



DRAFT

2013/14

ANNUAL REPORT

TABLE OF CONTENTS

Description	Page
EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY.....	1
COMPONENT A: EXECUTIVE MAYOR'S FOREWORD.....	1
COMPONENT B: EXECUTIVE SUMMARY	6
1.1 MUNICIPAL MANAGER'S OVERVIEW	6
1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	9
1.3 SERVICE DELIVERY OVERVIEW	19
1.4 FINANCIAL HEALTH OVERVIEW	23
1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW	40
GOVERNANCE	43
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	43
2.1 POLITICAL GOVERNANCE	43
2.2 ADMINISTRATIVE GOVERNANCE.....	48
COMPONENT B: INTERGOVERNMENTAL RELATIONS	50
2.3 INTERGOVERNMENTAL RELATIONS	50
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	54
2.4 PUBLIC MEETINGS	55
2.5 IDP PARTICIPATION AND ALIGNMENT	57
COMPONENT D: CORPORATE GOVERNANCE.....	58
2.6 RISK MANAGEMENT	58
2.7 ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY.....	59
2.8 SUPPLY CHAIN MANAGEMENT	61
2.9 BY-LAWS	62
2.10 WEBSITE	63
2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES.....	64
SERVICE DELIVERY PERFORMANCE	66
(PERFORMANCE REPORT – PART I).....	66
COMPONENT A: BASIC SERVICES.....	67
3.1 WATER PROVISION	68
3.2 WASTEWATER (SANITATION) PROVISION.....	79
3.3 ELECTRICITY	87
3.4 WASTE MANAGEMENT.....	98
3.5 HUMAN SETTLEMENTS.....	103
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	111
COMPONENT B: ROAD TRANSPORT	114
3.8 TRANSPORT.....	122
3.9 WASTEWATER (STORMWATER DRAINAGE).....	127

COMPONENT C: PLANNING AND DEVELOPMENT	132
3.10 PLANNING	132
3.11 LOCAL ECONOMIC DEVELOPMENT	138
COMPONENT D: COMMUNITY AND SOCIAL SERVICES.....	154
3.12 HERITAGE, LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES AND OTHERS	154
3.13 CEMETERIES AND CREMATORIUMS	163
3.14 SPECIAL SECTORS PROGRAMME (YOUTH, AGED, CHILDREN, PEOPLE WITH DISABILITIES, WOMEN)	166
COMPONENT E: ENVIRONMENTAL PROTECTION	175
3.15 POLLUTION CONTROL	175
3.16 BIO-DIVERSITY, LANDSCAPE AND OTHER	181
COMPONENT F: HEALTH.....	185
3.17 CLINICS	185
3.18 AMBULANCE SERVICES.....	186
3.19 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION	186
COMPONENT G: SAFETY AND SECURITY	190
3.20 MUNICIPAL POLICE	190
3.20.1 SECURITY SERVICES.....	190
3.20.2 TRAFFIC AND LICENSING SERVICES	194
3.21 FIRE	202
3.22 DISASTER MANAGEMENT	207
COMPONENT H: SPORT AND RECREATION.....	212
3.23 SPORT AND RECREATION.....	212
3.24 EXECUTIVE AND COUNCIL SERVICES	221
3.25 FINANCIAL SERVICES	225
3.26 HUMAN RESOURCES SERVICES	232
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	242
3.28 LEGAL SERVICES AND RISK MANAGEMENT	246
COMPONENT J: MISCELLANEOUS (MUNICIPAL COURT)	249
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD	250
ORGANISATIONAL DEVELOPMENT PERFORMANCE	286
(PERFORMANCE REPORT – PART II).....	286
COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL	286
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	286
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	287
4.2 POLICIES	288
4.3 INJURIES, SICKNESS AND SUSPENSIONS.....	289
4.4 PERFORMANCE REWARDS.....	291
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	292
4.5 SKILLS DEVELOPMENT AND TRAINING.....	292
COMPONENT D: MANAGING WORKFORCE EXPENDITURE.....	298
4.6 EMPLOYEE EXPENDITURE	298

FINANCIAL PERFORMANCE	302
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	321
5.2 GRANTS.....	334
5.3 ASSET MANAGEMENT.....	339
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	342
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET.....	353
5.5 CAPITAL EXPENDITURE.....	354
5.6 SOURCES OF FINANCE.....	355
5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS.....	358
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS	362
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT	366
5.9 CASH FLOW	367
5.10 BORROWING AND INVESTMENTS	371
5.11 PUBLIC PRIVATE PARTNERSHIPS	375
COMPONENT D: OTHER FINANCIAL MATTERS.....	375
5.12 SUPPLY CHAIN MANAGEMENT	375
AUDITOR-GENERAL AUDIT FINDINGS.....	377
COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS (YEAR -1)	377
6.1 AUDITOR-GENERAL'S REPORT: YEAR -1 (2012/13)	377
COMPONENT B: AUDITOR-GENERAL OPINION: YEAR 0	378
6.2 AUDITOR-GENERAL'S REPORT: YEAR 0 (2013/14).....	378

APPENDICES

- APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE
- APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES
- APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE
- APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY
- APPENDIX E – WARD REPORTING
- APPENDIX F – WARD INFORMATION
- APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0
- APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS
- APPENDIX I – MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE
- APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS
- APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE
- APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

- APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE
- APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
- APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES
- APPENDIX M (i): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME
- APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME
- APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0
- APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0
- APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS
- APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
- APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
- APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT
- VOLUME II: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
- VOLUME III: AUDIT REPORT BY THE AUDITOR-GENERAL
- VOLUME IV: AUDIT COMMITTEE REPORT
- VOLUME V: REPORT ON ENTITY: MANDELA BAY DEVELOPMENT AGENCY

NOTE:

The key to references to the various financial years throughout this Annual Report is provided in the table below:

