainable Human Settlement	Number of formal houses provided	4500	Top Structure = 4,136	Top Structure = 9,151	Top Structure = 7,316	Top Structure = 2,978	Top Structure = 3,200
					Internal Services = 5,457	Internal Services = 5,359	Internal Services = 7,214	Internal Services = 1,675	Internal Services = 2,129

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
	security of tenure								
	Increase the rate of affordable rental housing delivery	Provide land and services to the Social Housing Institutions	Number of rental / social houses provided.	1000	1790 New Units	1240 New Units	600 New Units	-	-
	To create access to land for development of sustainable human settlements and other related projects in the metro	Implement land acquisition programme	Number of land parcels required	2	2	2	2	2	2
Electricity	To ensure that the electrical system is a safe, efficient, well functioning and maintained system	Replace, renew and upgrade the electrical system in terms of the electrical master plan	Number of mini subs	0	20 Mini substations	20 Mini substations	20 Mini substations	20 Mini substations	20 Mini substations
	To ensure that the electrical system is a safe, efficient, well functioning and maintained system	Replace, renew and upgrade the electrical system in terms of the electrical master plan	Number of mini subs	0	2 Switch Houses	2 Switch Houses	2 Switch Houses	2 Switch Houses	2 Switch Houses
					6 Transformers	6 Transformers	6 Transformers	6 Transformers	6 Transformers
					10 Km of electrical cable	10 Km of electrical cable	10 Km of electrical cable	10 Km of electrical cable	10 Km of electrical cable
			Number of street lights replaced	0	2251	2500 (105)	2000	2000	
Roads, Stormwater & Bridges	To provide an accessible all weather BCMM road network	Construct, Upgrade and maintain roads, storm water systems & associated structures to acceptable standards	Kilometres of roads constructed and upgraded (surfaced)	50km	51km	80km	130km	180km	230km
			Kilometres of roads maintained & rehabilitated	600km	1000km	2000km	3000km	4000km	5000km

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Water, Sanitation and Scientific services			Increase number of waste water treatment works which comply with green drop certification	0	2	1	1	1	1
			Increase number of water supply schemes which comply with blue drop certification	2 schemes accredited	2	2	2	1	1
	Provide scientific services to BCMM	% progress towards accreditation of the lab	20%	20% (Gap analysis and infrastructure upgrade)	20% (equipment purchase)	20% (Equipment purchase)	20% (Development and implementation of Quality Management System)	20% (Development and implementation of Quality Management System)	
	Reduce non revenue water	Implementation of water conservation and demand management strategies	% reduction of non revenue water losses	40%	35%	30%	25%	20%	20%
Solid Waste Management	To ensure that all BCMM citizens live in a clean, safe and healthy environment by providing an efficient and effective Solid Waste Management Services	Reduce waste on Landfill sites	Increase in number of Buy back centres constructed	1 Buy Back Centre	Planning & land Acquisition	1 King Williams Town	1 Mdantsane	1 Beacon Bay	1 Cambridge
		Reduce waste on Landfill sites	% Progress made towards the construction of a Central Waste Transfer Station	0	Planning & Land Acquisition	20% Construction Phase (106)	50% Construction phase	100% Completion phase	-
		Reduce waste on Landfill sites	Increase the number of Waste cells constructed at Roundhill Landfill site	2	1(Waste Cell)	-	1(Waste Cell)	-	-
		Construction of drop off points and garden waste transfer station	Number of drop off points constructed in informal settlements	51	5 Nompumelo	5 Mzamomhle	5 Scenary Park	5 Mdantsane	5 Cambridge Location
			Number of garden transfer	3	5 (Shipping containers at	5(Shipping containers at	5(Shipping container at Ginsberg	5(Shipping containers at	5(shipping container

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
			stations provided		Mdantsane	Zwelitsha		Dimbaza	s at Reeston
		Reduce uncollected waste from households	Number of Refuse Compactor Trucks purchased for Coastal and Midlands	25	5(Refuse Compactor Trucks)	5(Refuse Compactor Trucks)	3(Refuse Compactor Trucks)	-	-
Township Regeneration Programme	Acceleration of service delivery in BCMM townships	Implement township regeneration programme in identified townships	Number of township regeneration programmes initiated	2	1	2	2	2	2
Municipal Health Services	Provide comprehensive Municipal Health Services to all BCMM communities	Develop & implement Municipal Health Services Delivery Plan	% progress made towards the development & implementation of Municipal Health Service Plan	0	100% (Development of the MHSP)	100% (Implementation of the MHSP)	-	-	-
Disaster Management	To build a safe and resilient city through Disaster Risk Management	Reduce risk and vulnerability through effective disaster risk management	Number of early warning systems developed	1	N/A	1(Rain Fall Monitoring System)	1(Flood early warning system)	1(CCTV coverage system)	N/A
			Number of communities where risk reduction has been implemented	1	1(Community at risk)	2(Community at risk)	2(Community at Risk)	3(Community at Risk)	4(Community at risk)
			Number of sector plans prepared on Disaster Risk Management	0	3(Sector Plans)	3(Sector Plans)	3(Sector Plans)	3(Sector Plans)	3(Sector Plans)
Primary Health Care ¹	Provide adequate, accessible, affordable and comprehensive Primary Health Care Facilities to BCMM communities	Building, purchasing and upgrading of Primary Health Care facilities	No of new fixed clinics built	28 fixed clinics	Planning Phase	1(Clinic built – Greenfields)	1(Clinic built – Reeston)	-	1(Clinic built – Braelynn)
			No of pharmacies constructed	1	Planning Phase	1(Inland Region)	-	-	-
			No of mobile clinics purchased	4 mobile clinics	2(Mobile clinics)	2(Mobile Clinics)	-	-	-
			No of clinics upgraded	9 upgraded clinics	-	2(West Bank & Breidbach)	2(Schorrvill & Beacon Bay)	2(John Dube & Chris Hani)	2(Pefferville & Zanempilo)
			No of pharmacies upgraded	1 pharmacy structure	-	1(Coastal region)	-	-	-

¹ ECDOH wants to provincialise PHC services and has stopped subsidizing the service with effect from 1 January 2011

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Fire and rescue services	Provide an efficient & responsive Fire & Rescue Facilities to all BCMM communities	Establish New Fire Stations in BCMM	No of fire stations built	7	Planning	1(Fire Station)	1(Fire Station)	-	-
			No of fire engines purchased	27	1(Fire Engine)	1(Fire Engine)	2(Fire Engines)	1(Fire Engine)	2(Fire Engines)
Law enforcement	To ensure a safe and secure environment for all BCMM Communities	Develop a crime prevention strategy	Crime prevention strategy adopted by Council	0	Planning Phase	50%	100%	N/A	N/A
	Reduction and prevention of crime incidents in BCMM	Implement measures to reduce & prevent crime incidents in BCMM	Number of CCTV installed in hot spot areas	1 – Highway Mdantsane	Planning Phase	1(System per area)	1(System per area)	1(System per area)	1(System per area)
			Establishment of Metro Police	Law enforcement officers	Submit Application	Framework Plan	Establishment	-	-
Traffic Services	Provide a safe traffic environment in hot spot areas	Reduce and prevent accidents within BCMM	5% reduction in accidents throughout BCMM	15 314 (09/10 accidents)	1%	2%	3%	4%	5%
	To ensure an efficient & responsive traffic & law enforcement service in the entire city	Establishment of a Testing Centre in Mdantsane	% progress made towards the establishment & construction of the testing centre	3	10% Planning phase	30% Earthworks	60% Construction phase	80% Construction phase	100% Completion phase
			Establish Traffic & Law Enforcement offices by upgrading existing Fire Station KWT	% progress made towards the upgrading of the existing Fire Station KWT	1	10% Planning process	30% Construction phase	60% Construction phase	80% Construction phase
Community Facilities	Provision of adequate community facilities to all BCMM communities	Provision and establishment of Regional cemeteries	Number of Regional cemeteries established	30	Planning phase & land acquisition	1(Cemetery – Inland)	1(Cemetery – Coastal)	1(Cemetery – Midland)	-
			Number of cemeteries fenced	30	6 (Cemeteries fenced – Inland)	6 (Cemeteries fenced – Midland)	6 (Cemeteries fenced Coastal)	6 (Cemeteries fenced Inland)	6 (Cemeteries fenced Midland)
		Develop infrastructure of community facilities	Number of halls constructed	86	Planning phase	1(new hall constructed)	2(new halls constructed)	2(new halls constructed)	-
		Develop infrastructure of community facilities	Number of halls upgraded	5	5 (Halls upgraded)	5 (Halls upgraded)	5 (Halls upgraded)	5 (Halls upgraded)	5 (Halls upgraded)

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
		Establish/revitalisation of municipal pound	Animal pound facilities	2	Planning phase	1	1	-	-
		Development of recreational facilities	Number of open spaces developed into recreational facilities	20 open spaces	4(Recreational facilities)	4(Recreational facilities)	4(Recreational facilities)	4(Recreational facilities)	4(Recreational facilities)
		Introduction of greening initiatives	Number greening initiatives introduced	8	5 (greening initiatives)	5 (greening initiatives)	5 (greening initiatives)	5 (greening initiatives)	5 (greening initiatives)
Amenities	To improve and upgrade amenities so that they service the education, conservation, sport and recreation needs of the community	Improve infrastructure of all amenities	Number of animal enclosures upgrade at the zoo	3 (Enclosures Upgraded)	1(Enclosure)	1(Enclosure)	1(Enclosure)	-	-
			Number of sports fields upgraded	8 (Sports fields Upgraded)	3(Sportsfields upgraded)	3(Sports fields upgraded)	5(Sports fields upgraded)	5(Sportsfields upgraded)	5(Sports fields upgraded)
			Number of swimming pools upgraded	1 (Parkside Pool Upgraded)	1(Swimming pool upgraded)	1(Swimming pool upgraded)	1(Swimming pool upgraded)	1(Swimming pool upgraded)	-
			% progress towards redevelopment of sports complex including the swimming pool	-	5% (planning and specification completed)	25% Redevelopment completed	50% Redevelopment completed	75% Redevelopment completed	100% Redevelopment completed
			% progress in upgrade of resorts	-	5% planning and specifications completed	50% upgrade completed	100% Upgrade completed	-	-
			% progress in redesign of Nahoon Caravan Park	-	5% planning and specifications completed	50% redesign completed	100% redesign completed	-	-
Amenities	To improve and upgrade amenities so that they service the education, conservation, sport and recreation needs of the community by	Improve infrastructure of all amenities	% progress in relocation of the aquarium	-	5% planning and specifications completed	10% upgrade completed	50% upgrade completed	75% upgrade completed	100% upgrade completed
			Number of beaches facilities upgraded	3 (Beaches upgraded)	2 (Beaches upgraded)	2 (Beaches upgraded)	2 (Beaches upgraded)	-	-

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
	2016								
Environmental Management	Promote sustainable management and conservation of all BCMM natural resources	Develop and Implement An Air Quality Management Plan	% Progress made towards the development & Implementation of an Air Quality Management Plan	0	100% (Development of the AQMP)	100% (Implementation of the AQMP)	-	-	-
		To ensure the protection & conservation of BCMM natural resources	% progress towards the development of Invasive eradication plan	1	50%	50%	-	-	-
			% progress towards finalisation of BCMM Climate Change Strategy	0	50%	50%	-	-	-
			% progress towards Environmental Education Strategy	0	50%	50%	-	-	-
			% progress towards Integrated Environmental Management Plan & Integrated Coastal Zone Management Plan	1	100%	-	-	-	-

Constraints/ Risks	Mitigating factors
<p>Insufficient Institutional capacity to implement projects and meet desired targets (to address Outcome 8).</p> <p>Non alignment of service delivery departments to function as a collective in meeting delivery targets.</p> <p>Lack of skills and systems within institutional department.</p>	<p>In terms of the housing accreditation process seek funding to increase capacity and improve on skills development to achieve delivery targets.</p> <p>Undertake institutional restructuring to bring about alignment of which would improve on efficiency and coordinated housing delivery.</p>
<p>Insufficient funding from PDoHS for social Housing Institutions, to implement projects in terms of Outcome 8 rental targets.</p> <p>Insufficient land parcels as well as land with bulk infrastructure capacity within the PRZ's.</p>	<p>To ensure that PDoHS meet there commitment in the provision of funding for the provision of rental housing in Buffalo City.</p> <p>The Directorate of Planning and Economic development need to fast track the release of land for social housing (within PRZ)</p>

Constraints/ Risks	Mitigating factors
	and Directorate of Engineering to address bulk infrastructure capacity
State owned land. No response from the relevant state dept. i.e. RDLR & Pub Works.	High level political intervention. IGR
Increased maintenance backlog resulting in more frequent and extended outages Industry and commerce being affected which could result in closures, loss of revenue for BCMM and job losses	Ensure that sufficient resources are made available to attain the projected targets
Under expenditure will realise the return of allocated budgets to the Department of Energy	Ensure that targets are attained and exceeded in order to secure additional funding
If roads and storm water systems are not upgraded in terms of increased traffic volumes, axial loading and storm run-off the roads will disintegrate and result in ultimate failure of the road networks Increased accident numbers especially in rainy weather	Ensure that sufficient resources are made available to attain the projected targets
Increased maintenance backlog and more frequent accidents	Ensure that sufficient resources are made available to attain the projected targets
Non achievement of National targets and timeframes. Non improvement in the health and hygiene of the communities Dignity of communities will not be uplifted	Ensure that sufficient budgets are allocated in the DoRA Ensure that quality infrastructure is provided Ensure that servicing of the infrastructure is sustained
Water quality will deteriorate Health of consumers will be at risk Factories reliant on quality potable water will suffer losses which could result in them closing thus increasing the unemployment rate	Ensure that adequate funding is provided to maintain the facilities and to upgrade when required Ensure that the tariff structure accommodates augmentations, renewals and repairs & maintenance Ensure that adequate repairs and maintenance is carried out in a proactive manner
Availability of seed funding from the municipality Availability of additional funding	The municipality must prioritise these townships in the budget allocation Mobilisation of additional funding from external stakeholders (public and private sector)
Accuracy in the number of households as opposed to the number of households billed per month	Appointed census officers on a temporal basis to conduct household count
Animals straying into public roads and causing accidents	Facilities of commonages.

KPA 2: SERVICE DELIVERY AND BASIC INFRASTRUCTURE**STRATEGIC FOAL AREA: Access and Mobility**

It is common knowledge that within the City access to basic household and community services are less than optimal. Mobility to access services is further constrained by a fragmented spatial form which is largely attributable to flawed apartheid spatial planning patterns. There are also disparities in how rural and urban communities access services, with provision of services biased in favour of urban services. The disparities will have to be addressed in a manner that makes no distinction between rural and urban areas.

To improve mobility within the Metro will also require expediting the implementation of the Integrated transport Plan including the transport corridor with feeder system, connecting the urban nodes along the "spine" of Buffalo City stretching from East London via Mdantsane, King William's Town/Bhisho to Dimbaza

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Spatial Planning	Planning for sustainable human settlements, especially in the former marginalised priority townships of BCMM (i.e. Duncan Village & Mdantsane)	Generate Township Establishments	Council Resolution on Township Establishments	15 approved Township Establishment	2	1	1	1	1
	To create access to land for development of sustainable human settlements and other related projects in the metro	Implement land acquisition programme	Number of land parcels required	2	2	2	2	2	2
						(112)			
	Planning for sustainable human settlements, especially in the former marginalised priority townships of BCMM (i.e. Duncan Village & Mdantsane)	Generate Township Establishments	Council Resolution on Township Establishments	15 approved Township Establishment	2	1	1	1	1
	To integrate the fragmented	Generate Local Spatial Developmen	Number of Local Spatial	10 LSDFs	2	2	2	2	2

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
	spatial form	t Frameworks that will guide growth, & development in the metro	Development Frameworks approved by Council.						
Transport	To develop a balanced multi-modal, safe and integrated transport system that promotes mobility and accessibility.	Develop and review an Integrated Transport Plan (ITP) that is aligned to the SDF and IDP and encompasses all the strategies and projects of the Department	Annual review of ITP	2008-2013 council approved ITP	Review ITP	Review ITP	Review ITP	Review ITP	Review ITP
			Number of public parking areas developed	0	1	2	2	2	2
			Number of BRT stations built	0	Complete detailed design phase R180 m	Construct 6 BRT stations R184 m	Construct 6 BRT stations R320 m	Construct 6 BRT stations R610 m	Construct 6 BRT stations R610 m
			Number of BRT buses acquired.	0	0	0	30	30	15
			Number of BRT bus terminals constructed	0	0	0	1	1	1
			KMs of BRT lanes constructed	0	5	5	10	10	10
			KM of Feeder routes upgraded	0	20	20	20	20	20
			Provide Integrated and sustainable transport systems by Implementing programmes and projects emanating from Integrated Transport Plan (ITP)	Implement the Integrated Transport Plan (ITP)	Number of ITP projects implemented	Council approved ITP	5 projects	5 projects	5 projects

Constraints/ Risks	Mitigating factors
Lack of support and involvement from Sectoral Line Departments for the implementation of the programme. Outer boundary extension	Political and high Administrative support. Extension of scope of work of the appointed service provider to include the new area
Fundraising, IT System and lack of capacity and data. Lengthy process involved with an Open and transparent Consultation process.	Request IT to repair their system. Appoint Service provider and staff. Process plan giving councillors and their communities adequate time to debate and deliberate on policies that affect them. b) Appoint GIS Consultant. Process plan giving councillors and their communities adequate time to debate and deliberate on policies that affect them.
Not adequate funding to implement identified projects	Extensive consultation with Inter Governmental Departments/ External Stakeholders
Taxi industry integration	Consultation through the marketing process

KPA 3: LOCAL ECONOMIC DEVELOPMENT

STRATEGIC FOCAL AREA: Economic growth and job creation

The city acknowledges that low economic growth and a high rate of unemployment are still prevalent and present a major challenge. This further translates to relatively high levels of poverty which is widespread within the City.

High levels of poverty are apparent in the statistics from last Census where approximately 70% of households in the City indicated an income of less than R1500 per month, with 28% of all households indicating no income at all. Unemployment rate with the Metro is estimated to be about 24%.

A significant portion of the Metro's potential labour force have not attended school or completed their primary phase. Further, according to the last Census conducted in 2001, only 21% of the City's 20 years and above population, had grade 12. 16% had post-school education and only 17% of 15-24 year olds were enrolled in post school study. The recent 2007 community survey revealed a slight improvement, albeit.

To arrest the situation over the next five years the City will make concerted efforts, through its various programmes in particular local economic development programmes, to attract investors in the City and thus contribute towards the national imperative of job creation.

Buffalo City also contains a number of strengths to build upon for growth and development. A coastal location, unspoilt nature, a well-performing automotive industry and the status of being the capital of the Eastern Cape Province are a few of these comparative advantages to exploit in order to combat poverty and create jobs

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
		Implement sector programs to grow SMMEs	Number of training and capacity building programmes implemented	4	4	4	4	4	
	Agriculture, Manufacturing,	No of marketing initiatives to support SMMEs	Participation at International Trade Shows e.g	2	4	4	4	4	

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
SMME Development	Automotive, Construction and Financial sector.	undertaken	Indaba, World Travel Market and ITB						
		Implement sector programs to grow SMMEs	Number of training and capacity building programmes implemented	4	4	4	4	4	
	To develop and grow BCMM economy focusing on the key growth sectors which include Tourism, Agriculture, Manufacturing, Automotive, Construction and Financial sector.	Implement sector programs to grow SMMEs	No of marketing initiatives to support SMMEs undertaken	2	4	4	4	4	4
		Implement sector programs to grow SMMEs	No of SMME infrastructure projects implemented	55 Hawker Stalls 1 Incubator	50 Hawker Stalls	1 Incubator	50 Hawker Stalls	1 Incubator	50 Hawkers Stalls
		No of cooperatives supported.	50 Cooperatives	50 Cooperatives					
Tourism Development	To develop and grow BCMM economy focusing on the key growth sectors which include Tourism, Agriculture, Manufacturing, Automotive, Construction and Financial sector.	Facilitate tourism development and promotion in Buffalo City	No. of tourism infrastructure projects completed	2 (Completed Tourism Projects)	1 (Completion of Khiwane Camp Site)	1 (Tyolomnqa Wilderness Camp)	1 (Mdantsane Community Lodge)	1 (Marina Glen Multi-purpose venue development)	1 (Buffalo City Craft Market)
			No of tourism training and capacity building programs implemented	2	4	4	4	4	4
			No of tourism related events coordinated	2	3	4	4	4	5
			No of service excellence and quality assurance programs implemented	0	1	1	1	1	1
			No. of	20	20	30`	40	50	60

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
			Tourism SMME's supported		Grading Signage Marketing Brochures	Grading Signage Marketing Brochures	Grading Signage Marketing Brochures	Grading Signage Marketing Brochures	Grading Signage Marketing Brochures
		To facilitate and coordinate agricultural development to stimulate economic growth	No. of agricultural capacity building programs implemented	2	3 (Organic Farming, Information days, Hydroponics Training)	4 (Organic Farming, Information days, Hydroponics Training, Marketing of Agricultural Produce)	4 (Organic Farming, Information days, Hydroponics Training, Marketing of Agricultural Produce)	4 (Organic Farming, Information days, Hydroponics Training, Marketing of Agricultural Produce)	4 (Organic Farming, Information days, Hydroponics Training, Marketing of Agricultural Produce)
			No. of rural agriculture infrastructure programs implemented (Rural Wards)	2	4 (Abattoir, Wool processing facility, Shearing Shed, Packshed Nursery)	4 (Abattoir, Wool processing facility, Shearing Shed, Pakshed Nursery)	4 (Abattoir, Wool processing facility, Shearing Shed, Pack shed Nursery)	4 (Abattoir, Wool processing facility, Shearing Shed, Pack shed Nursery)	4 (Abattoir, Wool processing facility, Shearing Shed, Pack shed Nursery)
			No. of hydroponics projects rolled out in Urban and Rural areas	2	2 rural wards 1 urban ward	2 rural wards 1 urban ward	2 rural wards 1 urban ward	2 rural wards 1 urban ward	2 rural wards 1 urban ward
			No. of emerging farmers supported	10	15 Emerging farmers	20 Emerging farmers	25 Emerging farmers	30 Emerging farmers	35 Emerging farmers
			% progress made towards the establishment of agricultural support centres	0	20% Design and approval	60% Construction complete	100% Construction complete	0	0
						(116)			
Trade and investment	To develop and grow BCMM economy focusing on the key growth sectors which include Tourism, Agriculture, Manufacturing, Automotive, Construction and Financial sector.	To promote BCMM as an Investment destination	No of Trade and Investment Shows/missions undertaken	0	2	3	3	3	0
			No of BCMM owned land parcels released	0	2 Land parcels made available for economic development.	3 Land parcels made available for economic development	3 Land Parcels	3 Land parcels	3 Land parcels

Constraints/ Risks	Mitigating Factors
<p>Lack of budget to fund programme.</p> <p>Poor attendance and lack of maximum participation by beneficiaries.</p>	<p>Partnership with government depts, institutions involved in SMME Development [SEDA, ECDC] BCMM consider making budget available from own funds Signing of participation agreement between BCMM and beneficiaries.</p>
<p>Limited market opportunities.</p>	<p>BCMM consider making budget Review of the SCM policy to make provision for SMME's and Cooperatives.</p>
<p>High number of informal traders in the CBD and lack of demarcated areas for trading.</p>	<p>Provision of demarcated trading areas.</p>
<p>Limited staff to project manage and undertake stakeholder engagement. Lengthy decision making process.</p>	<p>Filling of vacant tourism post as per the approved organogram Improve internal turn- around time in decision making.</p>
<p>Lack of accredited service providers</p>	<p>Engagement of the relevant SETA to train and accredited more service providers</p>
<p>Lengthy Environmental Impact Assessment processes. Land availability for economic development</p>	<p>Improve turnaround times for EIA processes Expedite Land release programme for economic development</p>
<p>Management Model</p>	<p>Provision financial and technical support to ensure sustainability. Signing of agreement between beneficiaries and BCMM on projects</p>
<p>LED Forum does not adequately accommodate different and varying interests of different economic sector stakeholders i.e. Big Business versus SMME's. Cooperatives versus Informal Traders.</p>	<p>Different model be explored to establish a manageable sector specific stakeholder forums i.e. 1. BCMM Agricultural Forum, 2. Cooperatives Forum 3. Informal traders Forum 4. Tourism Association for sector SMME's. [Some of these forums are already underway and are workable]</p>
<p>Lack of clear role and mandate of municipal entities Poor and lack of programme alignment between entities and municipalities. Lack of clear agreement between BCMM and the entities covering</p> <ol style="list-style-type: none"> 1. Monitoring and Evaluation 2. Performance Management 3. Accountability 	<p>BCMM to develop a clear strategic framework that outlines the role and mandate of municipal entities. Joint strategic planning between BCMM and entities to ensure strategic coordination and alignment. Develop Service Level Agreement which are compliant and inclusive M & E, Performance Management and Accountability.</p>

KPA 4: FINANCIAL VIABILITY AND MANAGEMENT**STRATEGIC FOCAL AREA: Financial and Environmental Sustainability**

In order for the Metro to fulfill its mandate as stipulated in the Constitution of the country, there is a need to maintain financial viability and expand its revenue base in relation to expenditure. This requires robust strategies to turn around the current predicament and ensure that the City is in a financially sound position over the next five years and beyond.

With regard to environmental sustainability, Buffalo City Metropolitan Municipality area is geographically and environmentally diverse with a range of ecosystems, from coastal to forested areas in the hinterland. Many of these areas are conservation worthy, subtropical thicket, wetlands; river systems; cultural sites; rare and endangered species; and of particular importance, economically and biophysical, is the 70km of coastline. Pressures on the biophysical environmental and consequently the health, well-being and opportunities of present and future generations.

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Revenue Management	Enhancement of the City's revenue	Increase collection rate	% increase in collection rate annually	93.5%	94%	94.5%	95%	95.5%	96.5%
		Implement revenue enhancement strategies	% progress towards Billing Data Cleanup	40.5%	50%	75%	80%	90%	95%
			% Reduction in the billing debt book	R650m (estimate as at June 2011)	10%	12%	15%	18%	20%
GIS	Ensure the intergration of property information systems throughout the institution	Implement a Integrated Property Information Management System and business processes	% progress toward the alignment and cleanup of property information	9 existing systems (venus, metval, Tpzzone, BPS, Deeds Office, GIS Cadastral)	100%	100%	100%	100%	100%
			Amount of business processes developed to align property databases	Manual processes and procedures	5%	50%	100%	-	-
		Implement a integrated property information management system and business process	% progress towards a single access point to property information	GISTEXT (Intranet)	5%	20%	30%	50%	100%
Asset and Risk	To ensure that BCMM	Improved Asset	%progress producing	50%	70%	80%	90%	-	-

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
	has proper financial and asset accounting systems and controls in place	standing operating procedures	a Fixed Asset Register						
		Improved Asset and Financial accounting information and transactions	% progress towards complaint Financial Statements	60%	70%	80%	90%	-	-
Budget and Treasury	To ensure that BCMM remains financially viable and sustainable in terms of credible and reliable budget	Safeguarding Municipal Investments and maintain a favourable cashflow	1,98:1	1,99:1	1,995:1	2:1	2:1	2:1	2:1
	To manage long-term borrowings at affordable levels	Maintain debt revenue ratio below 35%	% of Total Debt to Revenue	23,9%	<35%	<35%	<35%	<35%	<35%
Supply Chain Management	To ensure effective, efficient & transparent Supply Chain Management Systems	Co-ordinate and implement Demand Management Plans as per approved budget	% Progress of contracts awarded in accordance with Demand Management Plan	0%	60%	80%	100%	100%	100%
		Acquisition through accredited supplier database	% accredited receiving orders	0%	Verification of Database	Implementation 60%	Update and maintain 80%	Update and maintain 90%	Update and maintain 90%
		Asset Disposal Management	Quality approval by Council	Existing Policy	Development of disposal procedures	Implementation 60%	Update and maintain 80%	Update and maintain 90%	Update and maintain 90%

Constraints/ Risks	Mitigating Factors
<p>Negative perception relating to the integrity of the municipal accounts.</p> <p>Institutional turnaround time to resolved account related queries.</p> <p>Absence of a dedicated debt management system.</p> <p>Lack of funding for vacant unfunded posts.</p>	<p>Produce a correct rates and services account and communicate with consumers.</p> <p>Enter into a service level agreement with the various service departments.</p> <p>Funding and procurement of a debt management system.</p> <p>Funding and recruitment of staff.</p>

Constraints/ Risks	Mitigating Factors
<p>Non- adherence and lack of institutional business processes with regard to work flow. Lack of human resources to undertake billing data cleanup.</p>	<p>Gap analyses and revision of current business processes and workflow. Funding of data cleanup project.</p>
<p>Non-payment of accounts. Non-identification of irrecoverable debt. Non-verification of charges raised.</p>	<p>Improve debt collection action by implementing a debt collection system and to review the Credit Control Policy. Implementation of the billing debt book analyses Improve the management of the current business process</p>
<p>Accurate and timely information not received from respective Directorates and Departments. Do not have a fully integrated asset management system. Lack of capacity due to staff shortages within the Asset Section.</p>	<p>Directorates and Departments to provide accurate and timely information as requested by Finance. Investigate the availability and acquisition of a fully integrated asset management system. Need to appoint an additional 4 Movable Asset Clerks and a Principal Accountant Fixed Assets.</p>
<p>Accurate and timely information not received from respective Directorates and Departments. Do not have a fully integrated financial accounting system. Lack of capacity due to staff shortages within the Financial Accounting Section.</p>	<p>Directorates and Departments to provide accurate and timely information as requested by Finance. Investigate the availability and acquisition of a fully integrated financial accounting system. Need to appoint a Principal Accountant Financial Accounting.</p>
<p>Cash tied up in high stock levels and in collection rate Decrease in available cash to meet short term liabilities Inaccurate billing which may result in inflated debtors balances</p>	<p>Reduce stock levels Enforce and devise alternative credit control measures Integration of billing and receipting systems Improvement in the accuracy of billing data</p>
<p>Increase of long-term debt to a level that will not be affordable Negative solvency due to high debt and low assets</p>	<p>Manage and keep long term debt at affordable levels Constant monitoring of the financial position of the city in order to identify and address early warning signs.</p>
<p>Spending of budgets on projects not allocated IDP and SBIP. No correct reporting on</p>	<p>Non procurement of services outside DMP</p>
<p>Acquisitions through incompetent suppliers. Not meeting prescribed BBBEE and PPP Act targets.</p>	<p>Cleanup of database to reflect competent suppliers. Acquisitions done using BBBEE and PPP act prescripts and reports generated accordingly.</p>
<p>Operating with an outdated SCM policy that is not relevant Loss and dilapidation of assets not disposed in time. Asset register not reconciling because of incorrect inventory reporting.</p>	<p>Adoption of a revised SCM by council at due date. Disposal procedure in place and processes followed and reported. Procedure developed for inventory reporting and audit and stock counts performed monthly.</p>

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**STRATEGIC FOCAL AREA: GOOD GOVERNANCE AND EFFECTIVE LEADERSHIP**

Corruption and poor service delivery undermines the credibility of the state. Poor state credibility leads to a democratic deficit undermining democracy and investment confidence. A weak local government leads to low investor confidence for both state and private sector decisions. Poor governance leads to poor economic performance.

A well governed city means that a clear transparent agenda for the long terms strategic work is formulated in co-operation with all stakeholders and communicated to all parties affected by the development process. A well governed city is dependent on a reciprocal approach by other government spheres and agencies. Increased community feedback and engagement and improved customer reciprocity are other mitigating measures to apply in a democratic and well-governed city.

It also means that quality basic services are provide through a financially sound and clear investment framework, which is aligned with the interventions by other public sector providers of basic services. Going forward, Buffalo City Metro will strive to become a well governed city.

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Public Participation	Maximise the implementation of Public Participation	Institutionalisation of Public Participation (PP) throughout directorates	No of public participation programmes/initiatives implemented within directorates in terms of the PP Strategy Annual Plan.	PP Strategy	10	20	30	40	Re-view PP Strategy
Special Programmes (Targeted groups - those living with HIV and AIDS ,women, persons with disabilities, older persons, youth and children)	Targeted groups beneficiation in BCMM's economic and basic services opportunities	Institutionalisation of targeted groups programmes through-out BCMM	Number of procurement contracts awarded to preferential targeted groups HDI and women	Number of contracts awarded by BAC per quarter above R100,000 to HDI and women are 12 out of 18	5%	10%	15%	20%	-
Knowledge Management	Grow the Municipality's Knowledge, creativity and innovative base	Documentation and sharing of case studies and lessons learned and best practices	No of case studies documented	1	2	2	2	2	2
Supply Chain Management	To ensure effective, efficient & transparent Supply Chain Management systems	Revision of the SCM Policy	Policy approval by Council	Existing Policy	100% policy review	Review and maintain	Update and maintain 80%	Update and maintain 90%	Update and maintain 90%

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Development Corporation	Sustain and expand development cooperation and international relations with partners to enhance development and improve capacity	Expand international relations partnerships	Increase the no. of partnerships that support service delivery initiatives	5	6	7	8	9	10
	Sustain and expand development cooperation and international relations with partners to enhance development and improve capacity	Expand international relations partnerships	Increase the no. of partnerships that support service delivery initiatives	5	1 (Formalise Francistown)	N/A	1	-	-
Communications	Improve communication flow between the Municipality and the greater community of BCMM	Institutionalisation of Communication Plans in all directorates	No. of shared activities with stakeholders	4	10	12	15	17	20
IGR	Enhance integrated Planning through Inter-governmental Relations	Engage Sector Departments/ Parastatals in BCMM planning	No of IGR sessions held	Draft IGR Framework	4	4	4	4	4
Customer Care	Integration of Customer Relations Management	Review of Customer Care Strategy	Customer Satisfaction Survey 2006 (Development Research Africa) and Dimension Data Audit report (2006)	57% Satisfaction	60% Satisfaction	65% Satisfaction	68% Satisfaction	70% Satisfaction	75% Satisfaction
Good Governance	To ensure that BCMM has systems and mechanisms in place to facilitate transparent and accountable administration	Development of a Risk awareness and culture capable of handling risks in a responsible manner	Development and implementation of a Risk Management System	Preliminary Risk Management Framework developed	Approval of Framework, constitution of Risk Committee and first Risk assessment at strategic	Revision of Framework, and Risk assessment at Directorate level	Revision of Framework, and Risk assessment at Directorate operational level – two [2] Directorate	Revision of Framework, and Risk assessment at Directorate operational level – two [2] Directorate	Revision of Framework, and Risk assessment at Directorate operational level – two [2] Directorate

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
					level		es	es	es
		Development of a Fraud awareness and culture capable of mitigating fraud in a responsible manner	Draft Fraud Mitigation Strategy developed	Fraud Mitigation	First Fraud Risk assessment at Directorate level – 2 Directorates	Revision of Framework, and Fraud Risk assessment at Directorate level – 2 Directorates	Fraud Risk assessment at Directorate level – 2 Directorates	Revision of Framework, and Fraud Risk assessment at Directorate level – 2 Directorates	Development of a Fraud awareness and culture capable of mitigating fraud in a responsible manner
Internal Audit	To ensure that BCMM has systems and mechanisms in place to facilitate transparent and accountable administration	Study of Combined Assurance Model	Internal Audit Activity	Combine Assurance	Phase 1 of combined assurance model implemented	Phase 2 of combined assurance model implemented	Phase 3 of combined assurance model implemented	Revision of combined assurance model	Revision of combined assurance model

Constraints/ Risks	Mitigating Factors
Seeming lack of understanding of the need for public participation mainstreaming within all directorates and their failure to budget for such activities. The failure to mainstream public participation impedes effective public participation of the BCMM citizens	Develop Institutional Public Participation Plan which all directorates can support and drive its activities
Realisation of the indicator is largely reliant on the cascading of the PMS and the buy in of management	Institutionalisation of Team and Cross-Cutting indicators within PMS
Availability of Councillors and Officials due to other work commitments	The project to stretch over couple of years
Donor reliance for some projects could jeopardize projects should donors withdraw funding. Poor project leading and management could lead to BCMM have reduced funding.	BCMM should look at generating more of its own revenue (increase revenue collection). BCMM should also look to IGR in increase more government to government (national and provincial) funding to support big infrastructure projects in the city. Managers of projects to be trained on how to complete and submit high quality applications that support service delivery initiatives
Not embracing IGR could severely impact on the municipal resources, therefore inhibiting municipal service delivery	Sign agreement with various national and provincial governmental departments and parastatals to address service delivery backlogs and challenges
Poor customer care would result in poor revenue collection and has a direct impact on service delivery	Review the customer care strategy and mainstream customer care throughout BCMM
Limited understanding of Risk Management, combined assurance model and Fraud Mitigation.	Awareness development programme and involvement by management in the process

NATIONAL INDICATORS

STRATEGIC FOCAL AREA: EQUITABLE PROVISION OF SERVICES

In the next five years the City will ensure that residents have equal access to the services they are entitled to. Some areas, by virtue of their location do not receive certain services. For instance, most rural areas are not provided with refuse removal service and do not benefit from free basic electricity, water and sanitation services. Disparities in provision of services also exist within the urban areas wherein standards of services vary

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
Electricity	Electrify all low income RDP formal dwelling	Electrify all RDP dwelling IN terms of the housing program and apply for grant funding from the DoE	Number of households with access to basic level of electricity	96 000 (formal housing)	1500	1500	1500	1500	1500
Water, Sanitation and Scientific services	Provision of basic water services (water & sanitation) of acceptable quality	Provide water services as per the Water Services Development Plan	Increase number of households with access to the minimum basic standard of sanitation	132 447	5500	5500	5500	5500	5500
			Increase number of households with access to basic standard of water	223749	1098	1089	1400	1500	1500
Solid Waste Management	To ensure that all BCMM citizens live in a clean, safe and healthy environment by providing an efficient and effective Solid Waste Management Services	Increase the number of households with access to refuse removal services	Number of households with access to refuse removal services	118 384	120 384(H ouseholds)	123 384(h ouseholds)	127 384(h ouseholds)	132 384 (househol ds)	140 384(househol ds)
			Number of areas in urban and rural settlements to which refuse removal service is extended	19 areas	4(Areas)	5(area)	5(area)	7(areas)	9(areas)
Human Resources	Address in Employment Equity (EE) imbalances in term of gender and	Increase in number of people from employment equity target groups	Number of people from employment equity target	27 (women)	3 (women)	3 (women)	3 (women)	3 (women)	3 (women)

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
	disabilities	employed from task level 14 to Municipal Manager Level in compliance with the approved Employment Equity Plan	groups (women) employed from task level 14 to Municipal Manager Level in compliance with the approved Employment Equity Plan						
			Number of people from employment equity target groups (disabled) employed	31 (disabled)	3 (disabled)	3 (disabled)	3 (disabled)	3 (disabled)	3 (disabled)
	Develop organisational staff and promote skills development	Prioritise skills development based on the needs of the organisation	% of payroll allocated for skills development	1%	1.25% of Payroll	1.3% of payroll	1.35 % of payroll	1.4 % of payroll	1.5 % of payroll
Indigent	Roll out indigent scheme to all indigent households in BCMM	Implement Indigent policy	The percentage of households earning less than R1 100 (R2160) per month with access to free basic services	66 000 registered indigents (32% of h/holds in BCMM)	70 000	73 000	74 000	75 000	76 000
						(125)			
Job Creation	Provision of job opportunities for unemployed BCMM citizens	Create job opportunities for unemployed BCMM citizens	No. of jobs created through municipality's Local Economic Development Initiatives including capital projects	783	956	956	1 087	1 087	1 217
Projects Implementati	Expenditure of all grant /	Accelerate implementati	The percentage	60%	80%	95%	100%	100%	100%

Priority Area	Objective	Strategy	Indicator	Baseline	Targets				
					2011/12	2012/13	2013/14	2014/15	2015/16
on	capital infrastructure funding for service delivery in the applicable financial year	on of grant / capital projects	of the Municipality 's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality 's IDP						

Constraints/ Risks	Mitigating Factors
Non achievement of National targets and timeframes.	Ensure that sufficient budgets are allocated in the DoRA
Under expenditure will realise the return of allocated budgets to the Department of Energy	Ensure that targets are attained and exceeded in order to secure additional funding
Scarce skills Inability to fill position within the targeted group	Scarce skill allowance Implementation of Succession Policy
Fear to disclose of disability	Disability awareness campaign

BCMM 2: To be an institutionally efficient and effective city that inclusively work with its communities	Strengthen institutional mechanisms for Public Participation	5,457	6,323	45,571	9,403	40,680	40,680	-	-	-
	Mainstream Special Programmes Focal Areas into all IDP clusters	-	-	-	-	-	-	-	-	-
	Implement BCM's Communication Strategy	-	-	-	-	-	-	-	-	-
	Roll-out of International Relations Framework	-	-	-	-	-	-	-	-	-
BCMM 3: BCM creates an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased income and equality	Facilitate sustainable economic growth within BCM	5,781	9,352	3,980	10,910	13,939	13,939	1,007	-	-
	Facilitate and support tourism development									
	Facilitate growth and development of SMME's and Cooperatives in BCM									
	Facilitate sustainable growth and development of urban and rural agriculture contributing to increased income and equality									
	Facilitate participation of Previously Disadvantaged Individuals Market Agencies									
BCMM 4: To produce sustainable infrastructure that support social & economic development	Electrification of all low income settlements	1,102,884	1,296,845	1,588,681	1,612,438	1,662,528	1,662,528	2,056,222	2,815,441	3,046,916
	Upgrade, maintain and rehabilitate roads, stormwater systems and associated structure to surface standards									
	Provision of minimum basic standard of sanitation services									
	Provision of basic portable water services									
	Implement civil infrastructure projects to BCM specifications									
	Fast track EPWP learnership and mentorship									
	Undertake projects using labour intensive options where possible									
	Implement Integrated Transport Plan									
	Develop institutional Spatial Development Framework									
	Provision of formal housing									
	BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all bt 2016	Implement skills development programme	8,028	2,507	5,047	11,752	5,072	5,072	3,236	3,537
Review and maintain organisational structure towards Metro readiness										
Develop an Integrated Information system										
Implement an adopted GIS strategic policy throughout the institution										
Improve customer care										
BCMM 6: To enhance and protect all environmental assets and natural resources with Buffalo City Metro Municipality by 2016	Monitor and control of Food Establishments, Daycare Centres & Accommodation establishments	291,798	314,181	357,281	388,916	398,091	398,091	435,800	478,422	526,952
	Monitor and improve National Key Primary Health Care indicators in all BCM clinics									
	Maintenance of BCM halls									
	Upgrade sport and recreational facilities									
	Establish community parks									
	Develop and beautify cemeteries									
Total Revenue (Excl. Cap. Transfers & Contributions)		2,014,088	2,294,176	2,772,026	2,948,495	2,973,558	2,973,558	1,162,753	1,750,798	1,896,488

The Operating Expenditure is indicated below into the six (6) IDP Strategic Objectives:

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
BCMM 1: Effective, efficient, co-ordinated financial management and increased revenue- enable BCM to deliver its mandate	Increase in the General Valuation Roll Review and implement Supply Chain Management policies and procedures Sustain implementation of credit and debt collection Safeguard municipal investments and cash flows Manage long term borrowings	172,377	311,150	259,446	289,345	270,864	270,864	337,167	353,468	380,286
BCMM 2: To be an institutionally efficient and effective city that inclusively work with its communities	Strengthen institutional mechanisms for Public Participation Mainstream Special Programmes Focal Areas into all IDP clusters Implement BCM's Communication Strategy Roll-out of International Relations Framework	94,471	106,217	139,795	173,614	152,405	152,405	142,282	151,046	161,154
BCMM 3: BCM creates an enabling environment for an economy that is growing, diversifying, generating	Facilitate sustainable economic growth within BCM Facilitate and support tourism development Facilitate growth and development of SMME's and Cooperatives in BCM Facilitate sustainable growth and development of urban and rural agriculture contributing to increased income and Facilitate participation of Previously Disadvantaged Individuals Market Agencies	8,494	10,789	17,323	20,427	23,282	23,282	27,966	35,815	41,418
BCMM 4: To produce sustainable infrastructure that support social & economic development	Electrification of all low income settlements Upgrade, maintain and rehabilitate roads, stormwater systems and associated structure to surface standards Provision of minimum basic standard of sanitation services Provision of basic portable water services Implement civil infrastructure projects to BCM specifications Fast track EPWP learnership and mentorship Undertake projects using labour intensive options where possible Implement Integrated Transport Plan Develop institutional Spatial Development Framework Provision of formal housing	992,853	1,300,599	1,801,453	2,018,085	2,126,787	2,126,787	2,597,851	3,337,027	3,549,554

<p>BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all bt 2016</p>	<p>Implement skills development programme</p> <p>Review and maintain organisational structure towards Metro readiness</p> <p>Develop an Integrated Information system</p> <p>Implement an adopted GIS strategic policy throughout the institution</p> <p>Improve customer care</p>	72,604	64,253	72,896	142,554	92,707	91,807	110,558	123,597	131,659
<p>BCMM 6: To enhance and protect all environmental assets and natural resources with Buffalo City Metro Municipality by 2016</p>	<p>Monitor and control of Food Establishments, Daycare Centres & Accommodation establishments</p> <p>Monitor and improve National Key Primary Health Care indicators in all BCM clinics</p> <p>Maintainance of BCM halls</p> <p>Upgrade sport and recreational facilities</p> <p>Establish community parks</p> <p>Develop and beautify cemeteries</p>	475,221	482,762	552,187	608,192	611,235	612,135	711,167	760,991	815,255
		1,816,020	2,275,770	2,843,099	3,252,216	3,277,279	3,277,279	451,204	314,910	338,976

3. Projects

3.1 2011-2014 CAPITAL PROJECTS

Directorate	Project Name	Source of Funding	2011/2012 Capital Budget	2012/2013 Capital Budget	2013/2014 Capital Budget
EXECUTIVE SUPPORT SERVICES					
Executive Support Services		Own Funds		0	0
	TOTAL: EXECUTIVE SUPPORT SERVICES		0	0	0
MUNICIPAL MANAGER					
Municipal manager	Councillor's IT requirements (Laptops)	Own funds	1,000,000	0	0
	TOTAL : MUNICIPAL MANAGER		1,000,000	0	0
CHIEF OPERATIONS OFFICER					
Chief Operations Officer	Mdantsane Zone 18 CC Phase 2-P3	USDG	11,209,000	11,209,000	20,176,200
Chief Operations Officer	Manyano & Thembelihle Phase 2-P3	USDG	19,055,300	0	0
Chief Operations Officer	Second Creek (Turn Key)-P3	USDG	5,940,770	0	0
Chief Operations Officer	Masibambane-P3	USDG	1,748,604	1,748,604	0
Chief Operations Officer	Masibulele-P3	USDG	1,793,440	1,815,858	0
Chief Operations Officer	Velwano	USDG	2,241,800	7,173,760	0
Chief Operations Officer	Chris Hani Park Phase 3-P3	USDG	2,353,890	0	0
Chief Operations Officer	Ilinge -P 3	USDG	2,241,800	2,241,800	8,092,898
Chief Operations Officer	Gwentshe Village- P3	USDG	560,450	0	0
Chief Operations Officer	Potsdam-Ikhwezi ,Block 1-P3	USDG	0	4,483,600	10,088,100
Chief Operations Officer	Potsdam-Ikhwezi ,Block 2-P3	USDG	0	4,483,600	10,088,100
Chief Operations Officer	Potsdam North-Kanana-P3	USDG	0	4,483,600	11,209,000
Chief Operations Officer	Fynbos Informal 1-P3	USDG	2,398,726	2,398,726	0
Chief Operations Officer	Fynbos Informal 2-P3	USDG	2,241,800	6,725,400	11,679,778
Chief Operations Officer	Ndacama-P3	USDG	2,241,800	4,483,600	7,622,120
Chief Operations Officer	Ilitha North-P3	USDG	0	3,698,970	0
Chief Operations Officer	Mathemba Vuso-P3	USDG	1,681,350	0	0
Chief Operations Officer	Deluxolo Village-P3	USDG	1,972,784	0	0

