



BUFFALO CITY
METROPOLITAN MUNICIPALITY

Buffalo City
Metropolitan Municipality

2013/2014

INTEGRATED DEVELOPMENT PLAN

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.S ₁	Sanitation Policy and Strategy
S.P.S 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 Counseling & 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

.....

The political leadership of the Buffalo City Metro is proud to present this review of our Integrated Development Plan for the upcoming financial year.

Both the Constitution of 1996 as well as the Municipal Systems Act of 2000 enjoin all South African municipalities to conduct their annual integrated planning reviews (including their annual budgeting processes) in a manner that is participatory and inclusive, and gives practical meaning to the principle of community-driven governance.

We are confident that both the letter and spirit of these statutes have been given real effect through the extensive consultative processes conducted with all the stakeholders of the Metro over the past months. Through robust engagement with all of our fifty Buffalo City wards, we have accounted for past performance, have heard our people's voices and have been given an opportunity to share our strategic and developmental plans.

We certainly valued the chance to tap into the collective wisdom of our communities, reinforcing as it did the core value of people-centredness of the Metro. This for us is a non-negotiable – indeed, a city council and administration that becomes alienated from its constituency and its people surely cannot provide legitimate leadership towards sustainable community development.

This IDP Review must be read and understood within the context of the 2011 Election Manifesto to which the majority party in Council has committed itself. We pledged to build the local economy to increase decent employment and create sustainable livelihoods; to improve local services and broaden access to them; to build more united, non-racial and integrated communities in which all could feel safe; to promote more active community participation in local affairs; and to ensure more effective, co-operative and accountable local government.

We are keenly aware that these noble goals can only be achieved through more meaningful and united co-operation among all stakeholders so that the strength of our efforts is multiplied into something greater than the sum of their parts. Together, we sincerely believe, we can do more.

This IDP Review has aimed to align itself with the National Development Plan in prioritizing infrastructure development as one of the key drivers of our local economy. We have set ambitious targets for ourselves to ensure better outcomes in roads maintenance and construction, in housing development, in water and sanitation services and in electrical infrastructure so that the local economy can flourish and the livelihoods of our people can be enhanced.

In addition, considering the twin challenges in our region of poverty and underdevelopment, we recognize our responsibility to prioritise job creation, especially to create and support projects and programmes that aim to provide economic opportunities for our younger generations.

Buffalo City is a diverse municipality in terms of its settlement types, and the city has recognized too its duty to the many tens of thousands of our people who live in rural and peri-urban settlements. The importance of agriculture to the livelihoods of many in the Metro, as well as the potential of agro-processing to grow the economy and create jobs for our people, is one of the focus areas of this review.

In support of the above, we are presently reviewing our organizational structure so that Buffalo City is able to be more responsive to our communities and more effective in furthering our strategic priorities. To this end, I am committed to ensuring that critical leadership and management positions are set to be filled by the beginning of the new financial year.

All of us are now called upon to focus on the work at hand and to spare neither strength nor commitment to ensure that we deliver on the legitimate expectations of our people.



Cllr. Zukiswa Ncitha
Executive Mayor
Buffalo City Metropolitan Municipality

OVERVIEW BY THE CITY MANAGER

The review of the Integrated Development Plan (IDP) for the 2013/14 financial year presents an opportunity for the administration to re-focus our efforts in implementing the long-term strategies of Council. The metro has undergone an extensive IDP review process since August 2012 to assess the progress made in the past two years as a metro. This reflective analysis has allowed the Council to refine and re-determine its short term, mid-term and long-term objectives, strategies, projects and programmes.

The metro-wide environmental analysis identifies some major constraints to the development agenda of Council, as follows:

- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resources envelope given the cash flow realities in providing an effective and efficient service to the community at large;
- The increased cost of bulk water and electricity due to tariff increases from Water Service Authorities and ESKOM, which is placing upward pressure on service tariffs to residents;
- Ensuring that the informal settlements obtain basic services as well as rolling out the electrification programme;
- High unemployment rate and poverty levels due to ongoing difficulties in the national and local economy, resulting in the consumers ability to pay for services and growing indigents.

In addition, key issues arising out of the IDP public participation processes include high demands and needs for:

- housing,
- water and sanitation,
- roads and stormwater,
- electricity, community amenities,
- economic development and job creation,
- cemeteries; and
- solid waste management.

This IDP review therefore, outlines the Council's response programme to address the constraints, challenges, needs and wants of the communities. To give effect to the IDP a budget of R5, 276, 805 billion has been appropriated by Council.

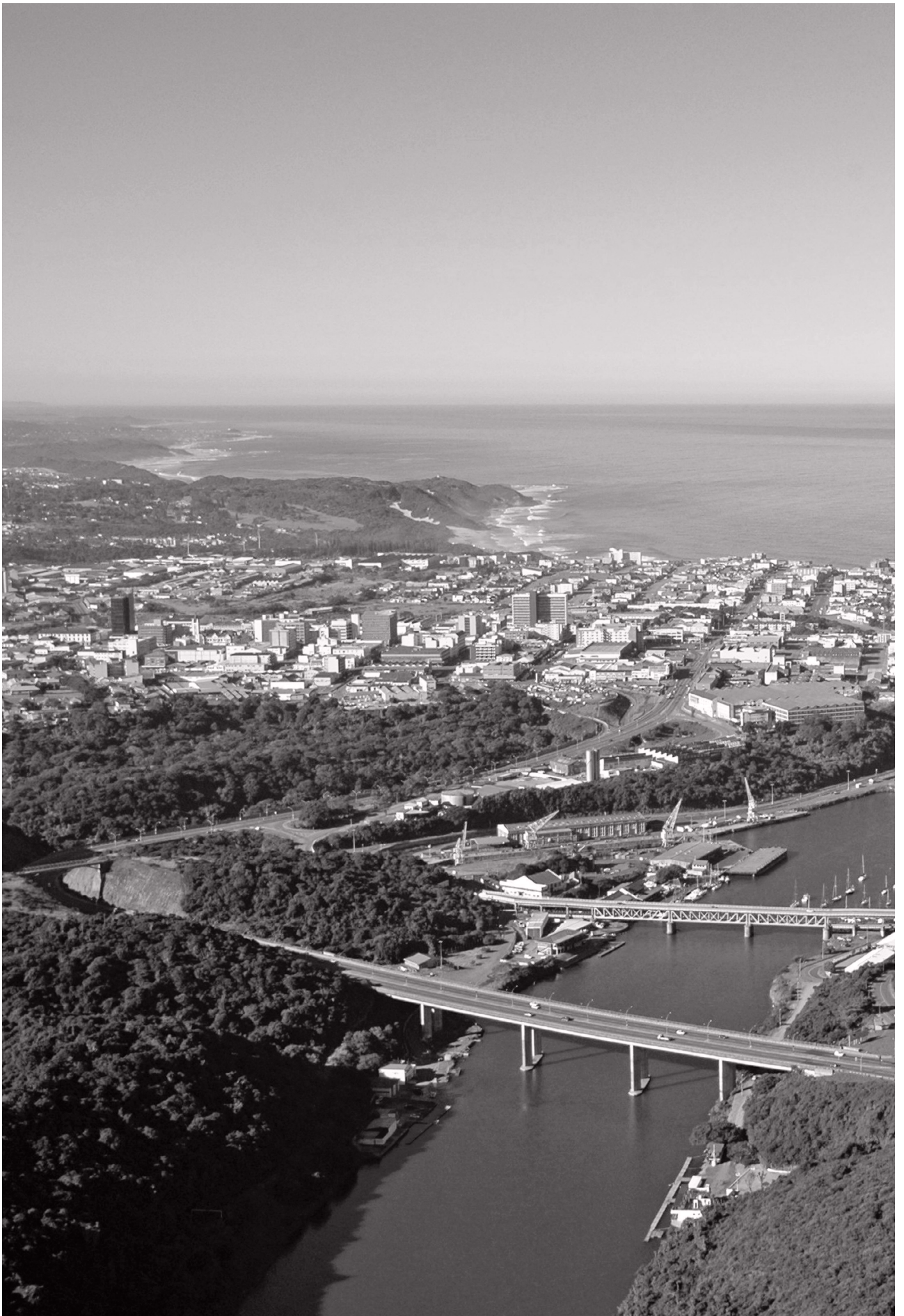
For the 2013/14 financial year, administration will intensify the implementation of the strategic focus areas of the metro embraced by the Council in 2011, as follows:

- Institutional Restructuring and Stabilisation;
- Improve Intergovernmental Relations;
- Building Citizen Confidence;
- Bridging the Digital Divide;
- Improving performance, compliance, processes and systems;
- Build Sustainable Communities;
- Job Creation;
- Improving Governance; and
- Financial Viability

Lastly, in implementing the fore-going strategies, the metro will pursue various service delivery and funding models to ensure effective, efficient, economical and sustainable service delivery.



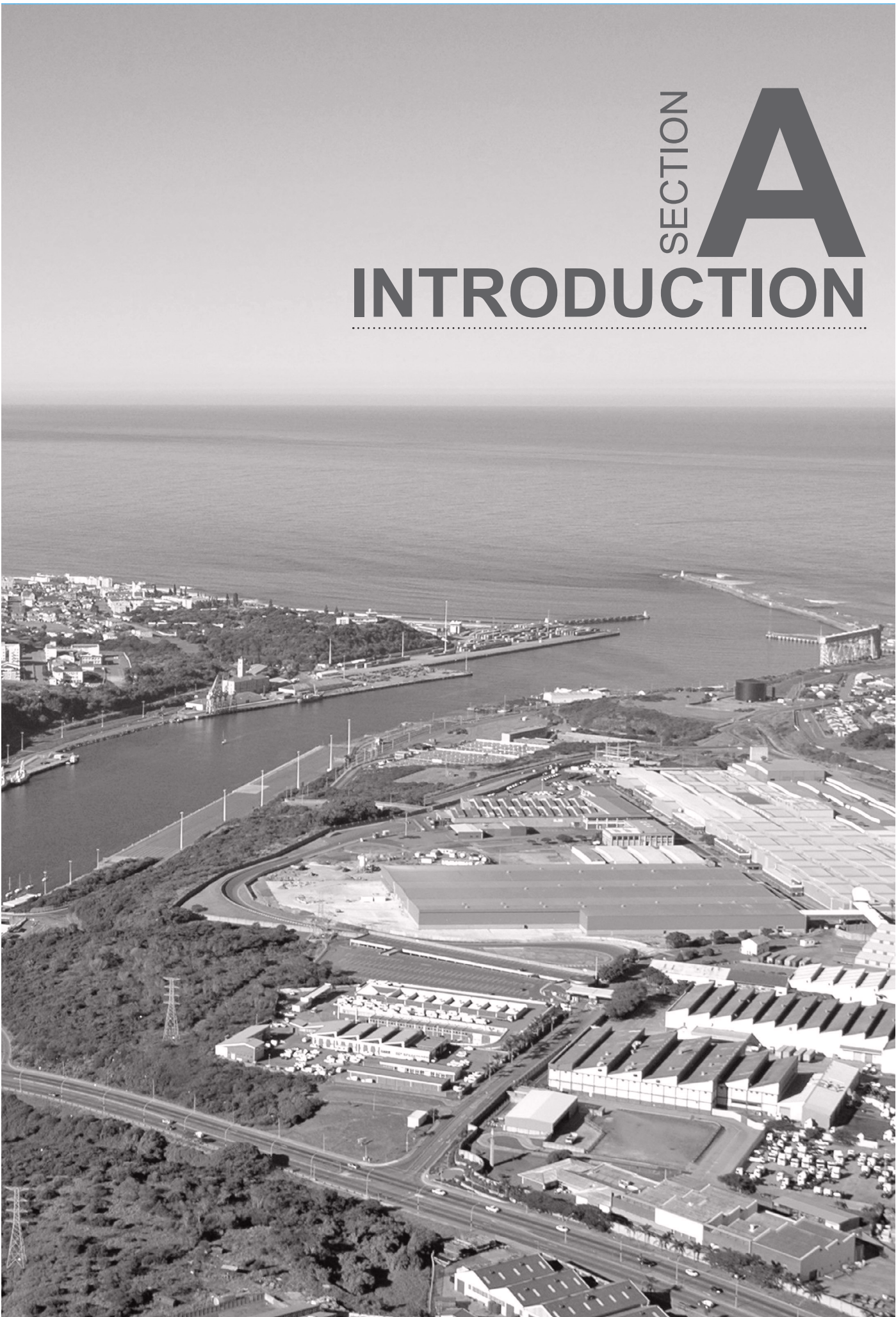
A.FANI
CITY MANAGER



SECTION

A

INTRODUCTION



SECTION A

INTRODUCTION

1.1 INTRODUCTION

Buffalo City Metropolitan Municipality has been in existence since its establishment in May 2011. This is the second review of the integrated development plan in the 2011-2016 term of Council. The review takes place in light of new developments that have occurred at the national level, for instance, a long term national development plan has recently been endorsed as a blue print that will guide the country's developmental trajectory towards the year 2030. At local government level, the review of the IDP has to take into consideration the proposals from the national development plan and ensure alignment.

In the review process further consideration has been given to various legislative requirements. For example, in terms of section 34 of the Municipal Systems Act 32 of 2000 as amended, a municipal council must review its integrated development plan:

- (i) Annually in accordance with an assessment of its performance measurements; and
- (ii) To the extent that changing circumstances so demand.

Annual revisions 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. Based on the review a municipal council may amend its integrated development plan in accordance with a prescribed process. The following key informants were taken into the consideration during the review:

Key Informants

- Ward priorities;
- Outcomes of the Mayoral Lekgotla 2013
- 12 Outcomes of Government;
- The National Development Plan;
- Millennium Development Goals;
- The Provincial Growth and Development Plan; and
- The National Spatial Development Perspective.

This section further outlines the legislative framework that guides the development of the Integrated Development Plan and municipal Budget, the 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 guide the institution 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

1.1.3 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 fulfills its mandate as per section 152 of the South African Constitution.

In response to highlighted challenges and constraints, the City has identified nine strategic focal areas and crafted six strategic objectives to guide its developmental trajectory towards realization of the vision. BCMM's six long term strategic objectives are as follows:

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.

1.6 STRATEGIC FOCUS AREAS

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

Over the next five year term the City will concentrate on the nine strategic focus areas outlined below.

1.6.1 Institutional Restructuring and Stabilisation

Buffalo City Metropolitan Municipality is currently undergoing a process to restructure and stabilize the administration. This entails filling of posts on the approved macro structure i.e. the City Manager and Section 56 Managers.

The medium to long term objective of the Metro is to promote organisational efficiency through the capacitation of staff and establishment of systems to enable staff to effectively perform their duties and align with the new Metro functions.

1.6.2 Improving Intergovernmental Relations

Section 41 of the South African Constitution of 1996 outlines the principles of co-operative government and intergovernmental relations, thus providing a broad framework for how the different spheres of government should interface. Section 4 of the Intergovernmental Relations Framework Act 13 of 2005 goes further and stipulates that the object of this act is to provide a framework for the national government, provincial governments and local governments, and all organs of state within those governments to facilitate co-ordination in the implementation of policy and legislation. The Act further requires establishment of provincial and district intergovernmental forums to promote and facilitate IGR between provinces, district and municipalities.

Section 3 of the Municipal Systems Act 32 of 2000 (as amended) also defines how local government must develop co-operative approaches to governing, resources sharing and resolution of disputes within the context of Intergovernmental relations.

Notwithstanding the above legislative provisions, intergovernmental relations between BCMM and other spheres of government still leave much to be desired, as they are still characterised by uncoordinated:

- Alignment of planning and implementation;
- Inter-sphere co-operation and co-ordination;
- Information sharing on development programmes and projects;
- Participation in platforms meant for engaging and co-operating; and
- Approach to engaging and consulting with communities.

A step in the right direction towards improving intergovernmental relations has been the establishment of the BCMM Intergovernmental Relation Forum last year.

1.6.3 Building Citizen Confidence

A number of factors account for low citizen confidence in the municipality such as a poor service delivery track record, perceived administrative and political instability and unfavourable audit findings by the Auditor General. Negative media coverage has also largely contributed to a low level of citizen confidence in the City.

Reversing the trend and building citizen confidence will require a concerted effort on the part of the Metro. It will also require the inculcation of a renewed work ethic from all who wear the name and brand of the municipality as well as the application of good governance and management principles, dedication and professionalism.

1.6.4 Bridging the Digital Divide

The Digital Divide refers to any inequalities between social groups in terms of their access to, use of, or knowledge of information and communication technologies. The divide within the municipal area refers to inequalities between individuals, households, businesses, and geographic areas at different socioeconomic and other demographic levels. Being a largely rural Metro the divide manifests itself in terms of the dichotomy between urban and rural areas with regard to access to telecommunication and IT systems.

A key objective of the Metro is to ensure that telecommunication and IT systems become internationally compatible, thus facilitating access to broadband and/or other state-of-the-art technologies for citizens of the City and region.

16.5 Improving performance, compliance, processes and systems

Some of the weaknesses which negatively impact on the performance of the Metro relate to disintegrated systems internal control deficiencies, lack of staff with requisite capacity, a spatially fragmented workforce as well as lack of clearly defined processes and systems.

- Develop mechanisms for the accurate complete reporting of financial information as required by NT and Accounting Standards.
- Develop mechanisms to ensure that SCM operations are conducted strictly in accordance with legislated requirements.
- Provide for the migration of existing records and the capturing of current records within a single repository in accordance with standards prescribed by the Archives Act and other relevant Acts and to ensure that such records can be retrieved for future use.

1.6.6 Build Sustainable Communities

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.

1.6.7 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 the 2001 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 at 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.

1.6.8 Improving Governance

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.

1.6.9 Financial Viability

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 of grant dependency and ensure that the City is in a financially sound position over the next five years and beyond.

To achieve financial viability the City will put in place mechanisms for the recording and management of the financial resources of the Municipality and investigation and development of new revenue streams to provide for the financial sustainability of the Metro.

1.7 THE IDP REVIEW 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 28 August 2012. Key activities undertaken in line with the IDP/Budget review towards 2013/14 include the following:

- 24 August 2012 - A workshop with BCMM Councillors and Top Management was convened. The purpose of the workshop was to present the draft process plan and outline the role of Councillors, Ward Committees and other stakeholders in the review process towards the 2013/14 financial year and ensure that there is a common understanding of the process;
- 28 August 2012 – Council adopted the IDP/Budget/PMS Process Plan 2013/14;
- 5 & 7 September – IDP/Budget/PMS Technical Working Group meetings to commence with preparations for the review process.
- 14 September 2012 – An Intergovernmental Relations Session was convened with the aim of sharing projects and programmes with sector departments and ensure alignment in terms of planning between the spheres of government.
- 5-8 October 2012 – IDP Technical Cluster Meetings to commence with the situational analysis phase.
- 2-5 November 2012 – IDP Full Cluster Meetings which were aimed at reviewing draft cluster situational analysis reports and start preparations towards an institutional strategic planning session.
- 8 November 2012 – Launch of the Buffalo City Metropolitan Municipality’s Intergovernmental Relations Forum at Buffalo City Stadium.
- 13-14 November 2012 – A Technical Situational Analysis Session was held to allow IDP Cluster to present their draft situational analysis reports for consideration prior to the scheduled Mayoral Lekgotla Session.
- 22 November 2012 – an IDP Councillors Workshop was convened to consider the draft situational analysis report.
- 22-23 January 2013 – IDP Cluster Meetings were convened to consider draft reviewed objectives, strategies, key performance indicators and targets towards 2013/14 financial year.
- 31 January 2013 – an IDP Councillors Workshop was held to, amongst other things, consider the following:
 - Profiling of BCMM Wards;
 - An updated situational analysis towards 2013/14 financial year;
 - Key challenges and priorities of the institution and map a way forward towards the Mayoral Lekgotla

- 6 February 2013 – an IDP/Budget/PMS Technical Working Group meeting was held to consider
 - Key issues from the situational analysis phase and Councillors session held on 31 January 2013;
 - Identified cluster priorities;
 - The Audit turn around action plan;
 - Preparations for the technical planning session which was scheduled for 9-11 February 2013; and
 - Plan for other forthcoming events
- 9-11 February 2013 – an IDP Technical Planning Session was convened to consider the following:
 - Mid – year Budget and Service Delivery Adjustment (2012/13);
 - Audit Turnaround Action Plan
 - IDP/Budget 2013/14 MTREF [adjust existing Objectives; Strategies; Indicators; Targets and Projects;
 - Business Planning and Project Pipelining;
 - Asset Management – Infrastructure Maintenance Plan;
- 21 February 2013 – an IDP/Budget/PMS External Representative Forum Meeting was held:
 - To appraise stakeholders on progress achieved in the IDP/Budget/PMS review process towards 2013/14 financial year;
 - To provide a report on BCMM’s mid-year (2012/13) performance ;
 - To highlight key issues emanating from the Situational Analysis and outline BCMM’s priorities to be considered going forward;
 - To foster alignment with other spheres of government through sharing of programmes and projects planned for implementation in the City.
- 28 February – 2 March 2013 – A Mayoral Lekgotla session to consider a situational analysis of the City and to map a way forward with regard to key strategic priorities that will guide the IDP and Budget review towards 2013/14 financial year
- 15-18 March 2013 – a draft IDP and BCMM Policies Workshop was convened with all Councillors and top management to consider draft objectives, strategies, key performance indicators and targets for 2013/14 financial year.
- 28 March 2013 – A workshop was convened for all BCMM Councillors to consider the proposed schedule of IDP/Budget road shows and the draft IDP and MTREF Budget before it was tabled in Council for approval
- 2 April 2013 – Council approves the draft reviewed IDP and MTREF Budget 2013/14 – 2015/16
- 11 April – 8 May 2013 – IDP/Budget roadshows were undertaken throughout the wards of the Metro with the aim of presenting the draft 2013/14 IDP and Budget and solicit inputs from the general public. The meetings were attended by 9 602 residents of Buffalo City Metro.
- 2 May 2013 – A Business Breakfast was held to present the draft IDP and Budget to members of the business fraternity and solicit their inputs before council adopts the final IDP and Budget for 2013/14.
- 3 May 2013 – A meeting was convened with Traditional leadership within the Buffalo City area of jurisdiction. The purpose of the meeting was:
 - To present BCM’s draft IDP Review 2013/14 & MTREF Budget 2013/14 - 2015/16;
 - To provide an opportunity for traditional leadership to comment on the draft IDP and Budget before it is adopted by Council.
- 10 May 2013 – An IDP/Budget Councillors Workshop was held to present the outcomes of the roadshows and the draft IDP and Budget before it is finally adopted by Council.
- 17 May 2013 – Council Open Day was held to present the outcomes of the IDP/Budget Roadshow to all stakeholders and to present BCMM’s 2013/14-2015/16 MTREF Budget prior to final adoption by Council.
- 20 May 2013 – Mayoral Committee considers the the final IDP Review 2013/14 and MTREF Budget 2013/14 – 2015/16

- 29 May 2013 – Council adopts the final IDP Review 2013/14 and MTREF Budget 2013/14 – 2015/16

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

<p>The Executive Mayor</p>	<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.
<p>City Manager</p>	<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>
<p>Municipal Council</p>	<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
<p>Ward Councillors & Ward Committees</p>	<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.
<p>IDP and Organisational Performance Management Portfolio Committee</p>	<p>The role of the Portfolio Committee is to provide political and strategic guidance and direction to the IDP, Budget, Organisational Performance Management processes and IDP implementation.</p>
<p>IDP/Budget/PMS Technical Working Group</p>	<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>
<p>Directorates & Departments</p>	<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;
<p>IDP Strategic Working Groups:</p> <ul style="list-style-type: none"> • Municipal Services • Development Planning & Management • Development Facilitation & Partnerships • Finance & Support Services • Strategic Management 	<p>IDP Strategic Working Groups are led politically by Portfolio Councillors and technically by Directors. All Councillors, all General Managers and identified key officials are members of the different working groups. The working groups 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/BI/PMS & GIS Department	<p>The IDP/BI/PMS & 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, 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, National Development Plan, Provincial Growth and Development Plan, Millennium Development Goals and the 12 Local Government Outcomes. These are aligned below.

National Spatial Development Perspective	National Development Plan	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic Objectives
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>Unemployment rate should fall from 27% in 2011 to 14% by 2020 and to 6% by 2030</p> <p>Total employment should rise from 13 million to 24 million</p> <p>The proportion of adults working should rise from 41% to 61%</p> <p>GDP should increase by 2.7 times in real terms, requiring average annual GDP growth of 5.4% over the period</p> <p>GDP per capita should increase from about R50 000 per person in 2010 to R110 000 per person in 2030 in constant prices</p> <p>Public employment programmes should reach 1 million by 2015 and 2million people by 2030</p>	<p>To maintain an economic growth rate of between 5% - 8% per annum</p> <p>To halve the unemployment rate by 2014</p>	Develop a global partnership for development	<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>	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
Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation	<p>By 2030, the number of households living below R418 a month per person (in 2009 rands) should fall from 39% to zero.</p> <p>The level of inequality as measured by the Gini coefficient should fall from 0.7 in 2009 to 0.6 in 2030</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>	Eradicate extreme poverty and hunger	Vibrant, equitable and sustainable rural communities and food security	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>All children should have at least two years of pre-school education. This implies about 2 million places</p> <p>About 80% of schools and learners achieve 50% and above in literacy, mathematics and science in grades 3, 6, 9</p> <p>At least 80% of students should complete 12 years of schooling</p> <p>Increase the higher education participation rate from 17% to 30% by 2030</p> <p>Increase the number of students eligible to study maths and science at university to 450 000 per year</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>	Achieve universal primary education	Improve the quality of basic education	To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016.

National Spatial Development Perspective	National Development Plan	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic Objectives
	<p>By 2030, life expectancy should reach at least 70 for both men and women</p> <p>Infant mortality rate should decline from 43 to 20 per 1000 live births and the under-five mortality rate should be less than 30 per 1000, from 104 today</p> <p>All HIV – positive people should be on treatment and preventive measures should be widely available.</p> <p>Reduce non-communicable diseases by 28% and deaths from drug abuse, road accidents and violence by 50%</p> <p>Everyone has access to an equal standard of basic health care regardless of their income</p>	<p>To reduce by two thirds the under-five mortality rate by 2014</p> <p>To reduce by three-quarters the maternal mortality rate by 2014.</p> <p>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.</p>	<p>Reduce child mortality rate</p> <p>Improve maternal health</p> <p>Combat HIV/AIDS, malaria, and other diseases</p>	<p>Improve health and life expectancy</p>	<p>To produce sustainable infrastructure that support social and economic development</p>
<p>In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channeled 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</p>	<p>The proportion of people with access to electricity should rise from 70% in 2010 to 95% by 2030, with no grid options available for the rest.</p> <p>Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry.</p> <p>By 2030, most South Africans will have affordable access to services and quality environments.</p>	<p>To provide clean water to all in the province by 2014</p> <p>To eliminate sanitation problems by 2014</p>		<p>Sustainable human settlements and improved quality of household life</p>	<p>To be a well structured and capacitated institution that renders effective and efficient services to all by 2016</p>
<p>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 and migrate, if they choose, to localities that are more likely to provide sustainable employment or other economic opportunities.</p>	<p>In 2030, people living in South Africa feel safe and have no fear of crime</p> <p>The Police Service is a well-resourced professional institution staffed by highly skilled officers who value their work, serve the community, safeguard lives and property without discrimination, protect the peaceful against violence and respect the rights of all to equality and justice.</p> <p>Ensure progressively and through multiple avenues that no one lives below a social floor.</p>			<p>All people in South Africa protected and feel safe</p>	<p>To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016.</p>

National Spatial Development Perspective	National Development Plan	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic Objectives
				A response and, accountable, effective and efficient local government system	To be an institutionally efficient and effective City that inclusively works with communities
	<p>Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being achieved around 2025</p> <p>By 2030, an economy-wide carbon price should be entrenched</p> <p>The installation of 5 million solar water heaters by 2030</p> <p>About 20 000 MW of renewable energy should be contracted by 2030</p>		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
	<p>Intra-regional trade in Southern Africa should increase from 7% to 25% of trade by 2030</p> <p>South Africa's trade with regional neighbours should increase from 15% to 30%</p>			A better South Africa, a better and safer Africa and world	To produce sustainable infrastructure that support social and economic development
	<p>A capable and effective state, able to enhance economic opportunities, support the development of capabilities and intervene to ensure a rising floor of social rights for the poor</p> <p>A corruption-free society, a high adherence to ethics throughout society and a government that is accountable</p>			A development-orientated public service and inclusive citizenship	To be an institutionally efficient and effective City that inclusively works with communities



SECTION **B**

**SITUATIONAL
ANALYSIS**



SECTION B

SITUATIONAL ANALYSIS

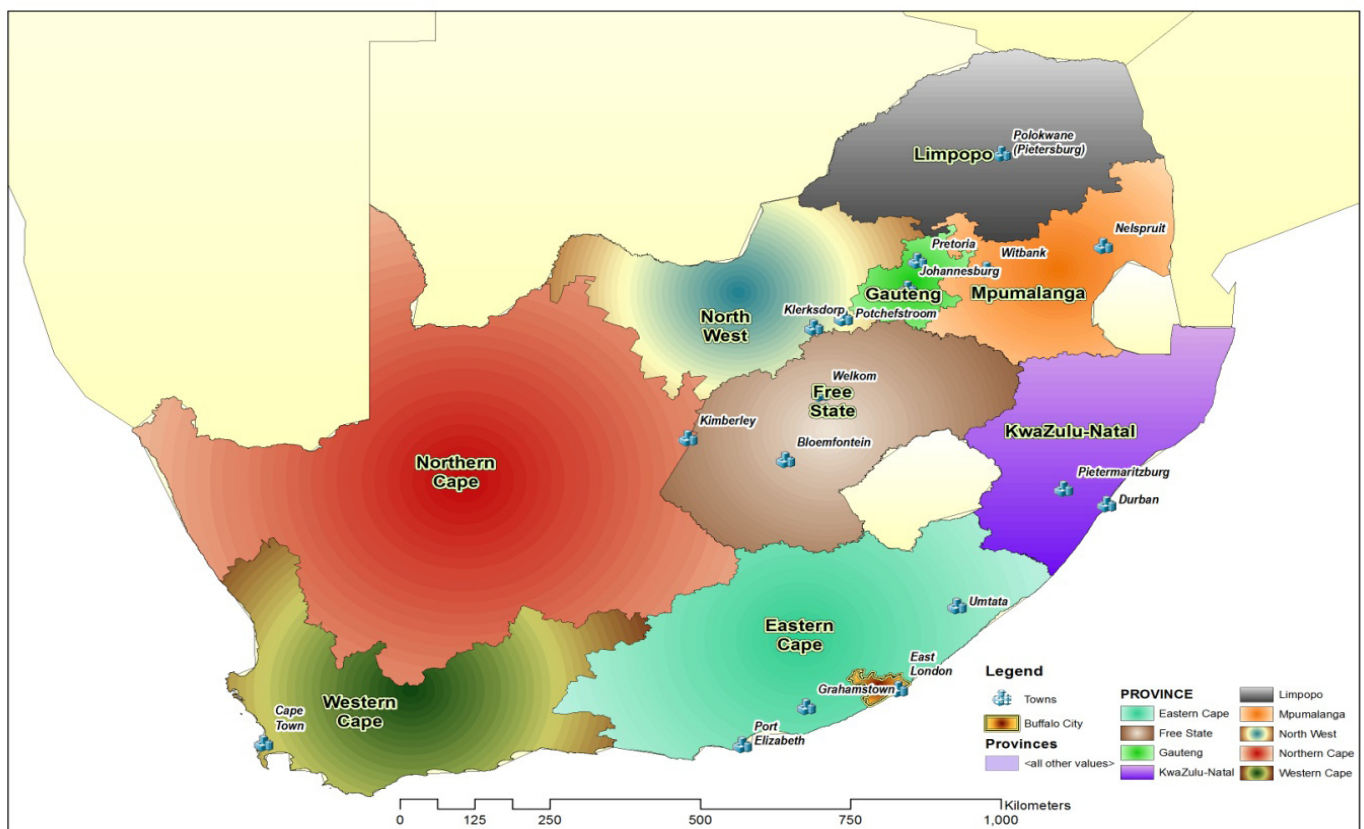
1. Buffalo City Metropolitan Municipality Profile

1.1 BCMM in Context

Buffalo City Metropolitan Municipality is situated relatively centrally in the Eastern Cape Province, which is bounded to the south-east by the long coastline along the Indian Ocean. Buffalo City Metropolitan Municipality is one of the newest metropolitan municipalities established in South Africa after the 2011 Local Government Elections. The City is one of the nine members of the South African Cities' Network which together accounts for 80% of the Gross Domestic Product (GDP) of South Africa. Nestled along the pristine 68km Eastern Cape coastline where its inhabitants boast an unbeatable leisurely lifestyle, Buffalo City is potent with endless developmental potential. The City is home to world-class and expanding manufacturers.

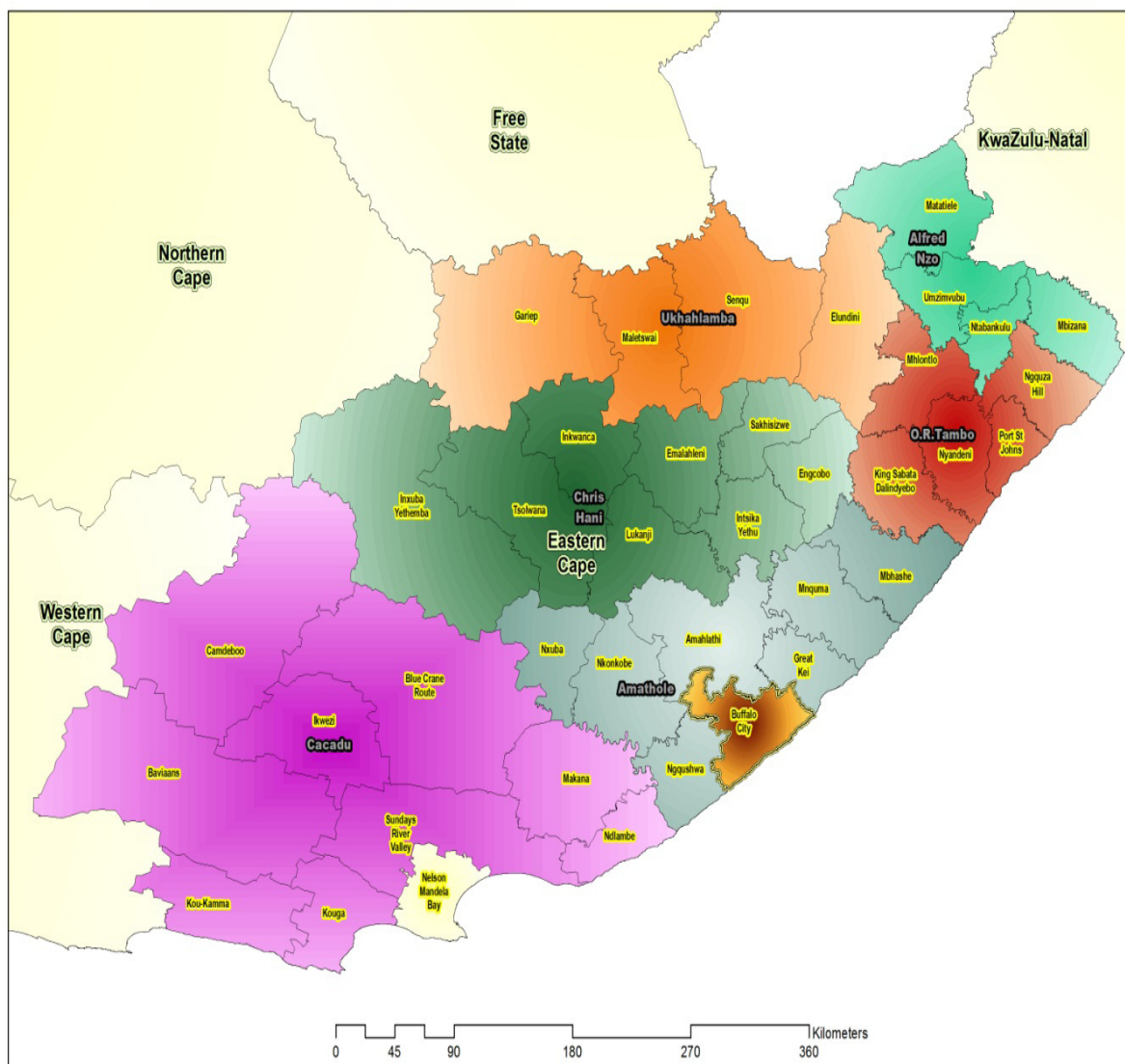
The Eastern Cape Province is the second largest province in land area in South Africa, and covers some 168,966 square kilometres, which is 13, 8% of South Africa's total land area. The province has the third largest population of South Africa's Provinces, 6,562 053 million people (Census 2011), which is 12, 7% 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 Bay Metropolitan and Buffalo City Metropolitan Municipality.

Figure B1 : BCMM Locality in South Africa



Source: BCMM GIS UNIT

Figure B2 : BCMM location in the province and region



Source: BCMM GIS UNIT

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. Buffalo City’s land area is approximately 2,515 km², with 68km of coastline.

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

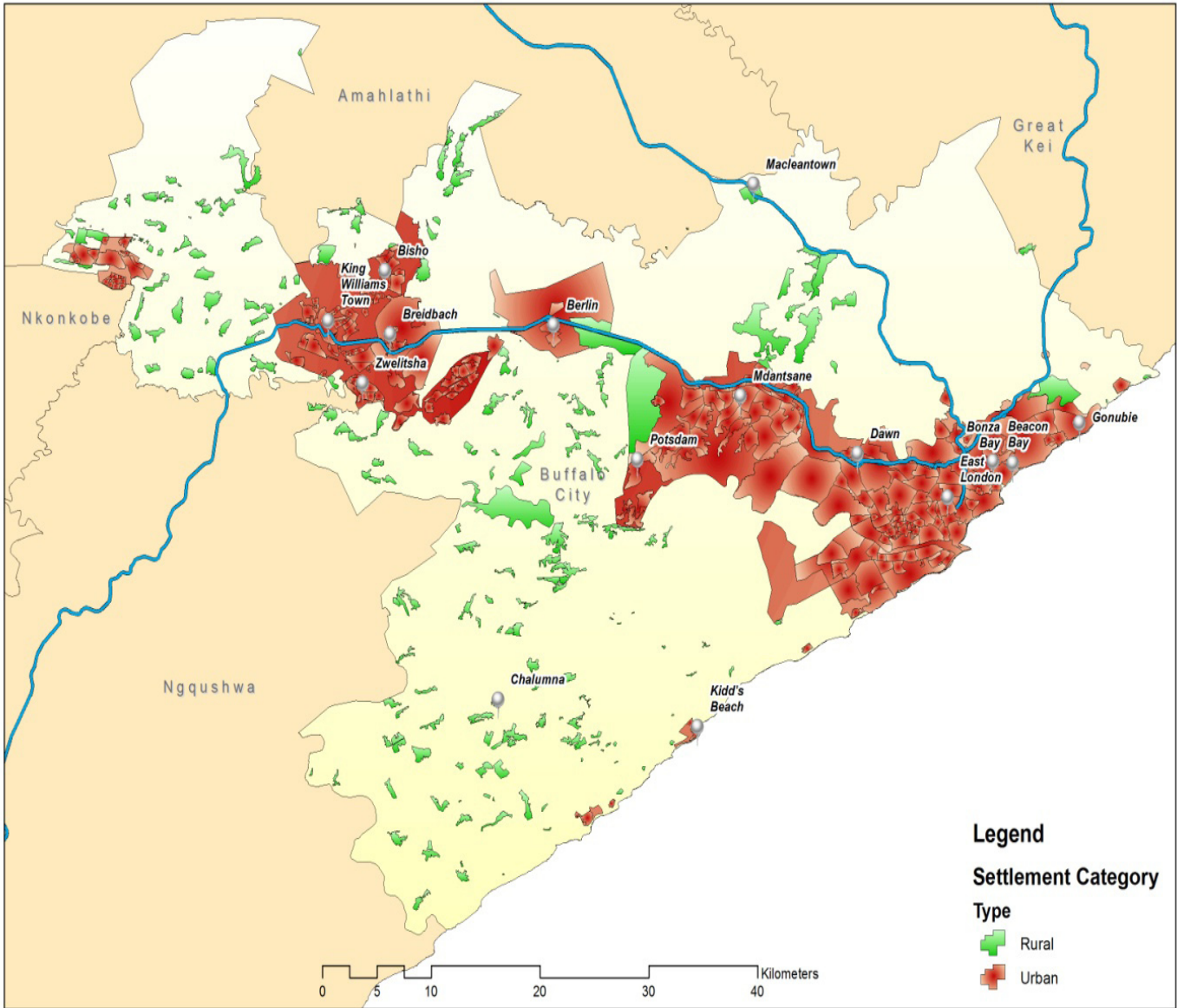
In view of the dominance of the East London Core Area the KWT/Bhisho Regeneration process requires budgetary emphasis for implementing the projects that the LSDF identifies.

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

Figure B3 : BCMM Urban and rural settlements



Source: BCMM GIS UNIT

1.1.2 Economic, Social, Demographic Context: Major Shifts and Challenges

1.1.2.1 Demographic Context.

Buffalo City Metropolitan Municipality's population has shown a steady growth over the years. It has grown from 704 855 in 2001 to 755 200 in 2011. BCCM's population growth trend is illustrated in the table below:

Table B1: BCMM Population

Population group	2001 census		2007 Community Survey		2011 Census	
	N	%	N	%	N	%
Black African	598 258	85,5	616833	85,2	642 753	85,11
Coloured	39 998	5,7	52 212	7,2	45 442	6,02
Indian or Asian	4 334	0,6	1 950	0,3	6 241	0,83
White	59 300	8,4	53 311	7,4	58 258	7,71
Other					2 506	0,33
Total	710 890	100,0	724 306	100,0	755 200	100,0

Buffalo City population grew by 0,6% between the period 1996 – 2001, and between 2001-2011 the growth rate was 0,7%. Even though the growth rate shows consistency it is still below the provincial average of 1,5% and 1,4% respectively in the 2001 and 2011 period. 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.

Figure B4: BCMM Population by population group

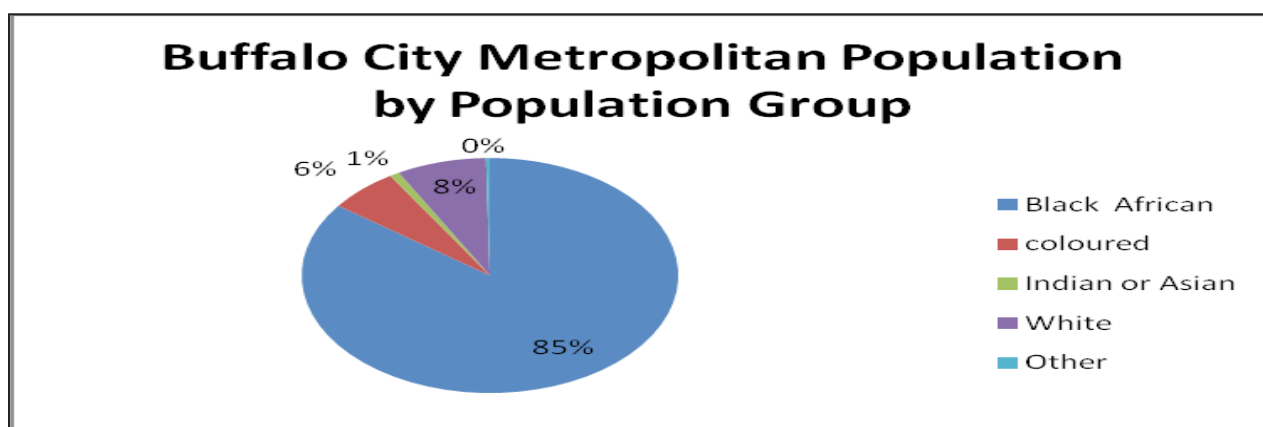
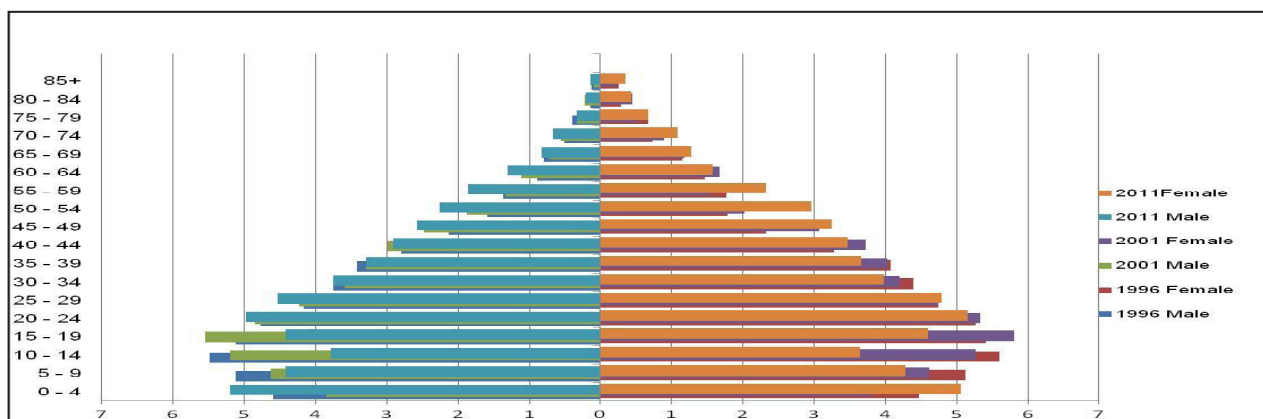


Figure B4 shows that the Black African population group constitutes the majority, followed by the Coloured and the White and Indian/Asian populations.

Figure B5: Distribution of the population by age and sex: Buffalo City – 1996, 2001 and 2011



Source: Stats SA Census, 2011

Figure B5 above shows the population of BCMM by age and sex, from 2001 to 2011. The following observations can be made:

- The highest proportions of residents for both males and females were found in the age category 0-4 and also 20-24 age groups for the 2011 census.
- In the 2001 census the category with the highest number was the 15-19 age group.
- This is typically the shape of a developing community with a broad base indicating high birth rates, but with a definite decrease in number of births in recent years.

1.1.2.2 BCMM Households

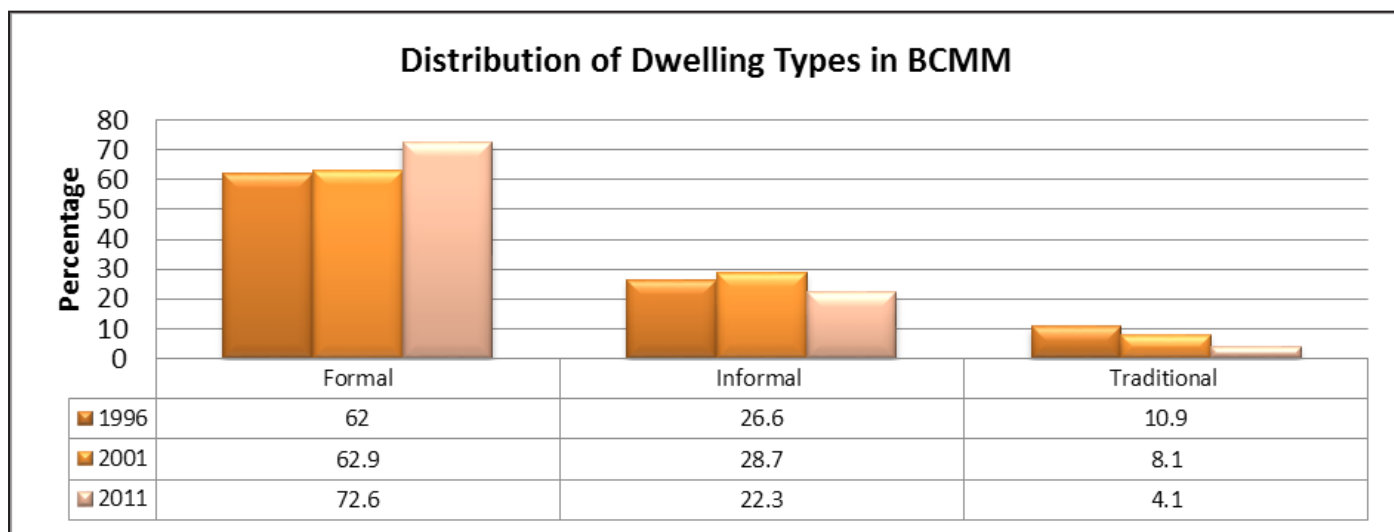
Table B2: BCMM households

Census 2001	Community Survey 2007	Census 2011
191 958	208 389	223 568

Source: Stats SA Census, 2011

- As shown in the table above, there has been an increase of 15 179 new households from 2008 to 2011. 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

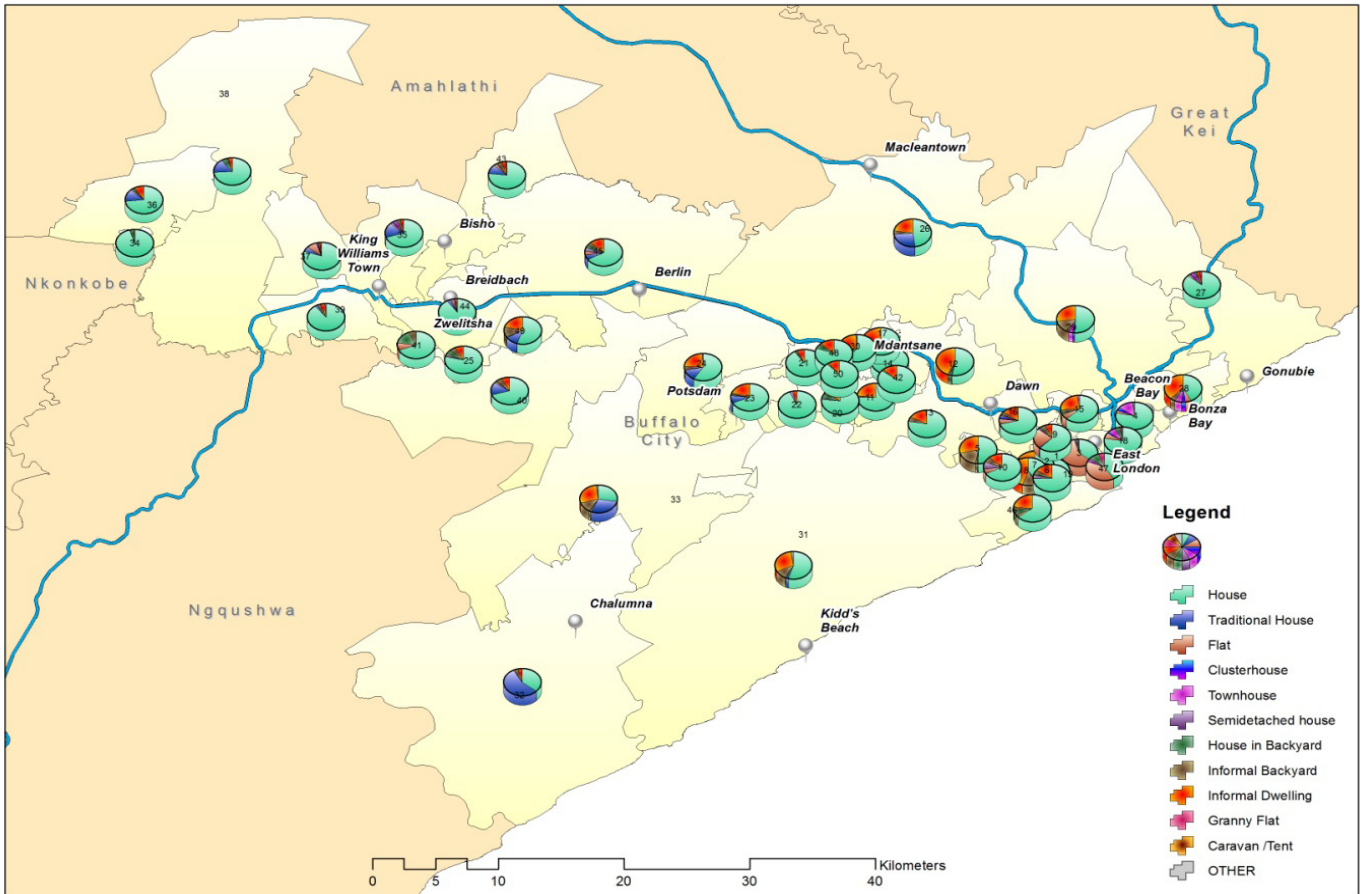
Figure B6: Distribution of dwelling types



Source: Stats SA Census, 2011

The graph above shows an increase in formal dwellings up by almost 10% from 2001 and a decline in informal dwellings and traditional ones. Whilst there is a decline in informal dwellings and traditional dwellings, it could not be ascertained if this translated to the majority of people being housed in formal homes, or it could also mean that the majority of our people are overcrowded in the few available informal dwellings.

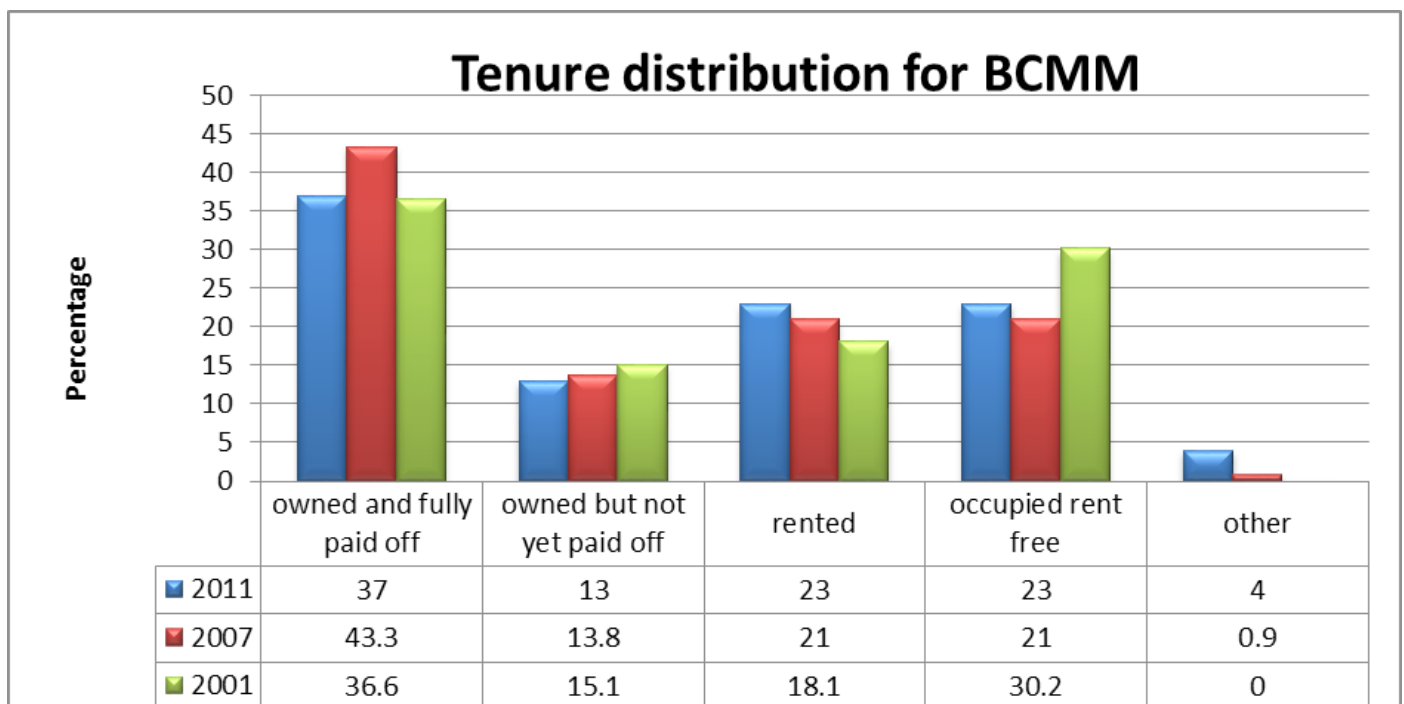
Figure B7: BCMM Housing typology



Source: BCMM GIS UNIT

- The projections represent 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).

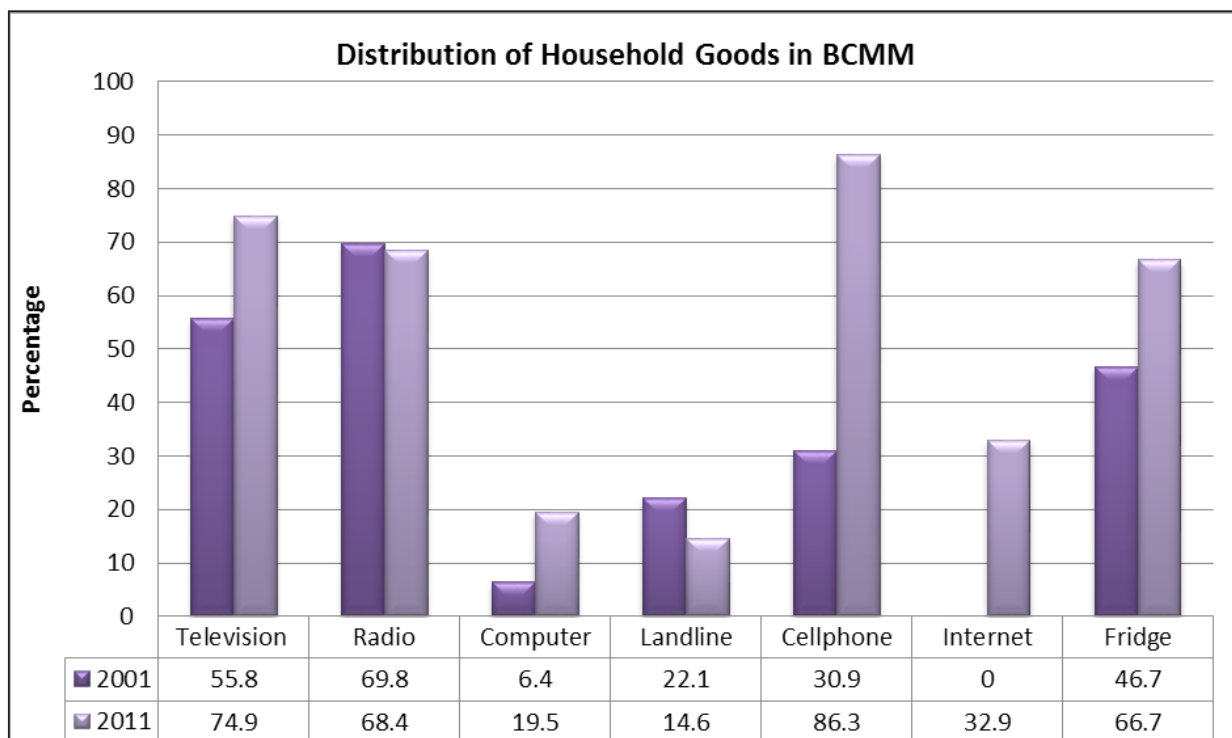
Figure B8: Tenure distribution



Source: Stats SA Census, 2011

Figure B8 shows a decrease in the number of owned and fully paid off homes between 2007 and 2011, though the value is an increase from 2001 census. This could be due to the fact that 2007 was a community survey and 2011 a census, such discrepancies can be expected.

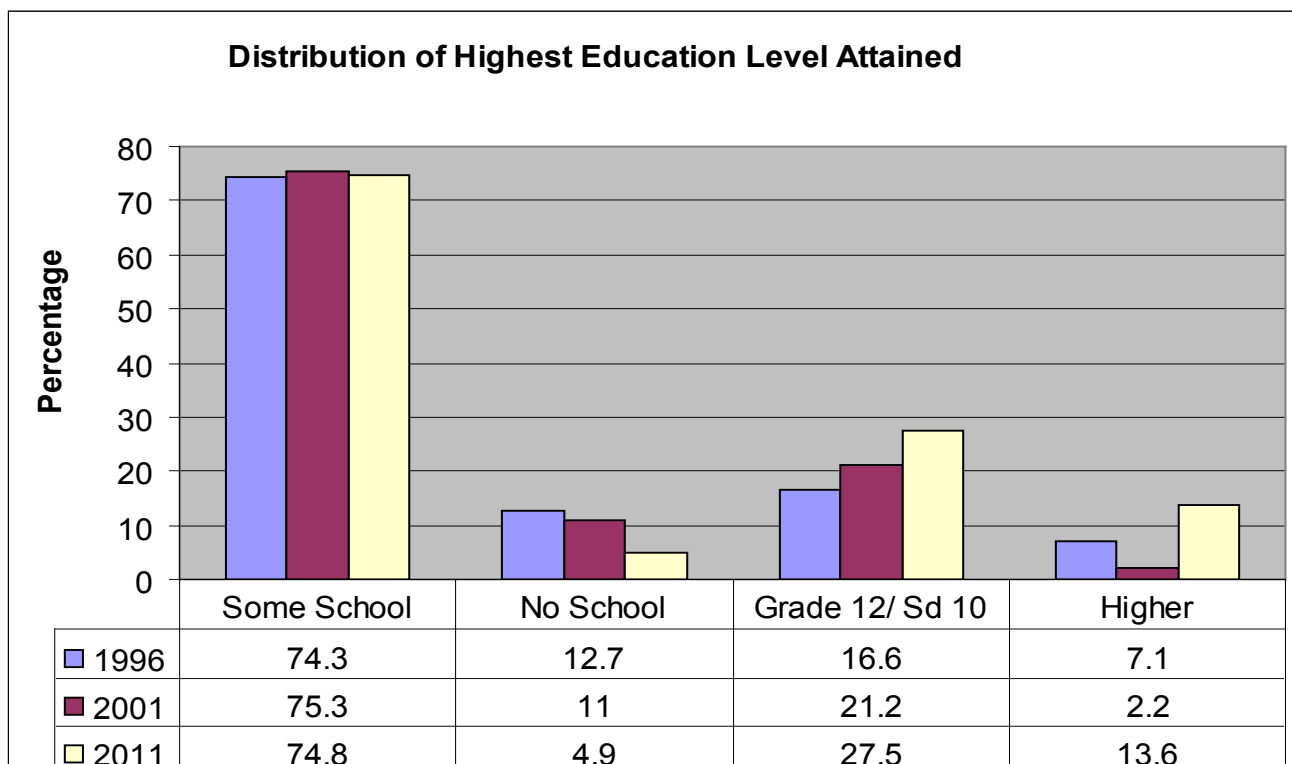
Figure B9: Distribution of household goods



Source: Stats SA Census, 2011

The figure above shows that people within Buffalo City are increasingly embracing technology, with increases in numbers that own or have access to televisions, computer, cell phones, fridges and internet, while there is general decline in people who own radios as these can be accessed from cell phones and decoders nowadays. There was also a general decline in landline as they are fast being replaced by cellular phones. This could be an indication of an improving standard of living and better quality of life.

Figure B10: Distribution of highest education level attained

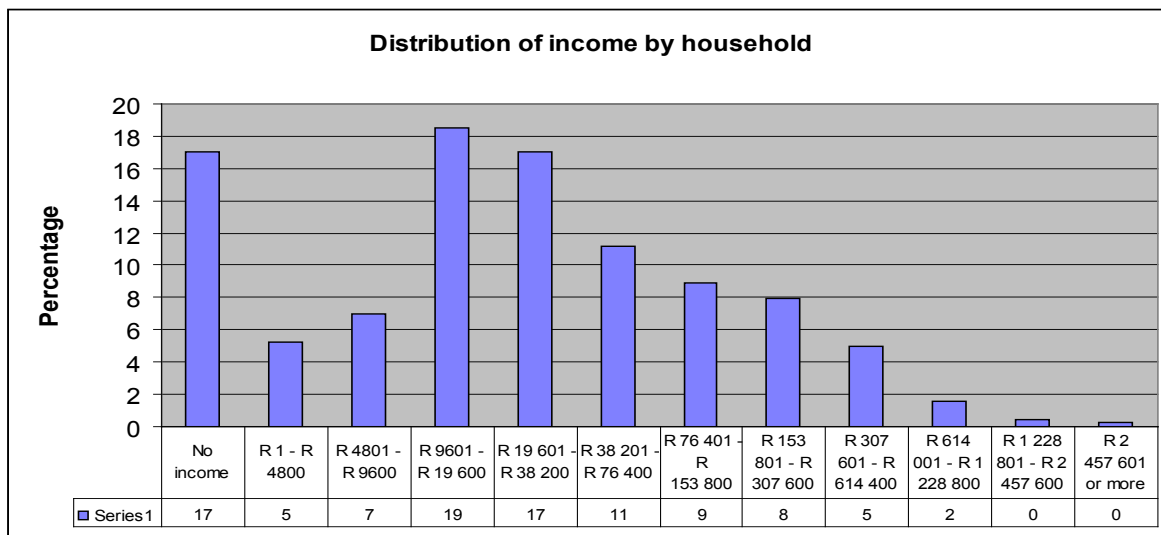


Source: Stats SA Census, 2011

Literacy level is defined as the percentage of people 20 years of age or older with Grade 5 or less. Census 2011 puts this figure at 33.63% and this is very high by any standards for BCMM, though it lies below the provincial average of 44.35%. The highest level of education is a masters or doctorate which about 0.39% of the population has attained. Only about 1.45 % of the BCMM population has attained a bachelors, honours, masters or doctoral degree.

The graph above also shows that the proportion of people who completed Grade 12 has increased over time. Buffalo City is also amongst the districts that have the highest proportions in the province at 27, 5% in 2011. Proportions of people with higher education also increased. The table also shows a significant decline in the proportion of people with no schooling.

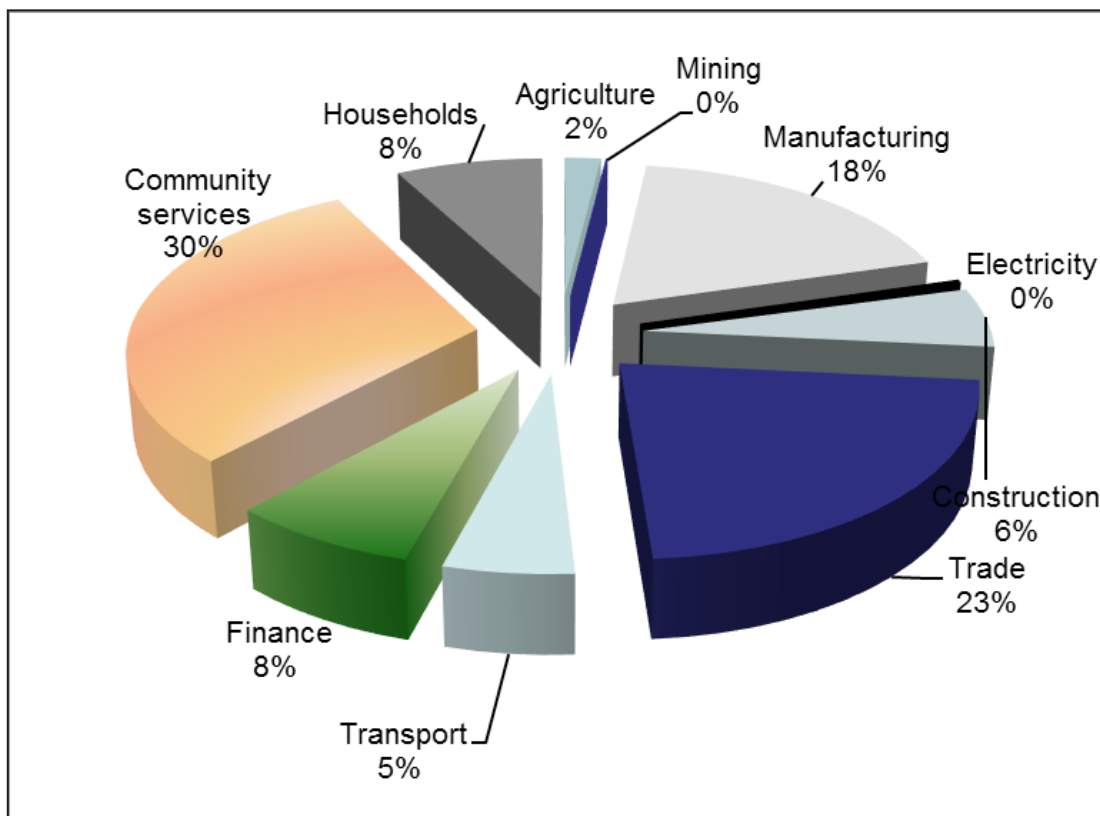
Figure B11: Income per Household



Source: Stats SA Census, 2011

The poverty datum line is at R20000 per annum. This implies that about 48% of the households live below this figure, and only 2% earn the highest earnings of the municipality R614 001 – R 1 228 800.

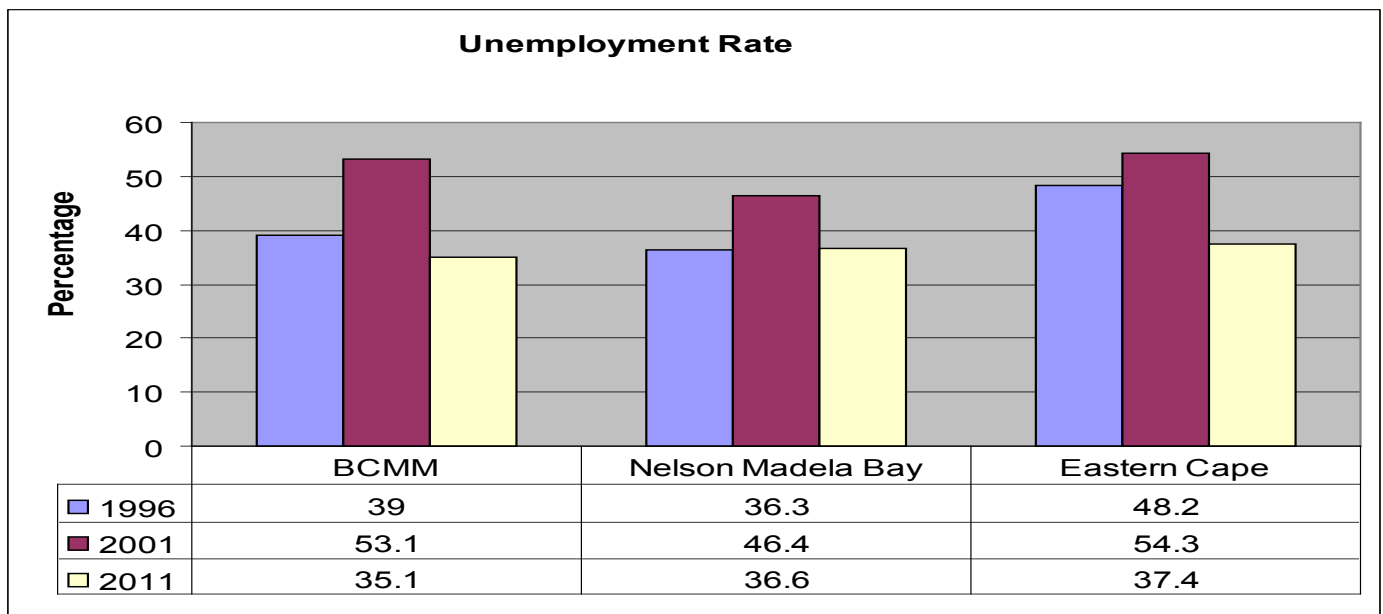
Figure B12 : Labour Market



Source : ECSECC , 2010

- As illustrated in the chart above, the community services sector employed about 30% of the employed in BCMM. This is followed by trade, 22 % and manufacturing 19%. It is interesting to note that the finance sector, the largest sector by size, employs only 8% 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% of all jobs in BCMM. Construction accounts for about 6% of the total jobs, agriculture employs 2% of the employed.
- 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.

Fig B13: Unemployment rate in BCMM 1996 to 2011



Source: Stats SA Census, 2011

It must be noted that these figures indicate the status quo on the period during enumerations and as such reliable statistical figure to be taken from labour statistics published quarterly. The fact that these values may not be so accurate does not diminish the point that on average the trend is such that unemployment rate is better for BCMM as compared to that of Nelson Mandela Bay Metropolitan Municipality as well as the province as whole, because the error in calculation is inherent in both so the general trend is exhibited though.

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.

Table B3: HDI from 1996 to 2009

Year	National	Eastern Cape	Amathole District	BCMM
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, 2010

- 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 B4: Gini Coefficient

Year	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

- 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.

1.1.2.3 Local Economy

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 Buffalo City and regional economy cannot be separated.

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.

Historically, levels of development in the Buffalo City area have been negatively affected both by its comparatively distant location in relation to the major centres of economic activity in South Africa (Johannesburg, Cape Town and Durban) and by the previous socio-political and economic impact of policies.

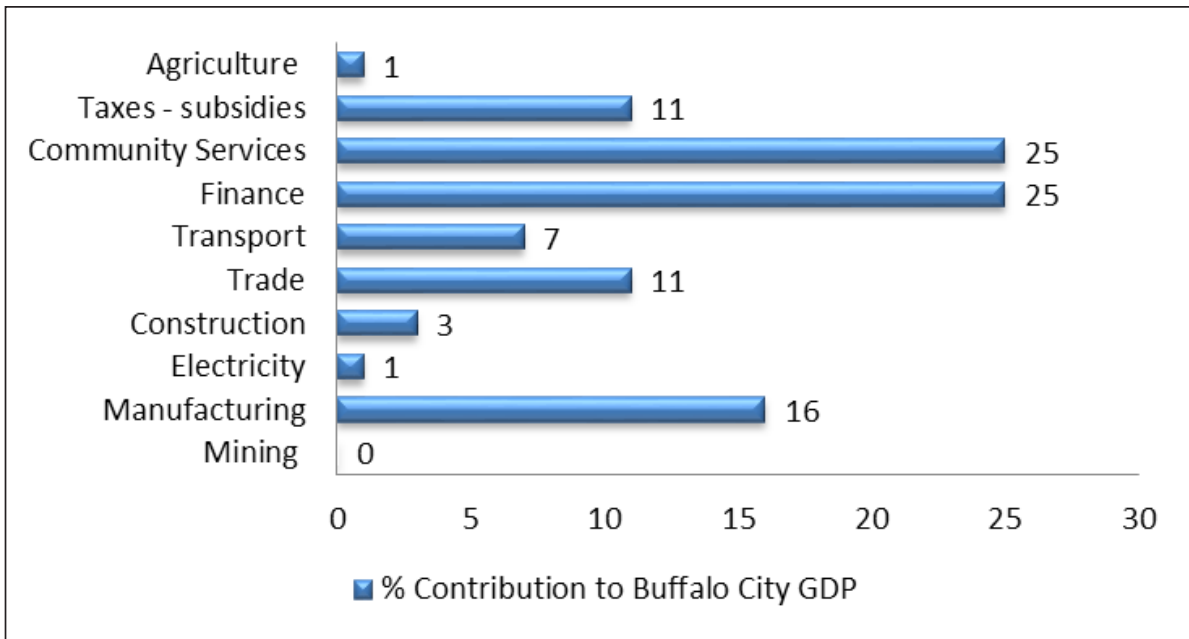
Consequently, while it is home to some 1,020,000 people, the majority of these are disadvantaged by their impoverished circumstances and low levels of skills. Disposable income, too, is scarce in Buffalo City as a whole and there is a consequent need to focus on overcoming the legacy of under-development affecting its people and the local economy.

This legacy of uneven and relatively low economic growth in Buffalo City has resulted in, and compounded the consequences of, a land use and settlement pattern that is characteristically fragmented and predominantly of a low density.

The following features are noted: -

- The Gross Value Added by the region is R30 billion (ECSECC, 2010)
- The Gross Domestic Product by the Region is R34 billion (ECSECC, 2010)

Figure B14: % Contribution to Buffalo City GDP



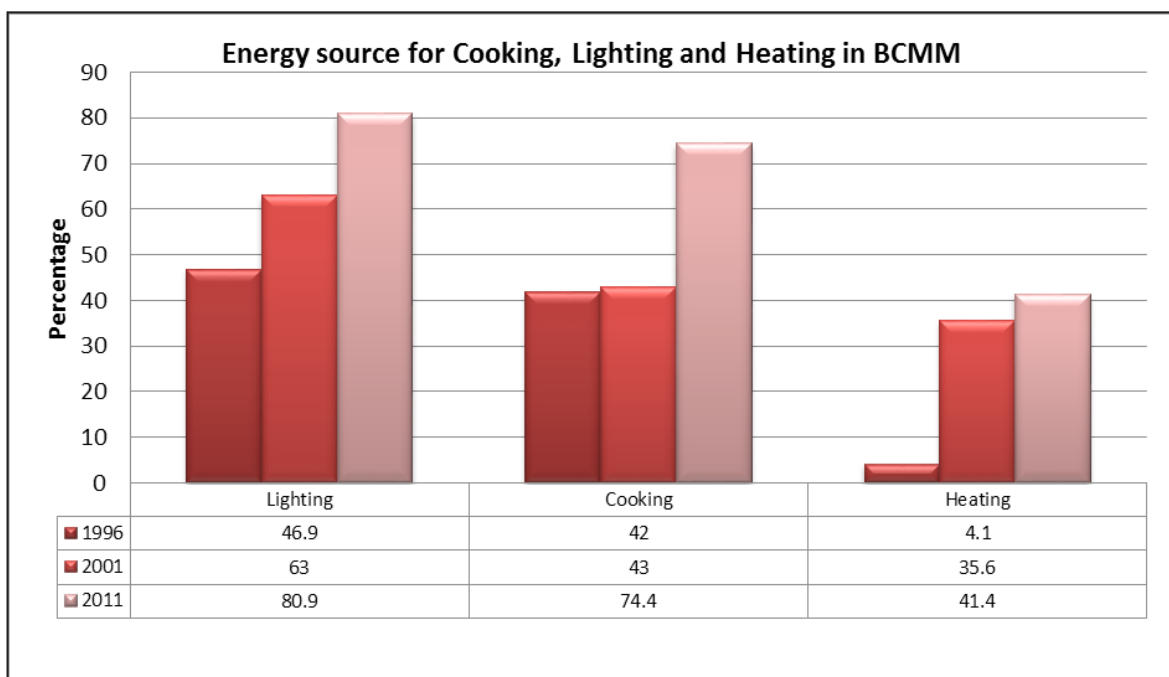
- There is a concentration of economic activity in centres such as the East London and King William’s Town Central Business Districts, and in areas such as Vincent and Beacon Bay (Regional Shopping Centres).

