

ANNEXURE A

**BUFFALO CITY METROPOLITAN
MUNICIPALITY**



**DRAFT INTEGRATED DEVELOPMENT PLAN
2012/13 REVIEW**

“a City growing with you”

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GLOSSARY OF ABBREVIATIONS

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

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

P.P.P.'s	Public Private Partnerships
R.G.	Restructuring Grant
R.M.S.	Road Management System
R.S.A.	Republic of South Africa
S.A.	South Africa
S.A.C.N.	South African Cities Network
S.A.L.G.A	South African Local Government Association
S.A.M.W.U	South African Municipal Workers Union
S.A.N.S	South African National Standards
S.A.S.Q.A.F	South African Statistical Qualifications Framework
S.C.M	Supply Chain Management
S.D.	Sustainable Development
S.D.B.I.P.	Service Delivery and Budget Implementation Plan
S.D.F.	Spatial Development Framework
S.I.D.A.	Swedish international Development Cooperation Agency
S.L.G.P.	Strengthening Local Governance Programme
S.M.M.E.	Small, Medium & Micro Enterprises
S.O.C.Z.R	State of the Coastal Zone Report
S.O.E.R	State of the Environmental Report
S.O.S.R	State of Sanitation Report
S.P.S ₁	Sanitation Policy and Strategy
S.P.S ₂	Single Public Service
S.P.S.P.	Sector Policy Support Programme
S.T.E.P.	Sub-Tropical Thicket Ecosystem Planning
T.B	Tuberculosis
U.N.C.E.D.	United Nations Conference on the Environment & Development
V.C.T.	Voluntary Counseling& Testing
V.I.P.	Ventilated Improved Pit Latrine
W.H.O	World Health Organisation
W.S.A.	Water Services Authority
W.S.D.P.	Water Services Development Plan
W.S.P	Workplace Skills Plan
X.D.R	Extreme Drug Resistant

SECTION A

INTRODUCTION

1.1 INTRODUCTION

In terms of section 34 of the Municipal Systems Act 32 of 2000 as amended, a municipal council must review its integrated development plan:

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

Based on the review a municipal council may amend its integrated development plan in accordance with a prescribed process.

In compliance with the above, Buffalo City Metropolitan Municipality has embarked on a review to further develop its IDP and Budget towards the 2012/13 financial year in accordance with the requirements set out in the Municipal Systems Act 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 & 2006 and the Municipal Finance Management Act 56 of 2003.

Annual revisions allow the municipality to expand upon or refine plans and strategies, to include additional issues and to ensure that these plans and strategies inform institutional and financial planning. The review and amendment of the IDP thus, further develops the IDP and ensures that it remains the principal management tool and strategic instrument for the Municipality.

Key Informants

The IDP/Budget review towards 2012/13 has been informed by and took into consideration the following:

- Ward priorities;
- Priorities from the Mayoral Lekgotla held on 19-21 February 2012;
- 12 Outcomes of Government;
- Outcomes of the Technical Planning Session held on 11-13 March 2012;
- The draft National Development Plan produced by the NPC;
- Millennium Development Goals;
- The Provincial Growth and Development Plan; and
- The National Spatial Development Perspective.

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

1.2 LEGISLATIVE FRAMEWORK

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

1.2.1 South African Constitution, 1996

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

1.2.2 Municipal Systems Act, 2000

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

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

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

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

1.2.2 Municipal Finance Management Act, 2003

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

1.3 MUNICIPAL VISION AND MISSION

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

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

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

1.4 CORE VALUES

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

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

1.5 KEY STRATEGIC OBJECTIVES

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

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

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

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

1.6 STRATEGIC FOCUS AREAS

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

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

1.6.1 Institutional Restructuring and Stabilisation

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

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

1.6.2 Improving Intergovernmental Relations

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

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

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

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

1.6.3 Building Citizen Confidence

Poor performance in terms of service delivery, administrative and political instability, and negative media coverage have largely contributed towards a low level of citizen confidence in the City.

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

1.6.4 Bridging the Digital Divide

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

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

1.6.5 Improving performance, compliance, processes and systems

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

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

1.6.6 Build Sustainable Communities

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

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

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

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

1.6.7 Job Creation

The City acknowledges that low economic growth and a high rate of unemployment are still prevalent and present a major challenge. This further translates to relatively high levels of poverty which is widespread within the City. High levels of poverty are apparent in the statistics from the 2001 Census where approximately 70% of households in the City indicated an income of less than R1500 per month, with 28% of all households indicating no income at all. Unemployment rate with the Metro is estimated at 24%.

One of the threats to the future development of Buffalo City Metro is lack of appropriate education and skills levels. A significant portion of the Metro's potential labour force have not attended school or completed their primary phase. Further, according to the last Census conducted in 2001 only 21% of the City's 20 years and above population, had grade 12, 16% had post-school education and only 17% of

15 - 24 year olds were enrolled in post-school study. The recent 2007 community survey revealed a slight improvement, albeit

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

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

1.6.8 Improving Governance

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

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

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

1.6.9 Financial Viability

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

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

1.7 THE IDP PROCESS

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its integrated development plan. In compliance with this requirement Buffalo City Metropolitan Municipality adopted the plan on 26 October 2011. Key activities undertaken in line with the IDP/Budget review towards 2012/13 include the following:

- 11 October 2011 - A workshop with BCMM Councillors and Top Management was convened. The purpose of the workshop was, *inter alia*, to unpack the concept of Integrated Development Planning and outline the role of Councillors, Ward Committees and other stakeholders; introduce the IDP/Budget/PMS review process towards the 2012/13 financial year and enhance a common understanding of the process and to initiate a process of identifying ward priorities that will inform the IDP/Budget review towards 2012/13.

- 26 October 2011 – Council adopted the IDP/Budget/PMS Process Plan 2012/13;
- 4 November 2011 – An IDP/Budget/PMS External Representative Forum meeting was held to consider institutional performance over the previous financial year and prepare external stakeholders for the IDP development process ahead;
- 11 and 14 November 2011 -An IDP/Budget/PMS Technical Working Group Meeting was convened, wherein sector plan champions presented a synopsis of their plans with a view to identifying information that would feed into the situation analysis phase.
- IDP Strategic Working Groups convened meetings with the aim of discussing and finalising their situation analysis reports. The meetings were held as follows:
 - Finance and Support Services: 23 November 2011
 - Municipal Services: 25 November 2011
 - Development Planning and Management: 30 November 2011
 - Development Facilitation and Partnerships: 20 December 2011
- 28 November 2011 – A Technical Intergovernmental Relations Session was convened by the City with provincial and national government departments as well as civil society organs to foster collaborative planning and to share information about initiatives that are undertaken within the municipal area;
- 19-21 February 2012 – A Mayoral Lekgotla was held to consider a situational analysis of the City and to map a way forward with regard to key strategic priorities that will guide the IDP and Budget review towards 2012/13 financial year
- 11-13 March 2012 – A Technical Planning Session was convened to:
 - Form a problem statement on the development trajectory of the Metro
 - Align the political mandate (Lekgotla deliverables) with strategic objectives in order to respond to the Metro challenges
 - Ensure alignment of planning between BCMM and other spheres of government;
 - Distil key strategic focus areas for 2012 and beyond which will guide the development path of the Metro.
- 23 March 2012: IDP/Budget Councillors Session held at the Regent Hotel to consider the draft BCMM Situation Analysis, Outcomes of the Mayoral Lekgotla and Technical Planning Session, the draft IDP 2012/13 and MTREF Budget
- 28 March 2012 – Tabling in Council of the draft 2012/13 IDP Review and 2012/13 MTREF for approval;
- 16-17 April 2012: IDP/Budget Councillors Session to consider amendments to draft IDP/Budget and the proposed IDP/Budget Roadshows.
- 23-30 April 2012 – IDP/Budget Road Shows were held at fifteen venues across the Metro.
- 4 May 2012 – IDP/Budget Business Breakfast was held to consult stakeholders from the business fraternity on the draft IDP 2012/13 and MTREF Budget.
- 25 May 2012 – Council Open Day to provide feedback to external stakeholders on the outcome of IDP/Budget Road shows.
- 29 May 2012 – Adoption of the IDP Review 2012/13 and MTREF Budget.

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

Table 3: Institutional Arrangements, Roles and Responsibilities

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

<p>Facilitation & Partnerships</p> <ul style="list-style-type: none"> • Finance & Support Services • Strategic Management 	<ul style="list-style-type: none"> • consider & incorporate the cross-cutting issues – HIV/ AIDS, Agenda 21, poverty, gender, youth, elderly and disabled • monitor progress with respect to the implementation of the IDP
<p>Representative Forum and Community Stakeholders</p>	<p>The IDP/ PM/ Budget Representative Forum constitutes the structure that institutionalises sectoral participation in the IDP Process. The members of the IDP Representative Forum include Business, Government & NGO sectors (as well as political and technical leaders of the IDP Clusters)</p> <p>The Executive Mayor or her nominee chairs the Forum. The Forum has the following functions and duties:</p> <ul style="list-style-type: none"> • represents the interests of their constituents in the IDP process; • provide an organisational mechanism for discussion and consensus-building between the different stakeholders and the Municipal Government; • monitor the performance of the planning, implementation and review process; • ensures an efficient flow of information to and from stakeholder groups.
<p>Public Consultation/ Imbizo Preparation Committee</p>	<p>The Public Consultation/ Imbizo Preparation Committee is led by the Mayoral Committee Councillors for IDP, Public Participation and Finance. Members of the technical Committee include:</p> <ul style="list-style-type: none"> • GM IDP, PM & Budget Integration • GM Public Participation & Special Programmes • GM Development Co-operation and Communication • GM Budget & Treasury • GM Organisational Support • GM Public Safety • GM Community Services <p>The purpose of the Committee is to provide political guidance and ensure the administrative co-ordination of key public consultations and imbizos.</p>
<p>Operations Department</p>	<p>The Operations Department reports to the Executive Director: Strategic Management and is required to manage and co-ordinate the IDP review process, ensure IDP / budget integration, and monitor the implementation of the IDP, including:</p> <ul style="list-style-type: none"> • preparing the Process Plan for the development of the IDP; • undertaking the overall management and co-ordination of the planning and review process under consideration of time, resources and people • ensuring that the review process is participatory, strategic, implementation-oriented, integrated with the budget process, is horizontally and vertically aligned and satisfies sector planning requirements ;

1.8 ALIGNMENT WITH NATIONAL AND PROVINCIAL PLANS

The national sphere of government develops and promulgates legislation, policies and strategies which all spheres have to implement. In developing their own plans and policies, other spheres of government, particularly the local government sphere has to ensure that there is alignment with both National and Provincial plans. Key plans and policies include the National Spatial Development Perspective, Provincial Growth and Development Plan, Millennium Development Goals and the 12 Local Government Outcomes. These are aligned below.

National Spatial Development Perspective	Provincial Growth and Development Plan	Millennium Development Goals	12 Outcomes	BCMM strategic objectives
Government spending on fixed investment, beyond the			Decent employment	

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

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

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

SECTION B

SITUATIONAL ANALYSIS

1. Buffalo City Metropolitan Municipality Profile

1.1 BCMM in Context

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

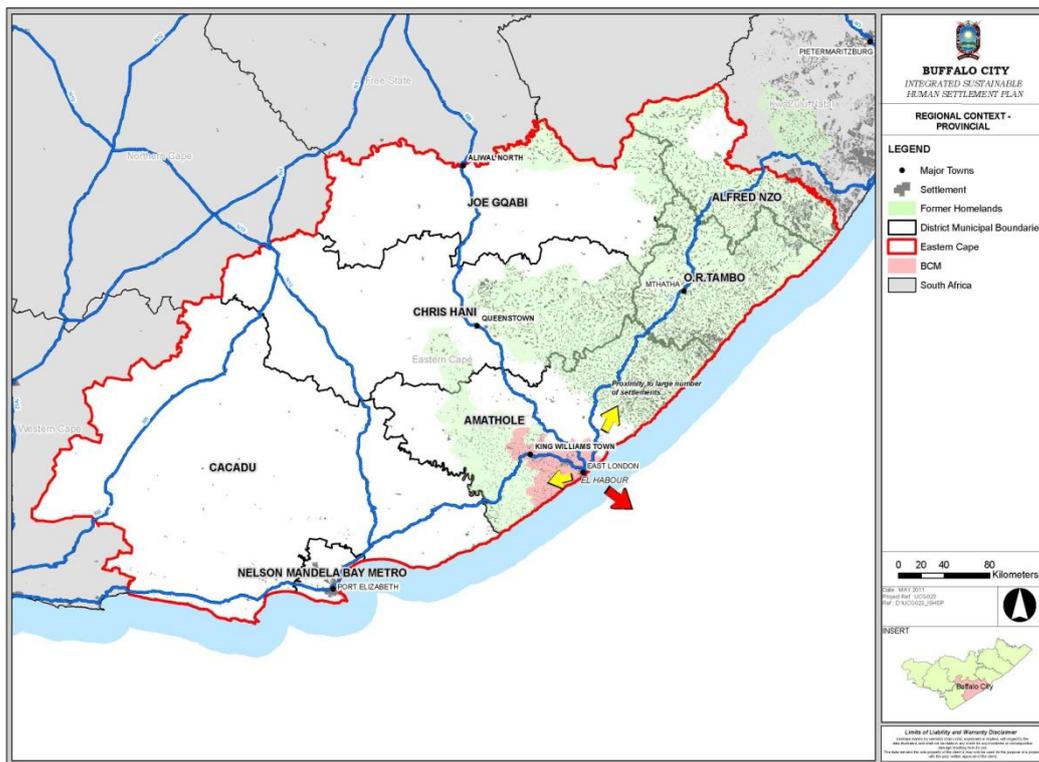
The Eastern Cape Province is the second largest province in land area in South Africa, and covers some 169,580 square kilometres, which is 13, 9% of South Africa’s total land area. The province has the third largest population of South Africa’s Provinces, approximately 6, 4 million people (Census 2001),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

Figure B1 : BCMM Locality in South Africa



Source: BCMM GIS UNIT

Figure B2 : BCMM location in the province and region



Source: BCMM GIS UNIT

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

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

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

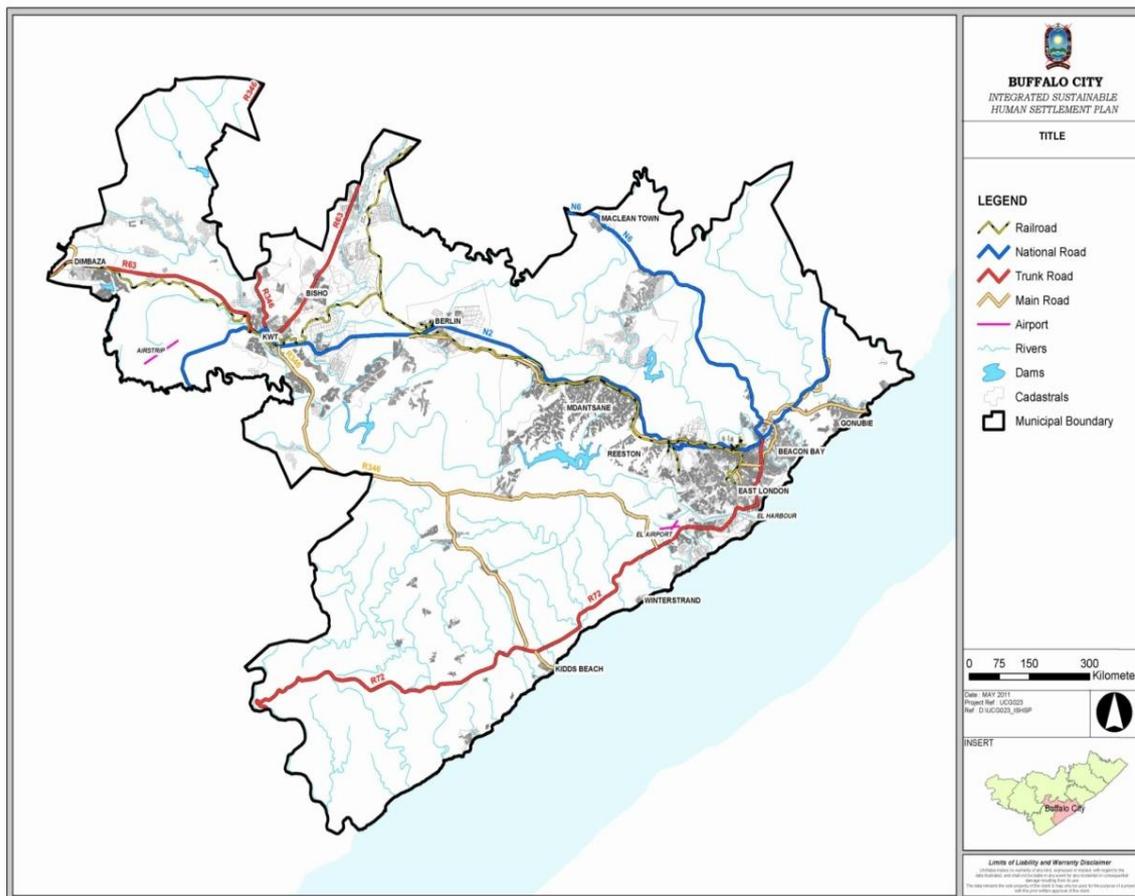
Buffalo City is broadly characterised by three main identifiable land use patterns.

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

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

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

Figure B3 : BCMM Urban and rural settlements



Source: BCMM GIS UNIT

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

1.1.2.1 Demographic Context.

The Community Survey conducted in October 2007 by Statistics South Africa, estimates the total population of Buffalo City to be 724 306, a marked growth from the 2001 census which put it at 701 895. However, the last two official censuses for the BCM population were broken down as follows:

Table B1: Population 2001 & 1996 (Census)

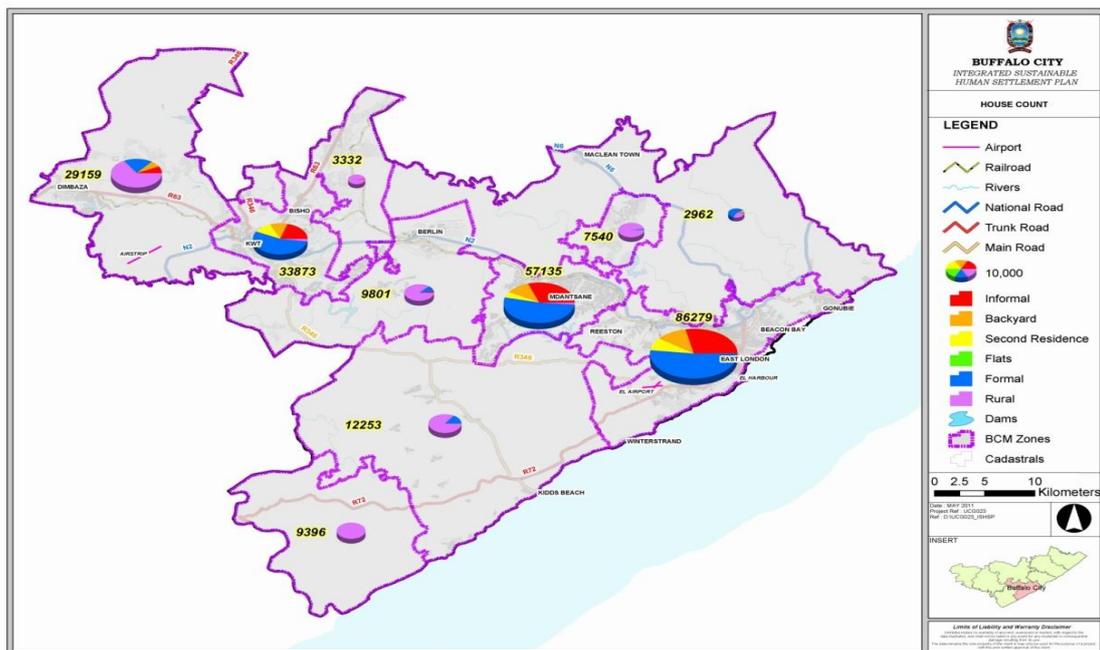
Area	2001	1996
KWT & Surrounds	184,246	183,934
East London Area	204,862	187,120
Mdantsane Area	168,284	176,483
Rural South	63,967	62,530
Rural North	80,536	76,881
Total	701,895	686,948

1.1.2.2 Current & Projected Future Population¹

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

- ✓ Based on growth projections by Rhodes University, the current population for Buffalo City Municipality is estimated at some 1,020,000 people.
- ✓ Growth projections to the year 2020, taking into account the anticipated impact of HIV/AIDS, indicate an estimated total population of some 1,290,000 people.
- ✓ There has been an average annual increase of 1.49%. It must be noted that an increase in the number of dwelling units does not necessarily equate to a correlated increase in population as recent surveys have shown a trend for households to “split”, whereby large families will occupy several small informal structures (either attached to a formal dwelling or in a separate locality) as the children of the household get older and require more personal space.
- ✓ This results in lower occupancy rates per unit, which in turn equates to an increase in demand for housing. Such demand, however, does not necessarily indicate a commensurate growth in population thus putting pressure on the need for accommodation and hence infrastructure.

Figure B4 : Housing typology



Source: BCMM GIS UNIT

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

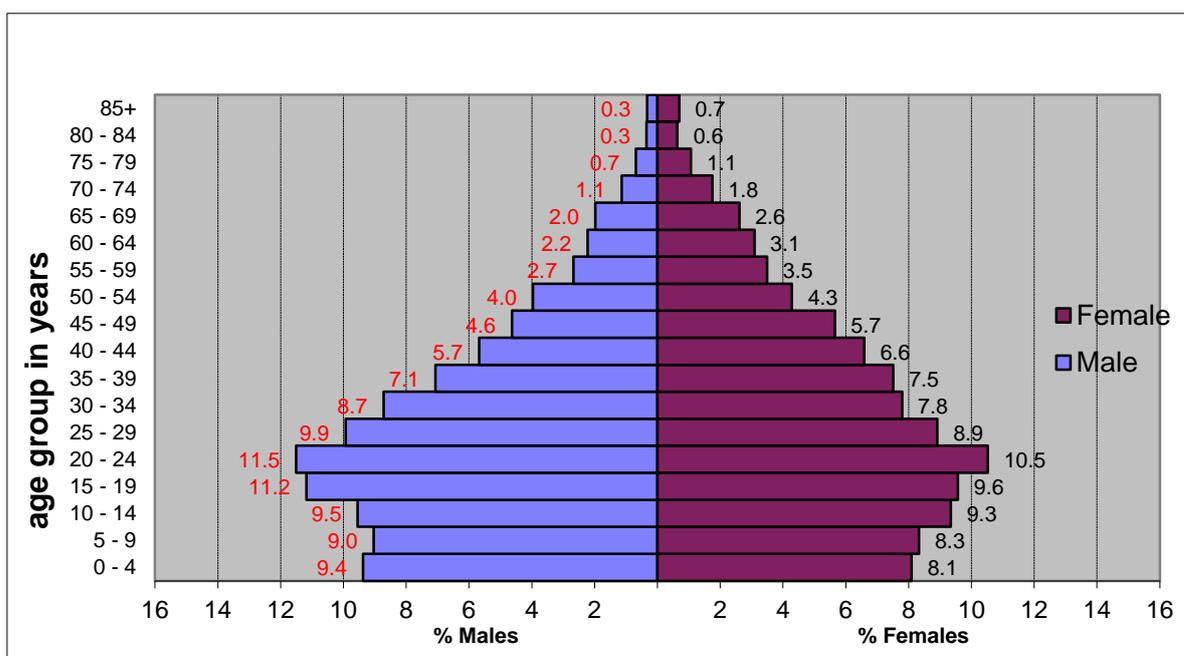
¹ Work undertaken for the Buffalo City Municipality by the Rhodes University’s Population Research Unit (PRU, 1999/2000).

1.1.2.3 Demographic Profile & Socio-Economic Aspects²

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

- ✓ Some 41% of the population is aged 19 or below whilst 52% of the population is aged between 20 and 59 years of age. This relatively youthful profile of the population suggests ongoing pressure to provide not only the physical facilities required (housing, schooling and training facilities etc.) but also highlights the need to increase the rate of job creation in the local economy. The large cohort of youth coming through has implications for local economy and hence need for funding for economic development programmes.
- ✓ The relative preponderance of females in the economically active age cohorts indicates that the area remains a net exporter of male labour to other economic centres in the country, albeit at a lower rate than is characteristic of other parts of the Eastern Cape. This indicates that, relatively, within the Eastern Cape Buffalo City remains an area where people seek opportunities in the formal and informal economies.

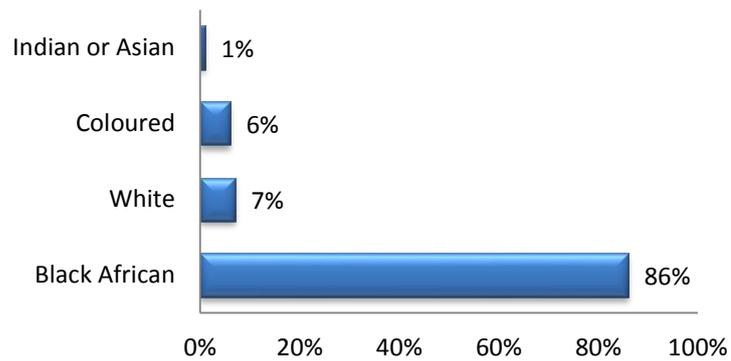
Figure B5 : % Males and Females per age group



- ✓ This is typically the shape of a developing community with a broad base indicating high birth rates, but with a definite decrease in number of births in recent years. (Community Survey 2007)
- ✓ The population groups in Buffalo City comprise of the following i.e. 86 % is from the predominantly Black African group with White and Coloured groups at 7% and 6% respectively. The Indian or Asian group only represents 1% of the population.

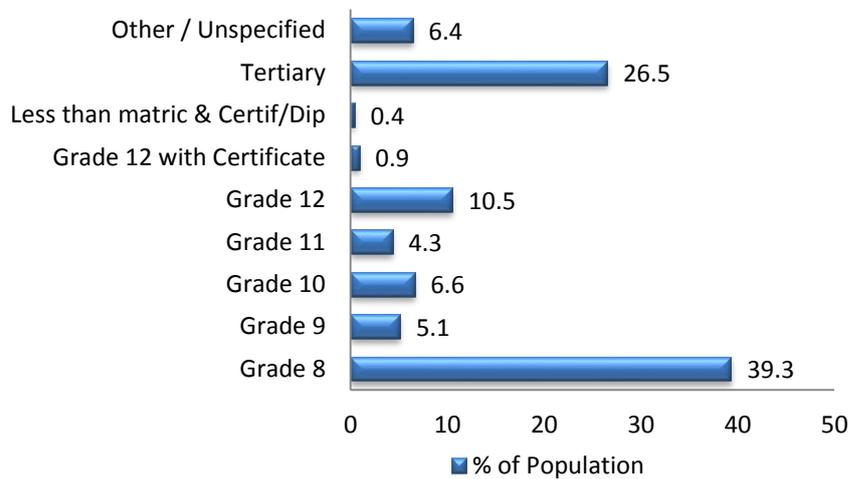
² Based on the results of the 1996 Census, updated in parts by the Demographic Information Bureau (DIB, 2001).

Figure B6: Population Groups



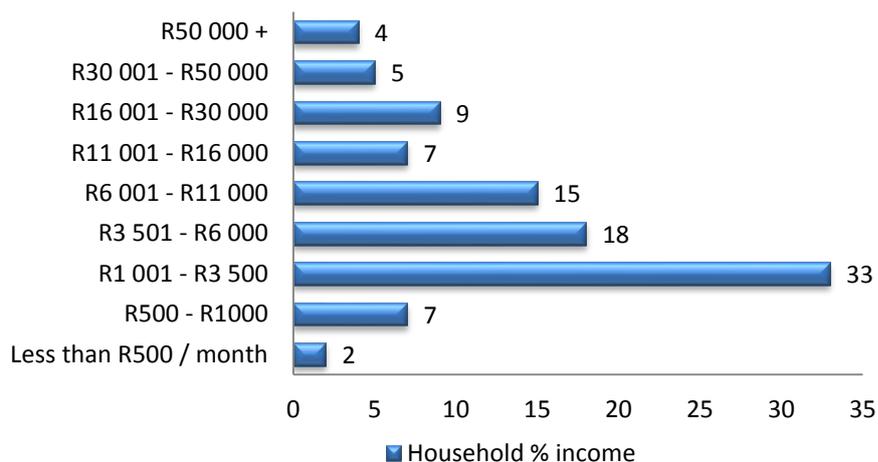
- ✓ Almost 40% of the total population for BCM falls into the category of reaching grade 8 or less in terms of education. Those who completed high school make up 26,5% of the population, while those with tertiary education also make up 26,5% of the population. Most people with tertiary education are likely to be from the urban centres, particularly East London. (ECSECC estimates for 2009)

Figure B7 : Education levels



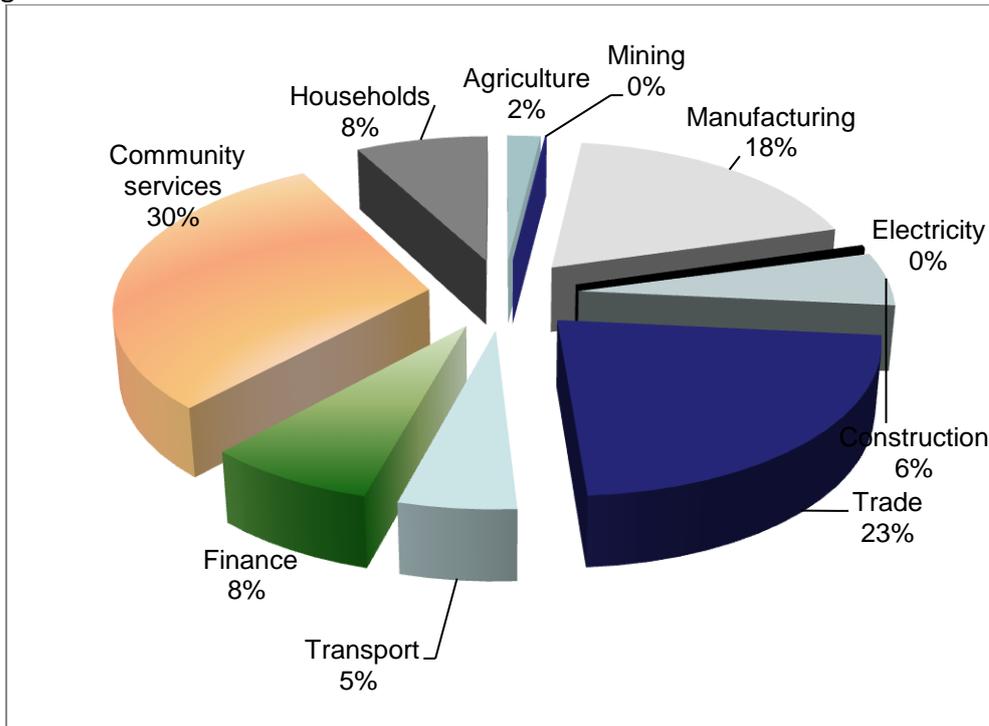
- ✓ The rate of unemployment in Buffalo City, at an estimated 24,3%, is lower than the Eastern Cape Provincial average of 31.3%. (ECSECC, 2009)
- ✓ However, the relative affluence of the majority of Buffalo City residents remains low, with only some 36% of the households in the area earning more than R1,500 per month.

Figure B8 : Income per Household



- ✓ The above chart gives an indication of income distribution within the municipality. Half of the population earn between one and six thousand rand per month. This makes up the majority of the low earners in the municipality. Ten percent of those who work earn less than one thousand rand per month. Only 18% of the population earns more than sixteen thousand rand per month.
- ✓ This indicates that disposable income is at a premium in Buffalo City, and generally speaking, levels of affordability of residents is low, which has an impact on the diversification of the economy and, more particularly for the Spatial Development Framework, has implications for the forms of spatial development that are best suited to facilitating an improvement in the majority of residents' socio-economic circumstances.
- ✓ Circulatory Migration and rapid uncontrolled urbanization has implications for housing tenure options types in the sense that not everybody residing in the metro will be requiring permanent ownership accommodation, but some people might only be needing access to a rental unit during the working week before returning to their permanent peri-urban and rural villages for the weekend.
- ✓ As illustrated below, the community services sector employed about 30% of the employed in BCMM. This is followed by trade, 22 % and manufacturing 19%. It is interesting to note that the finance sector, the largest sector by size, employs only 8% of those employed in BCMM. It is also interesting to note that a new sector emerges when we look at employment figures in the form of the households sector.
- ✓ This sector refers to employment around households and currently accounts for 8% of all jobs in BCMM. Construction accounts for about 6% of the total jobs, agriculture employs 2% of the employed.

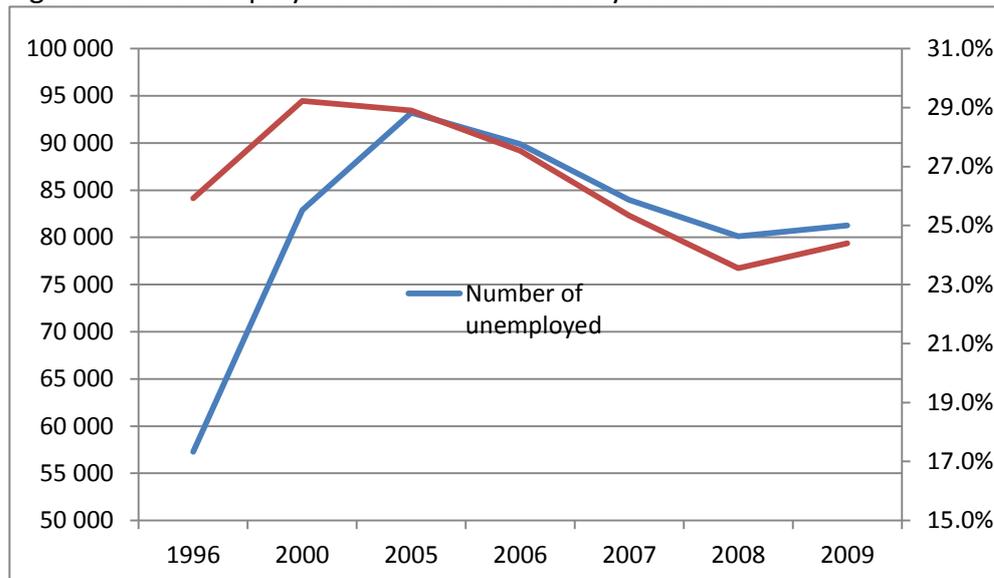
Figure B9 : Labour Market



Source : ECSECC , 2010

- ✓ The community services sector continued to employ people, even during the recession as there was an increase in the number of people employed. However, the sectors that rely on industry (trade, manufacturing and transport and construction) all shed jobs between 2008 and 2009.
- ✓ The number of people employed in Buffalo City shrank from 267,332 to 261,882 jobs, representing a loss of 5400 jobs. The impact of the job losses is much more if consideration is given to the fact that employed people often have families to support and the loss of a job can have disastrous consequences.
- ✓ After a period of decline from 2005, the unemployment rate at Buffalo City started to trend upwards especially during the period 2008 and 2009. This can be attributed to the recession which led to the loss of 5400 jobs as alluded to earlier. The number of unemployed people also increased accordingly to 82 000 during the period under discussion. With the expected recovery that is expected during 2010, the figures are expected to look much better. The unemployment rate of 24 percent at BCMM is much better than the 31 percent that was experienced across the province in 2009. The national unemployment rate averaged 23.8 percent in 2009

Figure B10 : Unemployment rate in Buffalo City 1996 to 2009



Source : ECSECC, 2010

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

Table B2 : HDI from 1996 to 2009

Year	National	Eastern Cape	Amathole District	BCMM
1996	0.56	0.49	0.50	0.58
2000	0.57	0.50	0.51	0.60
2006	0.58	0.51	0.53	0.61
2007	0.58	0.51	0.53	0.61
2008	0.56	0.49	0.51	0.60

Source: ECSECC , 2010

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

Table B3 : Gini Coefficient

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

Source: ECSECC Data, 2010

1.1.2.4 Local Economy

Buffalo City is classified nationally as having “medium potential” and is therefore not seen to be a national development priority, with Coega and Nelson Mandela Metro receiving priority in terms of the allocation of national infrastructure funding. This situation exists partly because of a lack of national understanding regarding the critical importance of Buffalo City in servicing a broader regional and rural economy which contains about 4 million people. The success of the Buffalo City and regional economy cannot be separated. Refer to Figure 1.

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

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

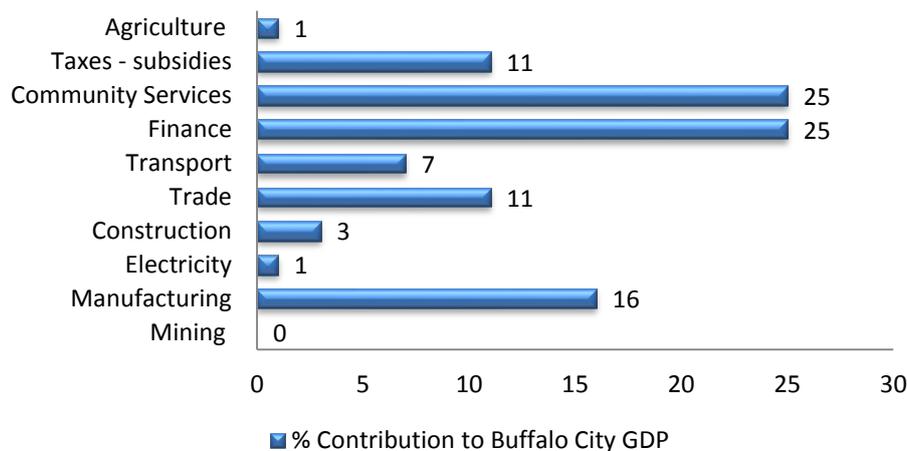
Consequently, while it is home to some 1,020,000 people, the majority of these are disadvantaged by their impoverished circumstances and low levels of skills. Disposable income, too, is scarce in Buffalo City as a whole and there is a consequent need to focus on overcoming the legacy of under-development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

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

The following features are noted: -

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

Figure B11 : % Contribution to Buffalo City GDP



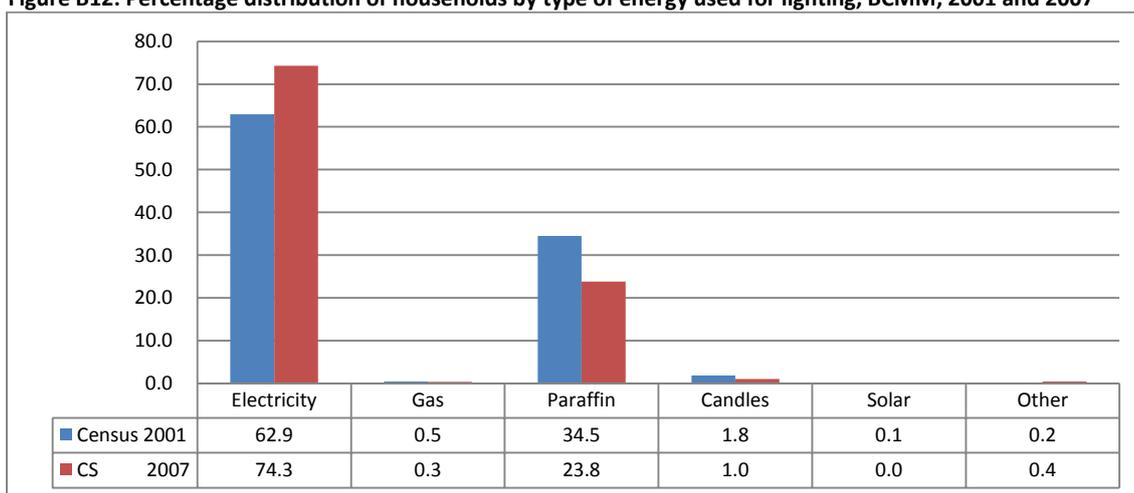
- ✓ There is a concentration of economic activity in centres such as the East London and King William’s Town Central Business Districts, and in areas such as Vincent and Beacon Bay (Regional Shopping Centres).

1.2 Access to Municipal Services

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

1.2.1 Energy/Fuel

Figure B12: Percentage distribution of households by type of energy used for lighting, BCMM, 2001 and 2007



Source: Stats SA Community Survey, 2007

Figure B12 shows that in 2001 and 2007, electricity has been the main energy source for lighting. The use of electricity by households as the main source of lighting rose from 62,9% in 2001 to 74,3% in 2007. There was a corresponding decrease of households using paraffin and candles for lighting over the period, (paraffin: 34,5% in 2001, to 23,8% in 2007 and candles: 1,8% in 2001, to 1,0% in 2007).

Table B4: Percentage distribution of households by type of energy / fuel used for heating

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

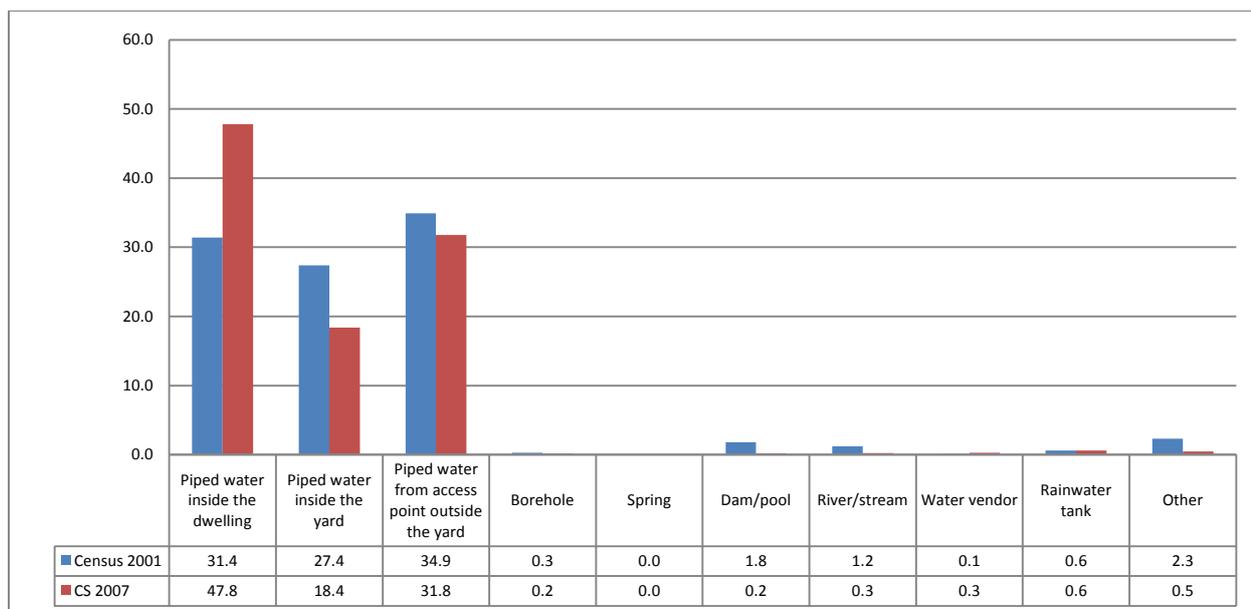
The main source of energy / fuel used for heating in 2001 was paraffin at 46.5%, this figure changed slightly to 43.3% in 2007. Electricity consumption rose from 35.8% in 2001 to 46.5% in 2007. Usage of wood dropped from 11.0% in 2001 to 6.0% in 2007.

1.2.2 Access to Water

Table B5: Percentage distribution of households by type of water source

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

Figure B13: Percentage distribution of households by main source of water, BCMM, 2001 and 2007

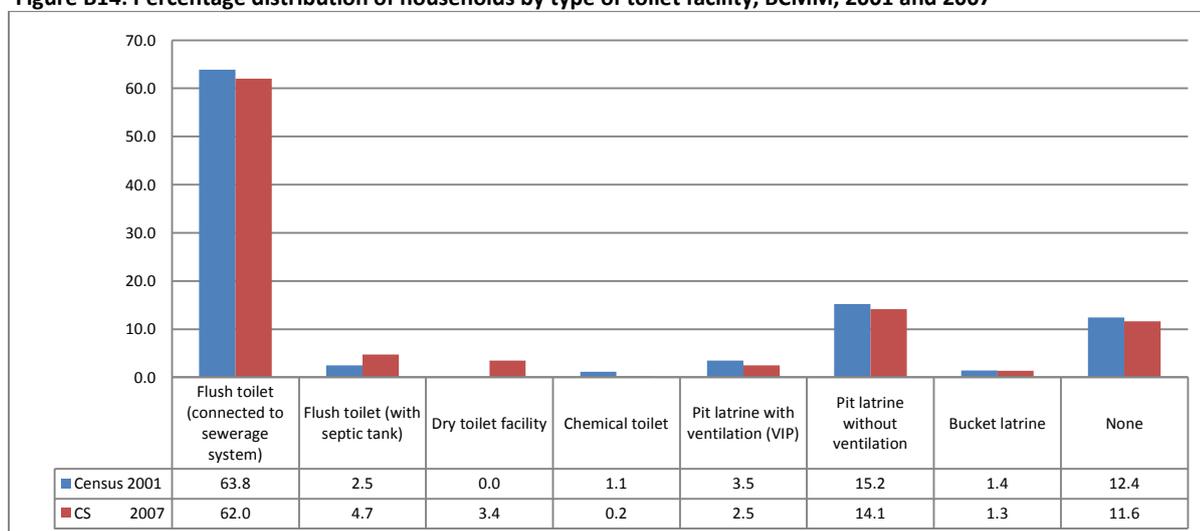


Source: Stats SA Community Survey, 2007

Figure B13 shows an increase in the percentage of households obtaining water from piped water inside the dwelling from 31,4% in 2001 to 47,8% in 2007. It also shows a corresponding decrease in the percentage of households which obtain piped water inside the yard from 27,4% in 2001 to 18,4% in 2007 and piped water from access point outside the yard from 34,9% in 2001 to 31,8% in 2007.

1.2.2 Sanitation facilities

Figure B14: Percentage distribution of households by type of toilet facility, BCMM, 2001 and 2007

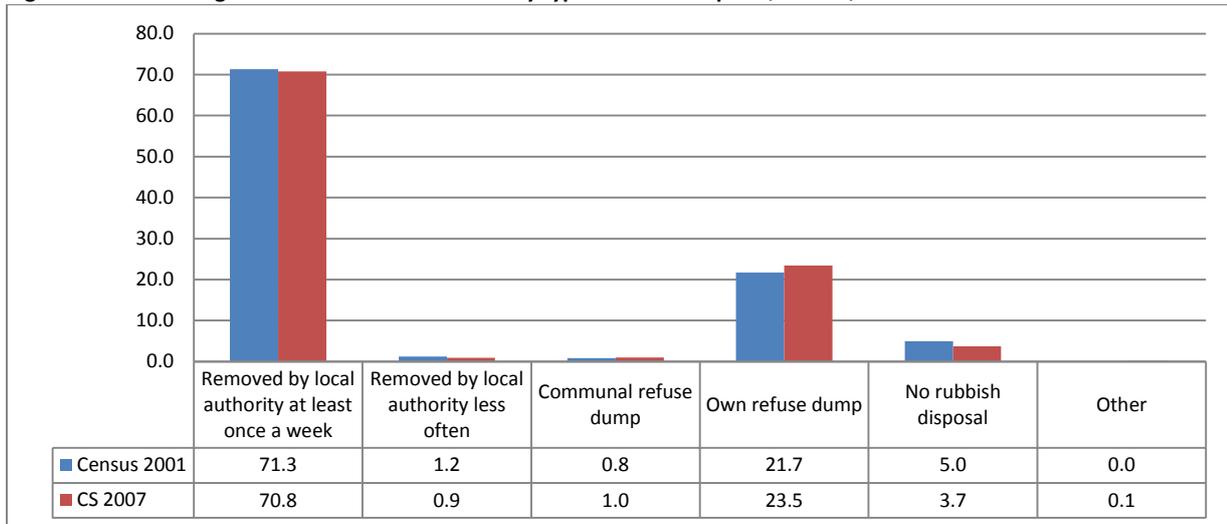


Source: Stats SA Community Survey, 2007

Figure B14 indicates that the percentage of households with access to flush toilet connected to a sewerage system increased from 63,8% in 2001 to 62,0% in 2007. While the use of pit latrines (without ventilation) declined from 15,2% in 2001 to 14,1% in 2007. However the proportion of households without access to any toilet facility also declined from 12,4% in 2001 to 11,6% in 2007. Dry toilet was not asked in Census 2001.

1.2.3 Refuse Removal

Figure B15: Percentage distribution of households by type of refuse disposal, BCMM, 2001 and 2007



Source: Stats SA Community Survey, 2007

Figure B15 shows that the percentage of households whose refuse was removed by local authority at least once a week increased from 71,3% in 2001 to 70,8% in 2007. The graph also shows the percentage of households that relied on their refuse dump increased by 1, 8% in 2007.

SITUATION ANALYSIS OF BUFFALO CITY METROPOLITAN MUNICIPALITY

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

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

2. KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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

This section will deal with the following issues:

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

2.1 Human Resource Management and Development

2.1.1 Employment Equity

Buffalo City Metropolitan Municipality has a five year employment equity plan dated 26 September 2006 to 26 September 2011. The existing employment equity plan is currently being reviewed. The reviewed plan is going to reflect the Buffalo City Metropolitan Municipality employment equity implementation programme. Reviewed targets that are in line with the Eastern Cape Economic Active Population (EAP) as well as the new task levels, and such targets are to be implemented as from 1 July 2012. It will also show the relationship between the current workforce profile and possible barriers in employment equity policies and procedures and the implementation of corrective steps thereon.

The reviewal process will include a critical examination of all existing policies, such as recruitment, selection etc. Various communication mechanism will be used to communicate the reviewed plan to all stakeholders. Information about the reviewed plan will be easily accessible to all levels of employees.

Once the plan is reviewed it will be implemented in order to achieve reasonable progress towards employment equity of Buffalo City Metropolitan Municipality workforce and comply with legislation and recruiting suitable candidates on gender and disability.

The table below represents targets that were set in 2006 using LGSETA EAP at 85% males and 45% females and the current status.

Women constitute 25% of the total workforce. Efforts to attract more females are now in place.

As at 30 September 2011 achievements with regard to implementation of the Employment Equity Plan by all directorates are reflected in the table below:

Table B14: Achievements with implementation of employment equity plan (targets set 26 Sept 2006)

OCCUPATIONAL LEVELS	African Male	Coloured Male	Indian Male	White Male	African Female	Coloured Female	Indian Female	White Female	TOTAL
0-1 Target	1	0	2	2	2	0	0	0	7
0-1 Achievement	6	1	0	0	2	0	0	0	9
2-4 Target	18	9	3	28	17	4	3	6	88
2-4 Achievement	25	2	3	18	14	0	2	1	65
5-7 Target	33	13	7	50	26	8	1	13	151
5-7 Achievement	67	13	5	53	56	7	3	10	214
8-10 Target	123	41	7	95	95	23	7	35	426
8-10 Achievement	261	98	25	170	240	50	8	89	941
11-18 Target	588	117	11	108	263	59	6	93	1245
11-18 Achievement	621	94	12	63	368	76	6	56	1296
19-22 Target	1324	21	2	13	472	12	5	6	1855
19-22 Achievement	1370	34	0	9	641	8	1	4	2068

2.1.2 Skills Development

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

Web-based skills audit questionnaires have been circulated electronically to Buffalo City Metropolitan Municipality employees as well as paper-based questionnaires to employees who do not have access to computers in order to capture their skills audit information on the skills audit web-tool supplied by COGTA. COGTA is also developing a data-dictionary which will contain all occupations in the local government sphere as well as skills and competencies attached to each occupation to assist in determining the skills gaps and formulating Personal Development Plans.

The problem of the existence of the HIV/AIDS pandemic amongst staff members in the institution is exerting some pressure to engage in a multi-skilling exercise right through the institution as part of the Human Resource Management Strategy and also the Talent Retention and Management Strategy in order to have a pool of competent staff as a back-up in times of need. Both strategies will undergo updating process.

BCMM is implementing some human resource development initiatives such as learnerships, skills programs, and internships targeting scarce skills occupational areas as well as in-service training for students, Adult Basic Education and Training (ABET), apprenticeships, as well as bursaries to both members of the public and staff members.

2.1.3 Job Evaluation

In mid 2010 SALGA took the decision to commence negotiations with SAMWU and IMATU with the purpose of possibly negotiating a new Job Evaluation Agreement. Negotiations have been ongoing since this time, with a draft "Final" Agreement being produced in March 2011. Preparatory processes for the maintenance phase of the job evaluation process are currently underway and will be implemented only after approval has been obtained from Council and Unions via the Local Labour Forum. This exercise will need a support structure to be able to carry it forward.

2.1.4 Occupational Health and Safety

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

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

Technical and Safety compliance audits are conducted throughout the year. Safety deficiencies are reported to Management for corrective action. Safety / health Induction Program for new employees form part of the safety strategy.

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

2.1.5 Employee Health and Well Being

One of the key threats for BCMM is the occurrence of the HIV/Aids Disease at the workplace. In 2004, BCMM undertook an employee HIV/Aids Prevalence Study. The results showed that HIV/Aids prevalence was 10.3% among the BCMM workforce. BCMM has also implemented an Employee Wellness Program dealing with various aspects of employee wellness such as HIV/Aids, substance abuse, stress problems resulting from traumatic working situations, etc.

Awareness-raising has been done in different forms and platforms namely, candlelight memorials, World Aids Day commemoration, Workplace Educational sessions conducted by Peer Educators, etc. This has also been used as a marketing tool for the program with the goal of involving all BCMM employees. Support and involvement of line managers is still a big challenge with only a few managers that are showing interest and support for the program. BCMM has also seen the program taking a better shape with a number of employees disclosing their status and seeking help. This may be an indication that the program is being acknowledged and there is a decrease in discrimination and stigmatization of HIV positive employees.

The results indicate a drop in the prevalence rate from 10.3% in 2004 to 8.98% in 2007, to 3.17% in 2009 and 6.17% in 2011 demonstrating that the program has had an impact. It is also worth noting that the HIV/AIDS Prevalence exercise undertaken in 2004 was very much inclusive as all employees were required to undergo the HIV/AIDS Prevalence testing. The HIV/AIDS Prevalence exercises conducted in 2007, 2009 and 2011 were mainly on a voluntary basis. The statistics of the National Department of Health on HIV/AIDS prevalence in the country in 2009 showed a prevalence rate of 29.4%. The Eastern Cape Province was reflected as having a prevalence rate of 28% with the SA general adult prevalence (15 – 49 yrs of age) showing a rate of 16.9%. There is still a great challenge to further reduce the rate of the occurrence of the pandemic from the current rate down to lower until we reach a rate of zero existence.

The Siyakhana Project which is a partnership between BCMM and Mercedes Benz of South Africa also provides for the employees to undergo Voluntary Testing and Counseling on the HIV/AIDS pandemic as well as treatment where necessary.

One of the ways in which BCMM supports the occupational health and well-being of its employees is through the Integrated BCMM Employee Wellness Program encompassing the Employee Assistance Program and the Occupational Health and Safety Program. elements of an Employee Assistance Program (including dealing with life skills empowerment, change management, substance abuse, disability and incapacity), BCMM is starting up a process of extending its employee wellness services to the Inland Region by opening up a Satellite Employee Wellness Centre in King Williamstown.

2.1.6 Absenteeism

It has been established that absenteeism could be one of the factors negatively affecting service delivery. An Absenteeism Management Committee was established by Council in June 2010 to monitor the rate of

absenteeism amongst employees, to investigate the reasons thereof and propose measures to reduce the absenteeism rate. The Committee is comprised of officials from Human Resources Department as well as Union Representatives who are also invited to attend its meetings. Investigations are done in departments where a problem of absenteeism has been identified and measures undertaken to correct the bad situation.

The Knowledge Management (KM), Research and Policy Unit has advised the Committee that they are prepared to conduct a full research into absenteeism within BCMM and report back to the committee. The proposed study has been consulted with the unions and is expected to commence early in 2012. The Frequency Absence Rate (FAR) is used when calculating the absenteeism rate for employees.

This rate is calculated as follows:

$$\frac{\text{Number of times in which the leave was availed}}{\text{Total number of employee's days scheduled to work}} \times 100$$

The internationally accepted rate for absenteeism is 3%. It is noted that the average absenteeism rate (for sick leave only) at the Municipality for the months from April to June 2011 were as follows:

April 2011:	2.8%
May 2011:	3.9%
June 2011:	4.4%

The relevant Line Managers have been requested to consider steps to be taken in order to reduce high absenteeism rates in the Departments that have an absenteeism rate (sick leave only) higher than five percent. Plans are also currently underway to introduce an electronic attendance control system in order to effectively control the movement of staff in and out of their workplaces during the working hours also a measure of curtailing the high rate of absenteeism.

2.1.7 Leave Management

Leave Management was previously noted as a problem arising from audits by the Auditor General. The Human Resources Department revised its policy and procedures in order to address these shortcomings and have implemented various steps aimed at improving Leave Management.

Leave forms are submitted to the Human Resources Department and are usually captured within the month that the leave was taken. The leave forms are filed up to date on each employee's leave file. Leave is checked and verified against employees' monthly Attendance Registers to ensure that all leave taken by employees is captured. There is thus a major improvement in the Municipality's Leave Management processes.

2.1.8 Overtime

Control of overtime has been identified as one of the major challenges facing Buffalo City Metropolitan Municipality. This problem has been a long-standing challenge for Line Management and various initiatives have been instituted over a period of time with a view to the continuous improvement of the control of overtime.

Apart from previous initiatives undertaken to curb the overtime problem some other measures have been put forward directly by the Acting City Manager as a means of managing the situation and bringing it to acceptable levels.

Workshops have been and will continue to be conducted by the Human Resources Department with all departments to inform all Line Managers and Attendance Controllers on the administrative controls set up to minimize overtime costs in the organization.

Departments have been advised to consider alternatives such as the appointment of additional staff, implementation of shifts, re-organizing of work schedules and ensuring productivity of employees during normal working hours. In various departments such as Amenities and Solid Waste, these new work arrangements have been successfully implemented.

With effect from 9 May 2011 further action was taken in order to further control the overtime worked by employees for the remainder of the financial year by restricting overtime to only work that was critical.

The effect of these further control measures has been positive in that the overtime expenditure has actually decreased by an amount of R 7 207 320 for the 2010/11 financial year compared to the 2009/10 financial year as indicated hereunder:

Table B15

	2009/2010	2010/2011	Increase/(Decrease)
Actual	50 868 037	43 661 717	(7 207 320)

It is noted that the control of overtime is still however a problem within various departments and additional initiatives are being considered in order to further control overtime.

2.1.9 Grievance and Disciplinary Management

(i) Management of Grievances

The Collective Agreement Grievance Procedure has set up the following time frames in the handling of grievances:

- Lodging of grievance shall take place within 10 days from the time an employee becomes aware of the matter that gives rise to such grievance except in exceptional circumstances.
- An aggrieved employee or a group of employees must lodge in writing with immediate superior a grievance on the prescribed form setting out the complaint and the desired result. The immediate superior shall consult with the affected employee(s), to resolve the grievance within five (5) days of the grievance having been referred to him and shall write to the employee informing on the outcome.

It has been noted however, that line managers are not complying with the abovementioned procedures. There are still grievances outstanding and the delays in dealing with these grievances result in low morale and depression on the part of the aggrieved employees. To expedite finalization of the outstanding grievances all outstanding grievances have been clustered according to directorates and referred to the top management to intervene.

(ii) Management of Disciplinary Hearings

In terms of the Collective Agreement Disciplinary Code the procedure is set out under clause 6 of the Collective Agreement as follows;

“6.1 An accusation of misconduct against an Employee shall be brought in writing before the Municipal Manager or his authorized representative for investigation.

6.2 If the Municipal Manager or his authorized representative is satisfied that there is prima facie cause to believe that an act of misconduct has been committed, he may institute disciplinary proceedings against the Employee concerned.

6.3 The Employer shall proceed forthwith or as soon as reasonably possible with a Disciplinary Hearing but in any event not later than three (3) months from the date upon which the Employer became

aware of the alleged misconduct. Should the employer fail to proceed within the period stipulated above and still wish to pursue the matter, it shall apply for condonation to the relevant Division of the SALGBC”.

It has been noticed that disciplinary hearings are taking too long to be finalized and the delays are caused by various factors *inter alia*:

- Certain documents applicable for the handling of the disciplinary enquiry are not submitted in time to the Labour Relations Section for processing
- Documents submitted by line departments for instituting disciplinary enquiries often have mistakes and takes a long time to rectify them thus causing delays.,
- The charge sheet also not issued in good time
- Requests for postponement of enquiries by parties due to leaves they take periodically

The consequence of the above mentioned delays is that disciplinary hearings are always instituted outside the time frames set out in the Collective Agreement. This situation creates a burden of vulnerability to procedural challenges which are not properly defended.

A memorandum dated 9th April 2010 setting out the procedure ensuring compliance with the Collective Agreement in handling disciplinary hearings was circulated to all directorates as an effort to expedite finalization of disciplinary hearings.

2.1.10 Labour Relations Strategy

Labour Relations developed a Labour Relations Strategy for the migration of staff from the established Buffalo City Municipality to the newly established Buffalo City Metropolitan Municipality. The Labour Relations Strategy was sent to the Local Labour Forum for consultation with the unions.

2.1.11 Single Public Service

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

2.2 Information Technology and Support

Information Communication Technology (ICT) division at Buffalo City Metropolitan Municipality is responsible for providing support services to its internal and external clients. The Municipality has gone through major initiatives with the intention of enhancing Information and Communication Technologies services that are delivered to support its delivery objectives.

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

2.2.1 Application Architecture

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

Buffalo City Metropolitan Municipality is faced with challenges of poor application functionality, lack of accurate information, lack integration, availability of accurate and timely information, and the existence of old and obsolete systems. The current billing system is inflexible and not reliable to serve the needs of the Buffalo City Metropolitan Municipality. The recommended option is to implement an Integrated Enterprise Resource Planning (ERP) System. This opportunity will give Buffalo City Metropolitan Municipality the ability to :-

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

The implementation of an ERP will significantly reduce the cost of maintaining the number of systems that we currently have.

The maintenance, development, procurement of ICT related applications and services in order to improve the utilization and management of such systems and services. A systems and infrastructure feasibility study will be concluded end of April 2012. The end product will be a blue print document of the desired applications and architecture infrastructure as well as the revised ICT strategy for council.

The first phase of the SharePoint implementation project is being finalized. This is first step towards a paperless environment and effective document sharing, tracking and management.

2.2.2 Technical Architecture

The Buffalo City Metropolitan Municipality consolidated and standardized its data-centre, that is, the operating platform for the applications, servers and data storage. Even though this was achieved to some degree, there still exists problems insufficient, unreliable, inaccessible environment, poorly integrated and non-standardized infrastructure. Some departments run their own servers and networks that are not currently maintained by the ICT department which makes it expensive to maintain and difficult to support. The majority of the buildings are linked to the BCMM network.

Key challenges with regard to technical infrastructure include the following:

- A slow and unreliable network backbone linking King Williams Town and East London.
- Lack of a disaster recovery site.
- BCMM email system which is not reliable and does not fully meet regulatory requirements such as email archiving, continuity, tracking, security and management.
- Network redundancy such as broadband implementation since is an important aspect of communication.
- Non standardized and fragmented servers and workstations
- Insufficient storage space for day-to-day work.
- The majority of the application systems do not have valid contracts.

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

2.2.3 Information Security

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

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

2.3 Records and Decision Tracking

2.3.1 Document Management and Archiving

Archiving and Document Management is regulated by the Promotion of Access to Information Act (PAIA) and National Archives and Record Service of South Africa and the Records Management Policy and Procedure Manual and as such it deals with overall document management of the institution. The impending need for proper document management has necessitated that Buffalo City Metropolitan Municipality integrate its systems to ensure that there is compliance with the relevant Acts and that we properly document institutional information assets.

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

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

2.3.2 Challenges

The challenge facing the institution is that not all trained personnel on EDMS are using the system. The system is underutilized. Further, the refresher training as well as training of newly appointed employees should be provided on a going basis. This means that provision needs to be made for training of every financial year. The procurement of digital signatures has been deferred to allow acceptable utilization of the system to take place.

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

2.4 Facilities Management

The Buffalo City Metropolitan (BCMM) has a portfolio of approximately 1400 buildings providing over 854,000 m² of accommodation amounting to an asset value of approximately 1.5 billion rand, from which it

delivers services to the community. These buildings are physical assets, which need to be properly maintained to ensure that they continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of services. At the same time, the deterioration of buildings due to the lack of maintenance can lead to future financial burdens, pose health and safety, legal and other industrial relations issues and affect the delivery of services. Therefore, the maintenance of buildings is critical to the proper management of physical assets and the overall management of capital to achieve BCMM Council key policy objectives meet Government requirements and provide a good environment for staff and other users of BCMM buildings.