Directorate	Project Name	Source of Funding	2011/2012 Capital Budget	2012/2013 Capital Budget	2013/2014 Capital Budget
Chief Operations Officer	Francis Mei-P3	USDG	762,212	0	0
Chief Operations Officer	Mahlangu Village-P3	USDG	2,040,038	0	0
Chief Operations Officer	Sisulu Village-P3	USDG	1,726,186	1,726,186	0
Chief Operations Officer	Winnie Mandela-P3	USDG	1,681,350	1,569,260	3,474,790
Chief Operations Officer	Dacawa-P3	USDG	1,681,350	1,120,900	2,488,398
Chief Operations Officer	Noncampa-P3	USDG	0	0	8,967,200
Chief Operations Officer	Sunny South-P3	USDG	2,241,800	4,483,600	5,380,320
Chief Operations Officer	Potsdaym Village rural project Phase 1 and 2-P3	USDG	0	4,483,600	15,692,600
			67,814,450	68,330,064	114,959,504
Chief Operations Officer	Reeston Phase 3 Stage 2-P3	HSDG	22,418,000	22,418,000	11,209,000
Chief Operations Officer	DVRI Pilot project 323 units (Mekeni ,Competition site,Haven Hills)	HSDG	7,241,014	0	0
Chief Operations Officer	Mdantsane Access/Buffalo	HSDG	1,412,820	0	0
Chief Operations Officer	Reeston Phase 3 Stage 3	HSDG	5,604,500	1,092,619	16,656,574
Chief Operations Officer	Block yard TRA-P3	HSDG	2,668,500	0	0
			39,344,834	23,510,619	27,865,574
	TOTAL : CHIEF OPERATIONS OFFICER		107,159,284	91,840,683	142,825,078
<u>DIRECTORATE OF FINANCIAL SERVICES</u>					
Directorate of Financial Services	KWT civic Centre Payments Hall upgrade	Own Funds c/o	1,998,597		
Directorate of Financial Services	Upgrading of all Zone Offices -Mdantsane	Own Funds c/o	3,498,597		
	TOTAL : DIRECTORATE OF FINANCIAL SERVICES		5,497,194	0	0
<u>DIRECTORATE OF CORPORATE SERVICES</u>					
Directorate of Corporate services	BCM IT Requirements (All Directorates)	Own Funds	5,000,000		
Directorate of Corporate services	Telecommunication network system	Own Funds c/o	107,885		
Directorate of Corporate services	Integrated Enterprise Resource planning System	Own Funds	2,000,000		
Directorate of Corporate services	Conferencing system	Own Funds c/o	598,941		
Directorate of Corporate services	Radio Data Network - Mdantsane	Own Funds c/o	166,469		
	TOTAL : DIRECTORATE OF CORPORATE SERVICES		7,873,295	0	0

Directorate	Project Name	Source of Funding	2011/2012 Capital Budget	2012/2013 Capital Budget	2013/2014 Capital Budget
DIRECTORATE OF ENGINEERING SERVICES					
Directorate of Engineering Services	Electrification	DoE(Integrated National Electrification Programme)	21,000,000	20,000,000	20,000,000
			21,000,000	20,000,000	20,000,000
Directorate of Engineering Services	Replacement of Street Lights	Electricity Demand Side Management Grant	4,000,000	0	0
			4,000,000	0	0
Directorate of Engineering Services	Mdantsane Roads	USDG	42,375,700	62,144,000	101,484,000
Directorate of Engineering Services	West Bank Restitution	USDG	15,000,000	30,000,000	0
Directorate of Engineering Services	Rural Roads Upgrade	USDG	5,000,000	9,000,000	40,000,000
Directorate of Engineering Services	Rehabilitation of Rural Roads Upgrade	USDG	5,000,000	10,000,000	10,000,000
Directorate of Engineering Services	Nord Avenue Pump station	USDG	8,000,000	0	0
Directorate of Engineering Services	Quinera Treatment Works	USDG	50,000,000	0	0
Directorate of Engineering Services	Waste Water Treatment Capacity (Zwelitsha)	USDG	15,000,000	40,000,000	56,000,000
Directorate of Engineering Services	Reeston Phase 3 Bulk Services Sewer	USDG	25,000,000	58,000,000	10,000,000
Directorate of Engineering Services	Bufferstrip Sanitation - Mdantsane	USDG	15,000,000	1,108,250	0
Directorate of Engineering Services	Mdantsane Sewers - Refurbishment	USDG	5,000,000	8,000,000	9,000,000
Directorate of Engineering Services	Diversion of Amalinda and Wilsonia effluent to Reeston	USDG	50,000,000	90,000,000	0
Directorate of Engineering Services	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	USDG	5,000,000	15,000,000	22,000,000
Directorate of Engineering Services	Upgrade water networks in terms of densification and augmentation	USDG	0	0	15,000,000
Directorate of Engineering Services	Inland Rural Sanitation (Dimbaza Villages,Ngxwalane and Kwalini)	USDG	36,000,000		27,854,000
Directorate of Engineering Services	Bulk Water Supply Newlands and other areas	USDG	1,000,000	0	0
Directorate of Engineering Services	Ward 33 Bulk Water Supply Scheme	USDG	7,000,000	0	0
Directorate of Engineering Services	Bulk Water Supply Coastal Areas	USDG	8,000,000	0	0
Directorate of Engineering Services	Building Security	Own Funds c/o	300,000	0	0
Directorate of Engineering Services	Electrification - Counterfunding Reeston & Other Areas	Own Funds c/o	2,800,000	0	0
Directorate of Engineering Services	Electricity Building Upgrade- Ablution Blocks	Own Funds c/o	145,000	0	0
Directorate of Engineering Services	Upgrade Electricity Reticulation (KWT and Coastal)	Own Funds c/o	3,500,000	0	0
Directorate of Engineering Services	Rehabilitation of BCM bridges and culverts(Breidbach, Dimbaza, Quigney)	Own Funds c/o	1,992,904	0	0

Directorate	Project Name	Source of Funding	2011/2012 Capital Budget	2012/2013 Capital Budget	2013/2014 Capital Budget
Directorate of Engineering Services	Upgrade Augmentation	Own Funds c/o	110,220	0	0
Directorate of Engineering Services	Ablution Blocks Duncan Village	Own Funds	2,095,378	0	0
Directorate of Engineering Services	Upgrading of the Laboratory infrastructure and equipment	Own Funds c/o	757,856	0	0
			304,077,058	323,252,250	291,338,000
Directorate of Engineering Services	BCM Fleet	Own Funds	7,500,000	20,000,000	20,000,000
			7,500,000	20,000,000	20,000,000
	TOTAL : DIRECTORATE OF ENGINEERING SERVICES		336,577,058	363,252,250	331,338,000
<u>DIRECTORATE OF DEVELOPMENT PLANNING</u>					
Directorate of Development Planning	Acquisition of BRT bus fleet	Public Transport Infrastructure and Systems Grant	0	0	80,000,000
Directorate of Development Planning	Construction of BRT Bus Terminals	Public Transport Infrastructure and Systems Grant	0	100,000,000	100,000,000
Directorate of Development Planning	Construction of BRT lanes	Public Transport Infrastructure and Systems Grant	180,000,000	84,781,000	100,000,000
Directorate of Development Planning	Upgrading of BRT Feeder routes	Public Transport Infrastructure and Systems Grant	0	0	40,000,000
			180,000,000	184,781,000	320,000,000
Directorate of Development Planning	BCM Urban Agriculture Infrastructure Development	USDG	3,000,000	5,000,000	7,000,000
Directorate of Development Planning	Taxi Ranks	USDG	5,000,000	40,000,000	40,000,000
Directorate of Development Planning	Gonubie Main Road	USDG	10,000,000	30,000,000	30,000,000
Directorate of Development Planning	Economic Infrastructure	USDG	5,000,000	0	2,305,431
Directorate of Development Planning	Tourism infrastructure development	Own Funds c/o	1,000,000		
Directorate of Development Planning	Roll – Out Hydroponics	Own Funds c/o	3,500,000		
Directorate of Development Planning	Buffalo City Agric & Rural Development Infrastructure	Own Funds c/o	2,992,741		
Directorate of Development Planning	Cooperative Support Programme	Own Funds c/o	1,449,188		
Directorate of Development Planning	Upgrade of Market	Own Funds c/o	1,320,000		
Directorate of Development Planning	Extension of Sales Hall	Own Funds	2,000,000		
Directorate of Development Planning	Potsdam/Needs Camp Bridge Feasibility Study	BCMET c/o	710,630		
Directorate of Development Planning	Rural non Motorised Transport facilities	Own Funds c/o	494,491		

Directorate	Project Name	Source of Funding	2011/2012 Capital Budget	2012/2013 Capital Budget	2013/2014 Capital Budget
Directorate of Development Planning	Traffic Management Measures	Own Funds c/o	1,100,000		
Directorate of Development Planning	Pedestrian facilities	Own Funds c/o	600,000		
Directorate of Development Planning	Guidance Signage	Own Funds c/o	600,000		
Directorate of Development Planning	Yellowwoods River Bridge	Own Funds c/o	1,900,000		
			40,667,050	75,000,000	79,305,431
	TOTAL : DIRECTORATE OF DEVELOPMENT PLANNING		220,667,050	259,781,000	399,305,431
<u>DIRECTORATE OF COMMUNITY SERVICES</u>					
Directorate of Community Services	Development of Community Parks(Mdantsane, Potsdam, Rheeston)	USDG	1,016,303	764,000	0
Directorate of Community Services	Development of 3 New Cemeteries(Inland, Midland and Coastal)	USDG	3,000,000	7,000,000	10,000,000
Directorate of Community Services	Scenery Park Community Hall	USDG	2,000,000	6,000,000	10,000,000
Directorate of Community Services	Solid waste management	USDG	8,800,000	14,000,000	19,000,000
Directorate of Community Services	Sport Facilities	USDG	2,000,000	2,000,000	10,000,000
			16,816,303	29,764,000	49,000,000
Directorate of Community Services	Purchase of 7 Refuse Compactor Trucks - Mdantsane	Own funds	10,500,000	0	0
Directorate of Community Services	Purchase of 3 Refuse Compactor Trucks (Mdantsane)	Own funds	4,500,000	0	0
Directorate of Community Services	Purchase of 2 x LDV Bakkie's	Own funds	460,000	0	0
Directorate of Community Services	Purchase of 1 X Load lugger	Own funds	800,000	0	0
Directorate of Community Services	Refuse 5 Compactor Trucks - Coastal Region	Own funds	10,000,000		
Directorate of Community Services	Vehicles for Solid Waste Supervisors, Safety Officers, District Cleansing Officers and Superintendents -(9 X Sedans, 8 LDV's, 3 X Double Cabs, 2X3 Ton Trucks (Inland,Midlands and Coastal Areas)	Own funds	4,000,000		
Directorate of Community Services	Miscellaneous Bins	Own Funds c/o	58,000		
Directorate of Community Services	Mitsubishi Fuso Canter - M07/212	Own funds	385,000		
Directorate of Community Services	Fencing of Rural Cemeteries Upgrade	Own Funds c/o	160,000		
Directorate of Community Services	Continuation of refurbishment of KWT Hall	Own funds	2,792,507		
Directorate of Community Services	Upgrading of Beacon Bay Library	Own funds	363,795		
Directorate of Community Services	Upgrading of Needs Camp Sportfield	Own Funds c/o	2,350,877		
Directorate of Community Services	Upgrading of Rural Sportsfields	Own Funds c/o	275,821		
Directorate of Community Services	Ruth Belonsky Swimming Pool	Own funds	137,822		
Directorate of Community Services	Upgrading Of Zoo Offices & Ablution Blocks	Own Funds c/o	920,501		
Directorate of Community Services	Fencing Of Zoo c/o	Own Funds c/o	606,481		

Directorate	Project Name	Source of Funding	2011/2012 Capital Budget	2012/2013 Capital Budget	2013/2014 Capital Budget
Directorate of Community Services	Intergrated Beach Front hub	Own funds	500,000		
Directorate of Community Services	Isuzu NQR 500 Cage Tipper - M09/153	Own Funds c/o	348,765		
Directorate of Community Services	Grass Cutting Equipment	Own funds	1,300,000		
Directorate of Community Services	Refuse removal Skips	Own funds	1,000,000		
Directorate of Community Services	Drop Off Points - Solid Waste	Own Funds c/o	210,479		
Directorate of Community Services	Regional Waste Disposal Site	Own funds	1,000,000		
			42,670,048	0	0
	TOTAL : DIRECTORATE OF COMMUNITY SERVICES		59,486,351	29,764,000	49,000,000
<u>DIRECTORATE OF HEALTH AND PUBLIC SAFETY</u>					
Directorate of Health and Public Safety	Fire and Clinics	USDG	6,227,453	0	10,000,000
Directorate of Health and Public Safety	Clinics	USDG	3,000,000	0	
Directorate of Health and Public Safety	Air quality monitoring station equipment	Own Funds c/o	412,163		
Directorate of Health and Public Safety	Mobile Clinics Equipment	Own Funds c/o	235,495		
Directorate of Health and Public Safety	Upgrading of Clinics - Ginsberg	Own Funds c/o	598,124		
Directorate of Health and Public Safety	Law Enforcement Equipment	Own Funds c/o	180,000		
Directorate of Health and Public Safety	Traffic Vehicles	Own funds	450,000		
Directorate of Health and Public Safety	Learners Licence Centre - Mdatntsane	Own funds	800,000		
Directorate of Health and Public Safety	Fire Engines Roll Over	Own Funds c/o	11,502,141		
Directorate of Health and Public Safety	Fire Engine Equipment	Own Funds c/o	2,874,803		
Directorate of Health and Public Safety	Disaster Management Capacity	Disaster c/o	43,940		
Directorate of Health and Public Safety	Disaster Management Centres	Disaster c/o	84,779		
			26,408,898	0	10,000,000
	TOTAL : DIRECTORATE OF HEALTH AND PUBLIC SAFETY		26,408,898	0	10,000,000
	TOTAL BUDGET : CAPITAL PROJECTS		764,669,130	744,637,933	932,468,509

3.2 2011-2014 OPERATING PROJECTS

Directorate	Project Name	Source of Funding	2011/2012 Operating Budget	2012/2013 Operating Budget	2013/2014 Operating Budget
Executive Support Services	International Partnership	Own Funds	300,000	300,000	300,000
Executive Support Services	African Partnership	Own Funds	100,000	100,000	100,000
Executive Support Services	Implementation of the Communication Strategy	Own Funds	200,000	200,000	200,000
Executive Support Services	IGR	Own Funds	200,000	200,000	200,000
Executive Support Services	GIS on the internet	Own Funds	630,000	600,000	600,000
Directorate of Financial Services	Property data alignment and clean up	Own Funds	500,000		
Directorate of Financial Services	Property Business Process development	Own Funds	0	750,000	750,000
Directorate of Financial Services	Single Property Access Point	Own Funds	0		
Executive Support Services	PP Strategy Annual Plan	Own Funds	300,000	200,000	100,000
Executive Support Services	Economic Empowerment for targeted groups (R100,000)	Own Funds	100,000	150,000	150,000
Executive Support Services	Cadastral Clean up and Maintenance	Own funds c/o	240,000		
Executive Support Services	Customer satisfaction survey	Own funds c/o	350,000		
Executive Support Services	Logo South Projects Management and coordination	Own funds c/o	37,879		
Executive Support Services	Capacity building	Own Funds	598,353		
Executive Support Services	Ducatts - Sewerage	Own funds c/o	40,000		
	TOTAL : EXECUTIVE SUPPORT SERVICES		3,596,232	2,500,000	2,400,000
Chief Operations Officer	Township regeneration programme (R2 m)	NDPG	0	5,000,000	10,000,000
			0	5,000,000	10,000,000
Chief Operations Officer	Mdantsane Zone 18 CC Phase 2-P4	USDG	127,500	527,500	789,500
Chief Operations Officer	Manyano & Thembelihle Phase 2-P4	USDG	680,000		
Chief Operations Officer	Second Creek (Turn key)-P4	USDG	212,000		
Chief Operations Officer	Potsdam unit ,Stage 2 - P4	USDG	783,265	400,000	802,400
Chief Operations Officer	Airport / Phase 2A Construction of new units-P4	USDG	156,570		
Chief Operations Officer	Masibambane-P4	USDG	19,890	19,890	
Chief Operations Officer	Masibulele-P4	USDG	20,655		
Chief Operations Officer	Velwano-P4	USDG	25,500	81,600	
Chief Operations Officer	Chris Hani Park Phase 3-P4	USDG	26,775		
Chief Operations Officer	Ilinge-P4	USDG	25,500	25,500	92,055

Directorate	Project Name	Source of Funding	2011/2012 Operating Budget	2012/2013 Operating Budget	2013/2014 Operating Budget
Chief Operations Officer	Gwentshe Village-P4	USDG	6,375		
Chief Operations Officer	Potsdam -Ikhwezi ,Block 1-P4	USDG	0	51,000	114,750
Chief Operations Officer	Potsdam -Ikhwezi ,Block 2-P4	USDG	0	51,000	114,750
Chief Operations Officer	Potsdam North-Kanana-P4	USDG	0	51,000	127,500
Chief Operations Officer	Westbank Restitution-P1	USDG	7,293,600	0	0
Chief Operations Officer	Westbank Restitution-P2	USDG	2,431,200	0	0
Chief Operations Officer	Fynbos Informal 1-P2	USDG	256,800	0	0
Chief Operations Officer	Fynbos Informal 1-P4	USDG	27,285	27,285	0
Chief Operations Officer	Fynbos Informal 2-P2	USDG	1,105,200		
Chief Operations Officer	Fynbos Informal 2-P4	USDG	25,500	76,500	132,855
Chief Operations Officer	Ndacama-P2	USDG	768,000		
Chief Operations Officer	Ndacama-P4	USDG	25,500	51,000	86,700
Chief Operations Officer	Ilitha North-P4	USDG	0	42,075	
Chief Operations Officer	Mathemba Vuso-P4	USDG	19,125		
Chief Operations Officer	Deluxolo Village-P4	USDG	22,440		
Chief Operations Officer	Francis Mei-P4	USDG	8,670		
Chief Operations Officer	Mahlangu Village-P4	USDG	23,205		
Chief Operations Officer	Sisulu Village-P4	USDG	19,636	19,636	
Chief Operations Officer	Winnie Mandela-P4	USDG	38,250	22,950	28,050
Chief Operations Officer	Dacawa	USDG	38,250	12,750	28,305
Chief Operations Officer	Sunny South-P4	USDG	25,500	51,000	61,200
Chief Operations Officer	Noncampa	USDG	0	0	102,000
Chief Operations Officer	Potsdam Vilage rural project Phase 1 and 2	USDG	0	51,000	255,000
			14,212,191	1,561,686	2,735,065
Chief Operations Officer	Mdantsane Zone 18 CC Phase 2-P5	HSDG	0	42,000,000	42,000,000
Chief Operations Officer	Second Creek (Turn key)-P5	HSDG	20,914,860	0	0
Chief Operations Officer	Potsdam Unit P,Stage 2-P5	HSDG	67,085,400	35,752,572	0
Chief Operations Officer	Airport / Phase 2A Construction New units-P5	HSDG	9,802,100	0	0
Chief Operations Officer	Storm damaged reconstruction project 988 Top structures and Rural sanitation (Emergency housing)	HSDG	8,000,000	24,000,000	47,040,000
Chief Operations Officer	Masibambane-P5	HSDG	6,156,072	6,156,072	0

Directorate	Project Name	Source of Funding	2011/2012 Operating Budget	2012/2013 Operating Budget	2013/2014 Operating Budget
Chief Operations Officer	Masibulele-P5	HSDG	6,313,920	6,392,844	0
Chief Operations Officer	Velwano-P5	HSDG	7,892,400	25,255,680	0
Chief Operations Officer	Chris Hani Park Phase 3-P5	HSDG	8,287,020	0	0
Chief Operations Officer	Ilinge-P5	HSDG	3,946,200	7,892,400	28,491,564
Chief Operations Officer	Gwentshe Village-P5	HSDG	986,550	0	0
Chief Operations Officer	Potsdam -Ikhwezi ,Block 1-P5	HSDG	0	15,784,800	35,515,800
Chief Operations Officer	Potsdam -Ikhwezi ,Block 2-P5	HSDG	0	15,784,800	35,515,800
Chief Operations Officer	Potsdam North-Kanana-P5	HSDG	0	15,784,800	39,462,000
Chief Operations Officer	Fynbos Informal 1-P5	HSDG	4,222,434	8,988,000	
Chief Operations Officer	Fynbos Informal 2-P5	HSDG	3,946,200	25,200,000	43,764,000
Chief Operations Officer	Ndacama-P5	HSDG	3,946,200	16,800,000	28,560,000
Chief Operations Officer	Ilitha wooden Houses-P5	HSDG	16,800,000	8,400,000	8,400,000
Chief Operations Officer	Ilitha North -P5	HSDG	0	13,860,000	0
Chief Operations Officer	Mathemba Vuso-P5	HSDG	2,959,650		
Chief Operations Officer	Deluxolo Village-P5	HSDG	3,472,656		
Chief Operations Officer	Francis Mei	HSDG	1,341,708		
Chief Operations Officer	Mahlangu Village-P5	HSDG	3,591,042		
Chief Operations Officer	Sisulu Village-P5	HSDG	3,038,574	6,077,148	
Chief Operations Officer	Winnie Mandela -P5	HSDG	2,959,650	5,524,680	12,233,220
Chief Operations Officer	Dacawa	HSDG	0	3,946,200	8,760,564
Chief Operations Officer	Noncampa	HSDG	0	0	33,600,000
Chief Operations Officer	Reeston Phase 3 Stage 2-P4	HSDG	400,000	560,000	800,000
Chief Operations Officer	Reeston Phase 3 Stage 2-P5	HSDG	39,462,000	78,924,000	78,924,000
Chief Operations Officer	DVRI Pilot Project, 323 units (Mekeni,Competition site ,Haven hills) -P5	HSDG	22,132,000		
Chief Operations Officer	Braelyn Ext 10 North -P2	HSDG	1,267,200	0	0
Chief Operations Officer	Braelyn Ext 10 North -P4	HSDG	0	269,280	0
Chief Operations Officer	Braelyn Ext 10 North -P5	HSDG	0	88,704,000	0
Chief Operations Officer	C Section (690)-P2	HSDG	222,000	0	0
Chief Operations Officer	C Section (690)-P4	HSDG	0	47,175	0
Chief Operations Officer	C Section (690)-P5	HSDG	0	15,540,000	0

Directorate	Project Name	Source of Funding	2011/2012 Operating Budget	2012/2013 Operating Budget	2013/2014 Operating Budget
Chief Operations Officer	Pilot C Section Triangle -P2	HSDG	48,000		
Chief Operations Officer	Pilot C Section Triangle -P4	HSDG		10,200	
Chief Operations Officer	Pilot C Section Triangle -P5	HSDG		3,360,000	
Chief Operations Officer	D Hostel-P2	HSDG	199,200		
Chief Operations Officer	D Hostel-P4	HSDG		42,330	
Chief Operations Officer	D Hostel-P5	HSDG		13,944,000	
Chief Operations Officer	Duncan Village Proper (746)-P2	HSDG	222,000		
Chief Operations Officer	Duncan Village Proper (746)-P4	HSDG		47,175	
Chief Operations Officer	Duncan Village Proper (746)-P5	HSDG		15,540,000	
Chief Operations Officer	LU Housing Nom.School-P1	HSDG	835,200		
Chief Operations Officer	LU Housing Nom.School-P2	HSDG	278,400		
Chief Operations Officer	LU Housing Nom.School-P4	HSDG		59,160	
Chief Operations Officer	LU Housing Nom.School-P5	HSDG		19,488,000	
Chief Operations Officer	Lu Housing II-P1	HSDG	349,200		
Chief Operations Officer	Lu Housing II-P2	HSDG	116,400		
Chief Operations Officer	Lu Housing II-P4	HSDG		24,735	
Chief Operations Officer	Lu Housing II-P5	HSDG		8,148,000	
Chief Operations Officer	N2 Road Reserve 1-P1	HSDG	1,746,000		
Chief Operations Officer	N2 Road Reserve 1-P2	HSDG	582,000		
Chief Operations Officer	N2 Road Reserve 1-P4	HSDG		123,675	
Chief Operations Officer	N2 Road Reserve 1-P5	HSDG		40,740,000	
Chief Operations Officer	Kei Road -Dawn-P1	HSDG	1,800,000		
Chief Operations Officer	Kei Road -Dawn-P2	HSDG	600,000		
Chief Operations Officer	Kei Road -Dawn-P4	HSDG		276,675	
Chief Operations Officer	Kei Road -Dawn-P5	HSDG		42,000,000	
Chief Operations Officer	Mdantsane Access/Buffalo-P5	HSDG	7,959,053	7,959,053	
Chief Operations Officer	Reeston Phase 3 Stage 3-P1	HSDG	1,123,356	0	
Chief Operations Officer	Reeston Phase 3 Stage 3-P4	HSDG	127,500	162,435	
Chief Operations Officer	Reeston Phase 3 Stage 3-P5	HSDG	0	53,508,000	39,462,000

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Chief Operations Officer	Sunny South-P5	HSDG	0	23,677,200	20,160,000
Chief Operations Officer	Potsdam Village rural project Phase 1 and 2-P5	HSDG	0	16,800,000	50,400,000
Chief Operations Officer	Amalinda (Co-op)	HSDG	319,153		
Chief Operations Officer	Amalinda (CNIP Projects)	HSDG	10,852,050		
Chief Operations Officer	Westbank Restitution Projects-P5	HSDG	0	31,569,600	39,462,000
			276,303,348	745,124,689	592,550,948
	TOTAL : CHIEF OPERATION'S OFFICER		290,515,539	751,686,375	605,286,013
Directorate of Financial Services	Data cleanup Project	Own Funds	1,000,000	500,000	500,000
Directorate of Financial Services	Analysis of the Billing Debt book	Own Funds	1,000,000	500,000	500,000
Directorate of Financial Services	Billing Debt Book c/o	Own Funds c/o	2,997,237		
Directorate of Financial Services	Billing Data Clean Up c/o	Own Funds c/o	1,495,497		
Directorate of Financial Services	Accounting Reforms	Own Funds	720,000	720,000	720,000
Directorate of Financial Services	SCM turnaround Plan	Own Funds	500,000	500,000	500,000
Directorate of Financial Services	SCM Intenda Project	Own Funds	500,000	250,000	250,000
Directorate of Financial Services	Grap Implementation Project	Own Funds c/o	150,000		
Directorate of Financial Services	General valuations	Own Funds c/o	4,758,822		
Directorate of Financial Services	Supplementary Valuations	Own Funds c/o	241,178		
Directorate of Financial Services	Budget Reforms	FMG	1,450,000	1,500,000	1,500,000
	TOTAL : DIRECTORATE OF FINANCIAL SERVICES		14,812,734	3,970,000	3,970,000
Directorate of Corporate Services	Development of BCM Metropolitan Municipality organogram(UNDER MM'S budget)	Own Funds	300,000	300,000	
Directorate of Corporate Services	Implementation of the EE Plan	Own Funds	150,000	150,000	
Directorate of Corporate Services	Employee wellness programme	Own Funds	400,000	350,000	350,000
Directorate of Corporate Services	Review BY-Law in Standing Rules of Order	Own Funds	25,000		
Directorate of Corporate Services	Policy on Closure of Council meetings	Own Funds	25,000		
	TOTAL : DIRECTORATE OF CORPORATE SERVICES		900,000	800,000	350,000
Directorate of Engineering Services	Water Services Operating & Transfer Subsidy	DWAF - DoRA	1,680,000	3,076,000	5,000,000
Directorate of Engineering Services	Water Services Capacity Building Business Plan	DWAF - DoRA	1,150,000	0	0
Directorate of Engineering Services	East Bank WWTW	DWAF - Provincial	6,945,000	0	0

Directorate of Engineering Services	Dimbaza WWTW	DWAF - Provincial	450,000	0	0
Directorate of Engineering Services	Water Conservation & Demand Management	DWAF - Provincial	5,000,000	0	0
Directorate of Engineering Services	Maintain Ablution Blocks in Informal Areas (EPWP)	Own Funds c/o	2,000,000	0	0
	TOTAL : DIRECTORATE OF ENGINEERING SERVICES		17,225,000	3,076,000	5,000,000
Directorate of Development Planning	BCM ITP review	Own Funds	1,000,000	1,000,000	1,000,000
Directorate of Development Planning	Township Establishment Programme	Own Funds	500,000	600,000	700,000
Directorate of Development Planning	Business Management Training Program	Own Funds	100,000	100,000	150,000
Directorate of Development Planning	Emerging contractor Training Program	Own Funds	400,000	450,000	500,000
Directorate of Development Planning	Corporate governance Training Program	Own Funds	100,000	150,000	200,000
Directorate of Development Planning	Customer Training Program	Own Funds	100,000	150,000	200,000
Directorate of Development Planning	Tender Advise Training Program	Own Funds	100,000	150,000	200,000
Directorate of Development Planning	Participation at International Trade Shows e.g Indaba, World Travel Market and ITB	Own Funds	500,000	550,000	600,000
Directorate of Development Planning	Printing of marketing material for tourism SMME's	Own Funds	100,000	150,000	200,000
Directorate of Development Planning	Participation at Domestic Trade Shows e.g Kyalami Outdoor show in Johannesburg, Cape Town Getaway Show and Rand Easter Show	Own Funds	300,000	350,000	400,000
Directorate of Development Planning	SMME Infrastructure programme	Own Funds	0	550,000	600,000
Directorate of Development Planning	Management of business support centre's e.g. Mdantsane One Stop Shop and Duncan Village Business Hives	Own Funds	1,000,000	1,500,000	2,000,000
Directorate of Development Planning	Cooperatives Support	Own Funds	1,000,000	1,500,000	2,000,000
Directorate of Development Planning	Health and Hygiene Training Program for the accommodation sector	Own Funds	300,000	500,000	700,000
Directorate of Development Planning	Summer Season Program	Own Funds	3,000,000	3,300,000	3,500,000
Directorate of Development Planning	Tourism Month Celebration	Own Funds	500,000	650,000	700,000
Directorate of Development Planning	Easter Festival	Own Funds	1,000,000	2,500,000	3,000,000
Directorate of Development Planning	Winter Festival	Own Funds	0	2,000,000	2,500,000
Directorate of Development Planning	Tourism Service Excellence Awards	Own Funds	500,000	500,000	600,000
Directorate of Development Planning	Tourism SMME Support Programme	Own Funds	100,000	200,000	500,000
Directorate of Development Planning	Agriculture training and capacity building program	Own Funds	500,000	600,000	700,000
Directorate of Development Planning	Hydroponics Rollout Program	Own Funds	3,300,000	7,000,000	8,000,000
Directorate of Development Planning	Farmer Support Services	Own Funds	500,000	700,000	1,000,000
Directorate of Development Planning	Participation at local and International Investment and Trade Shows	Own Funds	500,000	700,000	1,000,000

Directorate	Project Name	Source of Funding	2011/2012 Operating Budget	2012/2013 Operating Budget	2013/2014 Operating Budget
Directorate of Development Planning	Promotion key sector investment programme	Own Funds	600,000	1,000,000	1,200,000
Directorate of Development Planning	Export Support Programme	Own Funds	500,000	1,000,000	1,000,000
Directorate of Development Planning	Tourism Business Support	Own funds c/o	600,000		
Directorate of Development Planning	Heritage and Tourism Route	Own funds c/o	594,193		
Directorate of Development Planning	Economic Planning	Own funds c/o	300,000		
Directorate of Development Planning	Review of Agricultural Strategy	Own funds	350,000		
Directorate of Development Planning	Urban Agriculture	Own funds c/o	493,614		
Directorate of Development Planning	Intlanzi eKoloni (DEDEA Funds)	DEAT c/o	140,000		
Directorate of Development Planning	Cooperative Support Fund	Own funds c/o	412,863		
Directorate of Development Planning	Informal Traders Development Programme	Own funds c/o	381,821		
Directorate of Development Planning	Trade and Investment	Own funds c/o	485,000		
Directorate of Development Planning	SDF Review & Implementation	Own funds c/o	250,000		
Directorate of Development Planning	Transport planning	Own funds c/o	1,497,438		
Directorate of Development Planning	Transport policy and by-law	Own funds c/o	305,464		
	TOTAL : DIRECTORATE OF DEVELOPMENT PLANNING		22,310,393	27,850,000	33,150,000
Directorate of Health and Public Safety	Crime Prevention Strategy	Own Funds	1,000,000	1,000,000	0
Directorate of Health and Public Safety	Traffic Safety Plan	Own Funds	1,000,000	1,000,000	0
Directorate of Health and Public Safety	Development & Implementation of an Air Quality Management Plan	Own Funds	1,000,000	200,000	0
Directorate of Health and Public Safety	Develop & Implement Municipal Health Services Delivery Plan	Own Funds	2,000,000	500,000	500,000
Directorate of Health and Public Safety	Disaster Management Structures	Own funds c/o	236,218		
Directorate of Health and Public Safety	Risk & Vulnerability Assessment c/o	Disaster c/o	96,999		
	TOTAL : DIRECTORATE OF HEALTH AND PUBLIC SAFETY		5,333,217	2,700,000	500,000
Directorate of Community Services	Eradication of Alien Vegetation	Own Funds	200,000	200,000	0
Directorate of Community Services	BCM Climate Change Strategy	Own Funds	350,000	350,000	0
Directorate of Community Services	Environmental Education Strategy	Own Funds	200,000	200,000	0
Directorate of Community Services	Integrated Environmental Management Plan & Integrated Coastal Zone Management Plan	Own Funds	350,000	350,000	0
Directorate of Community Services	Intergrated Waste Management Plan of Buffalo City	Own funds c/o	747,255		
Directorate of Community Services	Section 78 Studies for the Zoo, Aquarium	Own Funds c/o	179,298		
	TOTAL : DIRECTORATE OF COMMUNITY SERVICES		2,026,553	1,100,000	0
	TOTAL OPERATING PROJECTS		356,719,668	793,682,375	650,656,013

SECTION F

FINANCIAL PLAN

1. Introduction

One of the key issues identified for the sustainability of BCMM is “expanding its revenue in relations to its costs and its financial viability, whilst implementing its mandate”. The responsive key objective is “effective, efficient, coordinated financial management and increased revenue – enabling BCMM to deliver its mandate”. The plans and strategies detailed in this chapter contribute to the achievement of this objective.

2. Capital & Operating Budget Estimates

The five-year financial plan includes an Operating Budget (Table F.1) and the Capital Investment Programme per source of funding (Table F.2), for the five years ending June 2014.

2.1 Budget Assumptions

The selected key assumptions relating to this budget are as follows:

Description	2010/2011	2011/2012	2012/2013	2013/2014
2011 National Budget Headline Inflation Forecasts	4.20%	4.80%	5.30%	5.50%
Salaries	8.50%	6.80%	7.00%	7.00%
Electricity Purchases	24.80%	26.71%	27.21%	27.41%
Water Purchases	8.80%	8.65%	9.15%	9.35%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R313.43	R349.76	R394.19 ¹⁴⁵	R445.38
Bad Debt Provision	R77,681,451	R165,450,000	R175,377,000	R185,899,620
Rates	10.00%	10.80%	11.30%	11.50%
Refuse	11.00%	11.80%	12.30%	12.50%
Sewerage	11.00%	9.80%	10.30%	10.50%
Electricity	22.00%	20.38%	20.88%	21.08%
Water	11.00%	13.65%	14.15%	14.35%

2.2 Operating Budget Estimates

Table F.1 details the Operating Budget estimates for the five years starting 1 July 2009 and ending June 2014.

TABLE F.1: OPERATING BUDGET: 2010/11 TO 2013/2014

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand									
Revenue By Source									
Property rates	324,737	362,669	426,500	468,432	468,432	468,432	520,511	579,328	645,951
Property rates - penalties & collection charges	838	824	547	1,115	1,115	1,115	1,236	1,376	1,534
Service charges - electricity revenue	465,135	609,731	802,485	988,464	943,904	943,904	1,142,652	1,381,238	1,672,402
Service charges - water revenue	169,287	181,117	201,622	225,169	212,622	212,622	233,283	266,293	304,505
Service charges - sanitation revenue	119,553	128,522	145,648	162,723	162,723	162,723	180,203	198,763	219,634
Service charges - refuse revenue	109,833	124,506	139,256	153,005	153,005	153,005	173,905	195,296	219,708
Service charges - other	14,127	16,742	(802)	21,270	21,270	21,270	22,539	24,860	27,471
Rental of facilities and equipment	12,724	12,750	12,910	11,620	11,620	11,620	12,759	14,073	15,551
Interest earned - external investments	81,031	85,519	42,105	32,314	22,862	22,862	30,192	30,192	30,192
Interest earned - outstanding debtors	30,732	35,093	44,818	40,965	20,069	20,069	22,036	24,306	26,858
Dividends received	77	165	86	60	60	60	60	60	60
Fines	7,688	7,058	8,257	9,706	9,706	9,706	10,657	11,754	12,989
Licences and permits	11,099	12,250	14,117	14,017	14,017	14,017	15,391	16,976	18,759
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	412,854	444,415	573,985	676,850	789,368	789,368	966,570	1,473,485	1,371,595
Other revenue	247,158	268,646	357,969	142,785	142,785	142,785	321,296	345,423	373,148
Gains on disposal of PPE	7,214	4,168	2,523	-	-	-	-	-	-
Total Revenue (Excl. Cap. Transfers & Off-Set Depreciation)	2,014,088	2,294,176	2,772,026	2,948,495	2,973,558	2,973,558	3,653,289	4,563,424	4,940,356
Expenditure By Type									
Employee related costs	568,377	656,568	766,288	906,833	826,485	825,786	983,308	1,073,158	1,151,490
Remuneration of councillors	18,158	19,359	19,691	25,238	25,238	25,238	28,871	30,881	33,032
Debt impairment	69,985	138,109	24,317	77,681	69,681	69,681	165,450	175,377	185,900
Depreciation & asset impairment	112,430	221,037	524,414	476,021	476,021	476,021	473,248	466,738	464,782
Finance charges	69,674	62,235	90,126	74,005	74,005	74,005	67,067	62,229	58,021
Bulk purchases	358,733	466,747	593,724	714,565	762,540	762,540	940,528	1,170,679	1,463,438
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	15,185	4,493	8,345	7,861	6,661	6,460	8,317	8,841	9,416
Transfers and grants	4,226	4,583	2,653	5,567	5,623	5,623	3,432	3,757	4,122
Other expenditure	598,703	701,853	812,094	964,445	1,031,026	1,031,926	1,256,770	1,770,284	1,709,125
Loss on disposal of PPE	549	784	1,447	-	-	-	-	-	-
Total Expenditure	1,816,026	2,275,770	2,843,099	3,252,216	3,277,279	3,277,279	3,926,991	4,761,944	5,079,325
Off-Set Depreciation	(20,039)	(17,542)	(20,024)	303,824	303,824	303,824	310,741	243,182	236,266
Surplus/(Deficit)	178,029	864	(91,097)	103	103	103	37,039	44,661	97,298
Transfers recognised - capital	-	-	-	-	-	-	654,418	724,638	912,469
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	178,029	864	(91,097)	103	103	103	691,457	769,299	1,009,766
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	178,029	864	(91,097)	103	103	103	691,457	769,299	1,009,766
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	178,029	864	(91,097)	103	103	103	691,457	769,299	1,009,766
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	178,029	864	(91,097)	103	103	103	691,457	769,299	1,009,766

2.3 Capital Budget Estimates

Table F.2 details the estimated Capital Investment Programme for the five years starting July 2009 and ending 30 June 2014. The Capital Investment Programme remains subject to the availability of funding.

TABLE F.2: CAPITAL INVESTMENT PROGRAMME: 2011/12 TO 2013/2014

<u>Funding</u>	<u>2011/2012</u> <u>Capital Budget</u>	<u>2012/2013</u> <u>Capital Budget</u>	<u>2013/2014</u> <u>Capital Budget</u>
Own Funds	58,584,502	20,000,000	20,000,000
Own Funds c/o	51,666,539	0	0
Total Own Funding	110,251,041	20,000,000	20,000,000
BCMET c/o	710,630	0	0
DoE(Intergrated National Electrification Programme)	21,000,000	20,000,000	20,000,000
Disaster Management Fund c/o	128,719	0	0
Electricity Demand Side Management Grant	4,000,000	0	0
Public Transport Infrastructure and Systems Grant (PTIS)	180,000,000	184,781,000	320,000,000
Urban Settlement Development Grant	409,233,906	496,346,314	544,602,935
Human Settlement Development Grant	39,344,834	23,510,619	27,865,574
Total Grants	654,418,089	724,637,933	912,468,509
TOTAL PER FUNDING	764,669,130	744,637,933	932,468,509

2.4 Debt Management Framework

Table F.5 details the Debt Management Framework. TABLE F.5: DEBT MANAGEMENT FRAMEWORK: 1 JULY 2011 TO 30 JUNE 2016

	2011/12 (R Mill)	2012/13 (R Mill)	2013/14 (R Mill)
CLOSING BALANCE	647'719	606'707	561'886

3. Financial Strategy

It must be noted that not all municipalities are the same and this should be kept in mind when assessing the financial health of, and the setting of benchmarks for a municipality. A municipality can be categorized into either:

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- * Developed – maintenance
- * Developing – growing

Buffalo City can be categorized as a developing – growing municipality. Such municipalities require significant additional resources and funding to conduct the growth that is expected of them. In contrast, already developed – maintenance municipalities are mainly concerned with the need to maintain existing infrastructure.

With the demands for growth, come risks that need to be managed. Wherever possible, the City will set benchmarks appropriate for a developing – growing municipality and strive to achieve these benchmarks within the medium-term.

As mentioned at the beginning of this chapter, the priority from the financial perspective is the viability and sustainability of the City. The financial plan and related strategies will need to address a number of key areas in order to achieve this goal. The areas, which have been identified, are detailed below.

3.1 The Financial Framework

3.1.1 Revenue Adequacy and Certainty

It is essential that the City has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to source, amount and timing of revenue. The Division of Revenue Act has laid out the level of funding from National Government that will be received for the 2011/12 to 2013/14 financial years.

It is important to track the respective sources of revenue received by the City as they can be quite different and can vary substantially depending upon the phase that the municipality is in. Knowledge of the sources of funds will illustrate the City's position more accurately, its ability to secure loans relative to its income streams and its borrowing capacity.

i. Cash / Liquidity Position

Cash and cash management is vital for the short- and long-term survival and good management of any organization. The appropriate benchmarks which can assist in assessing the financial health of the City are:

The current ratio, which expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. A current ratio in excess of 2:1 is considered to be healthy. The City currently stands at a ratio of 1.89:1 which is undesirable in the medium term. Current resources need to be increased to bring this ratio back to the desired position of 2:1.

Debtors' collection measurements, which have a great impact on the liquidity of the City. Currently the City takes on average 80 days to recover its debts, while the annual debts collection rate is 91%. The City will attempt to reduce the day's debts outstanding to less than 60 days in the medium term and will strive to increase the annual debts collection rate by 2% per annum, until it exceeds the desired level of 97%.

ii. Sustainability

The City needs to ensure that its budget is balanced (income covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. However, to ensure that households, which are too poor to pay for even a proportion of service costs, at least have access to basic services, there is a need for subsidization of these households.

iii. Effective and Efficient Use of Resources

In an environment of limited resources, it is essential that the City make maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in operations and investment will increase poor people's access to basic services.

iv. Accountability, Transparency and Good Governance

The City is accountable to the people who provide the resources, for what they do with the resources. The budgeting process and other financial decisions should be open to public scrutiny and participation. In addition, the accounting and financial reporting procedures must minimise opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

v. Equity and Redistribution

The City must treat people fairly and justly when it comes to the provision of services. In the same way the City should be treated equitably by national and provincial government when it comes to inter-governmental transfers. The 'equitable share' from national government will be used primarily for targeted subsidies to poorer households. In addition, the City will continue to cross-subsidise between high- and low-income consumers within a specific service (e.g. electricity) or between services.

vi. Development and Investment

In order to deal effectively with backlogs in services, there is a need for the City to maximise its investment in municipal infrastructure (see Table F.2). In restructuring the financial systems of the City, the underlying policies should encourage the maximum degree of private sector investment.

vii. Macro-economic Investment

As the City plays a significant role in the area, it is essential that it operates efficiently within the national macro-economic framework. The City's financial and developmental activities should therefore support national fiscal policy.

viii. Borrowing

The strong capital market in South Africa (banks and other lending institutions like DBSA, INCA etc.) provides an additional instrument to access financial resources. However, it is clear that the City cannot borrow to balance its budget and pay for overspending.

Safeguards need to be put in place to ensure that the City borrows in a responsible way. In order to have access to this market, the City will need to have accurate and appropriate financial accounting and reporting systems.

The manner in which the City manages debt or takes on new debt to finance activities will have a significant impact on the solvency and long-term viability of the council. The current "capital charges" as a percentage of income is 3%. The City will continuously aim to keep this at a desired level of below 10% over the medium term.

3.2 Strategies and Programmes

With the above framework as a background, strategies and programmes have been identified and form part of the financial plan to achieve the desired objective – the financial viability and sustainability of the City. Time frames have been set for each of the projects that have been identified.

3.2.1 Revenue Raising Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The review and implementation of a Credit Control & Debt Collection Policy**

This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

- **The review and implementation of an Indigent Policy**
This policy defines the qualification criteria for an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.
- **The review and implementation of a Uniform Tariff Policy**
This policy will ensure that fair tariffs are charged in a uniform manner throughout the Buffalo City area.
- **The review and implementation of a Property Rates & Valuation Policy**
This will ensure that a fair rates policy and an updated valuation roll is applied to the entire Buffalo City area and will aim to ensure that all properties are included in the City's records. Furthermore the policy will ensure that valuations are systematically carried out on a regular basis for all properties.
- **The review and implementation of a Customer Incentive Scheme**
This scheme will detail the incentives and prizes that will be made available to encourage customers to pay their accounts promptly.
- **The review and implementation of an Improved Payment Strategy**
This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems.
- **Negotiate fully-funded agency agreements with Province and the District**

3.2.2 Asset Management Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The implementation of an integrated asset management system.**
This programme involves the investigation, identification and implementation of a suitable integrated asset management system. It also includes the capture of all assets onto this system, the maintenance of this system and the production of a complete asset register in terms of GRAP requirements.
- **The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio.**
This programme involves the identification of risks in conjunction with insurers and all Directorates and the review and update of the asset and risk insurance procedure manual. It also includes the review of the existing insurance portfolio and the renewal of the insurance policy as per the renewal terms.