1.2 Access to Municipal Services

The section below reflects the level of access to municipal services that communities within the Buffalo City Metropolitan area enjoy. Services that are reported on are energy/fuel, water and sanitation as well as refuse removal. A comparison is made between 2001 census data, 2007 Community Survey and the 2011 Census. The statistics generally indicate an upward trend since the 2001 Census in terms of community access to municipal services.

1.2.1 Energy/Fuel

Figure B15: Percentage distribution of households by type of energy used for lighting, cooking and heating, BCMM, 1996, 2001 and 2011



Source: Stats SA Census, 2011

Figure B15 shows that in 1996, 2001 and 2011 electricity has been the main energy source for lighting. The use of electricity by households as the main source of lighting rose from 46,9% in 1996 to 63% in 2001 and to 80,9% in 2011. The use of electricity for cooking has also increased from 42% in 1996 to 43% in 2001 and to 74, 4% in 2011. For heating the use of electricity increased significantly from 4,1% in 1996 to 36% in 2001 and to 41,4% in 2011.

Table B5: Percentage distribution of households by type of energy / fuel used for heating

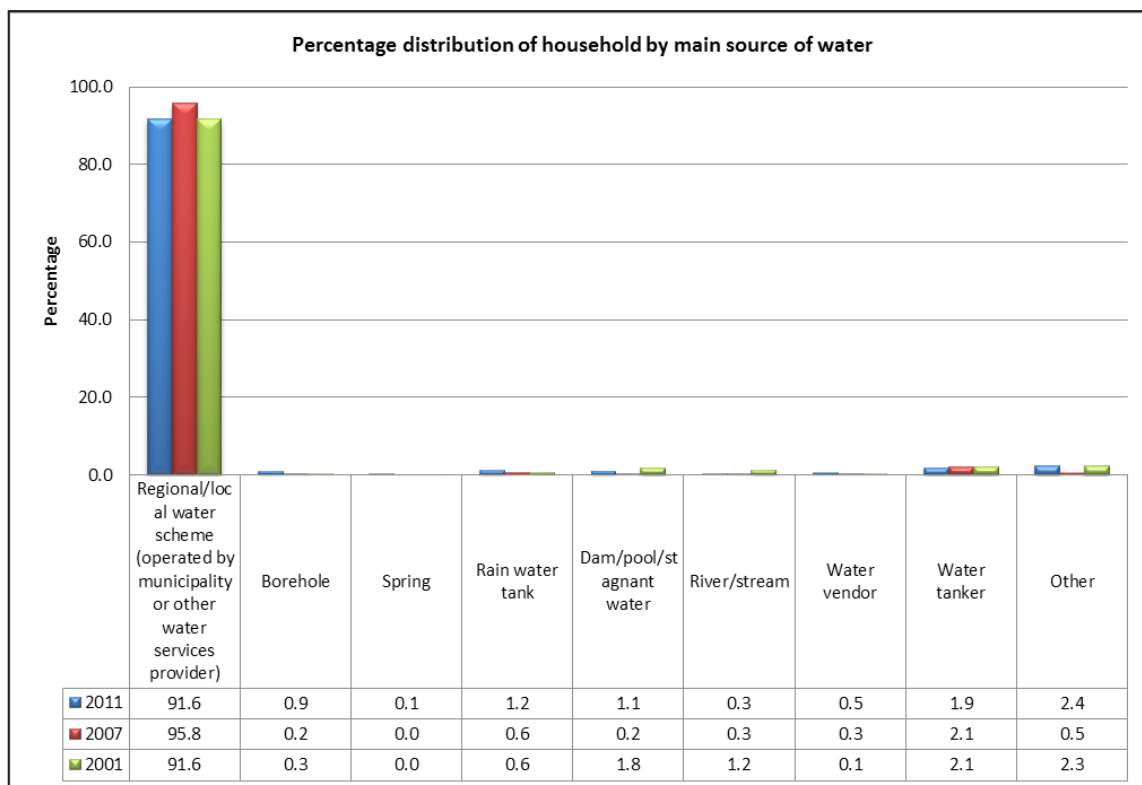
	Census 2001	CS 2007	Census 2011
Electricity	35.6	46.5	41
Gas	1.0	1.1	2.2
Paraffin	46.5	43.3	33.7
Wood	11.0	6.0	4.8
Coal	0.6	0.4	0.6
Animal dung	0.3	0.1	0.1
Solar	0.1	0.1	0.4
Other	4.8	2.7	22.9
Not applicable	0.0	-	
Total	100.0	100.0	100.0

Source: Stats SA Census, 2011

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 and it further decreased to 33,7% in 2011. Electricity consumption rose from 35.6% in 2001 to 46.5% in 2007 and dropped to 41% in 2011. Usage of wood decreased from 11.0% in 2001 to 6.0% in 2007 and to 4,8% in 2011.

1.2.2 Access to Water

Figure B16: Percentage distribution of households by main source of water, BCMM, 2001, 2007 and 2011

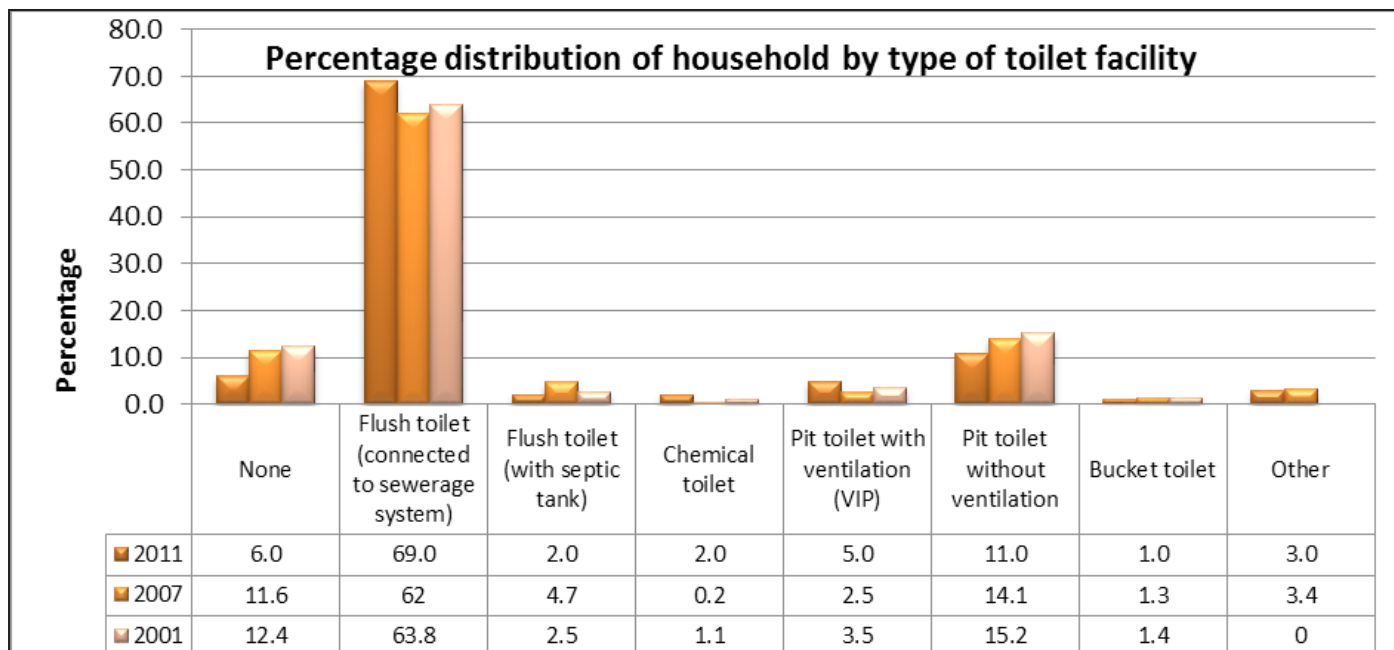


Source: Stats SA Census, 2011

Figure B16 shows that the majority of households (92%) in the Metro obtain water from a water scheme operated by the municipality, whilst there has been a slight increase in those who receive water from a spring or a rain water tank.

1.2.2 Sanitation facilities

Figure B17: Percentage distribution of households by type of toilet facility, BCMM, 2001, 2007 and 2011

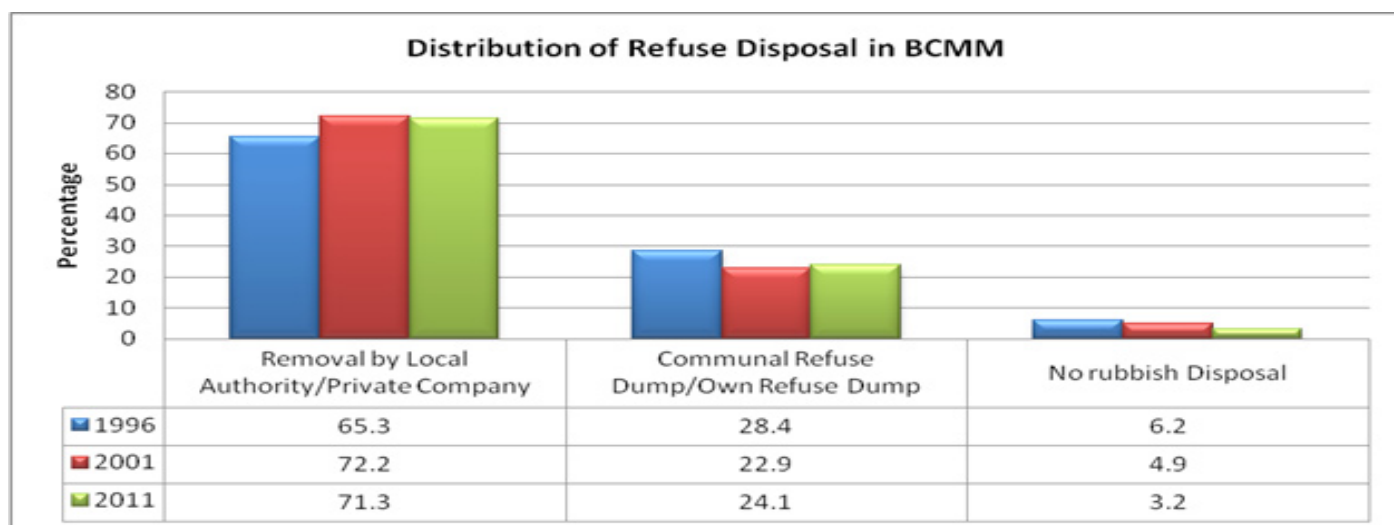


Source: Stats SA Census, 2011

Figure B17 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 and to 64% in 2011. While the use of pit latrines (without ventilation) declined from 15,2% in 2001 to 14,1% in 2007 and further to 11% in 2011. However the proportion of households without access to any toilet facility also declined from 12,4% in 2001 to 11,6% in 2007 and to 6% in 2011. The bucket system has also registered a steady decline from 1,4% in 2001 to 1,3% in 2007 and to 1% in 2011 which is an indication of inroads the City is making towards total eradication.

1.2.3 Refuse Removal

Figure B18: Percentage distribution of households by type of refuse disposal, BCMM, 1996, 2001 and 2011



Source: Stats SA Census, 2011

Figure B18 shows that the percentage of households whose refuse was removed by local authority at least once a week increased from 65,3% in 1996 to 72,2% in 2001. However, there has been a decrease from 72,2% in 2001 to 71,3% in 2011. The graph also shows the percentage of households that relied on their refuse dump increased from 22,9% in 2001 to 24,1% in 2011. With regard to no rubbish disposal, there has been a decrease from 4,9% in 2001 to 3,2% of households that did not have rubbish disposal.

SITUATIONAL ANALYSIS PER KEY PERFORMANCE AREA

The situation analysis has been categorised according to the five (5) Local Government Key Performance Areas namely:

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

2. KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL 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 all workplaces in the Republic of South Africa.

This section will deal with the following issues:

- Human Resource Management and Development
- Information Technology and Support
- Facilities Management
- Knowledge Management, Research and Policy
- GIS, Mapping and Demographics

2.1 Human Resource Management and Development

2.1.1 Employment Equity

The current Buffalo City Metropolitan Municipality Employment Equity Plan expired on the 30 June 2012. A draft plan has been developed as laid down in Section 20 of the Employment Equity Act of 1998. Section 20 of the Employment Equity Act requires that a designated employer must prepare and implement a plan to achieve employment equity, which must:

- have objectives for each year of the plan;
- include affirmative action measures;
- have numerical goals for achieving equitable representation;
- have a timetable for each year;
- have internal monitoring and evaluating procedures, including internal dispute resolution mechanisms; and
- identify persons, including senior managers, to monitor and implement the plan.

Numerical goals and targets are set for each occupational level in BCMM was informed by the workforce analysis that was conducted. When the numerical goals were set the following provincial Economic Active Population (EAP) percentages were used.

Table B6: Percentage of Economically Active population

GENDER & RACE	AM	CM	IM	WM	AF	CF	IF	WF
EASTERN CAPE EAP %	39.3%	5.9%	0.8%	5.6%	37.8%	4.8%	0.6%	5.1%

The BCMM employment equity plan commenced on the 1 July 2012 to 30 June 2013. The table B7 below represents the draft employment equity plan institutional numerical targets.

Table B7: BCMM Employment equity targets

OCCUPATIONAL LEVELS	African Male	Coloured Male	Indian Male	White Male	African Female	Coloured Female	Indian Female	White Female	TOTAL
21-24 Target	4	1	0	1	3	0	0	0	9
21-24 Current	6	1	0	0	2	0	0	0	9
15-20 Target	44	7	1	6	42	5	1	6	112
15-20 Current	42	6	3	35	19	0	2	4	111
13-14 Target	19	3	0	3	19	2	0	2	48
13-14 Current	16	3	2	16	10	1	0	0	48
5-10 Target	134	20	3	19	129	16	2	17	340
5-10 Current	92	17	8	69	116	20	2	18	342
11-12 Target	770	116	16	110	741	94	12	100	1959
11-12 Current	792	178	32	169	534	112	16	127	1960
2-4 Target	834	125	17	119	802	102	13	108	2120
2-4 Current	1384	31	7	10	675	8	1	4	2122

2.1.2 Skills Development

Skills development of human capital is one of BCMM's priorities. To this effect, BCMM annually develops a Workplace Skills Plan (WSP) which sets out the training needs and plans for the financial year for both Councillors and staff. Such plan is then submitted to the Employment Equity and Training Steering Committee for consultation and finally to Council for approval. The Workplace Skills Plan (WSP) is submitted to the Local Government SETA (LGSETA) by the deadline of 30 June every year as well. In preparation for the 2012/13 WSP, the Department of Co-operative Governance (DCOG) has provided municipalities nationally with a web-based skills audit tool to be used in the skills audit process.

Web-based skills audit questionnaires have been circulated electronically to Buffalo City Metropolitan Municipality employees as well as paper-based questionnaires to employees who do not have access to computers in order to capture their skills audit information on the skills audit web-tool supplied by DCOG. DCOG has also developed a data-dictionary which contains all occupations in the local government sphere, as well as skills and competencies attached to each occupation, in order to assist in determining the skills gaps and formulating Personal Development Plans. A framework document for Capacitation and Professionalisation of municipal officials in various fields of work is underway with BCMM participating in the provision of input in the document. The document will provide a blue print for the development of human resources in the local government sector.

A total of 3336 employees in the entire organisation have already undergone the assessment through the gap-skill web-tool as well as the completion of their Personal Development Plans. COGTA has also developed a data-dictionary which contains all occupations in the local government working environment as well as skills and competencies attached to each occupation to assist in determining the skills gaps and formulating Personal Development Plans. The budget for skills development has been raised from an amount of R6m over the previous years to an amount of R12m which is equivalent to the IDP Target of 1, 6% of the Total Payroll.

Buffalo City Metropolitan Municipality has also embarked on an intensive Municipal Finance Management Program for officials who are affected by the National Treasury Regulations on Minimum Competency Levels published in the Government Gazette Volume 54 No. 29967 of 15 June 2007. A group of ten affected officials were enrolled and completed the program during the 2008/2009 financial year. A group of 17 affected officials has also been through the same program. An additional group of 20 officials who will make up a talent pool for future human resource needs in the organization is currently enrolled on the program.

The problem of the existence of the HIV/AIDS pandemic amongst staff members in the institution is exerting some pressure to engage in a multi-skilling exercise right through the institution as part of the **Human Resource Management Strategy** and also the **Talent Retention and Management Strategy** in order to have a pool of competent staff as a back-up in times of need. Both strategies are under review with Talent Management already advancing on scarce skill retention through scarce training programs and assistance of individuals on scarce skills occupations with payment of subscriptions in Professional Institutions and attendance of conferences/seminars there from.

BCMM is implementing some human resource development initiatives such as learnerships, skills programs, and internships targeting scarce skills occupational areas as well as in-service training for students, Adult Basic Education and Training (ABET), apprenticeships, as well as bursaries to both members of the public and staff members. Partnerships with interested parties for human resource development initiatives have been formed with stakeholders like Mercedes Benz South Africa (MBSA) where there is information sharing as well as with National Treasury which has also committed itself to assist financially over a three year period with an Infrastructural Skills Development Grant focusing on capacity building of staff in the Electrical Engineering and Built Environment areas of work.

2.1.3 Job Evaluation

During September 2012 the South African Local Government Association (SALGA) issued a Circular to all Municipal Managers that introduced a new T.A.S.K Job Evaluation (JE) Policy for implementation by all Municipal Managers. Preparatory processes for the ongoing maintenance phase of the job evaluation process in terms of the SALGAJE Policy are currently underway and will be implemented only after the Unions have been consulted via the Local Labour Forum, and approval has been obtained from Council. This exercise will need a support structure to be able to carry it forward.

2.1.4 Occupational Health and Safety

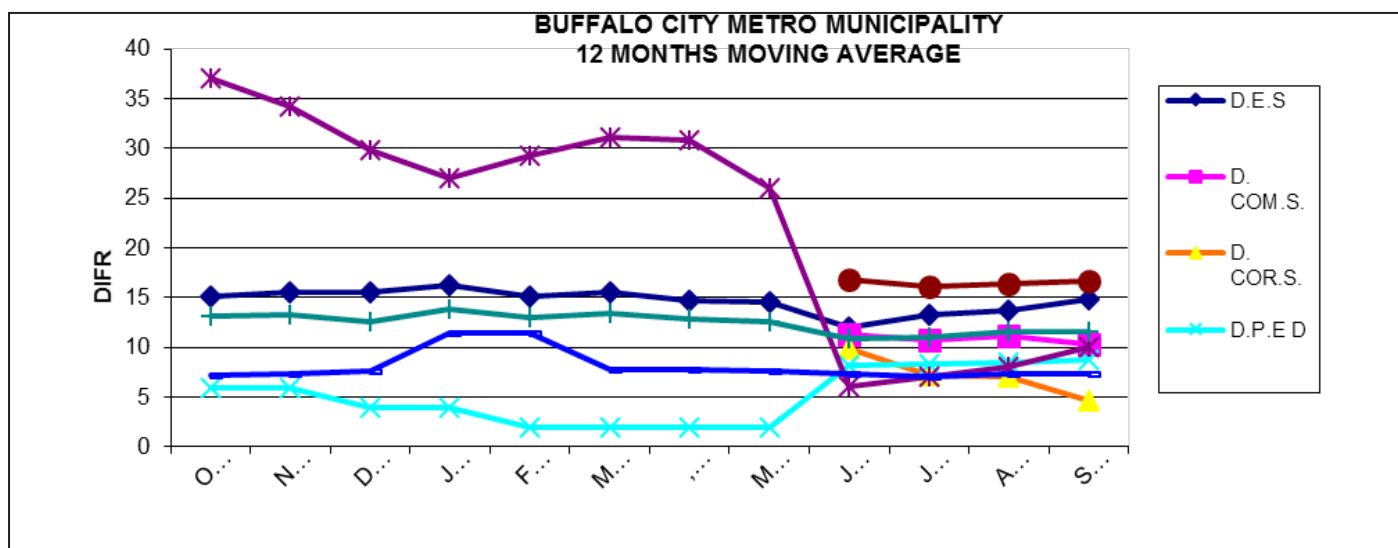
Buffalo City Metropolitan Municipality needs to comply with the requirements of the Occupational Health and Safety Act of 1993, as well as regulations to provide for the Health and Safety of persons at work. All accidents and injuries sustained at work are investigated by Management in order to determine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

The Municipal Executive Safety Committee holds monthly meetings under the chairmanship of the Director of Corporate Services to keep 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 departments by their Directors. Monthly Departmental Safety meetings are held to monitor implementation of the Safety plan in the departments.

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. Induction Program on Occupational Health and Safety issues for new employees continues on a monthly basis.

A Safety workshop has been conducted over the period to train and inform employees and Supervisors on accident reporting and recording procedures. 5 Employees from Finance Meter readers attended.

The BCMM disabling injury frequency rate (DIFR) is stable but still remains slightly higher than acceptable levels (10 = 2%) (BCM Injury Frequency Rate = 11.5 or 2.3%). The frequency rate in the Directorate of Health and Public Safety is the highest at 16.7 or 3.3%, but the majority of injuries took place in the Directorate of Engineering Services. (See graph below). The BCMM DIFR of 11.5 relates to 11.5 employees being injured for every one million hours worked. Or it could also be expressed as a % which relates to 2.3% for the reporting period. The industry norm is to attempt not to injure more than 2% of the workforce.



All municipal employees receive Primary Health care as well as Occupational Health services at the Employee Wellness Centre as and when required. Occupational Health awareness programmes in the form of Employee Wellness Days events and other awareness programmes like TB, Diabetes, Breast Cancer, Deafness and blindness awareness campaigns also form part of the employee health strategy.

Health education is ongoing on target groups and one on one session. Prophylactic treatment is given to H.I.V. positive clients who have not started ARV treatment. Education is also given on treatment compliance and the importance thereof. Counseling of clients with HIV/AIDS and social problems is also provided, as well as referral to EAP Practitioners for continued support.

2.1.5 Employee Health and Well Being

One of the key threats for BCMM is the occurrence of the HIV/Aids Disease at the workplace. 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 Program dealing with various aspects of employee wellness such as HIV/Aids, substance abuse, stress problems resulting from traumatic working situations, etc.

Awareness-raising has been done in different forms and platforms namely, candlelight memorials, World Aids Day commemoration, Workplace Educational sessions conducted by Peer Educators, etc. This has also been used as a marketing tool for the program 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 program. BCMM has also seen the program taking a better shape with a number of employees disclosing their status and seeking help. This may be an indication that the program 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 and 6.17% in 2011 demonstrating that the program has had an impact. It is also worth noting that the HIV/AIDS Prevalence exercise undertaken in 2004 was very much inclusive as all employees were required to undergo the HIV/AIDS Prevalence testing. The HIV/AIDS Prevalence exercises conducted in 2007, 2009 and 2011 were mainly on a voluntary basis. The statistics of the National Department of Health on HIV/AIDS prevalence in the country in 2009 showed a prevalence rate of 29.4%. The Eastern Cape Province was reflected as having a prevalence rate of 28% with the SA general adult prevalence (15 – 49 yrs of age) showing a rate of 16.9%. There is still a great challenge to further reduce the rate of the occurrence of the pandemic from the current rate down to lower until we reach a rate of zero existence.

The Siyakhana Project which is a partnership between BCMM and Mercedes Benz of South Africa also provides for the employees to undergo Voluntary Testing and Counseling on the HIV/AIDS pandemic as well as treatment where necessary. Further campaigns for checking on HIV/AIDS Prevalence in organization will be rolled out through planned HIV/Counseling and Testing (HCT) events which are scheduled periodically.

One of the ways in which BCMM supports the occupational health and well-being of its employees is through the Integrated BCMM Employee Wellness Program encompassing the Employee Assistance Program and the Occupational Health and Safety Program. Elements of an Employee Assistance Program include dealing with life skills empowerment, change management, substance abuse, disability and incapacity. BCMM is starting up a process of extending its employee wellness services to the Inland Region by opening up a Satellite Employee Wellness Centre in King Williamstown. Arrangements are currently underway for staff to be placed in the satellite centre to provide the services.

2.1.6 Employee Performance Management System

Performance Management is a tool to ensure that the aims and goals of the IDP are implemented, measured, monitored and reported for all the staff within the institution. The idea is to ensure that all staff are aware of the IDP goals, capacitated to achieve such goals and remedial actions taken timeously where required.

Prior to July 2011, Employee Performance Management System (EPMS) fell under the Directorate of Executive support coordinated by the IDP/BUDGET/PMS Department. The coordinating function now falls under the Directorate of Corporate Services and a Draft EPMS Policy and Framework was adopted by Council the 31st of July 2012. Councillors and Labour representatives held a workshop on the 31st of August 2012 to further fine tune the policy, framework and an implementation process plan before the final adoption of the documents possibly before the end of the 2012 calendar year.

The Process Plan envisages an incremental training and implementation of EPMS cascading it from directors to programme managers by June 2013 and to all task levels by June 2014 with the expectation that it will be implemented fully by all staff members from July 2014 going forward.

2.1.7 Overtime

Overtime has been a long standing problem for management to control due mainly to the following:

- Excessive overtime being worked
- Overtime not being properly approved in advance
- Overtime being incorrectly remunerated

Revised control measures were implemented in 2011 by the management. Although such control measures improved the above problems, they have not yet been resolved. An internal audit report reflected that numerous problems still exist, notwithstanding the fact that overtime has effectively been reduced by approximately 5%.

This situation has necessitated that management further revises the control measures re overtime. The following steps are to be taken during the 2011/12 financial year:

- Submission of overtime is to be done electronically
- The overtime forms are to be simplified and consolidated into, form to ensure submissions are properly made
- Line management, attendance controllers and all staff are to be educated re overtime control procedures and payments
- An audit of all overtime payments for the past three years is to be carried out
- No overtime that is submitted without proper compliance of control measures will be paid.

2.2 Information Technology and Support

Information Communication Technology (ICT) division at Buffalo City Metropolitan Municipality is responsible for providing 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.

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

2.2.1 Application Architecture

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

BCMM with the assistance of the State Information Technology Agency (SITA) has recently concluded the Enterprise Resource Planning (ERP) System Feasibility Study. The objective was to have a blue-print of the future integrated system.

We are currently enhancing the Financial System (Venus) to address the following issues:

- Poor application functionality
- Lack of accurate information
- Lack of integration
- Unavailability of accurate and timely information
- Old and obsolete systems.
- Lack of flexible management reporting

The forecasted completion date of the enhancement project is 28 February 2013.

The following projects are being undertaken:

(i) Implementation of the fleet management system.

This system will be used to efficiently and effectively management all municipal fleet and equip the vehicle with trackers.

(ii) Implementation of the Human Resources and Payroll system

This system will address issues such as leave management, individual performance management, Labour relations management, vacancy management as well as payroll management.

(iii) Implementation of the meter reading system

This system will integrate with the financial system and will have enhanced reporting functionalities.

(iv) Website management

The objective of this project is to enhance the existing website with functionalities for e-services such as: online purchase of electricity, online application for services.

(v) SharePoint Implementation

This is first step towards a paperless environment and effective document sharing, tracking and management. SharePoint will be fully implemented once the Enterprise Data Storage procurement process is finalised.

2.2.2 Technical Architecture

The Buffalo City Metropolitan Municipality consolidated and standardized its data-centre, that is, the operating platform for the applications, servers and data storage. Even though this was achieved to some degree, there still exists problems insufficient, unreliable, inaccessible environment, poorly integrated and non-standardized infrastructure. The majority of the buildings are linked to the BCMM network.

Key challenges with regard to technical infrastructure include the following:

- A slow and unreliable network backbone linking King Williams Town and East London.
- Lack of a disaster recovery site.
- Network redundancy such as broadband implementation since is an important aspect of communication.
- Insufficient storage space for day-to-day work.
- The majority of the application systems do not have valid contracts.

Better infrastructure is the core requirement for any new applications, critical for delivery of improved Information and Communication Technology Services.

In order improve on the challenges mentioned above, ICT has embarked on the following projects:

- **Enterprise data storage for the Disaster recovery**

This project will address the storage and disaster recovery site challenges

- **Optic fibre installation**

This will improve connectivity issues in the EL CBD area. The next phases will address other areas within BCMM.

- **Infrastructure upgrade**

This project will address the backbone link between KWT and EL

2.2.3 Information Security

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

- 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 still to be endorsed by senior management and/or incomplete;
- No formal knowledge of criticality of information systems; and
- Lack of formal ICT Incident, contingency and disaster management plan and procedures those are not formally endorsed by senior management and/or incomplete.

The following has been achieved in order to address the challenges highlighted above:

- An ICT Improvement project has been initiated in order to address the skills shortage issues and to improve ICT service delivery.
- ICT Governance Framework, ICT Project Management Framework, ICT Security Policy have been developed and will be tabled at council within the current financial year.

2.3 Records and Decision Tracking

2.3.1 Document Management and Archiving

Archiving and Document Management is regulated by the Promotion of Access to Information Act (PAIA) and National Archives and Record Service of South Africa and the Records Management Policy and Procedure Manual 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 relevant Acts 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 contemporaneous 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.

2.3.2 Challenges

The challenge facing the institution is that not all trained personnel on EDMS are using the system. The system is underutilized. Further, the refresher training as well as training of newly appointed employees should be provided on an ongoing basis. This means that provision needs to be made for training of every financial year.

2.4 Facilities Management

The Buffalo City Metropolitan (BCMM) has a portfolio of approximately 1400 buildings providing over 854,000 m² of accommodation amounting to an asset value of approximately 1.5 billion rand, from which it delivers services to the community. These buildings are physical assets, which need to be properly maintained to ensure that they continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of services. At the same time, the deterioration of buildings due to the lack of maintenance can lead to future financial burdens, pose health and safety, legal and other industrial relations issues and affect the delivery of services. Therefore, the maintenance of buildings is critical to the proper management of physical assets and the overall management of capital to achieve BCMM Council key policy objectives meet Government requirements and provide a good environment for staff and other users of BCMM buildings.

A policy for the management of maintenance is required to provide a consistent approach to the planning, management and reporting of building maintenance integrated with the Operational and Capital Strategy from an organisation wide perspective. This maintenance policy is to document and endorse the guiding principles for the management and delivery of building maintenance for BCMM and finally have these guiding principal putting to practice in the field through a Land & Property Maintenance System or program.

Note that the current status quo is that BCMM does not have a one stop shop for Facilities Management and Building Maintenance as this is decentralized under several directorates specifically referring to Local Amenities and Services (2.3.13) under Municipal Services and some functions under Property Management (2.3.5) in Development Planning in the Situation analyses.

A funding level of 1.4 % per annum of the value of building portfolio assets value is recommended as a minimum benchmark level to maintain the status quo. Funding over and above this benchmark level would be required in order to reduce the backlog maintenance. Currently the budget for Maintenance is less than 0.0086% of the assets value. (See table "A" - Maintenance Expenditure - Five-year resource plan)

2.5 Knowledge Management, Research and Policy

2.5.1 Introduction

BCMM as a developmental and learning organisation needs to capture and bank the institutional memory (transformation and innovation); learn from its experiences and best practices of others; as well as to encourage the establishment of informational networks and exchange. A learning organization is an organization skilled at creating, acquiring and transferring knowledge and at modifying its behavior to reflect new knowledge and insights.

2.5.2 Knowledge Management

BCMM realized the value of institutionalizing the knowledge assets within the municipality, and established the Knowledge Management & Research Unit in 2005. BCMM recognizes 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 organization 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.

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;
- Optimizing 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 behaviors
- Utilizing 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.

2.5.2.1 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 have successfully undertaken numerous activities and tasks surrounding the research function at BCMM.

2.5.2.2 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:

The implementation of the Policy Framework and Guidelines adopted by Council in October 2005 across BCMM is ongoing. 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.

2.5.2.3 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.

2.5.3 Challenges

2.5.3.1 Lack of a coordinated internal research agenda for BCMM

Internal research agenda needs to be properly coordinated. This process will result in sharing of information and cross-referencing in order to avoid duplication. This will enable all Directorates to know what research will be conducted in BCMM. The **Research Committee** needs to be revived that will discuss and prioritize research agendas for the Municipality. The various Directorates will submit all their research needs, questions and budget requirements to KM & Research Unit where the **research budget** will be housed. The budget for all research will be managed by a Research Committee constituted by Directors and or General Managers from the various Directorates. A **Research Ethics Committee** will be appointed to manage ethical issues related to the studies to be conducted. Universities in the Province will be approached to form part of the Research Ethics Committee.

Universities in the Province will also play an important role in terms of guiding and implementing research studies at BCMM. The involvement of universities in this process will improve the quality of the research products which will constitute the knowledge base of BCMM. The use of local universities in this regard is crucial not only for product quality control but also for creating a critical mass which is crucial to addressing research expertise within the Municipality and the Province in general. Universities with relevant equipment and science and technology can give valuable support, cases in point being the University of Fort Hare which has a strong agricultural focus, Walter Sisulu University which has a strong rural development focus, the Nelson Mandela University which has a strong engineering faculty and Rhodes University which is strong in terms of economic development. Universities constitute Provincial centres of learning which BCMM will utilise in the implementation of its own research agenda.

2.5.3.2 Limited documentation of Case Studies on best practices, lessons learned and innovations

Knowledge and lessons learned through projects and programme development and implementation have been documented minimally (at an infancy level) and not shared within and between directorates, departments as well as individuals. Lesson learning describes the way in which BCM staff will ensure that the future is built on past successes and avoid repeated mistakes. The lesson learning process requires planning and robust processes of identifying lessons. The lessons on weaknesses, strengths, successes and failures are crucial for achieving BCM's objectives and goals.

2.5.3.3 Limited sharing of information and reward systems at BCM

Recognition and reward systems are important factors if a culture of knowledge sharing is to be fostered across BCM. The knowledge audit revealed that there is little in the line of recognition and reward systems that are conducive to the creation of an information and knowledge sharing culture. Such a recognition and reward system will encourage intra and inter directorate sharing of knowledge. Reward and incentives will be targeted at staff members who share their information and knowledge among themselves and across BCM. Promoting and ensuring integration of KM in everyday activities at BCM will become a norm and this process will become one of the key performance indicators for the political interface and administration. KM integration with municipal functions should include everybody from senior management to people working on the ground (such as street sweepers, grass cutters, cleaners etc.).

2.5.3.4 Ineffective procedure and guidelines for tapping into tacit knowledge

There are a number of techniques and mechanism which can be used in tapping tacit knowledge. These techniques use multi-media and computer-aided tools. BCM is in position of a multi-media equipment, although not fully complete, for capturing of tacit knowledge, but there is no staff to perform this function. Tacit knowledge capturing will be embedded in a focused programme for knowledge continuity. A complete multi-media knowledge laboratory, an example of which is given below, needs to be established for BCM within the KMRU.

2.6 GIS, Mapping and Demographics

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.

2.6.1 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.

2.6.2 Current Status of GIS

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:

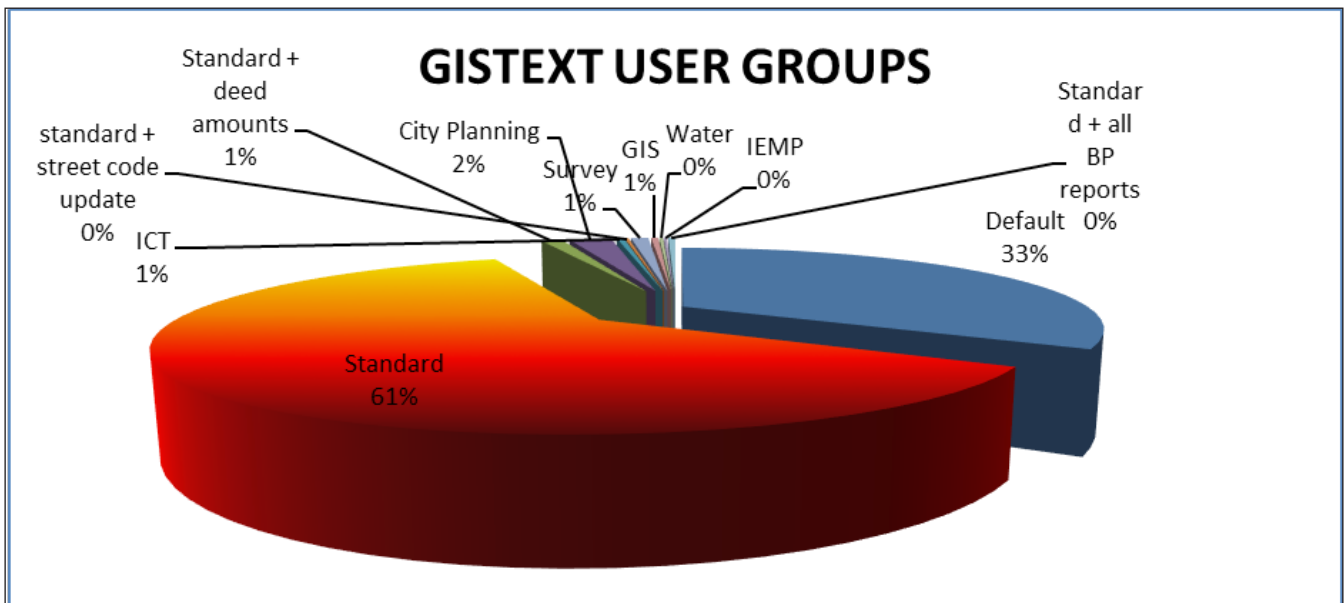
- GISTEXT (Land Information Web based application)
- City Map (Intranet Map Services)
- ArcGIS Desktop (GIS specialists &Gis Technicians)
- ArcGIS Server (GIS web applications)

Gistext provide the network user access to all property related information and GIS maps. The system is widely utilized internally as indicated in the table below:

Table B8: Utilisation of Gistext System

Total Logins	Total Hits	GIS Hits	Total Users	Year
260872	628484	9535	547	2011
34426	102623	9768	332	2010

Figure B19: GISTEXT user groups:



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

- Aerial Photography (2001, 2006 & 2008, 2009, Spot 5 2010)
- Cadastral Boundaries (Erven& Farms)
- Road Centerlines
- Clinics, Halls & Libraries
- Ward boundaries
- Settlements
- Suburbs
- Zoning
- Land Use
- Services
- Street Addresses

2.6.3 Main Challenges

GIS comprises 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 Processes.

a) Data

The main issues regarding data are:

- Duplication and non-standardized data formats throughout the organization.
- Not integrated or centralised in one place to support informed service delivery decision making.

The main strategy surrounding data is to identify data champions or custodians per dataset that will own, market and maintain these datasets. These champions will form part of a **technical spatial information committee**.

b) Hardware

The key hardware challenges effecting GIS is:

- Network reliability which impacts on up time and accessibility of the corporate GIS.
- Capacity within ICT and GIS is low

Hardware and bandwidth is not only affecting GIS and the strategies. GIS, ICT and Knowledge Management need to engage **management** collectively to address their shared staff capacity and hardware challenges.

c) Software:

The key challenges related to Software within the organization are:

- Information Systems are not integrated or centralised and many stand-alone Information systems exist.
- Many of these systems have reference to spatial data but accessing this information is difficult and time consuming.
- Enterprise licence for GIS software exists to provide an Enterprise GIS (ESRI) but the software is not utilized by all departments to maintain, analyse, and disseminate spatial information.

The main strategy relating to Software is to forge a better working relationship between the GIS Unit and ICT department. New systems that are developed need to adhere to the existing GIS Standards to ensure that the data can be easily integrated and managed.

d) People and human capacity:

The existing GIS unit comprises of 2 staff members which need to ensure that all the components of the corporate GIS are fully functional and maintained.

GIS Staff throughout the organization is limited and the overall awareness of GIS in BCM is low. Currently due the shortage of GIS Specialized staff in the GIS unit, users cannot be trained to use the internal GIS Services.

e) Processes:

GIS is not embedded into the core business process within the municipality. Critical business process needs to be identified and adopted by the Council. One of the key processes throughout the organization is the property value chain which connects most departments within the municipal environment.

3. KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

This section has a mandate to run the day-to-day “traditional” municipal services. These mainly contribute to local government key performance areas such as basic service delivery and infrastructure development, local economic development, municipal financial viability and management as well as municipal transformation and organisational development. This section deals with the following:

- Spatial Planning and Development
- Housing;
- Roads and Stormwater Management
- Water & Sanitation;
- Electricity;
- Transportation;
- Solid Waste Management;
- Health Services;
- Public Safety;
- Community Amenities;
- Parks, Cemeteries and Crematoria;
- Disaster Management;
- Environmental Sustainability; and
- Townships Regeneration

3.1 Spatial Planning and Development

3.1.1 Historical patterns of development

Buffalo City has historically been characterised by social segregation and spatial fragmentation, with consequent inefficiencies in the functioning of the built environment. After agricultural land uses in BCMM the largest urban/rural land use is land used for residential purposes (See table below). Urban residential densities according the table below are 15 dwelling units per hectare, which are fairly typical South African cities. Land for public funded housing is the largest type of land use in demand followed by demand for land for private residential developments and land for office and retail purposes.

The settlement pattern in BCMM is largely the result of two factors: -

- *Topography (the land form)*
- *History (how the land was occupied and used)*
 - Rural settlement
 - Colonial settlement
 - Urbanisation shaped by land-form

Table B8: Urban and Rural Land Use Coverage

LAND COVER DESCRIPTION	HECTARES	% OF TOTAL AREA
Barren Rock	995.39	0.40
Cultivated : Permanent – Commercial Dryland	2 525.76	1.01
Cultivated : Temporary – Commercial Dryland	4 849.47	1.93
Cultivated : Temporary – Commercial Irrigated	313.19	1.93
Cultivated : Temporary – Semi-commercial / Subsistence Dryland	13 727.39	5.47
Degraded : Thicket & Bushland (etc.)	1 055.54	0.42
Degraded : Unimproved Grassland	24 775.08	9.87
Dongas & sheet erosion scars	32.77	0.01
Forest	7 866.20	3.13
Forest Plantations	5 371.24	2.14
Improved Grassland	1 619.01	0.65
Mines & quarries	192.03	0.08
Thicket & bushland (etc.)	103 541.71	41.26
Unimproved Grassland	62 198.05	24.79
Urban / Built-up Land : Commercial	706.08	0.28
Urban / Built-up Land : Industrial / Transport	1 744.02	0.69
Urban / Built-up Land : Residential	16 677.57	6.65
Urban / Built-up Land : Residential (Small Holdings ; Bushland)	606.39	0.24
Urban / Built-up Land : Residential (Small Holdings ; Woodland)	26.24	0.01
Water bodies	2 114.92	0.84
Wetlands	3.74	0.00
TOTAL	250 941.76	100.00

Note: There are 19,127 ha of Urban Land in BCM.

3.1.2 Current Status

In terms of Section 26(e) of the Municipal Systems Act (Act No. 32 of 2000), the Spatial Development Framework is a legally required component of the Municipality's IDP.

Buffalo City's **Spatial Development Framework (SDF)**, is the Spatial depiction of BCMM's development vision; sectoral objectives and strategies identified in the Integrated Development Plan (IDP).

The first SDF was approved in 2003 and incorporated a number of spatial frameworks and policies. Subsequent to the approval of the SDF in 2003 a series of **Local Spatial Development Frameworks (LSDF)** were undertaken. LSDF's support the SDF and provide a more detailed spatial plan of specific localities. Since the approval of the BCM SDF in 2003 the spatial policy has been completed and approved as part of the SDF.

The SDF currently incorporates the following spatial policy:

a) Rural spatial plans

- (i) **Newlands Development Plan** (1996) contains proposals for rural development.
- (ii) **Nahoon Valley Framework Plan** (1998) contains proposals for rural development and conservation areas.
- (iii) **Amatole District Land Reform & Settlement Plan** (2000) contains wide reaching proposals for relating to rural development strategy and identified a number of key focal areas in the rural areas requiring further detailed zone plans.
- (iv) **Yellowwoods – Kei Road Land Reform Zone Plan** (2001) The first zone plan of the Land Reform and Settlement Plan and contains proposals for rural development and agricultural areas.
- (v) **Needs Camp Zone 3 Land Reform Zone Plan** (2002) The second zone plan of the Land Reform and Settlement Plan and contains proposals for rural development and agricultural areas.
- (vi) **Fort Jackson to Berlin Framework Plan** (2003) A zone plan of the Land Reform and Settlement Plan and contains proposals for rural development and agricultural areas.
- (vii) **West Bank LSDF** (2004) which contains proposals for the large rural component including an area identified as a zone plan. It also contains proposals for the various coastal villages.
- (viii) **Mount Coke Mount Coke LSDF** (2008) which contains proposals for the large rural agricultural component as well as the various rural villages.
- (ix) **Urban Edge Policy Framework** (2008) Due to increasing pressure to develop outside the “urban edge”, on the urban fringe and in rural areas Council has approved the Urban Edge Framework which will provide clear guidance to prospective developers as to what can be developed in rural areas i.e. outside the Urban Edge so that efforts to densify the urban areas are not diluted.
- (x) **Kwelera LSDF (scheduled to be approved 2012)** contains proposals to regulate future urban development in this area as well as guidelines to deal with the issue of farm worker accommodation.

b) Urban spatial plans

- (xi) **CBD and Sleeper Site Urban Design Framework** (1998) Spatial proposals for the Transnet land known as the sleeper site as well as the East London CBD.
- (xii) **MELD Corridor Plan** (1999) A spatial plan for the development of the Corridor between East London and Mdantsane in order to integrate the two communities
- (xiii) **Buffalo Flats Land Development Objective** (2001) A spatial plan with proposals for the upgrading and development of the area..
- (xiv) **King William’s Town Comprehensive Urban Plan (CUP)** (2000) Contains a spatial plan with proposals for the upgrading and development of the area.
- (xv) **Vincent Berea LSDF** (2004) a nodal plan which contains proposals for the management of expansion of the commercial activities and consequent traffic flows in the area ;
- (xvi) **Mount Ruth Nodal Framework Plan** (2005) a nodal plan which provides a framework for the development of the node around the Mount Ruth station;
- (xvii) **Quenera LSDF** (2005) a framework plan for the largely undeveloped area between Beacon Bay and Gonubie that is planned to become an integrated human settlement area.
- (xviii) **Bonza Bay Road** (2008) which contains proposals for the management of expansion of the commercial activities and consequent traffic flows in the area,
- (xix) **Vincent Berea LSDF Amendment** (2008) which contains an amendment to the initial proposals for the management of expansion of the commercial activities and consequent traffic flows in the Vincent Berea area,
- (xx) **Duncan Village LSDF** (2009) which contains development proposals for housing and other facilities to enable the eradication of all informal structures in Duncan village.
- (xxi) **Beach Front LSDF** (2010) which contains proposals for the revitalisation of the East London Central Beach Front.
- (xxii) **Gonubie Main Road LSDF** – This plan contains proposals for the management of expansion of the commercial activities and consequent traffic flows in the area,

The following Spatial planning policy is nearing completion:

Bhisho - KWT LSDF – This LSDF will update the comprehensive Urban Plan done in 2000 and focus on linking Bhisho with KWT. It will also cover the urban areas of Dimbaza, Ilitha, Zwelitsha, Phakamisa and Breidbach.

Mdantsane LSDF – This LSDF will update the existing Framework Plan. 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).

BCMM SDF Review. This plan is an update of the current BCM SDF

The following spatial planning policy is underway for the FY2012/2013

Vincent Berea LSDF Review. This project is an update of the current Vincent Berea LSDF

3.1.3 Challenges

The main **challenges** or issues relating to spatial planning are:

- Lack of implementation of Spatial Policy by Departments.

3.2 Land Use Management

Prior to the formation of Buffalo City Municipality (BCM) in 2000 there were a number of different Zoning Schemes within the Municipality such as EL-Beacon Bay-Gonubie, KWT, Bhisho, Breidbach, Ginsberg. The Land Use Management Bill was Gazetted on 20 July 2001 with one of the objectives to have a single Land Use Management System within 5 years for entire Municipality.

The former East London, Beacon Bay, Gonubie and Cape Provincial Areas were integrated into one Zoning Scheme in May 2008. The 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 the MEC for Local Government and Traditional Affairs on 24 March 2011. These areas include Mdantsane, Ilitha, Phakamisa and Dimbaza. Duncan Village was upgraded i.t.o. Land Use Planning Ordinance (LUPO) 15/1985 in 2010 now forms part of the BCM Zoning Scheme.

3.2.1 Current Status:

Land Use Management in BCMM is still administered by different legislation i.e. Land Use Planning Ordinance 15/85, Development Facilitation Act 67/95, Less Formal Township Establishment Act 113/91, Black Communities Development Act 4/84. In the former Ciskei areas the MEC for Local government and Traditional Affairs must still grant Land Use approvals as the Municipality does not have delegated authority to dispose of applications. In terms of the Land Use Planning Ordinance 15 of 1985 the Municipality has the authority to dispose of applications.

The draft Spatial Planning and Land Use Management Bill (SPLUMB) 2011 was work shopped by National Department May 2011. During November 2011 the EC Province published draft TOR for EC Provincial Planning Legislation and Regulations in accordance with SPLUMB. The objective is to repeal the plethora of planning legislation applicable to the Eastern Cape Province.

3.2.2 Challenges and Strategies:

Key challenges relate to:

- Lack of greater control over land use management to prevent the proliferation of illegal uses;
- Land developments that are not undertaken in accordance with an approved Layout Plan and/or Site Development Plan. After approval, only minor deviations from the applicable plan are to be permitted;
- Administration of Land Use Applications is complicated and confusing due to different legislation being applicable to different areas. The proposed Provincial Planning Legislation mentioned above will deal with this problem.
- Council does not have delegated authority to dispose of applications in certain areas, which must go the MEC for final approval resulting in delayed service delivery. The above non-delegation of powers results in unnecessary red tape.
- Unauthorised land uses are problematic due to staff constraints and lack of a dedicated unit to deal with such. It is intended that provision be made on the Metropolitan staff structure for such a unit.

3.2.3 Settlement Planning

The detailed planning required for undertaking settlement planning stems from the land parcels identified in the BCMM Spatial Development Framework and the various Local Spatial Development Frameworks prepared by the Forward Planning. Settlement Planning forms the foundation of the first phase in the housing delivery process. It is therefore paramount to undertake all broad based feasibility studies in the process of Township Establishment.

The focuses on the design of settlements for human habitation and includes the following:

Greenfields (i.e. the design and layout of new settlements) – land in central urban renewal corridor, Restructuring Zones, Community Rental Units, Quenera and West Bank development areas. The desired densities in these areas should be over 50 dwelling units per ha and would typically include social housing.

The following Greenfields Settlement Planning projects are completed or nearing completion:

- Potsdam Unit V (completed)
- Feasibility Study for Mzamomhle (completed)
- Feasibility Study for Amalinda Junction (completed)
- Township Establishment for Braelynn Ext 10 North (near completion)
- Township Establishment for East Bank Restitution (New project)
- Township Establishment in Cambridge West I & II (New project)
- Township Establishment in former N2 road Reserve in Haven Hills South (New project)
- Township Establishment in Ford Msimango I & II (New project)
- Land identification study for the settlements identified for full or partial relocation (New project)

Brownfields – (The re-design and subdivision or consolidation of existing settlements or development areas). Typical areas for brownfield or urban renewal type of development are located in the Quigney and Southernwood and Duncan Village. The desired densities in these areas should be over 50 dwelling units per ha and would typically include social housing.

The following Brownfield Settlement Planning projects are nearing completion:

- Township Establishment Duncan Village C-Section
- Township Establishment Duncan Village D-Hostel
- Township Establishment Duncan Village Proper
- Township Establishment for Mzamomhle Phase III (New project)

3.2.4 Current Status:

The Informal Settlement Upgrade Programme –

As part of its ongoing efforts to assist communities who reside in informal settlements within and on the fringes of the main urban settlements within Buffalo City, the Buffalo City Metropolitan Municipality (BCMM) has undertaken a study of such settlements over a period extending from September 2010 to November 2011.

For the purpose of the Informal Settlement Study was it necessary to define what is considered as an Informal Settlement i.e. :

Informal settlements are: -

- Areas where groups of housing units have been constructed on land that the occupants have no legal claim to, or occupy illegally;
- Unplanned settlements and areas where housing is not in compliance with current planning and building regulations (unauthorized housing).

BCMM's informal settlements have been categorised in order of type and priority of intervention (full relocation; partial relocation and partial in-situ upgrading; full in-situ upgrading). The recommendations from the Informal Settlement Study was approved by Council on 31 July 2012 (BCMC 232/12)

The following three categories were identified:

- Settlements recommended for FULL RELOCATION -approximately 12,982 informal structures, which would require relocation.
- Settlements recommended for PARTIAL RELOCATION AND PARTIAL IN-SITU UPGRADING -approximately 15,285 informal structures, which will be partially relocated or upgraded.
- Settlements recommended for FULL IN-SITU UPGRADING - approximately 2,592 informal structures, are suitable for full in-situ upgrading.

From the findings it must be noted that the regularisation of informal settlements in BCMM is a complex. It is important to note that each informal settlement has its own specific conditions which should be taken into account when any of the above mentioned processes (i.e. relocation or in-situ upgrading) is considered. For example, access to infrastructure, hazardous conditions (if applicable), land may not be owned by BCMM etc. Secondly, for all the settlements recommended for full and partial relocation, there is a huge implication for land identification and land acquisition.

The rate of formalization to produce housing units is complex, slow, capital intensive and cannot keep up with demand. Up until quite recently formalization was the only recognised route to follow in improving the living conditions of those living in informal settlements.

Informal settlements will be with us for many years as they are a fast and affordable way of providing shelter. But what do we do with informal settlements while they wait to be formalized in-situ or to be relocated to a formal development? They can remain as such for years, increasing in size through densification and expansion, making bad conditions worse. The term REGULARIZATION is used for the new approach to distinguish it from Formalization

The new approach recognizes that informal settlements need assistance while waiting for formalization which currently cannot keep up with demand

The National Upgrading Support Programme (NUSP)

The National Upgrading Support Programme (NUSP) technical assistance and capacity building support to provinces and municipalities is guided by the following objectives:

- Contributing to the achievement of the Outcome 8 Delivery Agreement targets
- Promoting incremental upgrading in line with the National Housing Code's aim to provide secure tenure, upgradeable basic services and build community empowerment
- Capacitating state and community structures to continue the development of sustainable human settlements

The provincial shares of the delivery target were determined from the proportional allocation formula of the Human Settlement Conditional Grant. In the case of the Eastern Cape Province, it is 14.86 % allocation and a target of 59400 informal settlement households.

The National Upgrading Support Programme (NUSP) has identified 7 municipalities in the Eastern Cape to participate in the programme. An Implementation Agreement between the Provincial Department of Human Settlements and the respective municipalities will be required.

The National Upgrading Support Programme (NUSP) has made an budgetary provision of around R2, 000,000 for technical assistance available for Buffalo City Metropolitan Municipality for the current national financial year. Broad budgetary provision for the outer two financial years has also been made available to the National Upgrading Support Programme.

The support programme will mainly focus on three types of support i.e.:

- Provision of Technical Support to municipalities – this will be a demand driven type of support
- Capacity Building Support – this support will be rolled-out by NUSP to all the participating municipalities with the focus on the following two types of capacity building e.g.
 - For all to understand the incremental upgrading of informal settlement approach
 - Due to the great variety of issues in the various municipalities is it necessary to focus capacity

building on specific types of municipalities, for example mining towns in the Free State, Coastal municipalities etc.

- Information dissemination

The NUSP in BCMM will focus on the following:

i) Preparation of upgrading plans for up to 10 informal settlements

The National Upgrading Support Programme proposes to supply technical assistance to produce comprehensive upgrading plans for up to more or less 10 informal settlements, to be identified by the BCMM and distributed across the metro region. The selected settlements should have solid community representative structures in place.

Upgrading plans - The plans will align to the Outcome 8 Delivery Agreement and Cabinet Lekgotla requirements, covering all or some of the following aspects, as required:

- Verification and updating of existing BCMM information on the settlement
- Basic socio-economic data
- Geotechnical, tenure and services assessment
- Legal assessment, including cadastral description of land
- Basic layout, urban design and yield assessment
- Plan, schedule and budget for introduction of services and support
- Settlement growth and management plan, including identified multi-sector interventions from other BCMM and government departments
- Activities to strengthen community organisation and assist in shelter provision

In line with the Cabinet Lekgotla decision (July 2011), plans should include arrangements for provision of secure tenure, engineering services, waste collection, social amenities, public open space, public transport, and electrification.

Socio-economic survey

The socio-economic data will be collected on a household basis, going deeper than the settlement level information collected in the BCMM Informal Settlements Study. Survey analysis will be conducted by the service provider, with the information presented to both the BCMM and participating communities. The findings of the survey will guide the necessary interventions at settlement level, and will be taken into account in BCMM planning processes. Households will be allocated a GPS coordinate.

Settlement growth and management

This aspect corresponds to the urban management plan component of the BCMM request, and covers:

- Level, type, frequency and operational costs of municipal services to be provided
- Management processes and responsibilities (including maintenance of an occupation register)
- Lines of communication and communication requirements between the BCMM and the community
- Actions for managing occupation within and expansion of the settlement

Roll-out

From the experience gained by working with technical support on the 10 selected settlements, BCMM will be responsible for extending the planning process to other areas in the municipality. It is anticipated that this include adoption of standard planning formats, participation processes, and a clear planning cycle.

ii) Informal Settlement Upgrading Policy and Strategy

The National Upgrading Support Programme proposes to supply technical assistance to support BCMM in developing a stronger informal settlement upgrading policy and strategy.

This policy and strategy will provide a coherent framework for current BCMM activities as it moves towards including incremental upgrading of informal settlements as a major part of its human settlements programme. The policy and strategy will also include institutional arrangements for coordinated planning and implementation across the metro.

3.2.5 Rural Spatial Development

Buffalo City Metropolitan Municipality comprise of both urban and rural settlements. Over the past years extensive research, planning and development has been undertaken within the urban fabric of the municipality. However, within the context of rural settlements there is not the same level of information or understanding of the needs of the various communities in terms of land, services and housing.

Buffalo City has systematically implemented most of the recommendations as contained in the Land Reform and Settlement Plan (LRSP), 2005 prepared by the Amathole District Municipality. However, the plan is more than ten years old and in certain areas new development has taken place with different socio-economic dynamics within the rural areas.

In order for the municipality to review its overall spatial development and more specific, to undertake settlement planning for the provision of basic services and housing, a new and more updated development plan for the rural areas is required. BCMM therefore embarked on the development of a comprehensive Rural Settlement Development Plan covering all rural settlements under its area of jurisdiction.

The main objectives of the study include the following:

- Controlling the haphazard growth and development, thus promoting optimal use and management of land in rural areas;
- Discouraging illegal occupation of land;
- Identification and protection of prime productive land in the rural areas;
- Identification of existing infrastructural and social services and where the gaps are;
- Define Rural Settlement Edge for the rural settlements.
- Align the study to the existing and new National, Provincial, District and BCMM programmes and projects.
- This project is Phase 1 of a three year programme which will ultimately result in township establishment within the rural context.

A synthesis of the findings from the situation analysis was undertaken to highlight the development Strengths, Weaknesses, Opportunities and Constraints of all rural settlements in BCMM. It was concluded with a municipal wide perspective of the key developmental issues in the rural areas.

Physical and Environmental Issues

- Improper sanitation and the possibility of leaching of human waste from informal settlements into water catchment areas.
- Pollution of water resources, especially Buffalo River.
- Encroachment of settlements on potential agricultural land e.g. Peelton areas.
- Rapid expansion of informal settlements along King Williams Town to Dimbaza as well as Tyutyu Village.
- Overstocking, overgrazing and land degradation
- Topographical and environmental constraints
- Broken and steep terrain
- Coastal environmental sensitive areas
- Natural endowments

Social and Engineering Infrastructure

- Poor conditions of access roads linking the rural settlements.
- Lack of public transport services to cater for the needs of the communities in most of the rural settlements.
- All the internal roads within the settlements are in very poor condition and require urgent attention.
- No proper sanitation facilities in most of the rural settlements.
- Illegal connection of water and electricity.
- No basic services in most of the new extensions (e.g. Hanover, Mabeleni).
- Inadequate social facilities, e.g. community halls, health, schools, etc. in the study area.
- Inadequate agricultural infrastructure in most of the rural settlements (fencing, dipping tanks, stock dams, etc.)

Land and Housing

- Insecurity of tenure – Communal ownership.
- No land use management system operates in these rural areas.
- Difficulty in accessing land for development in rural areas.
- Difficulty in the identification of planned and surveyed rural settlements in BCMM
- No significant changes in the settlement growth and edges between 2002 and 2008

3.2.6 Challenges:

The following are the key **challenges** for Settlement Planning and Rural Spatial Development:

- The lack of enforcement of the Land Management Policy in regard to informal settlement growth and management.
- The monitoring and management of unsuitable land to prevent re-invasion once an informal settlements has been relocated.
- Not all informal settlements will be suitable for in-situ upgrading and formalisation.
- The relocation of informal settlements will require suitable and serviceable land for development closer to the city (Densification vs. Urban sprawl)
- The identification and acquisition of land for relocation of informal settlements
- Funding resources to implement the incremental in-situ upgrading programme
- Infrastructure capacity and funding to support the informal settlement upgrading programme.
- The improvement of the quality of life of the people residing in informal settlements.
- Health and environmental problems linked to the absence of proper services in settlements can affect a whole city. Problems of inadequate water supply, sanitation, solid waste disposal, and storm water drainage, affect the urban poor first, but also create negative spillovers beyond their boundaries. These include deteriorating water quality and the spread of disease. Accordingly, a key upgrading policy imperative is to provide a healthy and secure living environment.

3.3 Valuations

The main strategic objective of the Valuations division is to produce a Valuation Roll for the Buffalo City Metropolitan Municipality in order for the municipality to be able to levy and collect rates income from property values. Rates income is a major revenue source of own income in the municipal budget. Property values are determined on the market value of individual properties.

A municipality must in terms of the Local Government: Municipal Property Rates Act 6 of 2004 (MPRA) conduct a general valuation of all properties within its jurisdiction in order to compile a Valuation Roll. A Valuation Roll remains valid for a maximum period of four financial years (period of validity) subsequent to the valuation roll taking effect. Buffalo City Municipality conducted a general valuation of all properties within its boundaries in 2008 with an effective date of 2 July 2009. As a result thereof, the next valuation date for Buffalo City Metropolitan Municipality (BCMM) should have been 1 July 2012 with an effective date of 1 July 2013.

Due to unforeseen circumstances, the municipality in terms of Section 32(2)(b) of the MPRA requested the MEC for Local Government to extend validity of the valuation roll by one year to five years. As a result thereof, the next valuation date for BCMM will be 1 July 2013 with an effective date of 1 July 2014, the implementation date.

The municipality has, to date, performed four Supplementary Valuations (SV's) of which the fourth SV (SV04) was the main. The total number of properties valued during **SV04** is **2837** properties and the total overall Market Value is **R4.26 Billion**. (**NB**: This is not a Rateable Value). During the 09/10 Financial Year, the Total Market Value of properties stood at **R63.74 Billion**

3.3.1 Challenges

The following are the main challenges encountered by valuations:

- **Budgetary Constraints:** This is a serious and potential impediment to the project and can potentially threaten the success and implementation of the envisaged General Valuation 2013 project. This could lead to denying the municipality an opportunity to levy rates in the ensuing years as it would be illegal to levy rates without having followed the necessary statutory requirements. It is projected that the budget requirements for the general valuation project are in the order of **R46Million** inclusive of the three outer years of the project.
- **Staff Capacity:** is a serious concern and calls for the crafting of Retention Strategies e.g. implementation of the Scarce Skills Allowance. A trend has been observed whereby trained Candidate Valuers sooner leave immediately they receive their qualifications. This is at great loss and cost to the municipality as time to train an individual takes not less than five years.
- **Secondment:** of the appointed multi-departmental Project Team to the General Valuation 2013 project is crucial and should be considered. The Project Team has been involved in the compilation of the general valuation 2013 specifications.

3.4 Survey Services

Land surveying or the modern name Geomatics consists of the following activities: (1) Engineering Surveying, (2) Cadastral Surveying, (3) Aerial and Satellite Surveying, (4) Cartography, (5) Hydrographic Surveying, (6) Mine Surveying, (7) Geodetic Surveying.

The first 2 functions are done partly in-house and partly outsourced. The third function is completely outsourced and the rest are not undertaken by BCMM at all.

The most important of the above is Cadastral Surveying which entails the surveying of land parcels and the subsequent framing of Diagrams and General Plans which, with the Conveyancer's Deed forms the Title Deed which provides the security of tenure for land ownership in South Africa.

(i) Legislative Framework

Cadastral Surveying is impacted by about 50 pieces of legislation and hundreds of decided court cases affecting the issues surrounding the subdivision and ownership of land. Some of the main pieces of legislation are the: *Alienation of Land Act 68 of 1981; Deeds Registries Act 47 of 1937; Expropriation Act 63 of 1975; Land Survey Act 8 of 1997; Less Formal Township Establishment Act 113 of 1991; Sectional Titles Act 95 of 1986; Subdivision of Agricultural Land - Act 70 of 1970; Upgrading of Land Tenure Rights Act 112 of 1991;* etc.

(ii) Survey Functions

The following services are provided to other divisions in BCMM: (1) Issuing of maps and digital data; (2) Ward mapping; (3) Sourcing Aerial and satellite imagery; (4) Relocation and replacement of beacons; (5) Subdivisions, consolidation, servitude and lease surveys; (6) Township surveys; (7) Engineering and topographical surveys; (8) Examining building plans and land admin and city planning circulations; (9) Upgrading of townships in terms of the Land Tenure Rights Act No. 112 of 1991; (10) Encroachment surveys.

Projects totalling 7000 erven are in the pipeline to be surveyed.

3.4.1 Challenges

- The ICT network has not grown at the same pace as the municipality resulting in a system being prone to breakdowns, bottlenecks and a general slowdown in the service over the past few years. The Survey Division is heavily dependent on the ICT system and any improvements in the ICT system will have a beneficial impact on the Survey Division's activities.
- Funding shortfall for various projects. Funds are required for the following: (a) For conveyancing to transfer the individual erven situated in the Yellowwoods settlements to the relevant beneficiaries; (b) To survey the commercial properties with long-term leases since any non-payment by lessees cannot be legally enforced; (c) To survey the Amalinda Forest Co-operative Scheme; (d) For the Mdantsane boundary rectification project.

3.5 Building Control / Plans

Building Plans are processed and approved by the building control branch which falls under the Architecture Division. Approval of building plans is a requirement in terms of the National Building Regulations, nobody can build or alter a house or building or any structure that is classified as a building in terms of the building regulations without submitting a proposed plan for approval to the relevant Municipality.

(i) Status

The turnaround period of building plans is on average 21 days when plan has been submitted. The turnaround period needs to be scaled down to 14 days, and in order to achieve this, a new system that will link all the relevant Departments involved in the approval of building plans needs to be sourced. This will assist in tracking the movement of files and also the system will have a function whereby one can flag a file, i.e set a date on which one is expecting back the file.

(ii) Challenges

In order to achieve the proposed turnaround period and acquire the said system, funds will have to be provided.

3.6 Land Administration

Land Administration is responsible for managing the Municipality's property portfolio. Land Administration contributes towards revenue generation for the Municipality by selling and leasing of Municipal properties i.e. land and buildings. Land Administration acquires land for Municipal related activities inter alia Housing, Halls, Cemetery, etc.

Key pieces of legislation which inform and guide land administration include the South African Constitution of 1996, Upgrading of Land Tenure Rights Act of 1991, The Land Reform (Labour Tenants) Act 3 of 1996, The Interim Protection of Informal Land Rights Act 31 of 1996, Communal Land Rights Act 11 of 2004, The Extension of Security of Tenure Act 62 of 1997, Alienation of Land Act 68 of 1981, Deeds Registry Act 47 of 1937, Expropriation Act 63 of 1973, Less Formal Township Establishment Act 113 of 1991, and the Municipal Finance Management Act 56 of 2003.

3.6.1 Functions

(a) Land Reform

This programme is made up of the following principal sub programmes: Land Redistribution, Land Restitution and Land Tenure, Land Tenure Reform.

Land redistribution makes it possible for poor and disadvantaged people to buy land with the help of a settlement /land acquisition grant. Land restitution involves returning land or compensating victims for land rights lost because of 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, help resolve tenure disputes and make awards to provide people with secure tenure.

(b) Land Tenure

Its purpose is to make existing land rights, i.e. site permits, residential permits, lodgers permits, certificates of occupation, permission to occupy more secure. This aspect of land reform finds its authority in Section 25(6) of 1996 Constitution.

The Land Tenure Reform has been implemented in Buffalo City Municipal areas such as Mdantsane (Midland) and Duncan Village (coastal). The following areas i.e. Ilitha, Zwelitsha, Phakamisa and Dimbaza are not as yet upgraded.

(c) 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.

The programme aims to assist the poor, labour tenants, Farm workers, woman, as well as emergent farmers. Redistributive land reform will be largely based on willing-buyer willing-Seller arrangements.

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

(d) 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 price, 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 and 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 East Bank, West Bank and Macleantown.

East Bank(Coastal)

City Planning has identified land for East Bank Restitution Project. The identified Erven are 1829, 1830, 2388, 2389, 2392 and portion of erven 1128, 2390, 2396 & 2413 Amalinda, East London. Complan has been appointed and a report on land suitability is awaited. Land Claims Commission will purchase parcels of land from private owners. A report has been sent to Council requesting the Donation of the properties to the East Bank Claimants.

West Bank (Coastal)

West Bank Township has been registered. West Restitution Company is still sorting the beneficiary list. Individual titles will be issued to beneficiaries as soon as the matter is sorted. There are currently 124 Informal Dwellers who are settled on the West Restitution Township land but are willing to be relocated as soon as alternative arrangement is provided. West Restitution Company has in the meantime instructed Attorney Tshiki to seek a court order for the removal of the Informal Dwellers. Portion of Erf 922 has been surveyed. We are currently awaiting Valuation Report whereafter we shall be in a position to negotiate with the current owner.

Macleantown (Inland)

The General Plan is in place and the township register has not yet been opened.

3.6.2 Challenges

- Land Acquisition
- State Land Release process is lengthy and very cumbersome
- Lack of capital and human resource to enforce Land Management Policy
- Land Invasion and Encroachments
 - Mushrooming of informal settlements causes a threat to the Municipality and the realization of millennium development goal of shack free South Africa by 2014.

3.7 HOUSING

3.7.1 The nature and distribution of housing need in the Metro Area

In terms of the Housing Act of 1997 and also with reference to the housing accreditation framework, the Municipality undertakes to set housing delivery goals, identify and designate land for housing development, initiate, co-ordinate facilitate, promote and enable appropriate housing development. As part of the IDP take steps to ensure that the inhabitants of its area have access to adequate housing on a progressive basis and conditions not conducive to health and safety are removed. Provision of services such water, sanitation, electricity, roads, storm water drainage, transport; bulk infrastructure will be critical in contributing to outcome 8 and its outputs.

In terms of section 83 of Local Government: Municipal System Act, (Act 32 of 2000) and The Housing Act (No. 107 of 1997) a Housing Sector Plan (HSP) has been compiled and approved for the period 2008 – 2012. HSP is intended to be guiding document that will help the municipality achieve the objective of providing sustainable human settlement for its residents.

As a contribution to the HSP, the City is in a process of developing an Integrated Sustainable Human Settlement Plan (ISHSP) that would define what is required to unlock housing delivery in a particular area of BCMM & what other social, infrastructural services would be required to do so in a holistic and integrated way. ISHSP will be part of the sector plan of the IDP and would not be seen as a stand-alone Strategic Development Plan. A housing allocation and relocation policy is being processed by Council structures towards final adoption.

The metro has consistently experienced high rates of all types of migration including inward and outward migration. The plans and implications for migration patterns should, amongst others, include the following:

- The creation of affordable and well-located rental stock for rapidly growing, mobile (migrant) and urban population within inner city and other locations close to economic opportunities.
- The need to initiate a comprehensive study into migration patterns in and out of Buffalo City, to the growth of our urban space and efficient housing provision to meet the trends.

The major vexing challenge for the Metro has been **shortage of well-located and affordable land for housing provision**. Land that is available is somewhat far from the urban core further pushes our citizens to the periphery. The above will lead to a situation where parcels of land available for acquisition will be far away from economic opportunities.

This will result as we have seen with previous low cost housing delivery, in a perpetuation of social and racial segregation and the marginalisation of low-income households, which is not in compliance with the BNG and DFA principles.

Another challenge for the Metro has been a lack of a coherent strategy for land acquisition apart from the fact that public land is 'vested' in the State. Additionally, there is simple no land available for housing development in the Metro, thus a need for land acquisition.

In response to this challenge, in 2012/13 financial year, the Metro has signed a protocol agreement with HDA for land release and acquisition

Land release is further hampered by the various pieces of legislation and the legal procedures related to the alienation of land, the difficulties in accessing state owned land and the constitutional imperatives impacting on the acquisition of private land.

Accordingly the Metro would require numbers of hectares of land to meet its housing need. Further, the land that we need has to meet the following requirements:

- It must be a minimum of 5 hectares,
- be close to areas of economic activity,
- must offer employment opportunities and social amenities, and
- provide access to bulk services, such as electricity, water and sewerage.