YEAR	FINANCIAL YEAR
Year -2	2011/12
Year -1	2012/13
Year 0	2013/14
Year 1	2014/15
Year 2	2015/16

ACRONYMS

ABET	Adult Basic Education and Training
ACDP	African Christian Democratic Party
AFCON	Africa Cup of Nations
ANC	African National Congress
APTMS	Advanced Passenger Transport Management System
ATTP	Assistance to the Poor
BEE	Black Economic Empowerment
BRT	Bus Rapid Transit
CCTV	Closed Circuit Television Camera
CEO	Chief Executive Officer
CFIR	Consultative Forum on International Relations
CITP	Comprehensive Integrated Transport Plan
COGTA	Cooperative Governance and Traditional Affairs
COPE	Congress of the People
DA	Democratic Alliance
DME	Department of Minerals and Energy
DoRA	Division of Revenue Act
DSRAC	Department of Sport, Recreation, Arts and Culture
DWA	Department of Water Affairs
EDRS	Economic Development and Recreational Services
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
EU	European Union
FET	Further Education and Training
FTE	Full Time Equivalent
GCIS	Government Communication and Information System
GDS	Growth and Development Strategy
GGP	Gross Geographic Product
GIS	Geographic Information System
GRAP	Generally Recognised Accounting Practice

HDA	Housing Development Agency
HDIs	Historically Disadvantaged Individuals
HIA	Heritage Impact Assessment
HIV/AIDS	Human Immunodeficiency/ Acquired Immunodeficiency Virus
HURP	Helenvale Urban Renewal Programme
HV	High Voltage
ICT	Information and Communication Technology
ICTS	International Cooperation Trade and Security
IDP	Integrated Development Plan
IDZ	Integrated Development Zone
IEC	Independent Electoral Commission
IGR	Intergovernmental Relations
ILIS	Integrated Land Information System
IPTS	Integrated Public Transport System
IWA	International Water Association
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
KPA	Key Performance Area
KPE	Key Performance Element
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LSDF	Local Spatial Development Framework
MBDA	Mandela Bay Development Agency
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MTREF	Medium-Term Revenue and Expenditure Framework
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NGO	Non-Governmental Organisation
NLTA	National Land Transport Act

NMB	Nelson Mandela Bay
NMBM	Nelson Mandela Bay Municipality
NMBT	Nelson Mandela Bay Tourism
NPO	Non-Profit Organisation
NYDA	National Youth Development Agency
ODA	Official Development Assistance
OPF	Older People's Forum
PDF	Policy Development Framework
PHB	Provincial Housing Board
POS	Public Open Space
PPPFA	Preferential Procurement Policy Framework Act
PWD	People with Disabilities
RMS	Roads Management System
SALA IDA	Swedish Association of Local Authorities International Development Agency
SALGA	South African Local Government Association
SALT	Subdivision and Land Transaction
SAMWU	South African Municipal Workers Union
SANS	South African National Standards
SARS	South Africa Revenue Services
SASSA	South African Social Security Agency
SAWS	South African Weather Services
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SMME	Small Medium and Macro Enterprises
SOHCO	Social Housing Cooperative
SPCA	Society for the Prevention of Cruelty to Animals
SPLUMA	Spatial Planning and Land Use Management Act
SPU	Special Programmes Unit
STI	Sexually Transmitted Infection
TASK	Tuned Assessment of Skills and Knowledge
UDM	United Democratic Movement

USA	United States of America
USDG	Urban Settlements Development Grant
VAT	Value Added Tax
WO	Work Opportunities
WSDP	Water Services Development Plan
WTTW	Waste Water Treatment Works

CHAPTER 1

EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

I am pleased to present the Nelson Mandela Bay Municipality's 2013/14 Annual Report, covering the period 1 July 2013 to 30 June 2014. This Report tracks the Municipality's operational performance in the context of the priorities reflected in its approved 2013/14 Integrated Development Plan and 2013/14 Service Delivery and Budget Implementation Plan.

This Annual Report presents to our communities our successes and challenges during the review year, in the context of the Municipality's strategic objectives and in this, our third year of the implementation of our current five-year Integrated Development Plan (2011 – 2016).

The review period saw the Deputy Executive Mayor and I, together with a newly revised Executive Mayoral Committee team, building on the positive outcomes of the 100 Days Service Delivery Action Plan that heralded our assumption to office in March 2013. Parallel to broadening and expediting service delivery to our communities, we sharpened our focus on community needs and concerns and their involvement in municipal planning and decision-making processes.

Long cause for concern has been the high vacancy rate among the administrative leadership, which caused instability and lack of direction among our municipal directorates. It is therefore pleasing to report that the administrative leadership of the institution has been stabilised, notably by the appointment on 6 December 2013 of Mr M Mbambisa as City Manager, followed by the appointment of the majority of Executive Directors.

I am proud of the fact that the Municipality continues to prioritise the needs of the poor and the vulnerable, with the Budget clearly biased towards our poor and disadvantaged communities. We are committed to redress and to the transformation of our previously disadvantaged and neglected areas.

Like all South African cities, Nelson Mandela Bay faces the tripart challenges of unemployment, poverty and inequality. In this regard, the institution continues to prioritise job creation and creating conditions conducive for investments. Over the review period, the Municipality created 2 206 full-time equivalent jobs and excelled at creating 6 913 work opportunities, in terms of the Expanded Public Works Programme.

In terms of poverty eradication, the Municipality supports 85 022 qualifying households with free basic services (water and sanitation, electricity, refuse removal and rates rebate).

The Municipality also actively assists emerging entrepreneurs in setting up a business and equipping them with vital business skills to ensure its success and sustainability. In this regard, 541 emerging business owners received entrepreneurship training and practical business skills training from the institution over the review period. The Municipality provided 16 SMMEs, 19 co-operatives and 8 informal traders with start-up equipment to give them a head start in their business careers.