3.2.3 Financial Management Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The review of the computerised accounting system**
- **Integration of all computerised systems and acquisition of hardware and software required**

The integration of computerised systems and acquisition of the required hardware and software within the Buffalo City area to ensure that information is accurate, relevant and prompt, which in turn will facilitate the smooth running and effective management of the City.

- **Development of a GRAP compliant MTREF budget**
- **Develop and implement budget and community consultation processes**
- **Develop and implement a uniform budget reporting framework**
- **Review of Post GRAP implementation issues and standards**
- **Review and update asset and accounting policies and procedures**
- **Training and development of financial and other staff**

The aim of this project will be to constantly ensure that the Financial (and other) staff receive the training they require to ensure a cost-effective and efficient service to the City.

- **Enhance budgetary controls and timeliness of financial data**

The improvement of the Budget Office with respect to producing financial information and monitoring/reporting on budget variances. Some of the more significant measures of acceptable performance in this area will be: Financial bottom line matched to forecasts to a 10% variance level Receipt of unqualified audit reports Monthly financial statements produced within 10 days of month-end etc.

3.2.4 Capital Financing Strategies and Programmes

The following are some of the more significant programmes that have been identified:

- **The review and implementation of a debt capacity policy**
This policy will ensure that any borrowings taken by the City will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.
- **The development and implementation of a policy for accessing finance (including donor finance)**

3.2.5 Operational Financing Strategies and Programmes

The following programme has been identified:

- **Investigation of service delivery options and public/private partnerships**
This refers to the ongoing investigation into how the City can service the community in the most efficient and effective manner, including an investigation of public/private partnerships for service delivery.

4. Financial Management Policies

4.1 General Financial Philosophy

The financial policy of the BCMM is to provide a sound financial base and the resources necessary to sustain a satisfactory level of municipal services for the citizens of BCMM.

It is the goal of the City to achieve a strong financial position with the ability to:

- withstand local and regional economic impacts;
- adjust efficiently to the community's changing service requirements;
- effectively maintain, improve and expand the City's infrastructure;
- manage the City's budget and cash flow to the maximum benefit of the community;

- prudently plan, coordinate and implement responsible and sustainable community development and growth;
- provide a high level of fire and other protective services to assure public health and safety.

BCMM's financial policies shall address the following fiscal goals: -

- keep the City in a fiscally sound position in both the long and short term;
- maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- Apply credit control policies which maximize collection while providing relief for the indigent;
- Credit control policies that recognize the basic policy of customer care and convenience;
- operate utilities in a responsive and fiscally sound manner;
- maintain existing infrastructure and capital assets;
- provide a framework for the prudent use of debt financing;
- direct the City's financial resources toward meeting the goals of the City's IDP.

4.2 Operating Budget Policies

The annual budget is the central financial planning document that embodies all operating revenue and expenditure decisions. It establishes the level of services to be provided by each department.

The City Manager shall incorporate the BCMM's priorities in the formulation of the preliminary and final budget proposal.

The budget will be subject to monthly control and be reported to Council with recommendations of action to be taken to achieve the budget's goal. The budget will be subject to a mid-term review, which will result in a Revised Budget.

Adequate maintenance and replacement of the City's capital plant and equipment will be provided for in the annual budget.

The budget shall balance recurring operating expenses to recurring operating revenues.

The budget will have Revenue plans based on realistically expected income and expenditure figures. Plans will be included to achieve maximum revenue collection percentages.

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4.3 Capital Infrastructure Investment Policies

The City will establish and implement a comprehensive five-year Capital Investment Plan (CIP). This plan will be updated annually.

An annual Capital Investment Budget will be developed and adopted by the Buffalo City Metropolitan Municipality as part of the annual budget. The City will make all capital improvements in accordance with the CIP.

Unexpended capital project budgets shall not be carried forward to future fiscal years unless the Project Expenditure is committed or funded from grant funding.

Routine capital needs will be financed from current revenues as opposed to the issuance of long-term debt.

The City will maintain all assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

4.4 Revenue Policies

The City will estimate annual revenues through a conservative, objective and analytical process based on realistically expected income.

The City will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges.

The City will implement a new valuation system based on market values of all properties within its boundary as well as periodically review the cost of activities supported by user fees to determine the impact of inflation and other cost increases. Fees will be adjusted where appropriate to reflect these increases.

The City will set fees and user charges at a level that fully supports the total direct and indirect costs of operations. Tariffs will be set to reflect the Development and Social Policies of the City.

The City will continue to identify and pursue grants and appropriations from Province, Central Government and other agencies that are consistent with the City's goals and strategic plan.

The City will follow an aggressive policy of collecting revenues.

4.5 Credit Control Policies and Procedures

Buffalo City Council approved a Credit Control and Debt Collection Policy in 4 June 2010.

The Principles supported in this Policy are:

- The administrative integrity of the municipality must be maintained at all times.
- This Policy must have the full support of all Councillors.
- Councillors must have full knowledge of the implementation and enforcement of the Policy.
- The Executive Mayor oversees & monitors the implementation and enforcement of this Policy.
- The Municipal Manager implements and enforces this Policy.
- The Municipal Manager may delegate the implementation and enforcement of this Policy to the Chief Financial Officer.
- Consumers must be informed of the contents of this Policy.
- Consumers must apply for services from Council by the completion of the prescribed application form.
- Consumers must receive regular and accurate accounts that indicate the basis for calculating the amounts due.
- Consumers must pay their accounts regularly by the due date.
- Consumers are entitled to reasonable access to pay points and to a variety of reliable payment methods.
- Consumers are entitled to an efficient, effective and reasonable response to appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.
- Debt collection action will be instituted promptly, consistently, and effectively without exception and with the intention of proceeding until the debt is collected.

The Policy document covers:

- Supervisory Authority

- Application for the Provision of Municipal services
- Deposits and Guarantees
- Accounts and Billing
- Metering of municipal services
- Payments of accounts
- Interest on arrear debt
- Enquiries and appeals
- Debt collection
- Arrangement to pay arrear debt
- Indigent debtors
- Municipal staff – payment of arrears
- Administration orders – payment of arrears
- Write-off of irrecoverable debt
- Provision for bad debt
- Certificates required for tenders
- Theft & fraud
- Reporting on performance management
- Income collection target
- Application of the policy

4.6 Indigent Policy

The Indigent Policy was approved on 4th June 2010. This Policy identifies the conditions that must be satisfied to be regarded as an indigent and the process to follow to apply for indigent status.

The form of subsidy is identified, as is the process of auditing indigent applications. In addition, procedures, which will be followed in the event of a death of an indigent and a false indigent application is covered.

Finally treatment of debt of a customer on becoming an indigent and interest on arrear charges are addressed.

4.7 Investment Policies

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 13(2) and the draft municipal investment regulations: “Each Municipal Council and Governing body shall adopt by resolution an investment policy regarding the investment of its money not immediately required.”

Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the City to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds. The preservation of principal is the foremost objective of the investment program.

The City will continue the current cash management and investment practices, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third.

Investment shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of

the Municipality. The standard of prudence to be used by the Investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall Investment portfolio. Investment officials are required to:

- a) adhere to written procedures and policy guidelines.
- b) exercise due diligence.
- c) prepare all reports timeously.
- d) exercise strict compliance with all legislation.

The City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than two years from the date of issue. The City’s financial information system will provide adequate information concerning cash position and investment performance.

The City will not invest more than 30% of available funds with a single institution.

The Minister of Finance may identify by regulation in terms of Section 168 of the MFMA instruments or investments other than those referred to below in which Municipality may invest:

- Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- Securities issued by the National Government;
- Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
- Listed corporate bonds with an investment grade rating from a nationally or internationally recognised credit rating agency;
- Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
- Banker’s acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
- Municipal Bonds issued by a Municipality;
- Guaranteed endowment policies with the intention of establishing a sinking fund; and
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

4.8 Debt Management Policies

- The City shall issue debt only ~~when necessary to meet a public need (and when funding for such projects is not available from current revenues, reserves or other sources.~~ (135)
- Long-term borrowing will be used to finance capital improvements as approved in the City’s CIP.
- Capital projects financed through the issuance of debt shall be financed for a period not to exceed the expected useful life of the project.
- The City will not incur debt to finance current operations.
- Lease-purchase obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialized types of equipment, or other capital improvements.

4.9 Ratio Analysis/Benchmarks

Table F.6 gives details of commonly used financial ratios/benchmarks. The information in the Table is the actual position for the 2006/07 financial year to 2009/10 financial year.

TABLE F.6: Ratio Analysis / Financial Benchmarks for the 2006/07 to 2009/10 financial year.

FINANCIAL BENCHMARKS	BASIS OF CALCULATION	2006/07	2007/08	2008/09	2009/10
<u>Borrowing Management</u>					
Debt to revenue	Total debt / Annual income	35.0%	35.0%	35.0%	35.0%
Capital charges to operating expenditure	Interest & principal paid / Operating expenditure	16.0%	16.0%	16.0%	16.0%
<u>Revenue Management</u>					
Annual debtors collection rate (payment level %)	Last 12 months receipts / Last 12 months billing	97.0%	97.0%	97.0%	97.0%
Outstanding debtors to revenue	Outstanding debtors (net)/ Ann rev (total inc)	18.0%	18.0%	18.0%	18.0%
<u>Efficiency</u>					
Personnel costs to operating expenditure	Personnel costs / Operating expenditure	30.0%	30.0%	30.0%	30.0%
<u>Creditors Management</u>					
Creditors days	Outstanding creditors / Credit purchases x 365	30	30	30	30

4.10 Asset Management Policies

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant & Equipment (PPE), which are fixed assets of BCMM.

A summary of the Principles supported in this policy are:

A fixed asset shall mean an asset, either movable or immovable, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond 12 months.

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- The fixed asset register shall comply with the requirements of Generally Recognized Accounting Practice (GRAP) and any other accounting requirements, which may be prescribed.
- Fixed assets are classified under the following headings:
 - Land
 - Infrastructure Assets
 - Community Assets
 - Heritage Assets
 - Investment Properties
 - Other Assets
 - Intangible Assets
- Every Head of Department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.

- PPE is carried at cost less accumulated depreciation and any impairment losses, except for land and buildings which are revalued. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.
- Subsequent expenditure relating to property, plant and equipment is capitalized if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which are capitalized.
- Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their residual value, except for furniture and fittings which are depreciated using the diminishing balance method at 10% per annum.
- Incomplete construction work is stated at historic cost.
- The carrying amount of an item or a group of identical items of PPE will be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount will be reduced to the recoverable amount. The amount of the reduction will be recognized as an expense immediately, unless it reverses a previous revaluation, in which case it will be charged to the revaluation non-distributable reserve.
- Assets are eliminated from the Statement of Financial Position on disposal or retirement.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the statement of financial performance.

4.11 Asset Management Information

To ensure that assets are adequately maintained, a programme for the planned maintenance and replacement of all fixed and moveable assets is essential.

The magnitude of deferred maintenance due to past and present lack of funding can be judged by the following estimated amounts.

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TABLE F.7: Deferred Maintenance

Electricity:	195,000,000
Water:	214,562,000
Wastewater (Sewerage):	240,000,000
Roads:	
Entire Network (Figures escalated from last assessment done on the Pavement Management system Surfaced Roads 2007 and Gravel Roads 2004)	1,859,039,000
Buildings:	
Office Accommodation	12,000,000
Depots	12,000,000
City Hall	16,000,000
Vehicles:	
Replacement	25,000,000

Development Planning Transport	
Traffic signals	4,000,000
Direction Signs	3,000,000
City Bus recapitalisation	30,000,000
Bus Depot Equipment	100,000
Public transport infrastructure	20,000,000
Metropolitan main roads	228,000,000
Community Services	
Amenities	
Arts & Culture	2,200,000
Integrated Environmental Development	24,500,000
	2,500,000
TOTAL	R2,887,901,000

4.12 Accounting Policies

A summary of the principal accounting policies adopted in the preparation of the annual financial statements is as follows:

- a. Basis of presentation - the annual financial statements are prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for the revaluation of land and buildings, which are carried at fair value. The annual financial statements are prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with the Municipal Finance Management Act (Act 56 of 2003).
- b. Basis of consolidation - the consolidated annual financial statements incorporate the financial statements of Buffalo City Metropolitan Municipality and municipal entities controlled by Buffalo City Metropolitan Municipality.
- c. Presentation currency - the annual financial statements are presented in South African Rand.
- d. Going concern assumption - the annual financial statements are prepared on a going concern basis.
- e. Reserves – the economic entity creates and maintains the following reserve in terms of specific requirements:
 - Revaluation reserve
- f. Property, plant and equipment (PPE) - is stated at cost, less accumulated depreciation and accumulated impairment losses, except land and buildings. The accounting policies for PPE include the following:
 - Depreciation of property, plant and equipment
 - Disposal of property, plant and equipment
 - Impairment losses
 - Revaluation of land and buildings
 - Intangible assets
- g. Investments - the accounting policies for investments include the following:
 - Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Position.
- h. Inventories – Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition. Subsequently inventories are measured at the lower of cost and net realizable value. The cost of inventories is assigned using the first-in, first out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

- i. Revenue from exchange transactions:
- **Measurement** – Revenue is measured at fair value of the consideration received or receivable, net of trade discounts and volume rebates.
 - **Sale of goods** – Revenue from sale of goods is recognized when all the following conditions have been satisfied:
 - a. The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
 - b. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - c. The amount of revenue can be measured reliably;
 - d. It is probable that the economic benefits or service potential associated with the transactions will flow to the entity; and
 - e. The costs incurred or to be incurred in respect of the transactions can be measured reliably.
 - **Rendering of services** – Service revenue is recognized by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as percentage of total serviced to be performed.
- j. Revenue from non-exchange transactions:
- **Recognition** – An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.
 - **Measurement** – Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognized by the economic entity.
- k. Conditional grants and receipts – Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized. .
- l. Provisions – are recognized when the economic entity has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate based on the information available can be made of the amount of the obligation.
- m. Cash and cash equivalents – Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.
- n. Unauthorized expenditure – Unauthorized expenditure means: (159)
 - a. Overspending of a vote or a main division within a vote; and
 - b. Expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- o. Irregular expenditure - is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998), the State Tender Board Act, 1968 (Act No. 86 of 1968), any provincial legislation providing for procurement procedures in that provincial government or is in contravention of the Municipality's or Municipal Entities' supply chain management policies.
- p. Fruitless and wasteful expenditure - is expenditure that was made in vain and would have been avoided had reasonable care been exercised.
- q. Allowance for doubtful debts – On debtors an impaired loss is recognized in surplus and deficit when there is objective evidence that is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

- r. Effective interest rate – The economic entity uses the prime interest rate to discount future cash flows.
- s. Financial Instruments – The economic entity classifies financial assets and financial liabilities into the following categories:
 - Loans and receivables
 - Available-for-sale financial assets
 - Financial liabilities measured at amortised cost
- t. Comparative figures – Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.
- u. Leases – A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.
- v. Intangible assets - are initially recorded at their cost price and are subsequently amortized over their expected useful lives.
- w. Post retirement benefits – The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

4.13 Supply Chain Management System Policy

Section 111 of the Local Government Municipal Finance Management Act (MFMA) requires municipalities to develop and implement a supply chain management policy. The principle objective of the legislation has been to comply with Section 217 of the Constitution, which among other things states that when contracting for goods and services the system must be fair, equitable, transparent, competitive and cost effective.

Supply Chain Management (SCM) generally refers to the management of activities along the supply chain including the supplier, manufacturer, wholesaler, retailer and consumer

The MFMA and its relevant regulations also identify processes/mechanisms which must be included in a SCM Policy.

The supply chain management system is applicable for the:–

- Procurement by Buffalo City Metropolitan Municipality (and any municipal entity of Buffalo City) of all goods and services or works;
- Selection of contractors to provide assistance in the provision of municipal services;
- Selection of external mechanisms for the provision of municipal services in circumstances contemplated in section 83 of the Local Government: Municipal Systems Act;
- Disposal of assets or goods no longer required;
- Letting or sale of Municipal property.

BCMM's Supply Chain Management Policy was last reviewed and adopted in February 2009. It is currently again under review.

The specific objective of the SCM Unit is to ensure effective, efficient and transparent SCM systems, complemented by a strategy of coordinating and implementing comprehensive demand management plans as per the approved budget

SECTION G

OPERATIONAL PLAN

1. Buffalo City Metropolitan Municipality: Political Structure

The section 12 notice published by the Member of the Executive Council for Local Government & Traditional Affairs determined that Buffalo City Metropolitan Council, in terms of section 9(d) of the Municipal Structures Act 1998, would have an Executive Mayoral System combined with a Ward Participatory System.

BCMM has hundred Councillors, fifty Councillors were elected in terms of the system of proportional representation and fifty Councillors represent wards. The first Council Meeting elected the The Executive Mayor, Deputy Mayor, Council Speaker and Chief Whip. The Executive Mayor has a nine member Mayoral Committee which comprises of the following portfolios :

- Corporate Services
- Community Services
- Engineering
- Finance
- Health and Public Safety
- Housing
- Integrated Development Plan and Development Planning
- Local Economic Development

1.1 Ward Committees

Local Government elections were held on 18 May 2011, which established new ward boundaries and ushered in new ward Councillors. Ward Committees have been established, in terms of sections 72-78, of the Municipal Structures Act, for the 50 wards.

Ward committees are chaired by the ward Councillors and consist of ten elected members. Ward committees are consultative community structures, whose purposes are to broaden participation in the democratic process of Council and to assist the Ward Councillor with organising consultation, disseminating information and encouraging participation from residents in the ward.

1.2 Portfolio Committees

In terms of sections 79 & 80 of the Municipal Structures Act (117 of 1998) and Section 160 of the Constitution, Portfolio Committees have been established to assist the Executive Mayor. In 2002, the Council sought to align the political and administrative structures of Buffalo City. It achieved this through aligning the Portfolio Committees with the new organisational structures and creating Portfolio Committees.

The current Portfolio Committees are as follows:

Portfolio Committees:

Corporate Services Portfolio Committee
 IDP and Development Planning Portfolio Committee
 Engineering Services and Infrastructure Portfolio Committee
 Finance Portfolio Committee
 Community Services Portfolio Committee
 Health and Public Safety Portfolio Committee
 Special Programmes Portfolio Committee

Economic Development & Tourism Portfolio Committee

NOTE: The new Buffalo City Metropolitan Council still have to pronounce whether the existing committees will be retained.

2. Buffalo City Metropolitan Municipality: Administrative Structure

The Buffalo City Metropolitan Municipality implements its Integrated Development Plan and it is operating with its current administrative structure headed by the Municipal Manager with the following Directorates:

Municipal Manager's Office

Directorate: Executive Support Services
 Directorate: Corporate Services
 Directorate: Planning & Economic Development
 Directorate: Engineering Services
 Directorate: Community Services
 Directorate: Health & Public Safety
 Directorate: Financial Services
 Directorate: Chief Operations Officer



FigureG1: Buffalo City Municipality: Administrative Structure

2.1 Directorate: Executive Support Services

The Directorate of Executive Support Services consists of the following Departments, namely:
 Public Participation & Special Programmes
 IDP, Budget Integration & Performance Management
 Development Cooperation & Communications
 Executive Support Services
 Knowledge Management & Research

Office of the Speaker

Figure G2 details the organogram of the Directorate of Executive Support Services up to Management level.

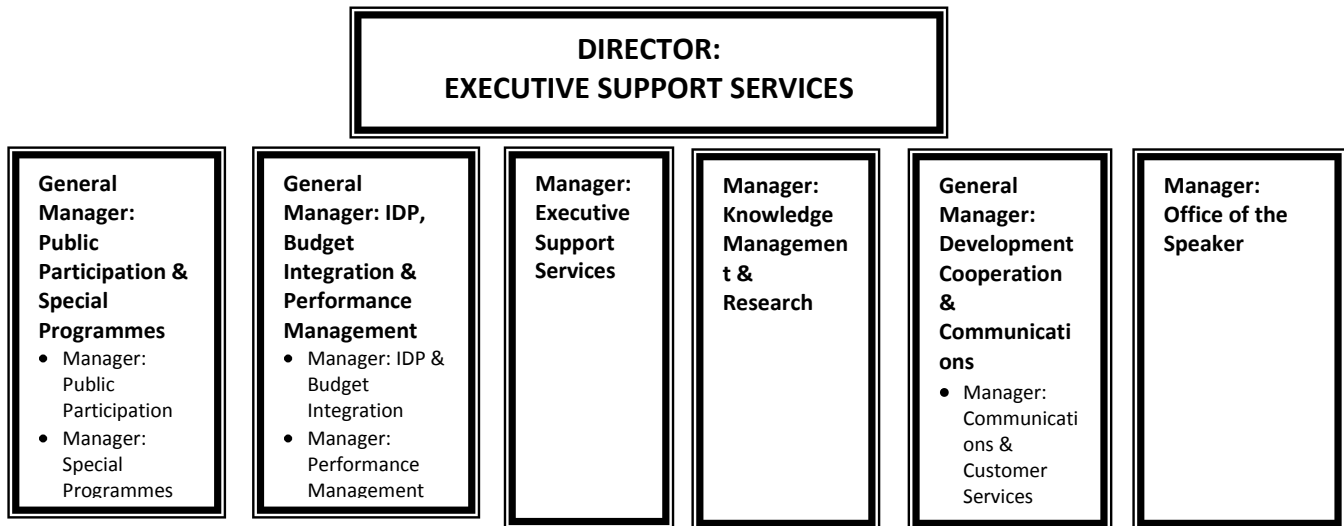


Figure G2: Executive Support Services

Directorate: Corporate Services

The Directorate of Corporate Services consists of the following Departments, namely:
 Human Resources
 Organisational Support
 Internal Audit, Compliance & Governance

Figure G3 details the organogram of the Directorate of Corporate Service up to management level.

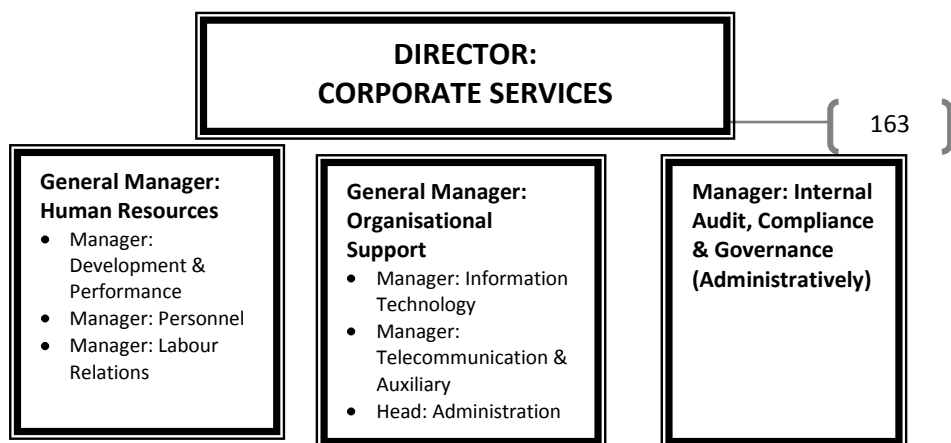


Figure G3: Corporate Services

2.3 Directorate: Planning & Economic Development

The Directorate of Planning & Economic Development consists of the following Departments, namely:

Development Planning
 Transport Planning & Operations
 Economic Development & Tourism

Figure G4 details the organogram of the Directorate of Development Planning & Economic Development up to management level.



Figure G4: Planning & Economic Development

2.4 Directorate: Engineering Services

The Directorate Engineering Services consists of the following Departments, namely:
 Water & Sanitation
 Construction, Roads & Projects
 Electrical & Mechanical Services

Figure G5 details the organogram of the Directorate of Engineering Services up to management level.

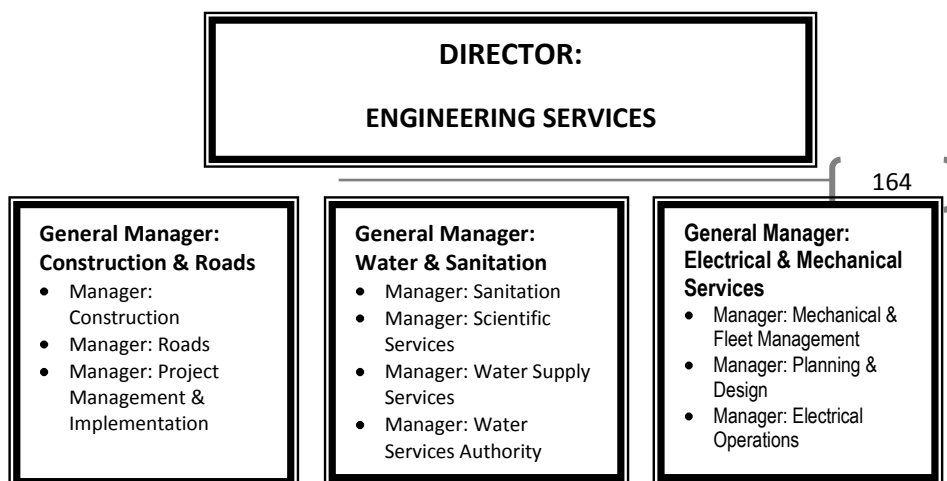


Figure G5: Engineering Services

2.5 Directorate: Community Services

The Directorate Community Services only has the following Departments, namely:

Solid Waste Management
 Environmental, Amenities & Arts & Cultural Services
 IEMP & Sustainable Development

Figure G6 details the organogram of the Directorate of Community Services up to management level.



Figure G6: Community Services

2.6 Directorate: Health & Public Safety

The Directorate Health & Public Safety has the following Departments, namely:
 Public Safety
 Health Services

Figure G7 details the organogram of the Directorate of Health & Public Safety up to management level.

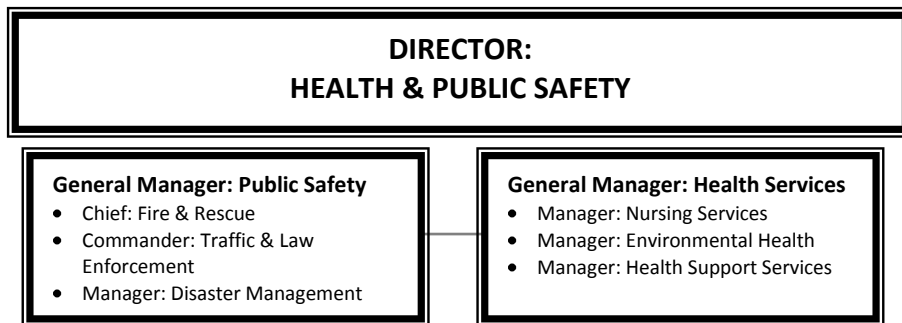


Figure G7: Health & Public Safety

2.7 Directorate: Financial Services

The Directorate Financial Services consists of the following departments, namely:
 Asset & Risk Management
 Revenue Management
 Budget & Treasury
 Supply Chain Management

Figure G8 details the organogram of the Directorate of Financial Services up to management level.

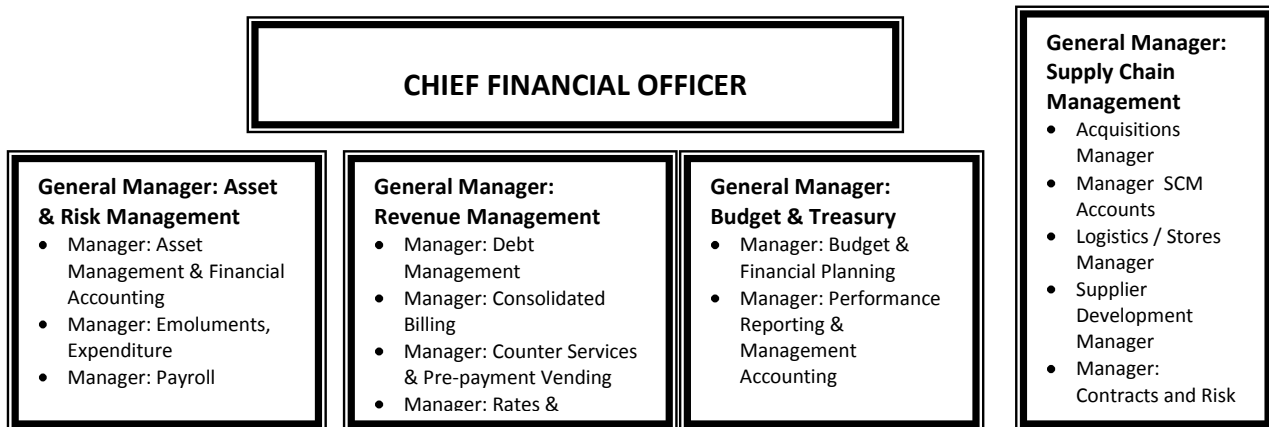


Figure G8: Financial Services

2.8 Directorate: Services & Operations Integration

The Directorate: Office of the Chief Operating Officer consists of the following departments, namely:
 Housing
 Mdantsane Urban Renewal Programme
 Special Projects

Figure G9 details the organogram of the Directorate: Office of the Chief Operating Officer up to management level.

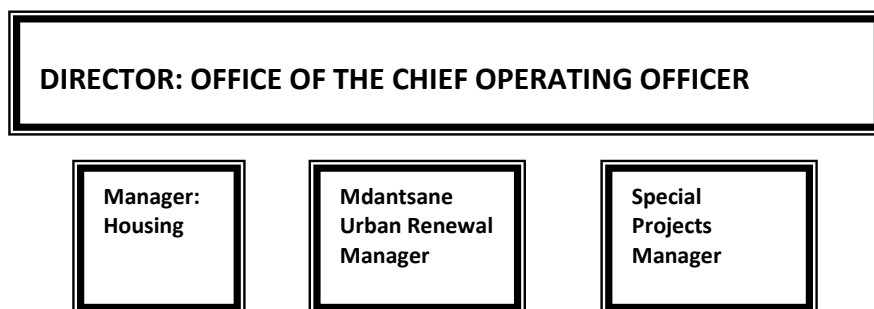


Figure G9: Office of the Chief Operating Officer

3. **NOTE:** The Buffalo City Metropolitan Municipality is in the process of reviewing the structure with the following functional grouping:

Municipal Manager’s Office
 Development Planning and Management
 Development Facilitation and Partnership
 Municipal Services
 Finance and Corporate Support Services



Figure G10: Buffalo City Metropolitan Municipality: Administrative Structure**3.1 Office: Municipal Manager**

The Office of the Municipal Manager will deal the following functions:
Administration support to office of the Executive Mayor, Speaker and Chief Whip
Corporate Planning/IDP
Organisational Performance
Internal Audit and Risk
Public Participation
Communication and Marketing
International, Intergovernmental and Stakeholder Relations
Institutional Governance

The Departments/directorates still to be determined**Development Planning and Management**

Development Planning and Management will deal with the following functions:
Development planning
Land use
Spatial planning
Development management (including the management of decentralised districts/ regions of the city)

The Departments/directorates still to be determined**3.2 Economic Development Facilitation and Partnership**

Economic Development Facilitation and Partnerships will deal with the following functions:
Human Capital and Social Development
Human Settlements Development
Environment and (resilience) development
Rural & Agra Transformation
Tourism
ICT & Knowledge
Skills & Education
City Enterprises (including business support)
Agency and partnership vehicle(s) management

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The departments/directorates still to be determined.**3.4 Municipal Services**

Municipal Services will deal with the following functions:

Engineering Services
Community Services
Safety and Security
Health
Housing
The departments/directorates still to be determined

3.5 Finance and Corporate Support Services

Finance and Corporate Support Services will deal with the following functions:

Finance

Treasury

Supply Chain Management

IT Support

Facilities Management

Human Resources Management

Legal Services

The Departments/Directorates still to be determined

SECTION H

Framework for the Performance Management System

1. Introduction

1.1 Strategic Objectives of a Performance Management System

Many of South Africa's municipalities, including Buffalo City, continue to endure the legacy of under-development, poverty, infrastructure backlogs and inequitable access to basic services. In response to these, Government is putting in place various mechanisms and measures to fight poverty and unemployment.

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. This system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to this is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable outputs. They are therefore crucial if a proper assessment is to be done of the impact of government in improving the quality of life for all.

In this regard, the Municipal Planning and Performance Management Regulations (2001) stipulate that a "Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Buffalo City Metropolitan Municipality (BCMM) believes that the principles of performance management should:

- Drive change and improve the performance of the organisation;
- Focus the organisation's work on its priorities
- Measure the organisation's overall performance against set objectives;
- Align strategic objectives and priorities with individual work plans;
- Identify success as well as failure; and
- Identify good practice and learning from others' successes.
-

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1.2 Policies and Legislative Framework for Performance Management

The framework for Performance Management is informed by the following policy and legislation on performance management:

- The Constitution of the RSA, 1996 (Act 108 of 1996)
- The Batho Pele White Paper (1998)
- The White Paper on Local Government (1998)
- The Municipal Systems Act, 2000 (Act 32 of 2000)
- Municipal Planning and Performance Management Regulations 2001(No 796, 24 August 2001)
- Regulations for Municipal Managers and Managers reporting directly to Municipal Managers, 1 August 2006
- The Local Government : Municipal Structures Act, 1998 (Act 117 of 1998)

- The Municipal Financial Management Act , 2003 (Act 66 of 2003)

In accordance to the legislative requirements and good business practices, the BCMM developed and implemented a performance management system. The main objectives of the system are to guide and manage the performance of the municipality (as an organisation) and employees (as individuals) throughout the City.

1.2.1 The Municipal Systems Act, No. 32 of 2000,

States that a Municipality must:

1. Develop a Performance Management System.
2. Set targets, monitor and review performance based on indicators linked to their Integrated Development Plan (IDP).
3. Publish an Annual Report on performance for the Councillors, staff, the public and other spheres of Government.
4. Conduct an internal audit of performance before tabling the report.
5. Have their annual performance report audited by the Auditor-General.
6. Involve the community in setting indicators and targets and reviewing municipal performance.

1.2.2 The Local Government: Municipal Planning and Performance Management Regulations, 2001, Section 7(2)

Require that the Municipality, in developing its Performance Management System, must ensure that the system:

1. Complies with all the requirements set out in the Municipal Systems Act;
2. Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
3. Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
4. Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
5. Determines the frequency of reporting and the lines of accountability for performance;
6. Relates to the Municipality's Employee Performance Management processes.

Furthermore, Section 43 of the Systems Act authorises the Minister to prescribe general KPIs that every municipality must report on. Regulation 5(1) mentions the following general KPIs:

1. The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal.
2. The percentage of households earning less than R1100-00 per month with access to free basic services.
3. The percentage of the Municipality's capital budget actually spent on capital projects in terms of the IDP.
4. The number of local jobs created through the Municipality's local, economic development initiatives, including capital projects.
5. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan.
6. The percentage of a Municipality's budget actually spent on implementing its workplace skills plan.
7. Financial viability with respect to debt coverage; outstanding debtors in relation to revenue and cost coverage.

The objective of institutionalising a Performance Management System (PMS), beyond the fulfilling of legislative requirements, is to serve as a primary mechanism to monitor, review and improve the implementation of the Municipality's IDP. In doing so, it should fulfil the following functions:

- Promoting accountability
- Decision-making and resource allocation
- Guiding development of municipal capacity-building programmes
- Creating a culture of best practice, share learning among Municipalities

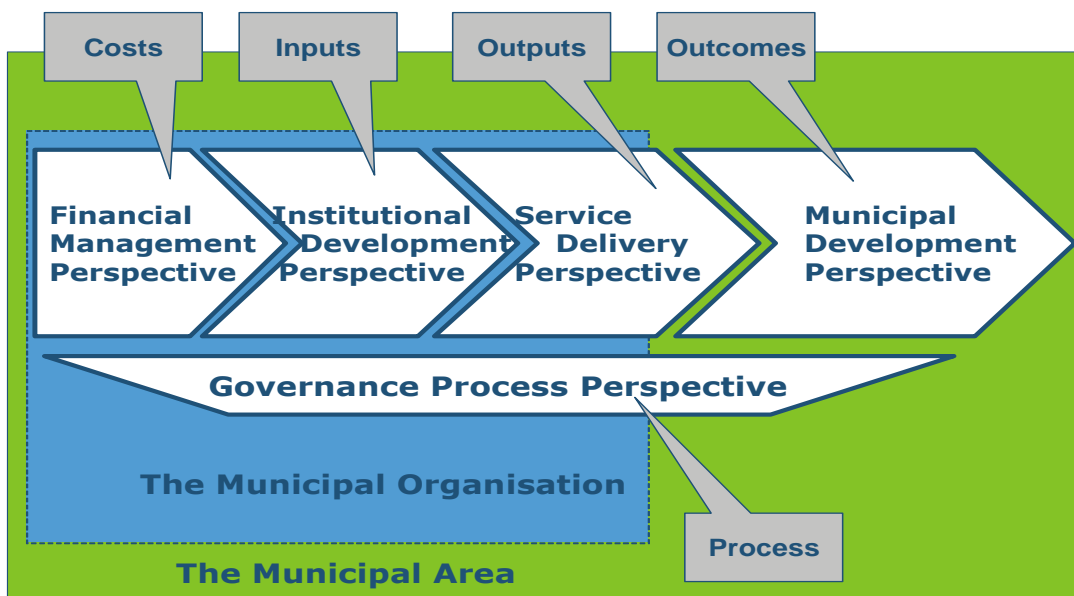
- Develop meaningful intervention mechanisms and early warning system
- Create pressure for change at various levels
- Contribute to the overall development of a Local Government system

1.2.3 The Municipal Financial Management Act

It is also important to note that the Municipal Finance Management Act (MFMA) contains various important provisions related to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote.

2. The Municipal Scorecard

A number of performance models are available and any of them could be applied by the Buffalo City Metropolitan Municipality. Some of the available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. However, the Municipality has chosen the Municipal Scorecard (MS) as its preferred performance management model. In terms of the MS model all indicators are grouped together into five (5) perspectives as depicted in figure 1.1. below e.g. costs, inputs, outputs, outcomes and process.



Source : Palmer Development Group (2006)

Figure 1.1: Municipal Scorecard

2.1. The Municipal Development Perspective

In this perspective, the municipality will assess whether the desired development impact in the municipal area is being achieved. It incorporates social, environmental and economic development aspects. This perspective will constitute the development of priorities for the municipal area and indicators that tell us whether the desired development outcomes are being achieved. It is expected that the development priorities and indicators, will often lie within the shared accountability of the municipality, other spheres

of government and civil society. The measurement of developmental outcomes in the municipal area will be useful in informing whether policies and strategies are attaining the desired development impact.

2.2. The Service Delivery Perspective

This perspective will assess performance with respect to the delivery of services and products. This relates to the output of the municipality or municipalities.

2.3. The Institutional Development Perspective

This perspective will assess performance with respect to the management of municipal resources:

- Human Resources
- Information
- Organizational Infrastructure
- Asset management

This relates to the inputs of the municipality or municipalities.

2.4. The Financial Management Perspective

The perspective will assess performance with respect to financial management and viability, including:

- Financial viability indicators
- Operating income vs. Operating expenditure performance
- Financing infrastructure investment vs. capital expenditure performance
- Financial management performance.

2.5. Governance Process Perspective

This perspective will assess performance with respect to engagements and relationships with its stakeholders in the process of governance. This perspective will include, amongst others:

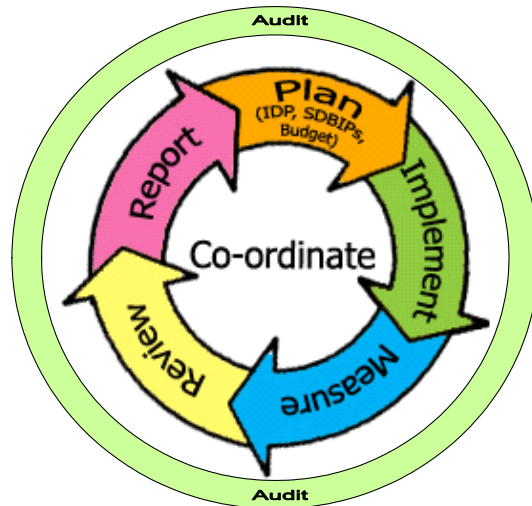
- Public participation, including the functionality and impact of ward committees
- Functionality and impact of municipal governance structure (council structures including the offices of the speaker, and portfolio committees/clusters and executive)
- Access to information
- Intergovernmental relations

This relates to the governance processes of the municipality.

The Process of Managing Organisational Performance

The process of performance management is central to modern notions of management i.e. it is inseparable from the things that a manager must do. It is important that performance management is mainstreamed in a municipality as an approach to daily management. Performance management cycle is illustrated on figure 1.2. below:

Figure 1.2



It is important to note that the Municipal Scorecard model assumes the following cause-and-effect hypothesis based on an open-systems theory by which inputs are used through process to develop or deliver, in this case products and services which eventually would benefit the community as a whole. This cause and effect relationship is depicted schematically in Figure I.3.

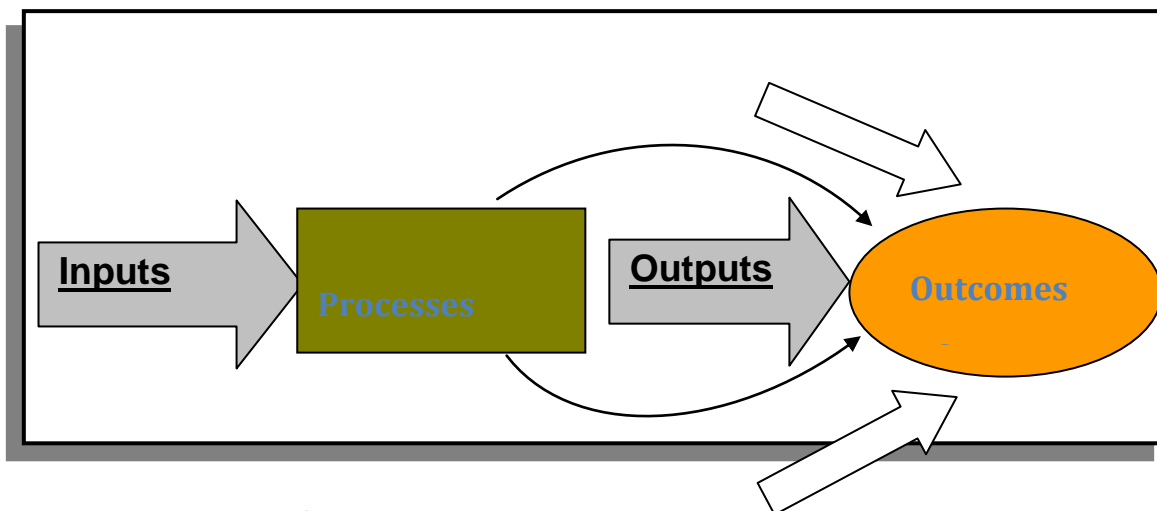


Figure I.3: A Systems Approach

3. The causal effect

The value-add of a framework is that it gives guidance to the integrating process of performance objectives and indicators at the different levels within an institution. A major issue of resistance to performance management within municipalities is usually the argument of individual control, by implication the individual is hesitant to commit to certain indicators as he or she has little control over the outcome or ultimate achievement of a relevant performance objective and indicator. The MS model is

one of the few models which accommodate this area of contention as it allows for the clear demarcation of accountability.

It should be clear from the above that the senior employee is accountable for all three levels which feed into the outcomes to be achieved and which should be under the control of the municipality. The Municipal and/or Institutional Scorecard should therefore have a healthy balance of indicators clustered into the different categories of inputs, process, outputs and outcomes. The emphasis should be placed on outputs because these indicators directly reflect the results of the indicators achieved through input and process.

4. Scorecards

A Scorecard is a logical and visually powerful method of representing performance management information, at both the Organizational/Institutional (Municipal and Directorate) and Individual (Manager and Employee) levels.

Scorecards must be:

1. **Tightly aligned to the strategic planning and IDP processes.**
2. **Directly relevant to the notion of developmental local government.**
3. **A balanced view of performance based on inputs, outputs, outcomes and process.**
4. **A simple portrayal of municipal performance, where inter-relations can be mapped.**

There are two levels of scorecards for BCMM, i.e. the Institutional and Individual Scorecards.

4.1 Institutional Scorecard

Buffalo City Metropolitan Municipality adopted a Framework for Institutional Performance that contains an Annual Work plan which is meant to ensure the integration of Performance Management System activities with general management processes that provides for reporting to the Municipal Council bi-annually.

At institutional level the five-year IDP of a municipality forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The IDP is a long-term plan and by its nature the performance measures associated with it will have a long-term focus, measuring whether a municipality is achieving its IDP objectives. (174)

The measures set for the Municipality at institutional level is captured in an **institutional scorecard** structured in terms of the preferred performance management model of the Municipality. The measures at operational level are to be captured in the SDBIP of the Municipality and the SDBIPs of the various Departments in the Municipality. BCMM's performance management data is also informed by the five (5) Key Performance Areas (KPA) which were identified by DPLG namely:

- Municipal Transformation & Organisational Development
- Infrastructure Development and Service Delivery
- Local Economic Development
- Municipal Financial Viability & Management
- Good Governance & Public Participation

The performance of both organisation and individual is measured against these key performance areas.

4.2 Individual Scorecards

4.2.1. Individual Performance Management System (IPMS)

Individual or staff Performance Management deals with *performance on the level of the individual employee*. BCMM has identified four (4) phases of performance management process, which are; planning, coaching, reviewing and rewarding phase. Individual performance targets are formulated during business planning process referred to in section 8.2. Measuring staff performance provides Council and management with appropriate information on the behaviour of staff and outcomes in the workplace. Coaching is an ongoing process; it assists to identify performance gaps and interventions that will empower employees to be able to achieve planned objectives. Reviewing staff performance at regular intervals will provide the Council and management with appropriate information on performance gaps or excellence.

By cascading performance measures from strategic to operational level, both the IDP and the SDBIP, forms the link to individual performance management. This ensures that performance management at the various levels relate to one another which is a requirement of the Municipal Planning and Performance Regulations and the MFMA. The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget (circular 13 of the MFMA). The SDBIP in essence becomes the main operational tool to translate and manage the performance objectives as formulated in the IDP.

This process is illustrated by the diagram below and as described in circular 13.