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

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

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

Table B16: Maintenance Expenditure - Five-year resource plan

Maintenance Expenditure - Five-year resource plan

Capital Detail	(Planned Cap)	Liability as of 2010/2011	Total expenditure	Profile Estimates					Remaining Liability 2016/2017
				2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	
Capital Planned Reduction Maintenance									
Construction Works									
Roofs		4,712,000	2,055,404	361,000	384,465	409,455	436,070	464,414	2,656,596
External Walls, cladding windows and doors		7,668,000	1,941,532	341,000	363,165	386,771	411,911	438,685	5,726,468
Mechanical Services		2,829,000	996,387	175,000	186,375	198,489	211,391	225,132	1,832,613
Electrical Services (Rewiring)		1,391,000	415,636	73,000	77,745	82,798	88,180	93,912	975,364
External walls (retaining walls)		500,000	233,439	41,000	43,665	46,503	49,526	52,745	266,561
Sanitary Works		400,000	193,584	34,000	36,210	38,564	41,070	43,740	206,416
Fire Regulations		450,000	387,168	68,000	72,420	77,127	82,141	87,480	62,832
Housing (External Walls, cladding windows, roofs and doors)		15,000,000	7,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Total Cost of Capital	21.71%	17,950,000	6,223,150	2,593,000	2,664,045	2,739,708	2,820,289	2,906,108	19,226,850

Operating Maintenance	(Planned Oper 65%)	Liability as of 2010/2011	Total expenditure	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	Remaining Liability 2016/2017
Projects				R	R	R	R	R	
Roofs		4,916,000	2,448,266	430,000	457,950	487,717	519,418	553,181	2,467,734
External Walls, cladding windows and doors		4,398,000	2,197,745	386,000	411,090	437,811	466,269	496,576	2,200,255
Mechanical Services		829,000	683,237	120,000	127,800	136,107	144,954	154,376	145,763

Electrical Services (Rewiring)		2,906,000	1,355,087	238,000	253,470	269,946	287,492	306,179	1,550,913
External walls (retaining walls)		1,930,000	1,628,381	286,000	304,590	324,388	345,474	367,929	301,619
Sanitary Works		1,350,000	905,289	159,000	169,335	180,342	192,064	204,548	444,711
Fire Regulations		424,000	427,023	75,000	79,875	85,067	90,596	96,485	-3,023
Security Systems		807,000	438,410	77,000	82,005	87,335	93,012	99,058	368,590
Redecorations		6,144,000	4,509,364	792,000	843,480	898,306	956,696	1,018,881	1,634,636
Interior walls and doors		1,870,000	1,320,925	232,000	247,080	263,140	280,244	298,460	549,075
Floors and stairs		1,885,000	1,468,959	258,000	274,770	292,630	311,651	331,908	416,041
Ceilings \		900,000	723,092	127,000	135,255	144,047	153,410	163,381	176,908
Parking, paths and driveways		8,000,000	6,832,369	1,200,000	1,278,000	1,361,070	1,449,540	1,543,760	1,167,631
Fixed furniture and fittings		580,000	495,347	87,000	92,655	98,678	105,092	111,923	84,653
Total Cost of Operating Maintenance (Planned 65%)	37.39%	36,939,000	25,433,494	4,467,000	4,757,355	5,066,583	5,395,911	5,746,645	11,505,506

Term Maintenance	(Planned 5%)	Liability as of 2010/2011	Total expenditure	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	Remaining Liability 2016/2017
Projects				R	R	R	R	R	
Mechanical services			353,006	62,000	66,030	70,322	74,893	79,761	
electrical Services (Including lifts)			706,011	124,000	132,060	140,644	149,786	159,522	
Fire Equipment			119,566	21,000	22,365	23,819	25,367	27,016	
Total Cost of Term Maintenance (Planned 5%)	1.73%	0	1,178,584	207,000	220,455	234,785	250,046	266,299	0

Reactive Maintenance	(Planned 30%)	Liability as of 2010/2011	Total expenditure	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	Remaining Liability 2016/2017
Reactive Maintenance	39.17%		26,640,546	4,679,000	4,983,135	5,307,039	5,651,996	6,019,376	
Total Cost of Term Maintenance (Planned 5%)		0	26,640,546	4,679,000	4,983,135	5,307,039	5,651,996	6,019,376	

Sub - Total		54,889,000	59,475,774	11,946,000	12,624,990	13,348,114	14,118,242	14,938,427	30,732,356
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Operation Administration Staff, General Expenses and Other Expenses		Liability as of 2010/2011	Total expenditure	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	Remaining Liability 2016/2017
Building Maintenance Fees									
Building Maintenance Fees			46,448,507	8,157,962	8,688,230	9,252,964	9,854,407	10,494,944	
Risk Management Projects									
Condition Surveys			11,387,282	2,000,000	2,130,000	2,268,450	2,415,899	2,572,933	

Sub - Total		0	57,835,789	10,157,962	10,818,230	11,521,414	12,270,306	13,067,876	
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Grand - Total		54,889,000	117,311,562	22,103,962	23,443,220	24,869,529	26,388,548	28,006,304	30,732,356
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2.5 Knowledge Management, Research and Policy

2.5.1 Introduction

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

2.5.2 Knowledge Management

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

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

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

2.5.2.1 Research

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

2.5.2.2 Policy

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

The implementation of the Policy Framework and Guidelines adopted by Council in October 2005 across BCMM is ongoing. Uploading newly developed and reviewed policies, as well as research studies recently concluded onto to the KM Policy Database Developing and facilitating regular reviews of policies in conjunction with the departmental policy owners.

2.5.2.3 Multi-media

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

2.5.3 Challenges

2.5.3.1 Lack of a coordinated internal research agenda for BCM

Internal research agenda needs to be properly coordinated. This process will result in sharing of information and cross-referencing in order to avoid duplication. This will enable all Directorates to know what research will be conducted in BCM. The **Research Committee** needs to be revived that will discuss and prioritize research agendas for the Municipality. The various Directorates will submit all their research needs,

questions and budget requirements to KM & Research Unit where the **research budget** will be housed. The budget for all research will be managed by a Research Committee constituted by Directors and or General Managers from the various Directorates. A **Research Ethics Committee** will be appointed to manage ethical issues related to the studies to be conducted. Universities in the Province will be approached to form part of the Research Ethics Committee.

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

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

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

2.5.2.3 Limited sharing of information and reward systems at BCM

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

2.5.2.4 Ineffective procedure and guidelines for tapping into tacit knowledge

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

2.6 GIS, Mapping and Demographics

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

2.6.1 Legislation applicable to Spatial Information

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

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

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

2.6.2 Current Status of GIS

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

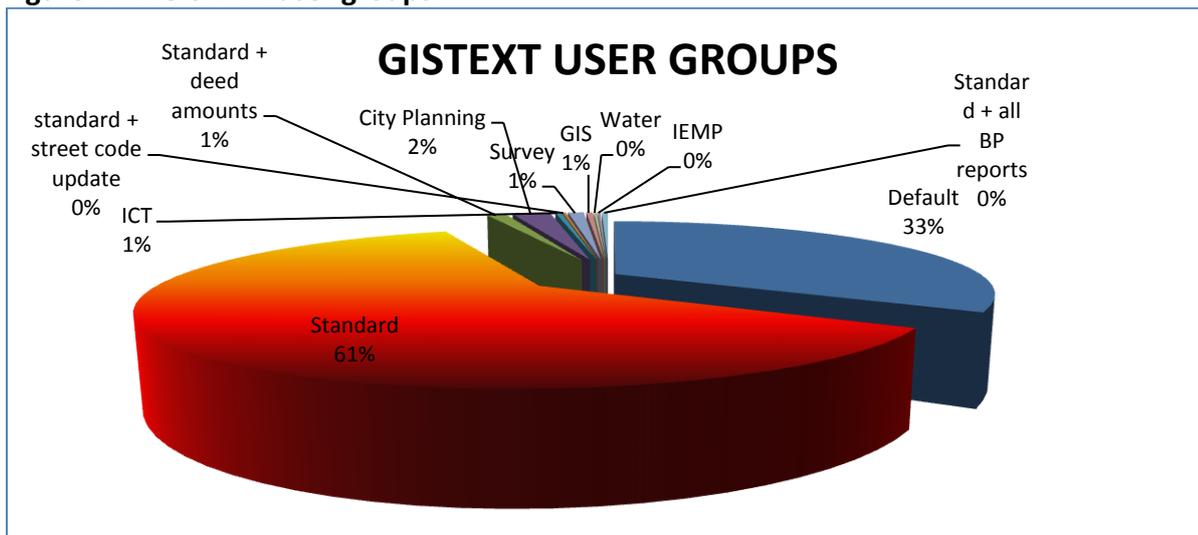
- GISTEXT (Land Information Web based application)
- City Map (Intranet Map Services)
- ArcGIS Desktop (GIS specialists & Gis Technicians)
- ArcGIS Server (GIS web applications)

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

Table B25: Utilisation of Gistext System

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

Figure B17: GISTEXT user groups:



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

- Aerial Photography (2001, 2006 & 2008, 2009, Spot 5 2010)
- Cadastral Boundaries (Erven & Farms)
- Road Centerlines

- Clinics, Halls & Libraries
- Ward boundaries
- Settlements
- Suburbs
- Zoning
- Land Use
- Services
- Street Addresses

During the restructuring of the metropolitan in 2011, the GIS functional area was relocated to the Directorate Development Planning and Management.

2.6.3 Main Challenges

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

(A) Data

The main issues regarding data are:

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

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

A) HARDWARE

The key hardware challenges effecting GIS is:

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

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

B) SOFTWARE:

The key challenges related to Software within the organization are:

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

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

C) PEOPLE AND HUMAN CAPACITY:

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

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

D) PROCESSES:

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

3. KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

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

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

3.1 Spatial Planning and Development

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

Table B26: Urban and Rural Land Use Coverage

LAND COVER DESCRIPTION	HECTARES	% OF TOTAL AREA
Barren Rock	995.39	0.40
Cultivated : Permanent – Commercial Dryland	2 525.76	1.01
Cultivated : Temporary – Commercial Dryland	4 849.47	1.93
Cultivated : Temporary – Commercial Irrigated	313.19	1.93
Cultivated : Temporary – Semi-commercial / Subsistence Dryland	13 727.39	5.47
Degraded : Thicket & Bushland (etc.)	1 055.54	0.42
Degraded :Unimproved Grassland	24 775.08	9.87

Dongas & sheet erosion scars	32.77	0.01
Forest	7 866.20	3.13
Forest Plantations	5 371.24	2.14
Improved Grassland	1 619.01	0.65
Mines & quarries	192.03	0.08
Thicket & bushland (etc.)	103 541.71	41.26
Unimproved Grassland	62 198.05	24.79
Urban / Built-up Land : Commercial	706.08	0.28
Urban / Built-up Land : Industrial / Transport	1 744.02	0.69
Urban / Built-up Land : Residential	16 677.57	6.65
Urban / Built-up Land : Residential (Small Holdings ; Bushland)	606.39	0.24
Urban / Built-up Land : Residential (Small Holdings ; Woodland)	26.24	0.01
Water bodies	2 114.92	0.84
Wetlands	3.74	0.00
TOTAL	250 941.76	100.00

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

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

3.1.1 Current Status:

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

Buffalo City's **Spatial Development Framework (SDF)**, identifies and details potential ways of mitigating past inefficiencies and maximising opportunities. **Local Spatial Development Frameworks (LSDF)** supports the SDF and provides a more detailed view of specific localities. Since the approval of the BCM SDF in 2003 the following spatial policy has been completed and approved:

- (i) West Bank(2004) which contains proposals for the large rural component as well as the various coastal villages;
- (ii) Vincent/Berea(2004) which contains proposals for the management of expansion of the commercial activities and consequent traffic flows in the area ;
- (iii) Mount Ruth(2005) which provides a framework for the development of the node around the Mount Ruth station;
- (iv) Quenera(2005)which provides spatial plan for the development of the largely undeveloped area between Beacon Bay and Gonubie;
- (v) Dimbaza/Mount Coke(2008) which contains proposals for the large rural agricultural component as well as the various rural villages,
- (vi) Urban Edge Policy Framework(2008) Due to increasing pressure to develop outside the "urban edge", on the urban fringe, in areas such as the Gonubie Valley and the West Bank, Council has approved the Urban Edge Framework which will provide clear guidance to prospective developers as to what can be developed outside the Urban Edge in order to promote the densification of the city,
- (vii) Bonza Bay Road(2008) which contains proposals for the management of expansion of the commercial activities and consequent traffic flows in the area,

- (viii) Vincent Berea LSDF Amendment(2008) which contains an amendment to the initial proposals for the management of expansion of the commercial activities and consequent traffic flows in the Vincent Berea area,
- (ix) Duncan Village (2009) which contain development proposals for housing and other facilities to enable the eradication of all informal structures in Duncan village.
- (x) Beach Front LSDF (2010) which contains proposals for the revitalisation of the East London Central Beach Front.

The following LSDF's are presently underway:

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

Mdantsane LSDF – This LSDF will update the existing Framework Plan. Mdantsane is one of the national urban renewal nodes and it is expected that a significant amount of funding, from a variety of donor and government sources, will be channelled into the area in support of the goals of the Mdantsane Urban Renewal Programme (MURP).

Gonubie Main Road LSDF – This plan will contain proposals for the management of expansion of the commercial activities and consequent traffic flows in the area,

Kwelera LSDF – This plan will make proposals for this rural area including the Crossways node.

Arnoldton Nodal Framework Plan – This plan will provide a framework for the development of the node around the Arnoldton station

The Review of the BCMM SDF will be undertaken in the 2011/2012 FY and will serve to update and refocus the current SDF.

3.1.2 Challenges

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

- Spatial fragmentation and complex land administration
- Rapid unmanaged urbanization and urban sprawl
- Low economic growth
- Uncoordinated spatial development
- Management of municipal properties and land
- Inadequate control of the built environment

3.1.3 Land Use Management

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

The former East London, Beacon Bay, Gonubie and Cape Provincial Areas were integrated into one Zoning Scheme in May 2008. The Zoning Regulations for areas administered in terms of the Land Use Regulations Act 15 of 1987 (former Ciskei Areas) and Proclamation R 293 was approved by the MEC for Local Government and Traditional Affairs on 24 March 2011. These areas include Mdantsane, Ilitha, Phakamisa and Dimbaza. Duncan Village was upgraded i.t.o. Land Use Planning Ordinance (LUPO) 15/1985 in 2010 now forms part of the BCM Zoning Scheme.

3.1.4 Current Status:

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

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

3.2.5 Challenges and Strategies:

Key challenges relate to:

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

3.1.6 Settlement Planning

According to the Housing Policy, it is estimated that there is a current need for 75 000 homes including all levels of income and housing types, but excluding 230 rural settlements (46 000 units). This constitutes some 35% of the total housing need in the Eastern Cape Province.

Settlement Planning forms the foundation of the first phase in the housing delivery process. It is therefore paramount to undertake all broad based feasibility studies in the process of Township Establishment.

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

Greenfields (i.e. the design and layout of new settlements) – land in central urban renewal corridor, Restructuring Zones, Community Rental Units, Quenera and West Bank development areas. The desired densities in these areas should be over 50 dwelling units per ha and would typically include social housing. Township Establishment projects undertaken in this regard include Braelynn Ext 10 North, Potsdam Unit V and Feasibility Studies for Mzamomhle and Amalinda Junction.

Brownfields – (The re-design and subdivision or consolidation of existing settlements or development areas). Urban Renewal in Quigney and Southernwood, Duncan Village. Development of pockets of land for human settlements in the Sleeper Site in central EL. The desired densities in these areas should be over 50 dwelling units per ha and would typically include social housing. Various projects e.g. Matterhorn Road, Gompo, Federicks Road etc have been undertaken in-house.

3.1.7 Current Status:

The Informal Settlement Upgrade Programme – which targets (a) the in-situ upgrade of designated informal settlements in Mdantsane, Dimbaza, Zwelitsha, Ilitha and specific suitable localities within the Urban Edge of Greater East London; (b) the programmed relocation of informal settlements located in hazardous or otherwise undevelopable land areas in Mdantsane, Berlin and identified localities within the Urban Edge of Greater East London to land areas located in reasonable proximity to the informal settlements' localities.

The spatial locations of the demand manifest by the informal dwellings is primarily within the core of Greater East London (Duncan Village, Nompumelelo, Scenery Park, Reeston) and Mdantsane, with smaller settlements being associated with townships such as Zwelitsha and Dimbaza in the King William's Town / Bhisho area.

The BCMM Land Management Policy which specifically focuses on an integrated strategy to address the problem of unlawful occupation of land. The main objectives of the policy are :

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

The findings of the Informal Settlement Study can be summarised as follows:

- Total of 154 informal settlements
- Total of 40,365 shacks
- Population of ± 155,080

The major informal settlements are located in Duncan Village (± 20 000 units), Nompumelelo (± 2500 units) and Mzamomhle (± 3100 units) totaling 25,600 informal structures.

Informal settlements have been classification into 6 main categories:

- Settlements with Land Ownership issues

- Settlements with Hazardous Conditions
- Settlements with Infrastructure issues
- Settlements that are Already Planned
- Low Density settlements with no pressure
- Settlements that are suitable for Formalisation

The National Upgrading Support Programme (NUSP) The national Development Outcomes focus on government's key objectives. Outcome 8 refers to achieving *Sustainable Human Settlements and Improved Quality of Household Life*, and forms the basis of the Performance Agreement between the President and the Minister of Human Settlements.

This Outcome is derived from a set of specific outputs :

- Output 1 : Upgrading of 400 000 units of accommodation within informal settlements
- Output 2 : Improving access to Basic Services
- Output 3 : Facilitate the provision of 600 000 accommodation units within the gap market.
- Output 4 : Mobilisation of 6 250 ha of well-located public land for low income and affordable housing with increased densities on this land and in general.

The institutional arrangements for delivering these outputs are structures through a set of Delivery Agreements :

- Between the Minister of Human Settlements and Provincial Members of the Executive Council for the following activities :
 - Upgrading households in well-located informal settlements with access to basic services and secure tenure
 - Developing well-located and affordably priced rental accommodation
 - The accreditation of municipalities to carry out human settlement functions
 - The expansion of the national Upgrading Support Programme to specific municipalities.

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

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

The National Upgrading Support Programme (NUSP) has made an budgetary provision of R2,000,000 for technical assistance available for Buffalo City Metropolitan Municipality for the current national financial year i.e. 01 April 2012 – 31 March 2013. Broad budgetary provision for the outer two financial years has also been made available to the National Upgrading Support Programme.

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

- Provision of Technical Support to municipalities – this will be a demand driven type of support

- Capacity Building Support – this support will be rolled-out by NUSP to all the participating municipalities with the focus on the following two types of capacity building e.g.
 - For all to understand the incremental upgrading of informal settlement approach
 - Due to the great variety of issues in the various municipalities is it necessary to focus capacity building on specific types of municipalities, for example mining towns in the Free State, Coastal municipalities etc.
- Information dissemination

3.1.8 Rural Spatial Development

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

Buffalo City has systematically implemented most of the recommendations as contained in the Land Reform and Settlement Plan (LRSP), 2005 prepared by the Amathole District Municipality.

The following areas identified in the LRSP have been identified and / or completed by BCM:MM:

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

However, the plan is more than six years old and in certain areas new development has taken place with different socio-economic dynamics within the rural areas.

The formulation of the Rural Settlement Development Plan is to identify certain areas which require economic, social and physical infrastructure. Phase 1 of the three year programme which will ultimately result in township establishment within the rural context. In order for Buffalo City to review its overall spatial development plan and more specific to undertake settlement planning for the provision of basic services and housing, a new more updated development plan for the rural areas is required.

3.1.8.1 Challenges:

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

- Not all informal settlements will be suitable for in-situ upgrading and formalisation.
- The relocation of informal settlements will require suitable and serviceable land for development closer to the city (Densification vs. Urban sprawl)

- The identification and acquisition of land for relocation of informal settlements
- Funding resources to implement the incremental in-situ upgrading programme
- Infrastructure capacity and funding to support the informal settlement upgrading programme.
- The improvement of the quality of life of the people residing in informal settlements.
- Health and environmental problems linked to the absence of proper services in settlements can affect a whole city. Problems of inadequate water supply, sanitation, solid waste disposal, and storm water drainage, affect the urban poor first, but also create negative spillovers beyond their boundaries. These include deteriorating water quality and the spread of disease. Accordingly, a key upgrading policy imperative is to provide a healthy and secure living environment.

3.1.9 Valuations

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

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

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

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

3.1.9.1 Challenges

The following are the main challenges encountered by valuations:

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

- **Secondment:** of the appointed multi-departmental Project Team to the General Valuation 2013 project is crucial and should be considered. The Project Team has been involved in the compilation of the general valuation 2013 specifications.

3.1.10 Survey Services

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

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

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

(i) Legislative Framework

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

(ii) Survey Functions

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

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

3.1.10.1 Challenges

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

3.1.11 Building Control / Plans

Building Plans are processed and approved by the building control branch which falls under the Architecture Division. Approval of building plans is a requirement in terms of the National Building Regulations, nobody

can build or alter a house or building or any structure that is classified as a building in terms of the building regulations without submitting a proposed plan for approval to the relevant Municipality.

(i) Status

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

(ii) Challenges

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

3.1.12 Land Administration

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

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

3.1.12.1 Functions

(a) Land Reform

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

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

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

(b) Land Tenure

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

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

(c) Land Redistribution

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

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

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

(d) Land Restitution

The goal of the restitution policy is to restore land and provide other restitutionary remedies to people dispossessed by racially discriminatory legislation and price, in such a way as to provide support to the vital process of reconciliation, reconstruction and development.

Restitution is an integral part of the broader land reform programme and closely linked to the need for the redistribution of land and tenure reform.

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

With regard to Restitution of Land Rights we have three projects namely East Bank, West Bank and Macleantown.

East Bank(Coastal)

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

West Bank (Coastal)

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

Macleantown (Inland)

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

3.1.12.2 Challenges

- Land Acquisition
- State Land Release process is lengthy and very cumbersome
- Lack of capital and human resource to enforce Land Management Policy
- Land Invasion and Encroachments

- Mushrooming of informal settlements causes a threat to the Municipality and the realization of millennium development goal of shack free South Africa by 2014.

3.2 Housing

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

Housing is acknowledged as one of the principal social needs within Buffalo City. The current estimated housing backlog in the urban and rural areas of the Municipality is some 100 000 units. The addressing of the backlog overtime is a major challenge and the appropriate programming and location of major public funded housing projects will be a major element in the restructuring of the built environment in Buffalo City. When looking at the housing need and providing direction for where major public/private funding housing development initiatives should be focused, it is acknowledged that, together with housing, a myriad of related infrastructure needs must be addressed. Specifically, appropriate levels of services (LOS) must be planned and developed in new housing areas, as well as the levels of affordability of the Buffalo City Metropolitan and its clients, the consumer of new services. Thus this focuses on the concern that new housing and infrastructure must be developed in a manner that enhances sustainability of the built in environment.

3.2.2 Trends in housing demand by income group, location and cost

In BCMM the largest urban/rural land use is for residential purposes followed by agricultural land use. Land for public funded housing is the largest type of land used in demand followed up demand for land for private residential development and land for office and retail purposes.

3.2.3 Public funded housing

A trend analysis undertaken by the Buffalo City Integrated Sustainable Human Settlement Plan indicates that the most significant demand for housing in terms of weight of numbers falls in the low income sector that is the sectors most probably depend on public housing assessment to be able to gain access to formal housing. An estimate of dwelling numbers and types across Buffalo City based on aerial photography indicates that, within the urban areas, there are some 405,500 free-standing informal dwellings as well as about 15,000 identified backyard shacks. This analysis suggests that there are some 55,500 informal dwellings (urban) in total in Buffalo City. This includes Duncan Village of approximately 21 000. Approximately 230 rural settlements are within Buffalo City with an approximate housing need of 46,000 (informal structures). The spacial locations of the demand manifest by the informal dwellings is primarily within the core of greater East London (Duncan Village/Nompumelelo, Scenery Park, Reeston) and Mdantsane, with smaller settlements being associated with townships such as Zwelitsha and Dimbaza in the King Williams Town/Bhisho area.

3.2.4 Private funded residential developments

Housing demand trends in the private property market sector are less easily quantified. Coincident with the property market “boom” in the period 2002-2008, Buffalo City experienced a growth in residential property development (greenfields as well as brownfields [i.e subdivision of existing single residential stands]). However, with the restrictions on loan funding availability brought about by the National Credit Act, 2007 and, later, by the fall-out related to the Global financial crises in 2008 onward, there has been a reported slowdown in new developments (proposed) as well as in the take-up of new developments.

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

The Quenera is a largely unserved greenfields development area situated between Beacon Bay and Gonubie with a capacity of approximately 20 000 housing units. This area was identified as the city's first opportunity to create an integrated housing area.

Due to the urgency and priority of the infrastructure needs of two of the City's major urban renewal areas, namely Duncan Village and Mdantsane, the current Built Environment Performance Plan focuses mainly thereon. It therefore becomes imperative for Built Environment Plan beyond the current one to focus on the Quenera as an area of high investment and returns potential to realize the City's version of an area demonstrating the City's dedication to sustainable integrated settlement making.

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

The default situation where the city has been unable to provide serviced land for middle income housing has resulted that market forces have effectively driven densification in the urban core. The identification of land in the Metro is deemed as an important tool to remedy the spatial ills of the past. To that end the SDF in 2003 started identifying sufficient land as centrally located as possible, while the Provisional Restructuring Zones were declared in 2007 to density the urban core.

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

3.2.5 Improving the quality of household life

(i) Governments Mandate

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

The target for the Eastern Cape in the period 2010 / 2011 to 2013 / 2014 is as follow:

- Upgrade 59,440 households in well located informal settlements with access to basic services and secure tenure Development of 11,888 well located and affordably priced rental accommodation.

The Municipality is one of the key role players to delivery in terms of this mandate and improve the quality of household life. To deliver in terms this mandate infrastructure challenges such as bulk water and sanitation needs to be addressed in strategic areas to unlock the provision of formal housing. In terms of the Metro Status the Municipality is now eligible to receive Urban Sector Development Grant funding to provide for the related services. Formal housing provision within the city is undertaken by the Municipality on an agency basis as the developer, and the Provincial Department of Human Settlements. In terms of National guidelines an incremental approach is to be undertaken to improve the quality of lives of the homeless offering a variety of infrastructure services and tenure followed by formal top structures being built.

(ii) Housing Accreditation

After level 1 accreditation was received in April 2009, BCMM made an application for level 2 accreditation. An assessment was conducted in November 2010 and recommendations were made by the assessment panel which included remedial actions that BCMM had to take in order to get the organisation ready for level 2 accreditation. In terms of level 2 accreditation BCMM had to present the remedial action report to deal with the findings of the assessment panel as well as a presentation on the state of readiness of BCMM.

The National Department of Human Settlements (Accreditation Panel) conducted its audit in November 2011 and supplied BCMM with feedback in December 2011. In terms of the feedback that was provided, the assessment panel advised that they would recommend to the MEC and Minister of Human Settlements that BCMM was ready to be accredited at level 2. Currently BCMM is awaiting the endorsement of level 2 accreditation from the Minister and MEC of Human Settlements and the certificate that will be supplied verifying that level 2 accreditation has been received.

(iii) Social Housing in BCMM

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

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

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

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

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

(iv) Establishment of Housing Needs Register for the Municipality:

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

Beneficiaries residing within 86 informal settlements have already been registered on the housing needs register. A total number of 6,000 backyard informal dwellers have also been registered on the new Housing Needs Demand Database.

Of the 17,000 Beneficiaries that have been electronically uploaded another 4,000 has already been captured manually but not uploaded onto the database at present. It is anticipated that this programme is to be completed in the year 2011 / 2012 Financial Year.

The intention of the new housing needs demand data base is to have one single system managed by the administration to address the allocation of housing. It is anticipated that this programme is to be completed in the year 2011.

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

(v) Allocation & Relocation Policy

Previously housing allocation was done in accordance with the housing policy and implementation plan that was approved in October 2004. The new Allocation & Relocation Policy is being drafted in terms of National/Provincial guidelines. The policy will set guidelines in terms of housing allocation to beneficiaries, quota allocation, the establishment of allocation committees with clear roles and responsibilities. This will ensure fairness, transparency and accountability which will eliminate fraud and corruption. The policy is expected to be approved by Council within the 2011/2012 financial year.

(vi) Duncan Village Redevelopment Programme

Duncan Village contains the densest informal settlement in BCMM. City Planning started in 2004 to discuss with the community the concept of denser mixed use living patterns in order to accommodate as many people within this inner city locality. BNG subsequently echoed this concept and adopted Duncan Village as a brown fields pilot project and provided further funding support.

Implementation of this project has been slow but the first high density housing pilot project is current (May 2011) under construction to demonstrate what denser formal living in Duncan Village could be like. The pilot housing erven are 80m² which represents a significant departure from the standard 200-300m² product on offer.

In terms of Duncan Village Redevelopment Initiative, 3100 housing opportunities have already been provided in Reeston. A further 3817 new housing opportunities is under implementation. Various land parcels close to Duncan Village have been identified to address new housing opportunities which will address the de-densification programme. Within Duncan Village detailed planning have already commenced on various sites for the densification process to accommodate new housing opportunities.

(vii) Informal Settlement Upgrading Programme

The Municipality is currently preparing an Informal Settlement Study that focus on all settlements within East London (Coastal Area/King Williams Town and Dimbaza) excluding Duncan Village/ Mdantsane/Rural Areas. A matrix was developed based on the findings from the Analysis Phase with associated recommendations for Formalisation/ In-situ or Relocation.

This programme shows the number, names of the informal settlements; detailed Socio Economic Surveys was conducted in the informal settlements that were accessible. This survey covers objectives of tenures, health and services and planning.

A comprehensive study of all 82 Mdantsane Infill sites has been completed. This included a process of clustering and costing, an in-depth exercise of organizing the aforementioned 82 informal settlements into

clusters was carried out, with proposed conceptual layouts for those settlements recommended for consideration for the “ready/ easy to formalize” settlements and their associated cost implications.

Currently a study is underway to identify Greenfield sites within Mdantsane that can accommodate the overflow/temporary relocation of informal houses within the Mdantsane Infill sites. The purpose of this study is to cater for the properties that cannot be upgraded or those located on hazardous terrains e.g. under electricity masts, steep slopes etc.

The Municipality also provides transitional relocation areas (TRA's). This mechanism is largely envisaged for illegal settlements that need to be relocated as a priority due to endangerment of the existing illegal settlement to the households themselves, to the property, or for any other socio-economic or development reason.

TRA's will provide minimum RDP level services and basic shelter or shelter assistance to the households. In terms of the 3 year plan 2011/2014 approximately 12766 new formal housing will be provided.

3.3 Roads and Stormwater Management

3.3.1 Road Network

The road network is one of the key components of the transportation system enabling mobility. A large percentage of Buffalo City Metropolitan Municipality's (BCMM's) road infrastructure is old, rapidly deteriorating and has passed its design life.

It is estimated that Buffalo City Metropolitan Municipality has ± 1500 kilometres of surfaced road network with an estimated replacement value of $\pm R1.5bn$. (PMS 2006). And an estimated ± 120 number of bridges and culverts with estimated replacement value of $\pm R1.2bn$.

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

3.3.2 Budgetary Constraints

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

BCMM faces financial constraints for both the extension and maintenance of the road infrastructure. The annual increase in the maintenance budget has not kept pace with the escalation rates associated with this asset (road network). According to the **BCMM PavementManagement System (PMS)** and the study undertaken in 2006, the funding Backlog for maintenance of BCMM roads was estimated at R500 million. The study further stated R100 million had to be spent annually over a period of five years in order to eliminate the backlog.

To date, applying 10% escalation, these figures would be R500million \approx R805,255million and R100million \approx R161,050million per year over five years for roads maintenance

The estimated replacement costs for ± 1500 km of BCMM surfaced road network is $\pm R1.5bn$. (PMS 2006) and $\pm 800km$ of gravel roads with an estimated replacement value of $\pm R500m$ (PMS 2006). The current budgets are as per the below tables.

Table B17: The MTREF budget allocation is as follows: Capital

Project	2011/12	2012/13	2013/14
Mdantsane Roads	R42 375 700	R62 144 000	R101 484 000
Rural Roads Upgrade	R5 000 000	R 9 000 000	R40 000 000
Rehabilitation of Rural Roads Upgrade	R5 000 000	R10 000 000	R10 000 000
West Bank Restitution	R15 000 000	R30 000 000	0

Budget allocation is as follows: Operational

Project	2011/12	2012/13	2013/14
Road Maintenance : General	R15 600 870	R16 583 725	R17 661 667
Road Maintenance : Rural	R5 157 702	R 5 482 638	R5 839 009
Stormwater control	R6 395 523	R6 798 441	R7 240 340
Bridges	R6 566 842	R6 980 553	R7 434 289

If one looks at the above figures, and then compare with figures as assessed in 2006, it is highly unlikely the Roads and Stormwater department will be able to fulfill and address the backlogs in reconstruction and carry out preventative maintenance.

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

3.3.3 Bridges

The Bridge Management System (BMS) undertaken in 2007 has facilitated the identification of 126 bridge structures. Due to the funding constraint, there was no thorough condition assessment undertaken which would then analyse and result in a comprehensive BMS being put in place. An estimated ± 120 number of bridges and culverts have an estimated replacement value $\pm R1.2bn$.

BCMM has appointed a consultant to conduct a condition assessment on all roads and bridges within the Municipality.

The Storm water Management System (SMS) is being implemented and is funded by BCMM. The Northern and Central regions are completed and the remaining Eastern and Western regions are at advanced stage. The SMS will assist in mitigation of storm water challenges within Buffalo City Metropolitan Municipality.

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

3.4 Water and Sanitation

3.4.1 Water Supplies

(i) Water Resource Profile

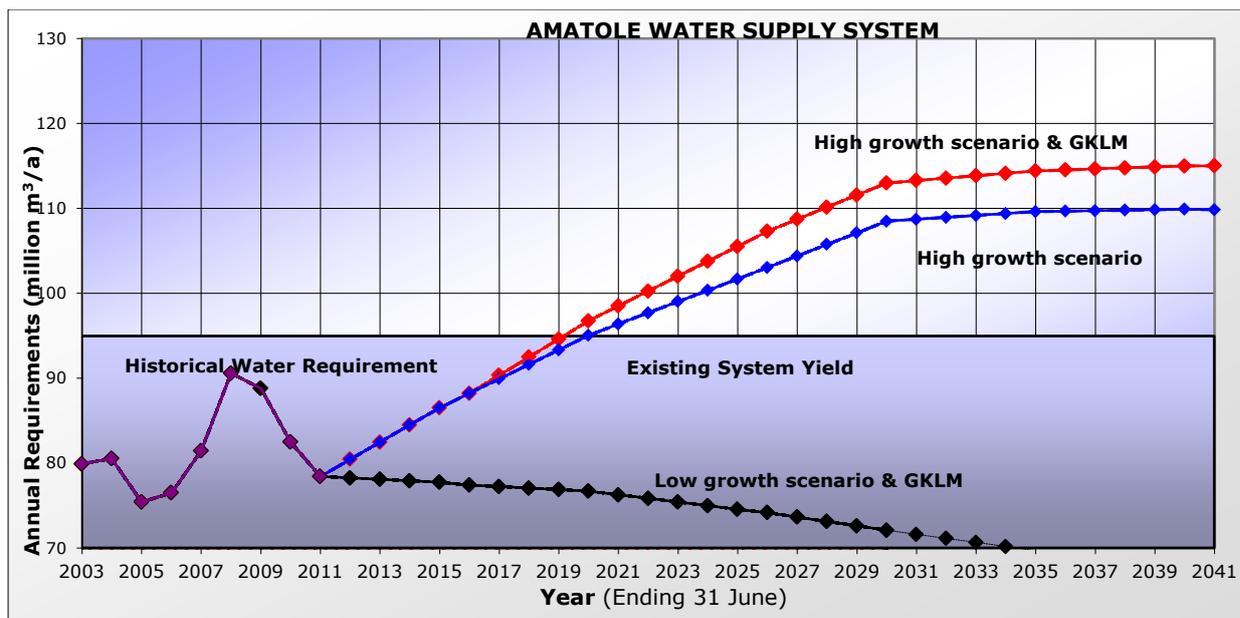
The Amatola Water Resource System supplies the urban and rural areas of Buffalo City. Water is sourced from the Bridle Drift (main source), Rooikrantz, Nahoon, Laing and Sandile Dams and the Peddie Scheme.

The Wiggleswade Dam provides storage backup for the system. The system is complex and is made up primarily of surface water resources, with limited groundwater resources suitable for only a few localised schemes.

Based on the high-growth water requirement scenario, measures to reduce the requirement or to increase the System yield would have to be implemented by 2020.

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

Figure B16: Amatole Water Supply System: Water Balance 2011



The following conclusions can be drawn from figure 1 above:

- Integrated system operation, including the transferring of water to the lower dams in the System when Wiggleswade Dam is spilling, is an imperative for short- to medium-term reconciliation.
- The effective and sustained implementation of WC/WDM interventions remains a pre-requisite for the supply reconciliation the AWSS, in that WC/WDM is the most cost effective reconciliation intervention; and WC/WDM projects have short implementation lead periods (i.e. provide greater reconciliation implementation flexibility).
- The failure to effectively operate the System and/or to implement WC/WDM is likely to result in supply shortfalls in the short-to medium-term. These supply short falls will need to be met by way of water re-use and/or supply curtailment (restrictions);

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

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

3.4.2 Water Infrastructure

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

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

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

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

Table B18: Water Treatment Plants

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

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

Table B19

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

3.4.3 Water Demand Management

The City has had a relatively large incidence of 'water loss' or non-revenue water. This occurs either through physical losses (leaks etc.), billing inaccuracies, users who are not on the database, communal standpipes, ablution blocks, under registering water meters due to the age, frequent pipe bursts due to the ageing infrastructure, illegal connections. The result is an unnecessary demand on water resources, wastage of water and loss of income.

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

The Department of Water Affairs has provided a total funding of R15 million for water conservation and water demand management to address the following critical water conservation and water demand management issues within the next three years, starting from 2011/2012 financial year.

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

This allocation is apportioned at R5 million per year for a period of three years. The current allocation(i.e. 2011/2012 financial year) of R5 million is planned to be spent for the installation of new water meters, indigent plumbing repairs and relocation of mid blocks water mains in Dimbaza, Phola Park, Reeston, Scenery Park, Sweetwaters, Phakamisa, Mdantsane, Duncan Village, Nompumelelo.

3.4.4 Bulk Sewerage Systems & Sanitation Backlog

Sewerage systems in the City are well beyond their design lives, are in poor condition and are operating at capacity. The effect of this situation is that expansion of the city and the housing programme is now severely constrained and the environment is under threat from sewage spills and leakages.

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

Table B20: Sanitation Projects

Project Name	Total (R)
Rural Sanitation Backlog	63 854 000.00
Diversion of Wilsonia and Amalinda Sewage to Reeston WWTW (Phase 1)	140 000 000.00
Reeston WwTW Phase 1 upgrade to 10Ml/day(Bulk Sewers)	93 000 000.00
KWT: Upgrade of Zwelitsha WWTW to 17,5 Mℓ/d	111 000 000.00
Gonubie-Treatment Works to 18 Mℓ/d	50 000 000.00
Mdantsane East-Replace pitch fibre sewers and upgrade of interceptors	22 000 000.00
Bufferstrip Sanitation – Mdantsane	16 108 250.00

Water

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

Table B21: Community Survey 2007: Household Access to Basic Services

	WATER (access to piped water in dwelling/ yard or within 200m)	SANITATION (flush toilet, septic tank, chemical toilet, VIP) (Based on Census 2001)
No of Households	204 151	141 535
% of Household	98%	73.65%

The water backlogs for greenfields work amounts to R26,26 million and that of remedial work to R35,04 million. The backlog areas include Needs Camp, Ncera, Mount Coke, Potsdam and some rural areas in the King William’s Town District. Needs Camp, Ncera and Mount Coke are being addressed by a three year Capital Project which is already underway. The other areas are awaiting funding but some in-roads have been made by addressing supplies to areas handed over by DWA.

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

Outside urban edge (i.e. rural)

- Greenfields : 51 192
- Remedial / refurbishment : 885
- Sub total** **52 077** households

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

- Greenfields : 20 637
- Remedial / refurbishment : 1 162
- Sub total** **21 799** households
- Total** **73 876** households (approximated)

Funding required to address the backlog: **R456 785 175** given the extent of the backlogs and the requirement to eradicate these sanitation backlogs by 2011, expenditure of approximately R100 million per annum will be required. Applications have been submitted for funding to address these backlogs within the national timeframe.

3.5 Electricity

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

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

The electricity department has a backlog of R650 Million in replacement upgrading and deferred maintenance. The following sources of funding are targeted to meet the annual allocations required for the backlog:

- Department of Energy
- BCMM internal allocation
- Private sector contributions;
- Public – Private Partnership intervention
- Development levies
- International donors/partners
- Alternative technologies(renewable energy)

Without a significant capital reinvestment plan and the funding to implement the plan Buffalo City could experience a number of electrical failures which would have an impact on city growth and income as electricity sale account for the largest portion of Buffalo City’s yearly income.

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

3.5.1 Levels and Standards in Electrical Services

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

Table B22: Electricity distribution

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

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

Table B23: Profile of Eskom consumers

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

3.5.2. Major Challenges in Electricity Services and Remedial Actions

(i) Budgetary Constraints

As indicated above the Electricity Department has estimated a backlog of refurbishment, capital replacement and capital investment of R650 million. The budget provided to the electricity department is only 1.54 % of the required budget in terms of the backlog, this of course is not adequate to reduce the backlog, for the network to remain stable into the future, and a substantial investment into the network needs to be provided.

The electricity Department historically has been funded from two sources:

- Department of Energy through its INEP Funding and more recently from its Energy Efficient Funds. Both funding sources are project specific and can only be used on the Department of Energy identified and approved project.
- Internal funding either from loans (DBSA) or CRR.

In the 2011/12 financial year the Electricity Department did not receive internal funding except for small roll over amounts. In terms of network enhancement funding was received in the amount of R10 million from the DoE for the construction of the new Queens Park Zoo Substation.

(ii) Skills Shortage

The Electricity Department has a shortage of skilled labour such as engineers, technicians and electricians, at present the department has a shortage of 10 to 15 Electricians for the areas maintained within the Electricity supply area. These positions have been advertised on numerous occasions over the last few years and as can be confirmed by HR the amount of vacancies still exists. Government as a whole has acknowledged the shortage of skilled personnel in various sectors of the Engineering field.

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

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

3.5.3 Key Areas Requiring Attention

(i) Electrification of Formal Households

In terms of electrification of RDP housing, the Electricity Department in conjunction with the Department of Energy (DoE) provides electricity to formal houses in terms of the Governments Universal Access Policy. Annually, Buffalo City's Electricity Department is invited to request funding from the DoE's Integrated National Electrification Program (INEP). Every project that is proposed to the DoE is visited by the DoE to ensure that it meets the criteria set by the DoE and if approved, funding is made available. The funding that is provided by the DoE is only partial funding, as the Municipality is required to provide counter funding. Therefore the number of houses that can be connected is dependent on the funding from DoE, the counter funding provided by Buffalo City Municipality and the number of housing projects that are completed. Un-electrified formal dwellings indicate the present backlog of electrification which stands at 1500.

The BCMM provides a 40 amp RDP service connection which is higher than the normal 20 amp RDP service connection. Access to this supply for low income consumers is through the INEP funding, BCMM counter funding and an approved subsidized connection fee. The council has approved that indigent consumers are provided with a service connection free of any charges.

(iii) Electrification of Informal Dwellings

The Buffalo City Council has taken a decision to pilot Electrification to informal dwellings in Duncan Village and has called for proposals. The community and other role players involved in the Duncan Village Pilot Project will be consulted on the approach and processes to be followed in this project.

Based on the current status of Duncan Village, the following needs to be addressed to comply with the Occupational Health and Safety Act:

- ❖ A plan for De-densification of the area in order to make road reserves for access to install and maintain the network and prioritise movement of households to TRAs, Planned Developable land,

Future developable land, Targeted Housing Project areas and immediate houses completed for beneficiaries.

- ❖ A positive to the funding is that Metro Municipalities and two major Municipalities including BCM have set up a national committee to discuss this issue with the Department of Energy which is in the process of making policy changes that may assist in the Electrification of informal settlements.
- ❖ DoE policy specifies that once the connection has been done to an informal dwelling under their funding, the owner will be responsible to pay for the removal of supply when relocating to a formal dwelling.

(iv) Vandalism and Theft

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

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

Issues that require action are illegal connections, vandalism, theft and occupational health and safety. Illegal electricity connections have escalated at a dramatic rate during the past financial year and there is an urgent need to electrify these informal houses.

One of the strategic solutions is the formulation of a new electricity fines system. This approach has already been approved by Council and will mean that in the near future, electricity fines will be issued to illegal electricity users in much the same manner as a traffic speeding fine is currently issued. The role out process is almost complete and it is envisaged that this approach will assist the department in limiting the number of illegal connections, until such time as the long term solution of electrification has been completed.

The illegal connections are causing continuous electricity outages throughout BCMM. The electrical equipment is designed to handle a specific load and after the designed maximum capacity has been exceeded, the system will isolate itself to protect vital equipment.

The Electricity Department is doing the utmost in trying to provide a continuous electrical service to the paying customers in BCMM. Unfortunately, the frequency and quantity of illegally connected supplies have dramatically impacted on our service delivery compliance standard. (Ref. NRS047 – Quality of Supply Standard).

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

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

3.5.4 Alternative Renewable Energy

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

BCM relies on finite fossil fuels, whether in terms of coal burned for electricity, or oil based fuels. Scientists predict that oil supplies will taper off in 30 to 50 years while coal will taper off in 200 years. However, supplies are currently becoming more and more expensive to extract as they become depleted.

The above considerations, together with the fact that BCM imports all energy from outside its borders, are a serious long-term strategic concern for the city.

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

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

The Electricity Department have engaged a number of bodies such as the CEF, DME and Eskom to discuss energy efficient methods and co-generation projects. Council has also resolved to grant permission to call for expressions of interest in pursuing studies on renewable energy projects.

3.6 Transportation

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

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

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

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

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

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

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

3.6.1 Transport Strategy

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

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

The strategy for developing the public transport system for Buffalo City is based on a substantially upgraded passenger rail service on the Mdantsane East London Development Corridor and will be the backbone of the public transport system in the City. In addition to the railway, a network of trunk-bus services at high frequency and high volume will serve Buffalo City commuters. Feeder services consisting of local buses and minibus-taxis will serve areas that have no direct connection to the railway stations and trunk bus routes. The principles of the long term strategy are illustrated below. Although every effort has been made to integrate the long term planning of the Passenger Rail Agency of South Africa (PRASA) and BCMM, the rate at which the rail service is improved is the responsibility of the PRASA and BCMM therefore does not have complete control over the roll-out of the Public Transport Plan.

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

implementation of such a system. Funding through the National Department of Transport has also been secured for the implementation.

Where the people of Buffalo City Metropolitan Municipality (BCMM) do not have the means to use private cars or public transport for daily transport to gain access to work, education and other activities the various forms of Non – Motorised Transport (NMT) become their only mode of transport.

Non-motorised Transport facilities are currently inadequately provided in Buffalo City, and the best quality facilities are found in the more developed and affluent areas of the City. Rural areas and low income areas, where pedestrian facilities are needed the most, are generally underprovided. This has a serious impact on the mobility of people living in the rural areas of BCM and negatively affects their quality of life. Many rural areas are not accessible by road based public transport and the lack of NMT facilities exacerbates the challenge of social isolation felt by many rural communities.

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

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

The current situation by which freight is transported in Buffalo City is influenced by the condition and availability of road versus rail transport infrastructure. A key determinant of the use of road over rail today is the lack of regulation applied to road transport. The consequent transport of heavy goods predominantly by road places a significant structural load on the road system, requiring a greater level of maintenance than would otherwise be required.

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

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

3.7 Solid Waste Management Services

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

Environmental functions are also underpinned by environmental legislation, both new and old. As environmental issues vary considerably, the approach to environmental management in the Metro is diverse, where it ranges from urban related activities to management of rural communal commonage areas. The department of Solid Waste Management Services is engaged in partnerships with the Department of Environmental Affairs and Development Planning, Amathole District Municipality, National Association of

Clean Air and other interested and affected parties. Functional areas that the department is responsible for are further elaborated below:

(i) Street sweeping

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

(ii) Refuse removal

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

(iii) Landfills

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

(iv) Garden transfer stations

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

(v) Waste minimization

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

3.7.1 Challenges

Landfill sites

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

Garden transfer stations

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

Waste Minimisation

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

Street Sweeping

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

Refuse removal

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

Further challenges are reflected in table B24 below:

Table B24

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

3.8 Municipal Health Services (Environmental)

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

From 1st July 2011, Municipal Health Services became a core competency of BCMM as a Metropolitan Municipality. This implies that BCMM now has to render MHS Services to areas within BCMM that were previously provided for by the Eastern Cape Department of Health e.g. in former R293 townships & rural areas of BCMM. In terms of NEMA, BCMM as a Metro has to develop an Air Quality Management Plan and a Municipal Health Service Management Plan in order to address environmental health issues.

3.8.1 Challenges

Implementation of the outcomes of the Air Quality Management Plan (Sector Plan) that is currently being developed during 2011/2012 financial year will require:

- Re-skilling of the present staff
- Establishment of AQM Programmes
- Processing of new Air Quality Licensing Applications
- Four additional staff members are needed to monitor and enforce the Pollution Control By-Laws and other Environmental Management Legislation

Implementation of the outcomes of the Municipal Health Services (Sector Plan) that is currently being developed (2011/2012) financial year which also requires the following:

- Fifteen additional staff member to cover areas within Buffalo City Metropolitan Municipality that were previously serviced by ADM and Provincial Departmental Health.
- Fund and implement MHS routine programmes and Environmental Health Special Projects.

3.9 Public Safety

Public Safety comprises of the following functional areas:

3.9.1 Traffic Services

Traffic Services provide the following services/functions:

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

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

(a) Challenges

Challenges encountered by traffic services include the following:

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

3.9.2 Law Enforcement Services

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

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

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

(a) Challenges

- Use of hawker stalls for crime related activities
- Sale of liquor to minors by liquor outlets
- Crime in the CBD's
- Theft and vandalism of municipal property
- Lack of adequate facilities, equipment and personnel

3.9.3 Fire and Rescue

Buffalo City Metropolitan Municipality Fire and Rescue Services is one of two local authorities in the Eastern Cape that operates a Hazmat Unit and a Water Rescue Unit. The training section of the Fire and Rescue Services is internationally accredited and offers various fire related training courses to both internal and external candidates.

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

- The suppression of fires
- Fire safety inspections
- Risk assessments
- Fire related training

Fire Stations are located at Fleet Street - East London, Greenfields, Dunoon Road, Western Avenue - Vincent, Mdantsane, King Williams Town and Dimbaza.

(a) Challenges

Identified challenges include the following:

- King Williams Town Fire Station is an old building that cannot accommodate specialized fire fighting vehicles.
- Delays when responding to emergencies in rural areas.
- Insufficient garage space for vehicles.

- Lack of fire hydrants in rural areas
- Fire Protection Association not established by communities, owners of the land, traditional leaders and emerging farmers to manage control, coordinate and extinguish veld fires.
- Limited resources (fire engines, personnel, and equipment).
- Fire Stations concentrated in urban areas.
- Concentration [closeness] of informal houses in informal settlements.

3.10 Community Amenities

Amenities comprises of the following sections: Sports fields; Swimming Pools; Marine Services; Resorts and the Zoo. Amenities provide for the education, conservation, sport and recreation needs of the community.

(i) Sports fields

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

(ii) Swimming Pools

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

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

There are currently 6 serviced beaches, 20 estuaries, and 1 Aquarium, with a total coastline of 68km.

(iv) Zoo

There is one Zoo located within East London which serves the community of BCMM.

(v) Resorts

The Resorts are located in Gonubie, which caters for self catering chalets and campsites/ caravans, and in Nahoon which caters for campsites/caravans.

(a) Challenges

An analysis of the environment within amenities reveals the following issues that are generic to all of the Amenities:

- i) Insufficient security at many of the amenities exposes the amenities to vandalism, theft and other crimes. This leads to additional, unplanned repairs and maintenance to amenities which impacts on the budget negatively.
- ii) The climate changes have led to excessive rainfall and storm events which increase the risk exposure of amenities; this is also applicable to the beachfront that has experienced high wave action which threatens the infrastructure.
- iii) Lacks of lower management staff in some sections such as sports fields' coastal region and swimming pools have led to a large and cumbersome span of control. In addition critical posts, such as administrative posts, within certain sections are non existent.

(a) Sports fields

The majority of the sports fields, including the rural sports fields require upgrades or maintenance of infrastructure. The ward issues raised during the public hearings meeting of the 10/06/2011 identified the following wards that require sports fields: 21, 22, 45 and 46. That translates into a backlog of 4 sports fields.

The transfer of the 2010 Legacy projects upon completion, from the Strategic Management Directorate, requires financial and human resources. An analysis of the estimated operational budget needs for the 2010 legacy stadiums reveals an amount of R20 501 811, 00 per annum (which is made up staff costs, repairs and maintenance, general expenses and new equipment) which is not budgeted for and thus can also be considered a backlog.

(b) Swimming Pools

The lack of a sufficient number of swimming pools for the historically disadvantaged communities needs to be prioritized in high population areas where no swimming pools exist currently. The current backlog for swimming pools is 2, namely: Mdantsane and Duncan Village that have no swimming pools currently. A concept plan for the redevelopment of Mdantsane Sports Complex (including a swimming pool) has been finalized, but a principle approval for the concept and identification of funding sources are required.

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

The Aquarium and the Beaches has to revisit its design and layout in order to counteract the elements of the sea which is going to affect the buildings and structures as and when major storm events occur due to climate change. The Aquarium currently needs to review its operations to align its operations with the PAAZAB operational standards and has undergone a trial audit in this regard. The current fragmented nature of the beachfront also needs to be reviewed, as it lacks integration and attractions that are expected of a metro

(d) Zoo

The Zoo currently needs to review its operations to align with the Pan African Association of Zoos, Aquariums and Botanical Gardens (PAAZAB) operational standards and has undergone a trial audit in this regard. PAAZAB operational standards has been set as the benchmark for Zoos internationally

(e) Resorts

The backlog with the Gonubie chalets is the achievement of three star grading by the Tourism Grading Council of South Africa. Currently the Gonubie chalet has a two star grading. Several issues such as fencing of the resort, upgrading of the chalets etc, need to be considered in addressing this backlog. The backlog in Nahoon Resort is the lack of chalet accommodation, as this resort only caters for camping and caravanning.

3.11 Parks, Cemeteries and Crematoria

The Department of Parks, Cemeteries and Crematoria is responsible for the rendering of services in Horticulture, Vegetation Control, Arboriculture, Cemeteries and Crematorium. The Administration Support is in-charge of the management and coordination of these services in order to contribute to the economic growth of Buffalo City.

The National Environmental Management Act (1998) (NEMA) is the overarching framework legislation for Environmental Management and protection in South Africa. NEMA leans heavily on the global ideal of sustainable development as encapsulated in the following two (2) principles;

- Environmental Management must place people and their needs at the forefront of its concern and serve their physical, psychological, developmental, cultural and social interests equitably.
- Development must be socially, environmentally and economically sustainable.

The huge inequalities and fragmentation of South Africa's past apartheid cities and towns still prevail in Buffalo City Metropolitan Municipality despite the progressive legislation in the country. The poor are still isolated from facilities such as parks and services. A committed effort to demonstrate the principles of equity, integration and sustainable development is still critical.

To this effect a programme has to be designed which will focus on the provision of community parks and development of open spaces in the poorest areas of BCMM in order to improve the sustainability and quality of these services and improve the life of these communities.

3.11.1 Horticultural Services

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

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

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

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

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

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

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

3.11.2 Cemeteries & Crematoria

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

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

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

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

Aspects to be looked at include:

- Cemeteries that meet sustainable, technical and environmental criteria are needed in order to contribute to a sustainable Buffalo City.
- Cemeteries accommodating Buffalo City's diverse cultural requirements, their functioning as significant public spaces as well as places ensuring that needs are provided for all in order to reflect a dignified city;
- Building civil society and private sector partnerships in cemetery development and management;
- Giving special attention to the indigent, respecting the needs of bereavement at burial, protecting cemeteries as public property and ensuring safe working conditions for employees working in cemeteries.

3.11.3 Challenges

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

- Lack of suitable land for the development of cemeteries
- Rapid urbanisation and high mortality rate causing strain on cemeteries
- Lack of uniform By-laws
- Poor access roads
- Criminal activity in cemeteries
- Tariff deficiencies
- Uncontrolled and increased spread invasive alien vegetation
- Environmental damage due to human behaviour and natural disasters
- Lack of access to land for the development of community parks
- Existing play parks not fully equipped
- Play parks lacking in rural areas
- Lack of funding

3.12 Disaster Management

3.12.1 Background

Disasters occur as a result of a complex inter-relationship and trigger events and often results in widespread human, economic and environmental losses. The management of disasters requires the assessment of all possible hazards risks and vulnerabilities in order to prevent mitigate and prepare for rapid response and recovery. Disaster Management requires an integrated multi sectoral, multi disciplinary approach.

Buffalo City as a Metropolitan Municipality is assigned the function of Disaster Management in terms of the Disaster Management Act 57 of 2002 and Section 155 (1)(a) of the Constitution of the Republic of South Africa [Act No 108 of 1996]. The National Policy Framework for Disaster Risk Management in South Africa [GN 654 of 2005] provides a strategic framework for the implementation of Disaster Risk Management. Disasters cut across all sectors of society, therefore more than 20 National Acts address aspects of Disaster Management.

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

BCMM is currently in the process of developing a Disaster Risk Management Policy Framework, Implementation Plan and Budget with the scheduled completion date being May 2012. The Disaster Risk Management Policy Framework, will establish the necessary structures to co-ordinate the Prevention, Mitigation and response to Disasters in BCMM by assigning roles and responsibilities to all stakeholders. The Disaster Management Centre is responsible to co-ordinate and facilitate the structures, and provide technical expertise on Disaster Risk Management.

3.12.2 Status Quo

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

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

NOTE: The impact of Climate Change and Poverty on risk and vulnerability in BCMM needs to be quantified.

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

- Lack of formal Disaster Risk Management Structures
- Poor Planning
- Poor skills and materials
- Lack of infrastructure
- Inadequate maintenance
- Incorrect actions by householders
- Litter

3.12.3 Challenges

Challenges experienced by Disaster Management relate to the following:

- Most Metropolitan and District Municipalities have implemented Disaster Management on a progressive incremental basis over a period of 10 years.
- The Disaster Management Centre is the hub that facilitates and co-ordinates the function in all sectors and at all levels.
- The current staffing of the Disaster Management Centre has five funded posts i.e. The Manager: Disaster Management, Two Disaster Management Officers (one vacant), Clerk/Typist, and Disaster Management Trainee.

- Disaster Management is a relatively new field in South Africa, this results in a very small pool of qualified and experienced practitioners.
- Disaster Management is not mainstreamed in Buffalo City Metropolitan Municipality, and the necessary structures have not been established. This results in fragmented and outdated risk data, fragmented prevention and mitigation interventions and fragmented and uncoordinated response and recovery.
- Existing policy, plans procedures and terms of reference are largely reactive and are outdated.
- The Disaster Management Centre has limited resources in terms of the operational centre and office accommodation, training and meeting facilities, information, communication and early warning equipment , and vehicles.

NOTE Poverty and climate change are largely unknown factors in Disaster Management in Buffalo City Metropolitan Municipality. Research on these phenomena and their impact in Buffalo City Metropolitan Municipality is still required.

3.13 Environmental Sustainability

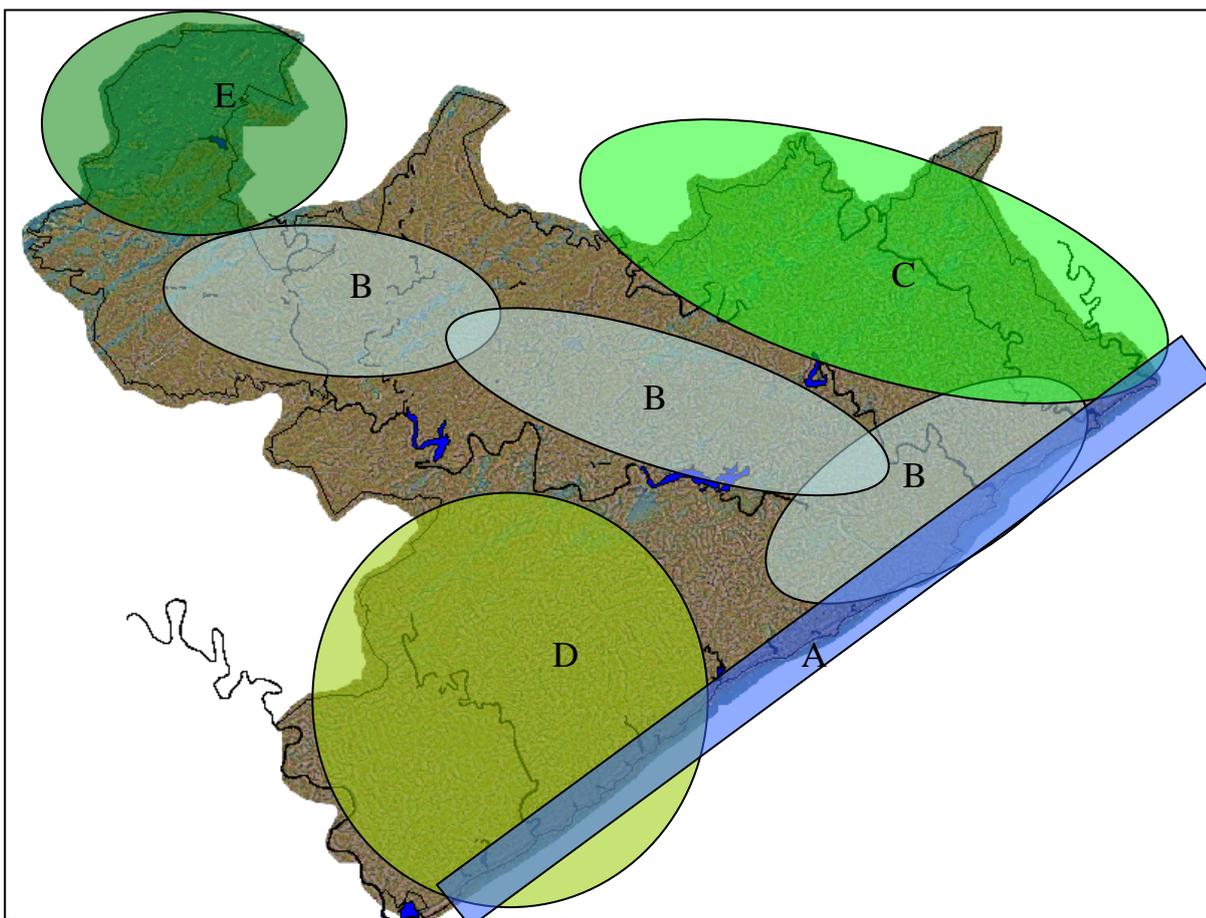


Figure 1: Diagrammatical view of the broad developmental components of BCMM.: A - Coastal environment; B - Various urban areas; C - Privately owned rural agricultural areas in the Mclean Town area; D - Communal land in the west; E - Indigenous afro-montaine and plantation forests.

The Metro has a significant obligation to ensure that the environment over which it has jurisdiction is managed in a sustainable manner, both in terms of its own activities and the activities of its citizens.

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

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

3.13.1 Climate Change and Global Warming

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

3.13.2 Sectoral Planning

Buffalo City Metro has completed the following strategic plans:

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

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

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

3.14 Townships Regeneration

3.14.1 Duncan Village Redevelopment Initiative (DVRI)

On the other side of the city, there is Duncan Village which was identified as a national priority programme by the National Department of Human Settlements to eradicate informal settlements in the area of Duncan Village and to create a sustainable human settlement, thus named the Duncan Village Redevelopment Initiative (DVRI). The DVRI intends to develop approximately 20 000 dwellings in an integrated manner, with appropriate levels of access to supportive social facilities and adequate public transport to ensure mobility of beneficiaries to be able to reach all areas of social and economic opportunity. The Duncan Village Local Spatial Development Framework (DVLSDF) gives spatial development proposals for residential development as well as specific areas or elements of the urban environment to improve the Duncan Village area. The principal proposals in this regard are:

- To redesign and redevelop a significant stretch of Douglas Smit Highway into a “Main Street” environment, with higher density residential and commercial land use.
- To develop a Mixed Land Use node and Central Market at the intersection of Douglas Smit Highway and Jabavu Street; and
- To package development proposals for Gateway development at the Fitchet Road entrance to Duncan Village.

From a broader socio-economic perspective, the LSDF proposes that it will be necessary to plan and implement several key development activities and programmes to ensure a balanced and integrated approach is maintained over an extended period of time to achieve sustainable developmental outcomes of DVRI.

However, a sizable number of services have been rendered to the area over the past few years, slightly improving the living conditions in Duncan Village, with the recent upgrading of 3.5 km of roads into surfaced standards; the replacements of ablution blocks with 26 new ones; and the construction of over 40 waste collection points. Together with these development initiatives, over 5000 households have been relocated to Reeston outside Duncan Village, leaving behind a mammoth task of relocating a further 11 000 households over the next few years. The land availability is still a challenge, as it is a cumbersome exercise to acquire state-owned land. This is impacting adversely on the implementation of the land acquisition programme which has identified 44 land parcels suitable for development of human settlements around the city for DVRI beneficiaries only.