The Municipality assists local youth in gaining experience in the workplace through a number of programmes, such as the Unemployed Graduates Scheme. In terms of this Scheme, 69 unemployed graduates were placed in scarce and critical skills areas in the institution over the review period. With the aid of a grant received from National Treasury for a Mentorship Programme, 43 mentees were successfully placed in a number of municipal directorates.

Women and people with disabilities have also been prioritised, with 135 receiving entrepreneurship training. In the special sector groupings of youth, women and people with disabilities, 405 people benefited from the provision of training and/or employment opportunities during the review period.

While significant challenges, primarily related to the eradication of housing and infrastructural backlogs still confront our City, I am pleased to report that we are making progress in the delivery of the objectives stated in our Integrated Development Plan.

A number of key institutional achievements are reflected below:

- (a) Altogether 2 856 state subsidised housing units were provided.
- (b) Altogether 4 012 erven were provided with permanent water and sanitation services.
- (c) 100% compliance with SANS drinking water standards, confirming that the Municipality's water is safe for consumption.
- (d) Altogether 2 459 new erven (state subsidised and informal houses) and 451 new erven (non-electrified erven) were connected to an electricity supply.
- (e) The Municipality won a prestigious international award, namely the Electricity De France (EDF) Award for its innovative approach to Renewable Energy and Energy Efficient Technology (high-mast lighting in townships).
- (f) Altogether 77 new street lights were installed.
- (g) Altogether 34 407 residents attended environmental health awareness events hosted by the institution.
- (h) Altogether 1 581 fire safety education sessions were hosted by the institution to communities throughout the Metro.
- (i) New investments/expansions to the value of R297 million were attracted to Nelson Mandela Bay.

In terms of our stated objective of positioning Nelson Mandela Bay as a preferred events destination, the City hosted a range of successful cultural and sporting events over the past financial year, notably the South African leg of the international Ironman Competition, the IRB Sevens Rugby World Series, and an International Rugby Match (South Africa vs England).

Over the review period, the institution made progress in revitalising its Ward Committee System, which is a vital prerequisite for full public participation in the planning and decision-making processes of Local Government. The Ward Committee System represents democracy in action and we are heartened by this development. The induction of Ward Committees has started and is treated as a priority, to ensure that the Ward Committee System will be fully operational in the 2014/15 financial year.

Oversight in Council processes is key in ensuring that the institution is transparent and accountable and in strengthening the trust of our communities in the institution as an effective service delivery arm of government. A spectrum of Committee structures exists to fulfill this oversight and monitoring function on behalf of Council, such as the fully functional multi-party Municipal Public Accounts Committee; the Audit Committee; and the Budget Performance Monitoring Committee.

We are still in mourning following the passing on 5 December 2013 of Dr Nelson Mandela, South African icon and world leader, after whom our City was named. In this time of sadness, South Africa is also celebrating 20 years of freedom and democracy (1994 – 2014) attained through the efforts and sacrifice of people like Dr Mandela, other struggle leaders and many thousands of ordinary South Africans. We recommit ourselves to live out the values this great man exemplified throughout his life: forgiveness, compassion, warmth and Ubuntu.

It is not often sufficiently acknowledged that Nelson Mandela Bay has been one of the best performing Metro's in South Africa in delivering a "social package" of housing services, supported by reticulation and bulk infrastructure networks. Recent Statistics South Africa data on multi-dimensional poverty confirms the remarkable improvement in the quality of life of the residents of the Metro. However, investments in infrastructure maintenance and economic infrastructure are now urgently needed. These and other challenges are facing us as we continue along the road of expanding and accelerating service delivery to our communities.

It is clear that we need to increase the pace of delivery. Our people expect this from us; we dare not fail them!

I would like to take this opportunity to pay homage to Councillor Linda Kwitsana of Ward 56, who passed away over the review period. She was a true servant to the people and is sorely missed. Although their deaths fall outside the review period, at the time of writing this Annual Report we are also in mourning for the recent loss of two valued Councillors. Firstly, I pay homage to the late Councillor 'Lucky' Vumazonke of Uitenhage, who passed away on 29 July 2014 after a long illness. We are also still coming to terms with the tragic death of Councillor Buyisile Mkavu, Portfolio Councillor for Human Settlements, on Saturday, 2 August 2014. We vow to continue with the excellent work he did in the roll-out of the housing programme in Nelson Mandela Bay.

The accomplishments reflected in this Annual Report are the result of the combined efforts of the political leadership, administrative management and all municipal officials, many of whom spend long hours and make many sacrifices to ensure that our residents and communities' service delivery needs are met.

COUNCILLOR N B FIHLA
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

This is the second year in which the Annual Report of the Nelson Mandela Bay Municipality has been developed in line with the new directives regarding the format and content of National Treasury (NT Circular No. 63). It is submitted in compliance with various pieces of legislation, such as Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003.

The Municipality is continuously striving to improve its administrative and governance standards, pursuing both national and international benchmarks for governance excellence. Following the reinstatement of the institution's macro structure in December 2013, a process of developing a new micro structure is underway, which will enable and capacitate the institution to improve its overall efficiency and effectiveness in delivering services to the communities of Nelson Mandela Bay.

Following a long period of instability in the administration, I am very pleased to report that the Municipality's administrative leadership has been stabilised through the appointment of the Chief Operating Officer, Chief Financial Officer and Executive Directors in respect of Corporate Services, Electricity and Energy, Infrastructure and Engineering, Human Settlements, Economic Development Tourism and Agriculture, Safety and Security, and Sports, Recreation, Arts and Culture.

The position of Executive Director: Public Health is currently vacant and is in the recruitment and selection process.

Critical vacancies are continuously being filled according to need, while the institution has prioritised the filling of other key senior vacancies.

The stabilisation that the above appointments has brought, is vital in ensuring a well-run administration, and my new Executive Management team is committed to ensure, with the guidance and direction of the political leadership, that our local communities receive the services and opportunities that they deserve.

