



PROGRESS REPORT FOR PERIOD ENDING 30 DECEMBER 2017

OVERALL COORDINATION: Ms D McCarthy, Snr Director: Strategic Planning and Coordination

Dealing with Construction Permits

1. Schalk Potgieter, Director: Strategic Planning and Policy Formulation, Human Settlements (Senior Management Lead/ Champion)
2. Yonke Gesha, Acting Chief Building Inspector, Human Settlements (Technical Coordinator)
3. Keith Coltman, Municipal Architect, Human Settlements (Work Team)
4. Lutho Nduvane, Director: Trade & Investment, Economic Development, Tourism and Agriculture (Work Team)

Getting Electricity

1. Peter Neilson, Acting Executive Director: Electricity & Energy (Senior Management Lead/Champion)
2. Tando Tsepene, Acting Senior Director Projects:
3. Luvuyo Magalela, Director: Planning, Electricity & Energy
4. Humphrey Mthimkulu, Electricity & Energy (Technical Coordinator)
5. Roark Prinsloo, Technologist, Electricity & Energy (Work Team)

Registering Property

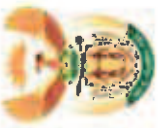
1. Karel Kramer, Chief Capital Accountant, Budget & Treasury (Senior Management Lead/Champion)
2. Roelf Weyers, Deputy Director: Rates & Valuations, Budget & Treasury (Work Team)



| City Doing Business Getting Electricity Reform Progress Report | | | | | |
|--|--|--|---|--|----------------------------|
| | Target met. | | | | |
| 3. Integrate process time frames to the KPI Company by issuing monthly progress report by type of customer | The department has added this process to the KPI's of E & E (Electricity and Energy) in the month of March 2017. Monthly reports are directed to the Senior Director – Projects from the office of the Planning Engineer. | None. | Tando Tsepane Acting Senior Director - Projects | | |
| 4. Strengthen the EPD (Electricity Planning Department) Organogram | The department is currently busy with the to-be organogram structure, which is unapproved currently. There is a section on the organogram that has been proposed to deal with new connections. | The E & E department's to-be organogram structure is not yet approved by HR. | Tando Tsepane Acting Senior Director | Students are currently used to assist the Planning department to project manage the new applications and upgrades. | |
| Intervention 2: On-line Application to apply for a new connection | Target at 31 October 2017 | Progress achieved 31 October 2017- 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |



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|--|--|--|--|---|--|
| Improved business process to include automating application which will reduce the number of days from 180 to 10 days | Improved business process to include automating application which will reduce the number of days from 180 to 10 days | Grant funding has been approved. | Addendum signed. Please find the attached document. | Research for a suitable system to use for quotations. | Humphrey Mthimkhulu (Resigned) Roark Prinsloo Technologist |
| Intervention 3: Hire external service providers to carry external works | Target at 31 October 2017 | Progress achieved – 31 October 2017 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Appointment of external service providers to carry the installation and alterations for business customers. Reduce the number of days from 90 to 45 days maximum | Appointment of external service providers to carry the installation and alterations for business customers. Reduce the number of days from 90 to 45 days maximum | Document not ready. | The tender document was seen as a combination of all E&E tenders. Project Manager Resigned | Consultation with the stakeholders and Request For Proposals to be advertised | Luvuyo Magalela Planning Engineer |
| Intervention 4: Procure the major items for construction works | Target at 31 October 2017 | Progress achieved 31 October 2017 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |



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|---|---|---|--|---|--------------------------------------|
| Major items for construction works (transformers, etc) will be procured and stored at Supply Chain Management (SCM) stores, and be delivered to works Contractor for construction | Procurement of major items for construction works through existing 3 years contract and keep and at SCM stores. | Transformer contract is in place, Mini substation contract is in place, Switchgear contract to go to the Adjudication committee | Procurement process | Expedite the process | Luvuyo Magalela Director Planning |
| Intervention 5: Install an Enterprise Asset Management System (EAMS/WMIS) | Target at 31 October 2017 | Progress achieved 31 October 2017 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Manage all the construction / installation works of the utility company with the support of the work management system | Integrating electrical connections in the ELLIPSE program (EAMS) | A meeting held with ABB and it was recommended that a site visit be arranged to view and analyse their program | Date for visit to Ethekwini Municipality was not re-requested. | Site visit will be arranged before end of February 2018 | Roark Prinsloo Technologist |
| Intervention 6: Create a Centralized Asset Database | Target at 31 October 2017 | Progress achieved 31 October 2017 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Create a centralized asset database (including customer | Create a centralized asset database (including customer | A funding application was made to SANEDI, due to lack of funding | There is currently no funding available. | Funding to be alternatively sourced from EDF programme. | Luvuyo Magalela Planning Engineer |



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| connections) using the GIS to facilitate network operations and customer services | connections) using the GIS to facilitate network operations and customer services | internally. The application was rejected by SANEDI. | Submitted list of all E & E projects to EDF. Awaiting approval. | Responsible Manager |
|---|---|--|---|---|
| <p>Intervention 7: Introduction of a One Stop Customer Care Office</p> <p>Introduction of a one-stop customer care office for application, data-capturing, distribution and issuing of quotations to customer.</p> | <p>Target at 31 October 2017</p> <p>No target set. Waiting for Retail and Commercial to submit their Action Plans</p> | <p>Progress achieved 31 October 2017 – 30 December 2017</p> <p>None.</p> | <p>Remedial Action</p> <p>Setup a meeting with Retail and Commercial.</p> | <p>Responsible Manager</p> <p>Onke Mayana Retail and Commercial</p> |
| <p>Intervention 8: Create a One Stop Commercial care office</p> | <p>Target at 31 October 2017</p> | <p>Progress achieved 31 October 2017- 30 December 2017</p> | <p>Remedial Action</p> | <p>Responsible Manager</p> |



