



nelson mandela bay
MUNICIPALITY

ONE CITY ONE FUTURE

*"An iconic, friendly, ocean city driven
by innovation, service excellence and
economic development
- a destination of choice"*

2017/18 - 2021/22

IDP

INTEGRATED
DEVELOPMENT
PLAN

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LIST OF ACRONYMS

ACDP	African Christian Democratic Party
ANC	African National Congress
ATTP	Assistance to the Poor
BEPP	Built Environment Performance Plan
CBD	Central Business District
CBOs	Community Based Organisations
CGDS	City Growth and Development Strategy
COPE	Congress of the People
CIDZ	Coega Industrial Development Zone
CITP	Comprehensive Integrated Transport Plan
CSIR	Council for Scientific and Industrial Research
DA	Democratic Alliance
DORA	Division of Revenue Act
EC	Eastern Cape
ECSECC	Eastern Cape Socio-economic Consultative Council
EDTA	Economic Development, Tourism and Agriculture
EFF	Economic Freedom Fighters
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
FLISP	Finance Linked Individual Subsidy Programme
FWFWWTW	Fish Water Flats Waste Water Treatment Works
GDP	Gross Domestic Product
GGP	Gross Geographic Product
GIS	Geographic Information Systems
GRAP 17	Generally Recognised Accounting Practices
GV	General Valuation
GVA	Gross Value Added
HIV/AIDS	Human Immunodeficiency Virus causing the Acquired Immunodeficiency Syndrome
HOVs	High Occupancy Vehicles
HSDG	Human Settlements Development Grant
HURP	Helenvale Urban Renewal Programme
ICDG	Integrated City Development Grant
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IDZ	Industrial Development Zone

IGR	Intergovernmental Relations
IPTS	Integrated Public Transport System
KPA	Key Performance Area
KPE	Key Performance Element
KPI	Key Performance Indicator
LED	Local Economic Development
LLF	Local Labour Forum
LSDF	Local Spatial Development Framework
LTFS	Long-Term Financial Strategy
LTFSP	Long-Term Financial Sustainability Plan
LUMS	Land Use Management System
MBDA	Mandela Bay Development Agency
MFMA	Municipal Finance Management Act
MOSS	Metropolitan Open Space System
MSDF	Metropolitan Spatial Development Framework
MSCOA	Municipal Standard Chart of Accounts
MUM	Management Union Meeting
MURP	Motherwell Urban Renewal Programme
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NEMA	National Environmental Management Act
NERSA	National Energy Regulator of South Africa
NGO	Non-governmental Organisation
NMBM	Nelson Mandela Bay Municipality
NMBM IDP	Nelson Mandela Bay Municipality's Integrated Development Plan
NMBMM	Nelson Mandela Bay Metropolitan Municipality
OHS & W	Occupational Health, Safety and Wellness
PA	Patriotic Alliance
PDP	Provincial Development Plan
PE	Port Elizabeth
PPE	Property, Plant and Equipment
NT	National Treasury
PDoHS	Provincial Department of Human Settlements
PMS	Performance Management System
POS	Public Open Space
PPP	Public-Private Partnership
PTIG	Public Transport Infrastructure Grant
QMS	Quality Management System
RDP	Reconstruction and Development Programme

SACN	South African Cities Network
SAIMI	South African International Maritime Institute
SANAS	South African National Accreditation System
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Services
SCOA	Standard Chart of Accounts
SCU	Sustainable Community Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDGs	Sustainable Development Goals
SMMEs	Small Medium and Micro Enterprises
SNDB	Sub-National Doing Business
SOEs	State Owned Enterprises
SPLUMA	Spatial Planning and Land Use Management Act
STATS SA	Statistics South Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
TOD	Transit Oriented Development
UDM	United Democratic Movement
UFEC	United Front Eastern Cape
UNS	Urban Network Strategy
USDG	Urban Settlements Development Grant
WWTW	Waste Water Treatment Works

FOREWORD BY THE EXECUTIVE MAYOR

The August 2016 Local Government elections delivered an exciting change of administration to Nelson Mandela Bay. This historic about-turn and rejection of the maladministration of the previous administration heralded in the new DA-led coalition government in Nelson Mandela Bay.

The participating coalition partners and their respective parties had all campaigned in one way or another on the offer of change and a commitment to stopping corruption, growing our economy in order to create jobs, and improving service delivery. These are the seminal issues that influenced the electorate to vote against the *status quo* and to vote for change.

It was also perhaps predestined that in a city named after our iconic first democratically elected President, Nelson Mandela, we would have to govern in a coalition of different parties in a spirit of cooperation, reconciliation and united interest to deal with the issues of all the citizens of the City and their respective needs.

This change of administration brought not only much excitement, anticipation and expectation, it brought a fresh approach to governance. Almost immediately after our elections, we embarked on the most comprehensive interaction with citizens ever across all sixty wards and all stakeholder communities in an endeavour to craft a credible IDP, based on the actual needs of all the communities in our City.

We also informed these communities unambiguously about what the objectives of this new administration are.

We have built our new administration on six pillars, which will form the foundation of what kind of city this new administration wishes to create in our term of office.

The first and probably most important pillar is to create an *Opportunity City*. This is intended to create, facilitate and stimulate an economic environment that is growing and able to provide job opportunities to especially our youth, who are faced with 49% unemployment. As long as this situation prevails, we will not be able to turn the current socio-economic conditions around. The opportunity to find a job brings dignity and independence and breaks the cycle of dependency in poor communities. This is our objective.

The next pillar, which is also directly linked to the one above, is creating a *Caring City*. Our vision of a caring city is one that treats everyone with fairness and that freedom and opportunity for all becomes a lived reality in our City.

Creating a *Safe City* is the next pillar of our strategy. This does not focus on crime and the combating thereof only, even though the role of the newly established Metro Police Service is central to achieving this, in collaboration with the SAPS. A Safe City is one that ensures that streets are illuminated, that roads are trafficable, so that commuters are not dropped off kilometres from where they live, that everyone has access to safe drinking water and safe electricity, and that women and children do not feel more vulnerable than other sections of society.

We also aim to create an *Inclusive City*, which deals finally with the spatial reality of the apartheid legacy, where we will do everything in our power to transform “townships” into suburbs and make provision for social housing within the confines of the inner-city and on vacant pieces of land in order to integrate communities who have for generations been separated by political design and kept apart from areas of economic opportunity.

Then, with regard to effective, efficient and economic government, we aim to be an example of good governance by becoming an exemplary and *Well Run City*. In this regard, we know where the bar is set in South Africa and, as the leading party in this coalition, we will use the examples of best practice that we have access to through the DA’s good governance department. We are

fortunate that we do not have to reinvent the wheel in this regard; we will select policies and practices that have yielded renowned results and apply these to our unique circumstances and needs.

In conclusion, we also intend to ensure that we are a *Forward Thinking City* that makes provision for multi-generational planning in order to avoid duplication or negligence, which results in wasted expenditure. We also believe that a forward thinking city is a Smart City and that every latest and practical application of the electronic and information age should be incorporated into our systems and daily operations in order to minimise bureaucratic bottlenecks and restrictive administrative red tape.

We are determined to become a destination of choice for investment in commerce by exploiting our niche economic and competitive advantage, such as having two world-class ocean ports. Tourism is also one of our singularly unique advantages in that we are rapidly becoming a sports tourism destination of choice, based on our magnificent climate and world-class beaches situated in a beautiful and safe bay that is home to some of our rarest ocean birds, mammals and fish.

Nelson Mandela Bay is open for business and we are committed to improving our image in the world's network of economic and tourism supply and demand. We recognise, too, the more and more important role major cities are playing in driving regional economies and we plan to be the main catalyst in our regional economic growth.



COUNCILLOR ATHOL TROLLIP

EXECUTIVE MAYOR

FOREWORD BY THE CITY MANAGER

The IDP is a five-year strategic living document that is reviewed on an annual basis. Following the 2016 Local Government elections, the 2016/17-2020/21 IDP was adopted by the previous Council in June 2016 was noted by the newly constituted Council, and the 2016/17 IDP and Budget schedule was approved. This IDP was duly subjected to public participation process, as prescribed by the Municipal Systems Act. There was an extensive public participation process which also prioritised consultation with key sectors that are significant role players in the economy of Nelson Mandela Bay, namely SMMEs and the manufacturing, automotive, construction, Green Economy, Ocean Economy, tourism, agriculture, transport and services sectors. This platform was also used to share the new vision of the NMBM – *“an iconic, friendly ocean City driven by innovation, service excellence and economic development – a destination of choice”*.

This vision is centred on six key pillars: The Well-Run City; The Opportunity City; the Caring City; The Inclusive City; The Safe City; and The Forward Thinking City. This IDP is the stepping stone towards achieving the vision of the City, based on these six pillars. The issues and needs raised by the communities from the six clusters in Nelson Mandela Bay, and the representatives of children, youth, elderly and differently abled persons; as well as key roleplayers in the Metro's economy, are all aligned to the six pillars. These stakeholders emphasised, amongst other things, provision and improvement of basic services; focus on early childhood development; the visibility of the Metro Police; job creation; the empowerment of SMMEs and the revitalisation of business hives; urgent engagement with Transnet to expedite the relocation of the manganese ore facilities and fuel storage tanks in order to develop the Harbour; strengthening collaboration within and amongst sectors; and revamping dilapidated signage across the Metro.

The expectations of our stakeholders require a change of mind-set in how we conduct our business as the City administration – it cannot be business as usual. This IDP is the beginning of a new journey that we are committed to embrace. It responds to the issues raised by our stakeholders.

The only gap that we must close, is the lack of active participation by sector government departments in the IDP process. The significance of their participation cannot be overemphasised, as they play a key role in the development of our municipal space; therefore, collaboration with them is important. We should therefore strive for the IDP not only to be seen as, but to become a central planning tool for the three spheres of government.

Many thanks to our stakeholders who participated during the review process of the IDP. Their inputs have enriched our five-year road map.



JOHANN METTLER
CITY MANAGER

CHAPTER 1: INTRODUCTION

1.1 Context and overview

Municipalities are constitutionally mandated to prepare a five-year Integrated Development Plan (IDP), which serves as a strategic action and service delivery oriented resource and, as such, supersedes all other plans that inform the developmental agenda in local government. Accordingly, the Nelson Mandela Bay Municipality's IDP outlook is guided by its developmental goals, including the programmes of the provincial and national government.

The Nelson Mandela Bay Municipality's IDP is a strategic planning instrument that necessitates the participation and input of all Metro residents. As such, it informs and guides all relevant planning, management, budgeting and decision-making processes within the institution.

It has the potential to transform local communities in direct response to the needs of our diverse communities and adapt to the changing demands and expectations. And for this reason, communities are participating more dynamically in decisions and resource allocation, especially around the municipal budget and strategic planning initiatives. This is given expression through active involvement, giving residents more say in the provision of services and by enhancing customer satisfaction as the primary determinant of our success in the provision of services.

The new administration, under the hand of a multi-party coalition, is facing a complex challenge of transforming the institution, to eradicate the legacy of apartheid and the dysfunctional state of affairs inherited from previous administrations. The new administration has engaged in a full evaluation of the functioning of every aspect affecting the lives of communities in Nelson Mandela Bay. It spells, succinctly, our vision and mission, which are given life and practical expression through the six foundational pillars on which the Municipality's developmental priorities are hinged.

Our Constitution requires us as local government to be developmental – a responsibility to structure and manage the administrative, budgeting and planning processes that will give expression and priority to the basic needs of communities and to promote their social and economic development. Hence our IDP sets out a vision for the future of local government in Nelson Mandela Bay, in line with legislation and the Constitution.

Our vision points to democratic local government in which the needs of all, but especially the poor and vulnerable communities, are met with efficiency and effectiveness. This will ensure that we are accountable, viable, and capable of delivering sustainable services that meet the diverse needs of our communities.

Our IDP, the strategic planning document against which this Council's performance is judged, is committed to its developmental vision and the creation of a vibrant local sphere that spells a clean break from the past. It is an implicit acknowledgement of our electoral mandate, but also to ensure that this mandate is constantly challenged and refreshed through oversight and scrutiny by communities that will ultimately effect meaningful change. In a nutshell, it is aimed and geared at restructuring and transforming municipal governance to meet the demands, first and foremost of our communities, as well as the demands of living in a globalised world.

Together with our communities, we have identified where we are and where we want to be in the future. And to do this, we realise that we need to understand the complexity of the challenges confronting our Metro and the significant trends that influence the direction in which the future unfolds. All of this needed to be taken into account when establishing the strategic plan for the future of our Metro. In doing so, we improved accountability and transparency with residents in order to achieve the vision and commitment of the city on its journey into the future. Developing accountability is a key aspect of our strategy as we engage with our residents through honest and frank dialogue to gauge expectation and measure performance around the needs of residents.

All of our efforts can succeed only if there is sufficient capacity within municipal leadership to drive the process for change. Political leadership is crucial in driving transformation and achieving the desired results in performance, as well as the need to ensure appropriate staffing levels and build the capacity of municipal employees.

This IDP is a bold and confident attempt to achieve the fundamental reorganization and necessary change of municipal governance in Nelson Mandela Bay as directed by our communities and as required by legislation and the Constitution. It has the innate potential to create a local government environment that combines the best from within communities with best practice from around the world that will stimulate socio-economic growth and play a key role in attaining our developmental priorities as outlined.

It is evident that we need new perspectives all the time to live up to the expectations of communities. We need to think and dream big – harness our collective dreams, knowledge, creativity, and motivation in order to find new ways to develop strategic city strategies for delivering prosperous and socially harmonious environments for all our citizens and the evolvement of Nelson Mandela Bay.

The enormous complexity of our Metro today means that the demands on infrastructure and services are extremely challenging. Not only are the basic needs of transport, housing, water and energy under strain, but new demands in other areas are on the rise. And for this reason, the IDP gives a holistic view that seeks to measure the impacts on and of development in our city. It envisages to improve services to residents through rapid response and innovative solutions that allows for more effective collaboration, resulting in better communication and better services for communities.

As the 21st century unfolds, and we move ever faster towards global economic integration, our role as a city is to drive growth, prosperity and social wellbeing. Nelson Mandela Bay must become a *Well Run City*; an *Opportunity City*; a *Safe City*; an *Inclusive City*; a *Caring City*; and a *Forward Thinking City* – which simply means a modern city, somewhere to grow, to develop and to enjoy. But also a place to work, to educate, to socialise and to relax. At the same time social disunity, crime and poverty cannot be ignored. These factors motivate the ongoing aspiration of a city that improves people's lives and meet their needs in all areas of life.

Change is real and the demands of the future are pressing on us all. We need to lead with the vision and the dreams that will empower and inspire all our people living in Nelson Mandela Bay. Our rapidly changing communities are creating a need for strategic development that offers constant innovation and a renewal of processes and people's attitudes. And this is exactly what this IDP encapsulates.

1.2 About Nelson Mandela Bay

A mecca for both local and international beach sporting activities and outdoor fun, Nelson Mandela Bay offers a bounty of rich pickings in many aspects. It combines the best of all worlds – the economic opportunities and benefits of a large city and the genuine, warm hospitality for which its residents are rightly famous.

The city's entry point showcases its monumental developmental aspirations and capabilities, with the most modern deep-water port in the Southern Hemisphere, the Port of Ngqura.

Nelson Mandela Bay is the hub of the automotive industry on the African continent, with many major international vehicle and component manufacturers based in the city. It is a preferred region for the manufacturing of pharmaceuticals, flour, meat, frozen veggies, soft drinks, chocolates, cheese, yoghurt, ice-cream, paper and leather products.

A paradise for nature lovers, nowhere else in South Africa does a city offer the Big 7 wildlife, malaria-free game reserves and such warm, friendly people. Furthermore, it carries the rich legacy of an area that saw the first meetings of the Khoisan, British, Dutch, German and Xhosa people.

The landing place of the 1820 Settlers, it boasts some of the finest Victorian and Edwardian architecture in South Africa.

1.3 Vision, Mission and Brand Promise

MISSION

To create Freedom, Fairness and Opportunity for all in NMBM; stop corruption; create jobs; and improve service delivery

VISION

An iconic, friendly, ocean city driven by innovation, service excellence and economic development – a destination of choice

BRAND PROMISE

One City One Future

1.4 Overview

The IDP is required to:

- link, integrate and coordinate plans and take into account proposals for the development of the Municipality and the achievement of transversal governance;

- align the resources and capacity of the Municipality with the implementation of the Plan;
- form the policy framework and general basis of annual budgets;
- be developmentally oriented;
- comply with the provisions of Chapter 5 of the Municipal Systems Act;
- be compatible with national and provincial and provincial development plan requirements, which are binding on the Municipality in terms of legislation.

The NMBM's IDP is anchored on six pillars; the foundations on which the Municipality's developmental priorities are hinged.

'THE WELL RUN CITY'

This pillar pertains to all initiatives that cater for meeting the standard operational expectations of the Municipality, including initiatives that address human resources, systems, accountable governance and the financial viability of the institution.

Objectives:

- Transforming the institutional systems, processes and organisational structure to one of high performance in order to effectively deliver basic services to a well-run city.
- Changing the way we think about and approach our work and ensuring that the Municipality is staffed with the right people for the right jobs with the right attitudes.
- Ensuring financial prudence and transparent governance and working towards eradicating corruption.

'THE OPPORTUNITY CITY'

The Opportunity City delivers on well-planned initiatives to enable and cultivate job creation and economic opportunity, develop competitive advantage, and ensure access to skills.

Objectives:

- Growing and diversifying the local economy through the attraction of new investment, skills development and the facilitation of an enabling environment for small business growth and job creation.
- Facilitating and promoting infrastructure-led growth, development and tourism.
- Executing existing and designing and implementing new projects that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.
- Developing an effective integrated public transport system that promotes access to opportunity through mobility.

'THE SAFE CITY'

This pillar speaks to all initiatives that address safety and security. It also includes those that create environmental safety, as well as safety for residents and tourists.

Objectives:

- Delivering well-resourced and capacitated policing and emergency services in order to ensure the safety of all communities and visitors.
- Providing infrastructure that improves the safety of communities and visitors.
- Improving the safety and security of Nelson Mandela Bay through community, industry and civic organisation partnerships.

'THE INCLUSIVE CITY'

This pillar relates to initiatives to promote equality and social cohesion and that enable informal means of mobility between communities.

Objectives:

- Ensuring responsible governance through consistent public participation, the effective functioning and support of Ward Committees and the creation of an environment in and systems through which participatory and responsive governance will thrive.
- Spatial and built environment developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay.
- Delivering on transformation objectives, promoting redress and fostering social cohesion.

'THE CARING CITY'

In a Caring City, equality is strived for through ensuring that all residents have access to delivery that promotes their well-being.

Objectives:

- Providing for the social needs of communities and empowering vulnerable people through provision of access to social services, social development programmes and indigent support.
- Promoting the health and well-being of all communities through the spatially equitable provision of social infrastructure.
- Providing effective general environmental and public health services.
- Providing dignified housing and sanitation and accelerating access to improved services to indigent households in order to create safe and decent living conditions for all residents.

'THE FORWARD THINKING CITY'

The Forward Thinking City is concerned with institutional innovation, support for research and development, and plans for future sustainability.

Objectives:

- Ensuring multi-generational planning that promotes sustainable economic growth through research and development, innovation and the optimal use and development of technology.
- Developing an environmentally sustainable city through proactive planning, and conserving resources and the natural and built environment.

CHAPTER 2: INSTITUTIONAL OVERVIEW

This chapter provides an overview of the political and administrative arrangements for the governance of the Nelson Mandela Bay Municipality.

2.1 Political structure

The Nelson Mandela Bay Municipality is governed by a coalition government, comprising the following political parties: the Democratic Alliance (DA), United Democratic Movement (UDM), the Congress of the People (Cope), and the African Christian Democratic Party (ACDP).

The political structure of the Nelson Mandela Bay Municipality comprises the Council, the Executive Mayoral Committee, the Portfolio Committees and the Municipal Public Accounts Committee (MPAC), as described below.

2.1.1 Council

The role of a council in local government is that of lawmaker and, as such, it focuses on legislation, participation and oversight. In addition, municipal councils facilitate political discussions and debate in order to assist in decision-making.

The Council of the Nelson Mandela Bay Municipality is headed by the Speaker and comprises 120 Councillors, elected through a mixed-member proportional representation system. Altogether 60 of those Councillors were elected through a voting process in the 60 wards that make up Nelson Mandela Bay. The remaining 60 Councillors were selected from party lists, on the basis that the total number of party representatives must be proportional to the number of votes received.

Of the 120 Councillors serving in Nelson Mandela Bay, 34 are female and 86 are male. The Democratic Alliance has the largest number of seats (57), followed by the African National Congress (ANC) (50 seats); the Economic Freedom Fighters (EFF) (6 seats); the United Democratic Movement (2 seats); and the Congress of the People, the Patriotic Alliance (PA) and the United Front Eastern Cape (UFEC) (1 seat each).

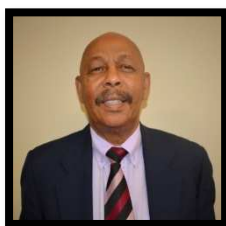
2.1.2 Executive Mayoral System

The Executive Mayor's role and responsibilities include identifying and prioritising community needs and drafting strategies to deliver on those needs. In addition, he has oversight of the delivery of services by the administrative structure of the City.

The Executive Mayor is supported by the Speaker, the Deputy Executive Mayor, the Chief Whip and a Mayoral Committee that comprises 10 members, each of whom chairs a Portfolio Committee. The Municipality has a functional Municipal Public Accounts Committee (MPAC) in place, which performs an oversight role in respect of both the political and administrative structures.



Councillor Athol Trollip
Executive Mayor









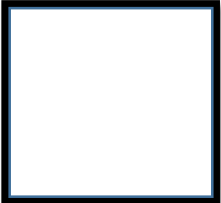
Councillor Jonathan
Lawack
Speaker



Councillor Mongameli
Bobani
Deputy Executive Mayor



Councillor Werner Senekal
Chief Whip

COUNCILLOR	PORTFOLIO
	Budget and Treasury
	Constituency Services
	Corporate Services
	Economic Development, Tourism and Agriculture
	Human Settlements
	Infrastructure and Engineering, Electricity and Energy
	Public Health

COUNCILLOR

PORTFOLIO



Councillor John Best

Safety and Security



Councillor Rano Kayser

Roads and Transport



Councillor Siyasanga Sijadu

Sports, Recreation,
Arts and Culture



Councillor Lance Grootboom

Municipal
Public Accounts
Committee (MPAC)

2.1.3 Office of the Chief Whip

The Office of the Chief Whip of Council has existed in the Nelson Mandela Bay Municipality since 2003. Its primary purpose, namely maintaining discipline amongst Council members, has evolved over many decades through custom and precedent in many legislatures around the world. The Office of the Chief Whip has been adapted to local conditions since the inception of parliamentary democracy in 1994. The contact point between the executive and legislative spheres of the Municipality is the Office of the Chief Whip.

The Office of the Chief Whip focuses on the following:


- Building better relations between the various political parties represented in Council.
- Political management of Council meetings.
- Management of the majority and Coalition caucuses.

The relationship between the political parties is enhanced through bi-monthly internal meetings, as well as multi-party Whippery meetings. The multi-party Whippery is the forum in which all parties represented in Council discuss the order of business in Council and determine which items serving before it will require debate.

The Office is also responsible for recommending to the Executive Mayor Councillors to serve on Committees and represent the institution on external bodies. In being a responsive coalition government, the Office also deals with addressing and resolving complaints that come directly from communities or through the Municipality's Petitions Office.

2.2 Administration

The Administration of the City is headed by the City Manager, Mr Johann Mettler, who is also the Accounting Officer.

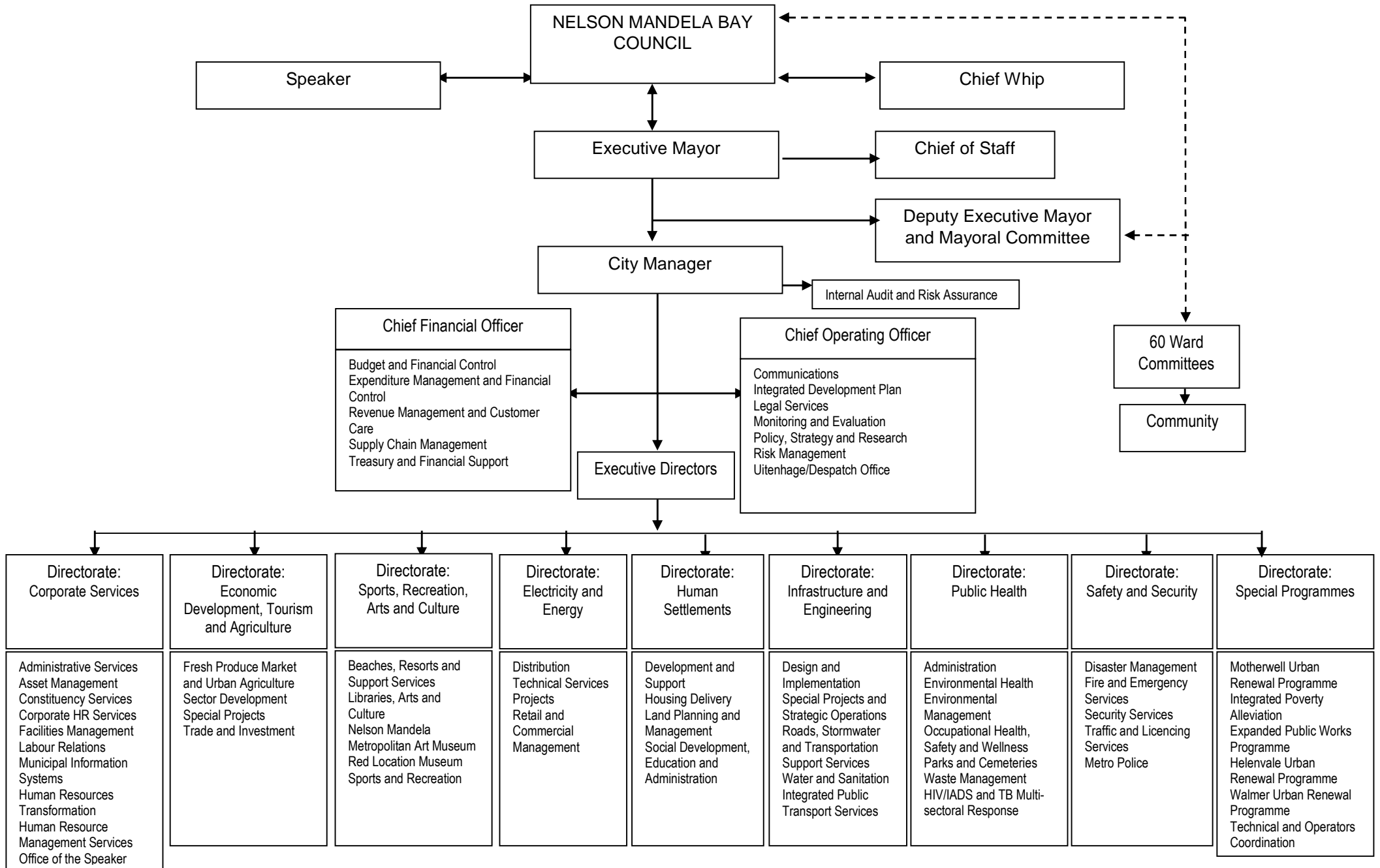
ACCOUNTING OFFICER	TITLE	
	Mr Johann Mettler	City Manager

The City Manager is appointed by the municipal Council and appoints an Executive Management Team to assist him in running the administration. He is, *inter alia*, responsible for implementing the IDP, which is the institution's five-year service delivery plan.

The Executive Management Team comprises 10 senior managers, each responsible for a portfolio, which largely matches the corresponding political portfolio.

The organisational structure of the City is presently being reviewed. The current organisational structure is as follows:

ORGANISATIONAL STRUCTURE OF NELSON MANDELA BAY MUNICIPALITY



CHAPTER 3: LEGISLATIVE AND POLICY MANDATES

The legislative and policy mandates that influence the activities of local government are numerous, encompassing international, national, provincial and regional influences. It is important that there is a direct linkage between the activities at a local government level and the broader strategic policy and legislative environment in order that a common vision for the development of South Africans and Nelson Mandela Bay residents can be achieved.

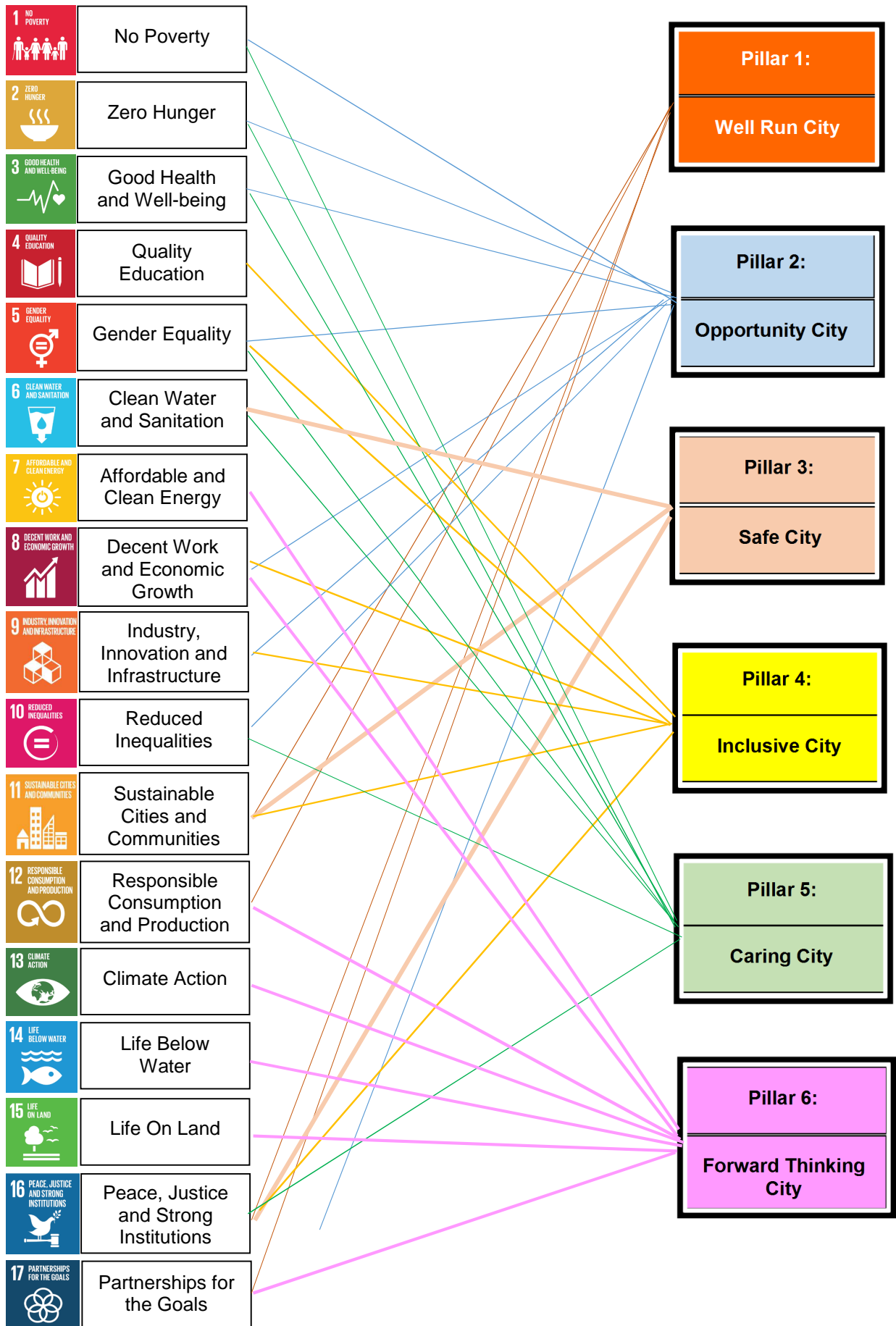
This section demonstrates the direct linkage between Nelson Mandela Bay's six pillars of action and the following legislative and policy directives, whilst acknowledging that there are numerous other mandates that are adhered to:

- Sustainable Development Goals (SDGs)
- National Development Plan (NDP) 2030
- Eastern Cape Vision 2030 – Provincial Development Plan (PDP)
- Medium-Term Strategic Framework Outcomes
- Batho Pele Principles

3.1 The Sustainable Development Goals

The Sustainable Development Goals (SDGs) is a set of 17 global goals with 169 targets, for achievement by 2030. The goals were adopted in 2015 by the 194 countries of the United Nations' General Assembly. South Africa is a member country. The following diagram shows the linkage between the 17 goals and the 6 pillars. Through the effective delivery of the 6 pillars, Nelson Mandela Bay will in turn contribute towards the achievement of the 17 sustainable development goals.

Linkage between Sustainable Development Goals and the 6 Pillars

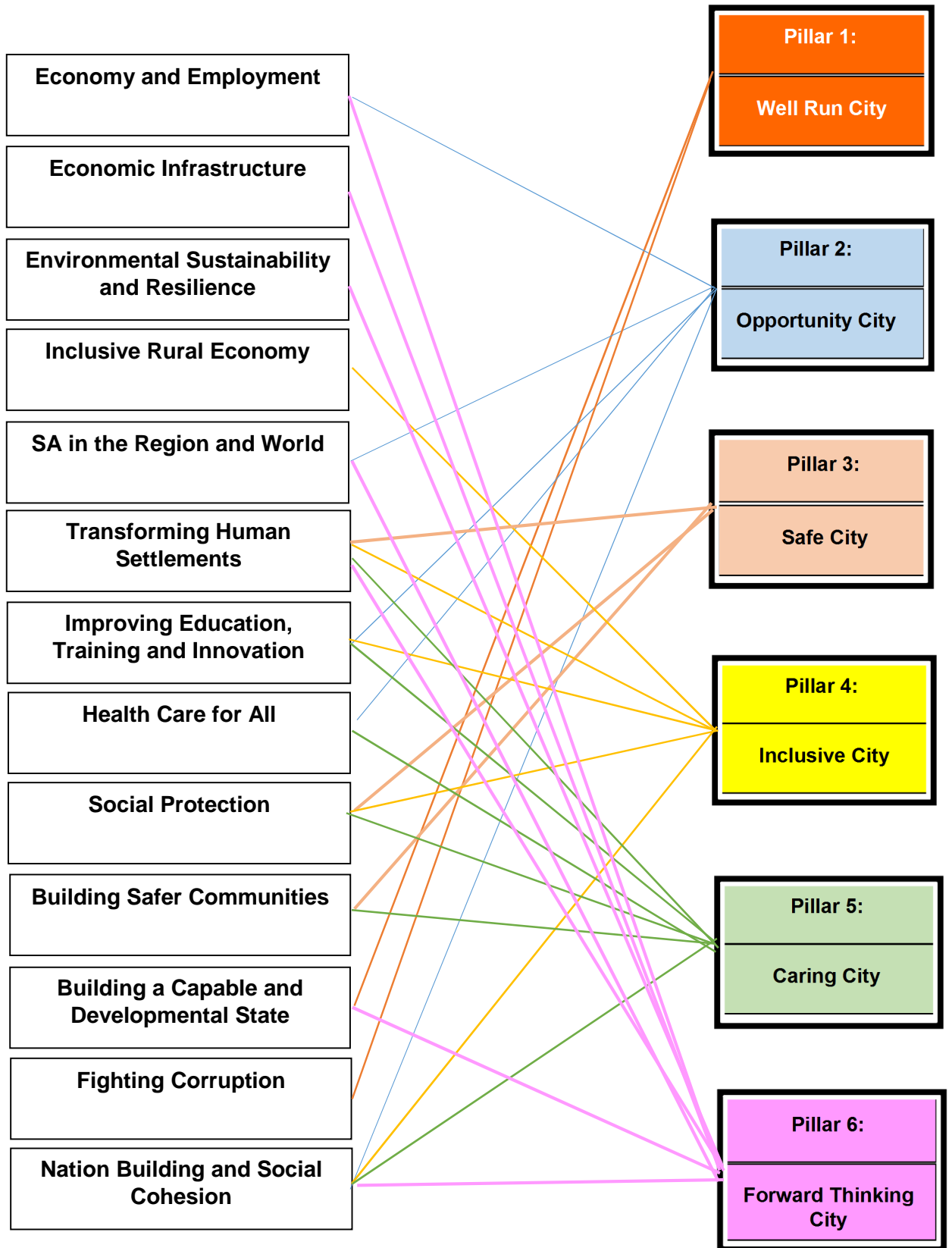


3.2 National Development Plan 2030

The National Development Plan (NDP) of South Africa was produced by the National Planning Commission in 2011. It aims through its implementation to eliminate poverty and reduce inequality by 2030. The Plan focuses on a number of thematic areas, which together will transform South African society in combination with capable institutions, a growing economy, increased capacity and leadership, and partnerships.