We are grateful for the support received from National Treasury through the City Support Programme, which will lay the basis for the development of a Long-term Development Strategy.

Partnering with key local stakeholders is vital for the growth and development of Nelson Mandela Bay, and the Municipality values its partnership agreements with the Coega Development Corporation, Transnet and the Nelson Mandela Metropolitan University. An important development over the review period was the revival of the Intergovernmental Relations Forum, hosted by the Municipality, which addresses challenges relating to all three spheres of government.

The safety of residents and visitors to Nelson Mandela Bay is paramount to the Municipality. Progress is being made with the establishment of a Metro Police Force. A Metro Police Chief has already been appointed, the first ever female head of such a police force in the country.

Like most South African towns and cities, the Municipality has experienced a spate of service delivery protests over the review period, mostly concerning housing delivery issues. Interaction with the communities, culminating in the implementation of developmental plans for the relevant areas, has proven key in this regard.

Challenges facing the institution include the following:

- (a) High water and electricity losses
- (b) Lack of resources for implementing the Infrastructure Master Plan
- (c) Limited water resources
- (d) Lack of funding for mega projects

- (e) On-going litigation
- (f) Qualified audit opinion from Auditor-General

Based on its stabilised and strengthened administration, effective teams and meaningful partnerships with citizens, local business and government, the Municipality is set to address these challenges in an integrated and collective manner.

Finally, I would like to record my sincere appreciation for the support received from the political leadership in Council. Administratively, I would like to thank my Executive Management Team and their staff for their hard work and efforts, without which the service delivery progress reported in this Annual Report would not have been possible. Collectively, we remain committed to efficient service delivery to the people and communities of Nelson Mandela Bay.

MR M MBAMBISA
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 GEOGRAPHIC AND DEMOGRAPHIC PROFILE

The Nelson Mandela Bay Metropolitan Municipality was established in 2000, from the constituent areas of the erstwhile city of Port Elizabeth and the former towns of Uitenhage and Despatch, as well as rural areas. The total size of the metropolitan area is 1,950 km².

Nelson Mandela Bay is:

- the economic power-house of the Eastern Cape Province;
- a major automotive manufacturing centre, with a number of top international automotive companies located in the metro, e.g. Ford, General Motor and Volkswagen, with the latest addition Chinese automotive giant FAW;
- a major seaport in South Africa, with two harbours (general and deep-sea ports);
- the Mohair Capital of South Africa.
- a major tourist destination, with attractions of the following calibre:
 - Three of 21 international biodiversity hotspots and five of South Africa's seven biomes.
 - 40 km of unspoilt golden beaches, including two Blue Flag status beaches;
 - World-famous game parks and wildlife reserves, as well as the Addo National Elephant Park, accommodating the Big Seven, in a malaria-free environment, situated on the doorstep of the city.
 - Near-perfect weather all year round.

(a) Population

Nelson Mandela Bay (NMB) has a population of 1,152,115. Further details pertaining to the population are reflected in the tables below:

Demographic Information for Nelson Mandela Bay based on Population Group

Population Group		% of Population
Black African	692731	60.13%
Coloured	271469	23.56%
Indian or Asian	12839	1.11%
White	165426	14.36%
Other*	9650	0.84%
Total	1152115	100.00%

Source: StatsSA (Census 2011)

* 'Other' relates to respondents who felt that they did not fit into any of the four population groups as provided on the Census Form.

Demographic Information for Nelson Mandela Bay based on Population Group and Gender

	Male	Female	Total
Black African	331220	361518	692738
Coloured	129593	141873	271466
Indian or Asian	6502	6335	12837
White	79816	85608	165424
Other	5860	3787	9647
Total	552991	599121	1152112
% Total Gender	48.00%	52.00%	100.00%

Source: StatsSA (Census 2011)

Demographic Information for Nelson Mandela Bay based on Age

0-14 Years Old	15-65 Years Old	> 65 Years Old	Total
294269	795392	62453	1152114
25.54%	69.04%	5.42%	100.00%

Source: StatsSA (Census 2011)

**Demographic Information for Nelson Mandela Bay
indicating Employment Status**

Official Employment Status	Working age population	% of Working age population
Employed	290155	36.48%
Unemployed	209088	26.29%
Other not economically active*	289969	36.46%
Not applicable**	6180	0.78%
Labour Total	795392	100.00%

Source: StatsSA (Census 2011)

* 'Not economically active' (NEA) comprises discouraged work-seekers and other NEA (e.g. housewives, students or those who are not able to work).

** 'Not applicable' relates to persons younger than fifteen years, the institutional population and transients.

**Population of Educational institutions by Gender
Nelson Mandela Bay**

	Male	Female	Grand Total
Pre-schools, including day-care centres; crèches; and Grade R and Pre-Grade R in Eastern Cape Department of Education Centres	1177	1149	2325
Ordinary schools (including Grade R learners who attend formal schools, Grades 1-12 learners; and learners in special classes)	122286	119546	241832
Special schools	1087	832	1919
Further Education and Training (FET) Colleges	4663	5527	10190
Other Colleges	1824	2511	4335
Higher Educational Institutions Universities / Universities of Technology	11813	13691	25504

	Male	Female	Grand Total
Adult Basic Education and Training (ABET) Centres	1564	1995	3559
Literacy classes, e.g. Kha Ri Gude; SANLI	277	395	672
Home-based education/Home schooling	590	554	1143
Not applicable	407713	452922	860636
Grand Total	552994	599121	1152115

Source: StatsSA (Census 2011)

The population trends in Nelson Mandela Bay are reflected in the table below:

Year	Total	Asians / Indians (%)	Black African (%)	Coloureds (%)	Whites (%)
2001	1 005 804	1.12	58.93	23.43	16.51
2007 (CS)	1 050 933	0.92	60.40	22.56	16.12
OR 2007 (Est)	1 069 670	1.12	58.89	23.48	16.51
2011	1 152 112	1.11	60.13	23.56	14.36
2015	1 224 630	1.1	56.0	24.1	18.8
2020	1 243 930	1.0	55.9	24.4	18.7