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|--|---|---|----------------------------|---|-----------------------------------|
| Create a one-stop commercial care office for small and medium sized commercial and business customers in Uitenhage and Port Elizabeth | No target set. Waiting for Retail and Commercial to submit their Action Plans | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |
| Intervention 9: Create a Large Customer Unit | Target at 31 October 2017 | Progress achieved 31 October 2017 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Create a large customer unit for personalized full attention of large user, including small and medium sized commercial and business customers | No target set. Waiting for Retail and Commercial to submit their Action Plans | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |
| Intervention 10: Introduction of a call centre for full assistance | Target at 31 October 2017 | Progress achieved 31 October 2017 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Specification of the call centre for full commercial and distribution assistance | No target set. Waiting for Retail and Commercial to submit their Action Plans | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |



| City Doing Business Getting Electricity Reform Progress Report | | | | | |
|--|--|--|---|-----------------|--------------------------------|
| Intervention 11: Publish process information on the web site | Target at 31 October 2017 | Progress achieved August 2016 – 31 October 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Publish on the NMBM's website all the information on the getting-electricity process | Publish on the NMBM's website all the information on the getting-electricity process | Compilation of relevant information to publish is underway. Should be finalised before end of February 2017. | Compilation of relevant information to publish is underway. | None. | Roark Prinsloo Technologist |

| MAJOR MILESTONE OR DELIVERABLE | TIME FRAME | COMMENTS |
|---|------------|--|
| Intervention 1: Reduce the number of days taken to issue a quotation | Target met | Project Managers are adapting to the introduced process |
| Output 1.1: Reduce the number of days to issue a quotation from 180 days to 60 days | Target met | A Getting Electricity Team has been confirmed. First meeting took place in August 2017. |
| Output 1.2: Create an Electricity Improvement Team | Target met | The department has added this process to the KPI's of E & E (Electricity and Energy) in the month of March 2017. |



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| Output 1.4: Strengthen the EPD (Electricity Planning Department) Organogram | To be confirmed | The department is currently busy with the to-be organogram structure, which is unapproved currently |
|---|------------------------------------|--|
| Intervention 2: On-line Application to apply for a new connection | August 2017 to April 2018 | Grant funding has been received from SANEDI through the Smart Grid project to address a portion on a simulated basis on 22 March 2017. |
| Output 2: Improved business process to include automating application which will reduce the number of days from 180 to 10 days | | |
| Intervention 3: Hire external service providers to carry external works | August 2017 To April 2018 | New time frame to be submitted |
| Output 3: Appointment of external service providers to carry the installation and alterations for business customers. Reduce the number of days from 90 to 45 days maximum | | |
| Intervention 4: Procure the major items for construction works | March 2018 | Major material has been ordered and stored at SCM stores, two major contracts are in place , one contract is still outstanding. |
| Output 4: Procurement of major items for construction works through existing 3 years contract and keep and at SCM stores. | | |
| Intervention 5: Install an Enterprise Asset Management System (EAMS/WMIS) | August 2017 To December 2017 | Site visit to be arranged with EThekweni Municipality before end of February 2018. |
| Output 5: Integrating electrical connections in the ELLIPSE program (EAMS) | | |



| | | |
|--|------------------------|---|
| <p>Intervention 6: Create a Centralized Asset Database</p> <p>Output 6: Create a centralized asset database (including customer connections) using the GIS to facilitate network operations and customer services</p> | <p>To be confirmed</p> | <p>There is currently no funding available. Funding to be alternatively sourced from EDF programme. Submitted list of all E & E projects to EDF. Awaiting approval.</p> |
| <p>Intervention 7: Introduction of a One Stop Customer Care Office</p> <p>Output 7: Introduction of a one-stop customer care office for application, data-capturing, distribution and issuing of quotations to customer.</p> | <p>To be confirmed</p> | <p>Project Manager had a meeting with Retail and Commercial, action plans not submitted</p> |
| <p>Intervention 8: Create a One Stop Commercial care office</p> <p>Output 8: Create a one-stop commercial care office for small and medium sized commercial and business customers in Uitenhage and Port Elizabeth</p> | <p>To be confirmed</p> | <p>Project Manager had a meeting with Retail and Commercial, action plans not submitted</p> |
| <p>Intervention 9: Create a Large Customer Unit</p> <p>Output 9: Create a large customer unit for personalized full attention of large user, including small and medium sized commercial and business customers</p> | <p>To be confirmed</p> | <p>Project Manager had a meeting with Retail and Commercial, action plans not submitted</p> |
| <p>Intervention 10: Introduction of a call centre for full assistance</p> | <p>To be confirmed</p> | <p>To be discussed with Retail and Commercial on the first team meeting scheduled April 2018.</p> |



| | | |
|---|----------------------------------|---|
| Output 10: Specification of the call centre for full commercial and distribution assistance | | |
| Intervention 11: Publish process information on the web site Output 11: Publish on the NMBM's website all the information on the getting-electricity process | October 2017 To March 2018 | Compilation of relevant information to publish is underway. Should be finalised before end of March 2018. |



Acceptance & Sign-Off

Prepared By:

1. Roelf Weyers, Dep Director: Rates & Valuations
2. Karel Kramer, Chief Capital Accountant
3. Luvuyo Magalela
4. Schalk Potgieter, Dir: Planning & Policy Formulation

Approved By: Johann Mettler
City Manager
Nelson Mandela Bay Metropolitan Municipality

Signature:

Date: 22 January 2017



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Senior Management Lead/ Champion:

Name: Karel Kramer

Designation: Chief Capital Accountant

Department: Budget & Treasury – Budget & Financial Accounting

Technical Coordinator:

Name: Roelf Weyers

Designation: Deputy Director

Department: Budget and Treasury: Rates & Valuations

Work Team:

- **Name, Designation, Department**
- **Name, Designation, Department**
- **Name, Designation, Department**
- **Name, Designation, Department**



PROGRESS REPORT FOR PERIOD ENDING 30 DECEMBER 2017

City Framework for Doing Business Reform Agenda Background

Describe the broad rationale/ framework underpinning the City Doing Business Reform Agenda

Insert Snapshot of City Performance in Doing Business South Africa 2015

1. Dealing with Construction Permits:
 - City Ranking
 - City Distance to Frontier
 - Number of Procedures
 - Time (days)
 - Cost (% of warehouse value)

2. Getting Electricity:
 - City Ranking
 - City Distance to Frontier
 - Number of Procedures
 - Time (days)
 - Cost (% of per capita income)

3. Registering Property:
 - City Ranking
 - City Distance to Frontier
 - Number of Procedures
 - Time (days)
 - Cost (% of property value)

Doing Business Key Reform Interventions



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1. Doing Business Key Reform Intervention 3:

Describe the broad purpose and scope of the reform. Describe your approach to improving the indicator.

