



ANNUAL REPORT:

BUFFALO CITY MUNICIPALITY AND BUFFALO CITY DEVELOPMENT AGENCY

Financial Year 2008 - 2009

VISION

A people-centred place of opportunity where the basic needs of all are met in a safe, healthy and sustainable environment

GLOSSARY OF ABBREVIATIONS

A.B.E.T.	Adult Basic Education Training
A.B.W.S	Amatole Bulk Water Supply System
A.D.M.	Amathole District Municipality
A.R.T.	Anti-Retroviral Therapy
B.B.B.E.E.	Broad-Based Black Economic Empowerment
B.C.M.	Buffalo City 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
C.B.D.	Central Business District
C.D.S.	City Development Strategy
C.I.P.	Capital Investment Plan
D.B.S.A.	Development Bank South Africa
D.C.S.A.	Daimler Chrysler South Africa
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.P.L.G.H.	Department of Provincial & Local Government & Housing

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.F.F.	External Financing Fund
E.L.	East London
E.L.I.D.Z.	East London Industrial Development Zone
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.H	Households
H.R.	Human Resources
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.N.E.P.	Integrated National Electrification Programme
I.P.M.S.	Individual Performance Management System
I.T.	Information Technology
KfW	German Development Bank
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.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.I.G.	Municipal Infrastructure Grant
M.S.	Municipal Scorecard
M.S.A.	Municipal Systems Act
M.T.I.E.F.	Medium-Term Income and Expenditure Framework
M.U.R.P.	Mdantsane Urban Renewal Programme
N.A.T.I.S.	National Traffic Information system

N.E.R.S.A.	National Electricity Regulator of South Africa
N.G.O.'s	Non-Government Organisations
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.M.S.	Performance Management System
P.M.T.C.T.	Prevention of Mother to Child Transmission
P.P.E.	Property, Plant & Equipment
P.P.P.'s	Public Private Partnerships
R.D.P 1	Reconstruction and Development Programme
R.D.P 2	Rural Development Plan
R.G.	Restructuring Grant
R.M.S.	Road Management System
R.W.S.S	Rural Water Supply Scheme
R.S.A.	Republic of South Africa
S.A.	South Africa
S.A.C.N.	South African Cities Network
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.P.S.P.	Sector Policy Support Programme
S.T.E.P.	Sub-Tropical Thicket Ecosystem Planning
U.N.C.E.D.	United Nations Conference on the Environment & Development
V.C.T.	Voluntary Counselling & Testing
V.I.P.	Ventilated Improved Pit Latrine
W.S.A.	Water Services Authority
W.S.D.P.	Water Services Development Plan
W.S.P	Water Services Provider
WC/WDM	Water Conservation and Water Demand Management
W.T.P	Water Treatment Plant

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PART 1: INTRODUCTION AND OVERVIEW

A. Overview of the Municipality

a) Geographic and demographic profile

Buffalo City Municipality in Context

Buffalo City is situated relatively centrally in the Eastern Cape Province, which is bounded to the south-east by the long coastline along the Indian Ocean. Buffalo City is one of the two major urban conurbations within the Eastern Cape Province.

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 2,536 km², with 68km of coastline.

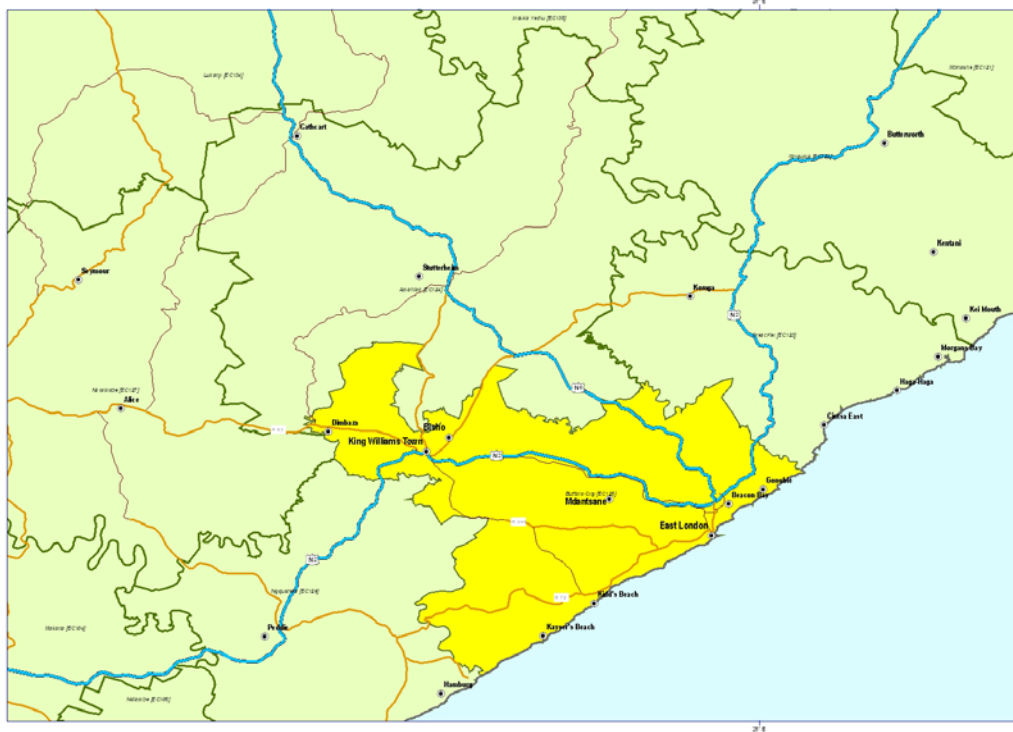


Figure 1: BCM Boundaries and Key Urban Centres Source: BCM GIS Department

The recent Community Survey conducted in October 2007 by Statistics South Africa, estimates the total population of Buffalo City to be 724 308, a marked growth from the

2001 census which put it at 701 895. However, the community survey does not provide a breakdown of the population figures per constituent areas of BCM as it is normally done in previous censuses. In the last two censuses the BCM population was broken down as follows:

Table 1: Population 2001 & 1996 (Census)

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

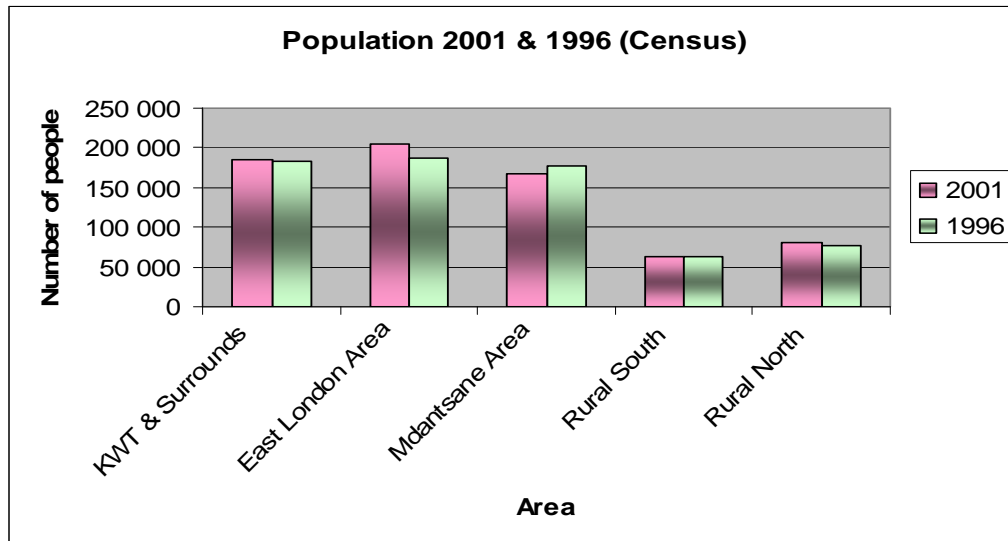


Figure 2: BCM Population 2001 & 1996

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

b) Buffalo City's Economy

Buffalo City is one of the key economic hubs of the Eastern Cape Province and is the most important economy in the eastern part of the Province. In 2004, it was estimated that Buffalo City contributed 23% to the total GDP of the Province and provided 19% of the Provinces formal employment opportunities.

Looking specifically at Buffalo City’s economy, it, like the South African economy, has over time shifted from primary and secondary sectors to a growth of the tertiary sectors. The top three sub sectors of BCM’s economy are Finance & Business Services, Manufacturing and Government Services.

The relative growth of the tertiary sector versus the primary and secondary sectors over the period 1995 to 2004 is graphically illustrated in figure B.3 below.

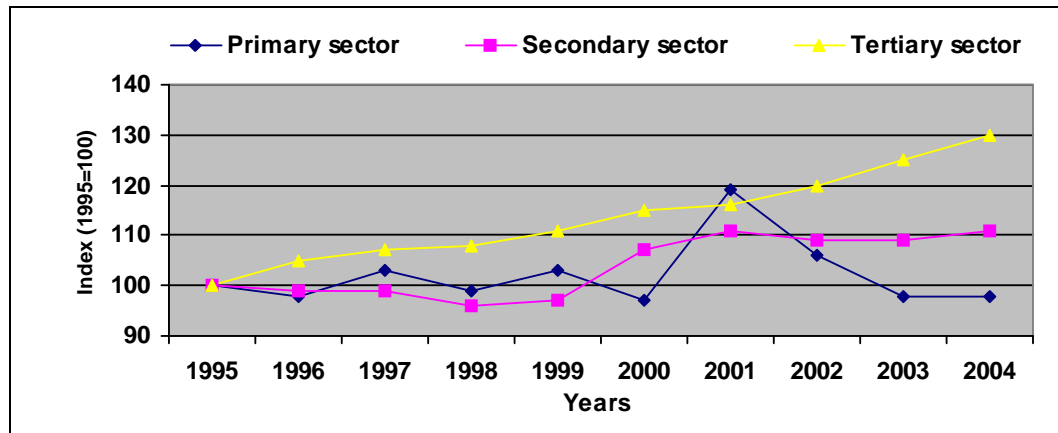


Figure3: Growth Trends in the Broad Sectors of the Economy of Buffalo City, 1995 – 2004, constant 2000 rands

Source: SACN Skills Report

The two major economic centres in BCM are East London and KWT. East London is a port city with a diverse economic base and home to companies such as Daimler Chrysler South Africa (DCSA), Johnson and Johnson and Nestle. Of concern is the many clothing and textile factories which have closed down and the vulnerability of the remaining factories.

EMPLOYMENT, INCOME & SKILLS

The shifts in the economy have implications for employment, with the past three decades showing a decline of employment in the primary (agriculture, mining) and secondary (manufacturing, construction) sectors and greater employment in the tertiary sector (transport, trade, finance, and services).

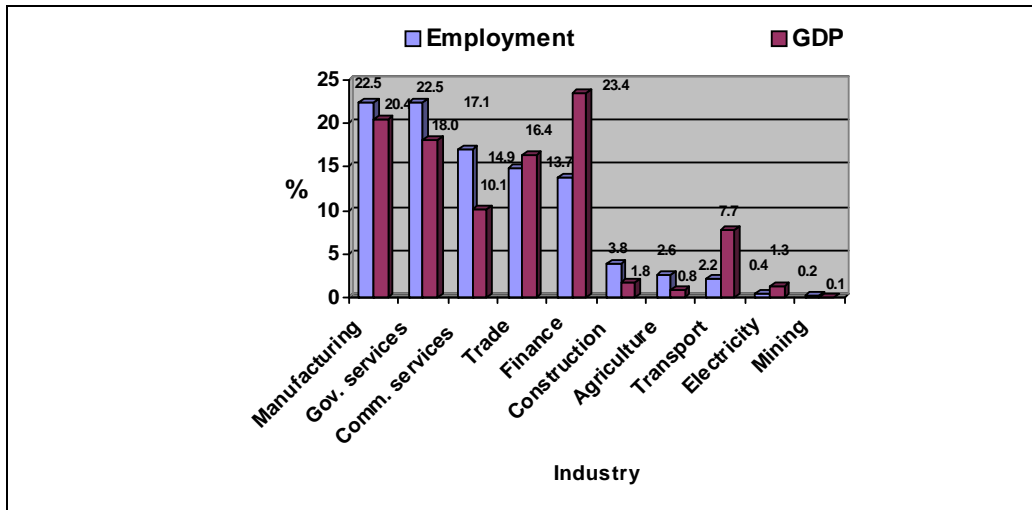


Figure B.4: Employment and GDP by industry, 2004

Source: SACN Skills Report

The largest contributors to job creation in Buffalo City Municipality, after government and community services sectors are finance, manufacturing and trade.

Cognisance also needs to be taken of the informal sector and its contribution to job creation in BCM. The SACN Skills Report defines the informal sector as the “economic activity that is not recorded in the national accounts and which is mostly unregulated.” Buffalo City has, in comparison to the other nine cities, a lower proportion of workers in the informal sector (23%) and a higher proportion of workers in the formal sector (77%).

B. Executive Summary

Buffalo City Municipality (BCM) is a Category B Municipality (Local Municipality) which is situated in the central part of the Eastern Cape Province. It is a mix of rural and urban areas and comprises a geographical area of 2515Km². The Greater East London and Greater King Williams Town corridor serve as the primary economic hub for the region. This strategic economic positioning has manifested in a high level of development and significant expansion over the past decade which has necessitated the Municipal Demarcation Board in cooperation with SALGA and the Minister of Cooperative Governance and Traditional Affairs to take the decision that the Buffalo City Community will best be served by a Category A (Metropolitan) Municipality.

BCM currently faces a multitude of challenges in terms of its service delivery levels and standards that will be amplified by the pending transition from a local to a metropolitan municipality if not addressed now. In addition BCM needs to assess what the implications of the transition will be on the institutional framework and planning processes of BCM and manage these impacts accordingly.

In line with the Constitutional doctrine of developmental local government, the key strategic thrust for BCM remains unchanged since the 2006 local government election. They are:

1. Drafting a clear, long term development strategy;
2. Improving financial viability;
3. Improving institutional capacity;
4. Reducing poverty and unemployment and boosting economic growth; and
5. Ensuring sustainable human settlements.

This has culminated in the development of six over-arching key objectives for BCM, which are detailed in the table below:

KEY ISSUE	BCM KEY OBJECTIVES
<i>Buffalo City lacks a clearly defined long-term development strategy this negatively impacts on the ability of BCM & Buffalo City stakeholders to work towards the achievement of Buffalo City's vision.</i>	BCM1 Local, Provincial & National stakeholders support and work together to achieve the vision for Buffalo City.
<i>The sustainability of BCM is dependent on expanding its revenue in relation to costs and its financial viability, whilst implementing its mandate.</i>	BCM2 Effective, efficient, co-ordinated financial management and increased revenue - enabling BCM to deliver its mandate*.
<i>Inefficiencies exist within the institution, which compromise BCM's ability to deliver services.</i>	BCM3 BCM's institution is capacitated and structured to enable efficient, effective, and sustainable service delivery.
<i>Low economic growth, high unemployment, low skills levels, high levels of poverty and high inequality exist within BCM.</i>	BCM4 BCM creates an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality.
<i>Whilst BCM delivers basic services (water, sanitation, waste removal & electricity) to about 70% of households, many households still lack adequate transport, social services, economic opportunities and an enriching environment.</i>	BCM5 Buffalo City is well structured, efficient and supports sustainable human settlements, thus enabling residents to meet their physical, social, developmental, environmental, cultural & psychological needs. (live, work & play)
<i>Lack of sustainable development and inappropriate use of resources has a harmful impact on the health and well-being of present and future generations of BCM.</i>	BCM6 BCM has a safe, healthy & sustainable environment protected for the benefit of present and future generations through securing ecologically sustainable development and use of natural resources, whilst promoting justifiable social and economic development.

The trust, under the political guidance of Council, has been to ensure that the objectives of democratic and accountable local governance are upheld at all times.

PART 2: KPA ACHIEVEMENT REPORT

Chapter 1: Human resource and other organization management –KPA 1

1.1 Presentation of the organizational structure (attached as annexure)

BCM has an organizational structure which is aligned to the IDP and is continuously reviewed in order to ensure operational effectiveness. The organizational structure comprises of a total of 4 954 funded posts. Of these funded posts, 465 are vacant as at 30 June 2009.

BCM has an office for the Municipal Manager and 8 Directorates. The Municipal Manager and Directors have all signed performance agreements and contracts which have been submitted to the DPLG, as required.