Source: StatsSA (Census 2001), StatsSA (Community Survey, StatsSA (Mid Year Estimates) and StatsSA (Census 2011)

Overview of Neighbourhoods within Nelson Mandela Bay			
Settlement Type	Households	Population	Comment
Towns			Including backyard and other types of dwellings
Blue Horizon Bay	219	419	
Clarendon Marine	805	1920	
Colchester	574	2073	
Despatch	11696	32572	
Nelson Mandela Bay (including Port Elizabeth)	132478	483610	
Uitenhage	23116	101212	
Sub-total	168888	621806	
Townships			
Ibhayi	53703	209980	
Motherwell	36786	136144	
KwaNobuhle	25850	99149	
Sub-total	116339	445273	
Rural settlements			
None	0	0	
Sub-total	0	0	
Informal settlements			Including informal areas and backyard dwellings
Various across Nelson Mandela Bay	39064	85037	
Sub-total	39064	85037	
Total	324291*	1152116	
			T 1.2.6

* Formal and Informal

Source: Census 2011

Please Note: When Statistics South Africa calculated the true population, omissions and duplicate counts were encountered during the enumeration process, which needed to be rectified. This resulted in small variations in the totals for populations and households in the tables included in this report. These variations are not significant; however, they account for the varying totals.

(b) Household data

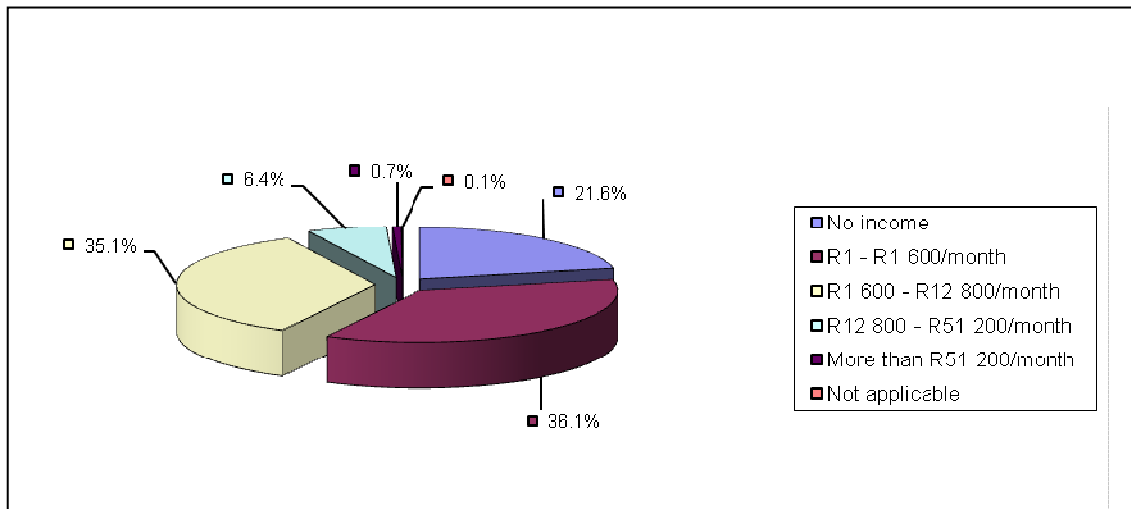
Number of households	=	276 850 - formal (Census 2011)
	=	23 411 (informal)
	=	49 000 (backyard shacks)

(c) Socio-economic trends

Key socio-economic statistics are as follows:

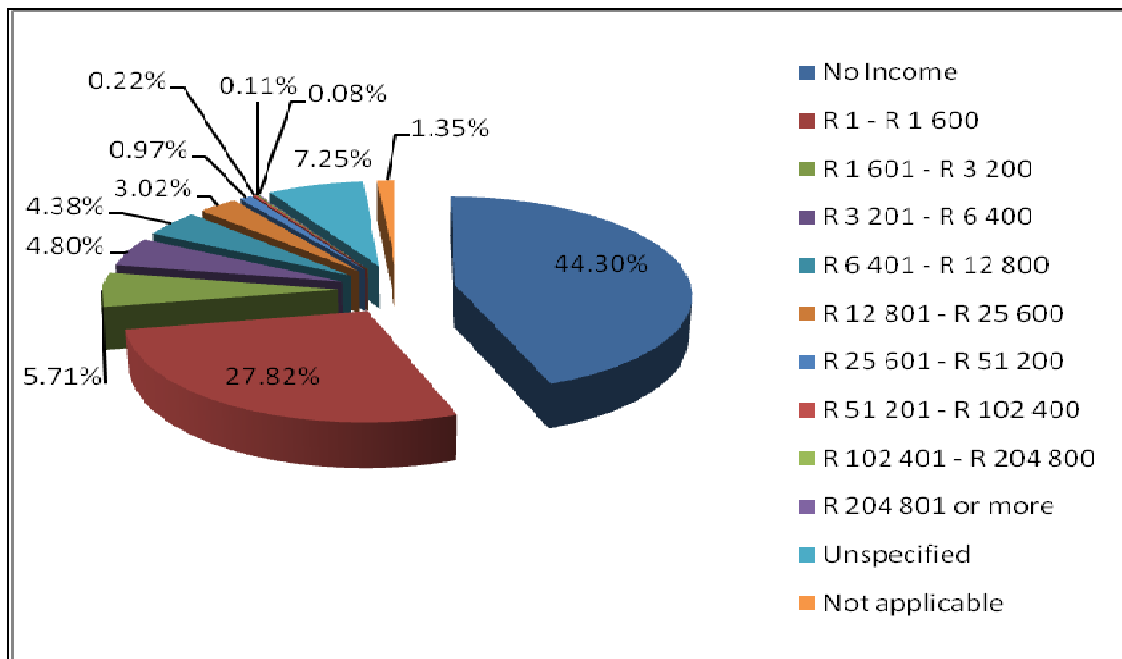
- Nelson Mandela Bay is the driver of the Eastern Cape economy, with 41,81% of provincial GGP (Global Insight, 2013).
- 36,3% unemployment rate (Census 2011).
- Altogether 85 022 of the total number of 276 850 formal households are classified as indigent (in terms of the indigent register of the Municipality).
- 44% of households receive at least one social grant.
 - 3% of residents have received no schooling; 13% have passed Grade 7 or less (primary school level); while 75% have passed Grade 12 or less (secondary school level) (these figures exclude the current population of children of pre-school and school-going age; i.e. 0-19 years) (Census 2011).
- Low household income (see Figures 1 and 2).