The Nelson Mandela Bay Municipality (NMBM) recently procured a new EMS system in line with the new mScoa regulations. This system is currently under development. The current Consolidated Billing System (in-house system) has already improved the indicator to 1 day. The Consolidated Billing System is effective as it automatically generates a rates clearance statement indicating the amount to be paid. This system enables the municipality, once the clearance amount has been paid, to issue the Rate Clearance Certificate within 1 day.

The specification and functionality of the new EMS system relating to the issuing of clearance figures and certificates are not known at this stage. As a result it is not clear whether the new system will improve the current process or not. What is however known is that during the data migration from the current system to the new system the aging of existing debt will not be migrated.

The following risks have been identified regarding the registering of properties which could negatively affect doing business in Nelson Mandela Bay:

- It is not clear if the clearance process in the new EMS system will be automated or if there will be an improvement of the indicator.
- As a result of the fact that the aging of existing debt will not be migrated the amounts payable for clearance, in terms of the Systems Act, will have to be determined on the new and old systems - this could have a negative impact on the indicator and time frames.
- It is also not clear if the statement which the new system will generate will provide the ageing details of the amounts payable as per the Systems Act
- It is not known at this stage if the new the system will increase or reduce the number of days to issue a Rates Clearance Certificate
- Furthermore, It is not known what the extent of integration and automation of the new system will be with other systems.
- There is a real risk that the new system can negatively affect doing business in Nelson Mandela Bay.



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Feedback from the service provider Sebata regarding the clearance functionality in the new EMS system had since been received. They have responded as follows:

According to the EMS system functionality clearance figures can be calculated and paid via cash, cheque, credit/debit card or postal order the same day using the POS functionality within the system. This will technically allow a clearance certificate to be issued the same day. Direct bank deposits and EFT payments may take longer due to the various banks' processing times. The Nelson Mandela Bay Municipality (NMBM) will only issue a clearance certificate if the payment is reflected on the EMS system. It must however be borne in mind that these functional specifications are still in development.

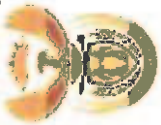
It needs also to be remembered that if no aging is imported from the current Consolidated Billing System to the EMS system there will be delays in issuing figures and certificates as clearance figures must be calculated in terms of section 118 (1) & (3) of the Local Government: Systems Act. As a result thereof the historical debt will have to be calculated on the old system and will need to be captured manually. In order for the clearance functionality to work 100%, at least 36 months of debt needs to be ported with the accounts on the new system. In order to ensure that no delay is experienced in calculating outstanding debt some method will have to be devised to ensure that such information is available to the system at all times, i.e. a consolidated balance table? This will need to be work-shopped to determine the best method of achieving this.

If the NMBM wishes to use an electronic online application platform between themselves and the transferring attorneys then the online application platform will have to interface with the EMS System. Whilst the NMBM will then be able to email the clearance figure to the transferring attorney via the EMS system it must be borne in mind that clearance certificates will not be valid if it is not an original signed certificate. Also the go-live date of the new EMS system have been moved out to 1 July 2017

Doing Business Key Reform Intervention 1:

- **Output 1.1**
 - Senior Manager/Team Lead:
 - Performance Indicator
 - List All Activities required in Output 1.1.
- **Output 1.2**
 - Senior Manager/Team Lead:
 - Performance Indicator
 - List All Activities required in Output 1.2

Etc.



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Project Timelines

| High-Level Schedule Major Milestones or Deliverables | Expected Duration | | | | | | | | | | | | |
|---|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | Month | |
| Intervention 1: Output 1.1. | | | | | | | | | | | | | |
| Intervention 1: Output 1.1. | | | | | | | | | | | | | |
| Etc. | | | | | | | | | | | | | |
| Add more columns where required | | | | | | | | | | | | | |



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| Acceptance & Sign-Off | | | |
|----------------------------------|-------------------------|------------------|-------------|
| Prepared By: | Name | | |
| | Title | | |
| | Department | | |
| | <i>Name & Title</i> | <i>Signature</i> | <i>Date</i> |
| Approved By: | Name | | |
| | City Manager | | |
| | City Name | | |
| | <i>Name & Title</i> | <i>Signature</i> | <i>Date</i> |



PROGRESS REPORT FOR PERIOD ENDING 30 DECEMBER 2017

OVERALL COORDINATION: Ms D McCarthy, Snr Director: Strategic Planning and Coordination

Dealing with Construction Permits

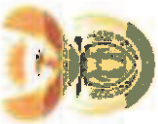
1. Schalk Potgieter, Director: Strategic Planning and Policy Formulation, Human Settlements (Senior Management Lead/ Champion)
2. Yonke Gesha, Acting Chief Building Inspector, Human Settlements (Technical Coordinator)
3. Keith Coltman, Municipal Architect, Human Settlements (Work Team)
4. Lutho Nduvane, Director: Trade & Investment, Economic Development, Tourism and Agriculture (Work Team)

Getting Electricity

1. Peter Neilson, Acting Executive Director: Electricity & Energy (Senior Management Lead/Champion)
2. Tando Tsepane, Acting Senior Director Projects:
3. Luvuyo Magalela, Director: Planning, Electricity & Energy
4. Humphrey Mthimkulu, Electricity & Energy (Technical Coordinator)
5. Roark Prinsloo, Technologist, Electricity & Energy (Work Team)

Registering Property

1. Karel Kramer, Chief Capital Accountant, Budget & Treasury (Senior Management Lead/Champion)
2. Roelf Weyers, Deputy Director: Rates & Valuations, Budget & Treasury (Work Team)



Doing Business in South Africa:

City Reform Progress Report

Nelson Mandela Bay Metropolitan Municipality

| Intervention | Target at 30 December 2017 | Progress achieved August 2016 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|--------------|--|--|---------------------|--|---------------------|
| | <p><u>during session in September 2017</u></p> | <p>consultation with WBT in April 2017.</p> <p>Attended a working session with World Bank and other Cities in Johannesburg during 1st week of September 2017;</p> <p>Further working session at NMBM on 7 September 2017.</p> <p>Considered options for a Client Centred approach to BPAS.</p> <p>Included interaction with Built Environment Professionals Forum as platform for initial stakeholder participation.</p> <p>Anticipate notes of process and conceptual drafts during first week of October 2017</p> | | <p><u>providers anticipated to assist with the development of automated Planning Assessment System.</u></p> <p><u>Consultation with CorpGIS/ ESRI to be taken further</u></p> <p><u>Study visit to Cape Town being to be arranged to view automated Plan Assessment System as well as process flow</u></p> | |