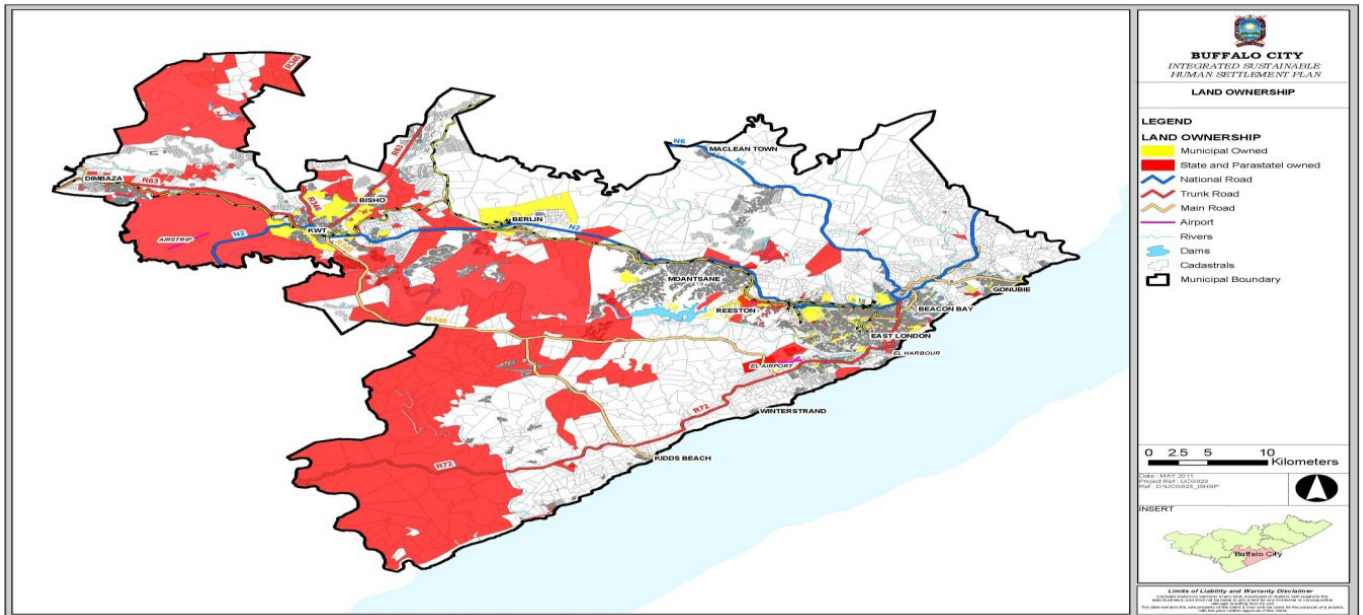


Table B9: BCMM Housing Statistics 2012/13

AREA	POPULATION	POPULATION DISTRIBUTION	GENDER		HOUSEHOLDS	DENSITY
			MALE	FEMALE		
Eastern Cape	6 562 053	25.71%	3 089 701 (47.1)	3 472 353 (52.9)	1 687 385	38
BCMM	755 200	11%	358 557 (47.5)	396 644 (52.5)	223 568	400

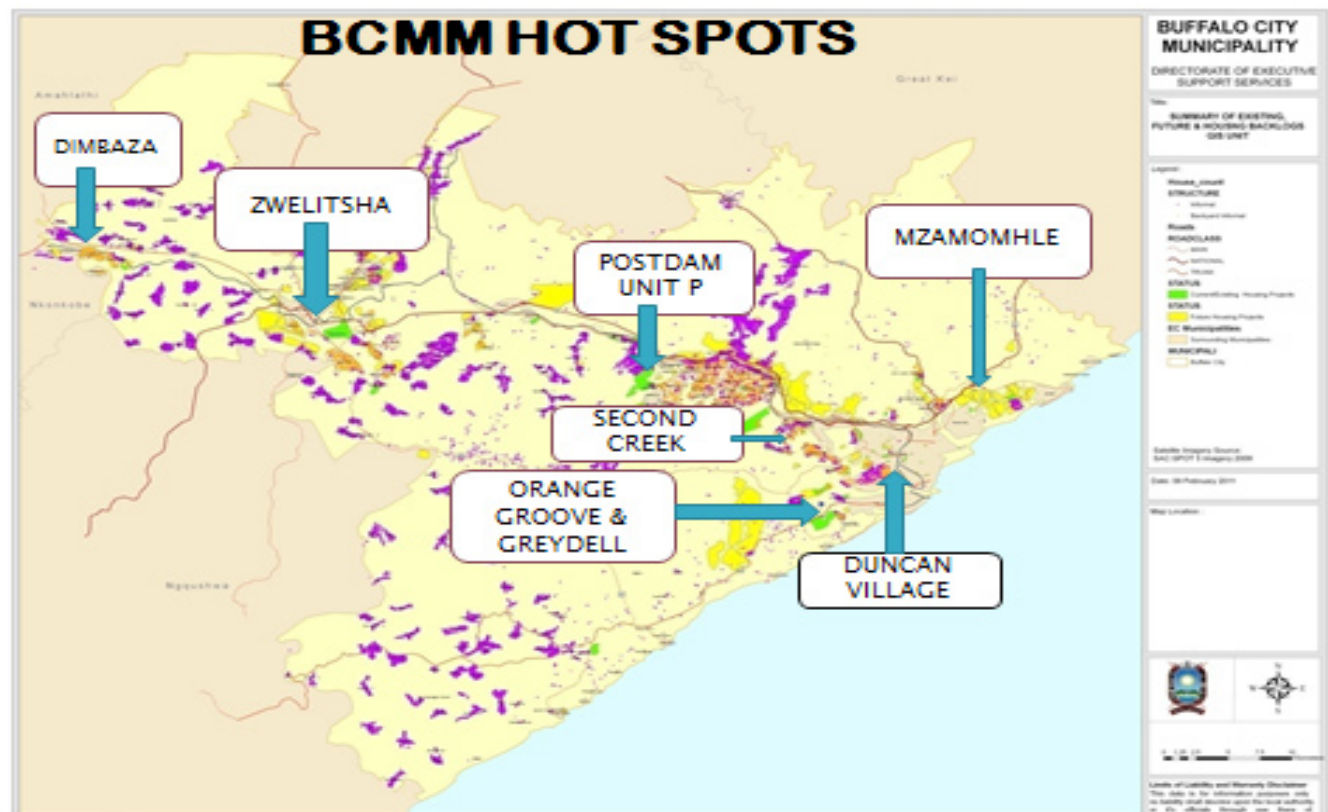
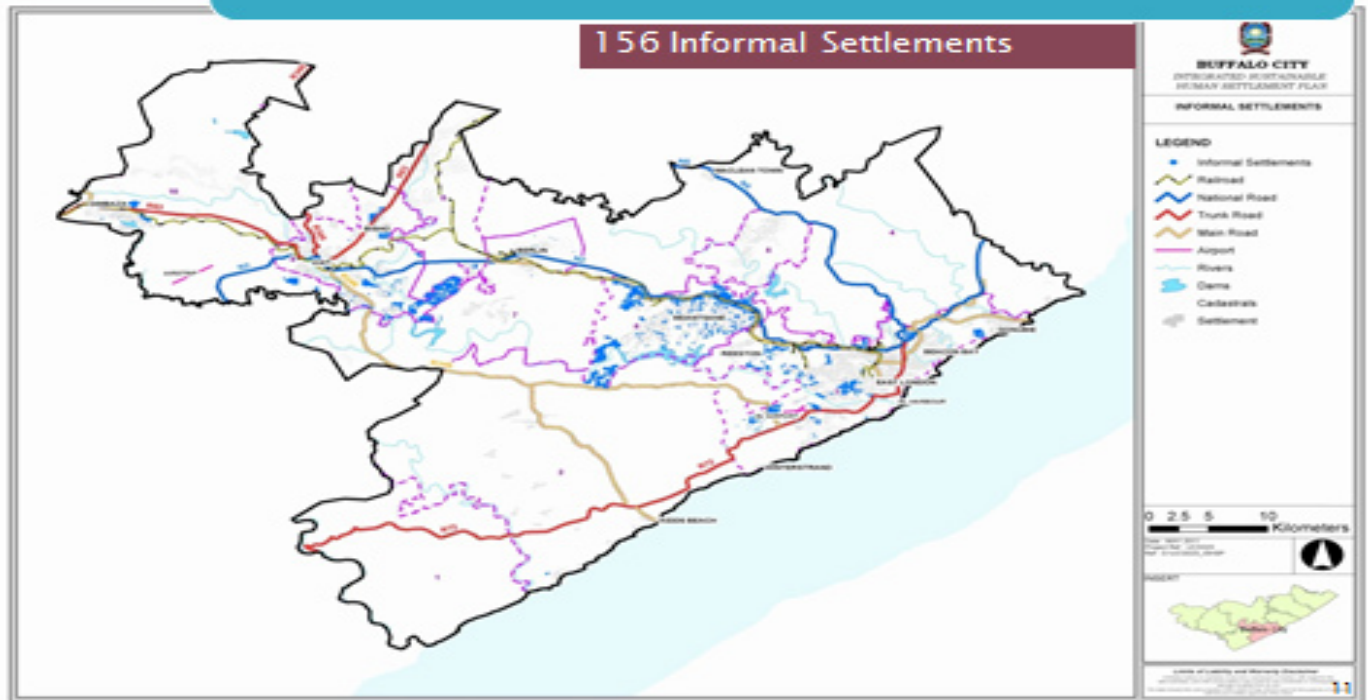
The difference in the ration might be attributed to high outward mobility of the male population to other areas with work opportunities in the country. In terms of age distribution of the population, there is relatively high youth component of the population with 37.3%, between ages of 15 - 35. The above suggests that housing provision and social and economic development initiatives targeted at the youth should be an important consideration for integrated sustainable human settlements.

Rapid expansion is needed by labour and housing markets to accommodate the above category of the population between now and 2014. The Gini-Coefficient amongst the BCMM population indicates low to high levels of economic activity amongst different age groups and gender groupings. These people including indigent, disabled, youth and women, qualify for subsidy programmes such as project linked, consolidation subsidies, individual subsidies, rural subsidies, as well as grants for informal settlement upgrading and emergency housing assistance programmes.

Other relevant statistics

- Buffalo City Metro accounts for 50% of all the informal dwellings in the Province and followed by Nelson Mandela Metro (30%).
- 156 informal settlements within BCMM urban areas.
- 40,000 free standing informal dwellings in urban area.
- Housing Sector Plan records a total housing need of 121,000 units.
- 75,000 units including all levels of income and housing types.
- 46,000 units in rural areas comprising of 230 rural settlements.
- The Municipality also acts as developer by undertaking the implementation of low cost housing projects.

Informal Settlements



The municipality is currently involved in the following priority housing programmes:

- 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; and
- Consumer education.
- Beneficiary Administration

3.7.2 Public funded housing (BNG Housing).

A trend analysis undertaken by the Buffalo City Integrated Sustainable Human Settlement Plan indicates that the most significant demand for housing in terms of weight of numbers falls in the low income sector that is the sector most probably depends on public housing assessment to be able to gain access to formal housing.

The objective of BCMM is to accommodate all residents residing in informal settlements into formal housing through an incremental process.

This will result in those currently receiving a sub-economic RDP level of services, receiving full level of RDP or higher level of services.

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 land acquisition, state land transfer water/sanitation services provision (extent of infrastructure required to support such development) and the sustainability of the Municipality to maintain such services (most beneficiaries of the housing programme will more than likely not be able to afford the higher levels of service).

In the 2011/2012 financial year various housing projects were implemented within the City **by the Municipality and the Provincial Department of Human Settlements**. These projects are located within East London, Reeston, Duncan Village, Mdantsane / Potsdam, King William's Town and rural areas.

In terms of low cost housing developments undertaken by the Municipality, it was anticipated that approximately 680 low cost units (BNG Units) in various related projects within the City will be built by BCMM, at the end of the 4th Quarter however 833 low cost houses (BNG Units) have been handed over by BCMM.

BCMM as well as the PDoHS delivered low cost housing (BNG Units) in the following areas such as Ilitha South (BCMM), Tyutyu Phase 1 & 2 (BCMM), Dimbaza Wooden Houses (BCMM), Tshabo (PDoHS), Cambridge (PDoHS), Sweet Waters (PDoHS) and Potsdam Unit P (BCMM).

Currently 1670 sites are at excavation level; 1377 at roof level and 1327 sites are practically completed but not handed over as yet. This should be done in the 2012 / 2013 Financial Year.

The delays in proceeding with projects and handing over of practical completed units were mainly attributed to:

- Completion of minor technical remedial works;
- Illegal occupation of the units / sites approved to beneficiaries;
- Finalisation of Environmental Impact Assessment (EIA's);
- Delays with procurement as well as delays with the infrastructure designs;
- Appointed Consultant being liquidated;
- Unapproved beneficiaries;
- No subsidy agreement has been concluded between the PDoHS and BCMM on the top structure funding for various projects;
- Challenges of poor performance by the contractor due to labour disputes;
- Contracts being challenged by non-successful bidders;

It must be noted that all new low cost housing projects will follow a clustered approach with projects of similar scale / numbers and location grouped and tendered as one collective project.

Service Providers (professional teams) have been appointed to undertake Engineering Designs, Survey for the 3 Clusters being Mdantsane (consisting of 2 Clusters) and East London (1 Cluster).

3.7.3 Privately 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 developments.

Areas where new residential developments were targeted in the early-mid 2000's included Beacon Bay, Abbotsford/Nahoon Valley and Amalinda. The demand for town house developments largely occurred in the Quenera area.

The Quenera is a largely unserved 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. Due to the urgency and priority of the infrastructure needs of two of the City's major urban renewal areas, namely Duncan Village and Mdantsane, the current Built Environment Performance Plan focuses mainly thereon.

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. The identification of land in the Metro is deemed as an important tool to remedy the spatial ills of the past. To that end the SDF in 2003 started identifying sufficient land as centrally located as possible, while the Provisional Restructuring Zones were declared in 2007 to density the urban core.

The Housing Mandate is to have an approved Integrated Sustainable Human Settlement Plan, Housing Sector Plan, single Housing Needs Register with a Housing Allocation & Relocation Policy in order to deliver or facilitate the delivery of proper and quality houses with basic level of services to all Buffalo City Metropolitan Municipality (BCMM) citizens especially the poor and those with special needs.

3.7.4 Improving the quality of household life

Governments Mandate

The Government has agreed on 12 outcomes as a key focus of work and delivery between 2011 and 2014. In this regard Outcome 8 focuses on the development of human settlements and the achievement of the outcomes of: **Sustainable Human Settlements and Improved Quality of Household Life.**

OUTCOME 8 OUTPUTS

- **Output 1:** Accelerated delivery of housing opportunities
- **Output 2:** Access to basic services
- **Output 3:** Release of well-located land and properties owned and held by the state
- **Output 4:** Improved Property Market (No target set)

Eastern Cape Provincial Targets for output 1:

Upgrade 59,440 households in well located informal settlements with access to basic services and secure tenure. Development of 11,888 rental housing units on well-located land.

Buffalo City Metropolitan Municipality Targets:

BCMM is anticipating delivering 4394 housing units and 5570 internal services for the next 3 financial years i.e. 2012 to 2015

(i) Housing Sector Plan (HSP)

The BCMM HSP has been reviewed and revised in accordance with the prescripts of the Blue Book for Municipal Housing Planning and the related National Treasury Planning dispensation. The work was undertaken by service providers on appointment by the Provincial Department of Human Settlements (PDoHS).

The methodology used to review the HSP consisted of the review of the current ISHSP, IDP, HSP, SDF and other relevant chapters of the IDP and sector plans. In addition to this, a desktop analysis was undertaken to attempt to better understand the demand for housing. A supply side study included primary level survey and collection of data related to land and land packaging, infrastructure planning and availability, organisation capacity and projects (including planned, current and blocked projects).

Lastly, the HSP included an integration component to establish cross cutting issues and related planning and infrastructure availability especially as it relates to health, education, roads and transportation, social and recreational and safety facilities.

The results of all these studies were used in the production of a situation analysis report which was utilised to inform the development of the HSP. The HSP consist of strategic goals and priorities for the Municipality which are detailed into programmes over a 5-year horizon. The BCMM HSP review document is in Final Draft format and is awaiting Buffalo City Council endorsement, following which it will be presented to the MEC for Human Settlement for adoption and actioning.

To be submitted to BCMM Council for approval after completion of the organogram in 2012 / 2013 financial year.

(ii) Integrated Sustainable Human Settlement Plan (ISHSP)

The ISHSP aims 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.”***

The ISHSP is located in a planning context where the BCMM has a range of Sector Plans all seeking to address specific aspects of the creation and management of a sustainable environment for human habitation. These include (but are not limited to): -

- The City Development Strategy
- The BCMM LED Strategy (2008)
- Key Infrastructure Master Plans – the Water Master Plan, the Sanitation Master Plan and the Electricity Master Plan
- The Housing Sector Plan
- The BCMM SDF
- The BCMM Integrated Transport Plan
- The BCMM Solid Waste Management Plan
- The BCMM IDP

Within the context of the above “framework” of Plans addressing key elements of sustainability in the sense of that term as employed for the purposes of the ISHSP, the primary purpose of the ISHSP is understood to be to provide an overarching linkage and a set of programmatic activities linked to the housing sector (as lead sector) to achieve the following broadly defined outcomes: -

- Dealing in a programmed manner with informal settlements in the urban areas of BCMM;
- Facilitating a process whereby appropriately developed Rental Stock is made available to meet the needs of mobile users who may be in the city exploring livelihood options but who retain the need for flexibility to respond to a change in their livelihood requirements;
- Ensuring that new housing developments are better located so as to achieve the consolidation of the existing urban form in BCMM wherever possible;
- Striving to ensure that new housing developments in identified strategic urban localities are developed at higher densities.
- Ensuring that residents in all settlements live in safe and healthy environments and have an adequate level of access to:
 - Key [basic] infrastructure such as water and sanitation services, roads and stormwater and electricity;
 - Social facilities and amenities;
 - Business and other services;
 - Economic opportunities; and/or
 - Viable transportation options to enable access to such goods and services.

The ISHSP also recognises that for sustainable human settlements to be possible, the facilitating and managing role to be played by the public sector at the Local, Provincial and National spheres of governance is crucial. Without adequate and properly focused institutions collaborating with each other and with civil society in general towards the achievement of a common goal or set of goals, the possibility of attaining sustainability is limited and human settlements are likely to degenerate in quality over time.

Currently, the work done towards finalizing the ISHSP has formed the foundation of BCMM’s Built Environment Performance Plan (BEPP). The ISHSP itself has put forward a framework of 8 Programmes for consideration. These need to be approved and then fleshed out and finalized to complete the ISHSP.

The programmes are proposed as: -

1. Adequate Shelter Program
2. Sustainable Land Use Planning & Management Program
3. Human Settlement Management Program
4. Co-Ordinated & Sustainable Infrastructure Provision Program
5. Transportation Program
6. Disaster Management & Environmental Health Program
7. Appropriate Technology Program
8. Institutional Capacity Building & Communication Program

(iii) Housing Accreditation (Level 1 & Level 2)

Currently the municipality has been delegated in terms of level 1 Accreditation. Capacity and operating funding for level 1 delegated function has been received from the Provincial Department of Human Settlements.

The business plan for level 2 Accreditation has been drafted and approved by council in January 2012.

The national accreditation assessment team has assessed Buffalo City Metropolitan Municipality and a recommendation has been made for BCMM to receive level 2 Accreditation. On consultation with the Provincial Department of Human Settlements regarding the status of the accreditation for BCMM, it was advised that a certificate for level 2 accreditation would be issued before 31 August 2012 but there has since been a delay.

(iv) Social Housing in BCMM

BCMM has identified various land parcels within the boundaries of the city as restructuring zones for social housing. These areas are as follows:

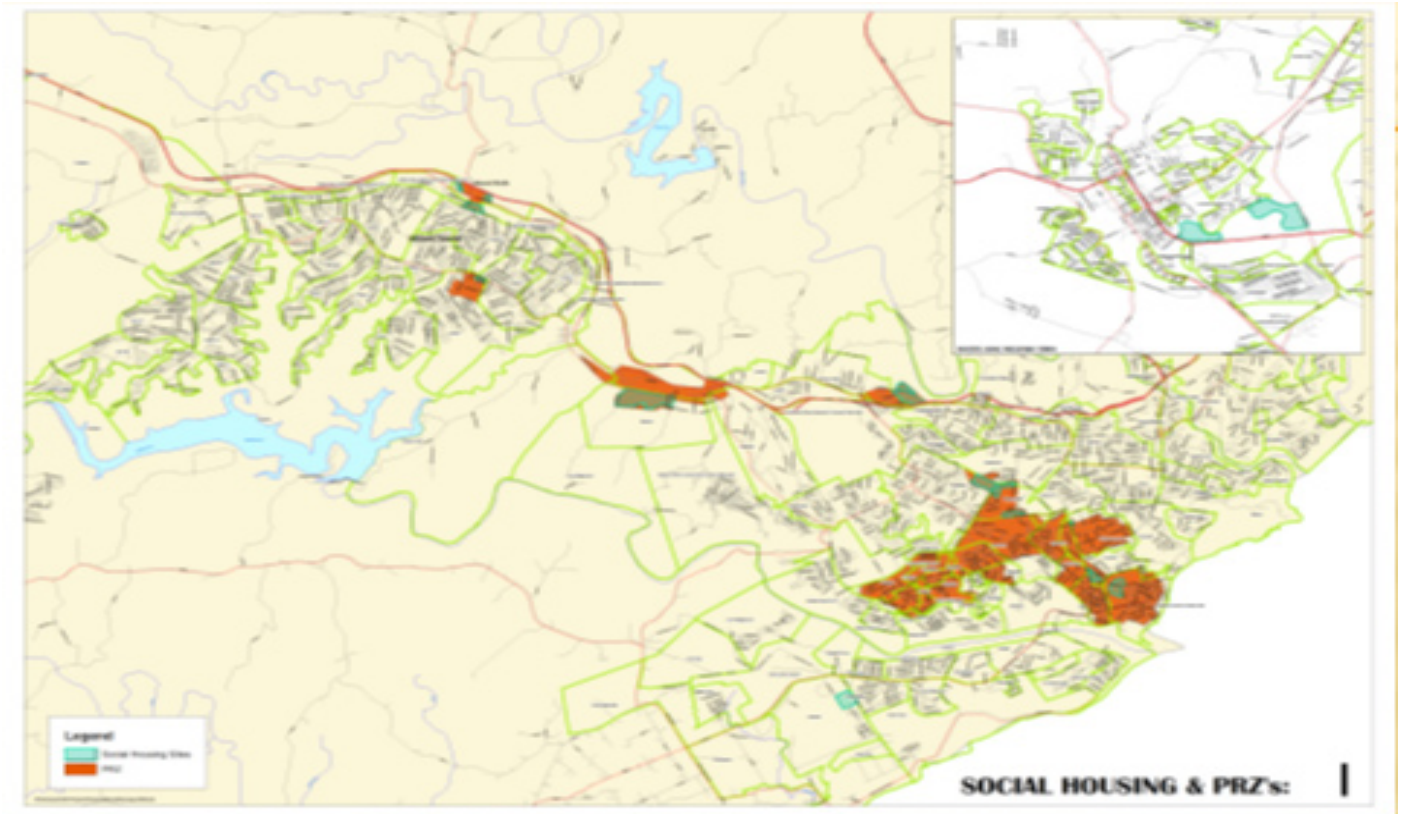
1. East London inner City area
2. King Williams Town CBD
3. Mount Ruth & Mdantsane CBD
4. Arnoldson/Reeston
5. Summerpride
6. Westbank

There are currently 3 active Social Housing Institutions (SHI's) in BCMM and they have projects within the Municipal Boundaries. Housing Association East London (HAEL) has a project in Southernwood called Belgravia Valley. All the units for HAEL are rental units.

Own Haven Housing Association (OHHA) currently has 3 social housing projects, namely, Haven Hills South, Reservoir Mews and Southernwood Park.

SOHCO has 2 projects, namely Amalinda Village and Emerald Sky. Both These projects are in Amalinda. Although both projects are completed, SOHCO is currently in the process of acquiring funding for an additional phase to the Emerald Sky project. They intend to do development in the West Bank area on the piece of land that is adjacent to the IDZ.

Map 1: SOCIAL HOUSING PRZ's



(v) Establishment of Housing Needs Register for the Municipality

The Municipality has commenced with the establishment of a new Housing Needs Register. The register will capture housing requirements for all income groups, those with special needs, housing tenure requirements etc. One of the key challenges affecting the Municipality is to ensure fairness and transparency in the housing allocation and registration process.

The policy will also reflect on the establishment of a single housing allocation committee consisting of municipal and provincial housing officials. Approval of the policy by Council is expected in the 2012/2013 financial year.

In terms of the current demand data base 53,000 beneficiaries have been registered (back yard shack dwellers, informal settlements, existing overcrowding). Included in the 53,000 applicants is the Duncan Village shack and population survey of 21,000.

Through technical support from the National Department of Human Settlement (NDoHS) service providers it has been established that within the 53,000 applicants, there are applicants who have previously been assisted with state/private housing, submission of incorrect identity documents, have applied more than once for housing assistance etc. These anomalies are being addressed by the Department. The registration process is on-going and Council will be kept informed of progress.

In areas such as Mdantsane, Potsdam, Bufferstrip, King Williams Town (KWT) / Dimbaza, Duncan (DVRI) Village and East London 117 settlements have been registered; of the 25,000 Beneficiaries that have been electronically uploaded another 6,000 has already been captured manually but not uploaded onto the database at present. It is anticipated that this programme is to be completed in the year 2012 / 2013 Financial Year.

(vi) Allocation & Relocation Policy

Previously housing allocation was done in accordance with the housing policy and implementation plan that was approved in October 2004. The new Allocation & Relocation Policy is being drafted in terms of National/ Provincial guidelines. The policy will set guidelines in terms of housing allocation to beneficiaries, quota allocation, the establishment of allocation committees with clear roles and responsibilities. This will ensure fairness, transparency and accountability which will eliminate fraud and corruption. The policy is expected to be approved by Council within the 2012/2013 financial year.

(vii) Limitations Encountered

- Over the last financial year the Metro has had to grapple with the following inherent challenges, which lead it to spend less than 50% of its housing budget.
- Lack of technical and project planning and implementation capacity.
- Poor Planning as informal settlement upgrade projects were budgeted for prior approval of Environmental Impact Assessment (EIA),
- Multi-year projects that were budgeted for in one financial year.
- Lengthy procurement processes.
- Legal challenges around some of the major projects.

3.7.5 Challenges

Integrated Human Settlement

- Focus on broad range of housing opportunities (incremental approach to housing provision)
- Upscale land acquisition for integrated human settlement
- Focus on maintenance and improvement of existing infrastructure
- Community driven approach to housing provision
- Informal and infrastructure upgrading
- Integrated planning for provision of sustainable human settlement
- Consider formalising informal settlement in response to the constitutional entitlements (rights)

3.7.6 DUNCAN VILLAGE REDEVELOPMENT PROGRAMME (DVRI)

1. Background

The Buffalo City Metropolitan Municipality has embarked on a process to improve the prospects for integrated development in East London, the development of the precinct known as Duncan Village and the socio-economic upliftment of residents living in that area is outright strategic priority.

The precinct of Duncan Village represents neighborhoods that encompass a variety of living of environments from the typical middle-income suburb of Gompo Town with its formalised, single residential mode of development; to the densely crowded and poor living conditions of the informal settlements area known as C-Section.

The residents living in these differing environments, the Duncan Village Community may be best described as representing a complex array of socio-economic and cultural groupings, the majority of whom lack the resources (human, social and economic capital) to establish themselves in a secure and sustainable manner in the urban economy of East London.

In response to the enormous challenges posed by the task of transforming the precinct of Duncan Village into a healthy environment that caters for the varying needs of its residents, and provides viable opportunities for people to establish a sustainable lifestyle in the city, the Buffalo City Metropolitan Municipality embarked on the long term project known as the Duncan Village Redevelopment Initiative.

The DVRI unit has coordinated a number of projects that have been implemented by line departments in Duncan Village in and other areas that were planned and identified for the development of Human Settlements, under the DVRI. The section below details such projects:

2. DVRI Projects status quo

2.1. Land acquisition

The Land Administration department has developed a DVRI Land Acquisition Programme which identified various parcels of land for development around the City. Some erven have been donated to Buffalo City Metropolitan Municipality by Provincial Department of Local Government and Traditional Affairs.

These land parcels are owned by different entities, vary in size and will therefore yield different number of units. The number of units that will be accommodated per erf highly depends on the housing typology that will be chosen by the community. The programme is tabulated on **Annexure A** attached herewith.

2.2. City planning

The influx of new people from outside of the city to Duncan Village in search of accommodation is adding to the constantly expansion of informal settlements within the confined limitations of Duncan Village. To address these challenges the Settlement Planning Branch within the City Planning Division of Council has identified, through the Ward Councilors, community structures, IDP of Council and Duncan Village Local Spatial Development Framework plan a number of potential projects.

2.3. Sanitation

The Sanitation department is currently implementing the following projects, which are in line with the mandate of DVRI:

- Diversion of Wilsonia Sewage Phase 1
- Sewage Diversion (Drilling)
- Reeston WWTW upgrade-civil works:
- Supply and Delivery of 17 Movable Ablutions Blocks

2.4. Multi-purpose community centre

The Reeston Multi-Purpose Community Center (MPCC) is an initiative in support of the notion of creating sustainable Human Settlements to enhance a two-way communication between government and the community. BCMM applied for funding for two MPCCs from the Provincial Department of Human Settlements (PDHS). In response thereto, PDHS approved funding to BCMM for the Reeston MPCC only. The project has been approved by BCMM Council on 12 December 2011. Mobilisation of all stakeholders that are required to provide services at the MPCC has commenced.

2.5. Duncan village business plan

This project is funded by the Department of Local Government and Traditional Affairs. The primary objective is to position DVRI for long-term implementation in order to reflect the DVRI's specific direction at a high level, and to create value for all DVRI stakeholders by providing valuable services to the community of Duncan Village.

2.6. Duncan village eco-park

The Duncan Village Eco Park is implemented in conjunction with the Department of Environmental Affairs who has already appointed PTF Consulting as an implementing agent of the Eco Park in Duncan Village. It is aimed at improving the physical state of the township landscape and infrastructure to improve the overall functionality and to create a structure that will respond to the communities needs and promote economic development through social wellbeing. The aim of the project is also to promote sustainable development while ensuring that the immediate natural environment is conserved for future generations.

2.7. Duncan Village Business Hives

The centre services about 60 patrons per month and registering about seven cooperatives per month, on average. The area of coverage is from Scenery Park to Tsholomnqa. The centre provides services from the SMME Development Unit, Agriculture, Tourism and Trade and Investment.

2.8. Key Housing Development projects in Duncan Village

DVRI Housing Pilot project consists of 323 housing units, made up of 131 units for Competition site, 44 units for Mekeni and 148 units for Heaven Hills.

3.7.7 MDANTSANE URBAN RENEWAL PROGRAMME (MURP)

1. Background

In 2001 the then SA State President announced the South African Urban Renewal Programme (URP). The Government identified eight Municipalities for special attention in the effort to reduce poverty and develop the former townships created by *apartheid* planning into areas of economic and social well-being rather than dormitory towns for the unemployed and the poor. The eight identified townships for the implementation of the URP are Alexandra (City of Johannesburg - Gauteng); Galeshewe (Sol Plaatjie Municipality - Northern Cape); Inanda, Ntuzuma and KwaMashu (eThekweni Metropolitan Municipality - KwaZulu Natal); Khayelitsha and Mitchel's Plain (City of Cape Town - Western Cape); Mdantsane (Buffalo City Metropolitan Municipality - Eastern Cape) and Motherwell (Nelson Mandela Bay - Eastern Cape).

During the inception of the Urban Renewal Programme (URP, the Department of Provincial and Local

Government (Dplg) now the Department of Cooperative Governance and Traditional Affairs (CoGTA) played a national coordinating role in the implementation of the URP. It should be noted, however, that the proclamation of the URP was never coupled with resources (financially and otherwise) for the meaningful and successful implementation of the programme. In an endeavour to reconcile the financial challenges identified, CoGTA facilitated the conclusion of the Financing Agreement between the South African Government (through National Treasury) and the European Union. The financial agreement entered into made provision for the European Union (EU) financial support to the Urban Renewal Programme in the Eastern Cape Province through the Sector Policy Support Programme (SPSP). The implementing agents are the Nelson Mandela Metropolitan Municipality (NMMM) and Buffalo City Metropolitan Municipality (BCMM), the respective hosts of the Motherwell and Mdantsane Urban Renewal Programmes.

The URP was born out of recognition by government that these areas need special attention to make up for the years of neglect and to ensure that communities in the nodes enjoy basic human rights such as the right to housing, education, health care, water, sanitation, electricity, employment and safety and security. The mandate of the Urban Renewal Programme (URP) is as follows:

- To conduct a sustained campaign against urban poverty and underdevelopment by focusing the support of all government agencies in a coordinated manner;
- To speed up service delivery and improve the quality of life of communities in the nodal areas;
- To fight poverty and underdevelopment through job creation, infrastructure development and stimulation of growth.

The Department of Cooperative Government and Traditional Affairs (CoGTA) is the national coordinator for the implementation of the URP. At provincial level, political champions (MECs) are delegated by the Premier to provide support to the nodes while provincial officials are delegated to ensure coordinated provincial support to the nodes. At municipal level, the Executive Mayors and City Managers provide political and technical leadership.

The Mdantsane Urban Renewal Programme was launched within the Buffalo City Metropolitan Municipality in 2003. Since then, the municipality has been responsible for the implementation of the programme in collaboration with other spheres of government.

2. Institutional Arrangements

The institutional arrangements set for the implementation of the MURP within Buffalo City Metropolitan Municipality (BCMM) are the Technical Task Team, Inter-sphere Coordination Committee, Stakeholders' Forum and Programme Steering Committee.

3. Projects Implemented at Mdantsane

Most projects that are being implemented at Mdantsane are executed by various municipal service delivery departments. There are also projects implemented by other spheres of government, that is, Provincial and National.

What needs to be noted is that the projects implemented so far in the nodal area have not brought any significant change nor have they had any notable impact in Mdantsane since the inception of the programme. It is challenging to account for funds disbursed to the municipality by the European Union to aid the URP as no 'visible' change can be determined. Project prioritization and identification process should take into account the objectives of the URP and the EU Key Result Areas, if more funding is to be sourced from the EU. Key to this is the alignment of the municipal IDP with the URP objectives and the EU Result Areas. This appears to be an area that has always been overlooked in the implementation of the MURP. It is crucial that the objectives of the URP are carefully considered whenever projects are identified for implementation.

4. Challenges

Among many, the following are key factors hindering the effective implementation of the MURP:

- Since the restructuring at CoGTA and the Department of Local Government and Traditional Affairs (DLGTA), the impact of the support provided by these spheres of government to the URP has been inadequate. In essence, since the restructuring process, no effective support has been provided to the URP nodes. At Provincial level, the DLGTA advised the MURP office of the closure of the URP unit and as such no support has been provided ever since.
- Lack of inter-sphere platform for inputs;
- MURP priorities not properly communicated within the institution;
- Lack of visible impact of the programme;

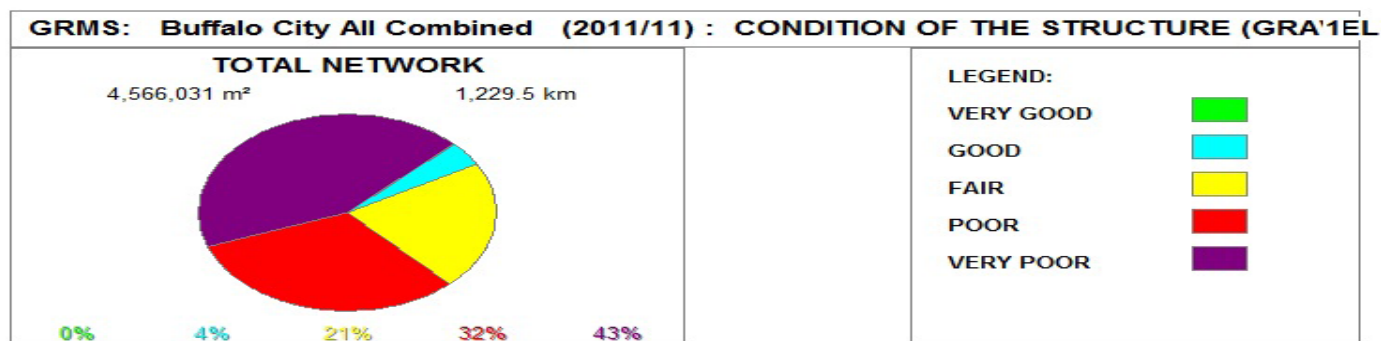
- The new coordination role of the unit as per a management decision was not well understood by service delivery department;
- Over-reliance on donor funding for project implementation with no seed funding provided by the institution;
- Non-compliance with donor funding requirements;
- Staff turnover within the MURP office: Since inception, the programme has been run by different managers and inconsistency in management proved to have slowed down the attainment of objectives for which the URP was established.

3.8 ROADS AND STORMWATER MANAGEMENT

3.8.1 Road Network

The road network is one of the key components of the transportation system enabling mobility. A large percentage of Buffalo City Metropolitan Municipality’s (BCMM’s) road infrastructure is old, rapidly deteriorating and has passed its design life. During financial year 2011/12 BCMM undertook the Bridge and Pavement Management System which outline the Conditional Assessment of the BCMM Road Network. A detailed summary of the roads network per ward is appended in the section dealing with Sector Plan as it will form a basis of the Roads Master Plan which is currently underway. This road roadwork is made up of 1229,5 km of gravel roads and the 1501,5km of Surfaced Roads and the results from this study are depicted as follows:

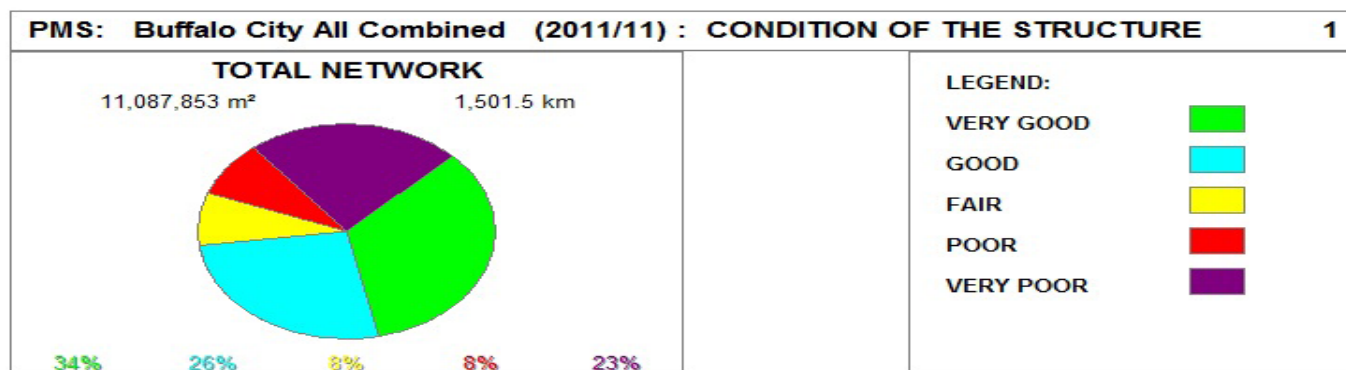
Fig: 3.8.1(a) Condition of Surfacing and Structural Layers (Gravel Roads)



Source: BCMM Roads & Stormwater dept.

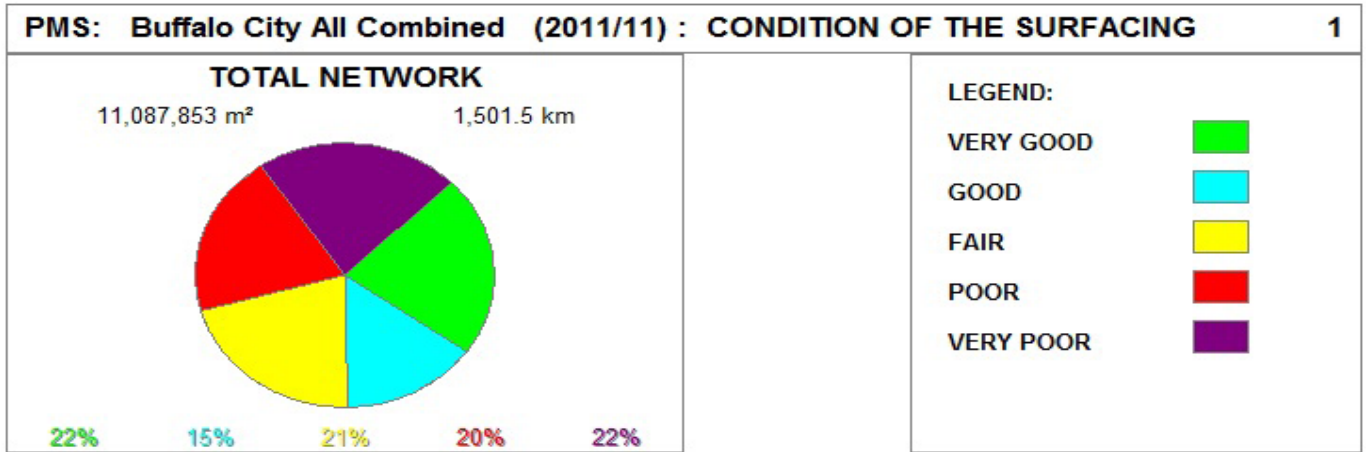
In summary, making reference to the afore illustrated diagram and legend (fig 3.3.1(a) the said outlines the conditional assessment of the gavel roads which then outlines that none (0%) of the gravel road network are of very good condition, 49.18km (4%) are of good condition, 258,195km (21%) are of fair condition, 393,44km (32%) are of poor condition and 528,685km (43%) are of very poor condition.

Fig:3.8.1(b) Condition of Structures (Surfaced Roads)



In Summary making reference to the afore diagram and the legend (fig 3.3.1(b)the afore simply implies that 510.51km (34%) of the structures of the surfaced road network is of very good condition, 390.39km (26%) is of good condition, 120.12km (8%) is of fair condition, 120.12km is of poor condition and 345.345km (23%) is of very poor condition.

Fig: 3.8.1(c) Condition of Surfacing (Surfaced Roads)



In Summary making reference to the afore diagram and the legend (fig 3.3.1(c)) the afore simply implies that 330,242km (22%) of the surfacing of the surfaced road network is of very good condition, 225,225km (15%) is of good condition, 315,315km (21%) is of fair condition, 300,03km (20%) is of poor condition and 330,242,345km (22%) is of very poor condition.

Pavement and Bridge Management System is undertaken to inform council of the measures to be undertaken so as enable BCMM to undertake a proper maintenance and management of the road and bridge infrastructure network.

For this current financial year, BCMM is going to be undertaking the Buffalo City Metropolitan Municipality's Road Master Plan (RMP). The said will address all roads planning, design, revenue and funding related issues.

3.8.2 Budgetary Constraints

Huge costs are required in order to upgrade the gravel road network to bitumen surface. In the Mdantsane Township alone an estimated amount of ±R1billion is required to upgrade gravel roads to surfaced standards including stormwater control (surfacing of 215 km). Capital allocations are insufficient and only a small percentage of the road network is maintained or upgraded on an annual basis.

BCMM faces financial 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 asset (road network). According to the **BCMM Bridge and Pavement Management System (BPMS)** study undertaken in 2012, the funding Backlog for maintenance of BCMM roads was estimated at R600 million. The study further stated R150 million had to be spent annually over a period of five years in order to eliminate the backlog.

The estimated replacement costs for BCMM road network (surfaced) is ± R1.1bn (PMS 2012) and ± R5.0bn for roads structural layers (surfaced) and ± R0.34bn for gravel roads (PMS 2012).

The 2012/13; 2013/14 AND 2014/15 MTREF Budgets are as per the below tables.

Table B10: The MTREF budget allocation is as follows: Capital

Project	2012/13	2013/14	2014/15
Mdantsane Roads	R60 000 000	R80 484 000	R125 419 392
BCMM Roads Upgrade	R30 000 000	R30 000 000	R50 000 000
Rehabilitation of Rural Roads	R10 000 000	R10 000 000	R25 000 000
Roads Master Plan	R3 000 000	R5 000 000	0
Quinera Main Road	R5 000 000	0	0

Table B11: Budget allocation is as follows: Operational

Project	2012/13	2013/14	2014/15
Road Maintenance : General	R16 770 936	R18 028 756	R19 380 913
Road Maintenance : Rural	R5 544 530	R5960 370	R6 407 398
Stormwater control	R6 875 188	R7 390 827	R7 945 139
Bridges	R7 059 356	R7 588 807	R8 157 968
Equipment	R45 088	R48 469	R52 104
Footpaths Improved	R1 133 644	R1 218 668	R1 310 068
Gutter Bridge & Stormwater Drainage	R120 764	R129 821	R139 558
Motor Vehicles	R599 857	R644 847	R693 210
Radio Equipment	R3 006	R3 231	R3 474
Street Name Signs	R45 086	R48 468	R52 103
Traffic Signs	R75 145	R80 781	R86 839
TOTAL	R38 272 600	R41 143 045	R44 228 774

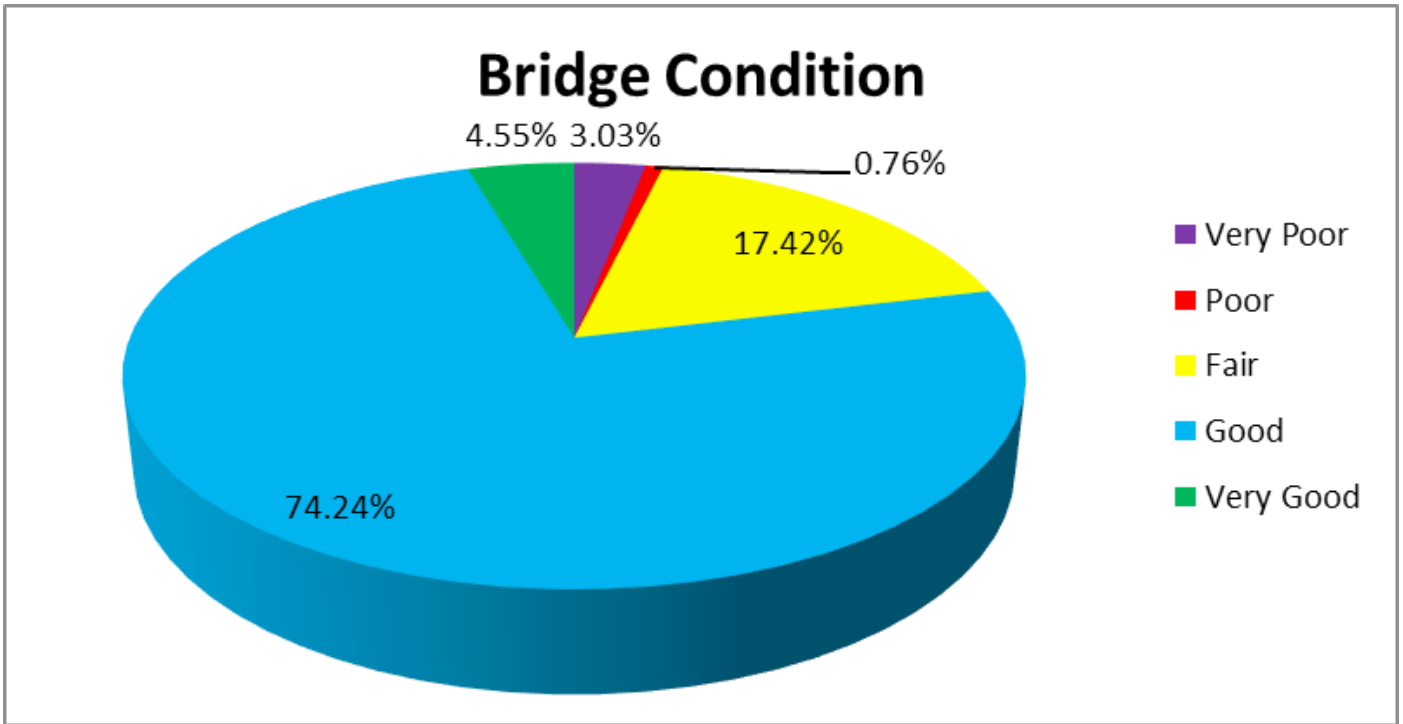
If one looks at the above figures, and then compare with figures as assessed in 2012, it is highly unlikely the Roads and Stormwater challenges will be able turned around to address the backlogs in reconstruction and carry out preventative maintenance.

The BPMS (Bridge and Pavement Management System) is the key tool to ensuring the most judicious use of the limited funding. It facilitates the monitoring of road conditions and prioritizes 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.

3.8.3 Bridges & Stormwater

The Bridge Management System (BMS) undertaken in 2012 and completed in September, has facilitated the identification of 140 (number) bridge structures. Due to the funding constraint, there was no thorough condition assessment undertaken which would then analyse and result in a comprehensive BMS being put in place. An estimated 140 bridges and culverts have an estimated replacement value \pm R1.5bn. The assessment on all roads and bridges within the Municipality has been completed by end of September 2012. The detailed summary is also part of the assessment report included in the Sector plans section. The profile of the condition of bridges and culverts in BCMM is as follows.

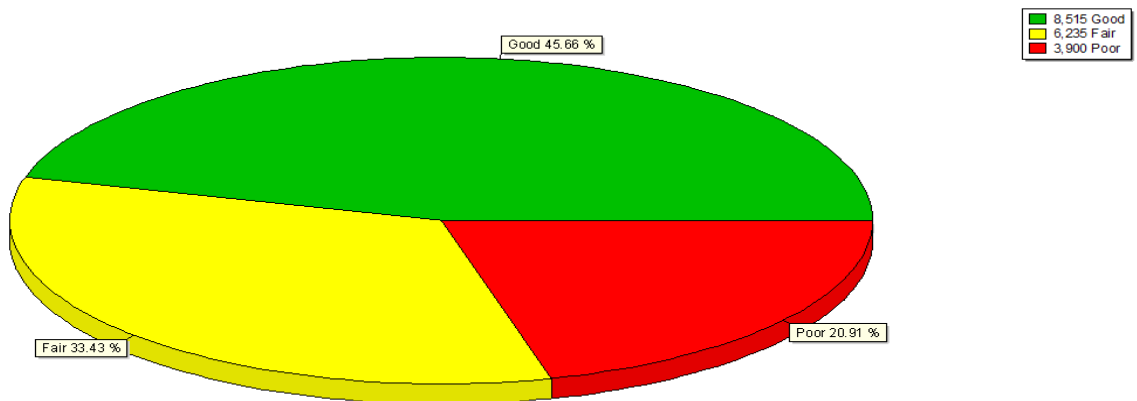
3.3.3(a) The Profile of the Bridge and Culvert Condition.



In summary the conditional assessment of the Bridges and culverts indicate that an estimated 6no (4.55%) of structures are of very good condition, estimated 104no (74%) are of good condition, estimated 24no (17.42%) are of fair condition, estimated (1)no (0.76%) are poor quality and estimated 5no (3.03%) are of very poor condition.

The Storm water Management System (SMS) is being implemented and is funded by BCMM. The Eastern, Northern, Central and Western regions are completed. The said have been integrated into the IMQS Stormwater Module and the BCMM GIS. The SMS will assist in mitigation of storm water challenges within Buffalo City Metropolitan Municipality. The progress to date depicts the following profile:

Fig: 3.8.3(a) Stormwater Node Functionality (condition)



The afore graphical presented pie chart indicates that 6235no (45.65%) of storm water mitigation structures are of good condition, 6235no (33,43%) are of fair condition and 3900no (20.1%) of storm water structures are of poor condition and the said need immediate funding and attendance.

3.8.4 WATER AND SANITATION

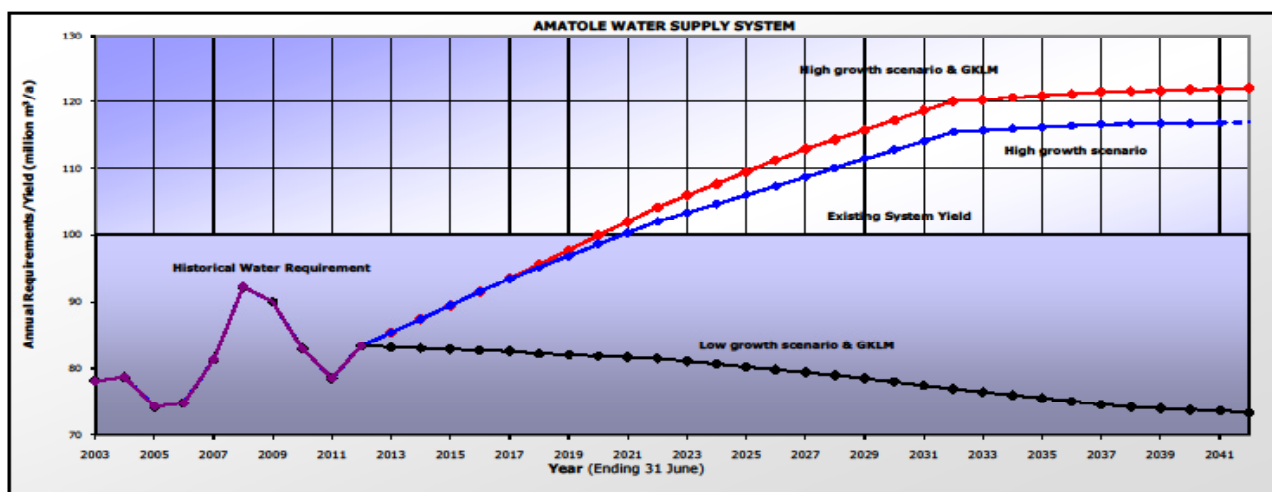
3.8.4.1 Water Supplies

(i) Water Resource Profile

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.

FigureB16: below shows the current high- and-low-growth water requirement scenarios against supply available from the System.

Figure B20: Amatole Water Supply System: Water Balance 2012



The following conclusions can be drawn from figure 1 above based on the high-growth water requirement scenario, measures to reduce the requirement or to increase the system yield would have to be implemented by:

- Yield of individual dams (94.9 million m³/a) : 2018
- **Current operating rules (100.1 million m³/a)** : **2021**
- Maximum yield possible from the System (108.1 million m³/a) : 2026

Based on the low water requirement scenario, the System has adequate yield to meet the requirements inclusive of supplies to the Great Kei area indefinitely.

In light of the above, the following recommendations are made:

- To plan and implement WC/WDM projects, which should seek to achieve a requirement savings of at least 1.2 million m³/per year for 8 years, as from 2012;
- Implement potential water re-use schemes, which should seek to deliver an additional yield of 2.9 million m³/per year over 5 years.

3.8.4.2 Water Infrastructure

The two main towns within BCMM (East London and King Williams Town and their surrounding areas) are experiencing growth at present and yet further growth is anticipated into the future. In addition, the low income housing programme being implemented by the Human Settlement Department will have great impact on the water supply infrastructure, requiring additional capacity to support this development.

In the light of the current operational constraints faced by King Williamstown and Gonubie, it is vital to ensure that sufficient resources are located towards the upgrading of the Water Treatment Works (WTW) capacity and bulk infrastructure conveyance.

In the consideration the current constraints in All Saints area of KWT and Gonubie an immediate intervention is required to address the issue.

The Water treatment Plants serving BCMM are operated at near capacity for the entire municipality and that is the alarming challenge and table below illustrate that further:

Table B12: Water Treatment Plants

Water treatment Plant (WTP)	Current Flows Peak Flows (Mℓ/d)	Design Capacity (Mℓ/d)	Proposed Capacity (Mℓ/d)
KWT	12.8	13	13
Laing	27	33	40
Nahoon	28	34	86
Umzonyana	111	120	120
Kei Road (new for KWT)	-	-	38

The total required funding to address the issue of bulk water conveyance and treatment works is detailed in the table below:

Table B13: Projects

PROJECT	SHORT TERM (0-5YRS)	MEDIUM-TERM (5-10YRS)	LONG-TERM (10+YRS)
West Bank Bulk	R 56 317 648	R 118 221 668	R 66 596 618
Umzonyana Gravity	R 134 276 430	R 162 676 759	R 13 898 756
Mdantsane and Dawn Bulk	R 32 601 720	R 119 278 294	R 45 871 321
KWT- Bulk	R 186 503 916	R 64 786 403	R 112 558 255
Nahoon Dam supply augmentation	R 120 000 000	-	R 220 000 000
TOTAL	R 529 699 714	R 464 963 124	R 458 924 950

To alleviate some of the current constraints within the system the municipality has allocated funding on the 2012-2015 MTREF to the project indicated in the table below.

Project Name	2012/13 Budget	2013/14 Budget	2014/15 Budget	TOTAL
KWT, Dimbaza and Bhisho Infrastructure (Water)	7 000 000.00	37 000 000.00	20 000 000.00	64 000 000.00
Relocation of Midblocks in Mdantsane	5 000 000.00	5 000 000.00	5 000 000.00	15 000 000.00
Amahleke Water Supply	3 000 000.00	3 000 000.00	3 000 000.00	9 000 000.00
Augmentation of WTW	12 000 000.00	22 000 000.00	22 000 000.00	56 000 000.00
Upgrade Water Networks	6 000 000.00	17 000 000.00	15 000 000.00	38 000 000.00
Bulk Water Supply Newlands and Other Areas	1 000 000.00	0.00	0.00	1 000 000.00
Ward 33 Bulk Water Supply Scheme	3 000 000.00	0.00	0.00	3 000 000.00
Bulk Water Supply Coastal Areas	5 000 000.00	1 276 293.00	0.00	6 276 293.00
Winterstrand Water Supply	1 000 000.00	0.00	0.00	1 000 000.00
TOTAL	43 000 000.00	85 276 293.00	65 000 000.00	193 276 293.00

3.8.4.3 Water Demand Management

BCMM has developed a Water Conservation and Water Demand Management (WC/WDM) Strategy, which focuses primarily on reducing the level of non-revenue water to enhance both the financial viability of and water supply sustainability to BCM, is for the 5-year period 2012/2013 to 2017/2018 and requires some R132 million to implement over this period. The Strategy targets a raw water savings of some 1.61 million m³/a (4.4 Mℓ/day) and a potable water savings of at least 4.67 million m³/a (12.8 Mℓ/day), which equate to an direct annual cost savings of some R15 million.

This Strategy is aligned with the following ongoing parallel initiatives:

- Revenue Enhancement Strategy; and
- Amatole Reconciliation Strategy.

The unbilled–unmetered water consumption and apparent losses will be addressed concurrently with the Revenue Enhancement Strategy, whilst addressing the “real losses” is the key focus of this Strategy. It is estimated that the “real losses” can be reduced by between 12 Mℓ/day and 20 Mℓ/day, depending on the accuracy of the deemed / “flat rated” water consumption, which is considered to be significantly understated at present.

The goals set in terms of this Strategy, are the following:

- Reduction of non-revenue water:
- Increased billed metered consumption:
- Reduction of raw water treatment losses:
- Ability to undertake detailed water balances:
- Promotion of water use efficiency
- Enhanced WC/WDM institutional capacity

Basis of Strategy:

Water Supply Perspective:

The need to conserve water and to use it more efficiently is a national imperative and legal requirement. The Amatole Water Supply System Reconciliation Strategy, developed jointly by DWA, BCM and other key stakeholders to ensure that there are adequate raw water supplies to support socio-economic development, environmental sustainability and equity within the broader BCM area, has identified WC/WDM as the key intervention to ensure a reconciliation of predicted water requirements with available supplies over a 30-year planning horizon.

The committee established to oversee the implementation of the Reconciliation Strategy resolved in 2010 that BCM:

- Develop a Water Conservation and Water Demand Management Strategy in 2011;
- Implement the funded WC/WDM projects already identified by the BCM, which seek to achieve a saving (requirement reduction) of some 4.7 million m³/a (12.9Mℓ/day) over a 2 year period (2011/12-2012/13); and
- Identify further WC/WDM projects that need to be ready for implementation as from 2013/14 and which need to achieve a requirement saving of at least 1.2 million m³/a (3.3Mℓ/day) per year over an 8 year period.

The committee also resolved that planning of the next surface water augmentation scheme would be based on BCM achieving at least a 75% of the savings deemed possible through WC/WDM, and that any supply deficit prior to this date would need to be addressed via other augmentation measures (e.g. water re-use) and/or supply curtailment (restrictions).

It is to be noted that this specific strategy focuses on Water Demand Management as the Water Conservation (WC) aspects are addressed in terms of the Reconciliation Strategy. This Strategy also only focuses on WDM aspects directly related to infrastructure owned and operated by BCM, as WDM interventions on the infrastructure owned and operated by the Amatola Water Board are also addressed in terms of the Reconciliation Strategy. Finally, it is also to be noted that this Strategy does not consider water re-use, as this is addressed in terms of a stand-alone BCM Water Re-use Strategy.

A comprehensive water loss study had been undertaken and the recommendations emanating from this study are being implemented, according to the available resources.

The Department of Water Affairs has provided a total funding of R12 million for water conservation and water demand management to address the following critical water conservation and water demand management issues within the next three years, started from 2011/2012 financial year.

- Installation of bulk water meters on all reservoir supply zones
- Installation of zonal/district water meters
- Metering of all communal standpipes and ablution blocks
- Metering of all flat rated properties
- Replacement of the ageing water meters and water mains
- Replacement of conversional standpipes
- Indigent plumbing repair program
- Relocation of mid blocks water mains

This allocation is planned to be spent for the installation of new water meters, indigent plumbing repairs and relocation of mid blocks water mains in Dimbaza, Phola Park, Reeston, Scenery Park, Sweetwaters, Phakamisa, Mdantsane, Duncan Village, Nompumelelo.

3.8.5 Bulk Sewerage Systems & Rural Sanitation

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. The provision of sanitation services is currently being undertaken as follows:

3.8.5.1 Rural

It is anticipated that the level of service for households outside of the Urban Edge will remain at current standards; namely communal standpipes and VIPs (or equivalent). Alternative sanitation technology options are however being investigated to optimise the operation and maintenance implications for BCMM.

3.8.5.2 Urban

The level of service for households within the urban edge will remain as per the current Policy, namely:

- Target level : erf connection and water borne sanitation; and
- Minimum level : yard connection and VIP (or equivalent).

Although the above is the level of service policy of BCMM, the target level of service is tending to be the default option provided.

3.8.5.3 Low Income Housing

The objective of BCMM is to move all residents residing in informal settlements into formal housing. This will result in those currently receiving a sub-RDP level of service, receiving a RDP or higher level of service. Although the actual numbers and delivery rates of low income housing are uncertain, it is anticipated that there may be a significant increase in low income housing units in the short to medium term, with higher levels of service being provided.

3.8.5.4 Middle & High Income Housing

Although the actual numbers and delivery timeframes for the middle to high income housing are uncertain at this stage, it is anticipated that delivery could be significant in the short to medium term, with full levels of service being provided. Delivery in certain areas could however be inhibited by bulk infrastructure constraints or financial constraints to provide the requisite infrastructure. The estimated funding shortfall to provide bulk infrastructure in the short to medium term for housing developments is R365 million.

3.8.5.5 Current infrastructure managed

The Sanitation Department is responsible for the operation and maintenance of:

- 15 Wastewater Treatment Works
- 2100 km of sewers
- 81 Sewer Pump Stations
- 83 000 VIP's

3.8.5.6 Description of treatment works

Status quo per Waste Water Treatment Works

i) Current Treatment Technologies

Current treatment technologies per plant are detailed below. This is equivalent to the do-nothing scenario where BCMM does not enhance treatment process.

No.	Treatment Works	Treatment Type	Capacity (Ml/d)	Flows (Ml/d)	Sludge Treatment	Sludge Dewatering	Sludge Disposal
1	Berlin	Biofilter	1.0	0.7	Anaerobic Digestion	Drying Beds	Agricultural
2	Bisho	Ponds	0.8	2.0	-	-	On-site
3	Breidbach	Ponds	0.8	1.3	-	-	On-site
4	Central	Biofilter	5.0	7.8	Anaerobic Digestion	Drying Beds	On-site
5	Dimbaza	Activated Sludge	7.0	8.1	Sludge Lagoon	Drying Beds	On-site
6	East Bank	Activated Sludge	40.0	35.1	-	-	Sea Outfall
7	Gonubie	Activated Sludge	6.0	6.6	Sludge Lagoon	-	On-site
8	Hood Point	Sea Outfall	40.0	14.3	Screening	-	Sea Outfall
9	Keyzers Beach	Ponds	0.1	0.1	-	-	On-site
10	Kidds Beach	Ponds	0.1	0.1	-	-	On-site
11	Mdantsane	Biofilter	24.0	11.1	Anaerobic Digestion	Drying Beds	On-site
12	Potsdam	Biofilter	9.0	4.8	Anaerobic Digestion	Drying Beds	On-site
13	Reeston	Activated Sludge	2.5	1.1	Sludge Lagoon	-	On-site
14	Schorntville	Activated Sludge	5.0	6.7	Anaerobic Digestion	Drying Beds	On-site
15	Zwelitsha	Activated Sludge	9.3	8.0	Anaerobic Digestion	Drying Beds	On-site
TOTAL			150.6	107.7			

3.8.5.7 Current Capital Implementation Programme

The current capital implementation programme details funding required to address shortfalls and compliance within the sewerage system.

Coastal

The **Gonubie WWTW** is currently being upgraded to 18 Ml/day and will be provided with 2 sets of mechanical dewatering belt presses. Sludge is to be disposed of at the Round Hill Land fill site.

The **Central WWTW** is to be decommissioned and flow diverted to the **Reeston WWTW**.

Midlands

The **Reeston WWTW** is to be upgraded by 10 Ml/day and accept effluent from the **Central WWTW** and the Reeston Catchment. The works position allows for expansion into a regional facility. Sludge lagoons are to be utilised for influent volumes up to 7.5 Ml/ day thereafter mechanical dewatering will be installed. Awaiting tenders to be award for 10 Ml/ day extension to the **Reeston WWTW**.

Inland

The **Schorntville WWTW**, **Breidbach** and **Bisho Ponds** are to be decommissioned and all effluent diverted to a Regional WWTW sited at the existing Zwelithsa WWTW. Phase 1 has commenced with the construction of the pipeline from the Schornville WWTW to the Zwelithsa WWTW. Sludge management options still to be finalised considering agricultural use, on-site and off-site disposal and beneficial use at high loading rates.

3.8.5.8 Description of conveyance system

This section details the current state of infrastructure per wastewater treatment catchment.

Gonubie Treatment Works and Catchment

Treatment Works

The works serves the Beacon Bay and Gonubie areas and will be required to serve all new developments in the Quinera and Highway areas.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1978	6	6,5

The sludge lagoons are at capacity and must be upgraded. Concern exists that DWAF will require another form of sludge handling that could be expensive.

Phase 1 of the upgrade is complete (increasing electrical supply/aerator capacity and constructing new inlet works).

Conveyance Infrastructure

The sewers in the suburbs are generally in a fair condition although the flat areas are subject to silting up. A high incidence of storm water infiltration or illegal discharge does occur.

The interceptor sewers are becoming suspect in structural integrity as well as in capacity. These sewers are all 25 years plus old, as are the majority of sewers in the catchment, and a comprehensive upgrade and maintenance programme will be required to maintain or replace them.

The interceptor sewer between Beacon Bay and Gonubie is also in excess of 20 years old and just about at capacity. Root ingress has caused spills and maintenance of the line is high.

The pump stations are generally sound and only require routine maintenance and replacement.

East Bank Treatment Works and Catchment

Treatment Works

The works serves the area between the Buffalo and Nahoon Rivers up to the Ziphunzana Highway, Amalinda Main Road and N2.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1984	40	33

The 40 Mℓ/ day capacity is based on two aeration basins operating; only one was commissioned. The second basin is currently being commissioned.

The ELIDZ has indicated that they would like to purchase final effluent. This will require additional clarifiers to be built as well as the second aeration tank to be commissioned to ensure a better quality of effluent.

Conveyance Infrastructure

The sewers in the suburbs are generally in a fair condition. A high incidence of storm water infiltration or illegal discharge does occur in certain areas.

The sewers along the beachfront from the Orient Beach to Bats Cave are becoming suspect in structural integrity as well as in capacity. There are three sewers, the youngest is 40 years plus old, a comprehensive upgrade and maintenance programme will be required to maintain or replace them. No spare capacity exists in these sewers and overflows occur under storm conditions. Any breakdown of the sewers will result in the spillage of up to 25 Mℓ/ day of sewage onto the beaches that will result in beach closure of all major beaches.

Except for three pump stations that are in need of refurbishment or upgrade the pump stations are generally sound and only require routine maintenance and replacement.

The city pump station and rising main has no standby capacity and a major upgrade is needed to safeguard beaches. The electrical switchgear is also badly corroded.

The pump station at Nahoon is in sound mechanical condition but the electrical switchgear must be replaced as this is 20 years old.

A pump station at Second Creek pumps 10 Mℓ/ day of effluent per day from the Buffalo Flats and Gompo Areas. The problem however is that up to 14 Mℓ/ day of sewage flows to the pump station with the result that 4 Mℓ/ day of untreated effluent spills into the Buffalo River via Second Creek. This is mainly due to unacceptable water losses in the area that needs to be attended to urgently.

The effluent pumped from Second Creek joins the gravity flow from the CBD west of Oxford Street at Pontoon Road from where it flows through a tunnel to Hely Hutchinson Road. This tunnel was inspected as sections are collapsing and the outcome reported to Council. Sections of the tunnel must urgently be repaired. Note that between 10 and 12 Mℓ/ day of sewage flows through the tunnel daily and a collapse will result in this effluent spilling onto Settlers Way (at the Zoo) and from there will flow into the harbour.

The development of the Vincent Park area has placed a major load on the interceptor that serves that area. This sewer runs partially under the storm water culvert from the same area and the sewer is subject to frequent surcharges caused by storm water ingress. This problem must be addressed urgently.

Vandalism in the sewer network in Duncan Village results in 35 to 50 blockages per day. These are caused by foreign material, such as stones, car seats, coke bottles, tin cans, broken manhole lids, etc. being thrown into the sewers. The Sewerage Branch expends large sums of its revenue budget to clear these deliberate blockages. The sewage spilt from these blockages run through Duncan Village to the Buffalo River and negatively impacts on Buffalo City as a tourist centre.

The Sewerage Branch has launched a community awareness programme to ensure the correct use of the sewerage system and the impacts of vandalism on the system and the city. Additional funding is required to successfully implement this campaign throughout the city.

West Bank Outfall and Catchment

Outfall

The works serves the area between the Buffalo River and the sea up to the IDZ.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
2002 -	40	12

A loan agreement is being negotiated with DBSA in the amount of R113 million for the construction of the sea outfall. DBSA has however added suspensive conditions to the agreement in that primary treatment must be

installed and East Bank sludge is not to be discharged at Hood Point anymore. These conditions may well add between R50 million and R100 million to the project.

Conveyance Infrastructure

The sewers in the suburbs are generally old. A high incidence of storm water infiltration or illegal discharge does occur in certain areas.

The interceptor along the Buffalo River is in need of refurbishment. This interceptor cuts back along Sheffield Road to the south of Settlers Way. The sewer along Sheffield Road was constructed at a very shallow gradient and is running at capacity during peak flows. This sewer must be upgraded. The Bank Street interceptor in West Bank is in need of urgent replacement.

Central (Amalinda) Treatment Works and Catchment

Treatment Works

The works serves the Amalinda, Scenery Park and Wilsonia areas.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1972 Upgraded 1997	5	6.9

Due to the exceptionally strong effluent these works are severely biologically overloaded. Development has been restricted in the catchment area in the late 1990's, this is still in effect.

A study has been completed on alternatives to upgrade the works, including re-routing to Reeston. Tenders have closed for Phase 1 of the pipe line to re-route effluent to the Reeston WWTW.

Conveyance Infrastructure

The sewers in the suburbs are generally in a fair condition. A high incidence of storm water infiltration or illegal discharge does occur.

The pump stations are generally sound and only require routine maintenance and replacement.

Reeston Treatment Works and Catchment

Treatment Works

The works serves the Reeston area.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
2003	2	1

The works was built to serve the housing development in Reeston, to date no flow has come from these houses. The extension to Reeston Housing is currently underway but no funding has been sourced to expand the works. Major problems are expected with upgrading as these works have sludge lagoons that are not accepted by DWAF for works above 2Mℓ/d capacity. The works requires upgrading to accommodate for flows from Reeston Extension 3 and the diversion of Central WWTW. The upgrade is required within a 2/3 period. Tenders have closed for the 10 Mℓ/day extension to the works.

The staff keys do not have adequate personnel allocated to these works despite numerous attempts to do so. This will cause serious problems if the housing is completed and sewage starts to enter the works.

Conveyance Infrastructure

The sewers in the suburbs are all new. The pump stations are new, requiring only routine maintenance.

2.8.5.9 Mdantsane East Works and Catchment

Treatment Works

The works serves the Mdantsane East area up to zone 10.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1976	24	15

This works have been upgraded from 18 to 24 Mℓ/ day to cater for densification of Mdantsane and development of the Bufferstrip.

Conveyance Infrastructure

About 170 km of pitch fibre sewers remain from that which was originally installed in the suburb. These are all collapsing resulting in numerous sewer blockages; the only solution is to replace the pipes. The pipe bridges, where sewers cross streams have recently been refurbished. Refurbishment of manhole on interceptors is still required.

The pump stations are in a good condition and only require routine maintenance.

Potsdam Treatment Works and Catchment

Treatment Works

The works serves the Mdantsane West and Unit P.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1984	9	5,0

The works is currently not overloaded but will reach its limit when the flow from Unit P reaches it. The effluent is pumped to the Mdantsane East Works and flows through the ponds to combine with the effluent of those works.

This works will have to be upgraded for densification of Mdantsane and development of the Buffer Strip or any other suburbs in the area of the Border Technikon.

Conveyance Infrastructure

Some pitch fibre sewers were installed in the suburb. These are all collapsing resulting in numerous sewer blockages; the only solution is to replace the pipes. The pipe bridges, where sewers cross streams, are also in a poor condition. Refurbishment is urgently needed.

The pump stations are good condition and only require routine maintenance.

Berlin Treatment Works and Catchment

Treatment Works

The works serves the Berlin residential and industrial areas.

Built	Design Flow (M ³ / day)	Current Flow (M ³ / day)
1972	2	1.081

These works were built primarily to serve the industrial area. Very little flow comes from there. During the last few years the township was reticulated and flow will now pick up.

The works are old and not much maintenance was done as portions of the works were “moth balled” for a long time.

Conveyance Infrastructure

The majority of the interceptors are 30 years old but have hardly been used.

Zwelitsha Treatment Works and Catchment

Treatment Works

The works serves the Zwelitsha and Phakamisa areas.

Built	Design Flow (M ³ / day)	Current Flow (M ³ / day)
1975 & 1982	9,2	7,8

These works is in a fair condition and reasonably maintained.

The flow has steadily increased due to the work of cleaning the sewer system in the suburbs and is likely to reach close to 9M³/d when all the flow reaches the works.

Conveyance Infrastructure

The sewer network has been extensively abused and for many years and lacked preventative maintenance. A major drive should be launched to rectify this problem as spillage feeds directly into the Laing Dam.

Serious undermining of the main interceptor has taken place where informal brickfields exist in the floodplain of the Buffalo River. Extensive rehabilitation is required to stabilise the sewer.

Contractors are currently on site installing a pipeline from Schornville to the Zwelitsha WWTW in terms of regionalising WWTW.

Contractors are currently on site installing a pipeline from Schornville to the Zwelitsha WWTW in terms of regionalising WWTW.

The pump stations are in fair condition and require normal maintenance and component replacement.

Schornville Treatment Works and Catchment

Treatment Works

The works serves the King William's Town and Sweetwater areas.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1971, 1981 & 1994	5	7

These works have been modified twice and was severely neglected when taken over. Extensive refurbishment has been done and the effluent quality is now as good as the present works can produce. The effluent does however not meet the permit conditions. The works is hydraulically and biologically overloaded. The flow has steadily increased due to the work of cleaning the sewer system in the suburbs.

No further extension of the Schornville Works is possible on the present site and these works, together with the Zwelitsha Works and the Breidbach and Bisho Ponds need to be combined into a regional sewage treatment works possibly in the vicinity of the current Zwelitsha Works. A moratorium has been placed on all development in the catchment that will generate sewage effluent until a solution for the sewage problem is found. All flow is to be diverted to the proposed regional WWTW sited at Zwelitsha. Contractors have been appointed for the installation of the pipeline from Schornville to the Zwelitsha WWTW as phase 1 of the regional scheme.

Conveyance Infrastructure

The sewer network overall is in a reasonable condition but lacks preventative maintenance and upgrading. Interceptors need attention.

Dimbaza Treatment Works and Catchment

Treatment Works

The works serves the Dimbaza area.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1986	7	8,1

These works is in a fair condition and reasonably maintained.

The closing down of factories in the industrial area has assisted in the works not being overloaded.

Conveyance Infrastructure

The sewer network is in reasonable condition.

A pump station has recently been discovered that was never connected to the system, this need be rectified.

Breidbach Ponds and Catchment

Ponds

The ponds serve the Breidbach area.

Built	Design Flow (Mℓ/ day)	Current Flow (Mℓ/ day)
1980	0,5	1.4

The ponds are severely overloaded. The final effluent is not chlorinated and flows into the Buffalo River above the Laing Dam. A moratorium has been placed on all development in the catchment that will generate sewage effluent until a solution for the sewage problem is found.

Conveyance Infrastructure

The sewer network is in reasonable condition except in the Plateau development where smaller sewers, i.e. 100 mm diameter, were installed. Some sewers were also found to have back-falls on them. A thorough investigation is needed.

Bhisho Ponds and Catchment

Ponds

The ponds serve the Bhisho and Tyu-Tyu areas.

Built	Design Flow (M ³ / day)	Current Flow (M ³ / day)
1983	0,5	2

The ponds are severely overloaded. The final effluent is not chlorinated and flows into the Yellowwoods River above the Laing Dam. A moratorium has been placed on all development in the catchment that will generate sewage effluent until a solution for the sewage problem is found.

Conveyance Infrastructure

The sewer network is in reasonable condition except in the Tyu-Tyu area where the new development is likely to cause spills at peak flows in the interceptor sewer.

3.9 Requirements for VIP pit contents

BCMM inherited 2000 and 30 000 VIP's from DWAF and ADM spread throughout the rural areas. All these were installed in the last 5-10 years and are becoming full and need cleaning out. The experience gained in clearing out VIP's during the elections have shown that it is not an easy operation as all kind of foreign material is deposited into the pits. The content furthermore is normally quite solid and cannot be removed by vacuum tanker unless water is added and then mixed. Even then problems occur as plastic packets or bottles and lumps of newspaper clog the hoses.

More seriously however is the disposal of the content once in the tanker. Currently tankers have to drive long distances to treatment works to empty. Suitable dumping sites will have to be found within close proximity of villages if the clearing of household VIP's are going to be done on a regular basis.

Farms may need to be purchased on which pond systems can be established. Town Planning will have to take cognisance of these ponds as no housing development will be allowed within a radius of 800 m of the ultimate treatment works site since these systems do not have active treatment.

3.10 Financial implication and associated compliance risks

The following table sets out a first order estimate at capital funds required to address the backlog of the concerns raised above. The risk matrix is based on the stratus- quo scenario of the projects detailed below. The associated risk is terms of non compliance with relevant legislation requirements (permit, health and safety, environmental, Water and Waste Act, weighted equally) of the projects listed below.