The thematic areas all have identified objectives and a number of actions that will give rise to the transformation of the *status quo*. The following diagram shows the linkage between the major thematic areas of the National Development Plan and the six Pillars of Nelson Mandela Bay. By demonstrating these linkages, the actions of Nelson Mandela Bay in achieving the objectives of the National Development Plan can be easily identified.

Linkage between National Development Plan 2030 and the 6 Pillars



3.3 Eastern Cape Vision 2030 – Provincial Development Plan (PDP)

The Eastern Cape Development Plan is grounded in the National Development Plan, but has specifically been developed taking cognizance of the critical priorities that face the Eastern Cape. The Plan was developed in 2014 and involved collaboration with citizens, organisations and institutions within and outside of the Eastern Cape.

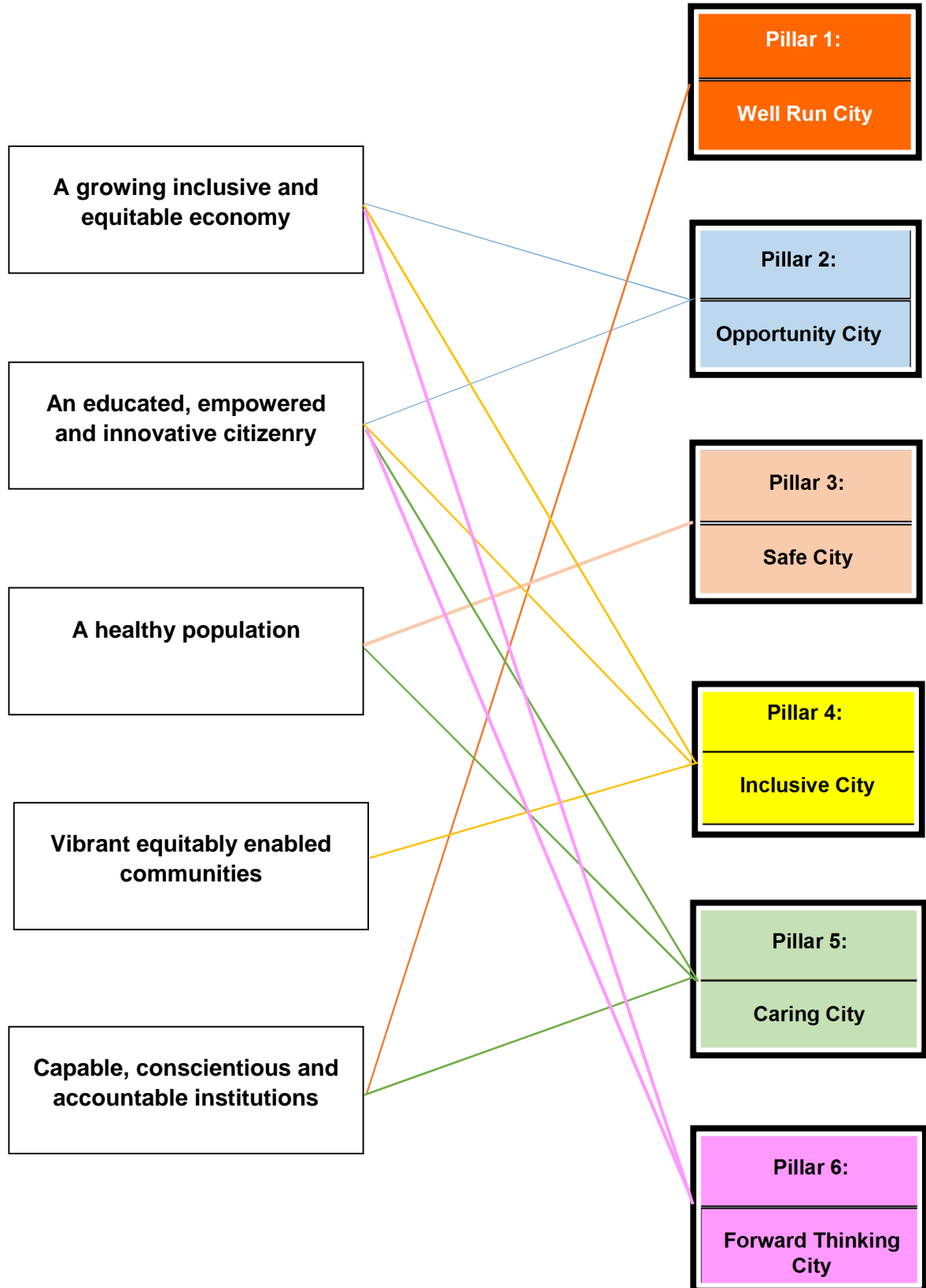
The following principles underpin the implementation of the Eastern Cape Development Plan:

- Understanding context
- Social justice
- Spatial equity and justice
- Intergenerational equity
- People centred development
- Keeping the public good public
- Distributed agency and shared agenda setting
- Integrated coordination and efficiencies
- Resourcing the PDP

Arising from the above, five related goals have been developed for the Eastern Cape. Each goal has a vision, key objectives and strategic actions. The goals are interrelated. The Plan has a specific focus on rural development, due to the specific absence of spatial equity in the Eastern Cape.

The following diagram shows the linkages between the five goals and the 6 pillars. The linkages are important to identify the role of Nelson Mandela Bay in achieving the Provincial Development Plan, as Nelson Mandela Bay is the largest City with the strongest regional influence in the Eastern Cape.

Linkage between Provincial Development Plan and the 6 Pillars

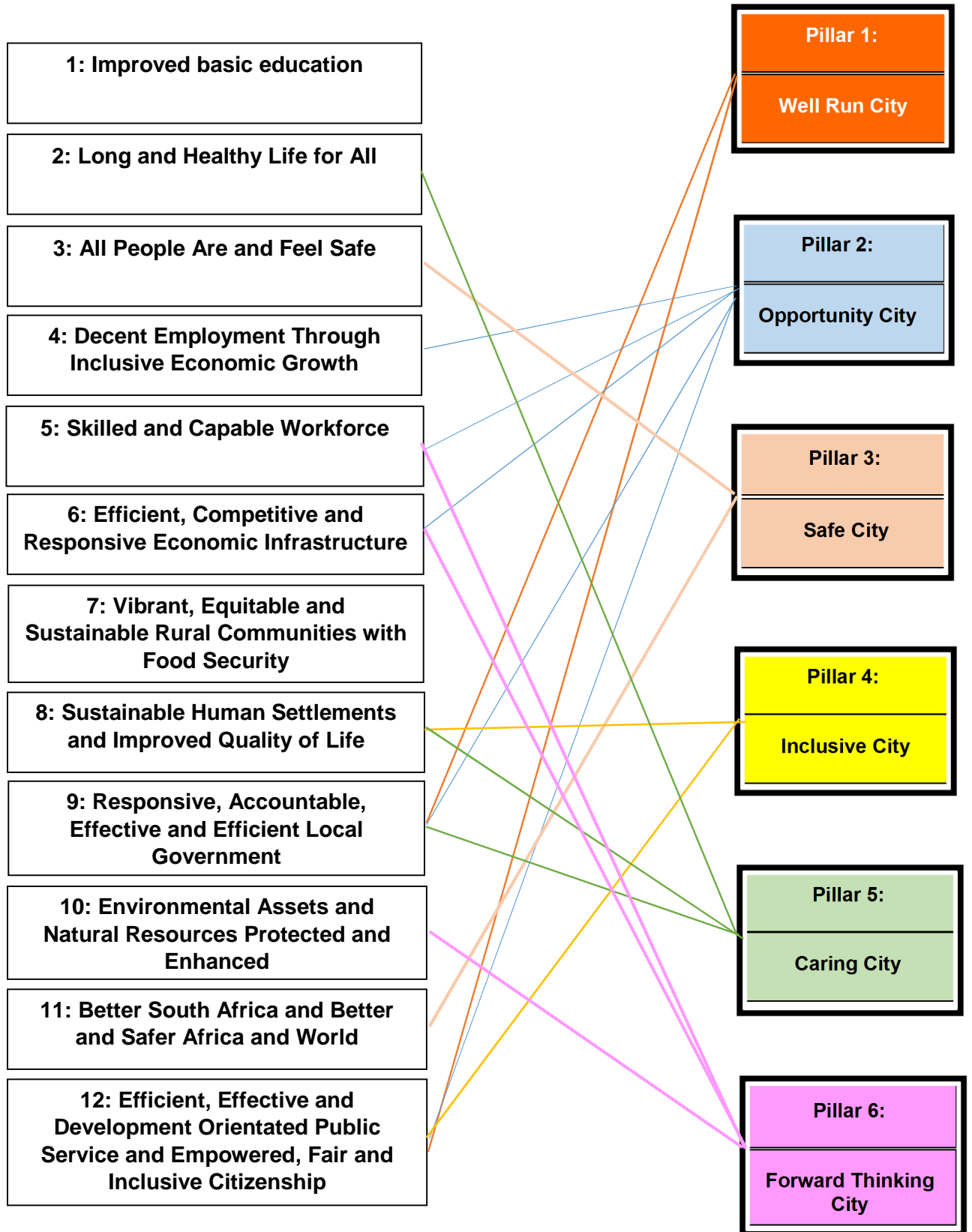


3.4 Medium-Term Strategic Framework Outcomes

The Medium-Term Strategic Framework is an expression of Government's Programme of Action. In terms of the Programme of Action, ten strategic priority areas have been identified. In order to achieve the strategic priorities, twelve Key Outcomes with accompanying Outputs and Activities have been identified. This has led to the conclusion of ministerial performance agreements related to the strategic priority areas. As a result of this, various structures are in place to coordinate the implementation of the outcomes, review progress and decide on interventions when needed.

The following diagram shows the linkage between the 6 pillars and the twelve outcomes for 2014 to 2019.

Linkage between Medium-Term Strategic Framework Outcomes and the 6 Pillars



3.5 Batho Pele Principles

The White Paper on Transforming Public Service Delivery was produced in 1998. In that document, the Batho Pele (or *People First*) initiative was outlined. It aimed to make municipal officials who operate in the service delivery environment more service orientated, strive for excellence, and commit to continuous improvement for the benefit of all citizens. It also aimed to hold officials accountable for the level of services that they deliver.

The legislative framework identifies the need to determine service standards, define outputs and targets, and benchmark against 18 performance standards internationally. Monitoring and evaluation mechanisms were also introduced to continuously measure progress.

The following eight principles were identified:

- *Consultation* – Citizens should be consulted on the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.
- *Service standards and targets* – Citizens should be told what level and quality of public services they will receive so that they know what to expect.
- *Access* – All citizens should have equal access to the services to which they are entitled.
- *Courtesy* – Citizens should be treated with courtesy and consideration.
- *Information* – Citizens should be given full, accurate information about the public services they are entitled to receive.
- *Openness and transparency* – Citizens should be told how municipalities are run, how much they cost, and who is in charge.
- *Best value* – Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

- *Dealing with complaints* – If the promised standards of service are not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy, and when complaints are made, citizens should receive a sympathetic and positive response.

In pursuing the pillars of a Well Run City, an Inclusive City and a Caring City, the Nelson Mandela Bay Municipality will strive to implement the above principles.

CHAPTER 4: OVERSIGHT, REPORTING, MONITORING AND EVALUATION

This Chapter outlines the important aspects of oversight, reporting, monitoring and evaluation in order to ensure the accountable and well aligned delivery of this Integrated Development Plan and its six pillars by the Nelson Mandela Bay Municipality.

The key offices, roleplayers, structures and tools for these important functions are discussed below and include:

- Executive Mayor
- City Manager
- Municipal Public Accounts Committee
- Rules and Ethics Committee
- Office of the Auditor-General
- NMBM Audit Committee
- NMBM Internal Audit and Risk Assurance
- Performance, Monitoring and Evaluation
- Supply Chain Management
- Ward Committees

4.1 Executive Mayor

The Executive Mayor is required to identify and prioritise the needs of the Municipality. These are to be reflected in the IDP and Budget, which also need to take into account applicable national and provincial plans.

The Executive Mayor is required to evaluate the progress of the performance of the institution in the implementation of the IDP. This is done through the institutional Performance Management System. The Executive Mayor must provide political leadership and guidance in the annual revision, preparation and timeous approval of the IDP, the annual Budget and the Service Delivery and Budget Implementation Plan (SDBIP).

The Executive Mayor has delegated the development and implementation of the Performance Management System to the City Manager, in terms of the Municipal Systems Act.

4.2 City Manager

The City Manager must provide operational guidance on the annual revision, preparation and timeous approval of the IDP, the annual Budget and the SDBIP and ensure strategic alignment between them.

In relation to IDP implementation, oversight, monitoring and evaluation, the City Manager is *inter alia* responsible for the following:

- Developing an effective, efficient and accountable administration that is able to implement the institutional IDP; in addition, ensuring an administration responsive to the needs of the citizens, business and other sectors.
- Ensuring that all business of the administration is conducted in a manner that is consistent with the IDP.
- Overseeing the implementation of the IDP, whilst ensuring integrated multi-disciplinary orientated service delivery.
- Ensuring that a performance management system is in place for the administration in order to determine whether the municipal targets set in the IDP are being met.
- Ensuring regular reporting on progress with the implementation of the IDP to the relevant Council structures.

The City Manager has delegated the development of the institution's Performance Management System to the Chief Operating Officer; and the cascading of performance management in respect of non-Section 57 employees to the Executive Director: Corporate Services.

The City Manager must inculcate an organisational culture that is conducive to effective performance management within an appropriate organisational structure that can meet the demands of the IDP, and ensure that the Performance Management System is current, effective and efficient.

4.3 Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a key structure in Council and the mechanism through which it exercises oversight over the expenditure of public money. With regard to financial management, MPAC enables Council to fulfil its obligation to ensure that the spending of ratepayers' money and Council's stewardship of public assets is done economically, efficiently and effectively.

MPAC conducts its affairs in a non-party political manner in order to ensure neutrality and maximise its effectiveness. It also ensures that the Municipality's Oversight Report on the Annual Report is prepared for adoption by Council, as required in terms of the Municipal Finance Management Act (MFMA).

MPAC also has the responsibility to investigate and advise Council in respect of unauthorised, irregular or fruitless and wasteful expenditure.

The Municipality's Municipal Public Accounts Committee currently comprises the following members:

- African National Congress (ANC) – 5 members
- African Christian Democratic Party (ACDP) – 1 member (Chairperson)
- Democratic Alliance (DA) – 6 members
- Economic Freedom Fighters (EFF) – 1 member
- Patriotic Alliance (PA) – 1 member
- United Democratic Movement (UDM) – 1 member

4.4 Rules and Ethics Committee

A Rules and Ethics Committee was recently established for the purpose of monitoring and reviewing the Rules of Order of Council.

The objectives of this Committee include:

- Inculcating a respect for the rule of law in the institution.
- Upholding Council's Rules of Order, thereby promoting stability in Council.
- Putting the people first (Batho Pele principles).
- Ensuring open and constructive debate.
- Respecting divergent views.
- Enhancing the effective management of Council and Standing Committee meetings.
- Fostering a sense of collective responsibility among Councillors in advancing service delivery and deepening democracy.

4.5 Office of the Auditor-General

The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, exists to strengthen South Africa's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

The Auditor-General checks the spending of public money by determining whether it has been used properly and for the intended purposes. This is done by performing an annual audit. The results of the annual audit will reveal whether the Municipality is adhering to legislation and good practice or whether there are areas that require improvement. One of the areas examined, is that of irregular, fruitless and wasteful expenditure - where there is such expenditure, the Accounting Officer must investigate and take appropriate action.

The Auditor-General also audits the planning processes and performance information of the Municipality and its municipal entity (MBDA).

4.6 Audit Committee

The Audit Committee is appointed by Council as an independent advisory body. The Audit Committee advises the Council, political office-bearers, the Accounting Officer and the Executive Management Team on matters such as the following:

- 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 the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation.
- Performance evaluation.
- Any other issues referred to it by the Municipality or its municipal entity.

Furthermore, the Audit Committee reviews the annual financial statements in order to provide an authoritative and credible view of the Municipality's financial position, its efficiency and effectiveness, as well as its overall level of legislative compliance.

The Audit Committee responds to Council on any issues raised by the Auditor-General in the Audit Report. Furthermore, it conducts investigations into the financial affairs of the Municipality as may be necessary.

4.7 Internal Audit and Risk Assurance

In terms of Section 165 of the MFMA, the Accounting Officer must establish effective systems of internal control to provide reasonable assurance that the Municipality's financial and non-financial objectives are achieved. In the execution of this responsibility and also to promote ethics, good governance and integrity in the institution, the Internal Audit Services and Risk Assurance was established.

The role of Internal Audit is to assist the City Manager and directorates in meeting their objectives and discharging their responsibilities by providing independent and objective quality assurance reviews of the adequacy and effectiveness of the controls set up by Management to help run the organisation. These include consultancy services.

Although the Risk Management Unit of the Municipality is responsible for the identification of risk exposure, the risks recorded in Council's Risk Register are used to compile the Annual and Three-year Internal Audit Plans.

The Forensic Audit Services Section complements the broader justice system and forms part of the Internal Audit Sub-directorate of the Municipality. The forensics component derives its NMBM mandate from the Anti-Fraud and Anti-Corruption Strategy, the NMBM Internal Audit Charter, the MFMA, and the Prevention and Combatting of Corrupt Activities Act.

An Ethics Hotline was recently established, and the Internal Audit Sub-directorate investigates all matters reported.

4.8 Performance, Monitoring and Evaluation

4.8.1 Performance Management

The municipal performance management function describes, measures, evaluates and reports on how the Municipality's processes relating to the implementation of the IDP will be conducted, organised and managed. This includes identifying roleplayers, stakeholders and key timelines. Performance management therefore holds the key to the successful implementation of the IDP.

Integrated development planning enables the achievement of the planning stage of performance management. The Service Delivery and Budget Implementation Plan (SDBIP), the Performance Information System, performance agreements and plans underpin effective performance management.

The following table is useful in understanding important performance management concepts:

CONCEPT	DEFINITION
Integrated Development Planning (IDP)	The IDP is the Municipality's principal people-driven strategic developmental planning document over the medium term (five years). Importantly, it ensures close co-ordination and integration between projects, programmes and activities, both internally and externally.
Performance Management	A strategic approach through which performance objectives of the Municipality are identified, defined, translated into business plans and cascaded into individual scorecards. This allows for regular planning, monitoring, evaluating, reviewing and reporting of performance at both organisational and individual levels and permits responses to both inadequate performance and outstanding/excellent performance.
Performance Management System (PMS)	The Municipality's Performance Management System entails a framework that describes and represents how its cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different roleplayers.

CONCEPT	DEFINITION
	The Nelson Mandela Bay Municipality uses the Balanced scorecard method, which takes into account financial, internal business, customer and learning and growth perspectives.
Key Performance Areas (KPAs)	Critical function/domain that is crucial to the achievement of organisational goals.
Objective	Statement about the ultimate and long-term outcomes the organisation wishes to achieve.
Key Performance Indicators (KPIs)	Measures (qualitative and quantitative) that indicate whether progress is being made towards achieving set objectives.
Input indicators	An indicator that measures equipment, resources, economy and efficiency, for example: <ul style="list-style-type: none"> . Budget projection . % capital budget spent to provide water. . Unit costs for delivering water to a single household . Amount of time/money/number of people it took the Municipality to deliver water to a single ward.
Output indicators	Indicators that measure results, usually expressed in quantitative terms (i.e. number / %), e.g. Number of households connected.
Outcome indicators	Indicators that measure the impact of reaching the target, e.g. Percentage of households with access to water.
Impact indicators	Indicators that measure the marked effect or influence of achieving specific outcomes.
Key Performance Elements (KPEs)	Focus areas linked to the identified Key Performance Areas.
Baseline indicators	These provide quantitative and/or qualitative levels of performance as at the beginning of the monitoring period in respect of which the institution aims to improve.
Performance targets	Quantifiable levels of the indicators that the organisation wants to achieve at a given point in time.
Performance plan	Plan of agreed Key Performance Areas, Objectives, Key Performance Indicators and Targets covering a specific financial year.
Institutional performance review cycle	12 months' period (continuous) that constitutes the financial year of the Municipality: 1 July to 30 June of the following year.
Review	A comprehensive assessment of the economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the Municipality are concerned.

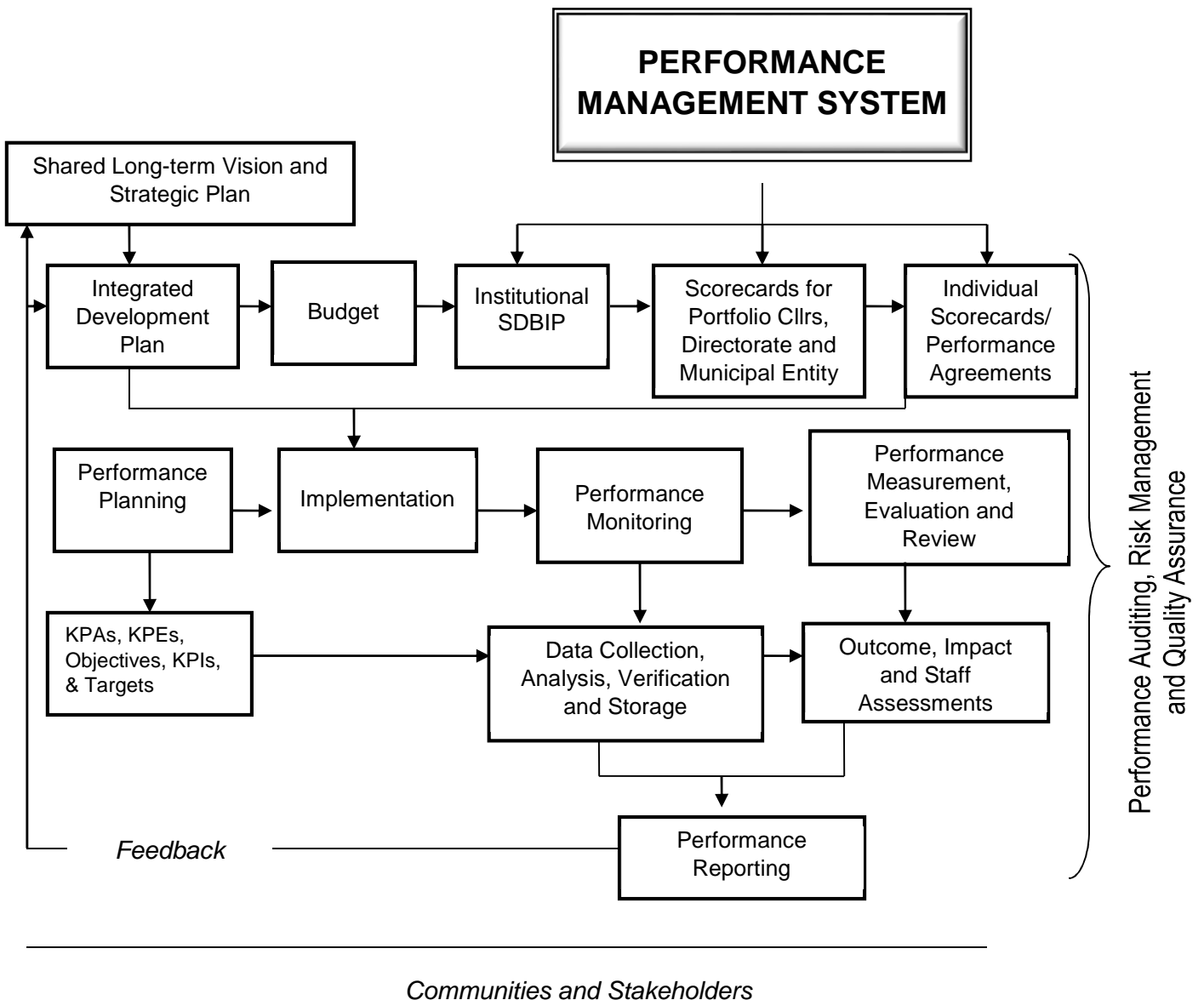
Performance management seeks to achieve the following:

- Clarifying institutional goals and priorities.
- Ensuring a continuous cycle of planning, coaching and feedback.
- Monitoring and improving service delivery.
- Ensuring accountability, oversight and legal compliance.

- Promoting community participation in local governance.
- Creating and entrenching a culture of performance amongst employees.

The Integrated Performance Management System used in the Nelson Mandela Bay Municipality is reflected in the diagram below.

INTEGRATED PERFORMANCE MANAGEMENT SYSTEM



4.8.2 Monitoring and Evaluation

The Municipality has a Monitoring and Evaluation Unit in place, which is tasked to improve institutional planning, implementation, budgeting and reporting processes through the monitoring and evaluation of prioritised IDP programmes and projects.

Towards this end, the focus is on the following:

- Monitoring and evaluation of the IDP implementation for tracking service delivery progress and sustainability, and evaluating alternative options for service delivery.
- Monitoring, evaluating and reporting on the performance of consultants/service providers to ensure that the expected delivery outputs and outcomes are achieved.
- Monitoring and evaluating Ward-Based Capital expenditure to ensure that the objectives are achieved as planned.
- Monitoring the implementation of Council resolutions through the development and maintenance of a matrix.

4.9 Supply Chain Management

The Municipality has an approved Supply Chain Management Policy in place, which is reviewed on an annual basis. The Policy provides for a committee system to achieve and ensure competitive procurement. The Committees in place, established in compliance with the National Standards for Bid Committees, are as follows:

- The Bid Specification Committee
- The Bid Evaluation Committee
- The Bid Adjudication Committee

An Integrated Contracts Management System is in place, which tracks the award of tenders from the time of approval of the specifications to the time of final award.

The Municipality has embarked on the development and implementation of a Quality Management System (QMS), in compliance with ISO 9001:2015. This process started in March 2016 and is due for completion in 2018.

4.10 Ward Committees

The main function of a Ward Committee is to act as the formal communication channel between Council and the community. The Ward Committees therefore provide the channel through which communities can most effectively lodge their complaints and concerns.

The Nelson Mandela Bay Municipality is in the process of establishing Ward Committees with a nomination process under way and the election date set as 21 June 2017.

The roles and responsibilities of Ward Committees include:

- Create formal unbiased communication channels and cooperative partnerships between the Municipality and the community within each ward.
- Promote harmonious relationships between residents of the ward, the Ward Councillor and the Municipality.
- Facilitate participation in the IDP processes.
- Act as a reference group/advisory body on Council policies and issues that affect the communities in the ward.
- Serve as an agent for mobilising community action.
- Act as a conduit for community complaints and feedback on Council responses.
- Make recommendations on any matters that may affect the ward or Council.

CHAPTER 5: METHODOLOGY

Having taken office in August 2016, the Municipality's new leadership set in motion a strategy to prepare an Integrated Development Plan that would change the face of Nelson Mandela Bay.

With a strong commitment to improving service delivery, stopping corruption and growing the economy to create jobs, it was incumbent on the government to completely reform the administration and its systems.

The first set of IDP and Budget public participation meetings took place in September 2016 – the best attended in recent history. Over 6 500 residents took the new government into their confidence through comprehensive feedback and guidance at over 20 public meetings across the Metro.

Mayor Athol Trollip and his executive were given clear direction, underpinned by a political vision for change and progress.

In addition to the public consultation meetings and because the economy is so critical to the City's sustainability, the Municipality comprehensively consulted with the economic sectors of the Metro to get inputs on how to best tackle the challenges faced in growing the economy. The inputs received from the economic sectors provided critical direction for the City in pursuing inclusive growth and development going forward.

Having adopted the last version of the IDP only a few weeks before the Election, under a previous government, the administrative staff carried a lot of this content over into the Draft IDP.

Given the Municipality's poor performance over the years, the Executive Mayor reiterated the unquestionable need for the institution to move in a new direction.

While the Draft IDP was noted by Council on 30 March 2017, the Executive Mayor requested that the development of the Final IDP be brought into the Office of the Executive Mayor, in consultation with the Office of the City Manager and the Office of the Chief Operating Officer.

With oversight from the highest office in the Metro, the development of the Final IDP would occur at the coal-face of strategic, developmental and visionary change.

Section 19 of the Municipal Structures Act requires Council to annually review the needs of all communities and adjust operational and financial priorities accordingly. As such, for the first time in the Metro's history, a new method of recording and rating Ward priorities was implemented at the second round of IDP and Budget Public Participation meetings, which began in April 2017. After reviewing the other major statutory documents, residents were asked to review the Council-noted list of Ward priorities for their Ward and assign a value of importance to each priority (with '1' indicating the most important priority and '3' the least important).

While not all sixty Wards managed to rate each Ward priority, the subset of reliable information received, provided useful granular detail for strategic planning.

For now, the Municipality has aligned this information with the 2017/18 Ward-based budgets and will look to fully entrench the ratings system into all public participation engagements going forward.

Mayor Athol Trollip was elected on his commitment to deliver on six pillars: Well-Run City; Opportunity City; Caring City; Inclusive City; Safe City; and Forward-Thinking City. It was decided over a number of engagements between the senior political and administrative leadership that the Final IDP would express a number of chapters customised in a way that would directly respond to the express commitment to the six pillars identified.

This IDP therefore reflects on the *status quo* of the institution in respect of the six pillars, as determined through a SWOT analysis (Chapter 2). Based on the ambitions of the new leadership, both political and administrative, as well as the feedback from the intensive public participation sessions, an appropriate delivery plan has been formulated that responds directly to the six pillars and the strategic objectives identified.

CHAPTER 6: SITUATIONAL ANALYSIS

This chapter describes the development context of the Nelson Mandela Bay Municipality and identifies the City's strengths, opportunities, weaknesses and threats within this context and the ability of the City to perform in terms of the six pillars that have been identified by the leadership, namely:

- The Well Run City
- The Opportunity City
- The Safe City
- The Inclusive City
- The Caring City
- The Forward Thinking City

6.1 Location

The Nelson Mandela Bay Municipality is the larger of two metropolitan municipalities located in the Eastern Cape Province. It covers an area of 1959,02 km².

Statistics South Africa (STATS SA) describes Nelson Mandela Bay as follows:

“Nelson Mandela Bay Municipality is located on the south-eastern coast of Africa in the Eastern Cape. It is one of eight category A municipalities in South Africa. In 2001, the Nelson Mandela Bay Metropolitan Municipality was formed as an administrative area covering Port Elizabeth, the neighbouring towns of Uitenhage and Despatch, and the surrounding agricultural areas. Nelson Mandela Bay is a major seaport and automotive manufacturing centre.

The Coega Industrial Development Zone (IDZ) is situated within the Nelson Mandela Bay Metropolitan Municipality. The initiative is a multi-billion dollar industrial development complex customised for heavy, medium and light industries. It is adjacent to a deepwater port, the Port of Ngqura, and covers 110 km² of land. The city's unique advantage of possessing two ports, namely

Port Elizabeth Harbour and Ngqura, creates an opportunity for the city to establish a strong and vibrant maritime sector”.

6.2 Population and human development

The current population of Nelson Mandela Bay is 1 271 776 (STATS SA), with a growth rate of 1.36%, which is lower than that of other metropolitan areas, such as Ekurhuleni (2.47%) and Tshwane (3.1%). Nelson Mandela Bay is characterised by a youthful population, with the age group of 5 to 14 years dominating.

The total number of households is 365 973, of which 21 668 are estimated to be informal households (STATS SA).

Nelson Mandela Bay has the lowest proportion of informal households among South African Metropolitan Municipalities, having significantly reduced the numbers since 2001 (SACN, 2016). In addition, the average number of people per household declined from 4,25 in 1996 to 3,55 in 2011.

The life expectancy among Nelson Mandela Bay residents is 59,3 years and 53,7 years for females and males respectively. This is the same as for Buffalo City. By comparison, Cape Town has a life expectancy of 70,1 and 64,2 years, while Mangaung has a life expectancy of 52,7 and 49,6 years for females and males respectively (SACN, 2016).

Regarding education, in 2011, 19,7% of Nelson Mandela Bay's population had attained matric, whilst 6,8% had a higher education (SACN, 2016).

In analysing non-school going residents, 3% had no schooling, 13% had Grade 7 or less (Primary School level), while 75% had a school education of Grade 12 or less (Secondary School level) (STATS SA, 2011).

6.3 Poverty and the economy

Between 2001 and 2011, the total number of people living below the poverty line decreased from 46% to 29% (SACN, 2016).

The Nelson Mandela Bay Municipality assists the poorest of the poor among its residents with an indigent subsidy (Assistance to the Poor Scheme), which covers the costs of free basic services. The number of indigent households subsidised, grew from 71 551 in 2013 to 115 934 during 2017. Altogether 31% of formal households in Nelson Mandela Bay are dependent on the municipal indigent subsidy.

Over the period 2001 to 2011, the Nelson Mandela Bay's economy and average household income grew slower than those of other South African metropolitan municipalities.

Nelson Mandela Bay is the driver of the Eastern Cape economy, contributing 41,81% of the provincial Gross Geographic Product (GDP) (Global Insight, 2013). The unemployment rate dropped from 46,4% in 2001 to 36,6% in 2011. The Eastern Cape Province's average unemployment rate was 37.4% in 2011 (SACN, 2016).

The largest economic sectors in Nelson Mandela Bay Metro are manufacturing, finance, community services and transport. Community services, trade and manufacturing sectors are the sectors that create the most employment in the Metro.

Two single sectors, "Manufacturing and Community", and "Social and Personal Services", make up more than half (58.1%) of the Metro's GVA (Gross Value Added), with "Financial and Related Services", (Transport and Trade) contributing a further 37%. The automotive sector accounts for more than 50% of the Metro's manufacturing sector (ECSECC, 2012).

A Doing Business in South Africa Survey (SNDB) was undertaken in 2015 among all South African Metropolitan Municipalities. The survey measured the performance of cities in relation to the cost of doing business over five indicator areas impacting on the ease of conducting business in South Africa.

The indicator areas focused on regulations relevant to the life cycle of a small to medium sized domestic business and were built on standardised case scenarios. This allowed an equal and fair comparison of all cities in the study.

The indicators assessed, were:

- Dealing with construction permits
- Starting a business
- Registering property
- Getting electricity
- Enforcing contracts

Within these indicators, the length of time, financial cost and number of procedures were evaluated. Of the five indicators, three namely, dealing with construction permits, registering property and getting electricity, were within the direct control of municipalities.