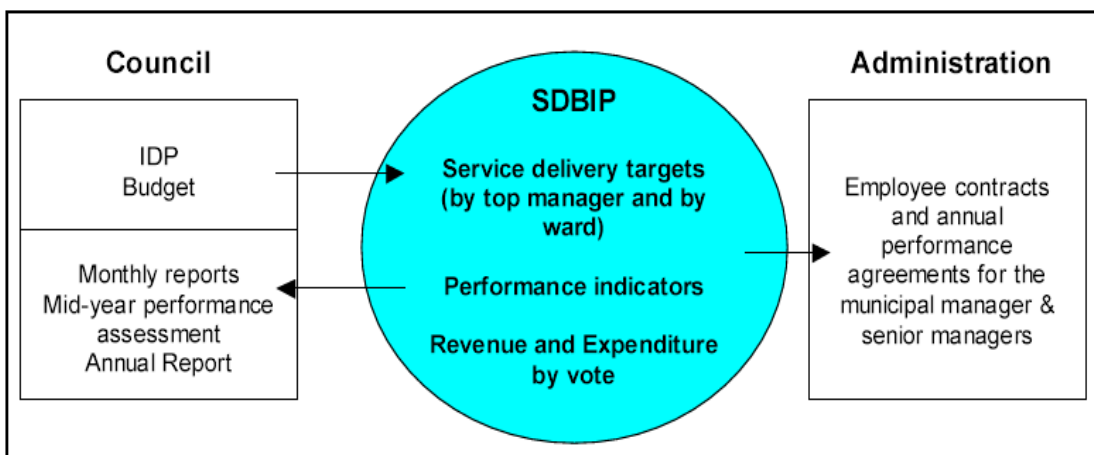


Figure I.4: SDBIP as a Management Tool

SECTION I

SUMMARY OF SECTOR PLANS

(a) OVERVIEW OF DEVELOPMENT SECTORS

Sectors are defined as fields of intervention aimed either at specific human needs (such as food, housing, water, health, education, transport, recreation) or as specific ways of satisfying human needs (such as agriculture, trade, mining, tourism). Sectors, as fields of intervention, are frequently related to specific planning and implementation agencies (departments, ministries) heading up such interventions. The key characteristic of sectors in the IDP process is that they may or may not be considered in the planning process, depending on the specific local needs and resources.

(b) ROLE OF SECTOR PLANNING IN IDP

Local government powers and functions are outlined in the 1996 Constitution and in the Municipal Structures Act. They vary from sector to sector and according to provincial discretion on the delegation of functions to municipalities in respect of some sectors. The principle underlying the role of sector planning in the IDP process can be summarised as follows:

- Sector planning requirements contained in national sectoral legislation in respect of municipal functions such as water and environment should be dealt with as part of the IDP process, where they are relevant to the local priority issues.
- Specific sectors which fall beyond the ambit of local competencies, such as education, may be directly related to the priority issues identified in a specific municipal area. As the municipality is not the implementation agency, attention will still need to be given to the planning process from analysis to integration; to facilitate alignment and co-ordination with other spheres of government and institutions, in the course of the IDP process. What is proposed is that even for sectors where there are no legally prescribed planning requirements, local government can use the integrated planning process to lever national and provincial sectoral contributions (funds and support) for development by ensuring compliance with national and provincial policy principles and sector guidelines. Local government can also use the IDP process to lobby provincial sector departments by involving them in the local planning process at appropriate points.

Sector planning and national sector departments have set up municipal sector-driven planning requirements, to inform their strategic planning, budgetary and implementation processes. For example the Department of Water Affairs and Forestry requires municipalities that are Water Services Authorities to formulate Water Services Development Plans, and the Department of Housing requires municipalities to formulate a housing strategy and targets as part of their IDP process. These planning requirements are meant to assist in the process of alignment.

Sector planning requirements vary in nature and status. The following categorisation of requirements can assist municipalities in differentiating between the various kinds of requirements:

- (a) legal requirements for the formulation of a sector plan;
- (b) a legal compliance requirement;
- (c) a planning requirement to be undertaken as a component of, or part of, the IDP; and
- (d) a recommendation, which is deemed to add value to the municipal planning process and product.

BCMM SECTOR PLANS

1. Buffalo City Local Economic Development Strategy

1.1 Why Buffalo City needs a Local Economic Development Strategy

The future quality of life of Buffalo City's (BC) communities will depend on the ability of all stakeholders (public, private, civil society and labour) to collaborate, improve the District's global competitiveness and accelerate economic growth, job creation, black economic empowerment and poverty reduction. The Buffalo City Local Economic Development Strategy (BC LEDS) is a five-year implementation plan aimed at accelerating economic growth, job creation and empowerment. This BC LEDS provides a framework for united partnership action which will build on the critical strengths and resources of those who live, play and work in Buffalo City as well as strategic external partners (national and provincial government, foreign investors and financiers, tourists etc.).

The BC LEDS has a five-year horizon for the following reasons:

- Buffalo City's future trajectory will greatly depend on the extent to which capacity at the East London port is enhanced or not over the next 5 years. The LEDS will need to be adjusted in a few years time based on the outcome. If sufficient expansion takes place, then growth in Buffalo City's manufacturing sector through new foreign and domestic investment and manufacturing restructuring strategies (including skills development) can be accelerated, in addition to selected services sectors. If expansion does not take place, Buffalo City will need to put significant resources into reinventing itself and restructuring the economy based on primarily promoting services sectors which assist in attracting and retaining certain population groups such as the youth as well as certain tourism markets.
- The speed with which global economic trends are evolving and impacting on the opportunities and threats facing the Buffalo City is increasing. Stakeholders in Buffalo City need to be constantly monitoring these trends and adjusting the BC LEDS on a continuous basis to ensure the threats are minimised and the opportunities are maximised.

The BC LEDS and the BC City Development Strategy differ in the following key aspects:

- (i) The LED Strategy is a medium-term (5yr) strategy, while the CDS is long-term framework for action (20yrs).
- (ii) The LED Strategy focuses primarily on actions which the BCMM can do something about, while the CDS raises broader issues requiring higher levels of intervention.
- (iii) The LED Strategy focuses on building a productive economy while the CDS also addresses governance, inclusivity and sustainability.

The following national, provincial and local strategies have been reviewed to inform the BC LEDS:

- Accelerated Shared Growth Initiative of South Africa (ASGISA);
- National Spatial Development Perspective (NSDP);
- Human Resource Development Strategy and Joint Initiative for the Prioritisation of Scarce Skills (JIPSA);
- South African Industrial Policy and National Sector Strategies;
- Regional Industrial Development Strategy (RIDS);
- Broad-Based Black Economic Empowerment initiatives;
- Provincial Growth and Development Strategy;
- Provincial Industrial Development Strategy;
- Provincial Skills Plan;

- BCMM City Development Plan;
- Buffalo City Tourism Master Plan; and
- East London Industrial Development Zone.

The main identified implications of the above strategies for the BC LEDS are as follows:

- (a) Buffalo City is classified nationally as having “medium potential” and is therefore not seen to be a national development priority, with Coega and Nelson Mandela Metro receiving priority in terms of the allocation of national infrastructure funding. This situation exists partly because of a lack of national understanding regarding the critical importance of Buffalo City in servicing a broader regional and rural economy which contains about 4 million people. The success of the BC and regional economy cannot be separated.
- (b) International critics of the government's industrial development strategy have noted that its major weakness is its failure to address what are termed “small industrial policy” issues which relate to the basic functioning of the business environment but which promise to substantially undermine the productivity and ease of doing business of existing investors/businesses in South Africa. Issues such as crime, home affairs procedures regarding visas, government decision-making time-frames, general attitudes of government towards business, land availability, transport reliability and local municipal services as seen to be just as important, if not more so, than big industrial support programmes. This finding represents a major opportunity for Buffalo City to focus on getting the basics right and differentiate its business environment from those of its bigger City competitors by ensuring the existing businesses are treated well and that basic services and decision-making processes are efficient.
- (c) The focus on addressing constraints to growth needs to be addressed at a local level and the following opportunities are highlighted:
 - The ASGISA Infrastructure Plan and national budgetary surplus represents a golden opportunity for Buffalo City to tap into a massive infrastructure investment phase after years of neglect. If this does not happen, there is the danger that Buffalo City will not receive meaningful infrastructure investment required to ensure that its port, airport, road and rail infrastructure are able to competitively service export oriented activity. This threatens to undermine the economic sustainability of Buffalo City. The EL IDZ will not attract much foreign direct investment if logistics infrastructure constraints are not addressed. The BC LEDS proposal must therefore address this issue as well as consider different future economic scenarios for Buffalo City. If logistics infrastructure is not expanded, the focus will need to be on providing a supportive business environment for domestic investment. If capacity is addressed, more focus on a foreign investment strategy will be required.
 - National strategies and funds for agriculture, tourism, business process outsourcing, film, clothing and textiles, and automotive sectors mean that significant national funds are being spent as well as the provision of an increasingly supportive regulatory environment to accelerate the growth of these sectors and BC needs to develop and adequately resource its own local strategies in these sectors to capitalise on these opportunities. The lack of provincial strategies as well as sector-focused expertise presents a challenge to Buffalo City in terms of the possible marginalisation of Buffalo City in terms of initiatives which maximise opportunities in these sectors. The BC CDS does not identify detailed strategies for agriculture, manufacturing or services sectors and this is therefore a critical focus of the BC LEDS.

- The focus on advanced manufacturing must be supported, especially with respect to an automotives supplier development programme which assists suppliers to upgrade their technological capabilities.
 - Future tourism growth will depend on a wide range of factors including improvements in logistics infrastructure, tourism infrastructure (e.g. beach front), branding and marketing and additional resources are required to implement a number of priority initiatives which have already been identified.
 - The increasing focus on regulatory constraints to economic growth must be pulled down to the local level to inform refinements to priority municipal processes which constrain economic development (for example through a Red Tape Reduction Process as well as through other continuous improvement processes).
- (d) Within Buffalo City, the majority of economic growth potential exists in East London and certain other locations (e.g. rural settlements and Dimbaza) do not have significant economic potential. The focus on these areas of low potential needs to be on building the skills base of people living these areas so that they can access economic opportunities elsewhere. In addition, opportunities to identify and develop tourism facilities and attraction in Dimbaza, as well as strengthen transport system connections to linked employment centres, should be persued.
- (e) The critical importance of labour force skills development is being recognised by local governments who are playing an increasingly active facilitation role in linking the SETAs, education service providers and key economic sectors in order to enhance the development of appropriate local skills training programmes which effectively meet the needs of the local economy.

2. HOUSING SECTOR PLAN

2.2 Introduction

Buffalo City Metropolitan Municipality, with the assistance of the Provincial Department of Human Settlement, has prepared this Housing Sector Plan as a component of the Integrated Development Plan. This Housing Sector Plan is based on the principles, policies and proposals of the Housing Policy and Implementation Plan prepared in 2003. It contains an assessment of the current housing need, the situation regarding the current projects, infrastructure and key institutional issues affecting delivery.

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The plan sets out the strategic framework with objectives and strategies felt necessary to enable the delivery of a range of accommodation choices to meet the needs of the city over the next five years and beyond. The various projects involving Breaking New Ground projects, Individual Project Linked Subsidy projects, Middle income housing, Social housing, High density housing and disaster affected housing projects are depicted on schedules with budgets and time frames.

2.2 Situation analysis

The City has a diverse built environment with extremes of density ranging from 184 dwelling units per hectare in Duncan Village to 12 dwelling per hectare in Mdantsane, 4 dwellings per hectare in Gonubie and less than 1 dwelling per hectare in the rural settlements. The City tends to have a fragmented spatial character with most families residing within the urban core

of East London and King William's Town and in informal settlements situated alongside formal settlements and developed suburbs.

The delivery of sustainable housing is integral to the city's vision; however there are many challenges to the delivery of housing including:

- Slow and complex land identification and development processes;
- Limited land in close proximity to the city centre;
- Land invasions and uncontrolled growth of informal settlements;
- Limited capacity of bulk services to meet the demands of new developments (roads, water, sewerage, electricity and storm-water);
- Securing funds for the coordinated supply of social infrastructure such as schools, clinics, sports and recreational facilities and operational costs associated with managing the services;
- Variation between National and Provincial norms and standards;
- Slow response by Province with respect to approval and conclusion of delivery contracts, movement of funds and poor decisions on approval of projects;
- Withdrawal of large construction groups due to low profit margins;
- Complex and time-consuming procurement processes;
- The HIV/Aids crisis is likely to result in a skewed demographic profile comprising relatively more elderly and orphaned children and fewer economically active adults, with the probable future need for more communal housing for the care of the elderly and orphans.

It is a well known fact that further development in many areas of the Buffalo City Municipal area are hamstrung due to insufficient hydraulic capacity at various sewerage treatment plants, mainly in King Williamstown, Mdantsane and Amalinda.

There is a lack of integration between planning, environmental, engineering, finance and housing practitioners. This Housing Policy is seen to be the first opportunity to achieve a multi disciplinary approach to housing delivery. This will require a different attitude to departmental relationships and a new approach to management of human resources. It will also require the Council and Directorates to assign priority to housing in order to achieve results.

Whilst the city wishes to manage the process, its current capacity prevents it from becoming an accredited Housing Institution and developer in the full sense of the word. The serious lack of capacity within the municipality requires consideration of other strategies, which could involve outsourcing of functions to project managers, developers, main contractors and non-government organisations.

2.3 Strategic framework

2.3.1 Key Issues

A set of key issues affecting delivery were identified, namely;

2.3.2 Institutional Capacity

The serious lack of capacity within the municipality in most technical and administrative departments is hampering the vision of integrated delivery to achieve sustainable human settlements

2.3.3 Housing Need

According to the Housing Policy, it is estimated that there is a current need for 75 000 homes including all levels of income and housing types, but excluding rural settlements. This constitutes some 35% of the total housing need in the Eastern Cape Province. The current municipal housing waiting list comprises approximately 40 000 applicants.

2.3.4 Housing Backlog

The municipality has focused a considerable investment in planning new housing developments with some 78 000 sites having been planned in various parts of the city. Unfortunately, a large number of planned projects (estimated to involve 58) have been delayed for many years due to lack of bulk infrastructure capacity and delays in donation of land between the Department of Land Affairs and the municipality.

2.3.5 Infrastructure

One of the key development constraints in the city is the shortage of bulk infrastructure capacity, particularly in the areas where new development is favoured. This challenge is bound to delay the implementation of new housing projects despite the availability of buyers and private development finance. Mechanisms to overcome a shortage of funds for bulk infrastructure involving development contributions and levies payable by developers are being investigated.

2.3.6 Housing vision

The housing vision for the Buffalo City Metropolitan Municipality is as follows:

“Buffalo City Metropolitan Municipality envisages a future whereby integrated communities will be living in a sustainable environment where all residents have access to a variety of accommodation opportunities; close to transport, social facilities and employment. The Housing Policy sets out the policy framework, strategies, implementation actions and funding requirements to achieve this vision.”

2.3.7 Objectives and Strategies

This Housing Sector Plan proposes an appropriate set of objectives and strategies to achieve service delivery over the next five years and beyond. In order to ensure the municipality has the Institutional capacity and systems to implement housing projects and remain accredited status (Level 1 followed by Level 2 and 3 thereafter), it is necessary to establish a designated multi-disciplinary team, formulate a set of procedures to guide implementation of projects, establish a Housing Development Bridging Finance Fund and devise an appropriate quota system for allocation of subsidized housing to meet the needs of special groups, aged and disabled.

Attaining a high level of consumer participation, appropriate consumer relations and a Housing Needs Data Base will require introduction of a consumer advice and awareness training programme (to be linked to every housing project) the creation of a beneficiary housing needs data base which takes into account equitable allocation procedures and special needs and, a register of occupants of informal settlements.

Effective housing delivery requires stakeholder partnerships and in order to have effective participation it is necessary to establish an emerging contractor skills training and mentorship

programme, introduce an accreditation process for support agencies and contractors and prepare and enter into appropriate stakeholder agreements.

Meeting the backlogs and addressing the housing needs of all income groups over the next five years, will require improved housing delivery through building internal capacity to project manage, supervise and monitor housing development, utilizing accredited support agencies, NGO's and outsourced expertise, engaging developers, main contractors and emerging contractors to develop projects at scale and, finally, developing Integrated Sustainable Human Settlements by linking new mixed use development projects to transportation, schools, clinics, retail facilities, employment opportunities and other services.

The housing environment will need to be enhanced through providing sustainable development in safe areas, avoiding steep slopes and flood plains. In addition, it will be necessary to upgrade the planning and project preparation phase to integrate environmental, social and economic development aspects.

The municipality intends to improve on the settlement upgrading programme in rural and urban areas as a matter of priority and in so doing it will conduct a detailed study and feasibility analysis of upgrading of all informal settlements, prepare business plans for the application for land reform and settlement funding from DLA for prioritized rural settlements and implement a prioritized settlement upgrading programme.

Acquisition and preparation of land is considered a vital component of housing delivery, and in order to assemble appropriate land to meet the demand for a variety of choices and typologies of housing in mixed use development areas the city will conduct a land audit to identify strategic parcels of land, conduct valuations and appraisals into development feasibility, formulate a land acquisition strategy in partnership with Dept. of Land affairs to acquire private and State owned land on a prioritized basis to prepare for new housing development and, adopt a managed process of releasing strategic land parcels to facilitate social and private sector housing development.

As a component of achieving integrated sustainable human settlements, the municipality is committed to embark on a high density housing initiative to manage urban sprawl. This is seen as a strategic intervention to counter expected shortage of land and services for housing in the years to come. The initiative proposes to position higher density housing in precincts close to transport nodes, along corridors and economic hubs. (182)

A further component of integrated sustainable human settlement is social housing and its role in directing development into designated inner city development zones. The city proposes to establish and maintain a Social Housing Support System which will build the capacity of the Social Housing support office in the municipality, establish a platform for regular communication with housing associations, conduct a survey of needs and establish a support programme to facilitate Social Housing agencies, co-ordinate the formulation of a Social Housing Plan with relevant stakeholders to achieve increased delivery at strategic nodes and development areas and ultimately, implement an integrated social housing support programme, taking into account best practice and lessons from other parts of the world.

3. Buffalo City Integrated Sustainable Human Settlement Plan (ISHSP): -

3.1 Background to the ISHSP 2011

After the launch of the Breaking new Ground Policy in 2004 and the introduction of the concept of sustainable human settlements into the discourse relating to housing provision in South Africa, the Buffalo City Metropolitan Municipality (BCMM) initiated a process to develop what it has termed its Integrated Sustainable Human Settlement Plan (ISHSP) in 2005.

After due process, in mid-2006 the Municipality appointed a Professional Team, UMHLABA Consulting Group (Pty) Ltd and UWP Consulting Engineers, to assist with the formulation of the ISHSP. Work commenced in this regard in November 2006.

The ISHSP approach is described as follows: -

- The ISHSP fits in between the Buffalo City Development Strategy (CDS) and the IDP, where it is seen as a strategic planning process intended to facilitate consensus regarding the policies and actions required to deliver a range of different types of accommodation in BCMM, within the broader framework of infrastructure, transport, economic and social development initiatives as set out in the Buffalo City Development Strategy and the 5-Year IDP.
- The ISHSP is more focused at identifying what is required for sustainable human settlement, with socio-economic elements/inputs becoming key driver(s) more than simply housing *per se*. That is, the Plan attempts to provide pointers towards what is required for communities to become more “sustainable” in the different localities across Buffalo City, with housing and associated services only forming part of the potential interventions.
- Therefore, the Plan aims to facilitate integration in planning & implementation of projects by the various Municipal and other government services branches/departments in fostering the economic growth/sustainable development of specific areas within Buffalo City that are spatially grouped as “zones” or “clusters” of places that have similar characteristics.
- As part of this approach, however, it remains necessary to define what is appropriate for growth or development of different areas, given their assessed development potential (resource base taking into account the various dimensions of “capital” – social capital, natural capital, human capital, physical capital and financial capital). (183)
- Accordingly, the Plan will conclude with some form of prioritisation regarding where the Municipality should place more weight on its efforts in order to achieve productive developmental outcomes and where lower levels of intervention would suffice to ensure basic levels of service in the 10-year time frame.

Defining the Clusters (Units of Study for ISHS Plan)

In order to define the Clusters for the 2010/11 ISHSP, the following data were used as inputs: -

- Work done to demarcate Land Reform & Settlement Zones in terms of the Amathole District Municipality’s Land Reform & Settlement Plan in 2003 (revised in 2005);
- Work done by the French Agricultural Research institute (CIRAD) in 1999, which identified certain functional characteristics of areas in a broader area (including Buffalo City). The work was based

on participatory techniques that involved communities “mapping” their understanding of the types of activities in their local areas, and identifying typical features of their areas. The types of areas identified as a result of this exercise were mapped by a GIS and included typifying areas as communal, urban-influenced, urban as well as distinguishing rural areas by type of agricultural production – e.g. arable or stock farming;

- SDF inputs, principally the Urban Edges but also work done by UWP in typifying characteristic areas (or settlement “types”) in the period 2001 to 2007;
- Cadastral layers from the Surveyor General; and
- Census 2001 enumerator areas (Sub-Places), which were taken as useful inputs given that they enabled easier data analysis in regard to social and economic data sourced from SSA.

A pragmatic combination of the above inputs was used but the imperative, in line with the overall approach, was to ensure that areas were not fragmented but were demarcated in a geographically contiguous manner wherever possible. These are illustrated below in Figure 1.

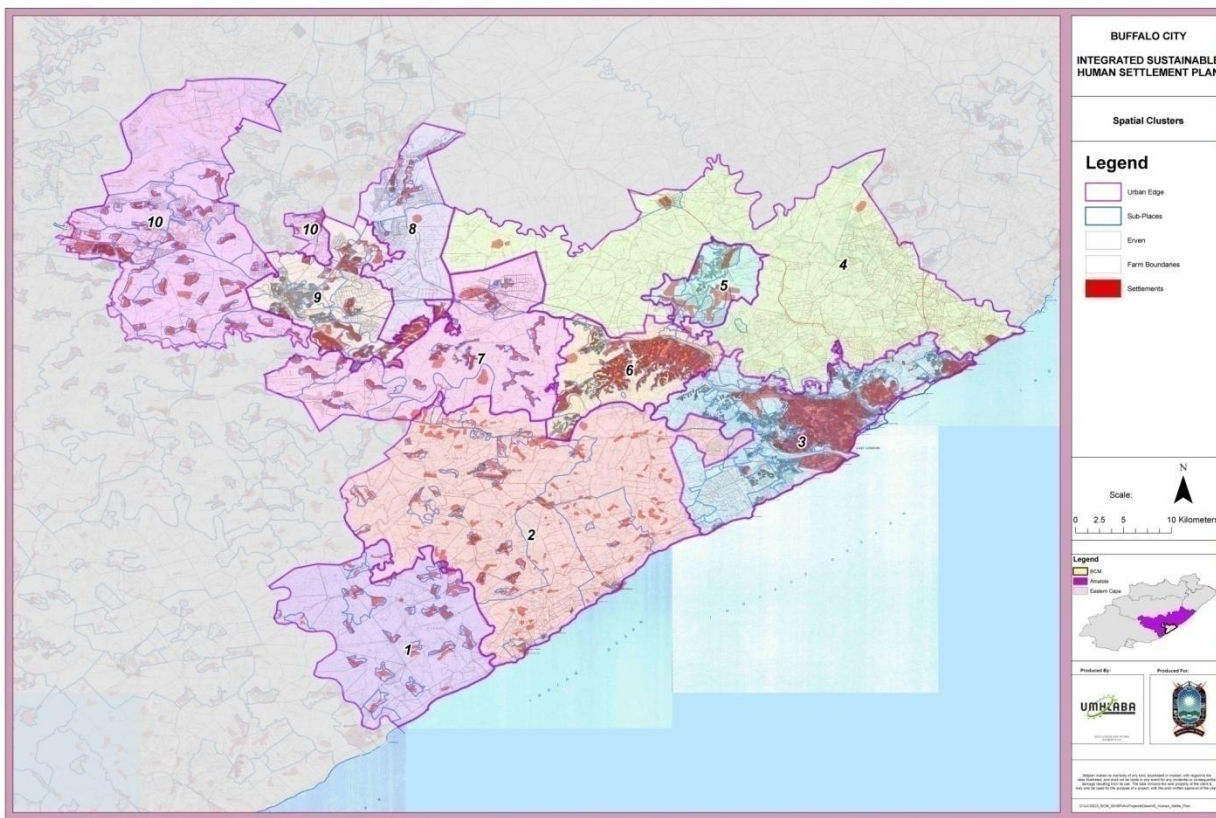


Figure 1: The 10 Clusters comprising the “Units of Study” of the ISHSP 2011

The 10 Clusters forming the Units of Study for the ISHSP are described broadly as follows: -

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
1	Tyolomnqa	Predominantly rural settlement area previously administered by Ciskei pre-1994.

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
		<p>Comprised of registered and un-registered state land and rural settlements administered in terms of Traditional African rules. Tenure is old-order rights (Permission to Occupy [PTO]).</p> <p>Predominant livelihoods base appears to be subsistence agriculture, wage remittances and social grants</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 36,000 people.</p>
2	Ncera/RA32/Umtiza	<p>Composite area comprising of rural settlement areas, nature reserve and commercial farms, with coastal towns and resorts on south-east coast.</p> <p>Ncera area planned rural settlement area with discrete villages and associated commonage.</p> <p>Tenure a mix of freehold and lesser, old-order rights (PTOs etc.)</p> <p>Livelihoods base appears to be commercial agriculture (predominantly stock-farming), subsistence agriculture, formal employment (commuting), wage remittances and social grants</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 35,000 people.</p>
3	Greater East London	<p>Composite area comprising of urban settlement (West Bank, East London, Beacon Bay, Gonubie), commercial farms, coastal reserves.</p> <p style="text-align: center;">(185)</p> <p>Tenure largely freehold with parts of Duncan Village retaining lesser, old-order rights (letting units and leasehold). Informal settlement a feature of certain local areas.</p> <p>Livelihoods largely urban-based with employment in formal and informal sectors, with some commercial agriculture (more intensive – cash-crops etc.), social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 311,000 people.</p>
4	Rural North/North-East	<p>Rural area with predominantly extensive land holdings (commercial farms) with minor urban components being Macleantown and coastal resorts of Sunrise-on-Sea and Kwelera Nature Reserve.</p>

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
		<p>Tenure freehold.</p> <p>Livelihoods base is agricultural activities (largely intensive – cash crops) and tourism based (along coast).</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 21,000 people.</p>
5	Newlands	<p>Traditional African rural settlement area with discrete settlements (villages) interspersed with arable lands and free-range grazing.</p> <p>Tenure is mix of quitrent (equivalent to freehold) and lesser, old-order rights (PTOs). Township establishment taken place for some settlements. Livelihoods base is largely subsistence agriculture, wage remittances and labour commuting, and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 29,000 people.</p>
6	Mdantsane-Potsdam	<p>Predominantly urban area with distinctive “township” settlement pattern, with peri-urban settlements on northern and western fringes of Cluster.</p> <p>Tenure is lesser, old-order rights (Deed of Grants) or informal. Livelihoods base is formal and informal economic activities, labour commuting to places of employment, some subsistence agriculture and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 253,000 people.</p>
7	Berlin/Amandlambe	<p style="text-align: center;">186</p> <p>Composite area comprising town of Berlin and traditional African rural settlement areas south/south-west of Berlin.</p> <p>Tenure is mix of freehold and lesser, old-order rights (PTOs). Livelihoods base appears to be limited formal occupations, labour commuting, wage remittances, subsistence agriculture and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 38,000 people.</p>
8	Yellowwoods/KWT Rural	<p>Rural area with some traditional African settlements in Yellowwoods area, and other, more extensive land-holdings.</p> <p>Tenure in the area is a mix of informal, freehold and lesser,</p>

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
		<p>old-order rights (PTOs).</p> <p>Livelihoods base appears largely subsistence agriculture, labour commuting and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 12,500 people.</p>
9	Greater KWT	<p>Composite area comprising of urban settlement (King William's Town, Bhisho, Zwelitsha, Phakamisa, Ginsberg, Breidbach), smallholdings, and Municipal commonage.</p> <p>Tenure largely freehold with Zwelitsha retaining lesser, old-order rights (letting units and Deed of Grants). Informal settlement a feature of certain local areas.</p> <p>Livelihoods largely urban-based with employment in formal and informal sectors, with some subsistence agriculture, labour commuting and wage remittances, and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 129,000 people.</p>
10	Dimbaza/Pirie	<p>Composite area comprising town of Dimbaza and traditional African rural settlement areas to north, east and south (Mngqesha, Joseph Williams, Rhayi etc.).</p> <p>Tenure is mix of freehold and lesser, old-order rights (Deed of Grants and PTOs).</p> <p>Livelihoods base appears to be limited formal occupations, labour commuting and wage remittances, subsistence agriculture and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 119,000 people.</p>

3.2 Key Deliverables and Milestones of the ISHSP 2011

The project is structured to be made up of **three broadly defined Phases** -

Phase 1 -	Wherein the focus is on setting up the project's institutional structures, including the Municipal Technical Team and holding a first technical meeting to sign off on the project Service Level Agreement and Project Plan.
Phase 2 -	The second phase of the project is essentially aimed at formulating a clear Problem Statement setting out the challenges and opportunities relating to the formulation of the relevant objectives, strategies and proposals to make up the

	<p>Integrated Sustainable Human Settlement Plan.</p> <p>In order to reach a properly formulated Problem Statement, this phase comprises a number of activities as indicated in the attached Project Plan, amongst which the key milestones/objectives are: -</p> <ul style="list-style-type: none"> ● Establishing the current status of housing projects in the Buffalo City area. ● Clarifying the current Institutional Framework for the development of Human Settlements in Buffalo City. ● Defining clearly the legal and policy framework for Human Settlement Development and the associated roles and responsibilities of different agencies/roleplayers in human settlement development. ● An assessment of the status of human settlements in Buffalo City per cluster, which would rely on secondary data and would focus on describing for each spatially defined cluster base data (e.g. demographic data, socio-economic data, settlement pattern, housing backlog, infrastructure status, social facilities provision). The envisaged objective of this block of work is to identify needs and shortcomings in the provision of infrastructure, housing and social facilities as well as opportunities for the development of these together with potential local economic opportunities. ● Providing an overview of the status of key Sector Plans in order to establish the state of readiness of the Municipality and other key agencies relevant to the development of sustainable human settlements. ● Assessing the Planning and Implementation Programmes of Key Government departments relevant to the development of sustainable human settlements.
<p>Phase 3 -</p>	<p>The final phase of the project entails the various streams of work that will make up the overall Integrated Human Settlement Development Plan.</p> <p>The key components of the Plan (core outputs) are listed as follows: -</p> <ul style="list-style-type: none"> ● The <u>ISHS Strategic Framework</u>, which sets out the basic (policy) guidelines, key performance areas, objectives and strategies and delivery targets in relation to human settlement development; ● The <u>Spatial Framework</u> which focuses on identifying (within the broader context of the BCMM SDF) key areas where housing delivery is to be prioritised in the various clusters as well as implementation guidelines relating to desired settlement form and density; ● The <u>Civil Infrastructure Development Framework</u> which focuses on identifying the key infrastructure installations (bulk networks) and priority projects to enable a programme of human settlement development to be sustained over the 10-year planning time frame; ● The <u>Social Infrastructure Development Framework</u> which aims to identify the

	<p>requirements for various forms of social infrastructure within the different clusters to ensure that adequate provision is made towards that component of sustainable human settlements.</p> <ul style="list-style-type: none"> • The overarching <u>10-Year Human Settlement Development Programme</u> which will aim to tie together the various facets of sustainable human settlement development in both the urban and rural contexts of Buffalo City, and which includes a draft Inter-Governmental Implementation Protocol that could be used by the Municipality as the basis for negotiation with state development agencies and Government departments.
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Overall, the ISHSP will aim to describe a strategic approach for BCMM to reach a state of development where all human settlements (urban and rural) in its area of jurisdiction will conform to the definition of sustainable human settlements as set out in the Breaking New Ground Policy, 2004. That is, a state of development where the inhabitants of rural and urban areas in Buffalo City ***“live in a safe and secure environment with: (i) adequate access to economic opportunities; (ii) a mix of safe and secure housing and tenure types; (iii) reliable and affordable basic services; (iv) educational, entertainment, cultural activities and health, welfare and police services.”***

4. BCMM Integrated Environmental Management Plan

Buffalo City is geographically and environmentally diverse with a wide range of land forms, vegetation-types, climatic conditions, etc. Similarly, the nature of human activities, socio-economic conditions and levels of development vary considerably. It therefore follows that the approach to environmental management in BCMM is diverse, where issues range from pollution resulting from urban related activities to management of rural communal commonage areas.

The response to environmental issues in BCMM raises various challenges, such as:

- Communicating responses to a population from diverse socio-economic backgrounds;
- Dealing with sometimes uneducated people in rural areas;
- Instilling the necessity for environmental management in impoverished population groups who are more preoccupied with survival;
- The wide range of issues given the geographical diversity and extent of BCMM. (189)

4.2 Environmental Management in Buffalo City

Recognising its obligations to the environment, BCMM has embraced sustainable development principles, specifically Local Agenda 21, including integrated environmental management as a cornerstone of development in the area. This commitment is reflected in the overall vision for BCMM as provided in the Integrated Development Plan (IDP):

A people centred place of opportunity where the basic needs of all are met in a safe, healthy and sustainable environment

Despite embracing the principles of sustainable development and Local Agenda 21, the BCMM IDP nonetheless specifically refers to a lack sustainable development and inappropriate use of resources as significant challenges facing the City.

4.3 Institutional and Organisational Structure

An effective and efficient institutional and organisational structure is essential for environmental management in BCMM. During the IEMP development process, a number of institutional issues are highlighted that are relevant to environmental management in BCMM.

4.4 How will the IEMP assist BCMM in Environmental Management

The basis for the development of an IEMP is the fundamental right of every South African citizen to have a healthy environment, as stated in the Bill of Rights in the South African Constitution (section 24) and the National Environmental Management Act, 1998 (NEMA). In response to this and the challenge of Local Agenda 21, BCMM embarked on a process to formulate IEMP.

The challenge for environmentally sustainable development within BCMM. This initiative must inform and contribute to other development and planning activities within BCMM so that the needs of the community can be addressed without unnecessarily compromising the environmental integrity of the area.

The IEMP is also not the responsibility of a single department, but rather serves to ensure that the environment is taken into consideration by all departments in the undertaking of their respective roles and responsibilities. In addition, the IEMP is not stand-alone document, but includes a number of initiatives to ensure incorporation of environmental and sustainability principles within all sectors of BCMM.

4.5 The IEMP Development Process

4.5.1 Objectives for the IEMP

The following were the main objectives of the IEMP:

- Conduct a baseline assessment or audit the state of the BCMM environment;
- Ensure alignment of BCMM activities with relevant environmental legislation and policy;
- Provide input on institutional arrangements relating to environmental management in BCMM;
- Develop measures to manage high priority environmental issues in BCMM;
- Ensure appropriate stakeholder and public participation and dissemination of information during the process;
- Identify cross-cutting issues relating to environmental management in BCMM;
- Develop an environmental policy for BCMM;
- Promote an environmental capacity and awareness in BCMM;
- Establish an effective and efficient system to monitor and measure progress in policy implementation.

4.5.1.1 Stakeholder Engagement and Public Participation

The white Paper on Environmental Management Policy emphasises the need to make environmental information accessible to all interested and affected parties that are responsible for or interested in effective environmental management. Similarly, the importance of public participation and stakeholder comment on municipal reports and plans is also emphasised by the Municipal Systems Act, 2000.

BCMM therefore has an obligation to encourage as wide a spectrum of stakeholders and interested parties as possible to provide input and comment on the development of the IEMP.

Throughout the IEMP process the BCMM IE and SD Unit has arranged information sharing sessions and workshops with various stakeholder groups. Target groups included:

- BCMM officials;
- BCMM Councillors;

- Government departments and regulators;
- Parastatals;
- Local industry and commerce;
- NGOs;
- The general public

5. Electricity Master Plan

5.1 Introduction

Aurecon was appointed by Buffalo City Metropolitan Municipality (BCMM) to develop an electricity master plan for the municipality's entire area of supply. Major nodes include East London (EL), Mdantsane and King Williams Town (KWT). The need for the master plan is based on the aging, condition and loading of the electrical infrastructure in BCMM.

The master plan was to include the following sub-plans:

- Status of the Electricity Network
- Infrastructure Refurbishment Plan
- Network Integrity, Strengthening and Development Plan
- Electrification Plan
- Servitude Plan
- Spatial Development Framework Plan
- BCMM Sector Plans Impact
- BCMM Local Integrated Resource Plan
- Risk Management Plan
- Capital Investment Programme
- Operational Expenditure Programme
- List of Projects

The master plan is to be presented over the 3, 5 and 20 year planning windows.

5.2 Existing Network

The existing network within the BCMM jurisdictional boundary includes islanded networks supplied by Eskom. The network voltages include 132kV, 66kV, 33kV and 11kV and the network comprises of substations, switch houses, miniature substations, pole mounted transformers, overhead line and underground cable. The networks in the three areas of supply are described below.

(i) East London

The network in East London and surrounding areas comprises mainly of 132/33kV/11kV Substations, 11kV switch houses, 11kV cable networks and miniature substations. The intake points include:

- Stafford 2x90MVA 132/33kV Substation
- Progress 3x20MVA 132/11kV Substation
- Woodbrook 2x35MVA 132/11kV Substation
- West Bank 2x30MVA 132/11kV Substation
- Royston/Beacon Bay 11kV supply point
- Greenacres/Gonubie 11kV supply point
- Leaches Bay 11kV supply point
- Nompumelelo 11kV supply point

(ii) King Williams Town

The network in King Williams Town and surrounding areas comprises mainly of 11kV switch houses, overhead line and pole mounted transformers. The CBD of KWT and Bisho however comprises mainly of 11kV cable networks and miniature substations. The intake points include:

- King Williams Town Switch House
- Bisho Switch House
- Dimbaza Switch House
- Ilitha Switch House
- Zwelitsha Switch House
- Phakamisa Switch House
- Kemba 2x20MVA 66/11kV Substation

The industrial area of Kemba/Berlin is an exception as it takes supply at Eskom's Pembroke substation at 66kV. BCMM then utilises a 5km 66kV Wolf Over Head Line to supply its Kemba 66/11kV 2x20MVA substation. The MV distribution is then done by cable and OHL to the industrial commercial and residential areas.

(iii) Mdantsane

The Mdantsane area is supplied at 66kV by Eskom. BCMM has four 66/11kV substations namely:

- Mount Ruth 2x20MVA 66/11kV Substation
- Fort Jackson 2x20MVA 66/11kV Substation
- Embekweni 2x10MVA 66/11kV Substation
- Central Injection 1x20MVA 66/11kV Substation

The 11kV network is mainly Over Head Line and Pole-mounted Transformers.

The status of the existing electricity network is detailed in the Status Quo report but the following findings were made for the 2010 network. In East London there are several cables feeding switch houses which are overloaded. Several MV transformers in the Amalinda and Woodbrook network were overloaded. In terms of under-voltage there are no current problems in East London, however in the near future areas such as Buffalo Flats and Gompo will start to experience voltages below 95%.

In KWT there are only a few cables that are close to 100% loading. There were no instances of transformer overloads or undervoltage. The Mdantsane network currently is not experiencing any overloading problems but undervoltage is of a concern especially on the Fort Jackson network and is addressed by some planned strengthening and expansion projects in the near future.

5.3 Scope of Work

Summarised below are the planning actions performed in order to obtain the necessary details to draft this master plan report:

Obtained all relevant data from BCMM e.g. asset register, network layouts, single line diagrams, load information, resources available.

- Developed the status quo network model for power system simulations and performed analysis
- Developed the spatial models for loading and spatial development frameworks
- Developed the load forecast per load type per area of supply
- Developed the future network models up to the year 2030
- Analysed the future networks and provided proposals for the different sub-plans
- Researched and developed the BCMM Local Integrated Resource Plan

- Developed a Capital Investment Programme and Operational Expenditure Programme based on the proposals in the sub-plans
- Create lists of projects which detail scope of work, date and associated costs

Study Assumptions

The growth of the different consumer categories are incorporated into the master plan as follows:

Residential Consumers

The current loads as were determined in the Status Quo report were grown as follows:

- In domestic areas where the ADMD per household were determined and found to be below 1.5kVA per household the areas were considered to be low income.
- In domestic areas where the ADMD per household were determined and found to be between 1.5 and 3kVA per household the areas were considered to be medium income.
- In domestic areas where the ADMD per household were determined and found to be above 3kVA per household these areas were considered to be high income.

According to the planning Redbook compiled by the CSIR the ADMD per household in the different income areas will saturate at a certain demand as given below:

Low income: 1.5kVA per household

Medium income: 3kVA per household

High income: 6kVA per household

Very high income: Exceeding 6kVA per household (No very high income area exists in East London)

Growth and Development in BCMM is currently driven by housing and electrification projects. Based on the Housing Sector Plan, Integrated Development Plan and Spatial Development Frameworks of BCMM, major developments are expected in the following areas:

West Bank

Sweetwaters

Reeston

Tyutyu

Quenera

Ilitha

Mdanstane Infills

Dimbaza

Mdantsane Bufferstrip

Phakamisa

Potsdam

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Load growth profiles were created using the current ADMD per household and the projected saturation ADMD.

The assumption was made that all load types will grow to the saturation values within the next 20 years.

5.5 Industrial and Commercial Consumers

The electrical load growth that can be expected in the industrial and commercial sectors is 3.8% per annum (Conningarth Economists. Transnet Freight Transport Model. Transnet 2009). This growth rate was

therefore applied to all the commercial and industrial loads in East London, in order to determine future loading.

5.6 Future electrical demand of large power users in Buffalo City

The three largest power consumers in East-London were engaged in order to determine future demands of these customers. These consumers are Mercedes Benz South Africa, Nestle and First National Battery. Mercedes Benz South Africa indicated that the existing maximum demand of the plant will remain the same for the next twenty years. Nestle and First National Battery mentioned that it will not experience growth out of the ordinary and therefore a growth of 3.8% per annum was applied to estimate the future loads.

First National Battery did indicate that an application was made for a 5MVA connection at another plant in the Woodbrook area. The 5MVA load was also considered in the Woodbrook network. An 8MVA application was made by Cecilia Makiwane Hospital in Mdantsane and has been considered in the network assessment.

The Industrial Development Zone (IDZ) of BCMM is also a factor that will influence growth tremendously in BCMM but no details of confirmed future tenants were available at the time of developing this master plan.

The load forecast for each area was developed with the above new consumers in mind as well as natural growth in the commercial, industrial and residential sectors. Based on the above load growth factors, a load forecast was developed over 20 year horizon.

5.7 Network Simulations

The network simulations were undertaken with DlgSILENTPowerFactory, a power systems simulation software package. The version used was version 14.0 Build 5.13.

5.8 Simulation Methodology

The first stage of the simulation was to use the ADMD's of the several load categories discussed above and simulate the current network. The current loading scenario which would be the basis for the future load simulations was estimated with the assistance of demand readings at supply intake points provided by BCMM. This Status Quo results were accepted by BCMM before proceeding to the next stage.

The next stage was to grow the loads over a 20 year period and identify the network constraints in each area during the different peak periods i.e. the commercial and residential peak periods. Once the network constraints were identified, optimal solutions were proposed in the form of expansion, strengthening and network re-configuration.

5.9 Eskom Supply

It is of fundamental importance that the Eskom network plans in respect of the BCMM area are known and evaluated and the proposals are aligned accordingly. The following major plans are expected during the planning horizon that is important for BCMM:

- The Yellowwoods substation is expected to be upgraded from 2x10MVA transformers to 2x20MVA transformers in 2010/2011. The Yellowwoods substation supplies Bisho and will supply Breidbach in future.
- The new Quenera 2x20MVA 66/11kV substation is to be established in the developing Quenera area between Gonubie and Beacon Bay in 2010/2011. The Quenera SDF takes this new substation into consideration.

5.10 Simulation Results

The summary of results using this load forecast, the age and condition of the infrastructure is shown in the table below. The summary highlights the type of problem, the major infrastructure affected and the severity of the problem per area. Further details can be found in the different plans discussed thereafter.

Table 0.1: High-level Summary of Problem Type per Area

Area	Problem Type		
	Overloading	Under Voltage	Age & Condition
East London	<ul style="list-style-type: none"> • Power Transformers at Main Substations • MV Transformers • Cables 		<ul style="list-style-type: none"> • Power Transformers at Main Substations • MV Transformers: Immediate Maintenance • Cables • Switchgear: Immediate replacement • Substation & Switch House Buildings
King Williams Town	<ul style="list-style-type: none"> • MV Transformers • Cables: Immediate upgrades 	<ul style="list-style-type: none"> • Breidbach Network: Immediate upgrade of Incomer 	<ul style="list-style-type: none"> • Pole-Mounted Transformers: Immediate Maintenance • OHL: Refurbish within 10-20 Years • Cables • Switchgear: Immediate replacement
Mdantsane	<ul style="list-style-type: none"> • Power Transformers at Main Substations: Immediate upgrades at Mount Ruth & Central injection Substations 	<ul style="list-style-type: none"> • Fort Jackson Feeders: Expansion of Infrastructure within the next 3 years 	<ul style="list-style-type: none"> • Pole-Mounted Transformers: Immediate Maintenance • OHL: Refurbish within 10-20 Years • Switchgear: Immediate replacement

In terms of the future network, using the forecast developed the following plans were developed for BCMM:

- Network Strengthening Plan
- Infrastructure Refurbishment Plan
- Electrification Plan
- Risk Management Plan
- Servitude Plan
- Capital Investment Programme
- Operational Expenditure Programme

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The **Network Strengthening and Expansions** for BCMM include new substations, switch houses, lines and upgrading of transformers and switchgear. The projects are described per area in Chapter 9. The major projects in BCMM include:

New Buffalo Flats and Gompo Substation 132/11kV 2x40MVA

It is proposed that BCMM build a new 132/11kV 2x40MVA substation to supply the Buffalo Flats and Gompo area. The switch houses which feed the Buffalo flats and Gompo area is 3.3km away from Progress substation. It is estimated that the load on Progress substation will reach its firm capacity in year 2014.

The electrical load of the Buffalo flats and Gompo area are expected to grow from 13 MVA to 33 MVA within the next 20 years, not only due to the natural growth of the existing loads, but also due to electrification of existing houses in the area.

New 132kV Overhead line from Buffalo switch yard to Buffalo Flats and Gompo substation

It is proposed that a new 132kV Wolf line should be built from Buffalo switch yard to the new proposed 132/11kV Buffalo Flats and Gompo substation. The T-off from the existing line feeding Stoneydrift substation is not recommended as the line capacity can become a problem in future.

West Bank Expansion/Rockcliffe Switch House and Substation 132/11kV 2x40MVA

Growth is expected in the West Bank area, but due to the fact that this growth is driven by private investors it is not known when the development will start. It is therefore proposed that BCMM build a switch house in the West Bank area and supply this switch house with an 11kV overhead line from the IDZ substation as an interim solution. If the load growth due to the development is very high, BCMM can build a 132kV substation where the proposed switch house will be. The construction of this 132/11kV 2x40MVA substation was scheduled to be constructed in year 2020.

New 132kV Overhead line from Buffalo Flats and Gompo substation to the West Bank Expansion substation

The construction of a 132kV Wolf line from the Buffalo Flats substation to the new West Bank Expansion substation was also scheduled for the year 2020. The route of this line should be discussed with the airport, as the airport might require a section of the line to be cable in order to comply with safety standards for flight paths.