The methodology applied to the Risk Assessment is based on a Qualitative Risk Analysis. Each risk identified was assessed on the likelihood of the risk occurring. The impact of the risk, should it occur is also assessed. The identification of the risks was done by means of analysis of documented historically data. Risks identified and analysed are outlined in the table below:

To alleviate some of the current constraints within the system the municipality has allocated funding on the 2012-2015 MTREF to the project indicated in the table below:

Ref.	Description	Estimate	Rating
3	Gonubie Catchment		
3.1	Upgrade treatment works to 18Ml/day and sludge handling facility	R60 000 000	20
3.2	Upgrade beach sewer.	R6 000 000	12
3.3	Secure works perimeter.- Works Fenced in phase 1 of upgrade	R1 000 000	20
3.4	Upgrade Quenera interceptor.	R13 000 000	20
4	East Bank Catchment		
4.1	Commission second aeration basin. – Contractor (Mamlambo) appointed and on site. Consultant CBM Consulting	R500 000	20
4.2	New clarifier.	R2 500 000	9
4.3	Refurbish electrical switchgear. Routine maintenance undertaken	R2 000 000	12
4.4	Repairs to City Pump Station. Consultant (CBM) undertaking feasibility study	R500 000	16
4.5	Standby capacity at City Pump Station. Consultant (CBM) undertaking feasibility study	R4 500 000	16
4.6	Replace / upgrade Eastern Beach sewers. Consultant (CBM) undertaking feasibility study	R25 000 000	25
4.7	Secure Pontoon Road Tunnel. Report submitted to Council and Budget requests – service provider appointed	R6 000 000	20
4.8	Upgrade Vincent Park Interceptor.	R6 000 000	12
5	West Bank Catchment		
5.1	Hood Point outfall sludge handling, including waste mixed liquor from East Bank.	? R50 000 000	10
5.2	Replace / upgrade Woodbrooke interceptor.	R1 500 000	12
5.3	Replace Bank Street Interceptor –Annual contractor has commenced with the replacement of sections	R2 000 000	16
6	Central Catchment		
6.1	Upgrade Central (re-route only) Tenders for Phase 1 for the diversion have closed. Awaiting award	R70 000 000	16
7	Reeston Catchment		
7.1	Upgrade works to handle new housing (upgrade to 30M/day) Tenders for the Phase 1 10 Ml/day upgrade has closed.	R170 000 000	20
8	Mdantsane East Catchment		
8.1	Replace pitch fibre sewers	R60 000 000	9
8.2	New nightsoil vehicles to clear VIP's in Newlands	R3 000 000	12
8.3	Build treatment facility for VIP clearance (Ponds)	R5 000 000	12
8.4	Replace / refurbish pipe bridges.	R8 000 000	9
9	Potsdam Catchment		
9.1	Upgrade Works	R20 000 000	9
9.2	Upgrade interceptor sewers	R2 500 000	9
10	Berlin Catchment		
10.1	Refurbish works	R500 000	9
10.2	Repair / replace pump stations	R500 000	9
11	Zwelitsha Catchment		
11.1	Build regional treatment works – 17.5 Ml/day.	R150 000 000	20
11.2	Construct interceptors and de-commission old works and ponds – Phase 1 Schornville to Zwelithsa pipeline has been awarded	R25 000 000	20
11.3	Secure interceptor along Buffalo River.	R5 000 000	16
12	Schornville Catchment		
	Note no upgrade – new regional works under Zwelithsa Phase 1 Schornville to Zwelithsa pipeline has been awarded	R 30 000 000	16
12.1	Refurbish / upgrade interceptors.	R1 000 000	9
13	Dimbaza Catchment		
13.1	Refurbish interceptors and pump stations.	R1 000 000	9
14	Breidbach Ponds Catchment		
	Note no upgrade – new regional works under Zwelithsa. Phase 1 Schornville to Zwelithsa awarded		20
14.1	Allow for sewer replacements.	R1 000 000	
15	Bhisho Ponds Catchment		20
	Note no upgrade – new regional works under Zwelithsa. Phase 1 Schornville to Zwelithsa awarded		
14.1	Allow for sewer replacements.	R1 000 000	9
16	Facilities for VIP clearance		
16.1	Allow for 5 pond systems @ R5 million each	R 25 000 000	12
16.2	Allow for clearance vehicles such as vacuum tankers or tractor/trailer combinations 10 @ R750 000	R7 500 000	12
17	Deferred maintenance to sewer network / infrastructure @ R15 000 000 annum	R15 000 000	9
	TOTAL	R631 100 000	

Table B14: Sanitation Projects (Programme)

Project Name	2012/13 Budget	2013/14 Budget	2014/15 Budget	TOTAL
Bulk Sanitation Provision	152 608 250.00	155 854 000.00	99 854 000.00	318 447 250.00

Access to Basic Water and Sanitation Services

The latest information from the Water and Sanitation Master Plan Studies (230327) are as follows:

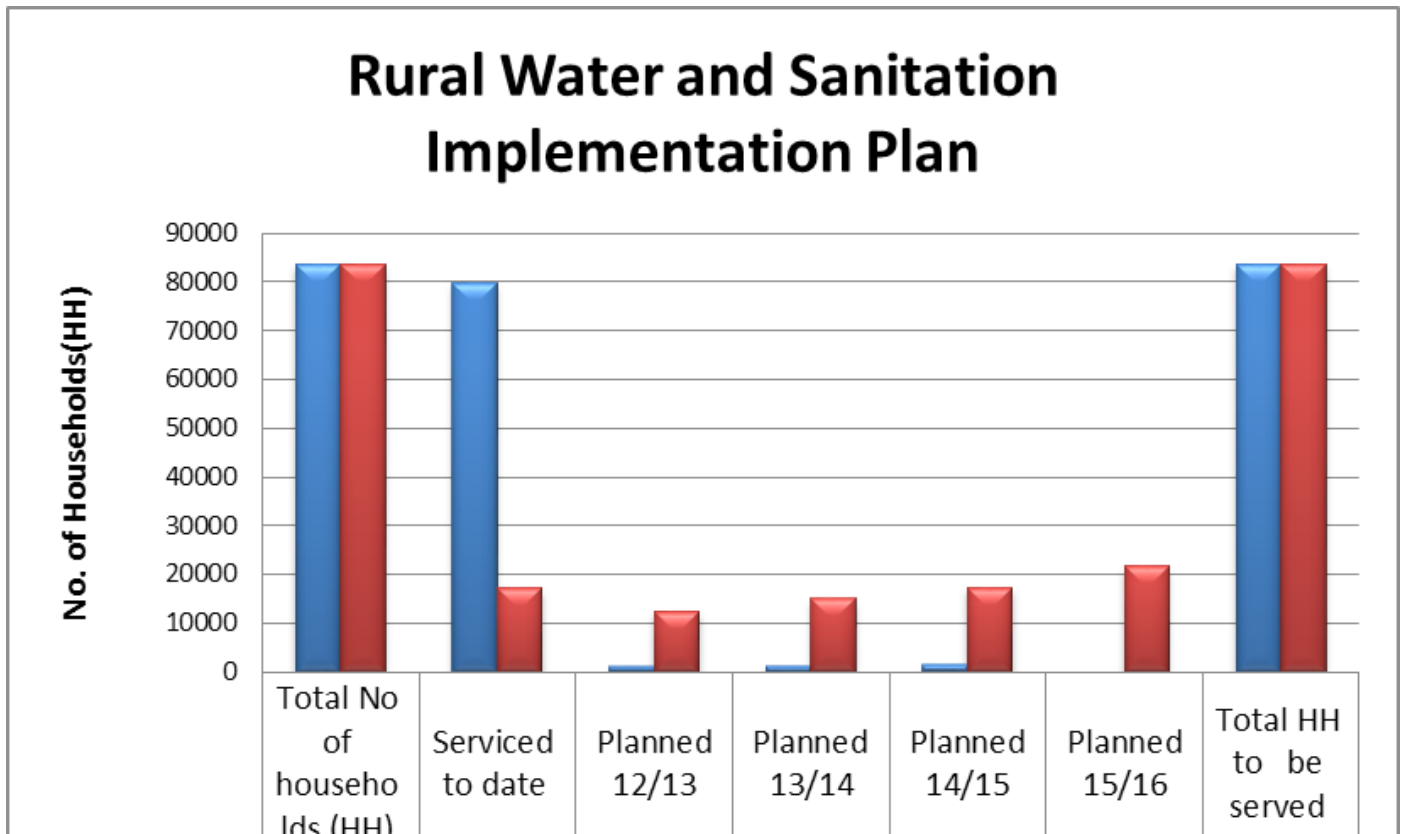
Table B15: Household Access to Basic Services

	WATER (access to piped water in dwelling/ yard or within 200m)	SANITATION (flush toilet, septic tank, chemical toilet, VIP)
No of Households	205 661	146 141
% of Household	89.93%	63.45%

Water and Sanitation Rural Backlog and Implementation Plan

The water and sanitation rural backlog are as shown in the implementation plan below on table and graph.

	Total No of households (HH)	Serviced to date	Planned 12/13	Planned 13/14	Planned 14/15	Planned 15/16	Total HH to be served
Water	83740	79875	1089	1270	1506	0	83740
Sanitation	83740	17206	12428	15050	17320	21736	83740



The total required funding to address the sanitation backlog (Rural and Informal) on ward 49,40, 31, 33, 44, 43,16,45 and 36 is R431 742 000

3.11 ELECTRICITY

The purpose of the Electricity Department is to provide an effective and efficient electrical service and infrastructure in accordance with legal and statutory requirements to all Buffalo City Consumers. Both Eskom and Buffalo City supply electricity within the Buffalo City Municipal area. BCMM supplies the former King William's Town and East London areas, whilst Eskom supplies the remaining rural areas.

The electricity network in Buffalo City is currently in a poor condition. This is a result of budget constraints, which force the Electricity Department to cut down on the maintenance and upgrading or replacement of equipment. The consequences are frequent power outages and a poor quality of supply to electricity consumers. In addition, the electricity department is at high risk of non – compliance to the license issued by the National Electricity Regulator (NER) and to non – compliance of occupational health and safety regulations. The electricity department has a backlog of R650 Million in replacement upgrading and deferred maintenance. The following sources of funding are targeted to meet the annual allocations required for the backlog:

- Depart of Energy
- BCMM internal allocation
- Private sector contributions;

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. It is imperative that capital funding be made available annually over the next couple of years so that a comprehensive Capital Replacement program is put in place to ensure network reliability.

i) Levels and standards in electrical services:

The BCMM electricity department purchases bulk Electricity from Eskom via 15 intake points of distribution in the BCM supply area. This is re-distributed to all consumers within the urban edge as follows:

Table B16: Levels and standards in electrical services

Type of Consumer	Metering Method	Number
Domestic	Pre paid	61522
Domestic Indigent	Pre paid	42255
Domestic	Conventional	9728
Small Power	Conventional	3809
Small Power	Pre paid	2260
Large Power (LV)	Conventional	633
Large Power (MV)	Conventional	74
Time of Use	Conventional	4

These services extend to include all consumers within the defined urban edge, but do not take account of rural areas outside the urban edge which resides within the jurisdiction of Eskom. The profile of ESKOM consumers within BCMM is as detailed below:

Table B17: Types of consumers

Type of Consumer	Connections Size_	Number
Domestic Low income	10	769
Domestic Low income	2.5	11886
Domestic Low income	20	20037
Domestic	60	2186
Total		34878

ii) Major challenges in electricity services and remedial actions

As indicated above the Electricity Department have estimated a backlog of refurbishment, capital replacement and capital investment of R650 million. The Capital budget for infrastructure which has been provided to the electricity department in the 2012/13 financial years is only 5 % of the required budget in terms of the backlog, this of course is not adequate to reduce the backlog, for the network to remain stable into the future, and a substantial investment into the network needs to be provided. The master plan being completed will provide a tool to be used to identify the areas requiring immediate action.

As with most other municipalities BCMM's Electricity Department has a shortage of skilled labour such as engineers, technicians and electricians. The department has a shortage of up to 15 Electricians to ensure proper maintenance of the existing electrical network within the BCMM Electricity supply area, this does not include the suburb of Mdantsane which is maintained using a number of contracts. An additional 35 Electrician would be required if Mdantsane was to be maintained in house. The funded electrician positions have been advertised on numerous occasions over the last few years ,without success.

Government as a whole has acknowledged the shortage of skilled personnel in various sectors of the Engineering field. Numerous Municipalities throughout the country have implemented the skills shortage allowance to retain existing staff and to gain additional staff to fill their vacancies. At the present moment you find electrical staff with municipal experience moving to the larger municipalities because of the incentive schemes offered BCM would need to implement the skills shortage allowance as soon as possible to retain the experienced staff they have and to attract skilled staff to fill the vacancies.

With the shortage of staff in the department the implementation and updating of the asset register has become a major burden and additional staff and computer programming is required to ensure full compliance. The electricity department is in the process of extending the program already being used by the Water branch this will go a long way to ensure that the assets register is updated.

Illegal electricity connections have escalated at a dramatic rate during the past financial year and there is an urgent need to electrify these informal houses. One of the strategic solutions is the formulation of a new electricity fines system. This approach has already been approved by Council and will mean that in the near future, electricity fines will be issued to illegal electricity users in much the same manner as a traffic speeding fine is currently issued. The roll out process is almost complete and it is envisaged that this approach will assist the department in limiting the number of illegal connections, until such time as the long term solution of electrification has been completed.

iii) Key areas requiring attention include the following:

a) Electrification of informal dwellings

A report is being prepared so that the Buffalo City Council can amend its decision to pilot Electrification to informal dwellings in Duncan Village and extend the program to include all areas within the BCMM area of control.

The above is being recommended as at this time Duncan Village is not in a state of readiness, due to a number of factors but the most important one being the density of the informal dwellings.

After investigation it was found that there are a number of informal areas within BCMM which with very little work could be ready for electrification

b) Vandalism and Theft

BCMM has a high population of informal settlements which are vandalising the network by connecting themselves illegally. This excessive overloading has caused:

- Difficulty in safe and continuous supply of electricity to the legal consumers.
- Overloading and damaging of network.
- Unsafe working conditions for the Electricity Department's staff.

Issues that require action are illegal connections and vandalism and theft as well as occupational health and safety. The illegal connections are causing continuous electricity outages though out BCMM. The electrical equipment is designed to handle a specific load and after the designed maximum capacity has been exceeded, the system will isolate itself to protect vital equipment.

The Electricity Department is doing the utmost in trying to provide a continuous electrical service to the paying customers in these areas. Unfortunately, the frequency and quantity of illegally connected supplies is dramatically impacting on our service delivery compliance standard.

The Revenue Protection unit has the task of removing illegally connected supplies. Due to budget and staff constraints, a weekly exercise is presently being undertaken, in conjunction with teams from the SAPS and City Police.

In order that the removals may take place on a more frequent basis, a request has already been submitted to the City Police to form a task team to accompany Revenue Protection staff on a daily basis.

Vandalism and theft of vital equipment is also increasing in the BCMM area. Copper is selling for approximately R40/kg at the scrap metal dealers and is now a sought after commodity by thieves. The cost to Council is not only the loss of the stolen network, but the cost to replace the network.

c) Alternative Renewable Energy

The Republic of South Africa is in an energy crisis where Eskom generation is at the limit of its capacity and requires a major infrastructural upgrade over the next 5 years to ensure that capacity is returned to normal. As part of the recovery programme, BCMM has been requested to look at ways of reducing load and also to look at co-generation projects to supplement the Eskom supply.

BCMM relies on finite fossil fuels, whether in terms of coal burned for electricity, or oil based fuels. Scientists predict that oil supplies will taper off in 30 to 50 years while coal will taper off in 200 years. However, supplies are currently becoming more and more expensive to extract as they become depleted. The above considerations, together with the fact that BCM imports all energy from outside its borders, are a serious long-term strategic concern for the city.

As resources become depleted, or when infrastructure is not adequately maintained, energy costs will increase steadily. We are currently experiencing high energy costs, and in the long term (20 to 50 years), these costs will become higher in real terms. This has serious strategic and economic implications for BCMM.

The high cost of energy, and the fact that BCMM imports all its energy, has a constraining effect on the local economy. However, in many ways, energy can become a stimulus for job creation and economic development if a successful energy strategy is developed.

The Electricity Department have engaged with the following a number of bodies to discuss energy efficient methods and co-generation projects.

- Eskom and National treasury concerning a feasibility study on waste sites
- IDZ on a solar energy park.
- A local company Venture who is making wind generators. A test site has been established for testing the generators.
- Department of Energy on replacing high energy street lights with lower energy street lights
- Department of Energy on low pressure solar water heaters for low income Housing. This program is still in the feasibility stage DoE are still finalizing their application process.

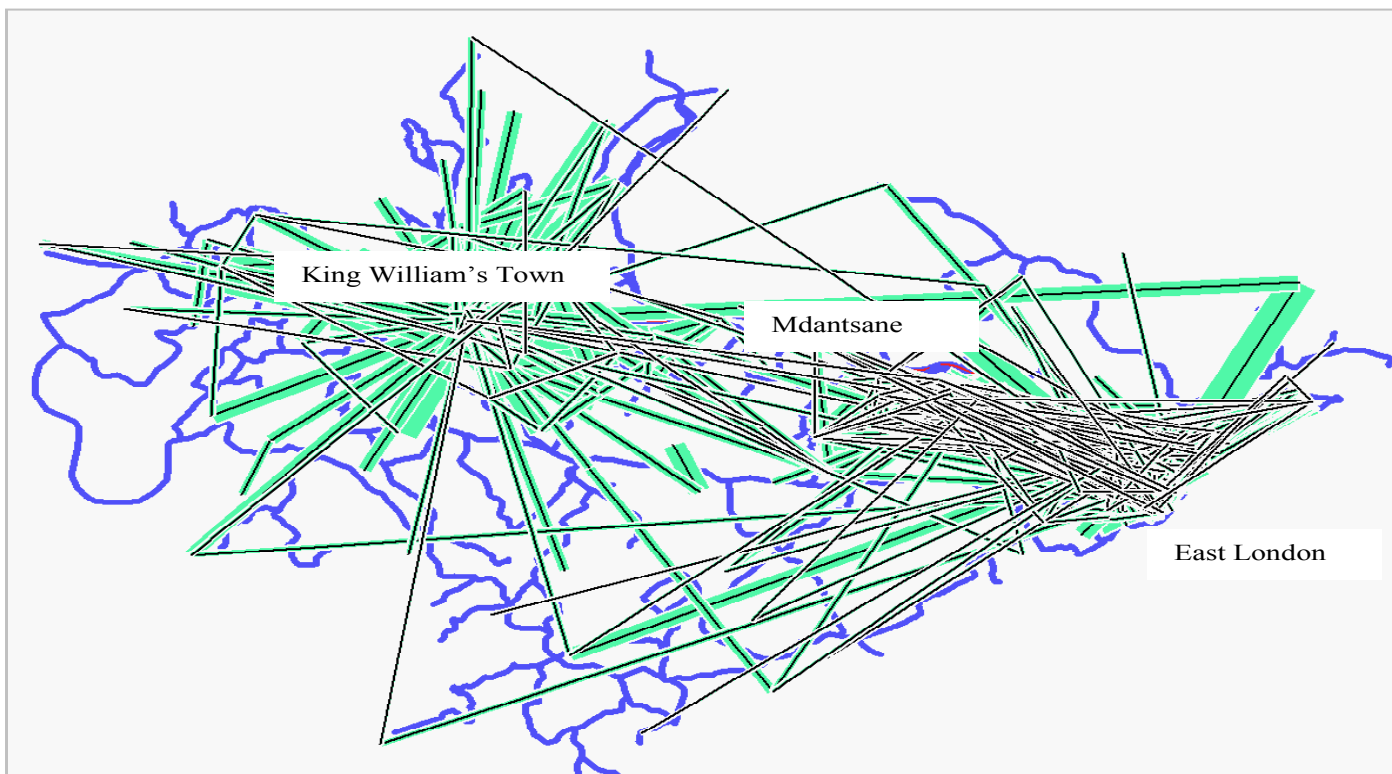
The Electricity Master plan will be updated in the 2013 / 14 as a number of Town Planning reports have been updated and Electricity Department needs to ensure that it's Master Plan is inline the needs of the City by ensuring

- Infrastructure of adequate capacity to reliably meet existing and expected demands in key identified development areas within BCM, within 5 years.
- Infrastructure of adequate capacity to reliably meet existing demands within with identified supply problem areas, within 5 years.

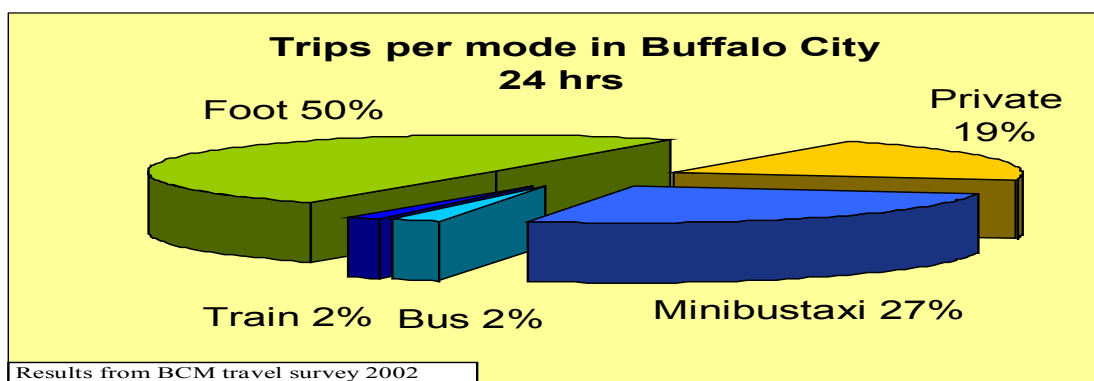
3.12 TRANSPORTATION

In terms of the National Land Transport Act, cities are required to prepare Integrated Transport Plans, covering a range of areas, including public transport, arterial roads, traffic safety and freight. It is the responsibility for cities to plan for public transport infrastructure and services, and ultimately enter into contracts with public transport operators. Provision has also been made for the devolution of the commuter rail subsidy to be administered by cities under specified conditions. This would improve accountability of the Passenger Rail Agency (PRASA).

Travel patterns within Buffalo City are characterised by corridor-type movements linking Mdantsane to East London, with a star-shaped pattern emanating from King Williams Town to smaller nodes, as illustrated below:

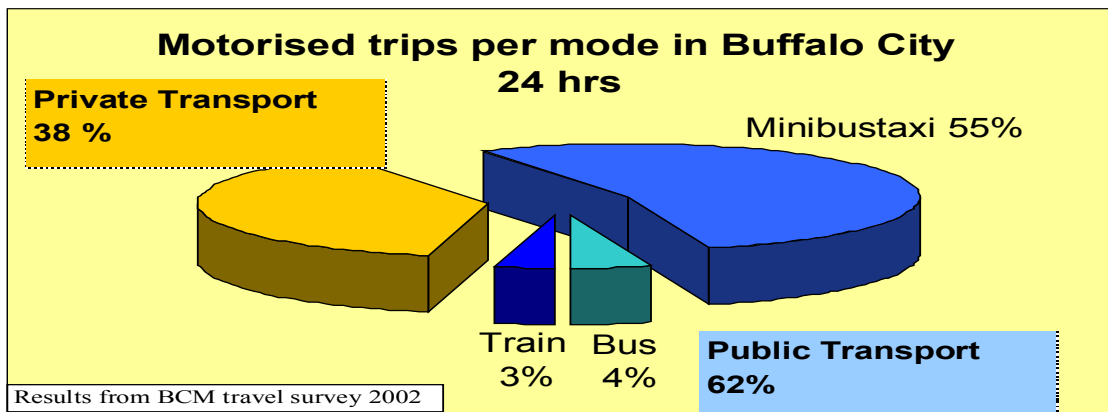


For citizens of Buffalo City, access to transport is, like for most other cities of South Africa, characterized by a high car usage amongst the economically well-off population, while people with low income have to rely on public transport or must walk. As per the figure below, non-motorised transport accounts for 50% of trips per mode within the city and therefore this mode of transport must be catered for to ensure safety and comfort for pedestrian traffic.



Currently very few formal scheduled public transport services exist in Buffalo City. The municipal bus service offers very limited services in the East London suburbs and is hampered by a fleet that has now exceeded its useful life. Breakdowns result in frequent and unplanned disruptions to services, while the non-availability of buses has led to services being curtailed. This has resulted in these commuter services having a minimal impact in catering for the total public transport needs within the city.

There is a crucial need to redevelop a quality formal public transport system in order to contain the growth of private traffic and also to provide accessibility for all citizens, and thereby facilitate the socio-economic development of the City. 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. As per the figure below, minibus taxi type services account for approximately 90% of public transport trips within the city. These are not scheduled services and lead to a poorer quality service, as off-peak services are often neglected. Ideally, the situation should be reversed with scheduled services comprising the majority of trips.



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. Despite the upgrade of the rail service being prioritised in terms of the Integrated Transport Plan since 2006, there has been little evidence of any progress in implementing this project by PRASA.

In addition to the rail corridor, a trunk bus service has also been proposed linking Mdantsane to the East London CBD. The proposed Bus Rapid Transit service is funded by the Department of Transport, but there have been several delays in the implementation of the project. The BRT system will be a catalyst in not only providing a high quality public transport service, but also addressing the following issues:

- Improved non-motorised transport, as NMT access will be provided to stations.
- Improved security, due to CCTV cameras and the presence of security and other personnel.
- Improved traffic safety.
- Regeneration of the East London and Mdantsane CBD's.
- Transit-orientated development along the corridor.

In addition to the need for mass public transit along the MELD corridor, public transport facilities within the rest of Buffalo City are also in need of upgrading. Many facilities are in a poor condition and a programme is required to ensure the public transport travelers are catered for with suitable facilities.

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.

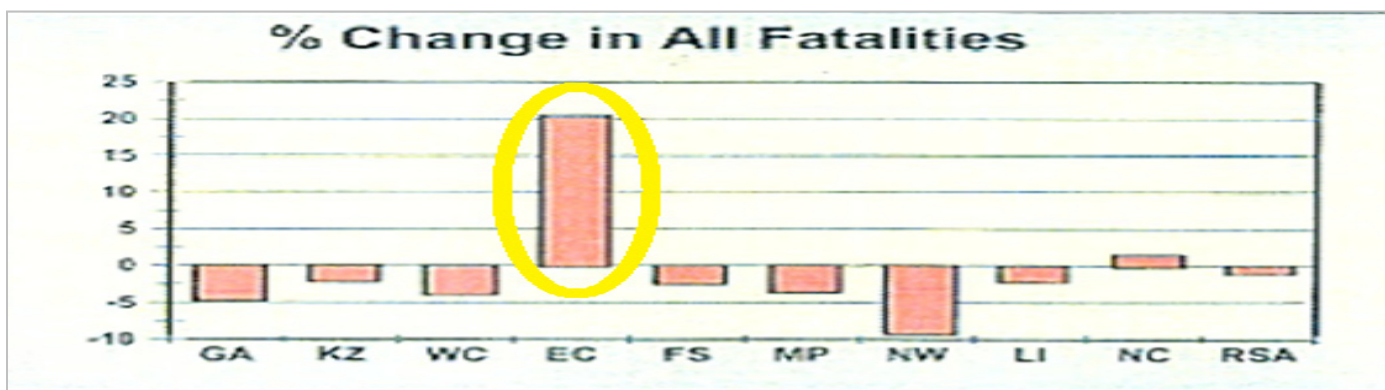
The arterial road system of Buffalo City has a generally high design standard although there are unsatisfactory sections of roads. The capacity of the road system is in general acceptable, except in the highly built-up areas around the East London and King William's Town CBD's. Other satellite CBD's 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.

A spatial distribution and layout of road (and rail) networks mainly running along spurs and ridgelines, with few cross-river linkages inhibits cross-town mobility in the greater East London area. Present proposals for

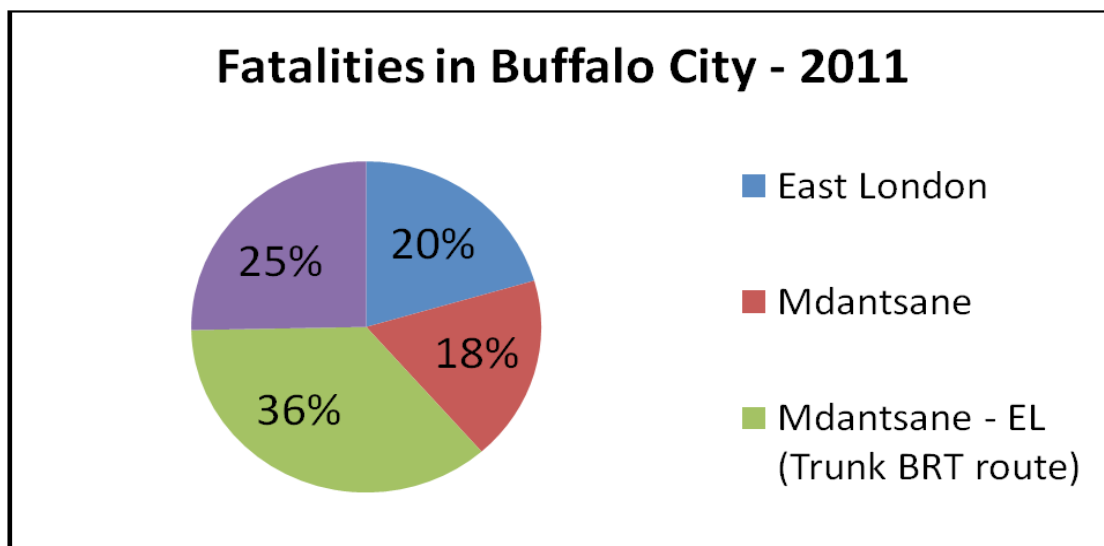
bridge crossings of Buffalo River and the linkage of the N2 and coastal routes (R72) would facilitate improved mobility of people resident in the Mdantsane/Reeston/Duncan Village areas to areas of opportunity in the West Bank area of the city. The additional bridge will also provide an alternative route for heavy trucks, which currently have to navigate through the East London CBD when traveling from Nelson Mandela Bay via the R72 to the N2 to Durban. These heavy vehicles cause significant damage to the City's road network, and although the damage is caused by regional traffic, maintenance of the affected roads is done at a cost to Buffalo City. The proposed upgrade of the N2 between Buffalo City and Durban by SANRAL will see an increase in national traffic through the city centre, making the provision of the second Buffalo Bridge an even higher priority.

An intervention is required to improve the arterial road network for the Quenera area. The lack of access to this area is hampering development and restricting the economic growth of the city and potential rates base that this would provide.

The accident record within the Eastern Cape is unacceptable, with a disproportionate number of fatalities within the province compared to the number of licensed vehicles. Of particular concern is apparent worsening of the accident statistics in the province compared to national trends, as illustrated below from the RTMC annual report, 2011. The high accident rate in the Eastern Cape directly affects Buffalo City, as national travelers avoid the region due to the high risk of travelling, leading to the isolation of the city. Often the inhabitants of Buffalo City are directly affected by or involved in fatal accidents on the surrounding regional roads.



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. Of particular concern is the high fatality rate on the main route linking Mdantsane to East London, which accounts for a disproportionate number of fatalities in the city.



The East London port is in need of upgrading to provide an alternative to road transport and to be a catalyst for economic development. Transnet has allocated funding over a seven year period for the port upgrade, including a coal terminal for the export of coal from the interior. The impact of this development will have to be carefully monitored, to ensure that the BCMM road and rail transport network can accommodate the proposed port upgrades.

3.12.1 Transport Strategy

Buffalo City Metropolitan Municipality has completed a Comprehensive Integrated Transport Plan which is required to be reviewed annually and updated every five years. This plan considers a vision and a strategy for all modes of transport within the City and all the aspects related to successful implementation of the visions and strategies.

The Public Transport Plan which is a key component of this plan features a new public transport strategy to restore scheduled public transport services in the City which will lead to a customer-based planned and regulated system, where each mode of public transport will operate on a fixed route and in accordance with a fixed timetable developed by Buffalo City as the planning authority.

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 and will be the backbone of the public transport system in the City. In addition to the railway, a network of trunk-bus services at high frequency and high volume will serve Buffalo City commuters. 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. Although every effort has been made to integrate the long term planning of the Passenger Rail Agency of South Africa (PRASA) and BCMM, the rate at which the rail service is improved is the responsibility of the PRASA and BCMM therefore does not have complete control over the roll-out of the Public Transport Plan.

It is also envisaged that ultimately the trunk bus and commuter rail services will carry equal numbers of passengers per day. The current strategy is 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. An operational plan has been developed by the City for the implementation of such a system. Funding through the National Department of Transport has also been secured for the implementation.

Other public transport facilities throughout Buffalo City will be upgraded in a phased approach, with King Williams Town being prioritised in the first phase, due to the high numbers of commuters that utilise these facilities on a daily basis.

Where the people of Buffalo City Metropolitan Municipality (BCMM) do not have the means to use private cars or public transport for daily transport to gain access to work, education and other activities the various forms of Non – Motorised Transport (NMT) become their only mode of transport. Non-motorised Transport 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. Rural areas and low income areas, where pedestrian facilities are needed the most, are generally underprovided. This has a serious impact on the mobility of people living in the rural areas of BCM and negatively affects their quality of life. Many rural areas are not accessible by road based public transport and the lack of NMT facilities exacerbates the challenge of social isolation felt by many rural communities.

As part of the Comprehensive Integrated Transport Plan it is necessary to undertake a Non-motorised Transport Plan to understand the current shortfalls in accessibility within the City and make recommendations for implementation that will assist the City in achieving its visions and strategies.

The economy of a City is somewhat dependent on a reliable and accessible freight transport system. Buffalo City has a large and potentially rapidly growing manufacturing sector, which relies on an efficient and reliable freight transport system. All sectors of the economy depend on the incoming and outgoing movements of goods by road, rail, sea and air. The infrastructure to support the movements by these modes must be assessed and where necessary upgraded to keep pace with the needs.

The current situation by which freight is transported in Buffalo City is influenced by the condition and availability of road versus rail transport infrastructure. A key determinant of the use of road over rail today is the lack of regulation applied to road transport. The consequent 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.

Freight traffic flow through the urban areas of Buffalo City Metropolitan Municipality creates unnecessary congestion and noise pollution on existing routes not designed for these types of vehicles. The transport of freight by road also has a significant negative impact on the environment compared with rail, contributing more to air pollution and the depletion of scarce fuel resources.

As part of the Comprehensive Integrated Transport Plan it is necessary to undertake a Freight Transport Plan to understand the current freight transport system within the City and make recommendations for implementation that will assist the City in achieving its visions and strategies.

3.12.2 Current Progress

Project	Description	Progress	Funding	2012/2013 Target (as at 30 June 2013)
BRT Implementation	Provide separated exclusive right of way facilities for large buses operating as a "Bus Rapid Transit" (BRT) type system within the existing road reserve. This system will be implemented, controlled and regulated by BCMM and will offer a high level of service for commuters. An operational plan has been developed by the City for the implementation of such a system.	A tender was awarded for the comprehensive services for the implementation of the BRT system in December 2011. A court challenge was lodged by one of the bidders and a decision by the high court judge is awaited	PTISG	70% Plans finalised for at least one section of the BRT corridor to allow construction to commence
Rural Non-motorised Transport Plan	Develop a plan to understand the current shortfalls in accessibility within the City and make recommendations for implementation that will assist the City in achieving its visions and strategies.	A Rural Non-motorised Transport Plan has been completed and applications for implementation funding are under way	Own funds (carry over)	Complete Plan
BCMM Freight Plan	Develop a Freight Transport Plan to understand the current freight transport system within the City and make recommendations for implementation that will assist the City in achieving its visions and strategies.	Service providers have been appointed to develop the Freight Plan for BCMM	Own funds	Complete Plan
Upgrade Public Transport Facilities	Upgrade of public transport facilities throughout BCMM, KWT identified as first phase	Service providers have been appointed and designs for the KWT facilities are in progress	USDG	Complete designs, multi-year project
Upgrade Gonubie Main Road	Widening of Gonubie Main Road and improvement of key intersections to allow development of service roads and further development of the Quenera area	Designs have been completed and construction tender is to be awarded	USDG	Commence construction, multi-year project

3.13 SOLID WASTE MANAGEMENT SERVICES

Solid Waste Management Services are at the centre of environmental sustainability and cover all waste services within the Metro. The department has aligned its core functions to the National Environmental Management Waste Act (NEMWA) guidelines which are refuse collections, landfills and recycling. It is also guided by its Strategic Integrated Waste Plan which is presently under review. These strategic sectoral plans provide guidance and determine how Buffalo City Metropolitan Municipality fulfils its responsibility with regards to the management and protection of the natural environment.

Environmental functions are also underpinned 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 urban related activities to management of rural communal commonage areas. The department of Solid Waste Management Services is engaged in partnerships with the Department of Environmental Affairs and Development Planning, Amathole District Municipality, National Association of Clean Air and other interested and affected parties. Functional areas that the department is responsible for are further elaborated below:

(i) Street sweeping

Encompasses litter picking, gutter cleaning, street sweeping, focusing mainly on main roads, CBD, entrances and exits of the city. This division is also responsible for refuse bag distribution in both formal and informal areas

(ii) Refuse removal

Entails domestic and business refuse removal and clearing of drop-off points as per the refuse collection schedule. Domestic refuse is supposed to be collected once a week from each household as per the National Domestic Collection Standards, whilst businesses are serviced according to the owner's request.

(iii) Landfills

These are used for the disposal, compaction and cover of general waste from all households (formal/informal), businesses and pre-treated medical waste from health institutions. Data indicating the amount of waste to be disposed is collected by means of a weigh bridge.

(iv) Garden transfer stations

These are used for the temporary storage of garden waste from the general public excluding private garden services.

(v) Waste minimization

Embraces the concepts of reduce, re-use, recycle and recover. It is also responsible for the development of an Integrated Waste Management Plan, development of by-laws and development of a waste management strategy by ensuring that communities embark on clean-up campaigns and education and awareness programmes.

3.13.1 Challenges

Landfill sites

- There are currently only two operating
- The existing waste disposal at the Roundhill landfill site has reached its capacity
- This has necessitated the construction of a third cell

Garden transfer stations

- There are currently six, of which three are registered/licensed
- There is insufficient control of all transfer stations resulting in no control of waste at the site
- No provision of garden transfer stations in all areas of Buffalo City Metro resulting in an increase in illegal dumps

Waste Minimisation

- Informal recyclers not being registered
- Community mindset and behaviour
- Unavailability of a central transfer station

Street Sweeping

- Shortage of staff to enable the Solid Waste Department to attend to every residential area of Buffalo City Metropolitan Municipality i.e. formal and informal areas

Refuse removal

- Unavailability of transfer stations
- Mechanically unreliable trucks
- High volume of waste from businesses and residential areas
- New housing developments
- Areas not being serviced (rural areas)
- Distance to landfill sites that results in increased wear on the trucks and non-completion of areas

Further challenges are reflected in table B18 below:

Table B18: Solid Waste challenges

Waste Minimisation	Area	Purpose	Challenges
Buy-back centre	Oriental Plaza	To purchase recyclable material from informal recyclers in order to reduce waste that goes to the landfill sites	Not yet operational, Memorandum of Understanding awaiting signature
Transfer Stations			
6 Garden transfer stations	Orange grove, Stoney Drift, IDZ, Beacon Bay	To ensure that residents dispose of their garden waste to reduce illegal dumps	Appointment of the operator and beneficiary
Landfill sites			
2 Landfill sites	Berlin, King Williams Town	To ensure waste is disposed, compacted and covered	Cells at Roundhill are at capacity. Second Creek is closed.

3.14 MUNICIPAL HEALTH SERVICES (ENVIRONMENTAL HEALTH)

The National Health Act, 1977 (Act 61 of 2003) defines Municipal Health Services as a service that performs the following functions:

- 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 but excludes Malaria Control, Port health services and control of hazardous substances.
- Monitoring of day care centres and training of educators

As a requirement of National Environmental Management Act (NEMA), Air Quality Management Act, BCMM as a Metro has developed an Air Quality Management Plan to improve the quality of air. The Provincial Department of Environmental Affairs and Tourism has designated an Air Quality Officer for BCMM.

3.14.1 Status of Municipal Health Services within the Municipality

Buffalo City Metropolitan Municipality has a fully functioning Municipal Health Services which delivers the full range of functions as defined in the Health Act and the Scope of Profession of Environmental Health.

From 1st July 2011, Municipal Health Services became 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 the Amathole District Municipality & Eastern Cape Department of Health e.g. in former R293 townships & rural areas of BCMM.

Since the devolution of Environmental Health Services from Amathole District Municipality and Eastern Cape Department of Health to BCMM, BCMM had to undertake a Section 76-78 assessment for the transfer of the full service to BCMM. Currently BCMM is driving the process of finalizing the devolution of the transfer of staff from Eastern Cape Department of Health and Amathole District Municipality. Eight staff members from the Eastern Cape Department of Health have since been successfully transferred to BCMM and have taken up office. This will assist in delivering better services within the Metro, but the number of Environmental Health Practitioners is still way under the national norm of 1:1500 EHPs per population.

The section is grossly under-resourced in terms of staff, equipment and vehicles to deliver the full package of functions, as per applicable legislation. Support services are also problematic with two administration support assistants supporting all EPH's within the Metro area.

The Section 76-78 assessment report has since been completed and will pave the way for the development of a Municipal Health Service Delivery Plan which will address environmental health issues.

3.14.2 Challenges

Air Quality Management Plan (Sector Plan)

- Re-skilling & training of the present staff
- Funding of AQM Programmes as identified in the AQMP
- Processing of new Air Quality Licensing Applications
- Four additional staff members are needed to monitor and enforce the Pollution Control By-Laws and other Environmental Management Legislation through BCMM

Municipal Health Services Delivery Plan (Sector Plan)

- Lack of human resources to perform all aspects of scope
- Lack of funding to implement routine MHS programmes for the greater BCMM area.
- Lack of vehicles & equipment to service areas previously serviced by ADM & EC DOH.
- Lack of internal support of functions from other Directorates
- Finalisation of the devolution of staff from ADM

3.15 PUBLIC SAFETY

Creating a safer and secure environment for BCMM's residents, visitors and businesses is a key priority and a significant challenge for the Metro. Crime remains a critical issue of BCMM, in terms of its impact on the quality of life of residents and on economic growth. Whilst crime remains a serious issue within the Metro, Traffic and Law Enforcement officials together with SAPS are undertaking numerous strategies & collaborative efforts in which to combat crime. Incidences of crime are measured on a daily basis and Law Enforcement officials respond timeously and promptly to these calls. The bulk of the crime incidences recorded in the Metro, especially in the Central Business District are theft, robbery, smash & grab, snatch & run, drunk & disorderly behavior & resultant crime from this behavior and illegal street trading.

Criminal behavior as mentioned above has migrated from Mdantsane to the CBD due to the installation of CCTV cameras at the Mdantsane Highway Tank which was a major crime spot in the past. The installation of these cameras has proven to be an effective deterrent for crime related incidents. The City has embarked on a programme of identifying major hot spots for crime and the next phase for the installation

of CCTV cameras will be rolled out on the Beachfront and the CBD. This measure should prove effective for ensuring the continuous safety of residents, visitors and businesses in the City. The City is looking at undertaking a needs analysis to formulate a Master Plan for the implementation of CCTV cameras in BCMM. Improved safety & security is crucial for shared and accelerated economic growth.

Of course, crime, disorder and traffic violence are not the only safety-related threats that BCMM faces. Current levels of vulnerability to fires, flooding and other natural and human induced hazards, and the impact of these on communities and the environment, remain a threat to the city's development, growth and in some cases progress towards improved levels of safety. Against this backdrop the City is working towards improving the efficiency and effectiveness of its fire & rescue services and disaster management services.

Public Safety comprises of the following functional areas:

3.15.1 TRAFFIC SERVICES

The primary function of the Traffic Department is the enforcement of traffic laws, regulations and by laws.

Traffic Services provide the following services/functions:

- Traffic Control
- Enforcement of traffic laws
- Registration and licencing of vehicles
- Testing of vehicles for roadworthiness
- Testing of applicants for learners and driving licences
- Issuing of business licences in terms of the Business Act
- Maintenance of road traffic signs and markings
- Control of dogs
- Road Safety

Traffic Services operate out of offices in East London and King Williams Town with a vehicle test station in Zwelitsha and a vehicle registration and licencing office as well as a driving licence test facility in Gonubie.

Areas covered by Traffic Services in terms of operation covers the majority of the BCMM area of jurisdiction albeit in limited capacity. Traffic Enforcement and Policing are visible in Mdantsane and the department has two dedicated vehicles patrolling the suburb. A new learners licence testing facility is currently being funded and plans are underway to establish this facility which will facilitate service delivery in the midland area. Whilst progress has been made in terms of the extension of services and facilities Traffic Services remain primarily focused in the urban areas. The shortage of staff, vehicles, facilities and equipment continue to hamper the extension of services.

The high rate of vehicle accidents on the city's roads continues to claim countless lives and place a heavy burden on emergency services resources. The departments objectives are to reduce the vehicle accident rate on the City's roads by ensuring that resources are directed towards national road safety strategies, including the Arrive Alive campaign, no-nonsense approach towards the general disregard for traffic rules and regulations especially by taxis, speed limit enforcement to be expanded especially in high frequency accident locations and pedestrian risk areas, the assignment of speed cameras based on the most problematic accident locations, increase visibility through peak hour patrols and regular roadblocks across the city to determine both driver and vehicle fitness.

(a) Challenges

Challenges encountered by traffic services include the following:

- Finalisation rate of infringement notices (summonses, notices to appear in lower court, notices of intended prosecution and warrants of arrest)
- Number of motor vehicle accidents
- Delays in obtaining an appointment for a driving license test
- Extension of full services to all areas of BCMM
- Limited K53 driving license test facilities
- Limited office accommodation facilities, equipment and personnel

3.15.2 LAW ENFORCEMENT SERVICES

During the second quarter of 2011 the BCMM Law Enforcement Services ceased to fall under the Commander: Traffic and Law Enforcement Services and as such Law Enforcement was established as a separate entity or stand-alone division within Public Safety.

The primary function of Law Enforcement Services is the enforcement of municipal by laws and crime prevention. However their daily duties include:-

- Traffic law enforcement
- Enforcement in respect of all offences
- Attending to complaints from the public
- Processing of applications in respect of the Gatherings Act
- Law enforcement operations in conjunction with the SAPS
- Visible patrols and crowd control at special events
- Safety of municipal installations and plant as and when required
- Monitoring of informal street trading
- Cash in transit for various municipal cash points

High levels of disorder remain a persistent problem, with anti-social behavior being fairly common in many areas of BCMM. The high rate of unemployment and poverty in the Metro leads to many anti-social related behavior.

Effectiveness in law enforcement is the extent to which a law enforcement agency is accomplishing its purpose. The city has recorded a marked increase in illegal trading by hawkers, spaza shops, illegal signs and postage defacing the city's buildings and infrastructure, littering, public drinking, loitering and drunkenness, illegal squatting and occupation of vacant buildings, urinating in public, excessive noise and the blatant disregard for the city's laws and regulations. This behavior affects residents' quality of life, contributes to growing fears of crime and creates an environment for lawlessness and crime to flourish.

The Law Enforcement Dept is committed to enforcing the law against those committing crimes and by law offences and is currently in the process of finalizing the Crime Prevention Strategy. The Crime Prevention Strategy will set out the objectives, strategies and priorities of crime prevention. A major challenge for the department currently is the shortage of human resources and vehicles and this is particularly worrying given the steady increase in operational challenges since the city became a Metro. It is therefore imperative that the department plans and budgets for additional staff and vehicles as well as ensuring the ongoing training & development of personnel, in pursuit of higher efficiency.

The formulation of a Master Plan for the implementation of the CCTV cameras in the city will address the issue of crime in hot spot areas of the City, especially areas like the CBD and the Beachfront, both of which are recognized as economic hubs and the beachfront being a major tourist and holiday attraction.

The City is also embarking on a process of reviewing existing City By-Laws, policies and standard operating procedures to ensure that these are relevant to the changing environment.

(a) Challenges

- Use of hawker stalls for crime related activities
- Sale of liquor to minors by liquor outlets
- Crime in the CBD's & Beachfront
- Theft and vandalism of municipal property
- Shortage of staff , vehicles and equipment
- Illegal spaza shops & hawkers
- Increase in illegal squatting

3.15.3 METRO POLICE SERVICE

The establishment of a metropolitan police service can accurately be recognized as giving effect to some of the objectives of Local Government. Section 152(1) (d) of the Constitution provides that the objectives of Local Government, inter alia includes, is to promote a safe and healthy environment. The South African Government adopted the National Crime Prevention Strategy in 1996. The national strategy provides a framework for a multi-dimensional approach to crime prevention, however it does not in any detail spell out specific options that local government should take to be involved in crime prevention. Therefore, it is incumbent upon local government to develop an integrated crime prevention strategy that will seek to address the core business of the entire municipality.

In view of the fact that BCMM acquired a status of a Metropolitan Municipality on the 28th July 2010, it was imperative that a Metro Police Service be established. On the 31st October 2011, minute number BCMM 190/11, the Council adopted and confirmed the establishment of the Buffalo City Metro Police Service. The application and the business plan have been submitted to the office of the MEC: Safety and Liaison for consideration and approval on the 31st August 2012.

Metro Police Service will consist of the amalgamation of the City's Traffic Services & Law Enforcement Services. The functions of Metro Police Service as set out in the South African Police Service Amendment Act, No 19407 dated 28 October 1998 are:

- a) Traffic policing, subject to any legislation relating to road traffic;
- b) The policing of municipal by laws and regulations which are the responsibility of the municipality in question and;
- c) The prevention of crime

3.15.4 FIRE AND RESCUE SERVICES

Buffalo City Metropolitan Municipality Fire and Rescue Services is one of two local authorities in the Eastern Cape that operates a Hazmat Unit and a Water Rescue Unit. The section services the vast Eastern Cape area when dealing with hazardous incidents. The section is responding to all motor vehicle incidents on all major routes including the vast N2 and N6.

The Fire & Rescue Service responds to, deals with and manages a large number of fire risk and other emergencies across BCMM on a daily basis. In order to minimize damage to property and the environment, rapid response to such incidents is essential. It is therefore imperative that minimum response times are maintained and improved upon in order to minimize the increasing threat to life and property, particularly in the informal settlements.

The risk of fire in the informal settlements remains a high risk factor and the challenge when dealing with these fires are inaccessibility to the shacks due to no or poor road network and exposure of live electrical wires due to illegal electrical connections. Interventions with the informal settlement communities to highlight these risks are ongoing.

Fire Stations are still mainly situated in urban areas resulting in considerable time delays when responding to emergencies in rural areas. The challenge with establishing Fire Stations in rural areas are mainly due to poor or no infrastructure such as water, electricity and roads as well as the non-existence of fire hydrants. Most of the rural land is state owned land. Plans are currently underway to establish and build a fire station in the Chalumnqua/Berlin area.

Fire Stations are located at Fleet Street - East London, Greenfields, Dunoon Road, Western Avenue - Vincent, Mdantsane, King Williams Town and Dimbaza. A new Fire Station is currently being built in King Williams Town (inland region) to cater for the specialized fire vehicles as the current building could not house these specialized vehicles.

During the 2011/2012 financial year the Fire & Rescue Unit responded to 1977 fire related incidents, reviewed 30 risk plans, conducted 40 evacuation drills, responded to 182 rescue calls & 80 special service calls.

The Fire & Rescue Service Training Centre has been established and is recognized as an accredited training centre, and provides a high level of training to the City's fire fighters. The Fire & Rescue Service is geared towards maintaining high operational, fire safety and training levels to ensure that the City remains safe in the years to come.

The Fire & Rescue Services department still however faces the challenge of understaffing, insufficient and inadequate vehicles and equipment in order to service the entire BCMM area effectively and efficiently.

The services offered by the Fire and Rescue Services are:-

- The suppression of fires
- Handling of hazardous material incidents
- Fire Safety
- Risk assessments
- Fire related training
- Administration function
- 24hrs Resources Control Centre

(a) Challenges

Identified challenges include the following:

- King Williams Town Fire Station is an old building that cannot accommodate specialized fire fighting vehicles.
- Delays when responding to emergencies in rural areas due to a distance to travel.
- Insufficient garage space for vehicles.
- Lack of fire hydrants in rural areas
- Fire Protection Association not established by communities, owners of the land, traditional leaders and emerging farmers to manage control, coordinate and extinguish veld fires.
- Limited resources (fire engines, personnel, equipment, uniform, protective clothing fire stations) to service the vast area.
- Fire Stations concentrated in urban areas.
- No access road when dealing with emergencies on informal settlements.
- No recognized roads in rural area
- Danger of staff being electrocuted when responding to informal settlements due to illegal electrical connection.
- Major delays on maintenance of imported vehicles due to parts that must be ordered by service providers abroad.
- To obtain land for construction of fire stations and training Centre.
- The personnel are not registered with HPCSA.

3.16 COMMUNITY AMENITIES

Amenities comprises of the following sections: Sports fields; Swimming Pools; Marine Services; Resorts and the Zoo. Amenities provide for the education, conservation, sport and recreation needs of the community. **Libraries and Halls are Arts & Cultural Services facilities which form part of Community Amenities.**

(i) Audit of Sportsfields

There are currently 130 recorded sports facilities located within the coastal, midlands and inland regions in BCMM, but the number of facilities must still be verified via an audit. The following are sports facilities that are managed by BCMM:

Table B19: BCMM Sportsfields

Name of the Sport field	Ward/ Township/ Area/of Location	Communities benefiting from the field	Use of the field	Frequency of usage	Current Challenges / Condition	Existing structures
Jan Smuts	Southern wood	All	Soccer, Net ball Events & Athletics	Weekly	Boundary brick wall. Staff quarters interior needs painting. Ladies ablutions need all the equipment that will make them female friendly.	Parking, stadium, synthetic athletic track, staff quotas
Buffalo City Stadium	Southern wood	All	Rugby, Soccer & Events	Weekly	None	2 Rugby fields, office blocks, lecture rooms
Bunkers Hill	Bunkers Hill	All	Cricket, Soccer & Hockey	Weekly	Unauthorized usage - no fencing	Change rooms
Westbank	Westbank	All	Soccer	Weekly	Swamp	Change rooms, grand stand, Storeroom & grand stand
Selborne Park	Southern wood	All	Tennis	Daily	None	Change rooms, grand stand, club house & tennis courts
North End	Town	All	Soccer / Events	Weekly	Over Usage	Change rooms, ablutions & club house
Amalinda	Amalinda	All	Cycling, Soccer & Rugby Events	Weekly	None	Been upgraded: ablutions, change rooms, hall
Braelyn Ext 10	Braelyn	All	Softball, Baseball, Cricket & Events	Weekly	Caretaker house, change rooms, ablutions, fence, resurfacing, irrigation & spilling sewer	2 Change rooms, cricket & softball pitch
Pefferville	Pefferville	All	Soccer / Netball Events	Weekly	Resurface, ablutions, seating, irrigation	Open space & vandalized caretaker house
Lujiza	Duncan Village	All	Tennis, Basketball, Volleyball & Netball	Daily	None	Change rooms, kiosk, caretaker house, tennis, basketball, volleyball & netball courts
Parkside	Parkside	All	Soccer & Rugby	Weekly	None	Change rooms, netball & soccer fields
Gompo	Duncan Village	All	Soccer & Rugby	Weekly	Resurfacing, ablutions, caretakers, cottage	Change rooms, Ticket office, caretaker house, Flood lights & rugby & soccer

Schoeman	Buffalo Flats	All	Cricket & Hockey	Weekly	None	Club house, change rooms, caretakers house & cricket field
Sisa Dukashe	Mdantsane	All	Soccer & Rugby	Weekly	Resurfacing, staff quotas	Change rooms, caretaker house, ticket office, grand stand, ablutions, soccer field & netball courts
Orlando	Mdantsane	All	Soccer & Pools	Weekly	Fencing and change rooms	Cricket and soccer fields
Embekweni	Embekweni	Mdantsane & Surrounding Villages	Basket Ball & Soccer	Weekly	Soccer Fence, basketball surfacing and stands	Basketball posts
Mntlabati	Mncotsho	Surrounding Villages	Rugby & Events	Weekly	Ablutions	Pitch
Mabaleni	Mncotsho	Mncotsho Nkqonkweni, Mntlabathi Postdam & Nxamkwana	Rugby & Soccer	Weekly	No toilets	Pitch, fencing
Nxaruni	Nxaruni	Surrounding Villages	Rugby	Weekly	Ablutions	Pitch, fencing
Gonubie	Gonubie	Community & Clubs	Cricket, Rugby & Soccer	Weekly	None	Change rooms, club house, cricket, soccer & rugby
Gomoro Sports Field	Nu 3	Community & Clubs	Soccer	Weekly	Pitch resurfacing, no fence	None
Reeston	Reeston	Community & Clubs	Soccer	Weekly	Pitch resurfacing, no fence	None
Tshabo	Tshabo	Community & Clubs	Rugby & Soccer	Weekly	Pitch resurfacing, no fence	None
Forthmarry	Forthmarry	Community & Clubs	Rugby & Soccer	Weekly	Pitch resurfacing, no fence	None
Chalumna	Chalumna	Community & Clubs	Rugby & Soccer	Weekly & special events	Seating & public ablutions	None
Chalumna	Chalumna	Community & Clubs	Rugby	Daily	Seating & public ablutions	Rugby field & 2 change rooms
Floodplain	Duncan Village	Community & Clubs	Soccer & Netball	Weekly	No fence, ablutions	Netball & soccer fields
Ncera	Ncera	Community & Clubs	Soccer	Weekly	Pitch resurfacing, no fence, soccer posts	None
Needscamp	Needscamp	Community & Clubs	Rugby and Soccer	Weekly	No fence, water, ablutions	None
Sisa Dukashe	Mdantsane	All	Soccer & Rugby	Weekly	Resurfacing, staff quarters	Change rooms, caretaker house, Ticket office, grand stand, ablutions, soccer field & netball courts
Orlando	Mdantsane	All	Soccer & Pools	Weekly	Fencing and Change rooms	Cricket and Soccer fields

Nu 1	Mdantsane	All	Rugby, Tennis & Events	Weekly	None	Tennis and rugby fields
Nu 6	Mdantsane	All	Soccer	Weekly	Ablutions, boundary wall, no 2 pitch needs re-surfacing, gates and ticket office	Fencing, Irrigation, No 1 pitch, cottage
Nu 7	Mdantsane	All	Cricket	Weekly	Ablutions, fence	Pitch
Nu 15	Mdantsane	Mdantsane	Soccer	Weekly	Ablutions, fence, pitch	None
Nu 17	Mdantsane	All	Soccer & Softball	Weekly	Ablutions	None
Postdam	Postdam	All	Soccer & Events	Weekly	No soccer posts, gates and pitch resurfacing	Fence
Acorn Valley	Acorn Valley	Surrounding Villages	Soccer	Weekly	Open space (playing surface need to be upgraded)	Building for Change rooms
Berlin Fields	Berlin	Berlin	Rugby, Soccer & Cricket	Weekly	Open space (playing surface need to be upgraded)	None
Breidbach Fields	Breidbach	All	Rugby, Soccer & Cricket	Daily	Open space (playing surface need to be upgraded)	Office, change rooms caretaker's house, storeroom
Ilitha Sportsfields	Ilitha	All	Rugby & Soccer	Weekly	Open space (playing surface need to be upgraded)	Caretakers house
Mt .Coke Fields	Mt Coke	All	Soccer Fields	Weekly	Open space (playing surface need to be upgraded)	None
Phakamisa Fields	Phakamisa	All	Rugby & Soccer	Weekly	Open space (playing surface need to be upgraded)	None
Sweetwater Fields	Sweet-waters	All	Soccer fields	Not good to be used	Facilities and Floodlights	None
Zwelitsha Stadium	Zwelitsha	All	Rugby, Soccer & Netball	Daily	Open space (playing surface need to be upgraded)	Change rooms, Storeroom, caretaker's house
Zwelitsha Zone 6	Zwelitsha	All	Rugby & Cricket	Weekly	Open space (playing surface need to be upgraded)	None
Zwelitsha Zone 10	Zwelitsha	All	Rugby	Weekly	Open space (playing surface need to be upgraded)	None
Ndevana	Ndevana	All	Soccer & Rugby	Weekly	Fencing	None
Amatola Field	Amatola	Bisho and surrounding area	Rugby	Weekly	Grand Stands	None
Bisho Stadium	Bisho	All and surrounding area	Events, Athletics, Rugby, Soccer Netball & Volleyball	Under construction	Need equipment, irrigation system staff and poles (Soccer, Rugby & Netball)	Change rooms, Office

Bisho Fields	Bisho	All	Rugby, Soccer Netball & Cricket	Weekly	Grand stand, Floodlights and Irrigation pipes and set of Soccer and Netball poles	Change rooms
Farrer's Fields	Farrer's	Surrounding area	Soccer, Rugby, Cricket and Netball	Weekly	Flood light needs to be upgraded and fence	Change room, Store rooms, Caretaker's house, Office, Garage and Clubhouse
Ginsberg Fields	Ginsberg	All	Soccer & Rugby	Weekly	Grand stands	Change rooms, Caretaker's house
Hanover Fields	Hanover	All	Rugby	Weekly	Fencing, Water and facilities	Change rooms
Old Airport Fields	Bisho	All	Rugby & Soccer	Weekly	Open space (playing surface need to be upgraded)	None
Schornville Fields	Schornville	All	Rugby	Weekly	Floodlights, stands, water, fence and facilities	Change rooms
Sikhobeni Field	Sikhobeni	All	Rugby	Weekly	Stand and fence and facilities	None
Tharrett's Fields	King Williams Town	Surrounding area	Soccer	Weekly	Floodlights, stands, water, fence and facilities	Change rooms, Club house
Tyutyu Sportsfields	Tyutyu	All	Soccer & Rugby	Weekly	Floodlights, stands, water, fence and facilities	None
Victoria Grounds	King Williams Town	Surrounding area	Rugby and Cricket	Under construction	2010 Legacy project	Change room, Storerooms, Caretaker house, Office, Garage, Club house
Rayi	Rayi	All	Rugby	Weekly	Open space (playing surface need to be upgraded)	None
Nonkcampa	Nonkcampa	All	Rugby & Soccer	Weekly	Open space (playing surface need to be upgraded)	None
Amacal'egusha Fields	Amacal'egusha	All and Surrounding area	Cricket	Weekly	Vandalism of facilities	Building & office change rooms
Dimbaza Bridge	Dimbaza	All	Soccer	Weekly	Open space (playing surface need to be upgraded)	None
Dimbaza Central	Dimbaza	All and surrounding area	Soccer	Weekly	Open space (playing surface need to be upgraded)	None
Dimbaza Mannburg	Dimbaza	All	Rugby & Soccer	Weekly	Open space (playing surface need to be upgraded)	None
Dimbaza Stadium	Dimbaza	All and surrounding area	Rugby, Soccer, Cricket and Netball	Weekly	Floodlights, stands, water, fence and facilities	Change rooms
Dimbaza West Field	Dimbaza	All	Soccer & rugby	Weekly	Open space (playing surface need to be upgraded)	None

Dikidikana Fields	Dikidikana	All	Rugby, soccer and netball	Weekly	Open space (playing surface need to be upgraded)	None
Great Place Fields	Mngqesha	All	Soccer, Rugby & Netball	Weekly	Floodlights, stands, water, fence and facilities	None
Pirie Misssion	Pirie	All	Soccer, Rugby & Netball	Weekly	Floodlights, stands, water, fence and facilities	None
Upper Mngqesha	Upper Mngqesha	All	Soccer, Rugby & Netball	Weekly	Floodlights, stands, water, fence and facilities	None
Lower Mngqesha	Lower Mngqesha	All	Soccer, Rugby and Netball	Weekly	Floodlights, stands, water, fence and facilities	None
Mdingi Fields	Mdingi	All	Cricket & Rugby	Weekly	Floodlights, stands, water, fence and facilities	None
Nomgwadla Fields	Nomgwadla	All	Rugby	Weekly	Floodlights, stands, water, fence and facilities	None
Pirie Trust Fields	Pirie	All	Cricket, rugby & netball	Weekly	Floodlights, stands, water, fence and facilities	None
Polar Park Fields	Polar Park	All	Rugby, soccer & netball	Weekly	Floodlights, stands, water, fence and facilities	None
Reeston Sports- field	Reeston	All	Rugby	Weekly	Floodlights, stands, water, fence and facilities	None
Scenery Park Sports- field	Scenery Park	All	Rugby, soccer & netball	Weekly	Boundary wall, ablutions, change rooms and seating	None
Nompumelelo Sports- field	Nompumelelo	All	Rugby, soccer & netball	Weekly	Boundary wall, ablutions, change rooms and seating	None
Muzamhle Sports- field	Muzamhle	All	Rugby, soccer & netball	Weekly	Boundary wall, ablutions, change rooms and seating	None
Kwalini Location Sports- field	Kwalini Location	All	Rugby, soccer	Weekly	Fencing, leveling of surface, change rooms, combination of goal poles	Open Field
Zinyoka	Zinyoka	All	Cricket	Weekly	Floodlights, stands, water, fence and facilities	None
Tyutyu Village	Tyutyu Village	All	Rugby	Weekly	Floodlights, stands, water, fence and facilities	None

Safety issues of facilities and accreditation:

Currently there are insufficient Security Guards for all the sports fields, which has resulted in vandalism and theft. Compliance with the SASREA is the responsibility of various stake holders such as SAPS and Disaster Management. Applicants are reverred to SAPS when booking facilities.

(ii) Swimming Pools

There are 4 swimming pools within the BCMM boundaries, namely, Joan Harrison, and Ruth Belonsky (Coastal region), and King Williams Town and Zwelitsha pools (Inland region).

(iii) Marine Services (Aquarium, Beaches, Coastal Conservation)

The public beaches serviced include the following:

Table B20: Public beaches

All year round beaches	Seasonal beaches
Gonubie Main Beach and River Mouth	Western Seafront Rifle Range Tidal Pool
Bonza Bay Beach and Lagoon	Leaches Bay Tidal Pool
Nahoon Main Beach	Kidd's Beach
Eastern Beach	Hickman's River and Beach
Orient Pools and Beach	Kaisers Beach
	Igoda River Mouth

Status of the Aquarium (management issues, number of animals, acquisitions and disposals thereof)

The Aquarium is moving closer to being compliant enough to meet these standards and be audited against them. These minimum operational standards have been draw up by PAAZAB (Pan African association of Zoos and Aquarium) who are an association to which the aquarium is an institutional member, and the only credible association on the African Continent functioning to align animal keeping facilities and operating standards and ethics. A few gaps do exist that cannot be covered without management support. The Aquarium has a long outstanding post of Aqarist which is unfunded.

(iv) Zoo

There is one Zoo located within East London which serves the community of BCMM and areas outside BCMM as the zoo is a tourist attraction. The zoo master plan was finalized in 2007. Currently the development and upgrading of the zoo is guided by the PAAZAB Operational Standards. Currently the Zoo has 304 animals which include amongst others, the African Civet, African Grey Parrot, Blue Duiker and Yellow Anaconda. It is however, important to note that animal collection varies depending on births, deaths, acquisition and disposal of animals.

Management of the Zoo

The staff compliment at the Zoo, as per the existing organogram is 23 full time employees. At present the Zoo is operating with 20 permanent staff and 3 temporary, staff. The Zoo staff work in two teams and the teams work a five day week with every alternate Saturday and Sunday as overtime, in effect working a 6 day week with only 1 day off. The proposed organogram addresses the need for additional posts, in order for the Zoo to be better able to fulfill its role as an education, conservation and recreational amenity.

v) Resorts

Buffalo City manages the Gonubie and Nahoon resorts. Gonubie comprises of self-catering chalets and campsites/ caravans, whilst Nahoon caters for campsites/caravans.

Gonubie: 20 Chalets, 86 Camp Sites

Nahoon: 52 Camps Sites

The Gonubie Resort has been awarded a 3-Star Grading from the Tourism Grading Council of South Africa in 2012.

vi) Libraries

Buffalo City Council manages 17 libraries with 60 647 Subscribers on behalf of the Provincial Government. The latter only subsidizes Council's libraries operating budget of R26 978 280 by R4.3 million. There is a need to extend the library service to all communities especially by means of electronic media such as e-books which will take the service to all community members with e-reader capable hardware without the user having to commute to a library.

vii) Halls

Buffalo City Council manages 36 tariff levying halls with approximately 4638 events having been held in the past 12 months.

A general survey of halls was undertaken within the Directorate of Community Services which commenced in December 2004 and was reported to Council in October 2005. During that survey, more than 90 facilities were visited and technically assessed. The facilities listed were either inherited from the erstwhile East London and King Williams Town Transitional Local Councils or facilities reported by Amathole District Municipality.

These facilities fall into two categories namely:

- a) Tariff levying halls which are managed by Buffalo City Metropolitan Municipality of which there are 36 which were inherited from the erstwhile East London and King Williams Town Transitional Local Councils. These halls have an operating budget and staff.
- b) Non-tariff levying halls of which there are 53 and which were primarily constructed by the Amathole District Municipality. Council levies no tariff for these halls as they have no operating budget, (despite previous requests) and no staff. It is also considered onerous for rural communities to book the facilities as there are only 4 booking points.

Many community halls are in need of major refurbishment, now estimated to exceed R70 million in value. Lack of security guards increases Council's risk. Council's insurers may decline claims on the basis that Council took no reasonable steps to secure its properties.

3.16.1 Horticultural Services

There are 97 existing parks in the BCMM jurisdiction and the target for development of new parks this financial year is 8 and maintenance maintenance therefore remains a challenge due to limited funding and resources.

Public spaces have never been considered part of BCMM menu of public city buildings. Traditional parks are increasingly also being eliminated. The fragmented and unsustainable nature of these conventional public parks has resulted in the belief that these are extravagant and nice to have.

Open spaces are regarded as unaffordable to provide and maintain and therefore cannot compete for popular and political support in the face of demands for basic services. As a result vast areas of the City are developed without this essential resource.

Children play in the dust and mud of the streets, teenagers play football on grassed banks of road interchanges, old people wait in blazing sun or rain for community events and ceremonies have no place or home.

The economic significance of public spaces is similarly neglected. Planning and design of neighbourhoods for poor communities has not accommodated either private or public locations for commercial activities or markets. Survivalist trading occurs in unregulated conditions that create health, safety and access problems. Despite the limited focus in public spaces in BCMM over a period of time, certain milestone projects have been implemented.

A number of beautification projects were approved for implementation across the length and breadth of BCMM. These projects included initiatives in Horticulture, grass cutting, bush clearing, beautification of entrances to town and cities as well as development of parks and open spaces.

Over the past ten years a total of thirty (30) parks were developed including the pedestrianisation of the St George's Park in East London. The establishment of the Eco-Parks in Mdantsane and Duncan Village are both ground breaking projects and will assist in setting the context for similar projects across the BCMM.

The response from ordinary people and councillors has been encouraging and confirms the startling premise that the implementation of these programmes viz. Parks and Open Space Development, Beautification and Bush Clearing is a relevant and meaningful part of transforming BCMM.

3.16.2 Cemeteries & Crematoria

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 is situated in the Cambridge area in East London. Of the 279 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 Cambridge Crematorium located in East London not only renders services in the jurisdiction of BCMM but the whole of the Eastern Cape

Implications of the influx created by the services rendered would be the continuous usage of the crematorium incinerators will result in increased of repairs and gas to operate the incinerators which can result in backlogs in cremations.

With regard to formalization of existing rural cemeteries it is not a viable option as currently 279 informal cemeteries exist hence to undertake this process it is detrimental that a full environmental impact assessment be conducted of all the 279 cemeteries. Currently the department has no capacity including Human Resources to maintain 29 Cemeteries.

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.

3.16.3 Challenges

Challenges relating to cemeteries and crematoria, grass cutting and bush clearing, beautification, parks and public open spaces are outlined below:

- Lack of suitable land for the development of cemeteries
- Rapid urbanisation and high mortality rate causing strain on cemeteries
- Lack of uniform By-laws
- Poor access roads
- Criminal activity in cemeteries
- Tariff deficiencies
- Uncontrolled and increased spread invasive alien vegetation species due to lack of funding and resources.
- Environmental damage due to human behaviour and natural disasters
- Lack of access to land for the development of community parks
- Existing play parks not fully equipped, **i.e fencing**
- Play parks lacking in rural areas
- **The high number of illegal dumping hampering grass cutting in BCMM**
- Insufficient and aged vehicles.
- Lack of funding and resources, **especially for the maintenance of newly established facilities.**

3.17 DISASTER MANAGEMENT

3.17.1 Background - Legal Historic Perspective

The Disaster Management Act 57 of 2002, assigns the Disaster Management function at Local Authority level to Metropolitan and District Municipalities in terms of Section 156(1)(b), of the Constitution, 1996 and requires Local Municipalities to provide the function in conjunction with the District Municipality.

Lack of clarity regarding the ultimate responsibility of Buffalo City and Amathole District Municipalities resulted in Buffalo City continuing to provide a largely reactive function with minimal resources.

The Disaster Management function became the responsibility of Buffalo City Municipality on acquiring Metropolitan status in May 2011.

Disasters occur as a result of a complex inter-relationship of Social, Economic, Spatial, Structural and Environmental vulnerabilities that expose people, their livelihoods and the environment to the hazards generated by trigger events and result in widespread human, economic and environmental losses. The management of disasters requires the assessment of all possible hazards, risks and vulnerabilities in order to prevent, mitigate and prepare for rapid response and recovery. Disaster Management requires an integrated multi sectoral, multi-disciplinary approach.

The National Policy Framework for Disaster Risk Management in South Africa [GN 654 of 2005] provides a strategic framework for the implementation of Disaster Risk Management. Disasters cut across all sectors of society, therefore more than 20 National Acts address aspects of Disaster Management.

This legislation also allocates responsibility to National and Provincial Departments and State Entities for the execution and funding of particular aspects.

BCMM has developed a Disaster Risk Management Policy Framework, Implementation Plan and Budget. This has been tabled at the Health and Public Safety Portfolio Committee and Mayoral Committee and will be tabled in Council before the end of the 2012/13 financial year.

The Disaster Risk Management Policy Framework is a sector plan of the Integrated Development Plan in terms of Section 26g of the Municipal Systems Act 32 of 2000 and Section 53(2)(a) of the Disaster Management Act 56 of 2002.

The Disaster Risk Management Policy Framework addresses the four key performance areas and three enablers addressed in the Disaster Risk Management Policy Framework for South Africa published under GN654 of 2005.

These are as follows:

- KPA1: Institutional Capacity.
- KPA2: Disaster Risk Assessment.
- KPA3: Disaster Risk Reduction.
- KPA4: Response and Recovery.
- E1: Information Technology and Communication.
- E2: Education, Training, Public Awareness and Research.
- E3: Funding.

3.17.2 Status Quo

The Buffalo City Metropolitan Municipal area has been exposed to a range of disasters in the past. These hazards continue to threaten the City on a daily basis. The following is a list of types of disasters that occur throughout BCMM:

- Fires - Informal settlements, industrial, vegetation
- Tornados, severe storms
- Flooding, worst recorded flood being August 1970 with most recent floods being 9/10 June, 5 July and 13 November 2011 and 18 October 2012
- Drought
- Sea surges
- Epidemics
- Animal diseases, particularly swine flu
- Road accidents - passenger and hazardous substances
- Air, numerous light aircraft crashes
- Sea, many shipwrecks along the coast
- Service Failure - Electricity, Water, Waste Water, Telephones, Information Technology, Solid Waste
- Municipal Strikes, Municipal strikes have a major impact on service delivery
- Events, The city host numerous National and International events each year.

The following is a summary of the main factors that contribute to disasters in BCMM:

- **Lack of formal Disaster Risk Management Structures**

Three structures are required to effectively manage disasters. A high level political committee to provide oversight and ensure cross sectoral co-ordination. Technical Task Teams to provide multi-sectoral solutions to:

- Flooding;
- Mass casualty incidents;
- Hazardous materials;
- Epidemics;
- Safety at major events and
- Assistance to those affected by disasters.

Disaster Risk Management Ward Forums to provide a link between the Disaster Management Centre and communities, through the Ward Councillor and Committee. Council has approved a Terms of Reference for this structure. Six monthly meetings need to be scheduled into the Council programme.

- **Poor Planning**

The lack of integrated planning contributes to disasters by allowing dangerous and unsustainable development that is repeatedly exposed to disaster.

Numerous existing developments in the city are repeatedly exposed because they were planned by under qualified people who were not aware of the vulnerability they were creating. Past policy and practices further contributed to this.

Planning for development does not adequately address prevention, mitigation and preparedness, resulting in little or no risk reduction, leading to extensive loss that should be avoided. Response to incidents is unplanned and uncoordinated.

- **Insufficient skills and materials**

Most Municipal Departments do not have sufficient human and material resources to cope with more than routine daily operations.

The city has a large pool of skills and resources within the Government and Private sector that can be used to boost the capacity of the Municipality in times of crisis. These resources are difficult to obtain at the time they are most needed as no formal agreements are in place and procurement procedures are complex and time consuming.

- **Poor and aging of infrastructure**

Roads are critical to providing assistance during and after emergencies and to allow people to evacuate should the need arise. The poor quality of roads particularly in the rural areas makes access and egress difficult. The roads experience excessive pot holing due to rain. Large pot holes pose a secondary risk of road accidents and damage to vehicles.

Aging water, waste water and electrical infrastructure is often the cause of breakdowns and failures. Aging social infrastructure such as halls, clinics and stadiums pose a safety risk to occupants.

- **Inadequate maintenance**

Failure to clean and maintain street gutters and storm water catch pits results in blockages which channel storm water towards houses and buildings and result in flooding of roads. Trees that overhang overhead power and telephone cables cause damage during strong winds. Fallen trees also block roads which can hamper response. Lack of regular maintenance of roads, buildings and electrical, water and waste water infrastructure contributes to failures. This also applies to Government buildings, hospitals, schools and to private property, including informal structures.

- **Incorrect actions by householders**

Actions by householders including settling in unsafe areas such as within flood lines, on steep slopes, in wetlands, on sand dunes and insufficient spacing within informal areas exposes these households to the hazards.

The use of mud block structures and poor quality roofing in the rural areas exposes the structures to wind and storm damage.

Most shacks are not elevated. This exposes them to seepage and storm water ingress. This is aggravated when occupants dig out the inside of shacks to create a level floor area as this creates a sump where water accumulates.

Householders do not consider drainage and storm water flows when extending structures, building perimeter walls and landscaping. This results in damming and/or channels storm water towards houses. Many of the above occur without approved building plans.

- **Lack of knowledge and understanding**

Lack of knowledge and understanding regarding the nature and causes of disasters and how to prevent, mitigate, prepare and respond to them at all tiers and across all sectors, including the general public, paralyses them into inactivity making them vulnerable and dependant on outside assistance.

3.17.3 Challenges

Challenges experienced by Disaster Management relate to the following:

- There is frequent lack of understanding regarding funding of Disaster Risk Management. The Disaster Management Act 57 of 2002 requires disasters to be first dealt with in terms of other legislation where applicable, Section 2(1)(b)(i).
- Disaster Management is not mainstreamed in Buffalo City Metropolitan Municipality, and the necessary structures have not been established. This results in fragmented and outdated risk data, fragmented prevention and mitigation interventions and fragmented and uncoordinated response and recovery. A phased approach is also addressed in the implementation plan.

Sector departments must therefore make provision for Disaster Management funding for Risk Assessment and Reduction as well as Preparedness, Response and Recovery on their budgets and within project costs. Risk assessments must be part of the feasibility studies of all new projects and developments, so that appropriate prevention and mitigation measures can be incorporated as development takes place.

The costs of repairing or replacing public sector infrastructure should be borne by the organ of state responsible for the maintenance of such infrastructure. The Disaster Management Centre is the hub that facilitates and co-ordinates the function in all sectors and at all levels, including communities at risk.

- Disaster Management is a relatively new field in South Africa, there is thus a very small pool of qualified and experienced practitioners, making it difficult to find and recruit suitably qualified and experienced staff. Work is currently being done to develop a learnership programme to address this challenge.
- Existing policy, plans, procedures and terms of reference are largely reactive and are outdated.
- The institutional memory relating to Disaster Risk Management in Buffalo City is often poor or non-existent. The lack of accurate historic data on which to conduct assessments and undertake proper planning increases vulnerability.
- Buffalo City Metropolitan Municipality has 154 informal settlements and 230 rural settlements. Each of these communities needs to be capacitated to assist them to assess their risk and vulnerability so that they can be equipped as first responders to emergencies and disasters. This is addressed in the Implementation Plan however; staff and resources are required to achieve this.