The aim was to improve the indicators over time prior to the next survey, which will take place in 2018. The following is the result recorded in respect of Nelson Mandela Bay in relation to the aforesaid three municipal indicators:

- ***Dealing with construction permits*** – Nelson Mandela Bay is the overall second best performer in the country after Cape Town in this area. Analysis has shown that it is the cost of building plans that needs to be re-evaluated to bring the City in line with other local authorities.
- ***Registering property*** – In terms of this indicator, the Nelson Mandela Bay Municipality performed above average and was rated fifth best in the country. The Municipality will need to address the time taken to issue rates clearance certificates in order to perform better. The aspect of Deeds Office clearance also affected this indicator.

- **Getting electricity** – In this indicator, the Nelson Mandela Bay Municipality performed the worst of all South African Metropolitan Municipalities in terms of time and cost. The Municipality requires five procedures to be completed (which is average), but these procedures take 333 days to complete, which is 106% longer than the average of other cities. Cost is also a factor that could be improved.

The City has developed an Action Plan that is being monitored for improvement across these critical indicators. All Metro Action Plans are being monitored at national level by National Treasury.

6.4 Safety

In a 2016 South African Cities Report titled “State of Urban Safety in South Africa”, the importance of urban safety in cities is highlighted. Cities are “places not only of opportunity, but also of inequality and high levels of violence and crime”. The Report’s findings confirm that crime and violence in South Africa are heavily concentrated in urban areas.

Although crime statistics have their limitations, the following statistics for Nelson Mandela Bay are relevant from the aforementioned Report:

- The murder rate in Nelson Mandela Bay decreased from approximately 60 murders per 100 000 to 48 murders per 100 000 between 2005 and 2015. During this period, Buffalo City and Nelson Mandela Bay recorded the highest murder rate of all South African Metropolitan Municipalities; however, but these cities also experienced the greatest decrease over the 10-year period.
- The statistics for assault with intent to inflict grievous bodily harm decreased from 650 to 420 per 100 000 over the 10-year period from 2005 to 2015; mirroring a similar decline in the statistics of most other Metropolitan Municipalities and the national average.

- From 2005 to 2015, robberies at residential premises in Nelson Mandela Bay increased from approximately 10 to 50 per 100 000. This is consistent with the trend for robberies at non-residential premises as well as the national and metro trends.
- With regard to residential burglaries, Nelson Mandela Bay went from the highest score in 2005 (with 915 per 100 000), to the fifth highest of the eight South African Metropolitan Municipalities in 2015, at just over 600.
- All South African Cities recorded increases in total crime rates between 2005 and 2015; in 2015, Nelson Mandela Bay recorded the fourth highest overall crime rate of the eight Metros.

6.5 Overview of basic services

Nelson Mandela Bay is noted for having achieved a high level of access to basic services in comparison to other Metros.

(a) Water

All formal households have access to water through an erf connection. Altogether 100% of households located in informal settlements within the urban edge receive water through communal standpipes within a 200 m radius of every erf and through water tanks. Communities occupying private land illegally are not guaranteed water access.

(b) Sanitation

All formal households are connected to waterborne sanitation. Informal areas are serviced by the bucket sanitation system. Altogether 16 317 buckets are still in circulation to informal settlements as a means of sanitation (this represents a marked decrease from the 23 479 buckets in circulation in 2012).

A revised strategy to achieve the total elimination of the bucket system is being implemented. This will see the replacement of the bucket system by communal ablution block facilities.

(c) Solid Waste Management (Refuse Removal)

Altogether 100% of formal and informal households receive a domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development).

(d) Electricity

Altogether 100% of households in formally demarcated residential areas have access to electricity. Solar panels were installed in some informal settlements for electricity generation; however, some informal settlements remain unconnected to an electricity supply, and the plan is to provide a 20 amp supply to these settlements to ensure basic electricity provision to all households.

(e) Housing

The following is the housing situation in Nelson Mandela Bay –

- A high level of households live in formal housing (85%).
- A high level of households live in owned formal housing (57%).
- 12% of households live in informal housing conditions (in informal settlements and back-yards shacks).
- New family formation to 2020 is estimated to be very low (7% between 2011 and 2020 (0.6% p.a.)).

This housing situation is a-typical of most Metros in South Africa, which are generally characterised by lower income home ownership, higher levels of informal housing conditions, and higher new family formation (Shisaka, 2017).

6.6 THE SIX PILLARS – DELIVERY APPROACH

The City has undertaken an introspective analysis in order to guide the preparation of this IDP. Key considerations include the best possible use of available resources (budget, human resources, infrastructure, skills and assets); how capacity, infrastructure and skills could be built to address gaps, including using strategic partnerships; and current and new activities that could potentially serve to develop a competitive advantage for the Metro.

The following represents an institutional analysis of the six pillars identified.

PILLAR 1: THE WELL RUN CITY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • A strong performance management system, which is deadline driven and monitored, is in place. • Management Union Meetings (MUMs) have been introduced for unions to meet the management of each directorate to address matters concerning their members. • Public participation processes have been rigorous in developing this IDP. • Commitment exists to address the need for a central planning office. • Institutionalisation of labour engagement has been achieved through Local Labour Forum (LLF) meetings, which comprise labour, Councillors and management. • Asset management functions are well coordinated. • There is a reliable internal network and dedicated Information and Communication Technology (ICT) support. • The NMBM plays an active role in professional engineering and other networks. • There is effective communication and working relationship with Councillors. • Functional call centres have been established to reduce complaint turnaround time. • The Scientific Services Division offers the only laboratory in the metropolitan area with a broad scope of analysis and trained scientists. • A strong interdepartmental reference group exists for integrated Spatial Strategy development and implementation (BEPP Team). • Emphasis is placed on capacity building and training of staff (this includes internal apprenticeship programmes and graduate learnership programme). 	<ul style="list-style-type: none"> • The current organisational structure is outdated in respect of the needs of the City. • Fragmented ICT systems and weak ICT governance and data recovery impact on performance. • Turnaround time in respect of responding to consumer queries. • Lack of appropriate online e-governance systems. • Ineffective solutions for electricity theft (including tampering and illegal connections) and non-revenue water. • Dependence on consultants and contractors because of high level of vacancies in directorates. • There is a need for an audit of equipment for basic services. • Large and growing maintenance backlogs, resulting in service gaps and future problems. • Lack of consistent marketing and publicity of positive activities and initiatives resulting in misconceptions. • The Scientific Services Laboratory requires accreditation to conduct a wider range of analysis. • No single spatial plan for the city exists, resulting in fragmented responsibility for planning processes. • Staff capacity is lacking in certain service delivery areas. • Not all critical vacancies have been filled; some have remain unfilled for a significant length of time. • Slow recruitment turnaround time, resulting in vacancies not being filled. • Poor work culture and ethos in some parts of the institution. • Inconsistent application of human resources policies. • Poor planning, resulting in under-expenditure of the budget. • Inefficient Supply Chain Management processes. • High levels of unauthorised, irregular, fruitless and wasteful expenditure of the Budget. • Inaccurate billing, creating a distrust in the institution among residents. • High dependence on grant funding availed by National/Provincial Government Departments. • Inefficient budget spending.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Improvement of Supply Chain Management processes for greater efficiency. • Promotion of partnerships with provincial and national government and non-governmental organisations to serve the City's interests. • To become a SMART City. • Centralising the strategic plans of the City in one centre to create synergy, alignment and seamless processes. • Improving institutional image through positive publicity and connection to constituents can result in improved internal and external stakeholder relations. • Enhancing performance through innovative performance management. • Exploring new revenue possibilities and alternative sources of funding to <i>inter alia</i> reduce reliance on grants. • New emphasis by the leadership on accountability through compliance with transparency requirements. 	<ul style="list-style-type: none"> • Revenue associated with National and Provincial Government grants and subsidies is neither realistic nor sustainable. • Politicisation of community meetings results in ineffective communication. • Poor communication on housing delivery plans undermines effective planning to deliver basic services, such as water and sanitation. • Highly unionised environment can threaten roll-out of processes. • Inadequate budget to address infrastructure maintenance backlogs. • Increasing urbanisation has increased demand for services, both formal and informal, which outweighs the current ability to meet those demands. • Protracted Supply Chain Management processes slow down operations. • Strong silo mentality in different directorates hinders effective intra-directorate service delivery. • Loss of institutional memory through resignations and retirement of staff. • Non-payment of debt by government departments and the community. • Increased loss of revenue as a result of illegal electricity connections. • Decline in the economy increasing unemployment and poverty. • Non-achievement of the budgeted revenue collection rate. • Inability of consumers to financially afford municipal tariffs, resulting in loss of revenue.

The results of the institutional analysis in respect of the Well Run City indicate that the following areas need to be prioritised:

- Building on the strengths of the existing administration and optimising the organisational structure for effective governance and service delivery.
- Scrutinising existing and developing new processes to increase the sustainability and efficiency of the organisation.
- Leveraging partnerships to assist the City in achieving its developmental priorities.
- Actively nurturing positive relationships between staff, Councillors, unions, private sector and other stakeholders.

PILLAR 2: THE OPPORTUNITY CITY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Smart City Wifi in townships allows for local economic development and expansion of other related projects. • Well-run Infrastructure Skills Development Grant Training Programme developing young technicians and technologists. • Competitive tariffs to support businesses. • Bursaries and learnerships offered for study in key professions/fields. • High level of intake and exposure of interns. • Water and sanitation infrastructure, as well as litter picking and grass mowing, projects in place to support economic development. • Expanded Public Works Programme (EPWP) in place. • Programmes that promote the development of local sporting talent have been developed. • Economic infrastructure foundation is already comprehensive (accessibility by rail, road, airport, two ports). • Economic zones exist (IDZ, Logistics Park, industrial areas). • IPTS planning of launch phase at advance stage. • Institutions of higher learning are all available within Nelson Mandela Bay (University, TVETS Colleges). • Tourism and sporting infrastructure exists in the City. • Green Economy Strategy development of photo voltaic (pv), wind and other renewable energy projects. • Iconic brand name (Nelson Mandela Bay). • Establishment of the Strategic Events Committee. • Sport and cultural events contribute to the City's Gross Domestic Product. • Blue Flag Beaches are a tourist attraction. • Delivery of incident free international and national events, such as the annual Ironman Competition, has built Nelson Mandela Bay's reputation as a competent and reliable host city. 	<ul style="list-style-type: none"> • Ineffective capitalisation of some municipal partnerships. • Lack of internal coordination and alignment of development objectives. • Insufficient resources at Training Centre. • Management of Expanded Public Works Programme (EPWP) not strong enough. • Absence of fiscal and economic feasibility studies for major projects. • Lack of integrated planning in the region and inadequate coordination with provincial and national operations. • Inefficient and ineffective use of internal and external resources, as well as misalignment of events and tourism assets. • Lack of budget for the upgrading and maintenance of facilities. • Excessive cost of contract security to safeguard landmarks.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Transformation of the spatial form of the city for more efficient and equitable development. • Improved coordination of internal and external resources to optimise positive economic impact. • Increase revenue from the lease of assets and infrastructure, e.g. fibre networks. • Strengthen relationships with all stakeholders, particularly in the tourism and industrial sectors. • Establish linkages with surrounding local authorities to align spatial and economic development initiatives and interventions. • Skills development support in priority sectors. • Prioritisation of Township Economy Development. • Development of tourism opportunities with other partners focusing on projects such as the Eco-Tourism Route and the Apple Express. • Destination marketing, which includes programmes such as the Tourist Ambassador Programme and Fair Trade Tourism. • Attract more national and international events. • City's role in meaningful economic development can be expanded. 	<ul style="list-style-type: none"> • Water shortages. • Education system unresponsive to the needs of the market (supply and demand). • Cost of doing business and red tape (regulatory and business application processes). • Lack of internal and external coordination and alignment, resulting in a misalignment of development objectives. • High level of crime, tarnishing the reputation of NMBM as a tourist destination. • Vandalism of facilities and non-adherence to norms and standards for the development of facilities. • Junk status of the South African economy and its local impacts. • National political and administrative instability.

The results of the institutional analysis in respect of the Opportunity City indicate that the following areas need to be prioritised:

- Capitalising on the competitive advantages that the City has to offer, whilst simultaneously investing in competitively differentiating Nelson Mandela Bay.
- Optimising the use of partners and other stakeholders to increase opportunity for all residents.
- Building and strengthening existing initiatives to train and develop local youth, the unemployed and the talented.
- Clarifying and improving the role of the City in job creation, poverty alleviation and local and regional economic development.

PILLAR 3: THE SAFE CITY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Safe City prioritised in strategic planning documents. • Strategic spatial plans prioritise access/mobility, which are elements of safety. • A Metro Police Force is in place. • Monitoring of safe drinking water, river water and swimming water supplied to residents, as well as the monitoring of air and noise pollution. • CCTV cameras installed on high-mast lights in townships. • LED lighting provides high lighting levels and longer life spans. • City is well covered by fire, emergency and disaster management services. • A comprehensive set of by-laws exist and the monitoring of the enforcement of by-laws takes place. • Non-governmental Organisations (NGOs), Community Based Organisations (CBOs) and other organisations perform safety functions (example: life-saving clubs). 	<ul style="list-style-type: none"> • Pollution of rivers and public places. • Many areas are without functional street or public lighting. • Lack of adequate strategies exist for addressing cable theft. • Lack of recognition that safety is a corporate responsibility, not a silo responsibility. • Safety element of spatial strategy is not well articulated as a focus area. • Succession planning and institutional memory retention needs attention.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Planning for safe, resilient and sustainable human settlements. • Innovative electrification and the removal of illegal connections can reduce non-technical losses and electrocution incidents. • Sustainable Community Planning and precinct planning for the BEPP present an opportunity to specifically address safety aspects at local level. • Partnerships can be formed with community stakeholders to address specific community safety issues. 	<ul style="list-style-type: none"> • Lack of lighting, which encourages criminal activity. • Illegal dumping into local rivers, resulting in the pollution of these resource. • E.coli leaks into rivers, due to aging infrastructure. • The current lack of safety for tourists, communities and businesses. • Perception of and actual high levels of crime in public places. • Lack of enforcement of legislation and municipal by-laws.

The results of the institutional analysis in respect of the Safe City indicate that the following areas need to be prioritised:

- Safety needs to be integrated in all departmental plans and activities from an early stage.
- The City needs to nurture and promote community initiatives that contribute towards the safety of residents.
- The City needs to form partnerships with other agencies such as the South African Police Services (SAPS), community safety forums in an effort to improve safety.
- The City needs to ensure that all by-laws and legislation can be enforced for the safety of residents and visitors.
- The City needs to address its human resources, maintenance and procurement capacity to be appropriate for the areas of safety.

PILLAR 4: THE INCLUSIVE CITY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Sustainable Community Planning Methodology was specifically designed to promote inclusion and integration in planning processes and plans. • Built Environment Performance Plan (BEPP) <i>inter alia</i> addresses spatial fragmentation through integrated City development. • Spatial Development Framework at city-wide level addresses inclusion. • IDP processes have prioritised effective participation and stakeholder involvement. • Initiatives exist to provide free wifi/broadband access at all libraries and some civic buildings, and in some township areas. • Ward Committee System to ensure inclusivity of residents in decision-making processes. • Regular engagements with the community by the Executive Mayor through diverse communication channels and platforms, such as radio, TV and print media. 	<ul style="list-style-type: none"> • Lack of alignment within the Municipality for inclusive planning and development. • Inner-city degeneration and decay. • No funding currently exists for full wifi/broadband access roll-out to all communities. • Numerous settlements are located on private ground and cannot be provided with municipal services. • Broad marketing of the City's strategic plans is needed to make them more widely understood. • No special measures exist for the prioritisation of the needs of vulnerable groups. • Lack of integrated, safe public transport system.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Better and more inclusive public participation in built environment interventions (planning and implementation) and general civic processes. • Implementation of integrated residential and mixed use development. • Development of the inner city as a 24-hour centre for all. • Funding is being sought from National Government to provide electricity to informal areas outside the Housing Programme. • Public-Private Partnership (PPP) process is under way to obtain external service provider to provide Smart City/WiFi to all communities. • Possibility to establish public-private partnerships towards integrated development. • Availability of private and public buildings in Inner-City areas that can be utilised for inner-city rejuvenation. • Sports, arts and culture activities can promote social cohesion and nation building. 	<ul style="list-style-type: none"> • Residents in informal settlements lack security of tenure and positive involvement in civic processes. • Perpetuating development of unsustainable townships with no or limited access to social facilities and amenities, due to poor alignment with government departments in housing projects (Intergovernmental Relations (IGR)). • Lack of continued feedback and ongoing communication with stakeholders, leading to lack of understanding of plans, as well as mistrust of city strategic planning processes. • Current housing delivery model promotes urban sprawl. • Unsustainable housing delivery models with predominantly Reconstruction and Development Programme (RDP) housing, as opposed to other typologies and in prioritised areas. • Limited availability of strategic and well located land for inner-city densification.

The results of the institutional analysis in respect of the Inclusive City indicate that the following areas need to be prioritised:

- Broad inclusive communication on all municipal processes, programmes and plans.
- The use of technology to improve the accessibility of information and communication with all residents and stakeholders.
- Developing intergovernmental relations and other partnerships for the delivery of the full range of developmental needs and priorities of communities.
- Institutional organisation around all planning and development initiatives for the development of integrated and sustainable communities.
- The inclusion of marginalised and vulnerable groups in civic plans, processes and products.

PILLAR 5: THE CARING CITY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • EPWP is fostering work opportunities. • Established and co-ordinated co-operatives exist. • Basic energy grants have been made available from National Government to provide energy to deserving communities. • Basic services are provided to the indigent in respect of water, electricity, sanitation and refuse removal. • IDP participation processes aim to reach all groups in NMBM - special efforts are made to reach poor and vulnerable groups. • Playground equipment is provided on public open spaces (POS). • Parks and cemeteries are being beautified. • Solar geysers were provided to homes that were part of the housing programmes. • A detailed plan to eradicate the bucket toilet system has been formulated. • A highly functional Operations Centre exists for reporting water and sanitation related service delivery problems. • "War of Waste" Project fostering a sense of pride and community responsibility. • Litter-picking project resulted in the creation of jobs. 	<ul style="list-style-type: none"> • The transition from poverty relief to sustainable social entrepreneurs still needs to be made. • All programmes are funded through National Grants rather than through external funding. • Lack of socio-economic facilities and amenities persists in many poor areas. • Lack of availability of land for burials. • Illegal occupation of RDP houses. • No special measures exist for the prioritisation of the needs of vulnerable groups. • Inadequate provision of dignified sanitation solutions, with 16 317 bucket toilets still in place. • Lack of services to communities located in informal settlements on private land.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Partner with other relevant structures and institutions to create a climate of cooperation. • Presence of private sector with corporate social investment budgets allows sharing of goals and resources. • Enhance access to social facilities and amenities through integrated development planning. 	<ul style="list-style-type: none"> • Slow implementation of Small Medium and Micro Enterprises SMMEs (construction sector) development programme. • Inability to afford sustainable social services and amenities for low income households. • Perpetuating development of unsustainable townships with no or limited access to social facilities and amenities due to poor alignment with government departments in housing projects (IGR). • Land invasion poses a threat to city development plans. • Lack of participation in municipal processes around planning and decision-making by poor and vulnerable groups.

The results of the institutional analysis in respect of the Caring City indicate that the following areas need to be prioritised:

- Creating an environment that promotes and ensures participation and the well-being of vulnerable and marginalised groups in municipal processes around planning and decision-making.
- Ensuring the provision of adequate services and amenities to all communities.
- Creating partnerships and seeking funding sources for improved social amenities.
- Ensuring that city planning processes promote spatial justice and equitable access (physically, socially and economically).
- Reviewing municipal operations to ensure efficient responses to community complaints, applications and queries.

PILLAR 6: THE FORWARD THINKING CITY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Partnership with Innovation Forum and local University. • Public-private and City-to-City partnerships for learning and knowledge sharing. • Development infrastructure plans and spatial development framework are in place. • Imminent completion of the Nooitgedagt Coega Low Level Scheme (Phase 2). • "War on Waste" Cleaning Campaign ongoing to eliminate illegal dumping. • Spatial planning documents promote sustainable planning, proactive planning and conservation. • Relations with Council for Scientific and Industrial Research (CSIR). • Innovative off-grid power supply solutions for informal settlements to address basic service issues within those areas. • Environmental issues are a strong element of strategic spatial plans. 	<ul style="list-style-type: none"> • Outdated City-wide Information and Communication Technology (ICT) Strategy. • Lack of skills in innovation and research. • Lack of funding to implement long-term projects. • Absence of resourced research component in the city. • Absence of a Long-term Financial Sustainability Strategy. • Lack of a well-articulated, properly prioritised Capital Investment Framework attached to the BEPP and SDF. • Renewable/Alternative energy use decreases demand for electricity; as a result, electricity profit margins are shrinking.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • International collaboration. • Review and update all planning instruments, with a view to innovation and forward thinking. • Investigating revenue growth ideas, such as the sale of data, as an additional utility. • Organisational review can address the need for centralised strategic planning function. • The establishment and location of South African International Maritime Institute (SAIMI) and other research institutes. • Groundwater exploration at Coega Kop to investigate an alternative water source. • Partnership in respect of innovative technologies with private and public entities. • Complete Long-term Financial Sustainability Strategy. • Identifying and exploring innovative approaches to municipal operations and activities. 	<ul style="list-style-type: none"> • Absence of research capability within the Nelson Mandela Bay Municipality, including the lack of accreditation of the Scientific Services Division. • Lack of coordinated strategic planning for a single City Plan. • Funding and implementation of Nooitgedagt Scheme being controlled by National Department of Water and Sanitation.

The results of the institutional analysis in respect of the Forward Thinking City indicate that the following areas need to be prioritised:

- Aligning the organisational structure to meet the demands of an innovative and forward thinking and planning City.
- Prioritising the need for sustainability in all its dimensions (physical, social and economic) in the planning and operations of the Municipality.

The above situational analysis, which provides the city context, current status of service delivery and the introspective Strength, Weaknesses, Opportunities and Threats (SWOT) analysis for each of the six pillars will, when combined with the results of the comprehensive public participation undertaken, provide the foundation for the activities to be conducted, as expressed in this IDP.

CHAPTER 7: SPATIAL STRATEGY

7.1 INTRODUCTION

The spatial strategy of the Municipality is embedded in three interrelated strategic documents, these are:

- The Metropolitan Spatial Development Framework (MSDF).
- The Sustainable Community Planning Methodology.
- The Built Environment Performance Plan (BEPP).

This Chapter outlines the key features of these three strategic documents, which together form the spatial strategy of the City. The documents exist as separate documents, and the MSDF and BEPP are required to be legally compliant.

The Metropolitan Spatial Development Framework (MSDF) is the primary spatial plan of the City and represents the spatial manifestation of the IDP. All matters of a spatial nature concerning the Municipality are encapsulated in the MSDF. It includes the aforementioned Sustainable Community Planning Methodology and the Built Environment Performance Plan.

The initial MSDF was approved by Council in 2009; a second version was approved in December 2015. A revised MSDF is required to be approved together with the new IDP in the year following the 2016 local government elections (i.e. 2017). A Draft MSDF exists, and this Chapter includes the revised Spatial Development Framework Strategy. The Spatial Planning and Land Use Management Act 2013 (SPLUMA) sets the legal framework for the SDFs of South African municipalities. A new and legally compliant SDF will be adopted within the 2017/18, following the adoption of the new post-election IDP. The core principles of the SDF have remained intact over multi-year periods and political cycles.

The Sustainable Community Planning Methodology is an international award-winning planning methodology developed and implemented in the Nelson Mandela Bay Municipality (NMBM) to enhance the levels of sustainability and integration of development within the City and to reduce the effects of entrenched segregation. It promotes the analysis and planning of the City in what is termed Sustainable Community Units (SCUs), which apply to both new and existing areas and aim to ensure that any development is examined through the lenses of housing, work, services, transport and character/identity, in order that the need for travel is reduced and that essential services in the above categories are available within walking distance of all households within an SCU.

The Built Environment Performance Plan (BEPP) is an annual requirement of the Division of Revenue Act, which aims to bring about practical spatial restructuring of the country's Metropolitan Cities through defining and actively implementing an Urban Network Strategy (UNS) that defines CBDs and hubs connected by Integration Zones, wherein Transit Oriented Development (TOD) as well as catalytic projects and high density mixed-use developments are promoted. The BEPP also focuses on the implementation of Growth Nodes and the eradication of Informal Settlements. The BEPP is required to release various grant funding from National Treasury and can be seen to represent the capital urban investment strategy of the city, especially of the conditional grants. The NMBM 2017/18 – 2019/20 Built Environment Performance Plan is available on the municipal website: www.nelsonmandelabay.gov.za.

7.2 NMBM METROPOLITAN SPATIAL DEVELOPMENT FRAMEWORK

The Metropolitan Spatial Development Framework (MSDF) and the associated, more detailed, Local Spatial Development Frameworks (LSDFs) seek to guide overall spatial form and identify current and future desirable land uses within the Municipality at a broad level in order to give physical effect to the vision, goals and objectives of the IDP.

The MSDF identifies major transport routes, future transport links, environmentally important areas and key potentials and constraints. The MSDF also aims to sequence

future development areas in a manner that makes the best use of infrastructure services and limits the leap-frogging of development and the unnecessary expansion of infrastructure networks.

The legal importance of the MSDF is contained, *inter alia*, in the Spatial Planning and Land Use Management Act 2013 (SPLUMA), Chapter 4, which states that:

“a Municipal Planning Tribunal or any other authority required or mandated to make a land development decision in terms of this Act or any other law relating to land development, may not make a decision which is inconsistent with a municipal spatial development framework, unless if site specific circumstances justify a departure from such provisions.”

7.2.1 Rationale for Spatial Planning

The MSDF must give effect to the development principles contained in the Spatial Planning and Land Use Management Act, 2013 (SPLUMA). These are:

- Spatial justice.
- Spatial sustainability.
- Efficiency.
- Spatial resilience.
- Good administration.

7.2.2 SDF processes

The following processes of the SDF support sustainable development within the Nelson Mandela Bay Municipality:

- Analysis of spatial opportunities, constraints, patterns and trends.
- Identification of the need for spatial restructuring and land reform.
- Provision of spatial solutions to developmental issues.

- Identification of national spatial development principles and their spatial application in the NMBM.
- Understanding of and allowance for the spatial implications of social, economic and environmental sustainability.
- Production of a document to guide decision-making on developable and non-developable areas, including the sequencing of development.
- Creation of a framework for public and private investment decisions to facilitate investor confidence.

7.2.3 Priority Areas

The MSDF provides strategic guidance in respect of areas on which the Municipality should focus the allocation of its resources. In order to assist in prioritising projects and allocating resources, the following elements of the MSDF are isolated as geographic entities that give guidance as to where the priority capital investment areas lie. These areas are:

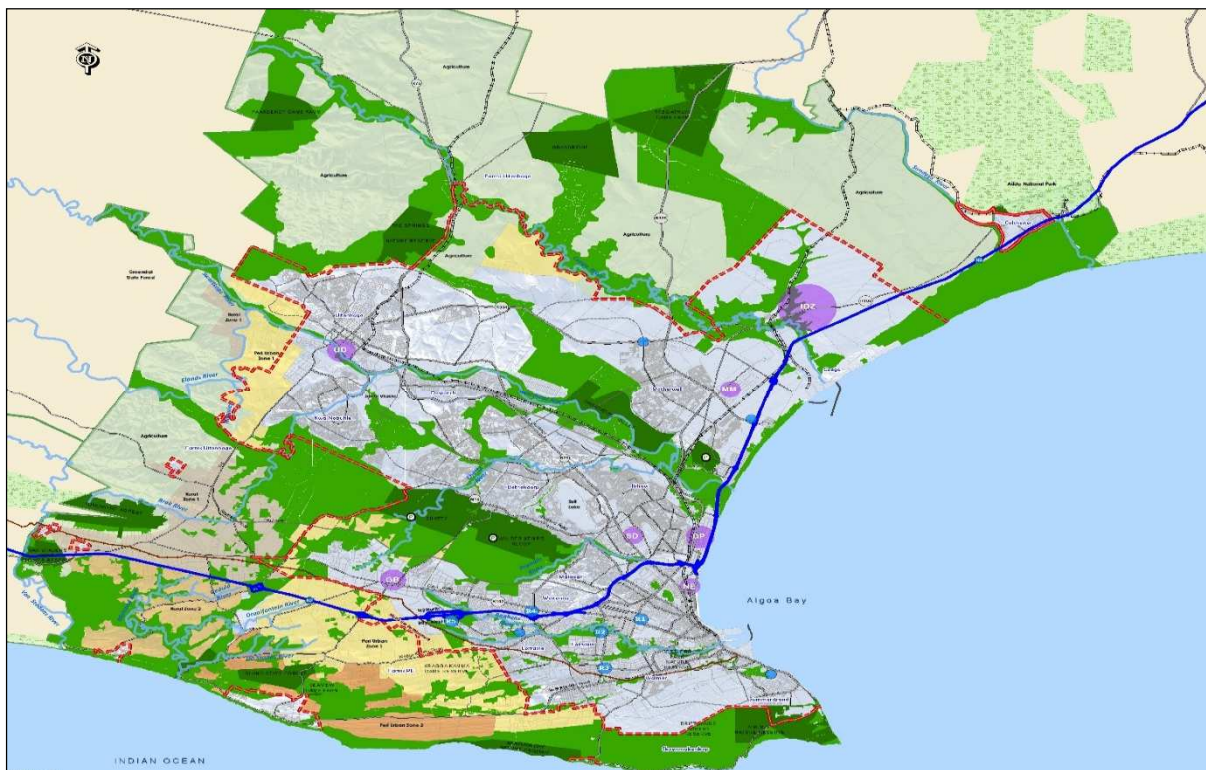
- Core economic areas
- Infill priority areas
- Strategic development areas
- Service upgrading priority areas

The MSDF is also supported by a number of sectoral plans and topic-specific planning documents, which include the following:

- Strategic Environmental Assessment.
- Urban edge/Rural management and urban densification policies.
- Demographic Study update.
- Land Use Management System (LUMS).
- Human Settlements Implementation Plan.

7.2.4 Spatial Overview of Nelson Mandela Bay

The Nelson Mandela Bay Municipality (NMBM) was the first metropolitan municipality in the Eastern Cape Province and is one of eight metropolitan municipalities in South Africa. The Nelson Mandela Bay Municipality covers an area of 1959,02 square kilometres and is bordered by the Sundays River in the north, the Van Stadens River in the south west and the Greater Uitenhage/Despatch areas towards the west of the metropolitan area.



Nelson Mandela Bay Overview: Urban and Natural Environment

The demarcation process as provided for in the Demarcation Act (Act 27, 1998) caused the disestablishment of seven separate local authority administrations and the formation of the Nelson Mandela Bay Metropolitan Municipality (NMBMM). The most significant administrations incorporated were Port Elizabeth, Uitenhage, Despatch and a portion of the Western District Council.

7.2.5 Proposed Metropolitan Structure

Structuring the Plan

The spatial structuring of the Plan is based on the following factors:

- Available land and its features.
- Envisaged population growth.
- Economic development.
- Principles guiding integration, efficiency and sustainability.

The following considerations have been used to determine the basic structure of the Plan:

- Land earmarked for new development, including low income housing, has been selected on the basis that vacant land within and close to the existing built-up areas must be utilised first, while further outlying areas are considered for development only once more centrally located land has been taken up. This will encourage more efficient use of existing infrastructure before network extensions are required. It will also discourage the leap-frogging of development, which is expensive from a bulk services provision perspective.
- Land uses are to be arranged in a manner that promotes the development and use of an efficient public transport system. Densification and a mix of land uses along major transport corridors can achieve this objective.
- Access to green recreational zones from residential areas has been given special attention. Natural, sensitive areas have been identified for protection and additional green spaces have been set aside for recreational use, as well as other uses that are of an ecological nature.
- Certain land uses, such as large industrial areas, are kept away from residential areas, due to the heavy traffic, air pollution and noise generated by industrial operations.

- Existing economic nodes, such as the Coega IDZ, as well as the Uitenhage and Port Elizabeth main industrial areas and existing commercial centres as employment nodes; therefore, structuring elements.
- Further transport links are proposed to promote integration and overall accessibility; linking major centres and industrial areas with residential areas is important, taking into account the limitations resulting from valleys, rivers and escarpments.
- Public transport corridors have been proposed linking economic areas. The future growth direction from Motherwell would thus be to the west, in the direction of Uitenhage, with the Coega IDZ providing employment opportunities for the adjacent residential areas of Motherwell.
- Main arterial roads and rail links for private and public transport between the different urban areas are most easily arranged in east-west directions. Linkages in the north-south direction as well as inland are impeded by valleys, rivers and escarpments and are consequently mainly limited to coastal corridors. It is important that cross city linkages are explored to improve accessibility.
- It is vital to reserve land for future communication links through the urban zones. This is especially important when building between existing developments to make the urban structure more dense and efficient. Such reserves will serve to avoid future transport problems and the additional cost of creating new links through development areas.
- The approach was therefore on pedestrian movement and public transport and the provision of access to services and job opportunities.

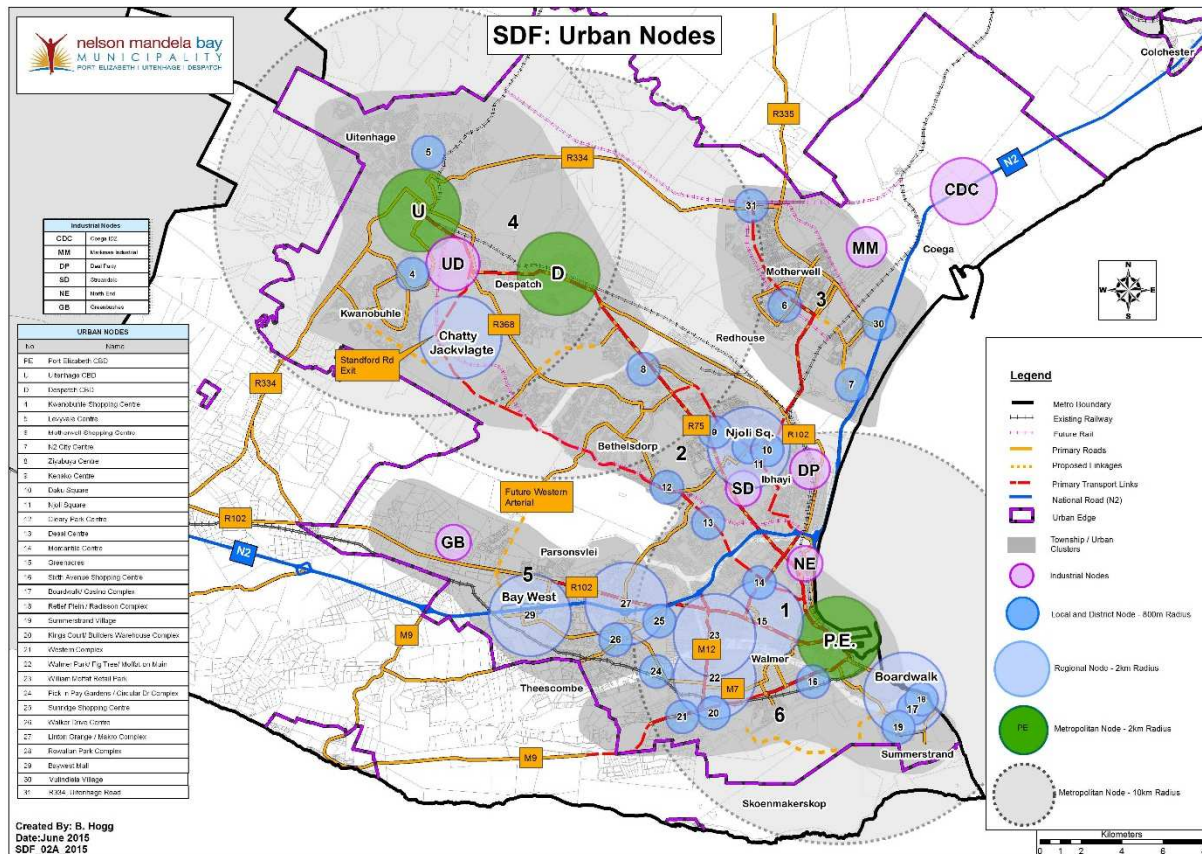
Primary Structuring Elements

Apartheid planning consigned most South Africa cities to the principles of segregation, separate development and unequal access to resources. Such planning divided cities and left places of work and economic opportunities far from the place where the majority of the population live. Measures and strategies need to be put in place to actively restructure the city. The following elements are important considerations in achieving this.