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| Intervention | Target at 30 December 2017 | Progress achieved August 2016 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|--------------|----------------------------|---|---------------------|-----------------|---------------------|
| | | <p><u>Conceptual notes and process plan received late in November 2017. (See PoE Con 1.2). Not reviewed.</u></p> <p><u>Interacted with CorpGIS and ESRI consultants on possible development of automated Planning Assessment System (Building Plans, Land Use Application and Unauthorised Use) within framework of existing GIS System.</u></p> <p><u>Possibility considered of having pilot operating by end April 2018. Quote for this work received – see PoE Con 1.2</u></p> | | | |



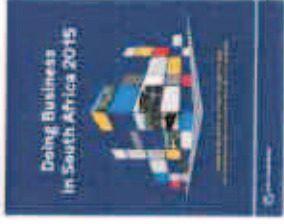
| Intervention | Target at 30 December 2017 | Progress achieved August 2016 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|--|--|---|---|--|--|
| <p>Intervention 2: Fee structure review</p> <p>Output 2.1 Reviewed Fee Structure</p> | <p>Project management adjusted; Action team to be identified; Background research on fee structuring to be initiated and benchmarking against similar size metros; Timeframe for this output extended to August 2017</p> <p>Re-assign task responsibility due to resignation of Mr Toyer</p> <p>Subject draft report and proposed fee structure to internal review in order to achieve August 2017 target.</p> <p>This intervention has been added as an "action item" under the KPI ("Average</p> | <p>Item submitted on moratorium on fee increase to Human Settlements Standing Committee in March 2017 – Fees put on hold</p> <p>Background research and benchmarking on fee structuring against similar metro's prepared and preliminary proposal in terms of proposed fee structure drafted for internal consideration</p> <p>Task responsibility reassigned to Ms Yonke Gesha</p> <p><u>Draft item prepared for inclusion in Agenda of January 2018 Human Settlements</u></p> | <p>Internal consultation on Draft Fee Proposal not concluded. <u>On track</u></p> | <p>Require action to conclude Draft Fee Proposal and prepare for consideration during Budget Review. To be concluded by end of March 2018 <u>On track</u></p> | <p>Yonke Gesha Acting Chief Building Inspector</p> |



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| Intervention | Target at 30 December 2017 | Progress achieved August 2016 – 30 December 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|--------------|--|--|---------------------|-----------------|---------------------|
| | turnaround time for building plan assessment") in order to ensure action be given thereto. Proposals in relation to <u>revised fee structure to be submitted to Council for consideration</u> | <u>Committee. See PoE Con 2.1</u> | | | |



City Doing Business Getting Electricity Reform Progress Report

| Intervention 1: Reduce the number of days taken to issue a quotation | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|--|---|--|---|--|--------------------------------------|
| 1. Reduce the number of days to issue a quotation from 180 days to 60 days | Reduce the number of days to issue a quotation from 180 days to 60 days | The department has managed to reduce the no of days from 180 days to 80 days | Project Managers are adapting to the introduced process | Project Managers to report to the newly appointed Planning Engineer on the number of quotations received per depot and number of quotations issued to customer and provide valid reasons on quotations overdue by 30 days. This item has been added as one of the KPI's for the Planning Engineer. | Luvuyo Magalale Planning Engineer |
| 2. Create an Electricity Improvement Team | Team Create | Team Members are: | Target met. | None. | Roark Prinsloo Technologist |



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|---|---|---|---|---|--|
| | <p>3. Integrate process time frames to the KPI Company by issuing monthly progress report by type of customer</p> | <p>Customer Services (Onke Mayana), Planning (Luvuyo Magalela), Distribution Carl Hempel & Martin Basson), Technical Services (Lonwabo Ndialeni and Willem Van Jaarsveld).</p> | <p>Target met.</p> | <p>None.</p> | <p>Tando Tsepane Acting Senior Director - Projects</p> |
| <p>4. Strengthen the EPD (Electricity Planning Department) Organogram</p> | <p>Integrate process time frames to the KPI Company by issuing monthly progress report by type of customer</p> | <p>The department has added this process to the KPI's of E & E (Electricity and Energy) in the month of March 2017. Monthly reports are directed to the Senior Director – Projects from the office of the Planning Engineer.</p> | <p>The E & E department's to-be organogram structure is not yet approved by HR.</p> | <p>Students are currently used to assist the Planning department to project manage the new applications and upgrades.</p> | <p>Luvuyo Magalale Planning Engineer</p> |



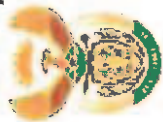
| | | | | | |
|---|---|---|--|--|--|
| <p>Intervention 2: On-line Application to apply for a new connection</p> | <p>Target at 30 September 2017</p> | <p>has been proposed to deal with new connections. Progress achieved August 2016 – 30 September 2017</p> | <p>Reason for Variance</p> | <p>Remedial Action</p> | <p>Responsible Manager</p> |
| <p>Improved business process to include automating application which will reduce the number of days from 180 to 10 days</p> | <p>Improved business process to include automating application which will reduce the number of days from 180 to 10 days</p> | <p>Grant funding has been approved.</p> | <p>Addendum signed. Please find the attached document.</p> | <p>Research for a suitable system to use for quotations.</p> | <p>Roark Prinsloo Technologist</p> |
| <p>Intervention 3: Hire external service providers to carry external works</p> | <p>Target at 30 September 2017</p> | <p>Progress achieved August 2016 – 30 September 2017</p> | <p>Reason for Variance</p> | <p>Remedial Action</p> | <p>Responsible Manager</p> |
| <p>Appointment of external service providers to carry the installation and</p> | <p>Appointment of external service providers to carry the</p> | <p>Document not ready.</p> | <p>The tender document was seen as a</p> | <p>Request For Proposals to be advertised</p> | <p>Roark Prinsloo Technologist</p> |