1.2 Staff development initiatives during the Financial Year

The following statistics reflect the staff development initiatives that occurred during the 2008/09 financial year:-

a)

Category	Number of Interventions	No. of People Trained
Legislators		
Directors & Corporate Managers	6	23
Professionals	7	133
Technicians & Trade Workers	12	191
Community & Personal Service Workers	9	86
Clerical & Administrative Workers	8	282
Machine Operators & Drivers	4	77
Labourers	4	203
Total No of Employees Trained	50	995

b)

Target Employment Category	Course Name	Skills Priority Area
Directors & Corporate Managers	Train the Training Manager	Training Skill
	Local Government	“ “
	Practical Innovation	“ “
	Change Leader	“ “
	Risk Management	“ “
	Leadership & Development for Women	“ “

Professionals	Project Management Municipal Finance Mngt Office Administration Diversity Management IDP GIS Mapping ICDL	Planning Training Skills " " " " " " Specialist Technical Specialist Technical
Technicians & Trade Workers	MS Word Handling of Disciplinary Enquiry Supervisory Training Skipper Licence Swimming Training Labour Relations Mobile Crane Operator Pollution Dangerous Goods Allycad Training Environmental Awareness Environmental Impact Assessment	Training Skill " " " " Specialist Technical Specialist Technical Training Skill Specialist Technical Training Skill Specialist Technical Specialist Technical Specialist Technical Specialist Technical
Community & Personal Service Workers	Customer Care Xhosa conversational Peace Officers Rescue Diver Course Environmental Management Firearm Refresher Drivers Licence Vehicle Examiner Biodiversity & Conversion Defensive Driving	Training Skill Training Skill Specialist Technical Specialist Technical Training Skill Specialist Technical Specialist Technical Specialist Technical Specialist Technical
Clerical & Admin Workers	Excel Computer Training Internet & Email Powerpoint Venus Access Records Management Secretarial Report Writing	Training Skill Training Skill Training Skill Training Skill Training Skill Training Skill Training Skill Training Skill
Machine Operators & Drivers	Safety Reps Code 8, 10 & 14 Drivers Licence Handyman Skills	Specialist Technical Training Skill Specialist Technical Training Skill

	(Plumbing etc.) Driver Oversee	
Labourers	ABET First Aid (Level 1-3) HIV & AIDS Cleaning	Training Skill Specialist Technical Training Skill Training Skill

1.3 Key HR statistics per functional area

The following information is provided as at 30 June 2009 re the Municipal Manager and Section 57 posts:-

1.3.1. a)

	Approved positions (e.g. MM-Sect 57 etc..)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1		1
2	Chief Financial Officer	1		
3	Director: Corporate Services	1	1	
4	Director: Engineering Services	1	1	
5	Director: Planning & Economic Development	1	1	
6	Director: Community Services	1	1	
7	Director: Executive Support Services	1	1	
8	Director: Health & Public Safety	1	1	
9	Chief Operating Officer	1	1	

b)

	Approved positions (Ex: Managers/Asst. Managers)	Number of approved posts per position	Filled posts	Vacant posts
1.	Director (1)	1	1	
2.	General Manager (3)	3	3	
3.	Manager (8)	5	4	4
4.	Constituency Co-	1	1	

	ordinator (1)			
5.	Special Advisor (1)	1	1	
6.	Manager: 2010 World Cup (1)	1	1	

1.3.2. Technical staff registered with professional bodies

Technical Service (e.g. water, electricity etc...)	Total number of technical Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Environmental	2	N/A	N/A	2
City Planning	1	1	0	0
City Planning (LUMS)	18	6	1	11
City Planning (Set. Planning)	2	2	0	0
City Planning (For. Planning)	3	1	1	1
Architecture	12	5	0	7
Survey Technicians	3	3	0	0
Land Surveyors	3	3	0	0

1.3.3 Levels of education and skills

Total number of staff	Number of staff without Grade 12 NQF 1 TO NQF 3	Number of staff with Senior Certificate only NQF 4	Number of staff with Tertiary/accredited professionals training NQF 5
5 420	3 031	1 069	1 320

1.3.4 Trends on total personnel expenditure

Financial years	Total number of staff	Total approved operating budget	Personnel expenditure	Percentage of expenditure
2006/07	5013	1,625,056,307	524,387,897	32,27
2007/08	5014	1,757,087,719	589,588,497	33,55

2008/09	5014	2,138,759,495	659,247,385	30,82
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1.3.5 List of pension and medical aids to whom employees belong (please add if necessary)

Name of pension fund	Number of members	Names of Medical Aids	Number of members
Cape Joint Pension Fund	55	LA Health	420
Cape Joint Retirement Fund	2033	Bonitas	1195
MEPF	2	Keyhealth	257
GEPF	310	Samwumed	408
SAMWU	1016	Hosmed	99
SALA	44	Total	2379
ECLA	664		
LGPF	27		
Orion	1		
Liberty Life (ELM Provident Fund)	294		
Sanlam	26		
Total	4472		

1.4 Senior officials' wages and benefits

Section 57 employees total package as at 30 June 2009:- 991 188 p.a.

1.5 Implementation of the Performance Management System (PMS):

Background

Integrated Development Planning, Budgeting and Performance Management are powerful tools which can assist Municipalities to develop an Integrated Perspective on development in their area. The Performance Management System monitors service delivery progress and provides focus towards priorities within an increasingly complex and diverse set of demands. It also links direct resources allocation and Institutional Systems to a new set of development objectives.

Chapter 6 of Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), requires local Government to:

- Develop a performance management system
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- Publish an annual report on performance management for the councillors, staff the public and other spheres of government.

- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- Conduct an internal audit on performance before tabling the report.
- Have the annual performance report audited by the Auditor- General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

On the 28 August 2007 Council approved Framework for Institutional Performance Management. The Framework contains an annual workplan with processes to be followed in developing and implementing Performance Management.

According to Buffalo City Municipal Internal Audit of the Performance Management System for the year 2008/2009 and the Audit report ending 30 June 2009 the following factors amongst others.

Items have been identified as reasons for the slow progress:

- The lack of continuity in both political leadership (e.g. the Executive Mayor is ultimately responsible for the performance of the institution) and senior management (prolonged absence of a municipal manager and high turn over of senior management) has contributed significantly to the non-alignment and misunderstandings with regard to the objectives of performance management;
- In this regard roles and responsibilities are not clear especially as relates to the role of the Municipal Manager – as delegated by the Executive Mayor – and the mainstreaming of performance management way from the silo mentality that suggestions that the implementation of PMS is the sole responsibility of the IDP Department to a broader understanding that performance management is a standard management line function;
- The misplaced notion the performance management is primarily about the payment of bonuses – this is arguably the single biggest factor that has hindered progress;
- The acknowledgement of early warnings from office of the AG and BCM Manager: Internal Audit that the institution is heading for a qualification on performance in the FY10/11 unless there is a major intervention on performance management.
- Given the challenges stated above progress in the mainstreaming and cascading of the PMS can only take place through the implementation of a change management exercise in BCM.

1.6 Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;				
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	29	29	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	8	8	100%	
4	Percentage of Managers in Technical Services with a professional qualification	361	361	100%	
5	Percentage of municipalities that have adopted the Performance Management System within the district area (DM only)				
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	5420	3500	64.58%	Last done in 2006 and partly done in 2008
9	Percentage of councillors who	89	80	89.89%	Non-availability of

	attended a skill development training within the current 5 year term				councillors due to council commitments
10	Percentage of staff complement with disability	47	47	100%	
11	Percentage of female employees	1849	1849	100%	
12	Percentage of employees that are aged 35 or younger	2380	2380	100%	

1.7 Major challenges and remedial actions in regard to human resource and organizational management

- **Recruitment of certain categories of staff**

Due to the scarce skills situation facing the entire country, BCM has struggled to recruit certain categories of staff, specifically technically orientated posts or other specialized posts such as Property Valuers. In order to address this situation, BCM has drafted a Talent Management Strategy which has been partially implemented.

- **Implementation of Job Evaluation**

All local authorities are changing from a plethora of grading systems to TASK grading. Implementation of this project which is run by the South African Local Government Bargaining Council, has been delayed due to the non-finalization of a wage curve setting out the monetary amounts linked to each post level. This delay has caused major staff dissatisfaction resulting in loss of staff, work stoppages etc. It would appear that this situation, which is beyond BCM's control, will be resolved in December 2009.

Chapter 2: Basic Service Delivery Performance

Highlights (KPA 2)

2.1 Water services

a. Water service delivery strategy and main role-players:

BCM is both the Water Services Authority (WSA) for its entire area of jurisdiction and the Water Services Provider (WSP) for the bulk of the area. The Amatola Water Board is the other WSP that is operational in the area.

Water Services Authority

BCM 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 restructured and appropriately resourced.

Water Services Provider

- BCM is the retail WSP for its entire area of jurisdiction and the bulk WSP for three of the six surface water supply schemes servicing BCM and all the groundwater schemes.
- Amatola Water is the bulk WSP on the remaining three surface water supply schemes, delivering 32% of the total volumes of potable water consumed within BCM.
- Amatola Water also deliver raw water in bulk to both the BCM (supply to the KWT water treatment plant) and Da Gama Textiles in the KWT area.

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.

BCM 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.

b. Levels and standards in water services:

Rural:

The level of service for households outside of the Urban Edge is the basic level of service (i.e communal standpipes at RDP standards).

Urban:

The level of service for households within the Urban Edge is as follows:

- Target level: erf connection and water borne sanitation; and
- Minimum level: yard connection

Low Income Housing:

The objective of BCM is to move all residents residing in informal settlements into formal housing. This will result in those currently receiving a sub-RDP level of service, receiving a RDP or higher level of service. 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). Therefore, there is a need to review this default policy and investigate alternative technology options, which will both have reduced impact in terms of water service provision requirements and are acceptable to communities.

Although the actual numbers and delivery rates of low income housing are uncertain, it is anticipated that there may be a significant increase in low income housing units in the short to medium term, with higher levels of service being provided.

Other:

At present the policy is not to provide services to caravan parks, private share blocks and farms etc. outside of the Urban Edge. It is anticipated that this policy will continue in the short to medium term, unless these can readily be serviced from existing schemes/ infrastructure.

c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual	Number of HH/customer reached during the FY	Percentage of achievement during the year
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				numbers)		
1	Percentage of households with access to potable water	97%	7671	0	120	2%
2	Percentage of indigent households with access to free basic potable water	47%	7671	0	120	2%
4	Percentage of clinics with access to potable water	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to potable water	DWAF Initiative	DWAF Initiative	DWAF Initiative	DWAF Initiative	DWAF Initiative
6	Percentage of households using buckets	0	0	0	0	0

d. Major challenges in water services and remedial actions

BCM is currently serviced by 4 No. regional surface water supply schemes located primarily within BCM, 2 No. surface regional water supply schemes located primarily outside of BCM but feeding portions of BCM, 1 No. regional groundwater scheme and a number of smaller local groundwater schemes.

- The main schemes, which service around 81% of the BCM population reside within the KWT/East London corridor, are as follows:
 - 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 BCM 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, 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 WTP is operating near capacity, the same applies for the Sandile RWSS;
- 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;
 - The conveyance capacity of the Ncera pipeline and the ability to feed Kidds Beach;
 - The absence of a dedicated bulk supply system for large parts of East London and also in the Breidbach area;
 - The zoning in East London, KWT, West Bank & Gonubie;
 - High water loses in the Duncan Village/Gompo and KWT areas; and
 - Lack of accurate as-built record for infrastructure in the Dimbaza and Zweltisha areas.

OBJECTIVES:
<ul style="list-style-type: none"> • Infrastructure of adequate capacity to reliably meet existing and expected demands in key identified development areas within BCM, within 5 years. • Infrastructure of adequate capacity to reliably meet existing demands within with identified supply problem areas, within 5 years.
IDENTIFIED STRATEGIES
<ul style="list-style-type: none"> • Engage with the City Planning Department and IDP Unit in general and the Housing Branch in particular, to obtain greater clarity with regard anticipated future housing requirements with BCM and: <ul style="list-style-type: none"> ➤ The key development areas within BCM;

<ul style="list-style-type: none"> ➤ Housing demands and level of service requirements; ➤ Other anticipated development.
<ul style="list-style-type: none"> • Via the ongoing Water Services Master Plan: <ul style="list-style-type: none"> ➤ Develop and calibrate hydraulic models; ➤ Review the implication of various scenarios (ranges) of levels of service; ➤ Present findings to Council for consideration; ➤ Review level of service policy; and ➤ Undertake detailed master planning based on the reviewed / adopted level of service policy.
<ul style="list-style-type: none"> • Define WC/WDM as the key service delivery objective and implement WC/WDM initiatives on a sustained basis as defined in terms of strategies defined previously.
<ul style="list-style-type: none"> • Form part of the committee to be established to implement the Reconciliation Strategy for the ABWSS and assist in investigating measures of institutional reform leading to operational efficiency of key bulk water supply infrastructure components.
<ul style="list-style-type: none"> • Undertake the necessary master planning to: <ul style="list-style-type: none"> ➤ Adequately identify and cost the infrastructure upgrade requirements for BCM in general, and the key delivery areas in particular; ➤ Review zoning, storage and requirements; ➤ Identify areas with surplus capacity where development and readily proceed; ➤ Determine appropriate/affordable levels of service; ➤ Identify, prioritise and package projects for implementation
<ul style="list-style-type: none"> • Investigate alternative measures to obtain the necessary funding to undertake the required capital works, including the following: <ul style="list-style-type: none"> ➤ Private sector contributions; ➤ PPP intervention.
<ul style="list-style-type: none"> • Progressively upgrade existing and build new infrastructure, focusing on areas with current shortages and identified priority development areas.
<ul style="list-style-type: none"> • Address the rural backlogs as identified in terms of the interim rural water master plan.

2.2 Electricity services

a. Electricity services delivery strategy and main role-players

The Electricity Department is in the process of formulating an Electricity Master Plan for the whole of BCM. This plan is programmed to be completed by the end of November 2009. The master plan will provide information concerning the electricity network and the investment that will be required to ensure a stable electricity supply into the future.

In terms of electrification of RDP housing the electricity Department in conjunction with the Department of Energy (DoE) provide electricity to formal houses. The Electricity Department requests funding for electrification through the DoE's Integrated National Electrification Program (INEP), the number of houses electrified is dependant on the funding allocated and the number of houses completed.

Investigation has been done into electrification of shacks within BCM area; the following must be complied with if BCM is to proceed with plans of reducing electrification backlog:

- The area needs to be proclaimed;
- An area plan needs to be approved by the Surveyor General;
- The Department of Energy needs to be assured that any additional costs that may be incurred after the electrification will be for the BCM account and no additional funding will be requested.

It should be noted that when electrifying shacks additional costs will be incurred as when the formal house is built the electricity connection needs to be moved from the shack to the house. Either home owner will need to cover this cost or BCM will have to provide the funding. The DoE also provide funding to upgrade the electrical network if it is required to supply electricity to low income areas. BCM has been the recipient of two such projects namely Reeston and Queens park Zoo Sub- stations. Due to the shortage of internal staff the electricity department complement internal staff by using contractors and consultants to provide assistance when required.

b. Level and standards in electricity services

The BCM electricity Department provided a higher than normal low level of electrical connection in terms of low income supply, the normal level is to provide a supply of 20 amps per consumer, the Electricity Department provide a supply of 40 amps to all RDP Housing projects.

Access to this supply for low income consumers is through the INEP funding and a subsidised connection fee. A standard supply to non RDP consumers is through the annual tariff as approved by council. For major connection to the network, connections are done on an actual cost basis. All network connections are done to accepted BCM standards. With the new amendments to the constitution, REDS may be implemented in the near future therefore the ring fencing of the electricity department needs to be updated and a final section 78.4 decision needs to be taken to ensure that BCM is ready to move to REDS.

c. Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	97% of all formalized dwellings have access to electricity	2000	1288	1288	65%
2	Percentage of indigent households with access to basic electricity services	45% Based on all HH (including informal HH)	75 000 Based on all HH (including informal HH)	1288	1288	2%
4	Percentage of indigent households with access to free alternative energy sources	NIL				

d. Major challenges in electricity services and remedial actions

- **The Electricity Department have estimated a backlog of refurbishment, capital replacement and capital investment of R480 million.** The budget provided to the electricity department is not adequate to reduce the backlog, for the network to remain stable into the future the investment into the network needs to be provided. The master plan being completed will provide a tool to be used to identify the areas requiring immediate action.

- A **shortage of electrician country wide** has had a major impact on the electricity department where a number of contracts have been required to ensure that an acceptable level of service is maintained it is not seen that in the near future this situation will change and the use of contractors will remain as the option to maintain the acceptable levels of service. Due to the shortage of electrician country wide we need to implement a skill retention policy as a matter of urgency.
- 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.

2.3 Sanitation

a. Sanitation services delivery strategy and main role-players

Buffalo City Municipality is a designated Water Services Authority. BCM is also the main Water Service Provider (WSP) within its area of jurisdiction, undertaking all retail functions throughout BCM and the bulk functions for wastewater.

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

Provision of Basic Services

- *Inside Urban Edge:*
 - Informal settlements
 - ✓ Interim services are provided by BCM's Social Services Department to existing informal settlements;
 - ✓ The provision of internal services to new RDP and social housing is undertaken by the Housing Branch as part of the housing programme. The Engineering Department is however responsible for the provision of the bulk services to support these developments;
 - "Rural" settlements (no formal planning)
 - ✓ No interim services are provided;
 - ✓ The provision of internal services to new and/or existing houses is undertaken by the Housing Branch and/or the Engineering Department, depending on the nature of the settlement upgrade proposed (i.e. type of service to be provided). The Engineering Department would be responsible for the provision of the bulk services to support these developments, if higher levels of service are to be provided, or to provide the on-site facilities where basic services are to be provided.
 - *Outside Urban Edge:*
 - ✓ No interim services are provided;
 - ✓ The provision of basic services is undertaken by the Engineering Department.

b. Level and standards in sanitation services

Level of Service:

Rural:

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

Urban:

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

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

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

Low Income Housing:

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

Middle & High Income Housing:

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

c. Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households	63%	82131	2900	1432	50%

	with access to sanitation services					
2	Percentage of indigent households with access to free basic sanitation services	Finance Department				
4	Percentage of clinics with access to sanitation services	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to sanitation services	DWAF Initiative	DWAF Initiative	DWAF Initiative	DWAF Initiative	DWAF Initiative

During the 2008 – 2009 financial year various low cost housing projects were implemented by Buffalo City Municipality. These projects have received subsidy grant funding from the Provincial Housing Department in the amount of R185 million. The funding was to undertake the provision of 4819 serviced sites and for the construction of 3304 top structures.

Within the financial year 1215 sites were provided with internal services, 1715 sites excavations were done, 1237 top structures were built to roof level, 1204 were at wall plate level, and 1043 were certified completed and handed over to beneficiaries.

d. Major challenges in sanitation services and remedial actions

- 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 BCM. These settlements are serviced by 9 No. wastewater treatment works, 6 No. oxidation ponds and 1 No. sea outfall, each with their own catchment area. The condition of the sewerage infrastructure throughout BCM is generally one of inadequate capacity, old infrastructure, resulting in periodic spillages into the river systems. Due to the topology 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 implications on the service branch. Upgrading the capacity of certain waste water treatment works in support of housing developments e.g. Gonubie, Reeston, Central and King Williams Town and surrounds; and Refurbishing and/or augmentation of key interceptors, rising mains and pump stations is required.

The sanitation backlogs will be addressed through two different programmes.

- *Rural households*, including those within the Urban Edge, will be addressed by the Engineering Department through a backlog eradication programme. The necessary planning and funding application in this regard has already been completed and delivery is therefore entirely dependent of funding availability. The objective is however to deliver this service within the time frames set by National Government. The current backlogs are estimated at 82 131 households
- *Informal households* within the Urban Edge will be provided with services via the housing backlog eradication programme. The rate of delivery in this regard will to a large extent be dependent on the planning of others and bulk infrastructure capacity constraints. The current objective is however to eradicate this backlog by 2014.

2.4 Road maintenance

a. Road maintenance services delivery strategy and main role-players

Road maintenance/works are carried out by the Construction and the Roads branch respectively. Construction Branch currently fulfils two basic portfolio's, namely:

- An "In-House" Civil Engineering Consulting/Construction facility for other Branches / Departments / Directorates, which includes Engineering Advice, Design, and Implementation of Small Engineering Works to fulfil internal needs ie. Parking Areas, Road Access to Pump Stations, etc.
- An "In-House" Construction facility for other Branches / Departments / Directorates to implement "Fast Track Projects" to cut out the need of appointing Consultants and to beat the Financial Year End ie. Speed Humps, Taxi/Bus Embayments, Traffic Circles / Round-a-Bouts, etc.