Nevertheless, there are glaring key issues facing DVRI in order to meet the LSDF spatial proposals, thereby creating sustainable human settlements, which are as follows:

- Social facilitation to manage beneficiary registration, allocation and relocation, as well as illegal occupation of completed houses.
- Land acquisition, outside Duncan Village.
- Electrification of shacks to curb illegal connections and power failures
- Roads upgrading
- Housing construction of an additional 15 000 units

These are regarded as priority issues for the next two financial years. Nevertheless, there needs to be a vigorous fund mobilisation programme to be developed and executed so as to fund the afore-mentioned priority programmes.

4. KPA 3: LOCAL ECONOMIC DEVELOPMENT

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

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

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

- Job losses through retrenchments
- Limited investment attraction
- Declining economy
- Business relocation
- Increasing numbers of unemployment.

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

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

4.1 Agriculture and Rural Development

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

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

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

During the 2009/2010 financial year the programme has managed to link farmers to the East London IDZ to access information related to incentives, export opportunities and how the Industrial Development Zone can be of assistance to farmers. The programme has also been mobilising funds and technical assistance from

the Industrial Corporation (IDC), Eastern Cape Development Corporation (ECDC) as well as the Department of Economic Development and Environmental Affairs (DEDEA) for co-operative support funds. The programme is also assisting farmers to access land through the Department of Agriculture and Rural Development.

4.2 East London Fresh Produce Market

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

Key objective of the East London Fresh Produce Market is to transform the market and encourage participation of historically disadvantaged groups. This objective would be met by facilitating access into the market by historically disadvantaged individuals (HDI). For 2009/10 the Fresh Produce Market prioritised the following programmes extension of the sales hall, upgrading of the Sales System, Upgrading of informal traders (hawkers) storage facilities, Upgrade of cold room facilities. The extension of the sales hall is an attempt to create more trading space and thus allow access for HDI Market Agents. This is also an opportunity made available to SMME's and Cooperatives in the Agricultural produce sector.

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

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

4.3 Tourism Development and Promotion

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

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

A total budget of R1, 2 Million was allocated for tourism. As part of the tourism training and capacity building, a total of 60 tourism entrepreneurs were trained in Mdantsane, King Williams Town and East London. The training was targeting individuals who were interested in starting their tourism related businesses in the following subsectors: Bed and Breakfast, Restaurants, Tour Operators. The research that has been conducted indicates that there are a number of tourism related businesses which are operating

without following proper guidelines and policies hence the training was organized to give people an understanding of what are the processes that need to be followed when starting a tourism business.

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

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

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

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

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

4.4 SMME Development

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

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

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

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

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

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

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

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

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

4.5 Trade and Investment

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

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

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

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

5. KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

This is a key strategic area in ensuring that Buffalo City Metropolitan Municipality is well capacitated and in a healthy financial state to effectively provide service delivery within the municipal area. This section is responsible for the following

- Financials
- Revenue Management
- Financial Structure and Liquidity
- Supply Chain Management

However, it needs to be noted that some of the functional areas are not yet operational and therefore no situational analysis reporting has been done.

5.1 Financials

The section that follows provides an analysis in relation to budget and treasury, revenue management and capital raising, expenditure, financial accounting and supply chain management.

5.1.1 Summarised Financial Statement

The Financial Statements listed below relate to the last 3 years of audited financial information viz. 2010/11, 2009/10 and 2008/09.

Table B6: Income Statements for Respective Years: 1 July 2008 – 30 June 2011

	2010/11 R m	2009/10 R m	2008/9 R m
<i>INCOME</i>			
Government grants	902	803	577
Assessment rates	453	427	363
Sale of electricity	925	802	603
Sale of water	200	202	181
Other service charges	560	569	539
Total income	3 040	2 803	2 263

	2010/11 R m	2009/10 R m	2008/9 R m
<i>EXPENDITURE</i>			
Salaries	858	783	670
General expenses	929	738	810
Purchase of electricity	634	488	363
Purchase of water	137	106	103
Repairs and maintenance	193	175	117
Depreciation	503	479	412
Total expenditure	3 254	2 769	2 475
SURPLUS / (DEFICIT)	(214)	34	(212)

(Source: 2010/11 Unaudited Financial Statements)

Table B7: Balance Sheets as at 30 June 2011

	2010/11 R m	2009/10 R m	2008/9 R m
ASSETS			
Current Assets			
Cash and cash equivalents	737	559	695
Inventories	142	97	64
Trade and other receivables from exchange transactions	220	283	145
Trade and other receivables from non-exchange transactions	95	124	146
VAT receivable	39	51	38
Operating lease asset	60	56	52
Long term receivables	0	0	0
	1 293	1 170	1 140
Non-Current Assets			
Intangible assets	15	12	11
Investment properties	221	201	201
Long term receivables	0	0	0
Non-current investments	1	5	4
Property, plant and equipment	11 348	11 375	12 582
Investments in associate	12	32	4
	11 597	11 625	12 802
TOTAL ASSETS	12 890	12 795	13 942
LIABILITIES			
Current Liabilities			
Borrowings	45	30	41
Consumer deposits	34	31	28
Finance lease obligations	1	1	1
Provisions	117	119	101
Trade and other payables	376	340	298
Unspent conditional grants and receipts	346	267	282
	918	788	751
Non-Current Liabilities			
Borrowings	646	507	537
Finance lease obligations	1	1	1
Provisions	49	33	72
Retirement benefit obligation	281	261	234
	977	802	844
TOTAL LIABILITIES	1 895	1 590	1 595
NET ASSETS	10 995	11 205	12 347
NETT ASSETS			
Revaluation reserve	16	17	17

	2010/11 R m	2009/10 R m	2008/9 R m
Accumulated surplus	10 979	11 188	12 330
TOTAL NETT ASSETS	10 995	11 205	12 347

(Source: 2010/11 Unaudited Financial Statements)

(a) Financial Analysis – Selected Financial Indicators

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

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

Table B8: Income & Expenditure

	2010/11 R m	2009/10 R m	2008/09 R m
Total income	3 040	2 803	2 263
<i>% Increase over previous year</i>	8%	24%	12%
Total expenditure	3 254	2 769	2 475
<i>% Increase over previous year</i>	18%	12%	35%
Surplus / (Deficit)	(214)	34	(212)
Budgeted expenditure	3 301	2 910	2 453
<i>% Increase / (Decrease) over previous year</i>	13%	19%	31%
Salaries	858	783	670
<i>% Of income</i>	28%	28%	30%
<i>% Of expenditure</i>	26%	28%	27%
<i>% Increase over previous year</i>	10%	17%	14%
Number of employees	4 619	4 625	4 576
<i>% Increase / (Decrease) over previous year</i>	0%	1%	8%
Repairs and maintenance	193	175	117
<i>% Of expenditure</i>	6%	6%	5%
<i>% Increase / (Decrease) over previous year</i>	10%	49%	46%
Depreciation	503	479	412
<i>% Of expenditure</i>	15%	17%	16%
<i>% Increase / (Decrease) over</i>	5%	16%	68%

<i>previous year</i>			
Finance Costs	87	92	112
<i>% Of expenditure</i>	3%	3%	4%
<i>% Increase / (Decrease) over previous year</i>	(5%)	(18%)	4%
Grant Income	902	803	577
<i>% Of total income</i>	30%	29%	25%
<i>% Increase / (Decrease) over previous year</i>	12%	39%	3%

(b) Total Income versus Total Expenditure

The net deficit for the period under review amounted to R214 million. The revenue growth was lower than the expenditure grown in the past year (Revenue: 8%, Expenditure: 18%). The main contributing factors to the net deficit are the high capital charges that were the results of asset revaluation and an increase in the provision for doubtful debt.

(c) Revenue

In the 2010/11 financial year 30% of our total revenue was Government Grants (2009/10: 29%; 2008/09: 25%). Increasing tariffs to improve own revenue is still a challenge as this seems to result into a higher debtors' book due to the non affordability of consumers. This is a threat to the municipality as this means it continues to rely on grant funding in order to address service delivery backlogs.

(d) Expenditure

Although repairs and maintenance only increased by 10% in the 2010/11 financial year, it was increased drastically in the previous two years (2009/10: 49%, 2008/09: 46%). This is a positive outlook as it means that more emphasis is being placed on maintaining the infrastructure and or assets. However repairs and maintenance as the percentage of total expenditure is steadily sitting between 6% and 4% for the past three years. This means still more resources and attention need to be allocated in maintaining our assets.

Depreciation has increased drastically over the past years (2010/11: 5%; 2009/10: 69%; 2008/09: 68%) due to the revaluation of municipal assets that is required to be in compliance with GRAP. This is the main reason for reflecting a net deficit.

The focus on human resource costs as a proportion of operating income has led to a drop from 30% to 28% over the past 2 financial years. More precise budgeting has contributed to this.

(e) Capital Expenditure and Funding

The following table compares Buffalo City's actual capital expenditure, spanning the three years 2008/09 to 2010/11.

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

Capital spending has decreased to 53% of budgeted funding when compared to the previous year (2009/10: 58%, 2008/09: 53%). This might be due to the fact that the capital budget has drastically increased in the past years and the municipality is still to increase its capacity to spend the increased allocations.

Table B9: Capital Expenditure

Capital Expenditure Per Service (Rm)	2010/11 Budget R m	2010/11 Actual R m	2009/10 Budget R m	2009/10 Actual R m	2008/09 Budget R m	2008/09 Actual R m
Housing	23.5	6.3	36.3	25.9	27.9	0.2
Electricity	69.4	57.6	63.2	68.5	101	78
Market	8.3	4.4	5.8	2.0	3.1	0.6
Water	108.1	75.3	51.7	71.1	76.4	47.6
Waste Management	80.3	68.9	49.7	86.7	95	53
Roads	97.8	79.2	108.6	126.9	121	72
Other	367.1	106	421.1	48.8	260	115
Total Capital Expenditure	754.5	397.7	736.4	429.9	684.9	366.8

Table B10: Capital Expenditure per Funding Source

Capital Expenditure Funding Source (Rm)	2010/11 Budget R m	2010/11 Actual R m	2009/10 Budget R m	2009/10 Actual R m	2008/09 Budget R m	2008/09 Actual R m
Grant Funding	434.4	228.6	365.3	237.5	301.4	164.2
Loan Funding	72.3	53.7	162.7	97.2	206	126.8
Own Funding	247.8	115.4	208.4	95.2	177.3	75.8
Total Capital Expenditure	754.5	397.7	736.4	429.9	684.9	366.8

The table above reflects that the capital budget is currently mainly depending on grant funding. In 2010/11 financial year 58% of the capital budget was funded through grant funding (2009/10: 50%; 2008/09: 44%) followed by own funding of 33% (2009/10: 28%; 2008/09: 26%) and loan funding of 9% (2009/10: 22%; 2008/09: 30%).

(f) Financial Profile

BCMM's cash generation remains stable. While own funds invested have increased slightly, there is an increase in debtors both current and long-term. The effects of the global economic crisis are also a cause of real concern to the City. Operations have settled and tight cash controls have ensured that cash optimization in spending occurs rather than a focus on cash generation. An area needing close monitoring will be that of revenue collection so that it can be improved. This is critical to the financial sustainability of the City.

Net assets remain strong and the slight decrease is mainly attributable to utilisation of the long-term borrowing facility available to the City. The ability to meet short-term commitments, has remained, the key strength of the balance sheet, whilst debtors have increased significantly from 2008/09 to 2010/11. Cash and cash investments increased from the 2009/10 financial period to the 2010/11 financial year due to prudent budgeting; cash-vetting before project spending takes place, increase in consumer debtors and current economic environment. Tight controls have been placed on monitoring projects funded externally. This means project spend only occurs when Buffalo City's is certain that cash is available and bridging finance for external public sector institutions is minimized.

Table B11: Revenue Management and Liquidity

REVENUE MANAGEMENT	2010/11	2009/10	2008/09
Annual debtors collection rate		93.58%	93.80%
Net debtors to annual income		14.70%	13.10%
Days debtors		54	47.8

outstanding			
LIQUIDITY	Jun-11	Jun-10	Jun-09
Current ratio	1.41	1.45	1.67
Liquid ratio	0.80	0.70	1.02

5.2 Revenue management

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

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

5.3 Financial Structure/Liquidity

Structural improvements in the finances show that:

- The total debt to total income ratio has increased to 32.32% for the period under review (2009/10: 27.41%; 2008/09: 28.40%). This is still in line with National Treasury targets (35%). Debt capacity remains a strong intangible asset of the municipality to weather future capital infrastructure expenditure shocks. The City has an existing facility with DBSA, once fully taken up the City's ratio will be at 39.31%, 4% above National Treasury's target. The City will therefore exhaust its long-term borrowing capacity and will not be able to borrow any additional funding for Capital Projects in the near future unless it can expand its revenue base.
- An analysis of long-term debt maturity profile reveals no undue maturity concentrations, with the majority of long term outstanding debt spread fairly evenly between 2010/11 and 2029/30. Maturity dates will require conservative operational budgets, whilst the municipality gears up for stringent debt, asset and cash management.
- Slowed capital expenditure, although not desirable, has proven to bring alleviation to the operational budget and true tariffs payable by ratepayers.
- Both the current and liquidity ratio's need to improve, the standard set for current ratio is 2:1 and the City is currently at 1.41:1, this is a dramatic decline over the past 4 financial years. Likewise the liquidity standard is 1:1, the City is experiencing a rate of 0.8:1. Worrying is the decline over the past 4 years which is threatening the ability of the city to honour its short term debts in the near future.

Table B12: Borrowing Management

	2010/11	2009/10	2008/09
Total debt to total asset ratio	5.36%	3.80%	4.60%
Interest bearing debt / Total income	32.32%	27.41%	28.40%
Average Interest Paid on Debt	10.30%	10.69%	11.50%
Capital Charges to Operating Expenditure	15.57%	21.92%	13.50%

Table B13: Assets (PPE)

	Cost	Accumulated Depreciation	Carrying Value
	R m	R m	R m
Fixed Assets	12 466	(1 328)	11 138
Movable Assets	352	(142)	210
TOTAL	12 818	(1 470)	11 348

5.4 Supply Chain Management

The format of the Supply Chain Management System as per the Municipal Finance Management Regulations, (9) of the MFMA regulation is as follows:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Risk Management
- Performance Management

Buffalo City Metropolitan Municipality has adopted the following model in its Supply Chain Management Unit:

- Acquisition Management
- Contracts and Risk Management
- Supplier development
- Logistics and Warehouse Management
- Trade Creditors Accounts Management

These sections within the Supply Chain Management unit have the following functions or outputs required.

(a) Acquisition Management (has two components)

Demand planning process: the institutionalization of the planning process to ensure balancing of the budgets needs as informed by the IDP vs. activities for the institution.

Sourcing Strategies: Buying function for different items as per the requirements of the departments using a quotation system (vales <R30000) through the rotation of suppliers from our **accredited database, in a cost effective manner.**

(b) Contracts and Risk Management (has three components)

Contracts Management: deals with procurement of goods and services above >R30 000 through a competitive bidding process, to enable both parties to a contract to meet their obligations in order to deliver the objectives required from the contract.

Performance Management: It involves provision of an internal monitoring system in order to determine on the basis of retrospective analysis, whether the authorized supply chain management processes are being followed and whether the desired objectives are being achieved.

Risk Management: This refers to the optimization of the efficiency, effectiveness and economy of the service or relationship described by the contract, balancing costs against risks (and taking appropriate actions to mitigate the impact of risk) in the supply chain management system.

(c) Supplier development

Stakeholder's relations: training and capacitating of the SMMEs, Cooperatives with regards to the procurement processes of Buffalo City Metropolitan Municipality.

Improving on-time delivery: Suppliers to understand the criticalness goods and services can provide major competitive benefits, in the form of lower costs, improved quality, on-time delivery and customer service, hence the introduction of the supplier development unit to develop and train our suppliers to be competitive and able to deliver the required services on time.

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

Database development and maintenance: population of a credible, updated and reliable database for all service provider, categorized according to commodities of supplies.

(d) Logistics and logistics management (has three components)

Warehousing and storage of inventory: The coordination of services of the institution and storage of goods procured for the institution.

Inventory and Management: purchased inventory as consumables of the institution is received, kept (at minimal acceptable levels) and managed in this section for the use by the line departments.

Disposal Management: a system for an effective disposal or letting of assets, including unserviceable, redundant or obsolete assets.

The situational analysis of the BCMM Supply Chain Management system is revealing the following and possible solutions are also provided:

2.2.1 Challenges

Challenges encountered by the Supply Chain Management Unit relate to the following:

- (i) Buffalo City Metropolitan policy on SCM was last reviewed in 2009 by council and is therefore outdated;
- (ii) Demand management has not been institutionalized and the function is not staffed.
- (iii) Rotation of service providers not adhered to;
- (iv) Cost effective procurement through quotations not followed;
- (v) Bid Committees secretariat not located within the system;
- (vi) Preferential procurement from previously disadvantaged individuals relies on procurement points allocation for all service providers;
- (vii) Risk and performance components of procurement strategies of the institution not functional;
- (viii) The section has not been budgeted and therefore staffed, and has not been factored into the strategic function of the supply chain system of the institution;
- (ix) The disposal section or component of the section is not functional;
- (x) The section operates within the Supply Chain building while another section (sundry creditors) is operated downtown, and exposes the vulnerable controls of procurement systems and payment to corrupt practices;

The above analysis gives an ideal situation which will allow the output and outcomes of the Supply Chain System of the municipality to be realized {as derived from the applicable legislations and policy, i.e BCM SCM policy, MFMA, BBBEE and PPPFA} aimed at not only procuring services and goods of the municipality as per the IDP strategic objectives and within the available budget and period, but also to skew the procurement spent in a manner that will ensure a Supply Chain System that assists in job Creation in the region, beneficiation of vulnerable groups (women, youth, disabled and historically disadvantaged groups), promotion of skills and capacitating small businesses, circulation of the rand spent within the BCMM area to boost and encourage the economy within the region.

6. KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

- Corporate Governance;
- Corporate Planning and IDP;
- Organisational Performance;

- Public Participation;
- Special Programmes vulnerable groups (cross cutting issues); and
- Communications and Marketing.

6.1 Corporate Governance

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

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

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

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

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

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

(a) Risk and Fraud Mitigation

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

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

A similar situation exists with Fraud Mitigation. A draft Strategy document has been compiled and submitted for consideration. There is a need to identify dedicated resources for this activity and resource capacity constraints hinder implementation of this strategy. The number of detected cases of fraud and related

irregularities within the Municipality is cause for concern. The resources required for implementation will require to be considered during future budgetary cycles.

(b) Internal Audit / Audit Committee

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

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

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

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

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

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

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

(c) Compliance

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

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

(d) Legal

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

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

6.2 Corporate Planning and IDP

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

- i. Links, integrates and co-ordinates plans and take into account proposals for the development of the municipality;
- ii. Aligns the resources and capacity of the municipality with the implementation of the plan;
- iii. Forms the policy framework and general basis on which annual budgets must be based

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

Buffalo City Metropolitan Municipality has developed and adopted a five year Corporate Plan for the period 2011-2016. The plan is currently under review towards the 2012/13 financial year.

Challenges

Even though strides have been made with regard to development and annual reviews of the Corporate Plan there still remains a few recurring institutional challenges, which relate to the following:

- IDP strategic working groups are still not able to fully function independently and carry out activities as outlined in the process plan. These strategic working groups have been aligned to the newly established Executive Directorates, namely, Municipal Services, Development Planning and Management, Development Facilitation and Partnerships, Finance and Support Services, and Strategic Management.
- Alignment of the Integrated Development Plan and Budget, even though to a certain extent alignment could be established it still remains a challenge to explicitly demonstrate a 100% alignment of the IDP and Budget.
- Alignment between the IDP and PMS is still not at optimum levels
- There are also limitations within the institution in terms of fully comprehending the concept of integrated development planning, particularly the fact that it should inform and guide all planning, decisions and developments within the municipality.
- A process to develop a long term City Development Strategy has been initiated however it has not yet been completed

6.3 Organisational Performance

Performance Management fulfils the implementation of the Integrated Development Plan and is measured and reported on a monthly, quarterly and annual basis. The targets of the Municipality as reflected in the IDP find expression in Institutional Scorecard and Service Delivery and Budget Implementation Plan(SDBIP).SDBIP forms the basis for Directorate Scorecard, Performance Plans of section 57 managers and hold them accountable. The performance of an organization is integrally linked to that of its staff. It is critical and important for any organization to periodically review its own performance as well as that of its employees to flag areas that need attention and to understand how well or bad the organization or individuals are doing.. In order to comply with legislation and to improve on good governance and service delivery it is essential for municipality to adopt a policy on Institutional and individual performance management. On the 28 August 2007 Council approved Framework for Institutional Performance Management and the reviewed on 27 September 2011. The Framework contains an annual work plan with processes to be followed in developing and implementing Performance Management.

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

(a) Some Institutional Challenges

Challenges encountered in relation to organisational performance relate to the following:

- Non involvement of communities in setting of key performance indicators.
- Lack of integration between formal reporting and reporting to communities, e.g. performance is reported quarterly in addition to that, political leadership should also report to communities regularly on municipal performance.
- Lack of integrated municipal planning and reporting on basic services
- Managing change process in IDP/PMS to be perceived as a line function responsibility
- Managing and reporting Service Provider's performance is still a challenge

6.4 Public Participation

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

(a) Mechanisms to promote a culture of community participation

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

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

(b) Involving our communities

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

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

(c) Mechanisms in brief

Table B26

Requirement	Tools	Example
'Inform'	Ward Committees	These are critical platforms or organs of peoples power our communities use to interface with their municipality. Informing the community of council decisions, community rights and duties, municipal affairs etc. Community informing ward councillor of their concerns.
	Public meeting or imbizo	Informing the community of council decisions, community rights and duties, municipal affairs etc. Community informing councillors and officials of their issues that concerns its inhabitants.
	Council meetings open to public	Informing the community of council decisions, community rights and duties, municipal affairs etc.
	Annual report	Informing the community of municipal activities
	Surveys	Informing the municipality of the needs of a local ward, or of the levels of satisfaction with the delivery of a service like electricity.
	Newsletter	Informing the community of council decisions and municipal affairs.
	Posters, loudhailers, banners, email notification, media adverts	Inform public of an event or meeting, eg council meeting or imbizo
	Access to Information Act Manual	Communities and stakeholders are allowed by law to access information.
	State of the City Address	The Executive Mayor outlines the programme for the year and how our communities can track municipal service delivery programmes
	Community Development Workers	whose key task is to improve service delivery, accessibility and to ensure that there's constant interaction between government and communities
	IDP Stakeholder / Rep forum	Municipality involves stakeholders in the IDP, Budget, Performance management system, performance assessment and service delivery agreements processes.

6.5 Special Programmes Vulnerable Groups (Cross-Cutting Issues)

The Buffalo City Metropolitan Municipality (BCMM) has acknowledged that social, political and economic inequalities occur across large areas of the metro as residents may live, work and socialize in various

localities and it is this very phenomena of complex and diversified economies which places increased burdens on the metro and worsens the plight of the marginalized within society.

Of specific concern to the metro are those vulnerable groups within communities who are most often marginalized or excluded from the mainstream economy and to this end within the Integrated Development Plan; HIV and AIDS, Gender, Disability, Older Persons, Youth and Children are deemed as Special Programmes Vulnerable Groups (Cross-Cutting issues). Additional Local Agenda 21 cross-cutting issues include poverty and the environment.

Each of the Special Programmes Focal Areas has a dedicated BC Metro Strategy which has common priority areas related to mainstreaming, decreasing vulnerability, access to basic services, public participation in municipal processes and moral regeneration.

During the FY11/12 the metro's Women's, Youth, Disability and Older Persons Forums along with the Women's Caucus and Metro AIDS Council will seek to ensure mainstreaming and participation of vulnerable groups within metro planning processes.

Notwithstanding the targets set by the 8 Millennium Development Goals and the 12 Outcomes of Local Government which address vulnerability through poverty, food security, environmental protection, educational outcomes, gender inequalities, health outcomes and access to services, the UNDP recommends the localization of indicators so that these are applicable to the local authority and are monitored on a regular basis.

6.5.1 Reducing Vulnerability through Mainstreaming Special Programmes Cross-Cutting Issues

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

Implementing and documenting practical IDP mainstreaming remains a challenge which that clusters grapple in that firstly; how the cross-cutting issues are impacted on by their municipal service delivery and secondly; how the cross-cutting issues impact on their directorates' delivering of municipal services. Last but not least, each directorate needs to undertake a situational analysis and asses as to where they have a comparative advantage in relation to expanding the positive impacts of their core business and eliminating or mitigating any negative impacts thereof in relation to the cross-cutting issues.

- The metro is committed to investing in the community's human capital skills base through creating economic growth, income generation, reducing unemployment and improving the quality of life of inhabitants. The 2010 Eastern Cape matric pass rate of 59% was lower than the SA rate of 68%. Just over 1/3 of the metro's population are employed with 80% earning less than R1600 pm thereby increasing the sensitiveness of vulnerable groups to economic fluctuations. Currently 32% of the potential ratepayers are indigent. Within the metro 65% of the unemployed population is younger than 29 years and less than 2% possess a university degree. The metro has 3 Youth Advisory Centers which offer career guidance, job marketing skills and entrepreneurial opportunities to youth. The BC Metro Bursary Fund provides assistance to deserving youth pursuing scarce skills qualifications. It has been documented that the metro has a greater ability (in comparison to the Eastern Cape Province), to provide access to employment, health care, education and basic services.

- Vulnerability reduction of marginalized groups e.g. persons with disabilities, women, children and the older person especially in the rural areas through addressing basic household services' health needs and service delivery backlogs coupled with meaningful participation of these groups within their communities and government processes, addresses gender inequality and reduces poverty. Women are proportionally more likely to be poorer than their male counterparts whilst children are the most vulnerable to poverty and its cycle of hunger, illiteracy, school dropouts, crime early sexual debuts, teenage pregnancy and HIV infection. The SA HIV infection prevalence rate has escalated from 5.3 million in 2009 to 5.575 million in 2010. More than half of those HIV infections were adult females with the number of infected children escalating from 334 00 in 2009 to 518 000 in 2010. The already high levels of poverty and rising Orphans and Vulnerable Children (OVC) population exacerbate and place additional strain on the metro's resources as the demand for service delivery and indigent benefits increases and the inversely proportional ability to generate revenue decreases. It is estimated that approximately 2 million orphans have lost either one or both parents to AIDS and the average life expectancy of South Africans has diminished to less than 50 years with a resulted decrease in the labour force of 21%,
- Last but not least, development and service delivery must be counter balanced with sustainability of the natural environment and to this end; the metro will strive for the promotion of spatial integration, social development, justice, equity, economic prosperity and local democracy through the provision of affordable and efficient services.

HIV and AIDS is synonymous with vulnerability and it is estimated that almost half of the countries HIV+ population is concentrated within the 9 metropolitan areas with the majority of infections within the urban precincts. There are clear linkages between informal housing increasing vulnerability to HIV infection versus that of formal human settlements. The pandemic continues to exacerbate the levels of poverty, unemployment, informal housing/ slums, low economic growth, low education, decreased skills levels and reduced human capital. HIV and AIDS remains a large and growing threat to the metro's development trajectory which can only be addressed through addressing HIV through integrated and strategic human settlement initiatives.

According to Census 2001, approximately 5% of Buffalo City's population lives with disabilities. Obtaining updated statistics in relation to the disabled community within the metro remains a challenge due to stigma and non access to facilities and services by this community.

The metro has a growing vulnerable older person's population which is projected to increase from 8% to 10, 5% by 2015.

For the metro to be sustainable, mainstreaming of the MDGs and 12 Outcomes of Local Government should be viewed or understood as being within the core business of each of the metro's service delivery units.

6.6 Communications and Marketing

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

6.6.1 Communication

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

6.6.2 Intergovernmental Relations

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

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

6.6.3 Development Cooperation and International Relations

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

(a) Highlights of scope covered

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

The critical focus areas for the metro on international relations and development cooperation would be to optimise development cooperation efforts in the South, i.e. South-South partnerships within South Africa and in Africa therefore realising the African Agenda. Furthermore, the municipality would need to maintain existing partnership agreements and the sign new strategic agreements to gain competitive advantage for economic growth and develop municipal and city capacity.

6.6.4 Customer Relationship Management

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

Matters for consideration by Buffalo City Metro would include capacity, skills and resource constraints which remain a problem in the municipal environment. Internal streamlining will also need to be aligned as it provides a major stumbling block in providing adequate service delivery. Furthermore, blockages need to be

removed, processes need to be streamlined and systems need to be put in place to avoid bottlenecks and misinformation. Customer relationship management can provide immense opportunity for turning negative perceptions into a positive image of the City.

7. Summary of Ward Priorities

Section 28 (1) of the Municipal Systems Act 32 of 2000, as amended, stipulates that “each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan”. A process plan as per this provision details the various phases that must be followed in the development and review of the integrated development plan. One of the initial phases is the situation analysis. The key purpose of the situation analysis phase is to find out “what is the status quo” and to ensure that decisions will be based on:

- People’s priority needs and problems;
- Knowledge of available and accessible resources; and
- Proper information and understanding of the dynamics influencing development within the municipality.

Section 16 (1)(a) of the same Municipal Systems Act further states that a municipality must “encourage and create conditions for the local community to participate in the affairs of the municipality”, including in:

- (i) the preparation, implementation and review of its integrated development plan

In line with the above, all BCMM Ward Councillors were requested to consult with their wards and prioritise their top five key service delivery issues which would be considered as part of the review process towards the 2012/13 IDP/Budget review.

Ward Councillors were provided with templates to use in capturing ward priorities. To date priorities have been received from all wards. Key issues raised by BCMM wards are summarised in the table below:

Issue	Description	Affected Wards	Total Wards
1. Roads and storm water drainage	<ul style="list-style-type: none"> • Upgrading of roads • Maintenance of roads • Fixing of potholes • Access roads • Cleaning of blocked storm water drains 	2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39 40, 43, 44, 45, 46, 49, 48, 50	43
2. Community facilities	<ul style="list-style-type: none"> • Community halls • Recreational parks • Libraries • Sports fields / facilities • Cemeteries 	2, 3, 4, 7, 9, 11, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40 ,41, 42, 43, 44, 45, 46	35
3. Housing and Land	<ul style="list-style-type: none"> • Requests for new housing development • Removal of illegal occupants • Registration and relocation of informal settlements 	2, 6, 8, 9, 11, 12, 13, 14, 17, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 34, 36, 37, 40, 42, 43, 44, 45, 47, 48, 49, 50	33

Issue	Description	Affected Wards	Total Wards
	<ul style="list-style-type: none"> Land requests for housing development 		
4. Electricity	<ul style="list-style-type: none"> Requests for streetlights and highmast lights Electrification of new areas Electrification of informal settlements 	1, 2, 3, 5, 7, 8, 10, 11, 12, 13, 14, 15, 17, 18, 23, 24, 25, 27, 28, 29, 30, 32, 35, 36, 38, 42, 43, 44, 45, 49, 48, 50	32
5. Water and sanitation	<ul style="list-style-type: none"> Requests for potable running water New/additional standpipes Toilets / eradication of the bucket system Upgrade of the sewerage system 	8, 9, 11, 12, 13, 15, 17, 24, 26, 27, 32, 33, 35, 39, 40, 41, 44, 42, 45, 49	20
6. Solid Waste management and cleansing	<ul style="list-style-type: none"> Refuse removal Bush clearing Grass cutting Beautification 	1, 3, 5, 7, 10, 12, 14, 15, 16, 18, 37, 44, 48, 49	14
7. Transport planning	<ul style="list-style-type: none"> Speed humps Bridges Footbridges Sidewalks Pedestrian crossings Taxi ranks 	5, 8, 14, 16, 23, 25, 28, 41, 44, 47, 48, 49	12
8. Local Economic Development	<ul style="list-style-type: none"> Job creation High rate of unemployment Capacity building and empowerment Street trading regulation 	1, 6, 11, 19, 21, 44, 47, 48	8

SECTION C

SPATIAL DEVELOPMENT FRAMEWORK

1. Introduction

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

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

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

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

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

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

2. Key Informants of the Spatial Development Framework

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

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

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

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

3. Spatial Development Scenario

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

In this regard, the Buffalo City IDP notes that:

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

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

4. Spatial Development Objectives & Strategies

The following issues, objectives and strategies were identified in the IDP 2012-2013:

Priority Area	Strategic Objective	Objective	Strategy
Spatial Planning	BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality	To plan for integrated sustainable human settlements.	Prepare Township Establishment plans
		To guide an integrated spatial development and growth in BCMM	Generate Local Spatial Development Frameworks

5. Proposed Spatial Structure of Buffalo City

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

5.1 Conceptual Approach to Spatial Elements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Such a conceptual framework would enable a close relationship to develop between urban and rural settlements. There is a danger that urban sprawl could erode valuable agricultural land if it continues unchecked. Accordingly, it is believed essential that increased densities close to transport and economic centres are a vital strategy.

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

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

5.2 Spatial Structuring Elements in Buffalo City

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

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

5.2.1 Definitions

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

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

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

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

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

- 5. Densification/Residential Intensification** – is the process whereby residential densities (the number of dwellings per hectare) are increased in a planned and meaningful manner within the existing boundaries of a specific area.
- 6. Mixed Uses** – Mixed-Use development is the horizontal and vertical integration of suitable and compatible residential and non-residential land uses within the same area or on the same parcel of land. It is aimed at facilitating a wide range of residential types within close proximity to employment, educational, social and recreational opportunities.

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

5.2.2 Development Nodes

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

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

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

Specific preferred land use outcomes and associated land use management guidelines are outlined in the various Local Spatial Development Frameworks (LSDF) approved by council and which now form part of the

SDF. Please refer to the City Planning Division to find out if there is a LSDF for your area before proceeding with any development.

5.2.3 Development Corridors

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

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

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

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

5.2.4 Open Space System/Environmental Network

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

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

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

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

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

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

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

5.2.5 The Urban Edge

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

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

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

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

The Urban Edge is used to:

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

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

5.2.6 Densification and Erf Sizes

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

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

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

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

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

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

5.2.7 Mixed Uses

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

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

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

6. Special Development Areas

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

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

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

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

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

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

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

7. Existing Local Spatial Development Frameworks:

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

- Vincent Berea LSDF
- West Bank LSDF
- Mount Ruth Nodal Framework Plan
- Quenera LSDF

- Mount Coke Dimbaza LSDF
- Urban Edge Policy Framework
- Bonza Bay LSDF
- Duncan Village LSDF
- Beach Front LSDF

8. Spatial Planning & Land Use Programmes

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

The three spatial development programmes are noted as: -

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

8.1 The Urban and Rural Forward Planning Programme: 2012 - 2015

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

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

The following LSDF's have been identified as priority Urban and Rural Forward Planning projects for the next three years, to give effect to the directions established in this SDF.

2012/2013	2013/2014	2014/2015
Completion of the following LSDF's i.e. Gonubie Main Road, Kwelera, Bhisho – KWT, Mdantsane and the Review of the BCMM SDF.	Newlands LSDF	Settlersway LSDF
Homehill LSDF	Southernwood/ Belgravia LSDF	Amalinda LSDF
Vincent Berea LSDF Review		

8.2 The Settlement Planning Programme: 2012 - 2015

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

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

The following Settlement Planning Programmes are scheduled to be undertaken during the next three years, in support of the overall BCMM SDF and the LSDF's prepared for the respective areas.

2012/2013	2013/2014	2014/2015
Duncan Village Township Establishment Programme	Duncan Village Township Establishment Programme	Duncan Village Township Establishment Programme
Township Establishment for East Bank Restitution, Phase 01 ; Berlin / Lingelitsha ; Mzamomhle Informal Settlement	Township Establishment for East Bank Restitution, Phase 01 ; Bhisho / Breidbach	Township Establishment for East Bank Restitution, Phase 02
Urban Management Plan for Informal Settlements	Informal Settlement Programme: In-situ Upgrading of High & Medium Priority Settlements	Informal Settlement Programme: In-situ Upgrading of High & Medium Priority Settlements
Land Identification Study for relocation of High Priority Informal Settlements	Township Establishment for Infill Areas located in Mdantsane	Township Establishment for Infill Areas located in Mdantsane
In-situ upgrading of 3 informal settlements	Rural Settlement Planning Programme, Phase 03	
Rural Settlement Planning Programme, Phase 02		

8.3 Land Use Management

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

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

SECTION D

DRAFT OBJECTIVES, STRATEGIES, INDICATORS, TARGETS AND PROJECTS

1. DRAFT OBJECTIVES, STRATEGIES, INDICATORS AND TARGETS

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name
						2012/2013	2013/2014	2014/2015	
KEY PERFORMANCE AREA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT									
Human Resources	Develop an effective and efficient human capital to enhance service delivery	Reviewal of existing organogram, development, adoption and implementation of a new micro organogram	MTOD01	Revised Metro structure	Existing BCMM structure	Completion and approval of the Micro Structure and migration of staff to structure.	Review of organogram	Maintenance of organogram	
		Maintenance of Discipline in the work place	MTOD02	Reduction in the time for completion of Disciplinary cases	Approximately 8 months	70 % of cases concluded within 6 months	80 % of cases concluded within 6 months	90 % of cases concluded within 6 months	
		Management of time and attendance, absenteeism and overtime	MTOD03	Reduction in the absenteeism rate.	11%	2% due to scoping exercise.	5% reduction over the baseline of 2011/2012	2% reduction over the baseline of 2012/2013	Electronic attendance control system
		Capacitation of human capital	MTOD04	% staff budget actually spent on approved workskills plan	1.52%	1.60%	1.70%	1.80%	Skills Development

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
		Creation of a healthy working environment	MTOD05	Increase in the number of wellness programmes	8	10	12	16	Wellness Programmes
ICT & GIS	Provide an effective and efficient information and communication Technology to BCMM Internal and External Customers	Integrate ICT business processes and system	MTOD06	Milestones towards business processes re-engineering	0	Business process Feasibility Study.	Model for Business process re-engineering.	Work flow process adopted	IT Business re-engineering
									IT Systems (Asset management , SCM, Budget forecasting, and modeling, Demand Management, Fuel Management, Stock Coding
		Implement Disaster Recovery Plan	MTOD07	Established ICT Disaster Centre	0	Scope, procure and implement disaster recovery Centre	0	0	Disaster recovery centre
		Improve and maintain BCMM backbone network	MTOD08	Increased uptime on lines.	90%	92%	94%	98%	Upgrade of BCMM Network up grade (Including GIS on the internet)
								Procurement of new computing equipment-BCMM	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
		Telecommunication and IT systems that are internally and internationally compatible.	MTOD09	Compatible Telecommunication and IT system.	Nil	Completed business case study and feasibility study.	Source and obtain funding	Procurement and implement.	IT Infrastructure Network
		Deployment of GIS on the internet and intranet	MTOD10	Aerial Photography 2012 on the intranet	2008 Aerial photography on intranet	50 % of server space upgraded	100%	0	Upgrade of GIS San Server space
				Access to GIS website	CITY MAP on intranet	99.89% uptime of the website	99.89% uptime of the website	99.89% uptime of the website	GIS on the Internet (Existing)
Records and documents management	Providing an efficient safe accessible document management environment .	Migrate hard copies of documents and files through to soft copy.	MTOD11	All documents held by the Archives Dept for the year 2010 captured into system.	2011 data captured	All documents held by the Archives Dept for the year 2010 captured into system.	All documents held by the Archives Dept for the year 2009 captured into system.	All documents held by the Archives Dept for the year 2008 captured into system.	Upgrade of BCMM off-site building to store vital documents and a backup server (e.g. Bhishe / KWT)
									Migration of BCMM documents to EDMS
									Increase in the number of licenses
									Development and Review of By-Laws
Facilities Management	Centralization of BCMM Facilities Management	Integration of BCMM Facilities Management	MTOD12	One-stop-shop for facilities management of buildings and housing	Fragmented management of facilities	Partial integration & resourcing by 10%	Partial integration & resourcing by 50%	Full integration and resourcing	Maintenance Policy

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
KEY PERFORMANCE AREA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
Sustainable Human Settlements	To improve the quality of life through provision of formal houses	Provision of formal houses as part of Integrated Sustainable Human Settlements.	BSDID01	Number of top structures and serviced sites provided.	680 = Top Structures & 218 = Serviced Sites	1483 = Top Structure & 1850 = Serviced Sites	1011 = Top Structure & 2220 = Serviced Sites	1900 = Top Structure = & 1500 = Serviced Sites	Duncan Village TRA site: block yard TRA, Mdantsane Access Road
									Housing Projects (refer to the list of projects below)
									Reconstruction of Storm Damaged Houses
									Housing Needs Database and housing accreditation
		Relocation of beneficiaries to formal houses	BSDID02	Number of beneficiaries relocated	0	925	2965	4760	Relocation of beneficiaries
									Beneficiary Education
Energy & Electricity	To ensure a seamless and coordinated provision of	Interface service delivery management systems	BSDID03	Number of service delivery systems interfaced	0	1 (BOP for Roads & Stormwater and Solid Waste collection)	1 (BOP for Internal Services and Housing)	1 (BOP for Internal Services and Planning)	

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name
						2012/2013	2013/2014	2014/2015	
	municipal services	Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained	BSDID04	Number of formal households with access to basic electricity (20 amps single connection)	104 000	300	300	300	
				Number of high mast lights installed in informal settlements	3	10	10	10	High Mast lights in rural and informal settlements
				Number of new households (RDP) provided with electricity connections	1200	1500	1500	1500	Reeston, Potsdam unit P, Infills mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village
				Backlog of electricity connections to consumer units	750	450	200	0	Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name		
						2012/2013	2013/2014	2014/2015			
				Number of informal dwellings provided with the basic service of electricity	0	300	500	1000	DVRI Area		
				Number of households provided with access to Free Basic Electricity	62500	64000	65500	67000	BCMM low cost housing		
				Facilitate public and private sector investments and projects in renewable forms of alternative energy	BISDID05	Number of renewable energy investment projects facilitated by BCMM	2	2	2	2	Wilsonia wind turbine, Berlin PV farm, Ikwezi PV project, Wind farm, Waste conversion factory
				Number of KWh produced by alternative energy sources	300 Kw	600Kw	600KWh	600KWh			
Roads, Bridges & Storm-water	To provide an accessible all weather BCMM road network	Construct, Upgrade and maintain roads, stormwater systems & associated structures to acceptable standards	BSDID06	Kilometers of roads & associated services gravelled	50 kms	50 kms	50 kms	50 kms	Re-gravelling of BCMM roads		
				Kilometers of roads surfaced	10 kms	20 kms	20 kms	25 kms	Upgrade of Mdantsane roads and other BCMM roads		

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name
						2012/2013	2013/2014	2014/2015	
				Kilometers of existing roads & associated services maintained and rehabilitated	550 kms	600 kms	600 kms	600 kms	Blading & rehabilitation of BCMM Roads
				Development of the BCMM Roads Master plan	0	1	1	0	BCMM Roads Master Plan
				Number of Bridges rehabilitated	1 (Wesbank)	1	2	2	
Water and Sanitation	To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning by 2014	Replace, upgrade and maintain water and sanitation systems	BSDID07	Increase number of waste water treatment works which comply with green drop certification	2	3	3	4	Quenera WWTW
									Reeston WWTW
									Zwelitsha WWTW
									Diversion of Central Sewage
				Retain the Blue Drop Status for Umzonyana and KWT Water Treatment Works and obtain two (2) additional Blue Drop Certification per year for the remaining seven (7) water supply systems	2	4	6	7	1 Deferred Maintenance. ; 2 Upgrading of Umzonyana WTW ; 3 KWT and Bisho Infrastructure ; 4 Bulk Water Supply to coastal areas ; 5 Kei Road WTW

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
				Reduction in the water backlog in the number of consumer units with access to at least a potable water	224 923	226012	227412	228912	Bulkwater supply to Coastal Villages (Ward 31 and 33)
				% progress towards accreditation of the Scientific Services Laboratory	20%	40% Develop Quality Management System	60% Develop Quality Management System	80% Develop Quality Management System	
				Reduction in the sanitation backlog in the number of consumer units with access to at least a basic level of sanitation	142369	144219 (1850 units)	146519 (2300 units)	148519 (2000 unit)	Rural Sanitation
		Implementation of water conservation and demand management strategies	BSDID08	% reduction of unaccounted for water in terms of systems losses	40%	35%	30%	25%	Implementation of Water Conservation and Demand Management(Di mbaza, Duncan Village,Mdantsane,Reeston,SceneryPark,Nompumelelo,Mzomhleh,Sweetwaters,Phakamisa,Zwelitsha)

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name
						2012/2013	2013/2014	2014/2015	
Solid Waste Management	To provide an efficient and effective, collection and disposal of Solid Waste	Implement an effective waste minimization plans	BSDID09	Number of waste minimisation projects initiated	2 (3 Bag System at DV and Construction of BBC at Oriental Plaza	(3 Bag System in DV) but no funding available establishment of composting plant in Mdantsane	Roll Over of 3 Bag System to all regions and Buy Back Centre, Establishment of Recycling Drop Off Points	Roll over of these projects to all BCMM areas	
				Milestones towards construction of Central Waste Transfer Station and related infrastructure	0	Land identification , Environmental Impact Assessment, Land acquisition	Planning	Construction	
				Number of waste cells constructed at Roundhill Landfill site	2	0	1	1	
Municipal Health Services (Environmental)	Provide effective and efficient Municipal Health Services to all BCMM communities	Develop & implement Municipal Health Services Delivery Plan	BSDID10	% progress made towards the development of Municipal Health Services Plan	0	100% Council approved Municipal Health Services Plan	100% review	100% review	
				% Progress made towards the implementation of Municipal Health Service Delivery Plan	0	0	20% Implementation	100% Implementation	
Disaster Management	To build a safe and resilient city through Disaster Management	Review and implement the Disaster Management Policy in line with Disaster Management Act (2002)	BSDID11	Milestones towards the review of the Disaster Management Policy	Existing draft Disaster Management Policy	Council resolution on adoption of the Reviewed Policy	implement policy priority areas for first year	implement policy priority areas for second year	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
Fire & Rescue Services	To provide an efficient and responsive Fire & Rescue to all BCMM communities	Provision of adequate Fire & Rescue facilities in BCMM	BSDID12	Number of fire & rescue facilities built	7 fire stations	1 (Complete KWT) (Start Chalumna process)	1 (Chalumna)	1 (Newlands/Mcleantown area)	Coastal and Midland Fire Station
									KWT Fire Station
									Tsholomnqa Fire Station
Law Enforcement Services	To ensure a safe and secure environment within BCMM	Implement measures to reduce and prevent crime incidents in BCMM	BSDID13	Number of measures implemented to reduce crime incidents in the metro	60 road blocks/special programs	80	80	100	
		Progress towards the establishment of Metro Police	BSDID14	%Progress towards the establishment of Metro Police	Council resolution on establishment of Metro Police	Application submitted to the MEC	Start establishment process	Metro Police in place	
Traffic Services	To ensure a safe and secure traffic environment within BCMM	Implement measures to improve traffic safety	BSDID15	Number of measures implemented to reduce road safety	80	100 measures	100 measures	120 measures	
Amenities	To provide adequate amenities to all BCMM communities	Develop an amenities management master plan	BSDID15	% percentage progress in the development of the master plan	0	0	100%	0	
		Improve infrastructure of all amenities	BSDID16	Number of new amenities developed	117	9	10	10	Development and upgrading of Cemeteries
				Number of amenities upgraded and refurbished	44	20	19	20	Development and upgrading of Community Halls

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
									Upgrading of Sport & Recreation Facilities
Settlement planning & survey	To plan for integrated sustainable human settlements	Prepare Township Establishment plans	BSDID17	Number of layout plans completed.	15 approved township establishments	4 completed layout plans ready for approval	3 approved layout plans. 2 completed layout plans ready for approval	2 approved layout plans. 2 completed layout plans ready for approval	DVRI Township Establishment
									BCMM - Township Establishment
									Mdantsane Township Establishment
									East Bank Restitution
		Prepare Survey General Plans	BSDID18	Number of approved general plans	2	3	3	3	
Spatial Planning	To guide an integrated spatial development and growth in BCMM.	Generate Local Spatial Development Frameworks	BSDID19	Number of completed local spatial development frameworks	10 approved LSDFs	2 completed LSDFs	2 completed LSDFs	2 completed LSDFs	Local Spatial Development Framework (LSDF)
		Updated Aerial Photography	BSDID20	BCMM coverage with updated aerial photography	Aerial Photography 2008	Production of updated aerial photography	-	-	Updated Aerial Photography

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
Land Reform	To promote access to land for development of sustainable human settlements and other land related projects in the metro	Implement land acquisition & transfer	BSDID21	Number of land parcels acquired	2 land parcels a acquired	2	2	2	Land Acquisition
			BSDID22	Number of land parcels released	5 land parcels released	2	2	2	Land Release
Transport	To develop a balanced multi-modal safe and integrated transport system that promotes mobility and accessibility	Develop and review a Comprehensive Integrated Transport Plan (ITP) that is aligned to the SDF and IDP and encompasses all the strategies and projects of the department	BSDID23	% progress review of ITP	2008-2013 council approved ITP	100%	100%	100%	ITP Review
				Number of public parking aeas developed	0	CBD parking area plan completed	2 parking areas developed	2 parking areas developed	
				KMs of BRT lanes constructed	0	2	8	0	Bus Rapid Transit
				Completion of BRT Detailed Planning Phase	Detailed Operational Plan Approved	70%	100%	-	Bus Rapid Transit

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
	Provide Integrated and sustainable transport systems by implementing programmes and projects emanating from Integrated Transport Plan (ITP)	Implement the Integrated transport Plan (ITP)	BSDID24	Number of ITP projects implemented	Council approved ITP	5 projects	8 projects	10 projects	ITP implementation
Environmental management	Ensure a safe and healthy environment	Implementation of Integrated Environmental and Coastal Zone Management Plans	BSDID25	Number of programmes implemented in accordance with the Integrated Environmental and Coastal Zone Management Plans	3 (iHlanza River Care) (Nahoon River Care) (Working for the Coast)	1	1	1	Working for the Coast – Cannon Rocks to Great Kei DEA funded
		Climate Change adaptation and mitigation		Climate Change Strategy	0	Climate Change Strategy	0	0	Climate Change Strategy
				Number of Climate Change adaptation and mitigation programmes implemented	1 (ELIDZ Green Economy Strategy)	2 (East London Zoo Bio digesters) (BCMM Market Bio digester and composting)	0	6	ELIDZ Green Economy Strategy DEA funded
		Biodiversity conservation	BSDID26	Number of Biodiversity programmes implemented	2	4	6	8	Alien Eradication Programme DEA – Natural

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
				Indicator		2012/2013	2013/2014	2014/2015	
									Resource Management funded
		Environmental Education	BSDID27	Number of projects implemented in accordance with the Environmental Education Strategy	2 (International Coastal Cleanup)	4	6	8	
Township Regeneration	To improve living conditions in BCMM Townships	Develop and implement Township & CBD Regeneration Strategy to upgrade townships and CBDs, enable economic development and create jobs	BSDID28	Develop and Implement Township & CBD Regeneration Strategy	0	Complete Situation Analysis of all Townships and CBDs	Complete Township & CBD Regeneration Strategy	10% implementation of Strategies	Township & CBD Regeneration Strategy
				Facilitate Green economy investment nodal plans by No of climate change/renewable energy projects implemented	0	1 (pilot)	2	3	
				number of projects implemented to enhance labour competitiveness	Duncan Village Skills Audit	3 (internship programmes, skills development programme and ICT centre project)	5 (internship programmes, skills development programme, ICT centre, YAC, HIV/Aids education)	6 (internship programmes, skills development programme, ICT centre, YAC, HIV/Aids education and bursary fund)	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
Mechanical Workshop	Provision of effective mechanical workshop services	Increase capacity of mechanical workshop services	BSDID28	% reduction in downtime of the mechanical workshop	40% (average annual down time)	30% (reduction of downtime)	20% (reduction of down time)	10% (reduction of down time)	
Fleet Services	Effective and efficient utilization of municipal fleet	To install Fleet Management System	BSDID29	Milestones towards the installation and implementation of fleet management system	Manual monitoring of vehicles	Installation of the Fleet Management System	Implementation of the Fleet Management System	Monitoring the effective usage of the fleet management system	Installation of Fleet Management System
									BCMM Fleet
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
Economic Development	To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive,	Implement skills and sector development programmes to grow and support the economy in line with the Provincial Industrial Policy	LED01	Number of economic empowerment programmes implemented	13	15	18	20	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
	Construction, and services sectors.	Implement tourism growth and marketing programmes to position BCM as a tourism destination	LED02	Number of marketing initiatives undertaken to market the City.	14	16	18	20	Destination Marketing Programme
			LED03	Number of economic policies developed and reviewed	2	3	2	2	
		Number of special purpose vehicles operated (Support centres)		6	9	9	9	Business Support Unit Programme	
		Number of economic support programmes implemented		14	3	3	3	Enterprise Development Programme	
		Number of economic infrastructure projects implemented	4	4	4	4	Economic Infrastructure Programme		
EPWP	Creation of descent jobs	Enhance the use of labour intensive in implementing projects	LED04	Number of jobs created through EPWP	1,088	1543 FTE	1583 FTE	2000 FTE	Job Creation

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name
						2012/2013	2013/2014	2014/2015	
Arts Culture and Heritage	Preservation of local arts culture and heritage for future generations	Promotion of local arts and culture and protection and maintenance of heritage sites and the development new heritage sites	LED05	% Development of Heritage Management Strategy	0	50%	100%	0	
				No of Heritage sites maintained / upgraded	0	2	3	5	
				No of New Heritage Sites Developed	1	1	1	1	
				No of Arts & Culture Projects implemented	0	0	0	5	
Investment Facilitation	To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, Tertiary sectors to Promote Rural Development	Develop an Investment Strategy	LED05	Investment Strategy developed	0	1	1	1	
		Establish Partnerships with institutions involved in Trade and Investment Facilitation	LED06	No of Partnerships established	0	2	4	6	

Priority Area	Objective	Strategy	Strategy Code	Indicator	Baseline	Targets			Project Name
						2012/2013	2013/2014	2014/2015	
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
City Financing	To ensure that BCMM remains financially viable	Implement revenue enhancement strategies.	MFVM01	Collection rate as measured in accordance with the MSA Performance Regulations.	91%	92.00%	93%	94.50%	
				Number of debtors with Service Level Agreements	0	50,000 SLA's	100,000 SLA's	150,000 SLA's	Data Cleanup Project
				Number of accounts synchronised between billing system and the electricity pre-paid system and water management system	17 000	1000 000	0	0	
				Reduction in the billing debt book	R820m (estimate as at June 2012)	5% (41 million)	7% (57,4 million)	10% (82 million)	
				Reduction in Number of Meter Tampering	10,000	8 000	6 000	4 000	
		Prudent Municipal Investments and maintenance of a favourable cashflow	MFVM02	Ratio of current assets to current liabilities	1.5:1	1.55:1	1.6:1	1.65:1	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
		Maintain long term borrowings below NT threshold	MFVM03	Debt to revenue ratio.	23,9%	<35%	<35%	<35%	
				Amount of business processes developed to align property database	Manual processes and procedures	50%	100%	0	
				% progress towards a single access point to property information	GISTEXT (Intranet)	20%	30%	50%	
		Valuation of properties	MFVM04	Progress towards implementation of Valuation	152,000 rated properties	Perform General Valuation	Supplementary Valuations	Supplementary Valuations	General Valuations 2013 and Supplementary Valuations
Financial Reporting	Compliance with financial reporting in terms of legislated reporting requirements.	Improve Asset capacity as well as improve controls and procedures.	MFVM05	Revised controls and procedures devised to produce a credible Fixed Asset Register	Non-credible asset register as at 2010/11	Revised internal control processes adopted and implemented.	Preceding year's Auditor General report reveals substantial reduction in asset related findings.	Preceding year's Auditor General report reveals substantial reduction in asset related findings.	
		Improve Financial Accounting capacity as well as improve controls and procedures.	MFVM06	Revised controls and procedures devised to produce credible annual financial statements	Financial statements classified as adverse opinion.	Revised internal control processes adopted and implemented.	Preceding year's Auditor General report reveals substantial reduction in asset related findings.	Preceding year's Auditor General report reveals substantial reduction in asset related findings.	Accounting Reforms Project
									Audit Turnaround plan

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
		Implement integrated property information Management System and business processes.	MFVM07	Progress made towards the alignment and cleanup of property information	9 existing systems (venus,metval,Tpzone, BPS, Deeds Office, GIS Cadastral)	Property business processes completed	Property work flow implemented	-	Integrated Property Information Management System and Business Process
Supply Chain Management	To ensure effective, efficient & transparent Supply Chain Management Systems	Implement SCM processes to support the SCM Policy with linkages to EDMS.	MFVM08	Progress made towards reduction in turnaround time for the award of formal bids	Bids are awarded within 180 days from opening.	Bids are awarded within 90 days from opening	Bids are awarded within 90 days from opening	Bids are awarded within 90 days from opening	
				Amount of business processes developed to align property database	Manual processes and procedures	100% (Development of Property Business Processes)	100% (Development of Property Workflow)	0%	
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
Risk, Fraud, Internal Audit	Improve performance, compliance, processes and systems - Enhancement of performance of the institution	Development of Assurance Models	GGPP01	Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies	Existing Risk Management Framework and outdated Fraud Policy	Approval of Risk and Fraud Strategies.	Perform Fraud Risk Assessment in 2 Directorates	Perform Fraud Risk Assessment in further 2 Directorates	Fraud risk Assessment
									Combined Assurance Model

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
Performance Management	Enhancement of performance of the institution.	Development and implementation of employee performance management system	GGPP02	Bi-annual assessment of staff.	Applicable only to Section 57 employees	Implement system from City Manager to post level 15	Further implementation from post level 14 to 8	Further implementation from post level 7 to 2	Roll out of employee Performance Management System
		Development of and implementation of Change management for PMS	GGPP03	Milestones towards implementation of change management programme	0	Implement Change Management Programme from City Manager to Task Grade 8	Implement Change Management Programme from Task Grade 7 to Task Grade 2	Refresher Training and Coaching for all Change Agents across Task Grades?	
		Management of institutional performance.	GGPP04	Quarterly assessment of scorecard	Quarterly assessment of scorecard	Quarterly assessment of scorecard	Quarterly assessment of scorecard	Quarterly assessment of scorecard	
Knowledge Management	Grow the Municipality's Knowledge, creativity and innovative base and implementation of KM Strategy	Documentation & sharing of case studies and lessons learned and best practices	GGPP05	No. of case studies documented	3	1	1	1	Documentation of case studies
				Number of knowledge sharing session held	Nil	2 Knowledge sharing sessions	2 Knowledge sharing sessions	2 Knowledge sharing session	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
			Indicator			2012/2013	2013/2014	2014/2015	
Development Co-operation	Enhance development & Improve Institutional Capacity through International Partnerships	Sustain existing international partnerships	GGPP06	No of Programmes supported through existing partnerships (output)	12 (List them) Good Governance housing, Sludge management, Youth at Risk, Keys for Kids, Upgrading of Aspiranza Clinic, Safe Park, Lighting project, Hydroponics, Electricity, Floodplain, Solid Waste, Sanitation)	14 (2 new programmes)	17 (3 new programmes)	20 (3 new programmes)	
IGR	Enhance integrated planning through Intergovernmental Relations	Establish a Metro IGR and engage sector departments/ Parastatals on integrated programmes	GGPP07	No. of IGR programmes undertaken with sector departments and parastals	4 programmes (Home Affairs, Department of Education, Dept of Human Settlements; Local Government & Trad. Affairs)	7 (3 new programmes)	9 (2 new programmes)	11 (2 new programmes)	Intergovernmental relations
Public Participation	Optimise participation of communities in municipal decision making processes.	Rollout of institutional public participation programmes	GGPP08	Number of public participation activities implemented	5	7	7	7	
		Ensure Ward Committees are representative and fully involved in community consultation processes	GGPP09	Ward Committee meetings convened once in 2 months in each ward	3 (per ward)	6 (per ward)	6 (per ward)	6 (per ward)	Frequency of ward Committee meetings
				Number of Ward Public Meetings	2 (per ward)	4 (per ward)	4 (per ward)	4 (per ward)	

Priority Area	Objective	Strategy	Strategy Code		Baseline	Targets			Project Name
				Indicator		2012/2013	2013/2014	2014/2015	
Communication	Improve communication with BCMM communities & beyond	Institutionalization of Communication plan	GGPP10	No. of shared community activities implemented	4	12 [additional 8]	15 [additional 3]	17 [additional 2]	
Special Programmes	Establish an enabling environment for vulnerable groups to benefit from BCMM socio-economic agenda	Institutionalise vulnerable groups programmes (Roll-out of MDG mainstreaming framework)	GGPP12	Programmes implemented which are responsive to / in line with / taking cognizance of the MDG Mainstreaming Framework in response to MDG Mainstreaming Framework.	7programmes	5 programmes over previous years programes	5 programmes over previous years programes	5 programmes over previous years programes	MDG Framework Rollout

2. PROJECTS

2.1 CAPITAL PROJECTS

Cost centre name	Cost centre no.	STRATEGY CODE (FROM THE IDP)	Ward No.	Project Name	Source of Funding	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
H.R. Administration	420005	MTOD03	N/A	Electronic Attendance Control System	Own Funds	2 500 000	1 500 000	1 000 000
Management Information Services	415025	MTOD06	N/A	IT Systems (Asset management , SCM, Budget forecasting and Modelling, Demand Management System, Fuel Management System and Stock Coding System	Own Funds	20 000 000	20 750 000	23 750 000
Management Information Services	415025	MTOD07	N/A	IT Infrastructure Network	Own Funds	4 600 000	0	0
Management Information Services	415025	MTOD07	N/A	Disaster Recovery Centre ICT	Own Funds	4 500 000	0	0
Management Information Services	415025	MTOD07	N/A	Computer Equipment - BCMM	Own Funds	500 000	1 000 000	1 000 000
Management Information Services	415205	MTOD08	N/A	Upgrading of BCMM Website (Including GIS on the Internet	Own Funds	500 000	0	0
TOTAL						32 600 000	23 250 000	25 750 000
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
Housing Department	255005	BSDID01	12	Reeston Phase 3 Stage 2 -P1 & P3	USDG	10 000 000	21 500 000	0
Housing Department	255005	BSDID01	21	Mdantsane Zone 18 CC Phase 2 - P1 & P3	USDG	2 000 000	7 412 400	17 931 000
Housing Department	255005	BSDID01	17	Manyano &Thembelihle Phase 2 - P1 & P3	USDG	8 000 000	200 000	0
Housing Department	255005	BSDID01	19	Second Creek (Turn Key) - P1 & P3	USDG	8 000 000	100 000	0
Housing Department	255005	BSDID01	6	Block Yard TRA - P 1& P3	USDG	1 000 000	0	0
Housing Department	255005	BSDID01	19	DVRI PILOT PROJECT (Mekeni, Haven Hills, Competition Site) P1 & P3	USDG	2 500 000	0	0

Cost centre name	Cost centre no.	STRATEGY CODE (FROM THE IDP)	Ward No.	Project Name	Source of Funding	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
Housing Department	255005	BSDID01	48,12,21,11,17,11,20	Cluster 1 (Chris Hani, Ilinge, Mahlangu Village, Sisulu Village, Winnie Mandela, Deluxolo Village & Francis Mei) P1 & P3	USDG	3 706 200	9 265 500	11 730 123
Housing Department	255005	BSDID01	17,14,	Cluster 2 (Masibambane, Masibulele, Velwano, Gwentshe Village, MathembaVuso) P1 & P3	USDG	600 000	5 559 300	9 265 500
Housing Department	255005	BSDID01	5, 10	Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	USDG	7 412 400	11 859 840	13 620 285
Housing Department	255005	BSDID01	31	Sunny South - P1 & P3	USDG	600 000	1 000 000	2 000 000
Housing Department	255005	BSDID01	23,24	Potsdam Ikhwezi Block 1 - P1 & P3	USDG	0	138 650	2 277 300
Housing Department	255005	BSDID01	23,24	Potsdam Ikhwezi Block 2 - P1 & P3	USDG	0	138 650	2 277 300
Housing Department	255005	BSDID01	23,24	Potsdam Ikhwezi Block 2- P1	USDG	0	138 650	2 277 300
Housing Department	255005	BSDID01	23,24	Potsdam North Kanana - P1	USDG	0	138 650	2 277 300
Housing Department	255005	BSDID01	9	Amalinda Co- op P1 & P3	USDG	0	1 126 562	1 630 750
Housing Department	255005	BSDID01	9	Amalinda Fairlands P1 & P2	USDG	0	1 126 562	1 630 750
Housing Department	255005	BSDID01	12	Reeston Phase 3: stage 2 – P1 & P3	HSDG	15 000 000	25 000 000	0
Housing Department	255005	BSDID01	12	Reeston Phase 3: stage 3 – P1 & P3	HSDG	1 000 000	5 559 300	5 559 300
Housing Department	255005	BSDID01	2	Braelyn ext 10 – P1 & P3	HSDG	300 000	1 476 096	3 570 436
Housing Department	255005	BSDID01	7, 8	C Section and Triangular Site – P1 & P3	HSDG	270 420	2 500 000	4 594 340
Housing Department	255005	BSDID01	7, 8	D Hostel – P1 & P3	HSDG	100 000	860 318	2 594 340
Housing Department	255005	BSDID01	6, 8	DVRI Pilot Project (Mekeni, Haven Hills, Competition Site)	HSDG	2 500 000	100 000	0
Township Regeneration	255005	BSDID27	N/A	Township & CBD Regeneration Strategy	NDPG	0	0	8 828 000
Fleet management - Braelyn	530020	BSDID29	N/A	BCM Fleet Management System	Own Funds	3 100 000	3 500 000	4 000 000
Fleet Management – Braelyn	530020	BSDID29	N/A	BCMM Fleet	Own Funds	6 000 000	15 000 000	15 000 000
Electricity Planning & Design	535025	BSDID04	11,12,14,17,20,21,22,23,30	Electrification – Energy efficient Street lighting	Electricity Demand Side Management Grant	10 000 000	0	0