| alterations for business customers. Reduce the number of days from 90 to 45 days maximum | installation and alterations for business customers. Reduce the number of days from 90 to 45 days maximum | combination of all E&E tenders. | Reason for Variance | Remedial Action | Responsible Manager |
|---|---|--|---------------------------------|------------------------|---|
| <p>Intervention 4: Procure the major items for construction works</p> <p>Major items for construction works (transformers, etc) will be procured and stored at Supply Chain Management (SCM) stores, and be delivered to works Contractor for construction</p> | <p>Target at 30 September 2017</p> <p>Procurement of major items for construction works through existing 3 years contract and keep and at SCM stores.</p> | <p>Progress achieved August 2016 – 30 September 2017</p> <p>Major material has been ordered and stored at SCM stores</p> | <p>Target met.</p> <p>None.</p> | <p>None.</p> | <p>Humphrey Mthimkulu Senior Technician</p> |
| <p>Intervention 5: Install an Enterprise Asset Management System (EAMS/WMIS)</p> <p>Manage all the construction / installation works of the utility company with the</p> | <p>Target at 30 September 2017</p> <p>Integrating electrical connections in the ELLIPSE program (EAMS)</p> | <p>Progress achieved August 2016 – 30 September 2017</p> <p>A meeting held with ABB and it was recommended that a site visit be arrange to</p> | <p>Reason for Variance</p> | <p>Remedial Action</p> | <p>Responsible Manager</p> <p>Roark Prinsloo Technologist</p> |



| support of the work management system | | eThekweni Municipality to view and analyse their program | | | |
|---|---|--|--|---|---|
| | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Intervention 6: Create a Centralized Asset Database Create a centralized asset database (including customer connections) using the GIS to facilitate network operations and customer services | Create a centralized asset database (including customer connections) using the GIS to facilitate network operations and customer services | A funding application was made to SANEDI, due to lack of funding internally. The application was rejected by SANEDI. | There is currently no funding available. | Funding to be alternatively sourced from EDF programme. Submitted list of all E & E projects to EDF. Awaiting approval. | Humphrey Mthimkulu Senior Technician |
| Intervention 7: Introduction of a One Stop Customer Care Office Introduction of a one-stop customer care office for application, data-capturing, | No target set. Waiting for Retail and | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |
| | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |



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| distribution and issuing of quotations to customer. | Commercial to submit their Action Plans | Progress achieved | Reason for Variance | Remedial Action | Responsible Manager |
|--|---|--|----------------------------|---|--------------------------------------|
| Intervention 8: Create a One Stop Commercial care office | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Create a one-stop commercial care office for small and medium sized commercial and business customers in Uitenhage and Port Elizabeth | No target set. Waiting for Retail and Commercial to submit their Action Plans | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |
| Intervention 9: Create a Large Customer Unit | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Create a large customer unit for personalized full attention of large user, including small and medium sized commercial and business customers | No target set. Waiting for Retail and Commercial to submit their Action Plans | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |



| Intervention 10: Introduction of a call centre for full assistance | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|--|--|--|---|---|--------------------------------------|
| Specification of the call centre for full commercial and distribution assistance | No target set. Waiting for Retail and Commercial to submit their Action Plans | None. | No target set. | Setup a meeting with Retail and Commercial. | Onke Mayana Retail and Commercial |
| Intervention 11: Publish process information on the web site | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
| Publish on the NMBM's website all the information on the getting-electricity process | Publish on the NMBM's website all the information on the getting-electricity process | Compilation of relevant information to publish is underway. Should be finalised before end of November 2017. | Compilation of relevant information to publish is underway. | None. | Roark Prinsloo Technologist |

| MAJOR MILESTONE OR DELIVERABLE | TIME FRAME | COMMENTS |
|---|---------------------------------|---|
| Intervention 1: Reduce the number of days taken to issue a quotation | August 2017 to April 2018 | Project Managers are adapting to the introduced process |
| Output 1.1: Reduce the number of days to issue a quotation from 180 days to 60 days | | |



Nelson Mandela Bay Metropolitan Municipality

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| | | |
|--|---|---|
| <p>Output 1.2: Create an Electricity Improvement Team</p> | <p>Target met</p> | <p>A Getting Electricity Team has been confirmed. First meeting took place in August 2017.</p> |
| <p>Output 1.3: Integrate process time frames to the KPI Company by issuing monthly progress report by type of customer</p> | <p>Target met</p> | <p>The department has added this process to the KPI's of E & E (Electricity and Energy) in the month of March 2017.</p> |
| <p>Output 1.4: Strengthen the EPD (Electricity Planning Department) Organogram</p> | <p>To be confirmed</p> | <p>The department is currently busy with the to-be organogram structure, which is unapproved currently</p> |
| <p>Intervention 2: On-line Application to apply for a new connection</p> | <p>August 2017 to April 2018</p> | <p>Grant funding has been received from SANEDI through the Smart Grid project to address a portion on a simulated basis on 22 March 2017.</p> |
| <p>Output 2: Improved business process to include automating application which will reduce the number of days from 180 to 10 days</p> | | |
| <p>Intervention 3: Hire external service providers to carry external works</p> <p>Output 3: Appointment of external service providers to carry the installation and alterations for business customers. Reduce the number of days from 90 to 45 days maximum</p> | <p>August 2017 To February 2018</p> | <p>New time frame to be submitted</p> |
| <p>Intervention 4: Procure the major items for construction works</p> | <p>Target met</p> | <p>Major material has been ordered and stored at SCM stores</p> |



Doing Business in South Africa:

City Reform Progress Report

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| | | |
|---|---|---|
| <p>Output 4: Procurement of major items for construction works through existing 3 years contract and keep and at SCM stores.</p> | | |
| <p>Intervention 5: Install an Enterprise Asset Management System (EAMSWMIS)</p> | <p>August 2017 To December 2017</p> | <p>Site visit to be arranged with EThekweni Municipality before end of November 2017</p> |
| <p>Output 5: Integrating electrical connections in the ELLIPSE program (EAMS)</p> <p>Intervention 6: Create a Centralized Asset Database</p> | <p>To be confirmed</p> | <p>There is currently no funding available. Funding to be alternatively sourced from EDF programme. Submitted list of all E & E projects to EDF. Awaiting approval.</p> |
| <p>Output 6: Create a centralized asset database (including customer connections) using the GIS to facilitate network operations and customer services</p> <p>Intervention 7: introduction of a One Stop Customer Care Office</p> | <p>To be confirmed</p> | <p>Project Manager had a meeting with Retail and Commercial, action plans not submitted</p> |
| <p>Output 7: Introduction of a one-stop customer care office for application, data-capturing, distribution and issuing of quotations to customer.</p> <p>Intervention 8: Create a One Stop Commercial care office</p> | <p>To be confirmed</p> | <p>Project Manager had a meeting with Retail and Commercial, action plans not submitted</p> |
| <p>Output 8: Create a one-stop commercial care office for small and medium sized commercial and business customers in Uitenhage and Port Elizabeth</p> <p>Intervention 9: Create a Large Customer Unit</p> | <p>To be confirmed</p> | <p>Project Manager had a meeting with Retail and Commercial, action plans not submitted</p> |