The Construction branch is also responsible for the following:-

- Construction of surfaced and gravel roads (including road-side furniture);
- Construction of traffic and pedestrian facilities on proclaimed roads (including signage, traffic circles, raised pedestrian crossings);
- Construction of sleeved road crossing for services across proclaimed roads;
- Construction of minor stormwater systems; and
- Construction of small civil engineering works.

The Roads branch is responsible for the following:-

- Maintenance and construction of surfaced proclaimed roads (including road-side furniture);
- Maintenance and construction of gravel proclaimed roads (including road-side furniture);
- Maintenance and construction of major and minor stormwater systems;

- Maintenance and construction of minor and major structures (culverts, bridges, retaining walls);
- Maintenance of railway sidings and
- Managing all activities within the road reserve (design approvals, wayleaves, accommodation of utilities, traffic calming facilities).

b. Level and standards in road maintenance services

In terms of the construction of minor civil engineering works the following service delivery high lights were achieved:

Mzamom’hle Sidewalks:

- 2.5km of asphalt sidewalks and barrier rails to the Mzamom’hle Access road, inclusive of taxi facilities. Speed humps and Pedestrian Tables.

12th avenue circle:

- Construction of a Traffic Mini-Circle at the intersection of 12TH Avenue and 5th streets in Gonubie.

Botha/Gately Circle:

- Construction of a Traffic Round-a-Bout at the intersection of Botha Road and Gately Street, Selborne.

Speedhumps and Tables:

- Construction of approximately 200 speedhumps and tables around Buffalo City. Specifically targeting King Williams Town, Zwelitsha, Dimbaza, Needs Camp and Sweet Waters.

Electrical Ducting:

- Installation of approximately 100 ducts across public roads to provide electricity to sub divisions.

Ziphunzana by-pass guardrails:

- Installation of approximately 1.5 kilometres of Sidewalks to the Western edge of the Ziphunzana By-Pass to create a safe environment for Gompo pedestrians.

Lane dividers to Ziphunzana by-pass:

- Installation of center-line “Vuka” bumps along the Zipunzana By-pass to prevent motorist from drifting over onto on-coming traffic.

Solid Waste Washbay:

- Construction of a shadeport wash bay structure to wash trash compactors at the Cambridge

TRANSFER STATION

SOLID WASTE CARPARK:

- Construction of an asphalt car park at King William's town Solid Waste Dept.

In spite of experiencing a challenging year, due to the lack of capital funding; numerous performance highlights were achieved regarding the maintenance, rehabilitation, upgrading and construction of the formal road network (both surfaced and gravel) of the Municipality. Some of these highlights include:

- The replacement of 120 numbers of railway sleepers;
- 80m2 of vegetation controlled on rail tracks;
- Bridge Maintenance - Painting of Buffalo Bridge;
- Sidewalks repaired – Concrete 120m2, premix 360m2 slurred;
- Pothole Repairs – 102889,6m2 potholes repaired;
- 540km of roads works bladed (457km) and regravelled (83km);
- Stormwater Repairs – Pipes Jetted 138,9km;
- 191m Pipes repaired, 3979 Catch-pits cleared of debris and 147 Manholes repaired;
- 27km of gravel road works were surfaced throughout Buffalo City Municipality.

PMU/PIU

The Projects Department achieved an 80% expenditure rate of its Municipal Infrastructure Grant (MIG) funding allocation, which amounted to approximately R110 million for the period under review.

EPWP LEARNERSHIP

Training of 10 Contractors and 20 Supervisors in terms of the Expanded Public Works Programme (EPWP), with the second contracts of R1 500 000 per contractor already having been successfully completed, provide CIDB registration capability of Grade 4, third and final classroom training completed in October 2008.

c. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	10%	300km	50	100	80%
2	Percentage of	57%	300km	90	100	85%

	road infrastructure requiring upgrade					
4	Percentage of planned new road infrastructure actually constructed	15%	300km	50	100	85%
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	10%	300km	50	100	85%

d. Major challenges in road maintenance services and remedial actions

The Municipality has insufficient funding for maintenance. The only available funding is for reactive maintenance which is unplanned maintenance. This leads to the municipality having to always make ways and means in dealing with deferred maintenance which is estimated at +/- R 500million.

Challenges:

- Inadequate funding to address backlogs;
- No sufficient Plant, dependant on Plant Hire (TLB's, Trucks, Graders) etc;
- Staff complement not responding to challenges, eg. unfunded critical positions.

2.5 Waste management

a. Waste management services delivery strategy and main role-players

The Municipality is responsible for refuse collection services (domestic, commercial, garden refuse) and the management and operations of its own disposal facilities. With the exception of Mdantsane which is serviced through contracted service providers, all other areas falling within the jurisdiction of Buffalo city are serviced by the municipality.

Collection of refuse among households is done on a weekly basis even though some sections of the city receive a more frequent clearance based on the needs.

One of the key role players in waste management is the public (including business) whose responsibility extends to ensuring (in their daily practices) strict compliance with waste by-laws passed by the municipality as well as other important National environmental legislation aimed at promoting general cleanliness and environmental sustainability. They are also expected to pay the applicable refuse tariffs as set by Council.

The Integrated Waste Management Plan was adopted by Council in 2003 also in line with the National Waste Management Strategy. Sections of the plan have been implemented namely, commissioning closure and rehabilitation of all illegal sites, the purchasing of new refuse compactor trucks and developing an institutional framework to enable the effective delivery of waste management services. The plan however needs urgent review to align Buffalo City Municipality with the new Waste Management Act 2009. As the plan is now outdated this will surely impact on Waste Management within the section.

b. Level and standards in waste management services

Most of the areas receiving refuse collection services are in the immediate vicinity of the city such as Townships, suburban areas and the city itself. Rural areas, some informal settlements and farms are by far the most under serviced areas of our municipality due to a number of factors which have until now made it impossible for the municipality to roll out collection services fully to those areas.

The reliability of the service itself requires urgent and much needed attention. Many areas warrant a more than once collection service now due to growth but this cannot be effected immediately due to current capacity constraints. There is also a strong desire to upgrade the level of service from issuing black bags for refuse containment to using 2-wheeled bins especially considering the unhygienic aspects with using refuse bags that can be torn apart easily by scavenging animals.

The department has this year set itself the task of improving access to basic refuse collection services in the areas previously not covered.

It is important to organize additional resources to beef up existing capacity in order to ensure that this ideal is attained.

c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services					

d. Major challenges in waste management services and remedial actions

The rendering of waste collection services using the in-house option rather than outsourcing does require investment in the form of staff, heavy equipment such as trucks as well as budget. A fair allocation of these resources would ensure optimal service provision.

- One of the key challenges is to realign the existing institutional arrangements within Solid Waste to ensure that it delivers effectively on the expected core mandate;
- Other sector interventions include “round balancing” of the areas to ensure a fair and equal distribution of work among employees;
- The next phase concerns staffing requirements which should ensure that only sufficient staff resources are made available to match the current demands. Perhaps phasing in the (2- wheeled bin) system which requires fewer staff to operate than the current refuse bag system might provide some solution to the staffing problem experienced;
- A combination of all the above would without a doubt ease our continued reliance on overtime to run operations;
- It is also important to begin exploring other alternative service delivery models especially where there is a capacity problem;
- Insufficient Street litter bins which must be vandal proof and placed at various strategic locations of the City is another area where great improvement is needed. Without these facilities it is proving difficult to manage the litter problem and this in turn becomes very costly for the municipality;
- The closure of second creek has not been without its own unintended problems either. Since its closure there has been an escalation in the incidents of illegal dumping. One of the reasons for this is that the Round hill site is perhaps too far to access for most people and private contractors. Ideally the municipality should have an [illegal dumping control and bylaw enforcement] unit embedded within Solid waste;

- Greater effort is required to improve on the waste minimisation strategies, particularly recycling. Apart from the many commercial recyclers plying their trade in the municipality Council must of necessity set up a transfer facility which while promoting recycling would have a significant impact in the minimisation of waste that eventually lands in the dump (landfill site). This would in turn prolong the lifespan of the site.
- Setting up a transfer station would also ease up the current operational problems whereby refuse trucks have to travel distances far in excess of 15 kilometres to the Berlin site, which significantly affects our turn around times and the life of these precious vehicles.

2.6 Housing and town planning

a. Housing and town planning services delivery strategy and main role-players

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

In terms of section 83 of Local Government: Municipal System Act, 2000 (Act 32 of 2000) and The Housing Act (No. 107 of 1997) a Housing Sector Plan (HSP) has been compiled and adopted for the period 2008 – 2012. HSP's are intended to be guiding documents that will help the municipality achieve the objective of providing sustainable housing for its residents. The HSP is based on the principles, policies and proposals of the Housing Policy and Implementation Plan, (HPIP) prepared in 2003

As a contribution to the HSP the City is busy drafting an integrated sustainable Human Settlement Plan (IHSP) that would define what is required to unlock housing delivery in a particular area of BCM & what other social, infrastructural goods and services would be required to do so in a holistic and integrated way. IHSP will be part of the IDP and would not be seen as a stand-alone "Strategic Planning Document".

The Municipality also acts as developer by undertaking the implementation of low cost housing projects.

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

- Emergency housing programme
- Upgrading of informal settlement programme
- Rural housing subsidy programme
- Project linked subsidy programme
- Disposal of municipal housing stock (discount benefit scheme).

- Social Housing support programme
- Consumer education

The main role-players are as follows:

Main role players	Roles played
Housing Department within the Office of the Chief Operating Officer.	Strategic planning , housing management, coordination and implementation
Directorate of Engineering Services.	Provision of bulk infrastructure services and internal reticulation services
Directorate of Planning and Economic Development.	Spatial planning, land identification, township layout, approval and survey.
Directorate of Community Services.	Environmental Impact assessment
Directorate of Finance.	Capital and Operating budget management.

b. Level and standards in Housing and town planning services

- With regard to Housing the SABS standards and National Building Regulations are applied. The minimum standards as set out in the Specifications of the Norms and Standards in respect of permanent residential structures are applied.

Density	Dwelling units per hectare	Erf sizes
High	50 + du/ha	n/a
Medium	20-50 du/ha	80 to 240 metre square
Low	5- 20 du/ha	300 to 1000 metre square

c. Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	+/- 43022	75000	5000	5000	60% (change)
2	Percentage of informal settlements					

	that have been provided with basic services					
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	100% (change)	+/- 43022	5000	5000	60%

During the 2008 – 2009 financial year various low cost housing projects were implemented by Buffalo City Municipality. These projects have received subsidy grant funding from the Provincial Housing Department in the amount of R185 million. The funding was to undertake the provision of 4819 serviced sites and for the construction of 3304 top structures.

Within the financial year 1215 sites were provided with internal services, 1715 sites excavations were done, 1237 top structures were built to roof level, 1204 were at wall plate level, and 1043 were certified completed and handed over to beneficiaries.

d. Major challenges in housing and town planning services and remedial actions

Challenges (Housing)

- 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.

Remedial Action (Housing)

- 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.
- Effective stakeholder partnerships are required and in order to have effective participation it is necessary to establish an emerging contractor skills training and mentorship programme.
- Meeting the backlogs and addressing the housing needs of all income groups over the next five years.
- 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.
- 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.
- Acquisition and preparation of land is considered a vital component of housing delivery.
- 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.
- 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.

2.7 Spatial planning

a. Preparation and approval process of SDF

DEVELOPMENT PLANNING AND SPATIAL PLANNING: CITY PLANNING

Ensuring the sound future development of Buffalo City Municipality and the effective and efficient land use in all existing urban and rural areas is a key objective of the municipality. In accordance with this objective the municipality has achieved the following:

SETTLEMENT PLANNING

A number of major urban settlement planning projects were completed during 08/09:

Quantified achievements 2008/2009

- Haven Hills for 145 erven
- Ndancama (Scenary Park) for 608 erven
- Lillyvale: – Planning completed and approved for 96 erven
- Yellowwoods/Kei Road Zone Plan as follows:
- Majali, Kwatrain & Nkqonkweni for 1037 erven
- Mdange, Drayini & Esixekweni for 1096 erven
- Hanover Phase 1&2 for 663 erven
- Skobeni for 675

The following projects also commenced

- Informal Settlement Upgrading Study and Implementation Programme;
- Duncan Village – planning for township establishment for land parcels identified in Phase 1;
- Second Creek Informal Settlement – in-house planning of the land for 297 erven finalization will be determined by the findings of the EIA to be undertaken;
- Formalization of the Mdantsane Infill areas.

National Policy and Targets

Eradication of shacks by 2014 and Sustainable Human Settlement Programme

Over the last two years, the area of focus of the National Department of Housing has undergone significant changes. In the place of its initial concern with merely eradicating the enormous housing backlog facing the country back in 1994, the department has made a fundamental shift to “the total settlement” in which “the house” and those inhabiting it are located. This has found expression in the “Breaking New Ground” Policy, and the vision of “Sustainable Human Settlements” (SHS) set out in this policy. It is government’s stated intention that informal settlements should be eradicated and upgraded by 2014.

The formulation of Spatial Development Frameworks such as the DVLSDF provides a spatial focus for Council to implement the above programme by indicating land for the different housing needs of the community.

The settlement planning programme that takes its cue from the spatial policy has made progress each year with the approval of layouts so that houses can be built and families can be settled on rural land.

FORWARD PLANNING (SPATIAL PLANNING)

Impact

The numerous SDF and Local SDF's completed by this division serve guide public and private investment. The approval of layouts for communities assists with the eradication of shacks and poverty. The approval of private development proposals allows the economy of the city to grow and allows businesses to create jobs and the city to increase its rates base.

Quantified Achievements 2008/09

Approval of the following Local Spatial Development Framework (LSDF):

- Bonza Bay Road LSDF
- Vincent Berea Amendment LSDF
- Rockcliff Framework Plan

The following Local Spatial Development Frameworks commenced and the Situation Analysis have been completed:

- Mdantsane LSDF
- Gonubie Main Road LSDF
- Kwelera LSDF

The Duncan Village LSDF was advertised for final public comments and the Report was submitted to Council for approval.

b. Land use management:

Achievements for Land Use Management:

Approval of the new Zoning Scheme for the former Ciskei areas has been submitted to DLG&TA for final approval .

Planning approval for the Sinati Golf Estate along the Gonubie river, consisting of 799 residential sites nestled around an international standard golf course and complimented with all the ancillary facilities such a hotel, golf villas, restaurants, gymnasiums etc. that are associated with developments of this caliber.

Approval of building plans and commencement of construction on the multi million rand regional "Hemingways Mall" adjacent to the Hemingways Casino, which will ultimately see

this mega shopping centre link with the Casino complex to provide the Buffalo City and hinterland shopper with a truly unique shopping experience.

Plan approval and commencement of building operations on Phase2 of the Regent Hotel complex on the East London promenade will truly offer upmarket accommodation to the discerning visitor.

The following number of Land Use Applications where processed during the 2008/2009 Financial year:

- Rezoning 167
- Subdivisions 205
- Departures 731
- Special Consents 17
- Removal of restrictive conditions 33

c. Major challenges in spatial planning services and remedial actions

2.8 Indigent policy implementation:

a. Preparation and approval process of the indigent policy

Currently the indigent policy is part of the Credit Control Policy. However, a separated draft Indigent Policy has been developed and is being discussed by Finance Management and will be submitted to Council once all affected Directorates have been consulted on the new policy.

b. Implementation of the policy

The communication and Implementation Strategy for the new policy will be developed once approved by Council. The indigent register is in place and is being updated daily as per the existing policy.

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	7671	0	307	7364	7364	0
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	3%	0	0.13%	2.87%	0	0
Spending on new infrastructure to eliminate backlogs (R000)	165,364,538	68,555,136	68,555,136	106 118 636	33,809,382	33,809,382
Spending on renewal of existing infrastructure to eliminate backlog (R000)	187,564,973	10,600,000	10,600,000	166,343,155	21,221,818	21,221,818
Total spending to eliminate backlogs (R000)	293,683,609	78,755,136	78,755,136	272,461,791	55,031,200	55,031,200
Spending on maintenance to ensure no new backlogs (R000)	5,000,000	4,500,000	4,500,000	18,000,000	10,222,453	10,222,453
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	75 000 Based on all HH including informal	1288	1288	73712	0	
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	41 %	2 %	2%	40 %		

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Spending on new infrastructure to eliminate backlogs (R000)	1000 million	40 million	32 million	1000 million	25 million	
Spending on renewal of existing infrastructure to eliminate backlog (R000)	480 million	41 million	33 million	480 million	13 million	
Total spending to eliminate backlogs (R000)	1480 million	81 million	65 million	1480 million	28 million	
Spending on maintenance to ensure no new backlogs (R000)						
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service) Rural	83 131	1000	1000	82131	2900	1432
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality Rural)	43.75%	0.53%	0.53%	40.95%	3.53%	1.81
Spending on new infrastructure to eliminate backlogs (R000) Rural	497 786 000	28 200 000	28 200 000	497 786 000	17 400 000	8 951 472
Spending on renewal of existing infrastructure to eliminate backlog (R000)	160 000 000	4 300 000	4 300 000	165 928 000	17 400 000	3 000 000
Total spending to eliminate backlogs (R000)	657 786 000	32 500 000	32 500 000	663 714 000	34 800 000	11 951 472
Spending on maintenance to ensure no new backlogs (R000) Rural	81 300 000	7 600 000	7 600 000	15 749 170/ pa	15 749 170	0

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	710	N/A	N/A	817	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	49%	R16m	R16m	56%	R18m	R18m
Spending on new infrastructure to eliminate backlogs (R000)	R1,065,000,00	R1,065,000,00	R1,065,000,00	R65,000,400	R65,000,000	R40,000,000
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R256,000,000	R32,890,415	R32,890,415	R257,000,000	R100,000,000	R42,000,000
Total spending to eliminate backlogs (R000)	R1,321,000,000	R1,321m	R1,321m	R100,000,000	R100,000,000	R42,000,000
Spending on maintenance to ensure no new backlogs (R000)	R36,000,000	R10,290,415	R10,290,415	R100,000,000 (per year)	R100,000,000	R15,000,000
Refuse removal						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	83181	0	0	125 000	0	0
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	35.1%	0	0	39.9%	0	0
Spending on new	8 million	0	0	10 million	0	0

Basic service delivery area	30 June 2008			30 June 2009		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)	3 million	995 000	3.9 million	4.5 million	3.9 million	3 million
Total spending to eliminate backlogs (R000)	-	-	-	-	-	-
Spending on maintenance to ensure no new backlogs (R000)	-	-	-	-	-	-
Housing and town planning						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)				+ / - 43022		
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	+ / - 43022	N/A	N/A		N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)		+ / - R50752252	+ / - R37185515		+ / - R122124830	+ / - R56261495
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						

CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

3.1 Brief presentation of LED strategy/plan

Status on developing the LED strategy/plan

BCM has developed a LED Strategy and was approved council in 2008.