Cost centre name	Cost centre no.	STRATEGY CODE (FROM THE IDP)	Ward No.	Project Name	Source of Funding	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
Electricity Planning & Design	535025	BSDID04	16, 18	Bulk Electricity Infrastructure Upgrade	Own Funds	5 000 000	50 000 000	50 000 000
Electricity Planning & Design	535025	BSDID04	13,25,43,34, 36,	Electrification - Reeston, Potsdam unit P, Infillsmdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	DoE(Intergrated National Electrification Programme)	30 000 000	30 000 000	20 000 000
Electricity Planning & Design	535025	BSDID04	1,2, 7, 8, 9,10	Electrification of Informal dwellings – Duncan Village Areas	Own Funds	5 000 000	20 000 000	20 000 000
Electricity Planning & Design	535025	BSDID04	2,7, 15, 16, 44	Electricity Infrastructure Network (2.47% Tariff increase – Ring fenced)	Own Funds	27 851 023	0	0
Roads and Stormwater Drainage	525025	BSDID06	21,22,23	Mdantsane Roads	USDG	60 000 000	80 484 000	125 419 392
Roads Design	525020	BSDID06	46	West Bank Restitution	USDG	15 000 000	10 000 000	28 000 000
Roads Design	525020	BSDID06	28	Quenera Main Roads	USDG	5 000 000	0	0
Roads Design	525020	BSDID06	29, 13, 25, 39, 34, 36, 44, 41, 1, 2, 7,8	BCMM Roads Upgrade	USDG	30 000 000	30 000 000	50 000 000
Roads and Stormwater Drainage	525025	BSDID06	23, 38, 43, 31, 32, 24, 32	Rehabilitation of Rural Roads	USDG	10 000 000	10 000 000	25 000 000
Sewerage Treatment-Coastal	515026	BSDID07	28, 4, 41, 13, 16, 14, 21, 22, 5, 16, 27, 31, 32,33, 47, 11	Bulk Sanitation Provision	USDG	162 608 250	155 854 000	99 854 000
Sewerage Admin	515010	BSDID07	34, 37, 38, 39, 40, 41, 43, 44, 49, 35	KWT, Dimbaza and Bisho Infrastructure(Water)	USDG	7 000 000	37 000 000	20 000 000
Sewerage Admin	515010	BSDID07	11, 12, 13, 14, 42, 48, 50, 17, 20, 23	Relocation of Midblocks in Mdantsane	USDG	5 000 000	5 000 000	5 000 000
Sewerage Admin	515010	BSDID07	36	Amahleke Water Supply	USDG	3 000 000	3 000 000	3 000 000

Cost centre name	Cost centre no.	STRATEGY CODE (FROM THE IDP)	Ward No.	Project Name	Source of Funding	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
Bulk pumping stations	520015	BSDID07	5, 13	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	USDG	12 000 000	22 000 000	22 000 000
Water Treatment Works	520020	BSDID07	N/A	Upgrade water networks in terms of densification and augmentation	USDG	6 000 000	17 000 000	15 000 000
Water Treatment Works	520020	BSDID07	N/A	Bulk Water Supply Newlands and Other Areas	USDG	1 000 000	0	0
Water Treatment Works	520020	BSDID07	33	Ward 33 Bulk Water Supply Scheme	USDG	3 000 000	0	0
Water Treatment Works	520020	BSDID07	31,33	Bulk Water Supply Coastal Areas	USDG	5 000 000	1 276 293	0
Water Treatment Works	520020	BSDID07	31	Winterstrand Water Supply	USDG	1 000 000	0	0
Water Treatment Works	520020	BSDID07	N/A	Upgrading of the Laboratory infrastructure and equipment	Own Funds	2 800 000	2 000 000	1 500 000
Transport Planning & Operations Admin	620005	BSDID23	1, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 2, 20, 21, 22, 23, 24, 25, 28, 3, 4, 5, 6, 7, 8, 9	Bus Rapid Transit	Public Transport Infrastructure and Systems Grant	78 702 000	78 762 000	0
Transport Planning & Operations Admin	620005	BSDID23	N/A	ITP implementation	USDG	3 000 000	3 000 000	3 000 000
Transport Planning & Operations Admin	620005	BSDID24	37	Public Transport Facilities	USDG	28 000 000	22 000 000	30 000 000
Transport Planning & Operations Admin	620005	BSDID24	27,28	Gonubie Main Road	USDG	20 000 000	30 000 000	10 000 000
Transport Planning & Operations Admin	620005	BSDID24	46,31,10,16, 8,19	N2/R72 link road survey	USDG	1 200 000	0	0
Land Admin	615080	BSDID21	1 -50	Land acquisition	USDG	12 764 000	42 500 000	29 500 000
Cleansing Administration Support	755010	BSDID16	13, 21,23	Development of Community Parks(Inland, Midlands and Coastal)	USDG	2 000 000	3 000 000	5 000 000

Cost centre name	Cost centre no.	STRATEGY CODE (FROM THE IDP)	Ward No.	Project Name	Source of Funding	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
Interments	755025	BSDID16	N/A	Development and Upgrading of Cemeteries(Inland, Midland and Coastal)	USDG	5 000 000	12 040 943	20 000 000
Halls	760025	BSDID16	5	Development and Upgrading of Community Halls	USDG	4 000 000	20 000 000	30 000 000
E.L.Regional Waste Disposal Site & Transfer Station	770030	BSDID09	10, 5, 12	Construction of Collection points Ward 10,5 & 12	USDG	3 000 000	0	0
Sportsfields	765010	BSDID16	7,12,13,28,29,35,37,38,41,44	Upgrading of Sport & Recreation Facilities	USDG	9 000 000	10 000 000	50 000 000
Fire and Rescue Services	725010	BSDID12	1 to 50	Coastal and Midland Fire Station	USDG	3 000 000	3 000 000	3 000 000
Fire and Rescue Services	725010	BSDID12	25,35,37,38,39,40,41,43,44,45,49	KWT Fire Station	USDG	6 000 000	0	0
Fire and Rescue Services	725010	BSDID12	31,32,33	Tsholomnqa Fire Station	USDG	500 000	5 000 000	10 000 000
KPA 3: LOCAL ECONOMIC DEVELOPMENT								
Local Economic Development	63005	LED03	N/A	Economic Development Infrastructure (Heritage Route Development, Rollout of Informal Traders Stalls)	USDG	12 254 978	20 000 000	30 000 000
Local Economic Development	635005	LED03	N/A	BCMM Urban Agriculture Infrastructure Development	USDG	3 000 000	3 000 000	3 000 000
KPA 4: FINANCIAL VIABILITY AND MANAGEMENT								
Debtors Management	330015	MFVM01	N/A	Office Furniture – Revenue Management	Own Funds	1 100 000	1 000 000	1 000 000
Pre- Payment Vending Office	330025	MFVM02	N/A	Pre-Payment Vending Machines	Own Funds	1 000 000	500 000	500 000
Management Information Services	415025	MTOD07	N/A	Computer Equipment – Revenue Management	Own Funds	1 500 000	1 500 000	1 500 000

Cost centre name	Cost centre no.	STRATEGY CODE (FROM THE IDP)	Ward No.	Project Name	Source of Funding	2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
Rates and Valuations Office	330005	MFVM05	N/A	General Valuations	Own Funds	29 000 000	13 500 000	4 500 000
Architecture	615075	MFVM01	N/A	Upgrading of KWT Payments Hall	USDG	4 000 000	1 000 000	0
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Strategic Management	105035	MTOD12	N/A	Back-up Generator – City Hall	Own Funds	1 500 000	0	0
Strategic Management	105035	MTOD12	N/A	Upgrading of City Hall	Own Funds	3 000 000	2 000 000	0

2.2 OPERATING PROJECTS

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE IDP	Project Name	Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
KPA 1: MUNICIPAL TRANSFORMATION AND ORGANIDSTIONAL DEVELOPMENT								
Legal and Admin	220005	N/A	MTOD11	Migration of BCMM documents to EDMS	Own Funds	300 000	100 000	0
Development Planning Administration	615005	N/A	MTOD10	GIS on the Internet	Own Funds	700 000	0	0
Development Planning Administration	615005	N/A	MTOD06	Updated Aerial Photography	Own Funds	2 700 000		0
Legal and Admin	220005	N/A	MTOD11	Development and Review of By-Law	Own Funds	500 000	500 000	500 000

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE IDP	Project Name	Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
Legal and Admin	220005	N/A	MTOD11	Maintenance Policy	Own Funds	600 000	0	0
Management Information Services	415025	N/A	MTOD08	Upgrade of BCM off-site building to store vital documents and backup server (e.g. Bisho / KWT)	Own Funds	750 000	750 000	0
HR Administration	420005	N/A	GGPP02	Roll out of Employee Performance Management System	Own Funds	750 000	750 000	0
HR Administration	420005	N/A	MTOD02	Infrastructure - Skills Development	ISDG	3 000 000	3 800 000	4 000 000
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
Housing Projects	255005	13,43,45,46	BSDID01	Reeston Phase 3: Stage 2 - P5	HSDG	0	20 000 000	29 992 500
Housing Projects	255005	13,43,45,46	BSDID01	Reeston Phase 3: Stage 3 – P4 (Registration	HSDG	163 515	0	0
Housing Projects	255005	45	BSDID01	Ilitha Eradication of Wooden Houses to Formal Houses	HSDG	19 995 000	31 992 000	11 330 500
Housing Projects	255005	43	BSDID01	Tyutyu Phase 2 – P5 (Top Structures)	HSDG	6 665 000	500 000	0
Housing Projects	255005	31	BSDID01	Airport / Phase 2A Construction of new units-P4	HSDG	5 398 650	200 000	0
Housing Projects	255005	45	BDSID01	Ilitha South – 439 Units P5	HSDG	2 500 000	3 797 800	5 000 000
Housing Projects	255005	17,24,26,33,39,40,43,36,37	BSDID01	Reconstruction of Storm Damaged Houses	HSDG	20 000 000	30 000 000	15 862 700
Housing Projects	255005	31	BSDID01	Sunny South – P5	HSDG	500 000	10 797 300	17 162 500
Housing Projects	255005	23	BSDID01	Potsdam Village Phase 1 & 3 – P5	HSDG	0	500 000	500 000
Housing Projects	255005	48,12,21,11,17,11,20	BSDID01	Cluster 1 (Chris Hani 3; Winnie Mandela; Ilinge; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village) P5	HSDG	5 811 880	17 395 650	26 660 000
Housing Projects	255005	17, 14	BSDID01	Cluster 2 (Masibambane; Masibulele; Gwentshe; Velwano; MathembaVuso) P5	HSDG	0	9 664 250	19 995 000
Housing Projects	255005	5, 10	BSDID01	Cluster 3 (Fynbos1; Fynbos2; Ndancama)P5	HSDG	0	9 664 250	19 995 000
Housing Projects	255005	6, 8	BSDID01	DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P5	HSDG	0	11 797 050	19 995 000

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE		Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
			IDP	Project Name				
Housing Projects	255005	15	BSDID01	Cambridge 1 & 2 (Kei Road Dawn) P2	HSDG	465 000	0	0
Housing Projects	255005	16	BSDID01	N2 Road Reserve	HSDG	340 000	0	0
Housing Projects	255005	6	BSDID01	Ford Msimango 1 (LU Housing Nomp School)	HSDG	165 000	0	0
Housing Projects	255005	19	BSDID01	Second Creek – P5	HSDG	17 662 250	200 000	0
Housing Projects	255005	1-50	BSDID01	Housing Needs Database and Accreditation	HSDG	16 697 979	27 327 914	29 818 705
Housing Projects	255005	45,46,18,19,10	BSDID02	Beneficiary Education (All USDG P4)	USDG	300 000	250 000	250 000
Housing Projects	255005	1 - 50	BSDID01	Relocation of beneficiaries to formal houses for all housing programmes – All Projects	Own funds	500 000	4 447 500	7 140 000
Housing Projects	255005	12	BSDID01	Dacawa P4	USDG	2 960	0	0
Housing Projects	255005	10	BSDID01	Fynbos Informal 1-P4	USDG	27 488	0	0
Housing Projects	255005	10	BSDID01	Fynbos Informal 2-P4	USDG	210 230	0	0
Housing Projects	255005	12	BSDID01	Ilinge-P4	USDG	118 087	0	0
Housing Projects	255005	45	BSDID01	Iitha - Eradication of Wooden Houses to Formal Houses	USDG	200 000	200 000	0
Housing Projects	255005	17	BSDID01	Masibambane-P4	USDG	20 038	0	0
Housing Projects	255005	17	BSDID01	Masibulele-P4	USDG	20 553	0	0
Housing Projects	255005	21	BSDID01	Mdantsane Zone 18 CC Phase 2-P4	USDG	256 425	0	0
Housing Projects	255005	10	BSDID01	Ndacama-P2	USDG	160 000	0	0
Housing Projects	255005	10	BSDID01	Ndacama-P4	USDG	138 308	0	0
Housing Projects	255005	11	BSDID01	Sisulu Village-P4	USDG	19 636	0	0
Housing Projects	255005	31	BSDID01	Sunny South-P4	USDG	112 713	0	0
Housing Projects	255005	14	BSDID01	Velwano-P4	USDG	81 999	0	0
Housing Projects	255005	17	BSDID01	Winnie Mandela-P4	USDG	38 535	0	0
Housing Projects	255005	9	BSDID01	Amalinda (Co-op) - P2 (EIA)	USDG	200 000	0	0
Housing Projects	255005	23,24	BSDID01	Potsdam Ikhwezi Block 1 - P2 (EIA)	USDG	100 000	0	0
Housing Projects	255005	23,24	BSDID01	Potsdam Ikhwezi Block 2- P2 (EIA)	USDG	100 000	0	0
Housing Projects	255005	23,24	BSDID01	Potsdam North Kanana - P2 (EIA)	USDG	100 000	0	0
Housing Projects	255005	23	BSDID01	Potsdam Village Rural Phase 1 & 2 - P2 (EIA)	USDG	100 000	0	0

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE		Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
			IDP	Project Name				
Housing Projects	255005	21	BSDID01	Potsdam Unit P Stage 2 - P4	USDG	3 000	0	0
Housing Projects	255005	19	BSDID01	Second Creek P4	USDG	3 000	0	0
Water, Sanitation and Scientific services	520005	1,2,5,6,7,8,10		Caretakers - Duncan Village and Information Settlements	Own Funds	2 000 000	2 000 000	0
Water, Sanitation and Scientific services	520005	18	BSDID06	East Bank WWTW ACIP Funding	DWA -ACIP	1 525 000	125 000	0
Water, Sanitation and Scientific services	520005	N/A	BSDID06	Water Services Business Plan	DWA – Province	400 000	0	0
Water, Sanitation and Scientific services	520005		BSDID06	Dimbaza WWTW inlet Screen	DWA – ACIP	450 000	0	0
Water, Sanitation and Scientific services	520005	34, 13, 9, 5, 28, 7, 41	BSDID06	Implementation of Water Conservation and Demand Management(Dimbaza, Duncan Village,Mdantsane,Reeston,SceneryPark,Nompumelelo,Mzamomhle,Sweetwaters,Phakamisa,Zwelitsha)	DWAF - DoRA	1 283 000	0	0
Roads and Stormwater Drainage	525025	N/A	BSDID06	Development of the BCMM Roads Masterplan	USDG	3 000 000	5 000 000	0
Land Admin	615080	12	BSDID01	Reeston Phase 3: Stage 2 – P4 (Transfers)	HSDG	788 800	480 000	480 000
Land Admin	615080	12	BSDID01	Reeston Phase 1 & 2 – Stage 1B – P4 (Transfers)	HSDG	200 000	46 400	0
Land Admin	615080	12	BSDID01	Reeston Phase 3 Stage 1 – P4 (Transfers)	HSDG	500 000	86 800	0
Land Admin	615080	43	BSDID01	Tyutyu Phase 1 – P4 (Transfers)	HSDG	28 000	1 000	0
Land Admin	615080	43	BSDID01	Tyutyu 2 – P4 (Transfers)	HSDG	34 000	1 000	0
Land Admin	615080	45	BSDID01	Ilitha South – 439 Units (Transfers)	HSDG	8 000	30 000	40 400
Land Admin	615080	34, 36	BSDID01	Dimbaza Phase 2 P4 (Transfers)	HSDG	5 000	12 500	0
Land Admin	615080	13	BSDID01	Potsdam Stage 2 Stage 1 – P4 (Transfers)	HSDG	241 150	5 000	0
Land Admin	615080	29	BSDID01	Nompumelelo – P4 (Transfers)	HSDG	914 400	3 000	0
Land Admin	615080	16	BSDID01	AmalindaSimanyene – P4 (Transfers)	HSDG	15 000	1 000	0
Land Admin	615080	48	BSDID01	Z Soga – P4 (Transfers)	HSDG	136 000	1 000	0
Land Admin	615080	Mdantsane	BSDID22	Land Transactions – upgrading of former R293 & CPA Areas	Own Funds	350 000	500 000	500 000

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE IDP		Project Name	Source of Funding	2012/2013	2013/2014	2014/2015
							Draft Opex Budget	Draft Opex Budget	Draft Opex Budget
Land Admin	615080	46			Airport / Phase 2A Construction of new units – P4	HSDG	441 200	10 000	0
Land Survey	615070	N/A	BSDID21		Subdivision of Municipal leased properties	Own Funds	500 000	400 000	300 000
Land Survey	615070	10	BSDID21		Ndancama P2	USDG	160 000	0	0
Land Survey	615070	10	BSDID21		Fynbos Informal 1- P2	USDG	120 000	0	0
Land Survey	615070	10	BSDID21		Fynbos Informal 2 – P2	USDG	110 000	0	0
Land Survey	615070	9	BSDID21		AmalindaFairlands Projects – P2	USDG	200 000	235 000	0
Land Survey	615070	15	BSDID21		Cambridge 1 & 2 (Kei Road) Dawn – P 2	HSDG	465 000	0	0
	615070	16	BSDID21		N2 Road Reserve P 2	HSDG	340 000	0	0
	615070	6	BSDID21		Ford Msimango 1 (LU Housing Nomp School) – P2	HSDG	165 000	0	0
City Planning	615070	16	BSDID17		DVRI Township Establishment	LGH	77 000	0	0
City Planning	615070	40926	BSDID17		Mdantsane Township Establishment	USDG	0	500 000	600 000
City Planning	615070	16	BSDID17		East Bank Restitution Township Establishment	RLCC	300 000	300 000	
City Planning	615080	N/A	BSDID21		Land Identification study for Relocation of High Priority Informal Settlements	Own Funds	300 000	0	0
City Planning	615005	15	BSDID18		BCMM Township Establishment	Own Funds	0	1 600 000	1 700 000
City Planning	615070	28	BSDID18		Township Establishment for Mzamomhle Informal Settlement	Own Funds	400 000	0	0
City Planning	615070	N/A	BSDID18		Rural Settlement Planning Phase	Own Funds	300 000	0	0
City Planning	615070	27	BSDID19		Local Spatial Development framework	Own Funds	0	1 100 000	1 200 000
City Planning	615070	4, 15, 18	BSDID19		Vincent, Berea LSDF Review	Own Funds	500 000	0	0
City Planning	615070	29	BSDID19		Home Hill LSDF	Own Funds	233 408	0	0
City Planning	615070	27, 29	BSDID19		Gonubie Main road LSDF	Own Funds	34 735	0	0
City Planning	615070	27, 29	BSDID19		Kwelera LSDF	Own Funds	29 469	0	
City Planning	615070	N/A	BSDID19		BCMM SDF Comprehensive Update and Review	Own Funds	58 561	0	0
City Planning	615070	30, 38-45	BSDID19		Bhisho/King Williams Town LSDF	Own Funds	43 827	0	0
Development Planning Administration	615005	N/A	BSDID20		Aerial Photography	Own Funds	1 000 000	0	0

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE IDP	Project Name	Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
Development Planning Administration	615005	N/A	MTOD05	GIS on the internet	Own Funds	350 000	350 000	0
Transportation	620005	N/A	BSDID23	ITP Review	Own Funds	500 000	2 000 000	2 000 000
KPA 3: LOCAL ECONOMIC DEVELOPMENT								
Local Economic Development	635005	N/A	LED02	Destination Marketing Programme	Own Funds	6 880 000	11 700 000	12 300 000
Local Economic Development	635005	N/A	LED03	Business Support Unit Programme	Own Funds	2 000 000	6 300 000	5 900 000
Local Economic Development	635005	N/A	LED03	Economic Infrastructure Programme	USDG	2 585 200	4 260 000	5 000 000
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Debtors Management Office	330015	N/A	MFVM01	Billing Data Cleanup	Own Funds	400 000	1 000 000	500 000
Debtors Management Office	330015	N/A	MFVM01	Meter Tampering Audit (Electricity & Water) - Municipal Services	Own Funds	2 000 000	3 000 000	1 500 000
Budget Office	315005	N/A	MFVM03	Budget Reforms	FMG	1 500 000	1 500 000	1 500 000
Budget Office	315005	N/A	MFVM06	Accounting Reforms Project	Own Funds	720 000	720 000	720 000
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Strategic Support	105025	N/A	MTOD03	IT Business Process Re-engineering	Own Funds	1 000 000	3 000 000	0
Public Relations & International Events	120010	N/A	GGPP09	Ward Committee meetings (Out of Pocket Expenses)	Own Funds	3 000 000	3 000 000	3 000 000
Office of the Municipal Manager	205005	N/A	GGPP07	Intergovernmental Relations	Own Funds	50 000	80 000	80 000
Special Programmes	105030	N/A	GGPP12	Municipal Bursaries	Own Funds	1 200 000	1 200 000	1 200 000
Office of the Municipal Manager	205005	N/A	GGPP05	Documentation of case studies	Own Funds	300 000	300 000	300 000
Office of the Municipal Manager	205005	N/A	GGPP12	MDG Framework Rollout	Own Funds	100 000	100 000	100 000
Office of the Municipal	205005	N/A	GGPP01	Risk Assessment	Own Funds	200 000	200 000	200 000

Directorate	Cost Centre	Ward No.	STRATEGY CODE FROM THE IDP	Project Name	Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
Manager								
Office of the Municipal Manager	205005	N/A	MFMV06	Audit Turnaround Plan	Own Funds	6 000 000	8 000 000	8 000 000
Office of the Municipal Manager	205005	N/A	GGPP01	Combined Assurance Model	Own Funds	3 500 000	3 000 000	3 000 000

3 UNFUNDED PROJECTS

3.1 Unfunded Capital Projects

<u>BUFFALO CITY METROPOLITAN MUNICIPALITY</u>							
<u>2012-2015 UNFUNDED PROJECTS</u>							
Cost centre name	Cost centre no.	Project Name	Source of Funding		2012/2013 Draft Capital Budget	2013/2014 Draft Capital Budget	2014/2015 Draft Capital Budget
HIGH PRIORITY- FIRST TWO PROJECTS TO BE FUNDED AS SOON AS FUNDING IS AVAILABLE							
Electricity Planning & Design	535025	CounterFunding Reeston, Potsdam unit P, Infills mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	Own Funds		2 000 000	2 000 000	2 000 000
Land Administration	615080	Land Acquisition Sleeper Site	Own Funds		6 000 000		
Asset & Risks	320005	Asset Insurance Replacements	Own Funds		5 000 000	10 000 000	10 000 000
Supply Chain Management	320010	Upgrading of Stores environment (Phase 2) to safe guard stock	Own Funds		7 000 000	6 000 000	0
Office of the Director	405005	Furniture Equipment	Own Funds		300 000	300 000	300 000
Land Administration	615080	Civic Centre	Own Funds		1 500 000		
Architecture	615075	Upgrade Mdantsane Zone 3 Office Payments Hall - Development Planning	Own Funds				
E.L.Regional Waste Disposal Site & Transfer Station	770030	Central Transfer Station (EL CBD)	USDG		0		
E.L.Regional Waste Disposal Site & Transfer Station	770030	Construction of a new cell - Roundhill Regional Landfill Site	USDG		0	0	0

3.2 Unfunded Operating Projects

**BUFFALO CITY METROPOLITAN MUNICIPALITY
2012-2015 DRAFT MTREF OPERATING PROJECTS**

Directorate	Cost Centre	Ward No.	Project Name	Source of Funding	2012/2013 Draft Opex Budget	2013/2014 Draft Opex Budget	2014/2015 Draft Opex Budget
E.L.Regional Waste Disposal Site & Transfer Station	770030	40, 15	Establishment of Central Transfer Station, Construction of Refuse Drop off Points, Establish and Upgrade Garden Transfer Stations	USDG	5 000 000	5 500 000	6 500 000
E.L.Regional Waste Disposal Site & Transfer Station	770030	40	Construction of 4th Cell	USDG	3 000 000	3 000 000	3 000 000
Local Economic Development	635005	N/A	Enterprise Development Programme	Own Funds	0	2 700 000	4 600 000
Finance and Support Services	405005	N/A	Funding for Critical Posts - Micro Structure	Own Funds			
Office of the Municipal Manager	205005	N/A	Fraud Strategy	Own Funds	20 000	0	0
Land Admin	615080	N/A	Property Asset Management Implementation(License Fees)	Own Funds	600 000	600 000	600 000
Development Planning Administration	110015	N/A	Integrated Property Management Information Systems And Business Processes	Own Funds	750 000	750 000	0
Environmental Management		N/A	Alien Invasive Eradication	Own Funds	0	300 000	500 000
Special Programmes	205005	N/A	Youth Advisory Centres	Own Funds	1 200 000	1 500 000	1 700 000
Special Programmes	205005	N/A	Days of importance	Own Funds	200 000	200 000	200 000
Knowledge Management		N/A	KM Training	Own Funds	800 000	1 000 000	0

4. BCMM TOP 25 RISKS

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Impact	Likelihood	Total	
Human Resources	Human Resources	Inability to attracting and retaining the "right" staff.	National shortage and supply of skilled staff (e.g. electricians). Poor working conditions. Restrictions in terms of remuneration	Poor service delivery	4.00	5.00	20.00	Interim Executive Director: Finance and Support Services
Human Resources	Human Resources	Lack of adequate human resource management and supervision	Inadequate oversight, discipline, training etc. Undue length of time relative to appointment and terminations/suspensions. Inadequate and/ or inappropriate training and development. Non-compliance to HR policies and procedures Failure to prepare a workforce plan for BCM. Lack of formal induction processes at a line management level. Inadequate succession planning (loss of skills and knowledge).	Poor service delivery Negative audit outcomes	4.00	5.00	20.00	Interim Executive Director: Finance and Support Services
Human Resources	Payroll	Strike action by employees	Delayed decision by appropriate structures on salary increments Certain HR matters are controlled at a National level.	Disruption in service, Reputational damage	5.00	4.00	20.00	Interim Executive Director: Finance and Support Services
Knowledge and Information	Compliance	Inadequate information management, and communication strategy	Unauthorised release of sensitive information to authorities or users outside the BCMM (particularly SCM matters). Damaging media releases Lack of adequate processes and	Reputational damage, litigation, procurement irregularities	5.00	5.00	25.00	Interim Executive Director: Strategic Management

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Impact	Likelihood	Total	
			controls to manage information in the institution.					
Knowledge and Information	Information Knowledge Management and Research	Possible institutional memory loss, and duplication	Lack of adequate and co-ordinated processes,	Poor service delivery, wastage of municipal resources	5.00	4.00	20.00	Interim Executive Director: Strategic Management
Loss/theft/damage of assets and resources	Various	Illegal connections, and tampering	Loss of revenue Water losses Damage to infrastructure	Poor service delivery Wastage of Municipal resources	5.00	4.00	20.00	Acting CFO/ Interim Executive Director: Municipal Services
Material Resources (Procurement Risk)	Supply Chain Management	Inefficient and ineffective Supply Chain Management	Incomplete, inaccurate, outdated SCM database. Supply Chain Management inefficiencies Poor Contract Management Inability to manage commitments	Negative Audit outcomes, Poor service delivery, Wastage of Municipal resources	4.75	4.25	20.19	Acting CFO/ Interim Executive Director: Finance
Service Delivery/Financial	Various	Inadequate asset and inventory management	Land Invasions Inability to dispose of land for Economic Development Vandalism/ Copper theft Access to amenities and facilities across BCMM, as well as associated security risks (e.g. No fences, vandalism, lack of supervision/ monitoring).	Negative Audit outcomes, Poor service delivery,	4.00	5.00	20.00	Acting CFO/ Interim Executive Director: Finance Interim Executive Director: Development; facilitation and partnerships Interim Executive Director: Municipal Services
Service Delivery	Water	Inadequate water supply systems within the BCM community.	Lack of resources	Poor service delivery	5.00	5.00	25.00	Interim Executive Director: Municipal Services
Service Delivery	Electricity	Constraints to electrify shacks and informal settlements.	Lack of resources	Poor service delivery	5.00	5.00	25.00	Interim Executive Director: Municipal Services

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Impact	Likelihood	Total	
Service Delivery	Various	Ageing infrastructure and inadequate capacity of infrastructure in terms of electricity, water, waste management and roads and stormwater	Inadequate or non-existence of roads in rural areas (internal network).	Poor service delivery	5.00	5.00	25.00	Interim Executive Director: Municipal Services
Service Delivery	Waste Management	Inadequate land fill sites.	Distant landfill sites results in the risk of delays in providing the services (garden refuse and building rubble).	Poor service delivery	4.00	5.00	20.00	Interim Executive Director: Municipal Services
Service Delivery	Risk Management	Inadequate risk management processes.	Inadequate escalation of key risks to executive management/council	Non-achievement of Municipal Objectives	4.00	5.00	20.00	Manager: Risk Management
Service Delivery	Organisational Performance	Inadequate alignment between the PMS, IDP and Budget processes	Inadequate coordination in key municipal processes, Insufficient oversight	Poor service delivery. Negative Audit outcomes.	5.00	4.00	20.00	Interim Executive Director: Strategic Management
Service Delivery	International & Intergovernmental Relations	Unfunded mandate in terms of Primary Health Care Services	Poor inter-governmental relations	Reputational damage Poor service delivery	4.00	5.00	20.00	Interim Executive Director: Strategic Management
Service Delivery	Various	Reliance on external service providers (dependency, transitioning, access).		Reputational damage Poor service delivery	4.00	5.00	20.00	Interim Executive Director: Finance and Support Services

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Impact	Likelihood	Total	
Information Technology	Information Technology	Inadequate ICT management, security and resources.	Loss/ disruption of IT services. Loss of data and/ or information. Non-integration of various applications, and/ or applications not being properly used (potential/ functionality realised). Unauthorised access to BCMM systems (hacking). Buffalo City Metropolitan Municipality is faced with problems of the following: poor application functionality, lack of accurate information, serious integration problems, availability of accurate and timely information and the existence of old and	Poor service delivery Inefficient internal processes, Reputational damage	5.00	5.00	25.00	Interim Executive Director: Finance and Support Services
Compliance/Regulatory	Various	Non-compliance with licensing requirements, particularly in technical units i.e. NERSA etc.	Lack of resources	Legal action, fines penalties	5.00	4.00	20.00	Interim Executive Director: Municipal Services
Compliance/Regulatory	Internal Audit	Lack of implementation of assurance and oversight recommendations.	Inadequate attention to issues raised, and co-operation and support from management	Poor Service Delivery Negative Audit outcomes	5.00	4.00	20.00	Manager: Internal Audit
Compliance/Regulatory	Various	Non-compliance with legislation, regulations, policies and procedures		Poor Service Delivery Negative Audit outcomes	5.00	5.00	25.00	Manager: Legal Services

Category	Sub-Category	Risks	Sub-Risks	Consequences	Inherent Risk			Risk Owner
					Impact	Likelihood	Total	
Compliance/Regulatory	Legal	Litigation against the Municipality	Non-compliance with laws and regulations, Lack of understanding of legal framework, Lack of accountability	Financial Loss Reputational damage	4.00	5.00	20.00	Municipal Manager
Financial	Credit	Inadequate revenue generation and collection.	The potential that customers/ ratepayers will not meet their financial obligations in accordance with the agreed terms. Increasing number of indigent debtors, and inadequate national funding (outdated statistics used by National). Incorrect and/ or incomplete charges to consumers. Incomplete, inaccurate debtors and/ or debtors masterfile information.	Financial loss Negative Audit outcomes	5.00	4.33	21.67	Acting CFO
Financial	Various	Inability to spend government grants and report appropriately.	Lack of funding sited as a risk, however there is under spending of the conditional grant	Poor service delivery Loss of funding	5.00	5.00	25.00	Interim Executive Director: Municipal Services
Financial	Human Settlements	Lack of co-ordination with Provincial and National Government	Inadequate processes and structures	Delays in funding Poor service delivery	5.00	4.00	20.00	Project Manager: Housing
Social Environment	Public Participation and Stakeholder engagement	Possible disengagement and apathy by the community	Lack of service delivery Inadequate communication with stakeholders	Protests Reputational Damage	4.00	5.00	20.00	Interim Executive Director: Strategic Management

SECTION E

BUDGET, PROGRAMMES & PROJECTS

1. The Capital Budget

The reviewed objectives and strategies formed the basis for the identification and selection of projects within each of the IDP Strategic Objectives.

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

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Improve Asset capacity as well as improve controls and procedures	2 566	5 497	13 567	13 567	36 600	17 500	7 500
	Improve Financial Accounting capacity as well as improve controls and procedures							
	Implement revenue enhancement strategies							
	Implement SCM processes to support the SCM Policy with linkages to EDMS Maintain long term borrowings below NT threshold Prudent Municipal Investments and maintenance of a favourable cashflow							
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Valuation of properties Rollout of public participation programmes	20 695	1 000	16 913	16 913	4 500	2 000	-
	Ensure Ward Committees are representative and fully involved in community consultation processes							
	Institutionalisation of							
	Engaging of sector departments/ Sustain existing international partnerships							

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
BCMM 3: To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.	Implement skills and sector development programmes to grow and support the economy in line with the Provincial Industrial Policy	1 615	8 000	17 848	17 848	20 255	20 000	30 000
	Implement tourism growth and							
	Develop and implement economic							
	Enhance the use of labour							
BCMM 4: To deliver sustainable infrastructure that supports social and economic development	Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained	369 693	656 403	669 681	669 681	655 142	817 091	812 807
	Facilitate public and private sector							
	Construct, Upgrade and maintain							
	Replace, upgrade and maintain							
	Implementation of water							
	Implement an effective waste							
	Provision of formal houses as part							
	Review and implement the							
	Implement measures to reduce							
	Generate Local Spatial Development Frameworks							
	Implement land acquisition &							
	Implement land release							
	Develop and review a							
	Develop and implement Air Quality							
	Develop and implement Township							
	Improve infrastructure of all amenities							
	Provision of adequate Fire & Rescue facilities in BCMM							

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all by 2016	Reviewal of existing organogram, development, adoption and implementation of a new micro organogram Capacitation of human capital Integrate ICT business processes Deployment of GIS on the internet Development and implementation Grow the Municipality's Migrate hard copies of documents	4 540	7 873	7 638	7 638	32 600	23 250	25 750
BCMM 6: To enhance and protect	Develop & implement Municipal To ensure the protection and Develop and implement Air Quality Implement an effective waste Improve infrastructure of all	-	85 895	-	-	-	-	-
Total Capital Expenditure		399 110	764 669	725 646	725 646	749 097	879 841	876 057

2. The Operating Budget

The Operating Budget is prepared on the analysis of past year trends and the operations within the various service categories. National Treasury Circular 58 & 59 was used as a guideline in preparation of the 2012/13 MTREF budget.

Emphasis was placed on the following expenditure categories:

- ❑ General expenses were decreased due to projected under-spending by the various Departments. As a result general expenses for the 2012/13 MTREF period have not been increased except for areas where there is annual escalation as per contractual agreements.
- ❑ Debt Impairment is 8.5% of the total billable revenue and has been increased to R215 mil (2012/13); R225 mil (2013/14); R237 mil (2014/15) (current collection rate: 91.34%).
- ❑ Depreciation is based on the 2011 FAR and 2011/12 capitalized assets and 2012/13 MTREF Budget and the budgeted depreciation figures are R376 million (2012/13); R400 million (2013/14) and R411 million (2014/15).
- ❑ Repairs and Maintenance Budget has increased by 20.17% from the 2011/12 to 2012/13 financial year. Increase of R133.8 in infrastructure maintenance budget between 2012/13 and 2014/15 financial years. The Roads Infrastructure maintenance budget has increased by 30% from the 2011/12 financial year to the 2012/13 financial year.

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

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Improve Asset capacity as well as improve controls and procedures	850 388	1 157 025	1 151 320	1 151 320	1 441 627	1 567 337	1 690 378
	Improve Financial Accounting capacity as well as improve controls and procedures							
	Implement revenue enhancement strategies							
	Implement SCM processes to support the SCM Policy with linkages to EDMS Maintain long term borrowings below NT threshold							
	Prudent Municipal Investments and maintenance of a favourable cashflow							
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Valuation of properties	22 880	-	7 091	7 091	-	-	-
	Rollout of public participation programmes							
	Ensure Ward Committees are representative and fully involved in community consultation processes							
	Institutionalisation of Communication plan							
	Engaging of sector departments/ Parastatals on integrated programmes							
Sustain existing international partnerships								

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
BCMM 3: To generate an enabling environment for an economy that is growing , diversifying , generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.	<p>Implement skills and sector development programmes to grow and support the economy in line with the Provincial Industrial Policy</p> <p>Implement tourism growth and marketing programmes to position BCM as a tourism destination</p> <p>Develop and implement economic development policies to promote and support growth both the 1st and 2nd economies</p> <p>Enhance the use of labour intensive in implementing projects</p>	965	1 007	609	609	2 585	4 260	5 000
BCMM 4: To deliver sustainable infrastructure that supports social and economic development	<p>Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained</p> <p>Facilitate public and private sector investments and projects in renewable forms of alternative energy</p> <p>Construct, Upgrade and maintain roads, stormwater systems & associated structures to acceptable standards</p> <p>Replace, upgrade and maintain water and sanitation systems</p> <p>Implementation of water conservation and demand management strategies</p> <p>Implement an effective waste minimization plans</p> <p>Provision of formal houses as part of Integrated Sustainable Human Settlements.</p> <p>Review and implement the Disaster Management Policy</p> <p>Implement measures to reduce and prevent crime incidents in BCMM</p> <p>Generate Local Spatial Development Frameworks</p> <p>Implement land acquisition & transfer</p> <p>Implement land release programme</p> <p>Develop and review a Comprehensive Integrated Transport Plan (ITP) that is aligned to the SDF and IDP</p> <p>Develop and implement Air Quality Management Plan</p> <p>Develop and implement Township & CBD Regeneration Strategy to upgrade townships and CBDs, enable economic development and create jobs</p> <p>Improve infrastructure of all amenities</p> <p>Provision of adequate Fire & Rescue facilities in BCMM</p>	1 777 060	2 710 640	2 428 806	2 428 806	2 709 320	3 136 677	3 434 158

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all by 2016	<ul style="list-style-type: none"> Reviewal of existing organogram, development, adoption and implementation of a new micro organogram Capacitation of human capital Integrate ICT business processes and system Deployment of GIS on the internet and intranet Development and implementation of employee performance management system Grow the Municipality's Knowledge, creativity and innovative base and implementation of KM Strategy Migrate hard copies of documents and files through to soft copy 	1 009	3 236	3 246	3 246	5 371	6 341	6 730
BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	<ul style="list-style-type: none"> Develop & implement Municipal Health Services Delivery Plan To ensure the protection and conservation of BCMM natural resources Develop and implement Air Quality Management Plan Implement an effective waste minimization plans Improve infrastructure of all amenities 	387 052	435 800	427 836	427 836	436 752	486 216	539 913
Total Revenue (excluding capital transfers and contributions)		3 039 354	4 307 707	4 018 908	4 018 908	4 595 656	5 200 832	5 676 179

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

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
BCMM 1: To be a financially sound organisation that efficiently manages its resources	Improve Asset capacity as well as improve controls and procedures	231 662	337 167	322 692	322 692	368 805	397 897	421 732
	Improve Financial Accounting capacity as well as improve controls and procedures							
	Implement revenue enhancement strategies							
	Implement SCM processes to support the SCM Policy with linkages to EDMS Maintain long term borrowings below NT threshold Prudent Municipal Investments and maintenance of a favourable cashflow							
BCMM 2: To be an institutionally efficient and effective city that inclusively works with its communities	Valuation of properties Rollout of public participation programmes	133 178	142 282	168 032	168 032	184 062	196 788	203 939
	Ensure Ward Committees are representative and fully involved in community consultation processes							
	Institutionalisation of Communication plan							
	Engaging of sector departments/ Parastatals on integrated programmes							
	Sustain existing international partnerships							

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.	<p>Implement skills and sector development programmes to grow and support the economy in line with the Provincial Industrial Policy</p> <p>Implement tourism growth and marketing programmes to position BCM as a tourism destination</p> <p>Develop and implement economic development policies to promote and support growth both the 1st and 2nd economies</p> <p>Enhance the use of labour intensive in implementing projects</p>	18 059	27 966	28 188	28 188	23 469	35 144	36 511
BCMM 4: To deliver sustainable infrastructure that supports social and economic development	<p>Implement an electricity management service that is inclusive, safe, reliable, efficient and adequately maintained</p> <p>Facilitate public and private sector investments and projects in renewable forms of alternative energy</p> <p>Construct, Upgrade and maintain roads, stormwater systems & associated structures to acceptable standards</p> <p>Replace, upgrade and maintain water and sanitation systems</p> <p>Implementation of water conservation and demand management strategies</p> <p>Implement an effective waste minimization plans</p> <p>Provision of formal houses as part of Integrated Sustainable Human Settlements.</p> <p>Review and implement the Disaster Management Policy</p> <p>Implement measures to reduce and prevent crime incidents in BCMM</p> <p>Generate Local Spatial Development Frameworks</p> <p>Implement land acquisition & transfer</p> <p>Implement land release programme</p> <p>Develop and review a Comprehensive Integrated Transport Plan (ITP) that is aligned to the SDF and IDP</p> <p>Develop and implement Air Quality Management Plan</p> <p>Develop and implement Township & CBD Regeneration Strategy to upgrade townships and CBDs, enable economic development and create jobs</p> <p>Improve infrastructure of all amenities</p> <p>Provision of adequate Fire & Rescue facilities in BCMM</p>	2 115 555	2 597 851	2 381 097	2 381 097	2 535 973	2 838 863	3 105 373

Strategic Objective	Goal	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
BCMM 5 : To be a well structured and capacitated institution that renders effective and efficient services to all by 2016	<ul style="list-style-type: none"> Reviewal of existing organogram, development, adoption and implementation of a new micro organogram Capacitation of human capital Integrate ICT business processes and system Deployment of GIS on the internet and intranet Development and implementation of employee performance management system Grow the Municipality's Knowledge, creativity and innovative base and implementation of KM Strategy Migrate hard copies of documents and files through to soft copy 	80 462	110 558	104 895	104 895	136 374	152 143	165 686
BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metro Municipality by 2016	<ul style="list-style-type: none"> Develop & implement Municipal Health Services Delivery Plan To ensure the protection and conservation of BCMM natural resources Develop and implement Air Quality Management Plan Implement an effective waste minimization plans Improve infrastructure of all amenities 	633 370	711 167	718 911	718 911	743 539	791 801	849 449
Total Expenditure		3 212 286	3 926 991	3 723 816	3 723 816	3 992 222	4 412 637	4 782 690

SECTION F

FINANCIAL PLAN

1. Introduction

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

2. Capital & Operating Budget Estimates

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

2.1 Budget Assumptions

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

Description	2011/2012	2012/2013	2013/2014	2014/2015
2011 National Budget Headline Inflation Forecasts	5.70%	5.90%	5.30%	4.90%
Salaries	7.00%	7.00%	7.00%	7.00%
Electricity Purchases	26.71%	13.50%	13.50%	13.50%
Water Purchases	8.65%	9.30%	8.70%	8.30%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R349.76	R394.53	R442.69	R495.22
Equitable Share Allocation	R583 628 000	R651 565 000	R698 242 000	R750 687 000
Bad Debt Provision	R165 450 000	R215 000 000	R225 000 000	R237 000 000
Rates	10.80%	12.30%	11.70%	11.30%
Refuse	11.80%	13.30%	12.70%	12.30%
Sewerage	9.80%	11.30%	10.70%	10.30%
Electricity	20.38%	13.50%	13.50%	13.50%
Water	13.65%	15.15%	14.55%	14.15%
Fire Levy	9.80%	10.30%	9.70%	9.30%
Sundry Income	9.80%	10.30%	9.70%	9.30%

2.2 Operating Budget Estimates

Table F.1 details the Operating Budget estimates for the five years starting 1 July 2010 and ending June 2015.

TABLE F.1: OPERATING BUDGET: 2011/12 TO 2014/2015

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source										
Property rates	362 669	426 500	452 694	520 511	519 836	519 836	519 836	583 999	652 376	726 039
Property rates - penalties & collection charges	824	547	612	1 236	1 236	1 236	1 236	1 376	1 534	1 710
Service charges - electricity revenue	609 731	802 485	924 518	1 142 652	1 142 652	1 142 652	1 142 652	1 279 796	1 452 568	1 648 665
Service charges - water revenue	181 117	201 622	200 158	233 283	225 867	225 867	225 867	260 086	297 929	340 086
Service charges - sanitation revenue	128 522	145 648	166 162	180 203	182 820	182 820	182 820	203 478	225 251	248 451
Service charges - refuse revenue	124 506	139 256	157 219	173 905	176 193	176 193	176 193	199 627	224 979	252 652
Service charges - other	16 742	(802)	16 943	22 539	22 539	22 539	22 539	24 968	27 626	30 487
Rental of facilities and equipment	12 750	12 910	14 107	12 759	12 759	12 759	12 759	14 086	15 579	17 199
Interest earned - external investments	85 519	42 105	32 527	30 192	30 192	30 192	30 192	53 986	55 386	56 828
Interest earned - outstanding debtors	35 093	44 818	21 202	22 036	22 036	22 036	22 036	24 328	26 907	29 705
Dividends received	165	86	-	60	60	60	60	-	-	-
Fines	7 058	8 257	7 321	10 657	10 657	10 657	10 657	11 765	13 012	14 366
Licences and permits	12 250	14 117	15 053	15 391	15 391	15 391	15 391	16 992	18 793	20 747
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	444 415	573 985	679 071	966 570	763 690	763 690	763 690	804 866	906 740	965 041
Other revenue	98 454	118 240	118 595	321 296	322 441	322 441	322 441	487 284	535 034	572 364
Gains on disposal of PPE	4 168	2 523	437	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2 123 984	2 532 297	2 806 620	3 653 289	3 448 369	3 448 369	3 448 369	3 966 637	4 453 714	4 924 341

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Expenditure By Type										
Employee related costs	656 568	766 288	837 301	983 308	979 841	979 841	979 841	1 053 329	1 134 389	1 218 563
Remuneration of councillors	19 359	19 691	23 278	28 871	42 074	42 074	42 074	45 219	48 599	52 233
Debt impairment	138 109	24 317	210 998	165 450	165 450	165 450	165 450	215 000	225 000	237 000
Depreciation & asset impairment	221 037	516 523	431 395	473 248	473 248	473 248	473 248	376 528	400 642	411 029
Finance charges	84 868	119 639	86 767	93 951	93 951	93 951	93 951	89 112	84 904	80 298
Bulk purchases	466 747	593 724	771 253	940 528	928 119	928 119	928 119	1 049 157	1 183 959	1 335 746
Other materials	-	-	-	-	-	-	-	-	-	-
Contracted services	4 493	8 345	5 908	8 317	8 317	8 317	8 317	9 182	10 156	11 212
Transfers and grants	16 250	22 900	20 872	27 616	27 616	27 616	27 616	30 464	33 672	37 160
Other expenditure	667 553	770 225	818 468	1 205 702	1 005 199	1 005 199	1 005 199	1 124 230	1 291 318	1 399 449
Loss on disposal of PPE	784	1 447	6 046	-	-	-	-	-	-	-
Total Expenditure	2 275 770	2 843 099	3 212 286	3 926 991	3 723 816	3 723 816	3 723 816	3 992 222	4 412 637	4 782 690
Surplus/(Deficit)	(151 786)	(310 803)	(405 666)	(273 702)	(275 447)	(275 447)	(275 447)	(25 584)	41 077	141 651
Transfers recognised - capital	170 192	239 729	232 734	654 418	567 749	567 749	567 749	629 018	747 118	751 837
Contributions recognised - capital	-	-	-	-	2 790	2 790	2 790	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	18 406	(71 073)	(172 932)	380 716	295 092	295 092	295 092	603 434	788 194	893 489
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	18 406	(71 073)	(172 932)	380 716	295 092	295 092	295 092	603 434	788 194	893 489
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	18 406	(71 073)	(172 932)	380 716	295 092	295 092	295 092	603 434	788 194	893 489
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	18 406	(71 073)	(172 932)	380 716	295 092	295 092	295 092	603 434	788 194	893 489

2.3 Capital Budget Estimates

Table F.2 details the estimated Capital Investment Programme for the three years starting July 2012 and ending 30 June 2015. The Capital Investment Programme remains subject to the availability of funding.

TABLE F.2: CAPITAL INVESTMENT PROGRAMME: 2012/13 TO 2014/2015

2012/2013 - 2014/2015 CAPITAL BUDGET PER FUNDING			
Funding	2012/2013 Capital Budget	2013/2014 Capital Budget	2014/2015 Capital Budget
Own Funds	120 079 023	132 723 000	124 220 000
Total Own Funding	120 079 023	132 723 000	124 220 000
Integrated National Electrification Programme (INEP)	30 000 000	30 000 000	20 000 000
Electricity Demand Side Management Grant	10 000 000	0	0
Neighbourhood Development Partnership Grant	0	0	8 828 000
Public Transport Infrastructure and Systems Grant (PTIS)	78 702 000	78 762 000	0
Urban Settlement Development Grant	491 145 828	602 860 000	706 691 000
Human Settlement Development Grant	19 170 420	35 495 714	16 318 416
Total Grants	629 018 248	747 117 714	751 837 416
TOTAL PER FUNDING	749 097 271	879 840 714	876 057 416

2.4 Debt Management Framework

Table F.3 details the Debt Management Framework

	2012/13 (R Mill)	2013/14 (R Mill)	2014/15 (R Mill)
CLOSING BALANCE	607,208	561,807	512,134

3. Financial Strategy

In order for the municipality to perform its major objective of service delivery to its citizens the Metro must ensure that there is effective and efficient financial sustainability which encompasses national norms and standards. A municipality can be categorized into either:

- * Developed – maintenance
- * Developing – growing

Buffalo City can be categorized as a developing – growing municipality and as a result the metro requires significant additional resources and funding to conduct the growth that is expected of them. The challenge being experienced by most municipalities is to maintain the existing infrastructure.

The financial plan and related strategies will need to address a number of key areas in order to achieve this goal. The areas, which have been identified, are detailed below.

3.1 The Financial Framework

3.1.1 Revenue Adequacy and Certainty

It is essential that the City has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of certainty with regard to source, amount and timing of revenue. The Division of Revenue Act has laid out the level of funding from National Government that will be received for the 2013/13 to 2014/15 financial years.

The City strives to grow its own revenue by implementing an effective Revenue Strategy. This is to ensure that the City will be able to fund its own Capital Infrastructure Programmes into the future.

Currently the City is assessing its capacity to borrow so as to invest in income generating infrastructure assets.

i. Cash / Liquidity Position

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

The current ratio, which expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. The norm for current ratio in the industry is 2:1, which is considered to be healthy.

The City currently stands at a ratio of 1.65:1 which is desirable in the medium term as the City's objective is not profit driven, but focused on service delivery. However it should be noted that one of the contributing components to the increase in the current ratio are debtors and inventory. Debtors constitute 18% of the current assets. Inventory constitutes 7% of the current assets and BCMM is currently managing its stock levels in order to avoid having its cash reserves tied up in inventory. Cash and cash equivalents comprise 75% of the current assets, it should however be noted that a large portion of the investments (R 892.64 million) is unspent conditional grants.

Debtors' collection measurements, which have a great impact on the liquidity of the City. Currently the City takes on average 76 days to recover its debts, while the annual debts collection rate is 92.09%. The City will attempt to reduce the day's debts outstanding to less than 60 days in the medium term and will strive reach a collection rate of 95%. A desirable target in the long term will be 97%.

ii. Sustainability

The City's budget in the 2012/13 MTREF period is funded. As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. BCMM is striving to ensure that all households within the jurisdiction of the metro will have access to basic services.

iii. Effective and Efficient Use of Resources

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

iv. Accountability, Transparency and Good Governance

The City is accountable to its people who provide the resources. The budgeting process and other financial decisions are open to public scrutiny and participation. In addition, accounting and financial internal control procedures are in place to minimize opportunities for corruption. It is also essential that accurate financial information is produced within acceptable time-frames.

v. Development and Investment

In order to deal effectively with backlogs in service delivery, the City needs to maximize its investments in municipal infrastructure (see Table F.2).

vii. Macro-economic Investment

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

viii. Borrowing

The strong capital market in Southern Africa (banks and other lending institutions like DBSA, INCA etc.) provides an additional instrument to access financial resources.

BCMM is indebted to DBSA for its infrastructure investments in the previously disadvantaged areas. Currently the City is assessing its capacity to borrow so as to invest in income generating infrastructure assets, so as to grow the City's revenue base. BCMM maintains a long term Credit Rating of 'A'. The current "capital charges" as a percentage of income is 17%. The City will continuously aim to keep this at a desired level of below 10% over the medium term.

3.2 Strategies and Programmes

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

3.2.1 Revenue Raising Strategies and Programmes

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

- **The review and implementation of a Credit Control & Debt Collection Policy**
This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.
- **The review and implementation of an Indigent Policy**
This policy defines the qualification criteria for an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.
- **The review and implementation of a Uniform Tariff Policy**
This policy ensures that fair tariffs are charged in a uniform manner throughout the Buffalo City area.

- **The review and implementation of a Property Rates & Valuation Policy**
This will ensure that a fair rates policy and an updated valuation roll is applied to the entire Buffalo City area and will aim to ensure that all properties are included in the City's records. Furthermore the policy will ensure that valuations are systematically carried out on a regular basis for all properties.

3.2.2 Asset Management Strategies and Programmes

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

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

3.2.3 Financial Management Strategies and Programmes

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

- **The review of the computerized accounting system**
- **Integration of all computerized systems and acquisition of hardware and software required**
The integration of computerized systems and acquisition of the required hardware and software within the Buffalo City area to ensure that information is accurate, relevant and prompt, which in turn will facilitate the smooth running and effective management of the City.
- **Development of a GRAP compliant MTREF budget**
- **Develop and implement budget and community consultation processes**
- **Develop and implement a uniform budget reporting framework**
- **Review of Post GRAP implementation issues and standards**
- **Review and update asset and accounting policies and procedures**
- **Training and development of financial and other staff**
The aim of this project will be to constantly ensure that the Financial (and other) staff receive the training they require to ensure a cost-effective and efficient service to the City.
- **Enhance budgetary controls and timeliness of financial data**
The Budget Office submits performance reports of the municipality timeously to the various stakeholders and ensuring compliance with the Municipal Finance Management Act (MFMA). Section 71 Reports are submitted to the Executive Mayor 10 days after month end indicating the year-to-date performance of the municipality.

3.2.4 Capital Financing Strategies and Programmes

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

- **The review and implementation of a debt capacity policy**

This policy will ensure that any borrowings taken by the City will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.

- **The development and implementation of a policy for accessing finance (including donor finance)**

3.2.5 Operational Financing Strategies and Programmes

The following programme has been identified:

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

4. Financial Management Policies

4.1 General Financial Philosophy

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

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

- withstand local and regional economic impacts;
- adjust efficiently to the community's changing service requirements;
- effectively maintain, improve and expand the City's infrastructure;
- manage the City's budget and cash flow to the maximum benefit of the community;
- prudently plan, coordinate and implement responsible and sustainable community development and growth;
- provide a high level of fire and other protective services to assure public health and safety.

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

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

4.2 Operating Budget Policies

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

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

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

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

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

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

4.3 Capital Infrastructure Investment Policies

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

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

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

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

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

4.4 Revenue Policies

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

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

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

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

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

The City will follow an aggressive policy of collecting revenues.

4.5 Credit Control Policies and Procedures

BCMM reviewed its Credit Control Policy on 11/12 April 2012 and will be forwarded to Council on 29 May 2012 for adoption.

The Principles supported in this Policy are:

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

4.6 Indigent Policy

The Indigent Policy was reviewed on 11/12 April 2012 and will be tabled at Council on 29 May 2012 for adoption. This Policy identifies the criteria for one to qualify as an indigent and the process one needs to follow in order to register for indigent status.

The form of subsidy is identified, as is the process of auditing indigent applications. In addition, procedures, which will be followed in the event of a death of an indigent and a false indigent application is covered. Finally treatment of debt of a customer on becoming an indigent and interest on arrear charges are addressed.

Indigent monthly welfare package - Approximately 63 0000 indigent households are provided for in the budget as indicated below:

Table 20: Indigent Cost Per Month

Total Households	Rates	Refuse	Sewerage	Fire	Electricity	Water	Rand value per household per month
63 000	R83.08	R123.24	R72.41	R28.06	R42.76	R44.98	R394.53

4.7 Investment Policies

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 13(2) and the draft municipal investment regulations: "Each Municipal Council and Governing body shall adopt by resolution an investment policy regarding the investment of its money not immediately required.

Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The portfolio shall remain sufficiently liquid to enable the City to meet daily cash flow demands and conform to all state and local requirements governing the investment of public funds. The preservation of principal is the foremost objective of the investment program.

The City will continue the current cash management and investment practices, which are designed to emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third.

Investment shall be made with care, skill, prudence and diligence. The approach must be that which a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality. The standard of prudence to be used by the Investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall Investment portfolio. Investment officials are required to:

- a) adhere to written procedures and policy guidelines.
- b) exercise due diligence.
- c) prepare all reports timeously.
- d) exercise strict compliance with all legislation.

The City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than two years from the date of issue. The City's financial information system will provide adequate information concerning cash position and investment performance.

The City will not invest more than 30% of available funds with a single institution.

The Minister of Finance may identify by regulation in terms of Section 168 of the MFMA instruments or investments other than those referred to below in which Municipality may invest:

- Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- Securities issued by the National Government;
- Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
- Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;
- Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984);
- Banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990);
- Municipal Bonds issued by a Municipality;
- Guaranteed endowment policies with the intention of establishing a sinking fund; and
- Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)

4.8 Debt Management Policies

- The City shall issue debt only when necessary to meet a public need and when funding for such projects is not available from current revenues, reserves or other sources.
- Long-term borrowing will be used to finance capital improvements as approved in the City's CIP.
- Capital projects financed through the issuance of debt shall be financed for a period not to exceed the expected useful life of the project.
- The City will not incur debt to finance current operations.
- Lease-purchase obligations, capital outlay notes or other debt instruments may be used as a medium-term method of borrowing for the financing of vehicles, computers, other specialized types of equipment, or other capital improvements.

4.9 Asset Management Policies

The objective of the asset management policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant & Equipment (PPE), which are fixed assets of BCMM.

A summary of the Principles supported in this policy are:

A fixed asset shall mean an asset, either movable or immovable, under the control of the municipality, and from which the municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond 12 months.

- The fixed asset register shall comply with the requirements of Generally Recognized Accounting Practice (GRAP) and any other accounting requirements, which may be prescribed.
- Fixed assets are classified under the following headings:
 - ❑ Land
 - ❑ Infrastructure Assets
 - ❑ Community Assets
 - ❑ Heritage Assets
 - ❑ Investment Properties
 - ❑ Other Assets
 - ❑ Intangible Assets
- Every Head of Department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.
- PPE is carried at cost less accumulated depreciation and any impairment losses, except for land and buildings which are revalued. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.
- Subsequent expenditure relating to property, plant and equipment is capitalized if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the

further development of an asset so that its original life is extended are examples of subsequent expenditure which are capitalized.

- Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their residual value, except for furniture and fittings which are depreciated using the diminishing balance method at 10% per annum.
- Incomplete construction work is stated at historic cost.
- The carrying amount of an item or a group of identical items of PPE will be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount will be reduced to the recoverable amount. The amount of the reduction will be recognized as an expense immediately, unless it reverses a previous revaluation, in which case it will be charged to the revaluation non-distributable reserve.
- Assets are eliminated from the Statement of Financial Position on disposal or retirement.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the statement of financial performance.

4.10 Accounting Policies

A summary of the principal accounting policies adopted in the preparation of the annual financial statements is as follows:

- a. Basis of presentation - the annual financial statements are prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for the revaluation of land and buildings, which are carried at fair value. The annual financial statements are prepared in accordance with South African Statements of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with the Municipal Finance Management Act (Act 56 of 2003).
- b. Basis of consolidation - the consolidated annual financial statements incorporate the financial statements of Buffalo City Metropolitan Municipality and municipal entities controlled by Buffalo City Metropolitan Municipality.
- c. Presentation currency - the annual financial statements are presented in South African Rand.
- d. Going concern assumption - the annual financial statements are prepared on a going concern basis.
- e. Reserves – the economic entity creates and maintains the following reserve in terms of specific requirements:
 - Revaluation reserve
- f. Property, plant and equipment (PPE) - is stated at cost, less accumulated depreciation and accumulated impairment losses, except land and buildings. The accounting policies for PPE include the following:
 - Depreciation of property, plant and equipment
 - Disposal of property, plant and equipment
 - Impairment losses
 - Revaluation of land and buildings
 - Intangible assets
- g. Investments - the accounting policies for investments include the following:
 - Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Position.

- h. Inventories – Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition. Subsequently inventories are measured at the lower of cost and net realizable value. The cost of inventories is assigned using the first-in, first out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.
- i. Revenue from exchange transactions:
- **Measurement** – Revenue is measured at fair value of the consideration received or receivable, net of trade discounts and volume rebates.
 - **Sale of goods** – Revenue from sale of goods is recognized when all the following conditions have been satisfied:
 - a. The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
 - b. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - c. The amount of revenue can be measured reliably;
 - d. It is probable that the economic benefits or service potential associated with the transactions will flow to the entity; and
 - e. The costs incurred or to be incurred in respect of the transactions can be measured reliably.
 - **Rendering of services** – Service revenue is recognized by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as percentage of total serviced to be performed.
- j. Revenue from non-exchange transactions:
- **Recognition** – An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.
 - **Measurement** – Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognized by the economic entity.
- k. Conditional grants and receipts – Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized. .
- l. Provisions – are recognized when the economic entity has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate based on the information available can be made of the amount of the obligation.
- m. Cash and cash equivalents – Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.
- n. Unauthorized expenditure – Unauthorized expenditure means:
- a. Overspending of a vote or a main division within a vote; and
 - b. Expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- o. Irregular expenditure - is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998), the State Tender Board Act, 1968 (Act No. 86 of 1968), any provincial legislation providing for procurement procedures in that provincial government or is in contravention of the Municipality's or Municipal Entities' supply chain management policies.
- p. Fruitless and wasteful expenditure - is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

- q. Allowance for doubtful debts – On debtors an impaired loss is recognized in surplus and deficit when there is objective evidence that is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.
- r. Effective interest rate – The economic entity uses the prime interest rate to discount future cash flows.
- s. Financial Instruments – The economic entity classifies financial assets and financial liabilities into the following categories:
 - Loans and receivables
 - Available-for-sale financial assets
 - Financial liabilities measured at amortized cost
- t. Comparative figures – Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.
- u. Leases – A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.
- v. Intangible assets - are initially recorded at their cost price and are subsequently amortized over their expected useful lives.
- w. Post retirement benefits – The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

4.11 Supply Chain Management System Policy

Section 111 of the Local Government Municipal Finance Management Act (MFMA) requires municipalities to develop and implement a supply chain management policy. The principle objective of the legislation has been to comply with Section 217 of the Constitution, which among other things states that when contracting for goods and services the system must be fair, equitable, transparent, competitive and cost effective.

The Supply Chain Management Policy has been workshopped and reviewed on 11/12 April 2012 and will be tabled to Council on 29 May 2012 for adoption.

Supply Chain Management (SCM) generally refers to the management of activities along the supply chain including the supplier, manufacturer, wholesaler, retailer and consumer

The MFMA and its relevant regulations also identify processes/mechanisms which must be included in a SCM Policy.