Activity Nodes

Nodes are places of high accessibility, characterised by a concentration of mixed use activities, such as retail, office, entertainment, community facilities and residential components. Such places are usually located at strategic transport interchanges.

These Nodes are regarded as priority areas for densification, integration, intensification and the improvement of environmental quality. Nodes are mostly targeted for public and private investment, as they can enhance economic opportunities and enable more efficient service delivery intensifying activities.



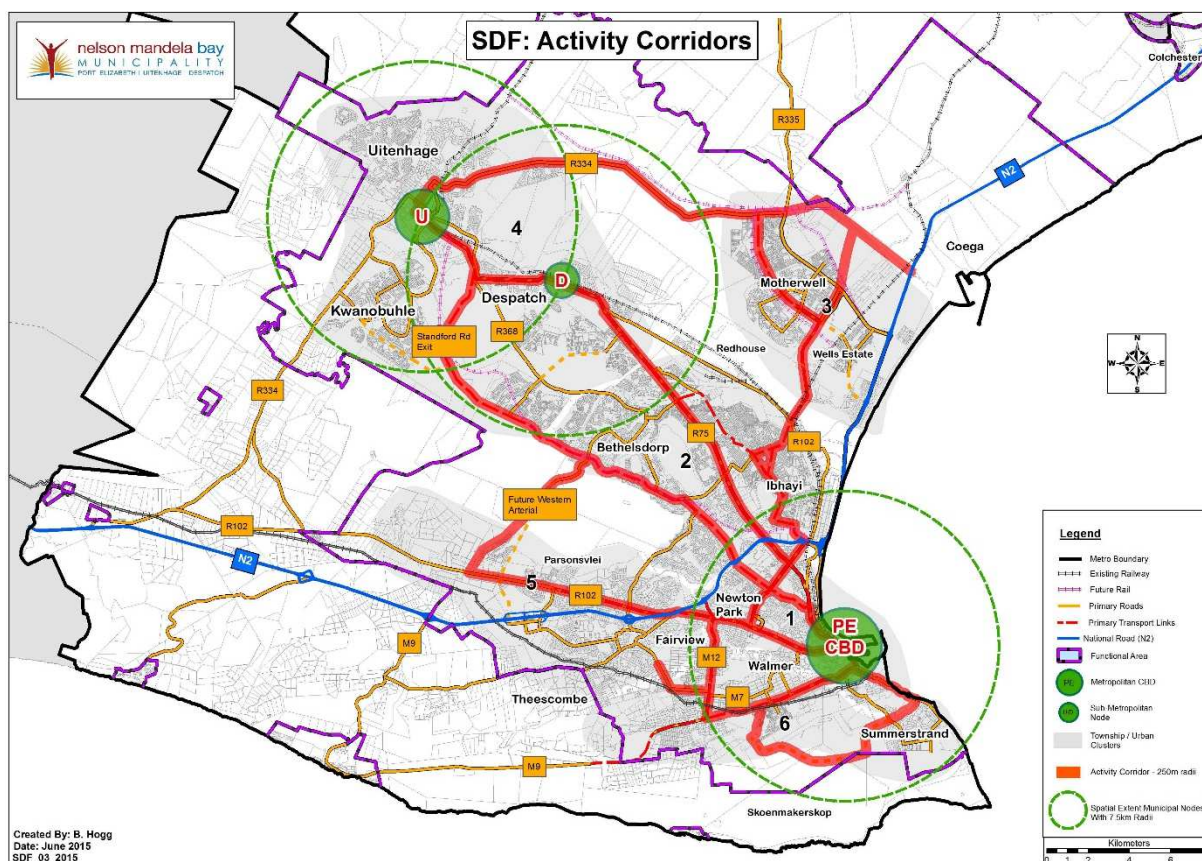
NMBM Urban Nodes

Urban Corridors/Activity Spines

Urban corridors are a combination of structuring elements that reinforce a hierarchy of nodes. They have varying development intensities and widths. Mixed used activities should be created and promoted within such corridors/spines to also include different modes of transport. This minimises travelling costs and the costs of transport infrastructure by increasing accessibility to employment opportunities, especially for previously disadvantaged communities.

The city structure needs to be developed in a manner that uses infrastructure more efficiently and minimises the need to extend infrastructure networks unnecessarily. Transportation infrastructure is the most expensive infrastructure in urban development and extensions to road and rail networks therefore need to be kept to a minimum.

Residential and commercial densities along transportation routes need to be increased at strategic locations (i.e. near development nodes) in order to transform major routes into activity or development corridors and create an environment conducive for sustainable human settlements.



NMBM Activity Corridors

Activity spines can be defined as concentrated urban development along movement routes that are typically also major public transport routes. Development can either take the form of continuous linear development or a series of nodes along the activity spine.

Natural Open Space and Green System

The Nelson Mandela Bay Municipality's open space network plays a fundamental role in shaping the city through the conservation of ecological resources, which are amongst the major structuring elements guiding the development of the city. The open space network has spatial, social and technical dimensions.

The open space and green system within the Metro provides a diverse range of environments, characterised by conservation areas, recreational activities, corridor parks, watercourses, ridges, heritages sites, etc. Existing natural environmental resources are economic assets, as they promote liveability and the vitality of

communities. The open space and green system should be protected and enhanced to ensure that the benefits of local ecosystems are maximised.

Consolidation and Densification

A consolidation and densification approach promotes more compact urban development and maximises the efficiency of areas that are well serviced and centrally located.

This approach contributes to the restructuring of the urban environment and discourages urban sprawl by promoting development that is adjacent to existing urban areas. Furthermore, it promotes the more efficient use of the existing infrastructure, especially at urban centres and along urban corridors.

Growth Management/Urban Edge

Most urban areas in South Africa are characterised by urban sprawl; citizens spend a lot of time and money travelling long distances to work, shops, schools and social facilities. Local authorities are also required to invest large amounts in providing and maintaining excessive infrastructure. A tool of the spatial development framework for growth management is the demarcation of an urban growth boundary or urban edge. The “urban edge” is a conceptual boundary that delineates the urban area in order to contain physical development and sprawl and re-direct growth towards a more integrated, compact and efficient urban form, guided by detailed plans.

The delineation of an urban edge achieves a more efficient and sustainable municipality through the –

- Containment of urban sprawl.
- Intensification of development.
- Integration of urban areas.
- Protection of valuable agricultural, natural and cultural resources.

- Optimum use of existing resources in established urban areas, such as bulk service infrastructure, roads and public facilities.
- Reduced need for commuting, as well as reduced commuting distances.

7.3 SUSTAINABLE COMMUNITY PLANNING AND METHODOLOGY

The existing pattern of development in Nelson Mandela Bay is the result of historical segregation-based planning. The structuring not only separates different racial groupings in geographical terms, but has also resulted in huge disparities in standards of living, as well as access to infrastructural services, employment, and cultural and recreational facilities. As these imbalances serve as constraints for redevelopment, they should be addressed and rectified.

The NMBM developed and introduced this planning methodology to assist the city in dealing with the creation of a more sustainable city. The methodology is an integral part of the MSDF, LSDF and precinct planning that is undertaken.

Sustainable Community Units (SCUs) have been introduced to achieve a more balanced structure in Nelson Mandela Bay, in order to reduce discrepancies in terms of service provision and standards; promote integration in socio-economic and functional terms; and provide for economic activities and employment opportunities.

The urban area of Nelson Mandela Bay has been divided into a number of planning units or entities, known as Sustainable Community Units. These are defined by the distance that an average person can comfortably walk in half an hour, i.e. a 2 km radius. The planning methodology aims to provide the requirements for a minimum standard of planning and living within those areas; in other words, amenities, facilities and job opportunities must be within walking distance of all residents. All SCUs in Nelson Mandela Bay are to be linked by a public transport network, which will ensure that all areas are accessible to all communities by means of public transport, which is also required in terms of the Integrated Transport Plan.

Basic municipal facilities and services should be provided within walking distance of residential areas; higher order facilities can be located further away.

Distance to Facilities

The SCU planning methodology concept identifies the need to make higher levels of sustainability and integration in Nelson Mandela Bay its primary focus. The basis for sustainable community planning lies in the development principles adopted at national, provincial and local government levels, as supported by legislation and government policies.

The Municipality's Sustainable Community Planning methodology covers both existing and future areas of development. A fundamental principle of this plan is to have work opportunities closer to places of residence in order to reduce the need to travel. This is to be achieved through the planning of new areas to accommodate more than just housing developments, but also through a paradigm shift, in location of new settlements closer to rather than further away from places of employment and social and public amenities. Peri-urban areas in which settlements exist, are also planned according to the Sustainable Community Planning methodology, with a view to providing local job opportunities.

The development goals and principles of particular importance for spatial planning in SCUs are:

- (a) Poverty alleviation and the satisfaction of basic needs.
- (b) Focus on special needs groups (HIV and AIDS affected/infected persons, children, the elderly, and persons with disabilities).
- (c) Gender equality and equity.
- (d) The environment (physical, socio-economic).
- (e) Participation and democratic processes.
- (f) Local economic development.
- (g) Accessibility (public transport and pedestrian focus).
- (h) Mixed-use development.
- (i) Corridor development.
- (j) Safety and security.

- (k) Variation and flexibility.
- (l) Appropriate densification.
- (m) Reducing urban sprawl.

To achieve both sustainability and integration, the following functional elements need attention in relation to the above principles:

- (a) Housing
- (b) Work
- (c) Services
- (d) Transport
- (e) Community
- (f) Character and identity

Focusing on these six elements, minimum standards are pursued to achieve an acceptable planning quality, which will result in an improved quality of life for residents in these areas (for more detail on the planning methodology outlined above, refer to the *Sustainable Community Planning Guide*, dated June 2007; also available on the municipal website: www.nelsonmandelabay.gov.za).

7.4 THE BUILT ENVIRONMENT PERFORMANCE PLAN (BEPP)

The development of a Built Environment Performance Plan (BEPP) is a requirement of the Division of Revenue Act (DoRA) in respect of the various infrastructure grants related to the built environment of metropolitan municipalities. It is submitted to National Treasury in order to, *inter alia*, access the following conditional grants:

- Integrated City Development Grant (ICDG)
- Urban Settlements Development Grant (USDG)
- Human Settlements Development Grant (HSDG)
- Public Transport Infrastructure Grant (PTIG)
- Neighbourhood Partnership Development Grant (NDPG)
- Integrated National Electrification Grant (INEP)

The BEPP aims to demonstrate the use of these grants for the purpose of spatial restructuring through targeting capital expenditure in areas that will maximise the positive impact on citizens, leverage private sector investment, and support growth and development towards a transformed spatial form and a more compact city.

The BEPP is complementary to the Municipality's key strategic documents, which include the Integrated Development Plan (IDP), the Budget, the Spatial Development Framework (SDF) and the Comprehensive Integrated Transport Plan (CITP). The BEPP directly complements the MSDF, and the MSDF must embrace the BEPP.

The BEPP focuses on three main areas:

- An Urban Network Strategy (UNS), including Integration Zones and catalytic projects.
- Economic/Growth nodes.
- Informal settlements and marginalised areas.

7.4.1 Urban Network Strategy/Integration Zones and Catalytic Projects

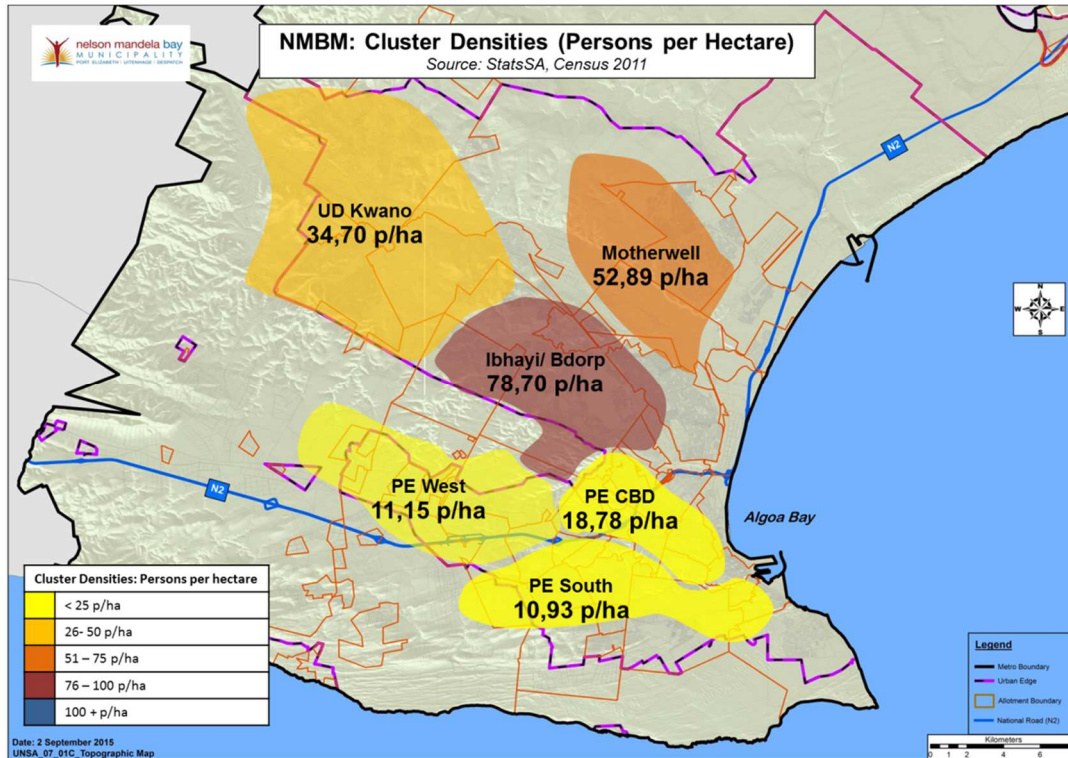
Spatial targeting and the elimination of spatial inequalities, as envisaged in the National Development Plan, is an underlying principle of the Urban Network approach, hence the focus on the catalytic development of under-serviced city areas.

The Urban Network Strategy identifies a number of network elements (CBD, hubs, growth areas) and allows for the identification of Integration Zones that link CBDs and hubs in which catalytic development is encouraged.

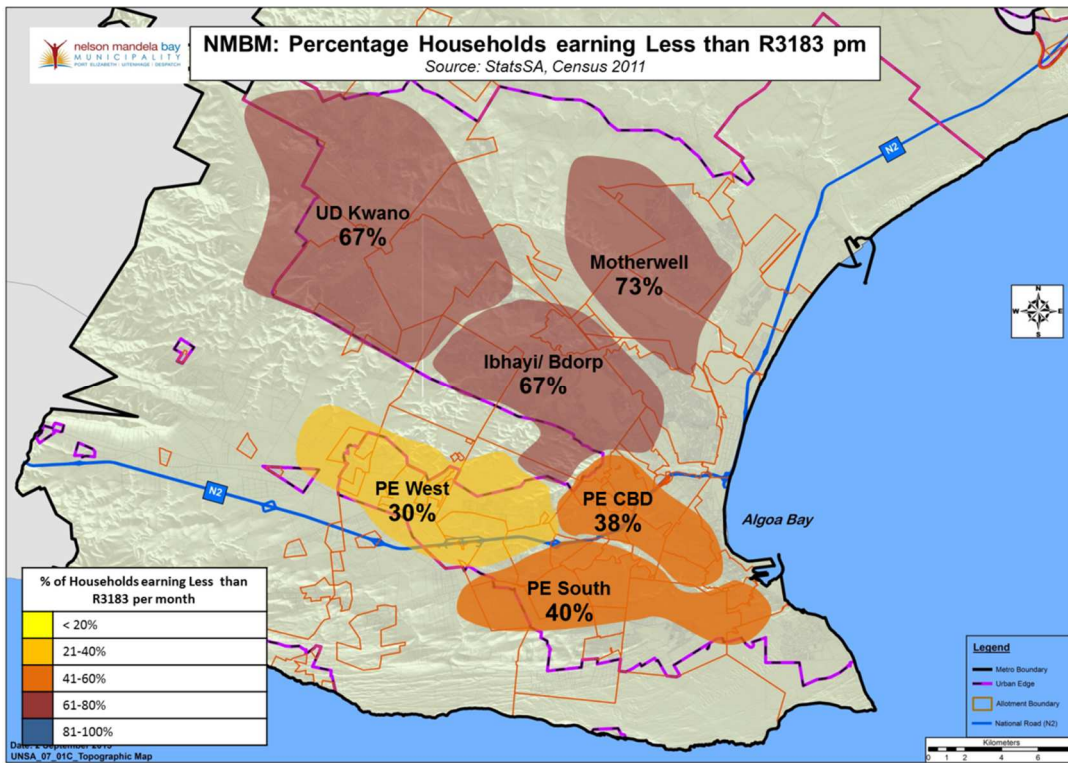
7.4.1.1 Township Cluster

For the purposes of the BEPP, the townships of Nelson Mandela Bay have been clustered into six township clusters.

The density and income characteristics of these clusters are illustrated in the figures below, which highlight the higher densities and lower income levels of the Northern Townships (clusters), with Ibhayi displaying the highest density per hectare. Motherwell has the highest percentage of the population earning less than R3 183 per month. The population numbers and densities in the Southern Clusters are noticeably smaller and lower than those of the Northern Clusters.



Urban Network Strategy: Cluster Densities (Persons/Ha)



Urban Network Strategy - Income Levels per Cluster

7.4.1.2 Identification of urban network elements of the Urban Network Strategy (UNS)

The major elements of the Urban Network Strategy are illustrated and explained in more detail below.



Urban Network Strategy Framework

CENTRAL BUSINESS DISTRICTS (CBDs)

The Urban Network Framework identifies the CBDs of Port Elizabeth, Uitenhage and Despatch as important nodes.

PRIMARY NETWORK/TRANSPORT LINKS

MAJOR ARTERIES

The primary transport network includes three of the five major transport arteries, being Harrower/Stanford Road, Provincial Route R75 and the Khulani Corridor.

Other primary arteries are Old Cape Road (R101), Provincial Route R10, Heugh/Buffelsfontein Road, the William Moffat Expressway, and the N2.

ROAD NETWORK

Public transport serves the metropolitan area along the following existing and planned routes:

- North-South linkage between the PE CBD and Motherwell via Ibhayi; along the Khulani Corridor.
- North-West linkage between the PE CBD and Bloemendal/Bethelsdorp, along Stanford Road.
- South-West linkage between the PE CBD and the Western Suburbs, via Old Cape Road.

RAIL NETWORK

There is an existing passenger rail link between the PE CBD and Uitenhage.

There is an existing passenger rail link between the PE CBD and Motherwell/Markman.

A passenger rail link between Port Elizabeth CBD and Motherwell via a proposed new Motherwell Rail Corridor parallel to Tyinira Street (Motherwell) is planned. There is a long-term possible linkage between Coega and Uitenhage.

A narrow-gauge rail line exists between Humerail (Port Elizabeth) and Loerie.

OTHER ACTIVITY CORRIDORS

The Nelson Mandela Bay Urban Network further identifies other existing mixed use activity corridors that are important. These are:

- Walmer Boulevard, Heugh Road and Buffelsfontein Road
- Walmer Main Road
- William Moffat Expressway
- Cape Road

URBAN HUBS

PRIMARY URBAN HUBS

The Primary Hubs are:

- Port Elizabeth/Uitenhage/Despatch CBD
- Njoli/Ibhayi Hub
- Zанemvula (Chatty Jachtlakle) Hub.

7.4.1.3 Integration Zones

Two integration zones are identified, linking the CBD and Primary Hubs. The Integration Zones traverse the poorest parts of the city, where catalytic development intervention is prioritised.

These Integration Zones are described below:

Integration Zone 1 Khulani/Njoli:

This Integration Zone includes the Khulani Corridor, as well as the Motherwell Node. It links the Inner City area and the Njoli Hub and incorporates a portion of the Khulani Corridor between Stanford Road and Njoli Square.

Integration Zone 2: Stanford Road to Uitenhage:

This Integration Zone 2 along Stanford Road is a link between Integration Zone 1 and Chatty Jachtlakle. Environmental and spatial constraints make it a very narrow corridor with limited scope for catalytic and development intervention. These would be limited to modal interchanges along Stanford Road, such as the Cleary Park Modal interchange.

7.4.2 Growth Areas

Four growth areas have been identified:

- Walmer/Summerstrand Growth Area
- Fairview West Growth Area
- Motherwell Growth Area
- Baywest Growth Area

The Urban Network Framework includes the following Secondary Hubs:

- Kenako/Vista
- Red Location
- Jachtlakke/KwaNobuhle
- Wells Estate

Other Nodes Identified, include:

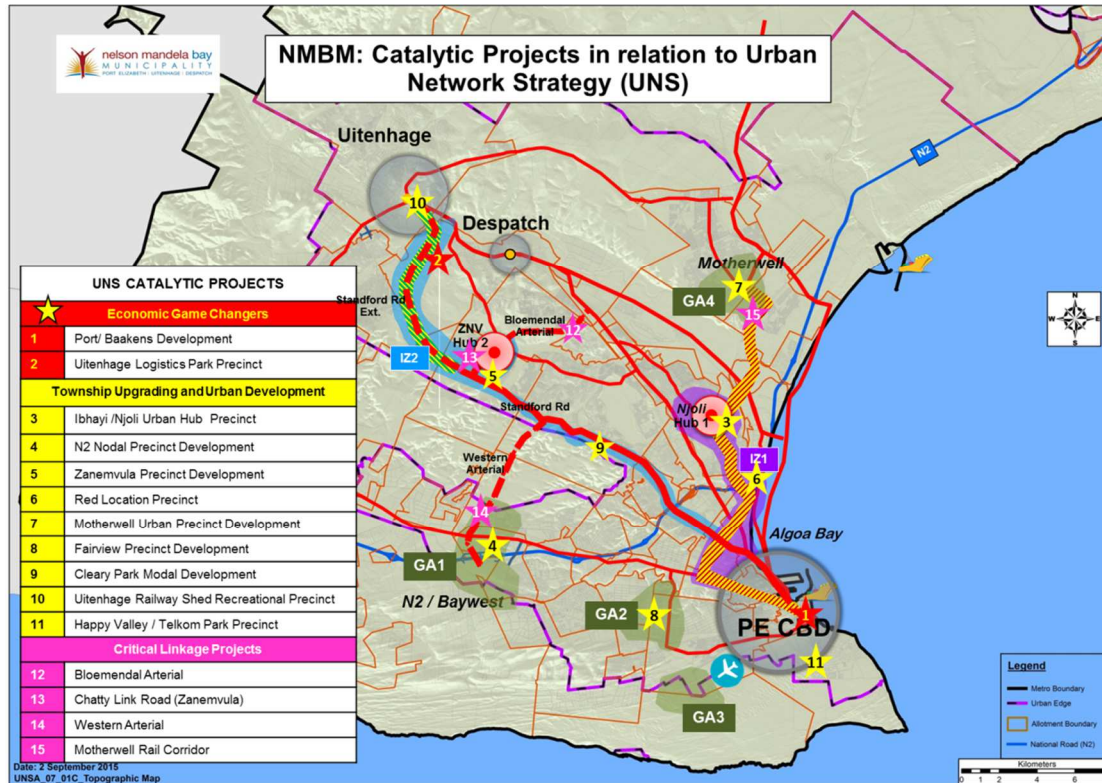
- Greenacres/ Newton Park Node
- Walmer Node
- Great Westway (Makro/ Framesby/ Westering) Node

7.4.3 Catalytic Projects

The Catalytic Projects of the BEPP reflect interventions that include developments that are:

- Within defined Integration Zones.
- Private and public sector initiatives in their implementation.
- Inner city, mixed use, social, commercial and residential development initiatives.
- Informal settlements and marginalised area upgrading.
- Linkage projects, such as critical road infrastructure, to ensure a proper linkage between the Integration Zones and the rest of the city.

The following map shows the location of the selected catalytic projects in relation to the Integration Zones of the Urban Network Strategy.



Catalytic Projects

It is the intention to move the catalytic projects as quickly as possible from the planning to the implementation phases.

The NMBM is characterised by slow economic growth; therefore, it can be concluded that positive change will be slow. In view of this, the City does not have the opportunity for many economic and “game-changing” projects. It is important therefore to focus efforts on a limited number of strategic projects that will have maximum impact. In addition, because of the extreme poverty of the city, poor areas need to be targeted for investment and development. The City is spatially divided, due to its geography and historic patterns of development. Linkage projects to increase access must therefore also be prioritised.

7.5 INFORMAL SETTLEMENTS AND MARGINALISED AREAS

7.5.1 Management and Upgrading of Informal Settlements

The Municipality has a dedicated programme for the elimination of informal settlements, as contained in the Informal Settlements Upgrading Plan (NMBM: Human Settlements Directorate, 2008). The Plan was developed in 2008 and included 81 informal settlements. Although 51 informal settlements now remain and are contained in a matrix of *in situ* upgrading/destination areas, programmed over time, prioritised and implemented according to the availability of funding.

In terms of municipal policy, the relocation of informal settlements happens as a last resort. Where an informal settlement can be formalised *in situ*, this is done. Of the 105 originally identified informal settlements, 34 informal settlements were upgraded *in situ*. In some instances, due to density, not everyone in the informal settlements can be accommodated *in situ*. In these cases, the remaining residents are relocated to locations situated as close-by as possible. Informal settlements in stressed areas, such as under power lines, on tip-sites, in floodplains or other such areas, are relocated to new areas. To accommodate these communities, 9 Greenfield sites have been prepared and serviced. In order to accommodate the total need for new development, 16 greenfield sites have been programmed for completion in terms of the approved Human Settlements Plan.

The Informal Settlements Upgrading Plan is part of the NMBM Human Settlements Plan. The main focus of the Plan is the full technical and social investigation of all the informal settlements within the Metro, as well as the categorisation of each settlement in term of needs and vulnerability.

The prioritisation of projects is based on technical readiness, including town planning layout approvals, general plan layout approvals, environmental approvals, completed geotechnical investigations, and the availability of bulk infrastructure. Greenfield projects are also prioritised as destination projects for relocation purposes.

7.5.2 Strategy for better located housing development for all and specifically the poor in relation to densification

Well located, pro-poor urban development strategies are well entrenched in the Sustainable Community Planning Methodology of the NMBM. The methodology focuses on actions and approaches to achieve higher levels of functional, social and economic integration, simultaneously promoting and improving social, economic and environmental sustainability.

The density of existing areas should be increased through infill development on vacant land not required for other purposes. Corridor development along public transport and other major transport routes will also increase densities in existing areas. Transit oriented development (TOD) is a priority of the City.

To effectively increase density and thereby reduce urban sprawl, future densities should average at least 30 to 40 units per hectare (gross) in new areas. Current densities average 20 units per hectare.

It is predicted that more than 80% of the future residential demand in the Metro will be for low-income housing. In view of the need for densification, it is this sector that will, of necessity, be most affected.

The current practice of creating erven of 200 – 300 m² for low-income housing is unsustainable from an economic and land utilisation point of view. Increased densities will decrease land and servicing infrastructure costs and also enhance the viability of public transport systems.

The proposals in the context of the Nelson Mandela Bay area are as follows:

- Strengthening the existing major bus routes and commuter routes in the Metro by the addition of high-density development alongside (Transit Oriented Development (TOD)).

- Intensifying development around existing public open spaces, where appropriate. Intensification refers to the subdivision of the existing appropriately located and designed Brownfield erven.
- Greenfield development of certain strategic sites which, although located on the periphery of the City, could nevertheless be easily integrated into either the rail or road transport system. Environmental considerations rather than cadastral boundaries inform the perimeters of such external Greenfield sites.

7.6 CONCLUSION

The abovementioned documents together comprise the Spatial Strategy of the NMBM, which has at its core the aim of sustainability and achieving a more equitable spatial structure for the population of the Metro. The strategies mentioned above do not exist in isolation of each other, but together enhance the prospects of achieving spatial justice over time. Greater integration and alignment of the strategic spatial plans will be achieved in this IDP focus period.

CHAPTER 8: DELIVERY APPROACH

8.1 Corporate Services

The Corporate Services Directorate is the primary custodian of all human resources policies and procedures within the institution.

The Directorate is responsible for the following:

- Implementation of an integrated ICT platform and ensuring proper ICT governance within the Municipality.
- The implementation of cost-saving measures in telecommunications.
- The creation of a Wi-Fi enabled environment, centralising all ICT systems in the NMBM, the upgrading of computer software and implementing approved ICT governance plans, contributes to the enhancement of optimum performance and service delivery.
- Establishment of a legally compliant organisational structure as well as driving a performance driven culture by rolling out performance management to all levels within the institution.
- The development, implementation and monitoring of the staff establishment.
- Development and implementation of human resources strategies and plans for the Municipality.
- Provision of adequate and cost-effective office accommodation and facilities with connectivity for staff and Councillors.
- Development and implementation of an integrated lease management strategy and plan for internal leases.
- Labour relations and labour engagement.
- Through its Constituency Services Sub-directorate, it facilitates and co-ordinates programmes that aim to mainstream Children, People with Disabilities, Elderly, Women and the Youth.
- Establishment and operationalisation of Ward Committees.
- Proper management of movable assets ensures that operational and replacement costs are significantly reduced.

- The provision of corporate administration services (i.e. landlines and cellular phones, secretariat and printing services and a centralised records management system).
- Provision of communication initiatives and services to ensure that the public is well informed of municipal programmes, services and events.

8.2 Chief Operating Officer

The Office is responsible for ensuring a more responsive, accountable, transparent and compliant institution with the focus on enhancing service delivery. In this regard, it manages the integrated planning processes of the Municipality, ensures that the focus remains on customers, and that they be continuously engaged in planning, implementation and monitoring and review processes.

The Office of the Chief Operating Officer ensures good corporate governance through its sub-directorates, namely: Integrated Development Planning; External Relations, Legal Services; Monitoring and Evaluation; Policy, Strategy and Research; Risk Management; and Strategic Planning Coordination/Integrated City Development.

The following functions are performed within the Office of the Chief Operating Officer:

Strategic

- Manage the development, implementation and review of the Municipality's vision, long-term strategy and the Integrated Development Plan (IDP).
- Ensure that all institutional strategies are aligned to the IDP and long-term strategy.
- Manage the development, implementation and review of corporate strategies and policies.
- Develop and manage the implementation of institutional customer care initiatives.
- Manage the development, implementation and review of the Municipality's Built Environment Performance Plan (BEPP).

- Provide for the prioritisation and coordination of planning, budgeting and implementation efforts in line with strategic planning.
- Provide for the coordination of sectoral activities within the Metro.
- Monitor, evaluate and report to internal municipal structures, other spheres of government and the public on the implementation of the Integrated Development Plan, other strategies and the Budget.
- Manage the development and implementation of external relations between the Municipality, stakeholders, other spheres of government and international partners to achieve alignment with the Council's priorities, as expressed in its IDP.
- Identify potential and/or existing control weaknesses and assess the adequacy of the control governance processes in the institution and recommend remedial actions.
- Manage the development and implementation of the Corporate Risk Management Strategy.

Operational

- Manage the development and implementation of the institutional Performance Management System and directorate operational plans (Service Delivery and Budget Implementation Plans).
- Co-ordinate institution-wide projects and programmes.
- Undertake institution-wide research to support the development and implementation of institutional strategies.
- Ensure the design and implementation of operational improvement initiatives.
- Coordinate and report on the Urban Settlements Development Grant and the Integrated City Development Grant.
- Develop and monitor the Council Resolutions Monitoring Matrix.
- Ensure that the Municipality complies with all applicable legal and regulatory requirements.
- Provide institution-wide legal support to the Executive and Council, to ensure informed decision-making.

8.3 Infrastructure, Engineering, Electricity and Energy

8.3.1 Water and Sanitation

The responsible delivery of water and sanitation services to residents of Nelson Mandela Bay is a key mandate of the institution, provided by way of water management and bulk water services, which include the following:

- the storage of water in dams, treatment works and reservoirs;
- water distribution reticulation and wastewater conveyance, conducted at reservoirs and pump stations;
- wastewater treatment of sewage, both domestic and industrial;
- monitoring trade effluent discharges; and
- the relevant electrical and mechanical maintenance of plant/equipment.

Massive infrastructure, which requires to be maintained, rehabilitated and expanded, is clearly involved in delivering on this key institutional mandate. New and innovative technologies are constantly researched and integrated into water delivery plans to ensure optimal and sustainable water delivery.

The Municipality established work streams for non-revenue water reduction, thereby ensuring the preservation of existing water resources; improving both service delivery and the viability of water services.

The provision of water and sanitation services, connectivity to services, the discharge of sewage into sewers, as well as water conservation measures, are governed by legislation.

8.3.2 Electricity and Energy

The electricity industry in South Africa historically provided adequate financing to municipalities, allowing them to fund the electricity operations, capital needs and generally subsidise a large portion of their budgets.

In 2010, when the Eskom base tariff increased, a dramatic loss occurred in the net profit derived through the sale of electricity. Since then, the profit on electricity has been insufficient to cross-subsidise capital budgets for a growing city. Fortunately, the City has a foundation of a good electricity network that is able to deliver quality services.

What is important now, is the methodology applied to use the historically good networks, staffing capacity and the additional opportunities that arise through our geographic position, climate and new business opportunities in the alternative energy carriers and renewable energy. It is intended to use this historic First World network as a basis to become a destination of choice for the green economy. The emerging gas economy that will arise in the Coega Industrial Development Zone of Nelson Mandela Bay is also a potential future energy priority.

The NMBM's drive to develop a "Smart City"/fifth utility by introducing City-wide broad band/internet services, both free and commercial, will allow the institution a potential increased financial stream.

A number of public-private partnerships, collaboration with the universities, close liaison with National Treasury and new service delivery methods will ensure that the City remains a leader in the field of energy and stays abreast with best practices.

8.3.3 Fleet Management

Fleet Management is an enabling internal division that provides vehicles and/or plant to all directorates across the Municipality.

The Municipality intends to take a more active role in the Electric Vehicle Infrastructure Alliance, with the view of greening a section of the Municipality's fleet by the year 2020.

The Nelson Mandela Bay Municipality's Fleet Management Services is recognised as a benchmark for good practice. The Unit is visited annually by a number of municipalities and Government Departments in order to study how the function is performed in Nelson Mandela Bay.

8.3.4 Roads and Transport

Nelson Mandela Bay is traversed by 4 397 km of roads (3 126 km municipal, 1 018 km provincial and 253 km South African National Roads Agency Limited (SANRAL)).