The Buffalo City Economic Development Strategy is a 5-year Implementation Plan.

It clarifies:

- What are we (BCM) trying to achieve in terms of economic development (vision and objectives)
- How and what are specific & different role-players going do to achieve the (strategic objectives, initiatives, and resource mobilisation)
- Who needs to do what and by when (roles and institutional mechanisms)
- Institutional arrangement for effective delivery and implementation
- Economic response mechanism and tools.

Setting up a LED unit;

BCM has LED department, with

- 1) 1x General Manager LED, Tourism and Rural Development reporting to the Director: Planning and Economic Development;
- 2) 4x Programme Managers focusing in SMME Development, Tourism, Agriculture & Rural Development, Trade & Investment all reporting to the General Manager;
- 3) 2x Administrative support staff
- 4) Council has established an LED Strategic Committee chaired by the Portfolio Head and that provide oversight to the department.

The availability of a LED expertise;

- 1) All management positions for the department are occupied, however lower level positions are still vacant due funding constraints;
- 2) There is need for HR support for Agriculture and Rural Development;
- 3) Lack of funding for LED initiatives and projects remain the most challenge;
- 4) Lack of economic intelligence.

LED stakeholder forum functionality (number of meetings held);

- 1] LED Forum has been established, fully operational and meets once quarter.
- 2] Underway is reviewal of the LED Forum model and possible consideration of Economic Partnership.

- Funding opportunities of LED activities (indicative figures on Donors/funders and types of program)

Funding of LED initiatives depends on external funding sources as follows:

- 1] Provincial Government (DLGTA & DEDEA) Mdantsane and DV skills Audit,
- 2] MIG- 3 million DV Business Hives
- 3] Urban Renewal Programme-EU funding
- 4] DBSA-4 million for the Fresh Produce Market

3.2 Progress towards achieving the LED key objectives

a. Improve public and market confidence

As enshrined in the LED Strategy below are the objectives. The BC LEDS needs to meaningfully impact on economic growth, job creation and poverty reduction.

The following four overall aims and objectives were developed:

Aims	Objectives
i) Get the basics right and retain existing businesses	i) Reduce number of households living below poverty line by 48% by 2014
ii) Grow competitive business	ii) Increase economic growth to average of 4.5-6% per year by 2014
iii) Attract new investments and funding	iii) Reduce existing unemployment to 20% by 2014
iv) Share the benefits of growth	iv) R500mln of investment annually in priority sectors between 2009-2014

1]. To improve administrative deficiencies a Red Tape Reduction initiative has been identified as one of the key project and is to be implemented for the 09/10 financial year.

- Investments and trading by-laws
 - 1]. BCM has an investment guide

2]. Underway is the coordination of institution involved in Economic Development and participation in economic Trade Shows i.e. Tourism INDABA.

- Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places

Infrastructure programmes are implemented inline with champion departments.

1]. Special Programmes has Youth Advisory Centre that provides ICT service to youth, small business.

b. Exploit comparative and competitive advantage for industrial activities

- To improve administrative deficiencies a Red Tape Reduction initiative has been identified as one of the key project and is to be implemented for the 09/10 financial year.

c. Intensify Enterprise support and business development

- The type of business development services (BDS) provided to SMME; BCM has two SMME Support centres
 - 1) Mdantsane One Stop Shop,
 - 2) The Business Place in KWT and
 - 3) The proposed DV Business Hives, which is under construction
- Public and private partnerships established
- Number of new formal SMME established within the municipality

The centres coordinate the registration of

1. Cooperatives,
2. Close Corporations
3. Pty etc

- Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships.
- EPWP is being coordinated through Engineering services however there is an intention align

d. Support Social investment program

As part of the department's intervention in the second economy the following programmes were implemented.

1. Cooperative Development Support: Focus on training and registration of Cooperatives in the municipality
2. Emerging Contractor Development Programme: Capacity Building of Small Contractors inline with the EPWP programme.
3. How to start a tourism business: Focus is capacity building
4. Hydroponics initiatives: Focus is on food production and entrepreneurship

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	100% of Capital budget to be spent on LED capital projects	Average	50%
2	Number of LED stakeholder forum held	3	3	100%
3	Percentage of SMME that have benefited from a SMME support program	30	100	120%
4	Number of job opportunities created through EPWP	80 000 (man days)	119 880 (man days)	
5	Number of job opportunities created through PPP			

3.4 Challenges regarding LED strategy implementation

- 1) Vacancies in the lower level positions in the department
- 2) Budget constraints
- 3) Project facilitation i.e. vehicle
- 4) Lack of economic intelligence
- 5) Poor coordination between economic development institutions in the region.
- 6) Poor coordination of Monitoring and Evaluation

Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

4.1 The audited financial statements

4.2 Budget to actual comparison

The total operating income generated for the year ended 30 June 2009 amounts to R2.9 billion against the budget of R3 billion. The major contributing factor to the less income realised is caused by under expenditure on operating projects amounting to R97 million and therefore income in respect of operating projects could not be realised as it is realised once the expenditure has been incurred. The total operating expenditure for the year is R2.9 billion against the budget of R3.1 billion. The major factors that contributed to the variance is under spending on capital charges R20 million, repairs and maintenance R20 million, general expenses R27 million, operating projects 97 million and internal charges R38 million. These results into an overall operating surplus of R96.77 million on accrual basis against the budgeted surplus of R0.43 million for the year ended 30 June 2009.

4.3 Grants and transfers' spending

Grant details			Amount received and spent each quarter											
Project name	Donor name	BF amount	1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
			Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec	Spent
	DWAF	16,033,398				368,554				1,044,704		1,413,258		
	FMG	1,157,225	500,000	20,650		4,522		160,682		172,180	500,000	358,034		
	INEP	Nil				4,693,707	32,712,000			29,639,000	32,712,000	34,332,707		
	MSIG	852,627	400,000			421,111				218,435	400,000	639,546		
	MIG	2,821,475	35,248,160	21,829,581	49,380,728	24,527,913	50,957,952	18,907,787	8,786,307	44,643,682	144,373,147	110,908,963		
	TG	113,770												
	LAND	56,117,331	47,068,500							824,206	47,068,500	824,206		
	RG	944,956								944,956		944,956		
	KWT-G	2,053												
	EQUITABLE SHARE	1,448,029					20,199,532			6,613,702	20,199,532	6,613,702		
	EET	5,979,103												
	EU-MURP	NIL	30,731,236					24,312,860			30,731,236	24,312,860		

Grant details			Amount received and spent each quarter											
			1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
Gompo Survey	LGH	91357						26162				26162		
Upgrade Water Supply	LGH	24039												
MD Upgrade-Water & Sewerage	DHLGTA	112350												
LGH	LGH	28178053	14746923	10812862	7716997	15197833	4109731	1853467	5142366	28180403	31716018	56044565		
Compost Waste Manage	DHLGTA	60640												
Disaster Relief Fund	HLG	2659989		10822		10891		13867		52850		88430		
LED	DHLGTA	2756210	2200000				489300			13125	2702425	13125		
Map Prep	LGTA	94271												
Gompo & MD	DHLGTA	20270												
Environ Project John Dube	LGTA	138527												
Pilot Housing Project	DHLGTA	178445												

Grant details			Amount received and spent each quarter											
			1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
Reeston Dev - LA	DHLGTA	508243												
MURP – Mnt Ruth	LGTA	6040913												
Ikhwezi Block 1	DHLGTA	116370												
MD Upgrade- MD/PD Area	DHLGTA	139788												
MD Upgrade – PD Survey	DHLGTA	7077												
MD Upgrade – MD Assess	DHLGTA	125263												
Planning & Map Prep	LGTA	88629												
Upgrade Kwaklifu Settle-Phak	LGH	143130								243865		243865		
Needscam p Planning	LGTA	937252												
Potdam Village – Plan	LGTA	36639												

Grant details			Amount received and spent each quarter											
			1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
Survey														
Ilitha Informal Settle	LGTA	38254												
Kwa Tshatshu Settlement	LGTA	43037												
MD Human Settle Prog	LGTA	52077												
Planning Kanana Settlement	LGTA	24350												
Kwa Tshatshu Survey	LGTA	20008												
Mahlangu Village	LGTA	17416												
MD Infill Areas	LGH	230143				11817		12095		212619		236531		
Phakamisa Clifton Ph 2	LGTA	115476												
Health Manage System	DHLGTA	176266												
ATIC	DHLGTA	2705280						128036		574592		1854958		

Grant details			Amount received and spent each quarter											
			1/04/ to 30/06		01/07 to 30/09		01/10 to 30/12		01/01 to 30/03		01/04 to 30/06		Total	
								6						
Yellowwoods-Kei Rd	LGTA	679310												
Yellowwoods-Kei Rd	LGH	721897			133955							133955		
DAC	DAC	795829					500000	391079		1280227	5000000	1671306		
DEAT	DEAT								700000	546834	700000	546834		
TRANSPORT	PTIS				8592000	1175946		1852725		186525	8592000	3215196		
Municipal Support Prog	DHLGTA	112066				86579						86579		
Informal Settlement Upgrade	DHLGTA	310563												

4.4 Meeting of Donors' requirements in respect of conditional grants

All the conditions of the grants have been met. The under expenditure on grants have been caused by the delays in implementing the projects due to supply chain management challenges that were experienced during the year.

4.5 Long term contracts entered into by the municipality

The municipality does not have any long term contracts

4.6 Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	725,823,801	230,609,282	32%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs. the operational budget
2	Salary budget as a percentage of the total operational budget	30%	29%	99%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Total actual trade creditors as a percentage of total actual revenue			
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	43%	41%	95%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	Due to economic recession and other factors the consumer debt increased by R60,184,977 in 2008/2009 financial year		
6	Percentage of MIG budget appropriately spent	187,962,599	80,762,751	43%
7	Percentage of MSIG budget appropriately spent	756,709	565,818	75%

4.7 The Audit committee functionality

REPORT OF THE ACTING CHAIRPERSON OF THE AUDIT COMMITTEE.

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009.

INTRODUCTION.

In terms of section 166 [1] of the Local Government: Municipal Finance Management Act, No. 56 of 2003 the municipality and each of the municipal entities must have an audit committee.

In terms of legislation, an audit committee is an independent advisory body appointed by the Council which must —

advise the council, political office-bearers, accounting officer and management staff of the municipality, [or the board of directors, accounting officer and management staff of the municipal entity], on matters relating to, inter alia, internal financial control and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the Local Government: Municipal Finance Management Act, the Annual Division of Revenue Act and any other applicable legislation and performance evaluation.

The Committee is also required to review the annual financial statements to provide the council [and, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity], with an authoritative and credible view of the financial position of the municipality [or municipal entity], its efficiency and effectiveness and its overall level of compliance with the Local Government: Municipal Finance Management Act and any other applicable legislation and respond to the council on any issues raised by the Auditor-General in the audit report.

The Audit Committee is required to report in the Annual Report of the Municipality on their perception of the overall control environment and whether or not they consider that the Annual Financial statements should be accepted by the Council.

APPOINTMENT OF AUDIT COMMITTEE

The Audit Committee was appointed by Council following recommendation by the Executive Mayor.

The members of the Audit Committee during the period under review were:

Member	Position
Ms. Brechtje Randall	Acting Chairperson
Ms. Patience Phindiwe Ndamase	Member [Deceased]
Mr. Dumisani Sonamzi	Member
Vacancy	Member

Ms B Randall was appointed as Acting Chairperson in January 2008.

Two [2] vacancies exist on the Committee and the recommendation is that the vacancies be filled as soon as is possible to enable the Committee to more effectively carry out its mandate. While the vacancies have been advertised twice, there have apparently been no applicants to fill the vacancies. It appears therefore that it will be necessary to actively target individuals i.e. to “headhunt”. This process has commenced and at least one potential applicant has been identified.

TERMS OF REFERENCE OF AUDIT COMMITTEE

The Audit Committee has adopted appropriate terms of reference which are encapsulated in an Audit Committee Charter, approved by Council. The Committee has, in addition, approved an internal audit charter which regulates the operations of the Internal Audit Unit.

The Audit Committee is also the Performance Audit Committee of the Municipality as well as the Audit Committee for the one Municipal entity, the Buffalo City Development Agency.

The Manager: Internal Audit reports operationally to the Audit Committee and functionally to the Director: Corporate Services.

MEETINGS OF THE COMMITTEE

The Audit Committee convened regularly during the financial year.

Date	B Randall	P Ndamase	D Sonamzi
5 September 2008	√	√	Apology
20 November 2008	√	√	√
11 December 2008	√	√	√
13 December 2008*	√	√	√
5 March 2009	√	Deceased	√
11 June 2009	√		√
Total	6/6	4/4	5/6

* Private meeting to consider responses to the report of the Auditor General on the Annual Financial Statements for the period ended 30 June 2008.

The Accounting Officer [Municipal Manager] attended and participated in Audit Committee meetings.

Members of the Committee sat on other official Committees as follows:

Date	Event
6 August 2008	Private meeting with Municipal Manager
7 November 2009	Meeting with Management and officials of the Department of Local Government, Housing and Traditional Affairs
19 January 2009	Private meeting with Executive Mayor
27 January 2009	Council meeting to consider the report of the Auditor General on the Annual Financial Statements for the period ended 30 June 2008.
20 February 2009	National Treasury Risk Management Meeting
26 February 2009	Oversight Committee
27 February 2009	Oversight Committee
4 March 2009	Oversight Committee

EFFECTIVENESS OF INTERNAL CONTROL

The Audit Committee has reviewed reports from the Internal Audit Unit in terms of the approved internal Audit Plan

The findings of these reports continue to give rise to the view that the control environment is stressed, as reported previously. Management actions proposed in response to findings contained in internal audit reports have not in all cases been implemented.

The importance of findings contained in Internal Audit reports in particular should not be down played by management. These control weaknesses are considered to be the cause of a number of issues raised by the Auditor-General. Control weaknesses identified by the Internal Audit Unit and the Auditor-General require to be addressed by management, specifically in the areas of monitoring, review and reconciliations. Supervisory control is also identified as a control weakness which requires attention by management. The risks associated herewith are considered substantial.

The Committee is therefore once again of the opinion that the control environment within many sections of the Municipality is currently stressed and that an urgent and concerted effort needs to be put in place to deal with this situation. A failure to do so may result in further audit qualifications.

Supply Chain Management System

The Supply Chain Management System, in particular, is once more considered to present substantial reputation and service delivery risks and requires urgent and concerted interventions to bring it back on course. A review of the level of compliance with legislation as well as policy and procedure highlighted serious concerns. Reports considered after year-end paint a similar bleak picture. It is considered vital that these matters be urgently addressed.

The likelihood of a qualification arising from the defects within the Supply Chain Management System cannot be ruled out.

The failure of this system as highlighted in this report as well as in the Bid Committee observer reports submitted to the Accounting Officer have the potential to seriously compromise service delivery and in addition present serious reputation risks. The financial implications include fruitless and wasteful expenditure and possible failures by appointed contractors resulting in wasted expenditure as well as rectification costs. In addition, the possibility of litigation resulting in high legal costs as well as the potential for damages cannot be ruled out. The costs associated with litigation are considered to be fruitless and wasteful expenditure if they arise from imprudent supply chain activities.

Performance Management system

Although it may not currently result in an audit qualification, the Performance Management system is again identified as being in need of urgent attention to ensure that it complies with legislation and can be considered functional. [This matter is addressed further in this report.]

The absence of a formalized Policy or Framework to co-ordinate, control and monitor risks prevalent in the institution is considered to be a contributing factor to the above failings.

RISK MANAGEMENT, FRAUD AND LOSS CONTROL.

Risk Management

It is unfortunate to have to once more report that no formal risk assessment exercise was performed by management during the period under review. The original risk assessment performed in June 2005 remains in place. This assessment is considered to be outdated and in urgent need of revision. The lack of a formalized Policy or Framework to co-ordinate, control and monitor risks prevalent in the institution contributes to inadequate responses to issues raised by both the Internal Audit Unit as well as the Auditor General.

While a Risk Management Framework was compiled late in the year under review, this Framework was only submitted to Council after the end of the financial year. This Framework has not been submitted to the Audit Committee for evaluation. The lack of ownership of the process by senior management appears to be the major reason for the process not becoming embedded within the

institution. A high-level champion is required to manage the process and ensure that it becomes embedded within the organizational culture. An annual risk assessment exercise is considered to be an important informant of the Integrated Development Planning process.

Certain Departments may well have performed individual and specific risk assessments at varying levels. There is, however, no co-ordinated approach to the principle of enterprise wide integrated risk assessments, based on uniform standards. It is accordingly not possible to indicate that the material risks facing the institution have been dealt with. As a result the Integrated Development Plan is compromised.

The committee therefore once more reports that the principles of effective risk management appear not to be apparent in the institution. The lack of this important process is considered to be one of the root causes of certain of the unfortunate instances reported on by the Auditor General. To improve this situation it is important that the Municipal Manager and Directors assume the role of risk champions. If this is not done, then it is unlikely that the principles of risk management will become embedded within the Municipality.

In the current economic climate the importance of this process cannot be sufficiently stressed. It is therefore of considerable concern to the Committee that the process has not been taken forward. Emerging risks associated with the economic downturn could have a serious impact on the operations of the Municipality, an eventuality which management appears not to be taking serious note of.

The risks associated herewith are considered serious.

Fraud

Regarding Fraud, the existing Fraud Policy prepared some years ago does not meet the expectations of the Audit Committee. While a revised draft document was prepared by the Manager: Internal Audit in the previous year, ownership of this vital process has not been assumed by any party. This draft appears not to have received proper attention by Management. While a perception exists that the Internal Audit Unit should take responsibility for this activity, this is not acceptable. Management has to own the processes to deal with fraud and fraud risks. It is the responsibility of management to establish a fraud policy.