3.18 ENVIRONMENTAL SUSTAINABILITY

3.18.1 Integrated Environmental and Sustainable Development

The IEM & SD department has an overarching strategic responsibility for the protection and management of the natural environment in Buffalo City. Its main aim is to rehabilitate, conserve and manage the integrity of the City's ecological systems with a special focus on biological diversity, cultural and natural landscapes and processes within open spaces. BCMM is therefore committed to promoting conservation, thus leading to a healthy and sustainable environment consistent with national policy and legislative imperatives.

i) Climate

a) Rainfall

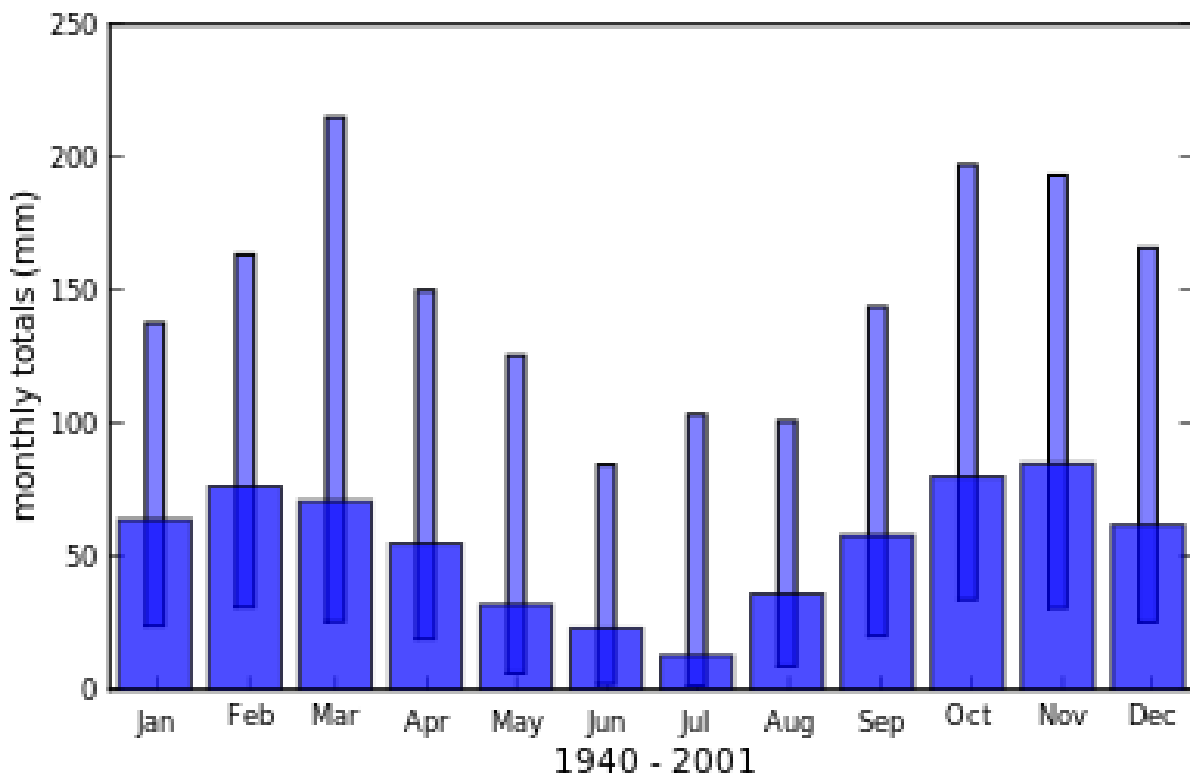
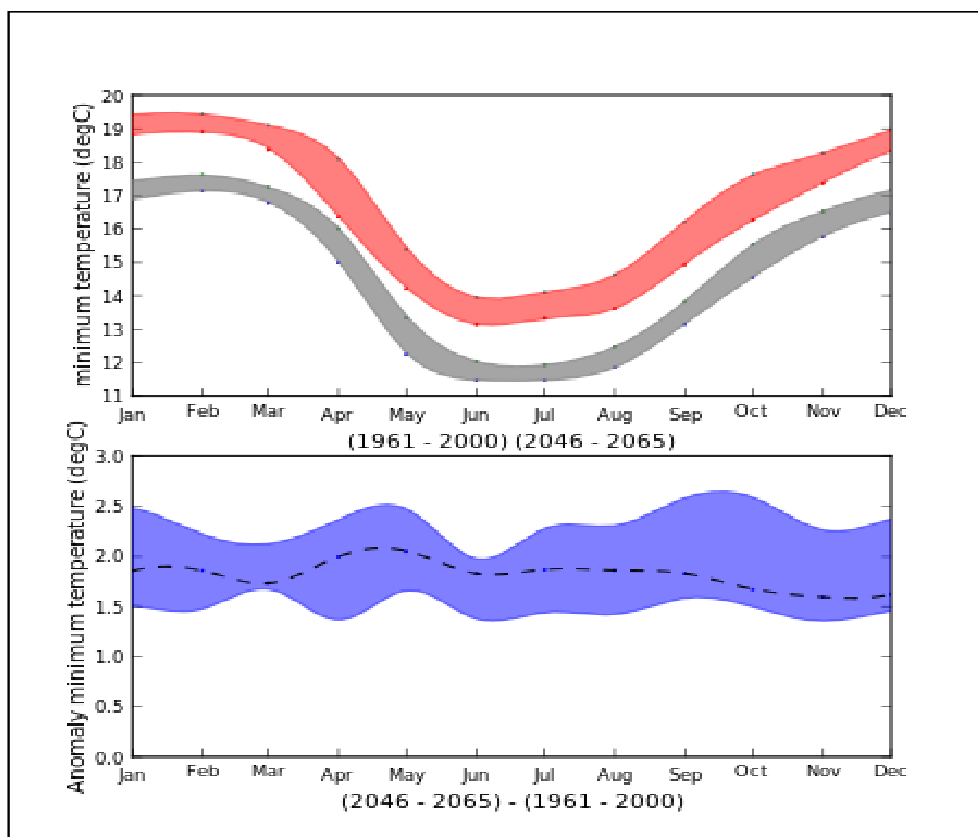


Figure 1: Observed monthly rainfall for East London

This graph shows that Buffalo City Metropolitan Municipality, for the October – December and January to February time horizon is expected to have heavy rain fall. Annual average precipitation is expected to increase or decrease in certain areas. The way in which precipitation occurs is likely to change, namely

- Increased variability from year to year
- Heavier and more intense rain
- Higher livelihood of destructive storms
- Shorter return periods for floods

b) Temperature



For the BCMM November, December, January and February are the warmest months with a minimum daily temperature of 17.5 degrees Celsius. June and July are the coldest months. Average monthly temperatures are predicted to deviate from the normal temperatures by 1.5 to 2.5 degree Celsius. In other words extreme hot days and heat waves should be expected in Buffalo City in the near future.

c) Conclusion

It is clear from the projections above that Buffalo city will experience heavy rains, and temperatures are projected to increase. Increased rainfall and the resulting floods will have implications for the municipality (livelihood) – preparedness in terms of disaster and risk management is essential. Increased temperatures on the other hand will result in extreme heat which will cause veld fires, uncomfortable heat levels for human beings etc. The municipality has to adopt adaptation measures for future climatic changes such as these. Sustainable housing design/green building is one of the ways that the municipalities can respond to extremes heat. Thus, the climate information presented calls for need for the municipality to find ways to adapt to the projected climatic changes. However, adaptation needs to be balanced with mitigation. Mitigation means reducing carbon emissions that cause climate change. To mitigate, the municipality has to undertake a greenhouse gas emissions scan.

ii) Greenhouse Gas Emissions Scan

A greenhouse gas emissions scan is a quick glance at the carbon footprint of the municipality and its surrounding communities. It measures carbon dioxide and methane emitted. It provides a baseline picture for measuring progress, provides information with which to make policy decisions. It enables the municipality to know which sectors in its demarcated area contribute the most to GHG emissions and it helps the municipality to prioritise mitigation actions, support national commitments and improve the economic resilience of its region.

In establishing a greenhouse gas picture, the following information needs to be collected:

- Liquid Fuel Data which can be requested from the South African Petroleum Industry Association, alternatively the Department of Energy
- Electricity data which is available within the municipality; only if it is the distributor or alternatively from Eskom, only if the state-owned power utility is the distributor.

For optimum results, when using the greenhouse emission scan, it is important to select a year or a time horizon for which you will get the most data. The data that was used in this document was a 2009 data.

a. Collecting and calculating data

Fuel	Unit	Quantity	Conversion factor (GJ/unit)	GJ	Conversion factors (tonnes CO ₂ /GJ)	tonnes CO ₂ e
Electricity (munic)	kWh	1,293,287,259	0.0036	4,655,834	0.3056	1,422,823
Electricity (Eskom)	kWh	0	0.0036	0	0.3056	0
Paraffin	Litre	34,639,144	0.036	1,247,009	0.0717	89,411
LPG	m ³	3,373	0.025	84	0.063	5
Natural gas	m ³	0	0.039	0	0.0642	0
Coal	Kg	0	0.03	0	0.0944	0
P e t r o l (transport)	Litre	175,653,951	0.034	5,972,234	0.0692	413,279
D i e s e l (transport)	Litre	111,422,673	0.037	4,122,639	0.0739	304,663
H e a v y furnace oil	Litre	310,314	0.04	12,413	0.0772	958
Coke	Kg	0	0.034	0	0.107	0
Wood	Kg	0	0.019	0	0	0
A v i a t i o n Fuels	Litre	32,448	0.036	1,168	0.072	84
M a r i t i m e Fuels	Litre	0	0.037	0	0.078	0
Solid waste (landfill)		0			0.76	
Waste water treatment	ML	0			0.033	
TOTAL tons CO ₂ e						2,231,223
Population						755 200
Tonnes CO₂e/capita						3.1

b. Analysis

i) Substantial contributions to emissions

South Africa's emissions per capita exceed the world average of 4 tons per capita at about 8 tons per capita. Smaller-rural towns and villages in South Africa have very low CO₂ emissions per capita – often at 1-2 ton/capita in line with the rest of Africa and below the world average. South African metros emit around 6 tons of CO₂e emissions per capita – on par with cities like London. Buffalo City's CO₂ emission per capita is 3.1 ton CO₂e/capita. However, it is important to note that, those figures might not be a true reflection of reality since waste data for Buffalo city is not included in the calculations. Though not significantly, inclusion of waste data can change that picture.

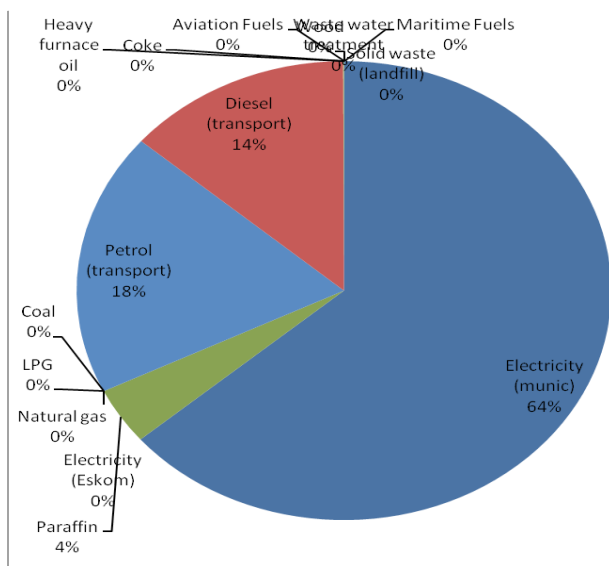


Figure 2 Carbon emissions by fuel type

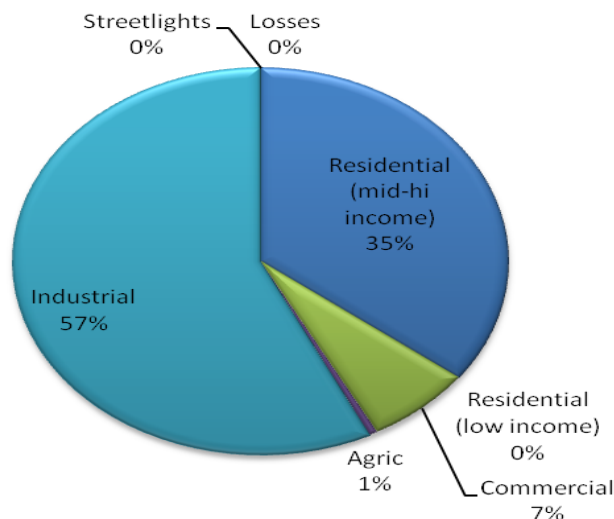


Figure 3 Carbon balance by sector

The fuel that contributes substantially to carbon emissions in Buffalo City is electricity, followed by transport (petrol and diesel). What this means for the municipality is that climate responsive interventions are important in the identified three main carbon emitters – electricity being a major concern. It then becomes imperative that sectors that consume more electricity be identified and energy efficiency interventions to be applied. In Buffalo City industrial, residential and commercial sectors are the main electricity consumers – and the main emitters of carbon emissions (see chart below).

BCMM's Response to Climate Change

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.

iii) Integrated Environmental Management Plan and Integrated Coastal Zone Management Plan

The basis for the development of IEM & CZMP's 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 (Act 107 of 1998) (NEMA).

In response to this and the challenge of Local Agenda 21, BCMM embarked on a process to formulate an IEM & CZMP. The IEM & CZMP has now reached a period necessitating its review.

This review process 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 environmental integrity of the area. The IEM & CZMP review seeks to ensure incorporation of environmental and sustainability principles within all sectors of BCMM. It also seeks to actively promote environmental responsibility through integrated planning and informing the operations and activities of various sector departments within BCMM,

The current IEM & CZMP was developed in 2004 and was due to be reviewed every five (5) years.

a) Environmental Awareness & Education

The Wildlife & Environmental Society of Southern Africa was appointed to develop a Environmental Education Strategy for Mdantsane, an initiative funded by the European Union through the City's Mdantsane Urban Renewal Programme. The strategy has been developed.

b) Alien Eradication Strategy

The BCMM Alien Eradication project 2012/13 is aimed at developing a Alien Vegetation Eradication Strategy for the municipality aimed at raising awareness of and action against alien species threatening our biodiversity and life support systems. Programmes derived from the strategy will realise this through interactive promotions, accessible resources as well as co-operation with other stakeholders and organizations with similar or shared objectives.

4. KPA 3: LOCAL ECONOMIC DEVELOPMENT

4.1 Overview

This section focuses on programmes and activities that the municipality has been involved in, to stimulate the local economy during the period under review. The chapter will account for interventions implemented and challenges encountered in creating a vibrant economic climate of Buffalo City Metropolitan city.

4.2 Global Context of Economic Development

According to the Organisation for Economic Co-operation and Development (OECD) 2012, the continuing crisis in the Euro-zone remains the single biggest risk facing the global outlook. The IMF has projected global growth to drop from 4.0% in 2011 to about 3.5% in 2012 because of weak activity during the second half of 2011 and the first half of 2012 (See Figure 1). Real GDP growth in the emerging and developing economies is projected to slow down from 6.3% in 2011 to 5.7% in 2012, then to reaccelerate to 6.0% in 2013 assisted by easier macroeconomic policies and strengthening foreign demand

During the first quarter of 2012; Japan grew by 1.0%, China by 1.8%, Brazil by 0.2% and India by 1.3% in real terms quarter-on-quarter. In this current year however, due to last year's crisis in Japan, trade deficit in Japan is expected to widen and public finances to move beyond the limits of the budget. Among developed countries, Japan has the largest government debt projected at 243% of GDP in 2012.

The Euro-zone is still projected to go into a mild recession in 2012 as a result of the sovereign debt crisis and a general loss of confidence, the effects of bank deleveraging on the real economy and the impact of fiscal consolidation in response to market pressures. Due to problems already mentioned in Europe, activity will continue to disappoint for the advanced economies while job creation in these economies will likely remain sluggish thus putting pressure on the level of unemployment.

The overall world growth is insufficient to make a major dent in high unemployment rates. According to the International Labor Organization (ILO), about 200 million people worldwide are still looking for jobs. The increase in unemployment has been very severe in advanced economies; emerging economies and developing economies leading to high youth unemployment. This also occurs in South Africa and in the Eastern Cape in particular. Large number of women and young people enters the workforce yearly causing growth in the labour force to outstrip employment creation. As a result, strict unemployment in the Eastern Cape increased to 28.3% in 1Q2012 from 26.9% in 1Q2011. The high rate of unemployment exacerbates widespread poverty, with about 3.4 million people (49%) in the province living in extreme poverty.

The question that needs to be asked is that, is ***what is the effect of the European crisis on South Africa and the Eastern Cape?*** The answer lies with economic globalization, mainly in terms of financial contagion and exchange rate. International economic and financial integration has created opportunities for growth and development, has also caused crisis to spread over from one country to another. The effects of the effects of the European crisis on South Africa and Eastern Cape economies are the following:

- Europe followed by Africa and North America are the top 3 South Africa export vehicles destinations.
- The Eastern Cape produces almost half of South Africa's passenger vehicles and generates half of the country's passenger vehicle export.
- The Eastern Cape economy heavily relies on the automotive sector.

Therefore, this crisis could impact on export demand for the South African automotive sector, which could reduce output and eventually affect employment in the automotive sector. The European crisis could also affect the number of tourists coming to South Africa. At a micro level, this crisis could reduce the amount of remittances to South Africa, rendering vulnerable poor households that rely on remittances from Europe.

4.3 South African Context of Economic Development

According to the OECD (2012), the quarterly preliminary GDP estimates in the G20 area grew by 0.8% in the first quarter of 2012 compared with 0.7% in the fourth quarter of 2011. This small pick-up in aggregate G20 GDP growth still masks diverging patterns among the world's largest economies. The growth in the Eastern Cape was mainly driven by the increase in manufacturing activities which contributed the most to the economy by 8.2%. This sector has a relative size of 15% of the Eastern Cape economy

4.4 Eastern Cape Context of Economic Development

The manufacturing sector grew the fastest by 8.2% and has a relative size of 15% of the province economy. Despite these impressive contributions, the business confidence in the manufacturing sector, in terms of expected real investment in machinery and equipment, is still negative. Similarly, manufacturing business confidence has not picked up to the levels it had before the 2009 recession.

4.4.1 Unemployment trends in South Africa and in the Eastern Cape

Since 1994, unemployment has remained one of the top three challenges facing South Africa. Despite strong expansion in the Eastern Cape economy, the Province lost 40 672 jobs in the first quarter of 2012 accelerating unemployment rate to 28.3% in in the first quarter of 2012 from 26.9% in in the first quarter of 2012 there were 504,000 people looking for work who could not find work in the province. Hence in in the first quarter of 2012 unemployment rate using the strict definition was 28.3% in the province and 25.2% in South Africa. However, there were also 399 000 discouraged job-seekers and by adding up the number of unemployed and discouraged work-seekers, leads to 903 000 people unemployed, which then brings unemployment rate in the Eastern Cape to 43.1%.

The causes for unemployment are very complex can be attributed to several factors such as:

- A slowdown in economic activity and inadequate economic growth leading to stagnation in the labour market,
- The inability of the formal and informal economy to create sufficient employment opportunities for a growing population,
- The increasing trend towards capital intensity in the South African economy due to
- labour market unrest, the influence of trade unions, the generally low level of skills, and rigid and inflexible labour markets, and
- General uncertainty regarding future economic prospects.

4.4.2 Employment trends in South Africa and in the Eastern Cape

Looking at employment in the Eastern Cape, males employed in the province, 75% are in the private sector and 18% are in the public sector. Of all females employed in the province, 26% are in the public and 57% are in the private sector. Overall, the private sector employs more people than the public sector.

4.5 Buffalo City Metropolitan Municipality Context of Economic Development

The focus of the Department has not changed in terms of its strategic goals and objectives. There was a need to align the Department's programmatic activities and programmes to those of the province. This was to ensure alignment of programmes and synergy. The Department has placed increased emphasis on the following programmatic activities Agriculture and Rural Development, Tourism Development and Promotion, SMME Development and Trade and Investment. An additional service or function also rendered is the East London Fresh Produce Market which provides revenue for the municipality and an opportunity for trading.

In terms of organizational environment the department has vacancies that need to be addressed as a matter of urgency [within the next 6 months]. A review of the municipal structure in lieu of the new metropolitan dispensation is being undertaken to ensure that there is adequate capacity to implement the legislative mandate.

There has been a requirement to review and revise sector plans based on changes in the environment within which the municipality operates and to ensure alignment with the national policies. In this regard the institution has finalized the Tourism Master Plan, it is due to be tabled to Council for approval. A process underway is the review of the Integrated Agriculture Rural Development Strategy. This is to ensure that municipality has a strategic approach to rural development and both comparative and competitive advantages of rural economies.

Furthermore the institution will be reviewing the Economic Development Strategy as part of the Municipal Growth Development Strategy. This is to ensure alignment with the objectives of the National Growth.

Stakeholder coordination and partnership is one of the integral components in driving economic development. The Metro has implemented projects in partnership with other national departments i.e. Department of Tourism. In the implementation of these partnership projects Project Steering Committees were established. The Project Steering Committee meetings are chaired by the Portfolio Head and representatives are drawn from funding departments or institutions, officials from the municipality and project beneficiaries. The projects Steering Committee provide oversight and monitor progress in the implementation of all projects.

Furthermore the Metro has established various stakeholders forum in accordance to the sectors i.e. SMME Forum, Cooperative Forum, Tourism Association and Agricultural Stakeholders forum. These forums meet on a quarterly basis to discuss and input in council initiatives and they are a strong linkage between the municipality and the various sectors.

The office of the City Manager has initiated a process of establishing and coordinating a high level engagement between established business and the municipality. This forum is an Economic Advisory Forum and made up of the Chief Executive Officer of East London Industrial Development Zone, MBSA, and Heads of the two Universities [Walter Sisulu and Fort Fare]; Tourism and Parks and the Chairperson of the Business Chamber.

As strategic intervention in the nodal Metro areas, the institution is operating business support and tourism centers. The business centers are the Mdantsane One Stop and Duncan Village Business Hives. Business centers provide business information services, business development services and business registration. Tourism center are Mdantsane Tourism and Dimbaza Wall of Fame. Tourism center coordinate all tourism development activities and events in the nodal areas. Implement tourism development programmes and provide tourism information and promote the areas tourism attractions.

- **Agriculture and Rural Development Programme**

Agriculture has been identified as a sector that can improve the livelihoods and standards of living of both the urban and rural communities. BCMM Agriculture focuses on both urban and rural agricultural development. The city works closely with the department of Rural Development and Agrarian Reform (DRDAR).

Gross Geographic Product (GGP), is a significant indicator of economic activity and comprises the value of all goods and services produced during one year within the boundaries of a specific region. The agricultural sector's contribution to GGP between 2001 and 2011 was at an average of 1.8 % (Quantec Standardised Regional Study, 2011). This is considered low compared to other sectors within BCMM. The information is based only on formal agriculture (commercial agriculture), excluding subsistence farming. The agricultural sector has been shown to be a prominent employer within BCMM even though it has a low GGP.

BCMM is currently in a process of reviewing its Integrated Agriculture and Rural Development Strategy. The previous strategy was adopted during 2006/07 financial year. A number of recommendations were made by the 2006/07 strategy; majority of projects recommended could not be implemented due to capacity challenges. Even so, two programmes have been implemented successfully, namely: Hydroponics programme, Macadamia Nuts Programme as well as Rural infrastructure development for livestock improvement.

BCMM has four different categories of farmers, namely:

- Household gardeners
- Subsistence farmers
- Communal farmers
- Cooperatives
- Small holder farmers
- Commercial farmers

The Household food gardens programme is mainly supported by DRDAR, but has been observed that not much backyard and household food gardening is taking place within BCMM.

Communal and subsistence farming mainly occurs in the rural areas, with communities utilizing the lands available. However, there are still major challenges faced by these farmers and these relate to infrastructure and equipment such as arable land fencing, operational equipment such as mechanization and high input costs. DRDAR has a Provincial Ploughing Initiative in which it is trying to assist the communal and subsistence farming to plough their lands. The department provides mechanization to identified farmers and the farmers contribute by purchasing the inputs. Rural livestock farmers are also faced with infrastructure challenges such as camp fencing, road boundary fencing, dip tanks, moving sale pan, etc. DRDAR through the CASP programme is also trying to assist with these. BCMM has also tried to intervene by providing some camp fencing, dip tanks but is also unable to meet the demand.

Some farmers form cooperatives and also the cooperatives struggle to make it due to capacity problems. BCMM has trained 50 cooperatives in partnership with NetsAfrica in Cooperative organizational Development through the Fort Hare Institute of Governance.

Within the BCMM area National Department of Rural Development and Land Reform has redistributed farms to a number of black emerging farmers and the majority of those are tomato farmers. The majority of these farmers has and is still experiencing infrastructure problems due to deteriorating equipment. BCMM has tried to intervene in some but could not assist all the farmers due to financial resource constraints.

The tomato industry is location niche market for BCMM as tomato is mainly grown within the BCMM area. However, the emerging farmers and cooperatives are still experiencing challenges with regards to infrastructure, meeting required local, national and international health standards. The majority in the market are still commercial farmers who have been in the industry for a very long time. The other challenge for these farmers in packing facilities as most packing facilities within BCMM are privately owned. BCMM has in partnership with NetsAfrica constructed a pack shed in Mdantsane that is still experiencing challenges due to lack of personnel and adhering to the GAP standards so as to be able to market directly to the big retailers.

Land ownership and transfer is still a challenge within BCMM as a lot of agricultural land is owned by the state and the other challenge is that of agricultural land being rezoned for residential purposes.

BCMM has been focusing on capacity building as well focusing on Organic Farming Training. This has been identified as a niche market and currently DTI has negotiated with the four big supermarket retailers for organic produce, however, the challenge is meeting that demand. DTI is prepared to assist farmers with the certification process as long as there is enough hectares available. BCMM could not provide enough land.

The hydroponics programme is continuing well both in urban and rural areas, however, there is still scope for expansion and would like to add value to the products by being able to process some of the produce. In conclusion, 2012 is still faced with numerous challenges within the agricultural sector, starting with internal capacity to support the approved programmes as well as challenges faced by the sector.

- **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 London 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.

- **Tourism Development and Promotion**

Tourism is one of the economic drivers in the municipality. The attractions of the city include natural resources, culture and heritage. Buffalo City is strategically located and boasts good infrastructure which makes it easily accessible.

Tourist profile to BCMM

Buffalo City receives 21% of foreign visitors and 79% of domestic visitors. The source of foreign markets are: Germany, United Kingdom, France, Italy, Holland and America. The source of domestic market is Gauteng, Western Cape, Free State and KwaZulu Natal. Most visitors to the city are visiting friends and relatives. 69% of visitors are for leisure, whilst 19% are business tourists and the remainder is for other purposes. The majority of the visitors to the city are middle income earners. Buffalo City is rated as an affordable destination compare to other cities. Most tourists visiting the city spend an average of 2, 5 nights.

Key types of tourism in Buffalo City

1. Business Tourism

Buffalo City metro is the administrative capital of the Eastern Cape. Consequently the area is host to numerous government officials and guests due to its relative centrality and accessibility and development when compared to other parts of the province. A number of government departments often conduct meetings and conferences in the area. As a developed town serviced by commercial airport and its own port, Buffalo City attracts many business tourists from companies currently operating in the area and those looking for business opportunities in the area. The survey recently conducted indicates that 70% of accommodation sector benefits immensely from business tourism. The development of the ICC is a plus to the city to grow the business tourism.

2. Sport and events Tourism

Buffalo City continues to be the Mecca sporting destination. The city is host to many popular and world renowned sporting events such as Iron Man, Africa Golf Open etc. The benefits associated with the hosting of the major sporting events are humongous.

Other events

Buffalo City is slowly emerging to be one of the events destinations. There are a number of events of national importance that have identified Buffalo City as a suitable host city. These events include amongst other the following: Buyelekhaya Jazz Festival, South African Traditional Music Awards, National Tourism Career Expo and Harbour Festival. The events listed above have the national footprint which boosts tourism numbers in the city. Even though this is the case, Buffalo City still needs to develop an event strategy that will assist Buffalo City to position itself as an event destination and be in a position to compete with other cities.

Adventure Tourism

Buffalo City offers a wide variety of adventure activities. From hiking to canoeing, horseback riding, bungee jumping, abseiling and quad biking, buffalo city has it all. The city continues to be on par with all other adventure destinations. The city receives a number of tourists who visit the city to enjoy the adventure activities. Adventure activities are amongst the list of things that people visit Buffalo City for.

Culture and Heritage Tourism

Even though the city is rich in culture and heritage, this sub-sector has not yet been fully developed and utilized to its full potential. The development of both the cultural and heritage product should be prioritized. The development of the Liberation Heritage and Tourism route in the city will assist in ensuring that this sub-sector is nurtured.

Performance of the Tourism Industry.

Tourism's annual contribution to the economy of buffalo city is estimated at 508 million (direct spend on accommodation). This excludes indirect spend done in all other tourism related services such as transport, restaurants and attractions. According to the survey recently conducted by Intengu commissioned by the Department of LED, Tourism and Rural Development the occupancy rate at most of accommodation establishments is at 49%. Tourists spend an average of 2.5 nights in BCM. The investment in the tourism sector over the last three years is conservatively estimated at over half a billion rands. The challenge that the city is currently faced with is the unavailability of the data intelligence system that will assist the city in constantly monitoring and evaluating the performance of the industry.

Key issues/challenges in developing and growing the tourism sector in buffalo city

Buffalo City as a tourist destination is not growing but rather maintains the status quo. The following are cited as the reasons that hinder growth of the tourism sector:

- Lack of adequate promotion and marketing of the city as a tourist destination.
- Lack of cleanliness of the city
- Lack of adequate safety and security for visitors especially on the beaches
- Lack of adequate public transport to allow people to visit various tourist attractions within the city.
- Lack of anchor projects e.g beachfront development or any other major tourist attraction over the last 10 years.
- Undeveloped beach front
- Poor maintenance of existing tourist facilities such as zoo, aquarium.
- Lack of data intelligence system to monitor and evaluate the performance of the sector.
- Lack of coordination between various players in the industry.

Funding allocated by buffalo city metropolitan municipality towards the development and promotion of tourism during the 2011/2012 financial year

PROJECT	AMOUNT
Grant Funding allocated for the marketing and promotion of the city	R6,500 000
Liberation Heritage Route	R495 000
Tourism Business Support	R100 000
Tourism research and database Development	R750 000
Tourism Events (Carnival, Harbour, Buyelekhaya Jazz)	R5,500 000
Tourism Infrastructure Development	R2000 000
TOTAL	R17 345 000

• SMME Development

Internationally, in both developed and developing countries, it has been accepted that SMMEs are the backbone and the driving force of economic growth and job creation. In South Africa, SMMEs account for approximately 60 per cent of all employment in the economy and more than 35 per cent of South Africa's Gross Domestic Product (GDP). SMMEs are often the vehicle by which the lowest income people in our society gain access to economic opportunities. The sector represents 97.5 per cent of the total number of business firms in South Africa and that it contributes 42 per cent of total remuneration. SMMEs account for some 3.5 million jobs and have between 500 000 and 700 000 businesses. The quantification of the contribution of SMMEs in Buffalo City Metropolitan Municipality is not known as no information is available on this subject.

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.

During the 2011/2012 financial year, the SMME Development unit prioritized capacity building and training and access to finance of SMMEs within BCMM area of jurisdiction. To this end, four training projects (Business Management, Cooperative Governance, Tender Advise and Customer Care) aimed at enhancing sustainable growth and development of SMMEs and cooperatives were implemented during the reporting period. In this process, 240 trainees representing their respective SMMEs benefitted from the above-mentioned training projects. In addition, an NQF Level 2 Emerging Contractor Development Programme aimed at building the capacity of 20 emerging contractors from Zwelitsha and surrounding areas was also implemented. The programme was linked to the municipal Expanded Public Works Programme being implemented by the municipality's engineering directorate.

In a bid to create a conducive environment for SMME access to finance, 12 primary cooperatives from different geographical areas of BCMM benefitted from the R1 million Cooperatives Development Fund Project implemented during the reporting period. Each of the above-mentioned cooperatives received equipment to a maximum of R100 000.

The 2012/2013 financial year is geared towards the continuation of the building of SMME capacity, provision of business information through SMME information seminars and the development of the city's Cooperatives Development Strategy. BCMM, in collaboration with the Department of Economic Development Environmental

Affairs and Tourism (DEDEAT), is in a process of establishing a Cooperatives Development Centre to be situated in King William's Town. The center is solely aimed at promoting, growing and developing primary, secondary and tertiary cooperatives within the municipality's jurisdiction. The city currently does not have the SMME Development Strategy and the Informal Sector Development Strategy documents which provide a framework for the development of the SMME sector.

SMMEs in BCMM have the following challenges:

- Access to finance
- Access to information
- Access to markets
- Access to business infrastructure
- Access to modern technology

- **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.

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.

5. KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

This is a key strategic area in ensuring that Buffalo City Metropolitan Municipality is well capacitated and in a healthy financial state to effectively provide services within the Municipal area.

This section is responsible for the following: -

- Financial Management;
- Revenue Management;
- Supply Chain Management; and
- Asset and Risk Management.

5.1 FINANCIAL PERFORMANCE

The section that follows provides an analysis of the financial performance for the financial years 2009/10 to 2011/12.

5.1.1 Summarized 2009/10 to 2011/12 Financial Performance

The Financial Statements listed below relate to the financial years 2011/12, 2010/11 and 2009/10.

Table B20: Statement of Financial Performance for the Financial Years 2011/12, 2010/11 and 2009/10

	2011/12	2010/11	2009/10
	R m	R m	R m
REVENUE			
Government grants	871	902	803
Assessment rates	522	453	427
Sale of electricity	1 137	925	802
Sale of water	240	200	202
Other service charges	787	547	569
Total Revenue	3 557	3 027	2 803
EXPENDITURE			
Salaries	956	858	783
General expenses	888	933	738
Purchase of electricity	788	634	488
Purchase of water	127	137	106
Repairs and maintenance	211	193	175
Depreciation	491	509	479
Total Expenditure	3 461	3 264	2 769
SURPLUS / (DEFICIT)	96	(237)	34

Table B21: Statement of Financial Position as at 30 June 2012, 2011, 2010

	2011/12 R m	2010/11 R m	2009/10 R m
ASSETS			
Current Assets	2 162	1 278	1 170
Cash and cash equivalents	1 521	740	559
Inventories	117	137	97
Receivables from exchange transactions	307	220	283
Receivables from non-exchange transactions	119	83	124
VAT receivable	37	38	51
Operating lease averaged over total period	61	60	56
Long term receivables	0	0	0
Non-Current Assets	11 385	11 584	11 625
Intangible assets	13	13	12
Investment properties	221	221	201
Long term receivables	0	0	0
Non-current investments	1	1	5
Property, plant and equipment	11 150	11 337	11 375
Investments in associate	0	12	32
TOTAL ASSETS	13 547	12 862	12 795
LIABILITIES			
Current Liabilities	1 466	920	788
Borrowings	41	45	30
Consumer deposits	37	33	31
Finance lease obligations	1	1	1
Provisions	125	117	119
Payables from exchange transactions	462	377	340
Unspent conditional grants and receipts	799	346	267
Bank overdraft (Market cash book)	1	1	0
Non-Current Liabilities	1 014	976	802
Borrowings	604	646	507
Finance lease obligations	1	1	1
Provisions	68	49	33
Post- retirement medical obligation	341	280	261
TOTAL LIABILITIES	2 480	1 896	1 590
NET ASSETS	11 067	10 966	11 205
Revaluation reserve	15	16	17
Accumulated surplus	11 052	10 950	11 188
TOTAL NETT ASSETS	11 067	10 966	11 205

(Source: 2011/12 Unaudited Financial Statements)

Table B22: Analysis of Revenue and Expenditure

	2011/12	2010/11	2009/10
	R m	R m	R m
Total Income	3 557	3 027	2 803
<i>% Increase over previous year</i>	18%	8%	24%
Total Expenditure	3 461	3 264	2 769
<i>% Increase over previous year</i>	6%	18%	12%
Surplus / (Deficit)	96	(237)	34
Budgeted Expenditure	3 723	3 301	2 910
<i>% Increase over previous year</i>	13%	13%	19%
Salaries	956	858	783
<i>% Of income</i>	27%	28%	28%
<i>% Of expenditure</i>	28%	26%	28%
<i>% Increase over previous year</i>	11%	10%	17%
Number of Employees	4 523	4 572	4 625
<i>% Increase / (Decrease) over previous year</i>	(1%)	(1%)	1%
Repairs and Maintenance	211	193	175
<i>% Of expenditure</i>	6%	6%	6%
<i>% Increase over previous year</i>	9%	10%	49%
Depreciation	491	509	479
<i>% Of expenditure</i>	14%	16%	17%
<i>% Increase / (Decrease) over previous year</i>	(4%)	6%	16%
Finance Costs	115	87	92
<i>% Of expenditure</i>	3%	3%	3%
<i>% Increase / (Decrease) over previous year</i>	32%	(5%)	(18%)
Grant Income	871	902	803
<i>% Of total income</i>	24%	30%	29%
<i>% Increase / (Decrease) over previous year</i>	(3%)	12%	39%

The net surplus for the period under review (2011/12) amounted to R96 million when compared with R 237 million in 2010/11.

The revenue growth was higher than the expenditure growth in the past year (Revenue: 18%, Expenditure: 6%) and the major reason for this is the allocation of the Fuel Levy, which is a new revenue stream for the Metropolitan Municipalities.

(a) Revenue

In the 2011/12 financial year 24% of BCMM's total revenue comprised Government Grants (2010/11: 30%; 2009/10: 29%). This has decreased in percentage from the previous two financial years implying less reliance on grant funding to provide basic services to the Community.

Increasing tariffs to improve own revenue is still a challenge as this results in an increase in the Debtors' book due to the non-affordability by Consumers. In this regard, the City has to embark on a complete review process of its tariff structures in order to ensure that each service is self-sufficient and does not rely on cross subsidization from other services.

Revenue generated must also be able to accommodate future funding for maintenance, upgrading and replacement of infrastructure assets to sustain and enable growth in the Region.

(b) Expenditure

Repairs and maintenance have increased at a marginally lower rate of 9% when compared to 10%: 2010/11 and is championed by Management's mandate to address the City's ageing infrastructure and historic deferred maintenance. Repairs and Maintenance is 6% of operating expenditure and the target is set at 10% of the total operating budget. This is a positive outlook as it means that more emphasis is being placed on maintaining the infrastructure and or assets. More resources and attention still need to be allocated in maintaining assets of the City, in particular the revenue generating assets.

Depreciation has decreased by (3%) when compared to the 6% increase (2010/11) and 16% increase (2009/10). This is due to infrastructure assets that are still in the process of upgrading.

Human resource costs as a proportion of operating income is 27% and this has decreased by 1% compared to 2010/11. The upper limit set for salaries is 25% of total operating expenditure, which means that the City operates above the target range and this will need to be further managed pending the finalisation of the Organogram.

5.1.2 Capital Expenditure and Funding

The following table compares Buffalo City's actual capital expenditure, spanning the three years 2009/10 to 2011/12.

Capital spending has decreased to 53% of the budget when compared to the previous year (2009/10: 58%, 2008/09: 53%). Some of the reasons for the low expenditure is as follows:

- Tenders awarded, however appointment and implementation of projects not proceeding due to legal challenges from losing bidders.
- Procurement processes and implementation of projects delayed due to budgeting prior receipt of EIA approvals for housing projects
- Multi-year projects budgeted for in one financial year
- Non development of demand management plans which should guide the planning and project management processes of each project

In addition to the above, there was a lack of internal capacity to manage and implement mega capital projects and the Project Management Unit (PMU) was not formalised and implemented.

Table B23: Capital Expenditure

Capital Expenditure Per Service	2011/12	2011/12	2010/11	2010/11	2009/10	2009/10
	Budget	Actual	Budget	Actual	Budget	Actual
	R m	R m	R m	R m	R m	R m
Housing	69.8	14.0	23.5	6.3	36.3	25.9
Electricity	47.0	35.2	69.4	57.6	63.2	68.5
Market	3.0	0.5	8.3	4.4	5.8	2.0
Water	40.7	20.6	108.1	75.3	51.7	71.1
Waste Management	167.3	63.3	80.3	68.9	49.7	86.7
Roads	105.5	52.7	97.8	79.2	108.6	126.9
Other	298.2	92.6	367.1	106	421.1	48.8
Total Capital Expenditure	731.5	278.9	754.5	397.7	736.4	429.9

Table B24: Capital Expenditure per Funding Source

Capital Expenditure Funding Source	2011/12	2011/12	2010/11	2010/11	2009/10	2009/10
	Budget	Actual	Budget	Actual	Budget	Actual
	R m	R m	R m	R m	R m	R m
Grant Funding	576.4	187.1	434.4	228.6	365.3	237.5
Loan Funding	27.7	27.2	72.3	53.7	162.7	97.2
Own Funding	127.4	64.6	247.8	115.4	208.4	95.2
Total Capital Expenditure	731.5	278.9	754.5	397.7	736.4	429.9

The table above reflects that the capital infrastructure is currently mainly upgrading depending on grant funding.

In the 2011/12 financial year 79% of the capital budget was funded through grant funding (2010/11: 58%; 2009/10: 50%) followed by own funding of 17% (2010/11: 33%; 2009/10: 28%) and loan funding of 4% (2010/11: 9%; 2009/10: 22%).

Going forward added emphasis needs to be placed on Loan and Own Funding to finance revenue for capital projects.

5.1.3 Financial Profile and Liquidity

The City's cash generation remains stable and own funds invested has also increased slightly. Operations have settled and tight cash controls have ensured that cash optimization in spending occurs.

The effects of the global economic crisis is also a cause of real concern to the City and going forward, an area needing close monitoring is that of revenue collection and growth in order to improve financial viability and sustainability. This is critical to the financial sustainability of the City.

Table B25: Key Financial Ratios

REVENUE MANAGEMENT	2011/12	2010/11	2009/10
Revenue collection rate	91.8%	94.4%	93.6%
Net debtors to annual income	13.3%	11.3%	16.1%
Days debtors outstanding	50	47	58
LIQUIDITY	2011/12	2010/11	2009/10
Current ratio	1.47	1.41	1.48
Liquid ratio	1.4	0.80	0.70

Cash and cash investments increased from the 2009/10 financial period to the 2011/12 financial year due to prudent budgeting; cash-vetting before project spending takes place, and under-spending of capital projects. Tight controls have been placed on monitoring projects funded externally, and project spending only occurs when Buffalo City's is certain that cash is available and bridging finance for external public sector institutions is minimized.

The City's ability to meet short-term commitments, has remained, the key strength, even though debtors have increased significantly from 2009/10 to 2011/12.

The revenue collection rate has decreased when compared to the previous financial year.

This is due to the current global economic climate. The remedial actions being implemented to improve the collection rate is as follows:

- The appointment of a Service Provider to disconnect meters for non-payment.
- The implementation of the action plan related to the Revenue Enhancement Strategy.
- The clean-up of the Billing Debt Book with regard to irrecoverable debt.
- The procurement of a debt management operating system in order to manage the debt internally.
- Obtaining Service Level Agreements from all customers in order to update customer details, which will enhance revenue collection and communication with customers.
- The implementation of the recently procured meter reading management system.
- The current implementation of the expanded debt management operations, which includes in-house legal collection.
- The current indigent registration campaign roll-out is being implemented.

A concern is that the net debtors 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.

Both the current and liquidity ratio’s need to improve, and the standard set for current ratio is 1.5:1 and the City is currently at 1.48:1, this ratio remained rather static over the past 3 financial years.

The liquidity ratio standard is 1:1 and the City is experiencing a rate of 1.4:1. (0.8:1 2010/11; 0.70:1 2009/10) and this is an improvement over the past 3years and indicates a positive trend and an ability to service current liabilities as they become due.

Table B26: Borrowing Management

	2011/12	2010/11	2009/10
Total debt to total asset ratio	4.77%	5.36%	3.80%
Interest bearing debt / Total Revenue	19.20%	32.30%	27.30%
Average Interest Paid on Debt	10.22%	10.30%	10.69%
			22.00%
Capital Charges to Operating Expenditure	14.00%	18.00%	

Structural improvements in the finances show that: -

- The total debt to total revenue ratio has decreased to 19.20% in 2011/12 financial year (2010/11: 32.30%; 2009/10: 27.30%). This is still within the National Treasury targets of 35%. Debt capacity remains a strong and the City has the ability to weather future capital infrastructure expenditure shocks. In the past three years the City has successfully kept the debt to revenue ratio below National Treasury’s ceiling. Due to the quarterly loan repayments and maturity for certain loans over the past two financial years, the interest paid on debt ratio continues to decline. Capital charges to operating expenditure has decreased to 14% when compared with 2010/11: 18% due to lower capital spend.
- An analysis of long-term debt maturity profile reveals no undue maturity concerns, with the majority of long term outstanding debt spread fairly evenly between 2011/12 and 2030/31. Maturity dates will require conservative operational budgets, whilst the Municipality gears up for stringent debt, asset and cash management.
- Debt to assets has decreased to 4.77% from 2010/11: 5.36%; 2009/10: 3.80%, this is as a result of loan amounts decreasing and assets increasing. The City’s revenue continues to increase year-on-year with a steady decrease in debt due to quarterly capital loans repayments.

5.1.4 Long Term Financial Planning

The Municipality converted into a Metropolitan Municipality and in order for the Municipality to fulfil its mandate as stipulated in the Constitution of South Africa, there is a need to maintain financial viability, create and expand its revenue base and ensure a balance between economic and social obligations

The Municipality together with the Technical Support provided by the South African Cities Network (SACN) has embarked on a process towards ensuring financial sustainability and resilience in the medium to long term.

A long term financial plan is being developed and will be aligned to the City Development Strategy (CDS), IDP and all which must be aligned to the National Development Plan and Provincial and Local Priorities and needs.

The Municipality will continuously assess its financial viability to ensure that it will be able to continue to provide affordable and sustainable services and at the same time meet the demand from expected future economic and population growth.

Currently BCMM is contributing between 10% and 27% of its own funds towards capital infrastructure programme. The emphasis of the long term financial planning is to establish sufficient reserves to fund the future capital infrastructure programme and address historical backlogs.

The City must therefore also develop a long-term financial plan (LTFP) for an asset replacement program, to maintain the Municipality's infrastructure at acceptable service standards, with no large backlog of services.

The above will also require the review of the tariffs for all the services rendered by the Municipality to ensure that they are cost reflective and self sufficient to support future capital infrastructure assets upgrading and maintenance .

The intention is to create a surplus in the medium term (2012/13 MTREF Budget), restructure existing loans and in the long term (2015/16 MTREF Budget) externally borrow monies to fund new and upgrade assets rather than purely grant funding, noting that the Municipality will need to have sufficient cash to make payments when due, whilst increasing revenue collection and the revenue base.

5.2 Revenue Enhancement

During the 2011/12 Financial year the meter reading compliment was increased from 26 to 100 in order to ensure that all meters are read monthly. The Department is in process of recruitment of additional personnel. New Meter Reading Management and hardware and software equipment was procured during the 2011/12 financial year, and is expected to be fully operational in the 2012/13 financial year.

5.2.1 Billing Data Clean-up

During the 2011/12 financial year, the Revenue Management Department conducted a data clean-up project related to the following: -

- Consolidation of tenant accounts to the owner;
- Synchronization of the Prepayment Electricity system to the Financial System;
- Synchronization of the Water Management system to the Financial System;
- Identification and correction of accounts where flat rate charges and water meter readings are raised;
- Identification and correction of accounts where availability charges have been raised.

The project was completed and the corrections were effected to the accounts. This has resulted in improved credit control action against accounts previously incorrectly linked.

5.2.2 Debt Book Analysis

During the 2011/12 financial year, the Municipality conducted an in-depth analysis of each billing account in arrears as at 30 June 2010. Each account was assessed by determining recoverability based on prescription, payments, arrangements made, indigency, account status etc.

It was deemed that 40% of the debt book as at 30 June 2012 is irrecoverable and should be written-off. The following gaps were identified:

NO.	GAPS IDENTIFIED	CORRECTIVE MEASURES
1	Incomplete customer data	The Municipality must obtain the correct data from various internal and external sources
2	The Municipality does not have a central integrated source of information (linked to external databases)	The Municipality must acquire a central integrated operating system
3	The Municipality does not have a black listing tool linked to Venus	The Municipality must acquire a system that allows for black listing
4	The Municipality does not have a prescription tool (Alarm, calculation and report)	The Municipality must acquire a system that allows for an early warning prescription tool
5	The Municipality does not have a linkage of multiple owner accounts	The Municipality must acquire a system that allows for linkage of multiple owner accounts
6	Write-off of irrecoverable Debt	The debt book must be cleared of all irrecoverable debt

Based on the gaps identified and the proposed solutions, a Billing Debt Book Action Plan was developed and is currently being implemented in order to address the gaps identified. The Debt Management Department, in its expanded operations, has made provision for continued analysis of the debt book.

5.2.3 Revenue Enhancement Strategy

As a result of increasing debt book, during the 2011/12 financial year, a Revenue Enhancement Strategy was developed and is being implemented.

This strategy was developed with short term, medium term and long term objectives and action plan with deliverables and key accountabilities is currently being implemented institutionally.

Progress on implementation is reported to Top Management on a monthly basis. The strategy seeks to address such issues as debt collection, billing, meter tampering, opening of accounts and services provided to the Communities.

Currently the Department is engaging in an Indigent Registration campaign to ensure that all consumers who qualify, benefit from the Indigent Subsidy. The project will also ensure that all existing approved Indigent subsidy applications are audited. In addition to this the Department will be obtaining new service agreements from all debtors/account holders in the Financial system. This will ensure compliance with the Credit Control Policy.

The Debt Management Operations will be expanded over a period of three (3) years. The expanded operations will include the appointment of additional Staff focussing on specific aspects of the debt management, such as debt analysis, legal collections, resolution of queries, write offs etc. A Debt Management Operations System with the objective of stabilizing the growth in debt and manage the collection process will be procured in the current financial year.

3.2.4 General Valuations

The Municipality must in terms of the Local Government: Municipal Property Rates Act 6 of 2004 (MPRA) conduct a general valuation of all properties within its jurisdiction in order to compile a Valuation Roll.

A Valuation Roll remains valid for a maximum period of four financial years (period of validity) subsequent to the valuation roll taking effect. Buffalo City Municipality conducted a general valuation of all properties within its boundaries in 2008 with an effective date of 2 July 2009. As a result thereof, the next valuation date for the Municipality should have been 1 July 2012 with an effective date of 1 July 2013.

The main project that also determines the existence of the division is the General Valuation (GV) including the statutory Supplementary Valuations (SV) per cycle. A cycle is composed of four (4) successive financial years.

In terms of Section 32 of the MPRA, a valuation roll is valid for a total period of not more than four financial years unless permission is requested from the MEC of Local Government for extension for a period not exceeding five financial periods.

The Municipality in terms of Section 32(2)(b) of the MPRA requested the MEC for Local Government to extend the validity of the valuation roll by one year to five years. As a result thereof, the next valuation date for the Municipality will be 1 July 2013 with an effective date of 1 July 2014, the implementation date.

The Municipality has, during 2011/2012 financial year, performed two Supplementary Valuations (SV's) being SV05 and SV06. This resulted in an increase in the valuation roll by R1,4 billion (SV05) and R29 billion (SV06) and rates income by R922k (SV05) and R1 million (SV06).

5.3 Asset Management and GRAP Compliance

To achieve and maintain full GRAP Compliance the Municipality requires a great deal of capacity and expertise as it is an onerous, demanding and complex undertaking that is further compounded by the fact that further accounting reforms in the Public Sector are inevitable.

In order to keep abreast with the latest accounting reform developments including achieving and maintaining full GRAP compliance, it is imperative that the Municipality has the necessary capacity and expertise. Currently there is very limited capacity and expertise within the Asset and Financial Accounting Division particularly relating to the preparation of GRAP Financial Statements and preparing and maintaining a GRAP Compliant Financial Fixed Asset Register. This will therefore require recruiting Specialists who will be involved in the preparation of the Financial Statements as well as and maintenance of Fixed Asset Register. This situation is further exacerbated by the lack of an integrated financial accounting system and a suitable integrated financial asset management system.

In order to address the problems pertaining to insufficient internal capacity relating to the preparation of GRAP Financial Statements and preparing and maintaining a GRAP Compliant Financial Fixed Asset Register, a proposed Asset, Financial Management and Reporting structure has been developed and submitted for approval and implementation.

In the interim however, a Memorandum of Understanding was signed between SACN and the Municipality whereby SACN would provide capacity and technical support including the following: -

- Review and implement asset standard operating procedures.
- Re-determine depreciated replacement costs of infrastructure assets.
- Determine retrospective adjustments and disclosures to the financial statements in respect of changes to values of infrastructure assets.
- Review the current asset classifications and asset hierarchies.
- Benchmark unit costs with published unit costs.
- Review land and buildings against accounting standards requirements.
- Review the nature of lease contracts and revenue associated with land and building.
- Develop an investment property criteria checklist and incorporate into standard operating procedures.
- Determine fair value of investment properties.
- Update land and buildings on the valuation roll and fixed asset register.
- Review the asset register to identify undisclosed intangible assets.
- Review the Municipality's expenditure records to identify potential undisclosed intangible assets.
- Perform a holistic review of the movable asset register and processes.
- Review the implementation of standard operating procedures in respect of expenditure classification and incorporate an asset and intangible asset checklist.

The support provided through the SACN initiative should be seen as an interim solution to the capacity constraints within the Municipality and the Municipality's aim is to move away from an environment of external support and implement and develop internal capacity in order to sustain and build on the progress made through external SACN support.

5.4 Supply Chain Management

Supply Chain Management System as per the Municipal Finance Management Regulations (9) of the MFMA Regulation should cover the following: -

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Contracts Management
- Performance Management

Buffalo City Metropolitan Municipality has adopted the following model in its Supply Chain Management Unit:

- Acquisition Management
- Contracts and Risk Management
- Supplier development; and
- Logistics and Warehouse Management.

These Sections within the Supply Chain Management Unit have the following functions.

Acquisition Management (has two components)

Demand planning process: the institutionalisation of the planning process to ensure balancing of the budgets needs as informed by the IDP vs. activities for the Institution.

Circular 62 prescribe the following in relation to demand management planning: -

- Co-ordination of demand management plans in consultation with relevant Departments.
- That all User Departments be required to submit their procurement plans to the Head Supply Chain Management in the Municipality using the Procurement Plan Template provided.
- Accounting Officers of Municipalities must approve the procurement plans for the financial year, and make these available to Relevant Treasury.
- User Departments in consultation with the Supply Chain Unit (Demand Management and Acquisition Sections) to implement the procurement plans.

Sourcing Strategies: Buying function for different items as per the requirements of the Departments using a quotation system (values <R30000) through the rotation of Suppliers from our **accredited database, in a cost effective manner.**

Contracts and Risk Management (Three Components)

Contracts Management: deals with procurement of goods and services above >R30 000 through a competitive bidding process, to enable both parties to a contract to meet their obligations in order to deliver the objectives required from the contract.

Performance Management: It involves provision of an internal monitoring system in order to determine on the basis of retrospective analysis, whether the authorised supply chain management processes are being followed and whether the desired objectives are being achieved.

Risk Management: This refers to the optimisation of the efficiency, effectiveness and economy of the service or relationship described by the contract, balancing costs against risks (and taking appropriate actions to mitigate the impact of risk) in the supply chain management system.

Supplier Development

Stakeholder's 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.

Database development and maintenance: population of a credible, updated and reliable database for all service provider, categorized according to commodities of supplies.

Logistics and Warehouse Logistics Management (Three Components)

Warehousing and storage of inventory: The coordination of services of the institution and storage of goods procured for the institution.

Inventory and Management: purchased inventory as consumables of the institution is received, kept (at minimal acceptable levels) and managed in this section for the use by the line departments.

Disposal Management: a system for an effective disposal or letting of assets, including unserviceable, redundant or obsolete assets.

The situational analysis of the Municipality’s Supply Chain Management system is revealing the following and possible solutions are also provided.

5.4.1 Challenges and Solutions

Challenges encountered by the Supply Chain Management Unit relate to the following: -

AREA	CHALLENGE	SOLUTION
Demand Management	Function is not provided in the structure	Approval of micro structure
	Not institutionalised	Adoption and implementation of Circular 62
Acquisitions Management	No effective mechanism to ensure rotation of service providers and cost effective procurement	Creation of a credible database of service providers across the supply chain spectrum, Automation of the system to effect rotation, Reviewal of database annually
Contracts Management	Preferential procurement from previously disadvantaged individuals relies on procurement points allocation for all service providers	Strengthening of monitoring to ensure equal distribution of procurement spent Promotion of incubation using CIDB controls in construction works and enforcing compliance from service providers
	Contracts management function not provided in the structure	Approval of micro structure Automation of a procurement process Development of a an effective and efficient archiving system is ongoing (EDMS) Continuous maintenance of contracts and commitment register
Governance, Risk and Compliance	Function is not provided in the structure and not institutionalized	Approval of micro structure
	Risk and performance components of procurement strategies of the institution not functional	
	Contracts management function not provided	
Logistics, Warehousing and Disposal	Inventory management inadequate	Perform a diagnostics analysis of inventory Centralisation of inventory management function Implementation of movable asset disposal policy
	Goods receiving function not existing	Approval of micro structure

The above analysis gives an ideal situation, which will allow the output and outcomes of the Supply Chain System of the Municipality to be realised {as derived from the applicable legislations and policy, i.e BCM SCM Policy, MFMA, BBBEE and PPPFA}. This is aimed at not only procuring services and goods of the Municipality as per the IDP strategic objectives and within the available budget and period, but also to skew the procurement spent in a manner that will ensure:

- A Supply Chain System that assists in job creation in the region,
- Beneficiation of vulnerable groups (women, youth, disabled and historically disadvantaged groups),
- Promotion of skills and capacitating small businesses,
- Circulation of the rand spent within the municipal area to boost and encourage economic growth within the region.

5.5 BCMM Audit Turnaround Plan

The Municipality received an Adverse Opinion from the Auditor General of South Africa, with respect to the Annual Financial Statements for the financial year ending 30 June 2011.

The basis of the adverse opinion, are the following material qualifications: -

- Property, Plant and Equipment;
- Investment Property;
- Irregular Expenditure;
- Commitments;
- Inventory;
- Property Rates Revenue;
- Service Charges Revenue; and
- Aggregation/Accumulation of Immaterial Uncorrected Misstatements.

The following Matters of Emphasis were also raised by the Auditor General: -

- Restatement of Corresponding Figures;
- Unauthorised Expenditure; and
- Material losses/ Impairments.

In order to address the findings by the Auditor General, the Management has developed a 'turnaround plan' with short term, medium term and long remedial/corrective actions.

The objective and goals of the remedial/corrective action is to achieve a qualified opinion for the 2011/2012 financial year and an unqualified audit opinion by 2014 (in line with the operational clean audit targets of clean audits by 2014).

The Municipality will tap into technical support opportunities from other Sector Departments viz National Treasury, National Department of Human Settlements and Provincial Departments of Treasury and Local Government, in line with S154 of the Constitution of the Republic of South Africa (1996). The Municipality will also utilise its Memorandum of Agreement (approved by Council on 31 January 2011), with the SACN and Eastern Cape Socio-Economic Consultative Council (ECSECC) to augment its internal capacity deficiencies to successfully implement the turnaround plan.

In order to successfully implement the foregoing turnaround strategy, Management will ensure that the plan is incorporated in the Performance Agreements of S57 Managers.

It should be noted that due to the recurring nature of many of the findings by the Auditor General over the last three to four years, the Municipality has adopted a multiple year approach in order to address them but due to the national target of operational clean audit by 2014, the Municipality has also aligned its plans with the same timeframes.

Given the preliminary analysis, the City's status quo assessment can be summarized as follows:

- The current ratio is improving and is within acceptable norms.
- Cash coverage was excellent in 2007/08 and declined considerably up to 2009/10 but a vast turnaround took place from 2010/11 and by 2012/13 the cash coverage is expected to be 3.5 months compared to a norm of 3 months.
- Debt management requires attention and net debtor's days is predicted to be 34 days by 2014/15 *only*.
- A vast improvement in budgeting for debtor's impairment has taken place but the actuals for 2011/12 were far below budget.
- Creditor's payment period has increased to over 50 days in 2011/12.
- The projected levels of capital budget are high relative to the ability of the Municipality to spend
- Insufficient expenditure is budgeted for repairs and maintenance, which will increase the risk of asset stripping.
- Expenditure on remuneration is within acceptable norms but details around the finalization of the Metro Micro structures give a future indication of this ratio.
- Service charges and property rates budget implementation indicator has improved and should be maintained during the next 3 years.
- Borrowings to revenue are projected to remain low and future borrowings will be informed by the City's long-term financial plan.

- The net asset position is projected to remain consistent and is favourable.
- Current payment levels are a matter for concern, and is currently at an annual average of 90%.
- Supply Chain Management will have to focus more specific to get things right and making certain hard decisions.
- Auditor General findings such as asset management needs to be addressed to rebuild confidence and improve audit opinion.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

- Corporate Governance;
- Corporate Planning and IDP;
- Organisational Performance;
- Public Participation;
- Special Programmes vulnerable groups (cross cutting issues); and
- Communications and Marketing.

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 and the newly formed Municipal Public Accounts Committee.

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.

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 Strategy document has been compiled and approved by Management. A need still exists to identify dedicated resources for this activity. Resource 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.

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 and this has been dealt with in the medium term i.e. over the next three [3] years by entering into a co-sourcing arrangement to augment the capacity of the Unit. This should result in improved coverage and result in an improved control environment within Municipal Departments. The Unit does not undertake investigations of fraud which is the responsibility of line management.

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 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.

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.

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.

6.2 Integrated Development Planning

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:

- Links, integrates and co-ordinates plans and take into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- 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.

In reviewing the IDP consideration is also taken of **outcome 9** which relates to a responsive, accountable, effective and efficient local government system. In ensuring the realization of the above outcome local government is expected to adopt IDP planning processes which are appropriate to the capacity and sophistication of the municipality. Buffalo City Metropolitan Municipality consistently adopts IDP planning processes and conducts its affairs in accordance with legislative provisions as stipulated in the Municipal Finance Management Act and Municipal Systems Act.

Buffalo City Metropolitan Municipality annually conducts IDP reviews and in June 2012 Council adopted a reviewed integrated development plan for the financial year 2012/13. A review towards 2013/14 financial year has commenced and it will be finalized in June 2013.

6.2.1 Challenges

Challenges encountered in the process of reviewing BCMM’s Integrated Development Plan relate to the following:

- Currently there are three IDP thematic clusters, namely, Institutional and Finance, Infrastructure and Spatial and Socio-economic clusters. The challenge is that the clusters are not yet fully capacitated to fully function independently and perform their role as outlined in the adopted process plan.
- Full alignment of the Integrated Development Plan, Budget, SDBIP and Institutional Scorecards still requires more work.
- There are also limitations within the institution in terms of fully comprehending the concept of integrated development planning.

6.3 Organisational Performance

The Performance Management System fulfills the role of measuring the implementation of the Integrated Development Plan. The targets of the Municipality as reflected in the IDP find expression in the Institutional Scorecard and Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP forms the basis for Directorate Scorecards and the Performance Plans of section 57 managers and holds them accountable. 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 organizational and individual levels, effectively responding to inadequate performance and recognizing outstanding performance.

The performance of the institutions linked to that of its staff, and it is important to periodically review the performance at both institutional and employee level to flag areas that may need attention.

On 27 September 2011 the Council approved a Framework for Institutional Performance Management. This Framework contains an annual work plan with processes to be followed in developing and implementing Performance Management

Some Institutional Challenges

Challenges encountered in relation to organisational performance relate to the following:

- 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
- Managing change process in IDP/PMS to be perceived as a line function responsibility
- Managing and reporting Service Provider's performance is still a challenge

It is proposed to revitalize the existing IDP / PMS Representative Forum to provide for increased participation and the Municipality is also participating in the Business adopt a Municipality initiative to encourage innovative ideas from stakeholders.

6.4 Public Participation

Public participation is defined as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is further defined as a democratic process of engaging people, deciding, planning, and playing an active part in the development and operation of services that affect their lives.

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".

6.4.1 Legislative mandate

- i) The South African Constitution of 1996, section 152(1) states that local government must encourage the involvement of communities and community organizations in matters of local government
- ii) 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.

- iii) The Municipal Structures Act 117 of 1998 specifically outlines the structures and processes required to effectively implement public consultation and participation in the matters of the municipality. The Act further establishes ward committees which consist of ten members and chaired by the ward councilor.
- iv) The Municipal Systems Act 32 of 2000 requires municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance to encourage and create conducive conditions for the communities to participate in municipal matters. The Act further compels municipalities to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality.
- v) Traditional Leadership and Governance Framework Act 41 of 2003 stipulates that traditional leaders should be part of democratic structures at the local government level. In their co-operative relationship with municipalities, traditional leaders are expected to facilitate public participation in policy and service

delivery initiatives that affect rural communities.

- vi) The Municipal Finance Management Act 56 of 2003 calls for the participation of the general public in the municipal budget formulation process in line with Chapter 4 of the Municipal Systems Act.
- vii) The Municipal Property Rates Act 6 of 2004 stipulates that a municipality must extensively consult with its citizens before it adopts its rates policy

6.4.2 Public Participation Strategy

BCMM has developed a public participation strategy which was adopted by Council on 27 September 2011. The purpose of the strategy is to provide for mechanisms by which the public may participate in the affairs of the municipality and to clarify roles and responsibilities of all the role players and interested parties.

6.4.3 Mechanisms to promote a culture of community participation

Buffalo City Metro has within its realm of development established different platforms to enhance participatory local governance. These include the following:

- Ward Committees
- Public meetings / Imbizos
- Newsletters
- IDP External Representative Forum
- Community Development Workers
- Surveys
- State of the Metro Address

6.4.4 Challenges

Key Public Participation Challenges identified include the following:

- Lack of a dedicated public participation capacity and public participation budgets in each directorate which puts in place an intentional and planned public participation programme; and
- Dissemination of information between the municipality and communities still needs to be strengthened through regular ward public meetings.

6.5 Vulnerable Groups and Overlapping Vulnerabilities

The Buffalo City Metropolitan Municipality (BCMM) population is currently at 755 200 and given the rural and developing nature of the metropolitan, a large portion of this population resides within informal housing within the urban, peri - urban and rural areas within the metro. By their very nature, informal settlement residents are deemed marginalized and disadvantaged given the lack of adequate human settlement planning, housing, healthcare and formal service delivery in the areas in which they live, school and work.

Over and above the aforementioned conceptualization of marginalization, the metro also deems the following communities / groups to be marginalized namely; Women, Older Persons, and Youth, Persons with Disabilities and people infected and affected by HIV and AIDS. The marginalized communities / groups are also termed the Special Programmes vulnerable groups within the metro's development trajectory. Given that women and the girl child account for just more than half of the population and that the majority of the older population is women, it is not surprising that the Special Programmes vulnerable groups are characterized by gender inequalities, lower education levels, high poverty rates, unemployment, teenage pregnancy and abuse of older persons as they seek to exist within the drivers of abuse, poverty, HIV and AIDS namely; squatter camps/ informal houses, limited access to water, sanitation, etc. Judging from the characteristics of the vulnerable groups it is evident that they have no social nor economic freedom, in simple terms they are socio - economic dwarfs. Just over 1/3 of the metro's population are employed with 80% earning less than R1600 pm thereby increasing the sensitiveness of vulnerable groups to economic fluctuations.

More often than not the socio – economic ills of the vulnerable groups are exacerbated by an overlap in vulnerabilities which makes them more vulnerable and susceptible to HIV and AIDS for instance, an *elderly person raising and supporting HIV infected and affected grandchildren and orphaned / abandoned great grand children due to single parents and unemployment.*

Notwithstanding the high demand and limited resources that the metro is faced with, BCMM needs to address the social - economic ills of the Special Programmes vulnerable groups in a holistic manner. Acknowledging the limited resources, BCMM has deemed it necessary to strengthen and promote community participation within a multi - sectoral approach to mainstreaming Special Programmes vulnerable groups within BCMM's planning and budgeting processes.

During the FY12/13 the metro established and launched the Women, Youth, Disability and Older Persons Forums along with the Women's Caucus and Metro AIDS Council which serve as platforms for the vulnerable groups to participate in the municipal planning processes and advise metro on issues which impact on them.

The establishment of Special Programmes vulnerable groups is in line with the Municipal Systems Act (Act no 32 of 2000), Section (2) which states that *a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality*. Section (3) of the same Act states that, *when establishing mechanism, processes and procedures in terms of Section (2) the municipality must take into account the special needs of:*

- *People who cannot read or write;*
- *People with disabilities;*
- *Women and;*
- *Other disadvantaged groups*

Each of the Special Programmes vulnerable groups has a dedicated BCMM Strategic plan which serves as a guide for the vulnerable group's plan of action and which is annually reviewed by the relevant vulnerable group.

6.5.1 Multi-sectoral mainstreaming of Vulnerability as Cross – Cutting Issues

Given the limitation faced by the metro of ever increasing needs and limited resources, multi -sectoral mainstreaming of the vulnerable groups seeks to holistically address social and economic ills faced by the vulnerable groups including the effects of vulnerabilities and HIV and AIDS negative impact on sustainable service delivery.

As part of the metro's development trajectory and in order to curb the drivers of HIV and vulnerability, the metro is committed to investing in the community's human capital skills base through partnerships, creating economic growth, income generation, reducing unemployment and improving the quality of life of its inhabitants. The Isibindi Orphans and Vulnerable Children (OVC) pilot project is an example of the metro's initiatives towards addressing the social ills of the vulnerable groups. This initiative has been brought about by BCMM partnering with the Dutch Stitching Stedeband and the local NGO - East London High Transmission Area. This project seeks to address the high growing number of OVC's and child headed households in BCMM specifically in Duncan Village. The pilot also promotes the skills development and 6 Child care workers who have been trained on in respect of youth development and psychosocial support which in turn capacitates these individuals both personally and professionally and they in turn are able to make a difference in the lives of the OVCs and the community.

6.5.1.1 Gender Inequality

Women and girl children are faced with greater gender inequality challenges in comparison to their male counterparts and they often endure abuse in the form of physical, economic, social and sexual human rights violation. The metro upholds the South African Constitution in that all females irrespective of their age they are entitled to human rights, equal treatment, human dignity and recognition as members of the society. Of great concern is that gender inequality perpetuates violence against women and it restricts women from reaching their full potential towards their self-development.

BCMM has put the following structures in place as mechanisms to promote and enhance gender equality, gender mainstreaming and public participation within the metro; Women's Caucus, Gender equity and Women's Forum etc. The empowerment of women is key in eliminating all forms of female discrimination and is entrenched within the BCMM Gender Policy and Strategy: 2007.

6.5.1.2 Older Persons

The metro has a growing number of vulnerable older person's population which is projected to increase from 8% to 10, 5% by 2015. In mitigating the projected number of vulnerable older persons, the metro is in a process of establishing the Older Persons Forum which seeks to promote the interests and active participation of the older persons within the local government planning processes.

Guided by BCMM Older Person's Strategy, 2009 the Older Persons Forum will develop a three year action plan for programmes based on the needs of older persons on the ground. The action plan will be present to Council for finding expression within the Integrated Development Plan and budget. The older person's initiatives along with the other vulnerable group's initiatives require stringent monitoring and evaluation including networking with stakeholder departments for additional funding / resources.

6.5.1.3 Youth

Within the metro 65% of the unemployed population is younger than 29 years and less than 2% possess a university degree. The metro has 3 youth flagship projects in promoting youth development. These are the 3 Youth Advisory Centers which offer career guidance, job marketing skills and entrepreneurial opportunities to youth. Secondly, in 2008 BCMM also introduced a Bursary Fund which provides assistance to deserving youth pursuing scarce skills qualifications. Following from the Bursary Fund, the metro has also introduced the internship programme which seeks to prepare BCMM Bursary Fund graduates for the job market and to increase their chances of employment. Thirdly, the metro has established the BCMM Youth Forum which seeks to ensure that the youth development trajectory of the metro find expression within the Integrated Development Plan.

6.5.1.4 Disability

BCMM has a proportional number of people living with different forms of disabilities including sensory, physical and intellectual with a well established blind community residing in Dimbaza. BCMM has established an interim Employee Disability Committee as well as external Disability Forum. Both these internal and external disability structures are aimed at ensuring that people with disabilities have a voice in the municipal planning and budget processes. BCMM has embarked on a number of disability mainstreaming programmes in which BCMM promotes a friendly environment for persons with disabilities i.e. disability friendly libraries and clinics.

The Disability Forum frequently undertakes information sharing sessions for both persons with disabilities and Ward Committee: Disability Portfolio Holders on their rights and responsibilities within local government.

6.5.2 HIV and AIDS and OVCs

The SA HIV infection prevalence rate has escalated from 5.3 million in 2009 to 5.575 million in 2010. More than half of those HIV infections were adult females with the number of infected children escalating from 334 00 in 2009 to 518 000 in 2010.

HIV and AIDS is synonymous with vulnerability and it is estimated that almost half of the countries HIV+ population is concentrated within the 9 metropolitan areas with the majority of infections within the urban precincts.

There are clear linkages between informal housing increasing vulnerability to HIV infection versus that of formal human settlements. The pandemic continues to negatively impact on human development strides and exacerbates levels of poverty, unemployment, informal housing / slums, low economic growth, low education, decreased skills levels and reduced human capital.

HIV and AIDS remains a large and growing threat to the metro's development trajectory which can only be addressed through addressing HIV through integrated and strategic human settlement initiatives

The already high levels of poverty and rising OVC population will exacerbate and place additional strain on the metro's resources as the demand for service delivery and indigent benefits increases and the inversely proportional ability to generate revenue decreases.

It is estimated that approximately 2 million orphans have lost either one or both parents to AIDS and the average life expectancy of South Africans has diminished to less than 50 years with a resulted decrease in the labour force of 21%,

6.5.3 Mainstreaming Challenges and Possible solutions

Implementing and documenting practical Integrated Development Plan mainstreaming remains a challenge for some clusters who grapple with firstly; how the cross-cutting issues are impacted on by their municipal service delivery and secondly; how the cross-cutting issues impact only their directorates' delivering of municipal services. Last but not least, each directorate needs to undertake a situational analysis and assess as to where they have a comparative advantage in relation to expanding the positive impacts of their core business and eliminating or mitigating any negative impacts thereof in relation to the cross-cutting issues.

For the metro to be sustainable, mainstreaming of the Millennium Development Goals and the 12 Outcomes of Local Government should be viewed or understood as being within the core business of each of the metro's service delivery units.

It has been documented that the metro has a greater ability (in comparison to the Eastern Cape Province), to provide access to employment, health care, education and basic services and this comparative advantage needs to be harnessed and managed positively in order to reduce marginalized and vulnerability.

6.6 Communications and Marketing

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.

Communication

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

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. On 8 November 2012, a Buffalo City Metropolitan Municipality Intergovernmental Relations Forum was established.

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 Metro 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.

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.

6.7 A SUMMARY OF KEY PRIORITIES FROM THE SITUATIONAL ANALYSIS

From the situational analysis narrative above, key priority issues have been distilled and they are presented as per each of the thematic clusters which are Infrastructure and Spatial, Institutional and Finance; and Socio-economic Cluster:

Cluster	Priority Issues
Infrastructure and Spatial	<ul style="list-style-type: none"> Focus on Broad range of housing opportunities (incremental approach to housing provision); Mainstreaming beneficiary database to housing provision Township Regeneration Services delivery backlogs (water, sanitation and roads) Bulk water treatment and storage capacity a major challenge for inland and west coast area Illegal connections in rural areas a major challenge to the network and bulk capacity Roads upgrade and maintenance Provision of safe and secure electricity supply and curbing of illegal connections Electricity losses are a concern and a revenue challenge Promoting alternative energy forms and encourage private investors by providing support systems Energy efficiency a priority that needs to be mainstreamed in all areas Sanitation backlog eradication slowed down in last two years Bulk sewer treatment capacity problems a major priority for future development : funding a major constraints as costs have escalated Deferred maintenance of electrical network a challenge Deferred recapitalisation of network leading to emergency outages Skills shortage a major challenge Fleet has exceeded useful life, resulting in deteriorating levels of service Land Acquisition - State Land Release process is lengthy and very cumbersome Land Invasion and Encroachments Absence of a dedicated unit to respond to land invasion and encroachments is a cause for concern.