A robust, high functioning road network, as well as a well-capacitated, maintained and comprehensive stormwater network, which the Municipality is mandated to provide, is vital in ensuring optimal mobility for residents. The Municipality is also mandated and committed to provide Metro commuters with a safe, accessible, reliable and affordable public transport/commuter system.

In the above regard, the Municipality is committed to maintaining existing roads, stormwater and transport infrastructure, as well as developing new infrastructure that will add value to the Metro and its residents.

The institution continuously identifies and evaluates road safety risks, and addresses these through the installation of traffic calming measures (traffic circles, speed humps and traffic lights). To ensure safety on our roads and to protect residents' vehicles, the Municipality has prioritised the fixing of potholes, in addition to improving the visibility of directional signs and improving public awareness of high accident zones.

The institution continues to develop and advance capacity for an effective IPTS, including the roll-out of IPTS specific stations and shelters on route networks, and the procurement of buses for IPTS operations.

8.3.5 Scientific Services

The Municipality must ensure that the residents of Nelson Mandela Bay are provided with potable water and live in a clean and uncontaminated environment. Towards this end, the Scientific Services Laboratory provides analytical services to NMBM directorates and external industrial customers. The accurate and efficient analysis of the samples by the Scientific Services Laboratory is a pre-requisite for the effective monitoring of the required parameters by the NMBM Public Health Directorate, as well as other NMBM directorates, enabling them to ensure a safe environment for the community.

The following criteria are monitored:

- Quality of potable water supply against the national specification;
- Quality of sewage effluent against the national specification;
- Quality of industrial effluent discharged into the municipal sewerage system and water-courses;
- Compliance with public health standards (e.g. public food preparation);
- Quality of recreational water at recreation venues, for example beaches and rivers.

The monitoring of the above in terms of compliance with national legislation and NMBM By-laws supports the institution's mandate to protect the environment and the health of residents; also through ensuring compliance by local businesses and manufacturers with environmental and NMBM licensing provisions. In addition, it protects the NMBM against possible liability for non-compliance with required standards.

The Scientific Services Division has regular interaction with the South African National Accreditation System's (SANAS) Management, other local authorities and government departments with regard to the analytical methods and approaches being adopted.

8.4 Human Settlements

Housing is a fundamental need and basic human right of the residents of Nelson Mandela Bay.

The Constitution of South Africa Act 108 of 1996 and the Bill of Rights contained therein, affirm the democratic values of human dignity, equality and freedom for all citizens. This informs the work of the Municipality in human settlements provision, while it must also give effect to the following associated rights:

- Equality
- Human dignity
- Freedom and security
- Privacy
- Freedom of movement and residence
- Property
- Environment
- Healthcare, food, water and security
- Access to information
- Administrative justice

The City's mandate in respect of human settlements is derived from the National Housing Act 107 of 1997, which provides for "the establishment and maintenance of habitable, stable and sustainable public and private residential environments, to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis have access to permanent residential structures with secure tenure, ensuring internal and

external privacy, and providing adequate protection against the elements, potable water, adequate sanitary facilities and domestic energy supply”.

The delivery of housing in Nelson Mandela Bay provides an opportunity to transform the face, shape and form of the City and its settlements, reduce the effects of entrenched segregation and inequality, and provide rights to citizens for whom these rights are not yet a reality.

The Municipality has failed to adequately respond to this opportunity, due to a variety of challenges:

- A housing market in which poor households cannot participate.
- An ongoing housing affordability problem across various sub-markets, particularly the gap market.
- Weak spatial planning and governance capabilities.
- The high cost of well-located land for development, driving human settlements to the peripheral areas.
- The inability to adequately respond to the diverse needs of low-middle income households.
- The absence of a range of typologies and tenure types to support the needs of poor households.
- The limited success of social housing to provide rental accommodation at scale.
- The escalating cost of development for government, resulting in a reduced number of housing units delivered (National Department of Human Settlements Strategic Plan, 2015-2020).

Notwithstanding the legislative and policy obligations that influence the activities of the institution in providing human settlements, in order to be effective and deliver projects and programmes that are sustainable and integrated, the following aspects need to be addressed:

- Access to adequate accommodation that is suitable, relevant, appropriately located, affordable and fiscally sustainable.

- Access to basic services such as water, sanitation, refuse removal and electricity.
- Security of tenure, irrespective of ownership or rental, formal or informal structures.
- Access to social services and economic opportunities within a reasonable distance.

In addressing the above aspects, a multi-disciplinary and collaborative approach with all relevant internal and external sectors is required. Alignment and integration between municipal directorates and other government departments is critical to the success and sustainability of human settlements interventions.

It needs to be recognised that the Provincial Department of Human Settlements is responsible for the allocation of funding for housing development in the Nelson Mandela Bay area. This influences what can be achieved by the Municipality.

The key stakeholder group of the Municipality in providing human settlements is the most vulnerable, poverty-stricken and desperate citizens of society. Therefore, a priority area is to ensure the delivery of services to informal settlements and backyard shacks.

The reality that faces the Municipality in providing adequate housing is that not every citizen in need of a formal home, in a sustainable and integrated human settlement, will receive one in the short or even medium term. To mitigate this, the approach adopted to dealing with informal settlements is to focus on upgrading, de-densification and *in situ* development.

In addition, not every citizen is in need of a subsidised house. There are those who can benefit from other national housing or private initiatives, such as social housing and the Finance Linked Individual Subsidy Program (FLISP). The role of the Municipality is therefore to match citizens in need of homes to the appropriate available housing instruments, in collaboration with other roleplayers.

The NMBM Human Settlements Directorate is staffed not only with technical staff, but also project management and community development staff. These staff members are crucial to the success of delivery and are the bridge between the Municipality and communities.

An important aspect in the provision of human settlements is the resolution of community conflicts, disputes and civil disturbances. The relocation of communities from emergency areas or after land invasions, or any highly emotive situations, requires particular facilitation, consensus building, conflict resolution and problem-solving skills. As the Human Settlements Directorate of the Municipality deals with the most vulnerable citizens, it is critically important to ensure the appropriateness of its approach to all aspects of human settlements delivery.

In addition to the above, the Human Settlements Directorate *inter alia* performs the following functions:

- Land survey
- Building control
- Land use management and spatial planning
- Development and support for human settlements delivery
- Property and planning administration
- Housing consumer education

8.5 Public Health

The purpose of the Public Health Directorate is to improve the health and quality of life of people and the environment through key strategic interventions, such as the prevention and treatment of pollution and diseases, and natural environment protection.

The Public Health Directorate is committed, through a process of community involvement, to rendering competitive services through developmental programmes to improve the quality of life of people within the Municipality by creating and maintaining a healthy and attractive environment.

Of extreme importance to the implementation of this mission are the legislative prescripts that provide the strategic placement and functioning of the Public Health Directorate to deliver efficient services to the people of this Municipality.

The Public Health Directorate's functions *inter alia* include the following:

- Employee wellness.
- Implementation of the Occupational Health and Safety Act.
- Support of the Municipal Pound.
- Planning and management of the Metropolitan Open Space System (MOSS) and parks.
- Waste management.
- Planning and management of cemeteries.
- Pollution monitoring and control.
- Mainstreaming of HIV/AIDS in municipal projects and programmes.

8.6 Economic Development, Tourism and Agriculture (EDTA)

The Nelson Mandela Bay Municipality is emerging as a city of rising opportunity. Nelson Mandela Bay is located along the Eastern Cape coastline and will therefore promote and invest in the Oceans Economy. Linked to this exciting opportunity is the opportunity to capitalise on the growth in the tourism sector in order that Nelson Mandela Bay can become a destination of choice for domestic and international visitors.

Nelson Mandela Bay is a major roleplayer in the economy of the Eastern Cape Province and its role in the economy thus goes beyond its own municipal boundaries.

Like many other urban areas of South Africa, Nelson Mandela Bay is challenged by extreme socio-economic disparity and poverty among large sections of the population. Against this backdrop, the NMBM is, like other South African local governments, faced with the challenge of ensuring that the lives of people in local communities are substantially improved; and this objective can only be achieved through inclusive economic growth and development.

This means that the Municipality must achieve the goals of economic growth, alleviation of poverty, as well as the general improvement of the quality of life of the people of Nelson Mandela Bay; and it is thus important that Local Economic Development (LED) is implemented in such a way that it can achieve inclusive growth in order to redress the socio-economic imbalances in Nelson Mandela Bay region.

In this regard it is important that the municipality facilitates the growth and diversification of the local economy through the attraction of new investments, skills development and facilitation of an enabling environment for small business growth and job creation. In order to achieve this objective, the municipality is committed to employment opportunities through the Expanded Public Works Programme (EPWP), strategic partnerships that enable empowerment through economic development and targeted industry support and cluster development. Furthermore, the Municipality has a responsibility to support the development of small businesses and emerging enterprises through incubation, training and development.

Support for the agricultural sector is also important so as to stimulate the local value chain of suppliers and the agro-processing industry. Creating an enabling environment to do business in Nelson Mandela Bay is a major focus area – by working together with other departments, cutting red tape and improving administrative efficiencies Nelson Mandela Bay can become a globally competitive city.

The successful implementation of the Local Economic Development Strategy remains crucial to addressing the challenges of poverty and unemployment in Nelson Mandela Bay. The potential of LED to empower local citizens has gained popularity in many countries and cities. It is therefore vital that the City adopts and implements an appropriate LED approach that will grow the economy, and reduce poverty and unemployment.

After having conducted a thorough assessment of the state of the economy in the region and the challenges faced, several key lessons have been learnt. These include, but are not limited to, an approach in implementing LED projects, infrastructure development, trade and investment facilitation, and promotion. Further to the assessment done, the Municipality has comprehensively consulted with economic sectors to get inputs on how best it can tackle the challenges faced to grow the economy.

The inputs from the economic sector sessions provide critical direction for the growth and development of the Metro's economy. The plan is to ensure that LED helps communities to realise a lively, resilient and sustainable local economies in order to improve the quality of life for all.

Key to the creation of an "inclusive economy" is the focus on previously neglected areas such as Uitenhage, Despatch and various townships across the region. The City has placed a strong emphasis on these areas, and various programmes and projects in this five-year plan are aimed at ensuring that economic development in these areas is given a priority.

The Municipality, in partnership with other stakeholders, will establish SMME Support Centres in various communities in order to ensure ease of access to SMME support services. The City therefore aims to implement projects and strategies to strengthen the city's economic inclusivity, protect the vulnerable areas and improve services and facilities for residents, businesses and visitors.

The next five years will cover two broad strategic approaches to local economic development, namely: a pro-market approach, based on business development, and a pro-poor approach focusing on poverty reduction. NMBM realises that both approaches are equally valid; and they each need to be pursued to meet the needs of a wide range of stakeholders; and it is important to note that local development cuts across both strategic approaches of LED.

Nelson Mandela Bay holds great promise for accelerated growth, job creation, and poverty reduction over the next five years. The decrease in the unemployment rate in the last quarter of 2016 has already brought slight relief, and is a positive sign for the future.

With a full understanding that there are other external factors that impact on the development and growth of local economies, the Municipality, through this five-year Plan, is determined to use its resources, and partner with other stakeholders, to develop the local economy, further reduce unemployment and tackle poverty. The Municipality will ensure the implementation of this Plan through various monitoring and evaluation processes.

The ultimate goal is to create an environment that inspires the confidence of business and communities and attracts job creating investments and initiatives, which help reduce unemployment and provide people with access to life-changing opportunities.

8.7 Sports, Recreation, Arts and Culture

The Municipality is committed to entrenching and further developing its reputation as a preferred sports destination and a competent host for local, national and international sporting events. Towards that end, it is vital that it upgrade, renew and augment existing sport facilities. A crucial area is the proper management of existing facilities, and towards that end, the Municipality is establishing Facility Management Committees at its sport facilities.

As a watersports mecca and tourism city, the Municipality has prioritised the maintenance of recreational water quality standards at its three Blue Flag Beaches (in October 2016, three local beaches – Humewood, King’s Beach and Hobie – snatched the coveted Blue Flag status). The Blue Flag serves as an assurance to holiday-makers and tourists that the relevant beach is world class and offers safe, well managed facilities. The Municipality has also partnered with local swimming associations in presenting swimming lessons to local school-children, to prevent drownings at our beaches.

As part of its operations, the Municipality regularly hosts a number of events, such as the annual Splash Festival or National Pride Day celebrations, and is committed to ensuring compliance with relevant legislation.

Parallel to its commitment to entrench and grow the Municipality’s reputation as a competent host city for key provincial, national and international sporting events, the Municipality has prioritised the development and promotion of local sports talent and sports teams. Additionally, it is committed to develop the local arts, culture and creative industries sector, given its potential as a tool for social cohesion and nation building.

In order to promote its Destination City goal, the Municipality is committed to the maintenance and upgrading of major commercial sports infrastructure, the development of sport and recreation precincts, and the upgrading of leisure, recreational and beach facilities, and arts and cultural centres.

Annually, the city hosts or supports a number of flagship events, national and international sports events, as well as arts and culture festivals, which serve to boost the local economy and promote the city’s reputation as an important events destination, such as the following:

- Standard Bank Ironman African Championship
- Ironman 70.3 World Championships in 2018
- Mandela Festival

- Summer Season Festival
- Exterra Triathlon
- Ebubeleni Festival
- EP Athletics
- Northern Arts Festival
- Splash Festival
- Heritage Week

These events are often realised through partnerships with local institutions in the private sector, sector stakeholders and NGOs. Examples are the aquatic, swimming and sports programmes that the Municipality hosts at local schools. As is evidenced by the number of arts and cultural events annually hosted or supported by the Municipality, the institution has prioritised the development of the local Arts, Culture and Creative Industries Sector, recognising its enormous potential for realising economic growth and development. A valuable new addition in the array of tourism attractions has been the NMBM Heritage Route, which has been prioritised for further development.

Its expanse of golden beaches is the prime tourist attraction of the City, which necessitates focus on the beach safety of holidaymakers and visitors. In this regard, the Municipality is committed to establishing and maintaining effective and well-supported partnerships with local lifesaving organisations.

The City has a rich and diverse heritage and the Municipality has prioritised the commemoration and celebration of this heritage through programmes that promote redress and foster social cohesion.

The Municipality believes that instilling a culture of reading among residents and students is a vital prerequisite to transforming them into readers - essential to unlocking the doors to education and learning in the NMBM and promoting an informed public.

Municipal libraries play a vital role in our information-driven society and are extensively used by residents; both for academic research and recreational reading purposes. The upgrading and restoration of library facilities is an ongoing institutional commitment. The Municipality is also mandated to promote the health and well-being of residents, and in this regard new sport and recreation facilities are being provided, while existing sport facilities are upgraded or rehabilitated.

The Municipality recognises that it is important to ensure the sustainable provision of water to its sports facilities and embraces research as the vital underpinning of the sustainable provision of services.

8.8 Safety and Security

The safety and security of local communities, residents, visitors, tourists and holiday-makers is a key focus area of the Municipality. To make the city safer, the institution provides a broad spectrum of services.

The emergency services that are provided to ensure the safety of all communities and visitors include disaster management, fire and emergency and security services as well as traffic and licensing services.

Collaboration between all internal and external stakeholders, particularly law enforcement agencies, is maintained to identify potential threats and reduce or eliminate risks.

The functions of a Municipal Police Service are provided for in terms of legislation and include the execution of traffic policing, the policing of municipal by-laws and regulations, as well as the prevention of crime.

A central communication centre provides for the effective and efficient coordination of disaster management services throughout the Municipality. Planning and training in disaster management operations are conducted on an ongoing basis. The development of an integrated disaster management strategy and plan will address

public awareness and the establishment of partnerships and satellite offices, and ensuring that disaster risk assessment objectives are met.

The Municipality's Fire and Emergency Services provides immediate and effective response to incidents. The implementation of an integrated Fire Safety Strategy will address aspects such as preventing the outbreak or spread of a fire, fighting or extinguishing fires, the protection of life or property against the fire and threatening danger, and the rescue of life or property from fire or other dangers.

Security Services provides for and coordinates all security related requirements in the Municipality. This includes the supervision of all sites guarded by contract security services, armed escorts, security surveys and recommendations to directorates to prevent loss or potential loss, close protection services for senior officials, as well as integrated firearm management. All cases related to Council losses, theft, damage and/or misuse of assets are investigated, and outcomes are reported.

Traffic and Licensing Services promotes road safety through integrated and coordinated law enforcement initiatives. The services provided, include licencing, training of staff, municipal court services and the execution of traffic warrants.

Two key Disaster Management related reports are available on the municipal website:

- Disaster Risk Assessment Report
http://www.nelsonmandelabay.gov.za/datarepository/documents/qgGwV_DM%20Plan.pdf
- Disaster Management Plan
http://www.nelsonmandelabay.gov.za/Assets/leve_2_disaster_management_plan_2010.pdf

CHAPTER 9: DELIVERY PLAN

The Municipality's Delivery Plan is informed by a new, delivery-focused political vision that has already brought change to Nelson Mandela Bay.

In order to ensure absolute alignment between the Budget, IDP and Strategic Objectives, the directorates have prepared comprehensive situational analyses, while the Mayoral Committee conducted extensive stakeholder engagements with residents and economic clusters.

Since September 2016, over 12 000 residents and representatives from over ten economic clusters were engaged and brought their aspirations and concerns to Mayor Athol Trollip and his Executive. This has translated into a Budget and IDP that deliver on the needs of every Bay resident.

Expressed in the form of six pillars and nineteen strategic objectives, this Chapter depicts the practical implementation of this political vision, and is realised and measured through a number of strategic outcome-, output- and impact-based key performance indicators.

The City Manager, as the Metro's Accounting Officer, will oversee the performance management process of translating this IDP into an activity-based Service Delivery and Budget Implementation Plan (SDBIP) for which he is responsible.

The successful translation of the political vision into administrative action will result in a Nelson Mandela Bay that is *an iconic, friendly, ocean city driven by innovation, service excellence and economic development – a destination a choice.*

THE WELL RUN CITY

This pillar pertains to all initiatives that cater for meeting the standard operational expectations of the Municipality, including initiatives that address the Human Resources component, systems, accountable governance and financial viability of the institution. In The Well Run City, monitoring and evaluation informs decision making and provides information for accountability and performance improvement.

A culture of excellence among staff and institutional systems and processes is strived for. In the Well Run Nelson Mandela Bay, all basic services are delivered to expectation and the City sets the benchmark for transparent governance, financial viability and the eradication of corruption.

Objectives:

- Transforming the institutional systems, processes and organisational structure to one of high performance in order to effectively deliver basic services to a well-run city.
- Changing the way we think about and approach our work and ensuring that the municipality is staffed with the right people for the right jobs with the right attitudes.
- Ensuring financial prudence and transparent governance and working towards eradicating corruption.

Key directorates that play a role in realising these strategic objectives:

Corporate Services –

Corporate Services is the primary custodian of all human resources policies and procedures within the institution. This Directorate will be responsible for the implementation of an integrated ICT platform, which will include a Wi-Fi enabled environment, and for driving a performance driven culture. More importantly, the Directorate will ensure the provision of communication initiatives and services to ensure that the public is well informed of municipal programmes, services and events. This all speaks to creating a well run administration.

Chief Operating Officer –

The Office of the Chief Operating Officer will ensure that all institutional strategies are aligned to the IDP and long-term strategy, provide for the coordination of sectoral activities within the Metro, identify potential and/or existing control weaknesses, assess the adequacy of the control governance processes in the institution, and recommend remedial actions. This will create an accountable and transparent institution, which can place its focus on enhanced service delivery.

Water, Sanitation, Electricity and Energy, Fleet Management -

A key part in delivering a Well Run City is having an efficient water and sanitation system which is mandated to the Department of Water and Sanitation. The City will monitor trade effluent discharges, and ensure that water distribution reticulation and wastewater conveyance are conducted at reservoirs and pump stations, and this will be constantly improved by having new and innovative technologies integrated into water delivery plans to ensure optimal and sustainable water delivery.

THE OPPORTUNITY CITY

The Opportunity City delivers on well-planned initiatives to enable and cultivate job creation and economic opportunity, develop competitive advantage, and ensure access to skills. The Opportunity City is competitively differentiated as a destination city for business, tourism and investment. Strategic partnerships with the private and non-profit sectors thrive. Opportunity City initiatives secure the development of a diversity of sectors, which range from marine manufacturing, urban agriculture and agri-processing, to the cultural and creative industries. Infrastructure led growth is properly planned and invested in and effective service provision for roads, public transport and mobility ensures universal access to the Opportunity City.

The Opportunity City ensures efficiency in municipal process so that development is not hamstrung or hindered in any way. Planning processes, land use applications, connection to utilities, issuing of rates clearance certificates and conducting environmental impact studies need to be modernised, streamlined and fast-tracked. Entrepreneurship is encouraged in an Opportunity City; the informal economy should be supported and serviced in order to facilitate economic growth. Informal traders

should feel safe to conduct business in clean and well defined public spaces where by-laws are enforced and adhered to.

Nelson Mandela Bay, the Opportunity City, is a proudly iconic and global city that does the legacy of Nelson Mandela proud.

Objectives:

- Growing and diversifying the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.
- Facilitating and promoting infrastructure led growth, development and tourism.
- Executing existing and designing and implementing new projects that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.
- Developing an effective integrated public transport system that promotes access to opportunity through mobility.

Key directorates that play a role in realising these strategic objectives:

Economic Development, Tourism and Agriculture –

The City under this Directorate plans to ensure that Local Economic Development helps communities to realise a lively, resilient and sustainable local economy in order to improve the quality of life for all. This will be achieved by growing and diversifying the local economy through the attraction of new investment, skills development and the facilitation of an enabling environment for small business growth and job creation. Government processes involved in investment and development will be made more efficient, and the informal economy will be supported.

THE SAFE CITY

This pillar speaks to all initiatives that address safety and security. It also includes those that create environmental safety, as well as safety for residents and tourists. This pillar must also be aligned with the disaster management plans of the Metro.

In the Safe City, all communities, residents and visitors of Nelson Mandela Bay enjoy the basic freedom of not only being safe, but of feeling safe. The Safe City's Metro Police are trusted, accessible, well-trained and suitably equipped, and protect the communities they serve with pride. Fire and Emergency Services in the Safe City are properly prepared to ensure that any disaster, natural or otherwise, is capably addressed. In the Safe City, the need for the urgent delivery of well-maintained street lights to all communities is of high priority. In the Safe City, the Municipality partners with communities to eradicate illegal connections - and with civil organisations to ensure that residents and visitors enjoy access to adequately life-guarded public beaches and pools.

Residents that fall victim to drug and substance abuse should be supported, and awareness needs to be created around this societal challenge. Drug and substance abuse leads to and is the cause of many related criminal activities that are addressed in a Safe City.

In the Safe Nelson Mandela Bay, bylaws are fairly enforced and measures are set in place to ensure that cattle are kept off roads at night. Safe working conditions are ensured for all municipal employees.

Objectives:

- Delivering well-resourced and capacitated policing and emergency services in order to ensure the safety of all communities and visitors.
- Providing infrastructure that improves the safety of communities and visitors.
- Improving the safety and security of Nelson Mandela Bay through community, industry and civic organisation partnerships.

Key directorates that play a role in realising these strategic objectives:

Safety and Security –

In an effort to ensure the safety of all communities and visitors, this Directorate aims to deliver a well-resourced capacitated policing, emergency services as well as provide sound infrastructure. This shall be further enhanced through community, industry and civil organisation partnerships. The fight against drug and substance abuse will be prioritised and victims will be supported.

THE INCLUSIVE CITY

This pillar relates to initiatives that promote equality and social cohesion and that enable informal means of mobility between communities. The objectives under this pillar strive for integrated access to and delivery of a single community city (pedestrian bridges, social cohesion promoting events, etc.). Deliverables are concerned with the promotion of redress, transformation and employment equity. Projects such as those providing communal grazing land could also be considered inclusive (from a cultural perspective).

Delivery to an Inclusive City means delivery that speaks to maturity of our society as a collective community, and celebrated in all its diversity; One City One Future. The Inclusive Nelson Mandela Bay is a well-connected city. It delivers integrated access to a single-community city. It has properly planned infrastructure and a built environment that enables informal means of mobility between communities, including pedestrian bridges and connective “corridor” routes.

In the Inclusive City, responsive governance is delivered through effective public participation and the provision of communication channels that deliver the accessibility of the Municipality to all residents. The Inclusive City is served by properly functioning Ward Committees.

The Inclusive City proactively promotes redress and delivery on transformation objectives. Productive relationships are cultivated with organised labour, ensuring that all decisions are inclusively informed. Participatory governance is also reinforced in

the Inclusive City, through developmental municipal management systems and processes, through which all employees are empowered to contribute to the successful delivery of the IDP.

Many of our residents still live in underserviced parts of the City with access to no or rudimentary basic services. In an Inclusive City this legacy of Apartheid is redressed and the previous government's maladministration is turned around on a systematic basis. Informal settlements need to be upgraded to improve the delivery of basic services and thus the quality of life of residents living in those areas.

United in its diversity, the Inclusive City actively ensures that the cultural, traditional, ancestral and struggle heritage of our communities is respected and appropriately commemorated. In the Inclusive Nelson Mandela Bay, projects that pay homage to our heritage, including the renaming of streets, are properly consulted and budgeted for.

Objectives:

- Ensuring responsive governance through consistent public participation, effective functioning and support of Ward Committees and the creation of an environment in and systems through which participatory and responsive governance can thrive.
- Spatial and built environment developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay.
- Delivering on transformation objectives, promoting redress and fostering social cohesion.

Key directorates that play a role in realising these strategic objectives:

Human Settlements –

Integrated development is a key priority in creating an Inclusive City. Nelson Mandela Bay still suffers from Apartheid-era spatial planning and many communities are therefore separated and secluded from the larger City. Innovative spatial development and housing solutions will be utilised to address this challenge.

Roads and Transport –

An Inclusive City is well connected and offers adequate infrastructure and public transport to residents. The continued development of the IPTS plays an important role in improving connectivity and ensuring that people from different communities can travel easily throughout the City. Well maintained road networks create a more inclusive and connected Nelson Mandela Bay.

THE CARING CITY

In the Caring City, equality is strived for through ensuring that all residents have access to delivery that promotes their well-being. Access to affordable housing and the provision of dignified housing is properly planned for to ensure maximum possible delivery within funding available. Dignified sanitation and waste management are a reality for all households.

In the Caring Nelson Mandela Bay, indigent communities are adequately supported and food security programmes and community gardens are fully operational. Social services and social development programmes are well-prioritised. In ensuring the well-being of residents, the Caring City delivers libraries and sports and recreational facilities that are accessible to all communities. Through effective cleansing programmes, greening initiatives and the provision of well-maintained public parks, every resident is able to feel proud of the community he or she lives in.

In the Caring City, occupational health and wellness for all municipal employees is ensured.

Through the delivery of Public Health services, cemeteries are well managed and planned, proper management of the environment is practised.

Objectives:

- Providing for the social needs of communities and the empowerment of vulnerable people through the provision of access to social services, social development programmes and indigent support.
- Promoting the health and well-being of all communities through the spatially equitable provision of social infrastructure.
- Providing effective general environmental and public health services.
- Providing dignified housing and sanitation and accelerating access to improved services to indigent households in order to create safe and decent living conditions for all residents.

Key directorates that play a role in realising these strategic objectives:

Human Settlements –

The City aims to upgrade informal settlements by providing housing opportunities to qualifying residents. Appropriately located, affordable and fiscally sustainable housing opportunities will be prioritised by the City. A back-yarder programme will also be initiated, in terms of which basic services will be extended not only to formal houses, but also to residents residing in backyard structures.

Sport, Recreation, Arts and Culture –

Although sport and recreation speaks to Nelson Mandela Bay's attractiveness as a preferred sport destination, this Directorate plays an important role in creating a Caring City that offers quality facilities and events for residents to get involved in positive recreational activities. Social services in the form of well-maintained public sport and cultural facilities are crucial in creating a Caring City that looks after the well-being of its residents.

Public Health –

Public health is an important aspect of a Caring City that leads to the improved quality of life of residents. Community involvement is critical in delivering competitive primary health care facilities and taking care of the environment.

THE FORWARD THINKING CITY

The Forward Thinking City is concerned with institutional innovation, support for research and development, and plans for future sustainability. The Forward Thinking City ensures multi-generational planning that promotes sustainable economic growth through the optimal use and development of technology.

The Forward Thinking City strives for its environmental sustainability through proactive planning, and the conservation of resources and the natural and built environment.

Objectives:

- Ensuring multi-generational planning that promotes sustainable economic growth through research and development, innovation, and the optimal use and development of technology.
- Developing an environmentally sustainable city through proactive planning and the conservation of resources and the natural and built environment.

Key directorates that play a role in realising these strategic objectives:

Chief Operating Officer –

The Office of the Chief Operating Officer is tasked with the management and implementation of long-term strategy in order to create an administration that focuses on long-term development and success.

Economic Development, Tourism and Agriculture –

A longer-term view of economic development in Nelson Mandela Bay involves facilitating the growth of industries that are labour absorptive and will change the growth trajectory of the City substantially. The oceans economy, tourism and the close proximity of the Coega Industrial Development Zone position Nelson Mandela Bay for accelerated future economic growth.

PILLAR 1	THE WELL RUN CITY In The Well Run City, monitoring and evaluation inform decision making and provide information for accountability and performance improvement. A culture of excellence among staff and institutional systems and processes is strived for. In The Well Run Nelson Mandela Bay, all basic services are delivered to expectation and the city sets the benchmark for transparent governance, financial viability and the eradication of corruption.				
<i>Strategic Objective 1.1</i>	<i>Transform the institutional systems, processes and organisational structure to one of high performance in order to effectively deliver basic services.</i>				
Key Performance Elements (deliverables)	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Public Accountability and Customer Service	Percentage of Council resolutions implemented per year	New	100%	100%	100%
	% reduction in basic service delivery complaints/fault reports	New	10%	15%	20%
	Number of unmanned customer service teller desk days per year at traffic and licensing centres	New	TBD	TBD	TBD
Centralised ICT Systems for Improved Municipal Operational Efficiency	Number of ICT systems fully implemented that improve or streamline operational efficiency of municipal systems (Microsoft and Paperless)	1	2	2	3
	% reduction in operational costs as a result of ICT systems improvements	New	5%	10%	15%
	% reduction in internal telecommunications costs resulting from systems change	New	10%	15%	10%
	% implementation of the electronic leave management system	0%	100%	100%	100%
Responsible delivery of Water and Sanitation Services	% completion of the Nooitgedacht Water Treatment works	95% of Phase 2	100% of Phase 2		
	% real water losses	31.3%	29.3%	26.3%	22.3%

The Well Run City

Key Performance Elements (deliverables)	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Responsible delivery of Water and Sanitation Services (continued)	% of households provided with access to basic sanitation in formal settlements (excluding bucket system)	100%	100%	100%	100%
	% of households provided with access to basic water in formal settlements (excluding standpipes)	100%	100%	100%	100%
	Average wastewater compliance of all Wastewater Treatment Works collectively.	70%	75%	80%	85%
	% of wastewater and sanitation Complaints/Callouts resolved within 24 hours	New	85%	90%	95%
	% of meters that reached or exceeded their design life. (Reduction indicates the replacement of old meters).	48%	46%	42%	37%
Universal Access to Reliable Electricity Services	% of households on officially surveyed sites provided with access to electricity	100%	100%	100%	100%
	Number of state subsidised housing units provided with access to electricity	2550	2550	3000	3000
	% reduction in monthly electrical power outages	8%	8%	8%	8%
	Average number of days taken to fix reported street light faults	30 days	24 days	12 days	3 days
	% of Planned Electricity and Energy Maintenance Performed	100%	100%	100%	100%

The Well Run City

Key Performance Elements (deliverables)	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Universal Access to Reliable Electricity Services (continued)	% of technical electricity losses	6%	5.8%	5.6%	5.4%
	% of non-technical electricity losses	7.5%	5.5%	4.5%	3.5%
A Robust, Well-maintained Road and Storm-water Network	% of overall municipal road network that is unsurfaced	2%	2%	2%	2%
	m ² of roads resurfaced per year	46 000m ²	65000m ²	40 000m ²	40 000m ²
	% of reported potholes repaired within 48 hours after inspection	60%	70%	80%	85%
	Number of Traffic Impact Assessments performed in-house resulting in improvements to functioning of the road network per year	0	1	1	1
	% of reported storm water blockages unblocked within 48 hours of reporting	60%	70%	80%	85%
	Number of taxi and bus embayments constructed to address illegal stopping	2	1	1	1
	m ² of verges/sidewalks rehabilitated per year	2500m ²	2500m ²	2500m ²	2500m ²
Effective Waste Management	% of households within the urban edge receiving a domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development) on a weekly basis	99%	99%	99%	99%
	Number of waste disposal sites constructed per year	TBD	TBD	TBD	TBD

The Well Run City

Key Performance Elements (deliverables)	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Effective Waste Management (continued)	% compliance to the permit conditions of Arlington Waste Disposal Site	75%	75%	75%	75%
	% compliance to permit conditions of Koedoeskloof Waste Disposal Site	84%	84%	84%	84%
	Number of illegal dumping fines issued as a percentage of the total number of illegal dumping reports and tip-offs received	TBD	TBD	TBD	TBD
	% reduction in illegal dumping	TBD		50%	
	Kilometres of roadside litter collected annually <i>*Estimating the km of roadside litter collected determines the extent of clean-up and area-wide beautification efforts in a given time period</i>	New	TBD	TBD	TBD

The Well Run City

Strategic Objective 1.2		Ensure that the municipality is staffed throughout with a motivated, committed and capable workforce.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Institutional Human Resources Capacity, Compliance, Capability and Excellence	Absenteeism rate - % of lost work hours as a result of employee absenteeism	New	Reduction TBD	Reduction TBD	Reduction TBD
	Average number of days to fill a vacancy	150 days	90 days	90 days	90 days
	% reduction in vacancy rate for all approved and budgeted posts	New	80%	85%	90%
	% spend on the Workplace Skills Plan per year	75%	100%	100%	100%
	% of employees capacitated as per the competency and skills audit outcome	New	30%	40%	50%
	Number of Bay Stars Project awards ceremonies per year	0	1	1	1
Proactive Labour Engagement and Sound Labour Relations	Average turnaround time for resolving labour disputes (from the date of complaint to the date it was resolved)	6 months	6	6	6
	Average time taken to resolve internally managed disciplinary cases	6 months	6	5	5
	Number of MUM and LLF meetings held per year	4	4	4	4

The Well Run City

Strategic Objective 1.3		Ensure financial prudence and transparent governance and work towards eradicating corruption.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Sound Financial Management <i>*Implementation of the 2016/17 to 2018/19 Medium Term Revenue and Expenditure Framework (MTREF)</i>	% billed revenue collection rate (before write-offs)	93.40%	94%	94%	94%
	% spend of capital budget	37.40%	95%	95%	95%
	% spend of approved operating budget on repairs and maintenance	1.32%	3.03%	3.80%	3.74%
	Debt Coverage ratio (debt servicing costs to annual operating income)	2.57%	8%	8%	8%
	% outstanding service debtors to revenue	17.67%	20%	20%	20%
	Cost Coverage Ratio (excl. unspent conditional grants)	1.95 months	2 months	2 months	2 months
	Number of audit findings per financial year	207	105	0	0
	% of events delivered in partnership with service providers, for which SLAs are compliant with SCM protocol and which include measureable KPIs for delivery	New	100%	100%	100%
Resource Efficiency	% reduction in spend on Scarce Skills Allowance	New	5%	5%	5%
	% reduction in spend on overtime	New	5%	5%	5%
	% annual reduction in spend on Fixed Locomotion Allowance	New	5%	5%	5%
	Percentage of e-commerce transactions per 100 municipal account holders	TBD	30%	35%	40%
	Number of legal opinions provided internally by the Legal Services directorate per year	TBD	TBD	TBD	TBD

The Well Run City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Resource Efficiency (continued)	Number of Environmental Impact Assessments (EIAs) conducted internally per year	14	20	25	30
	% annual reduction in municipality-funded EIAs outsourced per year	0	30	20	10
	Annual spend on rental fleet	TBD	TBD	TBD	TBD
Responsible Fleet Management	Number of incidents per 100 000km driven	TBD	TBD	TBD	TBD
	Ratio of average fuel spend to 100 000 km driven	TBD	TBD	TBD	TBD
	Fleet maintenance spend per 100 000km driven	TBD	TBD	TBD	TBD
MScCoA Compliance	% implementation of the Municipal Standard Chart of Accounts (MScCoA)	New	Phase 2 100%	Phase 3	TBD
Corruption Eradication, Ethical Supply Chain Management and Address of Irregular, Fruitless, Unauthorised, Wasteful Expenditure	Number of cases reported through the ethics hotline fully investigated and finalised per year	New	6	8	10
	ISO 9001/2015 Supply Chain Management (SCM) quality management system compliance certification		Compliant	Compliant	Compliant
	% reduction in Section 32 notices issued	TBD	50%	50%	50%

PILLAR 2**THE OPPORTUNITY CITY**

The Opportunity City delivers on well-planned initiatives to enable and cultivate economic opportunity, develop competitive advantage and ensure access to skills. The Opportunity City is competitively differentiated as a destination city for business, tourism and investment. Strategic partnerships with the private and non-profit sectors thrive. Opportunity City initiatives secure development of a diversity of sectors that range from marine manufacturing, to urban agriculture and agri-processing, to the cultural and creative industries. Infrastructure led growth is properly planned and invested in and effective service provision for transport and mobility ensures universal access to The Opportunity City.