In these current difficult times, fraud risks escalate and need to be effectively managed. The absence of proper internal control processes in many operations creates opportunities for fraud and irregularities.

The responsibility to investigate fraud rests with management and not with the Internal Audit Unit. It is not clear to the Committee that incidents are receiving appropriate attention. Internal Audit Reports submitted to management over the past two [2] years have highlighted the possibility of fraud occurring in various systems. Certain of these areas have experienced fraud or related

irregularities. Theft of cable and possible unauthorized alterations to documentation has been reported. Possible irregularities relating to fuel are also highlighted.

The committee therefore once more reports that an effective fraud mitigation strategy is not apparent in the institution. It is considered that the instances reported by the Auditor General in the previous financial year may be but the “tip of an ice berg”. It is worth recording that these cases were in fact listed by the Internal Audit Unit.

Without an effective strategy to identify, investigate and prosecute fraud, there will be no disincentive to those bent on fraud. It is therefore imperative that the Municipal Manager and Directors assume a proactive role in this matter. If this is not done, then the likelihood of further cases of fraud cannot be ruled out.

PERFORMANCE MANAGEMENT

Institutional

The Audit Committee has reviewed reports from the Internal Audit Unit and reports that a performance management system has been approved by Council. It is, however, necessary to report that only one measurement assessment was partially completed by Management. There is no record that this assessment was submitted to Council as required by the Framework adopted by Council.

The quarterly reports of the Internal Audit Unit indicate a non-functional system.

The failure to set clear objectives and strategies and determine appropriate indicators continues to bedevil the process. Many of the indicators do not meet the expected criteria of being specific or measurable. Where measurements were performed, many were either inadequately or inaccurately measured.

This mitigates against the use of the system as a tool to assist with the review of the Integrated Development Plan. The reports tabled before the Committee indicate that considerably more attention requires to be given to the indicators and targets set out in the institutional scorecard.

The Audit Committee expresses concern that the findings contained in reports in the current year are not substantially different to those reported in the previous years. The Committee is therefore concerned that the findings are not being adequately considered and dealt with by management, resulting in the continuation of a system which is not operationally effective and not in compliance with the requirements of legislation.

Discussion on this matter at Audit Committee Meetings gives rise to an impression that the Performance Management System and its associated measurement is considered to be the responsibility of the Integrated Development Planning Unit. It is important that this perception be dealt with. The Institutional Scorecard is the official tool to measure the achievement of the

objectives set in the Integrated Development Plan. These objectives are owned by management for all practical purposes and should be used to drive the budget process.

Although considered somewhat controversial, an Internal Audit assessment of the alignment of the Budget against the Integrated Development Plan indicates that the level of alignment is probably of the order of only 60%. This is a clear indication that the failure to establish a functional and operational Institutional Performance Management System has a direct impact on the achievement of goals set by Council in the Integrated Development Plan.

For the financial year 2008 / 2009, it is understood that the Auditor General will not express an opinion on the Performance Management system. If the Auditor General were to do so, the prognosis is not favourable. It is therefore important that the Municipal Manager and Directors pay close attention to this matter to avoid an audit qualification in the future.

The Committee is, therefore, of the opinion that the institutional performance management system was not functional during the period under review and this has resulted in the Council and stakeholders not being in a position to accurately measure the performance of the municipality against predetermined and agreed targets as required by legislation.

This has serious operational and reputation risks. If the Council is not in a position to assess the achievement of their objectives service delivery may be impacted resulting in longer-term political consequences.

It is imperative that this matter receive urgent attention.

Individual

It is understood that no Moderation Committee was appointed to review the performance of Directors. In addition, the information is that no official review of performance of other senior staff was performed.

The Committee accordingly reports that performance management at individual level appears to have regressed when compared with the previous year.

The implications of this are considered serious.

The Committee cautions that the perception is that the process is used essentially to deal with the matter of bonuses payable. The view is expressed that the management of performance and the payment of bonuses should, to the extent possible, be separated. As matters currently stand, the process is complicated by the emotions of those being evaluated for the purpose of payment of a bonus; an understandable response.

INTERNAL AUDIT PLAN

The staff situation in the unit is severely strained. A complement of six [6] staff, which includes the Manager, cannot hope to adequately serve the interests of the institution. As a result, the Manager: Internal Audit is required to perform execution work in order to complete the workload. The Chief Audit Executive [Manager: Internal Audit] is required to perform management tasks and develop strategy. This cannot be performed effectively if the Chief Audit Executive [Manager: Internal Audit] is required to perform execution work on assignments such as performance management, design audit procedures for assignments, supervise staff and perform ad hoc activities.

Nevertheless, the Committee is satisfied with the progress being made by the Internal Audit Unit. The quality of reports is high and adds value to the operations of the Municipality.

Details of some of the reports reviewed during the year under review are set out hereunder:

No	Assignment
1	Fresh Produce Market [Follow up]
2	Compliance Audit – selections sections of the Local Government: Municipal Finance Management Act and Systems Act.
3	Swimming Pools [Follow up]
4	Performance Management System – Review of Performance Report / Annual Report
5	Performance Management System – Review of Performance Measurements.
6	Bid Committee Observer Reports
7	Report on Annual Inventory Count
8	Report on theft, loss or damage to Municipal property
9	Performance Management System – Review of objectives and strategies set in the Integrated Development Plan.
10	Consideration of the Report of the Auditor General as well as the Management Report.
11	Report on Account Processing
12	Report on Face Value Documentation

No	Assignment
13	Performance Management System – Review of alignment with legislation and assessment of indicators.
14	Performance Management System – Review of alignment of Budget with Integrated Development Plan.
15	Supply Chain Management Compliance Review.

The current staff situation complicates efforts to comply with the Standards of the Institute of Internal Auditors and a caution is issued that the operations of the Internal Audit Unit are not sustainable with the current staff levels. Unless additional resources are allocated to the Internal Audit Unit, the Unit will not be in a position to continue to deliver on its mandate. The overall control environment within the institution is then likely to decline further, increasing the risks associated therewith.

It is unfortunate to have to report that the recommendations of the Internal Audit Unit, which also represent the recommendations of the Committee, have in the majority of cases either not been implemented, or have been inadequately implemented. Evidence of this is apparent in the continuing problems associated with the Supply Chain Management System, the Performance Management System as well as various compliance issues such as delegations and review and monitoring activities. This is unfortunate, as the implementation of these recommendations, or the consideration of the cautions contained in these recommendations of the Committee have the potential to lead to findings of the Auditor General which could have been avoided had these recommendations been heeded.

The Internal Audit Unit does not currently utilize the wording “work conducted in accordance with the Standards of the Institute of Internal Auditors” as no external assessment has been conducted.

An assessment of the Internal Audit Unit, conducted by National Treasury, highlights certain failings in the processes of the Internal Audit Unit, which was predictable, given the limited time available to the Chief Audit Executive to develop strategy and correctly manage the unit. These failings impact on process only and not on the nature of the work or its quality.

In this regard, a report proposing a detailed study of the “audit universe” and the requirements to service it was proposed. It is understood that this was not approved and the Chief Audit Executive was requested to perform this study in-house. While this could be done it will take some considerable time to complete and the work of the unit will during that period be materially compromised. This is not recommended and the Committee remains of the firm view that the study should best be conducted by an external professional body.

As an aspirant Metro, it is considered that the time has now come for the required resources to be allocated to the Unit to enable it to better perform its mandate.

EVALUATION OF FINANCIAL STATEMENTS.

The Audit Committee reports that the annual financial statements for the year under review were compiled as required by legislation and were submitted to the Auditor General for statutory examination. Prior to submission, the Audit Committee was afforded an opportunity to query various matters relating to the Annual Financial statements and receive Management assurances thereto. It is, however, recorded that the financial statements were only provided to the Committee at the last moment, and queries posed, while considered relevant, may not have covered all aspects of the statements. The Committee noted the comments of management but indicates reservations.

The Committee expresses concern that the Auditor General, when conducting the interim audit, appears to have experienced problems in obtaining certain information necessary for their review purposes. This provides further evidence of a stressed control environment.

The Audit Committee was engaged with the Audit Steering Committee during the Audit process.

COMPLIANCE WITH LEGISLATION

In general, the Committee believes that management is aware of and has in a number of cases adopted a proactive approach to compliance issues. However, concern is expressed that this compliance with legislation is being looked at simply as “compliance” and that the rationale for the “compliance” is not being considered in all cases. In addition, the operational procedures to underpin compliance are not, in many cases, reported as being apparent.

Matters such as the lack of appropriate operating delegations from the Accounting Officer to Senior Managers and from these Senior Managers to operational levels remains a concern. It is apparent that an appropriate delegations framework is not in place. The risks associated with a failure to set appropriate delegations, including possible legal challenges may have a negative impact on service delivery and result in challenges and possible litigation.

Other important issues include processes to give effect to transparent systems of governance including the lack of a process to manage potential conflicts of interest through declarations and gifts registers. Allied with this, operations of the Bid Evaluation Committee, in particular, continue to reveal unfavorable findings regarding the quality of reports submitted for consideration. The operations of the bid committees are compromised through poor quality reports as well as capacity within the Bid Committees. Accordingly, the Committee considers procurement operations to be a material risk. The risks associated with a failure to establish appropriate systems to underpin compliance issues, including possible legal challenges may have a negative impact on service delivery and result in challenges and possible litigation.

These assessments provide further indications that the control environment is currently stressed.

Certain of these risks have materialized.

The Committee is accordingly not satisfied that compliance issues are being dealt with in an appropriate manner. This could result in audit qualifications.

REPORTS BY THE COMMITTEE

During the period under review, the Audit Committee submitted quarterly progress reports to the Executive Mayor on the operations of the Audit Committee and the Internal Audit Unit.

Bi-annual reports on the Performance Management System were, as required by legislation, submitted to the Executive Mayor for tabling in Council.

BUFFALO CITY DEVELOPMENT AGENCY

The Buffalo City Development Agency [an entity] did not have an internal audit activity during the year.

The Buffalo City Development Agency also did not have a functional Performance Management System in place during the year.

The Committee is of the view that the Management of the entity should be more proactive in this regard and ensure that appropriate internal audit and related reviews are conducted at regular intervals.

No assurance is provided in respect of the entity.

MANAGEMENT ASSURANCES

Other than for the comments of management relating to the report of the Auditor General, Management has provided no other assurances relating to the status of controls within the institution. This is a matter of concern to the Audit Committee as requests for reports to be tabled by management have not in all cases been auctioned at that level.

While the contents of this report paint a bleak picture, it would be remiss of the Committee to indicate that they are satisfied with the control environment present within the Municipality. The Committee accordingly feels constrained to report in this manner in the interests of facilitating an improvement in the current situation.

APPRECIATION

The Committee expresses its sincere appreciation to the Council, Executive Mayor, Accounting Officer [Municipal Manager], Directors and General Managers, as well as other management officials, for their support and interest in the activities of the Committee during the year under

review. The support and advice of the Business Executive of the Provincial Office of the Auditor – General, Mr. Singa Ngqwala and his staff is also acknowledged as are the untiring efforts of my committee members in furthering the cause of effective corporate governance and sound accountability within Buffalo City Municipality.

Appreciation is also extended to the staff who minuted meetings of the Committee.

A special word of appreciation is extended to Mr. Geoff Walton and his staff in the Internal Audit Unit for their steadfast efforts during the year under review, despite the limited resources at their disposal.



B RANDALL

ACTING CHAIRPERSON OF THE AUDIT COMMITTEE

4.8 Arrears in property rates and service charges

As at 30 June 2009 the arrears per service category in respect of rates and service charges is as follows:

SERVICE	TOTAL
Electricity	22,918,736
Refuse	85,761,156
Rates	94,149,225
Sewerage	69,380,787
Water	124,827,542
Housing	829,076
Sundries	63,833,533
Grand total	461,700,056

Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 Overview of the Executive and Council functions and achievements

STATISTICS FOR JULY 2008 TO JUNE 2009

Name of Committees	Ordinary Meetings	Special Meetings
Council	12	8
Mayoral Committee	18	6
Constituency, Community Participation and Special Programmes Strategic Committee	7	
Community Services Standing Committee	6	
Corporate Services Standing Committee	9	
Development Planning Standing Committee	10	
Engineering Services and Infrastructure Development Standing Committee	5	
Finance Standing Committee	11	
Health and Public Safety Standing Committee	9	
Housing, MURP and DVRI Standing Committee	8	
IDP, Budget Policy and Performance Management Strategic Committee	6	
LED, Tourism and Rural Development Strategic Committee	6	
Sub-committee minutes such as Audit Committee, Employment Equity and Training, Political Multi-party, Restructuring Grant etc.	41	

Corporate Services

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the chairperson)

Terms of Reference

- To consider and to make recommendations to the Council on the measures necessary in respect of the recruitment, selection and remuneration of all employees with particular reference to the application of Council policies in relation to affirmative action; to consider industrial relations matters; to consider the

conduct of negotiations in respect of salary increases and fringe benefits; to supervise measures generally in respect of the avoidance of strike and other conflict actions; to investigate questions relating to job evaluations and the submission thereof to the Industrial Council; to consider measures relating to Conciliation Boards and Industrial Court hearings; to consider manpower planning; to consider measures relative to personnel administration, salaries and payrolls; to consider and make recommendations relating to financial aspects on matters relating to staff policy, including general conditions of service and the recruitment, utilization and development of staff; to advise the Council on policy regarding the appointment of Directors, General Managers and Heads of Departments and confirmation of their appointments.

- To consider measures relative to the Workmens' Compensation claims; to consider measures to ensure safe working conditions in terms of the Occupational Health and Safety Act; to consider measures for the provision of the Industrial Health services; to consider measures for the provision of safety training; to consider measures for the provision of services for investigations relating to accidents.
- To consider and recommend such measures as may be necessary from time to time relative to the provision of Workstudy facilities to improve productivity in the municipal workforce.
- To consider such measures as may be taken in respect of the training and staff development of municipal personnel of various levels together with the provision of such services as may be desirable to other local authorities or regional authorities in respect of training.
- To consider and recommend matters pertaining to Employment equity and Skills development.
- To recommend policy guide-lines and strategy for the Institutional Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.
- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.
- To formulate and recommend proposals on priorities and policy objectives over the whole range of the Council's activities and make recommendations to the Council with particular reference to Administrative, Management Information, Telephone Communication and Graphical Information Systems and procedures.

- To review and comment on the effectiveness and appropriacy of the Council's policies in relation to Administrative matters, Management Information Systems and Graphical Information Systems.
- To inform the Council on legal matters, appropriate legislation and its promulgation as well as provide advice on matters such as rules of order, standing orders and the terms of reference of Committees.
- To ensure that effective Committee support services are rendered to the Council, the Mayoral and all Operational and Strategic Standing Committees.
- To consider and recommend on matters pertaining to communications, events management, protocol, media liaison, public relations, the promotion of heritage and customer relations.
- To ensure that effective Knowledge Management, Research and Policy Management Services are rendered to the Council.

Development Planning Standing Committee

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the chairperson)

Terms of Reference

- To make recommendations to the Mayoral Committee and Council on transportation, town and regional planning, architectural, land survey and land administration matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic land and property use.
- To recommend policy guide-lines and strategy for the Spatial Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.
- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.
- To advise the Council on the overall management, allocation, alienation and control of land, resources and buildings owned by the Council.

- To advise the Council on policy and procedures in regard to Transport Planning, Transport Operations and Traffic Engineering.

ENGINEERING SERVICES AND INFRASTRUCTURE DEVELOPMENT STANDING COMMITTEE

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the chairperson)

Terms of Reference

- To consider and to make recommendations on all matters affecting the civil engineering and electrical infrastructure, associated designs and mechanical and scientific services with particular reference to roads construction and maintenance, stormwater drainage, wastewater and water services, electrification and distribution thereof, mechanical and scientific services.
- To consider all matters affecting the built environment with the exception of town planning building control and metropolitan transportation matters falling under the jurisdiction of the Development Planning Standing Committee.
- To consider nuisances relating in particular to the safety of persons in or about public streets and places but with the exception of those matters under the jurisdiction of the Social Services Standing Committee.
- To consider and make recommendations on fleet management and mechanical undertaking and other matters falling within the Committee’s terms of reference and all matters incidental to the above.
- To recommend policy guide-lines and strategy for the Infrastructure Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.
- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.

FINANCE STANDING COMMITTEE

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee.	7 (50% of the members, including the Chairperson)

Terms of Reference

- To formulate recommendations to the Executive Mayor (Mayoral Committee) on financial matters. As an Operational Committee the scope of these financial matters would include considerations of the financial position of Council in terms of the budget from an accrual as well as a cash flow perspective.
- To make recommendations to the Mayoral Committee and Council on appropriate actions to be taken to achieve Budgetary objectives.
- To report monthly to the Mayoral Committee and Council on the financial position of the Municipality.
- To make recommendations to the Mayoral Committee and Council on the basis of the financial performance of the Municipality in terms of the report referred to in paragraph 4.3.3 above.
- Financial matters within the ambit of this Committee include:
 - Asset and Risk Management
 - Revenue Management and Treasury Management
 - Credit Control
 - Income and Expenditure on Revenue and Capital Accounts
 - Writing off of Arrears
 - Adjustments and Virements
 - Claims by and to Council
 - Dog Tax
 - Fund Transfers and Investments
 - Raising and Repayment of Loans
 - Refunds and Compensation
 - Remuneration Staff and Councillors
 - The Municipal Market
 - Trade and Road Traffic Licences
 - Assessment of Rates
 - Valuation of Properties and Maintenance of Valuation Roll
 - Financial Matters pertaining to Housing

BUDGET ACTIONS OF THE FINANCE COMMITTEE

THE FINANCE BUDGET COMMITTEE

The Finance Budget Committee will fulfil the following Operational functions. It must be emphasized that the interface with the IDP, Budget Strategy and Performance Management Committee is central to the achievement of delivery objectives and must be closely monitored.

FUNCTIONS OF THE FINANCE BUDGET COMMITTEE

- Budget Implementation
- Monitoring and Budget Progress
- Control Measures of Budget Implementation
- In-year Financial Reporting

INTERACTION WITH OTHER COMMITTEES OF COUNCIL

AUDIT COMMITTEE

- To receive reports from the Audit Committee and formulate recommendations to the Mayoral Committee and Council of action to be taken on the basis of the report.