FIGURE 1: Household incomes (2001)



Source: StatsSA (Census 2001)

FIGURE 2: Household incomes (2011)



Sources: StatsSA (Census 2011)

The 'No Income', 'Unspecified' and 'Not Applicable' labels in Figure 2 include residents outside the working age group of 15-65 years.

The following aspects support the information provided above and serve to illustrate the socio-economic trends in Nelson Mandela Bay.

(d) Assistance to the Poor (ATTP)

In the 2010/11 financial year, the Municipality launched a vigorous physical ATTP verification process. Since 2011, this verification process has been conducted annually, which has seen a reduction in the number of ATTP beneficiaries in subsequent years. This reduction has resulted in a saving in the initial period, which was eroded by the annual increases in the ATTP subsidy quantum to poor households (HHs). Every new successful ATTP applicant's outstanding irrecoverable debt is written off as part of the ATTP process, resulting in a huge additional outflow from the e-share subsidy in certain financial years. In the current 2013/14 financial year, on 30 June 2014, the ATTP register reflected 85 022 verified successful beneficiaries, with an additional 12 066 applications awaiting verification for approval.

Table 5 illustrates the number and value of e-share subsidies allocated to ATTP households.

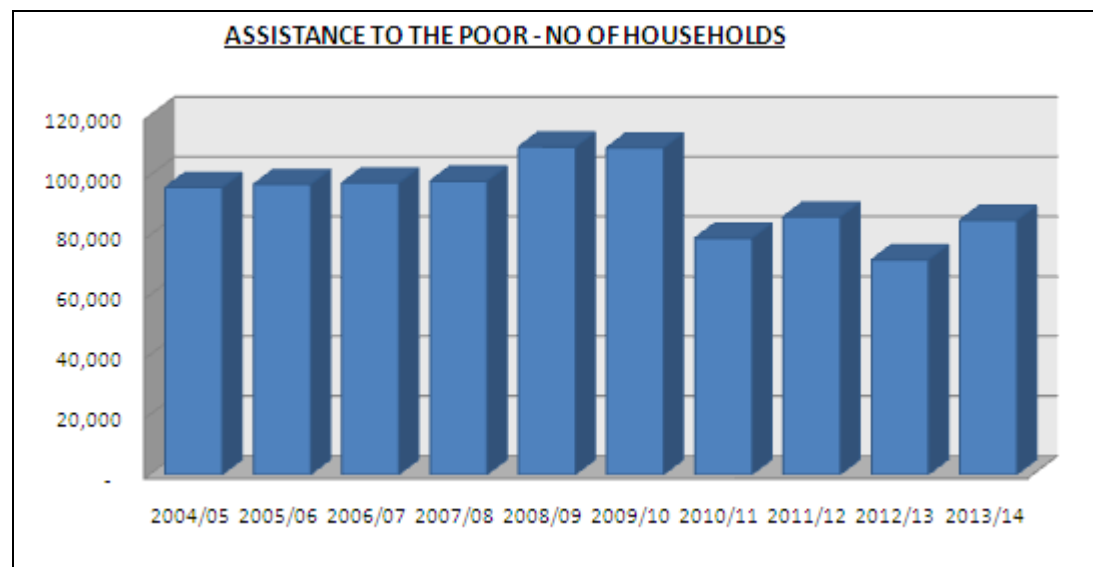
TABLE 1: ATTP - Number and Value of Financial Assistance to ATTP Households

Description	2009/10	2010/11	2011/12	2012/13	2013/14
Number of approved ATTP households	108,665	95,489	86,172	71,551	85 022
Indigent Cost to the City	R252,311,8 37	R268,321,43 2	R252,770,1 70	R263,880,8 51	R308,292,772

Source: NMBM Treasury, 2014

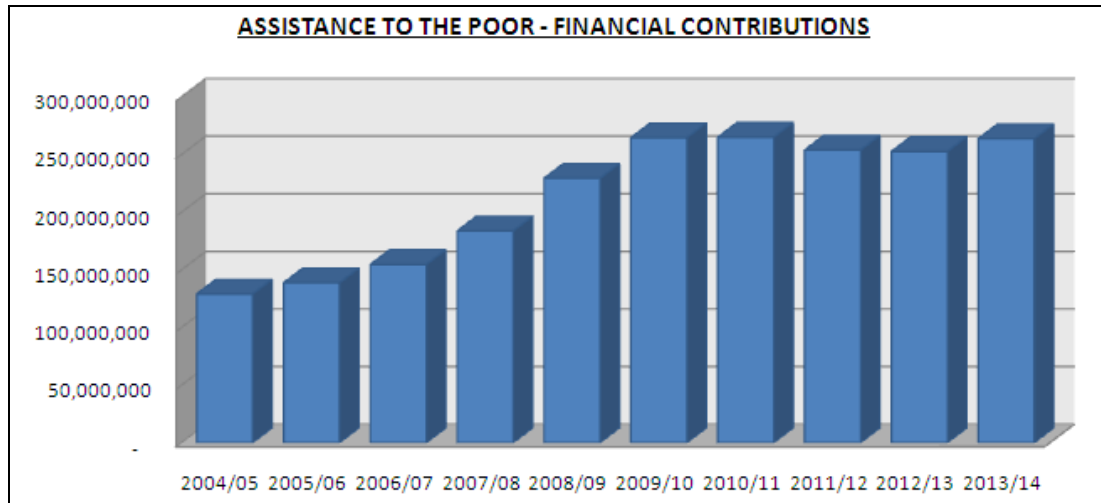
The physical ATTP verification exercise has mostly revealed a growth in the number of members of ATTP households, and therefore often also the combined household income. This has pushed many households outside the ATTP monthly qualification threshold, being the value of two state pensions per household. Further, there is an assumption that the increase in the size of households has mainly been caused by (adult) children moving back into the family home, which would in turn have increased the combined household income if those family members have a source of income. The ATTP verification process has also indicated an increase in the number of backyard shacks on ATTP applicants' premises. This could be seen as an attempt by poor households to supplement their incomes.