The supply chain management system is applicable for the:–

- Procurement by Buffalo City Metropolitan Municipality (and any municipal entity of Buffalo City) of all goods and services or works;
- Selection of contractors to provide assistance in the provision of municipal services;
- Selection of external mechanisms for the provision of municipal services in circumstances contemplated in section 83 of the Local Government: Municipal Systems Act;
- Disposal of assets or goods no longer required;
- Letting or sale of Municipal property.

BCMM's Supply Chain Management Policy was last reviewed and adopted in February 2009. It is currently again under review and will be tabled to Council for adoption in May 2012.

The specific objective of the SCM Unit is to ensure effective, efficient and transparent SCM systems, complemented by a strategy of coordinating and implementing comprehensive demand management plans as per the approved budget

4.12 Ratio Analysis/Benchmarks

Table F.4 gives details of commonly used financial ratios/benchmarks. The information in the Table is the actual position for the 2007/08 financial year to 2010/11 financial year.

TABLE F.4: Ratio Analysis / Financial Benchmarks for the 2006/07 to 2010/11 financial year.

FINANCIAL BENCHMARKS	BASIS OF CALCULATION	2007/08	2008/09	2009/10	2010/11	As at 30 April 2012
<u>Borrowing Management</u>						
Debt to revenue	Total debt / Annual income	28.7%	26.9%	27.3%	32.3%	24.4%
Capital charges to operating expenditure	Interest & principal paid / Operating expenditure	6%	13%	22%	18%	17%
<u>Revenue Management</u>						
Annual debtors collection rate (payment level %)	Last 12 months receipts / Last 12 months billing	94.9%	93.8%	93.6%	94.2%	90.9%
Outstanding debtors to revenue	Outstanding debtors (net)/Ann rev (total inc)	18.5%	13.2%	14.7%	24.8%	20.9%
<u>Efficiency</u>						
Personnel costs to operating expenditure	Personnel costs / Operating expenditure	29%	30%	29%	27%	26.5%
<u>Creditors Management</u>						
Creditors days	Outstanding creditors / Credit purchases x 365	30	30	30	30	30

4.13 Asset Management Information

To ensure that assets are adequately maintained, a programme for the planned maintenance and replacement of all fixed and moveable assets is essential.

The magnitude of deferred maintenance due to past and present lack of funding can be judged by the following estimated amounts.

TABLE F.5: Deferred Maintenance

Electricity:	195,000,000
Water:	214,562,000
Wastewater (Sewerage):	240,000,000
Roads:	
Entire Network (Figures escalated from last assessment done on the Pavement Management system Surfaced Roads 2007 and Gravel Roads 2004)	1,859,039,000
Buildings:	
Office Accommodation	12,000,000
Depots	12,000,000
City Hall	16,000,000
Vehicles:	
Replacement	25,000,000
Development Planning Transport	
Traffic signals	4,000,000
Direction Signs	3,000,000
City Bus recapitalisation	30,000,000
Bus Depot Equipment	100,000
Public transport infrastructure	20,000,000
Metropolitan main roads	228,000,000
Community Services	
Amenities	
Arts & Culture	2,200,000
Integrated Environmental Development	24,500,000
	2,500,000
TOTAL	R2,887,901,000

SECTION G

OPERATIONAL PLAN

1. Buffalo City Metropolitan Municipality: Political Structure

The section 12 notice published by the Member of the Executive Council for Local Government & Traditional Affairs determined that Buffalo City Metropolitan Council, in terms of section 9(d) of the Municipal Structures Act 1998, would have an Executive Mayoral System combined with a Ward Participatory System.

BCMM has hundred Councillors, fifty Councillors were elected in terms of the system of proportional representation and fifty Councillors represent wards. The first Council Meeting elected the Executive Mayor, Deputy Mayor, Council Speaker and Chief Whip. The Executive Mayor has a nine member Mayoral Committee which comprises of the following portfolios :

- Corporate Services
- Community Services
- Engineering
- Finance
- Health and Public Safety
- Housing
- Integrated Development Plan and Development Planning
- Local Economic Development

1.1 Ward Committees

Local Government elections were held on 18 May 2011, which established new ward boundaries and ushered in new ward Councillors. Ward Committees have been established, in terms of sections 72-78, of the Municipal Structures Act, for the 50 wards.

Ward committees are chaired by the ward Councillors and consist of ten elected members. Ward committees are consultative community structures, whose purposes is to broaden participation in the democratic process of Council and to assist the Ward Councillor with organising consultation, disseminating information and encouraging participation from residents in the ward.

1.2 Portfolio Committees

In terms of sections 79 & 80 of the Municipal Structures Act (117 of 1998) and Section 160 of the Constitution, Portfolio Committees have been established to assist the Executive Mayor. In 2002, the Council sought to align the political and administrative structures of Buffalo City. It achieved this through aligning the Portfolio Committees with the new organisational structures and creating Portfolio Committees.

The current Portfolio Committees are as follows:

Portfolio Committees:

- IDP and Organisational Performance Management
- Support Services
- Infrastructure Planning and Services
- Development Planning and Management

- Health and Public Safety
- Development Programmes and Projects
- Community Services
- Institutional Operations and Civic Relations
- Economic Development and Agencies
- Finance

2. Buffalo City Metropolitan Municipality: Administrative Structure

The Buffalo City Metropolitan Municipality implements its Integrated Development Plan and it is operating with its current administrative structure headed by the City Manager with the following Executive Directorates:

City Manager’s Office

Executive Directorate: Strategic Management

Executive Directorate: Development Planning and Management

Executive Directorate: Development Facilitation and Partnerships

Executive Directorate: Municipal Services

Executive Directorate: Finance and Support Services



FigureG1: Buffalo City Metropolitan Municipality: Administrative Structure

2.1. Executive Directorate: Strategic Management

The Directorate of Strategic Management consists of the following Directorates, namely:

- **Directorate: Assurance** consists of the following Department/Divisions:
 - Internal Audit
 - Risk Management
 - Organizational Performance
 - Legal Advisory
- **Directorate: Operations** consists of the following Department/Divisions:
 - Corporate Planning and IDP
 - Development Stakeholders Engagement
 - Information Knowledge and Research
- **Directorate: Council Support** consists of the following Department/ Divisions:
 - Political Office Management
 - Communication and Marketing
 - International and Intergovernmental Relations
 - Councilor Support
 - Woman, Disability, Youth and Children

Figure G2 details the organogram of the Executive Directorate of Strategic Management up to Management level.

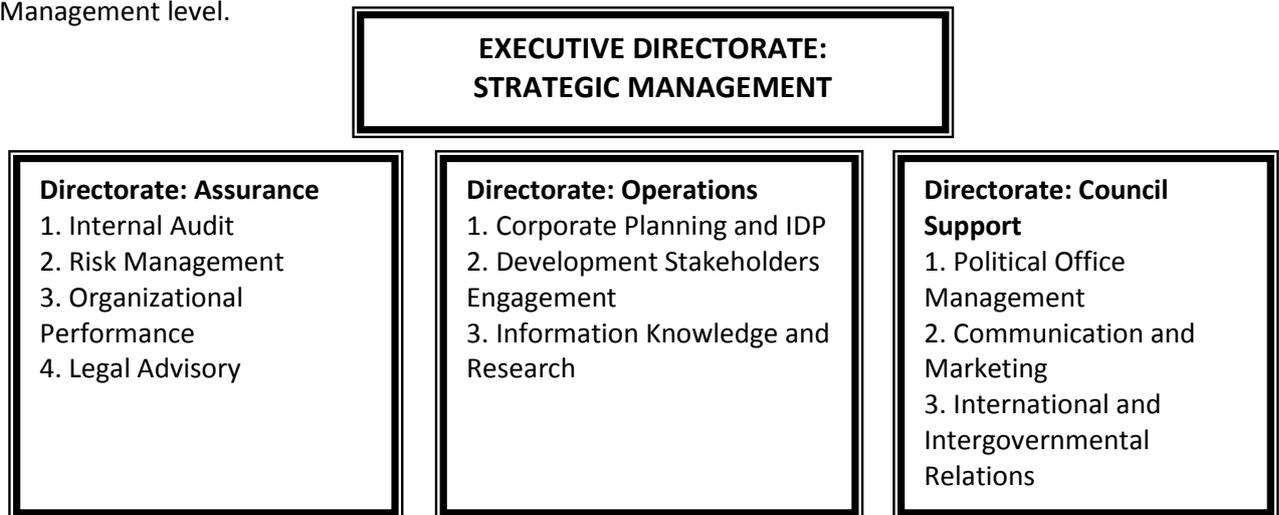


Figure G2: Executive Directorate of Strategic Management

2.2. Executive Directorate: Development Planning and Management

The Executive Directorate of Development Planning and Management consist of the following Directorates, namely:

- **Directorate: Planning** consists of the following Department/ Divisions
 - Spatial Planning
 - Architecture
 - GIS
- **Directorate: Development Management** consists of the following Department/ Divisions
 - Precinct Management
 - Spatial Norms and Standards Enforcement
- **Directorate: Development Application** consists of the following Department/ Divisions
 - Survey Services
 - Land Use
 - Property Management
 - Building Control
 - Valuations

FigureG3 details the organogram of the Executive Directorate of Development Planning and Management up to management level.



Figure G3: Executive Directorate of Development Planning and Management
2.3 Executive Directorate: Development Facilitation & Partnerships

The Executive Directorate of Development Facilitation & Partnerships consists of the following Directorates, namely:

- **Directorate:** Economic Development and Agencies consists of the following Department/Divisions:
 - LED
 - Trade and Investment
 - Agriculture
 - SMME
 - Tourism
 - Fresh and Produce
 - City Enterprise
 - Municipal Economic Entities

- **Directorate:** Built Environment consists of the following Department/ Divisions
 - Township & CBD Regeneration
 - Rural Agrarian Transformation
 - Human Settlement
 - Public Transportation
 - a) Transport Planning
 - b) Public Transport
 - c) Traffic Engineering

- **Directorate:** Programmes consists of the following Department/ Divisions
 - Arts Culture and Heritage
 - Integrated Environmental Development
 - Skills and Education
 - ICT, Knowledge & Innovation

Figure G4 details the organogram of the Directorate of Municipal Services up to management level.

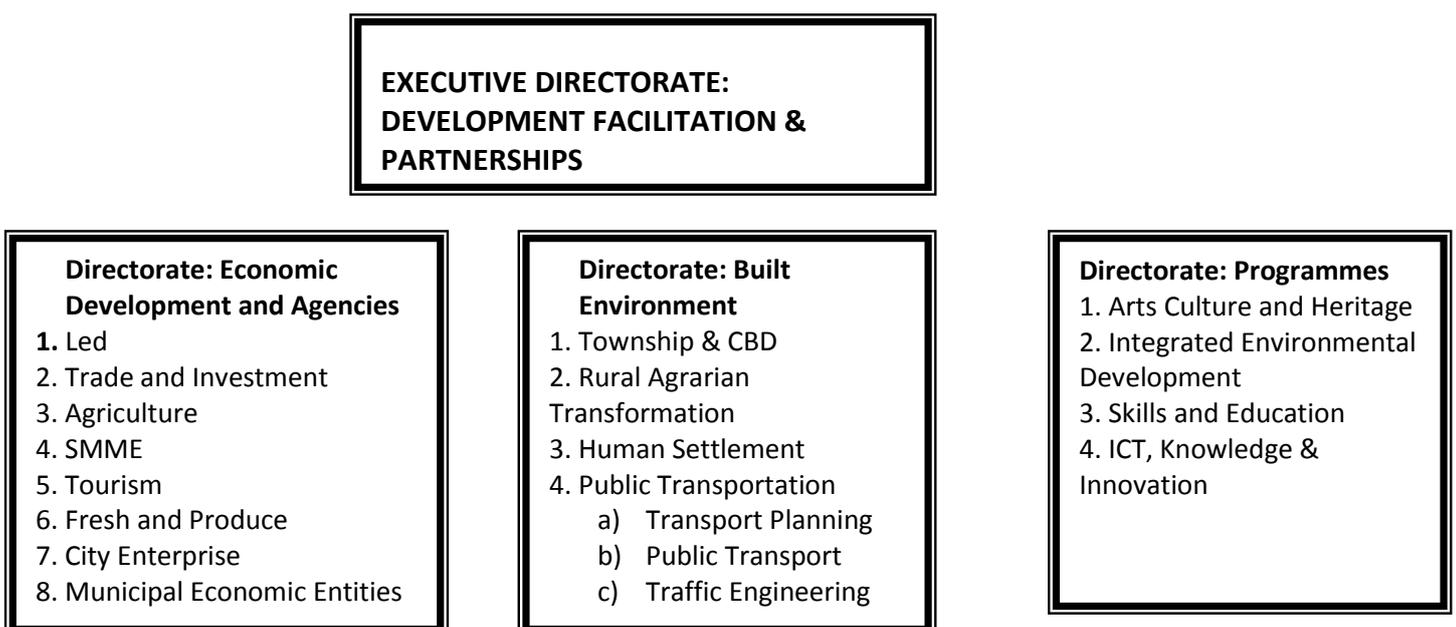


Figure G4: Executive Directorate of Municipal Services

2.4. Executive Directorate: Municipal Services

The Executive Directorate of Municipal Services consist of the following Directorates, namely:

- **Directorate: Community Services** consists of the following Department/ Divisions:
 - Emergency Services
 - Municipal Environmental Health & Waste Management
 - Community Amenities, Parks & Cemeteries
 - Metro Police services
- **Directorate: Infrastructure Services** consists of the following Department/ Divisions:
 - Roads, PIU&Construction
 - Water Services Authority
 - Energy & Electricity services
 - Water Services Provider
 - Waste Infra Planning & Design
 - Housing
- **Directorate : CIPPM** consists of the following Department/ Divisions:
 - Project Planning & Development
 - Project Management & Implementation
 - Asset Maintenance & Implementation
 - Plant & Workshop services

Figure G5 details the organogram of the Directorate of Municipal Services up to management level.



Figure G5: Executive Directorate of Municipal Services

2.5. Executive Directorate: Finance and Support Services

The Executive Directorate of Finance and Support Services consist of the following Directorates, namely:

- **Directorate: Corporate and Support Service** consist of the following Department/ Division
 - Human Resources Management
 - Employee Performance Management
 - IT and Support
 - Facilities Management

- Directorate: Legal and Admin
 - Auxiliary, Admin and Secretariat
 - Records and Decision Tracking
 - Contract Management
 - Legal and Compliance
- Directorate: Financial Services
 - Budget and Treasury
 - Expenditure
 - Revenue Management and Capital Raising
 - Supply Chain Management
 - Financial Accounting

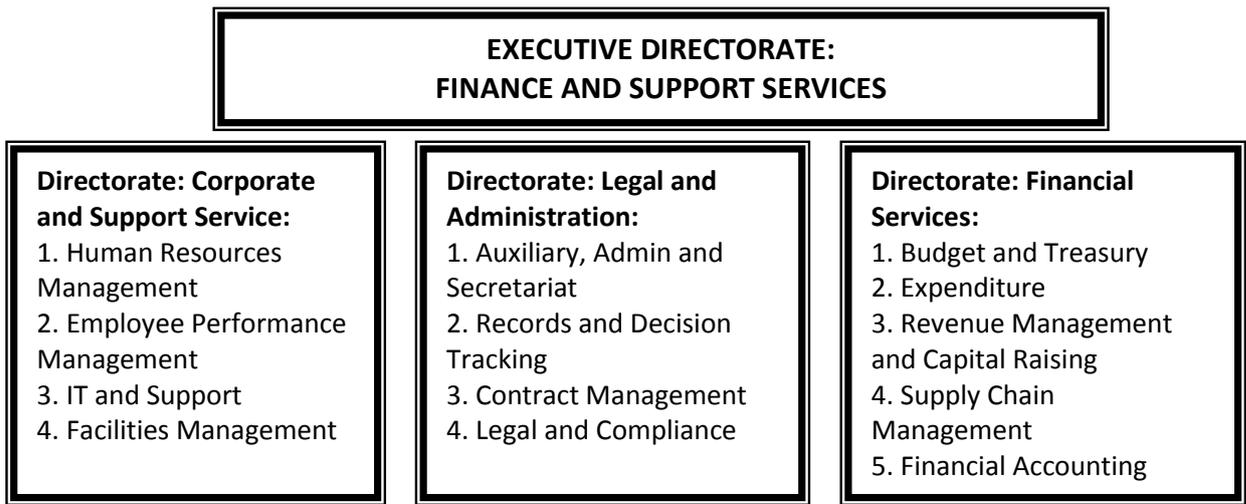


Figure G6: Executive Directorate of Finance and Support Services

SECTION H

Framework for the Management of Performance

1. Introduction

1.1 Strategic Objectives of a Performance Management System

In the local government context, a comprehensive and elaborate system of monitoring performance of municipalities has been legislated. This system is intended to continuously monitor the performance of municipalities in fulfilling their developmental mandate. Central to this is the development of key performance indicators as instruments to assess performance. These indicators help to translate complex socio-economic development challenges into quantifiable and measurable outputs. They are therefore crucial to improving the quality of life for all.

The Municipal Planning and Performance Management Regulations (2001) define a Municipality's Performance Management System as "a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Buffalo City Metropolitan Municipality (BCMM) believes that the principles of performance management should:

- Drive change and improve the performance of the organisation;
- Focus the organisation's work on its priorities;
- Measure the organisation's overall performance against set objectives;
- Align strategic objectives and priorities with individual work plans;
- Identify success as well as failure; and
- Identify good practice and learning from others' successes.

1.2 Policies and Legislative Framework for Performance Management

The framework for Performance Management is informed by the following legislative and policy instruments:

- The Constitution of the RSA, 1996 (Act 108 of 1996)
- The White Paper on Local Government (1998)
- The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- Municipal Planning and Performance Management Regulations 2001(No 796, 24 August 2001)
- Regulations for Municipal Managers and Managers reporting directly to Municipal Managers, 1 August 2006
- The Local Government : Municipal Structures Act, 1998 (Act 117 of 1998)
- The Local Government: Municipal Financial Management Act , 2003 (Act 66 of 2003)
- The Batho Pele White Paper (1998)

The BCMM has developed and implemented a performance management system in accordance with the legislated instruments. The main objective of the system is to guide and manage the performance of the municipality (as an organisation) and employees (as individuals) throughout the City.

1.2.1 The Local Government: Municipal Systems Act, No. 32 of 2000.

This legal instrument requires that a Municipality must:

1. Develop a Performance Management System;
2. Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP);
3. Publish an Annual Report on performance for the Councillors, staff, the public and other spheres of Government;
4. Conduct an internal audit of performance;
5. Have their annual performance report audited by the Auditor-General; and
6. Involve the community in setting indicators and targets and reviewing municipal performance.

1.2.2 The Local Government: Municipal Planning and Performance Management Regulations, 2001.

This legal instrument requires that a Municipality must when developing its Performance Management System, ensure that the system:

1. Complies with all the requirements set out in the Local Government: Municipal Systems Act;
2. Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
3. Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
4. Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
5. Determines the frequency of reporting and the lines of accountability for performance; and
6. Aligns with the Municipality's Employee Performance Management processes.

In terms of Section 43 of the Local Government: Municipal Systems Act, the Minister has prescribed general KPIs that every municipality must report on. The following general KPIs are legislated:

1. The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
2. The percentage of households earning less than R1100-00 per month with access to free basic services;
3. The percentage of the Municipality's capital budget actually spent on capital projects in terms of the IDP;
4. The number of local jobs created through the Municipality's local economic development initiatives, including capital projects;
5. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan;

6. The percentage of a Municipality's budget actually spent on implementing its workplace skills plan; and
7. Financial viability with respect to debt coverage; outstanding debtors in relation to revenue and cost coverage.

1.2.3 The Local Government: Municipal Finance Management Act

The Local Government: Municipal Finance Management Act contains various provisions relating to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan with service delivery targets and performance indicators. When adopting the annual budget the Municipality must also set measurable performance targets for each revenue source and vote.

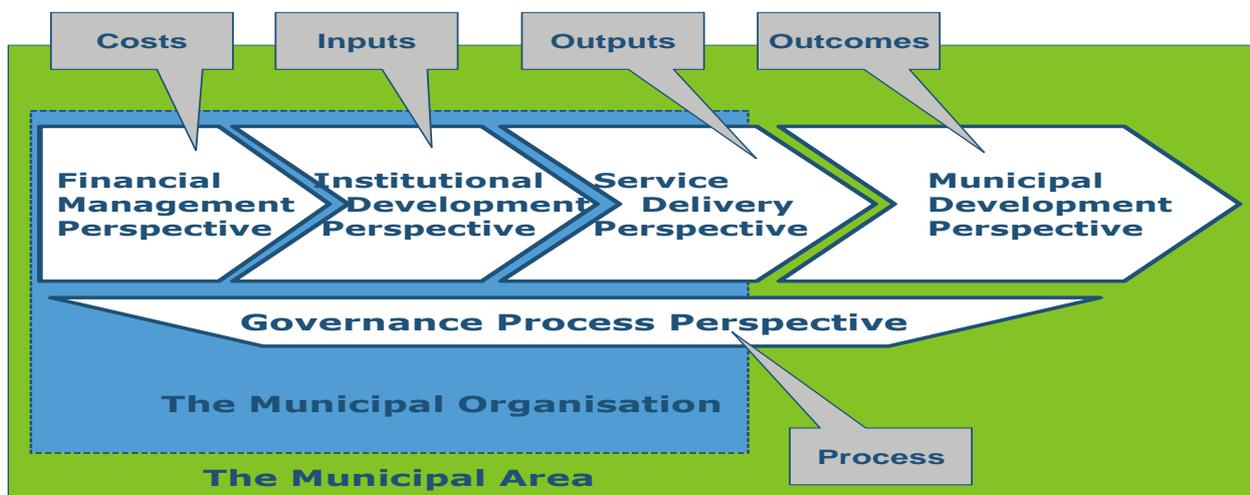
The objective of institutionalising a Performance Management System (PMS) is to serve as a primary mechanism to monitor, review and improve the implementation of the Municipality's IDP.

In doing so it:

- Promotes accountability;
- Facilitates decision-making and resource allocation;
- Guides development of municipal capacity-building programmes;
- Creates a culture of best practice and shared learning among Municipalities;
- Provides early warning signals and facilitates the development of intervention mechanisms;
- Creates pressure for change at various levels; and
- Contributes to the overall development of a Local Government System.

2. The Municipal Scorecard

The Municipality has adopted the Municipal Scorecard as its performance management model. In terms of the model, indicators are grouped together into five (5) perspectives as depicted in figure 1.1. below -



Source : Palmer Development Group (2006)



not policies and strategies are having the desired impact.

2.2. The Service Delivery Perspective

This perspective indicates how well the municipality is performing with respect to the delivery of services and products.

2.3. The Institutional Development Perspective

This perspective assesses performance with respect to the management of municipal resources including, inter alia, the following:

- Human Resource allocation;
- Information management;
- Organizational Infrastructure; and
- Asset management.

2.4. The Financial Management Perspective

This perspective assesses how the municipality is performing with respect to its financial management, including inter alia:

- Operating income;
- Operating expenditure;
- Financing infrastructure investments;
- Capital expenditure; and
- Financial management.

2.5. Governance Process Perspective

This perspective indicates how the municipality is performing with respect to its engagements and relationships with its stakeholders including inter alia:

- Public participation, including the functionality and impact of ward committees’
- Functionality and impact of municipal governance structures (Council structures including the offices of the Speaker, Executive Mayor and Portfolio Committees.);
- Access to information’ and
- Intergovernmental relations.

The Process of Managing Organisational Performance

To be effective performance management must form part of daily management activities. The Performance management cycle is illustrated on figure 1.2. below:

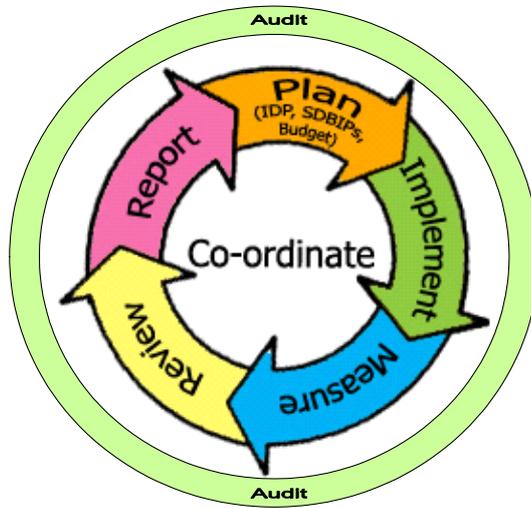


Figure 1.2

The Municipal Scorecard model is based on the cause-and-effect assumption. This cause and effect relationship is depicted schematically in Figure 1.3.

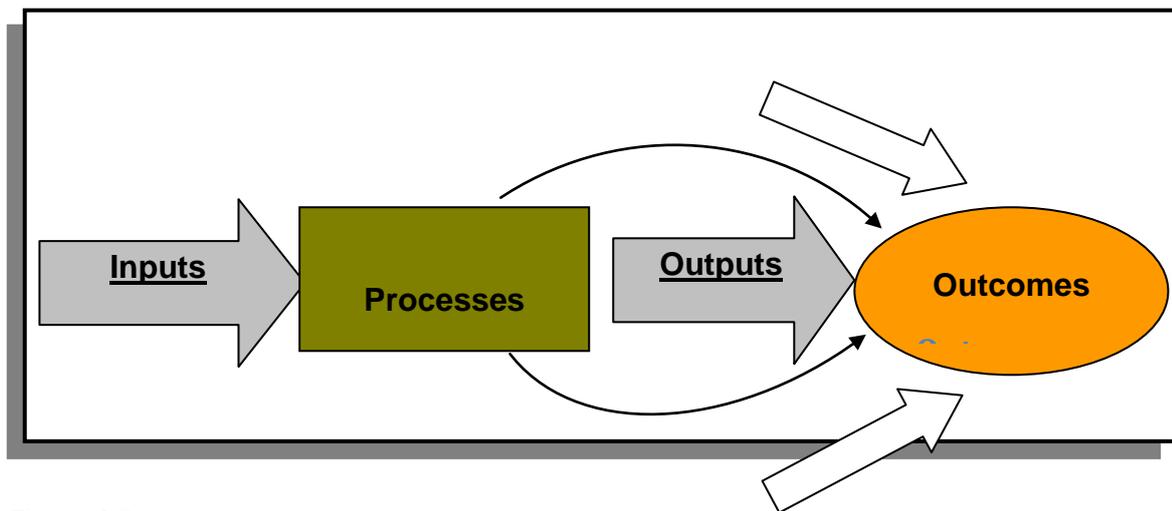


Figure 1.3:

3. Scorecards

Performance management is applied to various levels within the municipality. The legislative framework provides for performance management at various levels including institutional (also referred to as municipal, organisational, strategic or corporate) level, operational (also referred to as services, departmental or section/team) level, at the level of Executive Directors in terms of section 57 of the Local Government: Municipal Systems Act and lastly, at individual level.

The Institutional Scorecard

At institutional level the IDP forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The IDP is a long-term plan and by its nature the performance measures associated with it have a longer-term focus.

The system is configured around the five (5) Key Performance Areas (KPA) identified by Department of Co-operative Governance and Traditional Affairs, namely:

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

The institutional scorecard provides an overall picture of performance for the municipality as a whole, reflecting performance on the strategic priorities set in the IDP. The developmental perspective of this scorecard necessitates that information be also collected from other development role players in the municipal area. These include other spheres of government, business formations and civil society organisations.

The institutional scorecard is reported to Council half-yearly, and reviewed annually.

The City Manager is primarily responsible for performance on the institutional scorecard. The institutional scorecard therefore forms a large component of how the City Manager's performance is appraised.

Service Delivery and Budget Implementation Plan (SDBIP)

At operational level the Service Delivery and Budget Implementation Plan forms the basis for performance management. The measures at operational level are captured in the SDBIP of the Municipality and the SDBIPs of the various Directorates.

The Service Delivery and Budget Implementation Plan (SDBIP) is comprised of sections dealing with the performance of each Executive Directorate, based on the funds allocated in the Budget. Unlike the Institutional Scorecard, which reflects on the strategic priorities of the municipality, the Service Delivery and Budget Implementation Plan [Directorate Scorecards] provides a comprehensive picture of the performance of the Directorates. It comprises objectives, indicators and targets derived from the service plan and service strategies for each Executive Directorate.

Each Senior Manager is primarily responsible for performance against the Service Delivery and Budget Implementation Plan [Executive Directorate scorecard]. The scorecard forms a large component of how each Senior Manager’s performance is appraised.

Performance contracts in terms of Section 57 of the Local Government: Municipal Systems Act

Each Senior Manager is required to enter into a Performance Contract in terms of section 57 of the Local Government: Municipal Systems Act. In the case of the City manager, this agreement is entered into by and between the City Manager and the Executive Mayor. In the case of Executive Directors the agreements are entered into by and between each Executive Director and the City Manager. The primary foundation of these agreements is found in the Service Delivery and Budget Implementation Plan [Executive Directorate scorecard].

Performance against these scorecards is assessed quarterly.

Individual Performance

Individual or staff Performance Management deals with performance on the level of the individual employee. The Municipality has identified four (4) phases in the performance management process. These phases are planning, coaching, reviewing and rewarding. Measuring staff performance provides management with information on the behaviour of staff and outcomes in the workplace.

The annual performance agreements of managers and other officials are linked to the Service Delivery and Budget Implementation Plan of the municipality.

This process is illustrated by the diagram below:

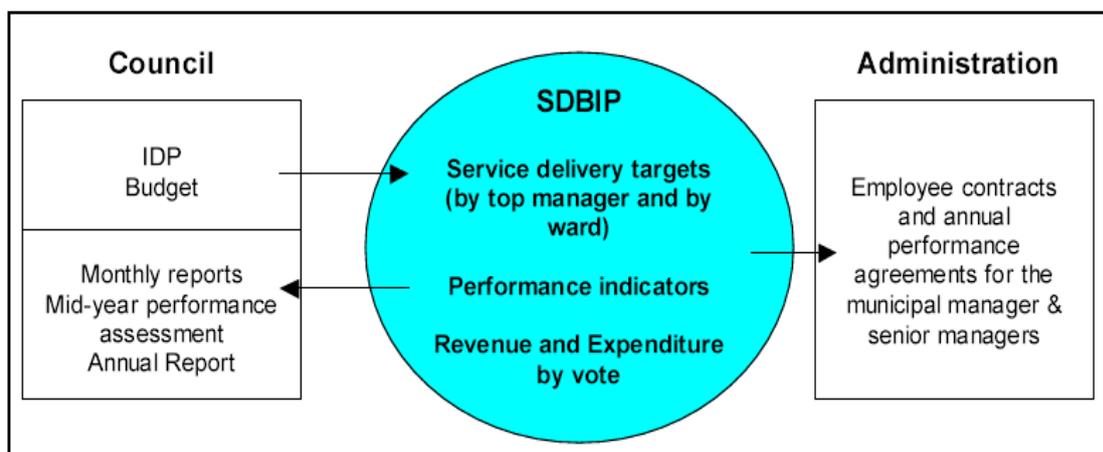


Figure I.4: SDBIP as a Management Tool

At this time, the system of individual performance is not in operation, but is scheduled for incremental implementation from 1 July 2012.

SECTION I

SUMMARY OF SECTOR PLANS

(a) OVERVIEW OF DEVELOPMENT SECTORS

Sectors are defined as fields of intervention aimed either at specific human needs (such as food, housing, water, health, education, transport, recreation) or as specific ways of satisfying human needs (such as agriculture, trade, mining, tourism). Sectors, as fields of intervention, are frequently related to specific planning and implementation agencies (departments, ministries) heading up such interventions. The key characteristic of sectors in the IDP process is that they may or may not be considered in the planning process, depending on the specific local needs and resources.

(b) ROLE OF SECTOR PLANNING IN IDP

Local government powers and functions are outlined in the 1996 Constitution and in the Municipal Structures Act. They vary from sector to sector and according to provincial discretion on the delegation of functions to municipalities in respect of some sectors. The principle underlying the role of sector planning in the IDP process can be summarised as follows:

- Sector planning requirements contained in national sectoral legislation in respect of municipal functions such as water and environment should be dealt with as part of the IDP process, where they are relevant to the local priority issues.
- Specific sectors which fall beyond the ambit of local competencies, such as education, may be directly related to the priority issues identified in a specific municipal area. As the municipality is not the implementation agency, attention will still need to be given to the planning process from analysis to integration; to facilitate alignment and co-ordination with other spheres of government and institutions, in the course of the IDP process. What is proposed is that even for sectors where there are no legally prescribed planning requirements, local government can use the integrated planning process to lever national and provincial sectoral contributions (funds and support) for development by ensuring compliance with national and provincial policy principles and sector guidelines. Local government can also use the IDP process to lobby provincial sector departments by involving them in the local planning process at appropriate points.

Sector planning and national sector departments have set up municipal sector-driven planning requirements, to inform their strategic planning, budgetary and implementation processes. For example the Department of Water Affairs and Forestry requires municipalities that are Water Services Authorities to formulate Water Services Development Plans, and the Department of Housing requires municipalities to formulate a housing strategy and targets as part of their IDP process. These planning requirements are meant to assist in the process of alignment.

Sector planning requirements vary in nature and status. The following categorisation of requirements can assist municipalities in differentiating between the various kinds of requirements:

- (a) legal requirements for the formulation of a sector plan;
- (b) a legal compliance requirement;
- (c) a planning requirement to be undertaken as a component of, or part of, the IDP; and
- (d) a recommendation, which is deemed to add value to the municipal planning process and product.

BCMM SECTOR PLANS

1. Buffalo City Local Economic Development Strategy

1.1 Why Buffalo City needs a Local Economic Development Strategy

The future quality of life of Buffalo City's (BC) communities will depend on the ability of all stakeholders (public, private, civil society and labour) to collaborate, improve the District's global competitiveness and accelerate economic growth, job creation, black economic empowerment and poverty reduction. The Buffalo City Local Economic Development Strategy (BC LEDS) is a five-year implementation plan aimed at accelerating economic growth, job creation and empowerment. This BC LEDS provides a framework for united partnership action which will build on the critical strengths and resources of those who live, play and work in Buffalo City as well as strategic external partners (national and provincial government, foreign investors and financiers, tourists etc.).

The BC LEDS has a five-year horizon for the following reasons:

- Buffalo City's future trajectory will greatly depend on the extent to which capacity at the East London port is enhanced or not over the next 5 years. The LEDS will need to be adjusted in a few years time based on the outcome. If sufficient expansion takes place, then growth in Buffalo City's manufacturing sector through new foreign and domestic investment and manufacturing restructuring strategies (including skills development) can be accelerated, in addition to selected services sectors. If expansion does not take place, Buffalo City will need to put significant resources into reinventing itself and restructuring the economy based on primarily promoting services sectors which assist in attracting and retaining certain population groups such as the youth as well as certain tourism markets.
- The speed with which global economic trends are evolving and impacting on the opportunities and threats facing the Buffalo City is increasing. Stakeholders in Buffalo City need to be constantly monitoring these trends and adjusting the BC LEDS on a continuous basis to ensure the threats are minimised and the opportunities are maximised.

The BC LEDS and the BC City Development Strategy differ in the following key aspects:

- (i) The LED Strategy is a medium-term (5yr) strategy, while the CDS is long-term framework for action (20yrs).
- (ii) The LED Strategy focuses primarily on actions which the BCMM can do something about, while the CDS raises broader issues requiring higher levels of intervention.
- (iii) The LED Strategy focuses on building a productive economy while the CDS also addresses governance, inclusivity and sustainability.

The following national, provincial and local strategies have been reviewed to inform the BC LEDS:

- Accelerated Shared Growth Initiative of South Africa (ASGISA);
- National Spatial Development Perspective (NSDP);
- Human Resource Development Strategy and Joint Initiative for the Prioritisation of Scarce Skills (JIPSA);
- South African Industrial Policy and National Sector Strategies;
- Regional Industrial Development Strategy (RIDS);
- Broad-Based Black Economic Empowerment initiatives;
- Provincial Growth and Development Strategy;
- Provincial Industrial Development Strategy;
- Provincial Skills Plan;

- BCMM City Development Plan;
- Buffalo City Tourism Master Plan; and
- East London Industrial Development Zone.

The main identified implications of the above strategies for the BC LEDS are as follows:

- (a) Buffalo City is classified nationally as having “medium potential” and is therefore not seen to be a national development priority, with Coega and Nelson Mandela Metro receiving priority in terms of the allocation of national infrastructure funding. This situation exists partly because of a lack of national understanding regarding the critical importance of Buffalo City in servicing a broader regional and rural economy which contains about 4 million people. The success of the BC and regional economy cannot be separated.

- (b) International critics of the governments industrial development strategy have noted that its major weakness is its failure to address what are termed “small industrial policy” issues which related to the basic functioning of the business environment but which promise to substantially undermine the productivity and ease of doing business of existing investors/businesses in South Africa. Issues such as crime, home affairs procedures regarding visas, government decision-making time-frames, general attitudes of government towards business, land availability, transport reliability and local municipal services as seen to be just as important, if not more so, than big industrial support programmes. This finding represents a major opportunity for Buffalo City to focus on getting the basics right and differentiate its business environment from those of its bigger City competitors by ensuring the existing businesses are treated well and that basic services and decision-making process are efficient.

- (c) The focus on addressing constraints to growth needs to be addressed at a local level and the following opportunities are highlighted:
 - The ASGISA Infrastructure Plan and national budgetary surplus represents a golden opportunity for Buffalo City to tap into a massive infrastructure investment phase after years of neglect. If this does not happen, there is the danger that Buffalo City will not receive meaningful infrastructure investment required to ensure that its port, airport, road and rail infrastructure are able to competitively service export oriented activity. This threatens to undermine the economic sustainability of Buffalo City. The EL IDZ will not attract much foreign direct investment if logistics infrastructure constraints are not addressed. The BC LEDS proposal must therefore address this issue as well as consider different future economic scenarios for Buffalo City. If logistics infrastructure is not expanded, the focus will need to be on providing a supportive business environment for domestic investment. If capacity is addressed, more focus on a foreign investment strategy will be required.

 - National strategies and funds for agriculture, tourism, business process outsourcing, film, clothing and textiles, and automotive sectors mean that significant national funds are being spent as well as the provision of an increasingly supportive regulatory environment to accelerate the growth of these sectors and BC needs to develop and adequately resource its own local strategies in these sectors to capitalise on these opportunities. The lack of provincial strategies as well as sector-focused expertise presents a challenge to Buffalo City in terms of the possible marginalisation of Buffalo City in terms of initiatives which maximise opportunities in these sectors. The BC CDS

does not identify detailed strategies for agriculture, manufacturing or services sectors and this is therefore a critical focus of the BC LEDS.

- The focus on advanced manufacturing must be supported, especially with respect to an automotives supplier development programme which assists suppliers to upgrade their technological capabilities.
 - Future tourism growth will depend on a wide range of factors including improvements in logistics infrastructure, tourism infrastructure (e.g. beach front), branding and marketing and additional resources are required to implement a number of priority initiatives which have already been identified.
 - The increasing focus on regulatory constraints to economic growth must be pulled down to the local level to inform refinements to priority municipal processes which constrain economic development (for example through a Red Tape Reduction Process as well as through other continuous improvement processes).
- (d) Within Buffalo City, the majority of economic growth potential exists in East London and certain other locations (e.g. rural settlements and Dimbaza) do not have significant economic potential. The focus on these areas of low potential needs to be on building the skills base of people living these areas so that they can access economic opportunities elsewhere. In addition, opportunities to identify and develop tourism facilities and attraction in Dimbaza, as well as strengthen transport system connections to linked employment centres, should be persued.
- (e) The critical importance of labour force skills development is being recognised by local governments who are playing an increasingly active facilitation role in linking the SETAs, education service providers and key economic sectors in order to enhance the development of appropriate local skills training programmes which effectively meet the needs of the local economy.

2. HOUSING SECTOR PLAN

3.2 Introduction

Buffalo City Metropolitan Municipality, with the assistance of the Provincial Department of Human Settlement, has prepared this Housing Sector Plan as a component of the Integrated Development Plan. This Housing Sector Plan is based on the principles, policies and proposals of the Housing Policy and Implementation Plan prepared in 2003. It contains an assessment of the current housing need, the situation regarding the current projects, infrastructure and key institutional issues affecting delivery.

The plan sets out the strategic framework with objectives and strategies felt necessary to enable the delivery of a range of accommodation choices to meet the needs of the city over the next five years and beyond. The various projects involving Breaking New Ground projects, Individual Project Linked Subsidy projects, Middle income housing, Social housing, High density housing and disaster affected housing projects are depicted on schedules with budgets and time frames.

2.2 Situation analysis

The City has a diverse built environment with extremes of density ranging from 184 dwelling units per hectare in DuncanVillage to 12 dwelling per hectare in Mdantsane, 4 dwellings per hectare in Gonubie and less than 1 dwelling per hectare in the rural settlements. The City tends to have a fragmented spatial character with most families residing within the urban core of East London and King William's Town and in informal settlements situated alongside formal settlements and developed suburbs.

The delivery of sustainable housing is integral to the city's vision; however there are many challenges to the delivery of housing including:

- Slow and complex land identification and development processes;
- Limited land in close proximity to the city centre;
- Land invasions and uncontrolled growth of informal settlements;
- Limited capacity of bulk services to meet the demands of new developments (roads, water, sewerage, electricity and storm-water);
- Securing funds for the coordinated supply of social infrastructure such as schools, clinics, sports and recreational facilities and operational costs associated with managing the services;
- Variation between National and Provincial norms and standards;
- Slow response by Province with respect to approval and conclusion of delivery contracts, movement of funds and poor decisions on approval of projects;
- Withdrawal of large construction groups due to low profit margins;
- Complex and time-consuming procurement processes;
- The HIV/Aids crisis is likely to result in a skewed demographic profile comprising relatively more elderly and orphaned children and fewer economically active adults, with the probable future need for more communal housing for the care of the elderly and orphans.

It is a well known fact that further development in many areas of the Buffalo City Municipal area are hamstrung due to insufficient hydraulic capacity at various sewerage treatment plants, mainly in King Williamstown, Mdantsane and Amalinda.

There is a lack of integration between planning, environmental, engineering, finance and housing practitioners. This Housing Policy is seen to be the first opportunity to achieve a multi disciplinary approach to housing delivery. This will require a different attitude to departmental relationships and a new approach to management of human resources. It will also require the Council and Directorates to assign priority to housing in order to achieve results.

Whilst the city wishes to manage the process, its current capacity prevents it from becoming an accredited Housing Institution and developer in the full sense of the word. The serious lack of capacity within the municipality requires consideration of other strategies, which could involve outsourcing of functions to project managers, developers, main contractors and non-government organisations.

2.3 Strategic framework

2.3.1 Key Issues

A set of key issues affecting delivery were identified, namely;

2.3.2 Institutional Capacity

The serious lack of capacity within the municipality in most technical and administrative departments is hampering the vision of integrated delivery to achieve sustainable human settlements

2.3.3 Housing Need

According to the Housing Policy, it is estimated that there is a current need for 75 000 homes including all levels of income and housing types, but excluding rural settlements. This constitutes some 35% of the total housing need in the Eastern Cape Province. The current municipal housing waiting list comprises approximately 40 000 applicants.

2.3.4 Housing Backlog

The municipality has focused a considerable investment in planning new housing developments with some 78 000 sites having been planned in various parts of the city. Unfortunately, a large number of planned projects (estimated to involve 58) have been delayed for many years due to lack of bulk infrastructure capacity and delays in donation of land between the Department of Land Affairs and the municipality.

2.3.5 Infrastructure

One of the key development constraints in the city is the shortage of bulk infrastructure capacity, particularly in the areas where new development is favoured. This challenge is bound to delay the implementation of new housing projects despite the availability of buyers and private development finance. Mechanisms to overcome a shortage of funds for bulk infrastructure involving development contributions and levies payable by developers are being investigated.

2.3.6 Housing vision

The housing vision for the Buffalo City Metropolitan Municipality is as follows:

“Buffalo City Metropolitan Municipality envisages a future whereby integrated communities will be living in a sustainable environment where all residents have access to a variety of accommodation opportunities; close to transport, social facilities and employment. The Housing Policy sets out the policy framework, strategies, implementation actions and funding requirements to achieve this vision.”

2.3.7 Objectives and Strategies

This Housing Sector Plan proposes an appropriate set of objectives and strategies to achieve service delivery over the next five years and beyond. In order to ensure the municipality has the Institutional capacity and systems to implement housing projects and remain accredited status (Level 1 followed by Level 2 and 3 thereafter), it is necessary to establish a designated multi-disciplinary team, formulate a set of procedures to guide implementation of projects, establish a Housing Development Bridging Finance Fund and devise an appropriate quota system for allocation of subsidized housing to meet the needs of special groups, aged and disabled.

Attaining a high level of consumer participation, appropriate consumer relations and a Housing Needs Data Base will require introduction of a consumer advice and awareness training programme (to be linked to every housing project) the creation of a beneficiary

housing needs data base which takes into account equitable allocation procedures and special needs and, a register of occupants of informal settlements.

Effective housing delivery requires stakeholder partnerships and in order to have effective participation it is necessary to establish an emerging contractor skills training and mentorship programme, introduce an accreditation process for support agencies and contractors and prepare and enter into appropriate stakeholder agreements.

Meeting the backlogs and addressing the housing needs of all income groups over the next five years, will require improved housing delivery through building internal capacity to project manage, supervise and monitor housing development, utilizing accredited support agencies, NGO's and outsourced expertise, engaging developers, main contractors and emerging contractors to develop projects at scale and, finally, developing Integrated Sustainable Human Settlements by linking new mixed use development projects to transportation, schools, clinics, retail facilities, employment opportunities and other services.

The housing environment will need to be enhanced through providing sustainable development in safe areas, avoiding steep slopes and flood plains. In addition, it will be necessary to upgrade the planning and project preparation phase to integrate environmental, social and economic development aspects.

The municipality intends to improve on the settlement upgrading programme in rural and urban areas as a matter of priority and in so doing it will conduct a detailed study and feasibility analysis of upgrading of all informal settlements, prepare business plans for the application for land reform and settlement funding from DLA for prioritized rural settlements and implement a prioritized settlement upgrading programme.

Acquisition and preparation of land is considered a vital component of housing delivery, and in order to assemble appropriate land to meet the demand for a variety of choices and typologies of housing in mixed use development areas the city will conduct a land audit to identify strategic parcels of land, conduct valuations and appraisals into development feasibility, formulate a land acquisition strategy in partnership with Dept. of Land affairs to acquire private and State owned land on a prioritized basis to prepare for new housing development and, adopt a managed process of releasing strategic land parcels to facilitate social and private sector housing development.

As a component of achieving integrated sustainable human settlements, the municipality is committed to embark on a high density housing initiative to manage urban sprawl. This is seen as a strategic intervention to counter expected shortage of land and services for housing in the years to come. The initiative proposes to position higher density housing in precincts close to transport nodes, along corridors and economic hubs.

A further component of integrated sustainable human settlement is social housing and its role in directing development into designated inner city development zones. The city proposes to establish and maintain a Social Housing Support System which will build the capacity of the Social Housing support office in the municipality, establish a platform for regular communication with housing associations, conduct a survey of needs and establish a support programme to facilitate Social Housing agencies, co-ordinate the formulation of a Social Housing Plan with relevant stakeholders to achieve increased

delivery at strategic nodes and development areas and ultimately, implement an integrated social housing support programme, taking into account best practice and lessons from other parts of the world.

3. Buffalo City Integrated Sustainable Human Settlement Plan (ISHSP): -

3.1 Background to the ISHSP 2011

After the launch of the Breaking new Ground Policy in 2004 and the introduction of the concept of sustainable human settlements into the discourse relating to housing provision in South Africa, the Buffalo City Metropolitan Municipality (BCMM) initiated a process to develop what it has termed its Integrated Sustainable Human Settlement Plan (ISHSP) in 2005.

After due process, in mid-2006 the Municipality appointed a Professional Team, UMHLABA Consulting Group (Pty) Ltd and UWP Consulting Engineers, to assist with the formulation of the ISHSP. Work commenced in this regard in November 2006.

The ISHSP approach is described as follows: -

- The ISHSP fits in between the Buffalo City Development Strategy (CDS) and the IDP, where it is seen as a strategic planning process intended to facilitate consensus regarding the policies and actions required to deliver a range of different types of accommodation in BCMM, within the broader framework of infrastructure, transport, economic and social development initiatives as set out in the Buffalo City Development Strategy and the 5-Year IDP.
- The ISHSP is more focused at identifying what is required for sustainable human settlement, with socio-economic elements/inputs becoming key driver(s) more than simply housing *per se*. That is, the Plan attempts to provide pointers towards what is required for communities to become more “sustainable” in the different localities across Buffalo City, with housing and associated services only forming part of the potential interventions.
- Therefore, the Plan aims to facilitate integration in planning & implementation of projects by the various Municipal and other government services branches/departments in fostering the economic growth/sustainable development of specific areas within Buffalo City that are spatially grouped as “zones” or “clusters” of places that have similar characteristics.
- As part of this approach, however, it remains necessary to define what is appropriate for growth or development of different areas, given their assessed development potential (resource base taking into account the various dimensions of “capital” – social capital, natural capital, human capital, physical capital and financial capital).
- Accordingly, the Plan will conclude with some form of prioritisation regarding where the Municipality should place more weight on its efforts in order to achieve productive developmental outcomes and where lower levels of intervention would suffice to ensure basic levels of service in the 10-year time frame.

Defining the Clusters (Units of Study for ISHS Plan)

In order to define the Clusters for the 2010/11 ISHSP, the following data were used as inputs: -

- Work done to demarcate Land Reform & Settlement Zones in terms of the Amathole District Municipality’s Land Reform & Settlement Plan in 2003 (revised in 2005);
- Work done by the French Agricultural Research institute (CIRAD) in 1999, which identified certain functional characteristics of areas in a broader area (including Buffalo City). The work was based on participatory techniques that involved communities “mapping” their understanding of the types of activities in their local areas, and identifying typical features of their areas. The types of areas identified as a result of this exercise were mapped by a GIS and included typifying areas as communal, urban-influenced, urban as well as distinguishing rural areas by type of agricultural production – e.g. arable or stock farming;
- SDF inputs, principally the Urban Edges but also work done by UWP in typifying characteristic areas (or settlement “types”) in the period 2001 to 2007;
- Cadastral layers from the Surveyor General; and
- Census 2001 enumerator areas (Sub-Places), which were taken as useful inputs given that they enabled easier data analysis in regard to social and economic data sourced from SSA.

A pragmatic combination of the above inputs was used but the imperative, in line with the overall approach, was to ensure that areas were not fragmented but were demarcated in a geographically contiguous manner wherever possible. These are illustrated below in Figure 1.

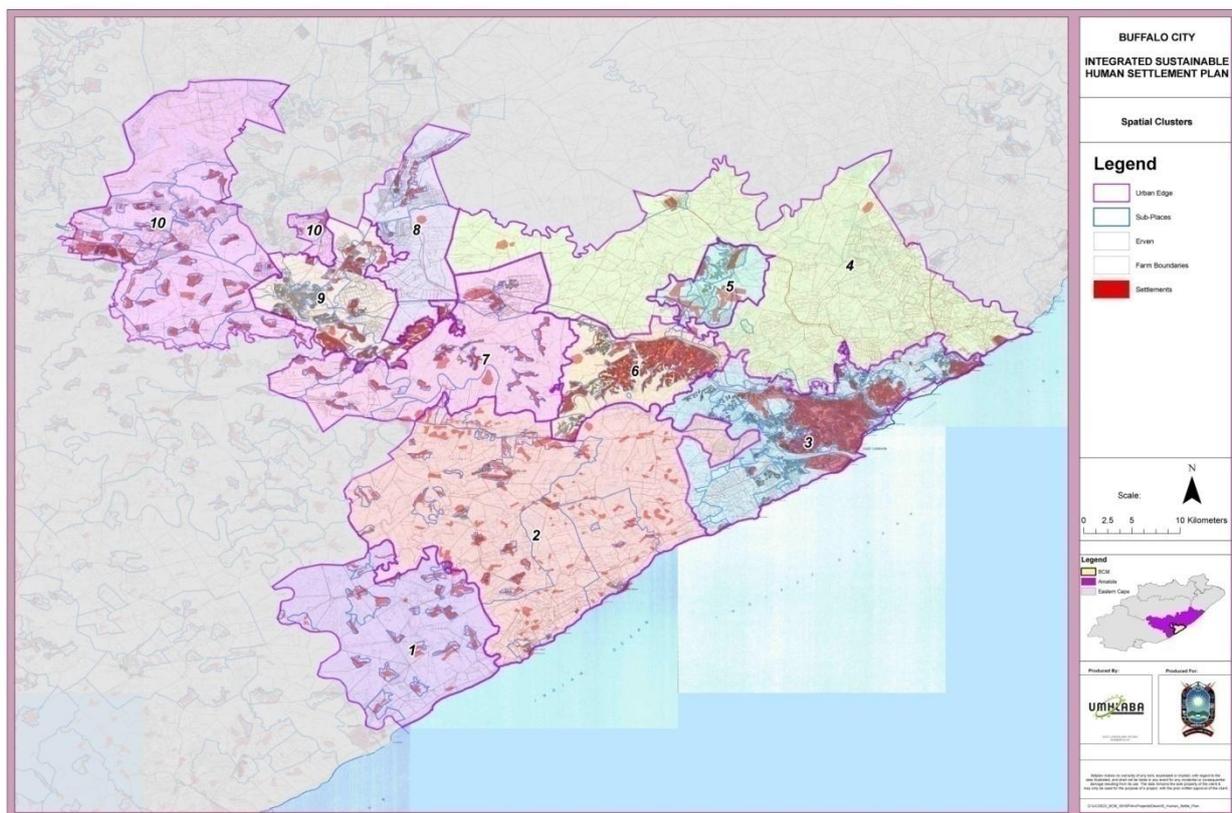


Figure 1: The 10 Clusters comprising the “Units of Study” of the ISHSP 2011

The 10 Clusters forming the Units of Study for the ISHSP are described broadly as follows: -

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
1	Tyolomnqa	<p>Predominantly rural settlement area previously administered by Ciskei pre-1994.</p> <p>Comprised of registered and un-registered state land and rural settlements administered in terms of Traditional African rules. Tenure is old-order rights (Permission to Occupy [PTO]).</p> <p>Predominant livelihoods base appears to be subsistence agriculture, wage remittances and social grants</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 36,000 people.</p>
2	Ncera/RA32/Umtiza	<p>Composite area comprising of rural settlement areas, nature reserve and commercial farms, with coastal towns and resorts on south-east coast.</p> <p>Ncera area planned rural settlement area with discrete villages and associated commonage.</p> <p>Tenure a mix of freehold and lesser, old-order rights (PTOs etc.)</p> <p>Livelihoods base appears to be commercial agriculture (predominantly stock-farming), subsistence agriculture, formal employment (commuting), wage remittances and social grants</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 35,000 people.</p>
3	Greater East London	<p>Composite area comprising of urban settlement (West Bank, East London, Beacon Bay, Gonubie), commercial farms, coastal reserves.</p> <p>Tenure largely freehold with parts of Duncan Village retaining lesser, old-order rights (letting units and leasehold). Informal settlement a feature of certain local areas.</p> <p>Livelihoods largely urban-based with employment in formal and informal sectors, with some commercial agriculture (more intensive – cash-crops etc.), social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 311,000 people.</p>

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
4	Rural North/North-East	<p>Rural area with predominantly extensive land holdings (commercial farms) with minor urban components being Macleantown and coastal resorts of Sunrise-on-Sea and Kwelera Nature Reserve.</p> <p>Tenure freehold.</p> <p>Livelihoods base is agricultural activities (largely intensive – cash crops) and tourism based (along coast).</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 21,000 people.</p>
5	Newlands	<p>Traditional African rural settlement area with discrete settlements (villages) interspersed with arable lands and free-range grazing.</p> <p>Tenure is mix of quitrent (equivalent to freehold) and lesser, old-order rights (PTOs). Township establishment taken place for some settlements. Livelihoods base is largely subsistence agriculture, wage remittances and labour commuting, and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 29,000 people.</p>
6	Mdantsane-Potsdam	<p>Predominantly urban area with distinctive “township” settlement pattern, with peri-urban settlements on northern and western fringes of Cluster.</p> <p>Tenure is lesser, old-order rights (Deed of Grants) or informal. Livelihoods base is formal and informal economic activities, labour commuting to places of employment, some subsistence agriculture and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 253,000 people.</p>
7	Berlin/Amandlambe	<p>Composite area comprising town of Berlin and traditional African rural settlement areas south/south-west of Berlin.</p> <p>Tenure is mix of freehold and lesser, old-order rights (PTOs). Livelihoods base appears to be limited formal occupations, labour commuting, wage remittances, subsistence agriculture and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 38,000 people.</p>

Cluster No.	Description of Area(s) comprising Cluster	Description of Distinguishing Features or Activities in Cluster
8	Yellowwoods/KWT Rural	<p>Rural area with some traditional African settlements in Yellowwoods area, and other, more extensive land-holdings.</p> <p>Tenure in the area is a mix of informal, freehold and lesser, old-order rights (PTOs).</p> <p>Livelihoods base appears largely subsistence agriculture, labour commuting and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 12,500 people.</p>
9	Greater KWT	<p>Composite area comprising of urban settlement (King William's Town, Bhisho, Zwelitsha, Phakamisa, Ginsberg, Breidbach), smallholdings, and Municipal commonage.</p> <p>Tenure largely freehold with Zwelitsha retaining lesser, old-order rights (letting units and Deed of Grants). Informal settlement a feature of certain local areas.</p> <p>Livelihoods largely urban-based with employment in formal and informal sectors, with some subsistence agriculture, labour commuting and wage remittances, and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 129,000 people.</p>
10	Dimbaza/Pirie	<p>Composite area comprising town of Dimbaza and traditional African rural settlement areas to north, east and south (Mngqesha, Joseph Williams, Rhayi etc.).</p> <p>Tenure is mix of freehold and lesser, old-order rights (Deed of Grants and PTOs).</p> <p>Livelihoods base appears to be limited formal occupations, labour commuting and wage remittances, subsistence agriculture and social grants.</p> <p>Estimated total population based on a Population Study undertaken as an input study into the ISHSP in 2010 is around 119,000 people.</p>

3.2 Key Deliverables and Milestones of the ISHSP 2011

The project is structured to be made up of **three broadly defined Phases**: -

Phase 1 -	Wherein the focus is on setting up the project's institutional structures, including the Municipal Technical Team and holding a first technical meeting to sign off on
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	the project Service Level Agreement and Project Plan.
Phase 2 -	<p>The second phase of the project is essentially aimed at formulating a clear Problem Statement setting out the challenges and opportunities relating to the formulation of the relevant objectives, strategies and proposals to make up the Integrated Sustainable Human Settlement Plan.</p> <p>In order to reach a properly formulated Problem Statement, this phase comprises a number of activities as indicated in the attached Project Plan, amongst which the key milestones/objectives are: -</p> <ul style="list-style-type: none"> ● Establishing the current status of housing projects in the Buffalo City area. ● Clarifying the current Institutional Framework for the development of Human Settlements in Buffalo City. ● Defining clearly the legal and policy framework for Human Settlement Development and the associated roles and responsibilities of different agencies/roleplayers in human settlement development. ● An assessment of the status of human settlements in Buffalo City per cluster, which would rely on secondary data and would focus on describing for each spatially defined cluster base data (e.g. demographic data, socio-economic data, settlement pattern, housing backlog, infrastructure status, social facilities provision). The envisaged objective of this block of work is to identify needs and shortcomings in the provision of infrastructure, housing and social facilities as well as opportunities for the development of these together with potential local economic opportunities. ● Providing an overview of the status of key Sector Plans in order to establish the state of readiness of the Municipality and other key agencies relevant to the development of sustainable human settlements. ● Assessing the Planning and Implementation Programmes of Key Government departments relevant to the development of sustainable human settlements.
Phase 3 -	<p>The final phase of the project entails the various streams of work that will make up the overall Integrated Human Settlement Development Plan.</p> <p>The key components of the Plan (core outputs) are listed as follows: -</p> <ul style="list-style-type: none"> ● The <u>ISHS Strategic Framework</u>, which sets out the basic policy guidelines, key performance areas, objectives and strategies and delivery targets in relation to human settlement development; ● The <u>Spatial Framework</u> which focuses on identifying (within the broader context of the BCMM SDF) key areas where housing delivery is to be prioritised in the various clusters as well as implementation guidelines relating to desired settlement form and density; ● The <u>Civil Infrastructure Development Framework</u> which focuses on identifying the key infrastructure installations (bulk networks) and priority projects to

	<p>enable a programme of human settlement development to be sustained over the 10-year planning time frame;</p> <ul style="list-style-type: none"> • The <u>Social Infrastructure Development Framework</u> which aims to identify the requirements for various forms of social infrastructure within the different clusters to ensure that adequate provision is made towards that component of sustainable human settlements. • The overarching <u>10-Year Human Settlement Development Programme</u> which will aim to tie together the various facets of sustainable human settlement development in both the urban and rural contexts of Buffalo City, and which includes a draft Inter-Governmental Implementation Protocol that could be used by the Municipality as the basis for negotiation with state development agencies and Government departments.
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Overall, the ISHSP will aim to describe a strategic approach for BCMM to reach a state of development where all human settlements (urban and rural) in its area of jurisdiction will conform to the definition of sustainable human settlements as set out in the Breaking New Ground Policy, 2004. That is, a state of development where the inhabitants of rural and urban areas in Buffalo City ***“live in a safe and secure environment with: (i) adequate access to economic opportunities; (ii) a mix of safe and secure housing and tenure types; (iii) reliable and affordable basic services; (iv) educational, entertainment, cultural activities and health, welfare and police services.”***

4. BCMM Integrated Environmental Management Plan

BuffaloCity is geographically and environmentally diverse with a wide range of land forms, vegetation-types, climatic conditions, etc. Similarly, the nature of human activities, socio-economic conditions and levels of development vary considerably. It therefore follows that the approach to environmental management in BCMM is diverse, where issues range from pollution resulting from urban related activities to management of rural communal commonage areas.

The response to environmental issues in BCMM raises various challenges, such as:

- Communicating responses to a population from diverse socio-economic backgrounds;
- Dealing with sometimes uneducated people in rural areas;
- Instilling the necessity for environmental management in impoverished population groups who are more preoccupied with survival;
- The wide range of issues given the geographical diversity and extent of BCMM.

4.2 Environmental Management in Buffalo City

Recognising its obligations to the environment, BCMM has embraced sustainable development principles, specifically Local Agenda 21, including integrated environmental management as a cornerstone of development in the area. This commitment is reflected in the overall vision for BCMM as provided in the Integrated Development Plan (IDP):

A people centred place of opportunity where the basic needs of all are met in a safe, healthy and sustainable environment

Despite embracing the principles of sustainable development and Local Agenda 21, the BCMM IDP nonetheless specifically refers to a lack sustainable development and inappropriate use of resources as significant challenges facing the City.

4.3 Institutional and Organisational Structure

An effective and efficient institutional and organisational structure is essential for environmental management in BCMM. During the IEMP development process, a number of institutional issues are highlighted that are relevant to environmental management in BCMM.

4.4 How will the IEMP assist BCMM in Environmental Management

The basis for the development of an IEMP is the fundamental right of every South African citizen to have a healthy environment, as stated in the Bill of Rights in the South African Constitution (section 24) and the National Environmental Management Act, 1998 (NEMA). In response to this and the challenge of Local Agenda 21, BCMM embarked on a process to formulate IEMP.

The challenge for environmentally sustainable development within BCMM. This initiative must inform and contribute to other development and planning activities within BCMM so that the needs of the community can be addressed without unnecessarily compromising the environmental integrity of the area.

The IEMP is also not the responsibility of a single department, but rather serves to ensure that the environment is taken into consideration by all departments in the undertaking of their respective roles and responsibilities. In addition, the IEMP is not stand-alone document, but includes a number of initiatives to ensure incorporation of environmental and sustainability principles within all sectors of BCMM.

4.5 The IEMP Development Process

4.5.1 Objectives for the IEMP

The following were the main objectives of the IEMP:

- Conduct a baseline assessment or audit the state of the BCMM environment;
- Ensure alignment of BCMM activities with relevant environmental legislation and policy;
- Provide input on institutional arrangements relating to environmental management in BCMM;
- Develop measures to manage high priority environmental issues in BCMM;
- Ensure appropriate stakeholder and public participation and dissemination of information during the process;
- Identify cross-cutting issues relating to environmental management in BCMM;
- Develop an environmental policy for BCMM;
- Promote an environmental capacity and awareness in BCMM;
- Establish an effective and efficient system to monitor and measure progress in policy implementation.

4.5.1.1 Stakeholder Engagement and Public Participation

The white Paper on Environmental Management Policy emphasises the need to make environmental information accessible to all interested and affected parties that are responsible for or interested in effective environmental management. Similarly, the importance of public participation and stakeholder comment on municipal reports and plans is also emphasised by the Municipal Systems Act, 2000.

BCMM therefore has an obligation to encourage as wide a spectrum of stakeholders and interested parties as possible to provide input and comment on the development of the IEMP.