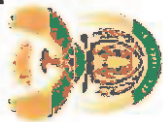


| | | |
|---|--|--|
| <p>Output 9: Create a large customer unit for personalized full attention of large user, including small and medium sized commercial and business customers</p> <p>Intervention 10: Introduction of a call centre for full assistance</p> | <p>To be confirmed</p> | <p>To be discussed with Retail and Commercial on the first team meeting scheduled 17 August 2017.</p> |
| <p>Output 10: Specification of the call centre for full commercial and distribution assistance</p> <p>Intervention 11: Publish process information on the web site</p> | <p>August 2017 To September 2017</p> | <p>Compilation of relevant information to publish is underway. Should be finalised before end of September 2017.</p> |
| <p>Output 11: Publish on the NMBM's website all the information on the getting-electricity process</p> | | |



City Doing Business Registering Property Reform Progress Report

| | Target at 30 September 2017 | Progress achieved August 2016 – 30 September 2017 | Reason for Variance | Remedial Action | Responsible Manager |
|---|--|--|---|--|---|
| <p>Intervention 1: Relaxation of requirement to hold security deposits for private developers</p> | | | | | |
| <p>Intervention 1: User acceptance testing Output 1.1 Establish group for testing. Setup testing environment. Test clearance application on EMS test base.</p> | <p>Target at 30 September 2017 Implementation scheduled to start end of April 2017</p> | <p>Progress achieved August 2016 – September 2017 Testing group and testing environment established.</p> | <p>Reason for Variance Service Provider did not deliver EMS system for testing as it is still under development</p> | <p>Remedial Action New date for going live with EMS system is 1 November 2017.</p> | <p>Responsible Manager Roelf Weyers Deputy Director: Rates & Valuations</p> |
| <p>Intervention 1: Training of clearance staff on the EMS System Output 1.2 Develop Training material Setup of training facility Physically training of staff</p> | <p>Target at 30 September 2017 Implementation to start between 15 June and end of June</p> | <p>Progress achieved August 2016 – 30 September 2017 No progress</p> | <p>Reason for Variance EMS system still under development</p> | <p>Remedial Action New date for going live with EMS system is 1 November 2017.</p> | <p>Responsible Manager Jodie Hill from Sebata (EMS System Service Provider) Johan van Vuuren</p> |

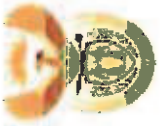


City Reform Progress Report

Nelson Mandela Bay Metropolitan Municipality

| | | | | | | Project Coordinator |
|--|---|--|--|---|---|---------------------|
| <p>Intervention 2: Going live with EMS System</p> <p>Output 2.1 Migration of data to EMS system. Going live with EMS system</p> | <p>Target at 30 September 2017 Implementation is scheduled for first week of July 2017</p> | <p>Progress achieved August 2016 – 30 September 2017 N/A</p> | <p>Reason for Variance EMS system still under development</p> | <p>Remedial Action New date for going live with EMS system is 1 November 2017.</p> | <p>Responsible Manager Pumeza Sume, Program Manager IT Pieter Visser from Sebata (EMS System Service Provider)</p> | |
| <p>Intervention 2: Review Action Reform Plan : Automation of Clearance Certificates</p> <p>Output 2.2 Research of automated clearance systems. Site visits to Local Authorities currently using automated clearance systems Consideration of best plan of action to achieve automated clearance system</p> | <p>Target at 30 September 2017 Implementation scheduled to commenced in August 2017</p> | <p>Progress achieved August 2016 – 30 September 2017 N/A</p> | <p>Reason for Variance EMS system still under development</p> | <p>Remedial Action New date for going live with EMS system is 1 November 2017.</p> | <p>Responsible Manager Roelf Weyers Deputy Director Rates & Valuations</p> | |

Cities Support Programme



national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Doing Business in South Africa:



City Reform Progress Report

Nelson Mandela Bay Metropolitan Municipality



Acceptance & Sign-Off

- Prepared By:**
1. Dawn McCarthy, Snr Director: Strategic Planning and Coordination
 2. Roelf Weyers, Dep Director: Rates & Valuations
 3. Karel Kramer, Chief Capital Accountant
 4. Humphrey Mtimkulu, A/Snr Director, Electricity Projects
 5. Schalk Potgieter, Dir: Planning & Policy Formulation

Approved By: Johann Mettler
City Manager
Nelson Mandela Bay Metropolitan Municipality

30 October 2017

| DRAFT ITEM FOR EXECUTIVE DIRECTOR'S REPORT TO HUMAN SETTLEMENTS AND OTHER COMMITTEES | | | | |
|--|--|---------------|-------------|-----------|
| PLEASE CHECK CAREFULLY, AMEND IF NECESSARY, INITIAL, DATE AND FORWARD TO NEXT OFFICIAL ON LIST | | | | |
| DATE OF MEETING: | | | | |
| | | DATE RECEIVED | DATE SIGNED | SIGNATURE |
| ⇒ | INITIATOR: | | | |
| ⇒ | SENIOR PROPERTY MANAGEMENT OFFICER: | | | |
| ⇒ | CHIEF FINANCIAL OFFICER (BUDGET AND TREASURY): | | | |
| ⇒ | FINANCIAL OFFICER (MS SMIT): | | | |
| ⇒ | ASSISTANT DIRECTOR : PROPERTIES AND PLANNING: | | | |
| ⇒ | DIRECTOR : LAND PLANNING AND MANAGEMENT: | | | |
| ⇒ | EXECUTIVE DIRECTOR : HUMAN SETTLEMENTS: | | | |
| ⇒ | ADMINISTRATION OFFICER: | | | |
| ⇒ | DIRECTOR : ADMINISTRATION SUPPORT: | | | |
| ⇒ | WORD PROCESSING (Brlster House): | | | |

Initiators are to send all items with a financial implication to the *Budget and Treasury Directorate* and are to **ENSURE** RETURN thereof to their Supervisor.