FIGURE 3: ATTP – Number of households receiving financial assistance



The table below illustrates the financial contributions made by the Municipality to indigent local households, indicating the year-by-year increase.

FIGURE 4: ATTP – Financial contributions made by the Municipality to indigent households



The period 2004/5 to 2009/10 showed a steady increase in the number of households supported through the ATTP, with numbers stabilising over the period 2009/10 to 2013/14, indicating that saturation point is being reached and that the intensive verification programme launched by the Municipality has ensured that only qualifying households are accessing the scheme.

1.2.2 MUNICIPAL FUNCTIONS

The Nelson Mandela Bay Municipality is mandated to provide a broad range of services to local communities, among which the following are pertinent:

- Integrated human settlements
- Water and sanitation
- Electricity
- Waste management services
- Stormwater drainage
- Construction and maintenance of roads
- Safe and affordable public transport
- Creation of a climate conducive to economic growth and development

1.3 SERVICE DELIVERY OVERVIEW

An overview of the basic service delivery and financial performance of the institution during the 2013/14 financial year is presented below:

1.3.1 Free basic services

The Municipality provides free basic services to approximately 85 022 indigent households in Nelson Mandela Bay in terms of the institution's Assistance to the Poor (ATTP) Programme.

1.3.2 Electricity

Altogether 100% of formal households now have access to electricity. Progress with regard to the provision of electricity is reflected below:

Type of service	2012/13 Actual	2013/14 Target	2013/14 Actual
% of all households on officially surveyed sites provided with access to electricity	100%	97%	100%
Number of new erven connected to electricity (state subsidised and informal houses)	2 870	2 050	2 459
Number of new erven connected to electricity (non-electrified households)	308	300	451

1.3.3 Water and sanitation

Progress with regard to the provision of water and sanitation services is reflected below:

Type of service	2012/13 Actual	2013/14 Target	2013/14 Actual
% informal households within the urban edge provided with access to a basic potable water supply within a 200 m radius	100%	100%	100%
Number of new state subsidised houses provided with water connections	3607	2 078	773
Number of new state subsidised houses provided with sewer connections	3607	2 078	773

1.3.4 Refuse removal

Progress with regard to refuse removal over the review period is reflected below:

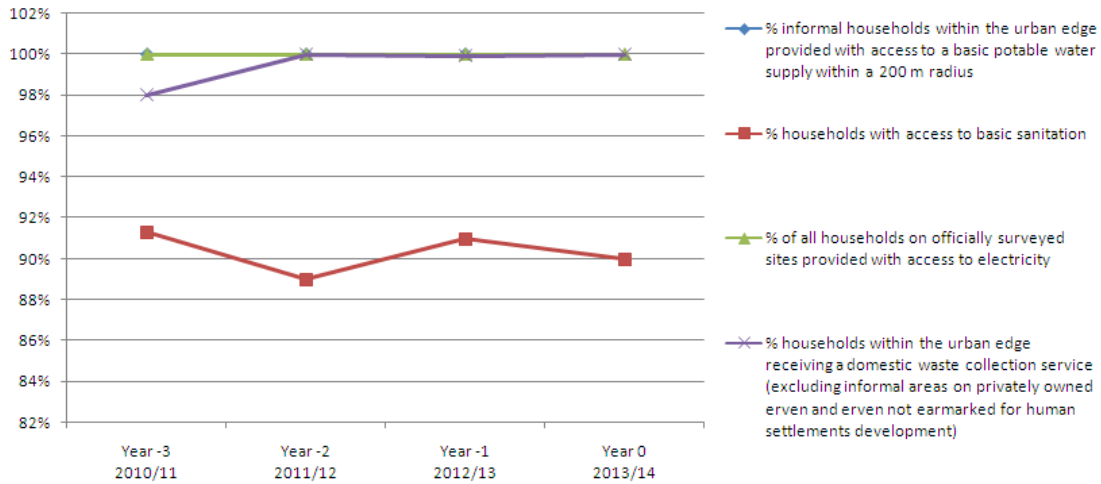
Type of service	2012/13 Actual	2013/14 Target	2013/14 Actual
% households within the urban edge receiving a domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development)	99,93%	100%	100%

1.3.5 Housing and land delivery

The institution's performance with regard to housing delivery over the review period is reflected below:

Type of service	2012/13 Actual	2013/14 Target	2013/14 Actual
Number of state subsidised housing units provided	1 798	2 078	2 856

PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



COMMENT ON ACCESS TO BASIC SERVICES

The key focus area of the Municipality is providing local communities with access to quality basic services, which is a vital prerequisite for improving their quality of life and restoring their dignity. In this regard, the Municipality provides services such as water, electricity, housing and refuse removal.

Ensuring that all residents receive quality sanitation services is another key focus area of the Municipality, the ideal being the permanent eradication of the inhumane bucket system through the provision of waterborne sanitation in terms of the roll-out of the Municipality's Housing Programme. However, to meet immediate needs, interim sanitation solutions are required in informal settlements. In this regard, the Municipality is in the process of procuring communal ablution blocks, comprising showers, toilets and hand-basins to initiate the pilot phase. This initiative is demonstrative of the Municipality's commitment to the provision and acceleration of quality services to all.