IDP, BUDGET POLICY AND PERFORMANCE MANAGEMENT COMMITTEE

- To provide the IDP, Budget Policy and Performance Management Committee with information regarding tariff performance and revenue performance with the purpose of establishing the quantum of the Budget;
- Budget Issues being dealt with by the IDP, Budget Strategy and Performance Management Committee regarding the Budget;
- Budget and IDP alignment;
- Budget Policy formulation;
- Service levels;
- Rural / urban issues;
- Roll-out of services plan;
- Capital projects for delivery;
- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.

SOCIAL SERVICES STANDING COMMITTEE

Membership	Quorum
14 members, representatives as proposed by all parties represented on the Council, provided a member does not serve on more than 1 operational standing committee	7 (50% of the members, including the chairperson)

- To consider and make recommendations to the Mayoral Committee and Council in respect of all environmental services matters as provided for in any relevant legislation; to consider all matters relating to the natural environment, horticulture, parks and recreation and related amenities under the control of the Director of Social Services; to consider and make recommendations on matters relating to the regulation and control of sanitary and cleansing matters, cemeteries and health.
- To consider and make recommendations to the Council in respect of all traffic, vehicle licensing, fire and rescue, security, city police, civil protection services matters and disaster management.
- To consider and make recommendations to the Council in respect of all matters related to libraries, art galleries and matters relating to music, to consider and make recommendations on matters relating to entertainment and other cultural activities; the regulation and control of sporting facilities and activities; and all matters pertaining to youth affairs.
- To recommend policy guide-lines and strategy for the Social Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.
- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.

IDP, BUDGET POLICY, PERFORMANCE MANAGEMENT AND INTEGRATED ENVIRONMENTAL MANAGEMENT

Membership	Quorum
7 representatives as resolved by Council.	4 (50% of the members, including the chairperson). Councillors who are not members of the standing committee are not counted towards a quorum.

- To oversee on behalf of the Executive Mayor the process of integrated development planning (strategic planning) in Buffalo City, including annual reviews of the IDP, and to make recommendations to the Executive Mayor in this regard in terms of chapter 5 of the Municipal Systems Act and section 56 of the Municipal Structures Act.
- To assist the Executive Mayor to ensure that municipal strategic planning is aligned with constitutional values and oriented towards the progressive achievement of equity in Buffalo City in terms of section 23 of the Municipal Systems Act.
- To make recommendations to the Executive Mayor that aim to ensure that the resources and capacity of the municipality are mobilized to achieve the strategic developmental priorities and objectives as reflected in the IDP.
- To make recommendations to the Executive Mayor on all aspects of the performance management systems in terms of chapter 6 of the Municipal Systems Act.
- To make recommendations to the Executive Mayor aimed at ensuring an acceptable level and quality of public participation in municipal strategic planning, budgeting and institutional performance management in terms of section 16 of the Municipal Systems Act.
- To make recommendations to the Executive Mayor aimed at ensuring that the municipality gives effect to, and conducts its affairs in a manner which is consistent with its IDP (section 36, Municipal Systems Act).
- To assist the Executive Mayor in promoting the sustainable utilisation, development and protection of Buffalo City's natural, social, cultural and economic resources throughout all sectors of the municipal community [section 4(2)(d) of the Municipal Systems Act].
- To oversee on behalf of the Executive Mayor the process of preparing and implementing Local Agenda 21 policies and plans for Buffalo City in close co-operation with other relevant stakeholders, and to make recommendations to the Executive Mayor in this regard.
- To oversee on behalf of the Executive Mayor the process of preparing and implementing integrated environmental management policies and plans for Buffalo City, including regular reviews, and to make recommendations to the Executive Mayor in this regard.
- To make recommendations to the Executive Mayor on modes of service delivery that are equitable, affordable and sustainable.
- To make recommendations to the Executive Mayor on budget policies and processes.

- To make recommendations to the Executive Mayor that aim to ensure that the budget is in line with the IDP.

CONSTITUENCY, COMMUNITY PARTICIPATION AND SPECIAL PROGRAMMES STANDING COMMITTEE

Membership	Quorum
7 representatives as resolved by Council	4 (50% of the members, including the chairperson). Councillors who are not members of the standing committee are not counted towards a quorum.

Terms of Reference

- To make recommendations to the Executive Mayor pertaining to the formulation of policies, strategies and programmes aimed at increasing equity for vulnerable, marginalized or special interest groups, with specific focus on:
 - Young people
 - The aged
 - The disabled
 - Gender-related issues (including women and children)
 - Special projects
- To oversee on behalf of the Executive Mayor the implementation of such strategies and programmes
- To make recommendations to the Executive Mayor on corporate strategies and programmes and the development of partnerships to address the challenge of HIV/AIDS in Buffalo City.
- To provide guidelines and policies in relation to community participation and Ward Committees.
- To ensure that effective support services are rendered to the offices of the Executive Mayor, the Speaker, the Mayoral Committee members and all other Councillors.
- To recommend policy guide-lines and strategy for the relevant Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.

- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Directors.
- To make recommendations to the Executive Mayor aimed at empowering the Buffalo City public, communities and organizations through participation, environmental education, capacity building, research and information services.
- To formulate and recommend proposals to the Executive Mayor aimed at ensuring an acceptable level and quality of public participation in matters related to the sustainability of development strategies, programmes and projects.

LOCAL ECONOMIC DEVELOPMENT, TOURISM AND RURAL DEVELOPMENT COMMITTEE

Membership	Quorum
7 representatives as resolved by Council.	4 (50% of the members, including the Chairperson).

TERMS OF REFERENCE

- To assist the Executive Mayor in ensuring that the economic development including rural development of the whole community of Buffalo City is promoted (sections 152 & 153 of the Constitution).
- To make recommendations to the Executive Mayor aimed at ensuring that local economic development, including rural development is sustainable and contributes to job creation and a better quality of life for all.
- To assist the Executive Mayor to formulate appropriate and feasible local economic and rural development aims, priorities and objectives in terms of section 26(c) of the Municipal Systems Act.
- To make recommendations to the Executive Mayor relating to Council’s policy on the procurement of goods and services.
- To make recommendations to the Executive Mayor on strategies to:
 - Facilitate job creation
 - Stimulate local markets
 - Promote the development of small, medium and micro-enterprises
 - Market the municipality holistically
 - Promote tourism
 - Promote industrial and commercial activities
 - Attract foreign or domestic capital investments
 - Increase the mobility of people, goods and services in Buffalo City.
 - Promote and facilitate rural development.

- To consider any matter referred to it by the Executive Mayor, the City Manager or relevant Director that has a bearing on the economic development of Buffalo City.
- To recommend policy guide-lines and strategy for the Economic Cluster in respect of services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.

HOUSING STANDING COMMITTEE

Membership	Quorum
14 representatives as resolved by Council	7 (50% of the members, including the chairperson)

TERMS OF REFERENCE

- To make recommendations to the Mayoral Committee and Council on housing matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic use of housing resources.
- To recommend policy guide-lines and strategy in respect of housing services, programmes and plans, to provide the broad framework for Councillors and officials concerned with the preparation of a single, inclusive and strategic Integrated Development Plan for Buffalo City.
- To consider any particular item or any matter of policy referred to it by the Executive Mayor, Mayoral Committee, the Municipal Manager or relevant Director.
- To advise the Council on the overall management, allocation, alienation and control of housing owned by the Council.
- To advise the Council on policy and procedures in regard to housing issues.

5.2 Public participation and consultation;

5.2.1 Ward Survey

In October 2007 the IDP Office consulted all Ward Councillors in an effort to identify community needs. A questionnaire was developed and circulated to all wards for purposes of capturing their needs and priorities per ward. In identifying community needs and priorities Councillors had to consult broadly within the ward through general meetings and ward committee meetings. This exercise was geared towards ensuring that such needs and priorities served as basis for planning and budgeting towards 2008/09.

5.2.3 IDP/Budget/PMS External Representative Forums were held as follows:

19 March 2008 –

- to present draft 2008/09 Objectives, Strategies, Indicators, Programmes and Projects for consideration and input of external stakeholders

5.2.4 IDP/Budget/PMS Workshops were held as follows:

13 February 2008 – Cluster Workshop

- to present draft IDP and Budget
- to present draft outcomes of project prioritisation

5.2.5 Public Notices

On the 9th and 14th April 2008 an advertisement was placed in the local newspaper informing members of the public that the IDP and Budget was open for public viewing and comment. From 10-30 April the said documents were made available in all Buffalo City libraries.

5.2.6 IDP/Budget Public Hearings

From 10-24 April 2008 Buffalo City Municipality embarked on a public consultation drive to present the draft IDP and Budget and solicit input from communities before adoption of the two important documents. 31 meetings were held throughout the length and breadth of the city and a total of 5 396 community members attended the meetings.

5.3 Ward committees' establishment and functionality

PUBLIC MEETINGS AND WARD COMMITTEE MEETINGS PROCESS PLAN

PUBLIC MEETINGS

Public ward meeting by legislation are supposed to be held quarterly but due to the vastness of Buffalo City Municipality some Councillors opted to hold their public meetings according to different areas to allow more and meaningful participation. For the financial year 2008/09 two hundred and one (201) public meetings have been convened in BCM Wards with the aim of reporting back to the public on the issues they have raised for the attention of BCM Council and structures. This has been one of the most difficult years as far as public meetings are concerned as some wards were unable to convene public meetings due to variety of reasons i.e. general elections and removal of ward councillors etc.

WARD COMMITTEE MEETING PROCESS PLAN

Ward Councillors and Ward Committees submit an annual schedule of meetings with venues, dates and times at the beginning of each financial year

- These Ward Committee meetings are held monthly and minutes are compiled and kept at Public Participation Department.
- All Ward Committee minutes & attendance register are submitted to the relevant facilitator monthly who in return co-ordinate responses on issues raised in the meetings around services delivery by channeling them to the relevant .

NUMBER OF FULLY FUNCTIONAL PUBLIC MEETING

80% of BCM Wards have successfully convened two hundred and one (201) public meetings during FY 08/09.

NUMBER OF FULLY FUNCTIONAL WARD COMMITTEE MEETINGS

Notwithstanding a plethora of challenges BCM Wards have managed to convene 321 ward committee meetings during 08/09 financial year. Even though some degree of progress has been achieved, the institution remains concerned by non activeness of some of ward committee members.

FINANCIAL IMPLICATIONS

Ward Committees conduct their work on a voluntary basis and are only paid transport stipend to attend meetings. Community facilitators process their payment and keep cheque requisitions safely in their files for easy reference.

AVAILABILITY OF WARD COMMITTEE FUNCTIONAL REPORTS

Ward Committee meetings reports are compiled by Community Facilitators quarterly but the reports that need special attention are dealt with immediately in cases where there is water leakage or sanitation and street lights challenges etc.

PARTICIPATION OF WARD COMMITTEES IN THE MUNICIPAL ACTIVITIES

Ward Committees play an important role in IDP processes as they form the core community structure within which the development of the IDP and its implementation has been conceptualized. Ward Committees also participate in any municipal programme i.e. Council Open Day, Public Participation session for development of a by-law etc.

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5.4 Community Development workers performance monitoring

MONITORING OF COMMUNITY DEVELOPMENT WORKERS PERFORMANCE (CDW'S)

Meetings are held monthly to look at challenges they encounter as they do their work. CDW's attend trainings organised by the Municipality and would get certificates for that particular training programme or course. The municipality has to a greater degree been able to engage CDW's on BCM programmes during the year under review.

AVAILABILITY OF CDW MONTHLY REPORTS

CDW's submit their reports quarterly to the Department of Corporate Governance & Traditional Affairs and the role of BCM is to ensure preparation and co-ordination of such reports. This is an area the COGTA still must clarify as CDW work in municipality our role must be clearly defined.

NUMBER OF CASES IDENTIFIED AND REPORTED BY CDW's

As per the departmental guidelines given CDW's are supposed to have at least 15 cases per month but they are doing less due to long processes taken by the various Departments in actioning such cases or quires reported. They manage to submit approximately 9 cases instead of the required number. During financial year 2008/9 (340) cases were identified and reported.

NUMBER OF HOMES VISTED CDW's DURING THE FY 08/09

Approximately 151 homes that were visited during the 08/09 FY.

PARTICIPATION OF CDW's IN THE MUNICIPALITY ACTIVITIES(E.G).IDP

Apart from focusing around Provincial matters and programmes, CDW's also assist during IDP processes by supporting mobilization and co-ordinating signing of the attendance registers for communities who attend IDP programmes and Mayoral Imbizo's.

5.5 Communication strategy

- The Communication Strategy is in place;
- Resources are required to implement the strategy that includes a provision for BCM Mobile Radio Station for in-house production which will assist the Municipality with the production of adverts at no costs and also with the road shows and campaigns.

5.6 Intergovernmental Relations

The implementation of the Intergovernmental Relations Act in the institution is characterised by quasi-adhocracy. Presently initiatives towards the formation of a functional BCM IGR Forum halted at the adoption of Terms of Reference for the forum due to lack of resources especially human. However, it should be stated that interface with other spheres of government in terms of service delivery and participation by BCM in key IGR structures is fairly remarkable but there is a huge room for improvement.

BUFFALO CITY INTERNATIONAL PARTNERSHIPS

Municipal International relations is a policy framework which enables municipalities, communities, and community based organisations to develop and establish links with and among one another in different countries for purposes of sharing information, experiences and expertise in matters of mutual interest in respect of Buffalo City's and South African foreign relations. International linkages may provide numerous benefits to South African municipalities, including facilitating the sharing of international expertise and best practice experience.

Buffalo City Municipality 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 SALAIDA (Sweden); and ongoing development assistance through donor agencies such as SIDA, EU, GTZ and Kfw. More recently (March 2009), a tripartite agreement was signed by Amathole District Municipality, Buffalo City and the City of Glasgow, Scotland.

The Partnerships

Leiden (Netherlands)

The partnership between Buffalo City South Africa and Leiden, Netherlands is based on a city wide approach to partnerships. This broad based approach was advocated by the Habitat Platform which assisted to initiate the East London Platform in 1998. During the early years the city wide approach involved representatives from welfare organisations, the Chamber of Commerce, the church, the police, schools, museums and hospitals. The Housing Associations from the Hague region and Amsterdam were also involved in the East London Platform, where the HAEL (Housing Association East London) was formed. The aim of the association was not only to build houses, but to focus on building community spirit so that the neighbourhood's in East London had an opportunity for long-term survival.

The general principle in establishing a link was (and still is) the concept of a City Wide Approach. It is aimed at:-

- strengthening local government,
- Exchanging expertise and supporting the reconstruction of South Africa by contacts not only between politicians and officials but between companies and civil organisations/ NGO's as well.

Current Projects funded by VNG (Dutch funding agency) includes:

- Logo South HIV/Aids Project
- Logo South Stormwater/Water/Sanitation Management
- Logo South Solid Waste Management
- Keys for Kids Project (Youth Brigade)

The Leiden and BCM partnership celebrated the 10 years anniversary in November 2008.

Gävle (Sweden)

During the country's long struggle for democracy, many South African organizations made lasting ties with Sweden. The fall of the apartheid regime opened the door for collaboration between nations, such as establishing regular bilateral relations, governmental cooperation and development work. Collaboration between local authorities makes up a key part of the two countries` relations. Gävle and Buffalo City made their first contacts in autumn, 2002 and have since then developed a close partnership in areas such as organization and leadership development, good governance road maintenance and water supply systems, public safety, city and rural planning, emergency preparedness, a citizen centre, IT and geographical information systems (GIS), gender equality and disabled, and tourism.

The overall goals of the partnership programme are:

- To strengthen local democracy
- To alleviate the effects of poverty
- To improve the competence and capacity of the parties in their developmental role and as service-providers to their respective communities
- To share knowledge in a spirit of mutual support and respect

The partnership between Buffalo City and Gävle is in its 8th year of intense participation.

Milwaukee (USA)

The partnership between Buffalo City and Milwaukee, USA was established on 29 January 2008. One of the newer partnerships, a sister agreement has been signed for the purposes of:

- forging new friendships and greater understanding between the people of Milwaukee County and the people of Buffalo City, each sharing a common goal of peace, freedom and democracy and the commitment to preserving these ideals for all;
- promoting international goodwill and understanding by encouraging the exchange of culture and knowledge and the building of mutually beneficial economic alliances;
- creating new partnerships for the development of health programs, trade and business endeavors, literary, artistic and educational activities and scientific collaboration;
- Encouraging visits by citizens of both cities and official visits by government officials, civic leaders and representatives of business, academia and the church.

The Centre for International Health, one of the representatives of Milwaukee County has been playing a significant role in the partnership.

Through Mark Anderson the CEO for the Centre for International Health, Buffalo City has successfully made application to USAID to obtain 1 million packs of food aid to distribute to targeted beneficiaries in Buffalo City for a period. The food aid is expected to be shipped from the US early this month.

Glasgow (Scotland) & Amathole District Municipality

In March 2009, Buffalo City, Amathole District Municipality and the City of Glasgow, Scotland signed a tripartite agreement. The tripartite will be focusing on the following areas of cooperation:

- Urban Renewal Programme especially the Mdantsane Urban Renewal Programme (MURP) in Buffalo City
- Joint Marketing Bureau between ADM and BCM
- Lighting Strategy that will be looking at lighting up key buildings in the city as tourist attractions

African Partnerships

South Africa's foreign policy is guided by the vision of a better South Africa in a better Africa and a better World, that is, better life for all. Supporting the African Agenda is important for Buffalo City

hence Buffalo City's international relations ensure that it aligns to the South Africa Foreign Policy. For this reason partnerships are now being pursued with the following African Countries:

- Lusaka, Zambia
- Francistown, Botswana

These partnerships are expected to be established before the end of 2010.

5.7 Legal matters

5.7.1 Setting up of Legal Units

- BCM has legal services available under the directorate of the Municipal Manager.
- **Human Resource capacity**
The Legal Services department, in terms of the applicable organogram (Annexure A), has three posts of legal advisors namely:

1. Senior Legal Advisor – funded and filled.
2. Legal Advisor – funded and filled.
3. Assistant Legal Advisor – Unfunded but is at present filled by a temporary employee.

Due to workload the present structure is not adequate to meet the requirements of the institution. The section has human capital challenges.

A proposal from the Legal Section has been tabled seeking to amend the structure by increasing the number of legal advisors. The proposal is still being looked at by a Council Committee mandated with looking at the filling of critical vacant posts.

- In the case of outsourcing legal services, the list of service providers used in 2008 and 2009 is annexure B.