Upgrading of Mount Ruth transformers from 66/11kV 2x20MVA to 2x40MVA (196)

Mount Ruth Substation is expected to exceed its firm capacity in 2011. It is recommended that the 2x20MVA transformers be upgraded to 2x40MVA transformers in 2011. One of the 20MVA transformers should be moved to Central Injection Substation and the other stored as a spare. It is also recommended that the buffer strip be supplied from this substation hence additional feeder bays will be required in 2010 if the development goes ahead immediately. As the fault levels will increase at Mdantsane, the 11kV switchboard may require upgrading to 2500A 20-25kA switchgear.

Second Central Injection 66/11kV 20MVA transformer

Central Injection is currently an unfirm substation with only one OHL and one power transformer. We recommend that this substation be upgraded to a firm substation. It is recommended that one of the 20MVA Mount Ruth transformers be moved to Central Injection. The existing 66kV OHL from Central Inject T to the substation is also in need of major refurbishment. It is recommended that a new double circuit wolf line be built along the same servitude of approximately 2.4km. The existing line should then be dismantled.

Upgrading of Embekweni transformers 66/11kV 2x10MVA to 2x20MVA

This 2x10MVA substation is currently idling but will soon need upgrading due to electrification in Potsdam and the alleviation of low voltages on the Fort Jackson feeders. It is recommended that a new switching station be established in zone 14 close to Fort Jackson Feeder 1, 9 and 16 in order to raise voltages above 95% in 2012.

The switch house which will be located 2km east of the Embekweni Substation will be supplied via 2x300mm² Cu PILC cables from Embekweni Substation. The electrification of Potsdam and the shifting of load from Fort Jackson will require an upgrading of the 10MVA transformers to 20MVA.

The **Infrastructure Refurbishment Plan** includes proposals to address ageing and condition of assets. Based on information in the current asset register there are a large number of transformers requiring immediate maintenance. The proposed maintenance of this equipment is valued at approximately R2.7mil.

The refurbishment of overhead lines in BCMM will be required from 2015 to 2030 and beyond at a cost of approximately R18mil. The medium voltage switchgear in BCMM including ring main units will require replacement from 2010 onwards as some have exceeded their asset life and may pose a problem in terms of network availability, reliability and safety.

It is proposed that the refurbishment of transformers and cables in BCMM based on age be dealt with by implementing a **Risk Management Plan** in order to increase network availability. This strategy is based on the fact the use of asset life as an indicator does not imply that the asset needs replacement at the end of its asset life. The risk management plan will guide BCMM as to the number of spares required at a particular time in order to plan for asset failures. Refer to Chapter 9 for cost summaries and Annexure I: Risk Management Plan for details of type of equipment, location and quantity required for a particular year.

The **Electrification Plan** for each area of BCMM can be found in Chapter 8. The plan includes several housing developments and electrification envisaged for BCMM during this planning horizon. The plan includes strengthening and expansion projects based on the electrification of these houses. The cost of this electrification plan therefore includes the cost per connection plus any strengthening or expansion project required in order to electrify the households

The **Servitude Plans** for BCMM include the servitudes required for new overhead lines and underground cables in BCMM for expansion projects due to development and alleviation of network constraints. The servitude plan per project can be found in Chapter 9. Important servitudes include:

- 11kV Ring Feeders in KWT and outlying networks for electrification and strengthening
- 11kV Ring Feeders in Quenera
- New 132kV Overhead line from Buffalo switch yard to Buffalo Flats and Gompo substation
- New 132kV Overhead line from Buffalo Flats and Gompo substation to the West Bank Expansion substation
- New Double Circuit 66kV Overhead Line between Central Injection T and Central Injection Substation
- New 11kV OHL for the Bufferstrip development

Chapter 6 also includes a **Local Integrated Resource Plan (LIRP)** for BCMM. This LIRP was developed by benchmarking with other municipalities in South Africa in terms of both technical personnel and total number of staff. The general finding was that BCMM needs to increase resources as they appear to have

one of the highest ratios of connections per employee. Failure to increase resources will lead to the extension of the existing backlog as well as delays in completing electrification projects.

5.11 Ultimate Network Loading

It is estimated that the following loads will be experienced in 2030 at intake points of the BCMM Network:

Table 0.2: Final Load at Intake Points

Intake Point	Load (MVA)	Intake Point	Load (MVA)
West Bank	20	Dimbaza	9
Woodbrook	47	Kemba	9
Reeston	35	Ilitha	2.7
Stoneydrift	80	Phakamisa	6
Progress	37	Zwelitsha	8.5
Queenspark	80	Mount Ruth	40
Buffalo Flats &Gompo	30	Central Injection	15
KWT	45	Embekweni	18
Bisho	20	Fort Jackson	20

5.12 Capital and Operational Expenditure

All the above plans were put into the Capital Investment Programme and the Operational Expenditure Programme. The detailed tables of the Capital Investment Programme and the Operational Expenditure Programme are Table 10.1 and Table 11.1 respectively. The summated programmes are shown in the tables below.

Table 0.3: Capital Expenditure Summary

Year	Amount
2010	R 95,766,765
2011	R 151,614,380
2012	R 133,244,238
2013	R 99,419,034
2014	R 98,273,399
2015	R 101,963,988
2016	R 31,493,451
2017	R 31,493,451
2018	R 31,493,451
2019	R 31,493,451
2020	R 31,493,451
2021	R 22,470,718
2022	R 22,470,718
2023	R 22,470,718
2024	R 22,470,718

Year	Amount
2025	R 22,470,718
2026	R 27,050,686
2027	R 27,050,686
2028	R 27,050,686
2029	R 27,050,686
2030	R 27,050,686

In the table below the current opex of BCMM is indicated and grown at an inflation rate of 6.7% per annum for the next twenty years. The maximum opex as recommended by NERSA, as well as a median is also given in the below table. It is recommended that the opex of Buffalo City should be between the median and the maximum amount as recommended by NERSA.

Table 0.4: Operational Expenditure Summary

Year	Current Opex	Median	Maximum Opex
2009	R 74,000,000	R 91,125,000	R 108,250,000
2010	R 78,958,000	R 102,498,180	R 126,038,360
2011	R 84,248,186	R 106,311,741	R 128,375,297
2012	R 89,892,814	R 113,684,974	R 137,477,133
2013	R 95,915,633	R 120,861,201	R 145,806,770
2014	R 102,341,980	R 133,511,133	R 164,680,286
2015	R 109,198,893	R 146,265,812	R 183,332,732
2016	R 116,515,219	R 156,240,041	R 195,964,863
2017	R 124,321,739	R 165,853,137	R 207,384,535
2018	R 132,651,295	R 176,110,310	R 219,569,325
2019	R 141,538,932	R 187,054,714	R 232,570,497
2020	R 151,022,040	R 198,732,393	R 246,442,747
2021	R 161,140,517	R 216,362,396	R 271,584,275
2022	R 171,936,932	R 229,657,305	R 287,377,679
2023	R 183,456,706	R 243,842,973	R 304,229,241
2024	R 195,748,305	R 258,979,081	R 322,209,857
2025	R 208,863,442	R 275,129,308	R 341,395,175
2026	R 222,857,292	R 294,865,772	R 366,874,252
2027	R 237,788,731	R 313,252,628	R 388,716,526
2028	R 253,720,576	R 332,871,404	R 412,022,231
2029	R 270,719,855	R 353,804,637	R 436,889,419
2030	R 288,858,085	R 376,140,397	R 463,422,709

6. Tourism Master Plan

6.1 Overview of Tourism in Buffalo City

Buffalo City is regarded as one of the key economic hubs of the Eastern Cape Province and is estimated to contribute about 23% to the total GDP of the Province and provides 19% of the Province's employment opportunities.²

Because of the coast and many natural attractions, the Eastern Cape in general and Buffalo City in particular, have the potential to benefit from the worldwide annual tourism growth of 5% - 6%. However, East London continues to play second fiddle to the more established nodes of Cape Town, Durban and Port Elizabeth.

Whilst the tourism sector continues to show growth, Buffalo City recognises that it has a responsibility of ensuring that the previously disadvantaged individuals are also benefiting from the sector. There is an urgent need to develop community based tourism products and support the Emerging Tourism SMME's to facilitate transformation of the sector for the benefit of all citizens.

Visitors to the city comprise 95% domestic and 5% international, with the international component mainly being business and backpackers. Although tourism has increased steadily, Buffalo City and its surrounding regions have a limited tourism sector³; therefore there is great potential for further expansion.

Tourism Buffalo City claims that **their own statistics**⁴ show clearly that the domestic market is the City's bread and butter, with the most recent information showing that the Eastern Cape is the second most popular province in SA among domestic tourists. The conventional wisdom is that this is due to a perception that the City offers excellent value for money and that it has benefitted more than others from holiday-makers "buying down" in recent times.

6.2 Critical Review of Buffalo City Tourism Master Plan: 2004 – 2009

In 2003, the Buffalo City Metropolitan Municipality commissioned Grant Thornton, along with its consortium partners, to develop a Tourism Master Plan for 2004 – 2009. The Tourism Master Plan outlined a detailed framework for planned tourism development and encouraged the Municipality to implement strategies and plans that would yield optimum benefit for its citizens.

Based on the review and assessment of the BCTMP 2004-2009 it is clearly evident that the process followed in its development was very comprehensive and included a considerable amount of consultation with key stakeholders in the public and private (tourism industry) sector.

The BCTMP identified the critical components of the state of the tourism industry within Buffalo City and how these parts interact. The Plan was able to highlight the mechanisms for the public and private sector to work more effectively together. Opportunities remain, however, to **cement these relationships** and adopt a more complete destination management approach.

The data collected through extensive primary research by the BCTMP created a baseline for further growth and development of the tourism sector. The tools necessary to constantly improve the tourist data collection processes to track sector trends have not been put in place. The Buffalo City Metropolitan

Municipality and its agencies **do not have the capacity** to gather comprehensive statistics on the performance of the sector.

In reviewing the BCTMP, other planning initiatives were considered to assess integration and alignment. The contents contained in these documents suggests that, aside from the normal macro-economic and structural issues facing the Buffalo City, in terms of the World Recession, Crime Statistics in South Africa as well as the fact that the city of East London plays second fiddle to the more established nodes of Cape Town, Durban and Port Elizabeth, **it is not necessarily a lack of policy and strategy frameworks that is impacting negatively on the growth and development of tourism within Buffalo City.** Rather, that the problem is related to 'lack of implementation and taking to market of new products and infrastructure'. Related to this is a need for '**focus**' in terms of marketing, strategic project identification, prioritization and implementation, proactive approach to tourism investment/investor mobilisation⁵; creating a good enabling environment bearing in mind competition for investors/investment in the tourism industry.

Elaborated below are the **key areas of focus** of the TMP and the assessment of the performance of the Municipality in implementing the recommendations emanating from the TMP.

6.3 Tourism Development Plan:

The most significant thrust of the BCTMP was the identification of the 31 development concepts that would grow the tourism sector in Buffalo City. These concepts were described by the BCTMP as '**drivers**' of new investment, employment creation and income generation. Ten (10) of these concepts were identified as high priority and are highlighted below:

Project Name	Progress
1. Sports Centre of Excellence	A Cricket Academy was launched in Mdantsane by South African fast bowler, Makhaya Ntini, in September 2010.
2. Marina Glen Multi-Purpose Venue	The establishment of an International Convention Centre (ICC) by Premier Hotels in East London has addressed the need for the development of such a multi-purpose centre as it was envisaged along a similar conceptual framework
3. Struggle Route	The Struggle Route has been developed and operation material for the route has been published by Amathole District Municipality
4. Steve Biko Interpretation Centre	The Centre has finalised its business plan and has secured funding for its operations. The Centre is has however not entered the construction mode
5. Nahoon Seaside Resort	This project has not taken place as there are strong objections from residents towards any possible large-scale development on the basis that to some extent such a development would conflict with the Coastal Management Act
6. Formalized Car Guards – Ambassador Programme	The visibility of car guards around the City cannot be denied. However, the formalization of the sector has not been realised. The impact of this sector is not understood, as such, the Municipality

Project Name	Progress
	intends to commission a study of the SMME informal sector in 2010/11 to better understand the impact of and challenges facing this sector.
7. Grand Prix Circuit Development	No progress has been made in this project
8. Adventure Buffalo City	Through the packaging and branding of the Eastern Cape Province as an adventure tourism destination, the Buffalo City has been able to leverage from these efforts.
9. Sports Festival	Buffalo City has position itself as a sports destination and this has been realised by the increase and frequency of key sporting events starting to flock into the City.
10. Military History Route	The Military History Route has been developed and operation material for the route has been published by Amathole District Municipality.

There have been significant strides to implement the projects within the framework period of the Tourism Master Plan; however, the reality is that none of these projects would be capable of promoting large scale public and particularly private sector investment with the related and/or desired positive impacts on employment and income generation.

6.4 Skills and Entrepreneurship Development and Support

The BCTMP recommended that a Quality Tourism Forum be established to implement Skills and Entrepreneurship Development and Support. Further recommendations suggested that tourism awareness programmes be conducted at schools and community level, including utilising experience and expertise of senior citizens to assist in the development of new ventures.

The Eastern Cape Tourism Board confirms that it has implemented a mentorship programme for products all over the Eastern Cape, including Buffalo City utilising the expertise of retired sector practitioners.

The analysis of this suggests that there has been some **implementation** of this programme:

- a. An annual schools programme exists which is held in September each year, in 2010 a select group of students took an exposure trip to Durban;
- b. The Municipality provides continuous SMME training and support to new and existing businesses;
- c. The Municipality annually provides strategic support to SMMEs to partake in trade shows and in the production of their marketing materials;

- d. At district municipality level, in 2009/2010 a week-long workshop on tourism was presented to teachers.

The challenge however remains for the Municipality to seek and sustainable solutions to address the oversupply of tourism graduates that is not absorbed by the industry. The intervention should moderate for an equilibrium between the needs of the tourism sector and the provision of skills development programmes provided by teaching and learning institutions.

This is an area that needs real investment in the next 5 years, to stimulate growth of community-based tourism at rural level, enterprise development at township level and appropriate skills development programmes.

6.5 Institutional Framework

The BCTMP 2004 – 2009 recommended that the Tourism Buffalo City should be utilised for marketing of Buffalo City whilst the Buffalo City Development Agency should be utilised for product development within its mandate.

The analysis results indicate that the BCTMP recommendations were considered and implemented by the Municipality:

- A. An **investment of R4,5 million** in 2008/9 with a further increase to **R5,5 million** in 2009/10 was made to the Tourism Buffalo City to facilitate the promotion and marketing of Buffalo City as a destination of choice;

The increased allocation to Tourism Buffalo City should be complemented by a human capital investment that is able to implement the programmes that will increase the marketability of Buffalo City as a tourist destination of choice.

- B. The Buffalo City Development Agency initialised the requisite procurement process to stimulate tourism investment for three (3) tourism developments along the East London Beachfront; Marina Glen, Seaview Terrace and Court Crescent. However, the findings are that there has been no implementation on all three (3) developments with the result that the prime pieces of land along the beachfront remain unutilised. An improved **private sector / investor mobilisation strategy** would eliminate some of the challenges faced by the BCDA during project implementation phases. This also highlights the need to refine the institutional arrangements between the Municipality and its entities.

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It should be noted that many people during the interview process expressed the opinion that the Buffalo City Development Agency is dysfunctional since it currently operates without a Board of Directors and a Chief Executive Officer (CEO). A decision needs to be taken by Council on the future of the BCDA to ensure that tourism product development, investment and implementation are not compromised. Further consideration is required in terms of the consolidation of functions of the two entities to capitalise on synergies and economies of scale.

6.6 Marketing Plan

The BCTMP's marketing plan identified specific marketing objectives:

- I. Growth targets for identified market segments;
- II. Extending length of stay of visitors to Buffalo City;

- III. Increasing the spend of visitors to Buffalo City; and
- IV. Spreading tourists to all areas of Buffalo City.

The BCTMP also recommended specific marketing tools to be utilised to ensure the realisation of the objectives of the marketing plan. Successes in the following areas were noted:

- a) In 2008, Tourism Buffalo City took steps to **rebrand the company** and to modernise its operations and image, a new logo was adopted that aims to capture the fun-filled natural vibrancy and outdoor attractiveness of the area.
- b) The **website was re-designed** and boasts an integrated online booking system for the benefit of those members who choose to use it. An extensive picture gallery depicts the wide variety of attractions of Buffalo City and aims to highlight its natural beauty.
- c) In terms of **co-operative and partnership marketing**, Tourism Buffalo City has re-established co-operative networks with other role-players in tourism and the private sector and has promoted Buffalo City through support from the many sporting and other events that bring visitors to the area. The investment in this area has set about the process of rebuilding public confidence in the role of Tourism Buffalo City as an effective agency in the promotion and marketing of the region as a tourist destination. This challenge not only involves serving established product-owners better than they were before, but also requires that the visibility of a commitment in practical ways to the transformation of operations and the industry as a whole, so that the benefits of tourism are ultimately more equitably distributed.
- d) The media presence has been increased massively, with a new look and feel and **development of newsletters and brochures is evident**.

The BCTMP recommended an increase of the tourism marketing budget for Buffalo City to R2,8 million by year 5 of the Plan. The budget allocation has been increased to R5,5 million for 2009/2010.

The overall marketing strategy of the BCTMP recommended Buffalo City to concentrate on five (5) tourism products:

Tourism Product	Progress and Results
<p>1 Sport</p>	<p>The results of increase in the number of sporting events held in Buffalo City over the past couple of years indicate that Buffalo City has been successfully marketed as an ideal sporting destination, boasting a climate and infrastructure conducive to outdoor activities and a breath-taking coastline. The city hosts provincial, national and International sporting events.</p> <p>Private sector confirms an increase in the number of sport events that take place in the City, with increases in bed sales.</p> <p>In addition, the Buffalo City Planning Department confirmed that they are supporting the development of a further four (4), bringing total to five (5) golf courses in and around East London. The intention is to develop a larger leisure residential component as well as to boost East London's status as a prime golfing destination.</p>

Tourism Product	Progress and Results
2 Sun, sea and sand	<p>Tourism Buffalo City has attended a number of shows and expos where Buffalo City has been vigorously promoted, seeking to strengthen existing markets and to grow new ones.</p> <p>Brochures and other promotional tools have been developed that promote and highlight the beauty of the area.</p>
3 Conferences	<p>The large hotel groups confirmed that their primary client base estimated at 70% is business tourism. The investment by Premier Hotel Group in South Africa's fourth International Convention Centre in East London, the only one on a seafront, will enable the city to increase its potential for business tourism while entering the new market of meetings and events.</p>
4 Heritage and Culture	<p>It was also noted that whilst certain progress has been made in securing funding for the Steve Biko Interpretation Centre and that booklets are being produced for various heritage routes, however, the development of new facilities including accommodation, eateries, crafts etc., will take place over many years and will require on-going government support.</p> <p>From a marketing point of view, these products need to be marketed via linkages with existing larger tourism products/venues/facilities.</p>
5 Nature	<p>The Tourism Buffalo City website boasts an extensive picture gallery that depicts the wide variety of attractions of Buffalo City and aims to highlight its natural beauty.</p>

In order to manage and monitor the success of the marketing plan, the BCTMP recommended:

Recommendation	Implementation progress
1. A tourism performance index to provide regular and timeous index on tourism performance:	This tool is not in place and the performance of the sector cannot be very well understood.
2. An economic impact assessment model to measure the impact on revenue and employment by specific events, the increase in tourists etc.:	This model is not in place.
3. Regular tourist surveys to gauge the opinion of tourists:	Tourism Buffalo City confirms that they conduct a "straw poll" each season which surveys a few establishments for an indication of booking trends, but they concede that the reliability of these figures is sometimes questionable (there is a "lie factor" that creeps in, because The product-owners regard their occupancy as "business intelligence").

6.7 Projects Classification and Identification

The following projects have been classified and identified for implementation during the period 2010 – 2015 based on the key portions of land that were identified as being potentially prime investment opportunities that could drive tourism development and associated employment creation and tourism-led economic growth in Buffalo City.

Tourism Node	Project	Project Summary	Priority
East London Beachfront	Marina Glen 'A'	Large-scale upmarket housing / tourism development. The investor mobilisation process for this project was initiated by BCDA and the award was finalised, however, the project is now being contested in High Court	High
	Marina Glen 'B'	The development of a "family-friendly" beachfront with amenities and facilities and policing	High
	Seaview Terrace	The investor mobilisation process for this project was initiated by BCDA, but the project has since stalled.	High
	Court Crescent	The investor mobilisation process for this project was initiated by BCDA, but the project has since stalled.	High
	Orient Theatre	The upgrade and revitalisation of Orient Beach and surrounding amenities including the Theatre	High
	Signal Hill	The relocation of port infrastructure to release harbour front land parcels for development. This project has been initialised by BCDA, but needs to be implemented during 2010 – 2015	High
	Sleeper site	Utilisation of site to develop new affordable housing including civic centres for ADM and BCMM	High
	The Esplanade	The development of a 'safe, green, child friendly' interface between the sea and the road . The focus area should cover the section of beachfront between Orient Beach and Marina Glen 'B' Beach). This should include improved signage along the Esplanade to the Beachfront.	High
	Quigney	Public environment upgrade and urban management of area	Medium
Westbank	Leaches Bay	The development of an "alternative" beach for the young and restless, with amenities and facilities and strong policing presence to address perceived safety concerns	Medium
	Grand Prix Circuit	The revitalisation of the grand prix circuit and consideration for large scale tourism development. A proposal has been developed which will be considered by BCMM	Medium
Bridle Drift Dam	Adventure / Outdoor Activities	The investigation of an adventure zone along the Bridle Drift Dam / Buffalo City which offers accommodation and activities like bungee jumping, abseiling and climbing. This project can be driven as a joint venture	Medium

Tourism Node	Project	Project Summary	Priority
		between the community and a private operator.	
Nahoon and Bonza Bay	Nahoon Beach	Development of the Nahoon Beach with amenities, facilities and security	High
	Nahoon Seaside Resort	The development of a “ low-impact ” high-value tourism concept that does not compete with the environmental richness of the area.	High
Gonubie	Gonubie Beach	Development of walkway and construction of coastal protection structures for roads and parking	High
Mdantsane	Mdantsane Community Lodge	The establishment of a community lodge in partnership with a private sector partner on the river bank, with a theme park across the river	High
	Mdantsane Heritage Festival	Introduction of a 3-day annual heritage festival in Mdantsane to showcase richness of area	High
Mount Coke	Methodist Conference and Health Resort	The development of a R60m conference facility, hotel, health spa and a museum. Feasibility study and a business plan are to be commissioned. The route from East London past the airport to Mount Coke to King Williams Town has huge tourism potential.	Medium
Macleantown	The Cultural Heritage Lodge	A cultural lodge is to be developed on a piece of land owned by the community under Chief Makina. Feasibility study and a business plan is to be developed	Medium
	Community Game Farm	A co-operative that is involved in organic farming has been allocated given a farm which has a potential for game farming include an accommodation establishment. Feasibility study and a business plan is to be developed	Medium

7. Integrated Transport Plan

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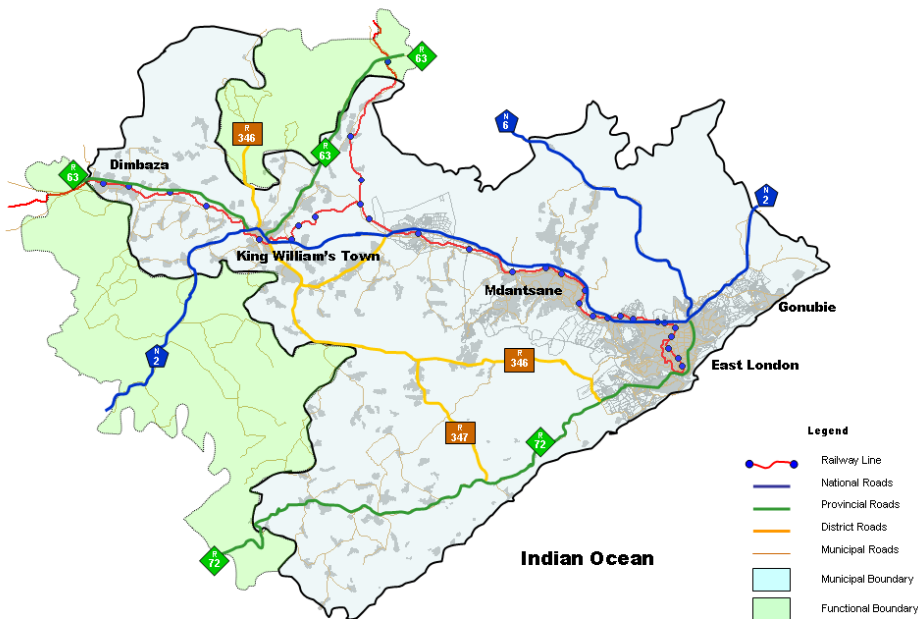
The Buffalo City Metropolitan Municipality Integrated Transport Plan covers all forms of land transport, namely public transport, walking and cycling, freight transport, roads and transport infrastructure. Other important issues covered are traffic safety, the environmental impacts of transport, travel demand management and the transport needs of special categories of passengers. The ITP is the transport “chapter” of Buffalo City’s Integrated Development Plan, published annually to guide the City’s development. The transport plan thus forms part of the overall plan co-ordinated under the Integrated Development Plan.

The ITP was prepared under the National Land Transport Act, 5 of 2009. The Act requires that it be approved by Buffalo City’s Council, the Provincial MEC responsible for transport and the National Minister of Transport. The outcome of the ITP is a series of transport projects to be implemented in the five-year period 2008/2009 to 2012/2013. Projects listed in the ITP are the transport projects in terms of the Integrated Development Plan, and projects included in the ITP will be considered for funding through the

municipal budget. The Integrated Transport Plan is currently under annual review and will be updated by July 2011.

7.1 Background

For citizens of Buffalo City, access to transport is, like for most other cities of South Africa, characterized by a high car usage amongst the economically well-off population, while people with low income have to rely on public transport or must walk.



Buffalo City municipal and functional transport area boundaries

Currently very few formal scheduled public transport services exist in Buffalo City. The commuter rail service between Berlin and East London, as is the case with formal bus, lost patronage over the past two decades and is still in decline. During the anti apartheid struggle years in the late eighties and early nineties, formal public transport services were targeted as a form of protest and hundreds of buses were destroyed. This created a vacuum in the market which was rapidly filled by informal public transport operations (para-transit or so-called minibus taxis) which now dominate the market. Minibus-taxis are small businesses that are required to be legally regulated, but due to the inadequate application of law enforcement, illegal operations resulting in oversupply and conflict are endemic to the industry. There is a crucial need to redevelop a quality formal public transport system in order to hold back the growth of car traffic and also to provide accessibility for all citizens, and thereby facilitate the socio-economic development of the City.

A significant proportion of the population living in the disadvantaged areas of Buffalo City get access to work, education and other activities by walking as their only mode, often over unacceptably long distances because of no choice or the inability to afford a public transport fare. Walking is the mode of transport for half of all trips performed. The use of bicycle for daily needs of transport is currently negligible, and is used mainly for recreation and sports activities.

The current transport system is unfriendly to would-be transport users with physical, mental or age-related circumstances. All aspects of the transport system must in future be designed to accommodate persons with “special needs” so that they can have greater access to transport.

The arterial road system of Buffalo City has a generally high design standard although there are unsatisfactory sections of roads. The capacity of the road system is in general acceptable, except in the highly built-up areas around the East London and King William’s Town CBD’s. Other satellite CBD’s are showing signs of congestion due to traffic generated by the expanding development of office and retail developments. It is also envisaged that the growing traffic will create a demand that will call for the completion of new road links, the planned new crossing of the Buffalo River being one such proposal.

The accident record of Buffalo City is unacceptable. Pedestrian safety is a priority within Buffalo City as half of all people that are killed in traffic accidents are pedestrians. The incidence of public transport vehicles involved in accidents is also high compared to the number of licensed vehicles in Buffalo City (almost ten times as many accidents per vehicle compared to the average of all registered vehicles), and this needs to be addressed.

7.2 Transport Vision, Goals and objectives

The vision for the ITP is to achieve –

“A fully integrated transport system to increase accessibility for all people and giving priority to public transport, non-motorized transport and traffic safety”

It will be necessary to meet a number of goals and objectives if this vision is to be attained. These are:

Accessibility – The transport system must afford all citizens (including the elderly, learners and special needs people) the means to travel to destinations around Buffalo City.

Social and economic development – A well functioning transport system must support social and economic development of Buffalo City.

Safety – The current transport system is characterized by unsatisfactory traffic safety conditions. Infrastructure and services must be put on place to improve traffic safety especially for public transport users.

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Sustainability – The transport system has to be sustainable from an environmental as well as an economic point of view.

Humanizing the City – A transport system orientated towards people, and designed at the “human scale” so as to promote a safe, pleasant environment for walking, will contribute to a more attractive city – a city for people and not dominated by roads, congestion, pollution and lack of accessibility.

7.3 Spatial Development Framework

The Spatial Development Framework is a legally binding document for all land-use management decisions, and illustrates the form and extent of development that Buffalo City Metropolitan Municipality wishes to promote. It is the high-level plan of reference for planning of all transport systems, consisting of the major roads, public transport, pedestrian routes and interchange locations.

The development of housing, industry and other land uses along major transport corridors is one of the main strategies of Buffalo City's Spatial Development Framework. The principal corridor in Buffalo City, namely the Mdantsane – East London Corridor is a key component of the ITP's public transport strategy.

7.4 Transport Needs Assessment

The preparation of the ITP requires an analysis of the need for transport systems and services to meet the demands of the citizens of Buffalo City.

The population in Buffalo City is expected to grow from approximately 0,8 million in 2001 to an estimated 1,4 million in the year 2020. This emphasises the need to develop a new public transport system to cater for the anticipated increased usage in public transport in line with National and Provincial transport policy to develop public transport usage.

7.5 Environmental Impact of Transport

In February 2005 the National Environmental Management: Air Quality Act came into being. This requires the Minister to establish a national framework for the attainment of a number of environmental objectives. One key objective is to establish standards for municipalities to monitor ambient air quality and mobile source emissions. The recently introduced legal requirements to exclude lead from petrol and reduce the sulphur content of diesel are important developments that will improve air quality.

In a less direct context, the proper planning and provision of transport facilities and services, together with transport demand management, can have a profound effect on the urban environment. Measures to reduce the amount of traffic from the road system must be pursued, as well as attention given to the limitation of noise pollution. Thus good public transport systems, coupled with excellent walking and cycle facilities can improve people's access to amenities, and also reduce the use of the private car for travel.

7.6 Traffic Safety

South Africa has a poor accident record when compared to other developing or developed countries. In Buffalo City approximately 8 000 collisions, involving 1 299 casualties (fatal, severe and minor) were recorded during 2004.

The objective of the Traffic Safety Plan is to reduce the number and severity of all accidents, in particular pedestrian, public transport users and learners.

A successful strategy requires the implementation of a combination of education, engineering and enforcement projects.

With regards to **education**, the implementation strategy is aimed at remedying the situation in and around schools. Educating children will involve their parents, who will also indirectly be subjected to the education process. Once children learn about traffic safety they will become aware of issues such as not driving under the influence of alcohol, the use of safety belts, and proper safe practices whether the mode be walk, car or public transport.

With regards to **engineering**, projects will also be aimed at starting in and around schools, as well as along high accident locations. Engineering projects will include the development of the necessary information systems to enable effective safety planning and enforcement issues.

Law enforcement initiatives will be aimed at targeting high accident locations and developing focused enforcement campaigns that will be implemented on a regular basis.

7.7 Transport Systems

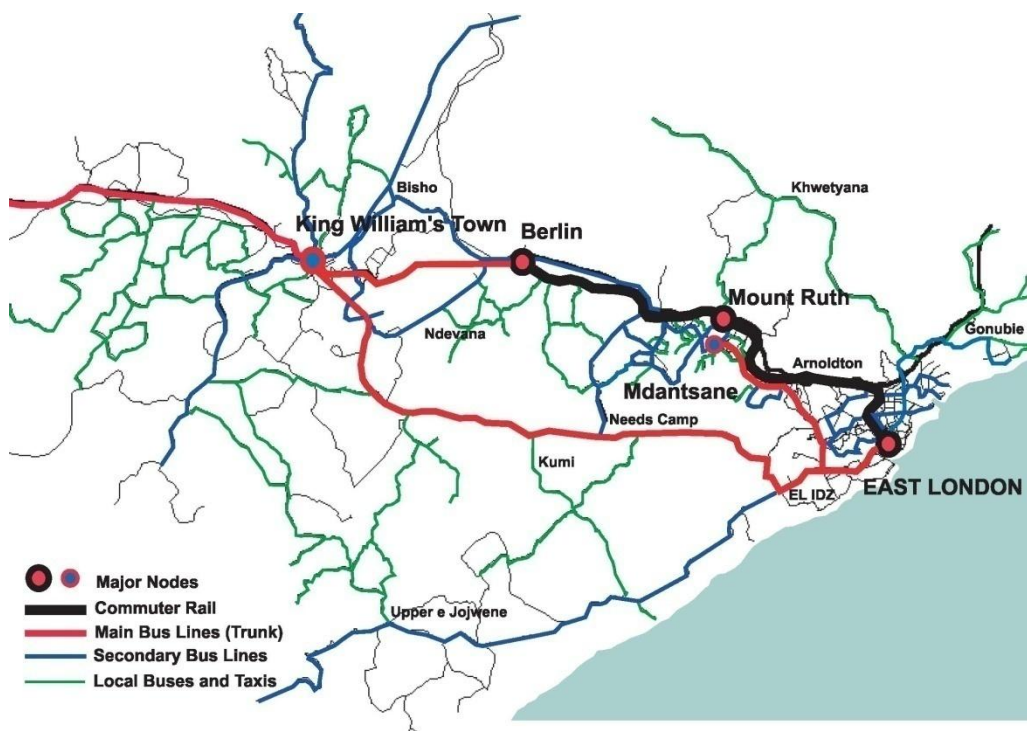
Buffalo City has developed its strategic plans for the future development of each specific transport sub-system, namely the public transport system (network and services), the major road network, the freight network, the non-motorised transport network and provisions for special needs passengers. The policies, strategies and projects intended for implementation in the future are described, programmed, and priorities indicated in this ITP.

(i) Public transport

The majority of Buffalo City's population depends on public transport to access jobs, schools, recreation, shopping and other opportunities that the City currently offers. A quality formal public transport system is recognized as the best means of managing an efficient city, through reducing congestion otherwise caused by the excessive use of the private car. Car use should be limited and regulated by travel demand management. Those owning private cars should use public transport as the mode of choice for regular commuting and other trips.

Of all motorised trips made in Buffalo City public transport accounts for 62% of trips compared with 38% by private car, and is therefore an important means of travel for the majority of citizens of Buffalo City. Surveys carried out in 2002 indicate that of 300 000 trips made using public transport each day, 250 000 are made by taxi, 25 000 by scheduled conventional bus and 25 000 are made by passenger rail.

As public transport is of such critical importance Buffalo City has now developed its long-term vision for the future public transport system to be in place within the next 15 years. The map below shows how the public transport network will be in 2020. This scenario is referred to in the BCMM Public Transport Plan as Scenario C.



Major public transport routes – 2020

Every effort has been made to integrate the long term planning of the PRASA and BCMM, however the rate at which the rail service is improved is the responsibility of the PRASA and BCMM does not have complete control over the roll-out of the Public Transport Plan. The upgrading of the rail system may therefore not take place in accordance with the envisaged time frames. Further, the development of the rail services is dependent on land use and the development of the nodes around key stations and along the rail corridor and needs to take place for the improvements to the rail to be effective. The development of the nodes and corridor could take several years. For these reasons it is prudent to consider an alternative implementation strategy for the future public transport service.

In the future public transport system it was initially proposed that the rail service is improved first and that limited “parallel” trunk bus service running in the Mdantsane / East London corridor along the Mdantsane Access Road are introduced to cater for areas not accessible by commuter rail. These parallel trunk bus services would later be substantially increased to supplement the rail services as demands increase beyond the capacity of the commuter rail system. It is envisaged that ultimately the trunk bus and commuter rail services will carry equal numbers of passengers per day.

An alternative strategy to develop Scenario C could be to introduce the parallel trunk bus service ahead of the rail as the dominant public transport mode in the corridor. This can be achieved by providing separated exclusive right of way facilities for large buses operating as a “Bus Rapid Transit” (BRT) type system within the existing road reserve. The advantages of this is that such a system can be implemented, controlled and regulated by BCMM and will offer the same level of service to commuters and as that of an upgraded rail service. The rail service will still operate but may not be the dominant mode initially until it is fully upgraded. The adoption of this type of alternative future public transport system will have little or no effect on other planning initiatives that have taken place since Scenario C was adopted nor will it affect the planned future feeder public transport services within Mdantsane or the development of the Mount Ruth node. All that it means is that the priority will shift to developing the trunk bus services first instead of the commuter rail services.

Mount Ruth will still be viable as a development node even if the long term public transport scenario with rail as the backbone to the system is not realised to its full extent. This is due to the fact that the rail service will continue to operate to at least the same level of operation in the future as it does currently and that Mount Ruth has the best potential for external linkages of regional significance (N2 and N6) than any other part of Mdantsane. A BRT line can easily be extended to the Mount Ruth Node.

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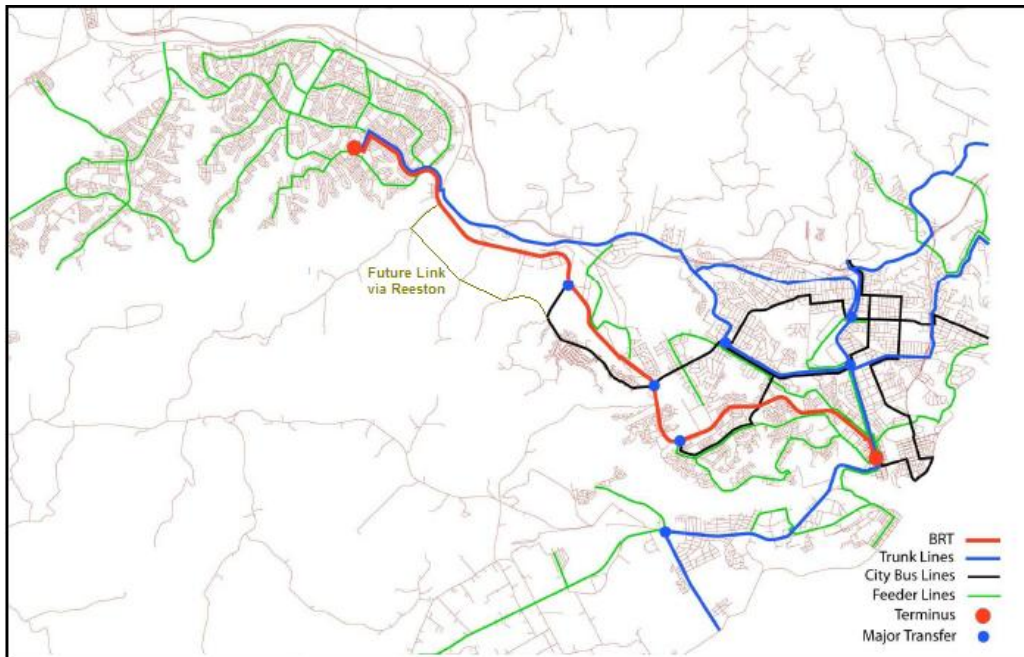
The Operational Plan for the first phase BRT system is complete and was approved by Council on 6 May 2010. The detailed operational plan is the principal planning document for determining the key system characteristics, including network structure, vehicle requirements and infrastructure sizing. Further, the operational plan includes a costing analysis which will underpin the economic viability of the system.

The network planning phase for the Operational Plan confirmed that the MELD corridor is indeed the key corridor that should be focused on in the first phase implementation of BRT, for the following reasons:

- Existing and future public transport demand – this corridor has the highest public transport demand in BCMM.
- This corridor provides the most operationally efficient corridor in Buffalo City and is therefore the most cost-effective.

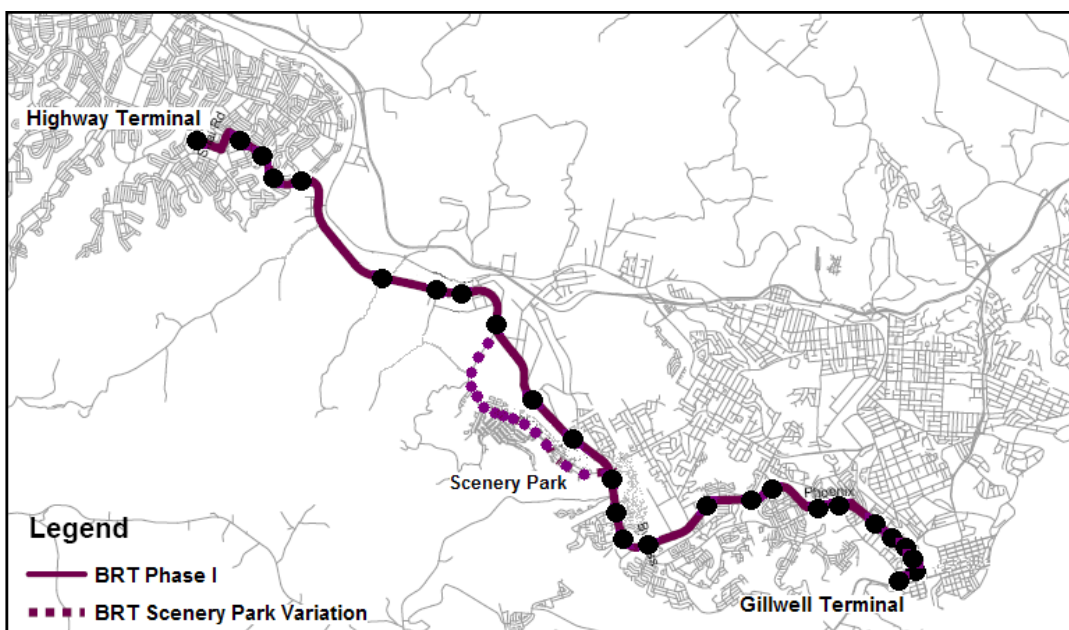
- This corridor is the key strategic transport corridor in terms of the BCMM Spatial Development and Framework Plan.

In order to identify the Phase I route structure, it was necessary to develop a detailed conceptual design of the overall public transport system to ensure that the phase I corridor operates within a future integrated system. To this end a rationalised ultimate network scenario was developed, the layout for which is shown in the figure below:



Ultimate Scenario 2 Rationalised Routes

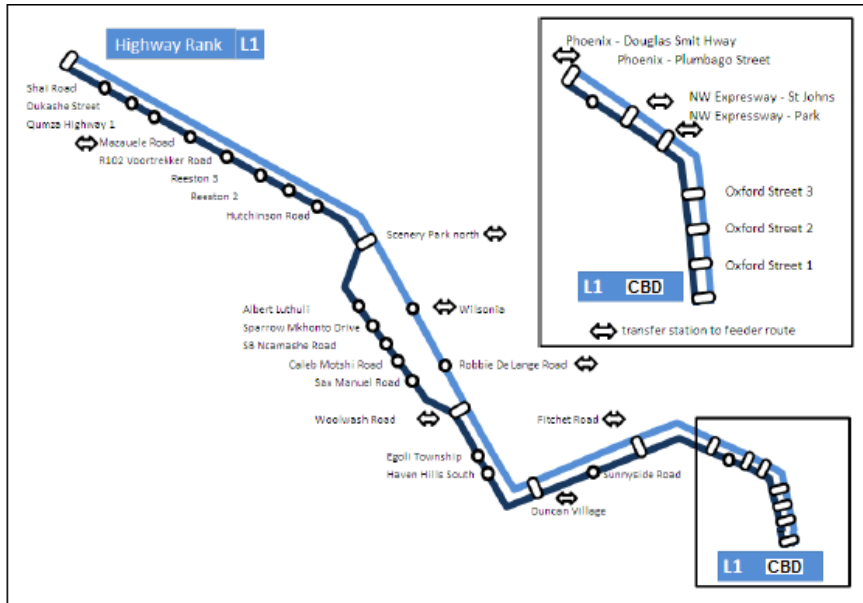
The proposed main route for the first phase implementation over the next three years is shown in the figure below.



Main Phase I Route – Mdantsane to East London CBD

identified as a suitable Terminal and Depot. The Gillwell Street Public Transport Interchange was initially identified as the only terminal in the East London CBD, but now an alternative additional terminal is being proposed in Oxford Street South of Fleet Street due to Traffic Engineering constraints (this proposal is discussed in more detail in the next section).

Potential positions for stations have been identified and are illustrated in the figure below.



Proposed Location of Stations

7.8.1 Major roads

The major road network consists of approximately 1 230 km roads. National freeways and Provincial trunk and main roads increase the major road length by approximately 250 km. 191 355 vehicles were registered within Buffalo City Metropolitan Municipality in 2004. This figure has increased relative to 2002 and 2003 by an annual increase of 8% per annum, considerably higher than the growth in population. If this trend were to continue to 2010, it may be expected that over 300 000 vehicles would be registered in Buffalo City by that year.

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The strategy for road management must consider the two aspects – new development and maintenance – which together affect how the road system as a whole serves the City.

Road improvement projects

Based on current vehicle volumes, 60% of the major roads within the built-up areas of Buffalo City have critical sections that operate beyond capacity during peak hours. The congestion levels of the major road system have increased steadily, and will require transport demand management measures in the future to avoid the need for increasing road capacity unduly. Key projects over the next five years are:

- (i) Widening of Gonubie Road
- (ii) Quinera Drive extension
- (iii) Qumza Highway Upgrade
- (iv) New Buffalo River Bridge

- (v) Oxford Street pedestrian and public transport project
- (vi) Park Avenue/Thorburn crescent
- (vii) Extension of North West Expressway to Amalinda Road

7.8.2 Road maintenance and rehabilitation

The pavement management plan for Buffalo City's municipal major roads provides a management and maintenance plan for its 1 230 km of major roads. The present worth replacement value of these roads is estimated as R 1,02 billion.

It is estimated that, based on the nominal life span of roads being 20 years before major rehabilitation is required, the major road system has only 6 – 8 years of life remaining. The average condition of the network is rated as poor, with 15% of the surfacing and 15% of the sub-surface structure in the poor to very poor category. Buffalo City Metropolitan Municipality has a detailed programme for the management and maintenance of the major road system over the next five years. The key projects scheduled are:

- (i) The reconstruction and upgrading of Fleet Street.
- (ii) The second phase of the reconstruction of Cathcart Street in King William's Town.
- (iii) Rehabilitation of founding conditions of bridges on major roads.

7.8.3 Freight transport

Buffalo City has a large and potentially rapidly growing manufacturing sector, which relies on an efficient and reliable freight transport system. With the advent of the Industrial Development Zone on the Westbank freight transport is likely to increase significantly in future. All sectors of the economy depend on the incoming and outgoing movements of goods by road, rail, sea and air.