Institutional and Finance	<p>General Valuation 2013</p> <p>Water Losses (Non-technical)</p> <p>Electricity Losses (non-technical)</p> <p>Reduction of debtors book (Collection Rate, Indigent Registration)</p> <p>Billing Data clean up</p> <p>Asset Management (Turnaround plan and sustainability, capacity constraints)</p> <p>SCM Policies and Procedures Review and Internal Controls</p> <p>Long- Term Financial Planning (additional revenue streams, funding mix)</p> <p>Establishment of municipal courts.</p> <p>Improve governance to increase public participation.</p> <p>Improving performance compliance, processes and systems</p> <p>Improved communication</p> <p>Completion of Organisational Structure;</p> <p>Loss of Institutional Memory – Capacitation & Professionalization of municipal officials critical;</p> <p>Policy on employment of seasonal workers;</p> <p>Conclusion of Job Evaluation</p> <p>Roll out of Employee Performance Management System;</p> <p>Revision of overtime control procedures, measures.</p> <p>Speeding up of disciplinary cases;</p> <p>Security of data sets and its linkage with EDMS;</p> <p>Assets & GRAP issues need to change the culture in every directorate</p>
Socio-Economic	<p>Job Creation</p> <p>Maximize Investment Potential, Build and capacitation on the investments made in the IDZ;</p> <p>Climate Change adaptation and mitigation</p> <p>High Crime rate (surveillance system)</p> <p>Solid Waste Management</p> <p>Waste Minimization</p> <p>Landfill site and Transfer Stations</p> <p>Land for socio economic amenities (cemeteries, halls, sports fields, parks & recreational facilities)</p> <p>Image and Perception of the City</p> <p>Cleanliness</p> <p>Branding and Marketing</p>

6.8 A SUMMARY OF WARD PRIORITIES

In an effort aimed at identifying priority needs in the BCMM wards, all Ward Councillors were requested to consult with their wards and prioritise their top five key service delivery issues which would be considered during the 5 year span of the Integrated Development Plan. Key issues raised by BCMM wards are summarised in the table below:

Issue	Description	Affected Wards	Total Wards
Roads and storm water drainage	Upgrading of roads Maintenance of roads Fixing of potholes Access roads Cleaning of blocked storm water drains	2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 43, 44, 45, 46, 49, 48, 50	43
Community facilities	Community halls Recreational parks Libraries Sports fields / facilities Cemeteries	2, 3, 4, 7, 9, 11, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40 ,41, 42, 43, 44, 45, 46	35
Housing and Land	Requests for new housing development Removal of illegal occupants Registration and relocation of informal settlements Land requests for housing development	2, 6, 8, 9, 11, 12, 13, 14, 17, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 34, 36, 37, 40, 42, 43, 44, 45, 47, 48, 49, 50	33
Electricity	Requests for streetlights and highmast lights Electrification of new areas Electrification of informal settlements	1, 2, 3, 5, 7, 8, 10, 11, 12, 13, 14, 15, 17, 18, 23, 24, 25, 27, 28, 29, 30, 32, 35, 36, 38, 42, 43, 44, 45, 49, 48, 50	32
Water and sanitation	Requests for potable running water New/additional standpipes Toilets / eradication of the bucket system Upgrade of the sewerage system	8, 9, 11, 12, 13, 15, 17, 24, 26, 27, 32, 33, 35, 39, 40,41, 44, 42, 45, 49	20
Solid Waste management and cleansing	Refuse removal Bush clearing Grass cutting Beautification	1, 3, 5, 7, 10, 12, 14, 15, 16, 18, 37, 44, 48, 49	14
Transport planning	Speed humps Bridges Footbridges Sidewalks Pedestrian crossings Taxi ranks	5, 8, 14, 16, 23, 25, 28, 41, 44, 47, 48, 49	12
Local Economic Development	Job creation High rate of unemployment Capacity building and empowerment Co-operatives Expanded Public Works Programme and Community Works Programme	1, 6, 11, 19, 21, 44, 47, 48	8

6.9 KEY PRIORITIES FROM THE DRAFT METRO DEVELOPMENT STRATEGY (MDS)

The draft Metro Development Strategy which is subject to review, is consequently striving to provide a common point of reference for the various stakeholders and guide short-term action within a long-term logic. The MDS is also trying to identify interventions with the highest leverage potential and to get all actors to pull in the same direction. In applying a long term perspective the MDS is also aimed at anticipating future shocks and contextual changes. The draft MDS identifies the following 18 priorities:

- Deal with Institutional Limitations and Governance
- Develop and implement a clear and transparent agenda for the long term
- Design and push for a reciprocal approach by other government spheres and agencies
- Increase community feedback and engagement and improve customer reciprocity
- Invest in building sustainable communities and social cohesion
- Isolate and address the major social consequences of HIV and Aids
- Ensure that Infra creation and spatial dev. Follow sustainable dev and environ management best practices
- Facilitate access to proper income-earning opportunities for the poor and
- Facilitate investments in regional/national roads and railroads
- Advocate for airfreight capacity to increase as well as improved passenger flight schedules
- Direct and influence national infrastructure expenditure to focus on well-chosen projects
- Activate an Integrated Transport Plan including corridors with feeder systems
- Lobby for telecommunication and IT systems that are internationally compatible
- Maximise Investment Potential
- Unlock crucial parcels of land imperative for the successful realization of the MDS
- Promote Rural Economic Development and farming
- Maintain and recapitalise municipal infrastructure
- Increase the revenue base and the revenue collection as well as getting access to new sources

6.10 MAYORAL LEKGOTLA PRIORITIES 2013

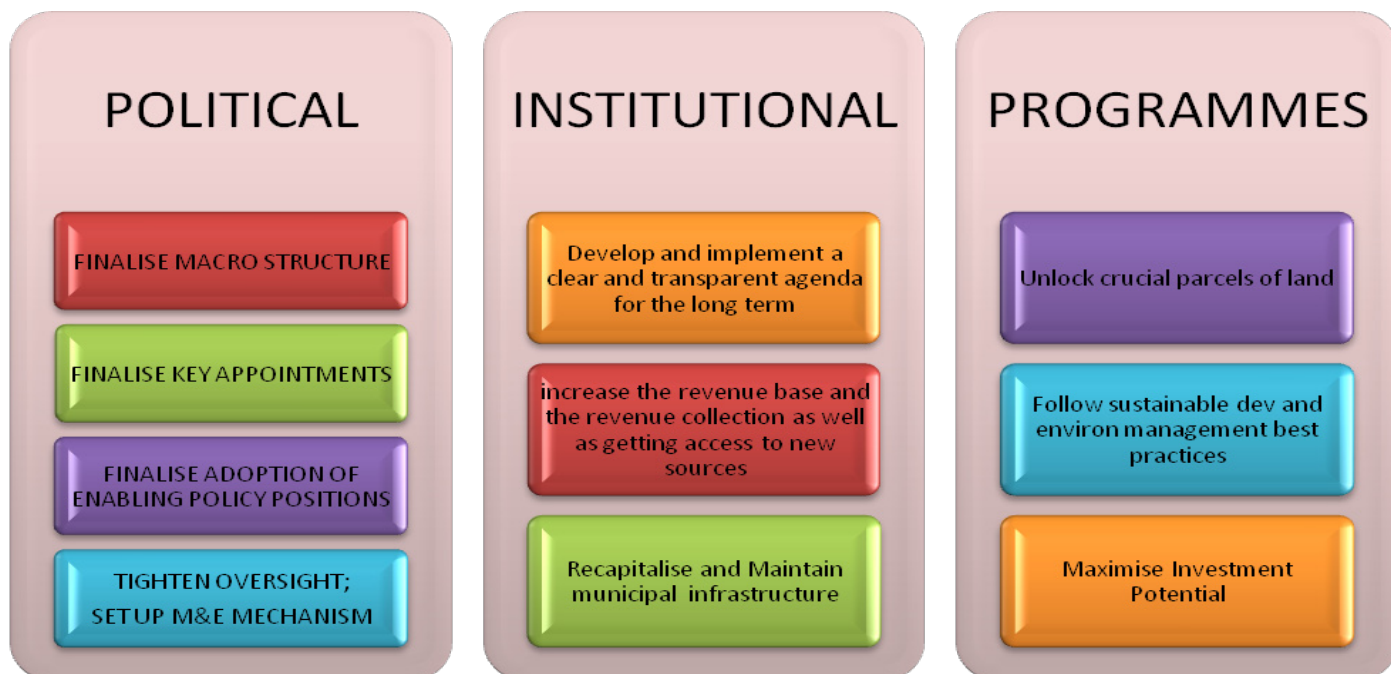
The figure below illustrates the key focus areas for the Metro for the coming Medium Term Expenditure Framework:



6.10.1 BUFFALO CITY KEY FOCUS AREAS: MAYORAL LEKGOTLA 2013

The Buffalo City focal areas lacked the focus on the imminent response that the city should have in relation to high unemployment and high number of investments. These challenges will render the Metro not to be in a financially sound state as they would have to subsidise a huge and ever growing indigent register.

After discussions, the session reached a consensus on the institutional priorities as listed below. These are based on the newly proposed clusters of BCMM.



These institutional priorities would enable the Metro to strategically position itself to achieve long term goals as dictated by drivers to maximise economic potential. The session agreed that the Integrated Development Plan and the City Growth and Development Strategy need to focus on three main strategic focus areas as economic driver. These are:

- Development of economic growth master plan for Buffalo City Metro
- Facilitate growth of SMME Sector
- Facilitate retention and attraction of investors within BCMM
- To market the city as a tourist destination in partnership with other stakeholders

The illustration below depicts the pertinent areas these drivers will focus on and draws directorates to adopt them as priority areas;



To address these new strategic focal areas; directorates reviewed their respective strategic focus areas and adopted new priorities and remedial actions to meet their respective challenges.

SECTION

C

**SPATIAL
DEVELOPMENT
FRAMEWORK**



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 and strategies were identified in the IDP 2012-2013:

Priority Area	Strategic Objective	Objective	Strategy
Spatial Planning	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	To plan for integrated sustainable human settlements.	Prepare Township Establishment plans
		To guide an integrated spatial development and growth in BCMM	Generate Local Spatial Development Frameworks

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: -

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)	East London King William's Town Mdantsane Dimbaza
Major Mixed Land Use Nodes (Potential)	Mount Ruth Station Arnoldton Station
LOCAL NODES:	
Minor Mixed Land Use Nodes (Existing)	Meisieshalt Bonza Bay Road (Sparg's Centre) Ndende (Duncan Village) Golden Highway (Mdantsane) Berlin town centre Zwelitsha town centre
Minor Mixed Land Use Nodes (Potential)	Quenera Brakfontein Chester Road Cove Ridge Nahoon Valley Mdantsane Station Mtsotso Station Needs Camp Zone CC (Mdantsane) Fort Jackson Station Ndevana Phakamisa Junction
Administrative Node	Bhisho
Commercial Nodes	Vincent Park Beacon Bay Retail Park/The Hub
Industrial Node	East London IDZ
Coastal Nodes	Kidd's Beach Sunrise-on-Sea
Rural Service Centre (Existing)	Crossways St Luke's (Newlands) Kidd's Beach Interchange Thorn Park
Rural Service Centre (Potential)	Khwetyana Intersection (Newlands)Thornpark Kuni Village Upper eJojweni Village (Tyolomnqa) 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	Mdantsane – EL Development Corridor Railway Corridor
Activity Streets	Devereux Avenue (Vincent) Lukin Road/Pearce Street (Berea) Old Transkei Road (Stirling/Nahoon) Gonubie Main Road KWT to Bhisho link (Maitland Road)
Mobility Routes	N2 (East London / KWT & EL/Umtata) N6 (East London / interior) R72 Coastal Road (EL/Port Alfred) Mount Coke Road ([346] EL to KWT) DR02909 linking Ilitha to Zwelitsha via Phakamisa & Ndevana
Proposed Mobility Routes	Quenera Road linking Beacon Bay Retail Park to Gonubie N2 Bypass (realigned) from Amalinda Interchange through Haven Hills and across Buffalo River to link into R72 Mdantsane Access Road south to Mount Coke Road (346) via Reeston Phase 3 Route from Mdantsane Zone CC via Potsdam Village across Buffalo River to Needs Camp and 346

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. Existing Local Spatial Development Frameworks:

Since the approval of the BCM 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
- Gonubie Main Road LSDF
- Kwelera LSDF

8. 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

8.1 The Urban and Rural Forward Planning Programme: 2012 - 2015

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.

The following LSDF's have been identified as priority Urban and Rural Forward Planning projects for the next three years, to give effect to the directions established in this SDF.

2013/2014	2014/2015	2015/2016
Completion of the Review of the BCMM SDF	Completion of the Newlands LSDF	Amalinda Main Road LSDF
Newlands LSDF	West Bank LSDF Review	Bonza Bay LSDF Review
Vincent Berea LSDF Review	Mdantsane Industrial Township Feasibility Study	
Update of the BCMM Zoning Scheme		

8.2 The Settlement Planning Programme: 2012 - 2015

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 Settlement Planning Programmes are scheduled to be undertaken during the next three years, in support of the overall BCMM SDF and the LSDF's prepared for the respective areas.

2013/2014	2014/2015	2015/2016
Duncan Village Township Establishment Programme	Duncan Village Township Establishment Programme	Duncan Village Township Establishment Programme
Township Establishment for East Bank Restitution, Phase 01 ; Mzamomhle Informal Settlement	Township Establishment for East Bank Restitution, Phase 01 ; Bhisho / Breidbach	Township Establishment for East Bank Restitution, Phase 02
Urban Management Plan for Informal Settlements	Informal Settlement Programme: In-situ Upgrading of High & Medium Priority Settlements	Informal Settlement Programme: In-situ Upgrading of High & Medium Priority Settlements
Land Identification Study for relocation of High Priority Informal Settlements	Township Establishment for Infill Areas located in Mdantsane	Township Establishment for Infill Areas located in Mdantsane
In-situ upgrading of 3 informal settlements	Implementation of recommendations from the Rural Settlement Development plan	

8.3 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 BuffaloCity.





SECTION **D**

**OBJECTIVES,
STRATEGIES,
INDICATORS,
TARGETS AND
PROJECTS**

SECTION D IDP OBJECTIVES, STRATEGIES, KEY PERFORMANCE INDICATORS AND TARGETS 2013/2014

The section that follows contains reviewed IDP Objectives, Key Performance Indicators and Targets towards 2013/14. These are presented according to the five Local Government Key Performance Areas which are:

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

Key Strategic Focus Areas for the BCMM include the following:

Strategic Focus Area	No.
Institutional Restructuring and Stabilisation	SFA 1
Improving Intergovernmental Relations	SFA 2
Building Citizen Confidence	SFA 3
Bridging the Digital Divide	SFA 4
Improving performance, compliance, processes and systems	SFA 5
Build Sustainable Communities	SFA 6
Job Creation	SFA 7
Improving Governance	SFA 8
Financial Viability	SFA 9

An alignment of the KPAs with the Buffalo City's six Strategic Objectives, BCMM's nine strategic focus areas and the 12 Outcomes of Local Government has been done.

Municipal Key Strategic Focal Area	Link No.	BCMM Objective	Issue from Situational Analysis / Legislative Basis	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/14	Target 2014/15	Target 2015/16
Institutional Restructuring and Stabilisation	SFA 1	BCMM5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Transition from local municipality to Metro status.	Develop an effective and efficient organisation structure to facilitate enhanced service delivery.	Review of existing organogram, development, adoption and implementation of a new Micro organogram	Revised and populated Metro Micro structure	Existing BCMM Macro and Micro structure	Approval of the Micro Structure and migration of staff to the new structure.	Review of organogram	Maintenance of organogram
<p>NKPA 1: Municipal Transformation and Organizational Development</p> <p>BCMM 5: To be a well-structured and capacitated institution that renders efficient and effective services to all.</p> <p>National Outcomes:</p> <p>A responsive and accountable, effective and efficient local government system</p> <p>A development-oriented public service and inclusive citizenship</p> <p>A skilled and capable workforce to support inclusive growth</p>										

Municipal Key Strategic Focal Area	Link No.	BCMM Objective	Issue from Situational Analysis / Legislative Basis	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/14	Target 2014/15	Target 2015/16
Institutional Restructuring and Stabilisation	SFA 1 NKPI	BCMM5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Under-representation of targeted groups in terms of the employment equity plan	To achieve employment equity within BCMM	Targeted recruitment and selection processes in terms of BCMM's employment equity plan	The number of people from employment equity target groups employed in the 3 highest levels of management in compliance with municipality's approved employment equity plan	24 female officials employed in the 3 highest levels of management in compliance with municipality's approved employment equity plan	Additional 4 to total of 28	Additional 2 to total of 30	Additional 2 to total of 32

Municipal Key Strategic Focal Area	Link No.	BCMM Objective	Issue from Situational Analysis / Legislative Basis	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/14	Target 2014/15	Target 2015/16
Bridge the digital divide	SFA 4	BCMM5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Lack of integrated systems and inadequate ICT infrastructure	Provide an effective and efficient information and communication technology to BCMM Internal and External Customers	Integrate ICT business processes and system	The number of ICT business systems integrated	Non-integrated programmes	Acquisition & implementation of these systems	The following systems to be fully integrated and the re-engineered processes automated: (1) Fire System; (2) Traffic System (3) Payroll system	The following systems to be fully integrated and the re-engineered processes automated: (1) Fire System; (2) Traffic System (3) Payroll system
		Implement Disaster Recovery Plan			ICT Disaster Centre established	Partially implemented disaster recovery centre	Tested, fully operational disaster recovery centre	Operational Disaster Recovery Centre tested twice a year and all UPSs functional.	Operational Disaster Recovery Centre tested twice a year	

Municipal Key Strategic Focal Area	Link No.	BCMM Objective	Issue from Situational Analysis / Legislative Basis	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/14	Target 2014/15	Target 2015/16
Bridge the digital divide	SFA 4	BCMM5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Lack of integrated systems and inadequate ICT infrastructure Unsafe storage of vital documents	Provide an effective and efficient information and communication Technology to BCMM Internal and External Customers	Improve and maintain IT infrastructure	Increased uptime on telecommunications network.	BCMM buildings linked on radios	Connected Municipal Building on Fibre	Redundant network backbone in Bisho	Redundant network backbone in KWT and surrounding areas.
						All documents held by the Archives Dept for the year 2010 captured into system.	2011 data captured	All documents held by the Archives Dept for the year 2010 captured into system.	All documents held by the Archives Dept for the year 2009 captured into system.	All documents held by the Archives Dept for the year 2008 captured into system.

Municipal Key Strategic Focal Area	Link No. SFA 5	BCMM Objective BCMM5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Issue from Situational Analysis / Legislative Basis Lengthy period of time to conclude disciplinary hearings and poor discipline.	Specific Objective Develop an effective and efficient human capital to enhance service delivery	Strategies Reduction in the time for completion of Disciplinary cases	Key Performance Indicator % of disciplinary cases concluded within the stipulated timeframe	Baseline Existing time to conclude all cases is currently approximately 8 months	Target 2013/14 70 % of disciplinary cases originated during the financial year are concluded within 6 months of date of initiation of notice to charge. Variance of 5% clear is accepted	Target 2014/15 80 % of disciplinary cases originated during the financial year are concluded within 6 months of date of initiation of notice to charge. Variance of 5% clear is accepted	Target 2015/16 90 % of disciplinary cases originated during the financial year are concluded within 6 months of date of initiation of notice to charge. Variance of 5% clear is accepted
Municipal Key Strategic Focal Area	Link No.	BCMM Objective	Issue from Situational Analysis / Legislative Basis	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/14	Target 2014/15	Target 2015/16

Improve performance, compliance, processes and systems.	SFA 7 NKPI	BCMM5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Skills development	Develop an effective and efficient human capital to enhance service delivery	Capacitation of human capital	The percentage of the municipality's budget actually spent on implementing its workplace skills plan	1.52%	1.60%	1.70%	1.80%
					Creation of a healthy working environment	Reduction in the disabling injury frequency rate	2.50%	2%	DIFR of 1,95%	DIFR of 1,95%
Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016

Build Citizen confidence	SFA 3	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Communities live in a safe environment	To ensure a safe and secure environment within BCMM	Implementation of the BCMM Crime prevention strategy and Metro Police Plan	% implementation of the crime prevention strategy and annual metro police plan	MEC Approval for establishment of metro police and a process plan	50% implementation of the crime prevention strategy and metro police plan	70% implementation of the crime prevention strategy and metro police plan	100% implementation of the crime prevention strategy and metro police plan	Additional 2 to total of 10	Additional 2 to total of 8	Additional 2 to total of 10	A functional BCMM Community Safety Forum	A functional BCMM Community Safety Forum	10%										
																	Implement measures to reduce crime incidents in the metro	8 Awareness campaigns	80 road blocks/special law enforcement programs	BCMM Community Safety Forum	5% reduction	2 471 accidents as at December 2011	A Community Safety Forum established	% Reduction in number of accidents in high collision areas	Implement measures to reduce road traffic offences in top five high collision locations within BCMM	To ensure a safe and secure traffic environment within BCMM
																	Establishment of a multi-stakeholder community safety forum	NIL	BCMM Community Safety Forum	BCMM Community Safety Forum	5% reduction	2 471 accidents as at December 2011	A Community Safety Forum established	% Reduction in number of accidents in high collision areas	Implement measures to reduce road traffic offences in top five high collision locations within BCMM	To ensure a safe and secure traffic environment within BCMM
																	Implement measures to reduce crime incidents in the metro	8 Awareness campaigns	80 road blocks/special law enforcement programs	BCMM Community Safety Forum	5% reduction	2 471 accidents as at December 2011	A Community Safety Forum established	% Reduction in number of accidents in high collision areas	Implement measures to reduce road traffic offences in top five high collision locations within BCMM	To ensure a safe and secure traffic environment within BCMM
																	Implement measures to reduce crime incidents in the metro	8 Awareness campaigns	80 road blocks/special law enforcement programs	BCMM Community Safety Forum	5% reduction	2 471 accidents as at December 2011	A Community Safety Forum established	% Reduction in number of accidents in high collision areas	Implement measures to reduce road traffic offences in top five high collision locations within BCMM	To ensure a safe and secure traffic environment within BCMM
																	Implement measures to reduce crime incidents in the metro	8 Awareness campaigns	80 road blocks/special law enforcement programs	BCMM Community Safety Forum	5% reduction	2 471 accidents as at December 2011	A Community Safety Forum established	% Reduction in number of accidents in high collision areas	Implement measures to reduce road traffic offences in top five high collision locations within BCMM	To ensure a safe and secure traffic environment within BCMM

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Citizen confidence	SFA 3	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Communities live in a safe environment	To ensure a safe and secure traffic environment within BCMM	Implement measures to improve traffic safety	Number of measures implemented to improve road safety	60	70 measures	80 measures	90 measures
				To ensure a safe and secure environment within BCMM	Implement measures to reduce and prevent road traffic offences incidents in BCMM	Number of measures implemented to reduce road traffic offences incidents in the metro	80 road blocks/special programs	90	100	110
				Provide effective and efficient Municipal Health Services to all BCMM communities	Implement Municipal Health Services Delivery Plan	Milestones towards the implementation of the Municipal Health Services Plan	0	2 priority projects (Municipal Health database, Installation of MHS software)	2 priority projects	1 priority project
				To ensure a safe and secure environment within BCMM	Develop & implement Air Quality Management Plan	Milestones towards the implementation of the Air Quality Management Plan	No of priority projects as listed on the Council approved Air Quality Management Plan	2 priority projects	2 priority projects	1 priority project

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Citizen confidence	SFA 5	BCMM4: To deliver sustainable infrastructure that supports social and economic development	A safe and resilient City	To build a safe and resilient City through Disaster Management	Implement the Disaster Management Framework	% progress towards implementation of the Disaster Management Implementation Plan	Existing draft Disaster Management Policy	3 disaster management forums and task teams established	4 Technical Task Teams established	2 Technical Task Teams established
			Inability to cover all areas of BCMM effectively	To provide an efficient and responsive Fire & Rescue to all BCMM communities	Provision of adequate Fire & Rescue facilities in BCMM	Number of fire & rescue facilities built	7 fire stations	1 Fire station	1 Fire station	
			Inadequate amenities to serve all BCMM communities	To provide adequate amenities to all BCMM communities	Develop an amenities management master plan	A council approved amenities master plan	0	Amenities master plan developed and approved	Implementation of the amenities master plan	Implementation of the amenities master plan
				To provide adequate amenities to all BCMM communities	Provide new amenities and improve infrastructure of existing amenities	Number of sportsfields upgraded	0	6 sports fields upgraded	11 sports fields upgraded	0
						Number of swimming pools redeveloped	0	Planning for re-development of Midantsane NU 2 Swimming Pool and Waterworld completed	Redevelopment of Midantsane NU 2 Swimming Pool and Waterworld completed	0

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Inadequate amenities to serve all BCMM communities	To provide adequate amenities to all BCMM communities	Provide new amenities and improve infrastructure of existing amenities	Milestones towards upgrading of Ubuhlanti - Marina Glen (phase 2)	Phase 1 of upgrading completed	Upgrading of Ubuhlanti (Little Mauritius) complete	0	0
						Number of resorts upgraded	0	Upgrading of Gonubie Resort and Purchase of equipment completed	0	0
						Number of new cemeteries established	29 Formal, 1 Crematorium, 300 informal cemeteries	Environmental Impact Assessment on 2 land parcels identified for cemeteries	1 New Cemetery	1 New Cemetery
						Number of cemeteries upgraded and refurbished	6 Cemeteries	7 Cemeteries	3 Cemeteries	Cemeteries

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Inadequate amenities to serve all BCMM communities	To provide adequate amenities to all BCMM communities	Provide new amenities and improve infrastructure of existing amenities	Number of community halls constructed	36 Tariff levying halls and 53 ex ADM Community halls	1 Community Hall	1 Community Hall	0
						Number of community halls upgraded and refurbished	(9 Community halls upgraded)	10 Community Halls	10 Community Halls	10 Community Halls
						Number of new recreational parks established	10	10 New Parks	5 New Parks	5 New Parks
						Number of recreational parks upgraded and refurbished	10	5 Recreational Parks	5 Recreational Parks	5 Recreational Parks

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Improve performance, compliance, processes and systems.	SFA 7	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Fragmented management of facilities	To integrate the management of facilities	Integration of BCMM Facilities Management	% progress towards centralization of BCMM facilities	Fragmented management of facilities	Partial integration & resourcing by 10%	50% integration & resourcing	100% integration and resourcing
			Inefficient utilization of BCMM fleet	Effective and efficient utilization of municipal fleet	Increase capacity of mechanical workshop services	% reduction in downtime of the mechanical workshop	40% (average annual down time)	30% (reduction of downtime)	20% (reduction of down time)	10% (reduction of down time)
Build sustainable communities	SFA 6		Inadequate housing for the needy	To improve the quality of human life through provision of descent formal houses	Provision of Fleet Management System	A fleet management system installed	Manual monitoring of vehicles	A Fleet Management System installed and operational	0	0
					Provision of formal houses as part of Integrated Sustainable Human Settlements.	Number of top structures provided	500= Top Structures (BNG units)	1081= Top Structure	150	350

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build sustainable communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Inadequate housing for the needy	To improve the quality of life through provision of bulk and internal Services	To deliver sustainable infrastructure that support social and economic development.	Number of serviced sites provided.	900 = Serviced Sites	2396= Serviced Sites	300	600
				Beneficiary education on provision of decent formal housing	Ensure that beneficiaries are fully empowered about home ownership rights and responsibilities	Number of beneficiaries educated about home ownership	4000	4400	4400	4400
Build Sustainable Communities	SFA 6		Limited street and highmast lighting throughout the licence area of supply.	Beneficiary Registration for home ownership	Ensure that beneficiaries are registered for home ownership	Number of beneficiaries registered for possible home ownership	9,076	5000	6000	5500
				Provision of efficient lighting throughout the licence area of supply	Implement lighting programme to ensure adequate lighting coverage	Number of high mast lights and street lights installed	3 High-mast lights, 350 streetlights	10 New high-masts, 350 New streetlights	10 Highmasts and 350 New streetlights	10 Highmasts and 350 New streetlights

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Deferred investment into the electrical infrastructure in terms of maintenance, refurbishment and upgrading.	To ensure a reliable and effective electrical network	Implement an electricity infrastructure service that is inclusive, safe, reliable, efficient and adequately maintained	Investment made to bulk electricity infrastructure	32 million invested	R 50,000,000	R 50,000,000	R 50,000,000
				To ensure a seamless and coordinated provision of municipal services	Develop best operating practises for identified priority areas	Number of service delivery systems interfaced	1 (BOP for Roads & Storm-water and Solid Waste collection)	BOP for internal services and housing	1 (BOP for Internal Services and Planning)	
Build Sustainable Communities	SFA 6	NKPI	Universal access to electricity	To ensure the provision of universal access to sustainable forms of energy	Implement an electrification programme to informal dwellings	Number of informal dwellings provided with the basic service of electricity	300 informal dwellings	1000 informal dwellings	500	1000
				Provision of free basic service	The percentage of households provided with access to Free Basic Electricity	28% (62500)	29% (64000)	29,3% (65500)	30% (67000)	

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	NKPI	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Universal access to electricity	To ensure the provision of universal access to sustainable forms of energy	Roll out of the electrification programme	The percentage of households with access to a basic level of electricity (20 amps)	98% (102 298 households)	99% (104 523 households)	99% (106 022 households)	98% (107 523 households)
	SFA 6		Poor state of BCMM roads and related infrastructure	To provide an accessible all-weather BCMM road network	Improve the condition of roads, stormwater systems & associated structures to acceptable standards	Kilometers of roads & associated services gravelled and regravelled	100 kms	150 kms	150 kms	200 kms
						Kilometers of roads surfaced	15 kms	15 kms	20 kms	25 kms
						Kilometers of roads & associated services maintained and rehabilitated	1200 kms	1200 kms	1200 kms	1300 kms

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Poor state of BCMM roads and related infrastructure	To provide an accessible all-weather BCMM road network	Improve the condition of roads, stormwater systems & associated structures to acceptable standards	Key milestones achieved in the development of the BCMM Roads Master Plan	Service provider appointed	Draft Roads Master Plan	Council approved Roads Master Plan	0
			Ageing infrastructure and capacity constraints	To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning throughout BCMM	Implement programmes to replace, upgrade and maintain water and sanitation systems	Number of existing BCMM Bridges rehabilitated	1 (Westbank)	2 Bridges	2 Bridges refurbished	3 Bridges refurbished
						Increase number of waste water treatment works which comply with green drop certification	2 compliant treatment works (No assessment undertaken)	3 Treatment works - Green Drop Compliant	3 treatment works maintained due to bi-annual audit	green drop compliant treatment works

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Provision of high quality drinking water in BCMM	To ensure water supply systems in BCMM are compliant with Blue Drop Certification	Increase number of water supply systems which comply with Blue Drop Certification	Number of water supply systems with Blue Drop Certification	4 Compliant systems	1 Borehole supply system decommissioned and retain 4 awards	1 Borehole supply system decommissioned and retain 4 Blue Drop awards	1 additional water supply system awarded Blue Drop status and retain existing 4 awarded systems
	NKPI		Eradication of water backlog	To ensure that households within BCMM have access to potable water.	Provision of potable water to consumer units	The percentage of households with access to basic level of water	97% (217 932) Households	98% (219 332)	99% (220 832)	100% (223 568)
	NKPI		Accreditation of Scientific Laboratory Services	To ensure water supply systems in BCMM are compliant with Blue Drop Certification	-	% progress towards accreditation of the Scientific Services Laboratory	40% Preparation towards accreditation	60% Preparation towards accreditation of selected methods	80% Preparation towards accreditation of selected methods	100% Preparation towards accreditation of selected methods
			Eradication of sanitation backlog	To ensure that households within BCMM have access to basic level of sanitation	Provision of basic level of sanitation to BCMM households	The percentage of households with access to basic level of sanitation	89% (199 298)	90% (201 598)	91% (203 598)	92% (205 598)

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Financial Viability	SFA 9	BCMM4: To deliver sustainable infrastructure that supports social and economic development	National target is to reduce non revenue water in South Africa by 50% in 2014	To ensure effective conservation and management of water resources in BCMM	Implementation of water conservation and demand management strategies	%reduction of unaccounted for water in terms of systems losses	40%	35%	30%	25%
	SFA 6		Fragmented spatial planning for sustainable human settlements	To plan for integrated sustainable human settlements	Prepare Township Establishment plans	Number of layout plans completed.	15 approved township establishments	4 completed layout plans ready for approval	3 approved layout plans. 2 completed layout plans ready for approval	2 approved layout plans. 2 completed layout plans ready for approval
Build Sustainable Communities				To plan for Integrated Sustainable Human Settlements	Prepare Survey General Plans	Number of approved general plans	2	3	3	3
				To guide an integrated spatial development and growth in BCMM.	Generate Local Spatial Development Frameworks	Number of completed local spatial development frameworks	10 approved LSDFs	2 completed LSDFs	2 completed LSDFs	completed LSDFs

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Access to land for development	To promote access to land for development of sustainable human settlements and other land related projects in the metro	Implement land acquisition & transfer	Number of land parcels acquired	2 land parcels acquired	2 Land Parcels	2	2
				To promote access to land for development of sustainable human settlements and other land related projects in the metro	Implement land release programme	Number of land parcels released	5 land parcels released	2 Land parcels	2	
Build Sustainable Communities	SFA 6		Fragmented and inadequate transport system	To develop a balanced multi-modal safe and integrated transport system that promotes mobility and accessibility	Develop and review a Comprehensive Integrated Transport Plan (ITP) that is aligned to the SDF and IDP and encompasses all the strategies and projects of the department	% progress in development and review of ITP	2008-2013 council approved ITP	Complete annual review of ITP	Complete a full update and development of ITP for next 5 year period	Complete annual review of ITP

Municipal Key Strategic Focus Area.	SFA 6	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Fragmented and inadequate transport system	To develop a balanced multi-modal safe and integrated transport system that promotes mobility and accessibility	Roll-out BRT system	KMs of BRT lanes constructed	award contract in line with judgement	1km	2km	8km
						Number of new public parking areas developed	0	CBD public parking area plan completed	2 public parking areas developed	2 public parking areas developed
						% progress towards implementation of Phase 1A BRT system	Approved Operational Plan for Phase 1A (infrastructure and operational requirement)	20% implementation of operational plan: -Completed detail design of 1 new BRT station -Completed detail design of 2km of new BRT lane -2 stakeholder consultation meetings with interested and affected parties -Draft business plan presented to the taxi industry -Draft operational plan for electronic ticketing completed -Draft marketing strategy completed	70% implementation of operational plan: -10 new BRT stations constructed -8 km of new BRT lanes -Finalisation of agreements with future operators of BRT (Taxi industry) -Full marketing campaign for BRT system	100% implementation of operational plan: -Phase 1A BRT system operation and open to the public
			Undesirable living conditions in the priority nodal townships	To improve the living conditions of priority nodal Townships	Evaluate the impact of the pilot for sustainability	Impact Assessment Study for MURP conducted	Quality of Life Survey	Approved Impact Assessment Study - MURP	Sustainability Plan	Implementation of the Sustainability Plan
						Implementation of the DVRI Business Plan	Approved DV Business Plan	Implementation of Phase 1 and 2 of the Business Plan	Phase 3 of the Business Plan implementation (implementation of the next set of priorities)	Review the Implementation Plan

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Fragmented and inadequate transport system	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	8 projects	10 projects
			Environmental protection and management	Ensure a safe and healthy environment	Implementation of Integrated Environmental and Coastal Zone Management Plans	Number of programmes implemented in accordance with the Integrated Environmental and Coastal Zone Management Plans	3 (Hlanza River Care) (Na-hoon River Care) (Working for the Coast)	1	1	1

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Building Citizen Confidence	SFA 3	BCMM4: To deliver sustainable infrastructure that supports social and economic development			Facilitate public and private sector investments and projects in renewable forms of alternative energy	Number of renewable energy investment projects facilitated by BCMM	2	2	2	2
						Number of KWh produced by alternative energy sources	300 kW	600 kW	600 kW	600 kW
Build Sustainable Communities	SFA 6		Climate Change as considered to be the most serious threat to humanity and sustainable development with adverse impacts expected on food and water security, economic activity, human health, environmental and natural resources	To ensure that BCMM is climate change responsive and compliant	Development of the climate change strategy	A Council approved climate change strategy	Nil	Approved Climate Change Strategy	Implementation of the Climate Change Strategy	Implementation of the Climate Change Strategy

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Limited community knowledge on environmental issues	Enable effective environmental and sustainability programmes through capacity development initiatives and process	Implementation of the environmental education strategy	Number of projects implemented in accordance with the Environmental Education strategy	2 (Environment week and Arbor week)	5 (Coastal clean-up, Marine week, Environment week, Arbor week, National clean up week)	5 (Coastal clean-up, Marine week, Environment week, Arbor week, National clean up week)	5 (Coastal clean-up, Marine week, Environment week, Arbor week, National clean up week)
			Loss of Biodiversity	Protecting, enhancing and maintaining the social, ecological, cultural and environmental integrity of BCMM's coastline	Biodiversity conservation	A Council Approved Biodiversity Plan	0	Biodiversity Plan approved	Implementation of the plan	Implementation of the plan
			1. National Environmental Management Waste Act 59 of 2008 2. National Waste Collection Standard 2010	To provide integrated waste management services.	To apply Waste Management Hierarchy as per the Legislation	Number of Waste Minimization Projects initiated	3 (DV Separation at source program, Recycling drop off points, Composting plant)	3 (separation at source, extension of recycling drop off points and a buy back centre)	6 Separation at source projects and 2 Buy back centres	12 Separation at source projects

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Build Sustainable Communities	SFA 6	BCMM4: To deliver sustainable infrastructure that supports social and economic development	Non compliance with National Environmental Management Waste Act 59 of 2008 in relation to waste disposal and Minimum Requirements of waste disposal by landfill of 1998	To ensure proper disposal of waste within BCMM.	To provide facilities for separation of waste before disposal at landfill site	Milestones towards construction transfer stations and related infrastructure	0	Land Identification, Environmental Impact assessment	Land acquisition and planning	Construction of new transfer stations
						Number of Waste Cells Constructed at Roundhill Landfill Site	2	Planning and designs for 2 new cells	Construction of 2 new cells	Planning and design for new cells
	NKPI				Provision of refuse removal service to households within BCMM	Number of closed cells rehabilitated	0	Planning for rehabilitation of 2 closed cells.	Rehabilitate 1 waste cell	Rehabilitate 1 waste cell
						Percentage of households with access to basic solid waste removal service	70.40%	80%	85%	90%

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Local Economic Development / Job creation	SFA 7	BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing numbers of sustainable employment opportunities and contributing to increased incomes and equality	LED National Framework, BCM Economic Development Strategy, New Growth Path.	To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors.	Implement Destination Marketing Strategy	Number of marketing initiatives undertaken to market the City.	14	16	18	20
							3	3	5	8

NKPA 3: Local Economic Development
BCMM3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing numbers of sustainable employment opportunities and contributing to increased incomes and equality

National Outcomes:
Decent Employment through inclusive economic growth
A skilled and capable workforce to support inclusive growth
Vibrant, equitable and sustainable rural communities and food security

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Local Economic Development / Job creation	SFA 7	BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing numbers of sustainable employment opportunities and contributing to increased incomes and equality	LED National Framework, BCM Economic Development Strategy, New Growth Path.	To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors.	Economic Infrastructure Programme	No of Economic Infrastructure Projects implemented	3	3	5	8
					Implement Skills Development & Capacity Building Programme	No of Skill Dev. And Capacity Building Projects implemented	7	7	10	12
					Implement Agriculture Programmes	No of Agricultural Programmes Implemented	2	2	4	6
					Hosting of Major Economic Events	No of Events Hosted by the City	6	7	4	6
					Develop and implement economic development policies to promote and support growth both the 1st and 2nd economies	Number of economic policies developed and reviewed	2	2	4	5

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Local Economic Development / Job creation	SFA 7 NKPI	BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing numbers of sustainable employment opportunities and contributing to increased incomes and equality	LED National Framework, BCM Economic Development Strategy, New Growth Path		Job creation	Number of SMME Businesses supported	14	15	25	30
						No of jobs created through LED initiatives including implementation of capital projects	395	400	500	600
					Implementing an Investment Strategy	Number of programmes implemented from the investment strategy	0	2	4	6
					Implement cross-cutting initiatives to drive and support rural development	Number of LED rural development programmes implemented	6 programmes	8	10	12
				Promote, protect, preserve and manage natural and heritage assets	Develop Conservation Management Plans	Number of conservation management plans developed	0	1	0	0

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Local Economic Development / Job creation	SFA 7	BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing numbers of sustainable employment opportunities and contributing to increased incomes and equality			Develop, maintain and market heritage sites Establish Partnerships with institutions involved in Economic Development	Number of heritage sites upgraded for marketing purposes No of strategic Partnerships established	1 1	3 3	4 4	4 4

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016	
<p>NKPA 4: Municipal Financial Viability and Management</p> <p>BCMM 1: To be a financially sound organisation that effectively manages its resources</p> <p>National Outcomes:</p> <p>A responsive and accountable, effective and efficient local government system</p> <p>Decent employment through inclusive economic growth</p> <p>A development oriented public service inclusive citizenship</p>											
Improve performance, compliance, processes and systems.	SFA7	BCMM 1: To be a financially sound organization that effectively manages its resources	Qualified Audit Report.	Compliance with financial reporting in terms of legislated reporting requirements.	Increase support in the implementation of the Audit Improvement Plan.	Level of adherence to the Audit Implementation Plan	Qualified Audit Report.	Unqualified Audit Report.	Unqualified Audit Report.	Unqualified Audit Report.	
			Qualified Audit Report.	To ensure an efficient supply chain management system	Re-engineering of SCM processes	The percentage of formal bids awarded within the stipulated timeframe	Bids are awarded within 120 days from opening.	80% of Bids awarded within 90 days from opening date.	80% Bids are awarded within 60 days from opening	80% Bids are awarded within 40 days from opening	nil
			Disintegration of property information which results in ineffective billing and revenue collection	Enhance municipal revenue through integration of non financial property information	Integration of non financial property information with GIS	Number of property information processes integrated	8 non integrated property processes	Workflow solution for IPIMS developed	nil	nil	nil

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Financial Viability	SFA 9	BCMM 1: To be a financially sound organization that effectively manages its resources	Financial viability	To ensure that BCMM remains financially viable	Implement revenue enhancement strategies.	Percentage collection rate as measured in accordance with the MSA Performance Regulations.	91%	92%	93%	94%
	NKPI				Prudent Municipal Investments and maintenance of a favourable liquidity.	Cash is available for regular commitments. (Cost coverage ratio)	1.5:1	1.55:1	1.6:1	1.65:1
	NKPI				Maintain long term borrowings below NT threshold	Debt coverage ratio	2858%	>2000%	>2000%	>2000%
	NKPI				Implementation of measures to reduce billing debt book	Debt to revenue ratio.	23,9%	<35%	<35%	<35%
					Valuation of Properties	Reduction in the billing debt book	R820m (estimate as at June 2012)	2.5% (20.5 million)	5% (41 million)	7.5% (61.5 million)
					Valuation of Properties	Progress towards implementation of General and Supplementary Valuations	152,000 rated properties	Perform General Valuation	Supplementary Valuations	Supplementary Valuations
	NKPI		Provision for indigent households	Roll out indigent scheme to all indigent households in BCMM	Implement Indigent Policy	The percentage of households earning less than R1100 per month with access to free basic services	28,6% (64 000)	29,07% (65 000)	31,3% (70 000)	34% (75 000)
	NKPI		Low level of capital expenditure	Expenditure of all grant / capital infrastructure for service delivery in the applicable financial year	Accelerate implementation of grant / capital projects	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	38%	>75%	>80%	>90%

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Improve Governance	SFA 8	BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities	Irregular and unauthorised expenditure and numerous institutional and operational risks.	To capacitate the institution in order to holistically and effectively address risk and fraud issues	Development of Assurance Models	Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies	Existing Risk Management Framework and outdated Fraud Policy	Approval of Risk and Fraud Strategies.	Perform Fraud Risk Assessment in 2 Directorates	Perform Fraud Risk Assessment in further 2 Directorates
								<p style="text-align: center;">NKPA 5: Good Governance and Public Participation</p> <p>BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities</p> <p>National Outcomes:</p> <p>A responsive and accountable, effective and efficient local government system</p> <p>A development-oriented public service and inclusive citizenship</p>		

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Improving performance, compliance and systems	SFA 5	BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities	Cascading of performance management throughout the institution	Roll-out of performance management to all task grades	Development and implementation of employee performance management system	6-monthly assessment of staff.	Applicable only to Section 57 employees	Implement system from City Manager to Task Grade 15	Further implementation from Task Grade 14 to 8	Further implementation from Task Grade 7 to 2
	SFA 8		Marginalisation of vulnerable groups	Promoting vulnerable groups rights within the metro	Mainstreaming vulnerable within the metro	Programmes / initiatives responsive and in line with mainstreaming Millennium Development Goals	5 programmes initiated FY 12/13: -Bursary Fund -Youth Advisory Centres -Older Persons and Gender Forums -Isibindi Child and Youth Project	4 programmes/initiatives in FY 13/14: -Youth skilling and capacity pro-gramme -Children's Forum -Metro Aids Council -MDG Main-streaming Frame-work	4 programmes/initiatives implemented in FY 13/14 (new)	4 programmes/initiatives implemented in FY 15/16 (new)
Improve Governance			Limited participation of the public in municipal processes	Optimise participation of communities in municipal decision making processes.	Rollout of institutional public participation programmes	Number of public participation events facilitated	8 (IDP Rep Forum, IDP/Budget Roadshows, Council Open Day, Exco Outreach, SOPA, SONA, SOMA, World Aids Day)	9 (IDP Rep Forum, IDP/Budget Roadshows, Council Open Day, Exco Outreach, Mayoral Imbizo, SOPA, SONA, SOMA, World Aids Day)	9 (IDP Rep Forum, IDP/Budget Roadshows, Council Open Day, Exco Outreach, Mayoral Imbizo, SOPA, SONA, SOMA, World Aids Day)	9 (IDP Rep Forum, IDP/Budget Roadshows, Council Open Day, Exco Outreach, Mayoral Imbizo, SOPA, SONA, SOMA, World Aids Day)

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Improve Governance	SFA 8	BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities	Limited participation of communities in municipal processes	Optimise participation of communities in municipal decision making	Ensure ward committees are fully functional (regular bi-monthly meetings)	Number of ward committee meetings convened	6 meetings per ward in a year	6 meetings per ward annually	6 meetings per ward annually	6 meetings per ward annually
				All BCMM wards develop ward based plans that will inform the IDP	Roll-out ward based planning to all BCMM wards	Number of ward public meetings convened in each ward	4 ward public meetings per year	4 ward public meetings per ward annually	4 ward public meetings per ward annually	4 ward public meetings per ward annually
Improve Intergovernmental relations	SFA 2	Metro wide Development and Capacity challenges	Promote Development Cooperation and International Relations within the metro	Improve the functioning of Council	Distribute Council agendas as per the Standing rules of order	Time taken to circulate Council agenda to all Councilors before a meeting	7 days	7 days	7 days	7 days
					Sustain existing international partnerships	No of Programmes supported through existing partnerships	14 Programmes	16 (2 new programmes)	19 (3 new programmes)	21 (3 new programmes)

Municipal Key Strategic Focus Area.	Link No	BCMM Objective	Issue from Situational Analysis / Legislative Basis.	Specific Objective	Strategies	Key Performance Indicator	Baseline	Target 2013/2014	Target 2014/2015	Target 2015/2016
Improve Intergovernmental relations	SFA 2	BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities	IR strategy needs commitment and buy in	Promote Development Cooperation and International Relations within the metro	Review IR strategy and establish BCMM IR Forum	Number of IR Sessions held with metro stakeholders	IR Strategy	Review IR Strategy and established IR Metro Forum	4 IR Metro Forum Meetings per year	IR Metro Forum Meetings per year
			Improvement of intergovernmental relations.	Enhance integrated planning through Intergovernmental Relations	Engage sector departments/ Parastatals on integrated programmes through the IGR Forum.	No. of IGR programmes undertaken with sector departments and parastatals	4 programmes (Home Affairs, Department of Education, Dept of Human Settlements; Local Government & Trad. Affairs)	7 (3 new programmes)	9 (2 new programmes)	11 (2 new programmes)
Improve Governance	SFA 8	BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities	Effective and timeous communications with all stakeholders.	Improve communication with BCMM communities & beyond	Institutionalization of Communication plan	Number of communication plans produced	4	12 [additional 8]	15 [additional 3]	17 [additional 2]
Improve performance, compliance, processes and systems	SFA 5	BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities	Limited sourcing and utilization of knowledge and experience to inform creativity and innovation	Grow the municipality's knowledge, creativity and innovative base	Implementation of the Knowledge Management Framework and Strategy	No of creativity and innovation case studies documented	3 case studies documented	1 case study documented	1 case study documented	1 case study documented

CAPITAL AND OPERATING BUDGET 2013/14 -2015/16

2013-2016 MTREF CAPITAL BUDGET

Directorate	Cost centre no.	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Executive Support Services							
Executive Support Services	105005	1,2,3,7,10,16,18,19,33,24,27,28,29,31,32,43,44,46,47 & 49	Councillors Office Accommodation	Own Funds	1,000,000	0	0
Executive Support Services	105005	Institutional capacitation	Office Furniture - Councillors	Own Funds	500,000	0	0
			TOTAL: EXECUTIVE SUPPORT SERVICES		1,500,000	0	0
<u>Municipal Manager's Office</u>							
Municipal Manager's Office	205005	Mdantsane /DV	Neighbourhood Development Partnership	NDPG	10,000,000	10,000,000	10,000,000
Municipal Manager's Office	205005	Institutional capacitation	Office Furniture	Own Funds	250,000	0	0
			TOTAL: MUNICIPAL MANAGER'S OFFICE		10,250,000	10,000,000	10,000,000
<u>Chief Operations Officer</u>							
Housing Department	255005	Institutional capacitation	Beneficiary Administration (Procure GPS Devices)	Own Funds	200,000	100,000	150,000
Housing Department	255005	13	Reeston Phase 3 Stage 2 -P1 & P3	USDG	6,815,400	6,815,400	100,000
Housing Department	255005	23	Mdantsane Zone 18 CC Phase 2 - P1 & P3	USDG	3,000,000	10,000,000	13,500,000

Directorate	Cost centre no.	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Housing Department	255005	30	Manyano & Thembelihle Phase 2 - P1 & P3	USDG	6,061,924	0	0
Housing Department	255005	19	Second Creek (Turn Key) - P1 & P3	USDG	8,000,000	100,000	0
Housing Department	255005	48,12,21,11,17,11,20	Cluster 1 (Masibambane; Masibulele; Veiwano; Illinge and Dacawa)	USDG	3,500,000	12,452,208	14,000,000
Housing Department	255005	17,14,	Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe)	USDG	3,500,000	5,000,000	10,000,000
Housing Department	255005	10	Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	USDG	5,524,440	7,275,000	29,900,000
Housing Department	255005	31	Sunny South - P1 & P3	USDG	10,000,000	8,000,000	0
Housing Department	255005	24	Potsdam Ikhezi Block 1 - P1 & P3	USDG	200,000	500,000	1,600,000
Housing Department	255005	24	Potsdam Ikhezi Block 2 - P1 & P3	USDG	200,000	500,000	2,000,000
Housing Department	255005	23	Potsdam Village- P1 & P3	USDG	200,000	500,000	2,000,000
Housing Department	255005	24	Potsdam North Kanana - P1	USDG	200,000	500,000	2,300,000
Housing Department	255005	1,2	Duncan Village Proper	HSDG	350,000	700,000	3,300,000
Housing Department	255005	16	Amalinda Fairlands P1 & P2	USDG	0	1,250,000	1,300,000
Housing Department	255005	13	Reeston Phase 3: Stage 2 - P1 & P3	HSDG	11,684,600	7,000,000	9,000,000
Housing Department	255005	13	Reeston Phase3 Stage 3 - P1 & P3	HSDG	10,000,000	15,000,000	15,000,000
Housing Department	255005	9	Braelyn ext 10 - P1 & P3	HSDG	500,000	2,000,000	2,000,000
Housing Department	255005	2	C Section and Triangular Site - P1 & P3	HSDG	500,000	2,000,000	2,000,000
Housing Department	255005	2	D Hostel - P1 & P3	HSDG	500,000	2,000,000	2,000,000
Housing Department	255005	1	DVRI PILOT PROJECT (Mekeni, Haven Hills, Competition Site) P1 & P3	HSDG	3,000,000	0	0
Housing Department	255005	45	Ilitha North 177 Units	USDG	700,000	1,500,000	1,000,000
Housing Department	255005	36	Dimbaza Destitute 27 Units - P1 & P3	USDG	2,500,000	200,000	0
Housing Department	255005	32	Disaster Project	USDG	500,000	1,000,000	200,000
Housing Department	255005	43	Tyutyu Phase 3 P1 & P3 Units	USDG	200,000	500,000	200,000
Housing Department	255005	46	Westbank Restitution - P1 & P3	USDG	2,000,000	5,000,000	500,000
Housing Department	255005	1	Block Yard TRA - P1 & P3	USDG	500,000	100,000	0
Housing Department	255005	1,10	DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	USDG	2,500,000	775,000	0

Directorate	Cost centre no.	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Housing Department	255005	1, 10	Housing Needs Database and Accreditation (Capacity Enhancement)	HSDG	390,000	500,000	1,000,000
Housing Department	255005	9	Amalinda Co- Op	USDG	200,000	1,100,000	1,000,000
Housing Department	255005	23	Mdantsane Zone CC Phase 2 P1 & P3	HSDG	0	0	8,500,000
Housing Department	255005	48, 14, 21, 11, 30, 50	Cluster 1 (Chris Hani, Ilinge, Mahlangu Village, Sisulu Village, Winnie Mandela, Deluxolo Village & Francis Mei) P1 & P3	HSDG	0	0	6,000,000
Housing Department	255005	17, 12	Cluster 2 (Masibambane, Masibulele, Velwano, Gwentshe Village, Mathemba Vuso) P1 & P3	HSDG	0	6,500,000	10,000,000
DVRI	250005	1, 10	Reeston MPCC - DVRI	HSDG-Special Fund	2,100,000	10,068,500	13,068,500
DVRI	250005	7	Office Furniture and Equipment - DVRI	Own Funds	68,000	0	0
DVRI	250005	7	Security Equipment - DVRI	Own Funds	40,000	0	0
DVRI	250005	7	Access Control Measures - DVRI	Own Funds	100,000	0	0
-							
			TOTAL : CHIEF OPERATIONS OFFICE		85,734,364	108,936,108	151,618,500
Directorate of Financial Services							
Debtors Management	330015	Institutional capacitation	Office Furniture - Revenue	Own Funds	400,000	50,000	0
			TOTAL : FINANCIAL SERVICES		400,000	50,000	0
Directorate of Corporate Services							
Management Information Services	415025	Institutional capacitation	Purchase of Computer Equipment - Revenue Management	Own Funds	400,000	100,000	0
Management Information Services	415025	Institutional capacitation	Procurement of Pre-Payment Vending Machines	Own Funds	500,000	500,000	0

Directorate	Cost centre name	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Management Information Services	415025	Institutional capacitation	Computer Equipment - Municipal Manager's Office	Own Funds	250,000	0	0
Management Information Services	415025	Institutional capacitation	Computer Equipment - Finance Interns (FMG)	FMG	200,000	0	0
H.R. Administration	420005	Institutional capacitation	Electronic attendance control system	Own Funds	0	1,000,000	0
Management Information Services	415025	Institutional capacitation	Procurement of Modules for Asset management , SCM Demand Management System, Stock Coding System, Debt Management System	Own Funds	5,250,000	6,750,000	1,250,000
Management Information Services	415025	Institutional capacitation	IT Infrastructure Network Upgrade	Own Funds	0	4,000,000	4,000,000
Management Information Services	415025	Institutional capacitation	Computer Equipment - BCM	Own Funds	1,000,000	1,000,000	0
Management Information Services	415025	Institutional capacitation	Office Furniture and Equipment and Computers	ISDG	100,000	100,000	100,000
Labour Relations	420015	Institutional capacitation	Employee Relations Improvement Programme - Equipment and Furniture	Own Funds	84,000	0	0
Employee Wellness	420010	Institutional capacitation	Extensions to Employee Wellness Centre	Own Funds	0	2,500,000	0
			TOTAL : CORPORATE SERVICES		7,784,000	15,950,000	5,350,000
Directorate of Engineering Services							
Sewerage Treatment- Coastal	515010	28	Bulk Sanitation Provision - Programme	USDG	156,854,000	171,757,892	197,000,000
Water Treatment Works	520020	46	Bulk Water Provision - Programme	USDG	57,000,000	52,500,000	71,000,000
Roads and Stormwater Drainage	525025	21,22,23	Urban Roads - Programme	USDG	92,000,000	100,000,000	95,000,000

Directorate	Cost centre name	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Roads and Stormwater Drainage	525025	11, 12, 14, 17, 20, 20, 21, 22, 23, 30, 42,48 50	Upgrading of Mdantsane Roads	USDG	53,000,000	67,500,000	70,000,000
Roads and Stormwater Drainage	525025	46	Rehabilitation of BCMMM Bridges	USDG	3,000,000	15,000,000	10,000,000
Roads and Stormwater Drainage	525025	17, 24,26,31, 33, 35,36, 37, 38, 39, 40, 41, 49, 44, 43, 45,	Rehabilitation of Rural Roads	USDG	25,000,000	25,000,000	30,000,000
Fleet management - Braelyn	530020	Institutional capacitation	BCMMM Fleet Management System	Own Funds	0	2,000,000	2,000,000
Fleet management - Braelyn	530020	Institutional capacitation	BCMMM Plant and Specialised Equipment	Own Funds	0	15,000,000	15,000,000
Fleet management - Braelyn	530020	Institutional capacitation	BCMMM Fleet	Own Funds	8,000,000	5,000,000	10,000,000
Fleet management - Braelyn	530020	Institutional capacitation	Engineering Depot Upgrades	Own Funds	0	1,000,000	7,000,000
Electricity Planning & Design	535025	16, 18,29,35	Bulk Electricity Infrastructure Upgrade(Ring-Fenced 2% increase from Tarriff)	Own Funds	20,000,000	20,000,000	20,000,000
Electricity Planning & Design	535025	1,3,19,	INEP Electrification Programme	DoE(Integrated National Electrification Programme)	26,329,000	20,000,000	55,000,000
Electricity Planning & Design	535025	1,2, 7, 8, 9,10	INEP Electrification Programme - Counterfunding	USDG	2,000,000	5,000,000	5,000,000
Electricity Planning & Design	535025	2,7,8,9,11,12	Electrification of Informal Dwelling Areas within BCMMM	USDG	10,000,000	10,000,000	10,000,000

Directorate	Cost centre name	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Electricity Planning & Design	535025	10, 15, 29, 28, 36, 46	Street Lighting and Highmasts within BCMM Areas of Supply - Informal Settlements	USDG	3,000,000	3,500,000	3,500,000
					456,183,000	513,257,892	600,500,000
			TOTAL : ENGINEERING SERVICES		456,183,000	513,257,892	600,500,000
Directorate of Development Planning							
Transport Planning & Operations Admin	620005	1, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 2, 20, 21, 22, 23, 24, 25, 28, 3, 4, 5, 6, 7, 8, 9	Bus Rapid Transit	Public Transport Infrastructure and Systems Grant	70,000,000	0	0
Transport Planning & Operations Admin	620005	1-50	ITP implementation	USDG	3,000,000	3,000,000	0
Transport Planning & Operations Admin	620005	37	Public Transport Facilities - Taxi Ranks	USDG	3,000,000	3,000,000	3,000,000
Transport Planning & Operations Admin	620005	23, 33	Needs Camp / Potsdam Bridge	USDG	5,000,000	5,000,000	10,000,000
Transport Planning & Operations Admin	620005	43	Bhisho CBD	USDG	2,000,000	4,000,000	3,000,000
Transport Planning & Operations Admin	620005	35, 37	KWT Traffic Calming	USDG	5,800,000	1,000,000	1,000,000
Transport Planning & Operations Admin	620005	24, 26, 31, 32, 33, 35, 36, 38, 39, 40, 43	Rural Non Motorised Transport Plan Implementation	USDG	5,000,000	5,000,000	10,000,000
Transport Planning & Operations Admin	620005	Urban wards	BCMM Traffic Calming Measures - Townships and Critical Urban	USDG	3,000,000	3,000,000	3,000,000
Transport Planning & Operations Admin	620005	Institutional capacitation	BCMM Acquisition Buses	Own Funds	0	5,000,000	10,000,000

Directorate	Cost centre no.	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Office of the Director DDP	605005	1-50	Human Settlements Infrastructure Programme	USDG	11,000,000	15,000,000	16,000,000
Architecture	615075	37	Upgrade KWT Payments Hall	USDG	2,800,000	2,200,000	
Architecture	615075	47	Upgrading of the City Hall	Own Funds	5,000,000		
Land Administration	615080	1-50	Land Acquisition	USDG	20,000,000	5,500,000	
			TOTAL : DEVELOPMENT PLANNING		135,600,000	51,700,000	56,000,000
Directorate of Community Services							
Cleansing Administration Support	755010	13, 21,23	Development of Community Parks(Inland, Midlands and Coastal)	USDG	3,000,000	5,000,000	0
Interments	755025	1-50	Development and Upgrading of Cemeteries(Inland, Midland and Coastal)	USDG	12,040,943	20,000,000	0
Halls	760025	42,39,13,33,5,47,37	Development and Upgrading of Community Halls - War Memorial Hall Upgrade of Parking Area, O.R.Tambo Hall Upgrade of Parking Area, Egoli Community Hall(New Hall), Needs Camp Community Hall Upgrade, Orient Theatre Upgrade, Continuation of KWT Town Hall	USDG	10,000,000	10,000,000	7,000,000
E.L.Regional Waste Disposal Site & Transfer Station	770030	Still to be identified	Construction of Transfer Stations - 3 x Sites	USDG	0	5,000,000	5,000,000
E.L.Regional Waste Disposal Site & Transfer Station	770030	25	Construction and Rehabilitation of Waste Cells	USDG	0	30,000,000	20,710,100
E.L.Regional Waste Disposal Site & Transfer Station	770030	27, 28, 29 , 23, 40	Waste Minimisation Initiatives	USDG	1,000,000	1,500,000	3,000,000

Directorate	Cost centre no.	Ward	Project Name	Source of Funding	2013/14 Capital Budget	2014/15 Capital Budget	2015/16 Capital Budget
Sportsfields	765010	20, 46	Redevelopment of Mdantsane NU 2 Swimming Pool and Upgrading of Waterworld	USDG	5,000,000	15,000,000	20,000,000
Sportsfields	765010	42,33, 47,36, 41,43,37,43, 19,3	Upgrading of Social Amenities - Redevelopment of Mdantsane NU 2 Swimming Pool, Upgrading of Needs Camp Sportsfield, Upgrading of the Esplanade, Upgrading of Dimbaza and Zweitisha Stadium, Upgrading of Floodlights at Victoria Grounds, Bhisho Stadium and Ginsberg Stadium, Sports Equipment Coastal, Midlands and Inland	USDG	20,000,000	0	0
					51,040,943	86,500,000	55,710,100
			TOTAL : COMMUNITY SERVICES		51,040,943	86,500,000	55,710,100
Directorate of Health and Public Safety	-						
Traffic	725025	37	KWT Traffic Building	USDG	1,500,000	3,000,000	1,000,000
Office of the Director	705005	Institutional capacitation	Closed Circuit Television Network - CCTV	Own Funds	500,000	2,000,000	2,000,000
Law Enforcement Services	725015	Institutional capacitation	Fire Arms - Traffic and Law Enforcement	Own Funds	50,000	100,000	0
Traffic	725025	14	Mdantsane Testing Station - Equipment	Own Funds	200,000	200,000	0
Fire and Rescue Services	725010	31,32,33	Construction of New Fire Station	USDG	500,000	5,000,000	5,000,000
			TOTAL : HEALTH AND PUBLIC SAFETY		2,750,000	10,300,000	8,000,000
			TOTAL BUDGET : CAPITAL PROJECTS		751,242,307	796,694,000	887,178,600

2013-2016 DRAFT MTREF OPERATING PROJECTS

<u>Directorate</u>	<u>Cost centre name</u>	<u>Cost Centre no.</u>	<u>Project Name</u>	<u>Source of Funding</u>	<u>2013/14 Opex Bud- get</u>	<u>2014/15 Opex Bud- get</u>	<u>2015/16 Opex Budget</u>
<u>EXECUTIVE SUPPORT SERVICES</u>	-						
Executive Support Services	Public Participation & Ward Commit- fees	105020	Intergovernmental Relations	Own Funds	80,000	80,000	80,000
Executive Support Services	Special Pro- grammes	105030	Municipal Bursaries	Own Funds	1,200,000	1,200,000	1,200,000
Executive Support Services	Special Pro- grammes	105030	Youth Advisory Centres	Own Funds	1,200,000	1,200,000	1,200,000
Executive Support Services	Special Pro- grammes	105030	Days of Importance	Own Funds	500,000	500,000	500,000
Executive Support Services	Special Pro- grammes	105030	Womens Caucus	Own Funds	300,000	300,000	300,000
Executive Support Services	Knowledge Man- agement	130005	Documentation of case studies	Own Funds	300,000	300,000	300,000
Executive Support Services	IDP	110005	Millenium Development Goals Framework Rollout	Own Funds	100,000	100,000	100,000
Executive Support Services	GIS	110015	GIS on the Internet - IT	Own Funds	300,000	0	0
			TOTAL : EXECUTIVE SUPPORT SERVICES		3,980,000	3,680,000	3,680,000
<u>MUNICIPAL MANAGER'S OFFICE</u>	-						
Municipal Manager's Office	Office of the Mu- nicipal Manager	205005	Expanded Public Works Programme	EPWP	2,705,000	0	0
Municipal Manager's Office	Office of the Mu- nicipal Manager	205005	Audit Improvement Plan	Own Funds	10,000,000	10,000,000	10,000,000

<u>Directorate</u>	<u>Cost centre name</u>	<u>Cost Centre no.</u>	<u>Project Name</u>	<u>2013/14 Opex Budget</u>	<u>2014/15 Opex Budget</u>	<u>2015/16 Opex Budget</u>
Municipal Manager's Office	Office of the Municipal Manager	205005	Risk Management	500,000	500,000	500,000
Municipal Manager's Office	Office of the Municipal Manager	205005	EPMO Unit	30,668,250	34,914,500	36,147,900
Municipal Manager's Office	Internal Audit	215005	Combined Assurance Model	3,000,000	3,000,000	3,000,000
Municipal Manager's Office	Legal and Admin	220005	Development and Review of By-Laws	500,000	500,000	
			TOTAL : MUNICIPAL MANAGER'S OFFICE	47,373,250	48,914,500	49,647,900
<u>DIRECTORATE OF FINANCIAL SERVICES</u>	-					
Financial Services	Debtors Management Office	330015	Billing Data Cleanup	1,000,000	500,000	0
Financial Services	Budget Office	315005	Budget Reforms	1,300,000	1,500,000	1,500,000
Financial Services	Budget Office	315005	Accounting Reforms Project	720,000	720,000	0
Financial Services	Rates and Valuations	330005	General Valuations	10,000,000	16,000,000	3,000,000
			TOTAL : FINANCIAL SERVICES	13,020,000	18,720,000	4,500,000
<u>DIRECTORATE OF CORPORATE SERVICES</u>	-					
Corporate Services	Organisational Support	420020	Migration of BCM Documents to EDMS	100,000	0	0

Directorate	Cost centre name	Cost Centre no.	Project Name	Source of Funding	2013/14 Opex Budget	2014/15 Opex Budget	2015/16 Opex Budget
Corporate Services	H.R. Administration	420005	Roll out of employee Performance Management System	Own Funds	300,000	200,000	0
Corporate Services	H.R. Administration	420005	Infrastructure Skills Development	ISDG	5,700,000	8,380,000	8,889,000
Corporate Services	Labour Relations	420015	Employee Relations Improvement Programme	Own Funds	600,000	0	0
			TOTAL : CORPORATE SERVICES		6,700,000	8,580,000	8,889,000
DIRECTORATE OF DEVELOPMENT PLANNING							
Development Planning	Transportation	620005	Integrated Transport Plan Review	Own Funds	800,000	2,000,000	1,000,000
Development Planning	Local Economic Development	635005	Destination Marketing Programme	Own Funds	6,000,000	10,000,000	0
Development Planning	Local Economic Development	635005	Business Support Programme	Own Funds	3,000,000	4,000,000	0
Development Planning	Local Economic Development	635005	Economic Empowerment Programme	Own Funds	3,000,000	4,000,000	0
Development Planning	Local Economic Development	635005	Trade and Investment Programme	Own Funds	1,500,000	2,000,000	0
Development Planning	Local Economic Development	635005	Economic Events Programme	Own Funds	4,000,000	5,000,000	0
Development Planning	Local Economic Development	635005	Rural Economic Development Programme	Own Funds	3,000,000	5,000,000	0
Development Planning	Local Economic Development	635005	Economic Planning	Own Funds	200,000	500,000	0
Development Planning	Land Admin	615080	Reeston Phase 3: Stage 2 - P4 (Transfers)	HSDG	480,000	480,000	0
Development Planning	Land Admin	615080	Reeston Phase 1 & 2- Stage 1B- P4 (Transfers)	HSDG	46,400	0	0
Development Planning	Land Admin	615080	Reeston Phase 3 Stage 1 - P4 (Transfers)	HSDG	86,800	0	0

Directorate	Cost centre name	Cost Centre no.	Project Name	Source of Funding	2013/14 Opex Budget	2014/15 Opex Budget	2015/16 Opex Budget
Development Planning	Land Admin	615080	Tyutyu Phase 1 - P 4 (Transfers)	HSDG	1,000	0	0
Development Planning	Land Admin	615080	Tyutyu Phase 2 - P 4 (Transfers)	HSDG	1,000	0	0
Development Planning	Land Admin	615080	Ilitha South - 439 Units P4 (Transfers)	HSDG	30,000	40,400	0
Development Planning	Land Admin	615080	Dimbaza Phase 2 P4 (Transfers)	HSDG	12,500	0	0
Development Planning	Land Admin	615080	Potsdam Stage 2 Stage 1 - P4 (Transfers)	HSDG	5,000	0	0
Development Planning	Land Admin	615080	Nompumelelo - P4 (Transfers)	HSDG	3,000	0	0
Development Planning	Land Admin	615080	Amalinda Simanyene - P4 (Transfers)	HSDG	1,000	0	0
Development Planning	Land Admin	615080	Z. Soga - P4 (Transfers)	HSDG	1,000	0	0
Development Planning	Land Admin	615080	Land transactions upgrading of former R293 & CPA Areas	Own Funds	500,000	500,000	0
Development Planning	Land Admin	615080	Airport / Phase 2A Construction of new units-P4 (Transfers)	HSDG	10,000	0	0
Development Planning	Land Survey	615085	Subdivision of Municipal Leased Properties	Own Funds	400,000	300,000	0
Development Planning	City Planning	615070	Amalinda Fairlands Projects - P2	USDG	235,000	0	0
Development Planning	City Planning	615070	East Bank Restitution Township Establishment	RLCC	300,000	0	0
Development Planning	City Planning	615070	Vincent Berea Local Spatial Development Framework Review	Own Funds	500,000	0	0
Development Planning	City Planning	615070	Mdantsane Industrial Township Feasibility Study	Own Funds	0	200,000	0
Development Planning	City Planning	615070	Newlands Local Spatial Development Framework	Own Funds	400,000	500,000	0
Development Planning	City Planning	615070	Changes to BCM Zoning Scheme	Own Funds	500,000	0	0

<u>Directorate</u>	<u>Cost centre name</u>	<u>Cost Centre no.</u>	<u>Project Name</u>	<u>Source of Funding</u>	<u>2013/14 Opex Budget</u>	<u>2014/15 Opex Budget</u>	<u>2015/16 Opex Budget</u>
Development Planning	City Planning	615070	Local Spatial Development Framework	Own Funds	0	600,000	1,400,000
Development Planning	City Planning	615070	Township Establishment for Mzamomhle Informal Settlement Study Phase 3	Own Funds	450,000	0	0
Development Planning	City Planning	615070	BCMM Township Establishment	Own Funds	0	1,200,000	1,500,000
Development Planning	City Planning	615070	Land Identification for Partial or Full Relocation of Informal Settlement in BCMM	Own Funds	350,000	0	0
			TOTAL : DEVELOPMENT PLANNING		25,812,700	36,320,400	3,900,000
<u>CHIEF OPERATIONS OFFICER</u>	-						
	-						
Chief Operations Officer	DVRI	250005	DVRI Planning Budget (FROM 8.7MIL)	Dept of LGTH	5,000,000	2,000,000	0
Chief Operations Officer	DVRI	250005	Rectification of all title deeds	Own Funds	700,000	600,000	500,000
Chief Operations Officer	DVRI	250005	Maintenance of all rental stock	Own Funds	1,000,000	1,200,000	1,500,000
Chief Operations Officer	Housing Projects	255005	Reeston Phase 3: Stage 2 - P5	HSDG	10,000,000	10,000,000	27,500,000
Chief Operations Officer	Housing Projects	255005	Beneficiary Registration DVRI Projects (Reeston, Cambridge, DVRI Pilot, Braelyn ext 10, C Section and Triangular Site, D Hostel)	HSDG	400,000	500,000	100,000

Directorate	Cost centre name	Cost Centre no.	Project Name	Source of Funding	2013/14 Opex Budget	2014/15 Opex Budget	2015/16 Opex Budget
Chief Operations Officer	Housing Projects	255005	Beneficiary Registration (Potsdam Unit V, Cluster 3, Orange Grove, Mdantsane Zone CC, Cluster 1, Cluster 2, Peelton Cluster, Hanover, Skobeni, Sunny South, Ilitha North, Dimbaza 110, Dimbaza Phase 3, Potsdam Village; North Kanana, Ikhwezi Block 1 & 2, Amalinda Co-op, Eradication of Wooden Houses to Formal Houses	USDG	1,000,000	1,350,000	1,000,000
Chief Operations Officer	Housing Projects	255005	Ilitha Eradication of Wooden Houses to Formal Houses	HSDG	17,750,000	8,330,500	100,000
Chief Operations Officer	Housing Projects	255005	Tyutyu Phase 2 - P 5 (Top Structure)	HSDG	10,500,000	1,000,000	0
Chief Operations Officer	Housing Projects	255005	Airport Phase 2A	HSDG	3,200,000	0	0
Chief Operations Officer	Housing Projects	255005	Ilitha South - 439 Units P5	HSDG	0	0	500,000
Chief Operations Officer	Housing Projects	255005	Ilitha North - 177 Units P5	HSDG	0	0	500,000
Chief Operations Officer	Housing Projects	255005	Reconstruction of Storm Damaged Houses	HSDG	50,000,000	23,000,000	100,000
Chief Operations Officer	Housing Projects	255005	Sunny South -P5	HSDG	26,250,000	11,000,000	10,500,000
Chief Operations Officer	Housing Projects	255005	Potsdam Village Phase 1 & 2 - P5	HSDG	0	50,000	200,000
Chief Operations Officer	Housing Projects	255005	Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa) P5	HSDG	2,375,000	6,000,000	7,000,000
Chief Operations Officer	Housing Projects	255005	Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe) P5 (Name Change)	HSDG	2,375,000	6,000,000	7,000,000
Chief Operations Officer	Housing Projects	255005	Cluster 3 (Fynbos 1; Fynbos 2; Ndancama,) P5	HSDG	3,000,000	6,000,000	7,000,000
Chief Operations Officer	Housing Projects	255005	DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P5	HSDG	13,000,000	200,000	0

Directorate	Cost centre name	Cost Centre no.	Project Name	Source of Funding	2013/14 Opex Budget	2014/15 Opex Budget	2015/16 Opex Budget
Chief Operations Officer	Housing Projects	255005	Second Creek - P5	HSDG	20,100,000	1,000,000	0
Chief Operations Officer	Housing Projects	255005	Housing Needs Database and Accreditation	HSDG	9,601,312	10,327,914	10,818,705
Chief Operations Officer	Housing Projects	255005	Reeston Phase 3 Stage 3 P5	HSDG	2,375,000	6,000,000	7,000,000
Chief Operations Officer	Housing Projects	255005	Amalinda Co - Op P5	HSDG	0	500,000	500,000
Chief Operations Officer	Housing Projects	255005	Amalinda Fairlands P5	HSDG	0	0	500,000
Chief Operations Officer	Housing Projects	255005	Braelyn Ext 10 North - P5	HSDG	0	500,000	500,000
Chief Operations Officer	Housing Projects	255005	C Section and Triangular Site - P5	HSDG	0	0	300,000
Chief Operations Officer	Housing Projects	255005	D Hostel - P5	HSDG	0	0	300,000
Chief Operations Officer	Housing Projects	255005	Mdantsane Zone 18CC - P5	HSDG	2,375,000	3,109,500	2,551,000
Chief Operations Officer	Housing Projects	255005	Potsdam Ikhwezi Block 1 - P5	HSDG	0	500,000	500,000
Chief Operations Officer	Housing Projects	255005	Potsdam Ikhwezi Block 2- P5	HSDG	0	500,000	500,000
Chief Operations Officer	Housing Projects	255005	Potsdam North Kanana - P5	HSDG	0	500,000	500,000
Chief Operations Officer	Housing Projects	255005	Ilitha Eradication of Wooden Houses to Formal Houses Designs	USDG	550,000	0	0
Chief Operations Officer	Housing Projects	255005	Dimbaza 110 Units P5 -Designs	USDG	473,000	0	0
Chief Operations Officer	Housing Projects	255005	Tyutyu Phase 2 100 Units P5 -Designs	USDG	430,000	0	0
Chief Operations Officer	Housing Projects	255005	Dimbaza 110 -P 5 (Top Structure)	HSDG	12,000,000	100,000	0
Chief Operations Officer	Housing Projects	255005	Dimbaza Destitute 27 Units - P5	HSDG	0	500,000	500,000

<u>Directorate</u>	<u>Cost centre name</u>	<u>Cost Centre no.</u>	<u>Project Name</u>	<u>Source of Funding</u>	<u>2013/14 Opex Budget</u>	<u>2014/15 Opex Budget</u>	<u>2015/16 Opex Budget</u>
Chief Operations Officer	Housing Projects	255005	Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - Designs	USDG	400,000	0	0
Chief Operations Officer	Housing Projects	255005	Hanover - Designs	USDG	200,000	0	0
Chief Operations Officer	Housing Projects	255005	Skobeni - Designs	USDG	200,000	0	0
Chief Operations Officer	Housing Projects	255005	Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - P5	HSDG	0	1,000,000	1,000,000
Chief Operations Officer	Housing Projects	255005	Hanover - P5	HSDG	0	1,000,000	1,000,000
Chief Operations Officer	Housing Projects	255005	Skobeni - P5	HSDG	0	1,000,000	1,000,000
Chief Operations Officer	Housing Projects	255005	Relocation of beneficiaries to formal houses for all housing programmes - All Projects	Own Funds	2,000,000	2,140,000	5,350,000
Chief Operations Officer	MURP	250005	MURP Impact Assessment Study	Own Funds	500,000	0	0
Chief Operations Officer	MURP	255005	MURP Sustainability Plan	Own Funds	400,000	500,000	0
Chief Operations Officer	MURP	255005	Mdantsane 50th Anniversary	Own Funds	3,000,000	0	0
Chief Operations Officer	Housing Projects	255005	Beneficiary Education (All Projects)	Own Funds	200,000	150,000	150,000
Chief Operations Officer	Housing Projects	255005	Accreditation	ACEGrant	7,991,312	0	0
			TOTAL: CHIEF OPERATIONS OFFICER		209,345,625	106,557,914	96,469,705
<u>DIRECTORATE OF ENGINEERING SERVICES</u>	-						
Engineering Services	Water Administration	520005	Caretakers - Duncan Village and Information Settlements	Own Funds	2,000,000	2,000,000	2,000,000