PLEASE INFORM THE WORD PROCESSING OPERATOR WELL IN ADVANCE IF ITEM IS WITHDRAWN / HELD BACK

KINDLY NOTE:

- ITEMS NOT DRAFTED IN THE ACCEPTED FORMAT WILL BE RETURNED TO THE INITIATOR AND WILL NOT BE INCLUDED IN THE AGENDA.
- ITEMS NOT COMPLETELY SIGNED OFF WILL BE RETURNED TO THE INITIATOR AND WILL NOT BE INCLUDED IN THE AGENDA.
- THE INITIATOR IS RESPONSIBLE FOR ALL SIGNATURES.

ITEM FOR HUMAN SETTLEMENTS COMMITTEE (LAND MATTERS)

SUBJECT: REVISION OF VARIOUS TARIFFS: BUILDING PLANS FOR THE 2017/2018 FINANCIAL YEAR
FILES: 5/5/1/16 (FT) (PG)

PURPOSE:

In terms of Clause 4(1) of the Financial Standing Orders, fees and tariffs must be reviewed annually in consultation with the Chief Financial Officer and the results thereof reported to the appropriate Standing Committee irrespective of whether the fees are to be changed or not.

BACKGROUND:

The annual increase in building plan fees had been in the order of 9% and would most like have been the suggested rate for the 2017/2018 period. Earlier this year it was suggested that an increase in building plan submission and other fees not be imposed pending the review of Councils Building Plan submission fee structure and the submission of a subsequent report in respect thereof.

The background thereto is as follows:

An international programme under the Sub-National Doing Business initiative was conducted by the World Bank here in South Africa which included all 9 major Municipalities. This was done to measure the comparative and competitive advantages of the major Municipalities. The National Treasury has been assigned with the responsibility to, with the collaboration of the other National Departments and the relevant local authorities, institute City Reform Action Plans in all the major cities in South Africa. The findings of the

audit along with the suggested reforms action plans were released and presented to National Treasury. It was agreed upon at National Level that these reforms would be implemented.

Workshops were conducted by the National Treasury in June 2016 and these introduced the national interventions towards the improvement of city performances against the criteria highlighted in World Bank audit/ assessment. Cities were encouraged to adopt and adapt those reform actions that were applicable to them to improve their systems collectively.

The aforementioned action plan incorporated three key interventions, i.e, (a) the streamlining of building plan submission procedures and processes; (b) the review of the fee structure; and (c) the development of an automated online Building Plan Assessment System (BPAS).

DISCUSSION:

The action plan in respect of the aforementioned review intervention is based on the notion of a temporary moratorium on the review of the fee structure and increase of building plan fees.

The audit done by the World Bank through National Treasury indicated that the Nelson Mandela Bay Municipality did not perform well in these assessments. Although the city showed the best result with the building plan assessment time frames, it performed the worst in building plan approval fees, making the Nelson Mandela Bay Municipality the most expensive in respect of building plan submission fees.

The objective should be to seek options and alternatives to maintain and where possible increase the income generated from the submission and assessment of building plan fees. An inter-departmental task team was formed to research, compile and benchmark with other major municipalities, namely Ethekewini, Ekurhuleni and Tswane Municipalities and has been included in the below annexure. This task team prepared and would submit proposals to Council and in order that the process of review and the introduction of a new or revised fee structure be completed within this financial year.

BENCHMARK WITH OTHER CITIES:

| Item | Tshwane | Ekurhuleni | Ethekewini | NMBM |
|--|---|---|---|---|
| Low cost housing | Nil | R49/unit | | Nil Above 40m ² , rate/m ² |
| Social housing | | | Nil | Nil |
| Government buildings | Nil | R49/unit | | rate/m ² |
| Temporary buildings | | Nil | | rate/m ² |
| Building plans appl. | R7/m ² | rate/m ² | rate/m ² (min R9.35/m ²) | rate/m ² |
| Renewal of lapsed plan | | rate/m ² | | ½ of original fees |
| Amended approved plans | R7/m ² | rate/m ² | rate/m ² | Full fees on additional |
| Swimming pools | R280.00 | R410.00 | | R740.25 |
| Boundary walls | R280.00 | | | R231/m |
| Cell masts/similar | R560.00 | R2890.00 | | R2993.00 |
| Multi developments on single erf | R7/m ² | rate/m ² | | Estimated value rate/m ² |
| Installation of fuel pumps | R560.00 | R450.00 | | Estimated cost of works Min rate R245.10 |
| Record purposes | R280.00 | | | R481.00 |
| Demolition permits | R3.50/m ² | R750.00 | R623.30 | R245.10 |
| Minor works permit | R280.00 | R410.00 | R94.00 | |
| Printing of copies | A4 – R 3.50 A3 – R 7.00 A2 – R14.00 A1 – R28.00 A0 – R56.00 | A4 – R 2.50 A3 – R 4.70 A2 – R 6.00 A1 – R12.80 A0 – R23.50 | A4 - R 1.00 A3 - R 2.00 A2 - R 5.50 A1 - R11.00 A0 - R22.00 | A4 – R 5.70 A3 – R 5.70 A2 – R 6.85 A1 – R 8.00 A2 – R10.85 |
| Plan viewing/search | Nil | R100.00 | R44.00 | Nil |
| Plan emailing | Nil | R 34.00 | R37.00 | Nil |
| Application certificate of occupation | | R450.00/unit | | Nil |
| Re-inspection fee | | R100.00/unit | | Nil |

Looking at the total composition of the building plan fees and offsetting the fees with those of the other major municipalities, there are currently a few services that the NMBM does not impose charges that could be reviewed.

WAY FORWARD:

It is envisaged that the inter-departmental task team implement some suggested action reforms and the process of a review and the introduction of revised fee structure be adopted for the next financial year. This team has also been tasked with the responsibility of creating more customer centric measures, which focuses on improving the customer satisfaction and experience when it comes to the building plan approval process.

We seek to propose this moratorium to be adopted for the next 5 years. And in that time implement other proposed SNDB action plan reforms and correct those that could be seen as weaknesses to improve building plan submission processes in the Nelson Mandela Bay Municipality. Amongst others the development of an automated online Building Plan Assessment System, in line with the action reforms highlighted by the World Bank to increase the competitiveness of the Metro.