5.7.2 Management of litigation

1. Case Load Management with specific reference to:

Appended below is a summary of the matters handed over for collection as at 30 June 2009

<u>ATTORNEYS</u>	<u>CURRENT NUMBER OF CASES</u>	<u>VALUE WITH ATTORNEY</u>
BAX	518	6,800,027
SMITH TABATA	1,726	12,655,020
GRAVETT	1,525	16,649,667
POTELWA	124	695,585
MLONYENI & LESELE	261	2,369,454
TOTAL	<u>4,154</u>	<u>39,169,753</u>
<u>DEBT COLLECTOR</u>	<u>CURRENT NUMBER OF CASES</u>	<u>VALUE WITH DEBT COLLECTOR</u>
NORMAN BISSETT	8,408	38,697,258
SNYMAN & PARTNERS	8,150	49,931,545
VVM	5,954	39,867,853
REVCO	7,030	48,209,159
TOTAL	<u>29,542</u>	<u>176,705,815</u>
GRAND TOTAL	<u>33,696</u>	<u>215,875,568</u>

The collection attorneys and debt collectors proceed with collection action on matters handed over and will pursue the debt until it is collected. Costs of collection are recovered from the defaulting debtor. Where debt is not collectable the matter is returned to BCM and the debt is placed on a write off list which is submitted to Council for approval.

2. Case age analysis

Case name	Nature of the case	Date of commencement	Cases of 2 years or bellow	Cases beyond 2 years	Reasons for extensive duration

3. Default judgements

Case name	Reasons for default judgement
N/A	N/A

4. Prevention mechanisms of current litigations:

The **impact of the National Credit Act** serves as a major constraint to the current debt collection process, where it slows down the relevant processes, and places a major strain on existing resources.

When the Municipality commences with legal action, it is compelled to send out a Section 129 notice (National Credit Act) incorporated into the registered letter of demand, informing the debtor of the debt and that the debtor may approach a Debt Counselor. In terms of the Act the debtor must be given 30 days notice of this. As the debt continues to grow, more and more debtors will approach Debt Counselors, who have been appointed in terms of the Nation Credit Act. When the debtor is successful in his/her application for debt review, it means that the debtor's total debt to all creditors is consolidated, and a payment plan is entered into with the Debt Counselor. This effectively means that the debtor now pays the entire debt off over an extended period of time, depending on his/her earnings. It means that the municipal debt will in some instances be paid off over many years.

Any further legal action therefore has to be suspended. Also to be taken into consideration is the monthly current account that also needs to be paid. The positive aspects of the National Credit Act are that the debtor is not permitted to go further into debt, and the Act also does not apply to property rates debt or where a summons has already been issued to the debtor. In this process the municipality is also not obligated to supply electricity and can restrict the water supply.

5. Criminal matters emanating from corruption and fraud

Criminal matters arising or emanating from possible corruption and fraud are still being investigated e.g. Waste Tender Irregularities.

5.7.3 Management of Legal Risks

- An Institutional Risk Framework is still being developed and has been tabled before Council;
- Management of risk involves also the management of possible exposure to litigation which is in it self an aspect of the broader Institutional Risk Management Framework which is still in draft format.

Issue	What has been achieved / highlights to date
Disability friendly EL Central Library Launch	<p>Through the partnership with the Centre for Municipal Research and Advice (CMRA), Buffalo City Municipality undertook a pilot project to address issues of access to information specifically on HIV and AIDS for persons with disabilities. In June 2008 the disability friendly facility at the Central Library was launched. The pilot was extended to include access to three disability friendly Primary Health Care Clinics within FY09/10. The first ever BCM disabled friendly Primary Health Clinic was launched at John Dube Clinic on 14 August 2009. The clinic has both disability access and sign language interpreters on call in order that nursing staff can communicate with clients who are deaf. Having access to this facility will assist those persons with disability to access health care including access to HIV and AIDS services. All these activities are in line with the BCM HIV and AIDS and BCM Disability Strategies. .</p>
Youth Advisory Centers	<p>In terms of the BCM – Umsobomvu Youth Fund Service Level Agreement on Youth Advisory Centers, BCM has three Youth Advisory Centers situated in KWT, Mdantsane and Gompo. The Centers provide both career guidance and access to entrepreneurial and employment opportunities for youth till age 35 years. In addition to youth, the Centers offer their services to women and persons with disabilities of all ages. All these activities are in line with the BCM Youth and Gender Strategies. .</p>
Mayoral Bursary Fund	<p>The pilot Mayoral Bursary Fund which was initiated in FY07/08 was continued in the FY08/09 with an 80% pass rate. The focus of the Fund is those historically disadvantaged students who perform well academically in the fields of scarce skills and who are in need of financial assistance in order to continue with their studies. The BCM Mayoral Bursary Fund will now be awarded on an annual basis to deserving students.</p>

PART 3- FUNCTIONAL AREAS REPORTING AND ANNEXURE

A: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

1. General information (population statistics)

Buffalo City Municipality GENERAL INFORMATION
--

Reporting Level	Detail	Total	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported		
Information:			
1	Geography: Geographical area in square kilometres Demarcation Board and GIS unit Ward Boundaries		2536Sq KM
2	Demography: Total population Community Survey 2007 (STATSSA)		724308
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent		
4	Total number of voters Independent Electoral Commission(Elections 2009)		317098
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Community Survey 2007 (STATSSA)		39807 156648 335457 194410
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Community Survey 2007 (STATSSA) Information not provided in categories requested.		61637 30356 91665 134395

2. Finance and Administration function's performance

Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total											
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .												
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes: These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government.</p> <p>The strategic objectives of this function are to:</p> <p>The key issues for 200X/0Y are:</p>												
Analysis of the Function:	<Provide statistical information on (as a minimum):>												
1	Debtor billings: number and value of monthly billings: Function - <list function here eg: water, electricity etc> - Number and amount billed each month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) and by category	1 717 931 <number>	R (000s) 1 085 113 719 <value>										
2	Debtor collections: value of amount received and interest: Function - <list function here eg: water, electricity etc> - Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents Note only information available is age analysis of total payments received. See table attached BELOW	R (000s) <total> R1,235,966,891	R (000s) <total> N/A										
	<table border="1"> <thead> <tr> <th colspan="2">PAYMENT AGE ANALYSIS: JULY 2008 TO JUNE 2009</th> </tr> <tr> <th></th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td>Current</td> <td>1,003,998,191</td> </tr> <tr> <td>30 Days</td> <td>128,609,334</td> </tr> <tr> <td>60 Days</td> <td>38,398,630</td> </tr> </tbody> </table>	PAYMENT AGE ANALYSIS: JULY 2008 TO JUNE 2009			Totals	Current	1,003,998,191	30 Days	128,609,334	60 Days	38,398,630		
PAYMENT AGE ANALYSIS: JULY 2008 TO JUNE 2009													
	Totals												
Current	1,003,998,191												
30 Days	128,609,334												
60 Days	38,398,630												

90 Days	14,769,671
120 Days	7,158,452
150 Days	4,571,102
180 Days	3,151,553
210 Days	2,912,482
240 Days	3,771,934
270 Days	2,171,047
300 Days	1,644,172
330 DAYS	1,466,647
360 DAYS	1,306,716
390 DAYS	1,080,124
420 DAYS	1,144,479
450 DAYS	868,315
480 DAYS	819,105
510 PLUS DAYS ARRANGEMENT DISHONoured	16,221,961
	1,902,977
	1,235,966,891
Collection on arrear debt	231,968,700

3

Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:
 Function - <list function here eg: water, electricity etc>
 - Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc) and category

R (000s)
 R461,700,056

Service	Year 1	Year 2	Year 3	Year 4	Year 5	Year 5+	Total
	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005		
Electricity	12,636,725	2,621,501	2,566,563	1,266,918	939,744	2,887,286	22,918,736
Refuse	30,174,392	14,671,451	10,508,713	8,465,917	7,013,087	14,927,597	85,761,156

Rates	44,096,347	18,009,669	10,394,217	8,538,056	4,943,875	8,167,061	94,149,225
Sewerage	28,398,008	13,071,986	8,975,821	7,190,703	4,439,525	7,304,744	69,380,787
Water	52,617,508	19,803,680	14,516,929	11,648,229	9,435,868	16,805,328	124,827,542
Housing	254,665	168,289	169,543	116,333	66,402	53,845	829,076
Sundries	22,805,286	12,438,206	7,233,943	6,812,103	5,380,912	9,163,082	63,833,533
Grand total	190,982,931	80,784,782	54,365,729	44,038,260	32,219,412	59,308,941	461,700,056

4	Write off of debts: number and value of debts written off:		<i>R (000s)</i> <i>R34,235,287,.98</i>
	- Total debts written off each month across debtors by function (eg: water, electricity etc) and category	<number> N/A	<value>

Month	Write offs
July	-5,832.94
August	-15,785.53
September	-2,905.97
October	-51,929.65
November	-6,959.42
December	-5,374.35
January	-27,751.54
February	-1,185.17
March	15,658,832.76
April	22,358.10
May	1,095,003.79
June	17,576,817.90
Total	34,235,287.98

5	Property rates (Residential):		<i>R (000s)</i>
	- Number and value of properties rated	105989	R6 527 952 440
	- Number and value of properties not rated	N/A	N/A>
	- Number and value of rate exemptions	8764	R99 856 200
	- Rates collectible for the current year		R189 634 850
Reporting Level	Detail	Total	
6	Property rates (Commercial):		<i>R (000s)</i>

	- Number and value of properties rated	3590	R4 063 029 130
	- Number and value of properties not rated	NIL	NIL
	- Number and value of rate exemptions	NIL	NIL>
	- Rates collectible for the current year		R138 890 179
8	Property valuation:		
	- Year of last valuation	2008	
	- Regularity of valuation	4 years	
9	Indigent Policy:		
	- Quantity (number of households affected)	<total>	61913
	- Quantum (total value across municipality)	<value>	R8 722 081
10	Creditor Payments:	R (000s)	
	<List creditors here>	<value>	<age>
	Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days		
11	Credit Rating:	R (000s)	
	<List credit rating details here>	<value>	<date>
	List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated		
12	External Loans:	R (000s)	R (000s)
	- Total loans received and paid during the year	<received>	<paid>
	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.		
13	Delayed and Default Payments:		
	<List delayed and default payments here>	<value>	<date>
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		
	Note: This information need not be reported here if reported as notes to the accounts.		

3. Planning and Development function's performance

Function:	Planning and Development			
Sub Function:	Economic Development			
Reporting Level	Detail	Total		
Overview:	Includes all activities associated with economic development initiatives			
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes:			
	<List administration of each function here: this should detail what is offered, and how it is offered to the community>			
	These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:			
	<List here>			
	The strategic objectives of this function are to:			
	<List here>			
	The key issues for 200X/0Y are:			
	<List here>			
Analysis of the Function:	<Provide statistical information on (as a minimum):>			
	1	Number and cost to employer of all economic development personnel:	R (000s)	
		- Professional (Directors / Managers)	<total>	<cost>
		- Non-professional (Clerical / Administrative)	<total>	<cost>
		- Temporary	<total>	<cost>
	2	- Contract	<total>	<cost>
		Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
	3	Detail and cost of incentives for business investment:		R (000s)
		<list details>		<cost>
	4	Note: list incentives by project, with total actual cost to municipality for year		
		Detail and cost of other urban renewal strategies:		R (000s)
		<list details>		<cost>
	5	Note: list strategies by project, with total actual cost to municipality for year		
		Detail and cost of other rural development strategies:		R (000s)
	<list details>		<cost>	
6	Note: list strategies by project, with total actual cost to municipality for year			
	Number of people employed through job creation schemes:			

6	- Short-term employment	<number>		
	- Long-term employment	<number>		
	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives			
	Number and cost to employer of all Building Inspectors employed:			R (000s)
	- Number of Building Inspectors	<number>	<value>	
	- Temporary			
	- Contract			
	Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package			
	Details of building plans:			
	- Number of building plans approved	<number>		
- Value of building plans approved	<value>			
Reporting Level	Detail	Total		
	Note: Figures should be aggregated over year to include building plan approvals only			
7	Type and number of grants and subsidies received:		R (000s)	
	<list each grant or subsidy separately>	<total>	<value>	
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			

4. Community and social services function's performance

Function:	Community and Social Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	The function of provision of various community and social services within the municipality is administered as follows and includes: The Amenities Branch provides and maintains sports and recreational facilities to the public throughout the jurisdiction of Buffalo City. These include coastal and inland sports facilities, public swimming pools, one caravan park and one resort. The Amenities Branch also provides for the Marine Services, which includes Aquarium, public beaches and coastal Zone Management and the East London Zoo that contributes		

to public awareness and conservation of the environment.

a) Cemeteries

- Plan, develop, maintain and manage Cemeteries and Crematorium
- Mangle and perform burials and cremations
- Digging and allocation of graves space
- Digging and allocation of graves space
- Evaluation of grave spaces
- Develop and apply Cemetery By-Laws

b) Horticulture

- Plan, develop, maintain and manage horticultural features
- Landscape development
- Development of parks and children playgrounds
- Nature Reserves
- Propagation of plant material
- Civic decoration
- Floral decoration
- Grass, moving of pavements and Public Open Spaces
- Develop and manage Nurseries
- Vegetation Control bush clearing
- Weed spraying
- Noxious weed control
- Poison spraying
- Commonage
- Pounds
- Maintenance of Open Spaces

d) Environmental Services Workshop

- Plan, manage and runt the Environmental Services Workshop
- Purchasing and repair of small plant
- Welding
- Repair mowing equipment
- Safety aspects

Training of new staff on use of equipment

- | | |
|---------------------|-------|
| • Pools | 4 |
| • Resort | 1 |
| • Caravan Park | 1 |
| • Sports Facilities | 130 |
| • Aquaurium | 1 |
| • Beaches | 6 |
| • Picnic Sites | 3 |
| • Estuaries | 20 |
| • Shoreline | 68 km |
| • Zoo | 1 |

		1	
	<List here>		
	The strategic objectives of this function are to:		
	<i>Provide and maintain sporting and recreational facilities through BCM</i>		
	The key issues for 200X/0Y are:		
	<i>Upgrading of sportsfields; Resorts; Lifeguard facilities; Zoo and the Aquarium</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Nature and extent of facilities provided:	<i>no of facilities:</i>	<i>no of users:</i>
	- Library services	17	45 841
	- Museums and art galleries	1	1107
	- Other community halls/facilities	86	158 310
	- Cemeteries and crematoriums	28 <i>Cemeteries & 1 Crematorium</i>	<i>All residents in BCM</i>
	- Child care (including crèches etc)	<number>	<number>
	- Aged care (including aged homes, home help)	<number>	<number>
	- Schools	<number>	<number>
	- Sporting facilities (specify)	130	244 000
	- Parks	397760sqm ²	79 parks
	Note: the facilities figure should agree with the assets register		
2	Number and cost to employer of all personnel associated with each community services function:		<i>R(000s)</i>
	- Library services	110	<i>R11,125,911</i>
	- Museums and art galleries	3	<i>R406,036</i>
	- Other community halls/facilities	73	<i>R6,067,528</i>
	- Cemeteries and crematoriums	102	<i>1 305 6217</i>
	- Child care	<total>	<cost>
	- Aged care	<total>	<cost>
	- Schools	<total>	<cost>
	- Sporting facilities	259	<i>19, 384,543</i>
	- Parks	500	<i>47 629 590</i>
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
6	Total operating cost of community and social services function		<i>R97,669,825</i>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<ul style="list-style-type: none"> Approved HIV/AIDS strategy; Approved Disaster management policy frameworks and plans (Metro and DM) 	<p>< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</p>		

5. Housing function's performance

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total		
Overview:	<p>The Housing Department is required to manage the housing programme through a multi-disciplinary team. The team comprises of primary and secondary shakeholders:</p> <table border="1"> <tr> <td>Housing department</td> <td> <ul style="list-style-type: none"> Programme management Convening of multi-disciplinary team Project coordination and management. Monitoring of construction of houses. Quality control and monitoring. Maintaining of Health and safety standards. Certification of progress payments. Management of public housing stock. Consumer education Housing policy and social housing support. Beneficiary management. Beneficiary relocation. Budget management. </td> </tr> </table>	Housing department	<ul style="list-style-type: none"> Programme management Convening of multi-disciplinary team Project coordination and management. Monitoring of construction of houses. Quality control and monitoring. Maintaining of Health and safety standards. Certification of progress payments. Management of public housing stock. Consumer education Housing policy and social housing support. Beneficiary management. Beneficiary relocation. Budget management. 	
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	<table border="1"> <tr> <td>Finance</td> <td> <ul style="list-style-type: none"> • Programme and project accounting support. </td> </tr> <tr> <td>Land administration</td> <td> <ul style="list-style-type: none"> • Land acquisition for housing programmes. • Property transfer </td> </tr> <tr> <td>City planning and land survey</td> <td> <ul style="list-style-type: none"> • Feasibility studies • Township planning and establishment. • Settlement upgrading. • Rezoning subdivisions. </td> </tr> <tr> <td>Environmental</td> <td> <ul style="list-style-type: none"> • Evaluation of environment scoping and assessment implications of the housing development areas. </td> </tr> <tr> <td>Engineering</td> <td> <ul style="list-style-type: none"> • Bulk and internal services provision. (water, sanitation, roads, electricity) </td> </tr> <tr> <td>Architectural</td> <td> <ul style="list-style-type: none"> • Approval of building plans. • Meeting municipal regulations. </td> </tr> </table>	Finance	<ul style="list-style-type: none"> • Programme and project accounting support. 	Land administration	<ul style="list-style-type: none"> • Land acquisition for housing programmes. • Property transfer 	City planning and land survey	<ul style="list-style-type: none"> • Feasibility studies • Township planning and establishment. • Settlement upgrading. • Rezoning subdivisions. 	Environmental	<ul style="list-style-type: none"> • Evaluation of environment scoping and assessment implications of the housing development areas. 	Engineering	<ul style="list-style-type: none"> • Bulk and internal services provision. (water, sanitation, roads, electricity) 	Architectural	<ul style="list-style-type: none"> • Approval of building plans. • Meeting municipal regulations. 		
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Engineering	<ul style="list-style-type: none"> • Bulk and internal services provision. (water, sanitation, roads, electricity) 														
Architectural	<ul style="list-style-type: none"> • Approval of building plans. • Meeting municipal regulations. 														
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p>The Housing Department is required to manage the housing programme through a multi-disciplinary team. The team comprises of primary and secondary stakeholders:</p> <table border="1"> <tr> <td>Housing department</td> <td> <ul style="list-style-type: none"> • Programme management • Convening of multi-disciplinary team • Project coordination and management . • Monitoring of construction of houses. • Quality control and monitoring. • Maintaining of Health and safety standards. • Certification of progress payments. • Management of public housing stock. • Consumer education • Housing policy and social housing support. • Beneficiary management . • Beneficiary relocation. • Budget management. </td> </tr> </table>	Housing department	<ul style="list-style-type: none"> • Programme management • Convening of multi-disciplinary team • Project coordination and management . • Monitoring of construction of houses. • Quality control and monitoring. • Maintaining of Health and safety standards. • Certification of progress payments. • Management of public housing stock. • Consumer education • Housing policy and social housing support. • Beneficiary management . • Beneficiary relocation. • Budget management. 												
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Architectural	<ul style="list-style-type: none"> • Approval of building plans. • Meeting municipal regulations. 														
<p>Analysis of the Function:</p> <p>1</p>	<p><Provide statistical information on (as a minimum):-></p> <p><u>Within the Housing Department</u></p> <p>Programme Manager 1</p> <p>Branch Head (technical) 1</p> <p>Housing strategic planner 1</p> <p>Project technical coordinators 5</p> <p>Financial coordinator 1</p> <p>Admin officers 4</p> <p>Senior housing practitioners 4</p> <p>Housing practitioners 16</p> <p>Quality control 2</p> <p>Health and safety officer 1</p> <p>Caretakers 1</p> <p>Labourers 2</p> <p>Number and cost of all personnel associated with provision of municipal housing: 39</p>		R (000s)												