<u>Directorate</u>	<u>Cost centre name</u>	Cost Centre no.	Project Name	Source of Funding	2013/14 Opex Budget	2014/15 Opex Budget	2015/16 Opex Budget
Engineering Services	Water Administration	520005	East Bank WWTW ACIP funding	DWA-ACIP	125,000	0	
Engineering Services	Roads and Storm-water Drainage	525025	Development of the BCMM Roads Masterplan	USDG	3,000,000	0	
Engineering Services	Electricity	535025	Electricity and Water Meter Tampering	Own Funds	1,000,000	1,500,000	0
			TOTAL : ENGINEERING SERVICES		6,125,000	3,500,000	2,000,000
<u>DIRECTORATE OF HEALTH AND PUBLIC SAFETY</u>							
Health and Public Safety	Health Services	701010	Municipal Health Services - I.T & Database Development	Own Funds	450,000	300,000	300,000
Health and Public Safety	Health Services	701010	CCTV Masterplan	Own Funds	1,000,000	0	0
Health and Public Safety	Public Safety Administration	725005	Automation of Air Quality Monitoring Stations	Own Funds	250,000	150,000	100,000
Health and Public Safety	Disaster Management	725055	Disaster Management Structures	Own Funds	40,000	60,000	40,000
			TOTAL : HEALTH AND PUBLIC SAFETY		1,740,000	510,000	440,000
<u>DIRECTORATE OF COMMUNITY SERVICES</u>							
Community Services	IEMP	755035	BCMM Climate Change Strategy	Own Funds	0	300,000	300,000
Community Services	IEMP	755035	Environmental Education Strategy	Own Funds	0	300,000	300,000
Community Services	EL Regional Disposal Sites	770030	Waste Management Programme	USDG	6,352,043	9,000,000	9,000,000

<u>Directorate</u>	<u>Cost centre name</u>	Cost Centre no.	Project Name	Source of Funding	2013/14 Opex Budget	2014/15 Opex Budget	2015/16 Opex Budget
Community Services	Amenities	765005	Section 78 Study the Zoo, Acquirium, and Resorts	Own Funds	750,000	0	0
Community Services	Amenities	765005	Amenities Masterplan	Own Funds	300,000	1,200,000	0
			TOTAL : COMMUNITY SERVICES		7,402,043	10,800,000	9,600,000
			TOTAL OPERATING PROJECTS		321,498,618	237,582,814	179,126,605

2) BCMM TOP 25 RISKS

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Im-pact	Likeli-hood	Total	
Human Resources	Human Resources	Inability to attracting and retaining the "right" staff.	National shortage and supply of skilled staff (e.g. electricians). Poor working conditions. Restrictions in terms of remuneration	Poor service delivery	4.00	5.00	20.00	Director: Corporate Services
Human Resources	Human Resources	Lack of adequate human resource management and supervision	Inadequate oversight, discipline, training etc. Undue length of time relative to appointment and terminations/ suspensions. Inadequate and/ or inappropriate training and development. Non-compliance to HR policies and procedures. Failure to prepare a workforce plan for BCM. Lack of formal induction processes at a line management level. Inadequate succession planning (loss of skills and knowledge).	Poor service delivery Negative audit outcomes	4.00	5.00	20.00	Director: Corporate Services
Human Resources	Payroll	Strike action by employees	Delayed decision by appropriate structures on salary increments. Certain HR matters are controlled at a National level.	Disruption in service, Reputational damage	5.00	4.00	20.00	Director: Corporate Services
Knowledge and Information	Compliance	Inadequate information management, and communication strategy	Unauthorised release of sensitive information to authorities or users outside the BCMM (particularly SCM matters). Damaging media releases. Lack of adequate processes and controls to manage information in the institution.	Reputational damage, litigation, procurement irregularities	5.00	5.00	25.00	Director: Executive Support Services
Knowledge and Information	Information Knowledge Management and Research	Possible institutional memory loss, and duplication	Lack of adequate and co-ordinated processes,	Poor service delivery, wastage of municipal resources	5.00	4.00	20.00	Director: Executive Support Services
Loss/theft/damage of assets and resources	Various	Illegal connections, and tampering	Loss of revenue Water losses Damage to infrastructure	Poor service delivery Wastage of Municipal resources	5.00	4.00	20.00	CFO/ Director: Engineering Services
Material Resources (Procurement Risk)	Supply Chain Management	Inefficient and ineffective Supply Chain Management	Incomplete, inaccurate, outdated SCM database. Supply Chain Management inefficiencies Poor Contract Management Inability to manage commitments	Negative Audit outcomes, Poor service delivery, Wastage of Municipal resources	4.75	4.25	20.19	CFO
Service Delivery/Financial	Various	Inadequate asset and inventory management	Land Invasions Inability to dispose of land for Economic Development Vandalism/ Copper theft Access to amenities and facilities across BCMM, as well as associated security risks (e.g. No fences, vandalism, lack of supervision/ monitoring).	Negative Audit outcomes, Poor service delivery,	4.00	5.00	20.00	CFO/ Director: Development Planning, Director: Engineering Services and Director: Community Services
Service Delivery	Water	Inadequate water supply systems within the BCM community.	Lack of resources	Poor service delivery	5.00	5.00	25.00	Director: Engineering Services

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Im-pact	Likeli-hood	Total	
Service Delivery	Electricity	Constraints to electrify shacks and informal settlements.	Lack of resources	Poor service delivery	5.00	5.00	25.00	Director: Engineering Services
Service Delivery	Various	Ageing infrastructure and inadequate capacity of infrastructure in terms of electricity, water, waste management and roads and stormwater	Inadequate or non-existence of roads in rural areas (internal network).	Poor service delivery	5.00	5.00	25.00	Director: Engineering Services
Service Delivery	Waste Management	Inadequate land fill sites.	Distant landfill sites results in the risk of delays in providing the services (garden refuse and building rubble).	Poor service delivery	4.00	5.00	20.00	Director: Community Services
Service Delivery	Risk Management	Inadequate risk management processes.	Inadequate escalation of key risks to executive management/council	Non-achievement of Municipal Objectives	4.00	5.00	20.00	Manager: Risk Management
Service Delivery	Organisational Performance	Inadequate alignment between the PMS, IDP and Budget processes	Inadequate coordination in key municipal processes. Insufficient oversight	Poor service delivery. Negative Audit outcomes.	5.00	4.00	20.00	Director: Executive Support Services
Service Delivery	International & Intergovernmental Relations	Unfunded mandate in terms of Primary Health Care Services	Poor inter-governmental relations	Reputational damage Poor service delivery	4.00	5.00	20.00	Director: Executive Support Services
Service Delivery	Various	Reliance on external service providers (dependency, transitioning, access).		Reputational damage Poor service delivery	4.00	5.00	20.00	Director: Corporate Services
Information Technology	Information Technology	Inadequate ICT management, security and resources.	Loss/ disruption of IT services. Loss of data and/ or information. Non-integration of various applications, and/ or applications not being properly used (potential/ functionality realised). Unauthorised access to BCM systems (hacking). Buffalo City Metropolitan Municipality is faced with problems of the following: poor application functionality, lack of accurate information, serious integration problems, availability of accurate and timely information and the existence of old and	Poor service delivery Inefficient internal processes. Reputational damage	5.00	5.00	25.00	Director: Corporate Services
Compliance/Regulatory	Various	Non-compliance with licensing requirements, particularly in technical units i.e. NERSA etc.	Lack of resources	Legal action, fines penalties	5.00	4.00	20.00	Director: Engineering Services

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Im-pact	Likeli-hood	Total	
Compliance/Regulatory	Internal Audit	Lack of implementation of assurance and oversight recommendations.	Inadequate attention to issues raised, and co-operation and support from management	Poor Service Delivery Negative Audit outcomes	5.00	4.00	20.00	Manager: Internal Audit
Compliance/Regulatory	Various	Non-compliance with legislation, regulations, policies and procedures		Poor Service Delivery Negative Audit outcomes	5.00	5.00	25.00	Manager: Legal Services
Compliance/Regulatory	Legal	Litigation against the Municipality	Non-compliance with laws and regulations, Lack of understanding of legal framework, Lack of accountability	Financial Loss Reputational damage	4.00	5.00	20.00	City Manager
Financial	Credit	Inadequate revenue generation and collection.	The potential that customers/ ratepayers will not meet their financial obligations in accordance with the agreed terms. Increasing number of indigent debtors, and inadequate national funding (outdated statistics used by National). Incorrect and/ or incomplete charges to consumers. Incomplete, inaccurate debtors and/ or debtors masterfile information.	Financial loss Negative Audit outcomes	5.00	4.33	21.67	CFO
Financial	Various	Inability to spend government grants and report appropriately.	Lack of funding sited as a risk, however there is under spending of the conditional grant	Poor service delivery Loss of funding	5.00	5.00	25.00	Director: Engineering Services
Financial	Human Settlements	Lack of co-ordination with Provincial and National Government	Inadequate processes and structures	Delays in funding Poor service delivery	5.00	4.00	20.00	Project Manager: Housing
Social Environment	Public Participation and Stakeholder engagement	Possible disengagement and apathy by the community	Lack of service delivery Inadequate communication with stakeholders	Protests Reputational Damage	4.00	5.00	20.00	Director: Executive Support Services





SECTION

E

BUDGETS, PROGRAMMES AND PROJECTS

SECTION E BUDGET, PROGRAMMES & PROJECTS

1. The Capital Budget

The reviewed objectives and strategies formed the basis for the identification and selection of projects within each of the IDP Strategic Objectives. The Capital Expenditure is indicated below into the six (6) IDP Strategic Objectives:

Strategic Objective	Goal	2010/11			2011/12			Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
R thousand BCMM 1: To be a financially sound organization that efficiently manages its resources	Improve Asset Management as well as improve controls and procedures Improve Financial Management capacity as well as improve controls and procedures Implement revenue enhancement strategies Re-Engineering of SCM processes Maintain long term borrowings below NT threshold Prudent Municipal Investments and maintenance of a favorable cashflow Valuation of properties	9,750	2,566	13,567	36,600	11,100	11,100	400	50	-			

BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	<p>Rollout of institutional public participation programmes</p> <p>Ensure Ward Committees are representative and fully involved in community consultation processes</p> <p>Improve communication with BCMM communities and beyond</p> <p>Enhance integrated planning through inter-governmental relations</p> <p>Promote development cooperation and international relations within the Metro</p>	45,571	20,695	16,913	4,500	4,854	4,854	1,750	-	-
Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
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.	<p>Implement skills development and capacity building programmes to grow and support BCMM economy</p> <p>Implement tourism Development</p>	4,333	1,615	17,848	20,255	25,748	25,748	11,000	15,000	16,000

Develop and implement economic development policies to promote and support growth both the 1st and 2nd economies	336,295	369,693	669,681	655,142	899,568	899,568	730,308	765,694	875,829
Creation of jobs through LED initiatives and implementation of capital projects									
Implement agriculture programmes									
Implement the economic infrastructure programme									
Implement destination marketing strategy									
Implement an electricity management service that is inclusive, safe, reliable, efficient & adequately maintained									
Implement an electrification programme to informal dwellings									
Improve the condition of roads, stormwater system & associated structures to acceptable standards									
BCMM 4: To deliver sustainable infrastructure that supports social and economic development									

Implement land acquisition & transfer		4,503	4,540	7,638	32,600	36,833	36,833	7,784	15,950	5,350
Implement land release programme										
Develop and review a Comprehensive Integrated Transport Plan (ITP) that is aligned to SDF and IDP										
Develop and implement Township & CBD Regeneration Strategy to upgrade townships and CBDs, enable economic development & create jobs										
Improve infrastructure of all amenities										
Provision of adequate Fire & Rescue facilities in BCMM										

Strategic Objective	Goal	2009/10			2010/11			2011/12			Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome			Audited Outcome			Audited Outcome			Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
BCMM 5 : To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	Reviewal of existing organogram, development, adoption and implementation of a new micro organogram															
	Capacitation of human capital															
	Integrate ICT business processes and system															
	Creation of a healthy working environment															
	Increased uptime on telecommunications network															
	Development and implementation of employee performance management system															
		29,426			-											
	Management of time and attendance, absenteeism and overtime															

2. The Operating Budget

The Operating Budget is prepared on the analysis of past year trends and the operations within the various service categories. National Treasury Circular 66 and 67 was used as a guideline in preparation of the 2013/14 MTREF budget.

Emphasis was placed on the following expenditure categories:

- General expenses were decreased due to projected under-spending by the various Departments. As a result general expenses for the 2013/14 MTREF period have not been increased except for areas where there is annual escalation as per contractual agreements.
- Debt Impairment is 6.5% of the total billable revenue and has been budgeted at R184 million (2013/14); R203 million (2014/15); R223 million (2015/16) (current collection rate: 92%).
- Depreciation is based on the 2012 FAR and 2012/13 capitalized assets and 2013/14 MTREF Budget and the budgeted depreciation figures are R539 million (2013/14); R520 million (2014/15) and R517 million (2015/16).

Repairs and Maintenance Budget has increased by 14.4% from the 2012/13 to 2013/14 financial year.

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

Strategic Objective	Goal	2009/10			2010/11			2011/12			Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome			Audited Outcome			Audited Outcome			Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
BCMM 1: To be a financially sound organization that efficiently manages its resources	Improve Asset Management as well as improve controls and procedures	770,563			850,388			1,169,402			1,441,627	1,441,627	1,441,627	1,532,878	1,608,979	1,679,347
	Improve Financial Management capacity as well as improve controls and procedures															

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<p>Improve the condition of roads, stormwater system & associated structures to acceptable standards</p> <p>Implement programmes to replace, upgrade and maintain water and sanitation systems</p>										
Effective and efficient utilization of municipal fleet										
To provide integrated waste management services										
Provision of formal houses as part of Integrated Sustainable Human Settlements.										
Review and implement the Disaster Management Policy										
Implement measures to reduce and prevent crime incidents in BCMM										

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	<p>Reviewal of existing organogram, development, adoption and implementation of a new micro organogram</p> <p>Capacitation of human capital</p> <p>Integrate ICT business processes and system</p> <p>Creation of a healthy working environment</p> <p>Increased uptime on telecommunications network</p> <p>Development and implementation of employee performance management system</p>	5,047	1,009	3,250	5,371	4,776	4,776	8,495	11,369	12,086

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

Strategic Objective	Goal	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework			
		2010/11	2011/12	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
BCMM 1: To be a financially sound organization that efficiently manages its resources	<p>Improve Asset Management as well as improve controls and procedures</p> <p>Improve Financial Management capacity as well as improve controls and procedures</p> <p>Implement revenue enhancement strategies</p> <p>Re-Engineering of SCM processes</p> <p>Maintain long term borrowings below NT threshold</p> <p>Prudent Municipal Investments and maintenance of a favorable cash flow</p> <p>Valuation of properties</p>	Audited Outcome 259,446	Audited Outcome 308,794	Original Budget 368,805	Adjusted Budget 375,605	Full Year Forecast 375,605	Budget Year 2013/14 366,847	Budget Year +1 2014/15 397,685	Budget Year +2 2015/16 411,388

<p>BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities</p>	<p>Rollout of institutional public participation programmes</p> <p>Ensure Ward Committees are representative and fully involved in community consultation processes</p> <p>Improve communication with BCMM communities and beyond</p> <p>Enhance integrated planning through intergovernmental relations</p> <p>Promote development cooperation and international relations within the Metro</p>	<p>139,795</p>	<p>133,178</p>	<p>141,983</p>	<p>184,062</p>	<p>233,391</p>	<p>233,401</p>	<p>235,658</p>	<p>246,390</p>	<p>257,933</p>
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Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand 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.	Implement skills development and capacity building programmes to grow and support BCMM economy	17,323	18,059	25,791	23,469	26,096	26,096	35,028	45,731	14,929
	Implement tourism Development									
	Develop and implement economic development policies to promote and support growth both the 1st and 2nd economies									
	Creation of jobs through LED initiatives and implementation of capital projects									

<p>Implement agriculture programmes</p>		1,694,503	2,170,410	2,242,117	2,535,973	2,509,482	2,509,482	2,927,765	2,983,229	3,160,383
<p>Implement the economic infrastructure programme</p>										
<p>Implement destination marketing strategy</p>										
<p>Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained</p>	<p>BCMM 4: To deliver sustainable infrastructure that supports social and economic development</p>									
<p>Implement an electrification programme to informal dwellings</p>										

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
	Implement programmes to replace, upgrade and maintain water and sanitation systems									
	Effective and efficient utilization of municipal fleet									
	To provide integrated waste management services									
	Provision of formal houses as part of Integrated Sustainable Human Settlements.									
	Review and implement the Disaster Management Policy									
	Implement measures to reduce and prevent crime incidents in BCMM									

Generate Local Spatial Development Frameworks

Implement land acquisition & transfer

Implement land release programme

Develop and review a Comprehensive Integrated Transport Plan (ITP) that is aligned to the SDF and IDP

Develop and implement Township & CBD Regeneration Strategy to upgrade townships and CBDs, enable economic development and create jobs

Improve infrastructure of all amenities

Provision of adequate Fire & Rescue facilities in BCMM

Strategic Objective	Goal	2009/10		2010/11		2011/12		Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand BCMM 5 : To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016	<p>Reviewal of existing organogram, development, adoption and implementation of a new micro organogram</p> <p>Capacitation of human capital</p> <p>Integrate ICT business processes and system</p> <p>Creation of a healthy working environment</p> <p>Increased uptime on telecommunications network</p> <p>Development and implementation of employee performance management system</p> <p>Management of time and attendance, absenteeism and overtime</p>	72,896		80,462		88,825		136,374	133,417	133,417	144,577	154,961	164,349

Target recruitment and selection processes in terms of BCMM's employment equity plan	552,187	633,370	665,179	743,539	753,674	753,674	804,406	864,295	928,496
BCMM 6: To enhance and protect all environmental assets and natural resources within BCMM by 2016									
Implement Municipal Health Services Delivery Plan									
To ensure a safe and healthy environment									
To provide integrated waste management services									
Provide new amenities and improve infrastructure of existing amenities									
Allocations to other priorities									
Total Expenditure	2,736,150	3,267,142	3,472,689	3,992,222	4,031,666	4,031,676	4,514,281	4,692,291	4,937,478



SECTION **F**

**FINANCIAL
PLAN**

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SECTION F

FINANCIAL PLAN

1. Introduction

One of the key issues identified for the sustainability of BCMM is “expanding its revenue in relation 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”. Effective and Efficient service delivery also alludes to the reduction of operational expenditure by means of increased productivity and the introduction of cost-saving mechanisms whilst at the same time striving to increase the overall revenue base. 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 seven years ending June 2016.

2.1 Budget Assumptions

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

Description	2012/2013	2013/2014	2014/2015	2015/2016
National Treasury Headline Inflation Forecasts	5.70%	5.50%	5.10%	4.90%
Salaries	7.00%	6.85%	6.50%	6.10%
Electricity Purchases	13.50%	8.00%	8.00%	8.00%
Water Purchases	9.30%	10.50%	10.10%	9.90%
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	R394.53	R441.73	R493.58	R550.74
Equitable Share Allocation (R'000)	R651 565	R653 660	R656 856	R654 044
Provision for Debt Impairment	8.6%	6.5%	6.5%	6.5%
Rates	12.30%	11.90%	11.50%	11.30%
Refuse	13.30%	12.90%	12.50%	12.30%
Sewerage	11.30%	10.90%	10.50%	10.30%
Electricity	13.50%	10.00%	10.00%	10.00%
Water	15.15%	15.35%	14.95%	14.75%
Fire Levy	10.30%	9.90%	9.50%	9.30%
Sundry Income	10.30%	9.90%	9.50%	9.30%

2.2 Operating Budget Estimates

Table F.1 details the Operating Budget estimates for the seven years starting 1 July 2009 and ending June 2016.

TABLE F.1: OPERATING BUDGET: 2012/13 TO 2015/2016 TO UPDATE WHEN FINAL NT TABLES ARE AVAILABLE

Description	2009/10		2010/11		2011/12		Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
R thousand													
Revenue By Source													
Property rates	426 500	452 694	521 931	583 999	583 999	583 999	583 999	570 669	647 203	721 631	803 114		
Property rates - penalties & collection charges	547	612	584	1 376	1 376	1 376	1 376	439	1 539	1 716	1 910		
Service charges - electricity revenue	802 485	924 518	1 137 198	1 279 796	1 279 796	1 279 796	1 279 796	863 719	1 411 111	1 552 221	1 707 443		
Service charges - water revenue	201 622	200 158	239 552	260 086	260 086	260 086	260 086	184 169	309 154	355 373	407 791		
Service charges - sanitation revenue	145 648	166 162	183 646	203 478	203 478	203 478	203 478	203 497	225 407	249 075	274 730		
Service charges - refuse revenue	139 256	157 219	175 341	199 627	199 627	199 627	199 627	132 154	223 880	251 865	282 845		
Service charges - other	(802)	16 943	20 778	24 968	24 968	24 968	24 968	19 201	33 489	37 266	41 403		
Rental of facilities and equipment	12 910	14 107	13 388	14 086	14 086	14 086	14 086	6 851	15 480	16 951	18 528		
Interest earned - external investments	42 105	32 527	58 689	53 986	53 986	53 986	53 986	46 412	77 940	80 058	82 240		
Interest earned - outstanding debtors	44 818	21 202	23 920	24 328	24 328	24 328	24 328	14 729	26 736	29 276	31 999		
Dividends received	86	-	-	-	-	-	-	-	-	-	-		
Fines	8 257	7 321	5 456	11 765	11 765	11 765	11 765	3 817	12 930	14 158	15 475		
Licences and permits	14 117	15 053	15 708	16 992	16 992	16 992	16 992	10 506	18 674	20 448	22 350		
Agency services	-	-	-	-	-	-	-	-	-	-	-		
Transfers recognised - operational	573 985	679 071	724 619	804 866	796 769	796 769	796 769	457 851	932 268	1 115 158	1 151 050		
Other revenue	118 240	118 595	286 432	487 284	487 284	487 284	487 284	409 381	524 530	559 912	592 497		
Gains on disposal of PPE	2 523	437	1 658	-	-	-	-	-	-	-	-		
Total Revenue (excluding capital transfers and contributions)	2 532 297	2 806 620	3 408 899	3 966 637	3 958 541	3 958 541	3 958 541	2 923 395	4 460 342	5 005 110	5 433 374		

Description	2009/10		2010/11		2011/12		Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework			
	Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
	R thousand		R thousand		R thousand									
Expenditure By Type														
Employee related costs	766 288	837 301	952 657		1 053 329	1 079 678	1 079 678	1 079 678	628 926	1 123 573	1 201 530	1 284 926		
Remuneration of councillors	19 691	23 278	42 966		45 219	45 754	45 754	45 754	28 634	48 519	51 903	55 523		
Debt impairment	24 317	210 998	58 207		215 000	215 000	215 000	215 000	-	184 345	203 074	223 598		
Depreciation & asset impairment	516 523	431 395	514 808		376 528	376 528	376 528	376 528	251 019	539 235	520 342	517 147		
Finance charges	119 639	86 767	130 762		89 112	66 649	66 649	66 649	-	64 162	59 136	54 027		
Bulk purchases	593 724	771 253	915 387		1 049 157	1 049 157	1 049 157	1 049 157	700 262	1 135 789	1 230 024	1 331 786		
Other materials	-	-	-		-	-	-	-	-	-	-	-		
Contracted services	8 345	5 908	6 840		9 182	9 182	9 182	9 182	3 089	10 009	10 869	11 782		
Transfers and grants	22 900	20 872	14 937		30 464	32 147	32 147	32 147	18 330	246 488	272 513	301 004		
Other expenditure	770 225	818 468	821 107		1 124 230	1 157 571	1 157 571	1 157 571	521 736	1 169 728	1 429 538	1 494 781		
Loss on disposal of PPE	1 447	6 046	3 145		-	-	-	-	-	-	-	-		
Total Expenditure	2 843 099	3 212 286	3 460 814		3 992 222	4 031 666	4 031 666	4 031 666	2 152 006	4 521 847	4 978 929	5 274 574		
Surplus/(Deficit)	(310 803)	(405 666)	(51 915)		(25 584)	(73 125)	(73 125)	(73 125)	771 389	(61 505)	26 180	158 800		
Transfers recognised - capital	239 729	232 734	187 131		629 018	834 068	834 068	834 068	-	714 574	700 544	752 610		
Contributions recognised - capital	-	-	-		-	2 451	2 451	2 451	-	-	-	-		
Contributed assets	-	-	-		-	-	-	-	-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions	(71 073)	(172 932)	135 216		603 434	763 394	763 394	763 394	771 389	653 069	726 724	911 410		
Taxation	-	-	-		-	-	-	-	-	-	-	-		
Surplus/(Deficit) after taxation	(71 073)	(172 932)	135 216		603 434	763 394	763 394	763 394	771 389	653 069	726 724	911 410		
Attributable to minorities	-	-	-		-	-	-	-	-	-	-	-		
Surplus/(Deficit) attributable to municipality	(71 073)	(172 932)	135 216		603 434	763 394	763 394	763 394	771 389	653 069	726 724	911 410		
Share of surplus/ (deficit) of associate	-	-	-		-	-	-	-	-	-	-	-		
Surplus/(Deficit) for the year	(71 073)	(172 932)	135 216		603 434	763 394	763 394	763 394	771 389	653 069	726 724	911 410		

2.3 Capital Budget Estimates

Table F.2 details the estimated Capital Investment Programme for the three years starting July 2013 and ending 30 June 2016. The Capital Investment Programme remains subject to the availability of funding.

TABLE F.2: CAPITAL INVESTMENT PROGRAMME: 2013/14 TO 2015/2016

2013/2014 - 2015/2016 CAPITAL BUDGET PER FUNDING SOURCE			
Funding	2013/2014 Capital Budget	2014/2015 Capital Budget	2015/2016 Capital Budget
Own Funds	45 792 000	67 800 000	73 400 000
Total Own Funding	45 792 000	67 800 000	73 400 000
DoE(Intergrated National Electrification Programme)	26 329 000	20 000 000	55 000 000
Electricity Demand Side Management Grant	0	0	10 000 000
Finance Management Grant	200 000	0	0
Infrastructure Skills Development Grant	100 000	100 000	100 000
Neighbourhood Development Partnership Grant	10 000 000	10 000 000	10 000 000
Public Transport Infrastructure and Systems Grant (PTIS)	70 000 000	0	0
Urban Settlement Development Grant	569 796 707	653 025 500	676 810 100
Human Settlement Development Grant	26 924 600	35 700 000	58 800 000
Human Settlement Development Grant-Special Fund	2 100 000	10 068 500	13 068 500
Total Grants	705 450 307	728 894 000	823 778 600
TOTAL PER FUNDING	751 242 307	796 694 000	897 178 600

2.4 Debt Management Framework

Table F.3 details the Debt Management Framework

R thousand	2013/14 R	2014/15 R	2015/16 R
CLOSING BALANCE	598,661	544,028	497,931

3. Financial Strategy

In order for the municipality to perform its major objective of service delivery to its citizens the Metro must ensure that there is effective and efficient financial sustainability which encompasses national norms and standards. A municipality can be categorized into either:

- Developed - maintenance
- Developing - growing

Buffalo City can be categorized as a developing – growing municipality and as a result the metro requires significant additional resources and funding to conduct the growth that is expected of them. The challenge being experienced by most municipalities is to maintain the existing infrastructure.

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 2013/14 to 2015/16 financial years.

The City strives to grow its own revenue by implementing an effective Revenue Strategy. This is to ensure that the City will be able to fund its own Capital Infrastructure Programmes into the future.

Currently the City is assessing its capacity to borrow so as to invest in income generating infrastructure assets.

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. The norm for current ratio in the industry is 1.5:1, which is considered to be healthy.

The City currently stands at a ratio of 1.2:1 and is striving to maintain a ratio which is above 1.5 in the medium term as the City's objective is not profit driven, but focused on service delivery.

Debtors' collection measurements, which have a great impact on the liquidity of the City. Currently the City's annual debt collection rate is 92%. The City will attempt to reduce the outstanding debt days to less than 60 days in the medium term and will strive to reach a collection rate of 94%.

ii. Sustainability

The City's budget in the 2013/14 MTREF period is funded. 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. BCMM is striving to ensure that all households within the jurisdiction of the metro will have access to basic services.

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 its people who provide the resources. The budgeting process and other financial decisions are open to public scrutiny and participation. In addition, accounting and financial internal control procedures are in place to minimize opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

v. Development and Investment

In order to deal effectively with backlogs in service delivery, the City needs to maximize its investments in municipal infrastructure (see Table F.2).

vi. 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.

vii. Borrowing

The strong capital market in Southern Africa (banks and other lending institutions like DBSA, INCA etc.) provides an additional instrument to access financial resources.

BCMM is indebted to DBSA for a portion of its infrastructure investments in the previously disadvantaged

areas. Currently the City is assessing its capacity to borrow so as to invest in income generating infrastructure assets, so as to grow the City's revenue base. BCMM maintains a long term Credit Rating of 'A'. The current "capital charges" as a percentage of operating expenditure is 2.5%. 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 ensures 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.

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 computerized accounting system**
- **Integration of all computerized systems and acquisition of hardware and software required**
The integration of computerized 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 Budget Office submits performance reports of the municipality timeously to the various stakeholders and ensuring compliance with the Municipal Finance Management Act (MFMA). Section 71 Reports are submitted to the Executive Mayor 10 days after month end indicating the year-to-date performance of the municipality.

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.

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 BuffaloCityMetropolitanMunicipality 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

BCMM reviewed its Credit Control Policy in the 2011/12 financial year and it was approved by Council on 7 June 2012.

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 City Manager implements and enforces this Policy.
- The City 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.

4.6 Indigent Policy

The Indigent Policy was reviewed in the 2011/12 financial year and it was approved by Council on 7 June 2012. This Policy identifies the criteria for one to qualify as an indigent and the process one needs to follow in order to register 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.

Indigent monthly welfare package—50 000 indigent households are provided for in the budget as indicated below (63 000, including provision of free electricity by Eskom in rural areas):

Table 20: Indigent Cost Per Month

Total Households	Rates	Refuse	Sewerage	Fire	Electricity	Water	Rand value per household per month
63 000	R92.97	R138.65	R80.34	R30.85	R47.04	R51.89	R441.73

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 recognized 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.
- 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 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.

- 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.

4.10 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 Recognized 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 BuffaloCityMetropolitanMunicipality and municipal entities controlled by BuffaloCityMetropolitanMunicipality.
- 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:
 - 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 amortized 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.

4.11 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 BuffaloCityMetropolitanMunicipality (and any municipal entity of BuffaloCity) 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 in the 2011/12 financial year and approved by Council on 7 June 2012.

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

4.12 Ratio Analysis/Benchmarks

Table F.4 gives details of commonly used financial ratios/benchmarks. The information in the Table is the actual position for the 2008/09 financial year to 2011/12 financial year.

TABLE F.4: Ratio Analysis / Financial Benchmarks for the 2008/09 to 2011/12 financial year

FINANCIAL BENCHMARKS	BASIS OF CALCULATION	2008/09	2009/10	2010/11	2011/12	As at 31 March 2013
<u>Borrowing Management</u>						
Debt to revenue	Total debt / Annual income	26.9%	27.3%	32.3%	24.05%	19.82%
Capital charges to operating expenditure	Interest & principal paid / Operating expenditure	13%	22%	18%	15%	13%
<u>Revenue Management</u>						
Annual debtors collection rate (payment level %)	Last 12 months receipts / Last 12 months billing	93.8%	93.6%	94.2%	91.8%	92.0%
Outstanding debtors to revenue	Outstanding debtors (net)/ Ann rev (total inc)	13.2%	14.7%	24.8%	27.7%	22.1%
<u>Efficiency</u>						
Personnel costs to operating expenditure	Personnel costs / Operating expenditure	30%	29%	27%	29%	24%
<u>Creditors Management</u>						
Creditors days	Outstanding creditors / Credit purchases x 365	30	30	30	30	30

4.13 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.

TABLE F.5: 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	2,200,000
Arts & Culture	24,500,000
Integrated Environmental Development	2,500,000
TOTAL	R2,887,901,000

SECTION

G

OPERATIONAL PLAN



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 Executive Mayor, Deputy Mayor, Council Speaker and Chief Whip. The Executive Mayor has a nine member Mayoral Committee.

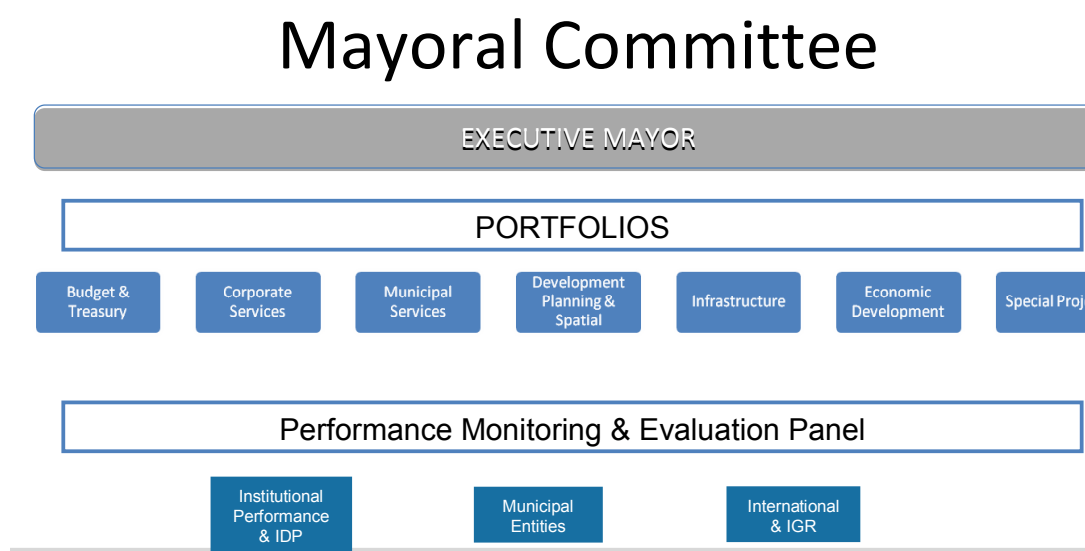
1.1 Ward Committees

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 is 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

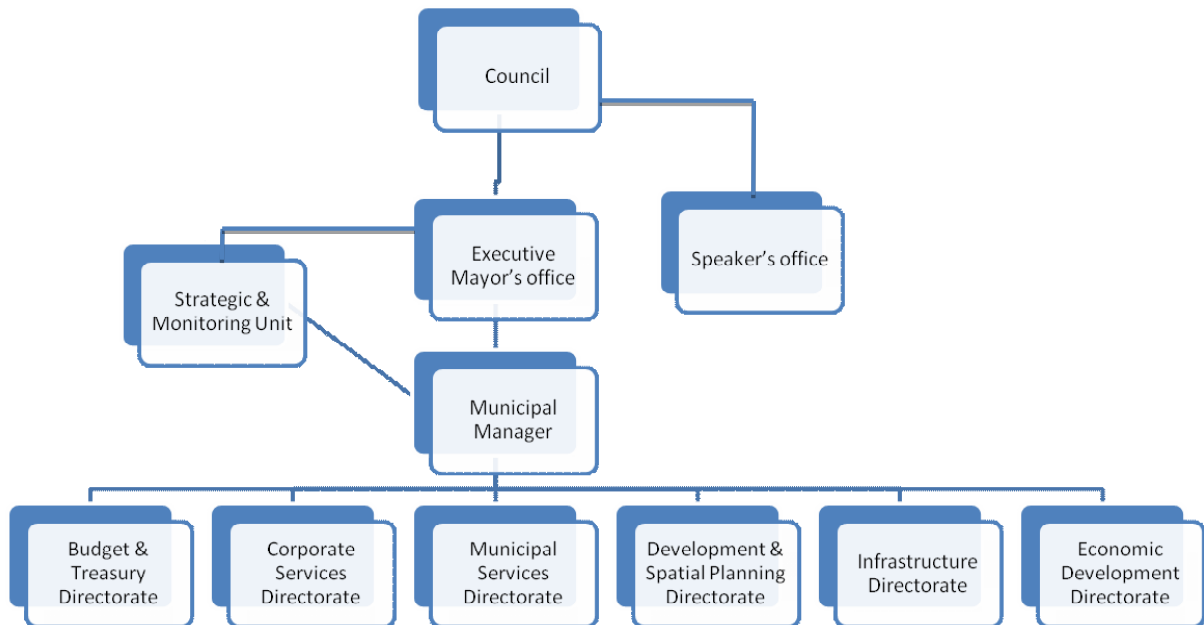
In terms of sections 79 & 80 of the Municipal Structures Act (117 of 1998) and Section 160 of the Constitution, Portfolio Committees have been established to assist and advise the Executive Mayor. The alignment of the political and administrative structure is as follows:

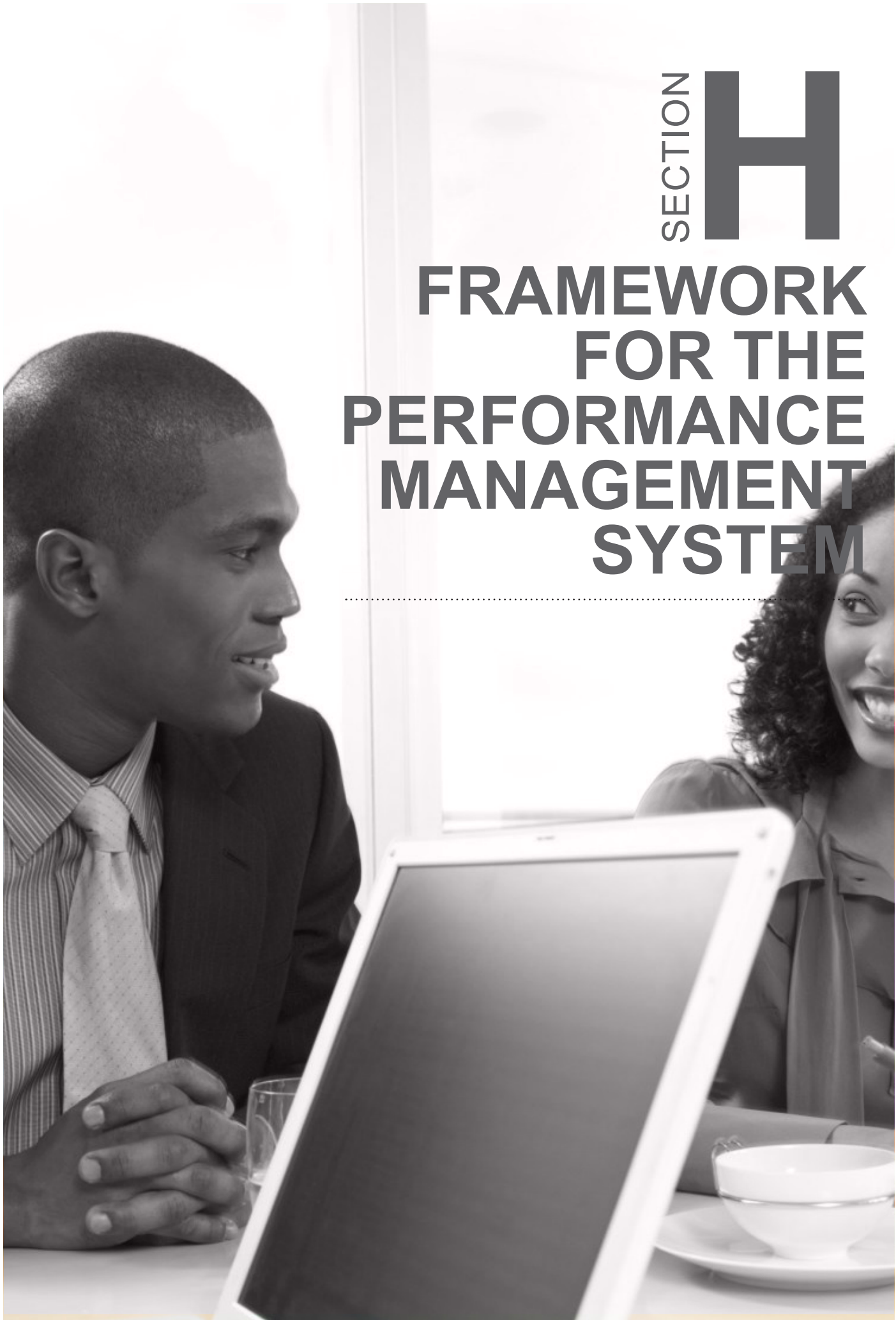


2. Buffalo City Metropolitan Municipality: Administrative Structure

BCMM Council has reviewed its organogram and the new organisation is as follows:

Macro Structure





SECTION **H**

**FRAMEWORK
FOR THE
PERFORMANCE
MANAGEMENT
SYSTEM**

SECTION H

Framework for the Management of Performance

1. Introduction

1.1 Strategic Objectives of a Performance Management System

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 to improving the quality of life for all.

The Municipal Planning and Performance Management Regulations (2001) define a Municipality's Performance Management System as "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.

1.2 Policies and Legislative Framework for Performance Management

The framework for Performance Management is informed by the following legislative and policy instruments:

- The Constitution of the RSA, 1996 (Act 108 of 1996)
- The White Paper on Local Government (1998)
- The Local Government: 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 Local Government: Municipal Financial Management Act , 2003 (Act 66 of 2003)
- The Batho Pele White Paper (1998)

The BCMM has developed and implemented a performance management system In accordance with the legislated instruments. The main objective of the system is to guide and manage the performance of the municipality (as an organisation) and employees (as individuals) throughout the City.

1.2.1 The Local Government: Municipal Systems Act, No. 32 of 2000.

This legal instrument requires that a Municipality must:

1. Develop a Performance Management System;
2. Set targets, monitor and review performance based on indicators linked to the 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;
5. Have their annual performance report audited by the Auditor-General; and
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.

This legal instrument requires that a Municipality must when developing its Performance Management System, ensure that the system:

1. Complies with all the requirements set out in the Local Government: 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; and
6. Aligns with the Municipality's Employee Performance Management processes.

In terms of Section 43 of the Local Government: Municipal Systems Act, the Minister has prescribed general KPIs that every municipality must report on. The following general KPIs are legislated:

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; and
7. Financial viability with respect to debt coverage; outstanding debtors in relation to revenue and cost coverage.

1.2.3 The Local Government: Municipal Finance Management Act

The Local Government: Municipal Finance Management Act contains various provisions relating to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan with service delivery targets and performance indicators. When adopting the annual budget the Municipality must also set measurable performance targets for each revenue source and vote.

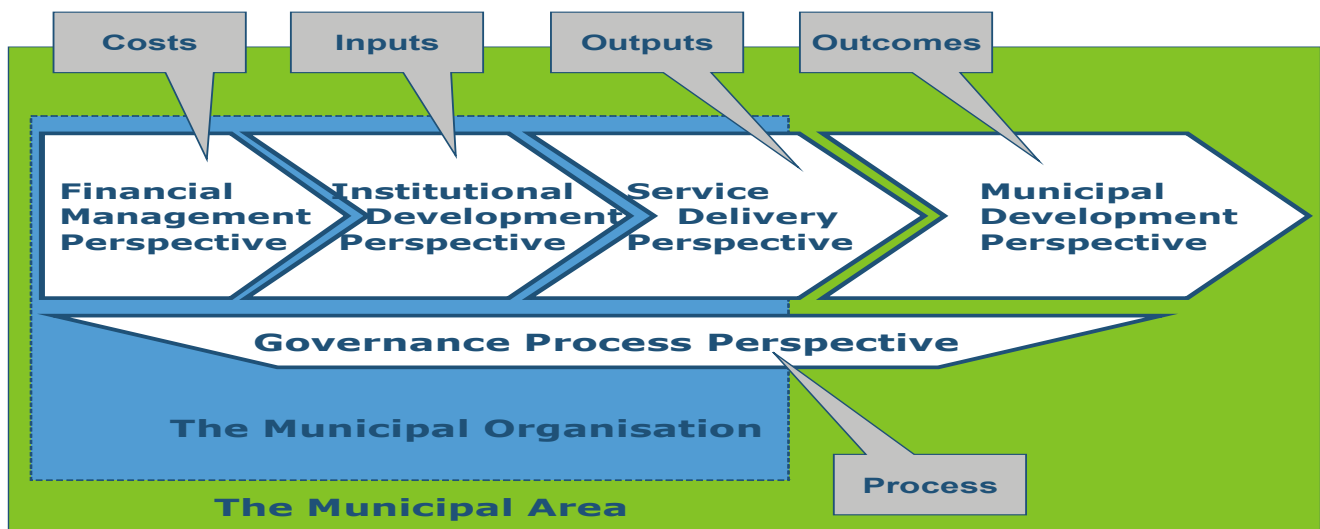
The objective of institutionalising a Performance Management System (PMS) is to serve as a primary mechanism to monitor, review and improve the implementation of the Municipality's IDP.

In doing so it:

- Promotes accountability;
- Facilitates decision-making and resource allocation;
- Guides development of municipal capacity-building programmes;
- Creates a culture of best practice and shared learning among Municipalities;
- Provides early warning signals and facilitates the development of intervention mechanisms;
- Creates pressure for change at various levels; and
- Contributes to the overall development of a Local Government System.

2. The Municipal Scorecard

The Municipality has adopted the Municipal Scorecard as its performance management model. In terms of the model, indicators are grouped together into five (5) perspectives as depicted in figure 1.1. below -



Source : Palmer Development Group (2006)



Figure 1.1: Municipal Scorecard.

2.1. The Municipal Development Perspective

This perspective is intended to indicate if the desired development outcomes are being achieved. The measurement of developmental outcomes is useful in informing whether or not policies and strategies are having the desired impact.

2.2. The Service Delivery Perspective

This perspective indicates how well the municipality is performing with respect to the delivery of services and products.

2.3. The Institutional Development Perspective

This perspective assesses performance with respect to the management of municipal resources including, inter alia, the following:

- Human Resource allocation;
- Information management;
- Organizational Infrastructure; and
- Asset management.

2.4. The Financial Management Perspective

This perspective assesses how the municipality is performing with respect to its financial management, including inter alia:

- Operating income;
- Operating expenditure;
- Financing infrastructure investments;
- Capital expenditure; and
- Financial management.

2.5. Governance Process Perspective

This perspective indicates how the municipality is performing with respect to its engagements and relationships with its stakeholders including inter alia:

- Public participation, including the functionality and impact of ward committees'
- Functionality and impact of municipal governance structures (Council structures including the offices of the Speaker, Executive Mayor and Portfolio Committees.);
- Access to information' and
- Intergovernmental relations.

The Process of Managing Organisational Performance

To be effective performance management must form part of daily management activities. The Performance management cycle is illustrated on figure 1.2. below:

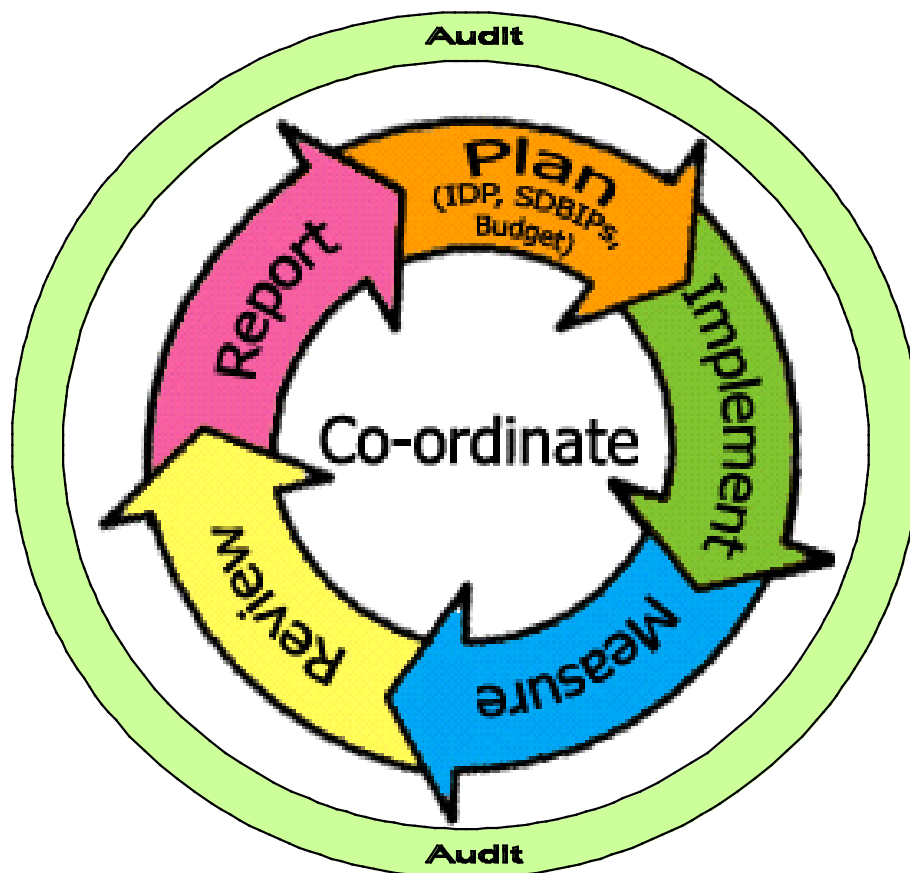
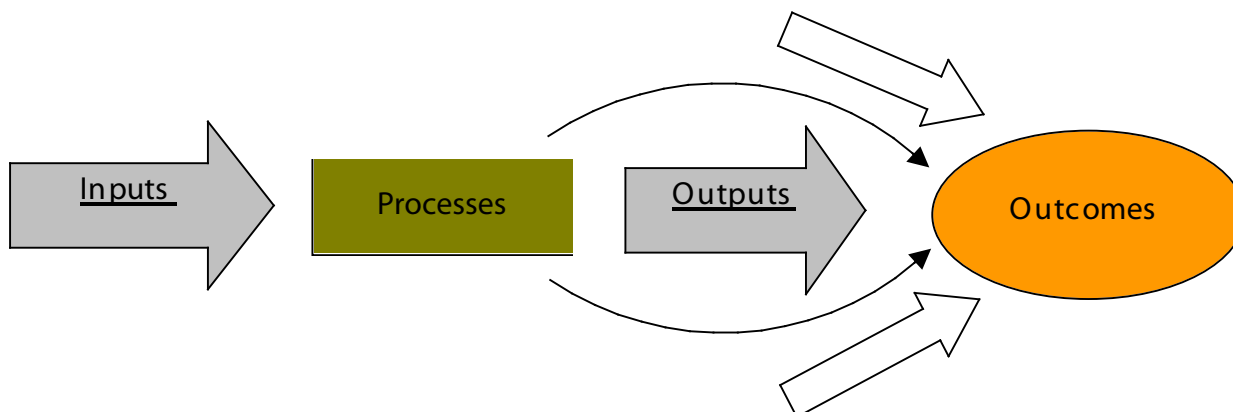


Figure 1.2

The Municipal Scorecard model is based on the cause-and-effect assumption. This cause and effect relationship is depicted schematically in Figure 1.3.



3. Scorecards

Performance management is applied to various levels within the municipality. The legislative framework provides for performance management at various levels including institutional (also referred to as municipal, organisational, strategic or corporate) level, operational (also referred to as services, departmental or section/team) level, at the level of Executive Directors in terms of section 57 of the Local government: Municipal Systems Act and lastly, at individual level.

The Institutional Scorecard

At institutional level the IDP 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 have a longer-term focus.

The system is configured around the five (5) Key Performance Areas (KPA) identified by Department of Co-operative Governance and Traditional Affairs, namely:

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

The institutional scorecard provides an overall picture of performance for the municipality as a whole, reflecting performance on the strategic priorities set in the IDP. The developmental perspective of this scorecard necessitates that information be also collected from other development role players in the municipal area. These include other spheres of government, business formations and civil society organisations. The institutional scorecard is reported to Council half-yearly, and reviewed annually.

The City Manager is primarily responsible for performance on the institutional scorecard. The institutional scorecard therefore forms a large component of how the City Manager's performance is appraised.

Service Delivery and Budget Implementation Plan (SDBIP)

At operational level the Service Delivery and Budget Implementation Plan forms the basis for performance management. The measures at operational level are captured in the SDBIP of the Municipality and the SDBIPs of the various Directorates.

The Service Delivery and Budget Implementation Plan (SDBIP) is comprised of sections dealing with the performance of each Executive Directorate, based on the funds allocated in the Budget. Unlike the Institutional Scorecard, which reflects on the strategic priorities of the municipality, the Service Delivery and Budget Implementation Plan [Directorate Scorecards] provides a comprehensive picture of the performance of the Directorates. It comprises objectives, indicators and targets derived from the service plan and service strategies for each Executive Directorate.

Each Senior Manager is primarily responsible for performance against the Service Delivery and Budget Implementation Plan [Executive Directorate scorecard]. The scorecard forms a large component of how each Senior Manager’s performance is appraised.

Performance contracts in terms of Section 57 of the Local Government: Municipal Systems Act

Each Senior Manager is required to enter into a Performance Contract in terms of section 57 of the Local Government: Municipal Systems Act. In the case of the City manager, this agreement is entered into by and between the City Manager and the Executive Mayor. In the case of Executive Directors the agreements are entered into by and between each Executive Director and the City Manager. The primary foundation of these agreements is found in the Service Delivery and Budget Implementation Plan [Executive Directorate scorecard].

Performance against these scorecards is assessed quarterly.

Individual Performance

Individual or staff Performance Management deals with performance on the level of the individual employee. The Municipality has identified four (4) phases in the performance management process. These phases are planning, coaching, reviewing and rewarding. Measuring staff performance provides management with information on the behaviour of staff and outcomes in the workplace.

The annual performance agreements of managers and other officials are linked to the Service Delivery and Budget Implementation Plan of the municipality.

This process is illustrated by the diagram below:

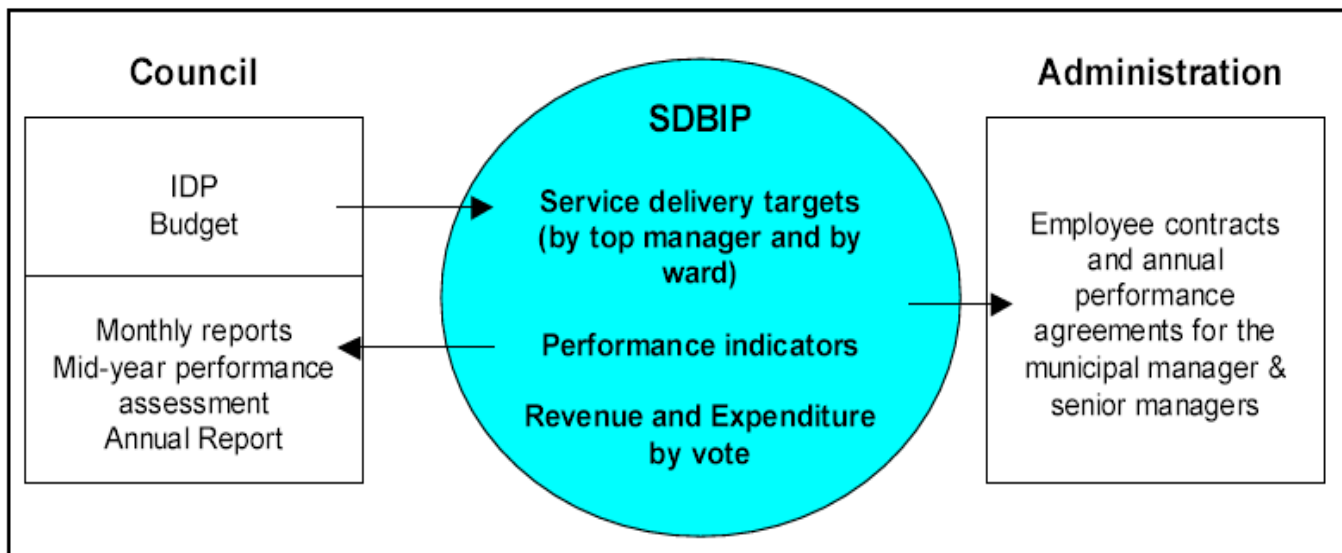


Figure I.4: SDBIP as a Management Tool

At this time, the system of individual performance is not in operation, but is scheduled for incremental implementation from 1 July 2012.

SUMMARY OF SECTOR PLANS



SECTION I

SUMMARY OF BCMM 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 I 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 governments industrial development strategy have noted that its major weakness is its failure to address what are termed “ small industrial policy” issues which related 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 process 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 BCCDS 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 pursued.

- (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

2.1 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.

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 DuncanVillage 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.

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).
- 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.

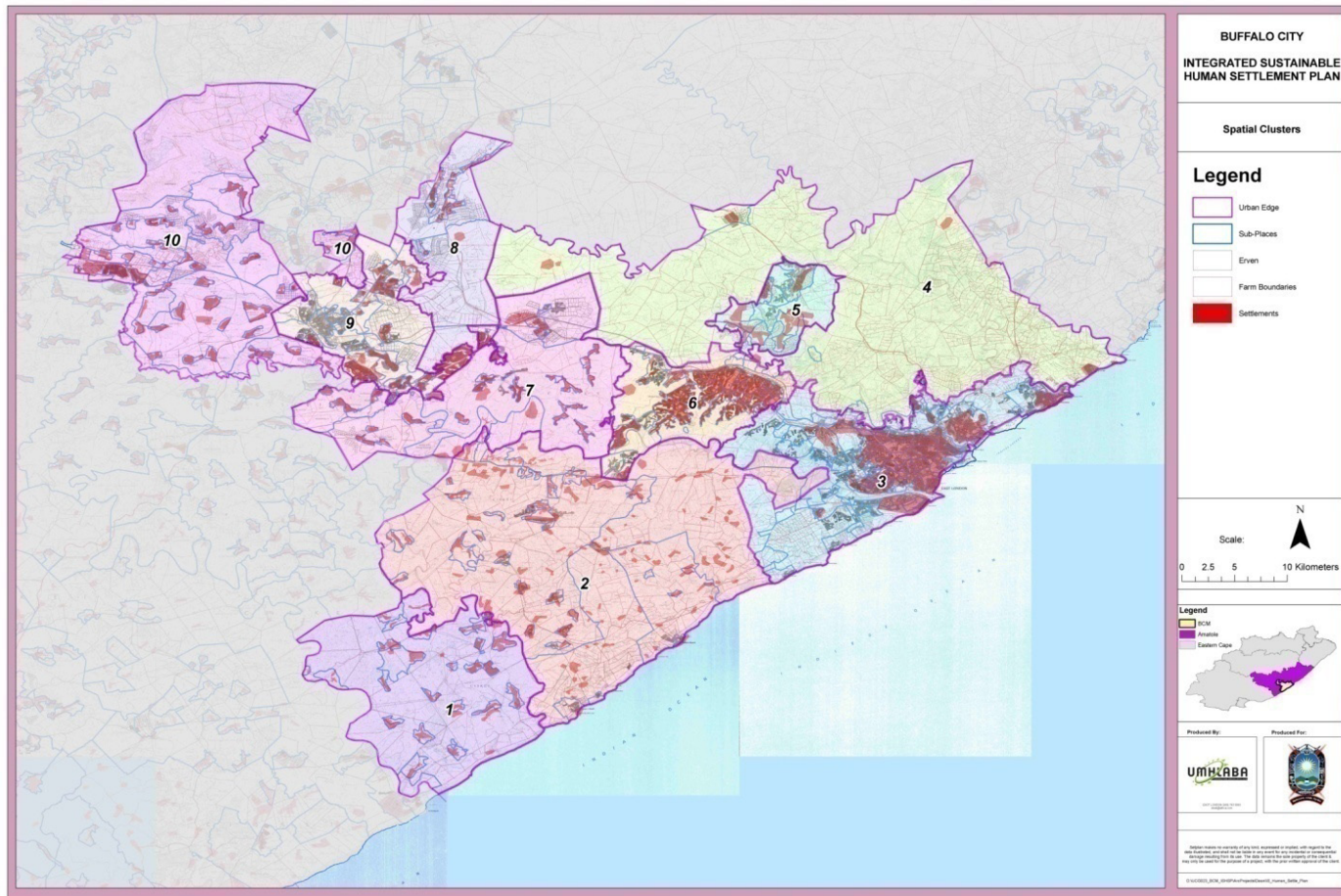
Defining the Clusters (Units of Study for ISHS Plan)

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 comprising Cluster	Area(s)	Description of Distinguishing Features or Activities in Cluster
1	Tyolomnqa		<p>Predominantly rural settlement area previously administered by Ciskei pre-1994.</p> <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>

Cluster No.	Description of comprising Cluster	Area(s)	Description of Distinguishing Features or Activities in Cluster
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>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> <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>

Cluster No.	Description of comprising Cluster Area(s)	Description of Distinguishing Features or Activities in Cluster
7	Berlin/Amandlambe	<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, 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 -	<p>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 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.
Phase 3 -	<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 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. • 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.

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

BuffaloCity 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.

4.1 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.

4.2 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.

4.3 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.

4.4 The IEMP Development Process

4.4.1 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.

4.4.1.1 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
MdanstaneInfills	Dimbaza
MdantsaneBufferstrip	Phakamisa
Potsdam	

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 DIgSILENT PowerFactory, 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

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

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
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.¹ 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 sector²; therefore there is great potential for further expansion.

Tourism Buffalo City claims that **their own statistics**³ 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, which is common challenge highlighted in the socio-economic outlook of the province.

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 and the resources thereof. Related to this is a need for 'focus' in terms of marketing, strategic project identification, prioritization and implementation, proactive approach to tourism investment/investor mobilisation⁴; 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. BCMM has established and appointed a Political Task Team to oversee the project implementation. Service already appointed to undertake to undertake preliminary studies in the area of BCMM.
4. Steve Biko Interpretation Centre	Construction for the Centre is underway and BCMM has contributed an amount of R2 Million
5. Nahoon Seaside Resort	This project has not taken place yet.
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 Municipality intends to commission a study of the SMME informal sector in 2012/13 to package the socio-economic profile of the 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. Africa Open Golf Tournament, Iron Man and Tourism Summer Season Programme
10. Military History Route	The Military History Route has been developed and operation material for the route has been published by Amathole District Municipality.

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:

- 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;
- The Municipality provides continuous SMME training and support to new and existing businesses;
- The Municipality annually provides strategic support to SMMEs to partake in trade shows and in the production of their marketing materials;
- 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 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.

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
1 Sport	<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>
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
<ul style="list-style-type: none"> A tourism performance index to provide regular and timeous index on tourism performance: 	<p>This tool is not in place and the performance of the sector cannot be very well understood.</p>
<ul style="list-style-type: none"> An economic impact assessment model to measure the impact on revenue and employment by specific events, the increase in tourists etc.: 	<p>This model is not in place.</p>
<ul style="list-style-type: none"> Regular tourist surveys to gauge the opinion of tourists: 	<p>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").</p>

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 development earmarked in terms of the Spatial Development Framework	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,	High
	Court Crescent	The investor mobilisation process for this project was initiated by BCDA,	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.	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 between the community and a private operator.	Medium
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

Tourism Node	Project	Project Summary	Priority
Macleantown	The Cultural Heritage Lodge	A cultural lodge is a potential development that could be considered on a piece of land owned by the community. Feasibility study to determine sustainability could be undertaken and followed by a business plan.	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

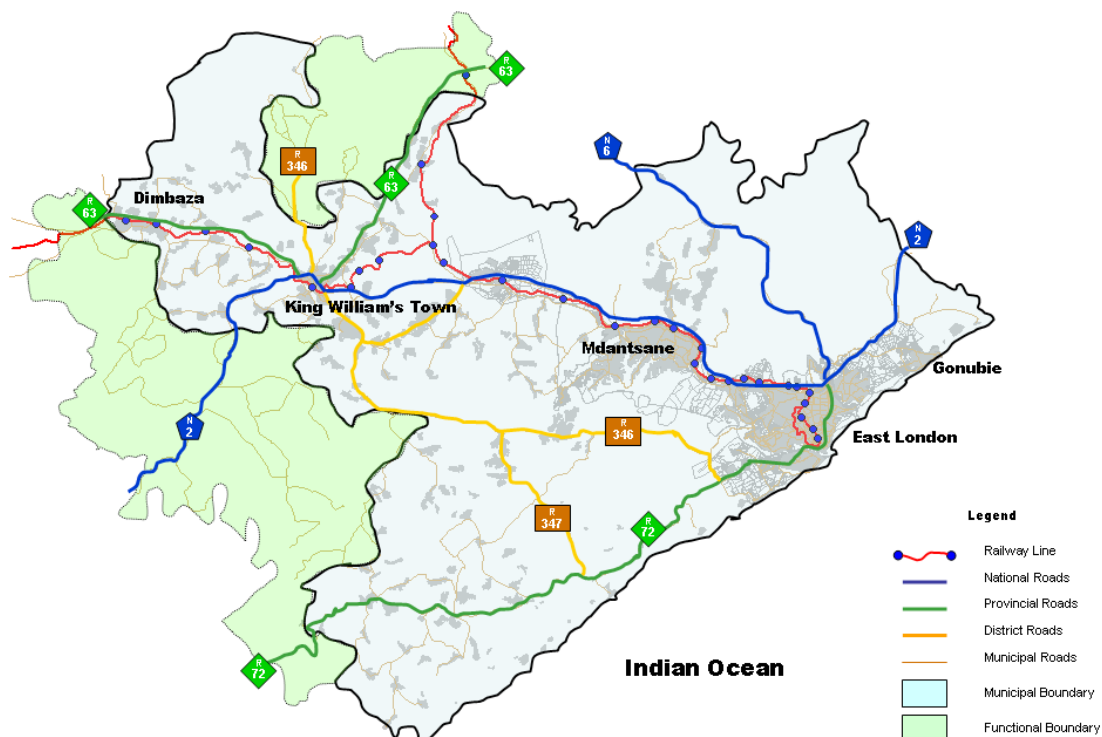
The Buffalo City Metropolitan Municipality Integrated Transport Plan covers all forms of land transport, namely public transport, walking and cycling, freight transport, roads and transport infrastructure. Other important issues covered are traffic safety, the environmental impacts of transport, travel 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 has been reviewed and updated in 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.

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.

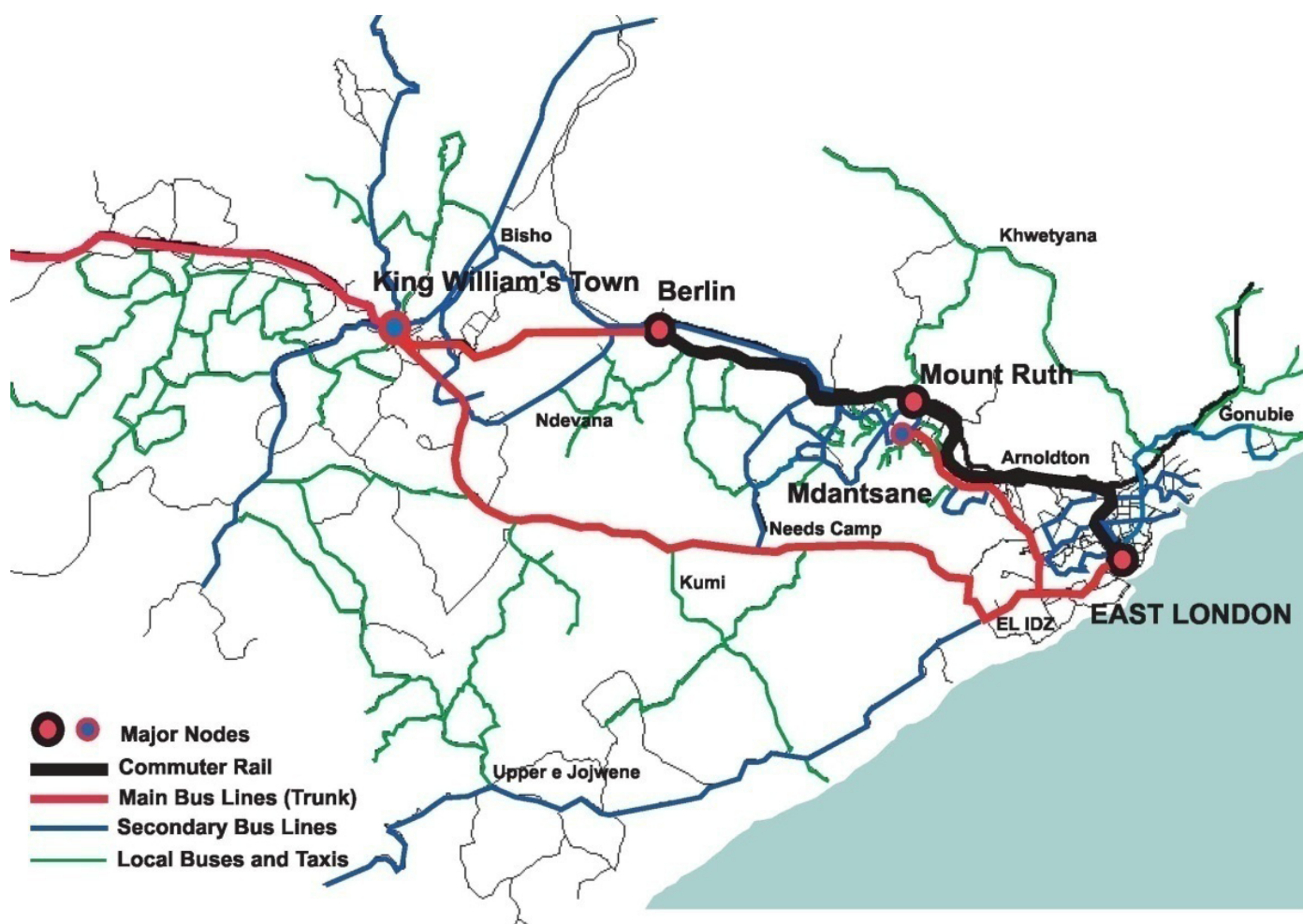
(i) Public transport

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.

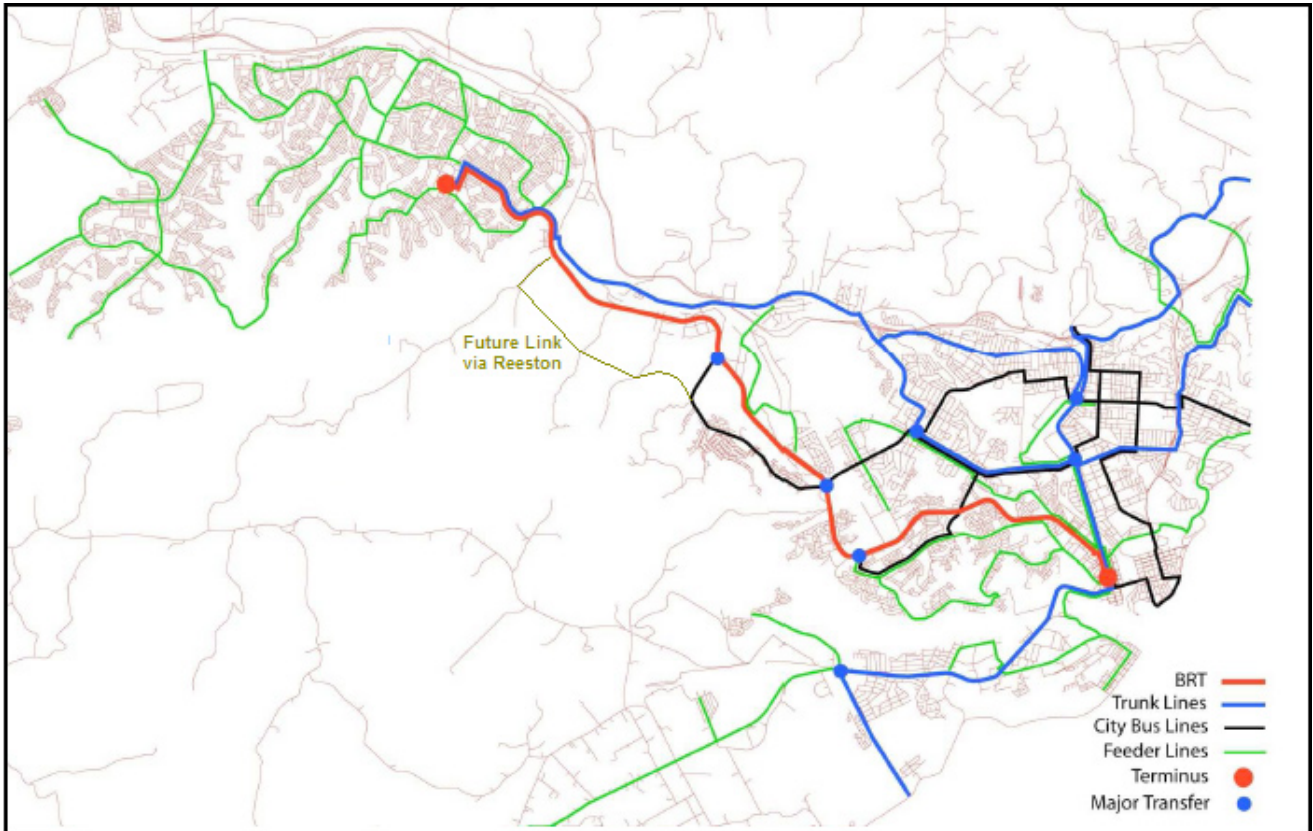
The Operational Plan for the first phase BRT system is complete and was approved by Council on 6 May 2010. The detailed operational plan is the principal planning document for determining the key system characteristics, including network structure, vehicle requirements and infrastructure sizing. Further, 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.

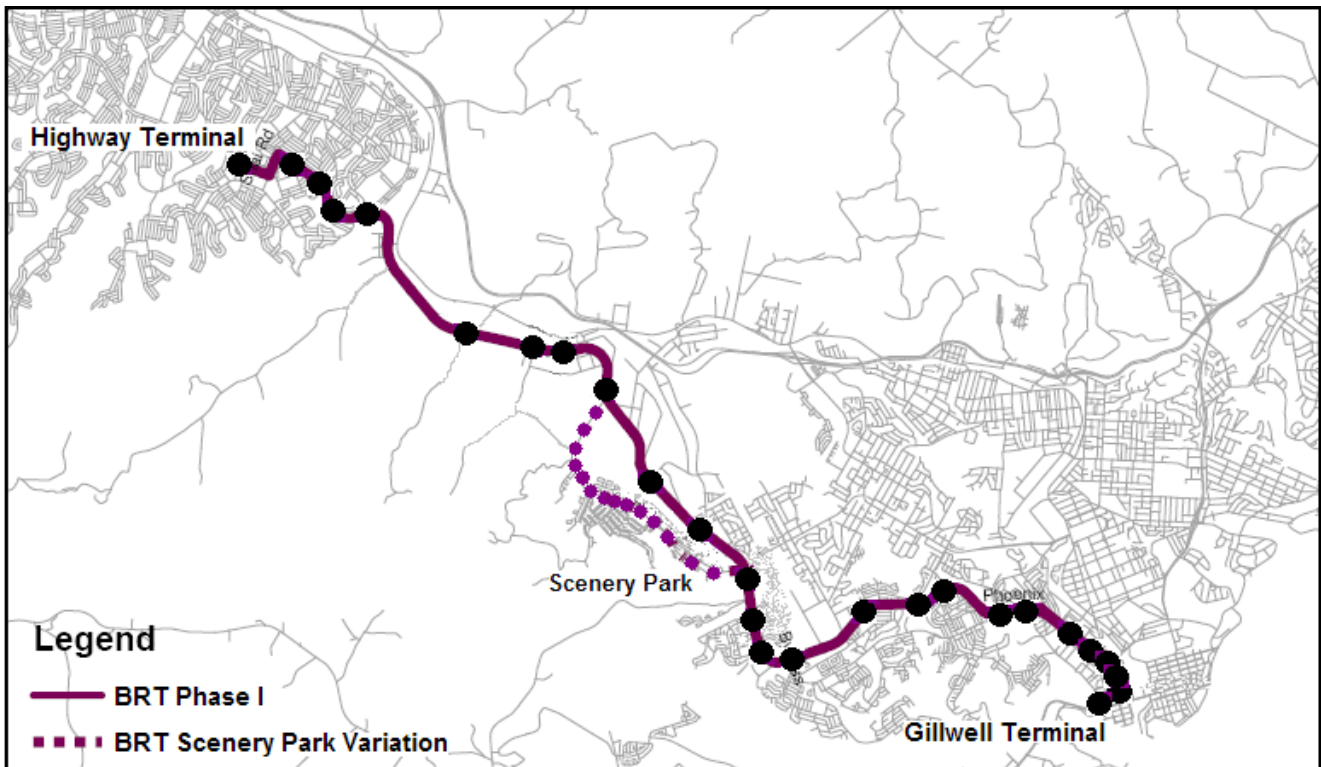
In order to identify the Phase I route structure, it was necessary to develop a detailed conceptual design of the overall public transport system to ensure that the phase I corridor operates within a future integrated system. To this end a rationalised ultimate network scenario was developed, the layout for which is shown in the figure below:

Ultimate Scenario 2 Rationalised Routes

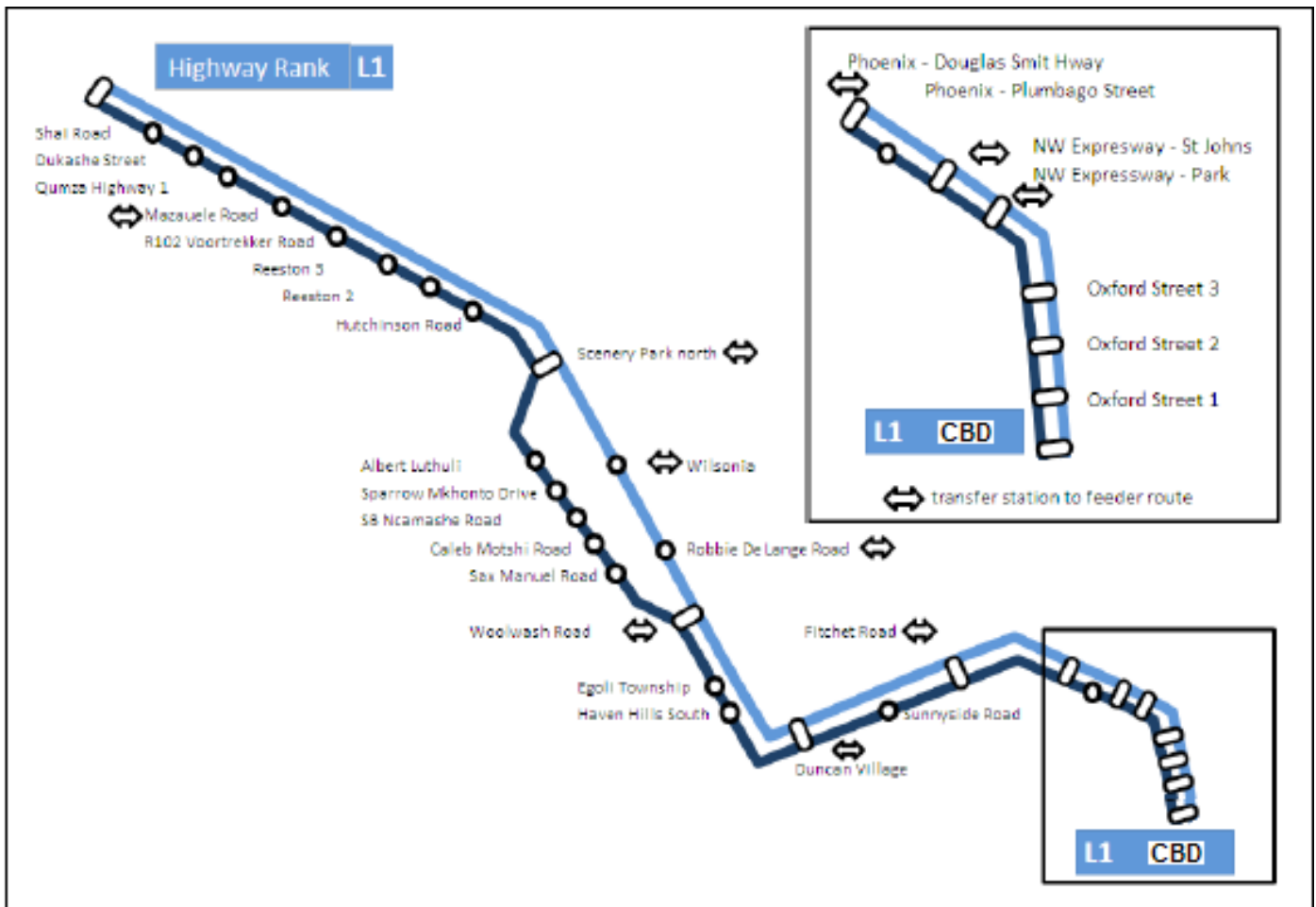


The proposed main route for the first phase implementation over the next three years is shown in the figure below.