FINANCIAL IMPLICATIONS:

The fees and charges are, in general, being increased by 9% which is in accordance with the rates and tariffs increases used in compiling the 2017/2018 draft operating budget.

Currently the high cost of building plan fees has the potential of chasing investors to more lucrative Municipalities, where fees are more compatible and affordable. This has been the case in the recent years, with the total building plan submission at a decline since the beginning of the recession in 2009/2010.

However, suggesting the building plan submission fees not increase in the next financial year, could be a potential revenue loss for the municipality. But adopting this notion, along with our strength of a 10 working day turn-around time for our building plan assessments has the ability of attracting more business to the city. Potential investors will be attracted by the price, ease and speed of construction in the city.

This would also be in line with the mission of the Municipality of assistance to the poor. In addition keeping the fees at a minimum could encourage more property owners to submit building plans and curb any illegal building construction in the Bay.

The inter-departmental team also suggested of doing away with the blanket approach of building plan submission fees. Building plan fees could be at a lower for the Ibhayi and surrounds residential property owners, and encourage more of these to submit applications for building plan approval.

The proposed fee structures form the basis of calculating the Income on the 2017/2018 Draft Operating Budget. These are shown in the annexure to this item.

An assessment of the total composition of the building plan fee structure was made, and conclusions drawn herein on how best to review the proposed fee structure.

Building plan fees 2016 - 2017:

1. RESIDENTIAL BUILDINGS

Dwellings, 2nd dwellings, granny flats, outbuildings, carports.
Awnings, additions, wendy houses, etc.

| <u>Floor Area</u> | <u>Present Fee</u> | <u>Proposed fee</u> |
|---|-----------------------|-----------------------|
| 0 – 30 m ² | R12.31/m ² | R12.31/m ² |
| 31 – 50 m ² | R24.60/m ² | R24.60/m ² |
| 51 – 100 m ² | R32.50/m ² | R32.50/m ² |
| 101 – 200 m ² | R40.32/m ² | R40.32/m ² |
| 201 - or more | R46.11/m ² | R46.11/m ² |
| New houses erected with subsidy funds obtained in | Nil | Nil |

accordance with the National Housing Subsidy Scheme for RDP housing projects.

| | | |
|---|--|--|
| Social housing | First 40 square meters per unit free, thereafter the normal fee. | First 45 square meters per unit free, thereafter the normal fee. |
| Re-validation of a building plan, previously approved, of which the period of validity has lapsed (within 12 months of date of approval)+ | Half of original fee | Half of original fee |
| Minimum fee R158.00 The full fee is vatable at 14% | | |
| All government buildings Religious and educational buildings. | Nil No separate fee | Nil Half of the normal calculated fee. |

Municipal valuation – residential houses (For statistical use only)

| | <u>Present Municipal Valuation</u> | <u>Proposed Municipal Valuation</u> |
|--|--|---|
| Dwellings, 2 nd dwellings, granny flats | R6734/m ² | R6734/m ² |
| Outbuildings, carports, awnings, etc. | R4792/m ² | R4792/m ² |

2. NON-RESIDENTIAL BUILDINGS

| <u>Type of Building</u> | <u>Present Estimate Of Cost</u> | <u>Proposed Estimate of Cost</u> |
|---|---|--|
| Carports and awnings | R2856/m ² | R2856/m ² |
| Factories, warehouses and parking garages | R3841/m ² | R3841/m ² |
| Flats, shops, offices, hotels, churches, halls, cinemas, hospitals and other buildings. | R5297/m ² | R5297/m ² |
| Pools (Residential and non-residential) | R740.25 pool | R740.25 pool |
| Boundary walls | R231/linear metre | R231/linear metre |
| Cellular Masts | R2993/mast | R2993/mast |
| <u>Farms:beneficial improvements</u> | | |
| All buildings used for bona fide agricultural purposes: | | |
| (Maximum fee of R3586 per building) | R2964/m ² | R2964/m ² |
| All other construction work | Estimated | Estimated |

| (Residential and non-residential) Formal quotation required where necessary for valuation disputes. | Construction Cost | Construction Cost |
|--|----------------------|----------------------|
| Re-validation of a building plan, previously approved, of which the period of validity has lapsed (within 12 months of date of approval) | Half of original fee | Half of original fee |
| All Government Buildings | Nil | Nil |

The calculation of the building plan fee being 0,9% of estimated cost as determined by the Building Control Officer in accordance with the above valuation rates with a minimum fee of R215,00 and the full fee is vatable at 14%.

A maximum fee of R137274 per building plan submission plus 14% Vat.

3. SUPPLY OF BUILDING STATISTICS

| <u>Present Tariff</u> | <u>Proposed Tariff</u> |
|-----------------------|-----------------------------|
| R515 per annum | R515 per annum plus 14% Vat |

4. APPLICATION FOR A DEMOLITION PERMIT

| <u>Present Tariff</u> | <u>Proposed Tariff</u> |
|-----------------------|------------------------|
| R422 per annum | R422 plus 14% Vat |

FEE ALTERNATIVES:

Looking at the total composition of the building plan fee structure, it is evident that there are services being by other municipalities which NMBM is not. We could look to offset any deficit in this avenue. NMBM do not charge building plan fees for any government buildings, we could look at charging submission fees here, perhaps at a lesser rate per m².

As previously mentioned in the proposal, Nelson Mandela Bay Municipality functions on a mandate of assisting the poor in the city. This could help do away with the blanket approach of charging the same fee per m² rate for all structures. Residential submissions for lbhayi and surround areas could be charged a lesser rate per m² than in the Port Elizabeth area. This would apply for the Uitenhage area as well. This could encourage more home owners in these areas to legalize their building structures, and have the potential of increasing the generated revenue.

We help a great number of the public obtain copies of their building plans in our archives system. We are proposing to also look at adjusting those fees, charge for a plan search or viewing fee as well as a fee for digital copies. This could also generate some income for the municipality.

RECOMMENDATION:

That the Council, in terms of Section 30(2) of the Local Government : Municipal Structures Act No. 117 of 1998 (as amended) and by resolution taken by majority of its full number, approve the tariff in respect of the scrutiny of building plans as reflected above.

It is recommended that the Council adopt the proposed fee structure for the 2017/2018 financial year. We propose that Council adopt this proposal for the next 5 years, and in that time assess whether the collective action reforms adopted have made the anticipated positive impact.