The current transport of heavy goods predominantly by road places a significant structural load on the road system, requiring a greater level of maintenance than would otherwise be required. Moreover, the limited capacity of Buffalo City and the Province to effectively apply enforcement to overloaded vehicles has a destructive impact on road pavements leading to premature failure. Overloaded vehicles, often in a non-appropriate condition, also contribute significantly to the negative development in terms of traffic safety.

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A freight plan will be developed in future updates of the ITP. This will initially focus on determining the status quo of freight movements and the development of strategies in conjunction with the provincial and national spheres. Thereafter, the forthcoming ITP's will contain more concrete projects and proposals to manage and provide for freight movement in Buffalo City. Overloading control and the identification of transport routes to safeguard potential damage due to hazardous materials will form part of this plan.

7.8.4 Non-motorised transport

A significant number of people who do not have the means to use a private car or public transport for daily transport in Buffalo City gain access to work, education and other activities by walking. Cycling is an alternative but is significantly under-rated as a transport mode in Buffalo City. The ITP will include projects that provide the facilities to encourage safe walking and cycling, and encourage their use as viable transport modes.

The integration of pedestrian and bicycle facilities into the transport system promote improved accessibility to public transport interchanges and bus stops, work, school, shops, leisure etc. It promotes safer walking and bicycling – and it also contributes to an environmentally sustainable transport system as a whole. Non-motorized transport is an inexpensive means to make short trips within the City, and it also benefits personal good health and fitness. Pedestrian facilities including facilities for cyclists are an important component of the public transport system as public transport users usually commence and end their journeys with either walking or cycling.

Walking and pedestrian facilities

The provision of sidewalks on all major roads in the urban area, and particularly on peri-urban areas where pedestrian movement is hazardous, must be given priority. Safe crossing points for pedestrians are essential at strategic points of high pedestrian conflict.

The important focus for the next five years will be on developing the overall pedestrian plan in more detail, followed by an action plan for the phased implementation of projects. The preparation of a Rural Non-Motorised Transport Plan is currently underway. Pedestrian facilities are currently inadequately provided in Buffalo City, and the best quality facilities are found in the more developed and affluent areas of the City. Low income areas, where pedestrian facilities are needed the most, are generally underprovided. This has a serious impact on the traffic safety situation. In rural areas the lack of non-motorised transport (NMT) facilities exacerbates the challenge of social isolation felt by many rural communities. The BCMM Rural NMT Plan will assess the current situation with regards to NMT in rural contexts in BCMM and will identify key projects to address the challenges facing NMT users. The NMT Plan will ultimately form part of the Integrated Transport Plan (ITP) and therefore the IDP of BCMM.

A key project to adapt Oxford Street to give priority to pedestrians will be undertaken within the next five years. This project will be carried out in conjunction with the Bus Rapid Transit System implementation which will involve the development of a portion of Oxford Street into a Transit Mall.

7.8.5 Special needs transport

The principle that will be adopted to provide for special needs passengers is to ensure that all projects are planned, designed, implemented and operated making sure that all persons can use the facility, service or vehicle involved. In the 2009/2010 financial year a pilot project was undertaken to install facilities for the disabled at the signalised pedestrian crossing at Frere Hospital. This project involved the installation of vibrating push buttons with audible signals and tactile paving with dropped kerbs. The success of this project has led to the development of a programme to roll out this equipment at all traffic signal installations in BCMM.

8. BCMM Integrated Waste Management Plan

8.1 Introduction

According to the National Waste Management Strategy, all South African Municipalities are to present a long-term strategy or plan on how to handle general waste services. Furthermore, Buffalo City Metropolitan Municipality identified the preparation of an Integrated Waste Management Plan (IWMP) as an important project within the Environmental Sector of the Municipality's first Integrated Development Plan (IDP), which was finalised in April 2002. It was agreed that if waste management is neglected and not

dealt with in a more sustainable manner, waste will continue to pose a serious threat to the environment and the health of Buffalo City citizens.

The reason for developing an IWMP is to provide the Municipality with a sustainable long-term waste management system. The IWMP is a planning document, which includes comprehensive background information on the current waste situation in the Municipality as well as the current regulatory framework. Based on an analysis of the current situation, objectives, strategies and projects are formulated that address the priority issues of today.

The Constitution of South Africa (Act 108 of 1996, Section 152) states that *local governments are to ensure provision of services to communities in a sustainable manner, promote social and economic development, promote a safe and health environment, and encourage the involvement of communities and community organisations in matters of local government*. In order to fulfil these constitutional obligations, Buffalo City realises that the current situation must be rectified. This IWMP is an important step in that direction.

8.2 The Context of the IWMP

8.2.1 The National Waste Management Strategy

The National Waste Management Strategy (NWMS) was developed by the Dept of Environmental Affairs and Tourism (DEAT) and the Dept of Water Affairs and Forestry (DWAF) in 1998-99 and presents National Government's strategy for integrated waste management for South Africa. Among the priority initiatives formulated in the document, Integrated Waste Management Planning was identified as an important tool for improving the current waste situation.

The Buffalo City First Generation IWMP is formulated in compliance with the NWMS which allocates responsibilities as follows:

- The *national Department of Environmental Affairs and Tourism (DEAT)* will draft and promulgate regulations and guideline documents for integrated waste management planning of all waste types.
- The *provincial environmental departments* will develop hazardous waste management plans and prepare provincial environmental and waste management plans and prepare provincial environmental and waste management plans that incorporate the integrated waste management plans submitted by local government and industry. These will be submitted to the Committee for Environmental Co-ordination (CEC) for approval, which will facilitate inter-provincial coordination, particularly in relation to planning for facilities for treatment and disposal of waste.
- *Local Government* will develop and submit plans for integrated general waste management to the respective provincial environmental departments. General waste includes domestic and industrial/commercial waste that is not acutely hazardous or dangerous for man or the environment.
- Waste management plans for *industrial waste* that is disposed of at private and/or dedicated disposal facilities, will be prepared by the *developers/owners* and submitted to the respective provincial environmental departments.

Thus, Buffalo City's IWMP focuses on general waste generated within Buffalo City. The Municipality realises, though, the importance of communicating with Province as well as with significant industrial generators of waste to ensure that the above-stated required plans are formulated and implemented.

8.2.2 The IWMP in the context of the IDP

Considerable effort has been put into interpreting the meaning of BCMM's vision in terms of waste management for the formulation of objectives and strategies of the IWMP. The vision warrants for affordable waste collection services, sustainable waste treatment and disposal, litter-free living environments, safe working environments, and improved public awareness, among other things.

The IDP identifies "negative environmental and health impacts due to unsustainable waste management" as a priority issue that needs to be addressed by Buffalo City.

The following **objectives** in respect of Waste Management are listed in the IDP:

- Comprehensive long-term waste planning.
- Efficient, effective and appropriate waste collection and treatment services in the entire BCMM.
- The availability of landfills and transfer stations which comply with National and Local legislation and meet the long-term needs of the BCMM.
- Reduction of landfill waste by 35% by volume within 5 years through the implementation of waste reduction, re-use and recycling programmes and alternative treatment of waste.

The following **strategies** to achieve these objectives were adopted in the IDP:

- Formulation, adoption and implementation of an IWMP.
- Investigation of alternative uses and treatment of waste.
- Implementation of educational and awareness programmes.
- Identification and initiation of partnerships with external organisations, communities and industries.
- The review of the by-laws applicable in the different administrative areas and the rationalisation of these into a single set of appropriate by-laws applicable to all of BCMM.

During the development of the IWMP, additional information not previously available was gathered. This information has been used to further develop the objectives and strategies of Buffalo City's waste management.

8.2.3 The IWMP in the context of Buffalo City's IEMP

Buffalo City is striving to build a local consensus in the support of recognised sustainable development principles and has accordingly embarked upon a process aiming at a comprehensive Integrated Environmental Management Plan (IEMP). The IEMP Policy acts as a framework and guides local government in its strive to promote sustainable development. The IEMP is based on existing national and international law and legislation and will be implemented through various sector plans and programmes identified in the Integrated Development Plan (IDP). The Policy also outlines the integrated approach for all projects within the municipality, guiding decision-makers at all levels to accessible and adequate information on adverse environmental effects of the activity in question. This approach enables the opportunity to improve, lessen or put a stop to the planned activity. Furthermore, the IEMP promotes public participation.

Sector plans play an important part in the implementation of the IEMP Policy as well as the agreed principles. The IWMP, which is such a Sector Plan, reflects the Vision of Buffalo City. Emanating from the vision, the Waste Management Vision for the Buffalo City Metropolitan Municipality in the year 2020 is summarised as follows:

- All citizens of Buffalo City are provided with adequate, affordable and accessible waste management services.
- The amounts of general waste as well as hazardous waste are reduced by waste minimisation and recycling (incorporating sorting-at-source), limiting the amounts of waste going to landfill.
- The proper handling, treatment and disposal of all kinds of waste ensures that the adverse impact on the environment and human health and well-being can be minimised or tolerated. All waste treatment and disposal facilities are legally permitted and properly operated.
- Informal recycling at landfills has been phased out and replaced with formal employment opportunities in a thriving recycling industry, which promotes local economic development.
- The people living in Buffalo City will be environmentally aware and conscious with a significant knowledge of proper waste management, which they enthusiastically exercise.

9. BCMM Disaster Management Plan

9.1 Introduction

Sustainable development is not possible if disasters are continuously injuring and killing and damaging infrastructure, property and livelihoods. It is important that the relationship between disasters and development is recognised so that proactive action can be taken to eliminate or at least reduce the impact of the consequences of disasters.

When disasters occur the cost of the disaster sets back development, since projects are often delayed due to the diverting of funds. On the other hand, when disasters occur they provide an opportunity to rebuild “smarter”, i.e. to avoid the likelihood of repetition of the disaster, and to plan for a sustainable and safe future. Development can both increase or reduce the vulnerability of the community. Unsafe or inappropriate development increases vulnerability while adequate attention to risk in the planning of development will reduce vulnerability.

9.2 Regulatory Framework

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The following legislation and policy regulates Disaster Management in South Africa.

- Green Paper on Disaster Management.
- White Paper on Disaster Management.
- Disaster Management Act (57 of 2002)

9.3 Background / Priority Issues

Buffalo City is susceptible to, and has previously experienced, the following disasters:

Severe Storms, including Strong winds Hail Lightning Heavy rain	Mainly in the inland areas South and East of the Amathole Mountains.
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Wind	<ul style="list-style-type: none"> ▪ Gales (mostly along coast and at sea) ▪ Tornados (entire Buffalo City)
Floods	Entire Buffalo City
Drought	Entire Buffalo City
Epidemics	Various areas
Fires	<ul style="list-style-type: none"> ▪ Veld and forest (whole area) ▪ Informal (informal sector) ▪ Industrial and commercial (whole area) ▪ Institutional (schools and hospitals)
Earth Tremors	Whole area
Aircraft Accidents	A number of aircraft accidents have occurred in Buffalo City.
Major Road Accidents	Whole area
Train Accidents	Lone Tree
Shipping Accidents	Various along coast
Hazardous Materials	Whole area
Strikes	Whole area
Unrest	Whole area
Terrorism	Whole area
<u>Service Failure</u>	
Electricity	Various areas as a result of infrastructure failure. Entire Buffalo City due to national load shedding.
Water	Berlin and Mdantsane.
Sewerage spillages	Mainly as a result of power failure. Duncan Village due to blockages.
Solid Waste	Mainly due to vehicle breakdowns.
Cell phones	As a result of network failure or overload.
Internally Displaced Persons	Most informal areas are a result of urbanization.

Lack of economic development in rural areas and communal conflicts are other aspects that play important roles.

The disasters listed above have the potential to occur throughout Buffalo City. There are however communities that are at risk of specific hazards, for example high density shack areas, houses within flood lines and people living near the airport.

Certain groups within the community, such as the aged, women, children, the disabled and the poor suffer the most from disasters and also lack capacity to recover.

The overall priority issue concerning disaster management is the lack of an integrated approach to disaster management in Buffalo City Metropolitan Municipality, which results in unsustainable development with unacceptable human, economic and environmental losses.

Buffalo City also hosts international and national sporting events as well as a range of cultural and political activities.

Planning and management of these events is essential to prevent and manage crowd related disasters.

9.4 Objective

Following the identification of the key problem (priority issue) the following objective for future disaster management development has been formulated:

Proactive and reactive integrated disaster management for all communities in the Buffalo City Metropolitan Municipality, so that the consequences of disasters can be eliminated or reduced through a safe and sustainable environment.

9.5 Strategies

Disasters impact on every community and aspect of community life. It is thus essential that a holistic approach involving the entire community be taken to manage disaster. It is furthermore necessary to build capacity both inside and outside the municipality through partnerships and community participation as well as to include disaster management in developmental planning.

The key disaster management functions for the Buffalo City area are described below:

(a) *Risk and Vulnerability Assessment*

This function helps to identify and map the risks and vulnerabilities that exist within the Buffalo City area so that appropriate prevention, mitigation and response plans and strategies may be developed.

At present, large gaps exist in the information on risk and vulnerability in Buffalo City. Very little risk mapping exists, which is information that is critical for decision-making.

There is an urgent need to conduct a risk and vulnerability assessment and to create risk maps. There will be an ongoing need to keep the information up-to-date.

Risk assessments must be conducted for all major events in the city.

(b) *Prevention and Mitigation*

The worldwide focus of Disaster Management is to prevent or mitigate the impact of disasters. This function provides for the identification of existing problems that need intervention, development of strategies and promotion of the need to reduce the risk of disasters occurring, as well as reducing the scale or significance of a given disaster.

A risk and vulnerability assessment must form part of the feasibility study on all new development, so that prevention and mitigation can be built into the project. Prevention and mitigation measures include the following aspects:

- Engineering and construction
- Physical planning
- Economic
- Management and institutional
- Societal

Prevention and mitigation measures must be developed to address the potential risks identified with the hosting of events in the city.

(c) *Preparedness*

In spite of prevention and mitigation, disasters will still occur. Therefore, contingency plans must be prepared and evaluated on a regular basis to ensure a co-ordinated response with maximum returns from available resources. Preparedness also involves:

- Institutional framework
- Information
- Resource base
- Warning systems
- Response mechanisms
- Awareness, training and education

(d) *Response*

The preparedness of the city will determine the speed and efficiency of the response. The function includes responding to disasters in accordance with Disaster Plans and ensuring improvements to response actions through evaluation. The key response functions include:

- Evacuation
- Search and rescue
- Safety and security
- Assessment of needs

(e) *Relief*

Relief measures are to reduce the suffering of disaster victims, by promoting and supporting community and victim capacity in a manner that promotes independence. To be effective, relief must be:

- Appropriate
- In good condition/of good quality
- In required quantities/at required level
- At the place and time it is needed

(f) *Rehabilitation*

Rehabilitation is the action taken in the aftermath of a disaster to enable basic services to resume functioning, assist victims with self-help efforts to repair physical damage and community facilities, revive economic activities and provide psychological and social support to survivors. Rehabilitation must focus on lifeline services and must be needs-driven based on assessment. Lifeline services include:

- Communications
- Water supply
- Power supply
- Roads and transport
- Waste disposal
- Public health

(g) *Reconstruction*

Reconstruction is the full restoration of all services and local infrastructure, replacement of damaged physical structures, the revitalisation of the economy and the restoration of social and cultural life.

It is essential that prevention and mitigation are built into reconstruction and that local capacity is improved on.

9.6 Conclusion

The overall task is to develop proactive and reactive integrated disaster management for all communities in the Buffalo City Metropolitan Municipality. All of the key functions discussed above form the total Disaster Management package. Lack of attention to any single function will seriously jeopardise the ability to manage disaster, and will result in unnecessary and avoidable loss and hardship which will impact negatively on sustainability of development.

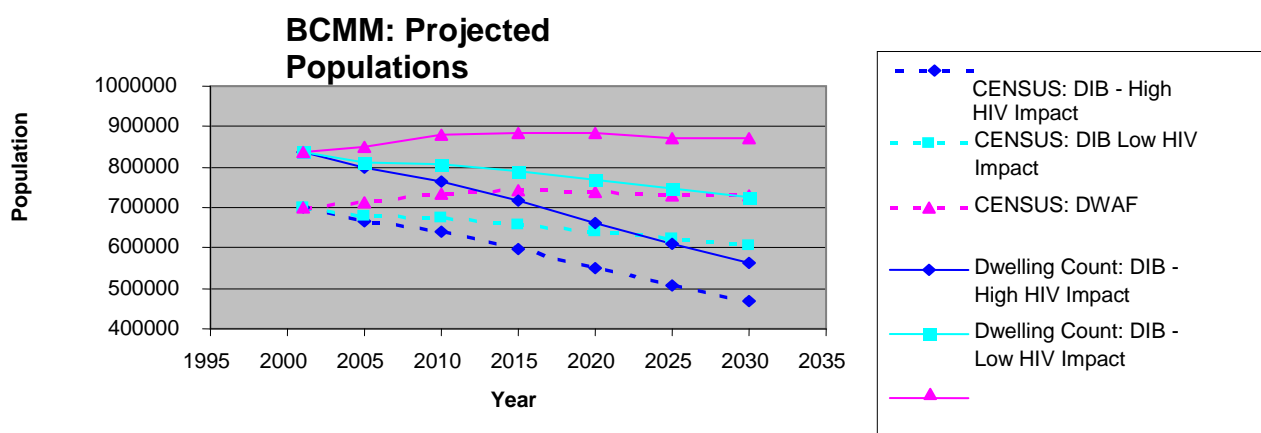
The hub of Disaster Management is the Disaster Management Centre, and the capacity of the centre will determine the efficiency with which a proper Disaster Management service will be provided to the citizens of Buffalo City

10. Water Services Development Plan**Socio-Economic Profile*****Demographics:***

- There has been much debate regarding the accuracy of the Census 2001 population figures for BCMM, and as a result, the Water Services Branch has undertaken a Census verification process, whereby house counts were verified off 2001 aerial photography and by interrogating various municipal data bases. The results of the verification process are as tabulated below.

Criteria	Census 2001	Dwelling Unit Count	% variation
Households	193 888	230 327	18.8%
Population	700 623	837 699 (224)	19.6%

- There has also been much discrepancy regarding the accuracy of the predicted population growth rates, with three reputable demographers each providing divergent growth scenarios. As a result of the discrepancies in the current population figures and the predicted growth rates, the population projections for BCMM are as presented in the figure below.



The extent of the divergence in the above scenarios, pose significant risks to BCMM, in that BCMM could invest in infrastructure that may not be required in the future. Therefore, there is an urgent need to obtain greater levels of confidence in the populations figures within BCMM.

- As a result of the current state of the BCMM economy, there is no significant net migration into BCMM i.e. the rate of people entering BCMM ± balances with the rate of people leaving to seek employment elsewhere.
- There is however two patterns emerging within BCMM namely:
 - a move towards coastal resort /farm style living for middle and upper income residents; and
 - rural to urban migration (either permanently or temporarily) for lower income residents.

The above trends have a fairly significant impact in terms of water services delivery, in that the “life style resorts” are tending to be remote from existing bulk infrastructure and therefore costly to service, whilst the low cost housing results in high levels of service being provided to those who cannot readily afford these levels of service.

- BCMM has seen the anomaly of low (0.4%pa) population growth rates, but high (4%pa) housing growth rates over the past 5 years. The trend of high housing growth looks set to continue, given the low cost housing backlog and proliferation of ~~proposed~~ middle to upper income housing developments.
- The number and type of household consumer units within BCMM as at 2001, based on the Census verification data, are as tabulated below.

Area	Formal Single Dwellings	Formal Multiple Dwellings	Backyard Shacks	Informal	Total
Urban	95 767	4 593	7 972	30 633	138 965
Rural	83 547	0	0	0	83 547
Farms	5 093	0	0	0	5 093
Other	2 722	0	0	0	2 722
Total	187 127	4 593	7 972	30 633	230 327

From the above table it can be noted that:

- Some **60.3 %** of all dwelling units are located **within the Urban Edge of BCMM**
 - Some **27.8%** of the urban dwelling units (or **16.8%** of the total dwelling units) are either **informal settlements or backyard shacks**;
 - Some **36.3 %** of all dwelling units are **“informal” rural homes** located outside of the Urban Edge; and
 - Some **3.4 %** of all dwelling units are **“formal” homes** located outside of the Urban Edge (e.g. farms / Nahoon Dam complex).
- Given the above table, the low cost housing backlog equates to some 38 600 households. There is also reported to be a potential for some 28 500 middle/upper income housing units to be delivered over the next 5 to 10 years.
 - The consumer profile for BCMM, as per the billing database of March 2007 (i.e. urban consumers only), is as tabulated below.

Consumer Category	Greater East London	Greater King Williams Town	Mdantsane	Total	% of Total
Domestic	42 503	31 010	29 168	102 681	94.9
Business	3 508	1 045	272	4 825	4.5
Other	371	247	126	744	0.7
Total	46 382	32 302	29 566	108 250	100

- Domestic consumers account for 77% of the recorded sales by volume;
 - Business consumers account for 25% of the recorded sales by volume.
- The profile of the urban domestic consumers as per the billing database of June 2010 is as tabulated below.

Consumer Category	Greater East London & Mdantsane	Greater King Williams Town	Total	% of Total
Metered	77 896	16 650	94 546	43.7
Flat Rated ^{1, 2,3}	9 481	8 227	17 708	8.2
Indigent	97 653	6 588	104 241	48.1
Total	185 030	31 465	216 495⁴	100

From the above tables, the high dependency of BCMM on the small percentage of domestic metered consumers, for revenue income, can be noted.

- No significant growth in business (industrial and/or commercial) consumers (both by number & by volume) is anticipated in the short to medium term.
- The ‘dependent’ population i.e. younger than 18 and older than 65, is estimated to be about 41.6% of the total population, which is considered significant in terms of sustainability considerations.

Health Profile

- There appears to be little readily available data regarding water related diseases within BCMM.
- Statistics are however obtainable from DoH for diarrhoea incidences and other water related diseases. These indicate a close correlation between the areas with high incidences of diarrhoea and those areas with inadequate sanitation services i.e. the informal and low income settlement areas within BCMM.
- The health profile of the City has not to date played a significant role in directing water services delivery. The need to strengthen Water Services and Environmental Health management and integration, to ensure that environmental health issues play a more influential role in service delivery, has therefore been identified. This will be done by capacitating/strengthening the existing Sanitation Task Team, ensuring regular reporting on health issues and by electing a political champion.

Service Level Profile**Residential Consumers**

- The residential water consumer profile within BCMM, based on the Census verification data, is as tabulated below.

No. Consumer units with:	Urban	Rural:	Farm	Other
1. None or inadequate	46 010	4 165	Unknown	Included with farms
2. Communal water supply	16 811	57 758	"	"
3. Controlled volume supply	0	0	"	"
4. Uncontrolled volume supply: yard tap or house connection	102 703 ³	0	"	"
5. Total Served (2+3+4)	119 514	57 758	"	"
6. Total (1+5)	165 524	61 923	4 352	"

- The residential sanitation consumer profile within BCMM, based on the Census verification data, is as tabulated below.

No. Consumer units with:	Urban	Rural	Farm	Other
1. None or inadequate: Below RDP: Pit	60 891	61 893	Unknown	Included with farms
2. None or inadequate: Below RDP: Bucket	Included in the above figure ²	0	"	"
3. Consumer installations: On-site dry or equivalent, including VIP toilets, UDS, composting system	18	2 449	"	"
4. Consumer installations: Wet (Septic tank, digester or tanker desludge or effluent discharge to an oxidation pond etc.)	1 320	0	"	"

5. Discharge to sewer treatment works (intermediate or full waterborne)	117 560	0	“	“
6. Total Served (3+4+5)	118 898	2 449	“	“
7. Total (1+2+6)	179 789	64 342		“

- There are no dense formal settlements which have been provided with communal or uncontrolled water supplies together with on-site dry sanitation systems, at scale, i.e. there are no grey water management practices in these areas. There is however a need to institute grey water management practices in the informal urban settlements and the dense peri-urban type areas.
- Given the low levels of sanitation provision within the rural areas and the levels of service provided in the informal and formal urban areas of BCMM, pit emptying and sludge disposal occurs on an ad hoc call down basis at present. Certain of the residents find the costs involved prohibitive, and opt not to have the pits emptied.
- It is the objective to have all persons currently residing in informal settlements, residing in formal housing by 2014. These new households are at present being provided with high levels of service. However, due to the extent of the housing to be delivered and the income levels of the beneficiaries, the impact of this housing programme will be significant both in terms of water services provision (extent of infrastructure required to support such development) and the sustainability of the Municipality (most beneficiaries of the housing programme will more than likely not be able to afford the higher levels of service).

Public Institutions and Dry Industries

- There are some 5 569 urban non-residential consumers units (i.e. industrial, commercial, government) within BCMM at present. These are all provided with high levels of service.
- There are some 850 rural non-residential consumers units (i.e. schools, clinics, police stations sports facilities) within BCMM. These often have rudimentary stand-alone water supplies and generally have basic on-site dry sanitation facilities, which are not serviced by BCMM.
- No significant growth in the number of public institutions and dry industries are anticipated in the short to medium term, although the following proposed and/or planned developments have been noted:
 - Establishment of the Fort Hare Campus in the CBD;
 - Sleeper Site in the CBD;
 - The Beach Front and Nahoon developments;
 - Upgrading of the Cecelia Makiwane Hospital; and
 - Upgrading of the Fort Glamorgan Prison.

Wet Industries

- Da Gama Textiles are the main wet industry within BCMM. They do however use both raw and re-cycled water for their process water.

- The following are the top 15 consumers within BCMM:

NAME / OWNER	LOCATION / FACILITY
Public Works Department	Fort Glamorgan Goal
Cecilia Makiwane (Services)	Cecilia Makiwane Hospital
Daimler Chrysler of SA (Pty) Ltd	Military Rd
Mdantsane Prison.	Mdantsane 3712 Nu 12
National Dept Public Works	Main
Mcel Cult & Envir Serv.	Fullers Bay Bulk Meter
Dep of Roads and Public Works	Camp, Summerpride
Johnson & Johnson	Factory, Dawn
E L Golf Club	Nahoon Reef Rd
St Dominic's Hospital	45 St Marks Rd
China Garments Manufacturers	Dimbaza Industrial Sites 71
Nestle SA Pty Ltd (Boiling Flats)	
cc	Park Ave (Boiling Flats) 58
Transnet Ltd Cc	Workshop
East London Abattoir (Pty) Ltd.	Smithfield Rd 1
	Grens Skool Koshuis, Mc Jannet
Hoërskool Grens	Dve

- There are no wet industries outside of the Urban Edge.
- Given the economic forecast for the area (i.e. decline in the primary and secondary sectors and growth of the tertiary sector), no significant growth in the number and/or extent of wet industries are anticipated within the region in the short to medium term.

Raw Water and Treated Effluent:

- Da Gama Textiles in King Williams Town are the only large raw water consumers within the BCMM. They are supplied directly by the Amatola Water Board and also have facilities to re-cycle water on site.
- The East London, Gonubie & King Williams Town golf courses and two farmers in the Gonubie area, are the only treated effluent users within BCMM. The bulk of the consumption not being metered at present;
- Treated effluent has also been earmarked for use in the IDZ and the proposed East Coast Golf Course Estate (Sinathi).
- There are no raw or treated effluent users outside of the Urban Edge.
- No significant growth in the number and/or extent of raw water consumers are anticipated in the short to medium term. However, given the stressed nature of the water resources in the area, it is anticipated that the use of treated effluent will increase fairly significantly during this period.

Industry & Trade Effluent:

- Most industries in BCMM release their trade effluent into the municipal sewer system. A permit is required for this practice, for which a tariff, linked to the volume and strength of the effluent is charged. The practice is regulated by BCMM's Scientific Services Branch.
- There are no penalty structures in place at present for non-compliance in terms of this permit.
- There are a few industries that release their effluent into the environment via evaporation ponds or disposal into the sea. This practice is regulated by DWAF & DEDEA.
- The strength and volumes of the effluent is having a significant impact on the municipal systems in certain catchments, such as that of the Central Waste Water Treatment Works.

- The need to strengthen compliance monitoring, to review tariff structures and consider implementing non-compliance penalty structures, have been identified.

Water Resource Profile

Water Source

- The Amatole Bulk Water Supply System (ABWSS), which also services consumers in the Amahlati and Great Kei municipal areas, is the main raw water supply system servicing the BCMM, servicing some 81% of the population via the following regional water supply schemes:
 - Upper Buffalo RWSS;
 - Middle Buffalo RWSS;
 - Lower Buffalo RWSS;
 - Newlands RWSS; and
 - Ncera Coastal RWSS.
- The Keiskamma System services some 14% of the BCMM population via the Sandile and Peddie Regional Water Supply Schemes, which predominantly service consumers in the Nkonkobe and Ngqushwa municipal areas.
- The remaining BCMM population are serviced by via local groundwater (borehole) fed schemes. These are primarily located in the coastal areas to the west of East London where supplies are augmented by rain water harvesting, and the rural area to the north of Bhisho.
- The ABWSS comprises of the following sub-systems:
 - Upper Kubusi (Gubu Dam/outside BCMM);
 - Lower Kubusi (Wriggleswade Dam/outside BCMM);
 - Upper Buffalo (Rooikrantz and Maden Dams/inside BCMM);
 - Middle Buffalo (Laing Dam/inside BCMM); and
 - Lower Buffalo (Nahoon and Bridledrift Dam/inside BCMM).
- The surface water hydrology for this system has been extensively studied to date.
- DWAF recently initiated the Amatole Bulk Water Supply System Reconciliation Strategy Study (ABWRSS), to develop strategies to ensure the reconciliation of supply and demand for consumers in this system, into the future. A committee of relevant stakeholders has been established on completion of the study, to ensure that the strategies are implemented and periodically reviewed.
- Given the provisional river classifications and associated environmental water requirements (EWR) for the respective rivers in the ABWSS, and the water requirements for the Nahoon estuary, the yields available from the respective dams are as tabulated below:

DAM	AVAILABLE YIELD							CURRENT USE Excluding Agricultural Use (Mm ³ /a)
	HISTORICAL (Mm ³ /a)			ASSURED SUPPLY (Mm ³ /a)				
	No EWR	With EWR		90%	95%	98%		
C		CD	C	C	C	No EWR		
Maden	0.35	-	-	-	-		0.48	3.654
Rooikrantz	2.86	1.04	-	-	-	0.97	-	
Laing	17.24	-	13.55	-	-	17.80	-	9.088
Bridledrift	18.89	23.05	-	30.73	30.30	26.15	-	62.65
Nahoon	8.610	7.24	-	-	-	7.50	-	8.863
Wriggleswade	25.71	15.16	16.14	-	-	17.12	-	0
Total	73.65	-	-	-	-	70.02	-	84.255

Notes:

Water from the Wriggleswade Dam can be released into the Buffalo and Nahoon Rivers upstream of the Laing and Nahoon Dams respectively, if required and provides increased assurances of supply to the Laing, Bridle Drift and Nahoon Dams.

- The groundwater potential of the area is generally poor with boreholes having low yields and poor water quality, i.e. groundwater is not suitable for large scale use. Groundwater will however continue to play a role in augmenting supplies and meeting holiday peak demands in the coastal resorts to the west of East London.
- BCM is reliant on bulk raw water (for KWT water treatment plant) and bulk potable water purchases from the Amatola Water Board to service its supply area. Current usage is as follows:

- Raw water purchases 3.489 Mm³/a
 - Potable water purchases 27.057 Mm³/a
- Amatola Water also provide the Da Gama Textiles factory with some 1.316 Mm³/a of raw water.

(231)

Adequacy of Source

- The ABWSS is not able to meet the current demands, at appropriate assurances of supply, if full provision for the EWR and agricultural demands are to be met.
- The reasons for not having to curtail supplies to date, given the above, are the following:
 - Environmental water requirements are not necessarily being met at present;
 - Higher than average rainfalls over the past few years; (it is estimated that the average rainfall over the past 20 years has been 10% higher than that over the past 100 years); and
 - The irrigation demands have been lower than anticipated due to the extent to which irrigation is being practiced and the recent good rains.
- The current Water Services Provider (WSP) institutional arrangements and the associated tariff structures, are preventing the optimal utilisation of the ABWSS at present. As a result of the above:

- The Nahoon Dam and associated infrastructure are being under-utilised; and
 - The Bridle Drift Dam is being over-utilised (volumes greater than the 80% assured yield are currently being abstracted).
- Given the anticipated housing growth, the demands on the surface water resources from the ABWS are anticipated to grow fairly significantly in the short to medium term.
 - The divergent future predicted population and housing figures within BCMM severely impact on the ability to effectively plan future water resource requirements for BCMM. Furthermore, the risk of investing in infrastructure that may not be required is high.
 - Given the above and the time taken to develop surface water resources (7+ years), it is anticipated that the following measures will need to be considered to ensure a reconciliation of supply and demand into the future:
 - Accepting reduced assurances of supply in the short-term;
 - Not meeting the full environmental water requirements in the short-term;
 - Implementing water conservation and demand management initiatives (water use efficiency) at scale; and
 - Re-using water.
 - Given the above and the extent to which BCMM's own resources are stressed at present, significant increases in purchases of water from the Amatola Water, with corresponding increased operational costs, are anticipated in the short to medium term.

Return Flows

- Potential point source return flows emanate from 13 No. waste water treatment works (WWTW) and 2 No. oxidation ponds systems. Return flows are currently as follows:
 - Upstream of Laing Dam 10.731Mm³/a
 - Upstream of Bridledrift Dam 0.0 Mm³/a
 - Downstream of Bridledrift Dam 13.213 Mm³/a
 - Upstream of Nahoon Dam 0.0 Mm³/a
- The Gonubie, East Bank and West Bank works discharge some 18.615 Mm³/a directly into the sea.
- Return flows into dams are not expected to increase significantly in the short to medium term despite the anticipated housing growth and high levels of service to be provided, as the bulk of the areas identified for development fall within the catchment areas of the Mdantsane, Reeston, Central, East Bank, Gonubie and West Bank works (all discharge down-stream of dams). Furthermore, water efficiency and water reuse initiatives are anticipated to increase in the short to medium term.

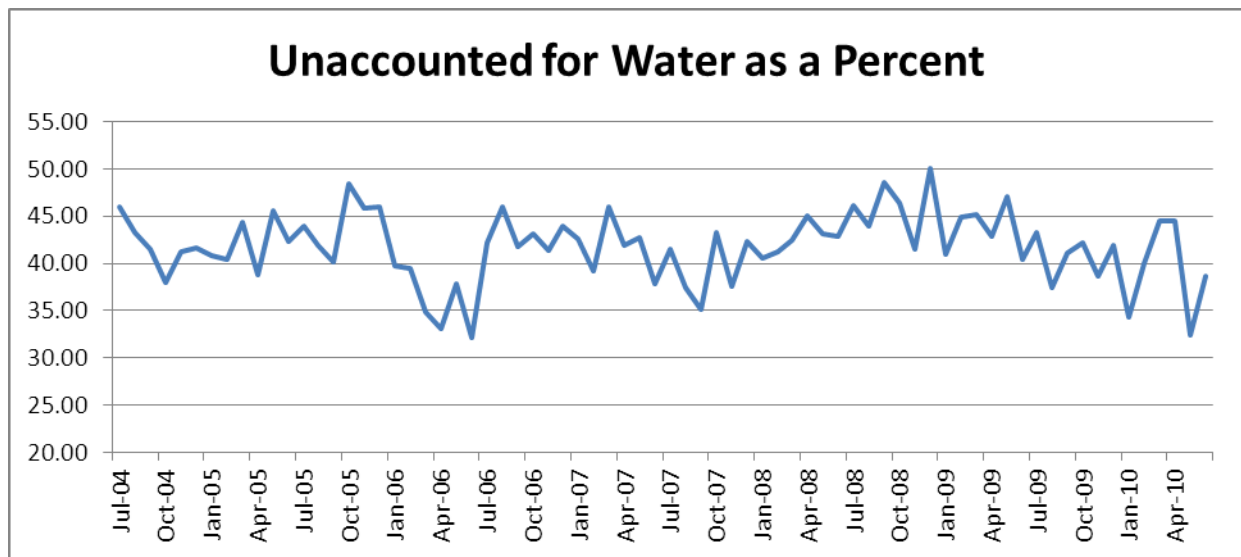
Water Quality

- The waters in the Buffalo and Nahoon Rivers are subject to eutrophication and water hyacinth has established in the non-tidal reach of the Nahoon River below the Nahoon Dam. This is primarily as a result of high nutrient levels in these rivers due to industrial (point source – less significant of late) and domestic (point and diffuse source-significant) effluent discharge into the rivers. This is by and large a result of the following:
 - Wastewater treatment works generally operating at or beyond capacity (often as a result of water wastage and inefficient use in their respective catchments); and
 - Inadequate sanitation facilities (rural and informal settlements).

- The above trends are likely to remain in the short to medium term, unless significant investment is made in WC/WDM, wastewater infrastructure upgrade, provision of rural sanitation and delivery of RDP housing, which has not been the case to date.
- There is also significant pollution emanating from the stormwater networks and run-off from the informal settlement areas.

Water Conservation and Demand Management

The extent of water wastage and inefficient use within the BCMM is significant. Good progress has been made with respect to the reduction of water leaks and consumer management. As such, WC/WDM has been identified as being key to BCMM being able to deliver on its short to medium term development objectives. See trends with respect to unaccounted for water as a percent hereunder.



The key water services constraints currently inhibiting development are the following:

- Limited water resources availability (at appropriate levels of assurance and with due consideration for the environment);
- Bulk water and wastewater infrastructure components operating near, at or over capacity; and
- Financial constraints (both revenue and capital).

WC/WDM can effectively address all of the above as efficient use and reduced wastage will result in:

- Reduced volumes of water abstracted from the respective water resources;
- Reduced loads being placed on existing infrastructure (water and wastewater);
- Reduced operating costs and improved revenue streams; and
- Delay in having to implement costly capital works.

Delaying the need to implement capital works is key in BCMM, given the uncertainty regarding existing and projected population figures and unit water demands i.e. it reduces the risk of investing in unnecessary infrastructure.

The objectives in terms of WC/WDM are as follows:

- A comprehensive WC/WDM Strategy, Reduction Targets and Implementation Plan approved by Council within 1 year;
- A cleaned billing database, which is integrated with the WMIS, within 1 year;
- Sustained WC/WDM interventions in place within 2 years; and
- A suitably capacitated and resourced WC/WDM section, complete with an identified political champion, in place within 1 year.

The key gaps in terms of WC/WDM are the following:

- The extent and functionality of metering, the accuracy of the respective databases, the functionality of certain management systems and certain institutional aspects are currently inhibiting the ability to effectively plan and implement WC/WDM interventions;
- WC/WDM has been adopted by BCMM as a key service delivery objective; a review of the current WC/WDM is currently underway.

A number of key strategies / initiatives have been identified to address WC/WDM, the following of which are currently being implemented:

- Development and implementation of an appropriate water and sanitation management information system has been completed;
- The integration of this system with those of the Finance Department; and
- The reviewing and cleaning of the billing and meter databases.

The following are seen as being key to successfully implementing WC/WDM on a sustained basis within BCMM:

- Commitment to and endorsement of WC/WDM being a key delivery objective throughout all levels of BCMM;
- Targets being set and closely monitored;
- Interventions being identified; and
- The requisite institutional framework being established and adequately funded/resourced.

Water Services Infrastructure

Water

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- BCMM is at present serviced by 4 No. regional surface water supply schemes located primarily within BCMM, 2 No. surface regional water supply schemes located primarily outside of BCMM but feeding portions of BCMM, 1 No. regional groundwater scheme and a number of smaller local groundwater schemes.
- The main schemes, which service around 81% of the BCMM population which reside within the KWT/ East London corridor, are the following:
 - Upper Buffalo RWSS – KWT, Breidbach & surrounds
 - Middle Buffalo RWSS – KWT, Bhisho, Zwelitsha, Ndevana, Phakamisa, Berlin & Mdantsane; and
 - Lower Buffalo RWSS – Mdantsane & the greater East London.
- The Sandile and the Peddie RWSS's service around 14% of the BCMM population, which reside in the Dimbaza and Chalumna areas respectively.
- The Ncera RWSS services several rural villages and Kaysers Beach, to the west of East London.

- The groundwater schemes service rural villages to the north of KWT and many of the resorts on the coast to the west of East London.
- The Upper Buffalo RWSS is stressed from a water resource perspective (capacity of WTPs greater than assured yield of Rooikrantz- and Maden Dams), with supplies to the KWT area already being augmented from the Middle Buffalo RWSS. Infrastructure capacity constraints however restrict the extent of augmentation possible.
- The Middle Buffalo RWSS has surplus yield, but the Laing WTP is operating near capacity. The Sandile RWSS operates above treatment capacity.
- The Lower Buffalo RWSS is stressed from a water resource perspective and water treatment is nearing capacity for the scheme as a whole. The yield of this scheme can however be augmented with supplies from the Wriggleswade Dam.
- The Ncera WTP is scheduled to be decommissioned shortly, with supplies to the Ncera RWSS being fed from the Lower Buffalo RWSS (Damspot Reservoir).
- Apart from the resource and treatment constraints, the following are seen as key infrastructure constraints:
 - The conveyance capacity of the Buffalo River pumping system;
 - Inadequate storage in the East London and KWT areas;
 - The conveyance capacity from the Laing dam WTP to the Beacon Hill Reservoir;
 - Conveyance capacity to the West Bank high level zone;
 - Conveyance capacity to the Winter Strand area;
 - The conveyance capacity of the Ncera pipeline and the ability to feed Kidds Beach;
 - The absence of a dedicated bulk supply system for large parts of East London and also in the Breidbach area;
 - The zoning in East London, KWT, West Bank & Gonubie;
 - High water loses in the Duncan Village/Gompo and KWT areas; and
 - Lack of accurate as-built record for infrastructure in the Dimbaza and Zwelitsha areas.

Wastewater

- Access to waterborne sanitation, with either off or on-site disposal, is limited to the formal and certain larger peri-urban settlements within the Urban Edge of BCMM. These settlements are serviced by 10 No. wastewater treatment works (WWTW), 4 No. oxidation ponds and 1 No. sea outfall, each with their own catchment area.
- The condition of the sewerage infrastructure throughout BCMM is generally one of inadequate capacity, old and poorly maintained infrastructure, resulting in periodic spillages into the river systems.
- Due to the topography of the region, there are a large number of sewer pump stations and pipe bridges within the respective drainage regions, which place additional operational and maintenance burdens on the service branch.
- No further development in the drainage areas of the Dimbaza, KWT, Bhisho, Breidbach and the Central waste water treatment works is permitted at present, due to infrastructure capacity constraints (augmentation currently under way). The same applies to the drainage area of the Second Creek Pump Station in the catchment of the East Bank WWTW. The implementation of the WC/WDM programme is currently addressing the high levels of water wastage in the catchment area.
- The capacity of the Gonubie, Mdantsane East and East Bank WWTW's are currently being increased, to facilitate further development within their respective catchments.
- Apart from treatment constraints, the following are seen as key infrastructure constraints:

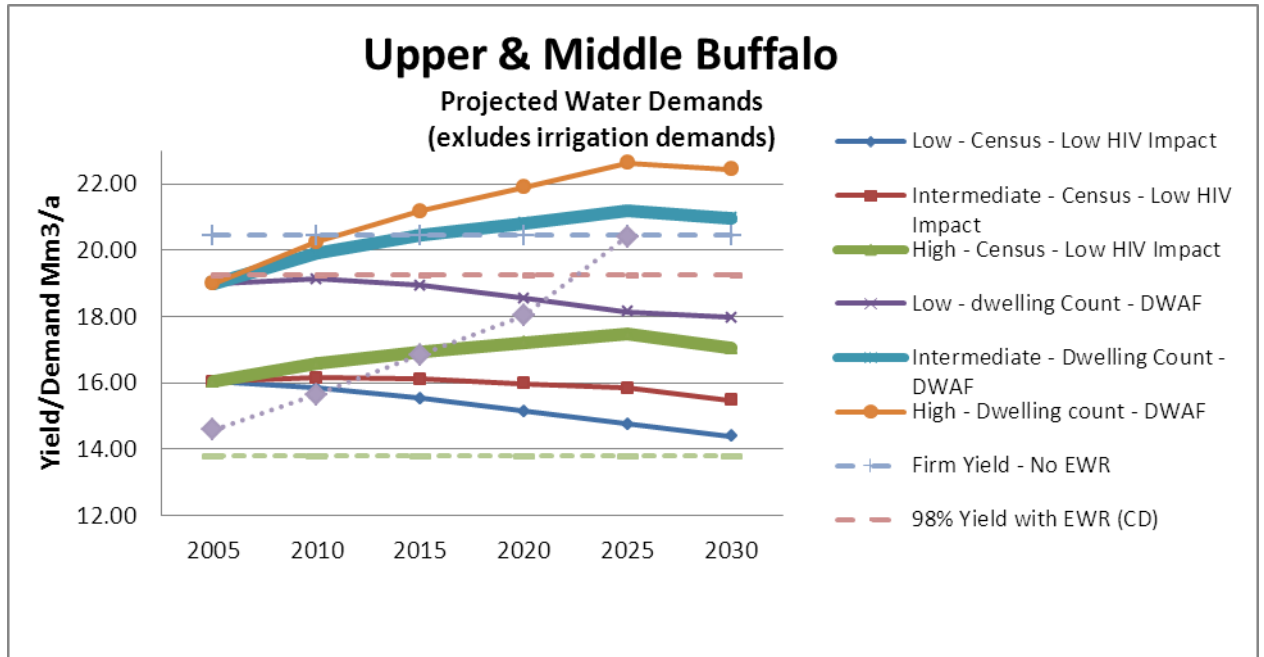
- The limited pump sump capacities throughout BCMM;
 - The City, Second Creek and Nahoon pump stations;
 - The Edly Symons rising main and the Beacon Bay to Gonubie interceptor, the interceptors along the Orient Beach and from Vincent, the Pontoon Road Tunnel, the Bank Street interceptor, the pipe bridges in Mdantsane and the Tyu-Tyu interceptor; and
 - The collapsing pitch fibre sewers in Mdantsane.
- The following have also been identified as having significant impacts on the capacity and functioning of the infrastructure:
 - High levels of water wastage;
 - Vandalism, theft and abuse of infrastructure;
 - Stormwater and root ingress and siltation; and
 - Rags used for sanitary purposes.

Infrastructure Asset Management

- There have been inadequate budgets to efficiently and effectively undertake the operation and maintenance of the infrastructure over an extended period of time, resulting in:
 - Asset stripping;
 - Ad hoc maintenance (i.e. no routine & preventative maintenance).
- Inadequate staff, especially in key positions, both in terms of numbers and experience/training, has been identified as a further key constraint to effective asset management. There are also inadequate budgets available to undertake the requisite training.
- BCMM has installed and operationalized a Water Services Management Information System (WSMIS) to address the recording and tracking of customer complaints, asset management and operational control. This system is not fully operational due to budget constraints.