Nelson Mandela Bay, The Opportunity City, is a proudly iconic and global city that does the legacy of Nelson Mandela proud.

Strategic Objectives:

- Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.
- Facilitate and promote infrastructure led growth, development and tourism.
- Execution of existing, and design and implementation of new projects, that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.
- Develop an effective integrated public transport system that promotes access to opportunity through mobility.

The Opportunity City

Strategic Objective 2.1		Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Annual Career Expo	Number of grade 9-12 learners in attendance at the Annual Career Expo	12000	12500	13000	13500
Employment through Public Works	Number of Work Opportunities created (WO)	12353	13172	14227	TBD
	Number of Full-time Equivalent (FTE) jobs created	3848	4117	4461	TBD
Economic Empowerment	% decrease in the number of households not earning more than 2 state pensions (R2840, 2017)	TBD	TBD	TBD	TBD
	% decrease in youth unemployment	2%	2%	2,5%	3%
	Number of youth employed through budgeted-for youth employment projects	2140	9350	10500	11500
	Number of jobseekers registered and trained in Nelson Mandela Bay through the Citywide Human Resources & Skills Development Support Programme	2250	7000	9900	12700
Establishment of Strategic Economic Development Partnerships	Number of meetings per year of the Economic Development Council	0	TBD	TBD	TBD

The Opportunity City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Economic Growth through Targeted Industry Support and Cluster Development	Number of Industry clusters established and supported that result in increased contribution to the local GDP	3	4	5	6
	% increase in revenue generated by industrial parks and hubs targeted for upgrade and revitalisation <ul style="list-style-type: none"> • Struandale • Neave • Logistics Park • Perseverance • Markman 	TBD	TBD	TBD	TBD
	% increase in total annual value for exports from NMBM	15,7%	16,7%	17,7%	18,7%
SMME Development and Support	% increase in SMME contribution to the GDP	4,1%	4,7%	5,1%	5,3%
	Number of jobs created through support of SMMEs in the ICT sector	133	150	160	170
	Number of jobs created through support of SMMEs in the Construction sector	367	400	450	600
	Number of SMMEs supported through the SMME Support Centre turning a profit within business plan-stipulated timeframe	0	20	40	60
	Number of jobs created through support of SMMEs in the tourism sector	0	16	20	30
	Number of SMMEs provided with training through the Export Development and Promotion Programme	35	35	35	35

The Opportunity City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Economic Development through Agriculture	Number of bed-nights per year	10 918 150	11 245 000	11 600 000	11 900 000
	% increase in GDP contribution of the local tourism sector per year	17% (2010)	3%	4%	5%
	% increase in contribution of the agriculture sector to local GDP, including agro-processing	5,7% (2015)	6,1%	6,7%	7,1%
	% increase in agriculture sector employment	3,4% (2015)	3,5%	3,6%	3,7%
Informal Economy Growth and Support	Number of Informal Traders accommodated through infrastructure provision	0	10	20	30
An Enabling Environment to do Business in Nelson Mandela Bay	Average number of days taken to process a rates clearance	7	7	7	7
	Number of building plans approved per year	TBD	TBD	TBD	TBD
	Average number of days taken to process a construction permit	14	14	14	14
	Average time taken to install a standard 3-phase business supply, from the time of receipt of payment	333 days	45 days	45 days	45 days
	Cost to obtain a new electricity connection as a percentage of income per capita	587.7%	Decrease TBD	Decrease TBD	Decrease TBD
	Average number of days taken to complete an EIA for municipal land	300 days	150 days	100 days	TBD

The Opportunity City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Promotion of Local Sports Talent	Number of professional teams supported financially	3	3	3	3
	Number of semi-professional teams supported financially	6	6	6	6
	Number of schools supported in the Get Ahead Sport Program/ GASP	5	5	5	5
	Ratio of the overall budget spend of promotion of sports talent to the number of school learners, professional and semi-professional sportsmen and -women whose sporting talent has received financial support or equivalent from the municipality	TBD	TBD	TBD	TBD
Development of the Cultural and Creative Economy	Overall number of arts, cultural, creative industries and heritage practitioners empowered to contribute to growth and development of the cultural, creative and heritage economy	11	12	14	15
	Number of arts and culture programmes implemented at NMBM art galleries, museums and the Athenaeum	2 per quarter	2 per quarter	2 per quarter	2 per quarter
	Total attendance as a percentage of venue capacity at all arts and culture events hosted at museums, galleries, the Athenaeum and the Opera House	40%	45%	50%	55%
	% of PE Opera House KPIs targets met by the PE Opera House	New	100%	100%	100%
	Number of artists successfully supported through the Opera House partnership	150	170	185	200
	Total attendance at all events as a percentage of Opera House venue capacity	60%	65%	70%	75%

The Opportunity City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Audience Development and Mainstreaming of Arts and Culture	Number of pop-up music performances delivered	0	0	2	3
	Number of public artworks commissioned	2	3	5	5
	Number of public spaces/sites made available for artists to create temporary artworks or display of artworks of their own initiative	1	2	3	5
	Proportion of organisations funded by the Sports, Recreation, Arts and Culture Directorate regarded as financially healthy	19	18	19	19
	Average cost of art gallery services per art gallery access	TBD	TBD	TBD	TBD
	Average cost of library services per library access	TBD	TBD	TBD	TBD

The Opportunity City

Strategic Objective 2.2	Facilitate and promote infrastructure led growth, development and tourism.				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
A WI-FI Enabled City	Number of public WI-FI spots established by the municipality or through partnership with the municipality	20	25	50	TBD
Interdepartmental Planning by a Central Planning Task Team	Number of inter-departmental strategic plans developed in-house per year	New	TBD	TBD	TBD
Successful delivery on Municipal Entity Mandates	% of MBDA KPIs successfully met by the Mandela Bay Development Agency	80%	80%	82%	85%
	Number of NMBT KPIs successfully met by Nelson Mandela Bay Tourism	14	26	28	30
Economic Development through Commercial Sports and Cultural Tourism Infrastructure	% of 40km section of Marine Drive upgraded for the 2018 Ironman World Championships	New	TBD		
	Increase in revenue generated by the NMB Stadium per year, adjusted for inflation	TBD	TBD	TBD	TBD
	Number of tickets sold for Nelson Mandela Bay Stadium events per year	TBD	TBD	TBD	TBD
	% completion of St George's Cricket Stadium upgrade (Pollock Pavillion, Duckpond Pavillion, Frielinghouse Pavillion and the Terrace).	TBD	0%	TBD	TBD
	Number of Council approved Sport and Recreation Precincts plans developed	2	1	TBD	TBD
	Number of ticket sales at the Red Location Museum per year	0	1	TBD	TBD

The Opportunity City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Economic Development through Commercial Sports and Cultural Tourism Infrastructure (continued)	% completion of Mendi Cultural Centre upgrade	Phase 1 100%	Phase 2 35%	Phase 2 100%	Phase 3 20%
	% of South End Museum KPI targets met by the South End Museum	80%	90%	93%	95%
	Number of cemeteries upgraded with tourism infrastructure (information plaques and signage, gateways)	New	TBD	TBD	TBD
Beaches, Resorts, Leisure and Recreation Tourism	% completion of the parks upgrade at the beachfront through either revetments, parking areas, walkways, security cameras, picnic facilities or dune stabilisation	0%	100%		
	Number of beaches participating in Blue Flag Programme	3	3	4	5
	% completion of Wells Estate coastal infrastructure upgrade	10%	40%	70%	90%
	% completion of the Springs Resort upgrade	20%	20%	20%	20%
	% completion of the Beach View Resort upgrade	0	0	30%	50%

The Opportunity City

Strategic Objective 2.3		Execution of existing and design and implementation of new projects that competitively differentiate Nelson Mandela Bay as a destination city for business, tourism and investment – including through strategic partnerships.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
International Relations and Intergovernmental Coordination	% decisions taken at Intergovernmental Relations Engagements implemented	New	100%	100%	100%
Major Strategic Events <ul style="list-style-type: none"> • Standard Bank Ironman African Championship • Ironman 70.3 World Champs in 2018 • Mandela Festival • Summer Season Festival • Exterra Triathlon • Ebubeleni Festival • EP Athletics • Splash Festival 	Number of flagship events hosted to position the NMBM as a world class destination	1	3	2	1
	Total attendance at all major strategic SRAC events per year	100%	TBD	TBD	TBD
Key Catalytic Projects	% completion of Baakens Valley Precinct	New project	95%	100%	
	% completion of the North End Lake and Stadium Precinct	Masterplan Completed	50%	100%	
	% completion of the Njoli Square precinct plan and subsequent development		100% Plan		15% development

The Opportunity City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Key Catalytic Projects (continued)	% completion of the Helenvale SPUU (Safety through Peace through Urban Upgrade)	TBD	Phase 1 100%	Phase 2 100%	Phase 3 100%
	% completion of the Telkom Park - Happy Valley Precinct Development	TBD	TBD	TBD	TBD
	% completion of the Singaphi Street/Red Location Precinct Development	Phase 2 100%	Phase 3 100%	Phase 4 100%	
	% completion of the Bayworld upgrade	New	TBD	TBD	TBD
	% completion of the Apple Express Narrow Gauge	New	TBD	TBD	TBD
	% completion of the Nelson Mandela Freedom Statue project	New	TBD	TBD	TBD
	% completion of Nelson Mandela Bay Logistics Park	Phase 1 100%	Phase 2 TBD	Phase 2 TBD	Phase 2 TBD
	% completion of Uitenhage Railsheds	New	25%	50%	100%
	% completion of Schauderville/Korsten Precinct Development	New	10%	50%	100%

The Opportunity City

Strategic Objective 2.4	<i>Develop an effective and integrated public transport system that promotes access to opportunity through mobility.</i>				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Establish a safe, affordable and fully integrated public transport system	% households within 800m of operational IPTS access points	0%	12%	18%	30%
	Number of operational IPTS access points (shelters and stations) added per year	0	8	11	11
	Number of IPTS passengers transported per month	0	11000	15000	30000
	Capital expenditure on integrated public transport networks as a percentage of the municipal capital expenditure	4%	11%	11%	7%

PILLAR 3	THE SAFE CITY In The Safe City, all communities, residents and visitors of Nelson Mandela Bay enjoy the basic freedom of not only <i>being</i> safe, but of <i>feeling</i> safe. The Safe City's Metro Police are trusted, accessible, well-trained, suitably equipped and protect the communities they serve with pride. Fire and Emergencies Services in The Safe City are properly prepared to ensure that any disaster, natural or otherwise, is capably addressed. In The Safe City, the need for urgent delivery of well-maintained street lights to all communities is of high priority. In The Safe City, the Municipality partners with communities to eradicate illegal connections - and with civil organisations to ensure residents and visitors enjoy access to adequately life-guarded public beaches and pools. In the Safe Nelson Mandela Bay, bylaws are fairly enforced and measures are set in place to ensure that cattle are kept off roads at night. Safe working conditions are ensured for all municipal employees.				
<i>Strategic Objective 3.1</i>	<i>Deliver well-resourced and capacitated policing and emergency services in order to ensure the safety of communities and visitors.</i>				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Nelson Mandela Bay Municipality as a Safe Working Environment	Total number of municipal buildings that have fully functional biometrics access control	8	10	10	10
	Number of security personnel in-sourced per year	New	40	TBD	TBD
	Number of Municipal construction sites compliant with construction regulations as outlined in the Occupational Health and Safety Act	60	60	80	100
	Number of municipal employees in designated occupations undergoing annual medical testing in line with the Occupational Health and Safety Act	500	500	550	600
Capacitating of the Fire stations	% of Fire stations with sufficient human, fleet and equipment resources	0%	10%	10%	10%
	Average fire response time in minutes	15 min	15 min	15 min	15 min

The Safe City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Safety and Security fleet replacement	Number of Metro police vehicles in operation in the Metro police fleet	11	7	7	7
	Number of Metro Police ghost squad vehicles	4	4	4	4
Capacitating of Disaster Satellite stations	Number of Disaster Satellite stations capacitated	2	2	2	2
Operationalization of the Metro Police Service	Total number of Metro Police Officers	111	152	168	181
	Number of Metro Police precincts established	2	2	2	2
	Number of Metro Police foot patrol hours	240	240	240	240
	Number of traffic accident fatalities per year	50	45	41	37
Improved processing of fines through the filling of critical vacancies	Number of days taken for fines to be issued from date of violation	30 days	30 days	30 days	30 days
	% of issued fines paid	25%	25%	35%	27%
Perception of Public Safety	Percentage of residents surveyed in the Customer Satisfaction Survey who indicate that they feel safe in municipal parks	30%	30%	35%	38%
	Percentage of residents surveyed in the Customer Satisfaction Survey who indicate that they feel safe in their neighbourhood after dark	29.8% Stats SA statistic to use as a baseline for future survey by NMBM	30%	35%	38%

The Safe City

Strategic Objective 3.2	Provision of infrastructure that improves the safety of communities and visitors.				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Provision of public lighting	Number of new area, main road and residential street lights installed per year	800	800	900	1000
Eradication of illegal connections	Number of informal households on non-proclaimed erven provided with either an off-grid photo voltage system or a basic 20 amp electrical supply per year	2500	1000	1000	1000
	Number of reported illegal connections addressed per year	200	4500	8000	10000
	Number of fatalities resulting from illegal connections per year	0	0	0	0
Security Surveillance Cameras	% of installed municipal and public surveillance cameras operational	50%	65%	80%	90%
Bush clearing and fire breaks	Number of hectares identified as fire or crime hotspots bush-cleared	30 Hectares	35 Hectares	40 Hectares	45 Hectares
Traffic Safety	Number of traffic calming measures constructed (traffic circles, speed humps and traffic lights)	Ongoing	25	45	40
	Km of sidewalks and cycle paths constructed	Ongoing	4.75km	5km	5km

The Safe City

Strategic Objective 3.3	Improve the safety and security of Nelson Mandela Bay through community, industry and civic organisation partnerships.				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Safety through Active Citizenry	Number of wards with at least one neighbourhood watch programme	TBD	TBD	TBD	TBD
Tourism safety	Number of community Tourism Safety Forums established	1	2	1	1
Effective and well supported partnerships with lifesaving organisations	Number of beaches consistently and adequately lifeguarded during seasonal periods	11	11	11	11
	Number of life-saving clubs operating from fixed premises	4	4	4	4
Delivery of Aquatic Safety and Safety Awareness Programs at NMB Schools	Number of "Learn to swim" programmes implemented in partnership with NMB Aquatics	1	1	1	1
	Number schools identified for the delivery of water/aquatic safety awareness programs successfully delivered to	3 Primary Schools	2 schools per cluster	3 schools per cluster	4 schools per cluster

<p>PILLAR 4</p>	<p>THE INCLUSIVE CITY</p> <p>Delivery to The Inclusive City means delivery that speaks to maturity of our society as <i>one</i> collective community, and celebrated in all its diversity; <i>One City * One Future</i>. The Inclusive Nelson Mandela Bay is a well-connected city. It delivers integrated access to a single-community city. It has properly planned infrastructure and a built environment that enables informal means of mobility between communities, including pedestrian bridges and connective “corridor” routes.</p> <p>In The Inclusive City, responsive governance is delivered through effective public participation and the provision of communication channels that deliver the accessibility of the Municipality to all residents. The Inclusive City is served by properly functioning ward committees.</p> <p>The Inclusive City proactively promotes redress and delivery on transformation objectives. Productive relationships are cultivated with organised labour, ensuring that all decisions are inclusively informed. Participatory governance is also reinforced in The Inclusive City, through developmental of municipal management systems and processes, through which all employees are empowered to contribute to successful delivery of the IDP.</p> <p>United in its diversity, The Inclusive City actively ensures that the cultural, traditional, ancestral and struggle heritage of our communities is paid respect and appropriately commemorated. In the Inclusive Nelson Mandela Bay, projects that pay homage to our heritage, including the renaming of streets, are properly consulted and budgeted for.</p> <p>Strategic Objectives:</p> <ul style="list-style-type: none"> • Ensure responsive governance through consistent public participation, effective functioning and support of ward committees and creation of an environment in and systems through which participatory and responsive governance can thrive. • Spatial and built environment developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay. • Deliver on transformation objectives, promote redress and foster social cohesion.
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The Inclusive City

Strategic Objective 4.1	Ensure institutional accessibility, effective communication channels for participatory and responsive governance				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Effective Communications Platforms for Capably Responsive Governance	% of media queries responded to by the stipulated deadline	New	95%	100%	100%
	Number of proactive media statements issued per month	4	6	8	10
	% of positive media coverage on the municipality	New	60%	65%	70%
	% increase in the number of unique visitors to the NMBM website	New	20%	40%	50%
Accessible Governance	% of municipal policies, bylaws and key strategic documents available in isiXhosa and Afrikaans	New	40%	80%	100%
	Number of fully established and functional Ward Committees	New	60	60	60
	Number of councillors provided with training in line with the skills development plan for councillors	Speaker	60	80	60
	% of bi-monthly ward-based Imbizos held to communicate and receive feedback on critical decisions made by Council	New	6	6	6
	Total number of members of the public in attendance at municipal public participation meetings per year	New	15 000	17500	19000
	Number of residents surveyed in the Customer Satisfaction Survey annually	4350	5000	5200	5400
	% of IDP key performance elements surveyed in the annual Customer Satisfaction survey	New	TBD	TBD	TBD
	Number of public participation meetings at which provisions are made to accommodate those with disabilities and special needs	TBD	TBD	TBD	TBD

The Inclusive City

Strategic Objective 4.2		Spatial and built environment developments that promote integrated neighbourhoods, inclusive communities and a well-connected Nelson Mandela Bay			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Connected Communities and Access through Planning	% of workers travelling for longer than 30 minutes to their place of work	12%	9.6%	9%	7.2%
	% of learners travelling for longer than 30 minutes to an education institution	4,7%	4,5%	4%	3,5%
	% of all households within 250m of a public access road	100%	100%	100%	100%
	Number of pedestrian bridges constructed per year	0	2	2	2
	Number of LSDFs developed that align to the Sustainable Community Planning Methodology	TBD	TBD	TBD	TBD
Commonage land development	Area of land in use as commonage for grazing	1420 ha	TBD	TBD	TBD
Integrated Communities <i>*BEPP</i>	Number of all dwelling units within Integration Zones that are within 800 metres of access points to the integrated public transport system as a percentage of all dwelling units within Integration Zones	0%	Zone 1: 100% Zone 2 54%	Zone 1: 100% Zone 2: 54%	Zone 1: 100% Zone 2: 60%
	% change in the value of properties in Integration Zones	0%	0%	0%	5%
	Ratio of housing types in Integration Zones (Public: Private Sector)	6.79 %: 93.21%	6.79%: 93,21%	6.79%: 93,21%	6.79%: 93,21%

The Inclusive City

Strategic Objective 4.3		Deliver on transformation objectives, promote redress and foster social cohesion.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Transformation through Employment Equity	% compliance with the NMBM approved employment equity plan in three highest levels of management (City Manager, Section 56 managers and strategic skills level managers)	60%	70%	80%	85%
Heritage Commemoration Programmes that Promote Redress and Foster Social Cohesion	Number of repatriations of fallen heroes and heroines per year	1	10	TBD	TBD
	Number of municipal buildings, facilities and streets renamed per year	3	TBD	TBD	TBD
	Number of municipal street renaming programmes implemented	3	TBD	TBD	TBD
	% completion of the capturing of Mfengu graves oral history	0%	100%		
	% completion of the capturing of Forced Removals oral history	0%	100%		

PILLAR 5**THE CARING CITY**

In The Caring City, equality is strived for through ensuring that all residents have access to delivery that promotes their well-being. Access to affordable housing and provision of dignified housing is properly planned for to ensure maximum possible delivery within funding available. Dignified sanitation and waste management are a reality for all households.

In The Caring Nelson Mandela Bay, indigent communities are adequately supported and food security programmes and community gardens are fully operational. Social services and social development programmes are well-prioritised. In ensuring the well-being of residents, The Caring City delivers libraries, sport and recreational facilities that are accessible to all communities. Through effective cleansing programmes, greening initiatives and provision of well-maintained public parks, every resident is able to feel proud of the community they live in.

In The Caring City, occupational health and wellness for all municipal employees is ensured.

Through the delivery of Public Health services, cemeteries are well managed and planned and proper management of the environment is practiced.

Strategic Objectives:

- Provide for the social needs of communities and empowerment of vulnerable people through provision of access to social services, social development programmes and indigent support.
- Promote the health and well-being of all communities through the spatially equitable provision of social infrastructure.
- Provide effective general environmental and public health services.
- Provide dignified housing and sanitation and accelerate access to improved services to indigent households in order to create safe and decent living conditions for all residents.

The Caring City

Strategic Objective 5.1	<i>Provide for the social needs of communities and empowerment of vulnerable people through provision of access to social services, social development and indigent support.</i>				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Subsistence food gardens	Number of food gardens supported that remain operational for at least a year after the support was provided	TBD	+15	+20	+25
Inclusivity of Marginalised Groups	Number of special sector programmes implemented	New	6	6	6
Inculcate a culture of reading in NMBM	Number of residents obtaining certification through all municipal literacy programmes	TBD	TBD	TBD	TBD
	% of libraries open according to minimum planned open hours	100%	100%	100%	100%

The Caring City

Strategic Objective 5.2		Promote the health and well-being of all communities through the spatially equitable provision of social infrastructure.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Promotion of healthy, active lifestyles for residents and visitors	Number of public open spaces and parks upgraded through provision of outdoor gym equipment, fencing, pathways, benches or playground infrastructure	5	13	6	6
	% of formal households within the urban edge located within a 1km radius of a public park that is developed and maintained monthly	TBD	TBD	TBD	TBD
	Total number of km of NMBM maintained public walkways, hiking, running and cycling paths	TBD	TBD	TBD	TBD
Equal Access for those with Special Needs	Number of parking, public transport and other facilities fitted with disabled facilities per year	TBD	15	15	15
Sport Facilities	% of existing sport facilities consistently maintained over a twelve month period	New	50%	TBD	TBD
	Rand net expenditure on sport and recreation infrastructure per 1000 residents	60%	65%	70%	75%
	% of residents surveyed who think that sports provision in their neighbourhood is good/very good	TBD	TBD	TBD	TBD
	% completion of the upgrade of the changing rooms and ablutions for Walmer/Fountain Road Sport Field and Mqolomba Sports Field.	10%	45%	100%	
	Number of additional municipal pools upgrades and rehabilitations	1	2	4	6
	Number of sports facilities installed with astroturf pitches	0	1	TBD	TBD

The Caring City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Sports Facilities (continued)	% Completion New Brighton Swimming Pool	TBD	TBD	TBD	TBD
	% of residents surveyed who have participated in a sporting activity or community sporting event held at a municipal sports ground per year	New	10%	15%	20%
Upgrade and restoration of library facilities	% completion of the Main Library Restoration Upgrade	0%	48%	80%	100%
Sports development for well-being	No of sports programs implemented to promote active and healthy lifestyles	1 per cluster	1 per cluster	1 per cluster	1 per cluster
	Number of sport and recreation programmes supported financially or through non-financial means	1 per quarter	2 per quarter	2 per quarter	2 per quarter
	% overall annual increase in the number of participants in NMBM Athletic Legacy Marathon	25%	30%	30%	35%

The Caring City

Strategic Objective 5.3		Provide effective general environmental and public health services.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Youth-targeted and vulnerable groups –targeted HIV awareness and Prevalence Reduction	% Annual budget spent on HIV peer education programmes	New	TBD	TBD	TBD
	Number of HIV/TB/STI Public educational awareness programmes for communities per year	4	4	4	4
Address of Substance Abuse	Development of a municipal strategy for addressing the prevalence of substance abuse in the Metro and the associated social impacts thereof	0	Adopted Strategy	TBD	TBD
	% of the population known to abuse substances for which support is directly provided or coordinated by the municipality	New	TBD	TBD	TBD
Cemeteries Provision	Number of cemeteries upgraded through construction of berms, installation of cameras or upgrade of sewerage system per year	5	6	6	6
	Number of cemeteries provided with fencing per year	1	1	2	1
Animal Control	% completion of upgrade of municipal animal pound within Uitenhage	25%	75%	100%	
	% reduction of stray animal complaints	New	TBD	TBD	TBD

The Caring City

Strategic Objective 5.4		Provide dignified housing and sanitation and accelerate access to improved services to indigent households in order to create safe and decent living conditions for all residents.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Provision of water and sewerage connections to new and informal settlements.	Number of state subsidised households provided with direct access to water per year	1500	2000	2000	2000
	Number of new state subsidised households provided with access to sanitation per year	1500	2000	2000	2000
	% households in informal settlements provided with access to basic potable water supply within a 200m radius	100%	100%	100%	100%
Dignified Sanitation	Number of buckets in circulation on state-subsidised or municipal land within Nelson Mandela Bay	16317	0		
Address of the Title Deed Backlog	Number of "backlog" Title Deeds handed over to qualifying beneficiaries	515	1750	2000	2250
Housing Rectification	Number of defective state-subsidised houses rectified	304	146	0	0
De-densification of informal settlements	Number of households relocated from stressed informal settlements and other servitudes to greenfield development areas	3000	800	1000	1200
	Number of backyard households relocated to formalised housing opportunities	0	300	300	300
Implementation and construction of civil engineering services in support of HSDG top-structures funded through the urban settlements development grant (USDG)	Number of erven provided with permanent water and sanitation services per year	2517	3000	3000	2500
Subsidised Housing Development (RDP/ BNG Development)	Number of state subsidised housing opportunities provided per year	1867	TBD	TBD	TBD

PILLAR 6	<p>THE FORWARD THINKING CITY The Forward Thinking City is concerned with institutional innovation, support for research and development, and plans for future sustainability. The Forward Thinking City ensures multi-generational planning that promotes sustainable economic growth through the optimal use and development of technology.</p> <p>The Forward Thinking City strives for its environmental sustainability city through proactive planning, and conservation of resources and the natural and built environment.</p> <p>Strategic Objectives:</p> <ul style="list-style-type: none"> • Ensure multi-generational planning that promotes sustainable economic growth through research and development, innovation and the optimal use and development of technology. • Development of an environmentally sustainable city through proactive planning, and conservation of resources and the natural and built environment. 				
<i>Strategic Objective 6.1</i>	<i>Ensure multi-generational and proactive planning for sustainable city development</i>				
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Transversal Alignment of the Spatial Development Framework	% completion of the revised Spatial Development Plan	TBD	100%		
Cemetery sustainability	Number of hectares of municipal land available for human burial	TBD	TBD	TBD	TBD

The Forward Thinking City

Strategic Objective 6.2		Development of an environmentally sustainable city through proactive planning, and conservation of resources and the natural and built environment.			
Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Sustainable Natural Environment	% of Motherwell Canal wetlands rehabilitated for recreational use per year	10%	20%	20%	20%
	Number of stormwater ponds rehabilitated for recreational use per year	1	1	1	1
	Number of new trees planted on municipal land per year	158	TBD	TBD	TBD
	Hectares cleared of alien vegetation per year	New	TBD	TBD	TBD
Implementation of the air management plan of the NMBM	% compliance with the ambient air quality standards	100%	100%	100%	100%
Sustainable Waste Disposal	Proportion of total municipal waste disposed of through landfill alternatives	TBD	TBD	TBD	TBD
	% of the population that recycle waste	21%	24%	28%	33%
Improved Water sustainability	Commencement with exploration of Coega Kop Boreholes Phase 1	0%	15%	75%	100%
	Total per capita consumption of water	182ℓ	180ℓ	160ℓ	150ℓ
	Percentage of wastewater made available for reuse	4%	4%	4%	6%

The Forward Thinking City

Key Performance Elements	Key Performance Indicator	Baseline	Target 2017/18	Target 2018/19	Target 2019/20
Sustainable provision of water to sports facilities	Number of sports facilities equipped with rain water tanks	3	10 tanks	TBD	TBD
	Total number of sports facilities with boreholes	1	2	4	6
Provision of supplies from renewable energy resources	Renewable energy production as a percentage of total energy consumption	15%	5%	8%	12%
Paperless Administration	% of secretariat-distributed agendas made available electronically per year	New	100%	100%	100%

CHAPTER 10: BUDGET

10.1 THE CAPITAL PROGRAMME

The expenditure of the Capital Programme is predominantly towards improving residents' living conditions in the poor areas of the City. Funding has been allocated, *inter alia* to servicing housing delivery areas, bucket eradication, the tarring of gravel roads, stormwater improvements, electrification, and public open spaces.

The remainder of the Capital Programme focuses on essential infrastructure for the future growth and development of the Municipality, including such areas as major road construction, water supply and wastewater treatment.