Throughout the IEMP process the BCMM IE and SD Unit has arranged information sharing sessions and workshops with various stakeholder groups. Target groups included:

- BCMM officials;
- BCMM Councillors;
- Government departments and regulators;
- Parastatals;
- Local industry and commerce;
- NGOs;
- The general public

5. Electricity Master Plan

5.1 Introduction

Aurecon was appointed by Buffalo City Metropolitan Municipality (BCMM) to develop an electricity master plan for the municipality's entire area of supply. Major nodes include East London (EL), Mdantsane and King Williams Town (KWT). The need for the master plan is based on the aging, condition and loading of the electrical infrastructure in BCMM.

The master plan was to include the following sub-plans:

- Status of the Electricity Network
- Infrastructure Refurbishment Plan
- Network Integrity, Strengthening and Development Plan
- Electrification Plan
- Servitude Plan
- Spatial Development Framework Plan
- BCMM Sector Plans Impact
- BCMM Local Integrated Resource Plan
- Risk Management Plan
- Capital Investment Programme
- Operational Expenditure Programme
- List of Projects

The master plan is to be presented over the 3, 5 and 20 year planning windows.

5.2 Existing Network

The existing network within the BCMM jurisdictional boundary includes islanded networks supplied by Eskom. The network voltages include 132kV, 66kV, 33kV and 11kV and the network comprises of substations, switch houses, miniature substations, pole mounted transformers, overhead line and underground cable. The networks in the three areas of supply are described below.

(i) East London

The network in East London and surrounding areas comprises mainly of 132/33kV/11kV Substations, 11kV switch houses, 11kV cable networks and miniature substations. The intake points include:

- Stafford 2x90MVA 132/33kV Substation
- Progress 3x20MVA 132/11kV Substation
- Woodbrook 2x35MVA 132/11kV Substation

- West Bank 2x30MVA 132/11kV Substation
- Royston/Beacon Bay 11kV supply point
- Greenacres/Gonubie 11kV supply point
- Leaches Bay 11kV supply point
- Nompumelelo 11kV supply point

(ii) King Williams Town

The network in King Williams Town and surrounding areas comprises mainly of 11kV switch houses, overhead line and pole mounted transformers. The CBD of KWT and Bisho however comprises mainly of 11kV cable networks and miniature substations. The intake points include:

- King Williams Town Switch House
- Bisho Switch House
- Dimbaza Switch House
- Ilitha Switch House
- Zwelitsha Switch House
- Phakamisa Switch House
- Kemba 2x20MVA 66/11kV Substation

The industrial area of Kemba/Berlin is an exception as it takes supply at Eskom's Pembroke substation at 66kV. BCMM then utilises a 5km 66kV Wolf Over Head Line to supply its Kemba 66/11kV 2x20MVA substation. The MV distribution is then done by cable and OHL to the industrial commercial and residential areas.

(iii) Mdantsane

The Mdantsane area is supplied at 66kV by Eskom. BCMM has four 66/11kV substations namely:

- Mount Ruth 2x20MVA 66/11kV Substation
- Fort Jackson 2x20MVA 66/11kV Substation
- Embekweni 2x10MVA 66/11kV Substation
- Central Injection 1x20MVA 66/11kV Substation

The 11kV network is mainly Over Head Line and Pole-mounted Transformers.

The status of the existing electricity network is detailed in the Status Quo report but the following findings were made for the 2010 network. In East London there are several cables feeding switch houses which are overloaded. Several MV transformers in the Amalinda and Woodbrook network were overloaded. In terms of under-voltage there are no current problems in East London, however in the near future areas such as Buffalo Flats and Gompo will start to experience voltages below 95%.

In KWT there are only a few cables that are close to 100% loading. There were no instances of transformer overloads or undervoltage. The Mdantsane network currently is not experiencing any overloading problems but undervoltage is of a concern especially on the Fort Jackson network and is addressed by some planned strengthening and expansion projects in the near future.

5.3 Scope of Work

Summarised below are the planning actions performed in order to obtain the necessary details to draft this master plan report:

Obtained all relevant data from BCMM e.g. asset register, network layouts, single line diagrams, load information, resources available.

- Developed the status quo network model for power system simulations and performed analysis
- Developed the spatial models for loading and spatial development frameworks
- Developed the load forecast per load type per area of supply
- Developed the future network models up to the year 2030
- Analysed the future networks and provided proposals for the different sub-plans
- Researched and developed the BCMM Local Integrated Resource Plan
- Developed a Capital Investment Programme and Operational Expenditure Programme based on the proposals in the sub-plans
- Create lists of projects which detail scope of work, date and associated costs

Study Assumptions

The growth of the different consumer categories are incorporated into the master plan as follows:

Residential Consumers

The current loads as were determined in the Status Quo report were grown as follows:

- In domestic areas where the ADMD per household were determined and found to be below 1.5kVA per household the areas were considered to be low income.
- In domestic areas where the ADMD per household were determined and found to be between 1.5 and 3kVA per household the areas were considered to be medium income.
- In domestic areas where the ADMD per household were determined and found to be above 3kVA per household these areas were considered to be high income.

According to the planning Redbook compiled by the CSIR the ADMD per household in the different income areas will saturate at a certain demand as given below:

Low income: 1.5kVA per household

Medium income: 3kVA per household

High income: 6kVA per household

Very high income: Exceeding 6kVA per household (No very high income area exists in East London)

Growth and Development in BCMM is currently driven by housing and electrification projects. Based on the Housing Sector Plan, Integrated Development Plan and Spatial Development Frameworks of BCMM, major developments are expected in the following areas:

West Bank	Sweetwaters
Reeston	Tyutyu
Quenera	Ilitha
MdanstaneInfills	Dimbaza
MdantsaneBufferstrip	Phakamisa
Potsdam	

Load growth profiles were created using the current ADMD per household and the projected saturation ADMD. The assumption was made that all load types will grow to the saturation values within the next 20 years.

5.5 Industrial and Commercial Consumers

The electrical load growth that can be expected in the industrial and commercial sectors is 3.8% per annum (Conningarth Economists. Transnet Freight Transport Model. Transnet 2009). This growth rate was therefore applied to all the commercial and industrial loads in East London, in order to determine future loading.

5.6 Future electrical demand of large power users in Buffalo City

The three largest power consumers in East-London were engaged in order to determine future demands of these customers. These consumers are Mercedes Benz South Africa, Nestle and First National Battery. Mercedes Benz South Africa indicated that the existing maximum demand of the plant will remain the same for the next twenty years. Nestle and First National Battery mentioned that it will not experience growth out of the ordinary and therefore a growth of 3.8% per annum was applied to estimate the future loads.

First National Battery did indicate that an application was made for a 5MVA connection at another plant in the Woodbrook area. The 5MVA load was also considered in the Woodbrook network. An 8MVA application was made by Cecilia Makiwane Hospital in Mdantsane and has been considered in the network assessment.

The Industrial Development Zone (IDZ) of BCMM is also a factor that will influence growth tremendously in BCMM but no details of confirmed future tenants were available at the time of developing this master plan.

The load forecast for each area was developed with the above new consumers in mind as well as natural growth in the commercial, industrial and residential sectors. Based on the above load growth factors, a load forecast was developed over 20 year horizon.

5.7 Network Simulations

The network simulations were undertaken with DiGSILENTPowerFactory, a power systems simulation software package. The version used was version 14.0 Build 5.13.

5.8 Simulation Methodology

The first stage of the simulation was to use the ADMD's of the several load categories discussed above and simulate the current network. The current loading scenario which would be the basis for the future load simulations was estimated with the assistance of demand readings at supply intake points provided by BCMM. This Status Quo results were accepted by BCMM before proceeding to the next stage.

The next stage was to grow the loads over a 20 year period and identify the network constraints in each area during the different peak periods i.e. the commercial and residential peak periods. Once the network constraints were identified, optimal solutions were proposed in the form of expansion, strengthening and network re-configuration.

5.9 Eskom Supply

It is of fundamental importance that the Eskom network plans in respect of the BCMM area are known and evaluated and the proposals are aligned accordingly. The following major plans are expected during the planning horizon that is important for BCMM:

- The Yellowwoods substation is expected to be upgraded from 2x10MVA transformers to 2x20MVA transformers in 2010/2011. The Yellowwoods substation supplies Bisho and will supply Breidbach in future.
- The new Quenera 2x20MVA 66/11kV substation is to be established in the developing Quenera area between Gonubie and Beacon Bay in 2010/2011. The Quenera SDF takes this new substation into consideration.

5.10 Simulation Results

The summary of results using this load forecast, the age and condition of the infrastructure is shown in the table below. The summary highlights the type of problem, the major infrastructure affected and the severity of the problem per area. Further details can be found in the different plans discussed thereafter.

Table 0.1: High-level Summary of Problem Type per Area

Area	Problem Type		
	Overloading	Under Voltage	Age & Condition
East London	<ul style="list-style-type: none"> • Power Transformers at Main Substations • MV Transformers • Cables 		<ul style="list-style-type: none"> • Power Transformers at Main Substations • MV Transformers: Immediate Maintenance • Cables • Switchgear: Immediate replacement • Substation & Switch House Buildings
King Williams Town	<ul style="list-style-type: none"> • MV Transformers • Cables: Immediate upgrades 	<ul style="list-style-type: none"> • Breidbach Network: Immediate upgrade of Incomer 	<ul style="list-style-type: none"> • Pole-Mounted Transformers: Immediate Maintenance • OHL: Refurbish within 10-20 Years • Cables • Switchgear: Immediate replacement
Mdantsane	<ul style="list-style-type: none"> • Power Transformers at Main Substations: Immediate upgrades at Mount Ruth & Central injection Substations 	<ul style="list-style-type: none"> • Fort Jackson Feeders: Expansion of Infrastructure within the next 3 years 	<ul style="list-style-type: none"> • Pole-Mounted Transformers: Immediate Maintenance • OHL: Refurbish within 10-20 Years • Switchgear: Immediate replacement

In terms of the future network, using the forecast developed the following plans were developed for BCMM:

- Network Strengthening Plan
- Infrastructure Refurbishment Plan
- Electrification Plan

- Risk Management Plan
- Servitude Plan
- Capital Investment Programme
- Operational Expenditure Programme

The **Network Strengthening and Expansions** for BCMM include new substations, switch houses, lines and upgrading of transformers and switchgear. The projects are described per area in Chapter 9. The major projects in BCMM include:

New Buffalo Flats and Gompo Substation 132/11kV 2x40MVA

It is proposed that BCMM build a new 132/11kV 2x40MVA substation to supply the Buffalo Flats and Gompo area. The switch houses which feed the Buffalo flats and Gompo area is 3.3km away from Progress substation. It is estimated that the load on Progress substation will reach its firm capacity in year 2014.

The electrical load of the Buffalo flats and Gompo area are expected to grow from 13 MVA to 33 MVA within the next 20 years, not only due to the natural growth of the existing loads, but also due to electrification of existing houses in the area.

New 132kV Overhead line from Buffalo switch yard to Buffalo Flats and Gompo substation

It is proposed that a new 132kV Wolf line should be built from Buffalo switch yard to the new proposed 132/11kV Buffalo Flats and Gompo substation. The T-off from the existing line feeding Stoneydrift substation is not recommended as the line capacity can become a problem in future.

West Bank Expansion/Rockcliffe Switch House and Substation 132/11kV 2x40MVA

Growth is expected in the West Bank area, but due to the fact that this growth is driven by private investors it is not known when the development will start. It is therefore proposed that BCMM build a switch house in the West Bank area and supply this switch house with an 11kV overhead line from the IDZ substation as an interim solution. If the load growth due to the development is very high, BCMM can build a 132kV substation where the proposed switch house will be. The construction of this 132/11kV 2x40MVA substation was scheduled to be constructed in year 2020.

New 132kV Overhead line from Buffalo Flats and Gompo substation to the West Bank Expansion substation

The construction of a 132kV Wolf line from the Buffalo Flats substation to the new West Bank Expansion substation was also scheduled for the year 2020. The route of this line should be discussed with the airport, as the airport might require a section of the line to be cable in order to comply with safety standards for flight paths.

Upgrading of Mount Ruth transformers from 66/11kV 2x20MVA to 2x40MVA

Mount Ruth Substation is expected to exceed its firm capacity in 2011. It is recommended that the 2x20MVA transformers be upgraded to 2x40MVA transformers in 2011. One of the 20MVA transformers should be moved to Central Injection Substation and the other stored as a spare. It is also recommended that the buffer strip be supplied from this substation hence additional feeder bays will be required in 2010 if the development goes ahead immediately. As the fault levels will increase at Mdantsane, the 11kV switchboard may require upgrading to 2500A 20-25kA switchgear.

Second Central Injection 66/11kV 20MVA transformer

Central Injection is currently an unfirm substation with only one OHL and one power transformer. We recommend that this substation be upgraded to a firm substation. It is recommended that one of the 20MVA Mount Ruth transformers be moved to Central Injection. The existing 66kV OHL from Central Inject T to the substation is also in need of major refurbishment. It is recommended that a new double circuit wolf line be built along the same servitude of approximately 2.4km. The existing line should then be dismantled.

Upgrading of Embekweni transformers 66/11kV 2x10MVA to 2x20MVA

This 2x10MVA substation is currently idling but will soon need upgrading due to electrification in Potsdam and the alleviation of low voltages on the Fort Jackson feeders. It is recommended that a new switching station be established in zone 14 close to Fort Jackson Feeder 1, 9 and 16 in order to raise voltages above 95% in 2012.

The switch house which will be located 2km east of the Embekweni Substation will be supplied via 2x300mm² Cu PILC cables from Embekweni Substation. The electrification of Potsdam and the shifting of load from Fort Jackson will require an upgrading of the 10MVA transformers to 20MVA.

The **Infrastructure Refurbishment Plan** includes proposals to address ageing and condition of assets. Based on information in the current asset register there are a large number of transformers requiring immediate maintenance. The proposed maintenance of this equipment is valued at approximately R2.7mil.

The refurbishment of overhead lines in BCMM will be required from 2015 to 2030 and beyond at a cost of approximately R18mil. The medium voltage switchgear in BCMM including ring main units will require replacement from 2010 onwards as some have exceeded their asset life and may pose a problem in terms of network availability, reliability and safety.

It is proposed that the refurbishment of transformers and cables in BCMM based on age be dealt with by implementing a **Risk Management Plan** in order to increase network availability. This strategy is based on the fact the use of asset life as an indicator does not imply that the asset needs replacement at the end of its asset life. The risk management plan will guide BCMM as to the number of spares required at a particular time in order to plan for asset failures. Refer to Chapter 9 for cost summaries and Annexure I: Risk Management Plan for details of type of equipment, location and quantity required for a particular year.

The **Electrification Plan** for each area of BCMM can be found in Chapter 8. The plan includes several housing developments and electrification envisaged for BCMM during this planning horizon. The plan includes strengthening and expansion projects based on the electrification of these houses. The cost of this electrification plan therefore includes the cost per connection plus any strengthening or expansion project required in order to electrify the households

The **Servitude Plans** for BCMM include the servitudes required for new overhead lines and underground cables in BCMM for expansion projects due to development and alleviation of network constraints. The servitude plan per project can be found in Chapter 9. Important servitudes include:

- 11kV Ring Feeders in KWT and outlying networks for electrification and strengthening
- 11kV Ring Feeders in Quenera;
- New 132kV Overhead line from Buffalo switch yard to Buffalo Flats and Gompo substation;

- New 132kV Overhead line from Buffalo Flats and Gompo substation to the West Bank Expansion substation;
- New Double Circuit 66kV Overhead Line between Central Injection T and Central Injection Substation;
- New 11kV OHL for the Bufferstrip development.

Chapter 6 also includes a **Local Integrated Resource Plan (LIRP)** for BCMM. This LIRP was developed by benchmarking with other municipalities in South Africa in terms of both technical personnel and total number of staff. The general finding was that BCMM needs to increase resources as they appear to have one of the highest ratios of connections per employee. Failure to increase resources will lead to the extension of the existing backlog as well as delays in completing electrification projects.

5.11 Ultimate Network Loading

It is estimated that the following loads will be experienced in 2030 at intake points of the BCMM Network:

Table 0.2: Final Load at Intake Points

Intake Point	Load (MVA)	Intake Point	Load (MVA)
West Bank	20	Dimbaza	9
Woodbrook	47	Kemba	9
Reeston	35	Ilitha	2.7
Stoneydrift	80	Phakamisa	6
Progress	37	Zwelitsha	8.5
Queenspark	80	Mount Ruth	40
Buffalo Flats &Gompo	30	Central Injection	15
KWT	45	Embekweni	18
Bisho	20	Fort Jackson	20

5.12 Capital and Operational Expenditure

All the above plans were put into the Capital Investment Programme and the Operational Expenditure Programme. The detailed tables of the Capital Investment Programme and the Operational Expenditure Programme are Table 10.1 and Table 11.1 respectively. The summated programmes are shown in the tables below.

Table 0.3: Capital Expenditure Summary

Year	Amount
2010	R 95,766,765
2011	R 151,614,380
2012	R 133,244,238
2013	R 99,419,034
2014	R 98,273,399
2015	R 101,963,988

Year	Amount
2016	R 31,493,451
2017	R 31,493,451
2018	R 31,493,451
2019	R 31,493,451
2020	R 31,493,451
2021	R 22,470,718
2022	R 22,470,718
2023	R 22,470,718
2024	R 22,470,718
2025	R 22,470,718
2026	R 27,050,686
2027	R 27,050,686
2028	R 27,050,686
2029	R 27,050,686
2030	R 27,050,686

In the table below the current opex of BCMM is indicated and grown at an inflation rate of 6.7% per annum for the next twenty years. The maximum opex as recommended by NERSA, as well as a median is also given in the below table. It is recommended that the opex of Buffalo City should be between the median and the maximum amount as recommended by NERSA.

Table 0.4: Operational Expenditure Summary

Year	Current Opex	Median	Maximum Opex
2009	R 74,000,000	R 91,125,000	R 108,250,000
2010	R 78,958,000	R 102,498,180	R 126,038,360
2011	R 84,248,186	R 106,311,741	R 128,375,297
2012	R 89,892,814	R 113,684,974	R 137,477,133
2013	R 95,915,633	R 120,861,201	R 145,806,770
2014	R 102,341,980	R 133,511,133	R 164,680,286
2015	R 109,198,893	R 146,265,812	R 183,332,732
2016	R 116,515,219	R 156,240,041	R 195,964,863
2017	R 124,321,739	R 165,853,137	R 207,384,535
2018	R 132,651,295	R 176,110,310	R 219,569,325
2019	R 141,538,932	R 187,054,714	R 232,570,497
2020	R 151,022,040	R 198,732,393	R 246,442,747
2021	R 161,140,517	R 216,362,396	R 271,584,275
2022	R 171,936,932	R 229,657,305	R 287,377,679
2023	R 183,456,706	R 243,842,973	R 304,229,241
2024	R 195,748,305	R 258,979,081	R 322,209,857
2025	R 208,863,442	R 275,129,308	R 341,395,175
2026	R 222,857,292	R 294,865,772	R 366,874,252
2027	R 237,788,731	R 313,252,628	R 388,716,526

Year	Current Opex	Median	Maximum Opex
2028	R 253,720,576	R 332,871,404	R 412,022,231
2029	R 270,719,855	R 353,804,637	R 436,889,419
2030	R 288,858,085	R 376,140,397	R 463,422,709

6. Tourism Master Plan

6.1 Overview of Tourism in Buffalo City

Buffalo City is regarded as one of the key economic hubs of the Eastern Cape Province and is estimated to contribute about 23% to the total GDP of the Province and provides 19% of the Province's employment opportunities.³ Because of the coast and many natural attractions, the Eastern Cape in general and Buffalo City in particular, have the potential to benefit from the worldwide annual tourism growth of 5% - 6%. However, East London continues to play second fiddle to the more established nodes of Cape Town, Durban and Port Elizabeth.

Whilst the tourism sector continues to show growth, Buffalo City recognises that it has a responsibility of ensuring that the previously disadvantaged individuals are also benefiting from the sector. There is an urgent need to develop community based tourism products and support the Emerging Tourism SMME's to facilitate transformation of the sector for the benefit of all citizens.

Visitors to the city comprise 95% domestic and 5% international, with the international component mainly being business and backpackers. Although tourism has increased steadily, Buffalo City and its surrounding regions have a limited tourism sector⁴; therefore there is great potential for further expansion.

Tourism Buffalo City claims that **their own statistics**⁵ show clearly that the domestic market is the City's bread and butter, with the most recent information showing that the Eastern Cape is the second most popular province in SA among domestic tourists. The conventional wisdom is that this is due to a perception that the City offers excellent value for money and that it has benefitted more than others from holiday-makers "buying down" in recent times.

6.2 Critical Review of Buffalo City Tourism Master Plan: 2004 – 2009

In 2003, the Buffalo City Metropolitan Municipality commissioned Grant Thornton, along with its consortium partners, to develop a Tourism Master Plan for 2004 – 2009. The Tourism Master Plan outlined a detailed framework for planned tourism development and encouraged the Municipality to implement strategies and plans that would yield optimum benefit for its citizens.

Based on the review and assessment of the BCTMP 2004-2009 it is clearly evident that the process followed in its development was very comprehensive and included a considerable amount of consultation with key stakeholders in the public and private (tourism industry) sector.

The BCTMP identified the critical components of the state of the tourism industry within Buffalo City and how these parts interact. The Plan was able to highlight the mechanisms for the public and private sector to work more effectively together. Opportunities remain, however, to **cement these relationships** and adopt a more complete destination management approach.

The data collected through extensive primary research by the BCTMP created a baseline for further growth and development of the tourism sector. The tools necessary to constantly improve the tourist data collection processes to track sector trends have not been put in place. The Buffalo City Metropolitan Municipality and its agencies **do not have the capacity** to gather comprehensive statistics on the performance of the sector, which is common challenge highlighted in the socio-economic outlook of the province.

In reviewing the BCTMP, other planning initiatives were considered to assess integration and alignment. The contents contained in these documents suggests that, aside from the normal macro-economic and structural issues facing the Buffalo City, in terms of the World Recession, Crime Statistics in South Africa as well as the fact that the city of East London plays second fiddle to the more established nodes of Cape Town, Durban and Port Elizabeth, it is not necessarily a lack of policy and strategy frameworks that is impacting negatively on the growth and development of tourism within Buffalo City. Rather, that the problem is related to 'lack of implementation and taking to market of new products and infrastructure and the resources thereof. Related to this is a need for 'focus' in terms of marketing, strategic project identification, prioritization and implementation, proactive approach to tourism investment/investor mobilisation⁶; creating a good enabling environment bearing in mind competition for investors/investment in the tourism industry.

Elaborated below are the key areas of focus of the TMP and the assessment of the performance of the Municipality in implementing the recommendations emanating from the TMP.

6.3 Tourism Development Plan:

The most significant thrust of the BCTMP was the identification of the 31 development concepts that would grow the tourism sector in Buffalo City. These concepts were described by the BCTMP as 'drivers' of new investment, employment creation and income generation. Ten (10) of these concepts were identified as high priority and are highlighted below:

Project Name	Progress
1. Sports Centre of Excellence	A Cricket Academy was launched in Mdantsane by South African fast bowler, Makhaya Ntini, in September 2010.
2. Marina Glen Multi-Purpose Venue	The establishment of an International Convention Centre (ICC) by Premier Hotels in East London has addressed the need for the development of such a multi-purpose centre as it was envisaged along a similar conceptual framework
3. Struggle Route	The Struggle Route has been developed and operation material for the route has been published by Amathole District Municipality. BCMM has established and appointed a Political Task Team to oversee the project implementation. Service already appointed to undertake to undertake preliminary studies in the area of BCMM.
4. Steve Biko Interpretation Centre	Construction for the Centre is underway and BCMM has contributed an amount of R2 Million

Project Name	Progress
5. Nahoon Seaside Resort	This project has not taken place yet.
6. Formalized Car Guards – Ambassador Programme	The visibility of car guards around the City cannot be denied. However, the formalization of the sector has not been realised. The Municipality intends to commission a study of the SMME informal sector in 2012/13 to package the socio-economic profile of the sector.
7. Grand Prix Circuit Development	No progress has been made in this project
8. Adventure Buffalo City	Through the packaging and branding of the Eastern Cape Province as an adventure tourism destination, the Buffalo City has been able to leverage from these efforts.
9. Sports Festival	Buffalo City has position itself as a sports destination and this has been realised by the increase and frequency of key sporting events starting to flock into the City. Africa Open Golf Tournament, Iron Man and Tourism Summer Season Programme
10. Military History Route	The Military History Route has been developed and operation material for the route has been published by Amathole District Municipality.

6.4 Skills and Entrepreneurship Development and Support

The BCTMP recommended that a Quality Tourism Forum be established to implement Skills and Entrepreneurship Development and Support. Further recommendations suggested that tourism awareness programmes be conducted at schools and community level, including utilising experience and expertise of senior citizens to assist in the development of new ventures.

The Eastern Cape Tourism Board confirms that it has implemented a mentorship programme for products all over the Eastern Cape, including Buffalo City utilising the expertise of retired sector practitioners. The analysis of this suggests that there has been some **implementation** of this programme:

- a. An annual schools programme exists which is held in September each year, in 2010 a select group of students took an exposure trip to Durban;
- b. The Municipality provides continuous SMME training and support to new and existing businesses;
- c. The Municipality annually provides strategic support to SMMEs to partake in trade shows and in the production of their marketing materials;

- d. At district municipality level, in 2009/2010 a week-long workshop on tourism was presented to teachers.

The challenge however remains for the Municipality to seek and sustainable solutions to address the oversupply of tourism graduates that is not absorbed by the industry. The intervention should moderate for equilibrium between the needs of the tourism sector and the provision of skills development programmes provided by teaching and learning institutions. This is an area that needs real investment in the next 5 years, to stimulate growth of community-based tourism at rural level, enterprise development at township level and appropriate skills development programmes.

6.5 Institutional Framework

The BCTMP 2004 – 2009 recommended that the Tourism Buffalo City should be utilised for marketing of Buffalo City whilst the Buffalo City Development Agency should be utilised for product development within its mandate. The analysis results indicate that the BCTMP recommendations were considered and implemented by the Municipality:

- A. An **investment of R4,5 million** in 2008/9 with a further increase to **R5,5 million** in 2009/10 was made to the Tourism Buffalo City to facilitate the promotion and marketing of Buffalo City as a destination of choice;

The increased allocation to Tourism Buffalo City should be complemented by a human capital investment that is able to implement the programmes that will increase the marketability of Buffalo City as a tourist destination of choice.

- B. The Buffalo City Development Agency initialised the requisite procurement process to stimulate tourism investment for three (3) tourism developments along the East London Beachfront; Marina Glen, Seaview Terrace and Court Crescent. However, the findings are that there has been no implementation on all three (3) developments with the result that the prime pieces of land along the beachfront remain unutilised. An improved **private sector / investor mobilisation strategy** would eliminate some of the challenges faced by the BCDA during project implementation phases. This also highlights the need to refine the institutional arrangements between the Municipality and its entities.

It should be noted that many people during the interview process expressed the opinion that the Buffalo City Development Agency is dysfunctional since it currently operates without a Board of Directors and a Chief Executive Officer (CEO). A decision needs to be taken by Council on the future of the BCDA to ensure that tourism product development, investment and implementation are not compromised. Further consideration is required in terms of the consolidation of functions of the two entities to capitalise on synergies and economies of scale.

6.6 Marketing Plan

The BCTMP's marketing plan identified specific marketing objectives:

- I. Growth targets for identified market segments;
- II. Extending length of stay of visitors to Buffalo City;
- III. Increasing the spend of visitors to Buffalo City; and

IV. Spreading tourists to all areas of Buffalo City.

The BCTMP also recommended specific marketing tools to be utilised to ensure the realisation of the objectives of the marketing plan. Successes in the following areas were noted:

- a) In 2008, Tourism Buffalo City took steps to **rebrand the company** and to modernise its operations and image, a new logo was adopted that aims to capture the fun-filled natural vibrancy and outdoor attractiveness of the area.
- b) The **website was re-designed** and boasts an integrated online booking system for the benefit of those members who choose to use it. An extensive picture gallery depicts the wide variety of attractions of Buffalo City and aims to highlight its natural beauty.
- c) In terms of **co-operative and partnership marketing**, Tourism Buffalo City has re-established co-operative networks with other role-players in tourism and the private sector and has promoted Buffalo City through support from the many sporting and other events that bring visitors to the area. The investment in this area has set about the process of rebuilding public confidence in the role of Tourism Buffalo City as an effective agency in the promotion and marketing of the region as a tourist destination. This challenge not only involves serving established product-owners better than they were before, but also requires that the visibility of a commitment in practical ways to the transformation of operations and the industry as a whole, so that the benefits of tourism are ultimately more equitably distributed.
- d) The media presence has been increased massively, with a new look and feel and **development of newsletters and brochures is evident.**

The BCTMP recommended an increase of the tourism marketing budget for Buffalo City to R2,8 million by year 5 of the Plan. The budget allocation has been increased to R5,5 million for 2009/2010.

The overall marketing strategy of the BCTMP recommended Buffalo City to concentrate on five (5) tourism products:

Tourism Product	Progress and Results
<p>1 Sport</p>	<p>The results of increase in the number of sporting events held in Buffalo City over the past couple of years indicate that Buffalo City has been successfully marketed as an ideal sporting destination, boasting a climate and infrastructure conducive to outdoor activities and a breath-taking coastline. The city hosts provincial, national and International sporting events.</p> <p>Private sector confirms an increase in the number of sport events that take place in the City, with increases in bed sales.</p> <p>In addition, the Buffalo City Planning Department confirmed that they are supporting the development of a further four (4), bringing total to five (5) golf courses in and around East London. The intention is to develop a larger leisure residential component as well as to boost East London’s status as a prime golfing destination.</p>

Tourism Product	Progress and Results
2 Sun, sea and sand	<p>Tourism Buffalo City has attended a number of shows and expos where Buffalo City has been vigorously promoted, seeking to strengthen existing markets and to grow new ones.</p> <p>Brochures and other promotional tools have been developed that promote and highlight the beauty of the area.</p>
3 Conferences	<p>The large hotel groups confirmed that their primary client base estimated at 70% is business tourism. The investment by Premier Hotel Group in South Africa's fourth International Convention Centre in East London, the only one on a seafront, will enable the city to increase its potential for business tourism while entering the new market of meetings and events.</p>
4 Heritage and Culture	<p>It was also noted that whilst certain progress has been made in securing funding for the Steve Biko Interpretation Centre and that booklets are being produced for various heritage routes, however, the development of new facilities including accommodation, eateries, crafts etc., will take place over many years and will require on-going government support.</p> <p>From a marketing point of view, these products need to be marketed via linkages with existing larger tourism products/venues/facilities.</p>
5 Nature	<p>The Tourism Buffalo City website boasts an extensive picture gallery that depicts the wide variety of attractions of Buffalo City and aims to highlight its natural beauty.</p>

In order to manage and monitor the success of the marketing plan, the BCTMP recommended:

Recommendation	Implementation progress
<ul style="list-style-type: none"> • A tourism performance index to provide regular and timeous index on tourism performance: 	<p>This tool is not in place and the performance of the sector cannot be very well understood.</p>
<ul style="list-style-type: none"> • An economic impact assessment model to measure the impact on revenue and employment by specific events, the increase in tourists etc.: 	<p>This model is not in place.</p>
<ul style="list-style-type: none"> • Regular tourist surveys to gauge the opinion of tourists: 	<p>Tourism Buffalo City confirms that they conduct a "straw poll" each season which surveys a few establishments for an indication of booking trends, but they concede that the reliability of these figures is sometimes questionable (there is a "lie factor" that creeps in, because The product-owners regard their occupancy as "business intelligence").</p>

6.7 Projects Classification and Identification

The following projects have been classified and identified for implementation during the period 2010 – 2015 based on the key portions of land that were identified as being potentially prime investment opportunities that could drive tourism development and associated employment creation and tourism-led economic growth in Buffalo City.

Tourism Node	Project	Project Summary	Priority
East London Beachfront	Marina Glen 'A'	Large-scale development earmarked in terms of the Spatial Development Framework	High
	Marina Glen 'B'	The development of a "family-friendly" beachfront with amenities and facilities and policing	High
	Seaview Terrace	The investor mobilisation process for this project was initiated by BCDA,	High
	Court Crescent	The investor mobilisation process for this project was initiated by BCDA,	High
	Orient Theatre	The upgrade and revitalisation of Orient Beach and surrounding amenities including the Theatre	High
	Signal Hill	The relocation of port infrastructure to release harbour front land parcels for development. This project has been initialised by BCDA, but needs to be implemented during 2010 – 2015	High
	Sleeper site	Utilisation of site to develop new affordable housing including civic centres for ADM and BCMM	High
	The Esplanade	The development of a ' safe, green, child friendly ' interface between the sea and the road. The focus area should cover the section of beachfront between Orient Beach and Marina Glen 'B' Beach). This should include improved signage along the Esplanade to the Beachfront.	High
	Quigney	Public environment upgrade and urban management of area	Medium
Westbank	Leaches Bay	The development of an "alternative" beach for the young and restless, with amenities and facilities and strong policing presence to address perceived safety concerns	Medium
	Grand Prix Circuit	The revitalisation of the grand prix circuit and consideration for large scale tourism development.	Medium
Bridle Drift Dam	Adventure / Outdoor Activities	The investigation of an adventure zone along the Bridle Drift Dam / Buffalo City which offers accommodation and activities like bungee jumping, abseiling and climbing. This project can be driven as a joint venture between the community and a private operator.	Medium
Nahoon and Bonza Bay	Nahoon Beach	Development of the Nahoon Beach with amenities, facilities and security	High
	Nahoon Seaside Resort	The development of a " low-impact " high-value tourism concept that does not compete with the environmental richness of the area.	High
Gonubie	Gonubie Beach	Development of walkway and construction of	High

Tourism Node	Project	Project Summary	Priority
		coastal protection structures for roads and parking	
Mdantsane	Mdantsane Community Lodge	The establishment of a community lodge in partnership with a private sector partner on the river bank, with a theme park across the river	High
	Mdantsane Heritage Festival	Introduction of a 3-day annual heritage festival in Mdantsane to showcase richness of area	High
Mount Coke	Methodist Conference and Health Resort	The development of a R60m conference facility, hotel, health spa and a museum. Feasibility study and a business plan are to be commissioned. The route from East London past the airport to Mount Coke to King Williams Town has huge tourism potential.	Medium
Macleantown	The Cultural Heritage Lodge	A cultural lodge is a potential development that could be considered on a piece of land owned by the community. Feasibility study to determine sustainability could be undertaken and followed by a business plan.	Medium
	Community Game Farm	A co-operative that is involved in organic farming has been allocated given a farm which has a potential for game farming include an accommodation establishment. Feasibility study and a business plan is to be developed	Medium

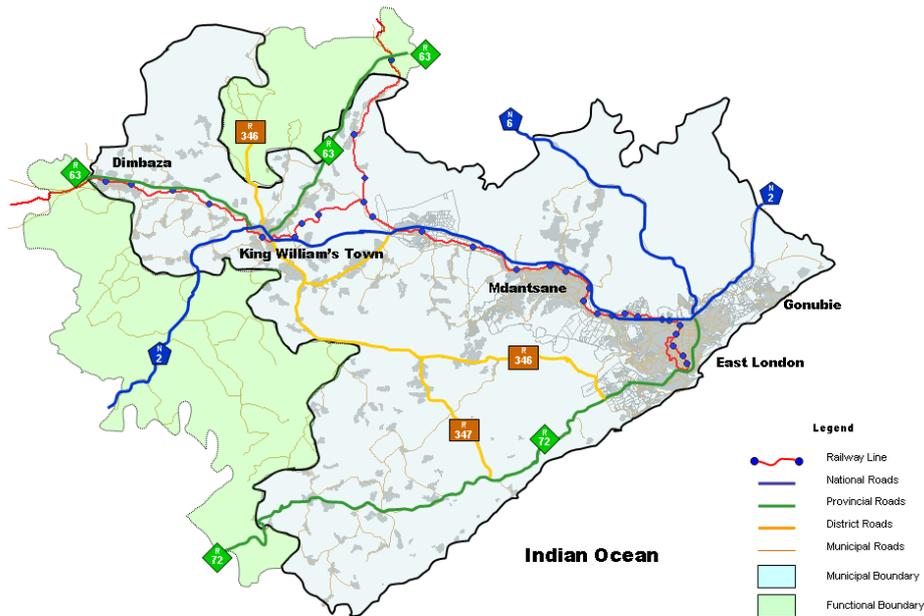
7. Integrated Transport Plan

The Buffalo City Metropolitan Municipality Integrated Transport Plan covers all forms of land transport, namely public transport, walking and cycling, freight transport, roads and transport infrastructure. Other important issues covered are traffic safety, the environmental impacts of transport, travel demand management and the transport needs of special categories of passengers. The ITP is the transport “chapter” of Buffalo City’s Integrated Development Plan, published annually to guide the City’s development. The transport plan thus forms part of the overall plan co-ordinated under the Integrated Development Plan.

The ITP was prepared under the National Land Transport Act, 5 of 2009. The Act requires that it be approved by Buffalo City’s Council, the Provincial MEC responsible for transport and the National Minister of Transport. The outcome of the ITP is a series of transport projects to be implemented in the five-year period 2008/2009 to 2012/2013. Projects listed in the ITP are the transport projects in terms of the Integrated Development Plan, and projects included in the ITP will be considered for funding through the municipal budget. The Integrated Transport Plan has been reviewed and updated in July 2011.

7.1 Background

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



Buffalo City municipal and functional transport area boundaries

Currently very few formal scheduled public transport services exist in Buffalo City. The commuter rail service between Berlin and East London, as is the case with formal bus, lost patronage over the past two decades and is still in decline. During the anti apartheid struggle years in the late eighties and early nineties, formal public transport services were targeted as a form of protest and hundreds of buses were destroyed. This created a vacuum in the market which was rapidly filled by informal public transport operations (para-transit or so-called minibus taxis) which now dominate the market. Minibus-taxis are small businesses that are required to be legally regulated, but due to the inadequate application of law enforcement, illegal operations resulting in oversupply and conflict are endemic to the industry. There is a crucial need to redevelop a quality formal public transport system in order to hold back the growth of car traffic and also to provide accessibility for all citizens, and thereby facilitate the socio-economic development of the City.

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

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

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

The accident record of Buffalo City is unacceptable. Pedestrian safety is a priority within Buffalo City as half of all people that are killed in traffic accidents are pedestrians. The incidence of public transport vehicles involved in accidents is also high compared to the number of licensed vehicles in Buffalo City (almost ten times as many accidents per vehicle compared to the average of all registered vehicles), and this needs to be addressed.

7.2 Transport Vision, Goals and objectives

The vision for the ITP is to achieve –

“A fully integrated transport system to increase accessibility for all people and giving priority to public transport, non-motorized transport and traffic safety”

It will be necessary to meet a number of goals and objectives if this vision is to be attained. These are:

Accessibility – The transport system must afford all citizens (including the elderly, learners and special needs people) the means to travel to destinations around Buffalo City.

Social and economic development – A well functioning transport system must support social and economic development of Buffalo City.

Safety – The current transport system is characterized by unsatisfactory traffic safety conditions. Infrastructure and services must be put on place to improve traffic safety especially for public transport users.

Sustainability – The transport system has to be sustainable from an environmental as well as an economic point of view.

Humanizing the City – A transport system orientated towards people, and designed at the “human scale” so as to promote a safe, pleasant environment for walking, will contribute to a more attractive city – a city for people and not dominated by roads, congestion, pollution and lack of accessibility.

7.3 Spatial Development Framework

The Spatial Development Framework is a legally binding document for all land-use management decisions, and illustrates the form and extent of development that Buffalo City Metropolitan Municipality wishes to promote. It is the high-level plan of reference for planning of all transport systems, consisting of the major roads, public transport, pedestrian routes and interchange locations.

The development of housing, industry and other land uses along major transport corridors is one of the main strategies of Buffalo City’s Spatial Development Framework. The principal corridor in Buffalo City, namely the Mdantsane – East London Corridor is a key component of the ITP’s public transport strategy.

7.4 Transport Needs Assessment

The preparation of the ITP requires an analysis of the need for transport systems and services to meet the demands of the citizens of Buffalo City.

The population in Buffalo City is expected to grow from approximately 0,8 million in 2001 to an estimated 1,4 million in the year 2020. This emphasises the need to develop a new public transport system to cater for the anticipated increased usage in public transport in line with National and Provincial transport policy to develop public transport usage.

7.5 Environmental Impact of Transport

In February 2005 the National Environmental Management: Air Quality Act came into being. This requires the Minister to establish a national framework for the attainment of a number of environmental objectives. One key objective is to establish standards for municipalities to monitor ambient air quality and mobile source emissions. The recently introduced legal requirements to exclude lead from petrol and reduce the sulphur content of diesel are important developments that will improve air quality.

In a less direct context, the proper planning and provision of transport facilities and services, together with transport demand management, can have a profound effect on the urban environment. Measures to reduce the amount of traffic from the road system must be pursued, as well as attention given to the limitation of noise pollution. Thus good public transport systems, coupled with excellent walking and cycle facilities can improve people's access to amenities, and also reduce the use of the private car for travel.

7.6 Traffic Safety

South Africa has a poor accident record when compared to other developing or developed countries. In Buffalo City approximately 8 000 collisions, involving 1 299 casualties (fatal, severe and minor) were recorded during 2004.

The objective of the Traffic Safety Plan is to reduce the number and severity of all accidents, in particular pedestrian, public transport users and learners.

A successful strategy requires the implementation of a combination of education, engineering and enforcement projects.

With regards to **education**, the implementation strategy is aimed at remedying the situation in and around schools. Educating children will involve their parents, who will also indirectly be subjected to the education process. Once children learn about traffic safety they will become aware of issues such as not driving under the influence of alcohol, the use of safety belts, and proper safe practices whether the mode be walk, car or public transport.

With regards to **engineering**, projects will also be aimed at starting in and around schools, as well as along high accident locations. Engineering projects will include the development of the necessary information systems to enable effective safety planning and enforcement issues.

Law enforcement initiatives will be aimed at targeting high accident locations and developing focused enforcement campaigns that will be implemented on a regular basis.

7.7 Transport Systems

Buffalo City has developed its strategic plans for the future development of each specific transport sub-system, namely the public transport system (network and services), the major road network, the freight network, the non-motorised transport network and provisions for special needs passengers.

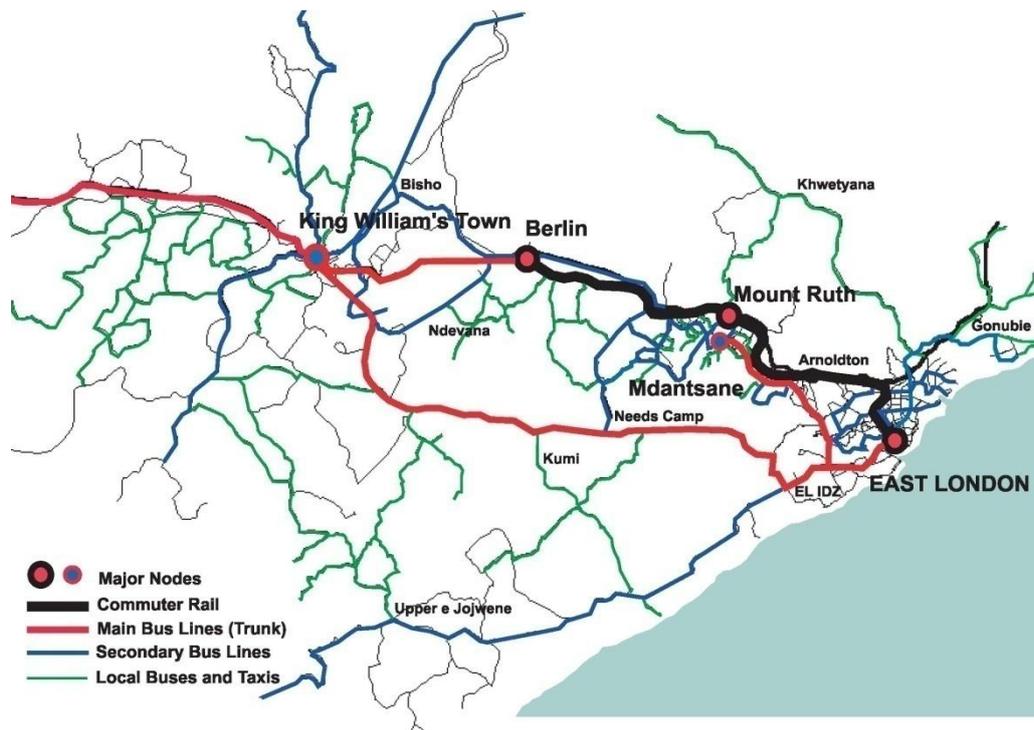
The policies, strategies and projects intended for implementation in the future are described, programmed, and priorities indicated in this ITP.

(i) Public transport

The majority of Buffalo City’s population depends on public transport to access jobs, schools, recreation, shopping and other opportunities that the City currently offers. A quality formal public transport system is recognized as the best means of managing an efficient city, through reducing congestion otherwise caused by the excessive use of the private car. Car use should be limited and regulated by travel demand management. Those owning private cars should use public transport as the mode of choice for regular commuting and other trips.

Of all motorised trips made in Buffalo City public transport accounts for 62% of trips compared with 38% by private car, and is therefore an important means of travel for the majority of citizens of Buffalo City. Surveys carried out in 2002 indicate that of 300 000 trips made using public transport each day, 250 000 are made by taxi, 25 000 by scheduled conventional bus and 25 000 are made by passenger rail.

As public transport is of such critical importance Buffalo City has now developed its long-term vision for the future public transport system to be in place within the next 15 years. The map below shows how the public transport network will be in 2020. This scenario is referred to in the BCMM Public Transport Plan as Scenario C.



Major public transport routes – 2020

Every effort has been made to integrate the long term planning of the PRASA and BCMM, however the rate at which the rail service is improved is the responsibility of the PRASA and BCMM does not have complete control over the roll-out of the Public Transport Plan. The upgrading of the rail system may therefore not take place in accordance with the envisaged time frames. Further, the development of the rail services is dependent on land use and the development of the nodes around

key stations and along the rail corridor and needs to take place for the improvements to the rail to be effective. The development of the nodes and corridor could take several years. For these reasons it is prudent to consider an alternative implementation strategy for the future public transport service.

In the future public transport system it was initially proposed that the rail service is improved first and that limited “parallel” trunk bus service running in the Mdantsane / East London corridor along the Mdantsane Access Road are introduced to cater for areas not accessible by commuter rail. These parallel trunk bus services would later be substantially increased to supplement the rail services as demands increase beyond the capacity of the commuter rail system. It is envisaged that ultimately the trunk bus and commuter rail services will carry equal numbers of passengers per day.

An alternative strategy to develop Scenario C could be to introduce the parallel trunk bus service ahead of the rail as the dominant public transport mode in the corridor. This can be achieved by providing separated exclusive right of way facilities for large buses operating as a “Bus Rapid Transit” (BRT) type system within the existing road reserve. The advantages of this is that such a system can be implemented, controlled and regulated by BCMM and will offer the same level of service to commuters and as that of an upgraded rail service. The rail service will still operate but may not be the dominant mode initially until it is fully upgraded. The adoption of this type of alternative future public transport system will have little or no effect on other planning initiatives that have taken place since Scenario C was adopted nor will it affect the planned future feeder public transport services within Mdantsane or the development of the Mount Ruth node. All that it means is that the priority will shift to developing the trunk bus services first instead of the commuter rail services.

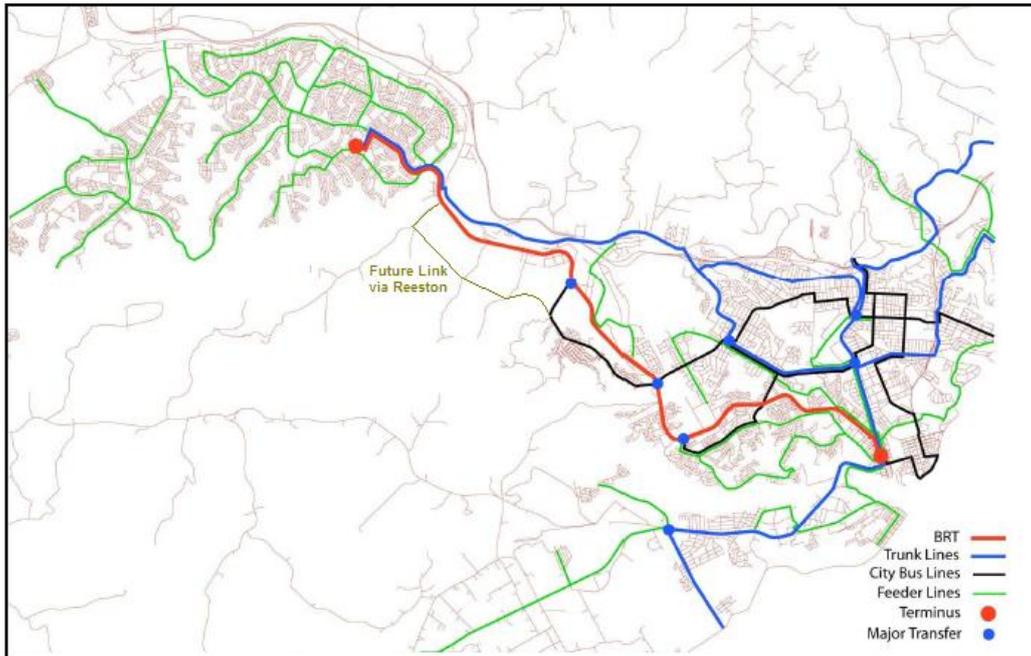
Mount Ruth will still be viable as a development node even if the long term public transport scenario with rail as the backbone to the system is not realised to its full extent. This is due to the fact that the rail service will continue to operate to at least the same level of operation in the future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

The Operational Plan for the first phase BRT system is complete and was approved by Council on 6 May 2010. The detailed operational plan is the principal planning document for determining the key system characteristics, including network structure, vehicle requirements and infrastructure sizing. Further, the operational plan includes a costing analysis which will underpin the economic viability of the system.

The network planning phase for the Operational Plan confirmed that the MELD corridor is indeed the key corridor that should be focused on in the first phase implementation of BRT, for the following reasons:

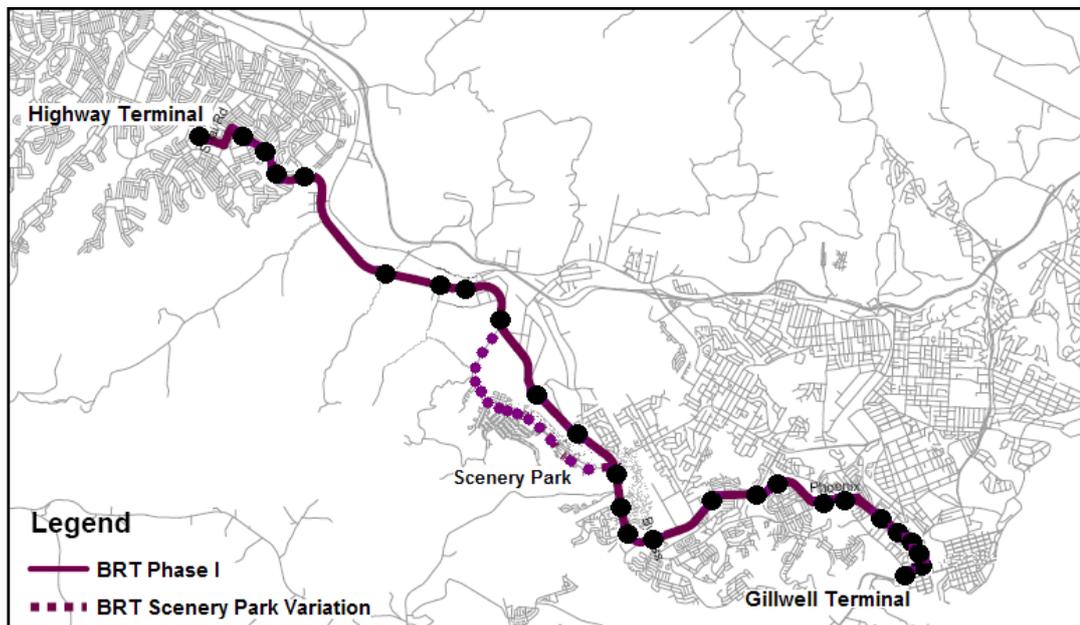
- Existing and future public transport demand – this corridor has the highest public transport demand in BCMM.
- This corridor provides the most operationally efficient corridor in Buffalo City and is therefore the most cost-effective.
- This corridor is the key strategic transport corridor in terms of the BCMM Spatial Development and Framework Plan.

In order to identify the Phase I route structure, it was necessary to develop a detailed conceptual design of the overall public transport system to ensure that the phase I corridor operates within a future integrated system. To this end a rationalised ultimate network scenario was developed, the layout for which is shown in the figure below:



Ultimate Scenario 2 Rationalised Routes

The proposed main route for the first phase implementation over the next three years is shown in the figure below.



Main Phase I Route – Mdantsane to East London CBD

The following figure shows the route through the East London CBD and the key features include:

- Oxford Street is proposed to be a transit mall with BRT vehicle access only. This will entail extensive pedestrianisation of Oxford Street, with traffic being diverted to the surrounding Streets, such as Buffalo and Cambridge Streets.
- This represents the most central route through the CBD area.

- This route also passes the most historical buildings and Oxford Street is considered the principal shopping street.



Main Phase I Route Showing the East London CBD

Phase I Service Implementation Options

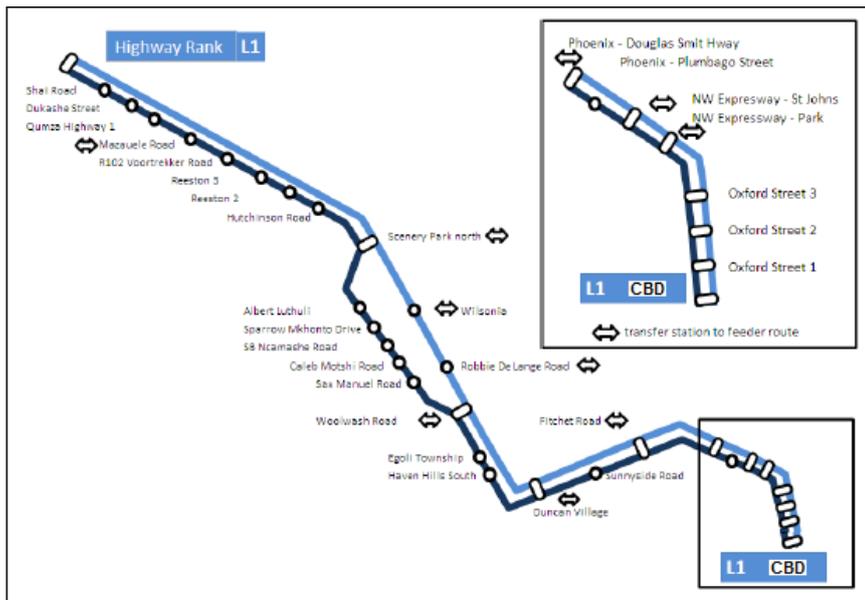
The following characteristics of the first phase implementation are proposed in the Operational Plan:

- Physically segregated busways located in the roadway median to avoid traffic congestion and vehicle conflicts. This would initially apply to the roadway from the Douglas Smit intersection through the CBD to the Gillwell terminal.
- High capacity vehicles.
- Closed, raised stations located in the median that function similarly to a train station.
- The service would run at a high frequency (less than five minute intervals).
- Rapid boarding and alighting would be achieved through level boarding with wide doorways and off-board payment.
- A centralised control centre will be required to provide passenger and driver information.
- Fare integration will permit faster transfers and reduced journey times.

7.8 Location of Transport Network Facilities

Terminals are large facilities at the end of trunk corridors, while depots serve multiple tasks including parking, refueling, and maintenance. The Mdantsane Highway Public Transport Interchange has been identified as a suitable Terminal and Depot. The Gillwell Street Public Transport Interchange was initially identified as the only terminal in the East London CBD, but now an alternative additional terminal is being proposed in Oxford Street South of Fleet Street due to Traffic Engineering constraints (this proposal is discussed in more detail in the next section).

Potential positions for stations have been identified and are illustrated in the figure below.



Proposed Location of Stations

7.8.1 Major roads

The major road network consists of approximately 1 230 km roads. National freeways and Provincial trunk and main roads increase the major road length by approximately 250 km. 191 355 vehicles were registered within Buffalo City Metropolitan Municipality in 2004. This figure has increased relative to 2002 and 2003 by an annual increase of 8% per annum, considerably higher than the growth in population. If this trend were to continue to 2010, it may be expected that over 300 000 vehicles would be registered in Buffalo City by that year.

The strategy for road management must consider the two aspects – new development and maintenance – which together affect how the road system as a whole serves the City.

Road improvement projects

Based on current vehicle volumes, 60% of the major roads within the built-up areas of Buffalo City have critical sections that operate beyond capacity during peak hours. The congestion levels of the major road system have increased steadily, and will require transport demand management measures in the future to avoid the need for increasing road capacity unduly. Key projects over the next five years are:

- (i) Widening of Gonubie Road
- (ii) Quinera Drive extension
- (iii) Qumza Highway Upgrade
- (iv) New Buffalo River Bridge
- (v) Oxford Street pedestrian and public transport project
- (vi) Park Avenue/Thorburn crescent
- (vii) Extension of North West Expressway to Amalinda Road

7.8.2 Road maintenance and rehabilitation

The pavement management plan for Buffalo City's municipal major roads provides a management and maintenance plan for its 1 230 km of major roads. The present worth replacement value of these roads is estimated as R 1,02 billion.

It is estimated that, based on the nominal life span of roads being 20 years before major rehabilitation is required, the major road system has only 6 – 8 years of life remaining. The average condition of the network is rated as poor, with 15% of the surfacing and 15% of the sub-surface structure in the poor to very poor category. Buffalo City Metropolitan Municipality has a detailed programme for the management and maintenance of the major road system over the next five years. The key projects scheduled are:

- (i) The reconstruction and upgrading of Fleet Street.
- (ii) The second phase of the reconstruction of Cathcart Street in King William's Town.
- (iii) Rehabilitation of founding conditions of bridges on major roads.

7.8.3 Freight transport

Buffalo City has a large and potentially rapidly growing manufacturing sector, which relies on an efficient and reliable freight transport system. With the advent of the Industrial Development Zone on the Westbank freight transport is likely to increase significantly in future. All sectors of the economy depend on the incoming and outgoing movements of goods by road, rail, sea and air.

The current transport of heavy goods predominantly by road places a significant structural load on the road system, requiring a greater level of maintenance than would otherwise be required. Moreover, the limited capacity of Buffalo City and the Province to effectively apply enforcement to overloaded vehicles has a destructive impact on road pavements leading to premature failure. Overloaded vehicles, often in a non-appropriate condition, also contribute significantly to the negative development in terms of traffic safety.

A freight plan will be developed in future updates of the ITP. This will initially focus on determining the status quo of freight movements and the development of strategies in conjunction with the provincial and national spheres. Thereafter, the forthcoming ITP's will contain more concrete projects and proposals to manage and provide for freight movement in Buffalo City. Overloading control and the identification of transport routes to safeguard potential damage due to hazardous materials will form part of this plan.

7.8.4 Non-motorised transport

A significant number of people who do not have the means to use a private car or public transport for daily transport in Buffalo City gain access to work, education and other activities by walking. Cycling is an alternative but is significantly under-rated as a transport mode in Buffalo City. The ITP will include projects that provide the facilities to encourage safe walking and cycling, and encourage their use as viable transport modes.

The integration of pedestrian and bicycle facilities into the transport system promote improved accessibility to public transport interchanges and bus stops, work, school, shops, leisure etc. It promotes safer walking and bicycling – and it also contributes to an environmentally sustainable transport system as a whole. Non-motorized transport is an inexpensive means to make short trips within the City, and it also benefits personal good health and fitness. Pedestrian facilities including facilities for cyclists are an important component of the public transport system as public transport users usually commence and end their journeys with either walking or cycling.

Walking and pedestrian facilities

The provision of sidewalks on all major roads in the urban area, and particularly on peri-urban areas where pedestrian movement is hazardous, must be given priority. Safe crossing points for pedestrians are essential at strategic points of high pedestrian conflict.

The important focus for the next five years will be on developing the overall pedestrian plan in more detail, followed by an action plan for the phased implementation of projects. The preparation of a Rural Non-Motorised Transport Plan is currently underway. Pedestrian facilities are currently inadequately provided in Buffalo City, and the best quality facilities are found in the more developed and affluent areas of the City. Low income areas, where pedestrian facilities are needed the most, are generally underprovided. This has a serious impact on the traffic safety situation. In rural areas the lack of non-motorised transport (NMT) facilities exacerbates the challenge of social isolation felt by many rural communities. The BCMM Rural NMT Plan will assess the current situation with regards to NMT in rural contexts in BCMM and will identify key projects to address the challenges facing NMT users. The NMT Plan will ultimately form part of the Integrated Transport Plan (ITP) and therefore the IDP of BCMM.

A key project to adapt Oxford Street to give priority to pedestrians will be undertaken within the next five years. This project will be carried out in conjunction with the Bus Rapid Transit System implementation which will involve the development of a portion of Oxford Street into a Transit Mall.

7.8.5 Special needs transport

The principle that will be adopted to provide for special needs passengers is to ensure that all projects are planned, designed, implemented and operated making sure that all persons can use the facility, service or vehicle involved. In the 2009/2010 financial year a pilot project was undertaken to install facilities for the disabled at the signalised pedestrian crossing at Frere Hospital. This project involved the installation of vibrating push buttons with audible signals and tactile paving with dropped kerbs. The success of this project has led to the development of a programme to roll out this equipment at all traffic signal installations in BCMM.

8. BCMM Integrated Waste Management Plan

8.1 Introduction

According to the National Waste Management Strategy, all South African Municipalities are to present a long-term strategy or plan on how to handle general waste services. Furthermore, Buffalo City Metropolitan Municipality identified the preparation of an Integrated Waste Management Plan (IWMP) as an important project within the Environmental Sector of the Municipality's first Integrated Development Plan (IDP), which was finalised in April 2002. It was agreed that if waste

management is neglected and not dealt with in a more sustainable manner, waste will continue to pose a serious threat to the environment and the health of Buffalo City citizens.

The reason for developing an IWMP is to provide the Municipality with a sustainable long-term waste management system. The IWMP is a planning document, which includes comprehensive background information on the current waste situation in the Municipality as well as the current regulatory framework. Based on an analysis of the current situation, objectives, strategies and projects are formulated that address the priority issues of today.

The Constitution of South Africa (Act 108 of 1996, Section 152) states that *local governments are to ensure provision of services to communities in a sustainable manner, promote social and economic development, promote a safe and health environment, and encourage the involvement of communities and community organisations in matters of local government.* In order to fulfil these constitutional obligations, Buffalo City realises that the current situation must be rectified. This IWMP is an important step in that direction.

8.2 The Context of the IWMP

8.2.1 The National Waste Management Strategy

The National Waste Management Strategy (NWMS) was developed by the Dept of Environmental Affairs and Tourism (DEAT) and the Dept of Water Affairs and Forestry (DWAF) in 1998-99 and presents National Government's strategy for integrated waste management for South Africa. Among the priority initiatives formulated in the document, Integrated Waste Management Planning was identified as an important tool for improving the current waste situation.

The Buffalo City First Generation IWMP is formulated in compliance with the NWMS which allocates responsibilities as follows:

- The *national Department of Environmental Affairs and Tourism* (DEAT) will draft and promulgate regulations and guideline documents for integrated waste management planning of all waste types.
- The *provincial environmental departments* will develop hazardous waste management plans and prepare provincial environmental and waste management plans and prepare provincial environmental and waste management plans that incorporate the integrated waste management plans submitted by local government and industry. These will be submitted to the Committee for Environmental Co-ordination (CEC) for approval, which will facilitate inter-provincial coordination, particularly in relation to planning for facilities for treatment and disposal of waste.
- *Local Government* will develop and submit plans for integrated general waste management to the respective provincial environmental departments. General waste includes domestic and industrial/commercial waste that is not acutely hazardous or dangerous for man or the environment.
- Waste management plans for *industrial waste* that is disposed of at private and/or dedicated disposal facilities, will be prepared by the *developers/owners* and submitted to the respective provincial environmental departments.

Thus, Buffalo City's IWMP focuses on general waste generated within Buffalo City. The Municipality realises, though, the importance of communicating with Province as well as with significant industrial generators of waste to ensure that the above-stated required plans are formulated and implemented.

8.2.2 The IWMP in the context of the IDP

Considerable effort has been put into interpreting the meaning of BCMM's vision in terms of waste management for the formulation of objectives and strategies of the IWMP. The vision warrants for affordable waste collection services, sustainable waste treatment and disposal, litter-free living environments, safe working environments, and improved public awareness, among other things.

The IDP identifies "negative environmental and health impacts due to unsustainable waste management" as a priority issue that needs to be addressed by Buffalo City.

The following **objectives** in respect of Waste Management are listed in the IDP:

- Comprehensive long-term waste planning.
- Efficient, effective and appropriate waste collection and treatment services in the entire BCMM.
- The availability of landfills and transfer stations which comply with National and Local legislation and meet the long-term needs of the BCMM.
- Reduction of landfill waste by 35% by volume within 5 years through the implementation of waste reduction, re-use and recycling programmes and alternative treatment of waste.