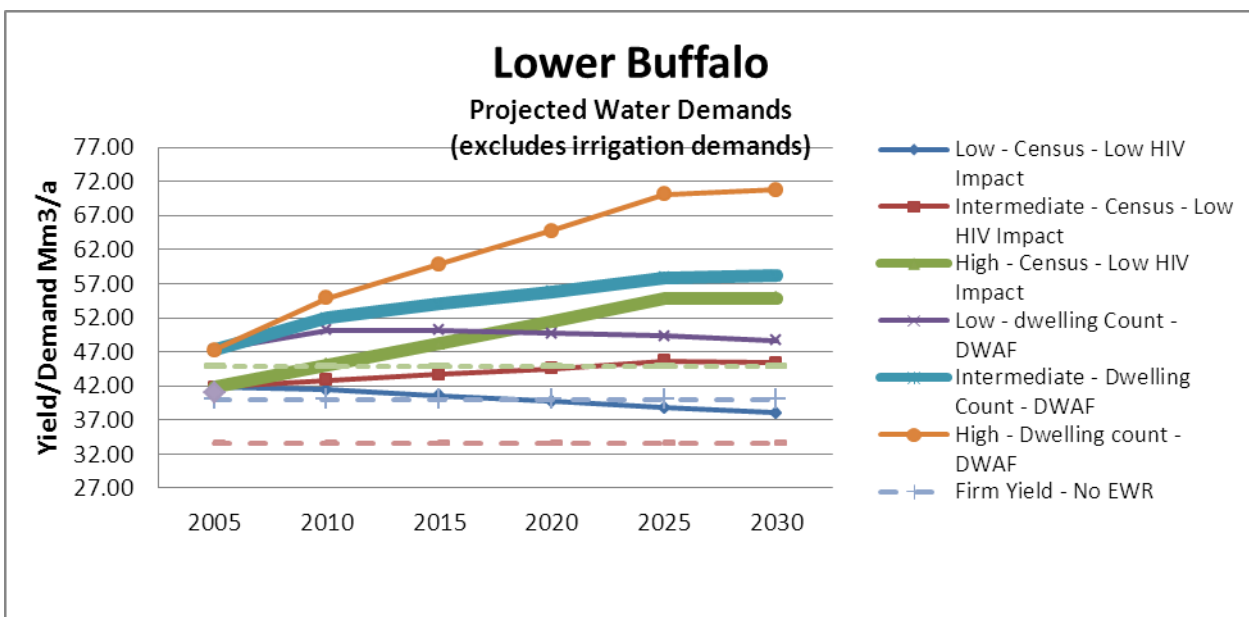
Water Balance

- A wide variety of water demand scenarios were determined for domestic, industrial and agricultural consumers within the ABWSS supply area, as part of the ongoing Amatole Bulk Water Reconciliation Strategy Study. These scenarios took the following into consideration:
 - The Census and Dwelling Count population figures;
 - The various DWAF and DIB future population growth scenarios; (236)
 - Low, intermediate and high domestic water unit demands to represent a variety of levels of service options for low income households; and
 - Low, intermediate and high industrial and agricultural water demands based on various levels of developments and accepted unit demands.
- The results of the above, which include provisions for return flows and exclude the projected irrigation demands, are presented in the graphs below;



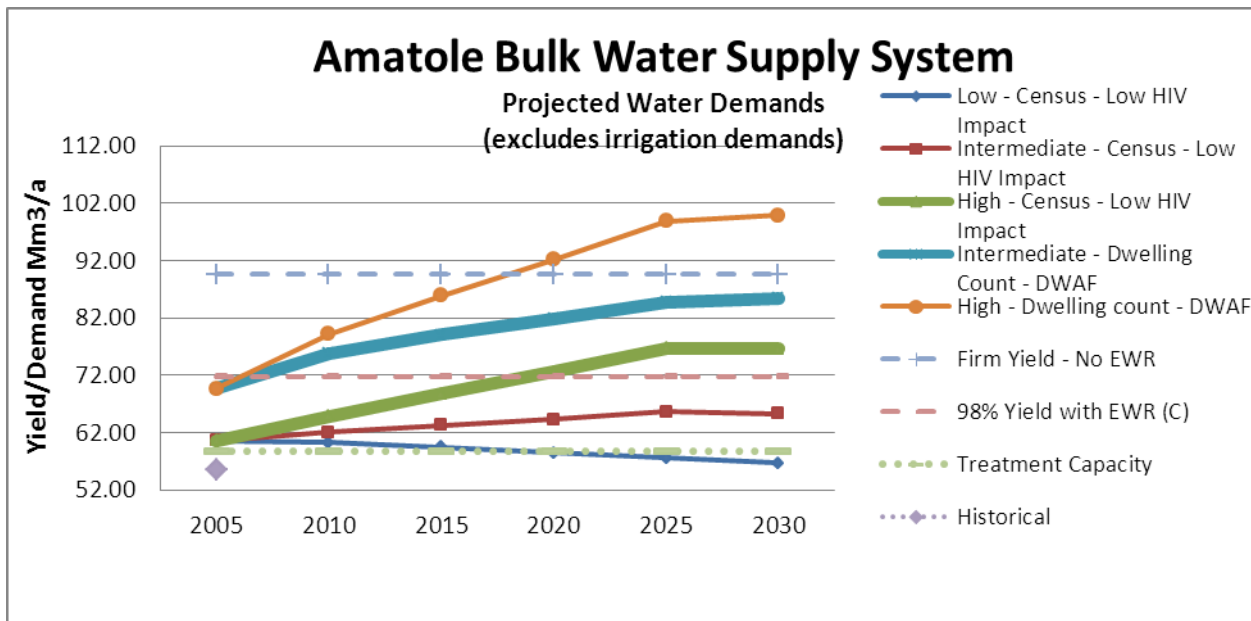
From the above graph it can be noted that:

- The Upper and Middle Buffalo Schemes have been presented together due to their current levels of interconnection.
- There is surplus assured yield in this sub-system, at current development levels and trends, for the next 5 to 10 years. This situation will however reduce significantly if provision is made to accommodate the potential irrigation demands, which are not at present being utilised.
- There is inadequate treatment capacity in the short to medium term within this sub-system.



From the above graph it can be noted that:

- There is inadequate assured yield in this sub-system at current development levels and trends, especially when provision is made to accommodate the potential irrigation demands and the EWR, without the augmenting supplies from the Kubusi system (Wriggleswade Dams).
- There is nominal surplus treatment capacity within this sub-system. Capacity should be augmented within the next 3 to 5 years.
- Source and treatment capacities are sensitive to the extent and level of services provided for the housing backlogs i.e. time frames to augment capacities reduce significantly should housing delivery, with high levels of service, be delivered at scale.



From the above graph it can be noted that:

- There is adequate assured yield in the system at current development levels and trends, when the yields of the Kubusi system (Wriggleswade Dams) are considered. The time frames for the augmentation of the yield is however sensitive to the following:
 - Rate of take-up and extent of the agricultural demand;
 - The extent of the growth in the industrial water demand;
 - The rate of implementing the EWRs; and
 - The rate of delivery of and level of service to be provided for the housing backlogs.
- Given the sensitivity of the water balance to the various growth scenarios and the localised deficits, the importance of implementing WC/WDM at scale can be noted.

Water Services Institutional Arrangements

General

- BCMM is both the Water Services Authority (WSA) for its entire area of jurisdiction and the Water Services Provider (WSP) for area, covering most of the bulk water provision and all of the retail functions. The Amatola Water Board is the other WSP that is operational in the area, focussing on the provision of bulk water supply services, mainly to BCMM.

Water Services Authority

- BCMM has an established WSA in place, which has the ability and resources to undertake a number of the WSA functions in its current format. However, it has been identified that the current capacity and form of the WSA is inadequate to successfully undertake all its functions,

and needs to be re-structured and appropriately resourced. The unit has been operating since 2004 and has established itself as a key component of the city's water services establishment as the water legislation requires. Some notable progress has been made in setting up a business plan, drafting some policies and bylaws and representing the city's interests on various planning and liaison forums.

- Key areas requiring attention include the following:
 - Ability/mechanisms to ensure compliance with the by-laws;
 - Development and implementation of a WC/WDM strategy;
 - Development of a mechanism to manage and monitor the implementation of the WSDP and
 - Establishment of WSA staff capacity and systems.
- BCMM has recently completed the preparation of a WSA capacity building business plan, based on which funding will be made available to address the identified capacity building requirements.

Water Services Provider

Water:

- BCMM is the retail WSP for its entire area of jurisdiction and the bulk WSP for three of the six surface water supply schemes servicing BCMM and all the groundwater schemes.
- Amatola Water are the bulk WSP on the remaining three surface water supply schemes, delivering some 32% of the total volumes of potable water consumed within BCMM.
- Amatola Water also delivers raw water in bulk to both the BCMM (supply to the KWT water treatment plant) and Da Gama Textiles in the KWT area.

Wastewater:

- BCMM is the bulk and retail WSP for all schemes within its entire area of jurisdiction, having successfully taken transfer and operational responsibility of works that were formerly owned and operated by DWAF and incorporated these into its operations.

Sanitation:

- Although services are only provided on an ad hoc callout basis in the rural areas at present (due to the extent of services provided), BCMM is the official WSP for this area.
- Although currently not active in the rural areas of BCMM, BCMM's Environmental Health Branch are the Sanitation Promotion Agent for the area. (239)

General:

- Staffing levels, both in terms of numbers and skills, are considered inadequate to effectively operate and maintain the water services infrastructure. Furthermore, training programmes have been curtailed due to budgetary constraints.
- BCMM has however recently completed a WSP capacity building business plan, focused at improving its WSP capacity.
- BCMM have completed a Section 78(1) investigation, the results of which are summarised as follows:
 - A ring fenced internal business unit is the preferred WSP option;
 - BCMM wish to be the WSP for all water services infrastructure wholly located within BCMM.
- No other changes to the provider arrangements are anticipated within the next 5 years.

Customer Services Profile

General

- BCMM operates a call centre which is open 24 hours per day, where service disruptions and/or complaints can be registered. Furthermore, complaints can be logged during office hours at the help desks of the various line departments.
- In 2007, BCMM commenced the full operationalization of Management Information Systems for water and sanitation. These systems facilitate the tracking of complaints, both in terms of response times and the nature and costs involved in addressing the complaints. These systems also track the quality of services provided over extended time periods.

Quality of service

- Apart from those consumers fed from borehole schemes, all consumers receive fully treated water supplies. The urban groundwater-fed schemes, generally receive chlorinated supplies, whilst the rural groundwater schemes are manually chlorinated, as and when required.
- Parts of the Dimbaza area are the only known areas currently experiencing supply problems attributed to low pressures. This is however an interim arrangement, whilst remedial construction works are ongoing.
- Certain of the rural villages fed from the former DWAF owned schemes also have supply problems. These are however attributed to the proliferation of illegal connections on these schemes, and a project to address this situation has already been initiated.

Attending to complaints

- All complaints are generally attended to within 48 hours.
- More accurate tracking of complaints will become available with the implementation of the respective MIS's.

Education & Pollution Awareness Programmes

- There are no programmes implemented on a sustained structured basis at present, but the need to establish such programmes has been identified.

Financial Profile

Capital Funds

- Funding for capital works investment is sourced from National Government (Grants), loan funding and private sector contributions. The total required funding to eliminate all infrastructure backlogs, compliance with legislation and meet capacity demands is detailed in the **Table 1** below.
- Grant funding has and will continue to be directed towards infrastructure provision for backlog eradication.
- Loan funding and private sector contributions have and will continue to be directed towards infrastructure provision for higher levels of service and maintenance/refurbishment of existing infrastructure.
- The extent of the current backlogs and the condition of the existing infrastructure is such that a significant investment injection is required in order for the development objectives to be met.
- In order to facilitate meaningful change, it is therefore required that:
 - A common vision with priority development areas is articulated and accepted throughout all levels of BCMM;

- A holistic and integrated capital works funding strategy (expenditure and income) is developed to facilitate social and economic infrastructure investment in a balanced and sustainable manner; and
- A methodology is developed and accepted to direct funding in line with the accepted development priorities.

Operating Costs and Income

- Operating budgets have been inadequate to effectively operate and maintain existing infrastructure resulting in:
 - The extent of deferred maintenance increasing (asset stripping); and
 - Reactive ad hoc maintenance.
- Operating budgets have not increased in real terms, given the extent of new infrastructure provided.
- The provision for bad debts has decreased over time.
- Operating income is used to subsidize other services.
- Tariff income and internal recoveries are around 75% (water) and 86% (sanitation) of the total income, with subsidies accounting for the balance.
- Tariff income is highly dependent on a relatively small paying residential consumer base.
- There is an urgent need to improve operational efficiencies (improved revenue streams and reduce operational costs) through the implementation of comprehensive and sustained WC/WDM initiatives.

Tariffs and Charges for Residential Consumers

- There are uniform water tariffs throughout BCMM.
- Water tariffs for residential consumers are generally rising block consumptive based, with provision for the first 6kl per month being free for registered indigent consumers.
- Certain residential consumers are invoiced at flat rates or on deemed consumption, due to an absence of meters, faulty meters or level of service provided.
- Different sewer tariffs / charges exist for the East London and King Williams Town areas.
- Annual sewerage charges are levied dependent on the size of the erf (East London) or the number of toilets per household (KWT).
- Registered indigent consumers are afforded relief in terms of a rebate on their municipal services bill.
- Annual tariff and charge increases have tended to be percentage increases (within prescribed National Government limits) on historical figures, and do not necessarily reflect the true costs of providing the service.

Free Basic Water and Sanitation

- Free basic water service provision is implemented as follows:
 - Rural – level of service
 - Urban informal – first 6kl per household / month free
 - Urban formal – rebate for registered indigent consumers.
- Free basic sanitation service provision is implemented as follows:
 - Rural – Nil i.e. charged if ad hoc services are required
 - Urban informal – level of service
 - Urban formal – rebate for registered indigent consumers
- A free basic sanitation policy will be developed within 1 year.

Charges and Tariffs for Industrial and Commercial Consumers:

- There is at present no distinction between industrial and commercial water consumers.
- Bulk water consumers are charged a fixed consumption based tariff i.e. there are no rising block tariffs.
- Annual sewerage charges, comprising of a basic charge and a charge linked to the area of the establishment are levied on industrial and commercial consumers.
- Trade effluent tariffs are linked to the volume and nature of the effluent released.
- Annual tariff and charge increases have to date been based on percentage increases on historical figures, and do not necessarily reflect the true cost of providing the service.
- There is a need to review tariff and charge structures to promote water use efficiency and to ensure that they are more reflective of the true costs of providing the service.
- There is a need to review trade effluent tariffs, punitive tariffs and to enhance compliance monitoring, to promote environmental / pollution awareness and to ensure that tariffs reflect the true impacts and costs of managing the trade effluent releases.

Income and Sales:

- Income from water services provision has shown a progressively increasing surplus over time.
- Provision for bad debts has increased over time.
- The percentage of non-revenue water (water supplied but not billed) has remained constant over time at around 40% of the total volume supplied.
- There is a need to improve certain operational inefficiencies to improve sales and income.
- There is a need to review the extent to which water services income is used to subsidize the provision of other services, given the current extent of asset stripping.

Metering and Billing:

- There is no individual metering of rural water supplies at present.
- Universal metering has not been implemented within the urban areas to date.
- The need to improve metering and billing in order to improve revenue streams and to better account for water losses, has been identified.

Table 1 (The list is only unfunded projects)

SECTION	PROJECT NAME	REQUIRED FUNDING (Short and Long term)
CENTRAL & REESTON CATCHMENT		
Sanitation	Diversion of Wilsonia and Amalinda Sewage to Reeston WWTW (Phase 2)	68 000 000.00
Sanitation	Reeston WwTW Phase 2 upgrade to 20MI/day	130 000 000.00
Sanitation	Bulk Sewer Augmentation with Central and Reeston Catchments (Phase 1)	5 000 000.00
Sanitation	Bulk Sewer Augmentation with Central and Reeston Catchments (Phase 2)	102 000 000.00
ZWELITSHA REGIONAL WORKS CATCHMENT		
Sanitation	KWT Phase 1: Schorntville STW to Zwelitsha	40 000 000.00
Sanitation	KWT Phase 3: Breidbach Connection to Existing Sewer above Zwelitsha	32 000 000.00
Sanitation	KWT Phase 4: Bhisho to Breidbach Connection	65 000 000.00
Sanitation	KWT Phase 5: Upgrade of Zwelitsha WWTW to 35,000 m3/d	90 000 000.00
Sanitation	KWT Phase 6: Phakamisa Collector Sewer	14 000 000.00
Sanitation	KWT Phase 7: Tshatshu , Ndevana, Phamisa and Yellowwoods Infrastructure	62 000 000.00
EAST BANK CATCHMENT		
Sanitation	Ducats Sanitation Project	31 861 221.60
Sanitation	East Bank-Secure Pontoon Road Tunnel	15 000 000.00
Sanitation	East Bank-Replace/upgrade Eastern Beach Sewers	31 250 000.00
Sanitation	East Bank-Upgrade Vincent Park Interceptor	7 500 000.00
Sanitation	East Bank-Commission second aeration basin	625 000.00
Sanitation	East Bank-New Clarifier	3 125 000.00
Sanitation	East Bank-Refurbish electrical switchgear	2 500 000.00
Sanitation	East Bank-Repairs to City Pump Station	625 000.00
Sanitation	East Bank-Standby Capacity at City Pump Station	5 625 000.00
Sanitation	Nahoon Interceptor	10 000 000.00
WEST BANK CATCHMENT		

Sanitation	West Bank Restitution Project	16 048 379.04
Sanitation	West Bank Wastewater Scheme Sea Outfall Sewer (Phase 1)	5 000 000.00
Sanitation	West Bank Wastewater Scheme Sea Outfall Sewer (Phase 2)	110 000 000.00
Sanitation	West Bank-Outfall sludge handling(Phase 1)	3 000 000.00
Sanitation	West Bank-Outfall sludge handling(Phase 2)	62 500 000.00
Sanitation	West Bank-Replace/upgrade interceptors (Phase 1)	5 000 000.00
Sanitation	West Bank-Replace/upgrade interceptors (Phase 2)	50 000 000.00
GONUBIE CATCHMENT		
Sanitation	Gonubie-Upgrade Interceptors (Phase 2)	48 000 000.00
POTSDAM CATCHMENT(MDANTSANE)		
Sanitation	Potsdam-Upgrade Works	51 000 000.00
Sanitation	Potsdam-Upgrade Upgrade interceptor sewers	3 125 000.00
BERLIN CATCHMENT		
Sanitation	Berlin-Refurbish works	625 000.00
Sanitation	Berlin-Repair / replace pump stations	625 000.00
DIMBAZA CATCHMENT		
Sanitation	Dimbaza-Refurbish interceptors and pump stationers	1 250 000.00
FACILITIES FOR VIP CLEARANCE		
Sanitation	Investigation for facilities for VIP clearance - (Phase 1)	3 000 000.00
Sanitation	Facilities for VIP clearance-Allow for 5 pond systems (Phase 2)	31 250 000.00
TOTAL SANITATION		1 106 534 600.64
WATER BACKLOGS		
Water	Amahleke and Dimbaza Water Supply	23 000 000.00
Water	Installation of additional standpipes and extension of watermains to rural villages	2 350 000.00
Water	Fort Grey village water supply	24 000 000.00
PLANNING PROJECTS		
Water	Development of the water services master plan & Master Plans	5 000 000.00
Water	water conservation and demand management programs	50 500 000.00
MDANTSANE BULK WATER INFRASTRUCTURE		
Water	Re-location of midblocks Mdantsane	28 000 000.00

Water	Upgrading of Mdantsane Bulk Water Supply(Provision of bulk water supply to housing developments:Potsdam)	37 458 715.00
KWT BULK WATER INFRASTRUCTURE		
Water	Upper Buffalo WSS	28 881 784.00
Water	Middle Buffalo WSS (northern)	69 477 650.00
Water	Middle Buffalo WSS (eastern)	51 604 608.00
Water	Middle Buffalo WSS (western)	13 594 256.00
Water	Kei Road WSS	137 358 927.00
UMZONYANA SUPPLY BULK INFRASTRUCTURE		
Water	Umzonyana/City Supply: Raw Water gravity main	15 159 136.00
Water	Umzonyana/City Supply: Raw Water pump station	17 412 073.00
Water	Umzonyana/City Supply: Raw Water pumping main	17 490 458.00
Water	Umzonyana/City Supply: Treatment capacity(40ML/day)	161 870 180.00
Water	New Quenera Supply: Reservoir (Ducats command reservoir)	23 221 003.00
Water	New Quenera Supply: Reservoir (Homely Halt low level reservoir)	3 279 709.00
Water	New Quenera Supply: Gravity mains	34 000 857.00
Water	Quenera Zoning: Reservoirs (Wembley Low level)	12 975 361.00
Water	Quenera Zoning: Reservoirs (Wembley High level)	5 705 921.00
Water	Quenera Zoning: Reservoirs (Gonubie Low level)	11 025 562.00
Water	Quenera Zoning: Reservoirs (Gonubie Low level)	5 087 872.00
Water	Quenera Zoning: Gravity mains	518 923.00
Water	Quenera Zoning: Pump Stations (Wembley high lift)	1 626 059.00
Water	Quenera Zoning: Pump Stations (Gonubie high lift)	1 478 904.00
Water	Raising of the Upper Weir and Augmentation of Gravity System Ph 2 (Mzonyana)	67 619 155.00
Water	Umzonyana ro Westbank Bulk pipeline	20 300 000.00
Water	Water provision for Kidds Beach	6 000 000.00
Water	Upgrading of Umzoniana gravity main to Homeleigh reservoir	5 000 000.00
Water	Winterstrant water supply	3 000 000.00
Water	Augmentation of bulk water supply to Sunrise-On-Sea	5 000 000.00
WEST BANK BULK INFRASTRUCTURE		
Water	Phase 1: New Fort Grey Pump Station	5 253 421.00
Water	Phase 1: New Fort Grey Main	20 841 383.00
Water	Phase 1: Ferndale to Greenpoint Pipeline	6 200 584.00

Water	Phase 1: Nordev Bulk Main	14 620 796.00
Water	Phase 1: Nordev Reservoir	23 221 003.00
Water	Phase 1: Woodbrook Bulk Main	3 714 919.00
Water	Phase 1: Woodbrook HLZ Reservoirs	18 423 761.00
Water	Phase 1: Woodbrook HLZ Pump Station	1 883 579.00
Water	Phase 2: Needs Camp and Mt Coke Pipelines	41 260 286.00
Water	Phase 2: Mt Coke Reservoirs	11 753 977.00
Water	Phase 2: Pipelines (Development of Air Port)	8 798 652.00
Water	Phase 2: Reservoirs (Development of Air Port)	24 624 490.00
Water	Phase 2: Wattleford Pipelines	3 965 818.00
Water	Phase 2: Wattleford Reservoir	4 359 456.00
Water	Phase 2: Breezyvale Pipeline	1 407 865.00
Water	Phase 2: Breezyvale Reservoir	9 075 763.00
Water	Phase 2: Woodbrook Low Level Reservoir	12 975 361.00
WATER		1 101 378 227.00
TOTAL SANITATION		1 106 534 600.64
TOTAL WATER		1 101 378 227.00
SUM		2 207 912 827.64

ANNEXURES

BUFFALO CITY METROPOLITAN MUNICIPALITY



ANNEXURE: A

WARD SURVEY ISSUES PER WARD

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2011

WARD SURVEY ISSUES RAISED PER WARD

Ward 1

Priority Issue	Explanation	Area/village/settlement
1. Hall	The community has a need of this facility	Duncan Village Florence Street
2. Swimming Pool	To teach children swimming skills	Duncan Village Proper Bottom/ Florence Street
3. Housing Development	More people need houses	Duncan Village Proper
4. Jobs	A considerable percentage of the community is unemployed	Duncan Village Proper
5. Registration of Pefferville flats	Pefferville flats are not owned by the community of the area. There should be transfer of ownership	Pefferville area/ flats

Ward 2

Priority Issue	Explanation	Area/village/settlement
1. (a) Tarring of Roads (b) Storm Water Drains	(a) Roads in bad conditions	<ul style="list-style-type: none"> Braelyn Extension 10 C Section Extension
2. Unemployment	Bush Clearing project	<ul style="list-style-type: none"> Braelyn Extension 10 Barberton C Section Extension
3. Speed humps		<ul style="list-style-type: none"> Braelyn Extension 10 Mahlangeni Street C Section
4. Housing		
5. (a) Sanitation (b) Electrification of shacks		<ul style="list-style-type: none"> C Section Barberton Holomisa

Ward 3

Priority Issue	Explanation	Area/village/settlement
1. Road Surfaces Traffic Safety	Existence of serious potholes and upper surfaces disintegrating. Construct traffic circle. Dangerous intersection	Southernwood, Belgravia, Milner Estates, St James Road and Gately Street crossing, Southernwood
2. Electricity	Tall floodlight required. Prevent crime constant need to install broken light bulbs. Upgrade switch stations	Bottom of Brittlewood Street, Braelyn, Southernwood, Belgravia, Braelyn
3. Community Hall	There is no place for community meetings (General). Demographics have changed and community require this facility	Open Space in St James Road – Diagonally, opposite Gordon Road intersection
4. Grass cutting and parks	Our parks verges are overgrown and dangerous Tree cutting in Belgravia, Trees	Milner Estates, Braelyn, Belgravia and Southernwood Belgravia Streets and Belgravia

	obscure street lights - dangerous for students	Crescent
5. Employment	When temporary cleaning contracts are awarded, please employ local people suburbs	Southernwood, Belgravia, Milner Estates, Braelyn

Ward 4

Priority Issue	Explanation	Area/village/settlement
1. Upgrade of Library	The Library needs upgrading	Beacon Bay
2. Ablution Blocks	Upgrading of Lifesavers Shack and Ablution facilities and boardwalk	Bonza Bay
3. Roads	Resurface roads	Beacon Bay: Summit Road, , Seeton Road, Blue Waters Place, Irvine Road, Bonnie Doon: Irvine Road
4. Upgrade of old Transkei	Upgrade of this road is necessary	N2 Off ramp intersection
5. CCTV monitoring	For safety purposes	Beacon Bay

Ward 5

Priority Issue	Explanation	Area/village/settlement
1. Housing	New houses also rectification, our land still own by Private Company	Scenery Park also people who lives in informal settlements
2. Electrification	In all informal settlements	Scenery Park
3. Roads	All streets must be tarred also storm water drain	All streets in Scenery Park
4. Sport fields	For Youth to be kept busy not involved in crime	Scenery Park all phases 1-3
5. Unemployment	People are not working Poverty - people need work to get out of poverty	All phases including squatter camps

Ward 6

249

Priority Issue	Explanation	Area/village/settlement
1. Building of Houses	No humanitarian need around the place-No school clinics, shops. It is a dumping place for human life	Whole ward
2. Electricity	Electrification of shacks - lives of our people are in danger everyday	Whole ward
3. Surfacing of main road	BCMM has failed totally on maintaining these gravel roads and is very difficult for taxis and motors to travel	Whole ward
4. Infrastructure	There is an infrastructure but it is old	Whole ward
5. Employment		Whole ward

Ward 7

Priority Issue	Explanation	Area/village/settlement
1. Housing	<ul style="list-style-type: none"> Shack survey has been done, 	Area 1-2 to 11 and 12 (All area of C-

	<ul style="list-style-type: none"> but no movements Mushrooming of shacks everyday 	Section)
2. Electricity	Electrification of shacks - lives of our people are in danger everyday	C-Section and Bebelele streetlights
3. Road	Lot of potholes	D- Section
4. Infrastructure	There is an infrastructure but it is old	C-Section (All area)
5. Employment	Our Youth have passed matric and degree Skills training must be created. Eg Lotto project must come back Co-operative must be trained eg one man contract- problem	C-Section Bebelele D-Section
6. Drop-off points		C-Section
7. Bush-cutting		All areas eg Gompo Area
8. Hall		Belebele Area

Ward 8

Priority Issue	Explanation	Area/village/settlement
1. Shack electrification	People are in danger because of Izinyoka	<ul style="list-style-type: none"> Bhomela Khayelitsha Daka Siya Mzamo Dotwana
2. (a) Dumping (b) Collection of Rubbish	Distribution of black plastic bag (How often)	Formal Areas and Informal
3. Grass Cutting and Fencing	Old grave yards are not maintained. Residence unable to see their family cemeteries	Grave yard Lujiza and Buffalo Flats Cemetery pavements Gompo Town
4. (a) Public Toilets (b) Taps leakages to be fixed	Formal housing Public taps and toilets(Not for only Indigent)	4 Roomed houses Public taps and toilets
5. Foot bridge Between Siya and Khayelitsha	People living in health hazard situation and unable to attend funeral in other area.	Between Siya and Mpuntsha
6. Housing Relocation and Registration of beneficiaries	Very slow and clear registration process	People living in 250k yards and informal settlements
7. Public Toilets	No toilets at all	Khayelitsha Squatter camp
8. Ziphunzana Stadium	Maintenance needed, money already allocated	Ziphunzana Stadium
9. Street lights	Area is dark at night	Nomvete and Siya

Ward 9

Priority Issue	Explanation	Area/village/settlement
1. Housing	Old people who have no houses (RDP) and youth that is above 21 years of age	All Areas
2. Unemployment	Youth just finish schooling and old people owning houses	All Areas
3. Electricity	RDP houses and streetlights	Cambridge Location Phase 3 and Informal settlements
4. Bush and grass cutting	Municipality programme is not going as planned	All Areas

5. Toilets and water	Informal settlements in Ward 1	<ul style="list-style-type: none"> • Endlovini • Readymix • Stoney Drift • Call Squatter Camps
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Ward 10

Priority Issue	Explanation	Area/village/settlement
1. (a) Gravel Roads (b) Bush Clearing (c) Extra high mast (d) Toilets	Roads are in a terrible condition Toilets are not enough as well as the high mast of floodlights	Fynbos Informal
2. (a) Community Hall (b) Speed humps (c) Toilet (d) Bush clearing (e) Floodlights	<ul style="list-style-type: none"> • There is a new road in the area and it needs speed humps urgently • the place is very bushy and its dangerous, • There is no community hall • No toilets in this area 	East Bank
3. Renovate Egoli Farm House, Creche,	There is a hall that we call the farm house it needs urgent attention, There is no community crèche and the area is need cleaning	eGoli/7nd laan
4. (a) Potholes (b) Bush clearance (c) Clearing dumping site	There is a lot of potholes Bushes are all over and a lot of dumping sites that needs clearance	Vergenoeg
5. Housing	(a) Shacks in fynbos are now there for almost 17 years and still no progress in this regards (b) The residents complain that municipality is not building any houses for backyard shacks (c) Residents want to get a progressive report on the issue of rectification of Egoli houses	(a) Fynbos Informal (b) Fynbos Informal/ Vergenoeg (c) Egoli/East Bank

Ward 11

251

Priority Issue	Explanation	Area/village/settlement
1. Housing	We need new houses for the people who are living in shacks	N.U.2 & N.U.5 areas
2. Roads	We need BCMM to maintain gravel/tarring of roads	N.U.2 and N.U.5
3. Sanitation	People living in shacks and don't have toilets	N.U.2 and N.U.5
4. Community	In need of community hall	Ward 19
5. Unemployment	A request from BCMM to create jobs in order for the people to work because of high rate of unemployment	

Ward 12

Priority Issue	Explanation	Area/village/settlement
1. Access Roads	Areas needs attention to be given,	<ul style="list-style-type: none"> • Velwano

	grader to clean for access of ambulance ,police and others	<ul style="list-style-type: none"> • Dacawa • Nondula
2. Flushing toilets and temporary toilets	Area is not healthy due to non availability of toilets and non flushing toilets	<ul style="list-style-type: none"> • Velwano • Dacawa • Nondula • Nazo Rank • Mdantsane East
3. Bush Clearance	Danger zones and creates rape and abuse to children	Whole ward
4. Electricity	Illegal connectors are causing damage to the ward	All Infill area
5. Housing	Both sharing house and informal areas are demanding houses	<ul style="list-style-type: none"> • Sharing houses, • Dacawa, • Velwano • Nondula

Ward 13

Priority Issue	Explanation	Area/village/settlement
1. (a) Electrification of RDP houses	Houses have been built long ago and people are stealing electricity	The whole of Reeston shacks
2. Surfacing of main roads	BCMM has failed totally on maintaining the gravel roads and taxis and private cars find it difficult to enter.	The whole Reeston Smiling Valley Luxolweni
3. Building of houses	No humanitarian need around the place No school Clinics Shops Halls etc It's a dumping place for humans life	Luxolweni: some passing Reeston Bufferstrip
4. Anoldton node	Shopping centre had been in mouth lips for 15yeras. Please intervene No ATMs, Banks, Playground	Reeston
5. Building of community halls	No community halls at all areas of Reeston for start are needed	Reeston Area

Ward 14

Priority Issue	Explanation	Area/village/settlement
1. Electrification of shacks	Reduce izinyoka because of danger that occurs time and again	All inferior areas must be done (252)
2. Grass cutting and clearing	Dumping site, dangerous curves, outside grounds to all schools must be done	All areas must be done
3. Bush Clearance	Danger zones and creates rape and abuse to children	Whole ward
4. Road Tarred	Road steps inside inferior areas Upgrading of roads using Isabhunge with rough stone	<ul style="list-style-type: none"> • Upgrading roads inside Squatter camps • All areas
5. Housing	Inferior places we need houses and formalising the area that must be served.	Informal settlements

Ward 15

Priority Issue	Explanation	Area/village/settlement
1. Road surfaces	Potholes and loose road surfaces	Cambridge town, Cambridge village

2. Electricity	RDP houses and street lights	Cambridge village, Ocean view
3. Bush and grass cutting	Municipality programme is failing	All areas
4. Toilets		Cambridge village
5. water		Cambridge village and Ocean view

Ward 16

Priority Issue	Explanation	Area/village/settlement
1. Community Hall	Basic need in order to service communities in a dignified manner	Haven Hills Erf was earmarked as early as 2008 Corner Dorren/Dorothy Road
2. Housing	Registration of shacks for housing development	Informal settlement
3. Tarring of Roads	IDP Hearings - Public meetings and other platforms have been used to highlight hardships experienced	Heron Road in Summerpride and Amalinda Forest Gravel Roads
4. Bridge	Connecting Simanyene Housing with 2 rooms	Simanyene Housing
5. Electricity	Electrification of shacks	Informal settlements

Ward 17

Priority Issue	Explanation	Area/village/settlement
1. Electrification of shacks	Reduce izinyoka because of danger that occurs time and again	All inferior areas must be done
2. Grass cutting and clearing	Dumping site, dangerous curves, outside grounds to all schools must be done	All areas must be done
3. Bush Clearance	Danger zones and creates rape and abuse to children	Whole ward
4. Road Tarred	Road steps inside inferior areas Upgrading of roads using Isabhunge with rough stone	<ul style="list-style-type: none"> Upgrading roads inside Squatter camps All areas
5. Housing	Inferior places we need houses and formalising the area that must be served.	Informal settlements

Ward 18

Priority Issue	Explanation	Area/village/settlement
1. Electricity	Upgrade switch houses, fix faulty light poles and numbering of light poles – older poles replaced maintenance transformers. Electrical boxes repaired, painted and locked	<ul style="list-style-type: none"> Lower southernwood Bered 253 Selborne Vincent
1. Road Surfaces	<ul style="list-style-type: none"> Overlaying of roads Spraying of all weeds in gutters, sidewalks and on road surfaces twice a year Storm water drains cleaned out of debris and covers replaced where missing- whole ward Big Open storm water canals to be cleaned and weeded, aliens removed at Lido Lane Nahoon Valley Gutters repaired that are damaged by tree roots and vehicles. Repaint curbs on islands and 	<ul style="list-style-type: none"> Bunker's hill- glen Eagles Road sidewalks and guttering NB Hoylake and Ainsdale Roads Stirling Sandgate, Cairsbrook, Sandown, Bamburg, Roslin Roads Woodleigh- McKenzie Street Nahoon Kennington and Smart Roads Nahoon Mouth- Princess Alice Drive off May Street- Road to Nahoon Reef and the Point Bonnie Doon- Cairns Roads- Sinclair Road- Tainton Road at circle- Bonnie Doon place Nahoon Valley- Old Transkei

	<p>circles</p> <ul style="list-style-type: none"> • Replace all old green street names and signs with the new street names and signs • Replace suburb names in Ward 4 and new Ward 18 • Signs to indicate usage of traffic circle • Replace all inspection covers with suitable ones- not big cement slabs 	<p>Road next to river to Abbotsford causeway- Jasmay Place</p> <ul style="list-style-type: none"> • Vincent: Vincent Road- the entire road • Berea- Oakhill Road • Southernwood- McGrath Road very bad urgently needs attention- Nahoon View Road • Bunker's Hill, Stirling, Woodleigh, Nahoon, Nahoon Mouth, Bonnie Doon, Vincent, Vincent Heights, Nahoon Valley, Berea, Selbourne, Southernwood • corner Epsom and Old Transkei Roads and circle • Hudson and Chamberlain Roads
<p>3. Refuse Collection</p>	<ul style="list-style-type: none"> • Outsource all refuse collection and waste minimisation • One collection in a suburb for homes and businesses, restaurants etc • Recycle programs must be in place- Employment for the poor • Assisting people who collect recyclable goods from refuse bags in suburbs eg Trolleys • Illegal dumping signs to be erected- trespassers to be fined. • Regular collection of refuse and clearing of illegal dumping sites on a weekly basis 	<ul style="list-style-type: none"> • The whole ward • Berea • Selborne • Southernwood
<p>4. Amenities - BCMM open spaces, parks, picnic areas, beaches, reserves</p>	<ul style="list-style-type: none"> • Regular grass cutting and bush clearing ever 2nd month for a clean tidy CITY- Supervisors to be made aware of the quality of their work not leaving areas very untidy • When cleaning gutters and streets workers to be equipped with spades and brooms and supervised to work • Rehalitate Inhlanza with proper walk ways, paths, fences. Alien eradication • Privatise Nahoon Caravan Park • Upgrade Nahoon Beach ablution facilities- all boardwalks to be varnished and repaired and maintained throughout the year. • The necessary signage on all beaches, parks, picnics areas 	<p>Whole community</p> <p style="text-align: center;">(254)</p> <ul style="list-style-type: none"> • Nahoon Beach, all picnic

	<p>to stop excessive noise, loud music and public drinking</p> <ul style="list-style-type: none"> • Upgrade Nahoon Caravan Park and proper control to attract Tourist 	areas and James Pearce Park
5. Creating employment	<ul style="list-style-type: none"> • As asked before 15 workers as per organogram to work • Assist recyclers - the people who collect recyclable goods from households eg, Trolleys, collection points • Portable chipper to chip trees when cut down- compost to be sold creating employment • Create employment for the poor to make compost with all grass cuttings, bush clearing to assist in the protection and enhancement of our environmental assets and natural resources. 	Ward 18
5. Water & sanitation	Gutter need to be unblocked and stagnant water removed, leakage of sewerage	Lower Southernwood St Georges Road, Southernwood Berea and Selborne
6. Information	Include list of official's names responsible for above areas/priorities in rates accounts. People can inform officials direct	Whole ward

Ward 19

Priority Issue	Explanation	Area/village/settlement
1. Housing	There is a serious backlog around housing, there are more than 10 000 shacks in my ward	<ul style="list-style-type: none"> • Duncan Village • CC Lloyd • Parkridge • Pefferville
2. Public Toilets	There are decent toilets, inadequate and some areas are without toilets	<ul style="list-style-type: none"> • Moscow, • Scelo Fazzie, • Xasheka, • Khayelitsha, • Jamaica, • Parkridge
3. Tarring of Roads	Roads need to be tarred	<ul style="list-style-type: none"> • Malunga, • Qomisa, • Hans, • Matanzima, • Jiba, • Xhewu, • Ndlazi
4. Economic Development	We need community based projects to curb the high rate of unemployment	Entire Ward
5. Waste Collection & Vegetation control	There are illegal dumping sites due to non timeous collection of waste and lack of vegetation control	Entire Ward

Ward 20

Priority Issue	Explanation	Area/village/settlement
1. Roads and storm water drains	Roads were done but not monitored as a result there is overgrowing of grass because there are no gutters	NU7
2. Housing new and infill areas	Housing, there was a survey and houses were to be built at the infill areas . I'll elaborate	NU7
3. Electricity	Street lighting and high must lights	NU7
4. Unemployment	Employment in wards by Buffalo city not coming to ward councillors	NU7
5. Environmental cleanliness	Cleanliness inwards, bush clearing and grass cutting	NU7

Ward 21

Priority Issue	Explanation	Area/village/settlement
1. Roads	Roads are in a condition that cannot be tolerated	NU13,15 Mbekweni Unit P
2. Housing	Lot of shacks in these areas	NU13,15 Mbekweni Unit P
3. Electricity & streetlights	Informal settlement that need electrification and other part at Mdantsane with no proper street lights	NU13,15 Mbekweni Unit P
4. Unemployment	There is a high rate of unemployment	NU13,15 Mbekweni Unit P
5. HIV & Aids and crime	More education about HIV and Aids and high rate of crime	NU13,15 Mbekweni Unit P

Ward 22

Priority Issue	Explanation	Area/village/settlement
1. Roads	Need to resurfaced and tarred Fixing of potholes on the main road	<ul style="list-style-type: none"> • Zone 14 or Unit R • Zone 16 - Unit Q • Entire ward
2. Electricity	We request high-mast lights in Zone 14 and its maintenance. Installation of new street lights for both Zones 14 & 16	<ul style="list-style-type: none"> • Zone 14 • Zone 16
3. Community Hall	We request urgent building of a community hall for activities such as funerals, pay-point, meetings and so forth	Zone 14
4. Sports field	We request development of sports field to be in the form of a small stadium	<ul style="list-style-type: none"> • Zone 14/ Unit R • Zone 16 /Unit Q
5. Sanitation	We request for urgent installation of toilets and taps for informal settlements	<ul style="list-style-type: none"> • Zone 14 • Sisulu Village • King Satcha Village • Ntleki Village • Masakhe village

Ward 23

Priority Issue	Explanation	Area/village/settlement
1. Houses	<ul style="list-style-type: none"> Zone 18 cc Phase 1 need 67 houses to be rectified out of 424 Phase 2- 1500 beneficiaries budget has been roll over since 2007, up to now there's no budget. Potsdam village, no housing development and beneficiaries were identified, list is available. Back-yard shacks need houses as a matter of urgency. 	
2. Job Creation	Need decent jobs and informal jobs. Ward is faced with high number of unemployment	
3. Road & Storm water	No proper roads, very difficult for cars & people during rainy days	
4. Sanitation/water	No toilets for communities and there is no running water	
5. Bridge for Potsdam and Needs Camp	Struggling to reach needs camp and town especially after rainy days	

Ward 24

Priority Issue	Explanation	Area/village/settlement
1. Reconstruction of rural roads	All roads need to be constructed but nothing is being done except a portion that was gravelled	<ul style="list-style-type: none"> Nqonqweni Nxamkwana Mncotsho Luxhomo Mbolomeni Mabaleni Mntlabathi
2. Upgrading of Mncotsho sportsfield	This sportfield was left by Public Works unfinished. BCMM half-fenced the field and left with no other explanation	Mncotsho Location
3. Electrification of Qhukru and Extension of others	This area have no electricity but promises are there and the community is no longer patient about promises	Kalkeni Location and Qhukru farms
4. Community Hall	These communities prioritised a community hall need, a hall was built at Mabaleni instead of Mncotsho	Mncotsho (257)
5. Dipping Tank	Mncotsho use Mabaleni dipping tank which is 2km far alsoLuxhomo is using Dongwe which is 1km far. This affects kids in terms of schooling	Mncotsho - Luxhomo

Ward 25

Priority Issue	Explanation	Area/village/settlement
1. Upgrading of sports fields	These areas don't have any sport facilities	<ul style="list-style-type: none"> Phakamisa Cliff
2. Tarring and upgrading of roads	Phakamisa roads are aging, these needs to be upgraded Rural areas need roads	<ul style="list-style-type: none"> Cliff Zwelitsha (Zone 8,9)
3. Housing and Rural development	All areas are in need of houses	<ul style="list-style-type: none"> Phakamisa Cliff Zwelitsha (Zone 8,9)

4. Storm water drainage and cleaning	Most roads lack proper storm water drainage. Our areas need clean-up campaigns	<ul style="list-style-type: none"> Phakamisa Cliff Zwelitsha (Zone 8,9)
5. Electricity and high high mast lights	850 houses need electricity. All rural and certain parts in our areas need high mast lights due to high level of crime	<ul style="list-style-type: none"> Cliff Zwelitsha (Zone8,9)

Ward 26

Priority Issue	Explanation	Area/village/settlement
1. Roads – main and access roads	All roads are in a very poor condition hampering service delivery and causing unnecessary cost to vehicle maintenance	Macleantown farmers Ward 26
2. Renovation of community halls		
3. Houses	Ward 26 has not been allocated houses since 1998 (RDP Houses)	Ward 26
4. Dams	No clean running water at Ntenti and it is a health risk. People drink from an open dam. Shortage of taps at Macleantown & Infills	Macleantown & Infills Ward 26
5. Formalisation of farm 270		Ward 26

Ward 27

Priority Issue	Explanation	Area/village/settlement
1. Roads	<ul style="list-style-type: none"> re-surfacing of roads widening of Gonubie Main Road to create additional traffic lanes repairs/stabilising of the eroded embankment on the sea-side of Oceanway 	Gonubie
2. Water	Storm water	Sunrise on Sea Komanishi
3. Sanitation	Sewerage	Komanishi
4. Electrification	Upgrade of electrification	Gonubie (258)

Ward 28

Priority Issue	Explanation	Area/village/settlement
1. Water and Sanitation	There were new toilet diggings that were shown to people that there will be build for them (blockage of sewer)	8 Informal Settlement
2. Houses/Site and Services and Land	These people were living in the shacks since 1992, they complain that the housing processes take long therefore BCMM must provide site and service	<ul style="list-style-type: none"> Phase 1 - 50 unfinished houses Phase 2- on process Phase 3 - for 8 informal settlements
3. Unemployment	There were lots of people who are not working and that result in them committing crime - in need of 3 month jobs especially for the Youth	Mzamomhle Community
4. Refuse Collection	Maintenance and refuse need to	Whole community

& Storm draining	be collected every Thursday for the whole community	
5. Electricity (streetlights)	Our big areas are settlements and the challenge is the criminals that are hiding in dark places killing, raping, robbing when people come from shops, we need that to prevent this high crime and the burning of shacks.	8 Informal settlements
6. Potholes	Streets in bad conditions	All streets in Beacon Bay and Mzamomhle

Ward 29

Priority Issue	Explanation	Area/village/settlement
1. Community Hall	A community hall is needed for meetings and other community activities	Nompumelelo
2. Roads	Streets need to be tarred	Nompumelelo Ducats

Ward 30

Priority Issue	Explanation	Area/village/settlement
1. Housing	People have been staying in shacks since 1992, the area has been planned and surveyed	<ul style="list-style-type: none"> • Manyano • Thembelihle • Hani Park Block (3)
2. Roads	Roads are in a bad state, maintenance and construction of tarred roads is urgently needed.	N.U 9
3. Electricity	Streetlights and high-mast lights need to be upgraded. New areas need to be electrified.	<ul style="list-style-type: none"> • N.U 9 • Manyano • Thembelihle
4. Planning	Infill areas need to be planned for housing purposes	<ul style="list-style-type: none"> • Holomisa • Winnie village • JF Mati • Ramaphosa
5. Community Halls	These areas have no venues for meetings, we meet at schools under difficult conditions	N.U 9