Human Settlements		Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Services for Housing Delivery (10074)	221,676,316	219,754,386	241,569,298
20110091	Khayamnandi Extension - Roadworks (Human Settlements)	12,500,000	22,000,000	22,500,000
	Khayamnandi Extension - Stormwater (Human Settlements)	3,750,000	6,600,000	6,750,000
	Khayamnandi Extension - Water Bulks (Human Settlements)	3,750,000	6,600,000	6,750,000
	Khayamnandi Extension - Sewer Bulks (Human Settlements)	5,000,000	8,800,000	9,000,000
20120030	KwaNobuhle Area 11 - Roadworks (Human Settlements)	21,001,316	15,750,000	-
	KwaNobuhle Area 11 - Stormwater (Human Settlements)	6,300,395	4,725,000	-
	KwaNobuhle Area 11 - Water Bulks (Human Settlements)	6,300,395	4,725,000	-
	KwaNobuhle Area 11 - Sewer Bulks (Human Settlements)	8,400,526	6,300,000	-
20120031	Ekuphumleni - KwaZakhele - Roadworks (Human Settlements)	-	500,000	500,000
	Ekuphumleni - KwaZakhele - Stormwater (Human Settlements)		150,000	150,000
	Ekuphumleni - KwaZakhele - Water Bulks (Human Settlements)		150,000	150,000
	Ekuphumleni - KwaZakhele - Sewer Bulks (Human Settlements)		200,000	200,000
20120033	Jagtvlagte (Chatty 11-14) - Roadworks (Human Settlements)	20,000,000	21,627,193	30,872,807
	Jagtvlagte (Chatty 11-14) - Stormwater (Human Settlements)	6,000,000	6,488,158	9,261,842
	Jagtvlagte (Chatty 11-14) - Water Bulks (Human Settlements)	6,000,000	6,488,158	9,261,842
	Jagtvlagte (Chatty 11-14) - Sewer Bulks (Human Settlements)	8,000,000	8,650,877	12,349,123
20120043	Seaview Housing Job - Roadworks (Human Settlements)	2,800,000	2,500,000	8,000,000
	Seaview Housing Job - Stormwater (Human Settlements)	800,000	750,000	2,400,000

Human Settlements		Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Seaview Housing Job - Water Bulks (Human Settlements)	2,000,000	750,000	2,400,000
	Seaview Housing Job - Sewer Bulks (Human Settlements)	2,400,000	1,000,000	3,200,000
20120047	Walmer Development - Roadworks (Human Settlements)	14,935,789	17,500,000	28,161,842
	Walmer Development - Stormwater (Human Settlements)	4,267,368	5,250,000	8,448,553
	Walmer Development - Water Bulks (Human Settlements)	10,668,421	5,250,000	8,448,553
	Walmer Development - Sewer Bulks (Human Settlements)	12,802,105	7,000,000	11,264,737
20120055	Motherwell NU 30 - Roadworks (Human Settlements)	2,000,000	-	-
	Motherwell NU 30 - Stormwater (Human Settlements)	600,000	-	-
	Motherwell NU 30 - Water Bulks (Human Settlements)	600,000	-	-
	Motherwell NU 30 - Sewer Bulks (Human Settlements)	800,000	-	-
20120059	Malabar Ext 6, Phase 2 - Roadworks (Human Settlements)	15,050,000	2,500,000	2,500,000
	Malabar Ext 6, Phase 2 - Stormwater (Human Settlements)	4,300,000	750,000	750,000
	Malabar Ext 6, Phase 2 - Water Bulks (Human Settlements)	10,750,000	750,000	750,000
	Malabar Ext 6, Phase 2 - Sewer Bulks (Human Settlements)	12,900,000	1,000,000	1,000,000
20120061	Motherwell NU 31 - Roadworks (Human Settlements)	1,000,000	1,750,000	1,750,000
	Motherwell NU 31 - Stormwater (Human Settlements)	300,000	525,000	525,000
	Motherwell NU 31 - Water Bulks (Human Settlements)	300,000	525,000	525,000
	Motherwell NU 31 - Sewer Bulks (Human Settlements)	400,000	700,000	700,000
20120062	Kuyga Phase 3 - Roadworks (Human Settlements)	175,000	1,250,000	1,750,000
	Kuyga Phase 3 - Stormwater (Human Settlements)	50,000	375,000	525,000
	Kuyga Phase 3 - Water Bulks (Human Settlements)	125,000	375,000	525,000
	Kuyga Phase 3 - Sewer Bulks (Human Settlements)	150,000	500,000	700,000
20130040	Nkatha/Seyisi - Roadworks (Human Settlements)	350,000	2,000,000	1,250,000
	Nkatha/Seyisi - Stormwater (Human Settlements)	100,000	600,000	375,000
	Nkatha/Seyisi - Water Bulks (Human Settlements)	250,000	600,000	375,000
	Nkatha/Seyisi - Sewer Bulks (Human Settlements)	300,000	800,000	500,000
20130054	Bethelsdorp Ext 32, 34 & 36 - Roadworks (Human Settlements)	350,000	7,500,000	7,500,000
	Bethelsdorp Ext 32, 34 & 36 - Stormwater (Human Settlements)	100,000	2,250,000	2,250,000
	Bethelsdorp Ext 32, 34 & 36 - Water Bulks (Human Settlements)	250,000	2,250,000	2,250,000
	Bethelsdorp Ext 32, 34 & 36 - Sewer Bulks (Human Settlements)	300,000	3,000,000	3,000,000
20130057	Kleinskool Kliprand - Roadworks (Human Settlements)	350,000	7,500,000	7,500,000
	Kleinskool Kliprand - Stormwater (Human Settlements)	100,000	2,250,000	2,250,000
	Kleinskool Kliprand - Water Bulks (Human Settlements)	250,000	2,250,000	2,250,000
	Kleinskool Kliprand - Sewer Bulks (Human Settlements)	300,000	3,000,000	3,000,000

Human Settlements		Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
20120048	N2 North Development - Roadworks (Human Settlements)	4,000,000	5,000,000	7,500,000
	N2 North Development - Stormwater (Human Settlements)	1,200,000	1,500,000	2,250,000
	N2 North Development - Water Bulks (Human Settlements)	1,200,000	1,500,000	2,250,000
	N2 North Development - Sewer Bulks (Human Settlements)	1,600,000	2,000,000	3,000,000
New	Motherwell NU 29 - Roadworks (Human Settlements)	700,000	1,500,000	-
	Motherwell NU 29 - Stormwater (Human Settlements)	200,000	450,000	-
	Motherwell NU 29 - Water Bulks (Human Settlements)	500,000	450,000	-
	Motherwell NU 29 - Sewer Bulks (Human Settlements)	600,000	600,000	-
New	Rocklands - Roadworks (Human Settlements)	525,000	1,000,000	1,000,000
	Rocklands - Stormwater (Human Settlements)	150,000	300,000	300,000
	Rocklands - Water Bulks (Human Settlements)	375,000	300,000	300,000
	Rocklands - Sewer Bulks (Human Settlements)	450,000	400,000	400,000
	Total	221,676,316	219,754,386	241,569,298

Infrastructure and Engineering		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Resurfacing of Minor Roads (10002)	30,000,000	20,000,000	20,000,000
19930026	Resurfacing Tar roads (non-subsidy)	30,000,000	20,000,000	20,000,000
	Programme: Resurfacing of Major Roads (10018)	10,000,000	10,000,000	10,000,000
19930002	Resurfacing of Subsidised Roads	10,000,000	10,000,000	10,000,000
	Programme: Rehabilitation of Minor Tar Roads (10019)	9,000,000	20,000,000	10,000,000
20070137	Rehabilitation of roads	9,000,000	20,000,000	10,000,000
	Programme: Rehabilitation of Minor Concrete Roads (10020)	1,000,000	1,000,000	1,000,000
19980218	Rehabilitate Concrete Roads - Northern Areas	1,000,000	1,000,000	1,000,000
	Programme: Buildings, Depots Upgrading & Additions (10009)	2,000,000	1,000,000	1,000,000
20042767	Upgrading Depots and Offices	2,000,000	-	-
20140008	Rehabilitation of Workshop Buildings		1,000,000	1,000,000
	Programme: Vehicles & Plant (10010)	7,000,000	13,000,000	20,000,000
19940289	Replacement Vehicles Fleet	7,000,000	13,000,000	20,000,000
	Programme: Tarring of Gravel Roads (10023)	90,000,000	100,000,000	102,090,351
20050286	Tarring of Gravel Roads	90,000,000	100,000,000	102,090,351
	Programme: Construction of Stormwater Infrastructure (10025)	2,000,000	5,000,000	8,000,000
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	2,000,000	5,000,000	8,000,000
	Programme: Stormwater Improvements (10026)	32,800,000	43,750,000	44,750,000
20030453	Flood Risk Improvements: Chatty River	-	-	-

Infrastructure and Engineering		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
20030609	Flood Risk and Improvements (All other rivers)	-	750,000	750,000
20060241	Blue Horizon Bay Bulk Stormwater	4,000,000	4,000,000	4,000,000
20060286	Groundwater Problem Elimination Northern Areas	-	1,000,000	1,000,000
20080080	Cannonville/Colchester: Stormwater Improvements	8,500,000	8,500,000	8,500,000
20080081	Greenbushes: Stormwater Improvements	-	500,000	500,000
20060240	Theescombe/Gqebera Bulk Stormwater	3,000,000	-	-
20030017	Paapenkuis Canal Rehabilitation	-	2,000,000	2,000,000
20060237	Zwide Bulk Stormwater	5,000,000	3,000,000	3,000,000
20090038	Stormwater Improvements: Ikamvelihle	2,000,000	4,000,000	4,000,000
20080079	Wells Estate: Stormwater Improvements	-	1,000,000	1,000,000
20030475	New Brighton/KwaZakhele: Bulk Stormwater	2,500,000	3,500,000	3,500,000
20020149	Stormwater Improvements	2,000,000	2,000,000	3,000,000
20080078	Chatty: Stormwater Improvement	400,000	5,000,000	5,000,000
20140009	Rehabilitation of Stormwater Ponds	2,000,000	3,000,000	3,000,000
NEW	Motherwell Canal Pedestrian crossings	1,400,000	1,500,000	1,500,000
NEW	Reconstruction of stormwater system - Uitenhage	2,000,000	3,000,000	3,000,000
19940233	Motherwell Canal Wetlands	-	1,000,000	1,000,000
	Programme: Traffic and Signage Improvements (10031)	16,650,000	8,850,000	8,850,000
20070132	New Traffic Signals	800,000	2,000,000	2,000,000
20010023	Glen Hurd Drive Upgrading	12,500,000	-	-
19940195	TM24 Guidance Signs	350,000	350,000	350,000
20060019	Public Transport Facilities	500,000	3,000,000	3,000,000
19940376	Traffic Control Equipment (Subsidy)	1,500,000	1,500,000	1,500,000
19980220	Traffic Calming Measures	1,000,000	2,000,000	2,000,000
	Programme: Construction of Major Roads (10027)	18,000,000	39,000,000	39,000,000
20070235	Planning and Design of Main Roads	1,000,000	1,000,000	1,000,000
NEW	John Tallant Link Road	-	8,000,000	8,000,000
20140010	Construction of Bloemendal Arterial	15,000,000	10,000,000	10,000,000
NEW	Stanford Road Extension	2,000,000	20,000,000	20,000,000
	Programme: Rehabilitation of Major Roads (10028)	1,500,000	4,000,000	10,000,000
19980319	Upgrade Main Road through Swartkops	1,500,000	3,000,000	5,000,000
19990144	Rehabilitation of William Moffat Expressway	-	1,000,000	5,000,000
	Programme: Improvements to Minor Roads (10022)	7,157,895	23,043,860	25,543,860
20043187	Provision of Rudimentary Services - Roads and Stormwater	-	1,500,000	1,500,000

Infrastructure and Engineering		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
19990168	Njoli Square Redevelopment	5,657,895	17,543,860	17,543,860
19930030	Rehabilitation of Verges and Sidewalks - Northern Areas	1,500,000	1,500,000	1,500,000
20162188	Wells Estate - Access Road	-	2,500,000	5,000,000
	Programme: Improvements to Major Roads (10029)	16,100,000	17,000,000	12,000,000
19980253	Minor Intersection Improvements	1,000,000	2,000,000	2,000,000
20060251	Access Road to Chatty Developments	5,000,000	5,000,000	-
20100082	Seyisi Square & Daku Square Development	100,000		
NEW	Road Upgrades to increase Capacity (i.e. Circular Drive, Algoa Road, etc)	10,000,000	10,000,000	10,000,000
	Programme: Management Systems (10024)	1,100,000	-	-
20070102	Fleet Management System	1,000,000	-	-
20130051	Computer Upgrade – Infrastructure and Engineering	100,000		
	Programme: Rehabilitation of Bridge Structures (10030)	1,000,000	3,500,000	16,000,000
20070246	Rehabilitation of Bridge Structures	-	-	10,000,000
20162191	Construction of Joe Slovo Bridge – Ward 41	-	2,500,000	5,000,000
20090079	Construction of Footbridges	1,000,000	1,000,000	1,000,000
	Programme: Non-Motorised Transport Facilities (10032)	21,000,000	10,300,000	10,300,000
20050042	Facilities for People with Disabilities	1,000,000	300,000	300,000
20060020	Provision of Sidewalks	20,000,000	10,000,000	10,000,000
	Programme: Specialised Equipment (10081)	1,500,000	2,800,000	3,860,000
20070201	Laboratory equipment - Scientific Services	1,000,000	2,800,000	3,860,000
20100084	Fleet Management - Workshop Equipment	500,000	-	-
	Programme: 2010 World Cup Work Packages (10034)	168,242,175	104,986,775	109,667,963
20070244	IPTS - Work Package: Bus Rapid Transit	168,242,175	104,986,775	109,667,963
	Total	436,050,070	427,230,635	452,062,174
	Sanitation - Metro (1411)			
	Programme: Buildings, Depots Upgrading & Additions (10009)	-	3,000,000	1,000,000
20042918	Office Accommodation: Sanitation	-	3,000,000	1,000,000
	Programme: Bucket Eradication (10043)	40,000,000	12,000,000	11,800,000
20050247	Rudimentary Services: Sanitation	-	2,000,000	1,800,000
20050248	Bucket Eradication Programme	40,000,000	10,000,000	10,000,000
	Programme: Reticulation Sewers - Rehabilitation & Refurbishment (10044)	11,400,000	15,000,000	15,000,000
20030672	Sewers: Maintenance Backlog	3,400,000	5,000,000	5,000,000
19930112	Sewer Replacement and Relining	8,000,000	10,000,000	10,000,000
	Programme: Reticulation Sewers - New, Augmentation & Upgrade (10045)	8,000,000	10,900,000	10,900,000

Infrastructure and Engineering		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
19940098	Improvements to Sewerage System	7,000,000	10,000,000	10,000,000
20080138	KwaNobuhle: Upgrade of sewer reticulation	400,000	500,000	500,000
20080136	TEI: Sampling Stations	600,000	400,000	400,000
	Programme: Bulk Sewers - Rehabilitation & Refurbishment (10046)	26,000,000	16,500,000	11,000,000
20070143	Rehabilitation of KwaZakhele Collector Sewer	4,000,000	6,500,000	10,000,000
20030034	Markman - Replace 600 mm Sewer	22,000,000	10,000,000	1,000,000
	Programme: Bulk Sewers - New, Augmentation & Upgrade (10047)	72,664,035	94,100,526	106,060,526
20060106	Motherwell North Bulk Sewerage	3,000,000	3,000,000	3,000,000
19980348	Paapenkuis Main Sewer augmentation	564,035	-	460,526
20030030	Lorraine - Bulk Sewerage augmentation	1,000,000	20,000,000	20,000,000
20060102	Colchester - Bulk Sewerage Infrastructure & WWTW	500,000	100,526	100,000
20050105	Sewer Protection works for collector sewers	1,000,000	2,000,000	500,000
20060103	Jagtvlakte Bulk Sewerage	1,000,000	3,000,000	3,000,000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	5,000,000	10,000,000	10,000,000
19960525	Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	1,000,000	-	-
20110054	Motherwell Main Sewer Upgrade	1,000,000	1,000,000	3,000,000
20110056	Swartkops Low Level Collector Sewer Upgrade	10,000,000	20,000,000	30,000,000
20030407	Seaview Bulk Sewer	1,000,000	2,000,000	2,000,000
20060177	Driftsands Collector Sewer - Augmentation	32,000,000	10,000,000	10,000,000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge West, Uitenhage	9,500,000	15,000,000	15,000,000
20110067	Industrial Site (Airport Valley) - Bulk Sewer	1,000,000	1,000,000	2,000,000
20060107	Motherwell/Coega WWTW and outfall sewer	5,000,000	7,000,000	7,000,000
20110068	KwaNobuhle Area 11 - Link Sewer	100,000	-	-
	Programme: Sewerage Pump Stations - Rehabilitation & Refurbishment (10048)	10,000,000	8,360,000	8,000,000
20060178	Sewerage Pump Station : Maintenance Backlog	10,000,000	8,360,000	8,000,000
	Programme: Sewerage Pump Stations - New, Augmentation & Upgrade (10049)	500,000	500,000	2,000,000
20030167	Rocklands PHB Housing project WWTW	500,000	500,000	2,000,000
	Programme: Waste Water Treatment Works - Rehabilitation & Refurbishment (10050)	15,500,000	13,500,000	18,000,000
20070147	Kelvin Jones WWTW: Upgrade	13,000,000	10,000,000	15,000,000
20050088	WWTW: Improve access roads	-	1,000,000	1,000,000
19990130	Telemetry - Pump Stations	2,000,000	2,000,000	2,000,000
20070153	Brickfields: Upgrade	500,000	500,000	-
	Programme: Waste Water Treatment Works (WWTW) - New, Augmentation & Upgrade (10051)	97,900,000	134,000,000	122,100,000
20050250	Driftsands WWTW Phase 3 extension	15,000,000	15,000,000	15,000,000

Infrastructure and Engineering		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
20070156	Fishwater Flats WWTW Upgrade	64,400,000	90,500,000	90,500,000
20070144	KwaNobuhle WWTW : Upgrading	10,000,000	14,000,000	1,000,000
20060075	Cape Receife WWTW : Upgrading	7,000,000	12,000,000	12,000,000
20030182	Upgrade Despatch Reclamation Works	500,000	500,000	500,000
20030405	Witteklip Bulk Sewerage	1,000,000	2,000,000	3,000,000
20000066	WWTW - Sludge Treatment and disposal facilities	-	-	100,000
	Programme: Vehicles (10009)	-	2,000,000	3,000,000
19980344	Replacement of Sewage Collection Vehicles	-	2,000,000	3,000,000
	Total	281,964,035	309,860,526	308,860,526
	Metro Water Service (1412)			
	Programme: Vehicles and Plant (10010)	2,000,000	2,000,000	3,000,000
20070160	Purchase New Vehicles	2,000,000	2,000,000	3,000,000
	Programme: Dams - Drought Relief Projects	12,750,000	13,000,000	5,000,000
20050097	Nooitgedagt/Coega Low Level System	12,750,000	13,000,000	5,000,000
	Programme: Dams - Rehabilitation & Refurbishment (10061)	1,000,000	2,000,000	2,000,000
20080094	Water Service Maintenance Backlog: Dams	1,000,000	2,000,000	2,000,000
	Programme: Water Treatment Works - New, Augmentation & Upgrade (10063)	36,000,000	39,000,000	47,000,000
20000037	Loerie Treatment Works: Rehabilitation	20,000,000	22,000,000	24,000,000
20060080	Upgrading of Churchill Water Treatment Works	10,000,000	10,000,000	15,000,000
20010307	Upgrading Groendal Treatment Works	1,000,000	1,000,000	1,000,000
20060082	Upgrading Springs Water Treatment Works	1,000,000	1,000,000	1,000,000
20070162	Desalination Augmentation	3,000,000	4,000,000	4,000,000
20042889	Linton: Additional Treatment Facility	1,000,000	1,000,000	2,000,000
	Programme: Water Treatment Works - Rehabilitation & Refurbishment (10064)	12,000,000	15,000,000	5,000,000
19960156	Elandsjagt - Upgrade to Restore Capacity	12,000,000	15,000,000	5,000,000
	Programme: Water Pump Stations - Rehabilitation & Refurbishment (10065)	25,000,000	35,000,000	29,000,000
20050106	Seaview Pump Station: Upgrade	25,000,000	35,000,000	29,000,000
	Programme: Supply Pipe lines - New, Augmentation & Upgrade (10067)	14,400,000	23,300,000	17,900,000
20030511	Seaview Bulk Water	8,000,000	10,000,000	10,000,000
20030512	St Albans Bulk Water	800,000	6,600,000	3,300,000
20060081	Coega Reclaimed Effluent Scheme	1,000,000	1,000,000	1,000,000
20080048	Jagtvlakte: Bulk Water Supply Pipeline	1,000,000	2,000,000	1,000,000
20080090	Govan Mbeki Midblock Mains	100,000	200,000	100,000
20080144	KwaNobuhle: Upgrading of water reticulation	500,000	500,000	500,000

Infrastructure and Engineering		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
20162356	Advanced Meter Infrastructure - Water	3,000,000	3,000,000	2,000,000
	Programme: Supply Pipe lines - Rehabilitation & Refurbishment (10068)	20,500,000	8,000,000	8,000,000
20030630	Water Services Maintenance Backlog: Pipelines	19,500,000	6,000,000	6,000,000
20042883	Older Dams Pipelines Augmentation	1,000,000	2,000,000	2,000,000
	Programme: Reservoirs - Rehabilitation & Refurbishment (10069)	11,500,000	8,500,000	8,500,000
19990185	Rehabilitation of Reservoirs	10,000,000	7,000,000	7,000,000
19990184	Reservoir Fencing	1,000,000	1,000,000	1,000,000
20120085	KwaNobuhle Reservoir Link Watermain	500,000	500,000	500,000
	Programme: Reservoirs - New, Augmentation & Upgrade (10070)	3,500,000	7,750,000	11,000,000
20100034	Balmoral Reservoir and Bulk Pipeline	500,000	1,000,000	1,000,000
20030295	Construction of Amanzi Reservoir and Pipeline	2,000,000	4,750,000	9,000,000
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	1,000,000	2,000,000	1,000,000
	Programme: Buildings, Depots Upgrading & Additions (10009)	-	4,500,000	4,500,000
20042881	Office Accommodation: Water	-	2,500,000	2,500,000
20070152	Access Roads: Upgrade	-	2,000,000	2,000,000
	Programme: Management Systems (10024)	21,000,000	14,000,000	25,000,000
20042885	Metro Water: Master Plan	-	-	-
20070157	Telemetry Systems Upgrade	2,000,000	2,000,000	2,000,000
20070161	Groundwater Investigation	19,000,000	12,000,000	23,000,000
	Programme: Distribution Pipe lines - New, Augmentation & Upgrade (10071)	3,000,000	3,000,000	3,000,000
20060083	Rudimentary Service: Water	1,000,000	1,000,000	1,000,000
20080088	Bulk Water Metering and Control	2,000,000	2,000,000	2,000,000
	Programme: Distribution Pipe lines - Rehabilitation & Refurbishment (10072)	33,350,000	35,450,000	42,100,000
19930320	Improvements to System - General	14,000,000	15,000,000	19,000,000
20080093	Water Service Maintenance Backlog: Pump Stations	5,000,000	5,000,000	6,000,000
20000052	Purchase of Water Meters - Metro	9,000,000	10,000,000	10,000,000
20000051	Installation of Zone Water meters	3,250,000	3,250,000	4,000,000
20080087	Rehabilitation of Pipe Bridges	1,000,000	1,000,000	2,000,000
20080091	Helenvale Urban Renewal Programme (HURP)	100,000	200,000	100,000
19950866	Cathodic Protection of Steel Pipelines	1,000,000	1,000,000	1,000,000
	Total	196,000,000	210,500,000	211,000,000

Electricity & Energy		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Customer Requirements (10003)	57,000,000	60,500,000	60,000,000
19930259	Private Township Development	15,000,000	15,000,000	15,000,000
19930255	Miscellaneous Mains and Substations	30,000,000	30,000,000	30,000,000
19940149	Meters and Current Transformers	4,000,000	5,000,000	5,000,000
19930256	Peri-Urban Network	2,000,000	3,500,000	3,000,000
20130022	Relocation of existing electrical services	4,000,000	5,000,000	5,000,000
20160079	NMBM-Amat Prepaid meter project	-		
19930233	Non-electrification Areas - Service Connections	2,000,000	2,000,000	2,000,000
	Programme: Network Reinforcements (10005)	86,340,000	58,150,000	55,140,000
20042993	HV Network Reinforcement - Overhead Cabling	16,500,000		
20100122	HV Network Reinforcement - New Substations	6,500,000		
19990104	Reinforcement of Electricity Network - Coega	30,000,000	30,000,000	30,000,000
20042992	Reinforcement of Electricity Network - Western	2,000,000	2,000,000	2,000,000
20030472	Reinforcement of Electricity Network - Hunters Retreat	2,000,000	3,000,000	3,000,000
20030470	Reinforcement of Electricity Network- Despatch	1,500,000	1,500,000	1,500,000
20030074	Reinforcement of Electricity Network- Mount Road	3,000,000	3,000,000	3,000,000
20010119	Reinforcement of Electricity Network - Uitenhage	6,000,000	4,000,000	1,000,000
20010118	Reinforcement of Electricity Network - Ibhayi	1,700,000	1,650,000	1,600,000
20000175	Reinforcement of Electricity Network- Swartkops	2,200,000	2,200,000	2,200,000
20000172	Reinforcement of Electricity Network- Korsten	1,000,000	1,000,000	1,000,000
19970063	Reinforcement of Electricity Network- Bethelsdorp 11kV	1,100,000	1,100,000	1,100,000
19960193	Reinforcement of Electricity Network Wells Estate	550,000	550,000	550,000
19970061	Reinforcement of Electricity Network - Newton Park	550,000	550,000	550,000
20030471	Reinforcement of Electricity Network- Walmer Lorraine	3,000,000	3,000,000	3,000,000
19960190	Reinforcement of Electricity Network- Redhouse	540,000	600,000	540,000
19960195	Reinforcement of Electricity Network - Summerstrand	1,000,000	1,000,000	1,000,000
19980402	Reinforcement of Electricity Network - Malabar/ Helenvale	1,000,000	1,000,000	1,000,000
20100120	HV Network Reinforcement - Underground Cabling	5,000,000		
19930254	Low Voltage Reticulation Improvement	1,200,000	2,000,000	2,100,000
	Programme: Radio Communication Systems (10006)	750,000	750,000	750,000
19930232	Radio & Test Equipment	750,000	750,000	750,000
	Programme: Technical Control Systems (10007)	9,580,000	16,500,000	17,500,000
20070209	Substation Fibre Optic Backbone	2,500,000	3,500,000	3,500,000
19990109	Substation Security Alarm Upgrade	3,000,000	5,000,000	5,000,000

Electricity & Energy		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
19940414	Supervisory Control Systems Upgrade	2,000,000	2,500,000	2,500,000
20170045	Distribution Substation Building Refurbishment Programme	1,000,000	3,000,000	4,000,000
20060174	Control Room Upgrade	1,080,000	2,500,000	2,500,000
	Programme: Data & Communication Systems (10008)	4,000,000	2,000,000	2,000,000
20150053	SANEDI - Smart Grid Initiative Programmes	3,000,000	-	-
20030467	Computer Systems Upgrade	1,000,000	2,000,000	2,000,000
	Programme: Buildings, Depots Upgrading & Additions (10009)	1,000,000	4,000,000	4,000,000
20150030	North Depot Improvements	1,000,000	4,000,000	4,000,000
	Programme: Vehicles and Plant (10010)	4,500,000	8,000,000	8,000,000
20020093	New/Replacement of Plant and Motor Vehicles	3,000,000	8,000,000	8,000,000
20170044	Test Van Equipment	1,500,000		
	Programme: Cables & Distribution Kiosks (10013)	4,000,000	4,500,000	5,000,000
19980174	Distribution Kiosk Replacement	2,000,000	2,000,000	2,000,000
19970064	Cable Replacement 6.6kV	2,000,000	2,500,000	3,000,000
	Programme: Transformers & Switchgear (10014)	24,000,000	28,500,000	33,500,000
20042989	MV and HV Switchgear replacement	20,000,000	25,000,000	30,000,000
19970070	Relay Replacement	3,000,000	3,000,000	3,000,000
20050189	Replace Switchgear in Mini substations - KwaNobuhle	1,000,000	500,000	500,000
	Programme: Line Refurbishment (10015)	21,000,000	21,500,000	28,500,000
20042988	Overhead Lines Refurbishment	6,000,000	7,000,000	8,000,000
20050187	HV Line Refurbishment (66 & 132kV)	9,000,000	12,000,000	15,000,000
20090039	Fairview Refurbishment	1,000,000	1,500,000	2,000,000
20150028	Refurbishment of Power Transformers	5,000,000	-	-
20060217	Gas Turbine Refurbishment		1,000,000	3,500,000
	Programme: Furniture and Equipment (10073)	-	4,000,000	4,000,000
19930234	Electricity Buildings improvements		4,000,000	4,000,000
	Programme: Informal Housing Electrification (10012)	44,815,789	39,473,684	39,473,684
19930264	Informal Housing Electrification	36,315,789	39,473,684	39,473,684
20170022	Undeclared Informal Electrification	8,500,000		
	Programme: Street Lighting (10017)	20,000,000	20,000,000	27,849,000
19930283	Public Lighting	20,000,000	20,000,000	27,849,000
	Total	276,985,789	267,873,684	285,712,684

Public Health		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	1,800,000	6,000,000	5,000,000
19980266	Secure Municipal Parks Facilities	-	1,000,000	1,000,000
20100095	Upgrade Major Parks	1,000,000	2,000,000	2,000,000
20070191	Occupational Health and Wellness Centre at Walmer	-	500,000	500,000
20030658	Upgrade Infrastructure: Metro Integration	500,000	1,500,000	500,000
20090053	Upgrade of Uitenhage Dog Pound	300,000	1,000,000	1,000,000
	Programme: Medical Equipment (10041)	-	-	-
20000141	Specialized Equipment			
20100099	Occupational Health Rehabilitation Medical Equipment			
	Programme: Upgrade and Rehabilitation of Beaches (10052)	2,500,000	3,000,000	3,000,000
20010064	Beachfront	1,500,000	2,000,000	2,000,000
20010059	Reinstatement of Embankment - Tygerbay	1,000,000	1,000,000	1,000,000
20100088	Multi-purpose Reefs			
	Programme: Greening and Development of Gateways and Public Open Spaces (10053)	15,500,000	11,500,000	17,500,000
20010362	Upgrade and Development of Public Open Spaces	12,500,000	5,000,000	11,000,000
20060110	Greenhouse Upgrade - Peter Gibbs Nursery	-	2,000,000	2,000,000
20030420	Develop Floodplains	500,000	1,000,000	1,000,000
20150039	Upgrade of Public Toilets	1,000,000	2,000,000	2,000,000
20100100	New Playground Equipment	1,500,000	1,500,000	1,500,000
	Programme: Cemetery Development and Upgrading (10054)	6,000,000	6,000,000	6,000,000
20140003	Water drainage and roads at cemeteries	2,000,000	2,000,000	2,000,000
20030421	Upgrade and development of cemeteries	2,000,000	2,000,000	2,000,000
20120045	Fencing of cemeteries	2,000,000	2,000,000	2,000,000
20162181	Rehabilitation of Bloemendal Cemetery			
	Programme: Furniture and Equipment (10073)	100,000	500,000	266,000
20000141	Computer and Office equipment	100,000	500,000	266,000
	Programme: Specialised Vehicles (1011)	1,500,000	2,000,000	2,000,000
20010370	Specialised Vehicles and Plant (Parks)	1,500,000	2,000,000	2,000,000
20162197	Mobile Unit - OHS & W			
20162196	Specialised Vehicles and Plant (Waste Management)			
20162198	Procurement of 4 bakkies and a minibus			
	Programme: Refuse, Tip-Sites, Recycle Stations and Equipment (10055)	19,700,000	15,000,000	18,000,000
20010391	Waste Management Containers	1,500,000	2,000,000	2,000,000
20030177	Development of Waste Disposal Facilities	4,000,000	4,500,000	4,500,000
19940138	Replacement of Refuse Compactors	3,500,000	3,500,000	3,500,000

Public Health		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
20000106	Urban Refuse Transfer/Recycling Station	3,000,000	3,000,000	3,000,000
20162440	Municipal Solid Waste Beneficiation and Diversion Project	7,500,000	-	-
New	Air Pollution Monitoring Equipment	200,000	-	-
20150040	Climate change	-	2,000,000	5,000,000
Total		47,100,000	44,000,000	51,766,000

Safety & Security		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)		5,150,000	5,250,000	8,240,000
20080065	Additional Satellite Offices	2,000,000	1,000,000	1,000,000
20090019	Replacement of engine bay doors	650,000	500,000	500,000
20100060	Fire station Motherwell - Refurbishment	2,000,000	500,000	2,000,000
20162192	Security Offices - Sidwell Fire Station	500,000	2,500,000	-
New	Security Offices - Contract Unit	-	-	2,000,000
New	Stores/Archiving at Contract Unit	-	-	240,000
20080073	South End Fire Station	-	-	2,000,000
New	Upgrade of Uitenhage Pound	-	-	500,000
20162193	Security wall/fencing - Fire Training Centre	-	750,000	-
Programme: Upgrading of Computer Systems and Software Enhancement (10037)		-	-	500,000
New	Traffic Training Centre - Learner Information Management System	-	-	500,000
Programme: Specialised Vehicles (1011)		1,600,000	8,360,000	-
20060221	Replacement of off-road Appliances	-	1,700,000	-
New	Refurbishment of Fire Appliances	-	2,000,000	-
20162194	Replacement of Firefighting Vehicle	-	1,860,000	-
20162195	Replacement of light off-road vehicle	1,600,000	2,800,000	-
Programme: Vehicles and Plant (10010)		2,500,000	1,940,000	3,050,000
20140015	Vehicles for Safety and Security (Security Only)	-	1,940,000	-
New	Vehicles for Safety & Security (Disaster only)	-	-	550,000
New	Vehicles for Safety & Security (Metro Police only)	2,500,000	-	2,500,000
Programme: Furniture and Equipment (10073)		-	-	2,000,000
New	Furniture - Metro Police	-	-	2,000,000
Programme: Safety and Security Equipment (10057)		3,000,000	5,500,000	5,210,000
20090062	CCTV Equipment & Infrastructure	1,000,000	1,000,000	-
	Purchase of New Firearms	-	-	150,000

Safety & Security		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
New	PE TTC Firearms	-	-	500,000
New	Law Enforcement Equipment	-	-	1,500,000
New	Replacement of Motor cycle test equipment	-	-	60,000
New	PE TTC Road Safety : Seat belt convincer	-	-	500,000
New	In Car Camera for Law Enforcement	-	-	500,000
20100059	Replacement of Radios	1,000,000	500,000	-
New	Replacement Rescue Pump	-	2,500,000	-
New	Purchase of Plant and Equipment (Fire & Emergency Services)	1,000,000	1,500,000	2,000,000
20162189	Replacement of Turntable Ladder Aerial Appliance	-		
20150047	Purchase of Plant and Equipment (Fire & Emergency services)	-		
	Programme: Furniture and Equipment (10073)	1,450,000	450,000	-
20150051	Upgrade and replacement of Computers	1,000,000	-	-
20090017	Replacement of standby generator	450,000	450,000	-
	Total	13,700,000	21,500,000	19,000,000

Corporate Services		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Upgrading of Computer Systems and Software Enhancement (10037)	7,800,000	3,850,000	3,685,000
19930187	Computer Enhancements - Corporate	2,000,000	3,850,000	3,685,000
New	Disaster Recovery Centre - Information Security	4,000,000		
New	IT Infrastructure for mSCOA	1,800,000		
	Programme: Vehicles and Plant (10010)	500,000	-	-
20162152	Vehicles - Corporate Services	500,000	-	-
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	5,260,000	13,300,000	12,400,000
20030221	Office accommodation (Ward Councillors)	-	2,000,000	2,000,000
New	Office accommodation (Ward Councillors) - Matthew Goniwe	180,000	-	-
New	Office accommodation (Ward Councillors) - Joe Slovo	180,000	-	-
New	Office accommodation (Ward Councillors) - Jarman Hall	-	-	-
20043125	Upgrade of Community Halls	-	1,000,000	1,500,000
New	Rehabilitation & Upgrading of Babs Madlakane Community Hall	-		
New	Upgrading of Nangoza Jebe Community Hall	-	1,000,000	
New	Upgrading of Gelvandale Community Hall	-	400,000	
20050222	Office Renovation	-	3,000,000	2,000,000
New	Lillian Diedericks Office Renovation - Personnel files and archives offices	1,770,000	-	-
New	Harrower Road Office Renovations	300,000	-	-

Corporate Services		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
New	KwaNobuhle Administration Building	500,000	-	-
New	Uitenhage Town Hall - Upgrade of the foyer, passages leading to the Mayor's Parlour	180,000	-	-
New	Despatch Town Hall - Upgrade of the Council Chamber, caucus room & common areas	150,000	-	-
20060065	Air Conditioning of Buildings	1,000,000	1,000,000	1,000,000
20060149	Lillian Diedericks Building and Rehabilitation	500,000	1,500,000	1,000,000
20070196	Mfanasekhaya Gqobose Building	500,000	500,000	1,500,000
20080041	Rehabilitation of Noninzi Luzipho Building	-		
20100077	KwaNobuhle Municipal Aerodrome	-		
20120076	Woolboard Conference Centre	-	400,000	400,000
20120078	Upgrade of Municipal Depots	-	1,500,000	2,000,000
20130067	Algoa House Upgrade	-	1,000,000	1,000,000
	Total	13,560,000	17,150,000	16,085,000

Budget & Treasury		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Management Systems (10024)	18,000,000	-	-
20140011	System Enhancements - Various	18,000,000		
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	5,424,580	5,242,500	18,619,553
20050219	Upgrade and Furnishing Customer Care Centres	3,000,000	1,000,000	1,000,000
20060254	Mfanasekhaya Gqobose Building Office Renovations			
New	SCM Building Additions and Upgrades	2,424,580	4,242,500	17,619,553
	Programme: Furniture and Equipment (10073)	2,150,000	1,000,000	1,200,000
20120040	Creditors Filing Equipment	1,500,000	-	-
20162351	Economic Catalytic Projects - Various			
20120079	Replacement Handheld Devices - Meter Reading	300,000	500,000	600,000
20120080	Replacement of Vending POS Equipment	350,000	500,000	600,000
	Total	25,574,580	6,242,500	19,819,553

Chief Operating Officer		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Integrated City Development	6,410,526	15,331,579	16,191,228
20162353	Integrated City Development Programmes	6,410,526	15,331,579	16,191,228
	Total	6,410,526	15,331,579	16,191,228

Motherwell Urban Renewal Programme (MURP)		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Buildings, Depots Upgrading & Additions (10009)	7,500,000	-	-
20090018	Motherwell Traffic and Licencing Centre	7,500,000		
		7,500,000	-	-

Recreational & Cultural Services		Revised Draft 2017/18 Capital Budget	Draft 2018/19 Capital Budget	Draft 2019/20 Capital Budget
	Programme: Vehicles and Plant (10010)	-	-	-
20162167	Vehicles for Sport and Recreation			
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	19,000,000	19,500,000	13,000,000
20100104	Mendi Arts and Cultural Centre	6,000,000	6,000,000	6,000,000
20060113	Upgrade and Restoration of Libraries	13,000,000	13,500,000	7,000,000
20162174	Rehabilitation of Red Location Precinct Buildings			
20162173	Upgrading of Art Museum			
20030427	Secure Recreational Buildings / Facilities			
	Programme: Upgrading and Development of Sport and Recreation Facilities (10058)	19,720,000	13,000,000	11,000,000
19980285	Upgrade Existing Sports Facilities	11,000,000	5,000,000	5,000,000
20010221	Springs Resort - Upgrade Infrastructure	600,000	500,000	500,000
20030795	Upgrade Beaches -Tourism	400,000	1,000,000	2,500,000
20000149	Maintain/Rehabilitate Sports Facility Infrastructure	-		
20162354	KwaNobuhle Sports Complex	-		
20162170	Upgrade of Hobie Beach Yacht Club	-		
New	Gelvandale Stadium Roof Structure	6,000,000		
New	Provision of lighting - Mooredyke Sports Ground	220,000		
New	Upgrade of Resorts (Beachview)	-	5,000,000	2,000,000
New	Beach Protection Equipment	1,500,000	1,500,000	1,000,000
NEW	Hard Sports Surfaces	-		
	Programme: Upgrade and Development of Swimming Pools (10059)	-	3,000,000	4,000,000
20000160	Rehabilitating and Upgrading of Swimming Pool Structures	-	3,000,000	4,000,000
	Programme: Upgrade and Development of Heritage Sites, Memorials and Cultural Centres (10060)	-	-	-
20060281	Motherwell Cultural Centre			
	Total	38,720,000	35,500,000	28,000,000
	Total	1,565,241,316	1,574,943,310	1,650,066,463

10.2 FINANCIAL SUSTAINABILITY AND VIABILITY

10.2.1 Introduction

The institution must ensure that it becomes financially sustainable in order to deliver on its objectives in terms of the IDP. The Budget and Treasury Directorate operates within the parameters determined by the Municipal Financial Management Act (MFMA) (56 of 2003), together with the applicable Regulations, and it is the responsibility of this Directorate to ensure compliance across the institution. The Directorate provides financial related services and support to all Council structures and other municipal directorates and strives to ensure a well-run city.