The following **strategies** to achieve these objectives were adopted in the IDP:

- Formulation, adoption and implementation of an IWMP.
- Investigation of alternative uses and treatment of waste.
- Implementation of educational and awareness programmes.
- Identification and initiation of partnerships with external organisations, communities and industries.
- The review of the by-laws applicable in the different administrative areas and the rationalisation of these into a single set of appropriate by-laws applicable to all of BCMM.

During the development of the IWMP, additional information not previously available was gathered. This information has been used to further develop the objectives and strategies of Buffalo City's waste management.

8.2.3 The IWMP in the context of Buffalo City's IEMP

Buffalo City is striving to build a local consensus in the support of recognised sustainable development principles and has accordingly embarked upon a process aiming at a comprehensive Integrated Environmental Management Plan (IEMP) The IEMP Policy acts as a framework and guides local government in its strive to promote sustainable development. The IEMP is based on existing national and international law and legislation and will be implemented through various sector plans and programmes identified in the Integrated Development Plan (IDP). The Policy also outlines the integrated approach for all projects within the municipality, guiding decision-makers at all levels to accessible and adequate information on adverse environmental effects of the activity in question.

This approach enables the opportunity to improve, lessen or put a stop to the planned activity. Furthermore, the IEMP promotes public participation.

Sector plans play an important part in the implementation of the IEMP Policy as well as the agreed principles. The IWMP, which is such a Sector Plan, reflects the Vision of Buffalo City. Emanating from the vision, the Waste Management Vision for the Buffalo City Metropolitan Municipality in the year 2020 is summarised as follows:

- All citizens of Buffalo City are provided with adequate, affordable and accessible waste management services.
- The amounts of general waste as well as hazardous waste are reduced by waste minimisation and recycling (incorporating sorting-at-source), limiting the amounts of waste going to landfill.
- The proper handling, treatment and disposal of all kinds of waste ensures that the adverse impact on the environment and human health and well-being can be minimised or tolerated. All waste treatment and disposal facilities are legally permitted and properly operated.
- Informal recycling at landfills has been phased out and replaced with formal employment opportunities in a thriving recycling industry, which promotes local economic development.
- The people living in Buffalo City will be environmentally aware and conscious with a significant knowledge of proper waste management, which they enthusiastically exercise.

9. BCMM Disaster Management Plan

9.1 Introduction

Sustainable development is not possible if disasters are continuously injuring and killing and damaging infrastructure, property and livelihoods. It is important that the relationship between disasters and development is recognised so that proactive action can be taken to eliminate or at least reduce the impact of the consequences of disasters.

When disasters occur the cost of the disaster sets back development, since projects are often delayed due to the diverting of funds. On the other hand, when disasters occur they provide an opportunity to rebuild “smarter”, i.e. to avoid the likelihood of repetition of the disaster, and to plan for a sustainable and safe future. Development can both increase or reduce the vulnerability of the community. Unsafe or inappropriate development increases vulnerability while adequate attention to risk in the planning of development will reduce vulnerability.

9.2 Regulatory Framework

The following legislation and policy regulates Disaster Management in South Africa.

- Green Paper on Disaster Management.
- White Paper on Disaster Management.
- Disaster Management Act (57 of 2002)

9.3 Background / Priority Issues

Buffalo City is susceptible to, and has previously experienced, the following disasters:

Severe Storms, including Strong winds Hail	Mainly in the inland areas South and East of the Amathole Mountains.
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Lightning Heavy rain	
Wind	<ul style="list-style-type: none"> ▪ Gales (mostly along coast and at sea) ▪ Tornados (entire Buffalo City)
Floods	Entire Buffalo City
Drought	Entire Buffalo City
Epidemics	Various areas
Fires	<ul style="list-style-type: none"> ▪ Veld and forest (whole area) ▪ Informal (informal sector) ▪ Industrial and commercial (whole area) ▪ Institutional (schools and hospitals)
Earth Tremors	Whole area
Aircraft Accidents	A number of aircraft accidents have occurred in Buffalo City.
Major Road Accidents	Whole area
Train Accidents	Lone Tree
Shipping Accidents	Various along coast
Hazardous Materials	Whole area
Strikes	Whole area
Unrest	Whole area
Terrorism	Whole area
<u>Service Failure</u>	
Electricity	Various areas as a result of infrastructure failure. Entire Buffalo City due to national load shedding.
Water	Berlin and Mdantsane.
Sewerage spillages	Mainly as a result of power failure. Duncan Village due to blockages.
Solid Waste	Mainly due to vehicle breakdowns.
Cell phones	As a result of network failure or overload.
Internally Displaced Persons	Most informal areas are a result of urbanization.

Lack of economic development in rural areas and communal conflicts are other aspects that play important roles.

The disasters listed above have the potential to occur throughout Buffalo City. There are however communities that are at risk of specific hazards, for example high density shack areas, houses within flood lines and people living near the airport.

Certain groups within the community, such as the aged, women, children, the disabled and the poor suffer the most from disasters and also lack capacity to recover.

The overall priority issue concerning disaster management is the lack of an integrated approach to disaster management in Buffalo City Metropolitan Municipality, which results in unsustainable development with unacceptable human, economic and environmental losses.

Buffalo City also hosts international and national sporting events as well as a range of cultural and political activities.

Planning and management of these events is essential to prevent and manage crowd related disasters.

9.4 Objective

Following the identification of the key problem (priority issue) the following objective for future disaster management development has been formulated:

Proactive and reactive integrated disaster management for all communities in the Buffalo City Metropolitan Municipality, so that the consequences of disasters can be eliminated or reduced through a safe and sustainable environment.

9.5 Strategies

Disasters impact on every community and aspect of community life. It is thus essential that a holistic approach involving the entire community be taken to manage disaster. It is furthermore necessary to build capacity both inside and outside the municipality through partnerships and community participation as well as to include disaster management in developmental planning.

The key disaster management functions for the Buffalo City area are described below:

(a) *Risk and Vulnerability Assessment*

This function helps to identify and map the risks and vulnerabilities that exist within the Buffalo City area so that appropriate prevention, mitigation and response plans and strategies may be developed.

At present, large gaps exist in the information on risk and vulnerability in Buffalo City. Very little risk mapping exists, which is information that is critical for decision-making.

There is an urgent need to conduct a risk and vulnerability assessment and to create risk maps. There will be an ongoing need to keep the information up-to-date.

Risk assessments must be conducted for all major events in the city.

(b) *Prevention and Mitigation*

The worldwide focus of Disaster Management is to prevent or mitigate the impact of disasters. This function provides for the identification of existing problems that need intervention, development of strategies and promotion of the need to reduce the risk of disasters occurring, as well as reducing the scale or significance of a given disaster.

A risk and vulnerability assessment must form part of the feasibility study on all new development, so that prevention and mitigation can be built into the project. Prevention and mitigation measures include the following aspects:

- Engineering and construction
- Physical planning
- Economic
- Management and institutional
- Societal

Prevention and mitigation measures must be developed to address the potential risks identified with the hosting of events in the city.

(c) *Preparedness*

In spite of prevention and mitigation, disasters will still occur. Therefore, contingency plans must be prepared and evaluated on a regular basis to ensure a co-ordinated response with maximum returns from available resources. Preparedness also involves:

- Institutional framework
- Information
- Resource base
- Warning systems
- Response mechanisms
- Awareness, training and education

(d) *Response*

The preparedness of the city will determine the speed and efficiency of the response. The function includes responding to disasters in accordance with Disaster Plans and ensuring improvements to response actions through evaluation. The key response functions include:

- Evacuation
- Search and rescue
- Safety and security
- Assessment of needs

(e) *Relief*

Relief measures are to reduce the suffering of disaster victims, by promoting and supporting community and victim capacity in a manner that promotes independence. To be effective, relief must be:

- Appropriate
- In good condition/of good quality
- In required quantities/at required level
- At the place and time it is needed

(f) *Rehabilitation*

Rehabilitation is the action taken in the aftermath of a disaster to enable basic services to resume functioning, assist victims with self-help efforts to repair physical damage and community facilities, revive economic activities and provide psychological and social support to survivors. Rehabilitation must focus on lifeline services and must be needs-driven based on assessment. Lifeline services include:

- Communications
- Water supply
- Power supply
- Roads and transport
- Waste disposal

▪ Public health

(g) *Reconstruction*

Reconstruction is the full restoration of all services and local infrastructure, replacement of damaged physical structures, the revitalisation of the economy and the restoration of social and cultural life.

It is essential that prevention and mitigation are built into reconstruction and that local capacity is improved on.

9.6 Conclusion

The overall task is to develop proactive and reactive integrated disaster management for all communities in the Buffalo City Metropolitan Municipality. All of the key functions discussed above form the total Disaster Management package. Lack of attention to any single function will seriously jeopardise the ability to manage disaster, and will result in unnecessary and avoidable loss and hardship which will impact negatively on sustainability of development.

The hub of Disaster Management is the Disaster Management Centre, and the capacity of the centre will determine the efficiency with which a proper Disaster Management service will be provided to the citizens of Buffalo City

10. Water Services Development Plan

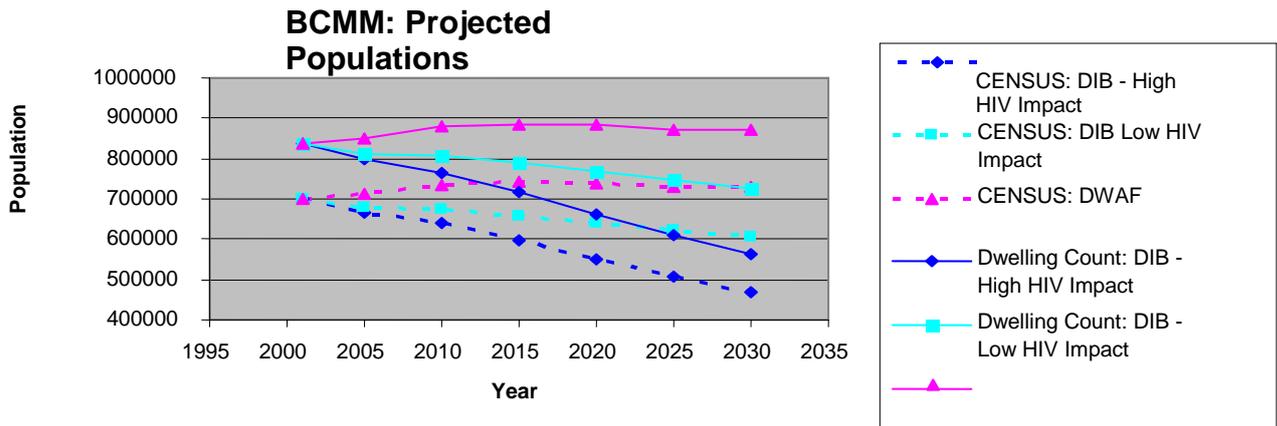
Socio-Economic Profile

Demographics:

- There has been much debate regarding the accuracy of the Census 2001 population figures for BCMM, and as a result, the Water Services Branch has undertaken a Census verification process, whereby house counts were verified off 2001 aerial photography and by interrogating various municipal data bases. The results of the verification process are as tabulated below.

Criteria	Census 2001	Dwelling Unit Count	% variation
Households	193 888	230 327	18.8%
Population	700 623	837 699	19.6%

- There has also been much discrepancy regarding the accuracy of the predicted population growth rates, with three reputable demographers each providing divergent growth scenarios. As a result of the discrepancies in the current population figures and the predicted growth rates, the population projections for BCMM are as presented in the figure below.



The extent of the divergence in the above scenarios, pose significant risks to BCMM, in that BCMM could invest in infrastructure that may not be required in the future. Therefore, there is an urgent need to obtain greater levels of confidence in the populations figures within BCMM.

- As a result of the current state of the BCMM economy, there is no significant net migration into BCMM i.e. the rate of people entering BCMM ± balances with the rate of people leaving to seek employment elsewhere.
- There is however two patterns emerging within BCMM namely:
 - a move towards coastal resort /farm style living for middle and upper income residents; and
 - rural to urban migration (either permanently or temporarily) for lower income residents.

The above trends have a fairly significant impact in terms of water services delivery, in that the “life style resorts” are tending to be remote from existing bulk infrastructure and therefore costly to service, whilst the low cost housing results in high levels of service being provided to those who cannot readily afford these levels of service.

- BCMM has seen the anomaly of low (0.4%pa) population growth rates, but high (4%pa) housing growth rates over the past 5 years. The trend of high housing growth looks set to continue, given the low cost housing backlog and proliferation of proposed middle to upper income housing developments.
- The number and type of household consumer units within BCMM as at 2001, based on the Censusverification data, are as tabulated below.

Area	Formal Single Dwellings	Formal Multiple Dwellings	Backyard Shacks	Informal	Total
Urban	95 767	4 593	7 972	30 633	138 965
Rural	83 547	0	0	0	83 547
Farms	5 093	0	0	0	5 093
Other	2 722	0	0	0	2 722
Total	187 127	4 593	7 972	30 633	230 327

From the above table it can be noted that:

- Some **60.3 %** of all dwelling units are located **within the Urban Edge of BCMM**
 - Some **27.8%** of the urban dwelling units (or **16.8%** of the total dwelling units) are either **informal settlements or backyard shacks**;
 - Some **36.3 %** of all dwelling units are “**informal**” rural homes located *outside of the Urban Edge*; and
 - Some **3.4 %** of all dwelling units are “**formal**” homes located *outside of the Urban Edge* (e.g. farms / Nahoon Dam complex).
- Given the above table, the low cost housing backlog equates to some 38 600 households. There is also reported to be a potential for some 28 500 middle/upper income housing units to be delivered over the next 5 to 10 years.
 - The consumer profile for BCMM, as per the billing database of March 2007 (i.e. urban consumers only), is as tabulated below.

Consumer Category	Greater East London	Greater King Williams Town	Mdantsane	Total	% of Total
Domestic	42 503	31 010	29 168	102 681	94.9
Business	3 508	1 045	272	4 825	4.5
Other	371	247	126	744	0.7
Total	46 382	32 302	29 566	108 250	100

- Domestic consumers account for 77% of the recorded sales by volume;
 - Business consumers account for 25% of the recorded sales by volume.
- The profile of the urban domestic consumers as per the billing database of June 2010 is as tabulated below.

Consumer Category	Greater East London & Mdantsane	Greater King Williams Town	Total	% of Total
Metered	77 896	16 650	94 546	43.7
Flat Rated ^{1, 2,3}	9 481	8 227	17 708	8.2
Indigent	97 653	6 588	104 241	48.1
Total	185 030	31 465	216 495⁴	100

From the above tables, the high dependency of BCMM on the small percentage of domestic metered consumers, for revenue income, can be noted.

- No significant growth in business (industrial and/or commercial) consumers (both by number & by volume) is anticipated in the short to medium term.

- The 'dependent' population i.e. younger than 18 and older than 65, is estimated to be about 41.6% of the total population, which is considered significant in terms of sustainability considerations.

Health Profile

- There appears to be little readily available data regarding water related diseases within BCMM.
- Statistics are however obtainable from DoH for diarrhoea incidences and other water related diseases. These indicate a close correlation between the areas with high incidences of diarrhoea and those areas with inadequate sanitation services i.e. the informal and low income settlement areas within BCMM.
- The health profile of the City has not to date played a significant role in directing water services delivery. The need to strengthen Water Services and Environmental Health management and integration, to ensure that environmental health issues play a more influential role in service delivery, has therefore been identified. This will be done by capacitating/strengthening the existing Sanitation Task Team, ensuring regular reporting on health issues and by electing a political champion.

Service Level Profile

Residential Consumers

- The residential water consumer profile within BCMM, based on the Census verification data, is as tabulated below.

No. Consumer units with:	Urban	Rural:	Farm	Other
1. None or inadequate	46 010	4 165	Unknown	Included with farms
2. Communal water supply	16 811	57 758	"	"
3. Controlled volume supply	0	0	"	"
4. Uncontrolled volume supply: yard tap or house connection	102 703 ³	0	"	"
5. Total Served (2+3+4)	119 514	57 758	"	"
6. Total (1+5)	165 524	61 923	4 352	"

- The residential sanitation consumer profile within BCMM, based on the Census verification data, is as tabulated below.

No. Consumer units with:	Urban	Rural	Farm	Other
1. None or inadequate: Below RDP: Pit	60 891	61 893	Unknown	Included with farms
2. None or inadequate: Below RDP: Bucket	Included in the above figure ²	0	"	"
3. Consumer installations: On-site dry or equivalent, including VIP toilets, UDS, composting system	18	2 449	"	"

4. Consumer installations: Wet (Septic tank, digester or tanker desludge or effluent discharge to an oxidation pond etc.)	1 320	0	“	“
5. Discharge to sewer treatment works (intermediate or full waterborne)	117 560	0	“	“
6. Total Served (3+4+5)	118 898	2 449	“	“
7. Total (1+2+6)	179 789	64 342		“

- There are no dense formal settlements which have been provided with communal or uncontrolled water supplies together with on-site dry sanitation systems, at scale, i.e. there are no grey water management practices in these areas. There is however a need to institute grey water management practices in the informal urban settlements and the dense peri-urban type areas.
- Given the low levels of sanitation provision within the rural areas and the levels of service provided in the informal and formal urban areas of BCMM, pit emptying and sludge disposal occurs on an ad hoc call down basis at present. Certain of the residents find the costs involved prohibitive, and opt not to have the pits emptied.
- It is the objective to have all persons currently residing in informal settlements, residing in formal housing by 2014. These new households are at present being provided with high levels of service. However, due to the extent of the housing to be delivered and the income levels of the beneficiaries, the impact of this housing programme will be significant both in terms of water services provision (extent of infrastructure required to support such development) and the sustainability of the Municipality (most beneficiaries of the housing programme will more than likely not be able to afford the higher levels of service).

Public Institutions and Dry Industries

- There are some 5 569 urban non-residential consumers units (i.e. industrial, commercial, government) within BCMM at present. These are all provided with high levels of service.
- There are some 850 rural non-residential consumers units (i.e. schools, clinics, police stations sports facilities) within BCMM. These often have rudimentary stand-alone water supplies and generally have basic on-site dry sanitation facilities, which are not serviced by BCMM.
- No significant growth in the number of public institutions and dry industries are anticipated in the short to medium term, although the following proposed and/or planned developments have been noted:
 - Establishment of the Fort Hare Campus in the CBD;
 - Sleeper Site in the CBD;
 - The Beach Front and Nahoon developments;

- Upgrading of the Cecelia Makiwane Hospital; and
- Upgrading of the Fort Glamorgan Prison.

Wet Industries

- Da Gama Textiles are the main wet industry within BCMM. They do however use both raw and re-cycled water for their process water.
- The following are the top 15 consumers within BCMM:

NAME / OWNER	LOCATION / FACILITY
Public Works Department	Fort Glamorgan Goal
Cecilia Makiwane (Services)	Cecilia Makiwane Hospital
Daimler Chrysler of SA (Pty) Ltd	Military Rd
Mdantsane Prison.	Mdantsane 3712 Nu 12
National Dept Public Works	Main
Mcel Cult & Envir Serv.	Fullers Bay Bulk Meter
Dep of Roads and Public Works	Camp, Summerpride
Johnson & Johnson	Factory, Dawn
E L Golf Club	Nahoon Reef Rd
St Dominic's Hospital	45 St Marks Rd
China Garments Manufacturers	Dimbaza Industrial Sites 71
Nestle SA Pty Ltd (Boiling Flats) cc	Park Ave (Boiling Flats) 58
Transnet Ltd Cc	Workshop
East London Abattoir (Pty) Ltd.	Smithfield Rd 1
Hoërskool Grens	Grens Skool Koshuis, Mc Jannet Dve

- There are no wet industries outside of the Urban Edge.
- Given the economic forecast for the area (i.e. decline in the primary and secondary sectors and growth of the tertiary sector), no significant growth in the number and/or extent of wet industries are anticipated within the region in the short to medium term.

Raw Water and Treated Effluent:

- Da Gama Textiles in King Williams Town are the only large raw water consumers within the BCMM. They are supplied directly by the Amatola Water Board and also have facilities to re-cycle water on site.
- The East London, Gonubie & King Williams Town golf courses and two farmers in the Gonubie area, are the only treated effluent users within BCMM. The bulk of the consumption not being metered at present;
- Treated effluent has also been earmarked for use in the IDZ and the proposed East Coast Golf Course Estate (Sinathi).
- There are no raw or treated effluent users outside of the Urban Edge.
- No significant growth in the number and/or extent of raw water consumers are anticipated in the short to medium term. However, given the stressed nature of the water resources in the area, it is anticipated that the use of treated effluent will increase fairly significantly during this period.

Industry & Trade Effluent:

- Most industries in BCMM release their trade effluent into the municipal sewer system. A permit is required for this practice, for which a tariff, linked to the volume and strength of the effluent is charged. The practice is regulated by BCMM's Scientific Services Branch.
- There are no penalty structures in place at present for non-compliance in terms of this permit.
- There are a few industries that release their effluent into the environment via evaporation ponds or disposal into the sea. This practice is regulated by DWAF & DEDEA.
- The strength and volumes of the effluent is having a significant impact on the municipal systems in certain catchments, such as that of the Central Waste Water Treatment Works.
- The need to strengthen compliance monitoring, to review tariff structures and consider implementing non-compliance penalty structures, have been identified.

Water Resource Profile

Water Source

- The Amatole Bulk Water Supply System (ABWSS), which also services consumers in the Amahlati and Great Kei municipal areas, is the main raw water supply system servicing the BCMM, servicing some 81% of the population via the following regional water supply schemes:
 - Upper Buffalo RWSS;
 - Middle Buffalo RWSS;
 - Lower Buffalo RWSS;
 - Newlands RWSS; and
 - Ncera Coastal RWSS.
- The Keiskamama System services some 14% of the BCMM population via the Sandile and Peddie Regional Water Supply Schemes, which predominantly service consumers in the Nkonkobe and Ngqushwa municipal areas.
- The remaining BCMM population are serviced by via local groundwater (borehole) fed schemes. These are primarily located in the coastal areas to the west of East London where supplies are augmented by rain water harvesting, and the rural area to the north of Bhisho.
- The ABWSS comprises of the following sub-systems:
 - Upper Kubusi (Gubu Dam/outside BCMM);
 - Lower Kubusi (Wriggleswade Dam/outside BCMM);
 - Upper Buffalo (Rooikrantz and Maden Dams/inside BCMM);
 - Middle Buffalo (Laing Dam/inside BCMM); and
 - Lower Buffalo (Nahoon and Bridledrift Dam/inside BCMM).
- The surface water hydrology for this system has been extensively studied to date.
- DWAF recently initiated the Amatole Bulk Water Supply System Reconciliation Strategy Study (ABWRSS), to develop strategies to ensure the reconciliation of supply and demand for consumers in this system, into the future. A committee of relevant stakeholders has been established on completion of the study, to ensure that the strategies are implemented and periodically reviewed.
- Given the provisional river classifications and associated environmental water requirements (EWR) for the respective rivers in the ABWSS, and the water requirements

- The current Water Services Provider (WSP) institutional arrangements and the associated tariff structures, are preventing the optimal utilisation of the ABWSS at present. As a result of the above:
 - The Nahoon Dam and associated infrastructure are being under-utilised; and
 - The Bridle Drift Dam is being over-utilised (volumes greater than the 80% assured yield are currently being abstracted).
- Given the anticipated housing growth, the demands on the surface water resources from the ABWS are anticipated to grow fairly significantly in the short to medium term.
- The divergent future predicted population and housing figures within BCMM severely impact on the ability to effectively plan future water resource requirements for BCMM. Furthermore, the risk of investing in infrastructure that may not be required is high.
- Given the above and the time taken to develop surface water resources (7+ years), it is anticipated that the following measures will need to be considered to ensure a reconciliation of supply and demand into the future:
 - Accepting reduced assurances of supply in the short-term;
 - Not meeting the full environmental water requirements in the short-term;
 - Implementing water conservation and demand management initiatives (water use efficiency) at scale; and
 - Re-using water.
- Given the above and the extent to which BCMM's own resources are stressed at present, significant increases in purchases of water from the Amatola Water, with corresponding increased operational costs, are anticipated in the short to medium term.

Return Flows

- Potential point source return flows emanate from 13 No. waste water treatment works (WWTW) and 2 No. oxidation ponds systems. Return flows are currently as follows:
 - Upstream of Laing Dam 10.731Mm³/a
 - Upstream of Bridledrift Dam 0.0 Mm³/a
 - Downstream of Bridledrift Dam 13.213 Mm³/a
 - Upstream of Nahoon Dam 0.0 Mm³/a
 - The Gonubie, East Bank and West Bank works discharge some 18.615 Mm³/a directly into thesea.
- Return flows into dams are not expected to increase significantly in the short to medium term despite the anticipated housing growth and high levels of service to be provided, as the bulk of the areas identified for development fall within the catchment areas of the Mdantsane, Reeston, Central, East Bank, Gonubie and West Bank works (all discharge down-stream of dams). Furthermore, water efficiency and water reuse initiatives are anticipated to increase in the short to medium term.

Water Quality

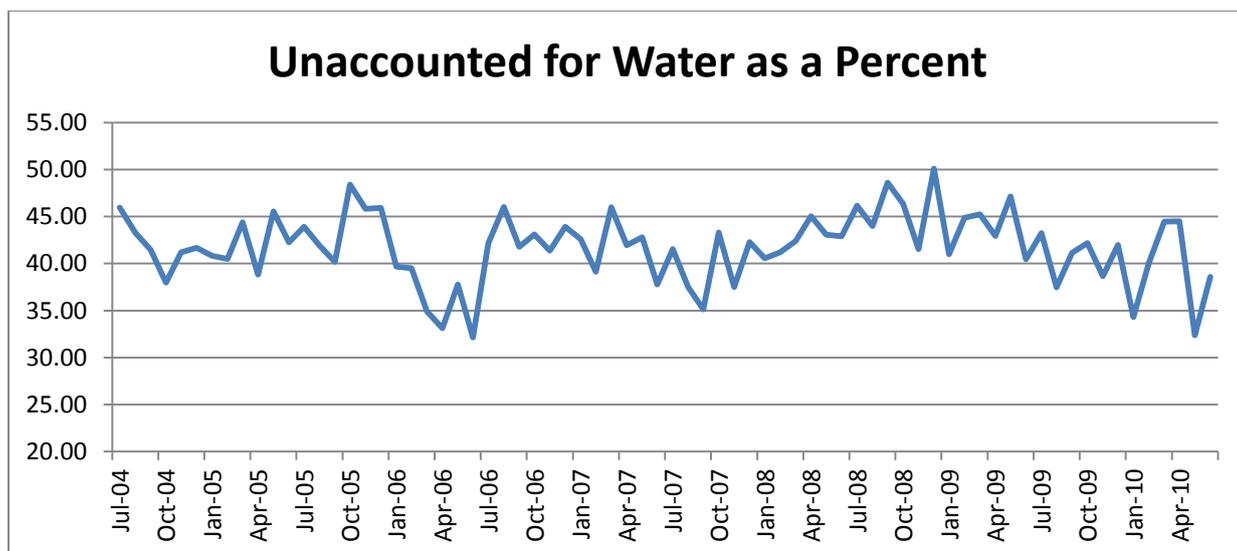
- The waters in the Buffalo and Nahoon Rivers are subject to eutrophication and water hyacinth has established in the non-tidal reach of the Nahoon River below the Nahoon Dam. This is primarily as a result of high nutrient levels in these rivers due to industrial (point

source – less significant of late) and domestic (point and diffuse source-significant) effluent discharge into the rivers. This is by and large a result of the following:

- Wastewater treatment works generally operating at or beyond capacity (often as a result of water wastage and inefficient use in their respective catchments); and
 - Inadequate sanitation facilities (rural and informal settlements).
- The above trends are likely to remain in the short to medium term, unless significant investment is made in WC/WDM, wastewater infrastructure upgrade, provision of rural sanitation and delivery of RDP housing, which has not been the case to date.
 - There is also significant pollution emanating from the stormwater networks and run-off from the informal settlement areas.

Water Conservation and Demand Management

The extent of water wastage and inefficient use within the BCMM is significant. Good progress has been made with respect to the reduction of water leaks and consumer management. As such, WC/WDM has been identified as being key to BCMM being able to deliver on its short to medium term development objectives. See trends with respect to unaccounted for water as a percent hereunder.



The key water services constraints currently inhibiting development are the following:

- Limited water resources availability (at appropriate levels of assurance and with due consideration for the environment);
- Bulk water and wastewater infrastructure components operating near, at or over capacity; and
- Financial constraints (both revenue and capital).
WC/WDM can effectively address all of the above as efficient use and reduced wastage will result in:
 - Reduced volumes of water abstracted from the respective water resources;
 - Reduced loads being placed on existing infrastructure (water and wastewater);
 - Reduced operating costs and improved revenue streams; and
 - Delay in having to implement costly capital works.

Delaying the need to implement capital works is key in BCMM, given the uncertainty regarding existing and projected population figures and unit water demands i.e. it reduces the risk of investing in unnecessary infrastructure.

The objectives in terms of WC/WDM are as follows:

- A comprehensive WC/WDM Strategy, Reduction Targets and Implementation Plan approved by Council within 1 year;
- A cleaned billing database, which is integrated with the WMIS, within 1 year;
- Sustained WC/WDM interventions in place within 2 years; and
- A suitably capacitated and resourced WC/WDM section, complete with an identified political champion, in place within 1 year.

The key gaps in terms of WC/WDM are the following:

- The extent and functionality of metering, the accuracy of the respective databases, the functionality of certain management systems and certain institutional aspects are currently inhibiting the ability to effectively plan and implement WC/WDM interventions;
- WC/WDM has been adopted by BCMM as a key service delivery objective; a review of the current WC/WDM is currently underway.

A number of key strategies / initiatives have been identified to address WC/WDM, the following of which are currently being implemented:

- Development and implementation of an appropriate water and sanitation management information system has been completed;
- The integration of this system with those of the Finance Department; and
- The reviewing and cleaning of the billing and meter databases.

The following are seen as being key to successfully implementing WC/WDM on a sustained basis within BCMM:

- Commitment to and endorsement of WC/WDM being a key delivery objective throughout all levels of BCMM;
- Targets being set and closely monitored;
- Interventions being identified; and
- The requisite institutional framework being established and adequately funded/resourced.

Water Services Infrastructure

Water

- BCMM is at present serviced by 4 No. regional surface water supply schemes located primarily within BCMM, 2 No. surface regional water supply schemes located primarily outside of BCMM but feeding portions of BCMM, 1 No. regional groundwater scheme and a number of smaller local groundwater schemes.
- The main schemes, which service around 81% of the BCMM population which reside within the KWT/ East London corridor, are the following:
 - Upper Buffalo RWSS – KWT, Breidbach & surrounds

- Middle Buffalo RWSS – KWT, Bhisho, Zwelitsha, Ndevana, Phakamisa, Berlin & Mdantsane; and
- Lower Buffalo RWSS – Mdantsane & the greater East London.
- The Sandile and the Peddie RWSS’s service around 14% of the BCMM population, which reside in the Dimbaza and Chalumna areas respectively.
- The Ncera RWSS services several rural villages and Kaysers Beach, to the west of East London.
- The groundwater schemes service rural villages to the north of KWT and many of the resorts on the coast to the west of East London.
- The Upper Buffalo RWSS is stressed from a water resource perspective (capacity of WTPs greater than assured yield of Rooikrantz- and Maden Dams), with supplies to the KWT area already being augmented from the Middle Buffalo RWSS. Infrastructure capacity constraints however restrict the extent of augmentation possible.
- The Middle Buffalo RWSS has surplus yield, but the Laing WTP is operating near capacity. The Sandile RWSS operates above treatment capacity.
- The Lower Buffalo RWSS is stressed from a water resource perspective and water treatment is nearing capacity for the scheme as a whole. The yield of this scheme can however be augmented with supplies from the Wriggleswade Dam.
- The Ncera WTP is scheduled to be decommissioned shortly, with supplies to the Ncera RWSS being fed from the Lower Buffalo RWSS (Damspot Reservoir).
- Apart from the resource and treatment constraints, the following are seen as key infrastructure constraints:
 - The conveyance capacity of the Buffalo River pumping system;
 - Inadequate storage in the East London and KWT areas;
 - The conveyance capacity from the Laing dam WTP to the Beacon Hill Reservoir;
 - Conveyance capacity to the West Bank high level zone;
 - Conveyance capacity to the Winter Strand area;
 - The conveyance capacity of the Ncera pipeline and the ability to feed Kidds Beach;
 - The absence of a dedicated bulk supply system for large parts of East London and also in the Breidbach area;
 - The zoning in East London, KWT, West Bank & Gonubie;
 - High water losses in the Duncan Village/Gompo and KWT areas; and
 - Lack of accurate as-built record for infrastructure in the Dimbaza and Zwelitsha areas.

Wastewater

- Access to waterborne sanitation, with either off or on-site disposal, is limited to the formal and certain larger peri-urban settlements within the Urban Edge of BCMM. These settlements are serviced by 10 No. wastewater treatment works (WWTW), 4 No. oxidation ponds and 1 No. sea outfall, each with their own catchment area.
- The condition of the sewerage infrastructure throughout BCMM is generally one of inadequate capacity, old and poorly maintained infrastructure, resulting in periodic spillages into the river systems.
- Due to the topography of the region, there are a large number of sewer pump stations and pipe bridges within the respective drainage regions, which place additional operational and maintenance burdens on the service branch.
- No further development in the drainage areas of the Dimbaza, KWT, Bhisho, Breidbach and the Central waste water treatment works is permitted at present, due to infrastructure

capacity constraints (augmentation currently under way). The same applies to the drainage area of the Second Creek Pump Station in the catchment of the East Bank WWTW. The implementation of the WC/WDM programme is currently addressing the high levels of water wastage in the catchment area.

- The capacity of the Gonubie, Mdantsane East and East Bank WWTW's are currently being increased, to facilitate further development within their respective catchments.
- Apart from treatment constraints, the following are seen as key infrastructure constraints:
 - The limited pump sump capacities throughout BCMM;
 - The City, Second Creek and Nahoon pump stations;
 - The Edly Symons rising main and the Beacon Bay to Gonubie interceptor, the interceptors along the Orient Beach and from Vincent, the Pontoon Road Tunnel, the Bank Street interceptor, the pipe bridges in Mdantsane and the Tyu-Tyu interceptor; and
 - The collapsing pitch fibre sewers in Mdantsane.

The following have also been identified as having significant impacts on the capacity and functioning of the infrastructure:

- High levels of water wastage;
- Vandalism, theft and abuse of infrastructure;
- Stormwater and root ingress and siltation; and
- Rags used for sanitary purposes.

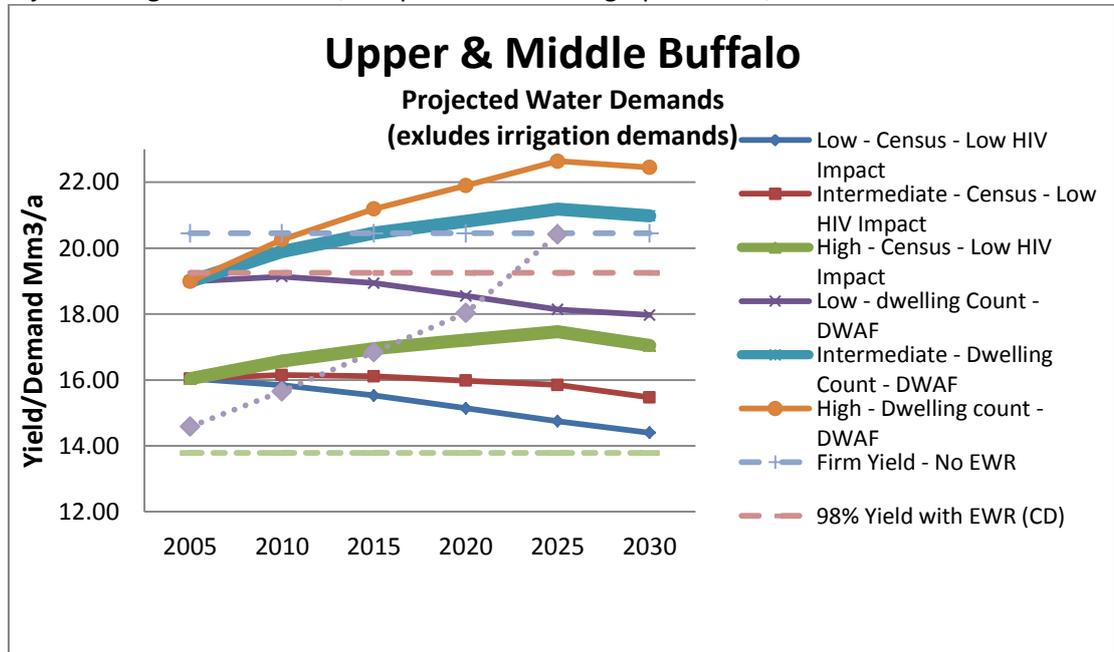
Infrastructure Asset Management

- There have been inadequate budgets to efficiently and effectively undertake the operation and maintenance of the infrastructure over an extended period of time, resulting in;
 - Asset stripping;
 - Ad hoc maintenance (i.e. no routine & preventative maintenance).
- Inadequate staff, especially in key positions, both in terms of numbers and experience/training, has been identified as a further key constraint to effective asset management. There are also inadequate budgets available to undertake the requisite training.
- BCMM has installed and operationalized a Water Services Management Information System (WSMIS) to address the recording and tracking of customer complaints, asset management and operational control. This system is not fully operational due to budget constraints.

Water Balance

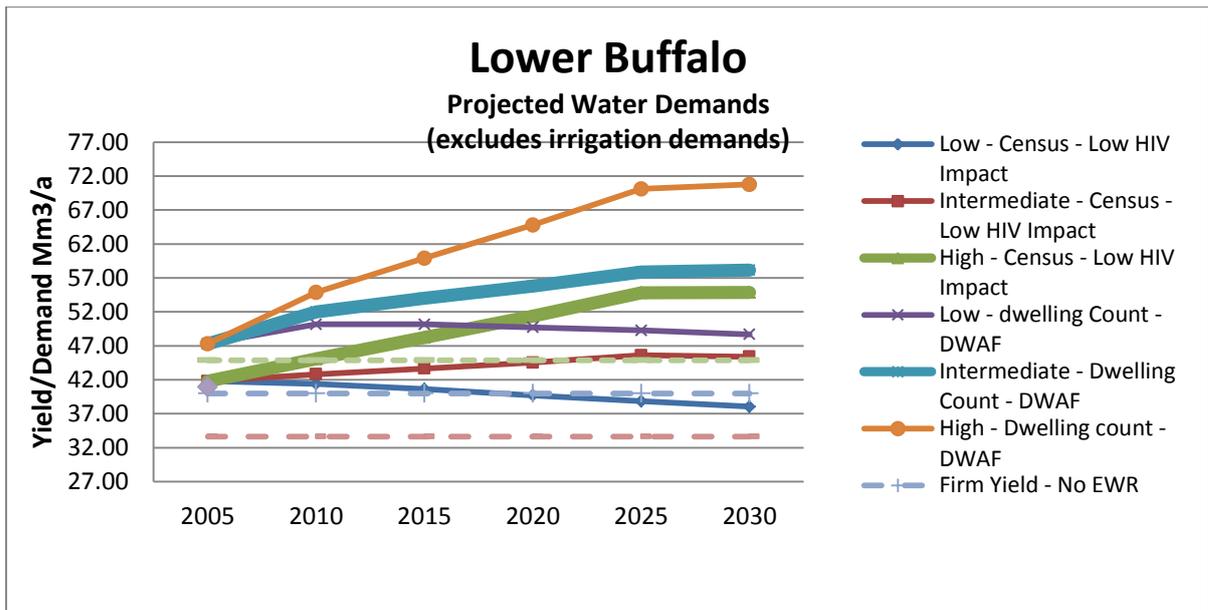
- A wide variety of water demand scenarios were determined for domestic, industrial and agricultural consumers within the ABWSS supply area, as part of the ongoing Amatole Bulk Water Reconciliation Strategy Study. These scenarios took the following into consideration:
 - The Census and Dwelling Count population figures;
 - The various DWAF and DIB future population growth scenarios;
 - Low, intermediate and high domestic water unit demands to represent a variety of levels of service options for low income households; and

- Low, intermediate and high industrial and agricultural water demands based on various levels of developments and accepted unit demands.
- The results of the above, which include provisions for return flows and exclude the projected irrigation demands, are presented in the graphs below;



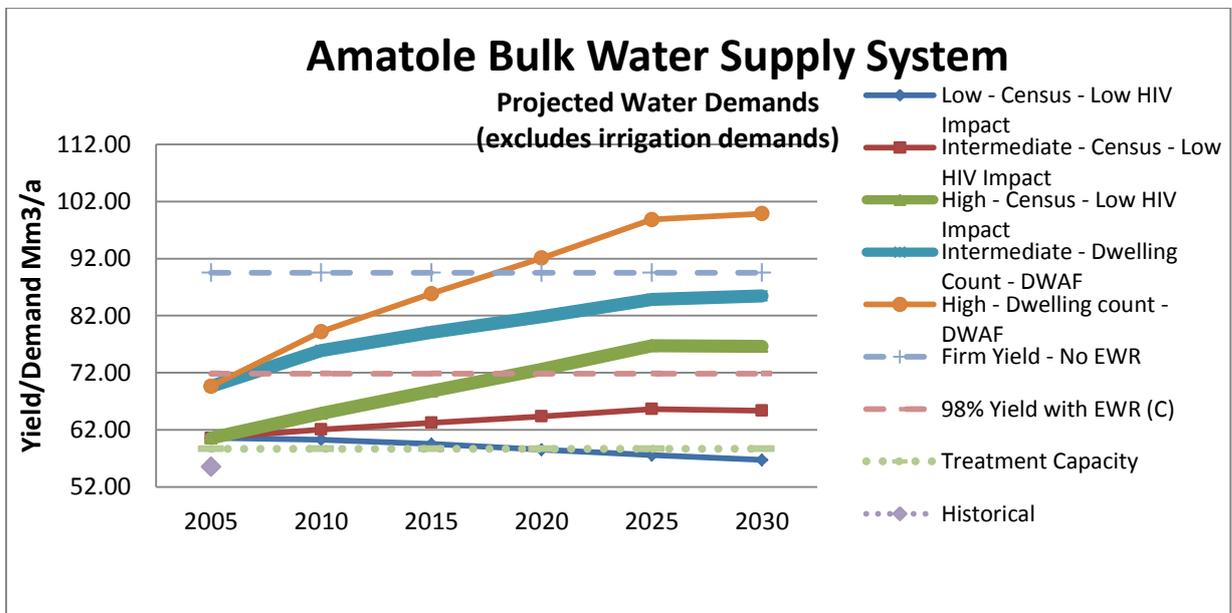
From the above graph it can be noted that:

- The Upper and Middle Buffalo Schemes have been presented together due to their current levels of interconnection.
- There is surplus assured yield in this sub-system, at current development levels and trends, for the next 5 to 10 years. This situation will however reduce significantly if provision is made to accommodate the potential irrigation demands, which are not at present being utilised.
- There is inadequate treatment capacity in the short to medium term within this sub-system.



From the above graph it can be noted that:

- There is inadequate assured yield in this sub-system at current development levels and trends, especially when provision is made to accommodate the potential irrigation demands and the EWR, without the augmenting supplies from the Kubusi system (Wriggleswade Dams).
- There is nominal surplus treatment capacity within this sub-system. Capacity should be augmented within the next 3 to 5 years.
- Source and treatment capacities are sensitive to the extent and level of services provided for the housing backlogs i.e. time frames to augment capacities reduce significantly should housing delivery, with high levels of service, be delivered at scale.



From the above graph it can be noted that:

- There is adequate assured yield in the system at current development levels and trends, when the yields of the Kubusi system (Wriggleswade Dams) are considered.

The time frames for the augmentation of the yield is however sensitive to the following:

- Rate of take-up and extent of the agricultural demand;
 - The extent of the growth in the industrial water demand;
 - The rate of implementing the EWRs; and
 - The rate of delivery of and level of service to be provided for the housing backlogs.
- Given the sensitivity of the water balance to the various growth scenarios and the localised deficits, the importance of implementing WC/WDM at scale can be noted.

Water Services Institutional Arrangements

General

- BCMM is both the Water Services Authority (WSA) for its entire area of jurisdiction and the Water Services Provider (WSP) for area, covering most of the bulk water provision and all of the retail functions. The Amatola Water Board is the other WSP that is operational in the area, focussing on the provision of bulk water supply services, mainly to BCMM.

Water Services Authority

- BCMM has an established WSA in place, which has the ability and resources to undertake a number of the WSA functions in its current format. However, it has been identified that the current capacity and form of the WSA is inadequate to successfully undertake all its functions, and needs to be re-structured and appropriately resourced. The unit has been operating since 2004 and has established itself as a key component of the city's water services establishment as the water legislation requires. Some notable progress has been made in setting up a business plan, drafting some policies and bylaws and representing the city's interests on various planning and liaison forums.
- Key areas requiring attention include the following:
 - Ability/mechanisms to ensure compliance with the by-laws;
 - Development and implementation of a WC/WDM strategy;
 - Development of a mechanism to manage and monitor the implementation of the WSDP and
 - Establishment of WSA staff capacity and systems.
- BCMM has recently completed the preparation of a WSA capacity building business plan, based on which funding will be made available to address the identified capacity building requirements.

Water Services Provider

Water:

- BCMM is the retail WSP for its entire area of jurisdiction and the bulk WSP for three of the six surface water supply schemes servicing BCMM and all the groundwater schemes.
- Amatola Water are the bulk WSP on the remaining three surface water supply schemes, delivering some 32% of the total volumes of potable water consumed within BCMM.
- Amatola Water also delivers raw water in bulk to both the BCMM (supply to the KWT water treatment plant) and Da Gama Textiles in the KWT area.

Wastewater:

- BCMM is the bulk and retail WSP for all schemes within its entire area of jurisdiction, having successfully taken transfer and operational responsibility of works that were formerly owned and operated by DWAF and incorporated these into its operations.

Sanitation:

- Although services are only provided on an ad hoc callout basis in the rural areas at present (due to the extent of services provided), BCMM is the official WSP for this area.
- Although currently not active in the rural areas of BCMM, BCMM's Environmental Health Branch are the Sanitation Promotion Agent for the area.

General:

- Staffing levels, both in terms of numbers and skills, are considered inadequate to effectively operate and maintain the water services infrastructure. Furthermore, training programmes have been curtailed due to budgetary constraints.
- BCMM has however recently completed a WSP capacity building business plan, focused at improving its WSP capacity.
- BCMM have completed a Section 78(1) investigation, the results of which are summarised as follows:
 - A ring fenced internal business unit is the preferred WSP option;
 - BCMM wish to be the WSP for all water services infrastructure wholly located within BCMM.
- No other changes to the provider arrangements are anticipated within the next 5 years.

Customer Services Profile

General

- BCMM operates a call centre which is open 24 hours per day, where service disruptions and/or complaints can be registered. Furthermore, complaints can be logged during office hours at the help desks of the various line departments.
- In 2007, BCMM commenced the full operationalization of Management Information Systems for water and sanitation. These systems facilitate the tracking of complaints, both in terms of response times and the nature and costs involved in addressing the complaints. These systems also track the quality of services provided over extended time periods.

Quality of service

- Apart from those consumers fed from borehole schemes, all consumers receive fully treated water supplies. The urban groundwater-fed schemes, generally receive chlorinated supplies, whilst the rural groundwater schemes are manually chlorinated, as and when required.
- Parts of the Dimbaza area are the only known areas currently experiencing supply problems attributed to low pressures. This is however an interim arrangement, whilst remedial construction works are ongoing.
- Certain of the rural villages fed from the former DWAF owned schemes also have supply problems. These are however attributed to the proliferation of illegal connections on these schemes, and a project to address this situation has already been initiated.

Attending to complaints

- All complaints are generally attended to within 48 hours.
- More accurate tracking of complaints will be become available with the implementation of the respective MIS's.

Education & Pollution Awareness Programmes

- There are no programmes implemented on a sustained structured basis at present, but the need to establish such programmes has been identified.

Financial Profile

Capital Funds

- Funding for capital works investment is sourced from National Government (Grants), loan funding and private sector contributions. The total required funding to eliminate all infrastructure backlogs, compliance with legislation and meet capacity demands is detailed in the **Table 1** below.
- Grant funding has and will continue to be directed towards infrastructure provision for backlog eradication.
- Loan funding and private sector contributions have and will continue to be directed towards infrastructure provision for higher levels of service and maintenance/refurbishment of existing infrastructure.
- The extent of the current backlogs and the condition of the existing infrastructure is such that a significant investment injection is required in order for the development objectives to be met.
- In order to facilitate meaningful change, it is therefore required that:
 - A common vision with priority development areas is articulated and accepted throughout all levels of BCMM;
 - A holistic and integrated capital works funding strategy (expenditure and income) is developed to facilitate social and economic infrastructure investment in a balanced and sustainable manner; and
 - A methodology is developed and accepted to direct funding in line with the accepted development priorities.

Operating Costs and Income

- Operating budgets have been inadequate to effectively operate and maintain existing infrastructure resulting in:
 - The extent of deferred maintenance increasing (asset stripping); and
 - Reactive ad hoc maintenance.
- Operating budgets have not increased in real terms, given the extent of new infrastructure provided.
- The provision for bad debts has decreased over time.
- Operating income is used to subsidize other services.
- Tariff income and internal recoveries are around 75% (water) and 86% (sanitation) of the total income, with subsidies accounting for the balance.
- Tariff income is highly dependent on a relatively small paying residential consumer base.
- There is an urgent need to improve operational efficiencies (improved revenue streams and reduce operational costs) through the implementation of comprehensive and sustained WC/WDM initiatives.

Tariffs and Charges for Residential Consumers

- There are uniform water tariffs throughout BCMM.
- Water tariffs for residential consumers are generally rising block consumptive based, with provision for the first 6kl per month being free for registered indigent consumers.
- Certain residential consumers are invoiced at flat rates or on deemed consumption, due to an absence of meters, faulty meters or level of service provided.
- Different sewer tariffs / charges exist for the East London and King Williams Town areas.
- Annual sewerage charges are levied dependent on the size of the erf (East London) or the number of toilets per household (KWT).
- Registered indigent consumers are afforded relief in terms of a rebate on their municipal services bill.
- Annual tariff and charge increases have tended to be percentage increases (within prescribed National Government limits) on historical figures, and do not necessarily reflect the true costs of providing the service.

Free Basic Water and Sanitation

- Free basic water service provision is implemented as follows:
 - Rural – level of service
 - Urban informal – first 6kl per household / month free
 - Urban formal – rebate for registered indigent consumers.
- Free basic sanitation service provision is implemented as follows:
 - Rural – Nil i.e. charged if ad hoc services are required
 - Urban informal – level of service
 - Urban formal – rebate for registered indigent consumers
- A free basic sanitation policy will be developed within 1 year.

Charges and Tariffs for Industrial and Commercial Consumers:

- There is at present no distinction between industrial and commercial water consumers.
- Bulk water consumers are charged a fixed consumption based tariff i.e. there are no rising block tariffs.
- Annual sewerage charges, comprising of a basic charge and a charge linked to the area of the establishment are levied on industrial and commercial consumers.
- Trade effluent tariffs are linked to the volume and nature of the effluent released.
- Annual tariff and charge increases have to date been based on percentage increases on historical figures, and do not necessarily reflect the true cost of providing the service.
- There is a need to review tariff and charge structures to promote water use efficiency and to ensure that they are more reflective of the true costs of providing the service.
- There is a need to review trade effluent tariffs, punitive tariffs and to enhance compliance monitoring, to promote environmental / pollution awareness and to ensure that tariffs reflect the true impacts and costs of managing the trade effluent releases.

Income and Sales:

- Income from water services provision has shown a progressively increasing surplus over time.
- Provision for bad debts has increased over time.
- The percentage of non-revenue water (water supplied but not billed) has remained constant over time at around 40% of the total volume supplied.

- There is a need to improve certain operational inefficiencies to improve sales and income.
- There is a need to review the extent to which water services income is used to subsidize the provision of other services, given the current extent of asset stripping.

Metering and Billing:

- There is no individual metering of rural water supplies at present.
- Universal metering has not been implemented within the urban areas to date.
- The need to improve metering and billing in order to improve revenue streams and to better account for water losses, has been identified.

Table 1 (The list is only unfunded projects)

SECTION	PROJECT NAME	REQUIRED FUNDING (Short and Long term)
CENTRAL & REESTON CATCHMENT		
Sanitation	Diversion of Wilsonia and Amalinda Sewage to Reeston WWTW (Phase 2)	68 000 000.00
Sanitation	Reeston WwTW Phase 2 upgrade to 20MI/day	130 000 000.00
Sanitation	Bulk Sewer Augmentation with Central and Reeston Catchments (Phase 1)	5 000 000.00
Sanitation	Bulk Sewer Augmentation with Central and Reeston Catchments (Phase 2)	102 000 000.00
ZWELITSHA REGIONAL WORKS CATCHMENT		
Sanitation	KWT Phase 1: Schorntville STW to Zwelitsha	40 000 000.00
Sanitation	KWT Phase 3: Breidbach Connection to Existing Sewer above Zwelitsha	32 000 000.00
Sanitation	KWT Phase 4: Bhisho to Breidbach Connection	65 000 000.00
Sanitation	KWT Phase 5: Upgrade of Zwelitsha WWTW to 35,000 m3/d	90 000 000.00
Sanitation	KWT Phase 6: Phakamisa Collector Sewer	14 000 000.00
Sanitation	KWT Phase 7: Tshatshu , Ndevana, Phamisa and Yellowwoods Infrastructure	62 000 000.00
EAST BANK CATCHMENT		
Sanitation	Ducats Sanitation Project	31 861 221.60
Sanitation	East Bank-Secure Pontoon Road Tunnel	15 000 000.00
Sanitation	East Bank-Replace/upgrade Eastern Beach Sewers	31 250 000.00
Sanitation	East Bank-Upgrade Vincent Park Interceptor	7 500 000.00

Sanitation	East Bank-Commission second aeration basin	625 000.00
Sanitation	East Bank-New Clarifier	3 125 000.00
Sanitation	East Bank-Refurbish electrical switchgear	2 500 000.00
Sanitation	East Bank-Repairs to City Pump Station	625 000.00
Sanitation	East Bank-Standby Capacity at City Pump Station	5 625 000.00
Sanitation	Nahoon Interceptor	10 000 000.00
WEST BANK CATCHMENT		
Sanitation	West Bank Restitution Project	16 048 379.04
Sanitation	West Bank Wastewater Scheme Sea Outfall Sewer (Phase 1)	5 000 000.00
Sanitation	West Bank Wastewater Scheme Sea Outfall Sewer (Phase 2)	110 000 000.00
Sanitation	West Bank-Outfall sludge handling(Phase 1)	3 000 000.00
Sanitation	West Bank-Outfall sludge handling(Phase 2)	62 500 000.00
Sanitation	West Bank-Replace/upgrade interceptors (Phase 1)	5 000 000.00
Sanitation	West Bank-Replace/upgrade interceptors (Phase 2)	50 000 000.00
GONUBIE CATCHMENT		
Sanitation	Gonubie-Upgrade Interceptors (Phase 2)	48 000 000.00
POTSDAM CATCHMENT(MDANTSANE)		
Sanitation	Potsdam-Upgrade Works	51 000 000.00
Sanitation	Potsdam-Upgrade Upgrade interceptor sewers	3 125 000.00
BERLIN CATCHMENT		
Sanitation	Berlin-Refurbish works	625 000.00
Sanitation	Berlin-Repair / replace pump stations	625 000.00
DIMBAZA CATCHMENT		
Sanitation	Dimbaza-Refurbish interceptors and pump stationers	1 250 000.00
FACILITIES FOR VIP CLEARANCE		
Sanitation	Investigation for facilities for VIP clearance - (Phase 1)	3 000 000.00
Sanitation	Facilities for VIP clearance-Allow for 5 pond systems (Phase 2)	31 250 000.00
TOTAL SANITATION		1 106 534 600.64
WATER BACKLOGS		
Water	Amahleke and Dimbaza Water Supply	23 000 000.00
Water	Installation of additional standpipes and extension of watermains to rural villages	2 350 000.00
Water	Fort Grey village water supply	24 000 000.00

PLANNING PROJECTS		
Water	Development of the water services master plan & Master Plans	5 000 000.00
Water	water conservation and demand management programs	50 500 000.00
MDANTSANE BULK WATER INFRASTRUCTURE		
Water	Re-location of midblocks Mdantsane	28 000 000.00
Water	Upgrading of Mdantsane Bulk Water Supply(Provision of bulk water supply to housing developments:Potsdam)	37 458 715.00
KWT BULK WATER INFRASTRUCTURE		
Water	Upper Buffalo WSS	28 881 784.00
Water	Middle Buffalo WSS (northern)	69 477 650.00
Water	Middle Buffalo WSS (eastern)	51 604 608.00
Water	Middle Buffalo WSS (western)	13 594 256.00
Water	Kei Road WSS	137 358 927.00
UMZONYANA SUPPLY BULK INFRASTRUCTURE		
Water	Umzonyana/City Supply: Raw Water gravity main	15 159 136.00
Water	Umzonyana/City Supply: Raw Water pump station	17 412 073.00
Water	Umzonyana/City Supply: Raw Water pumping main	17 490 458.00
Water	Umzonyana/City Supply: Treatment capacity(40ML/day)	161 870 180.00
Water	New Quenera Supply: Reservoir (Ducats command reservoir)	23 221 003.00
Water	New Quenera Supply: Reservoir (Homely Halt low level reservoir)	3 279 709.00
Water	New Quenera Supply: Gravity mains	34 000 857.00
Water	Quenera Zoning: Reservoirs (Wembley Low level)	12 975 361.00
Water	Quenera Zoning: Reservoirs (Wembley High level)	5 705 921.00
Water	Quenera Zoning: Reservoirs (Gonubie Low level)	11 025 562.00
Water	Quenera Zoning: Reservoirs (Gonubie Low level)	5 087 872.00
Water	Quenera Zoning: Gravity mains	518 923.00
Water	Quenera Zoning: Pump Stations (Wembley high lift)	1 626 059.00
Water	Quenera Zoning: Pump Stations (Gonubie high lift)	1 478 904.00
Water	Raising of the Upper Weir and Augmentation of Gravity System Ph 2 (Mzonyana)	67 619 155.00
Water	Umzonyana ro Westbank Bulk pipeline	20 300 000.00
Water	Water provision for Kidds Beach	6 000 000.00
Water	Upgrading of Umzoniana gravity main to Homeleigh reservoir	5 000 000.00
Water	Winterstrand water supply	3 000 000.00

Water	Augmentation of bulk water supply to Sunrise-On-Sea	5 000 000.00
WEST BANK BULK INFRASTRUCTURE		
Water	Phase 1: New Fort Grey Pump Station	5 253 421.00
Water	Phase 1: New Fort Grey Main	20 841 383.00
Water	Phase 1: Ferndale to Greenpoint Pipeline	6 200 584.00
Water	Phase 1: Nordev Bulk Main	14 620 796.00
Water	Phase 1: Nordev Reservoir	23 221 003.00
Water	Phase 1: Woodbrook Bulk Main	3 714 919.00
Water	Phase 1: Woodbrook HLZ Reservoirs	18 423 761.00
Water	Phase 1: Woodbrook HLZ Pump Station	1 883 579.00
Water	Phase 2: Needs Camp and Mt Coke Pipelines	41 260 286.00
Water	Phase 2: Mt Coke Reservoirs	11 753 977.00
Water	Phase 2: Pipelines (Development of Air Port)	8 798 652.00
Water	Phase 2: Reservoirs (Development of Air Port)	24 624 490.00
Water	Phase 2: Wattleford Pipelines	3 965 818.00
Water	Phase 2: Wattleford Reservoir	4 359 456.00
Water	Phase 2: Breezyvale Pipeline	1 407 865.00
Water	Phase 2: Breezyvale Reservoir	9 075 763.00
Water	Phase 2: Woodbrook Low Level Reservoir	12 975 361.00
WATER		1 101 378 227.00

TOTAL SANITATION	1 106 534 600.64
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TOTAL WATER	1 101 378 227.00
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SUM	2 207 912 827.64
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ANNEXURES

Annexure A



BUFFALO CITY METROPOLITAN MUNICIPALITY

IDP/BUDGET/PMS REVIEW

PROCESS PLAN

2012-2013

IDP/BUDGET/PMS ACTION PLAN

<i>PHASE</i>	<i>ACTIVITY</i>	<i>RESPONSIBLE DEPARTMENT</i>	<i>TIME FRAME</i>
Pre-planning phase (July – August 2011)	Submission of SDBIP 11/12 & section 57 PA Publication of SDBIP 11/12	Operations	14 July 2011
	Submission of 4 th Quarter SDBIP & Institutional Scorecard 10/11	Operations	28 July 2011
	Management meeting – tabling of IDP/Budget/PMS Process Plan for 2012/2013	Operations	8 August 2011
	Mayoral Committee - Tabling of IDP/Budget/PMS Process Plan for 2012/2013	Operations	16 August 2011
	Establishment of committees and consultation forums for budget processes	Budget & Treasury	August 2011
	Review of IDP/Budget policies	Budget & Treasury	August 2011
	Council meeting: <ul style="list-style-type: none"> ❖ Adoption of IDP/Budget/PMS process plan for 2012/2013 ❖ Adoption of 2010/2011 roll over adjustment budget (excluding Conditional Grant Funded Projects) ❖ Submission of reviewed SDBIP 	Operations/Budget & Treasury Budget & Treasury Operations	25 August 2011
	Completion and submission of Budget Evaluation Checklist to National Treasury	Budget & Treasury	31 August 2011

PHASE	ACTIVITY	RESPONSIBLE DEPARTMENT	TIME FRAME
Analysis phase (September – October 2011)	IDP/Budget/PMS Technical Working Group	Operations	01 September 2011
	Identification and consolidation of community needs	Operations	01 – 30 September 2011
	Submit to National treasury 2010/2011 Roll-Over Adjustment Budget in terms of National Treasury Reporting requirements	Budget and Treasury	12 September 2011
	IDP/Budget/PMS Cluster meetings	Operations	13-14 September 2011
	IDP/Budget/PMS Technical Working group: preparation for Institutional Strategic Planning Session	Operations	16 September 2011
	Review projections, proposed rates and service charges	Budget and Treasury	28 September 2011
	Draft initial allocations to functions and departments for next financial year	Budget & Treasury	28 September 2011
	SDBIP 11/12 1 st quarter reporting commences	Operations	30 September 2011

Strategies phase (October – December 2011)

PHASE	ACTIVITY	RESPONSIBLE DEPARTMENT	TIME FRAME
	Submission of SDBIP 1 st quarter reports	Operations	3-7 October 2011
	IDP/Budget/PMS workshop (All Cllrs, Executive Directors, Directors and GMs)	Operations/Budget & Treasury	11 October 2011
	IDP/Budget/PMS Technical Working Group:	Operations	14 October 2011
	Council meeting – adoption of 2010/2011 Roll-over Adjustment Budget for Conditional Grant Funded Projects	Budget & Treasury	28 October 2011
	Staff keys projections completed	Budget and Treasury	31 October 2011
	IDP/Budget/PMS External Representative Forum Meeting:	Operations/Budget & Treasury	4 November 2011
	IDP/Budget/PM Technical Working Group meeting:	Operations	11 November 2011
	Budget Workshops – Presentation of: <ul style="list-style-type: none"> ❖ Baseline budget ❖ Changes to Operational & Capital Budget ❖ Sign Off Operational Budget & Staff Keys ❖ Sign off fleet budget 	Budget and Treasury	14- 18 November 2011
	Institutional Strategic Planning Session <ul style="list-style-type: none"> ❖ Review of strategic objectives for service delivery and development ❖ Broad capital budget allocations 	Office of the City Manager	28-30 November 2011
	Draft Working MTREF 2012/2013 – 2014/2015 Operational budget: <ul style="list-style-type: none"> ❖ Import all changes emanating from Budget Workshops into the Budget model and produce a draft budget for further discussion in the new year 	Budget and Treasury	9 December 2011
	<ul style="list-style-type: none"> ❖ SDBIP 2nd quarter reporting commences ❖ Institutional scorecard ❖ Submission of mid-year performance assessment report ❖ MM and Section 57 Managers to be assessed 	Operations	31 December 2011