Ward 31

Priority Issue	Explanation	Area/village/settlement
1. Housing	Waiting for 17 years	<ul style="list-style-type: none"> • Sunnysouth • Lillyvale • Greydale • Fort Grey
2. Roads	No maintenance in some other areas there are no roads at all	<ul style="list-style-type: none"> • V2 ext 1 • V2 ext 2 • Bompini
3. Electricity	They had applied but rejected	Squatter camps
4. Health (b) Toilets	No clinic only a mobile once a month No toilets	All farm areas <ul style="list-style-type: none"> • Igoda • Bhompini
5. Water	All farm areas have no water	<ul style="list-style-type: none"> • Sunny South • Lillyvale • Greydale

		<ul style="list-style-type: none"> • Igoda • Bhompini
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Ward 32

Priority Issue	Explanation	Area/village/settlement
1. Hall	The floor was never completed by BCMM Need a community Hal	<ul style="list-style-type: none"> • Ncerha Village 6 • Gqale
2. Roads	Need gravel	<ul style="list-style-type: none"> • Open Show • Kalkeni • Thyusha
3. Electricity	Extensions need electricity	<ul style="list-style-type: none"> • Dyam 2 • Phози • Luyolo • Sandile • Ncerha 4,5,6,7
4. Playing field	(a) Need second rugby field (b) Need rugby field	<ul style="list-style-type: none"> • Dowu • Kampini
5. Hall	The floor was never completed by BCMM Need a community Hal	<ul style="list-style-type: none"> • Ncerha Village 6 • Gqale

Ward 33

1. Sanitation	There is no proper sanitation – people are still using bushes	Altile, Hill, Gxetu, Gwili-gwili, Welcomewood Kuni, Cornfields, Thembisa, Needs Camp
2. Cemetery Fencing		Kuni, Altile, Hill, Gxethu, Welcomewood, Gwili-gwili
3. Water Stand Pipes Jojo Tanks		Needs Camp, Gxetu, Kalkeni, Thembisa, Kuni - 1
4. Roads	Need re-gravelling	Altile, Hill, Gxetu, Gwili-gwili, Welcomewood, Cornfields, Kuni 2
5. Fencing of Grazing camps and scoping of stock Dams		Kuni 2 (3) , Gwili-gwili (1) , Gxethu (1), Hill(2) , Altile (1) , Welcomewood (2)

Ward 34

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Priority Issue	Explanation	Area/village/settlement
1. Roads (b) General cleaning (c) Parks		<ul style="list-style-type: none"> • Cemetery • The whole ward
2. Storm water		<ul style="list-style-type: none"> • Tembisa • Polar Park • Dimbaza
3. Library Street naming		Dimbaza
4. Water		The whole ward
5. Electricity		The whole ward

Ward 35

Priority Issue	Explanation	Area/village/settlement
1. Electricity	With rural areas developing /extending, there is a great need	<ul style="list-style-type: none"> • Zinyoka • Balasi location

	of electricity across these areas	<ul style="list-style-type: none"> • Tyutyu village
2. Water supply	With rural areas developing /extending, there is a great need of water supply across these areas	<ul style="list-style-type: none"> • Zinyoka • Balasi location • Tyutyu village
3. Agricultural development	Need to re-establish the scheme of agriculture in Tyutyu village, Residents of Tyutyu village want to renovate those buildings	Tyutyu village
4. Rural roads	These areas are not accessible due to roads or lack thereof	<ul style="list-style-type: none"> • Zinyoka Location • Tyutyu village • Balasi location
5. Community Hall	There is an earnest appeal from the people of Clubview for a community hall. They have been saying this for quite a long time	Clubview, King Williams Town

Ward 36

Priority Issue	Explanation	Area/village/settlement
1. Rural Roads	Most roads in our rural areas are in a dilapidated state	All villages in Ward 36
2. Community Halls	These will serve as venue for funerals, meeting place and church services	Whole ward
3. Water Pipes	The frequently bursting water pipes need to be repaired. Existing water infrastructure is either too old or lacks capacity	Dimbaza and surrounding rural areas
4. Dual accounts	Families with deceased spouses are struggling to have houses transferred & thus receive two accounts	Dimbaza
5. Unemployment	Over 2/3 of local community are unemployed since closure of local factories	Dimbaza and surrounding rural areas

Ward 37:

Priority Issue	Explanation	Area/village/settlement
1. Speed humps	Peak hour is very busy as from 07H00	<ul style="list-style-type: none"> • West Drive • West Drive Bridge
2. Roads- rural		<ul style="list-style-type: none"> • Masingatha Location • Mdingi • Kwelerana • Tyhusha
3. Water Standing pipes		Dimbaza
4. Community Hall	Residence of these areas are always complaining about halls. They have no place to attend their meetings and funerals	<ul style="list-style-type: none"> • Tolofiyeni Location • Masingatha • West Bank • Kwelerhana Location • Tyhusha Location
5. Playing Grounds	There is a need of the playing ground in these areas. Youth can be miss directed because of no facilities	<ul style="list-style-type: none"> • West Bank • Tolofiyeni Location
6. Lights	Residence are complaining of absence of lights on the road and been reporting it	<ul style="list-style-type: none"> • Bridge to Westbank

Ward 38

Priority Issue	Explanation	Area/village/settlement
1. Roads Construction Maintenance with bridges	Vehicles and public transport suffer as access roads to clinics, schools, community halls and main roads are in a bad state. South African Police Service, Nurses, Teachers complain they cannot service community effectively	<ul style="list-style-type: none"> • Mamata • Anders Mission • Liefeldt • Nonkcampa • Gwaba • Zikhalini • New Rest • Gambushe • Bulembu • Lenge • Mxaxo • Khayelitsha
2. Rural Housing	The ractification programme should be fast-treked and programme extended to other villages as some are homeless due to storm damage	Bulembu & Lenge
3. Community Halls construction and renovations	Communities will be at advantage on construction: rainy days for their funerals, wedding, meetings, social development programmes and community trainings for development project. The existing ones be renovated	CONSTRUCTION <ul style="list-style-type: none"> • Liefeldt • Mzantsi • Gwaba • Lenge • New Rest • Khayelitsha • Anders Mission RENOVATIONS <ul style="list-style-type: none"> • Dikidikana • Pierrie Mission • Bulembu • Mamata
4. Sports Facility	Finishing of the existing facility and maintenance and security programme needed, to avoid breaking in by thieves	<ul style="list-style-type: none"> • Mzantsi, • Pierre Mission
5. Water- Stand Pipes Installation	Extended areas walk distances to fetch water	Mamata, Mxaxo B <ul style="list-style-type: none"> • Bulembu • Nonkcampa • New Rest • Anders Mission • Zikhalini

Ward 39

Priority Issue	Explanation	Area/village/settlement
1. Water Roads	(a) Water System are very old (b) Gravel Roads, Potholes	Rhayi, Ngxwalane, Kwalini, Bonke, Tshatshu, Sweetwaters
2. Multi Purpose Centre Extension of RDP Two roomed houses	1. Sports: Training of Youth cultural Groups. 2. To accommodate families	Sweetwaters
3. (a) Tarring of Streets (b) Taxi Rank	(a) Extending Taxi Routes (b) To assist Community	Zwelitsha and Sweetwaters

4. (a) Renovation of Dairy Farm (b) Renovation of abattoir	(a) Structure - Dairy cows are there (b) Processing Wild animal meat to be exported (LED)	Tshatshu Location
5. Rural Housing	There shall be houses and Security	Rhayi, Ngxwalane, Kwalini, Bonke and Tshatshu

Ward 40

Priority Issue	Explanation	Area/village/settlement
1. (a) Roads in all Areas with storm water drains. (b) Speed humps in Zone 8 & 9	Since the recent heavy rains, roads have potholes and some were never done eg Mzantsi	Qongqota, Ndileka, Zwelitsha - also a need for tar road, Godidi
2. Electricity & water in new sites. Other areas need search lights	In rural areas there is no water and electricity. At Zone 8 & 9 they need search lights	All areas - Qongqotha Mlakalaka, Mt Coke, Ndileka, Godidi, Mimosa, Mzantsi and some areas in Zone 8&9
3. Toilets in all rural areas were never done Also in need of clinics	All areas have no toilets, the people are still polluting the environment. Clinics - long distance walks	Mt Coke, Qongqotha, Ndileka, Godidi, Mlakalaka, Mzantsi, Mimosa
4. Halls	Mlakalaka hall waiting for funding long ago but now all areas are in need of halls	All of the above areas starting with Mlakalaka which is the centre of the ward
5. Fencing of the fields & cemeteries	All farmers need this so as to secure their fields and crops. Grass at Zone 8 & 9 to be cut	All the above areas

Ward 41

Priority Issue	Explanation	Area/village/settlement
1. Storm water drainage	Water is not controlled , after every rain the roads are washed away leaving big dongas	All ward 39 areas except zone 8 and 9
2. Tarring of identified roads	Municipal officials towards end of 2010 came and count kilometres that are to be tarred	Ward 39 area
3. Renovate councillor's office multi purpose rondavels and tennis court	We request a 24 hours security like civic centre and swimming pool	All there areas are in Erf 2958 which is not surveyed
4. Regravel all gravel roads	This is not sustainable since there's no control of water when it rains	Ward 39 area as most roads are gravelroads
5. Library	Zwelitsha has close to 10 high schools including nearby villages with no access to a library	Zwelitsha is central for the library

Ward 42

Priority Issue	Explanation	Area/village/settlement
1. Housing		The whole of Reeston shacks
2. Community Hall	People walk long distances even to receive old age grants	The whole Reeston Smiling Valley Luxolweni
3. Bush/Grass Cutting	It increases the high rate of crime	Luxolweni: some passing Reeston Bufferstrip
4. Swimming Pool	It can create job opportunities and also attract in tourism and gives opportunity to our youth to be involved in sport	Reeston
5. Electricity (solar)	Reduces dangers and killings by illegal connections (Izinyoka) of electricity by people who wait for a long time for houses	Squatter Camps

Ward 43

Priority Issue	Explanation	Area/village/settlement
1. Street signage	Electrification of Houses	<ul style="list-style-type: none"> Hanover
2. Street Signage		<ul style="list-style-type: none"> Bisho
3. Roads		<ul style="list-style-type: none"> New Bright area Ndevana
4. Grass cutting		<ul style="list-style-type: none"> Bisho Breidbach
5. Play Parks		<ul style="list-style-type: none"> Breidbach Bisho Tyutyu

Ward 44

Priority Issue	Explanation	Area/village/settlement
1. Water Roads	Water System are very old Gravel Roads, Potholes	Tshatshu, Sweetwaters
2. Multi Purpose Centre Extension of RDP Two roomed houses	1. Sports: Training of Youth cultural Groups. 2. To accommodate families	Sweetwaters
3. (a) Tarring of Streets (b) Taxi Rank	(a) Extending Taxi Routes (b) To assist Community	Sweetwaters Breidbach (264)
4. Playparks		<ul style="list-style-type: none"> Breidbach
5. Grasscutting		<ul style="list-style-type: none"> Breidbach

Ward 45

Priority Issue	Explanation	Area/village/settlement
1. Housing	Houses are needed for people who are still living in informal settlements and wooden houses	Berlin Ilitha
2. Roads	Main road and access roads need to be gravelled Other roads must be tarred	Peelton & Esikhobeni Berlin & Ilitha
3. Sanitation	Sewer connection in some areas	Berlin
4. Community hall	Renovation of Mpengempengeni	Peelton

	community hall Kitchen needed as per the plan at Ilitha Community hall	Ilitha
5. Cemeteries	Need fencing of cemeteries	Peelton & Esikhobeni

Ward 46

Priority Issue	Explanation	Area/village/settlement
1. Housing	We have been promised that Airport Phase 2A project will be unblocked but we have not yet get any response	Airport Phase 2 A Ward 46
2. Jobs	Currently there are no jobs given to Ward 30 since 2009 from BCMM. We would like to appeal for jobs	Ward 30 which is now divided into Ward 31 & Ward 46
3. Bush Clearing	Currently we never get any services from bush clearing and we have been asking for assistance but with no avail	Ward 30 Greenfield, Sunnyridge Santa
4. Infrastructure	We have a problem of roads, streetlights, and we have no sport fields, we have appealed to BCMM but with no avail.	Santa Airport Phase 2
5. Land	We are looking for a land to build and remove Orange Groove settlement house. That land belong to Airport not to BCMM for the use by all citizens	Orange Grove Ward 30

Ward 47

Priority Issue	Explanation	Area/village/settlement
1. Roads	Roads at New Rest need to be tarred, since 1987 the roads had never been tarred	New Rest in Duncan Village
2. Upgrading of Orient Theatre	There needs to be an upgrade of the theater	Quigney
3. Taxi Rank	Taxi rank in the CBD needs to be upgraded as there are high levels of crime due to the overcrowding. CBD strategy must include this.	Gilwell Taxi Rank
4. Housing	There is a need for housing development as there is overpopulation of rental flats	Ward 47 (265)
5. Sleeper site Development in Beach front and revitalisation of the harbour	Need to engage BCDA and Transnet	Marina Glen, Sleeper site, Transnet site behind Post Office, harbour
6. Car Washes	Need a place for the car washes in beach front	Quigney

Ward 48

Priority Issue	Explanation	Area/village/settlement
1. (a) Illegal dumps (b) Bush Clearing (c) Cutting and foot paths		N.U. 10, 11B & 12
2. (a) Sidewalk (b) Speed humps		Between N.U.11B & NU 12

(c) Bridge crossing		
3. Housing		
4. Roads	Regravelling and tarred	
5. (a) NU10 Stadium Renovation (b) Flood Lights		Between N.U.10, 11, 12 near crossing river band

Ward 49

Priority Issue	Explanation	Area/village/settlement
1. Small bridge	This bridge is going to the grave yard every week-end	<ul style="list-style-type: none"> • Ndevana • Gesini area
2. (a) Housing (b) Toilets	There are no houses in Ndevana and no toilets	<ul style="list-style-type: none"> • Ndevana • All areas
3. Roads and water	This area living without water and roads for more than 15 years	<ul style="list-style-type: none"> • New Bright area • Ndevana
4. Roads	This rural area need road maintenance because our roads are very bad	<ul style="list-style-type: none"> • Ndevana • All areas
5. Clinic	The population of the ward is growing up and there is a proposal of second clinic	<ul style="list-style-type: none"> • Ndevana • Velwano area

Ward 50

Priority Issue	Explanation	Area/village/settlement
1. Roads and storm water drains	Roads were done but no monitoring as a result there is overgrowing of grass as there are no gutters	NU7,8 &10
2. Housing new and infill areas	Housing, there was a survey and houses were to be built at the infill areas . I'll elaborate	NU7,8 &10
3. Electricity	Street lighting and high must lights	NU7,8 &10
4. Unemployment	Employment in wards by Buffalo city not coming to ward councillors	NU7,8 &10
5. Environmental cleanliness	Cleanliness inwards, bush clearing and grass cutting	NU7,8 &10

ANNEXURE: B

LIST OF EXTERNAL STAKEHOLDERS

PROVINCIAL GOVERNMENT					
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					6
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IDP/BUDGET/PMS PROCESS PLAN

2011-2016

2011/2012 IDP/ BUDGET & PMS PROCESS PLAN & TIME SCHEDULE

	MONTH	ACTIVITY	RESPONSIBLE. DEPT	DUE DATES
1		PREPARATION FOR IDP/BUDGET/PMS REVIEW		
	JULY 2010			
1.1		Public Consultation on Draft Process Plan 2011/12	IDP/PMS	July - August 10
1.2		Submit Institutional,SDBIP & Section 57 Performance Agreements 10/11	IDP/PMS	July 10
1.3		Management Meeting <ul style="list-style-type: none"> IDP/Budget/ PMS Process Plan (2011/2012) 	IDP/PMS	Mon 26 Jul 10
1.4		Submit 4th Quarter SDBIP & Institutional Scorecard Reports	IDP/PMS	Fri 30 Jul 10
1.5		IDP 2006-11 Evaluation <ul style="list-style-type: none"> Undertake assessment of IDP implementation from 2006 to date 	IDP/PMS	July-October 10
	AUGUST 2010			
1.6		IDP/PMS/Budget Policy Strategic Committee: <ul style="list-style-type: none"> IDP/Budget/PMS Process Plan (2011/12) 	IDP/PMS	Mon 2 Aug 10
1.7		Publication of SDBIP 10/11 (Library & Website)	IDP/PMS	31 August 10

1.8		Mayoral Committee: <ul style="list-style-type: none"> IDP/Budget/PMS Process Plan (2011/12) 	IDP/PMS	Tues 17 Aug 10
1.9		Mayor establishes committees and consultation forums for budget process		
		Mayor appoints Political Cluster Leaders		
1.10		Review of IDP/Budget Policies	Budget & Treasury	Wed 25 Aug 10
1.11		Council Adopts: 2010/2011 Roll-Over Adjustment Budget (Excluding Conditional Grant Funded Projects)	Budget & Treasury	Wed 25 Aug 10
1.12		Council Adopts: IDP/Budget/PMS Process Plan (2011/12)	IDP/PMS & BUDGET	Tues 31 Aug 10
1.13		Completion & Submission of Budget Evaluation Checklist to National Treasury	Budget & Treasury	Tues 31 Aug 10
2		MONITORING & EVALUATION – UPDATED SITUATION ANALYSIS		
2.1		Ward Issues & Projects (Ward Cllrs & Ward Committees): Identify & consolidate community needs Align needs with reconfigured BCM Wards	IDP/PMS	1-30 Aug 10
2.2		Public Consultation/ Imbizo Preparation Committee (1st meeting) <ul style="list-style-type: none"> Confirm task, responsibility & dates for preparation meetings 	IDP/PMS	Tues 3 Aug 10
2.3		IDP /PM / Budget Technical Cluster Meetings Preparations for Cluster Workshop - 9 September 10	IDP/PMS	26 & 27 Aug 10
SEPTEMBER 2010				

2.4		BCM Department Reviews: <ul style="list-style-type: none"> • Evaluation of Departmental IDP Performance & Updated Analysis • Review Departmental IDP Objectives & Strategies (09/10) 	IDP/PMS	1-22 Sept 10
2.5		IDP/Budget/PMS Workshop (All Cllrs, Directors & GM's): <ul style="list-style-type: none"> • IDP Process Plan 2011/12 • IDP Cluster Achievements 09/10 & Key Projects 10/11 • Update on Metro Readiness 	IDP/PMS	Thur 9 Sept 10 (8:30am-14:00pm)
2.6		Submit to National Treasury: 2010/2011 Roll-Over Adjustment Budget in Terms of National Treasury Reporting Requirements	Budget & Treasury	Mon 27 Sept 10
2.7		IDP/ PM/ Budget Technical Working Group: Preparations for Institutional Strategic Planning Session Preparations for IDP/Budget/PMS External Representative Forum		Mon 27 Sept 10
2.8		IDP/ PM/ Budget External (Business, Government, NGO sector) Representative Forum: IDP/Budget/PMS Process Plan 2011/12 Report on SDBIP 09/10 & Institutional Scorecard 09/10 IDP Cluster Achievements 09/10 & Key Projects 10/11 Update on Metro Readiness		Thurs 30Sept 10
2.9		Revenue Projections, Proposed Rates and Service Charges	Budget & Treasury	Thur 30 Sept 10
2.10		Draft initial allocations to functions and departments for next financial year	Budget & Treasury	Thur 30 Sept 10
2.11		SDBIP 10/11 First Quarter Reporting commences	IDP/PMS	Thur 30 Sept 10

3				
OBJECTIVES, STRATEGIES, PROG, PROJECTS & KPI'S				
OCTOBER 2010				
3.1		Directorates to Prepare And Submit 1st Quarter Reports: SDBIP 10/11	IDP/PMS	4-8 Oct 10
3.2		Institutional Strategic Planning Session Preliminary Outcomes of IDP 2006-11 Evaluation Identify strategic objectives for service delivery and development Broad capital budget allocations Theme for IDP 2011-2016	IDP/PMS	7-8 Oct 10
3.3		IDP/ PM/ Budget Political Steering Committee:	IDP/PMS	Fri 8 Oct 10
		IDP/ PM/ Budget Technical Working Group:	IDP/PMS	Fri 15 Oct 10
		<ul style="list-style-type: none"> IDP/ PM & Budget Progress Draft /updated IDP Objectives, Strategies, Programmes , Projects Overview of ward key issues 		
3.4		Public Consultation/ Imbizo (targeted areas) <ul style="list-style-type: none"> SDBIP 09/10 & Institutional Scorecard 09/10 SDBIP 10/11 – First quarter report , especially ward specific projects Response to ward issues Present/ confirm ward key issues & proposed ward projects 	PP/IDP	Oct 10
3.5		BCM Departments: IDP Project Business Plans <ul style="list-style-type: none"> Departments submit draft IDP Project Business Plans (2011/12-2013/14) 	IDP/PMS	18 – 30 Oct 10

3.6		Council Adopts: 2010/2011 Roll-Over Adjustment Budget for Conditional Grant Funded Projects	Budget & Treasury	Tues 26 Oct 10
3.7		BCDA Submits Draft Budget	Budget & Treasury	Fri 29 Oct 10
3.8		Staff Keys Projections with Anticipated CPI Plus 2% is Completed	Budget & Treasury	Fri 29 Oct 10
NOVEMBER 2010				
3.9		BCM Departments: Respond to key issues raised by wards	IDP/PMS	1 – 11 Nov 10
3.10		IDP/ PM/ Budget Technical Working Group: <ul style="list-style-type: none"> • IDP/ PM & Budget Progress • Draft Project Business Plans (2011/12-2013/14) • Preparations for IDP, PM & Budget External Representative Forum 	IDP/PMS	Mon 15 Nov 10
3.11		Budget Workshops Presentation of the Baseline Budget Changes to Operational & Capital Budget Sign Off Operational Budget & Staff Keys Sign Off Fleet Budget	Budget & Treasury	15-20 November 10
3.12		IDP/ PM/ Budget Political Steering Committee: Budget Workshops	IDP/PMS	Fri 19 Nov 10
3.13		BCM Technical Cluster Meetings Prioritisation of draft business plans	IDP/PMS	16-17 November 10
3.14		BCM Departments: Complete IDP Project Business Plans <ul style="list-style-type: none"> • Fully complete approved IDP Project Business Plans (11/12- 13/14) 	IDP/PMS	17-23 Nov 10
3.15		IDP/ PM/ Budget External (Business, Government, Labour and NGO sector) Representative Forum:	IDP/PMS	Wed 24 Nov 10

		<ul style="list-style-type: none"> • BCM IDP Performance quarter 1 (Institutional Scorecard) 		
		<ul style="list-style-type: none"> • IDP/ PM/ Budget (10/11-)Progress report • Cluster Performance quarter 1 IDP 10/11 (July – Sept 10) • Cluster Objectives, Strategies & Projects (2011-16) 		
DECEMBER 2010				
3.16		IDP/ PM/ Budget Technical Working Group: <ul style="list-style-type: none"> • IDP/ PM & Budget Progress • Draft Project Lists • Final preparations for Mayoral Strategic Planning Workshop 	IDP/PMS	Mon 6 Dec 10
3.17		Draft Working MTREF: 2011/12 - 2013/14 Operational Budget Import all changes emanating from Budget Workshops into the Budget Model and produce a Draft Budget for further discussion in the new year	Budget & Treasury	Fri 10 Dec 10
3.18		BCM Technical Cluster Meetings : Final Project Prioritisation	IDP/PMS	13-14 Dec 10
Council Recess – 16 December 2010 - 15 January 2011				
4	CONSOLIDATE IDP & BUDGET			
JANUARY 2011				
4.1		IDP/ PM/ Budget Political Steering Committee: Present outcomes of Technical Working Group meeting held on 6 Dec 2010	IDP/PMS	Wed 19 Jan 11
4.2		IDP Public Hearings Preparation Committee	IDP/PMS	Fri 28 Jan 11

		(1 st preparation meeting for Public Hearings in April 2011)		
		<ul style="list-style-type: none"> Confirm task, responsibility & dates for preparation meetings 		
4.3		Submit Mid-Year Reports to Council	Budget & Treasury	Fri 28 Jan 11
4.4		Council Finalises Tariffs & Budget Policy	Budget & Treasury	Fri 28 Jan 11
4.5		Proposed National and Provincial Allocations	Budget & Treasury	Fri 28 Jan 11
4.6		Annual Report 2009/10 Tabled Before Council	IDP/PMS	Fri 28 Jan 11
4.7		Institutional Scorecard 2nd Quarter Report	IDP/PMS	Fri 28 Jan 11
4.8		MM & Section 57 Managers to be assessed	IDP/PMS	Fri 28 Jan 11
4.9		Development of Institutional Scorecard 11/12	IDP/PMS	Feb 11
FEBRUARY 2011				
5.1		National Treasury Engagement: Half year assessment report 2009/2010 and Annual Report 2009/2010	All Departments	1-2 February 2011
		Councillor Workshop: <ul style="list-style-type: none"> IDP/ budget; Delegations; Metro Readiness. 	Speaker's office	13-15 February 2011
5.2		IDP/Budget Public Hearings Preparation Committee <ul style="list-style-type: none"> (1st preparation meeting for Public Hearings in April 2011) Confirm task, responsibility & dates for preparation meetings 	IDP/PMS	14 February 11
5.3		IDP/ PM/ Budget Technical Working Group: <ul style="list-style-type: none"> IDP/ PM & Budget Progress 	IDP/PMS	16 February 11

		<ul style="list-style-type: none"> IDP/Budget Public Hearings Business Plans 		
		Budget Steering Committee Budget adjustment and Budget Parameters	IDP/PMS & Budget	18 February 11
5.4		BCM Departments Complete IDP Project Business Plans <ul style="list-style-type: none"> Fully complete approved IDP Project Business Plans (11/12-13/14) 	IDP Cluster IDP/PMS	18-22 February 11
5.5		IDP, BP & PM Strategic Committee: Scrutinises the draft IDP & 2011/12 - 2013/14 MTREF Budget to be tabled at the Mayoral Committee	IDP/PMS & BTO	7 March 11
MARCH 2011				
5.6		Mayoral Committee: Scrutinises the draft IDP & 2011/12 - 2013/14 MTREF Budget to be Tabled before Council	IDP/PMS & BTO	8 March 11
5.7		Special Council Approves: <ul style="list-style-type: none"> The Tabled draft IDP 2011 – 2016; 2011/12 - 2013/14 MTREF Budget 2010/2011 Mid-Year Adjustment Budget 	IDP/PMS & BTO	31 March 11
MAY 2011				
		31 st May 2011 –First Council Meeting (to inter alia consider the proposed Implementation Plan and Draft Tariff Policy – 2011/2012	IDP/BTO	31 st May 2011
JUNE 2011				
		Publication of draft Tariff Policy for Public Comment (per section 75 A - Municipal Systems Act, 2000)	BTO	1 st June 2011
		IDP/Budget meeting	IDP/PMS& BTO	4 th June 2011
		Briefing of ward councilors and PR Councillors on IDP/Budget Hearing	IDP/PMS& BTO	7 th June 2011
		IDP/Budget Public Hearings	IDP/PMS& BTO	9-10 June 2011

	IDP/Budget meeting at Mngqesha Great Place (all traditional Councils)	IDP/PMS& BTO	June 2011
	Council Open Day	IDP/PMS& BTO	17 th June 2011
	IDP/Budget Business Breakfast	IDP/PMS& BTO	24 th June 2011
	Adoption of the final IDP and MTREF budget	IDP/PMS& BTO	28 June 2011

2011-2014 UNFUNDED CAPITAL PROJECTS

ANNEXURE "D"

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Priority Area	Directorate	A5	Project Name	Project Type (Capex/Opex)	Source of Funding	2011/2012 Draft Capital Budget	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget	2015/2016 Draft Capital Budget
Organisational Support	Directorate of Corporate Services	Corporate services	ERP System(Over Five Years)	Capex	Own Funds	78 000 000				
ICT	Directorate of Corporate Services	Corporate services	Venus DRP & Data Storage upgrade	Capex	Own Funds	5 200 000				
						83 200 000	0	0	0	0

KPA 2: SERVICE DELIVERY AND BASIC INFRASTRUCTURE

Spatial Planning	Directorate of Development Planning	Planning and development	Acquisition of land parcels	Capex	Own Funds	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000
Spatial Planning	Directorate of Development Planning	Planning and development	Township Establishment Programme	Capex	Own Funds	700 000	800 000	900 000	1 000 000	1 100 000
Spatial Planning	Directorate of Development Planning	Planning and development	Develop 10 LSDFs	Capex	Own Funds	1 200 000	1 400 000	1 600 000	1 800 000	2 000 000
Spatial Planning	Directorate of Development Planning	Planning and development	Construction of bridge - Sithembiso Ward 14	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Speed humps - Simanyene & Sinebhongo - ward 16	Capex	Own Funds	50 000				
Transportation	Directorate of Development Planning	Planning and development	Taxi rank - ward 28	Capex	Own Funds	1 500 000	5 000 000			
Transportation	Directorate of Development Planning	Planning and development	Taxi rank - ward 29	Capex	Own Funds	1 500 000	5 000 000			
Transportation	Directorate of Development Planning	Planning and development	Dimbaza taxi rank - ward 34	Capex	Own Funds		500 000			

Transportation	Directorate of Development Planning	Planning and development	Speed humps - Zwelitsha zone 3 & 4 - ward 41	Capex	Own Funds	50 000				
Transportation	Directorate of Development Planning	Planning and development	Speed humps - ward 42	Capex	Own Funds	50 000				
Transportation	Directorate of Development Planning	Planning and development	Speed humps - ward 46	Capex	Own Funds	50 000				
Transportation	Directorate of Development Planning	Planning and development	Completion of taxi rank - ward 49	Capex	Own Funds		1 000 000			
Transportation	Directorate of Development Planning	Planning and development	Speed humps - ward 49	Capex	Own Funds	50 000				
Spatial Planning	Directorate of Development Planning	Planning and development	Land for cemetery - ward 28	Capex	Own Funds	3 000 000				
Spatial Planning	Directorate of Development Planning	Planning and development	Land acquisition programme	Capex	Own Funds	10 000 000				
Spatial Planning	Directorate of Development Planning	Planning and development	Land for cemetery Eluxolweni - ward 17	Capex	Own Funds	5 000 000				
Transportation	Directorate of Development Planning	Planning and development	Paving - Fort Grey - Ward 6	Capex	Own Funds	2 000 000				
Transportation	Directorate of Development Planning	Planning and development	Traffic lights - Amalinda Main Rd Ward 16	Capex	Own Funds	500 000				
Transportation	Directorate of Development Planning	Planning and development	Construction of Bridge - linking 2 roomed houses and Simanyene ward 16	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Bridge - Ntilini - ward 23	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Construction of Bridge - between Tyusha and Mase Villages ward 32	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Construction of Bridge - between Bulembu & Mzantsi - ward 38	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Construction of Ndevana bridge - ward 40	Capex	Own Funds	500 000	3 000 000			

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Transportation	Directorate of Development Planning	Planning and development	Bridge to school for disabled - ward 40	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Construction of footbridge from Tshatshu - ward 44	Capex	Own Funds	500 000	3 000 000			
Transportation	Directorate of Development Planning	Planning and development	Traffic lights - Sunnyridge extension - ward 46	Capex	Own Funds	500 000				
Transportation	Directorate of Development Planning	Planning and development	Development of Public Parking Areas	Capex	Own Funds	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Transportation	Directorate of Development Planning	Planning and development	ITP implementation	Capex	Own Funds	10 000 000	50 000 000	50 000 000	50 000 000	50 000 000
Cross-cutting Issues	Directorate of Development Planning	Executive and council	Disabled facilities and ramps	Capex	Own Funds	390 000				
Cross-cutting Issues	Directorate of Development Planning	Executive and council	Installation of disability compliant traffic signals	Capex	Own Funds	1 000 000				
Electricity	Directorate of Engineering Services	Electricity	Mini Substations.	Capex	Own Funds	6 000 000	6 000 000	7 000 000	8 000 000	0
Electricity	Directorate of Engineering Services	Electricity	Switchgear in switch houses	Capex	Own Funds	14 000 000	16 000 000	18 000 000	20 000 000	0
Electricity	Directorate of Engineering Services	Electricity	Transformers	Capex	Own Funds	15 000 000	20 000 000	25 000 000	30 000 000	0
Electricity	Directorate of Engineering Services	Electricity	Cables	Capex	Own Funds	36 000 000	36 000 000	36 000 000	36 000 000	0
Electricity	Directorate of Engineering Services	Electricity	Electrification - Counterfunding	Capex	Own Funds	16 000 000	10 000 000	5 000 000	5 000 000	0
Water, Sanitation and Scientific services	Directorate of Engineering Services	Water	Water conservation and demand management programme	Capex	Own Funds	16 000 000	16 000 000	16 000 000	16 000 000	16 000 000
Water, Sanitation and Scientific services	Directorate of Engineering Services	Waste water management	Laboratory Accreditation	Capex	Own Funds	2 000 000	1 000 000	500 000	800 000	700 000
Roads	Directorate of Engineering Services	Rural Roads upgrade	Ducatts	Capex	Own Funds	20 000 000				

Roads	Directorate of Engineering Services	Rural Roads upgrade	Scenary Park	Capex	Own Funds	50 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Reeston	Capex	Own Funds	50 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Phakamisa	Capex	Own Funds	15 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Ginsberg	Capex	Own Funds	20 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Dimbaza	Capex	Own Funds	100 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Sweetwaters	Capex	Own Funds	80 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Zwelitsha	Capex	Own Funds	80 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Breidbach and Acorn Valley	Capex	Own Funds	20 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Duncan Village	Capex	Own Funds	10 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Ilitha	Capex	Own Funds	25 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Fleet Street	Capex	Own Funds	90 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Oxford	Capex	Own Funds	15 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Reserve Road	Capex	Own Funds	3 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Cambridge	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads upgrade	Quinera Drive	Capex	Own Funds	80 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Nxamkwana	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Nonkcampa	Capex	Own Funds	5 000 000				

Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Ndileka	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Zalabaza	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Upper Mngqesha	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Nomgwadla	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Ngxwalana	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Msintsini	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Kwelera	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Balasi	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Ncera Village 5;6,7;8;9	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Liefeldt and Tyusha	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Kuni, Needscamp	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Peelton and Nkqonkqweni	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Ncera Village 3 and 4	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Mncotsho Village	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Rural Roads rehabilitation	Tsholomnqa	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	BCMM Stormwater system rehabilitation	Rehabilitation of bridges and culverts	Capex	Own Funds	15 000 000				

Roads	Directorate of Engineering Services	BCMM Stormwater system rehabilitation	Stormwater rehabilitation	Capex	Own Funds	15 000 000				
Roads	Directorate of Engineering Services	BCMM Stormwater system rehabilitation	Mdantsane roads	Capex	Own Funds	600 000 000				
Roads	Directorate of Engineering Services	BCMM Stormwater system rehabilitation	Westbank Restitution	Capex	Own Funds	150 000 000				
Roads	Directorate of Engineering Services	Upgrade BCMM RDP Roads	Potsdam	Capex	Own Funds	10 000 000				
Roads	Directorate of Engineering Services	Upgrade BCMM RDP Roads	Amalinda Forest	Capex	Own Funds	5 000 000				
Roads	Directorate of Engineering Services	Upgrade BCMM RDP Roads	Berlin	Capex	Own Funds	15 000 000				
Roads	Directorate of Engineering Services	Upgrade BCMM RDP Roads	Ilitha	Capex	Own Funds	5 000 000				
Municipal Health Services	Directorate of Health and Public Safety	Health	Development & implementation of Municipal Health Services Delivery Plan	Capex	Own Funds	5 800 000				
Disaster Management	Directorate of Health and Public Safety	Public safety	Disaster early warning systems	Capex	Own Funds	500 000	2 000 000	2 000 000	2 000 000	0
Disaster Management	Directorate of Health and Public Safety	Public safety	Community based risk assessment and reduction	Capex	Own Funds	1 200 000	2 400 000	3 500 000	4 450 000	5 850 000
Disaster Management	Directorate of Health and Public Safety	Public safety	Sector Plans on Disaster Risk Management	Capex	Own Funds	400 000	400 000	400 000	400 000	400 000

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Disaster Management	Directorate of Health and Public Safety	Public safety	Vehicles	Capex	Own Funds	660 000	1 700 000	175 000		
Disaster Management	Directorate of Health and Public Safety	Public safety	Office Accommodation	Capex	Own Funds	500 000	6 000 000	4 000 000		
Disaster Management	Directorate of Health and Public Safety	Public safety	Office Furniture & Equipment	Capex	Own Funds	30 250	39 250	41 000		
Disaster Management	Directorate of Health and Public Safety	Public safety	Information Technology & Communication Equipment	Capex	Own Funds	263 000	362 000	525 000		
Traffic Services	Directorate of Health and Public Safety	Public safety	Traffic Buildings - KWT	Capex	Own Funds	3 000 000	2 000 000	1 000 000		
Traffic Services	Directorate of Health and Public Safety	Public safety	Learners License Centre - Mdantsane	Capex	Own Funds	2 000 000	1 500 000	1 000 000		
Primary Health Care	Directorate of Health and Public Safety	Health	Upgrade of Pharmacy	Capex	Own Funds	0	500 000	0	0	0
Solid Waste Management	Directorate of Community Services	Waste management	Refuse removal	Capex	Own Funds	154 303 175	168 434 056	182 564 937	196 695 818	210 826 699
Solid Waste Management	Directorate of Community Services	Waste management	Extension of refuse removal services in urban & rural settlements	Capex	Own Funds	8 400 000	15 400 000	22 400 000	29 400 000	36 400 000
Community Facilities	Directorate of Community Services	Halls	Construction of community halls - war 6, 14, 23, 24, 25 28, 29, 38, 43, 45	Capex	Own Funds	20 000 000	20 000 000	20 000 000	20 000 000	10 000 000
Community Facilities	Directorate of Community Services	Sports fields	Upgrading of Sports Fields	Capex	Own Funds	20 000 000				
Community Facilities	Directorate of Community Services	Cemeteries	Fencing and Maintenance of cemeteries - ward 8, 9, 10, 34, 35, 36,37	Capex	Own Funds	15 000 000				
Community Facilities	Directorate of Community Services	Community and social services	Urban Greening	Capex	Own Funds	20 000 000	5 000 000	8 000 000	4 000 000	3 000 000
Job creation (PMU Unit)	Directorate of Engineering Services	Road transport	Creation of job opportunities	Capex	Own Funds					

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Job creation (PMU Unit)	Directorate of Engineering Services	Road transport	Implementation of BCM learnership programmes	Capex	Own Funds	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Spatial Planning	Directorate of Development Planning	Planning and development	Acquisition of land parcels	Capex	Own Funds	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000
						1 967 596 425	424 435 306	411 605 937	431 545 818	342 276 699
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
Tourism Development	Directorate of Development Planning	Other	Mdantsane Community Lodge	Capex	Own Funds	2 000 000	2 000 000	500 000	500 000	0
Tourism Development	Directorate of Development Planning	Other	Tyolomnqa Wilderness Camp	Capex	Own Funds	10 000 000	0	0	0	0
	Directorate of Development Planning	LED	Business Case - EL Harbour Development	Capex	Own Funds	300 000				
	Directorate of Development Planning	LED	Tourism Month Celebrations	Capex	Own Funds	500 000	650 000	700 000		
		LED	Marina Glen beautification	Capex		500 000	7 000 000	1 000 000		
Tourism Development	Directorate of Development Planning	Other	3. Buffalo City Craft Market	Capex	Own Funds	0	0	0	0	0
Tourism Development	Directorate of Development Planning	Other	4. Marina Glen Multi-purpose venue development	Capex	Own Funds	0	3 000 000	3 000 000	500 000	750 000
						13 300 000	12 650 000	5 200 000	1 000 000	750 000
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
Revenue Management	Directorate of Financial Services	Budget and treasury office	Upgrading Mdantsane Zone 3 Payments office	Capex	Own Funds	5 850 000	0	0	0	0
Revenue Management	Directorate of Financial Services	Budget and treasury office	Upgrading KWT Civic Centre Payments Hall	Capex	Own Funds	3 050 000	0	0	0	0
Revenue Management	Directorate of Financial Services	Budget and treasury office	Prepayment Vending Machines	Capex	Own Funds	400 000	400 000	400 000	400 000	400 000
Revenue	Directorate of Financial	Budget and	Replacement of Vehicles	Capex	Own	1 066 800	1 066 800	1 066 800	1 066 800	1 066 800

Management	Services	treasury office			Funds					
						9 966 800	1 466 800	1 466 800	1 466 800	1 466 800
TOTAL UNFUNDED CAPITAL PROJECTS						2 074 063 225	438 552 106	418 272 737	434 012 618	344 493 499

2011-2014 UNFUNDED OPERATING PROJECTS

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT							
Priority Area	Directorate	Project Name	Project Type Opex	Source of Funding	2011/2012 Draft Capital Budget	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget
Human Resources	Directorate of Corporate Services	Development of BCM Metropolitan Municipality organogram(UNDER MM'S budget)	Opex	Own Funds	500 000	500 000	
Human Resources	Directorate of Corporate Services	Implementation of the EE Plan	Opex	Own Funds	150 000		
Human Resources	Directorate of Corporate Services	Employee wellness programme	Opex	Own Funds	350 000		
Knowledge Management	Executive Support Services	Knowledge Management Training	Opex	Own Funds	800 000	1 000 000	0
	Executive Support Services			Own Funds	1 800 000	1 500 000	0
KPA 2: SERVICE DELIVERY AND BASIC INFRASTRUCTURE							
Transportation	Directorate of Development Planning	BCM ITP review	Opex	Own Funds			1 000 000
				Own Funds	0	0	1 000 000
Interments	Directorate of Community Services	Upgrading of cemeteries	Opex	Own Funds	500 000		

Amenities	Directorate of Community Services	Boxing Gymnasium	Opex	Own Funds	500 000		
Communtiy Facilities	Directorate of Community Services	Swimming pools	Opex	Own Funds	5 000 000		
Communtiy Facilities	Directorate of Community Services	Maintenance of sports fields	Opex	Own Funds	500 000		
Interments	Directorate of Community Services	Maintenance of cemeteries	Opex	Own Funds	600 000		
Interments	Directorate of Community Services	Feasibility Study of a New Cemetery	Opex	Own Funds	7 000 000		
Community Facilities	Directorate of Community Services	Upgrading Art centres	Opex	Own Funds	1 000 000		
Community Facilities	Directorate of Community Services	Upgrading of Sports fields	Opex	Own Funds	7 000 000		
					22 100 000	0	0
Disaster Management	Directorate of Health and Public Safety	Early warning systems	Opex	Own funds	500 000		
Disaster Management	Directorate of Health and Public Safety	Disaster Risk Assessments	Opex	Own funds	500 000	1 200 000	1 700 000
Disaster Management	Directorate of Health and Public Safety	Risk Reduction	Opex	Own funds	500 000	3 000 000	4 500 000
Disaster Management	Directorate of Health and Public Safety	Education Training & Awareness	Opex	Own funds	100 000	120 000	250 000
Law Enforcement	Directorate of Health and Public Safety	Establishment of Metro Police	Opex	Own funds	1 000 000	2 500 000	20 000 000
Environmental Management	Directorate of Health and Public Safety	Development & Implementation of An Air Quality Management Plan	Opex	Own Funds	1 000 000		
					3 600 000	6 820 000	26 450 000
KPA 3: LOCAL ECONOMIC DEVELOPMENT							
SMME development	Directorate of Development Planning	SMME Infrastructure programme	Opex	Own Funds	500 000		
Tourism Development	Directorate of Development	Easter Festival	Opex	Own Funds	1 000 000		

	Planning						
Tourism Development	Directorate of Development Planning	Winter Festival	Opex	Own Funds	2 000 000		
LED	Directorate of Development Planning	Business Forum	Opex	Own Funds	100 000		
LED	Directorate of Development Planning	BCMM investment incentives programme	Opex	Own Funds	600 000	700 000	800 000
LED	Directorate of Development Planning	Automotive support Programme	Opex	Own Funds	1 000 000	1 000 000	1 000 000
LED	Directorate of Development Planning	Economic Trade missions with ECDC, ELIDZ, the dti	Opex	Own Funds	1 000 000	1 000 000	1 000 000
LED	Directorate of Development Planning	SMME awards	Opex	Own Funds	1 000 000	1 000 000	1 000 000
Agricultural Development	Directorate of Development Planning	Rural agriculture infrastructure program (rural/wards)	Opex	Own Funds	5 000 000	5 500 000	6 000 000
Agricultural Development	Directorate of Development Planning	Hydroponics Rollout Program	Opex	Own Funds	1 700 000		
					13 900 000	9 200 000	9 800 000
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT							
Revenue Management	Directorate of Financial Services	Implementation Debt Management System Funding accommodated under enterprise resource planning (ERP)	Opex	Own Funds	5 000 000	2 500 000	2 500 000
Revenue Management	Directorate of Financial Services	Data cleanup Project	Opex	Own Funds	1 000 000	1 500 000	1 500 000
Revenue Management	Directorate of Financial Services	Analysis of the Billing Debt book	Opex	Own Funds	1 000 000	1 200 000	500 000
Budget and Treasury	Directorate of Financial Services	Credit rating Assessment	Opex	Own Funds	100 000		
Supply Chain Management	Directorate of Financial Services	SCM turnaround Plan	Opex		1 000 000	500 000	1 000 000
Supply Chain Management	Directorate of Financial Services	SCM Policy revision	Opex		350 000	0	0

					21 000 000	14 400 000	14 300 000
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
Community and Youth Centre operations	Executive Support Services	Thusong Centres (Community Support Centres)	Opex	Own Funds	500 000		
Youth support programmes	Executive Support Services	BCMM Bursary Programmmes	Opex	Own Funds	7 000 000		
Yourth support programmes	Executive Support Services	Youth Skilling programmes	Opex	Own Funds	500 000		
Yourth support programmes	Executive Support Services	Youty Advisory Centres	Opex	Own Funds	1 500 000		
Speical programmes	Executive Support Services	Reveiw and implementation of strategy	Opex	Own Funds	800 000		
Speical programmes	Executive Support Services	Roll out of institutional mainstreaming	Opex	Own Funds	100 000		
Special programmes	Executive Support Services	Days of importance (world aids day, youth day, womens)	Opex	Own Funds	500 000		
Public Participation	Executive Support Services	Ward Committee elections	Opex	Own funds	686 821		
Public Participation	Executive Support Services	Ward Committees Out of pocket expenditure	Opex	Own funds	1 800 000		
Communications and Development	Executive Support Services	Roll out of BCMM Brand	Opex	Own funds	3 000 000	4 000 000.00	2 000 000
					16 386 821	4 000 000.00	2 000 000
TOTAL UNFUNDED OPERATING PROJECTS					62 400 069	35 920 000	53 550 000