Main Phase I Route – Mdantsane to East London CBD



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.

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.

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-motorised 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 BCMMRural 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

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.
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
Service Failure	<p>Various areas as a result of infrastructure failure. Entire Buffalo City due to national load shedding.</p> <p>Berlin and Mdantsane.</p> <p>Mainly as a result of power failure. Duncan Village due to blockages.</p> <p>Mainly due to vehicle breakdowns.</p> <p>As a result of network failure or overload.</p> <p>Most informal areas are a result of urbanization.</p>
Electricity	
Water	
Sewerage spillages	
Solid Waste	
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.

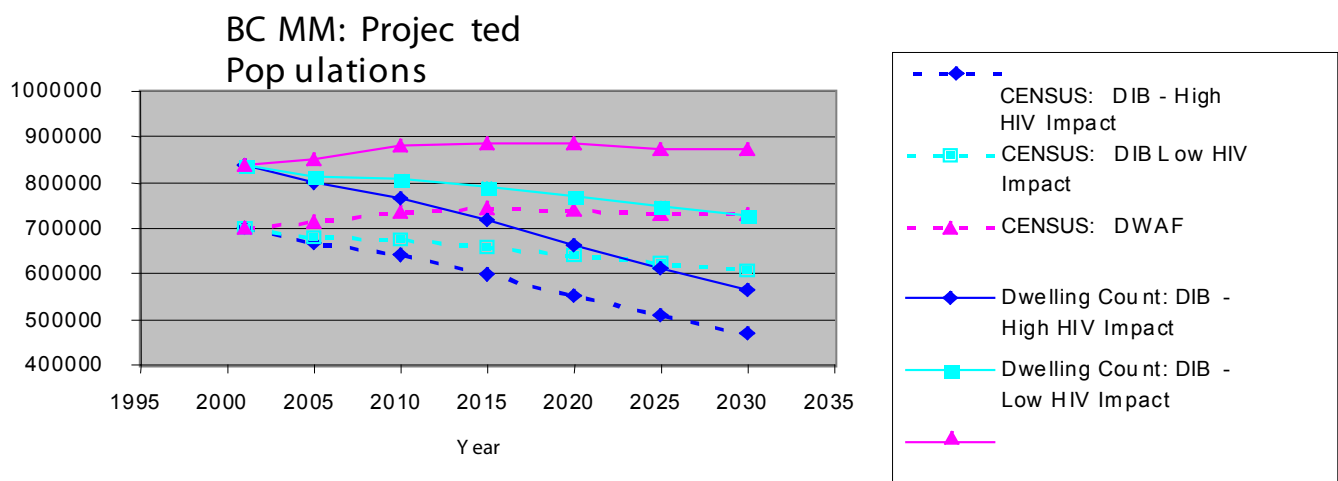
The hub of Disaster Management is the Disaster Management Centre, and the capacity of the centre will determine the efficiency with which a proper Disaster Management service will be provided to the citizens of Buffalo City

10. Water Services Development Plan

Socio-Economic Profile

Demographics:

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, based on the Censusverification 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
Hoërskool Grens	Grens Skool Koshuis, Mc Jannet 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 Keiskamama 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 Wiggleswade 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.
- BCMM 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 DaGama Textiles factory with some 1.316 Mm³/a of raw water.

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 thesea.

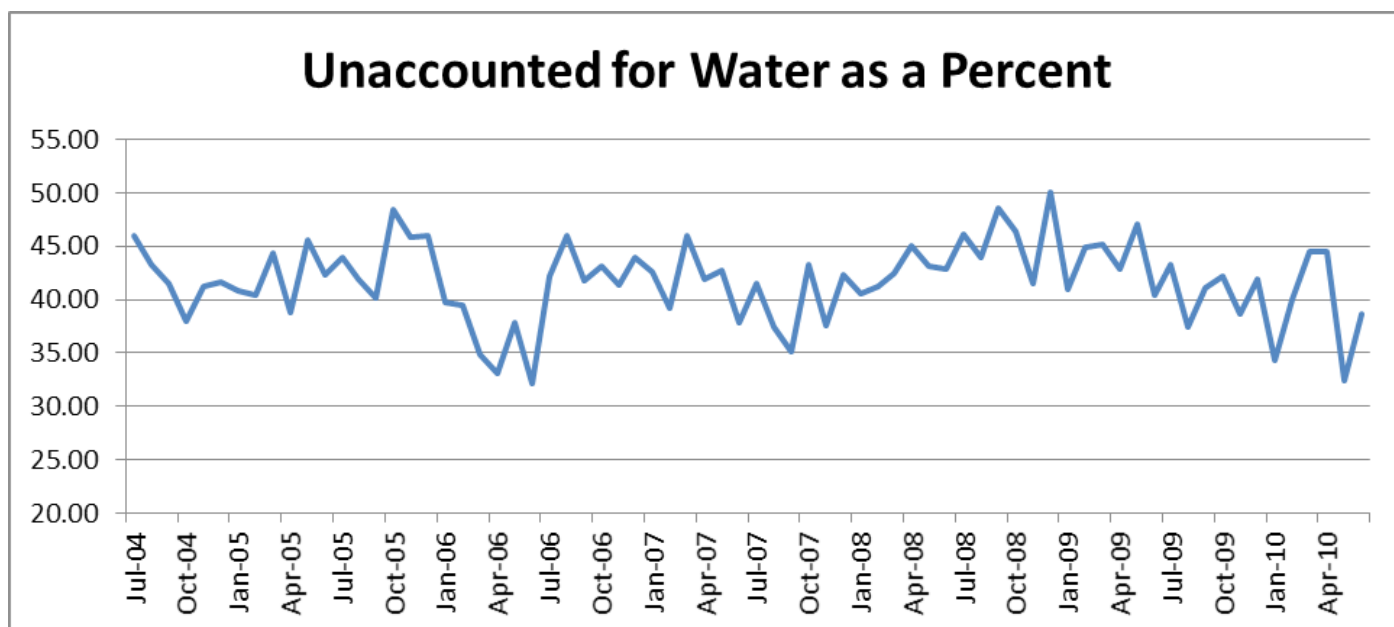
- Return flows into dams are not expected to increase significantly in the short to medium term despite the anticipated housing growth and high levels of service to be provided, as the bulk of the areas identified for development fall within the catchment areas of the Mdantsane, Reeston, Central, East 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

- 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 Wiggleswade 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:

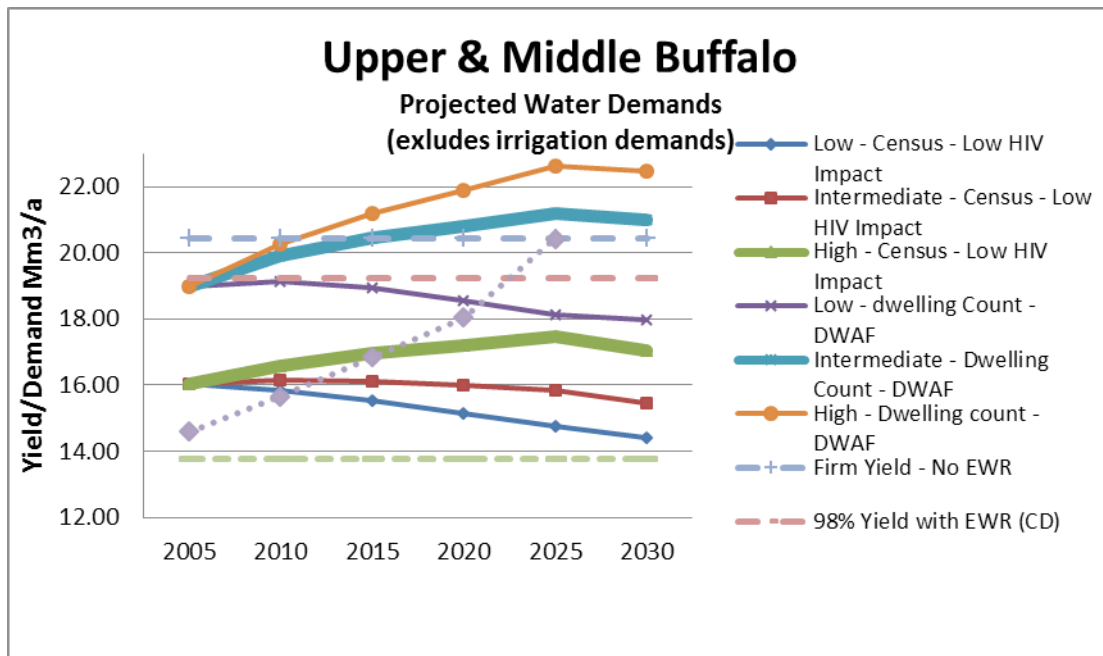
- High levels of water wastage;
- Vandalism, theft and abuse of infrastructure;
- Stormwater and root ingress and siltation; and
- Rags used for sanitary purposes.

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.

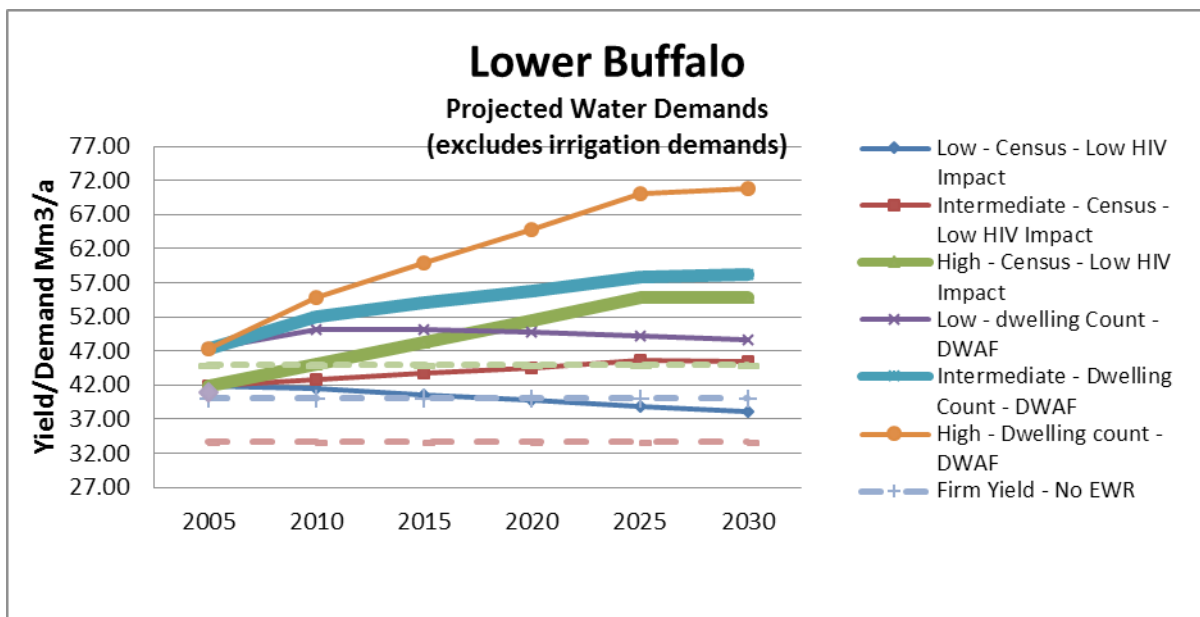
Water Balance

- 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;
 - 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;



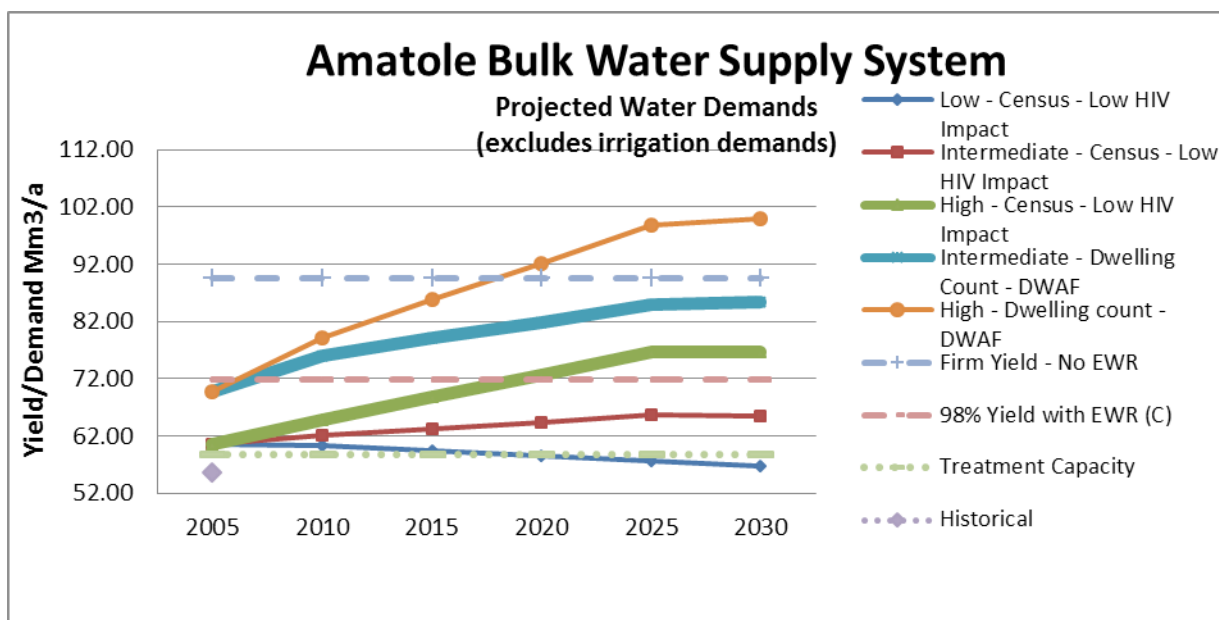
From the above graph it can be noted that:

- 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.

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 be 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 20Ml/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: Schornville 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 vil-lages	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	Winterstrand 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



ANNEXURES

Annexure A: IDP/Budget/PMS Process Plan 2013/14

Annexure B: IDP External Representative Forum Members

Annexure C: Ward Priority Issues

Annexure A: IDP/Budget/PMS Action Plan 2013/14

PHASE	ACTIVITY	CO-ORDINATING DEPARTMENT	LEGISLATIVE REQUIREMENT	TIME FRAME
Pre-planning phase (July – August 2012)	Submission of SDBIP 12/13 & section 57 PA Publication of SDBIP 12/13	IDP/PMS	MSA/MFMA	31 July 2012
	Submission of 4 th Quarter SDBIP & Institutional Scorecard 12/13	IDP/PMS	MFMA	31 July 2012
	Management meeting – tabling of IDP/Budget/PMS Process Plan for 2013/2014	IDP/PMS	MSA/MFMA	16 July 2012
	IDP and Organisational Performance Management Portfolio Committee – tabling of IDP/Budget/PMS Process Plan for 2013/2014	IDP/PMS	MSA/MFMA	6 August 2012
	Mayoral Committee - Tabling of IDP/Budget/PMS Process Plan for 2013/2014	IDP/PMS	MSA/MFMA	7 August 2012
	Council Workshop on the IDP Review Process	IDP/PMS & Office of the Speaker	MSA	24 August 2012

PHASE	ACTIVITY	CO-ORDINATING DEPARTMENT	LEGISLATIVE REQUIREMENT	TIME FRAME
	Establishment of committees and consultation forums for budget processes Establishment of IDP/ Budget /PMS Technical working groups	Budget & Treasury IDP /PMS	MFMA MSA	August 2012
	Review and adoption of IDP Budget related policies	Budget & Treasury	MFMA	August 2012 to 30 April 2013
	Council meeting: ❖ Adoption of IDP/Budget/PMS process plan for 2013/2014 ❖ Adoption of 2011/2012 roll over adjustment budget (excluding Conditional Grant Funded Projects) ❖ Submission of reviewed SDBIP	Operations/Budget & Treasury Budget & Treasury IDP/PMS	MSA/MFMA	28 August 2012
	Completion and submission of Budget Evaluation Checklist to National Treasury	Budget & Treasury	MFMA	31 August 2012

Situation Analysis Phase (September – October 2012)	Advertise adopted IDP/Budget/PMS Process Plan ❖ Publication of process plan on BCMM website	IDP/PMS	MSA	4 September 2012
	IDP/Budget/PMS Technical Working Group	IDP/PMS	MSA	5 September 2012
	IDP/PMS Steering Committee Meeting ❖ To outline IDP/Budget/PMS review process	IDP/PMS	MSA	7 September 2012
	Intergovernmental Relations Session ❖ Outline IDP/Budget/PMS review process ❖ Establishment of the Metro IGR forum	IDP/PMS	MSA/MFMA/IGR Framework Act	14 September 2012
	Confirmation and consolidation of community needs	IDP/PMS	MSA	3-28 September 2012
	IDP/Budget/PMS Strategic Working Groups Meetings	IDP/PMS	MSA	10-14 September 2012
	Submit to National Treasury 2011/2012 Roll-Over Adjustment Budget in terms of National Treasury Reporting requirements	Budget and Treasury	MFMA	12 September 2012
	Review projections, proposed rates and service charges	Budget and Treasury	MFMA	28 September 2012
	Draft initial allocations to functions and priority areas for next MTREF period	Budget & Treasury	MFMA	28 September 2012
	SDBIP 12/13 1 st quarter reporting commences	IDP/PMS	MFMA	30 September 2012

Strategies phase – October – December 2012	IDP/Budget/PMS Strategic Working Groups Meetings		IDP/PMS	MSA & MFMA	1-5 October 2012
	IDP/Budget/PMS Technical Working Group: ❖ Preparations for Strategic Planning Session		IDP/PMS	MSA & MFMA	11 October 2012
	IDP/Budget/PMS workshop (All Cllrs, Executive Directors, Directors and GMs)		IDP/Budget & Treasury	MSA & MFMA	24 October 2012
	Council meeting – adoption of 2010/2011 Roll-over Adjustment Budget for Conditional Grant Funded Projects		Budget & Treasury	MFMA	29 October 2012
	Submission of SDBIP 1 st quarter reports and MFMA Section 52 (d) report to Council		IDP/PMS/ Budget and Treasury	MFMA	30 October 2012
	IDP/Budget/PM Technical Working Group meeting: Budget Workshops – Presentation of: ❖ Baseline budget ❖ Changes to Operational & Capital Budget ❖ Sign Off Operational Budget & Staff Keys ❖ Sign off fleet budget		IDP/PMS Budget and Treasury	MSA/MFMA MFMA	6 November 2012 12- 15 November 2012
	IDP/Budget/PMS External Representative Forum Meeting: Executive Mayoral Lekgotla		IDP/Budget & Treasury Office of the Executive Mayor	MSA/ MFMA MSA	15 November 2012 20-22 November 2012
	Technical Strategic Planning Session ❖ Review of strategic objectives for service delivery and development ❖ Broad capital budget allocations		Office of the City Manager	MSA / MFMA	4-6December 2012
	Draft Working MTRF 2012/2013 – 2014/2015 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 ❖ Council finalises tariff charges		Budget and Treasury	MFMA	10 December 2012
	❖ SDBIP 2 nd quarter reporting commences ❖ Institutional scorecard ❖ Submission of mid-year performance assessment report ❖ MM and Section 57 Managers to be assessed		IDP/PMS	MFMA	31 December 2012

Projects phase (January – February 2013)	<ul style="list-style-type: none"> ❖ IDP/PMS Steering Committee Meeting Consider IDP/Budget/PMS review progress 	IDP/PMS	MSA	21 January 2013
	<ul style="list-style-type: none"> ❖ IDP/Budget/PMS Strategic Working Groups Meetings Consider draft Projects and Programmes 	IDP/PMS	MSA/MFMA	22-23 January 2013
	Budget policy related review workshop	Finance	MFMA	24 January 2013
	<ul style="list-style-type: none"> ❖ Submission of Section 72 Reports (mid -year report and quarterly reports ❖ Annual Report 2011/12 	Budget and Treasury	MSA/MFMA	25 January 2013
	<ul style="list-style-type: none"> ❖ IDP/Budget/PM Workshop (all Cllrs, Directors and GMs): Review and confirm 1st draft IDP and Budget 2013/14 ❖ Preparations for IDP and Budget Public Hearings 	IDP/PMS	MSA/MFMA	31 January 2013
	<ul style="list-style-type: none"> ❖ IDP/Budget/PMS Technical Working Group: Budget progress ❖ Preparation for workshop on the draft IDP & Budget 	IDP/PMS	MSA	6 February 2013
	<ul style="list-style-type: none"> ❖ IDP/Budget/PM External Representative Forum Meeting 	IDP/PMS	MSA/MFMA	21 February 2013
	<ul style="list-style-type: none"> ❖ Council adopts 2012/2013 Mid-year Adjustment Budget 	Budget and Treasury	MFMA	26 February 2013
	<ul style="list-style-type: none"> ❖ Intergovernmental Relations Session 	IDP/PMS	MSA/MFMA/IGR Framework Act	27 February 2013
	<ul style="list-style-type: none"> ❖ Draft SDBIP by all Directorates 	IDP/PMS	MFMA	28 February 2013

	2012/13 Draft IDP, MTREF Budget and Tariffs to be presented at Top Management	IDP/PMS/Budget and Treasury	MSA/MFMA	1 March 2013
	2013/14 Draft IDP, Budget and Tariffs to be tabled to the Budget Steering Committee	IDP/PMS/ Budget and Treasury	MSA/MFMA	5 March 2013
	IDP/Budget/PMS Technical Working Group meeting	IDP/PMS	MSA/MFMA	11 March 2013
	Submits to National Treasury 2012/2013 Mid-Year Adjustment Budget in terms of the National Treasury Reporting Requirements	Budget and Treasury	MFMA	9 March 2013
Integration Phase (February – April 2013)	Mayor Committee: scrutinises the draft IDP/SDBIP&2013/2014-2015/2016 MTREF budget before tabling in Council	IDP/PMS/ Budget and Treasury	MSA/MFMA	12 March 2013
	IDP/PMS Steering Committee Meeting ❖ Consider IDP/Budget/PMS review progress	IDP/PMS	MSA	14 March 2013
	Council approves the draft IDP/SDBIP & 2013/2014 – 2015/2016 MTREF	IDP, PMS/Budget& Treasury	MSA/MFMA	27 March 2013
	SDBIP 3 rd quarter reporting commences	IDP/PMS	MFMA	29 March 2013
	Advertise draft IDP/Budget for public comment ❖ Place draft IDP/Budget 2013/14 on BCMM website	IDP/PMS	MSA	3-24 April 2013
	Submit to MEC for Co-operative Governance and Traditional Affairs, Provincial Treasury, National Treasury and place on BCM web site the draft IDP/ SDBIP & 2013/2014 – 2015/2016 draft MTREF	IDP,PMS/Budget & Treasury	MSA/MFMA	5 April 2013
	IDP/Budget/PMS Technical Working Group	IDP/PMS	MSA/MFMA	10 April 2013
	IDP Budget Road Shows: ❖ Present summarised draft IDP & Budget ❖ IDP response to key issues raised by wards ❖ Highlight planned projects and programmes	IDP,PMS/Budget & Treasury	MSA/MFMA	02-19 April 2013
	Submission of SDBIP 3 rd quarter reports and MFMA Section 52 (d) report to Council	IDP/PMS	MSA/MFMA	26 April 2013
	Council Open Day Preparatory Meeting ❖ Finalise preparations for Open Day	Office of the Speaker	MSA	30 April 2013

Approval Phase (May – June 2013)	IDP/Budget/Technical Working Group Meeting: Preparation for Council Open Day	IDP/PMS	MSA, MFMA	3 May 2013
	Council Open Day	Office of the Speaker	MSA	17 May 2013
	Council adopts the final IDP/SDBIP & 2013/2014 – 2015/2016 MTREF budget	IDP, PMS/Budget & Treasury	MSA, MFMA	29 May 2013
	Publicise BCMM adopted tariffs ❖ BCMM website	Budget & Treasury	MFMA	31 May 2013
	Advertise final IDP/Budget 2013/14 and publicise on BCMM website	IDP/PMS	MSA	31 May 2013
Monitoring and Evaluation (June – July 2013)	Submit to MEC for Co-operative Governance and Traditional Affairs, Provincial Treasury, National Treasury and place on BCM web site the final IDP/ SDBIP & 2013/2014 – 2015/2016 draft MTREF	IDP, PMS/Budget & Treasury	MSA/MFMA	07 June 2013
	SDBIP and draft Annual Performance Agreements	IDP/PMS	MSA/MFMA	14 June 2013
	SDBIPs approved by the Executive Mayor and Annual Performance Agreements	IDP/PMS	MFMA	21 June 2013
	SDBIP 4 th quarter reporting commences	IDP/PMS	MFMA	28 June 2013
	Annual Performance Assessments	IDP/PMS	MSA	31 July 2013
	Advertise and Publicise Annual Performance Agreements on the BCMM website	IDP/PMS	MSA	31 July 2013

Annexure B: IDP External Representative Forum Member

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			-		
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ANNEXURE C: WARD PRIORITIES

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 1	Electrification of informal settlements	Illegal connections make it difficult for legal owners to have sustainable electricity supply	Entire ward
	Refuse Removal	There is no proper co-ordination of various cleaning projects like Kwanda & CWP	Pefferville, Duncan Village
	Local Economic Development - Sport & cultural	90% of household income in the ward derived from social welfare grants so development is key	Pefferville, Duncan Village, Braelyn
	Crime	There is no clear role of law enforcement agency with regards to crime fighting.	Pefferville, Duncan Village, Braelyn
	Capacity building & empowerment	BCMM should embark on massive skilling programmes in order to channel skilled people into formation of co-operatives	Duncan Village, Pefferville, Braelyn
	WARD 2	Electrification of Informal Settlements	All the ward 2 informal settlements need to be electrified in order to avoid IZINYOKA (illegal connections), to also avoid the crisis from the ratepayers
Registration and Relocation of the Informal Settlement		Most flood areas and some squatter camps/shacks are only on the database but were never registered	Holomisa SquatterCamp, Barbeton Squattercamp, Endlovini Squattercamps, Elusizini Squattercamp, Mdiyeli Jiba SquatterCamp, Area 10 and Mayibuye Squattercamp

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Need to fast track issue of illegal occupants and the issue of housekeepers in Reeston and Chicken Farm.	Beneficiaries are waiting for their houses for quite a long time, they also don't know what they are waiting for, they are demanding their houses back so the municipality must fast track the process.	Reeston stage 1, Phase2, chicken farm and Reeston Stage 2
	Maintenance and tarring of roads	Roads need to be fixed in most areas of the ward, potholes need to be fixed, Speedhumps should be built in most parts of the ward especially Mahlangeni Street	Simani street, C-Section Area 15,16 Road called Ezihagwini, Mahlangeni join Dunga, Join Mzonyana, Speedhumps at Mahlangeni street.
	* Streetlights for Entire ward * Fencing of graveyards	* The streetlights need to be revisited and some areas need to be installed because there is high rate of crime. * Graveyard needs to be fenced	* Entire ward especially those in informal settlements * Fencing next to Ziphunzana ByPass (Gwentshe grave)
WARD 3			
	Community Hall	Need a community hall in Southernwood for public meetings and other ward activities	Southernwood
	Highmast lights	Highmast lights are requested in Southernwood to prevent crime in darker areas such as Milner Estate and Braelyn area	Southernwood, Milner Estate and Braelyn
	Roads	Maintenance, fixing of potholes for the entire ward, stormwater drainage for the entire ward & repair curbs and gutters for the entire ward	Ward 3
	Solid Waste Management	Refuse to be collected on a regular basis, distribution of collection bags, street sweeping, litter pickers on a regular basis	Ward 3
	Grass cutting	Recreational parks to be maintained properly, pavements, bush clearing, trimming of trees	Ward 3

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 4	Upgrading of the Beacon Bay Library	Not provided	Beacon Bay
	Upgrading of the Bonza Bay Lifesavers Shack & Ablution facilities & Boardwalk	Not provided	Beacon Bay
	Resurfacing of Roads	Not provided	Beacon Bay: Summit Rd; Seeton Rd; Bluewaters Place. Bonnie Doon: Irvine Rd; Old Transkei Rd/ N2 off ramp intersection before Batting Bridge
	CCTV Monitoring	Not provided	Beacon Bay
	High Traffic Congestion	Not provided	Beacon Bay
	WARD 5		
	Sidewalks	Building of sidewalks on main roads	Scenery Park
Footbridges	Four footbridges are requested		
Electrification	Installation of electricity in all informal settlements	Informal settlements in the ward	
Tarring of Roads	All gravel roads should be tarred	Entire ward	
Bush Clearing	Bush clearing is required throughout the ward and local community members should be hired to do the work	Entire ward	

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 6			
	Renovation of Eluxolweni community hall	Renovation of Eluxolweni Community Hall at CC Loyd/Dukashe. No hall in ward 6	CC Loyd, Dukashe and Eluxolweni
	Building for houses	Building of houses has been a priority of the ward for some time.	All informal settlements in the ward
	Rebuilding and maintenance of roads	Rebuilding and maintenance of roads. No streets in some areas in the ward and in some areas street have potholes.	Entire ward
	Skills Training Programme	Skills training programmes needed in order to prepare our people for the future development in the ward.	For the whole ward
	Jobs for the people	High rate of crime in the ward due to the unemployment	Entire ward
WARD 7			
	Bush clearing and grass cutting	Bush clearing and grass cutting required in overgrown areas of the ward	Entire ward
	Roads	Maintenance and upgrading of roads needed	D Section
	Community hall	Required for community events and meetings	Entire ward
	Electricity	Highmast lights required	Entire ward

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT	
WARD 8	Roads	Potholes to be fixed at Nomvethe, Mpuntshe, Jwayi, Ntshona and Mtendeni Streets	Gompo / Ziphunzana	
	Water & Sanitation	Need clean running water and proper toilets at Moscow, Khayelitsha and Soga Site	Gompo / Ziphunzana	
	Electricity	Electrification of informal settlements	Moscow, Khayelitsha, Dotwana, Bhengu	
	Housing	Housing development required in Moscow, Khayelitsha, Dotwana & Bhomela. Sites that were vacated during the apartheid era should also be developed.	Gompo / Ziphunzana	
	Bridge	Footbridge requested between Siya street and Khayelitsha informal settlement	Gompo / Ziphunzana	
	WARD 9	Sanitation	Ablution blocks are in a bad condition as the infrastructure is aging. Some areas have no toilets at all.	C Section informal area, Stoneydrift and Readymix informal areas
Roads		Tarring and overlay of streets is required. No storm water drainage system.	Braelyn Ext 10; Toilet City, Amalinda	
Sports and Recreation		No sports and recreation facilities	Merrifield Park Amalinda	
Housing		High density and overpopulation	Stoney Drift (Amalinda), C Section & Readymix in Cambridge	
Unemployment		There is a high rate of unemployment in the ward	Stoney Drift (Amalinda), C Section & Readymix in Cambridge	

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 10	Potholes	Potholes need attention in this ward and the gravel roads need to be tarred. The damage and non- tarred roads are causing extreme damages to the cars and the potholes are also the cause to road accidents	Alphendale, Vergenoeg
	Grasscutting and bush clearing	The grass is very long and it looks like a mini forest. It needs to be scraped clean. The bushes needs to be cleaned around in between shacks because when it is very hot the snakes comes out of the bushes and goes inside the shacks.	Alphendale, Vergenoeg
	Housing	The people of the ward requests 4 roomed houses with yards, toilets, water and electricity . They have been staying in shacks for more than 20 years.	Alphendale, Vergenoeg
	Big Plastic containers	A need for big plastic containers at various spots in the ward to throw rubbish and grass and so as to keep the are neat and tidy	Alphendale, Vergenoeg
WARD 11			
	Housing	We need houses for the people who are living in informal settlements	N.U 2 & N.U 5 areas
	Roads	We request BCMM to maintain gravel / tarring of roads	N.U 2 & N.U 5 areas
	Water and Sanitation	Provision of potable water and proper sanitation is requested	N.U 2 & N.U 5 areas
	Electricity	Electrification of informal settlements	N.U 2 & N.U 5 areas
	Multi-purpose Community Centre	A multi-purpose community centre is needed in the ward and BCMM should create employment opportunities to eradicate poverty	Ward 11

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 12	Houses	Community is frustrated and demanding houses as it is over 20 years now.	Dacawa, Veiwano, Nkomponi, Ndlovini, Smilling Valley
	Electricity	Electrification of Informal settlements	Dacawa, Veiwano, Smilling Valley, Nkomponi, Ndlovini, Masizakhe
	Flushing Toilets	Unhealthy non flushing toilets are a hazard to children and the community	Gqozo Village, Mdantsane East, Nkomponi, Veiwano
	Bush clearance	A need for this service as there is increase of crime	Whole ward, all areas surrounded by bushes
	Roads	Lack of access to other areas and roads in general are not in good conditions	Veiwano, Dacawa, Nkomponi, Smilling Valley, Gqozo Village, Mdantsane East
	WARD 13		
WARD 13	Housing	People living in shacks in areas that are vulnerable, some were left out in the registration process	Reeston, Dice, Scenery Park, Hutchinson, Jevons land
	Community Hall	No community hall or centre for holding meetings, voting etc	Haven Hills
	Electrification	some houses in the ward do not have electricity as a result people do illegal connections which is dangerous.	Reeston, & Scenery Park
	Roads	Roads are very bad and there is a need for tar road, stormwater drains as water flows on the road and and go to houses which causes damages.	Reeston & Scenery Park
	Water & Sanitation	Standpipes and toilets (communal for shacks)	Reeston, Eureka, Havenhills,

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 14	Roads	Our roads need to be surfaced, tarred and be maintained	Entire Ward
	Pedestrian Bridge	A Pedestrian bridge just to cross next to area 68-72 especially for learners to Kanyisa Primary.	Next to eSithembiso Secondary school
	Grass Cutting	There is a small bush behind NU4 Rent Office, in schools and also around the roads. This is where children are being raped.	Entire ward especially eSithembiso Secondary School
	Community Hall and Housing	The land has been identified for the hall just behind the rent office. Sharing houses must be separated	NU3
	Electrification of Informal Settlement	There is a big fight between four-room residents and those from Informal Settlement because of illegal connections.	The whole ward is affected
	WARD 15		
	Electrification		Cambridge location;
	Roads & Stormwater	Resurfacing & potholes to be fixed; Stormwater drainage needed	Cambridge location; Cambridge Town; Vincent & Vincent Heights
	Solid Waste	Refuse removal, clearance of illegal dumps, signage to curb illegal dumping	Cambridge location & Cambridge Town
	Sanitation & Sewerage	Bucket system to be eradicated and decent toilets provided	Cambridge location
	Street Signage	Signage should be replaced	Cambridge Town, Vincent & Vincent Heights
	Bush clearing & Grass cutting	Parks to be kept clean, pavements to be kept clean from grass/weeds & bushes should be cleared.	Cambridge location; Cambridge Town; Vincent & Vincent Heights

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT	
WARD 16	Community Hall	A community hall to hold meetings for the community of the ward is needed.	Entire ward	
	Tarring of road - Amalinda Forest		Amalinda Forest	
	Bridge	A need for a bridge connecting between Simanyene and Amalinda Forest	Simanyene, Amalinda Forest	
	Availability of land for houses		Amalinda Forest Squattercamp	
	Vegetation control			
WARD 17	Electricity	Decrease of illegal connection for those who are living in informal settlements	Mathemba Vuso, Sonwabiso, Bufferstrip, Ramaphosa, Zola & Zimelel park, Gwetshe Village, Ekuphumleni	
	Roads	Roads to be tarred or in the meantime to be gravelled	All areas in ward 17	
	Housing	Welfare houses - current occupants to be allowed to own those houses	Mathemba Vuso, Sonwabiso, Bufferstrip, Ramaphosa, Zola & Zimelel park, Gwetshe Village, Ekuphumleni, Eluxolwe ni and Cuba Location	
	Community Hall	No place to hold community meetings and there is a need for identification of land between NU4 Rent office and Clinic	NU3 & NU4	
	Toilets and foot-steps	People living in informal settlements need toilets and foot-steps between their shacks because there are no roads	All Informal settlements around ward 17	

WARD NUMBER WARD 18	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Electricity	Repair all switch housing - Paint, gutters, grass cutting around buildings, Secure all infrastructure against vandalism - Locks on Doors, Burglar Bars, Replace rusted light poles, Paint light poles and number all poles, General maintenance and upgrading all year.	Berea, Selborne, Baysville, Southernwood, Nahoon, Stirling, Bunkers Hill
	Roads	Overlaying of badly damaged roads, stormwater drains cleared and cleaned, Curbs replaced and gutters, Paint all island, Replace all old green street, Replace all suburb names, Suitable inspection covers where steel covers are missing - not gutter bridge slabs that are dangerous and cause injuries	Nahoon, Woodheigh, Stirling, Bunkers Hill, Berea, Selborne and Southernwood
	Water and Sanitation	Maintenance and augmentation in terms of Development. All to operate as Internal Business units in terms of section 78 study. Replace all broken water meter lids	All suburbs in the Ward
	Drop off points	Construction of drop off points for Stirling Primary School in Dunbar Road and Epsom Road	Stirling Primary School, Stirling
	Environmental	Construct anti erosive measures along the Inhlanza River so as to shore the sewer interceptor ie GABIONS and BASKETS, Secure sewer pipe and grounds, Construct and access road to silt trap - to do maintenance, clear invaders, Wark ways and parks along Inhlanza Employ workers, 5 people to keep Inhlanza free of invaders and refuse. Notice boards along Nahoon Beach, James Pearce Pair, all picnic areas to stop noise, loud music, drinking in public, dogs on beach, fires tec. Fence off James Pearce Park and install a lock-able gate, Reinstate the existing Botanical Gardens in Selborne to its previous glory. Replant, clean up, maintain	Inhlanza River, Nahoon Beach, Botanical Gardens (Selborne, Berea, Stirling, Nahoon)

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 19	Refuse Collection, Street Sweeping, Grass cutting & Bush clearing	Refuse to be collected on a regular basis, Recycling of refuse to be a priority in BCMM, Create employment, Purchase of mechanical street sweeper - save on refuse bags for distribution elsewhere, Regular grass cutting in summer, collection of grass and refuse - compost making creating employment, maintenance of parks and BCMM open space on a regular monthly basis - Employ 5 workers for ward 18 only	Entire Ward
	Housing	Low-Cost housing, High density/social housing	As per land availability
	Roads	Refurbishment of some roads, Upgrading of roads, Bridge upgrading, Maintenance of stormwater drains	Pefferville, Parkside, Buffalo Flats
	Youth Development Centre	There is a need for a Youth Development Centre	Buffalo Flats
	Opening of Access Road to West Bank from Buffalo Flats via Latimer Landing	Re-opening the old access road to ensure smooth flow and reduction of traffic jams	Between Buffalo flats and the old bridge at Latimers Landing
	Sport fields and playgrounds	Existing sport fields graded, Public open spaces be developed into sports fields and children playgrounds	Ward-areas to be identified
WARD 20	Building of houses	Provide service delivery to limit the number of Informal settlements that are being set up overnight because of the big families	Khayelitsha -7, Mphilisweni - 7, Ramaphosa - 7, Daluxolo - 6, Ekuphumleni - 7, Slovo - 6, Vukani Park
	Tarring of Roads	Solving the problem of vehicles being damaged by pot holes, Avoiding air pollution caused by vehicles (on roads without tar, also for the comfort of pedestrians).	NU6 &7
	Renovations of sport grounds and sport facilities	To keep youth away from drugs, crime and alcohol, To groom and develop future stars and to build a healthy nation.	NU6 &7
	Gymnasium and Indoor sports accommodation, Projects accommodation eg sewing, beading, Arts& craft, Traditional dance etc	For health purposes, Developing talents and skills for different activities, and to improve the standard of the project	Informal Settlement N.U.6 &7
	Day Care Centre sites	Better development and shelter for early childhood, for the protection against child abuse, to alleviate poverty by providing nutritious food for the learners	Informal Settlement N.U.6 &7

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 21	Housing	The informal settlements are requesting houses and infrastructure eg some need toilets	NU13, NU15, Fort Jackson
	Roads	the roads need to be tarred, requesting speedhumps at NU13	NU13, NU15
	Electricity	Informal settlements need electricity to avoid izinyoka. Need Highmast and street lights	NU13 - Mahlangu, NU15 - Tambo Park, Fort Jackson
	Unemployment	The community, mostly the youth, women are unemployed and are requesting assistance from BCMIM.	NU13, NU15, Fort Jackson
	Community Hall	NU13 Community need a hall to use for funerals, weddings and other activities.	NU13
WARD 22			
WARD 22	Community Hall	Community Hall - to be constructed in the centre of the Ward and Sport Fields.	In the centre of Ward 22 Area used to be Bus Depot
	Roads	All Roads to be tarred	NU14 Rent Office and NU16 Ward 22 areas
	Community Centre	Community Centres at NU14 and NU16 to be utilised for the payment of accounts and purchase of electricity.	NU14, & NU16 Rent Office
	Housing Project	For all the informal settlements, Sharing houses and back yard snacks in the ward	Sisulu NU14, 1,2 &3, Kinshasa, NU14, Mlatsheni NU16, Masakhe NU 16, Nteki Village NU 16
	Mobile Clinic	The clinic is needed in NU14	NU14

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 23	Community Hall	No hall to hold community meetings	NU17, Nxamkwana Village
	Access Roads	Roads in the ward are in very bad conditions	Potsdam Village, Nxamkwana Village
	Housing	Blocked project, Community living in shacks	CC18, Potsdam Village
	Electricity	NU17 Streetlights, Infill at CC18 and Potsdam	NU 17 CC18, Potsdam
	Bridge	Access Bridge between Potsdam and Phumlani	Potsdam
	WARD 24	Electricity	There is a lot of Izinyoka (illegal connections)
Provision of Houses		A lot of informal settlement with shacks and also mud houses in rural areas are in bad conditions	Informal settlement and Rural areas
Tarred Roads and maintenance		All roads in the ward are in a bad condition	All areas both Urban and Rural
Toilets		Toilets in informal settlement are needed	Kanana area, Ikhwezi and Mbekweni area
Community Hall and Sport fields		No community hall in the areas of the ward	Land has been identified for the community hall, Mbekweni, Unit P, Kanana, Msintsi and Ikhwezi
WARD 25		Tarred Roads	Gravel Roads need to be tarred as they are badly damaged by storms
	Housing	There is a great need of housing in ward as there are houses for people since 1997 after sweetwaters phase 3	Zone 8, Zone 9 and Pakamisa

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Lights (Highmasts)	There is a need for streetlights and Highmasts in the area between Zone 8 and 9 as there is still a high rate of crime because of darkness	Zone 8, Zone 9
	Play-ground	No playground available for youth entertainment	Pakamisa
	Speed-humps, Potholes	Speedhumps are needed at Zone 8 Main Road because of taxis travelling at high speed	Zone 8, Zone 9 and Pakamisa
WARD 26			
	Formalisation of Farm 270 Msobomvu	No roads, clean running water and electricity	Farm 270/ Msobomvu
	Tarring of access roads	Transport especially bus and taxis battle to transport people bus roads is in bad state especially when raining , to cut costs and for a long term solution	Gwiqi via Mpundu to Zikhwaba, St Mary to Nkqonkqweni
	Renovation of Community Halls	These halls were built and never maintained they need some renovations	Mpundu, Zikhwaba, Gwiqi, Msobomvu, Mzonkeshe, Khweyana, Nkqonkqweni
	RDP Houses and Toilets	Houses have never been allocated to Newlands	All Villages
	Fencing of Cemeteries	Three cemeteries have been fenced and people complain	Zikhwaba, Nkqonkqweni, Mzonkeshe, Eku-phumleni, Msobomvu and St Marys
WARD 27			
	Water and Sanitation	Upgrade of the sewerage system	Komanishi
	Electrification	Upgrade of electricity	Komanishi
	Roads and Storm water drainage	Widening of Gonubie Main Road to create additional traffic lanes, Resurfacing of roads, repairs to the Gonubie boardwalk	Gonubie and Sunrise on Sea
	Land & Housing	Land required to provide rural housing for the Nkwezana community	Nkwezana
	Gonubie Small Craft Harbour	Small Craft Harbour to have links with the main EL Harbour.	Gonubie

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 28	Housing	To fight mushrooming shacks in the ward	Mzamomhle informal settlements
	Electricity with cameras, High Mastlights	Too much crime rate just for easy identification of Robbers	Mzamomhle informal settlements
	Cemetery	Too far for the community to use Amalinda and Ma-cleantown	Mzamomhle Township
	Sportfields	There is only one uneven field for a vastly grown-up community	Mzaomomhle Township
	Boardwalk at Riegerton	People of Riegerton become victims of thugs when crossing the bush areas to King's Mall	Riegerton area
	WARD 29		
WARD 29	Housing	Many people are still living in informal settlements	Nompumelelo and Ducats
	Electricity	People are being robbed on the road. No electricity as it is too dark especially in winter	Ducats
	Electrification of informal settlements	It is not safe for youth to play at night and residents need electricity for lights and cooking	Nompumelelo
	Tarred Roads	No tar roads between the houses, only the main road is tarred.	Nompumelelo and Ducats
	Community Hall	A community hall is needed in the ward as it used as shelter for squattercamps in times of disaster	Nompumelelo
	WARD 30		
WARD 30	Houses and sites for Informal settlement & ablution facilities	Build houses for people living in informal settlements and provide sites for those to be taken to new areas and assist those needing help. There are no toilets in Masibambane and Gomomo	Masibambane Park, Phola Park, Joe Slovo Park, Holomisa Village, Winnie Village, JF Mati and Gomomo Village. Toilets in Masibambane and Gomomo

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Tarred Roads	NU9 & 10 Roads are very bad especially the roads in informal settlements and gravel roads and the areas in Cuba	Cuba, NU9 & NU 10 of all the roads of ward 30 except already tarred roads
	Upgrading streetlights and service of high-mast lights	All the lights along the road are not working well and the highmast lights need to be serviced as some are not working well	lights along the main road, the streets in the areas and the highmast lights in NU9 & NU10
	Electrification of Informal settlements	The circuit that distributes electricity to some areas are breaking due to some illegal connections ie Izinyoka	All informal settlement of ward 30 and the area of Cuba
	Grass cutting and bush clearing	To prevent the victimisation of innocent people by thugs, who hide in the bushes or long grass to ambush innocent people	Entire ward
WARD 31			
	Land & Housing	These areas have been waiting for availability of land for housing development	Fort Grey, Bongweni, Overton, Lillyvale
	Water	water for the village is sour and unhealthy. Other areas need maintenance and additional standpipes. In Bongweni there is no running water	Bongweni, Sunny South, Shelford, Village 1 & 3, Fort Grey
	Streets	Tarred roads is full of potholes, gravel are inaccessible	Entire ward, Village 1 is in worse situation
	Electricity	The whole ward is not electrified especially extend areas around village 1, 2 & 3 and the informal settlement	Entire ward
	Jobs	High rate of unemployment, unskilled labour is the challenge, No projects that are taking place	Ward 31

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 32	Roads	The community is complaining that there are no roads and no internal streets in all the 25 villages.	Entire ward
	Electricity	The community has expanded and the need for electricity has increased since there are new extensions in the village	Entire ward
	Housing	This has been a talking point in the IDP public hearings as there is a need for a follow up on Phoziso Housing project urgently, and the mud houses are collapsing and people are subject to utter poverty	Entire ward
	Sportfield	In the IDP (Public Hearing) the community raised an issue of sport facility at Kampini Location and added another one for Dowu location. Mpongo Sport facility would be perfect since it would not be costly as there is already a field there (Rugby). A need for upgrading the field fence, put a standpipe and electrification, seatings and change rooms to be built.	Entire ward
	Water and Sanitation	This is an urgent issue as the recently built and finalised in May 2011 is falling apart. Out of 25 villages approximately 19 are experiencing the same problem	Entire ward
WARD 33	Roads and Stormwater		Altile, Hill, Gxethu, Welcomewood,
	Sanitation		Altile, Hill, Gxethu, Welcomewood, Gwiliwili, Cornfields, Kune 1 & 2, Thembisa
	Community Halls		Gwiliwili, Gxethu
	Sportsfields		Needscamp, Kune 2
	Fencing of graveyards		Kune 2, Altile, Hill, Gxethu, Welcomewood

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT	
WARD 34	Library	Dimbaza has many schools and pupils must spend money to go to town for library facilities	Dimbaza	
	Grass cutting team	A request for Dimbaza is to have its own team because it takes a long time to come back for grass cutting.	Dimbaza	
	Tarred Roads	A request for tarred roads because roads are not maintained regularly as it takes up to 4 years to maintain them.	Dimbaza	
	Houses	Renovation of Shutter houses and RDP houses	Dimbaza	
	Employment of booking clerk	Halls in Dimbaza are booked every weekend in Dimbaza and people have to pay to go to King Williams Town	Dimbaza	
	WARD 35			
	Sanitation/Toilets	This area is in great need of Sanitation	Tyutyu Village	
Community Hall	This area is unable to host funerals , community meetings because there is no community hall	Balasi Valley, Clubview,		
Electricity	The area has now grown / extended and the need for electricity is increased.	Balasi Location, Tyutyu Village, Zinyoka Location		
Roads	Roads are in very bad state, in rural part of the ward are also very bad much that attention is requested	Clubview, Tyutyu Village, Balasi Location, Zinyoka Location		

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 36	Roads	Roads infrastructure in the 10 rural villages of ward 36 has disintegrated, urban section is also in a bad state	10 villages of ward 36 and half of Dimbaza Township
	Housing	Rural housing development needed due to expansion of Dimbaza population.	Dimbaza Township and surrounding rural areas
	Community Halls	For meetings, funerals, church use, creche etc.	Initially applied for Pirie Trust and Zabalaza, but need has expanded through other villages
	Electrification	Required for rural extensions	all rural components of the ward
	Fencing of Camps	Currently there re virtually no grazing lands/camps in the ward, as all are unfenced	for all rural communities in the ward
	WARD 37		
WARD 37	Community Hall	Residents are exposed to adverse weather conditions on social grants days. Public/Ward meetings suffer greatly in numbers because of space. Official visits are hampered during school hours on school days	Tolofiyeni Village, Masingatha Village and West Bank
	Housing	There's an outcry of lack of housing. Families are overcrowded with their adult children	schornville, Masingatha Village, Mdingi, Tolofiyeni
	Water	Challenge of standing pipes without water. It is a serious challenge.	Mdingi Village, Tolofiyeni, Masingatha, West drive & WestBank
	Roads & Bridges	Rural areas - gravel roads need to be maintained and surfaced. Westdrive gravel portion to be tarred and westbank (KWT)	Mdingi Village

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Fencing	Agrarian Land/Agricultural Land. Westbank to be fenced -housing crime rate is very high.Fencing of National Roads within the ward's boundaries, livestock causes serious accidents	Masingatha Village, Westbank, Tolofiyeni Village, Mdingi Village
WARD 38			
	Community Hall	There is no place to hold meetings and social grants pay outs	Mzantsi, Leeveld, Mxaxo A, B, Thyusha, Kweleerhana, Lower Mngqesha, Noncampa, Zikhalini, Mantlane
	Electricity	businesses do not function very well without electricity	Dikidikana, Thyusha, Kweleerhana, Leeveld New Sites, Mzantsi
	Roads	Gravel roads become damaged when it is raining	Handers Mission, Thyusha, Kweleerhana, Noncampa, Mamata, Bridge between Mzantsi/Bulembu Gwaba, Bridge between Gwaba and Noncampa
	Fencing	Fencing is needed in order to avoid accidents caused by animals straying onto the roads.	Lenge, Zikhalini, Mxaxo A/B, Leeveld, Dikidikana, Thyusha, Kweleerhana, Mzantsi
	Toilets		Mxaxo A/B, Leeveld, Mzantsi, Lower Mngqesha, Dikidikana, Handers Mission
WARD 39			
	Hall/ Mini hall	Funerals are conducted in open spaces even during rainy days	Kwalini, Bonke, Ngxwalane, Rhayi

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Building of water tank / resevoir	The village is growing and is therefore experiencing water shortages	Kwalini, Bonke
	Revisit reservoir which was built in Ngx-walane	Township is also growing and experiencing shortage of water	Ginsberg
	Need tarred roads for low income houses	The roads are in a bad condition, most low income houses have gravel roads and potholes and gravel roads in the township	Ginsberg (all shacks), Lipota, Happy rest
	Fencing of rural cemetery, speed up grave issues in Ginsberg	All village cemeteries are not dignified, they need fencing to make them dignified.	Kwalini, Bonke, Rhayi, Ngxwalane, Ginsberg
WARD 40			
	Roads	Main and access roads so dilapidated. Request tar-ring of the main road	All 13 Villages
	Sanitation and Water	To meet RDP standard, Maintenance of infrastructure, water Reticulation at Ndileka Location. Water is being cart to this village	All Villages, Tubaletu, Bongweni, Mt Coke, Qongqotha, Tshabo II, III, eKuphumleni, Ndileka Village
	Halls	Only Tshabo II Village have a dilapidated hall. All twelve other villages are holding their meetings under trees	Dongwe, Tshabo 3, Fort Murray, Tubaletu, Bongweni, Ekuphumleni, Mlakalaka, Ndileka, Mt Coke, Godidi, Qongqotha, Mimosa
	Fencing of graveyard, grazing camps, Arable land, provision of Inputs and implements	For the purpose of assisting our co-operative, creating more jobs to assist them with tractors, scooping of dams for their livestock	All 13 Villages

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	RDP Houses	To assist the people to have their own houses, also to minimise disasters and to formalise their houses	Tshabo 3, Fort Murray, Mlakalaka, Ndileka, Goididi, Qongqotha, Mimoso, Mt Coke
WARD 41			
	Speed humps	be put in zone 1, 2, 3, 4, 5 roads - lots of current accidents	Zwelitsha
	Drainage reinstallation or revamp	Revamping of storm water drainage to prevent floods on rainy days. The centre to Zwelitsha to prevent unnecessary leakages	Zwelitsha
	Cemetery	Completion of fencing	Zwelitsha in Zone 10
	Rondavels	Renovation - they are in a bad state	Zwelitsha in Zone 5
	Tennis Court and sportgrounds	Tennis court in a bad state and hardly used. Local sports ground needs to be improved.	Zone 1, Zone 10 and Zwelitsha stadium
WARD 42			
	Housing	Since 2004, there are a lot of informal settlements	NU 1 and NU 2 Informal settlement, NU2- 7 Informal settlement
	Electricity	Informal settlements have no electricity, people are fighting over Izinyoka (illegal connections) at the informal settlement and 4 room houses	NU1 and NU2
	Community Hall	We've been writing letters since 1994, we had requested a community hall at Highway taxi Rank but later Boxer Supermarket was built instead.	NU2
	Water and Sanitation	Most of Squatter Camps do not have toilets and taps.	NU 1 and NU 2
	Swimming Pool storm water drain and Job opportunities eg (Project)	Since 1994, the community had a complaint about a swimming pool but till to date nothing has been done. Sidewalks and storm water drain were also requested.	NU 1 AND NU 2

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT	
WARD 43				
	Housing	Planning of the new settlement and rural houses	Tyutyu, Peelton, Hannover	
	Electricity	Electrification in Hannover	Hannover	
	Community Hall			
	Roads		Bisho, Tyutyu, Peelton and Hannover	
WARD 44				
	Fencing	Needed to enclose camps and prevent stray animals, all cemeteries also need fencing.	Tshatshu and Zizeni Location, Breidbach	
	Bridges and Speed humps	Required in order to link Tshatshu and Qalasha, kids cannot go to school when the river has flooded, main road needs speed humps to stop drag racing in Breidbach	Tshatshu, Zizeni, and Qalasha location, Breidbach, Golf Course	
	Roads	Roads are needed to get access for emergency vehicles (Taxis, ambulances & police), Some roads need upgrading.	Tshatshu and Zizeni Location, Siyathemba Location, Acorn Valley, Sewendelaan, Golf Course,	
	Housing	Rectification of RDP houses, No RDP houses or Social Housing or Rural housing.	Sewendelaan Township, Arcon Valley, Qalasha, Siyathemba location, Sweetwaters, Breidbach,	
	Water and Sanitation	Settlements have no toilets and taps	Arcon Valley, Siyathemba Location,	
	Sports and Recreation	Kids have no places to play, no community halls	Siyathemba location, Acorn Valley, Breidbach, Sweetwaters, Golf Course,	
	Bush clearance and grass cutting		Breidbach, Sewendelaan, Sweetwaters, Golf Course	

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 45	Electricity	290 houses (of which 177 are shacks and 113 are RDP houses) in Ilitha North need electricity. From 1994 these houses have been without electricity.	Ilitha North and Ilitha South
	Sanitation	Berlin still uses septic tanks which cause a stench	Berlin Town
	Roads and Storm water	No access roads at Skobeni & Tshabo. Request a tar road at Ilitha & Berlin	Skobeni; Ilitha; Berlin; Tshabo
	Housing	No RDP housing at Skobeni and Berlin	Berlin & Skobeni
	Fencing of Cemetery	All areas require fencing	Tshabo; Skobeni; Ilitha; Berlin
	WARD 46	Potholes in all areas in the ward	The roads have already been accessed and waiting for implementation
Bush clearing, grass cutting in municipal space		All the municipal sites are having long grass and tall trees. Crime rate is too high in the area	Sunset Bay, West Bank, Greenfields, Sunyridge Extension, Greenfields, Orange Groove, Leaches Bay, Fulas Bay
Settlers way to airport needs through cleaning		Settlers way is the face of tourists, it is an industrial area too. Therefore there is a need to beautify settlers way and keep it clean all the time.	Settlersway to Airport
Storm water drains need regular cleaning. Parks and Grave Yards		Storm water drains must be cleaned regularly. Parks must also be cleaned to avoid crime	Sunset Bay, West Bank, Leaches Bay, Fulas, Waterworld, Greenfields, Sunyridge
Basic Services in Informal settlements like Water and Sanitation		A bucket system in Leaches Bay since 2011 and that was never collected. No taps and toilets for unfinished houses	Orange Groove, No toilets at all. Leaches Bay, Informal houses and in some houses

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 47	Sleeper site Development	Currently the land is owned by Transnet	Quigney
	Marina Glen and Beachfront	Development is requested as the area is attracting tourists	Quigney
	Gillwell Taxi Rank	A need for development of the taxi rank	CBD
	Street trading regulation	Informal traders with no trading licence in the CBD.	CBD
WARD 48	Housing	Informal settlements	Chris Hani Park
	Roads	Tarring of gravel roads	NU 11 & NU 12
	Unemployment	Jobs for youth	NU 11 & NU 12
	Bush Clearing	Open Spaces need to be cleared of bushes	NU 11 & NU 12
	Bridges and Sidewalks		NU 11 & NU 12
	Sanitation	Toilets	Z. Soga & Stofile Village
	Electricity	Electrification of areas without electricity	Z. Soga & Stofile Village

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 49	Small bridge to cemetery and fencing of cemetery (new and old sites)	Members of the community are walking on their way to work, a foot bridge is requested	Gesini
	Housing and toilets	People in the village have no houses	Entire ward
	water and electricity	people in the village living without water and electricity	New Bright and Nqoqaga
	Clinic	There is a large number of people living in the ward an additional clinic is therefore requested.	Velwano
	Roads and speedhumps	Roads in a bad state, and a need for speedhumps as there are many accidents in tar roads	From Embangeni to Epitsini and the entire ward
	WARD 50		
	Roads Infrastructure and storm water drainage	Roads in the ward need to be tarred to allow access to all areas by vehicles. Roads in informal areas need to be upgraded for easy access by emergency vehicles	All areas in the ward
	Electricity	Due to shortage of high-must lights all lights should be installed in order to reduce crime	All areas and streets in the ward
	Housing	The ward has almost 300 shacks and backyard dwellers, therefore there is a need for formal houses. There is also a backlog housing data list.	All informal areas in the ward
	Job Creation	Unemployment and poverty is the main issue. Crime is also increasing.	All areas in Ward 50
	Clean-up campaign	A clean-up campaign is needed to stop illegal dumping. There is also a need for a big dumping site.	All areas in Ward 50

ANNEXURE D: OLD BCMM STRUCTURE OPERATIONAL FRAMEWORK & STRATEGIES

1. Introduction

BCM was established in terms of the Provincial Gazette Extraordinary 28 February, Notice 22 of 2000 (with a number of subsequent amendments). The establishment brought together the transitional local authorities of East London and KWT, as well as the large rural areas that previously fell under the Representative and Coastal Councils.

Since then, substantial work has been undertaken to structure and re-orientate the municipality on an operational level so as to ensure its effectiveness for delivery on its developmental mandate as outlined in the Constitution and Buffalo City's IDP.

This work is not a static, once-off process, but a continuous process of evaluation and re-orientation to ensure that the organisation remains relevant to the changing situation and the developmental objectives outlined in the IDP.

2. Buffalo City Municipality: Political Structure

The section 12 notice published by the M.E.C. for Local Government & Housing determined that Buffalo City 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.

The Executive Mayor has a ten-member Executive Mayoral Committee, a Speaker and eighty-nine elected councillors. Forty-four Councillors were elected in terms of the system of proportional representation and forty-five Councillors represent wards.

2.1 Ward Committees

Local Government elections were held on 1 March 2006, 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 45 wards. However, their term of office has since come to an end and the process to elect new Ward Committees is still on hold.

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.

2.2 Standing Committees

In terms of sections 79 & 80 of the Municipal Structures Act (117 of 1998) and Section 160 of the Constitution, Standing 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 Standing Committees with the new organisational structures and creating both Operational and Strategic Standing Committees.

The purpose of the Strategic Committees is to deal with issues of a cross-cutting nature that are seen as having particular strategic importance for the municipality. Previous Standing Committees were thus dissolved and the following Operational and Strategic Committees were created:

Operational Standing Committees:

- Corporate Services Standing Committee
- Development Planning Standing Committee
- Engineering Services and Infrastructure Standing Committee
- Finance Standing Committee
- Social Services Standing Committee

Strategic Standing Committees

- IDP, Budget Policy, Performance Management and Integrated Environmental Management Committee
- Special Programmes Committee
- Economic Development & Tourism Committee

These Standing Committees are chaired by Mayoral Committee members and have members from all political parties. The Operational Committees are limited to a maximum of 14 members and the Strategic Committees to a maximum of 7 members.

3. Buffalo City Municipality: Administrative Structure

The Buffalo City Municipality implements its Integrated Development Plan through its administrative structures 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 Operating Officer



Figure H.1: Buffalo City Municipality: Administrative Structure

The Municipality has an organogram with 9642 posts. However, only 4908 of these are funded positions.

BCM has developed organizational design principles, which are incorporated into an **Organization Design Policy**. This serves as the framework for all future changes to the organisational structure. The key to these design principles is ensuring the allocation and alignment of resources in terms of the IDP objectives.

3.1 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 & GIS
- Development Cooperation & Communications
- Executive Support Services
- Manager: Office of the Speaker
- Knowledge Management & Research
- Office of the Chief Whip

Figure H.2 details the organogram of the Directorate of Executive Support Services up to Management level.

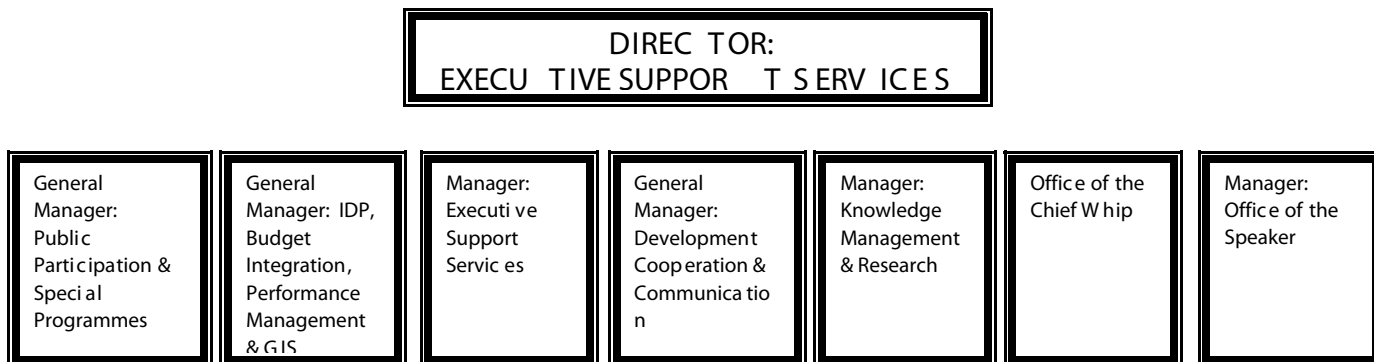


Figure H.2: Executive Support Services

1.2 Directorate: Corporate Services

The Directorate of Corporate Services consists of the following Departments, namely:

- Human Resources
- Organisational Support
- Internal Audit, Compliance & Governance

Figure H.3 details the organogram of the Directorate of Corporate Service up to management level.



Figure H.3: Corporate Services

3.3 Directorate: Planning & Economic Development

The Directorate of Planning & Economic Development consists of the following Departments, namely:

- Development Planning
- Transport Planning & Operations
- Economic Development, Tourism & Rural Development

Figure H.4 details the organogram of the Directorate of Development Planning & Economic Development up to management level.



Figure H.4: Planning & Economic Development

3.4 Directorate: Engineering Services

The Directorate Engineering Services consists of the following Departments, namely:

- Water & Sanitation
- Roads, Construction & Projects
- Electrical & Mechanical Services

Figure H.5 details the organogram of the Directorate of Engineering Services up to management level.

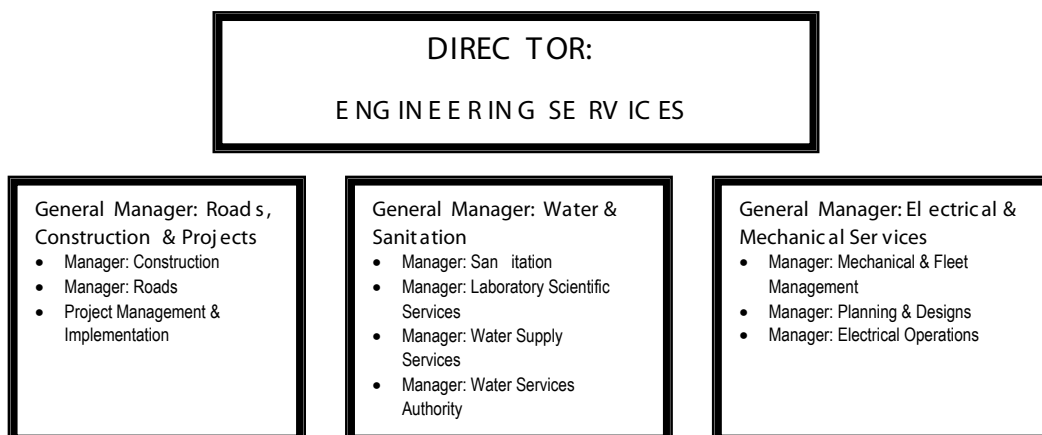


Figure H.5: Engineering Services

3.5 Directorate: Community Services

The Directorate Community Services has the following Departments, namely:

- Solid Waste Management
- Amenities, Arts & Culture & Environmental Services
- IEMP & Sustainable Development

Figure H.6 details the organogram of the Directorate of Community Services up to management level.

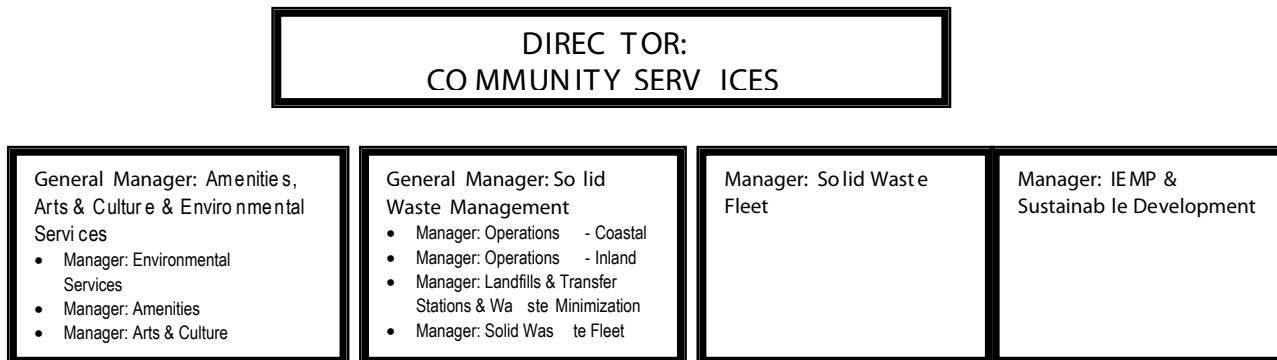


Figure H.6: Community Services

3.6 Directorate: Health & Public Safety

The Directorate Health & Public Safety has the following Departments, namely:

- Public Safety
- Health Services

Figure H.7 details the organogram of the Directorate of Health & Public Safety up to management level.

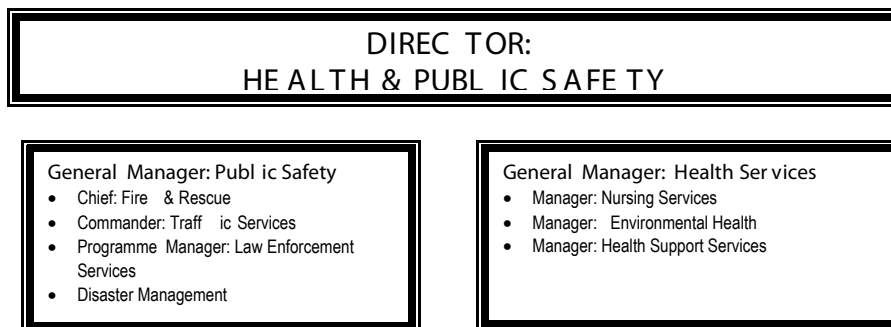


Figure H.6: Health & Public Safety

3.7 Directorate: Financial Services

The Directorate Financial Services consists of the following departments, namely:

- Asset & Risk Management
- Revenue Management
- Budget & Treasury
- Supply Chain Management

Figure H.8 details the organogram of the Directorate of Financial Services up to management level.

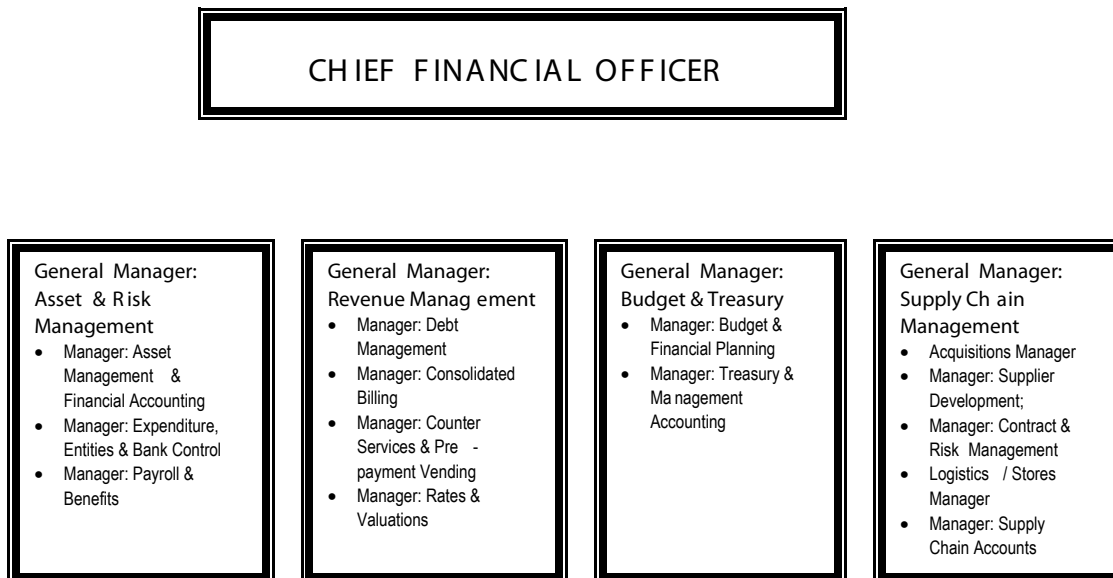


FIGURE H.8: FINANCIAL SERVICES

3.8 Directorate: Office of the Chief Operating Officer

The Directorate: Office of the Chief Operating Officer consists of the following departments, namely:

- Housing
- Special Projects
- Urban Renewal

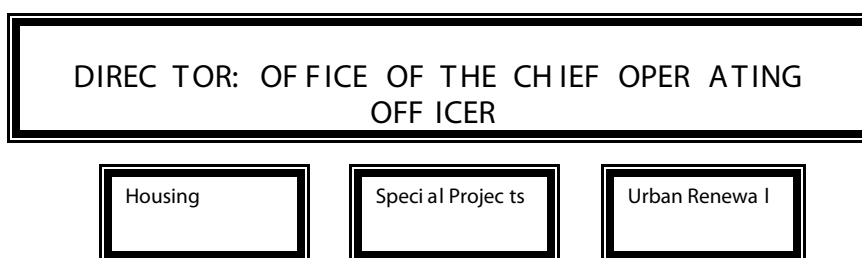


Figure H.9 details the organogram of the Directorate: Office of the Chief Operating Officer up to management level.

4. Integration & Coordination: Political & Administrative

The political and administrative structures work closely together to achieve the objectives of the Municipality as set out in the IDP. Strategies used to ensure alignment between the political and administrative arms of the Municipality include: the structuring of the Standing Committees linked to the Directorates, the placement of Mayoral Portfolio Committee Members within the offices of the relevant Directorates and Departments and through the workings of the IDP Cluster Working Groups and the IDP/Budget & Performance Management Representative Forum.

To implement the IDP, it is critical that all the Directorates and Departments co-ordinate and work together. This co-ordination is an on-going process that takes place through formal and informal means. Some of the formal structures include the Cluster Working Groups, the IDP, Budget and Performance Management Technical Steering Committee, the Municipal Manager's & Directors' Meeting, the General Managers' Forum and integrated project working groups.

4.1 IDP Cluster Working Groups

As noted above, the IDP was developed and has been reviewed using Thematic Integrated Working Groups or Clusters. The themes of these working groups or clusters include:

- Social & Environmental
- Spatial & Infrastructure
- Finance & Institutional
- Economic Development

These clusters are small strategic and operational teams led by directors or relevant key officials and Mayoral Committee members. Each of these teams is composed of representatives from all Directorates, officials who are involved in the direct management and implementation of issues linked to themes and all BCM Councillors.

The role of these Clusters is to ensure inter-directorate coordination, cooperation and strategic thinking with regard to the development and review of the IDP, Budget and Performance Management System.

The *Spatial Development Framework* highlights the need for integration and co-ordination in implementation. The *SDF* emphasises spatial integration.

The integrated cluster working groups should be utilised for this purpose, with clusters meeting on a quarterly basis to ensure continued co-ordination during implementation, to assess progress with IDP implementation, budget expenditure and to agree on any adjustments to the cluster budget.

An IDP/Budget and Performance Management Technical Working Group is in place and one of the key objectives of this Committee is to ensure integration and co-ordination.

4.2 Municipal Manager & Directors' Committee Meeting

The Municipal Manager meets with the Directors and Strategic Advisors on a monthly basis to discuss and make decisions on issues of strategic and operational importance, thereby contributing towards inter-directorate co-ordination.

4.3 Integrated Project Working Groups

Many of the IDP projects are implemented by inter-departmental project steering committees thus ensuring integration, not only in the planning phase, but also during implementation.



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