PHASE	ACTIVITY	RESPONSIBLE DEPARTMENT	TIME FRAME
Projects phase (January – February 2012)	Development and submission of IDP project business plans	Operations	04 – 18 January 2012
	IDP Public hearings preparation committee meeting	Stakeholder Management/Operations	19 January 2012
	IDP/Budget/PMS Technical Cluster meetings: Prioritisation of draft business plans	Operations/Budget	24 January 2012
	Completion of approved IDP Project business plans	Operations	27 January 2012
	<ul style="list-style-type: none"> ❖ Submission of mid-year reports to Council ❖ Council finalises tariffs and budget policy ❖ Annual report 10/11 tabled before Council ❖ Consolidating of Community Needs (Situational Analysis) 	Budget and Treasury Operations	31 January 2012
	IDP/Budget/PMS Technical Working Group: <ul style="list-style-type: none"> ❖ Budget progress ❖ Preparation for workshop on the draft IDP & Budget 	Operations	6 February 2012
	IDP/Budget/PM Workshop (all Cllrs, Directors and GMs): <ul style="list-style-type: none"> ❖ Review and confirm 1st draft IDP and Budget 2012/13 ❖ Preparations for IDP and Budget Public Hearings 	Operations	14 February 2012
	Cluster Sessions	Operations	15-17 February 2012
	IDP/Budget/PM External Representative Forum Meeting	Operations	21 February 2012
	Mayoral Lekgotla	Executive Mayor's office	21-23 February 2012
	Council adopts 2011/2012 Mid-year Adjustment Budget	Budget and Treasury	28 February 2012
	Draft SDBIP by all Directorates	Operations	28 February 2012

PHASE	ACTIVITY	RESPONSIBLE DEPARTMENT	TIME FRAME
Integration Phase (February – April 2012)	Adjustment to IDP & budget	Operations/Budget & Treasury	1-5 March 2012
	Report to Top Management on the revised process plan and draft budget parameters	Operations/ Budget & Treasury	5 March 2012
	IDP/Budget/PMS Technical Working Group meeting	Operations	09 March 2012
	Operational and Capital Budget to be discussed with directorates (including transfers within votes)	Budget & Treasury	6-14 March 2012
	Technical Planning Session (Operationalise Priorities from the Lekgotla)	Operations	11- 13 March 2012
	Submit to National Treasury: 2011/2012 Mid-Year Adjustment Budget in terms of the National Treasury Reporting Requirements	Budget and Treasury	13 March 2012
	2012/13 Draft IDP, MTREF Budget and Tariffs to be presented at Top Management	Operations/ Budget & Treasury	19 March 2012
	2012/13 Draft IDP, Budget and Tariffs to be tabled to the Budget Steering Committee (Including IDP & OP strategic committee members - 14H00)	Operations/Budget & Treasury	19 March 2012
	Mayoral Committee: scrutinises the draft IDP/SDBIP & 2012/2013 – 2014/2015 MTREF budget before Council	Operations/Budget & Treasury	20 March 2012
	Council approves the draft IDP/SDBIP & 2012/2013 – 2014/2015 MTREF	Operations/Budget& Treasury	28 March 2012
	SDBIP 3 rd quarter reporting commences	Operations	30 March 2012
	Advertise draft IDP/Budget for public comment	Operations	2- 22 April 2012
	IDP/Budget/PMS Technical Working Group	Operations	5 April 2012
	Submit to MEC for Co-operative Governance and Traditional Affairs, Provincial Treasury, National Treasury and place on BCM web site the draft	Operations/Budget & Treasury	6 April 2012

<i>PHASE</i>	<i>ACTIVITY</i>	<i>RESPONSIBLE DEPARTMENT</i>	<i>TIME FRAME</i>
	IDP/ SDBIP & 2012/2013 – 2014/2015 draft MTREF		
	IDP Budget Public Hearings: <ul style="list-style-type: none"> ❖ Present summarised draft IDP & Budget ❖ IDP response to key issues raised by wards ❖ Highlight ward specific projects and programmes 	Operations/Budget & Treasury	26 – 30 April 2012
	IDP/Budget/ External Representative Forum Meeting	Operations	13 April 2012
	IDP Budget Public Hearings: <ul style="list-style-type: none"> ❖ Present summarised draft IDP & Budget ❖ IDP response to key issues raised by wards ❖ Highlight ward specific projects and programmes 	Operations/Budget & Treasury	19-26 April 2012
	Council Open day Preparatory Meeting	Operations/Speakers office	30 April 2012
Approval Phase (May – June 2012)	IDP/Budget/PMS External Representative Forum Meeting: Presentation of draft IDP/Budget	Operations	11 May 2012
	IDP/Budget/Technical Working Group Meeting: Preparation for Council Open Day	Operations	18 May 2012
	Mayoral Committee: scrutinises the final IDP/SDBIP & 2012/2013 – 2014/2015 MTREF budget to be presented to Council	Operations/Budget & Treasury	22 May 2012
	Council Open Day	Operations/Speaker's Office	25 May 2012
	Council adopts the final IDP/SDBIP & 2012/2013 – 2014/2015 MTREF budget	Operations/Budget & Treasury	29 May 2012
	Publicise BCMM adopted tariffs	Budget & Treasury	31 May 2012

<i>PHASE</i>	<i>ACTIVITY</i>	<i>RESPONSIBLE DEPARTMENT</i>	<i>TIME FRAME</i>
Monitoring and Evaluation (June – July 2012)	Submit to MEC for Co-operative Governance and Traditional Affairs, Provincial Treasury, National Treasury and place on BCM web site the final IDP/ SDBIP & 2012/2013 – 2014/2015 draft MTREF	Operations/Budget & Treasury	14 June 2012
	SDBIP and draft Annual Performance Agreements	Operations	13 June 2012
	SDBIPs approved by the Executive Mayor and Annual Performance Agreements	Operations	27 June 2012
	SDBIP 4 th quarter reporting commences	Operations	29 June 2012
	Annual Performance Assessments	Operations	30 July 2012

ANNEXURE B – LIST OF IDP/BUDGET/PMS EXTERNAL REPRESENTATIVE FORUM MEMBERS

PROVINCIAL GOVERNMENT					
NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
ZUKISWA NGXOWA, MM CHARLIE	Dept of Agriculture, Forestry & fisheries	Resource Auditor	ZukiswaN@nda.agric.za/ MelvinC@daff.gov.za	(043) 7046809/0 / 0826697580	(043) 7046812
FREDDIE SEPTEMBER	Stats SA	National statistics System Coordinator	freddies@statssa.gov.za	(043)7074940	(043) 7220294
MS KLASS	Land Affairs	Director	-	(043) 7007013/4	(043) 7434786
H O NTLOKWANA, MF MAKEBESANA	DPSA		-	072 3942525/0768504158	
SELEMENO MORAPELI	DWAF	(043) 7422557	morapelis@dwaf.gov.za	(043) 6045400/0832350446	(043) 6433054
SIPHIWO GOODMAN MHLE/Mr L. Salman	Department of Water Affairs & Forestry - KWT	Forestry Development Officer	MhleG@dwaf.gov.za / SalmanI@dwaf.gov.za	(043) 6045441 /0828028558, 0836034421	(043) 6433054/0865742743
MR BASHR HOOSAIN	Safety & Liaison	H.O.D.	Bashr.hoosain@safety.ecprov.gov.za	(040) 6092310 / 0823712043	(040) 6092137/6391918
MR MAZWI MKHULISI	Eastern Cape Parks Board	People & Parks Manager	Mazwi.Mkhulisi@ecpta.co.za	(043) 7422557	(043) 7422591
MRS C. BRANDAV	Transport Planning	Director	candy.brandav@deaet.ecape.gov.za	(040) 6093075	(040) 6093226
N. MRWETYANA	Dept f Labour	Provincial Senior Manager	nolitha.mrwetyana@labour.gov.za	(043) 6434756/7	
T MJANQEKA/N TETYANA	Department of Labour	ESP2	thembelani.mjanqeke@labour.gov.za / nozi.tetyana@labour.gov.za	043 7027568	437220947/043 7027568
Mr L SIGCAWU	Department of Labour - Butterworth	Regional Manager	Lancelot.Sigcawu@labour.gov.za	(047)4910656	(047)4910878
SHOEABE MOERAT	Eastern Cape Department of Roads & Transport	Snr Mgr: Strategic Support	shoeabe.moerat@dot.ecprov.gov.za	(043) 6047428 / 0833798749	086 557 3739
SI SOBETU	ROADS & PUBLIC WORKS		Sonwabo.sobetu@dpw.ecape.gov.za		
MBULELO HONGO	Department of Transport	District Manager: Amathole	mbulelo.hongo@dot.ecprov.gov.za lusanda.londwa@dot.ecprov.gov.za	(043)7046601	(043)7420561
M MSIMANG	Department of Land Affairs	Project Coordinator	memsimang@dla.gov.za	(043) 7221788	(043)7311512
BT MRAJI	IEC	Manager: Electoral matters	mrjait@elections.org.za	(043) 7094200/0826505447	(043) 7094210/0866748736
M. HLOPEKAZI	Rural Development and Land Reform		mhlopekazi@ruraldevelopment.gov.za		
M. GCASAMBA	Department of Agriculture & Land Affairs	Senior Regional Manager		(043) 7068703	(043) 7437550
PR JONAS	SASSA	Area Manager	PhumeleleJ@sassa.gov.za	043 7010831	865284098

COMMISSIONER HLOBO/NJ NTSATHA	South African Police Services/ SAPS EL CLUSTER	Major General	EastLondon-sapssc@saps.org.za	(043) 7225555	(043) 7420955
Z TAFENI	Department of Health	IGR Manager	zandisile.tafeni@impilo.ecprov.gov.za	(040) 6081106/0833780182	
NP NCALASHE	BUFFALOCITY LSA(Dept. of Health)		-	(043) 7092523/083 7724104	
JOMO MKHATHU	Department of Sport, Recreation, Arts and Culture	Senior Manager: District Development & Support	jomo.mkhathu@srac.ecprov.gov.za	(043) 6044014	(043) 6424760
MAKHOSAZANA CEKISO	Department of Home Affairs	District Manager	makhosazana.cekiso@dha.gov.za	(043) 7058651/0835245758	(043) 7435442
L MAQHASHO	SASSA	District Manager	lwandiswam@sassa.gov.za	(043) 7010803/ 0832350588	(043) 7010861/0865565727
DR P LUPUWANA	Department of Public Works	Regional Director	pumezo.lupuwana@dpw.ecape.gov.za	(043) 7054301	(043) 7450047
LUVU SILWANA/ EM MNWEBE	Correctional Services	Acting Area Commissioner - EL	luvo.silwana@docs.gov.za	(043) 7411400	(043) 7311512
MRS LM SINGOTO	Department of Safety & Liason	District Manager	miranda.singoto@safety.ecprov.gov.za	(043) 7420618	(043)7420637
VUYOKAZI DUBE	GCIS	Assistant Manager	vuyokazid@gcis.gov.za	(043) 7222609	
XOLISA MAKI	LGTA		xolisa.maki@eclgta.gov.za	(040) 6095334/079 8907719	(040) 6392163
MRS ENN BUNGUZA/N Y YOSE	Local Government& Traditional Affairs		Nontuku.bunguza@dhlgta.ecape.gov.za/ nosipho.yose@dhlgta.ecape.gov.za	(040) 6095436/69 / (040) 6094940 / 084952968	(040) 6351484/1161
MS THANDIWE DALI	HOUSING	Assistant Project Manager	thandiwe.dali@echousing.gov.za		
BRIANT NONCEMBU	Dept of Economic Dev & Environmental Affairs (DEAET)	Regional Manager	briant.noncembu@deaet.ecape.gov.za		(043) 7420365/323
Mr H BATIDZIRAI Z MBEKENI	DEAET	Senior Manager LED	Herbert.Batidzirai@otp.ecprov.gov.za Zongie.Mbekeni	(040) 6093084	(040) 6093226
F J GIDI/RS GASTILE	DEDEA	Manager: Economic Dev.	fundiswa.gidi@deaet.ecape.gov.za/ Sinethemba.Gastile@deaet.ecape.gov.za	043 7074000/079 5031742	043) 7482097
LM DYOMFANA	ECSECC – Bhisho		luyanda@ecsecc.org		
MS N FETSHA S RAJAH	Provincial Treasury	Senior Manager	Nomfundo.fetsha@treasury.ecprov.gov.za	043 7212509/ (040) 6095618	(043)7213058/ (040) 6095272
M.MOLOSE	Office of the Premier		-	073 16716160	
N C CEWU	DSRAC	Assistant Director	Nonceba.Cewu@srac.gov.za	082 3813032	(086) 6578575
MTETELELI NDWANGU/ BA MDYODYO	RULIV	Community Dev. Facilitator	Mthe@ruliv.org.za/aron@ruliv.org.za	043 7048800	(043) 7048822/ 0866219777

MR. DM LUSASA	HIV/ AIDS Directorate – EL District Office	District Manager		(043) 7437733	(043) 7430032
LUVUYO MOSANA	E.L. Hospital Complex	CEO	luvuyo.mosana@impilo.ecprov.gov.za	(043) 7092360 / 0833780132	(043) 7092484
MR SS ZIBI	Department of Education	DDG	noncedo.goduka@edu.ecprov.gov.za	(040) 6084236	(040) 6084521
MR MBUYISELI VALASHIYA	Department of Education: KWT		-	043 6425923	
MR M GODOLA	Department of Local Government & Traditional Leaders		mkhululi.godola@dlgta.ecape.gov.za	(040) 6095043	(040) 6392163
Mr L SANQELA	Dept of Social Development	Manager: Cluster & Intergov. Relations	-	(040) 6089133/4	(040) 6089253

LOCAL GOVERNMENT

NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
NKOSI JALI	House of Traditional Leaders		tina.namba@dhlgta.ecprov.gov.za	(040) 6092841	(040) 6350599
MZWANDILE JONGOLO	Amandlambe Traditional Council	Chairperson		083 9744491	(043) 7221775
SIPHO MENGEZELELI & NOLIZWE MAJOLOBE	Amathole District Municipality	Strategic Manager: PIMMS Office	Nolizwem@amatoledm.co.za / Siphom@amatoledm.co.za	(043) 7014000	(043) 7420337
MR V MLOKOTI	Amathole District Municipality	Municipal Manager	-	(043) 7014000	(043) 7420337
MS V MBELANI	Amahlati Municipality	Municipal Manager	amahlathi@hazeledean.co.za	(043) 6831210	(043) 6831127
MR T.C. JONAS	Amahlati Municipality	Executive Mayor	amahlathi@hazeledean.co.za	(043) 6831100	(043) 6831127
MR NICHOLSON MKHOHLALI	Great Kei Municipality	Municipal Manager	nicholson.mkhohlakali@greatkeilm.gov.za	(043) 8311028	(043) 8311306
CLLR NGENISILE TEKILE	Great Kei Municipality	Executive Mayor	ngenisile.tekile@lgnet.org.za	(043) 8311028	(043) 8311306
MR K C MANELI	Nkonkobe Municipality	Municipal Manager	nsobukwe@nkonkobe.co.za	(046) 645 7451	(046) 6452562
CLLR A W NTSANGANI	Nkonkobe Municipality	Executive Mayor	mayor@nkonkobe.co.za / nsobukhwe@nkonkobe.co.za	(046) 6457439	(046) 6451775
CLLR B NTONTELA	Ngqushwa Municipality	Executive Mayor	zandih@ngqushwamun.co.za	(040) 6733095	(040) 6733771
N Y ZONGO	Ngqushwa Municipality	Municipal Manager	zandih@ngqushwamun.co.za	(040)6733940	(040) 6733771
B MELITHAFA	IMATU KWT	Representative	geoffreys@buffalocity.gov.za		
MR ME MXHALISA	SAMWU	Shopsteward-Full time		(043) 7435887 / (043) 743 5896	(043) 7431869
PHILA XUZA	ADM Development Agency	CEO	phila@aeda.co.za / info@aeda.co.za	(043) 7222016	(043) 7223440
S Mlinda	Buffalo City Youth Council	Chaiperson	sifundo01@webmail.co.za	0 784794085	

PARA-STATALS					
NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
PETER KING	Tourism Buffalo City	Managing Director	peterwk@vodamail.co.za	(043) 721 1346 / 0833215534	(043) 721 1359
JOHAN BURGER	EL IDZ	GM: Technical Serv.	johan@elidz.co.za	(043) 7028200	(043) 7366405
MR SIMPHIWE KONDLO	EL IDZ	CEO	linda@elidz.co.za	(043) 7028200	(043) 7366405
MR J YANTOLO	EL IDZ		jerry@elidz.co.za	043 7028220	
KWANDA NTONDINI	EL IDZ	Financial Manager	kwanda@elidz.co.za	(043)7028200 /0827890440	(043) 7366405
MR LUVU MANYADU	Total Southernwood		totalsouthernwood@gmail.com	073 8949466	(043) 7222322
M L LUSITI	NAPWA		easterncape@napwa.org.za	043 7600333/079 2748260	
MR NGAM	Metrorail East London	Marketing & Communications Manager	mngam@metrorail.co.za / mngam@prasa.com	(043) 7002030	(043) 7002038
MR RICCARDO PETRONIO	Aspen Pharmacare		bwegner@aspenpharma.com	043 7057000	
MR MICHEAL KERNEKAMP	Airports Company Limited (ACSA)		michael.kernekamp@airports.co.za	043 7060304	043 7060313
MR WILLIE GAUSS	AUTOPIPE		piet@foxtecikhwezi.co.za	043 7321346	
MR RAINER RUESS	MBSA		rainer.ruess@daimler.com	043 7062107	
MR BRUCE JANSSENS	Life Helathcare		bruce.janssens@lifehealthcare.co.za	043 7030001	
MR MIKE PAGE	Hemingways Casino		mikepg@tsogosun.com	043 7077777	
LEON ELS	Johnson & Johnson		abradfiels@its.inj.com	043 7093330	
MR ALLAN LONG	South African Breweries	District Manager	allan.long@za.sabmiller.com	043 7311626	043 7311946
MR BRUCE SCHENK	Real People		Mjones@realpeople.co.za	043 7024767	
MR MAZWI TUNYISWA	IDC		mazwitv@idc.co.za	043 7210733	
MARILEEN DE WET	KPMG		marileen.dewet@kpmg.co.za	043 7210893	
MR XOLILE WHITE	Nestle		xolile.whitge@za.nestle.com	043 7037000	
MR LOUIS DENNER	First National Battery		suem@battery.co.za	043 7631410	
MR E MARAIS	Telkom SA Limited		-	043 7432033	043 7422089
			-		
MR A HEMPEL	Transnet Port Terminals		-	043 7002042	086 6307946
			-		
			-		

			-		
			-		
			-		
RORY HASCHICK	Eastern Cape Development Corporation	Sector Specialist: Aquaculture, Fisheries & Env. Man.	rhaschic@ecdc.co.za	(043)7045710 / 0834103099	(043) 7436036
MR DUMISA MPONDWANA	Eskom	Senior Advisor	MpondwanaD@eskom.co.za	(043) 7032007/073 6548836	(043) 7032389/ 0865376784
M E MYOLI	Eskom		-	043 7032443/0836304823	
VUYISWA PAMELLA MHLAULI	Ubuntu Development		Tel/Fax: 043 7338062	083 9223669	437 338 062
STUART BARTLETT	IDC	Provincial Manager	stuartb@idc.co.za	(043) 7210733	(043) 7210735
LINDENI KUMALO	DBSA	Manager - E.Cape	lindenik@dbsa.org	(011) 3133165	(011) 3133086/3877
TERRY TAYLOR/ JACQUELINE BROWN	Portnet	Corporate Affairs Manager/ Port Manager	terry.taylor.transnet.net/ jacqueline.brown@transnet.net	(043) 7001043	(043) 7001060/ 0437002319
MR XOLA BOMELA, Ms N MNUKWA	Amatola Water Board	Director: Operations CEO	xbomela@amatolawater.co.za / nmnukwa@amatolawater.co.za	(043) 7073700 / (043) 7073702	(043) 7073751
GENERAL					
NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
MS KUSAMBIZA	Eastern Cape NGO Coalition	Director	info@ecngoc.co.za	(043)_7264014	086 622 4780
M. MNGQIBISA	Women& Youth Development ECNGOC , Masikhule AIDS Alliane		ngqsh2yahoo.com	(043) 7602548/0720804722	
MR RONALD EGLIN	Afesis Corplan	Snr Project Coordinator	ronald@afesis.org.za	(043) 7433830	(043) 7432200
FREDERICK KUSAMBIZA	Afesis Corplan	Executive Director	fred@afesis.org.za	(043) 7433830	(043) 7432200
ANDREW MURRAY/	ECSECC – Bhisho	Director	Andrew@ecsecc.org	(043) 6424852	(043) 7013415
LM DYOMFANA	ECSECC – Bhisho		luyanda@ecsecc.org		
LISA VAN TONDER	Rural Support Services (RSS)	General Manager	lisa@rss.co.za / febbie@rss.co.za	(043) 7430051 / 0835570136	(043) 7432503
N MKOSI	ECGDP		-	072 6273167	
PORTIA MNGADI	Traditional Healers		-	073 3080122/ 084 2027705	043 7625742
MR TEMBA SIKO	MK MVA		-	073 9555253	
MR PAKADE	Kula Development Facilitators		mkululip@kula.co.za	(043) 7270094	(043) 7210712

M S MATINISE	MDA SMME		mvu4life@mwebmail.co.za	078 4356125/0833517347	
NCEBA MRWEBO	COMMISSION FOR GENDER EQUALITY	Provincial Coordinator	-	(043) 7223474	(043) 7223474
MS VUYISWA MHLAWULI	Ubuntu Development		-	083 9223669	
X TILOLO	BCM YOUTH FORUM		-	083 3282819	
MBULELO NKWALI	SA Red Cross	Facilitator	-	043 7222400	(043) 7439033
S. MLINDA	BCMYC	Chairperson	sifundo01@webmail.co.za		
BONGANI SIQOKO	Daily Dispatch	Editor	bonganis@dispatch.co.za / eledit@iafrica.com	(043) 7022217	(043) 7435155
T. NTUNJA	SABC NEWS		ntunjat@sabc.co.za		
A. VUKUPHI	VUKAMSIBI		aubyv@gmail.com		
L TSHAKA/ N YAWA	ABASIVIKELE		-		
MR M RICHTER	ELLIES (PTY) LTD		-	043 7421464	043 7421465
MR D COPELAND	FIRST TECHNOLOGY (BORDER) PTY LTD		-	043 7421103	043 7421224
MS M GODDARD	CAMSA (Cancer Association SA)		-		
Ms CNYTHIA SIDLOYI, Ms BUYELWA JAMES	East London Hawks Association		-	"0835534947,0717948023	
COLIN COCKCROFT	NARA (Nahoon Ratepayers & Civic Association	Chairperson	-		
			-		
MS M EEKHOUT	SPCA		-	043 7451441	043 7451704
			-		
MR S RALPH	East London Child Youth Care Centre		-	043 7266461	
W P DIKI / M JALI	Child Welfare S.A. - East London	Community Dev. Worker	mw-elcw@mweb.co.za	(043) 7221258/9 0781190044	(043) 7220512
MS T GRAVETT	Algoa FM		-	043 7077803	043 7260684
MR M SCHULZE	Berea Gardens Retirement Foundation		-	043 7265319	043 7212242
RAY BROOKS / NEVILLE FISHER / LEO EWERS / VOLKMAR G. DOBAT	E.L. Grand Prix Circuit Foundation	Various	straptex@imagnet.co.za	(043)7321440/1 / 0832664506	(043) 7321442
MR ZUKILE NGOBO	Disabled People of S.A.		zukile@dpsa.org.za		(043) 7229470
D CASHMAN	UKUKHULU SECONDARY		cashman205@gmail.com	073 4411048	

	CO-OP				
K AUGUST	SMALL PROJECTS FOUNDATION	Project Manager	kaugust@spf.org.za	043 7439592	(043)7434721
RITA BUSHULA/PORTIA MNGADI	GWEBINDLALA HIV/AIDS	Project Manager	-	078 6237704	(043)7625742
SIPHO KATANA	Soc. For Prevention of Cruelty to Prisoners	Director	sekatana@webmail.co.za	076 8867888	(043) 7220103
N. MKHONJWA	Diba Industrial Batteries	Manager	nkosohlanga@mighty.co.za	083 9859971	
ABONGILE MAQWAZIMA	Imara Consulting c.c.	Managing Member	abongile@imaraconsulting.com	072 724 2711	
MRS T LOCKYEAR	Standard Bank of South Africa		-	043 7012281	043 7012274
MR L MBOYA	Uvimba Finance Limited (ECRFC)		-	043 6425821/6	043 6425824
MR S MACDONALD	Nedbank Limited - Nedcor		-	043 7078300	043 7078301
MR D MYBURG	ABSA Business Bank		-	043 7056007	043 7270279
MR G CROCKER	African Bank Limited		-	043 7221112	086 6012991
MR G HUGH	South African Reserve Bank		-	043 7073400	043 7073427
MR MONDE MTSHIZANA	S.A. Communist Party	BCM Sub-Region	power.m@dhlqta.ecape.gov.za	(043) 7435887 / 083 5972644	(043) 743 1869

EDUCATION

NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
DR MVUYO TOM	Fort Hare	Vice-Chancellor	mtom@ufh.ac.za	(043 7047008/040 6022283	
ALICE OKEYO	School of Health Sciences, University of Fort Hare	Acting HOD	a.okeyo@ufh.ac.za	(043) 7047585 / 7588	(043) 7047570
REGINALD NTANJANA	Buffalo City College	Manager: Planning	reg@bccollege.co.za	(043) 7049211	(043) 7434254
DR ADELE MOODLY	Walter Sisulu University		amoodly@wsu.ac.za	043 7094005	
COBUS POTGIETER	MSC College/MAASA		cobus@mccollege.co.za	043 7261842	
PENNY WHITFIELD	Boston Business College		bbceastlondon@bostonbc.co.za		
MS N MASIZA	Border Training Centre		-	043 7612141	043 7612515
MS SHALENE SOGONI	Nelson Mandela Metropolitan University, EL		-	043 5550024	086 5251643
M. SIBALI	Take Note Training c.c. - 11 North Street, E.L.		tshawe@lantic.net	737992960	(043) 7435129
NELSON TEMTI	Zingisa Educational Projects (K.W.T.)		zingisa@imagin.et.co.za	(043) 6433323	(043) 6425577

BUSINESS					
NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
MR GWYN BASSINGTHWAIDHTE	Pam Golding		hanlie@iafrica.com	082 8914613/043 7054040	043 7054002
MR. LES HOLBROOK	Border Kei Chamber of Business	CEO	les@bkcob.co.za	(043) 7438438	(043) 7432249
MR WAYNE OOSTHUIZEN	SEDA	Acting Provincial Manager	nsomtunzi@seda.org.za	(043)7211720	(043) 7211721
MR BRIAN COATES	Border Kei Institute of Architects (BKIA)	Committee Member	bcarch@iafrica.com	(043) 7351170	(043) 7351178
MRS C CLUR	Let's Travel - Seekers (PTY) LTD		-	043 7432983	043 7433370
MR J EVERTSE	Mercedes Benz South Africa		-	043 7062107	043 7062202
MR S X MAZAULE	Ntlakohlaza Travel Agency		-	043 7098400	043 7436629
MR X WHITE	Nestle (South Africa) (Pty) LTD		-	043 7037771	043 7037907
MR W ORSMOND	OHS Chartered Accountants		-	043 7072800	043 7072801
MR D WEST	OILCO Border Engineering		-	043 7353394	043 7351742
MR S GANAS	MONDIPAK, EL		-	043 7311634	043 7311602
MR B GCANGA	SASOL - Abbotsford		-	043 7268182	043 7266386
MR D LAW	Ronnies Motors Trust		-	043 7351333	043 7354667
MS R CARR	Real People (PTY) Ltd		-	043 7024600	043 7228318
MS J LENTZ	PriceWaterHouseCoopers Inc		-	043 7269380	043 7269390
MR S OYENELE	Premiers Security Services		-	043 7223270	043 7223270
MR S SUTHERLAND	REHAU Polymer (PTY) LTD		-	043 7631471	043 7635062
MR G HARVEY	Starlighth Security Services		-	043 7260513	043 7260547
MRS C THEART	Intengu Communications		-	043 7220771	043 7228926
MR C CAMPBELL	Garden Court Southern Sun		-	043 7227260	043 7229630
MR M PAGE	Hemningways Cansino		-	043 7077777	043 7077971
MS L OPPERMAN	Coca-Cola Fortune (PTY) Ltd		-	043 7078200	043 7452080
MRS J FLETCHER	DEFY Appliances LTD		-	043 7451129	043 7451190
LEON ELS/MS M PRETORIUS	JOHNSON & JOHNSON		abradfiels@its.inj.com	043 7093330/ 043 7093211	043 7451615
MR C LE MARQUAND	CHEM-EX		-	043 7436802	043 7436669

MS C MANDELL	Border Bears		-	043 7437757	043 7433293
MR N CLOETE	Buffalo Toyota		-	043 7067600	043 7437138
MS M HAMMOND	Biztec Consulting		-	043 7054500	086 6228473
MR MICKEY WEBB	SAPOA	Chairperson	mickwebb@iafrica.com		(043) 7210958 / 0865022694

ENVIRONMENT

NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
MR KEVIN COLE	BC Environmental Trust & E.L. Museum	Research Manager / Principal Natural Scientist	kcole@elmuseum.za.org	(043) 7430686	(043) 7433127
THABANG MASEKO	Mdantsane Heritage Foundation		thabangm14@gmail.com	083 7373180	
MS NWABISA MAFANYA, M MFAZWE	West Bank Heritage Tourism Development Trust	Project Coordinator	nmafanya@hotmail.com	072 1818955/ 083 7474924	086 5111476

AGRICULTURE

NAME	ORGANISATION	POSITION	E-MAIL ADDRESS	TELEPHONE NO.	FAX NO.
MR M. MANGOLD	BC Agricultural Action Forum	Chairman	mmangold@mweb.co.za	(043) 7452264	(043) 7452348
M G SIWISA	AGRICULTURE		-	083 4591655	
MR D. HEMPEL	Berlin & Nahoon Valley Farmers Assoc. (Agri- E. Cape)		caumemp@absamail.co.za	083 7023141/0836297350	(086) 2120205
BN ZUMA	EAST LONDON FARMERS		-	073 3524886	
N R ADAM/ B E RUSI	Ncera Farmers Association		-	(083) 6719706/ 0847475779	(043)7811909
MR MLULAMI NDZIWENI	ILIZWI LAMAFAMA		zingisa@imagnet.co.za	071 0324570	(043)6425577
MR TEMBELANIKUYE FLEPISI	ILIZWI LAMAFAMA		-	073 3036987	
MR. KOPSANI	National African Farmers Union	Provincial President	P.O. Box 23389, Govan Mbeki, Port Elizabeth	083 6969030	NONE
MR H.M. NDABANI	BC Farmers Association (NCASA - E.C.)	Representative	NONE	(043) 7220034 / 0763733101	(043) 7434939

ANNEXURE C – WARD PRIORITY ISSUES

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 1			
	Electrification of informal settlements	Illegal connections make it difficult for legal owners to have sustainable electricity supply	Entire ward
	Refuse Removal	There is no proper co-ordination of various cleaning projects like Kwanda & CWP	Pefferville, Duncan Village
	Local Economic Development - Sport & cultural	90% of household income in the ward derived from social welfare grants so development is key	Pefferville, Duncan Village, Braelyn
	Crime	There is no clear role of law enforcement agency with regards to crime fighting.	Pefferville, Duncan Village, Braelyn
	Capacity building & empowerment	BCMM should embark on massive skilling programmes in order to channel skilled people into formation of co-operatives	Duncan Village, Pefferville, Braelyn
WARD 2			
	Electrification of Informal Settlements	All the ward 2 informal settlements need to be electrified in order to avoid IZINYOKA (illegal connections), to also avoid the crisis from the ratepayers	Duncan Village Squatter especially Mahlangeni Street, Holomisa Squatter Camp, C Section and Barbeton
	Registration and Relocation of the Informal Settlement	Most flood areas and some squatter camps/shacks are only on the database but were never registered	Holomisa SquatterCamp, Barbeton Squattercamp, Endlovini Squattercamps, Elusizini Squattercamp, Mdidiyeli Jiba SquatterCamp, Area 10 and Mayibuye Squattercamp

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Need to fast track issue of illegal occupants and the issue of housekeepers in Reeston and Chicken Farm.	Beneficiaries are waiting for their houses for quite a long time, they also don't know what they are waiting for, they are demanding their houses back so the municipality must fast track the process.	Reeston stage 1, Phase2, chicken farm and Reeston Stage 2
	Maintenance and tarring of roads	Roads need to be fixed in most areas of the ward, potholes need to be fixed, Speedhumps should be built in most parts of the ward especially Mahlangeni Street	Simani street, C-Section Area 15,16 Road called Ezihagwini, Mahlangeni join Dunga, Join Mzonyana, Speedhumps at Mahlangeni street.
	* Streetlights for Entire ward * Fencing of graveyards	* The streetlights need to be revisited and some areas need to be installed because there is high rate of crime. * Graveyard needs to be fenced	* Entire ward especially those in informal settlements * Fencing next to Ziphunzana ByPass (Gwentshe grave)
WARD 3			
	Community Hall	Need a community hall in Southernwood for public meetings and other ward activities	Southernwood
	Highmast lights	Highmast lights are requested in Southernwood to prevent crime in darker areas such as Milner Estate and Braelyn area	Southernwood, Milner Estate and Braelyn
	Roads	Maintenance, fixing of potholes for the entire ward, stormwater drainange for the entire ward & repair curbs and gutters for the entire ward	Ward 3
	Solid Waste Management	Refuse to be collected on a regular basis, distribution of collection bags, street sweeping, litter pickers on a regular basis	Ward 3
	Grass cutting	Recreational parks to be maintained properly, pavements, bush clearing, trimming of trees	Ward 3

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 4			
	Upgrading of the Beacon Bay Library		Beacon Bay
	Upgrading of the Bonza Bay Lifesavers Shack & Ablution facilities & Boardwalk		Beacon Bay
	Resurfacing of Roads		Beacon Bay: Summit Rd; Seeton Rd; Bluewaters Place. Bonnie Doon: Irvine Rd; Old Transkei Rd/ N2 off ramp intersection before Batting Bridge
	CCTV Monitoring		Beacon Bay
	High Traffic Congestion		Beacon Bay
WARD 5			
	Sidewalks	Building of sidewalks on main roads	Scenery Park
	Footbridges	Four footbridges are requested	
	Electrification	Installation of electricity in all informal settlements	Informal settlements in the ward
	Tarring of Roads	All gravel roads should be tarred	Entire ward
	Bush Clearing	Bush clearing is required throughout the ward and local community members should be hired to do the work	Entire ward

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 6			
	Renovation of Eluxolweni community hall	Renovation of Eluxolweni Community Hall at CC Loyd/Dukashe. No hall in ward 6	CC Loyd, Dukashe and Eluxolweni
	Building for houses	Building of houses has been a priority of the ward for some time.	All informal settlements in the ward
	Rebuilding and maintenance of roads	Rebuilding and maintenance of roads. No streets in some areas in the ward and in some areas street have potholes.	Entire ward
	Skills Training Programme	Skills training programmes needed in order to prepare our people for the future development in the ward.	For the whole ward
	Jobs for the people	High rate of crime in the ward due to the unemployment	Entire ward
WARD 7			
	Bush clearing and grass cutting	Bush clearing and grass cutting required in overgrown areas of the ward	Entire ward
	Roads	Maintenance and upgrading of roads needed	D Section
	Community hall	Required for community events and meetings	Entire ward
	Electricity	Highmast lights required	Entire ward

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
WARD 8			
	Roads	Potholes to be fixed at Nomvethe, Mpuntshe, Jwayi, Ntshona and Mtendeni Streets	Gompo / Ziphunzana
	Water & Sanitation	Need clean running water and proper toilets at Moscow, Khayelitsha and Soga Site	Gompo / Ziphunzana
	Electricity	Electrification of informal settlements	Moscow, Khayelitsha, Dotwana, Bhengu
	Housing	Housing development required in Moscow, Khayelitsha, Dotwana & Bhomela. Sites that were vacated during the apartheid era should also be developed.	Gompo / Ziphunzana
	Bridge	Footbridge requested between Siya street and Khayelitsha informal settlement	Gompo / Ziphunzana
WARD 9			
	Sanitation	Ablution blocks are in a bad condition as the infrastructure is aging. Some areas have no toilets at all.	C Section informal area, Stoneydrift and Readymix informal areas
	Roads	Tarring and overlay of streets is required. No storm water drainage system.	Braelyn Ext 10; Toilet City, Amalinda
	Sports and Recreation	No sports and recreation facilities	Merrifield Park Amalinda
	Housing	High density and overpopulation	Stoney Drift (Amalinda), C Section & Readymix in Cambridge

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Unemployment	There is a high rate of unemployment in the ward	Stoney Drift (Amalinda), C Section & Readymix in Cambridge
WARD 10			
	Potholes	Potholes need attention in this ward and the gravel roads need to be tarred. The damage and non- tarred roads are causing extreme damages to the cars and the potholes are also the cause to road accidents	Alphendale, Vergenoeg
	Grasscutting and bush clearing	The grass is very long and it looks like a mini forest. It needs to be scraped clean. The bushes needs to be cleaned around in between shacks because when it is very hot the snakes comes out of the bushes and goes inside the shacks.	Alphendale, Vergenoeg
	Housing	The people of the ward requests 4 roomed houses with yards, toilets, water and electricity . They have been staying in shacks for more than 20 years.	Alphendale, Vergenoeg
	Big Plastic containers	A need for big plastic containers at various spots in the ward to throw rubbish and grass and so as to keep the are neat and tidy	Alphendale, Vergenoeg
WARD 11			
	Housing	We need houses for the people who are living in informal settlements	N.U 2 & N.U 5 areas
	Roads	We request BCMM to maintain gravel / tarring of roads	N.U 2 & N.U 5 areas
	Water and Sanitation	Provision of potable water and proper sanitation is requested	N.U 2 & N.U 5 areas
	Electricity	Electrification of informal settlements	N.U 2 & N.U 5 areas

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Multi-purpose Community Centre	A multi-purpose community centre is needed in the ward and BCMM should create employment opportunities to eradicate poverty	Ward 11
WARD 12			
	Houses	Community is frustrated and demanding houses as it is over 20 years now.	Dacawa, Velwano, Nkomponi, Ndlovini, Smilling Valley
	Electricity	Electrification of Informal settlements	Dacawa, Velwano, Smilling Valley, Nkomponi, Ndlovini, Masizakhe
	Flushing Toilets	Unhealthy non flushing toilets are a hazard to children and the community	Gqozo Village, Mdantsane East, Nkomponi, Velwano
	Bush clearance	A need for this service as there is increase of crime	Whole ward, all areas surrounded by bushes
	Roads	Lack of access to other areas and roads in general are not in good conditions	Velwano, Dacawa, Nkomponi, Smilling Valley, Gqozo Village, Mdantsane East
WARD 13			
	Housing	People living in shacks in areas that are vulnerable, some were left out in the registration process	Reeston, Dice, Scenery Park, Hutchinson, Jevons land
	Community Hall	No community hall or centre for holding meetings, voting etc	Haven Hills
	Electrification	some houses in the ward do not have electricity as a result people do illegal connections which is dangerous.	Reeston, & Scenery Park

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Roads	Roads are very bad and there is a need for tar road, stormwater drains as water flows on the road and and go to houses which causes damages.	Reeston & Scenery Park
	Water & Sanitation	Standpipes and toilets (communal for shacks)	Reeston, Eureka, Havenhills,
WARD 14			
	Roads	Our roads need to be surfaced, tarred and be maintained	Entire Ward
	Pedestrian Bridge	A Pedestrian bridge just to cross next to area 68-72 especially for learners to Kanyisa Primary.	Next to eSithembiso Secondary school
	Grass Cutting	There is a small bush behind NU4 Rent Office, in schools and also around the roads. This is where children are being raped.	Entire ward especially eSithembiso Secondary School
	Community Hall and Housing	The land has been identified for the hall just behind the rent office. Sharing houses must be separated	NU3
	Electrification of Informal Settlement	There is a big fight between four-room residents and those from Informal Settlement because of illegal connections.	The whole ward is affected
WARD 15			
	Electrification		Cambridge location;
	Roads & Stormwater	Resurfacing & potholes to be fixed; Stormwater drainage needed	Cambridge location; Cambridge Town; Vincent & Vincent Heights
	Solid Waste	Refuse removal, clearance of illegal dumps, signage to curb illegal dumping	Cambridge location & Cambridge Town

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Sanitation & Sewarage	Bucket system to be eradicated and decent toilets provided	Cambridge location
	Street Signage	Signage should be replaced	Cambridge Town, Vincent & Vincent Heights
	Bush clearing & Grass cutting	Parks to be kept clean, pavements to be kept clean from grass/weeds & bushes should be cleared.	Cambridge location; Cambridge Town; Vincent & Vincent Heights
WARD 16			
	Community Hall	A community hall to hold meetings for the community of the ward is needed.	Entire ward
	Tarring of road - Amalinda Forest		Amalinda Forest
	Bridge	A need for a bridge connecting between Simanyene and Amalinda Forest	Simanyene, Amalinda Forest
	Availability of land for houses		Amalinda Forest Squattercamp
	Vegetation control		
WARD 17			
	Electricity	Decrease of illegal connection for those who are living in informal settlements	Mathemba Vuso, Sonwabiso, Bufferstrip, Ramaphosa, Zola & Zimelel park, Gwetshe Village, Ekuphumleni
	Roads	Roads to be tarred or in the meantime to be gravelled	All areas in ward 17

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Housing	Welfare houses - current occupants to be allowed to own those houses	Mathemba Vuso, Sonwabiso, Bufferstrip, Ramaphosa, Zola & Zimelel park, Gwetshe Village, Ekuphumleni, Eluxolwe ni and Cuba Location
	Community Hall	No place to hold community meetings and there is a need for identification of land between NU4 Rent office and Clinic	NU3 & NU4
	Toilets and foot-steps	People living in informal settlements need toilets and foot-steps between their shacks because there are no roads	All Informal settlements around ward 17
WARD 18			
	Electricity	Repair all switch housing - Paint, gutters, grass cutting around buildings, Secure all infrastructure against vandalism - Locks on Doors, Burglar Bars, Replace rusted light poles, Paint light poles and number all poles, General maintenance and upgrading all year.	Berea, Selborne, Baysville, Southernwood, Nahoon, Stirling, Bunkers Hill
	Roads	Overlaying of badly damaged roads, stormwater drains cleared and cleaned, Curbs replaced and gutters, Paint all island, Replace all old green street, Replace all suburb names, Suitable inspection covers where steel covers are missing - not gutter bridge slabs that are dangerous and cause injuries	Nahoon, Woodheigh, Stirling, Bunkers Hill, Berea, Selborne and Southernwood
	Water and Sanitation	Maintenance and augmentation in terms of Development. All to operate as Internal Business units in terms of section 78 study. Replace all broken water meter lids	All suburbs in the Ward

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Drop off points	Construction of drop off points for Stirling Primary School in Dunbar Road and Epsom Road	Stirling Primary School, Stirling
	Environmental	Construct anti erosive measures along the Inhlanza River so as to shore the sewer interceptor ie GABIONS and BASKETS, Secure sewer pipe and grounds, Construct and access road to silt trap - to do maintenance, clear invaders, Wark ways and parks along Inhlanza Employ workers, 5 people to keep Inhlanza free of invaders and refuse. Notice boards along Nahoon Beach, James Pearce Palr, all picnic areas to stop noise, loud music, drinking in public, dogs on beach, fires tec. Fence off James Pearce Park and install a lock-able gate, Reinstate the existing Botanical Gardens in Selborne to its previous glory. Replant, clean up, maintain	Inhlanza River, Nahoon Beach, Botanical Gardens (Selborne, Berea, Stirling, Nahoon)
	Refuse Collection, Street Sweeping, Grass cutting & Bush clearing	Refuse to be collected on a regular basis, Recycling of refuse to be a priority in BCMM, Create employment, Purchase of mechanical street sweeper - save on refuse bags for distribution elsewhere, Regular grass cutting in summer, collection of grass and refuse - compost making creating employment, maintenance of parks and BCMM open space on a regular monthly basis - Employ 5 workers for ward 18 only	Entire Ward
WARD 19			
	Housing	Low-Cost housing, High density/social housing	As per land availability

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Roads	Refurbishment of some roads, Upgrading of roads, Bridge upgrading, Maintenance of stormwater drains	Pefferville, Parkside, Buffalo Flats
	Youth Development Centre	There is a need for a Youth Development Centre	Buffalo Flats
	Opening of Access Road to West Bank from Buffalo Flats via Latimer Landing	Re-opening the old access road to ensure smooth flow and reduction of traffic jams	Between Buffalo flats and the old bridge at Latimers Landing
	Sport fields and playparks	Existing sport fields graded, Public open spaces be developed into sports fields and children playparks	Ward-areas to be identified
WARD 20			
	Building of houses	Provide service delivery to limit the number of Informal settlements that are being set up overnight because of the big families	Khayelitsha -7, Mpilisweni - 7, Ramaphosa - 7, Daluxolo - 6, Ekuphumleni - 7, Slovo - 6, Vukani Park
	Tarring of Roads	Solving the problem of vehicles being damaged by pot holes, Avoiding air pollution caused by vehicles (on roads without tar, also for the comfort of pedestrians).	NU6 &7
	Renovations of sport grounds and sport facilities	To keep youth away from drugs, crime and alcohol, To groom and develop future stars and to build a healthy nation.	NU6 &7
	Gymnasium and Indoor sports accommodation, Projects accommodation eg sewing, beading, Arts& craft, Traditional dance etc	For health purposes, Developing talents and skills for different activities, and to improve the standard of the project	Informal Settlement N.U.6 &7

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Day Care Centre sites	Better development and shelter for early childhood, for the protection against child abuse, to alliviate poverty by providing nutritious food for the learners	Informal Settlement N.U.6 &7
WARD 21			
	Housing	The informal settlements are requesting houses and infrastructure eg some need toilets	NU13, NU15, Fort Jackson
	Roads	the roads need to be tarred, requesting speedhumps at NU13	NU13, NU15
	Electricity	Informal settlements need electricity to avoid izinyoka. Need Highmast and street lights	NU13 - Mahlangu, NU15 - Tambo Park, Fort Jackson
	Unemployment	The community, mostly the youth, women are unemployed and are requesting assistance from BCMM.	NU13, NU15, Fort Jackson
	Community Hall	NU13 Community need a hall to use for funerals, weddings and other activities.	NU13
WARD 22			
	Community Hall	Community Hall - to be constructed in the centre of the Ward and Sport Fields.	In the centre of Ward 22 Area used to be Bus Depot
	Roads	All Roads to be tarred	NU14 Rent Office and NU16 Ward 22 areas

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Community Centre	Community Centres at NU14 and NU16 to be utilised for the payment of accounts and purchase of electricity.	NU14, & NU16 Rent Office
	Housing Project	For all the informal settlements, Sharing houses and back yard shacks in the ward	Sisulu NU14, 1,2 &3, Kinshasa, NU14, Mlatsheni NU16, Masakhe NU 16, Ntleki Village NU 16
	Mobile Clinic	The clinic is needed in NU14	NU14
WARD 23			
	Community Hall	No hall to hold community meetings	NU17, Nxamkwana Village
	Access Roads	Roads in the ward are in very bad conditions	Potsdam Village, Nxamkwana Village
	Housing	Blocked project, Community living in shacks	CC18, Potsdam Village
	Electricity	NU17 Streetlights, Infilss at CC18 and Potsdam	NU 17 CC18, Potsdam
	Bridge	Access Bridge between Potsdam and Phumlani	Potsdam
WARD 24			
	Electricity	There is a lot of Izinyoka (illegal connections)	Both informal and formal settlements
	Provision of Houses	A lot of informal settlement with shacks and also mud houses in rural areas are in bad conditions	Informal settlement and Rural areas
	Tarred Roads and maintenance	All roads in the ward are in a bad condition	All areas both Urban and Rural
	Toilets	Toilets in informal settlement are needed	Kanana area, Ikhwezi and Mbekweni area

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Community Hall and Sport fields	No community hall in the areas of the ward	Land has been identified for the community hall, Mbekweni, Unit P, Kanana, Msintsi and Ikhwezi
WARD 25			
	Tarred Roads	Gravel Roads need to be tarred as they are badly damaged by storms	Zone 8, Zone 9 and Pakamisa
	Housing	There is a great need of housing in ward as there are houses for people since 1997 after sweetwaters phase 3	Zone 8, Zone 9 and Pakamisa
	Lights (Highmasts)	There is a need for streetlights and Highmasts in the area between Zone 8 and 9 as there is still a high rate of crime because of darkness	Zone 8, Zone 9
	Play-ground	No playground available for youth entertainment	Pakamisa
	Speed-humps, Potholes	Speedhumps are needed at Zone 8 Main Road because of taxis travelling at high speed	Zone 8, Zone 9 and Pakamisa
WARD 26			
	Formalisation of Farm 270 Msobomvu	No roads, clean running water and electricity	Farm 270/ Msobomvu
	Tarring of access roads	Transport especially bus and taxis battle to transport people bus roads is in bad state especially when raining , to cut costs and for a long term solution	Gwiqui via Mpundu to Zikhwaba, St Mary to Nkqonkqweni
	Renovation of Community Halls	These halls were built and never maintained they need some renovations	Mpundu, Zikhwaba, Gwiqui, Msobomvu, Mzonkeshe, Khwetyana, Nkqonkqweni
	RDP Houses and Toilets	Houses have never been allocated to Newlands	All Villages

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Fencing of Cemeteries	Three cemeteries have been fenced and people complain	Zikhwaba, Nkqonkqweni, Mzonkeshe, Ekuphumleni, Msobomvu and St Marys
WARD 27			
	Water and Sanitation	Upgrade of the sewerage system	Komanishi
	Electrification	Upgrade of electricity	Komanishi
	Roads and Storm water drainage	Widening of Gonubie Main Road to create additional traffic lanes, Resurfacing of roads, repairs to the Gonubie boardwalk	Gonubie and Sunrise on Sea
WARD 28			
	Housing	To fight mushrooming shacks in the ward	Mzamomhle informal settlements
	Electricity with cameras, HighMastlights	Too much crime rate just for easy identification of Robbers	Mzamomhle informal settlements
	Cemetery	Too far for the community to use Amalinda and Macleantown	Mzamomhle Township
	Sportfields	There is only one uneven field for a vastly grown-up community	Mzaomomhle Township
	Boardwalk at Riegerton	People of Riegerton become victims of thugs when crossing the bush areas to King's Mall	Riegerton area
WARD 29			
	Housing	Many people are still living in informal settlements	
	Electricity	People are being robbed on the road. No electricity as it is too dark especially in winter	

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Tarred Roads	Only the main road	
	Community Hall	A community hall is needed in the ward as it used as shelter for squattercamps in times of disaster	
WARD 30			
	Houses and sites for Informal settlement & ablution facilities	Build houses for people living in informal settlements and provide sites for those to be taken to new areas and assist those needing help. There are no toilets in Masibambane and Gomomo	Masibambane Park, Phola Park, Joe Slovo Park, Holomisa Village, Winnie Village, JF Mati and Gomomo Village. Toilets in Masibambane and Gomomo
	Tarred Roads	NU9 & 10 Roads are very bad especially the roads in informal settlements and gravel roads and the areas in Cuba	Cuba, NU9 & NU 10 of all the roads of ward 30 except already tarred roads
	Upgrading streetlights and service of highmast lights	All the lights along the road are not working well and the highmast lights need to be serviced as some are not working well	lights along the main road, the streets in the areas and the highmast lights in NU9 & NU10
	Electrefication of Informal settlements	The circuit that distributes electricity to some areas are breaking due to some illegal connections ie Izinyoka	All informal settlement of ward 30 and the area of Cuba
	Grass cutting and bush clearing	To prevent the victimisation of innocent people by thugs, who hide in the bushes or long grass to ambush innocent people	Entire ward
WARD 31			
	Land & Housing	These areas have been waiting for availability of land for housing development	Fort Grey, Bongweni, Overton, Lillyvale

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Water	water for the village is sour and unhealthy. Other areas need maintainance and additonal standpipes. In Bongweni there is no running water	Bongweni, Sunny South, Shelford, Village 1 & 3, Fort Grey
	Streets	Tarred roads is full of potholes, gravel are unaccessible	Entire ward, Village 1 is in worse situation
	Electricity	The whole ward is not electrified especially extend areas around village 1,2 & 3 and the informal settlement	Entire ward
	Jobs	High rate of unemployment, unskilled labour is the challenge, No projects that are taking place	Ward 31
WARD 32			
	Roads	The community is complaining that there are no roads and no internal streets in all the 25 villages.	Entire ward
	Electricity	The community has expanded and the need for electricity has increased since there are new extensions in the village	Entire ward
	Housing	This has been a talking point in the IDP public hearings as there is a need for a follow up on Phozi Housing project urgently, and the mud houses are collapsing and people are subject to utter poverty	Entire ward

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Sportfield	In the IDP (Public Hearing) the community raised an issue of sport facility at Kampini Location and added another one for Dowu location. Mpongo Sport facility would be perfect since it would not be costly as there is already a field there (Rugby). A need for upgrading the field fence, put a standpipe and electrification, seatings and change rooms to be built.	Entire ward
	Water and Sanitation	This is an urgent issue as the recently built and finalised in May 2011 is falling apart. Out of 25 villages approximately 19 are experiencing the same problem	Entire ward
WARD 33			
	Roads and Stormwater		Altile, Hill, Gxethu, Welcomewood,
	Sanitation		Altile, Hill, Gxethu, Welcomewood, Gwiligwili, Cornfields, Kune 1 & 2, Thembisa
	Community Halls		Gwiligwili, Gxethu
	Sportsfields		Needscamp, Kune 2
	Fencing of graveyards		Kune 2, Altile, Hill, Gxethu, Welcomewood
WARD 34			
	Library	Dimbaza has many schools and pupils must spend money to go to town for library facilities	Dimbaza

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Grass cutting team	A request for Dimbaza is to have its own team because it takes a long time to come back for grass cutting.	Dimbaza
	Tarred Roads	A request for tarred roads because roads are not maintained regularly as it takes up to 4 years to maintain them.	Dimbaza
	Houses	Renovation of Shutter houses and RDP houses	Dimbaza
	Employment of booking clerk	Halls in Dimbaza are booked every weekend in Dimbaza and people have to pay to go to King Williams Town	Dimbaza
WARD 35			
	Sanitation/Toilets	This area is in great need of Sanitation	Tyutyu Village
	Community Hall	This area is unable to host funerals , community meetings because there is no community hall	Balasi Valley, Clubview,
	Electricity	The area has now grown / extended and the need for electricity is increased.	Balasi Location, Tyutyu Village, Zinyoka Location
	Roads	Roads are in very bad state, in rural part of the ward are also very bad much that attention is requested	Clubview, Tyutyu Village, Balasi Location, Zinyoka Location
WARD 36			
	Roads	Roads infrastructure in the 10 rural villages of ward 36 has disintegrated, urban section is also in a bad state	10 villages of ward 36 and half of Dimbaza Township
	Housing	Rural housing development needed due to expansion of Dimbaza population.	Dimbaza Township and surrounding rural areas

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Community Halls	For meetings, funerals, church use, creche etc.	Initially applied for Pirie Trust and Zabalaza, but need has expanded through other villages
	Electrification	Required for rural extensions	all rural components of the ward
	Fencing of Camps	Currently there re virtually no grazing lands/camps in the ward, as all are unfenced	for all rural communities in the ward
WARD 37			
	Community Hall	Residents are exposed to adverse weather conditions on social grants days. Public/Ward meetings suffer greatly in numbers because of space. Official visits are hampered during school hours on school days	Tolofiyeni Village, Masingatha Village and West Bank
	Housing	There's an outcry of lack of housing. Families are overcrowded with their adult children	schornville, Masingatha Village, Mdingi, Tolofiyeni
	Water	Challenge of standing pipes without water. It is a serious challenge.	Mdingi Village, Tolofiyeni, Masingatha, West drive & WestBank
	Roads & Bridges	Rural areas - gravel roads need to be maintained and surfaced. Westdrive gravel portion to be tarred and westbank (KWT)	Mdingi Village
	Fencing	Agrarian Land/Agricultural Land. Westbank to be fenced -housing crime rate is very high.Fencing of National Roads within the ward's boundaries, livestock causes serious accidents	Masingatha Village, Westbank, Tolofiyeni Village, Mdingi Village
WARD 38			

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Community Hall	There is no place to hold meetings and social grants pay outs	Mzantsi, Leeveld, Mxaxo A, B, Thyusha, Kwelerhana, Lower Mngqesha, Noncampa, Zikhalini, Mantlane
	Electricity	businesses do not function very well without electricity	Dikidikana, Thyusha, Kwelerhana, Leeveld New Sites, Mzantsi
	Roads	Gravel roads become damaged when it is raining	Handers Mission, Thyusha, Kwelerhana, Noncampa, Mamata, Bridge between Mzantsi/ Bulembu Gwaba, Bridge between Gwaba and Noncampa
	Fencing	Fencing is needed in order to avoid accidents caused by animals straying onto the roads.	Lenge, Zikhalini, Mxaxo A/B, Leeveld, Dikidikana, Thyusha, Kwelerhana, Mzantsi
	Toilets		Mxaxo A/B, Leeveld, Mzantsi, Lower Mngqesha, Dikidikana, Handers Mission
WARD 39			
	Hall/ Mini hall	Funerals are conducted in open spaces even during rainy days	Kwalini, Bonke, Ngxwalane, Rhayi
	Building of water tank / resevoir	The village is growing and is therefore experiencing water shortages	Kwalini, Bonke

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Revist reservoir which was built in Ngxwalane	Township is also growing and experiencing shortage of water	Ginsberg
	Need tarred roads for low income houses	The roads are in a bad condition, most low income houses have gravel roads and potholes and gravel roads in the township	Ginsberg (all shacks), Lipota, Happy rest
	Fencing of rural cemetery, speed up grave issues in Ginsberg	All village cemeteries are not dignified, they need fencing to make them dignified.	Kwalini, Bonke, Rhayi, Ngxwalane, Ginsberg
WARD 40			
	Roads	Main and access roads so dilapidated. Request tarring of the main road	All 13 Villages
	Sanitation and Water	To meet RDP standard, Maintenance of Infrastructure, water Reticulation at Ndileka Location. Water is being cart to this village	All Villages, Tubalethu, Bongweni, Mt Coke, Qongqotha, Tshabo II, III, eKuphumleni, Ndileka Village
	Halls	Only Tshabo II Village have a dilapidated hall. All twelve other villages are holding their meetings under trees	Dongwe, Tshabo 3, Fort Murray, Tubalethu, Bongweni, Ekuphumleni, Mlakalaka, Ndileka, Mt Coke, Godidi, Qongqotha, Mimosa
	Fencing of graveyard, grazing camps, Arable land, provision of Inputs and implements	For the purpose of assisting our co-operative, creating more jobs to assist them with tractors, scooping of dams for their livestock	All 13 Villages
	RDP Houses	To assist the people to have their own houses, also to minimise disasters and to formalise their houses	Tshabo 3, Fort Murray, Mlakalaka, Ndileka, Godidi, Qongqotha, Mimosa, Mt Coke
WARD 41			

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Speed humps	be put in zone 1, 2, 3 ,4, 5 roads - lots of current accidents	Zwelitsha
	Drainage reinstallation or revamp	Revamping of storm water drainage to prevent floods on rainy days. The centre to Zwelitsha to prevent unnecessary leakages	Zwelitsha
	Cemetery	Completion of fencing	Zwelitsha in Zone 10
	Rondavels	Renovation - they are in a bad state	Zwelitsha in Zone 5
	Tennis Court and sportgrounds	Tennis court in a bad state and hardly used. Local sports ground needs to be improved.	Zone 1, Zone 10 and Zwelitsha stadium
WARD 42			
	Housing	Since 2004, there are a lot informal settlements	NU 1 and NU 2 Informal settlement, NU2- 7 Informal settlement
	Electricity	Informal settlements have no electricity, people are fighting over Izinyoka (illegal connections) at the Informal settlement and 4 room houses	NU1 and NU2
	Community Hall	We've been writing letters since 1994, we had requested a community hall at Highway taxi Rank but later Boxer Supermarket was built instead.	NU2
	Water and Sanitation	Most of Squatter Camps do not have toilets and taps.	NU 1 and NU 2
	Swimming Pool storm water drain and Job opportunities eg (Project)	Since 1994, the community had a complaint about a swimming pool but till to date nothing has been done. Sidewalks and storm water drain were also requested.	NU 1 AND NU 2
WARD 43			

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Housing	Planning of the new settlement and rural houses	Tyutyu, Peelton, Hannover
	Electricity	Electrification in Hannover	Hannover
	Community Hall		
	Roads		Bisho, Tyutyu, Peelton and Hannover
WARD 44			
	Fencing	Needed to enclose camps and prevent stray animals, all cemeteries also need fencing.	Tshatshu and Zizeni Location, Breidbach
	Bridges and Speed humps	Required in order to link Tshatshu and Qalashe, kids cannot go to school when the river has flooded, main road needs speed humps to stop drag racing in Breidbach	Tshatshu, Zizeni, and Qalashe location, Breidbach, Golf Course
	Roads	Roads are needed to get access for emergency vehicles (Taxis, ambulances & police), Some roads need upgrading.	Tshatshu and Zizeni Location, Siyathemba Location, Acorn Valley, Sewendelaan, Golf Course,
	Housing	Rectification of RDP houses, No RDP houses or Social Housing or Rural housing.	Sewendelaan Township, Arcon Valley, Qalashe, Siyathemba location, Sweetwaters, Breidbach,
	Water and Sanitation	Settlements have no toilets and taps	Arcon Valley, Siyathemba Location,
	Sports and Recreation	Kids have no places to play, no community halls	Siyathemba location, Acorn Valley, Breidbach, Sweetwaters, Golf Course,

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Bush clearance and grass cutting		Breidbach, Sewendelaan, Sweetwaters, Golf Course
WARD 45			
	Electricity	290 houses (of which 177 are shacks and 113 are RDP houses) in Ilitha North need electricity. From 1994 these houses have been without electricity.	Ilitha North and Ilitha South
	Sanitation	Berlin still uses septic tanks which cause a stench	Berlin Town
	Roads and Storm water	No access roads at Skobeni & Tshabo. Request a tar road at Ilitha & Berlin	Skobeni; Ilitha; Berlin; Tshabo
	Housing	No RDP housing at Skobeni and Berlin	Berlin & Skobeni
	Fencing of Cemetery	All areas require fencing	Tshabo; Skobeni; Ilitha; Berlin
WARD 46			
	Portholes in all areas in the ward	The roads have already been accessed and waiting for implementation	Sunset Bay, West Bank, Greenfields, Sunyridge Park and Extension, Orange Groove
	Bush clearing, grass cutting in municipal space	All the municipal sites are having long grass and tall trees. Crime rate is too high in the area	Sunset Bay, West Bank, Greenfields, Sunyridge Extension, Greenfields, Orange Groove, Leaches Bay, Fulas Bay

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Settlers way to airport needs through cleaning	Settlers way is the face of tourists, it is an industrial area too. Therefore there is a need to beautify settlers way and keep it clean all the time.	Settlersway to Airport
	Storm water drains need regular cleaning. Parks and Grave Yards	Storm water drainms must be cleaned regularly. Parks must also be cleaned to avoid crime	Sunset Bay, West Ba nk, Leaches Bay, Fulas, Waterworld, Greenfields, Sunnyridge
	Basic Services in Informal settlements like Water and Sanitation	A bucket system in Leaches Bay since 2011 and that was never collected.No taps and toilets for unfinished houses	Orange Groove , No toilets at all. Leaches Bay, Informal houses and in some houses
WARD 47			
	Sleeper site Development	Currently the land is owned by Transnet	Quigney
	Marina Glen and Beachfront	Development is requested as the area is attracting tourists	Quigney
	Gillwell Taxi Rank	A need for development of the taxi rank	CBD
	Street trading regulation	Informal traders with no trading licence in the CBD.	CBD
WARD 48			
	Housing	Informal settlements	Chris Hani Park
	Roads	Tarring of gravel roads	NU 11 & NU 12

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Unemployment	Jobs for youth	NU 11 & NU 12
	Bush Clearing	Open Spaces need to be cleared of bushes	NU 11 & NU 12
	Bridges and Sidewalks		NU 11 & NU 12
	Sanitation	Toilets	Z. Soga & Stofile Village
	Electricity	Electrification of areas without electricity	Z. Soga & Stofile Village
WARD 49			
	Small bridge to cemetery and fencing of cemetery (new and old sites)	Members of the community are walking on their way to work, a foot bridge is requested	Gesini
	Housing and toilets	People in the village have no houses	Entire ward
	water and electricity	people in the village living without water and electricity	New Bright and Nqoqaga
	Clinic	There is a large number of people living in the ward an additional clinic is therefore requested.	Velwano

WARD NUMBER	ISSUES RAISED	EXPLANATION	AREA/VILLAGE/SETTLEMENT
	Roads and speedhumps	Roads in a bad state, and a need for speedhumps as there are many accidents in tar roads	From Embangeni to Epitsini and the entire ward
WARD 50			
	Roads Infrastructure and stormwater drainage	Roads in the ward need to be tarred to allow access to all areas by vehicles. Roads in informal areas need to be upgraded for easy access by emergency vehicles	All areas in the ward
	Electricity	Due to shortage of high-mast lights all lights should be installed in order to reduce crime	All areas and streets in the ward
	Housing	The ward has almost 300 shacks and backyard dwellers, therefore there is a need for formal houses. There is also a backlog housing datalist.	All informal areas in the ward
	Job Creation	Unemployment and poverty is the main issue. Crime is also increasing.	All areas in Ward 50
	Clean-up campaign	A clean-up campaign is needed to stop illegal dumping. There is also a need for a big dumping site.	All areas in Ward 50