2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	10 15	R (000s) 270 million 750 million
3	Total type, number and value of housing provided: 40 metre square RDP standard type of housing. Internal services Top structures Note: total number and total value of housing provided during financial year	1 1043 4819 3304	R53737761 million R72 million 181 million
4	Total number and value of rent received from municipal owned rental units <list details, including number of units handed over to residents>	<total>	R (000s) <value>
5	Estimated backlog in number of (and costs to build) housing: Estimated backlog in number of (and costs to build) housing: Housing backlog (still being quantified through the demand data base) • East London area- • Mdantsane/Berlin area - • King Williams Town area- • Rural R75 000 (RDP unit of 40 metre square)	33314 14849 15910 10955 75 000	R (000s) R (000s) 6 billion
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	103 350 15450 7277 3489 59780 1862	
	Reporting Level	Detail	Total
7	Type and number of grants and subsidies received:		R (000s)
	Type and number of grants and subsidies received:	250 Beneficiaries	R28 188 686

		have been registered and 130 received subsidies	
8	Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
	Total operating cost of housing function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	Type: Project linked and PHP for various projects Housing subsidy grants received April – July 08 July to Sept 08 Oct – Dec 08 Jan - Mar 09 April- June 09	R5 135 224 R7 804 274 R10 015 681 R58 141:00 R5 142 366	

6. Waste management function's performance

Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include: <List administration of each function here: this should detail what is offered, and how it is offered to the community> These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: <List here> The strategic objectives of this function are to: <List here> The key issues for 200X/0Y are: <List here>		

Reporting Level	Detail	Total	
1	<p>Analysis of the Function:</p> <p><Provide statistical information on (as a minimum):></p> <p>Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>		R (000s)
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
2	<p>Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal <p>Note: if other intervals of services are available, please provide details</p>		R (000s)
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	
		<total>	
3	<p>Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total tonnage for current and future years activity</p>	<current>	<future>
		<current>	<future>
4	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> - Domestic/Commercial (number) - Garden (number) <p>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</p>	<capacity>	<lifespan>
		<capacity>	<lifespan>
5	<p>Anticipated expansion of refuse removal service:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	<total>	R (000s)
		<total>	<cost>
		<total>	<cost>
6	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> - Quantity (number of households affected) - Quantum (value to each household) <p>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.</p>	<total>	
		<value>	
7	Total operating cost of solid waste management function		R (000s)

7. Waste water management

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p>Treatment of water to potable standard and purchase of potable water from Amatola Water Board. Distribution of water to formal erven (residential, commercial and industrial) via metered connections and basic level of service (standpipes) to informal and rural communities.</p> <p>These services extend to include <i>all customers in BCM <function/area></i>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p>Progressively enhance the capacity of the WSA in accordance with the WSA Capacity Building Business Plan Review provider arrangements periodically as and when required in terms of Section 78 of the Municipal Systems Act. Progressively enhance the capacity of the WSP in accordance with the WSP Capacity Building Business Plan Formulation of a Services Charter to establish levels of water to be provided Well-maintained and operated water services infrastructure Eliminate the water backlog Efficient Water Resource Management</p> <p>The strategic objectives of this function are to: <List here></p> <p>The key issues for 2008/09 are:</p> <p>Establishment of the water services ring fenced business unit implementation of annual targets in the SLA with Amatola Water Board WTW in BCM to obtain Blue/Green Drop status Increase number of households with access to minimum basic standard of water provision Reduction in water losses</p>		

Reporting Level	Detail	Total	Cost
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with sewerage functions: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	<total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost>
2	Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision Note: if other types of services are available, please provide details	<total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost>
3	Anticipated expansion of sewerage: - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	<total> <total> <total> <total>	R (000s) <cost> <cost> <cost>
4	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	<total> <value>	
5	Total operating cost of sewerage function		R (000s)
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		

8. Road maintenance's function's performance

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost

Overview:	Construction and maintenance of roads within the municipality's jurisdiction														
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> - Maintenance and construction of surfaced proclaimed roads (including road-side furniture), - Maintenance and construction of gravel proclaimed roads (including road-side furniture), - Maintenance and construction of major and minor stormwater systems, - Maintenance and construction of minor and major structures (culverts, bridges, retaining walls), - Maintenance of railway sidings, and - Managing all activities within the road reserve (design approvals, wayleaves, accommodation of utilities, traffic calming facilities). <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p>Provide and maintain a safe and economical road and Stormwater network which supports the development and growth of the City</p> <p>The key issues for 200X/0Y are:</p> <p>Inadequate maintenance, upgrading and reconstruction of the road network, associated structures and road furniture, due to lack of funding</p>														
Analysis of the Function:	<Provide statistical information on (as a minimum):>		R 3 185 747												
1	<p>Number and cost to employer of all personnel associated with road maintenance and construction:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<table border="1"> <tr><td><total></td><td><cost></td></tr> <tr><td><total></td><td><cost></td></tr> <tr><td><total></td><td><cost></td></tr> <tr><td><total></td><td><cost></td></tr> <tr><td><total></td><td><cost></td></tr> <tr><td><total></td><td><cost></td></tr> </table>	<total>	<cost>	<total>	<cost>	<total>	<cost>	<total>	<cost>	<total>	<cost>	<total>	<cost>	R (000s)
<total>	<cost>														
<total>	<cost>														
<total>	<cost>														
<total>	<cost>														
<total>	<cost>														
<total>	<cost>														
2	<p>Total number, kilometres and total value of road projects planned and current:</p> <ul style="list-style-type: none"> - New bitumenised (number) - Existing re-tarred (number) - New gravel (number) - Existing re-sheeted (number) 	<table border="1"> <tr><td>28.711km</td><td>79 932 325</td></tr> <tr><td>1.9km</td><td>1000 000</td></tr> <tr><td>2.4km-</td><td>700 000</td></tr> <tr><td>32.4km</td><td>5 430 000</td></tr> </table>	28.711km	79 932 325	1.9km	1000 000	2.4km-	700 000	32.4km	5 430 000	R (000s)				
28.711km	79 932 325														
1.9km	1000 000														
2.4km-	700 000														
32.4km	5 430 000														

3	Note: if other types of road projects, please provide details		
	Total kilometres and maintenance cost associated with existing roads provided		<i>R (000s)</i>
	- Tar	1 295km	R 13 019 356
	- Gravel	2 112km	R 4 487 000
4	Note: if other types of road provided, please provide details		
	Average frequency and cost of re-tarring, re-sheeting roads		<i>R (000s)</i>
	- Tar	Bi-monthly	R 1 300 000
	- Gravel	Monthly	R 600 000
5	Note: based on maintenance records		
	Estimated backlog in number of roads, showing kilometres and capital cost		<i>R (000s)</i>
	- Tar	1000km	R100 000
	- Gravel	350km	R1 065 000
Reporting Level	Detail	Total	Cost
6	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
	Type and number of grants and subsidies received: <list each grant or subsidy separately>	<total>	<i>R (000s)</i> <value>
	Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	Roads General Roads Rural Stormwater	R 8531 000 R 2493 221 R 4487 000
7	Total operating cost of road construction and maintenance function		<i>R (000s)</i>

9. Water distribution function's performance

Function: Water
Sub Function: Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	The water purchase and distribution functions of the municipality are administered as follows and include: Treatment of water to potable standard and purchase of potable water from Amatola Water Board. Distribution of water to formal erven (residential, commercial and industrial) via metered connections and basic level of service (standpipes) to informal and rural communities.		

	<p>These services extend to include all customers in BCM, but do not take account of <function/area> which sits within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p>Progressively enhance the capacity of the WSA in accordance with the WSA Capacity Building Business Plan</p> <p>Review provider arrangements periodically as and when required in terms of Section 78 of the Municipal Systems Act.</p> <p>Progressively enhance the capacity of the WSP in accordance with the WSP Capacity Building Business Plan</p> <p>Formulation of a Services Charter to establish levels of water to be provided</p> <p>Well-maintained and operated water services infrastructure</p> <p>Eliminate the water backlog</p> <p>Efficient Water Resource Management</p> <p>The key issues for 2008/09 are:</p> <p><i>Establishment of the water services ring fenced business unit</i></p> <p><i>implementation of annual targets in the SLA with Amatola Water Board</i></p> <p><i>WTW in BCM to obtain Blue/Green Drop status</i></p> <p><i>Increase number of households with access to minimum basic standard of water provision</i></p> <p><i>Reduction in water losses</i></p>																
1	<p><Provide statistical information on (as a minimum):-></p> <p>Number and cost to employer of all personnel associated with the water distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p><i>R (000s)</i></p> <p>1</p> <p>59</p> <p>9</p> <p>217</p> <p>0</p> <p>0</p>	<p>485 051</p> <p>18 807</p> <p>418</p> <p>2 315</p> <p>439</p> <p>19 764</p> <p>603</p> <p>0</p> <p>0</p>														
2	<p>Percentage of total water usage per month</p> <p><Insert table showing monthly water usage ></p> <table border="1" data-bbox="467 1451 946 1717"> <thead> <tr> <th>Month</th> <th>TOTAL KI</th> </tr> </thead> <tbody> <tr> <td><u>Jul</u></td> <td>5,496,991</td> </tr> <tr> <td><u>Aug</u></td> <td>5,201,451</td> </tr> <tr> <td><u>Sept</u></td> <td>5,209,875</td> </tr> <tr> <td><u>Oct</u></td> <td>5,361,699</td> </tr> <tr> <td><u>Nov</u></td> <td>5,069,306</td> </tr> <tr> <td><u>Dec</u></td> <td>5,383,804</td> </tr> </tbody> </table>	Month	TOTAL KI	<u>Jul</u>	5,496,991	<u>Aug</u>	5,201,451	<u>Sept</u>	5,209,875	<u>Oct</u>	5,361,699	<u>Nov</u>	5,069,306	<u>Dec</u>	5,383,804	<p><volume></p> <p>63 038 875</p>	<p><volume></p> <p>></p>
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	<table border="1"> <tbody> <tr><td>Jan</td><td>5,383,576</td></tr> <tr><td>Feb</td><td>4,955,074</td></tr> <tr><td>Mar</td><td>5,537,725</td></tr> <tr><td>Apr</td><td>5,205,878</td></tr> <tr><td>May</td><td>5,224,088</td></tr> <tr><td>Jun</td><td>5,009,408</td></tr> <tr><td></td><td>63,038,875</td></tr> </tbody> </table>	Jan	5,383,576	Feb	4,955,074	Mar	5,537,725	Apr	5,205,878	May	5,224,088	Jun	5,009,408		63,038,875																		
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	Note: this will therefore highlight percentage of total water stock used per month																																
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer		<i>R (000s)</i>																														
		<volume> 27 642 452	<cost> 117 094																														
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:		<i>R (000s)</i>																														
		<volume> 34 733 505	<cost> 205 393																														
5	Total year-to-date water losses in kilolitres and rand		<i>R (000s)</i>																														
	<detail total>	<volume> 28 305 370	<cost> 150 018																														
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Reporting Level	Detail	Total	Cost																														
6	Number of households with water service, and type and cost of service:		<i>R (000s)</i>																														
	- Piped water inside dwelling	114 000	<cost>																														
	- Piped water inside yard	<total>	<cost>																														
	- Piped water on community stand: distance < 200m from dwelling	108 000	<cost>																														
	- Piped water on community stand: distance > 200m from dwelling	4 000	<cost>																														
	- Borehole	2 000	<cost>																														

	- Spring		<total>	<cost>
	- Rain-water tank		<total>	<cost>
	Note: if other types of services are available, please provide details			
7	Number and cost of new connections:			R (000s)
	<detail total>		<number> 2,696	<cost> 9,630
		Jun-08 Jul-08 Aug-08 Sep-08 Oct-08		08 Jan-0
	EAST LONDON			
	DOMESTIC FLAT RATE	7,339 7,311 7,336 7,086 8,316		8,298 8,
	CREDIT METER	46,277 46,038 46,511 46,879 49,630		5,656 45,
	TOTAL	53,616 53,349 53,847 53,965 57,946		3,954 54,
	MDANTSANE			
	DOMESTIC FLAT RATE	522 514 545 513 556		551
	CREDIT METER	30,172 30,589 30,864 30,438 30,435		0,411 30,
	TOTAL	30,694 31,103 31,409 30,951 30,991		0,962 30,
	KWT			
	DOMESTIC FLAT RATE	7,220 7,335 7,274 7,252 7,173		7,179
	CREDIT METER	17,733 17,714 17,736 17,716 16,287		7,795 24,
	TOTAL	24,953 25,049 25,010 24,968 23,460		4,974 24,
	TOTAL DOMESTIC FLAT RATE	15,081 15,160 15,155 14,851 16,045		6,028 9,
	TOTAL CREDIT METER	94,182 94,341 95,111 95,033 96,352		3,862 100,
	GRAND TOTAL	109,263 109,501 110,266 109,884 112,397		9,890 109,
8	Number and cost of disconnections and reconnections:			R (000s)
	<detail total>		<number>	<cost>
9	Number and total value of water projects planned and current:			R (000s)
	- Current (financial year after year reported on)		12	84 624
	- Planned (future years)		15	69 129`
	Note: provide total project and project value as per initial or revised budget			
10	Anticipated expansion of water service:			R (000s)
	- Piped water inside dwelling		2 000	<cost>
	- Piped water inside yard		<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling		6 000	<cost>
	- Piped water on community stand: distance > 200m from dwelling		2 000	<cost>
	- Borehole		1 000	<cost>
	- Spring		<total>	<cost>
	- Rain-water tank		<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality			
11	Estimated backlog in number (and cost to provide) water connection:			R (000s)

	- Piped water inside dwelling	7 000	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	13 000	<cost>
	- Piped water on community stand: distance > 200m from dwelling	4 000	<cost>
	- Borehole	2 000	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
12	Free Basic Service Provision:		
	- Quantity (number of households affected)	31 533	

Contract area:	Settlement type (urban / rural)	Name of bulk WSP	Type of bulk WSP	Signed contract (yes/no)	Type of contract	% Consumers served by the bulk WSP
1.	Inside Urban Edge ¹	BCM	LM	N/A	N/A	73.3%
	- Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.					31.80
13	Type and number of grants and subsidies received: <list each grant or subsidy separately>					<i>R (000s)</i> <total>
	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.					154 986
14	Total operating cost of water distribution function					368 192
2.	Inside Urban Edge ¹	Amatola Water	Water Board	Yes		Included above
3.	Outside Urban Edge	BCM	LM	N/A	N/A	3.5%
4.	Outside Urban Edge	Amatola Water	Water Board	Yes		17.7%

10. Electricity distribution function's performance

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		

Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include: The BCM electricity department purchases bulk Electricity from Eskom via 15 intake points of distribution in the BCM supply area. This is redistributed via pre payment and credit meters to all consumers within the urban edge. Eskom supply consumers outside the urban edge These services extend to include all consumers within the defined urban edge, but do not take account of rural outside the urban edge which resides within the jurisdiction of Eskom</p> <p><List here></p> <p>The strategic objectives of this function is to: Ensure a continuous and stable electricity supply</p> <p><List here></p> <p>The key issues for 2008/09 are: Establishment of the Electricity Services ring fenced unit</p> <p><List here></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1</p> <p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p> <p>2</p> <p>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</p> <ul style="list-style-type: none"> - Residential - Commercial - Industrial - Mining - Agriculture - Other <p>3</p> <p>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p> <ul style="list-style-type: none"> - Household - Commercial - Industrial - Mining - Agriculture 	<p>3</p> <p><total></p> <p><total></p> <p><total></p> <p><total></p> <p><total></p>	<p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p>

	- Other	<volume>	<cost>
4	Total year-to-date electricity losses in kilowatt hours and rand <detail total>		R (000s) <cost>
5	Number of households with electricity access, and type and cost of service:		R (000s)
Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	108 000	<cost>
	- Eskom	unknown	<cost>
	- Alternate energy source		
	- Gas	unknown	<cost>
	- Paraffin	unknown	<cost>
	- Solar	unknown	<cost>
	- Wood	unknown	<cost>
	- Non electrified	75 000 informal	<cost>
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections: <detail total>	Dependent on supply size required	R (000s) <cost>
7	Number and cost of disconnections and reconnections <detail total>	Refer finance	R (000s) <cost>
8	Number and total value of electrification projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	1200 75 000	R (000s) <cost> <cost>
9	Anticipated expansion of electricity service: <detail total>	75 000	R (000s) R1 billion
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
10	Estimated backlog in number (and cost to provide) water connection: <detail total>	<total>	R (000s) <cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	65 000 <value> 36 000 50 Kw	
12	Type and number of grants and subsidies received:		R (000s)

	<i><list each grant or subsidy separately></i>	<i><total></i>	<i><value></i>
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	Total operating cost of electricity distribution function		<i>R (000s)</i>