Over the last number of years, the Municipality has experienced a significant decrease in its collection rate, which in turn has led to a marked increase in the outstanding debt owed to the institution. As a direct result of the aforesaid, the institution has over recent years been unable to maintain a cost coverage of three months, as required by the MFMA. During the 2016/17 financial year, the institution has, however, seen a marked improvement in the collection rate as Council enforced strict adherence to the NMB Credit Control Policy and launched a vigorous debt collection campaign.

The Municipality has now stabilised its finances and significantly improved its cash holdings. The Budget and Treasury team will continue to strive to improve the financial position of the institution by focusing on five core principles:

- Efficiently collect all outstanding debt from those that can afford to pay for their municipal services.
- Optimising operational efficiency within the institution by ensuring that all directorates contain operational costs in order to maximise service delivery related spending.
- Reforming Supply Chain processes within the institution in order to ensure that said processes do not only become far more transparent, but also far less

cumbersome than in the past. Measures will also be put in place to ensure that Council receives value for money through all of its tenders.

- Refining the Assistance to the Poor (ATTP) Policy in terms of which indigent families qualify for a free basket of municipal services, so as to ensure that the application process is as uncomplicated and efficient as possible.
- Fixing the billing system so as to ensure that accurate accounts are rendered on time on a monthly basis.

10.2.2 Delivery Approach

In terms of the Municipal Systems Act of 2000, Financial Sustainability is defined as follows:

“in relation to the provision of a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external resource, including budgeted income, grants and subsidies for that service, is sufficient to cover the costs of:

- The initial capital expenditure required for the service;
- Operating the service; and
- Maintaining, repairing and replacing the physical assets used in the provision of the service”.

The Municipality experienced a serious cash-flow crisis during the 2010/11 financial year. The recovery at the time was guided by a comprehensive Financial Recovery Plan, aimed at placing the institution in a sound and sustainable financial position, thereby ensuring its ability to meet its obligations.

Proper, adequate and regular financial management oversight is therefore crucial to ensure this ongoing financial sustainability. This can be achieved through the effective implementation of financial policies and procedures, not only within the Directorate itself, but throughout the institution.

In addition to the above, the Budget and Treasury Directorate must:

- address the weaknesses identified in the SWOT analysis;
- give attention to the opportunities that have been documented;
- build on the strengths of the Directorate; and
- develop strategies to mitigate the risks identified, where possible.

In dealing with the above, priority and emphasis must be given to the following:

- increased debt collection and credit control measures;
- revenue optimisation;
- operational efficiency and cost containment measures;
- proper procurement planning by all directorates; and
- ensuring value for money during the procurement process;
- proper tariff modelling;
- ensuring a cost coverage ratio of three months;
- the development of a Long-term Financial Plan.

In addition, the NMBM is in the process of developing a policy governing the Long-term Financial Plan of the Municipality. This will serve as a guiding document for the institution and contribute towards the establishment of a well-run and forward-thinking city.

10.2.3 Long-term Financial Sustainability Plan (LTFSP)

Long-term financial planning forms a key element of the Integrated Development Plan (IDP), which enables local government to set priorities aligned to achieving the strategic objectives of Council. The Long-term Financial Sustainability Plan (LTFSP) must be constructed over a minimum period of 10 years and will be instrumental in indicating the financial sustainability of the Nelson Mandela's Bay Municipality over the short, medium and long term.

The LTFSP is underpinned by a number of financial strategies, assumptions and performance indicators, which will enable Council to make informed decisions to ensure financial sustainability, while at the same time meeting the increasing service delivery demands of local communities with the limited available resources.

Council has a legislative requirement to comply with the principles of sound financial management, as detailed in the Municipal Finance Management Act No. 56 of 2003 (MFMA). National Treasury has played a pivotal role in the introduction of financial management reforms across government since 1994, and local government since 1996. National Treasury's primary objective was to secure the sound and sustainable management of the financial affairs of government (national, provincial and local) and to lead such reforms through policies, guidelines, regulatory interventions, circulars, training etc., as well as provide hands-on support to municipalities.

The MFMA further aims to modernise budget, accounting and financial management practices by placing local government finances on a sustainable footing in order to maximise the capacity of municipalities to deliver services across communities. It also aims to put in place a sound financial framework by clarifying and separating the roles and responsibilities of the Council, Mayor and officials.

The NMBM is committed to work with National Treasury, as a pilot project, to develop a long-term financial planning model as a basis for its Long-term Financial Strategy/Plan. Extensive work has been done on the model, which is currently being amended to comply with the SCOA accounting reforms.

A key component of sound financial management is the preparation of longer-term financial strategies, plans and budgets. When preparing an LTFSP, a municipality must take the following into consideration:

- Capital and Operating Budgets
- Master plans and Backlog reports – Asset Management
- Consumption levels/units
- Losses and unaccounted for units

- Revenue streams
- Financial or other risks that may impact on financial sustainability
- Staffing levels

A policy governing the Long-term Financial Management Plan has been developed and is in the process of being submitted to Council. The Policy assists the institution in dealing with long-term financial management matters, even though not exhaustive or comprehensive, and also takes into account all other regulatory requirements.

Key Objectives of the Long-term Financial Sustainability Plan (LTSFP)

The key objectives of the LTFSP are to ensure the financial sustainability of the NMBM and therefore:

- The ability of the Municipality to meet its current and future service delivery obligations and financial requirements, and
- The ability of the Municipality to retain sufficient financial capacity to be able to manage and absorb future financial risks without external assistance or having to significantly adjust revenue or expenditure.

This implies that the Municipality must maintain a strong cash position, whilst simultaneously developing its capacity to expand and meet the increasing needs of the communities. Key performance indicators (KPIs) that have been identified, will assist in ensuring that:

- the NMBM maintains a strong cash position;
- service delivery is maintained;
- there is adequate capital spending – new and renewal;
- there is adequate spending on repairs and maintenance;
- the working capital levels are sufficient;
- the debt levels are minimised (reduced) and affordable;
- revenue streams are expanded and maximised.

10.2.4 Financial Plan

Section 26 (h) of the Local Government: Municipal Systems Act, as amended, stipulates that a financial plan must be prepared as part of the Municipality's Integrated Development Plan.

Over recent years, financial sustainability in local government has become increasingly difficult to maintain, as the demand for services expands beyond the available revenue streams. Municipalities need to be proactive in minimising costs and maximising operational efficiencies in order to meet these demands. In July 2010, the NMBM was faced with serious cash and sustainability challenges as a result of the absence of robust long-term financial planning.

The Five-year Financial Plan includes an Operating Budget and Capital Budget, both informed by IDP priorities. It takes into account the Key Performance Areas reflected in the IDP. All programmes contained in the Budget are reflected in the IDP. The review of the Municipality's IDP therefore has a ripple effect on the Budget.

In addition to being informed by the IDP, the municipal fiscal environment is influenced by a variety of macro-economic measures. National Treasury determines the ceiling of year-on-year increases in the total Operating Budget, whilst the National Energy Regulator of SA (NERSA) regulates electricity tariff increases. Various government departments also affect municipal service delivery through the level of grants and subsidies.

10.2.4.1 Budget assumptions

The multi-year Budget is underpinned by the following assumptions:

a) Financial targets

	2017/18	2018/19	2019/20	2020/21	2021/2022
Income	%	%	%	%	%
Water tariff increase	9.00	9.00	9.00	9.00	9.00
Sanitation tariff increase	9.00	9.00	9.00	9.00	9.00
Refuse tariff increase	9.00	9.00	9.00	9.00	9.00
Property rates increase	4.40 (Average)	9.50	9.50	9.50	9.50
Electricity tariff increase	1.88 (Average)	6.9	6.8	6.8	6.8
Revenue collection rates	94.00	95.00	96.00	96.00	96.00
Expenditure					
Total expenditure increase allowed (excluding repairs and maintenance)	6.00	6.00	6.00	6.00	6.00
Salary increase	8.00	8.00	8.00	8.00	8.00
Increase in repairs and maintenance	8.00	8.00	8.00	8.0	8.0
Increase in bulk purchase of power costs (subject to determination by NERSA)	0.32	6.9	6.8	6.8	6.8
Increase in bulk purchase of water costs	12.00	12.00	12.00	12.00	12.00

b) Operating Budget

Description	2017/18 Medium Term Revenue & Expenditure Framework				
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
<u>Revenue Source</u>					
Property rates	1,882,347	2,091,299	2,294,414	2,512,383	2,751,060
Service charges - electricity revenue	3,748,825	4,029,337	4,329,998	4,524,503	4,817,239
Service charges - water revenue	714,594	783,848	859,583	903,945	1,021,270
Service charges - sanitation revenue	469,359	518,568	604,919	659,362	718,704
Service charges - refuse	174,671	186,708	199,565	217,526	237,103
Rental of facilities and equipment	18,886	20,016	21,227	22,577	23,932
Interest earned - external investments	105,174	110,993	117,166	124,837	132,327
Interest earned - outstanding debtors	178,343	193,157	209,240	226,670	245,551
Fines, penalties and forfeits	265,711	281,658	298,562	312,902	331,677
Licences and permits	26,671	28,298	30,025	31,857	33,800
Transfers recognised	1,543,704	1,685,582	1,801,937	1,892,033	1,986,635
Other revenue	235,219	268,187	287,649	304,908	329,329
Gains on disposal of PPE	32	34	36	36	36
Total Revenue	9,363,536	10,197,685	11,054,320	11,733,539	12,628,663
<u>Expenditure Type</u>					
Employee related costs	2,842,251	3,078,090	3,328,993	3,559,639	3,844,410
Remuneration of Councillors	70,938	75,609	80,589	85,309	90,939
Debt impairment	619,213	566,379	504,858	531,616	559,802
Depreciation & asset impairment	808,877	898,060	919,306	958,550	997,550
Finance charges	148,169	142,315	136,758	122,765	110,171

Description	2017/18 Medium Term Revenue & Expenditure Framework				
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
Bulk purchases	3,005,447	3,136,406	3,423,194	3,811,486	4,135,462
Other materials	276,975	377,383	399,368	430,410	464,843
Contracted services	1,183,120	1,333,829	1,397,893	1,448,134	1,520,541
Grants and subsidies	112,165	115,085	114,771	115,297	122,215
Other expenditure	421,653	449,935	478,785	507,512	537,963
Total Expenditure	9,488,809	10,173,091	10,784,515	11,570,718	12,383,896
Surplus/(Deficit)	(125,274)	24,593	269,805	162,821	244,767

10.2.4.2 Statutory requirements specific to Capital Budget

The vehicle through which the needs of the Municipality are identified and its priorities are set, is the Integrated Development Plan. The Capital Budget must be allocated to cover the higher priority projects in the IDP.

The Municipal Finance Management Act (Act No. 56, 2003) states that:

“19.1 A Municipality may spend money on a capital project only if: -

- (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the Municipality, has been appropriated in the capital budget;*
- (b) the project, including the total cost, has been approved by the council;*
- (d) the sources of funding have been considered, are available and have not been committed for other purposes.*

19.2 Before approving a capital project in terms of Section 19 (1) (b), the council of a municipality must consider-

- (a) the project cost covering all financial years until the project is operational;
and*
- (b) the future operational costs and revenue on the project, including municipal tax and tariff implications.”*

Furthermore, the Financial Standing Orders state that:

“1.5 Every Manager shall, in respect of the activities of the Business Unit, in consultation with the Business Unit Manager: Budget and Treasury, prepare: -

- (b) a draft Capital Budget in respect of the ensuing financial year and a draft Capital Programme for the following two financial years, based on the following principles:*

- (c) *Year Two of the current Capital Programme shall become the new Capital Budget and Year Three of the current Capital Programme shall become Year Two in the new Capital Programme and*
- (d) *New projects shall enter the Programme in Year Three.”*

a) 2017/18 to 2021/22 Capital Budget by Directorate

Description	2017/18 Medium Term Revenue & Expenditure Framework				
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Budget Year +3 2020/21	Budget Year +4 2021/22
R thousand					
<u>Capital expenditure - Vote</u>					
Multi-year expenditure <i>to be appropriated</i>					
Vote 1 - Budget and Treasury	6,075	6,243	19,820	5,000	5,500
Vote 2 - Public Health	46,900	44,000	51,766	50,000	50,000
Vote 3 - Human Settlements	258,326	258,603	282,749	240,000	245,000
Vote 4 - Economic Development, Tourism and Agriculture	0	0	0	0	0
Vote 5 - Corporate Services	6,070	17,150	16,085	20,000	20,000
Vote 6 - Rate and General Engineers	434,450	427,231	452,062	250,000	255,000
Vote 7 - Water Services	196,000	210,500	211,000	200,000	205,000
Vote 8 - Sanitation Services	281,964	309,861	308,861	300,000	305,000
Vote 9 - Electricity and Energy	275,486	267,874	285,713	280,000	285,000
Vote 10 - Executive and Council	6,411	15,332	16,191	0	0
Vote 11 - Safety and Security	13,700	19,800	17,850	20,000	20,000
Vote 12 - Nelson Mandela Bay Stadium	-	-	-	-	-

Description	2017/18 Medium Term Revenue & Expenditure Framework				
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Budget Year +3 2020/21	Budget Year +4 2021/22
R thousand					
Vote 13 - Strategic Programmes Directorate	–	–	–	–	–
Vote 14 - Recreational and Cultural Services	38,500	35,500	28,000	13,500	13,500
Capital multi-year expenditure sub-total	1,563,881	1,612,092	1,690,096	1,378,500	1,404,500
<u>Single-year expenditure to be appropriated</u>					
Vote 1 - Budget and Treasury	19,500	–	–	–	–
Vote 2 - Public Health	200	0	0	0	0
Vote 3 - Human Settlements	-	–	–	–	–
Vote 4 - Economic Development, Tourism and Agriculture	–	–	–	–	–
Vote 5 - Corporate Services	7,490	0	–	–	–
Vote 6 - Rate and General Engineers	1,600	–	0	0	0
Vote 7 - Water Services	–	–	–	–	–
Vote 8 - Sanitation Services	0	–	0	0	0
Vote 9 - Electricity and Energy	1,500	0	–	–	–

Description	2017/18 Medium Term Revenue & Expenditure Framework				
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Budget Year +3 2020/21	Budget Year +4 2021/22
R thousand					
Vote 10 - Executive and Council	–	–	–	–	–
Vote 11 - Safety and Security	0	1,700	1,150	0	0
Vote 12 - Nelson Mandela Bay Stadium	–	–	–	–	–
Vote 13 - Strategic Programmes Directorate	7,500	–	–	–	–
Vote 14 - Recreational and Cultural Services	220	0	–	–	–
Capital single-year expenditure sub- total	38,010	1,700	1,150	0	0
Total Capital Expenditure - Vote	1,601,891	1,613,792	1,691,246	1,378,500	1,404,500
<u>Capital Expenditure - Functional</u>					
<i>Governance and administration</i>	58,535	69,305	93,995	93,995	93,995
Executive and Council	–	–	–	–	–
Finance and administration	58,535	69,305	93,995	25,000	25,500
Internal audit	–	–	–	–	–
<i>Community and public safety</i>	333,296	311,642	339,605	275,500	281,000

Description	2017/18 Medium Term Revenue & Expenditure Framework					
	R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Budget Year +3 2020/21	Budget Year +4 2021/22
Community and social services		57,000	26,900	19,500	5,000	6,000
Sport and recreation		34,720	27,000	42,275	8,500	8,000
Public safety		12,400	22,700	20,760	20,000	20,000
Housing		229,176	234,542	256,569	240,000	245,000
Health		0	500	500	2,000	2,000
<i>Economic and environmental services</i>		408,211	410,861	417,313	288,000	293,000
Planning and development		0	0	0	0	0
Road transport		405,011	405,361	409,323	250,000	255,000
Environmental protection		3,200	5,500	8,000	38,000	38,000
<i>Trading services</i>		801,850	821,984	840,323	790,000	805,000
Energy sources		282,486	249,874	267,713	280,000	285,000
Water management		193,000	202,000	201,500	200,000	205,000
Waste water management		314,364	349,611	353,611	300,000	305,000
Waste management		12,000	13,000	13,000	10,000	10,000
<i>Other</i>		-	-	-	-	-
Total Capital Expenditure - Functional		1,601,891	1,613,792	1,691,246	1,378,500	1,404,500

Description	2017/18 Medium Term Revenue & Expenditure Framework				
	R thousand Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Budget Year +3 2020/21	Budget Year +4 2021/22
Funded by:					
National Government	999,317	998,451	1,051,397	925,000	935,000
Provincial Government	–	–	–	–	–
District Municipality	–	–	–	–	–
Other transfers and grants	394,819	393,477	392,351	300,000	300,000
Transfers recognised - capital	1,394,136	1,391,928	1,443,748	1,225,000	1,235,000
Public contributions & donations	77,300	77,000	77,000	50,000	50,000
Borrowing					
Internally generated funds	130,455	144,864	170,499	103,500	119,500
Total Capital Funding	1,601,891	1,613,792	1,691,246	1,378,500	1,404,500

b) Funding of Capital Expenditure

The following table indicates the various funding sources from which capital expenditure was made:

Sources of funding	2017/18	%	2018/19	%	2019/20	%	2020/21	%	2021/22	%
Government Grants	999,317	62.4	998,451	61.9	1,051,397	62.2	925,000	67.1	935,000	66.6
Other grants	394,819	24.7	393,477	24.4	392,351	23.2	300,000	21.8	300,000	21.4
Public contributions	77,300	4.8	77,000	4.8	77,000	4.6	50,000	3.6	50,000	3.6
Internal Funds	130,455	8.1	144,864	9.0	170,499	10.0	103,500	7.5	119,500	8.5
Total Capital Funding	1,601,891	100	1,613,792	100	1,691,246	100	1,378,000	100	1,404,500	100

c) Repairs and Maintenance

Considering the backlog in infrastructure maintenance, it is evident that this ratio should at least be at 10% level. At this stage, however, the NMBM's cash position is unable to support a level in excess of 10%. Alternative strategies and/or funding mechanisms must be developed to address the eradication of infrastructure maintenance backlogs. It is, however, important to note that Repairs and Maintenance is not a category in the Statement of Financial Performance. In terms of the municipal Standard Chart of Accounts (mSCOA), Repairs and Maintenance is reported at the project level that effectively consolidates expenditure incurred in the Other Expenses, Other Materials, Employee Related Costs and Contracted Services categories relating to repairs and maintenance projects. The Repairs and Maintenance budget for 2017/18 comprises 2.66% of the total draft Operating Budget provision. However, it increases to 4.82% and 4.92% for the 2018/19 and 2019/20 financial years respectively.

10.2.4.3 Budgeted Financial Position

The budgeted financial position of the Municipality, taking into account its capital and operating income and expenditure, is as follows:

Description	2017/18 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
ASSETS					
Current assets					
Cash	200,400	200,450	200,500	200,500	200,500
Call investment deposits	2,027,435	2,588,804	3,445,312	3,976,050	4,595,395
Consumer debtors	1,331,200	1,411,073	1,495,738	1,585,482	1,680,611
Other debtors	518,471	549,580	580,000	627,502	649,877
Current portion of long-term receivables	0	0	0	0	0
Inventory	200,000	205,000	210,000	215,000	220,000
Total current assets	4,277,506	4,954,907	5,931,551	6,604,534	7,346,383
Non-current assets					
Long-term receivables	28,147	29,555	31,033	33,533	36,033
Investments				0	0
Investment property	197,280	197,280	197,280	197,280	197,280
Investment in associated property, plant and equipment	15,931,954	16,667,120	17,455,865	17,875,815	18,282,765
Agricultural Biological					
Intangible	60,190	40,756	23,951	23,951	23,951
Other non-current assets					
Total non-current assets	16,217,572	16,934,712	17,708,130	18,130,579	18,540,029
TOTAL ASSETS	20,495,078	21,889,618	23,639,680	24,735,113	25,886,412
LIABILITIES					
Current liabilities					
Bank overdraft				0	0
Borrowing	79,760	89,149	99,143	111,313	124,281
Consumer deposits	128,872	132,872	135,529	138,529	141,529
Trade and other payables	2,051,117	2,177,859	2,305,628	2,415,987	2,560,946
Provisions	144,632	155,775	165,617	178,650	192,942
Total current liabilities	2,404,381	2,554,655	2,705,917	2,844,479	3,019,698

Description	2017/18 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
Non-current liabilities					
<i>Borrowing</i>	1,151,863	1,062,714	963,571	852,258	727,978
Provisions	2,244,664	2,418,962	2,624,400	2,834,352	3,061,100
Total non-current liabilities	3,396,527	3,481,676	3,587,971	3,686,610	3,789,078
TOTAL LIABILITIES	5,800,908	6,036,331	6,293,888	6,531,089	6,808,776
NET ASSETS	14,694,170	15,853,288	17,345,793	19,028,856	20,481,992
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	14,134,366	15,083,802	16,365,989	17,829,292	18,992,127
Reserves	559,804	769,486	979,804	1,199,564	1,489,865
Minority interests					
TOTAL COMMUNITY WEALTH/EQUITY	14,694,170	15,853,288	17,345,793	19,028,856	20,481,992

10.2.4.5 Investment Income

Interest earned on investments will amount to approximately R105,37 million in 2017/18 and is therefore an important source of funding for the Municipality.

Section 2 refers to the Investment Policy, which ensures that the Municipality receives an optimum return on its investments, at minimal risk.

10.2.4.6 Cash Flow Statement

Description	2017/18 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	1,769,406	1,986,734	2,202,638	2,411,888	2,641,017
Service charges	4,801,002	5,242,538	5,754,302	6,084,802	6,522,544
Other revenue	325,068	362,102	385,609	408,620	439,296
Government - operating	1,543,704	1,685,582	1,801,937	1,892,033	1,986,635
Government - capital	1,611,724	1,608,710	1,667,943	1,275,000	1,285,000
Interest	105,374	110,993	117,166	126,837	134,327
Payments					
Suppliers and employees	(7,788,682)	(8,486,593)	(9,056,915)	(9,884,973)	(10,638,654)
Finance charges	(147,941)	(142,073)	(136,501)	(128,480)	(118,486)
Transfers and Grants	(112,165)	(115,085)	(114,771)	(115,297)	(122,215)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2,107,289	2,252,907	2,621,407	2,070,430	2,129,464

Description	2017/18 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of property, plant and equipment					
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables	(1,340)	(1,408)	(1,478)	(2,500)	(2,500)
Decrease (increase) in non-current investments	–	–	–		
Payments					
Capital assets	(1,470,133)	(1,614,320)	(1,676,878)	(1,441,049)	(1,399,306)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,477,283)	(1,615,728)	(1,678,356)	(1,443,549)	(1,401,806)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short-term loans					
Borrowing long term/refinancing	0	0	0		
Increase in consumer deposits	3,937	4,000	2,657	3,000	3,000

Description	2017/18 Medium Term Revenue & Expenditure Framework			Long Term Revenue & Expenditure Framework	
	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
R thousand					
Payments					
Repayment of borrowing	(86,409)	(79,760)	(89,149)	(99,143)	(111,313)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(82,472)	(75,760)	(86,491)	(96,143)	(108,313)
NET INCREASE/ (DECREASE) IN CASH HELD	554,683	561,419	856,559	530,738	619,345
Cash/Cash equivalents at the year begin:	1,673,151	2,227,835	2,789,254	3,645,812	4,176,550
Cash/Cash equivalents at the year-end:	2,227,835	2,789,254	3,645,812	4,176,550	4,795,895

Key Performance Indicators

The following financial indicators identify medium-term projections against past performance.

These indicators and others will be monitored throughout the financial years covered by the Budget.

Financial Indicators	Basis of Calculation	2017/18	2018/19	2019/20	2020/21	2021/22
Borrowing Management						
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	5.62%	4.85%	4.08%	3.45%	2.81%
Capital Charges to Operating Expenditure	Interest and Principal Paid/Operating Expenditure	2.45%	2.16%	2.07%	1.90%	1.77%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable & Tax Provision/Funds & Reserves	22.34%	21.00%	19.42%	17.76%	16.66%
Gearing	Funds & Reserves/Long-Term Borrowing	7.84%	6.70%	5.55%	4.48%	3.55%
Liquidity						
Current Ratio	Current Assets/Current Liabilities	1.78	1.94	2.19	2.32	2.43
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors/Annual Revenue	20.05%	19.52%	19.06%	19.15%	18.74%

10.2.4.7 Credit Rating

A credit rating is an evaluation of the credit risk of a prospective debtor, predicting its ability to pay back the debt, and an implicit forecast of the likelihood of the debtor defaulting.

The Nelson Mandela Bay Municipality has requested Moody's Investors Services, an internationally recognised credit ratings agency, to perform a credit rating on the Metro. On 11 May 2016, Moody's Investor Services published a credit opinion of the NMBM, based on its recalibration of the South African national rating scale. The recalibration of South Africa's national rating scale repositioned the national scale ratings of sub-sovereign entities, such as State Owned Enterprises (SOEs) and metropolitan municipalities. The rating assigned to the NMBM was Aa1.za based on the National Rating Scale (equivalent of Baa2 on the Global Rating Scale), which represents an improvement on the previous rating of A1.za, (with negative outlook). The rating took into account the NMBM's solid financial performance and low and declining debt levels. External loan funding is currently being considered for the next five-year period; this will, however, need to be structured in a sustainable manner without having a negative impact on the Municipality's credit rating going forward. The credit rating should assist the NMBM in strengthening its position when it plans to raise long-term funding for capital projects.

In addition, the NMBM has appointed a rating advisor to assist the Metro in obtaining an improved rating going forward.

10.2.4.8 Policies/By-Laws

The Directorate is reliant on the following policies and by-laws to assist it in achieving the respective IDP priorities:

- Financial Management Policy
- Revenue Enhancement Master Plan

- Assistance to the Poor Policy
- Cash Management and Investment Policy
- Tariffs Policy
- Creditors Payment Policy
- Asset Management and Disposal Policy (the Municipality has a Generally Recognised Accounting Practices (GRAP) compliant asset register)
- Supply Chain Management Policy
- Rates Policy
- Long-term Funding Policy
- Funding and Reserves Policy
- Customer Care and Revenue Management By-laws
- Unauthorised, Irregular, Fruitless and Wasteful (UIF+W) Expenditure Policy
- Credit Control Policy

The Budget related policies are updated on an annual basis.

10.2.4.9 Property Valuation Rolls

The rating of property is implemented impartially, fairly, equitable and without bias, and these principles also apply to the setting of criteria for exemptions, reductions and rebates, contemplated in Section 15 of the Municipal Property Rating Act.

The rating of property will be implemented in a way that:

- is developmental oriented;
- supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the Municipality;
- supports local and socio-economic development;
- promotes simplicity, uniformity, certainty in the property rates assessment process;
- gives due consideration to the need for a simple and practical process of billing and collection of property rates;

- promotes sustainable land management, especially that which reduces the risk from natural disasters; and
- achieves national and local environmental management objectives.

The NMBM has an updated Valuation Roll, which has been implemented. One supplementary valuation is completed per financial year.

The NMBM has further implemented a General Valuation (GV) on 1 July 2013. The next General Valuation will be implemented on 1 July 2017, based on property valuations as at 1 July 2016. Ensuring that the Valuation Roll is updated on a regular basis will achieve a sustainable rates base, in order to generate income to provide quality services in a Well Run City.

10.2.4.10 Financial Reporting

The NMBM received a qualified audit report for the 2015/16 financial year. The qualification was based on the lack of adequate systems in place to identify and disclose all irregular expenditure incurred during the year, as required by Section 125(2)(d)(i) of the MFMA. An audit action plan will be developed to address the issues raised by the Auditor-General, as with all previous audit reports.

In order to improve the audit outcomes of the 2016/17 financial year, an interim financial statements (2016/17 financial year) Circular No. 1 of 2017 was submitted to all directorates on 14 February 2017. The 2015/16 Annual Financial Statements were presented to the Auditor-General on 31 August 2016, and the consolidated annual financial statements were presented to the Auditor-General on 30 September 2016.

10.2.4.11 Implementation of SCOA Regulations

The objective of the Standard Chart of Accounts (SCOA) Regulations is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transactional level, by prescribing a standard chart of accounts for municipalities that:

- is aligned to the budget formats and accounting standards prescribed for municipalities; and
- enables uniform information sets to be recorded in terms of national norms and standards across the whole of government, for the purpose of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

The NMBM's implementation of the SCOA Regulations on 01 July 2017 will align itself to the Well Run City Pillar, upon its compliance to the SCOA assessment check that will be undertaken by National Treasury.

In addition, National Treasury aims to improve the credibility and reliability of financial data, as well as general business processes and applications.

On 20 June 2014, Council considered an item dealing with the Municipal Regulations for the SCOA and resolved, *inter alia*:

- (a) That Council adopts the Municipal Regulations on the Standard Chart of Accounts, as gazetted for implementation, effective 1 July 2017.
- (b) That the City Manager drafts an Implementation Plan to ensure the implementation of the SCOA, effective 1 July 2017.

On 13 November 2014, the SCOA Implementation Plan was adopted by Council and submitted to National Treasury on 14 November 2014.

The implementation of the SCOA will result in significant changes in the Municipality's business processes and will influence, amongst other things, the following:

- The Municipality's accounting systems
- The preparation of budgets
- Reporting requirements
- Re-organisation of cost centres

The above changes to business processes will ensure that the NMBM is aligned to its six Pillars as follows:

- The Well Run City: The implementation of the SCOA Regulations on 01 July 2017 will facilitate compliance with the Regulations, as well as pave the way for the NMBM's SCOA compliance assessment, to be conducted by the National Treasury. This will further give credence to the NMBM's aim of guaranteeing transparent budgeting; transparent and efficient spending and performance monitoring. Furthermore, the re-organisation of the NMBM's cost centres closer to the Regulation's Functional Segment requirement will also support this Pillar.
- The Opportunity City: This will be achieved as a result of implementing an accounting system that aids efficiency; performance measurement; transparency and benchmarking. The efficient use of public funds will result in further investor confidence and more investment opportunities being identified within the NMBM.
- The Safe City: This will be achieved through linking the NMBM's budget to its IDP and the Safety and Security Directorate's SDBIP, as it relates to ensuring a safe city. In addition, the reporting requirements will assist the benchmarking of the NMBM's safety and security processes and their outcomes to other government institutions.
- The Inclusive City: This will be achieved by linking the NMBM's Budget to its IDP and the SDBIP of all its directorates as it relates to the outcomes of the public participation sessions held with local communities. The reporting requirements will assist in transparent reporting and benchmarking of the NMBM to the respective legislative requirements on creating an all-inclusive society, e.g. the Constitution; the Employment Equity Act; the Labour Relations Act; the Municipal Finance Management Act; the Preferential Procurement Policy Framework Act; the Occupational Health and Safety Act, etc.
- The Caring City: This will be achieved through linking the prescribed budget preparation processes to the Regulations, which will in turn facilitate the benchmarking of the NMBM's budget for social cohesion and social upliftment and their outcomes to other government institutions.

- The Forward Thinking City: The reporting requirements enabled by the SCOA Regulations will assist the City in identifying economic, financial, technological and social opportunities within the NMBM, as well as enable the implementation of these opportunities. The Regulations will allow National Treasury to easily conduct benchmarking exercises across all spheres of government and all municipalities, which will allow the NMBM to identify and implement solutions that will conform to the definition of “The Forward Thinking City” across its functional areas, such as energy efficient service offerings; water-wise projects; sustainable socio-economic upliftment; environmental awareness; cost-saving technologies, etc.

The benefits of implementing the SCOA include:

- Standardisation of all municipal and the whole-of-government reporting, which leads to a reduction in the Auditor-General’s interpretations of multiple charts of accounts.
- Improved transparency and accountability, leading to a high level of service delivery and contributing to a well-run municipality.
- Providing for evidence based financial management, leading to improved municipal bench-marking, policy making and interventions.
- Bringing higher levels of cooperative government by enabling the submission of credible, reliable and timely municipal information.

In order to meet the tight deadlines prescribed by National Treasury in respect of the implementation of the SCOA, a service provider was appointed to provide and implement a complete SCOA compliant Enterprise Resource Planning (ERP) System.

The benefits of an ERP System are:

- Web-based, which allows for dynamic access, e.g. via 3G or VPN sign-on.
- Real time online posting of financial transactions.
- Integration of planning and budgeting processes as a core feature (golden thread).
- Seamless integration of the standard business processes of local government.

10.2.4.12 Revenue Enhancement and Improvement of Debt Recovery

The escalating arrear consumer debt of the NMBM has resulted in the institution soliciting the services of an external party, a specialist in the field of debt collection and revenue enhancement, to curb its escalating arrears and identify new revenue streams. The service provider was appointed for a three-year period in December 2015, whereafter the project commenced in terms of a staged approach.

The major work streams identified, are the following:

- Baseline diagnostics
- Data cleansing and analysis
- Command and control centre
- Field verification
- Debt management (focusing on debt older than 120 days), and
- Income and cost optimisation

10.2.4.13 Funding of Capital Expenditure

The table below reflects the reliance on government grants in order to fulfill the mandate of providing services to the community:

Sources of funding	2013/14	%	2014/15	%	2015/16	%
Government Grants	1,012,405	64.04%	781,938	53.87%	760,841	56.28%
Other grants	14,048	0.89%	2,266	0.16%	16,671	1.23%
Public contributions	31,987	2.02%	56,854	3.92%	47,757	3.53%
Internal Funds	522,447	33.05%	610,383	42.05%	526,641	38.96%
Total Capital Funding	1,580,887	100%	1,451,441	100%	1,351,900	100%

10.2.4.14 Capital and Operating Spending Results

	2013/14			2014/15			2015/16		
R thousand	Budget	Actual	Audited	Budget	Actual	Audited	Budget	Actual	Audited
Operating Revenue	7 726 136	7 535 084	7 535 084	8 291 268	8 179 284	8 179 284	9 388 921	8 781 867	8 781 867
% Operating Revenue		97.53%			98.65%			93.53%	
Operating Expenditure	7 857 418	7 436 295	7 436 295	8 757 794	8 192 029	8 192 029	9 921 591	8 776 204	8 776 204
% Operating Expenditure		94.64%			93.54%			94.15%	
Net Surplus/(Deficit)	(131 281)	98,789	98,789	(448,525)	(12 745)	(12 745)	67 330	5 663	5 663
Capital Expenditure	1 676 127	1 580 888	1 580 888	1 560 118	1 436 107	1 436 107	1 573 441	1 351 900	1 351 900
% Capital Expenditure		94.32%			92.05%			85.92%	