1.4 FINANCIAL HEALTH OVERVIEW

In order to provide an overview of the key successes and outcomes for the 2013/14 financial year, it is necessary to compare the Budget, the actual financial results, the actual cash inflows and outflows and the actual spending and revenue trends for the period July 2013 to June 2014.

The financial performance highlights, based on the pre-audited results, are as follows:

Financial Performance:

Actual operating revenue amounted to R7.47 billion, whilst actual operating expenditure amounted to R7.38 billion, resulting in an operating surplus of R91.4 million. The 2013/14 Adjustments Budget for operating revenue amounted to R7.73 billion, whilst operating expenditure amounted to R7.86 billion, resulting in a budgeted deficit of R131.28 million. The operating surplus indicates that the Municipality has performed much better than anticipated in the 2013/14 Adjustments Budget.

The following, however, needs to be noted:

The operating revenue was lower than anticipated in the 2013/14 Adjustments Budget, due to factors in the following areas:

Property Rates Revenue:

Property Rates revenue raised, amounted to R1.206 billion, compared to the adjustments budgeted amount of R1.254 billion. This is attributable to actual property Rates billed being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R65.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R65.1 million is provided for in the R1.254 billion as per the 2013/14

Adjustments Budget. Therefore the Property Rates Revenue billed was approximately R17.1 million more than anticipated.

Electricity Revenue:

Electricity revenue raised, amounted to R2.87 billion, compared to the adjustments budgeted amount of R2.96 billion. This is attributable to actual electricity consumption patterns being lower than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R37.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R37.1 million is provided for in the R2.96 billion as per the 2013/14 Adjustments Budget. Therefore the Electricity Revenue billed was approximately R53.61 million less than anticipated.

Water Revenue

Water revenue raised, amounted to R506.1 million, compared to the adjustments budgeted amount of R498.4 million. This is attributable to actual water consumption patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R68.2 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R68.2 million is provided for in the R489.4 million as per the 2013/14 Adjustments Budget. Therefore the Water Revenue billed was approximately R75.9 million more than anticipated.

Sewerage Revenue

Sewerage revenue raised, amounted to R308.4 million, compared to the adjustments budgeted amount of R343.4 million. This is attributable to actual sewerage service provided patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R59.9 million raised for ATTP

consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R59.9 million is provided for in the R343.4 million as per the 2013/14 Adjustments Budget. Therefore the Sewerage Revenue billed was approximately R24.9 million more than anticipated.

Refuse Revenue

Refuse revenue raised, amounted to R124.7 million, compared to the adjustments budgeted amount of R177.1 million. This is attributable to actual refuse service delivery patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R55.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R55.1 million is provided for in the R177.1 million as per the 2013/14 Adjustments Budget. Therefore the Refuse Revenue billed was approximately R2.7 million more than anticipated.

Property Rates and Services Revenue:

Due to ATTP consumer accounts being regarded as revenue foregone it resulted in lower revenue than anticipated. The revenue for property rates, electricity, sanitation and refuse were respectively R48.85 million, R90.72 million, R35.02 million and R52.32 million lower, whilst water was R7.68 million more than the budgeted amounts.

Property Rates and Services	2014/15 Adjustments Budget (Incl ATTP Rebates)	Actuals 2013/14 (Excl ATTP Rebates)	Total	ATTP Rebates	Total
Property Rates	1,254,364,900	1,205,525,500	(48,849,400)	65,149,803	16,310,403
Electricity	2,963,172,710	2,872,448,589	(90,724,121)	37,115,476	(53,608,645)

Property Rates and Services	2014/15 Adjustments Budget (Incl ATTP Rebates)	Actuals 2013/14 (Excl ATTP Rebates)	Total	ATTP Rebates	Total
Water	498,413,720	506,094,564	7,680,844	68,229,978	75,910,822
Sewerage	343,381,380	308,365,172	(35,016,208)	59,883,571	24,867,363
Refuse	177,066,890	124,745,195	(52,321,695)	55,149,936	2,828,241

Rental of facilities and equipment:

The revenue amounted to R17.91 million, compared to the adjustments budgeted amount of R21.32 million. This means that an amount R3.41 million was not charged and/or collected. It is evident that strategies to increase this revenue source are not being effectively implemented.

Fines:

The revenue amounted to R12.81 million, compared to the adjustments budgeted amount of R34.50 million. This means that fines were under collected by R21.69 million, or 62.9% of the 2013/14 Adjustments Budget. The revenue collected for the 2013/14 financial year was even lower than the amount of R23.41 million collected in the 2009/10 financial year.

Transfer recognised – operational:

The revenue amounted to R1.295 billion, compared to the budgeted amount of R1.437 billion. This means that R142 million of transfers could not be recognised as revenue.

The following accounts for this variance:

Housing Top Structures – Only R336.53 million of the budgeted amount of R397.15 million was received, leaving a balance of R60.62 million not claimed from and/or paid by the Provincial Government. The expenditure incurred, however, was R363.84 million of the budgeted amount of R397.15 million, leaving a balance of R33.31 million. This net effect indicates that the NMBM

experienced a growth of approximately R27.31 million in the outstanding debtors relating to Housing Top Structures during the year. The Housing Revolving Fund's bridge-financing level as at 30 June 2014 was R139.1 million, which is slightly lower than the temporary threshold level of R145, but still much higher than the R100 million threshold determined.

Public Transport Networks Operations Grant – Only R84.04 million of the budgeted amount of R100 million was recognised as revenue, leaving an unspent amount of R15.96 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R9.47 million, it will be included in the 2014/15 Adjustments Budget.

Expanded Public Works Programme – Only R19.96 million of the budgeted amount of R27.58 million was recognised as revenue, leaving an unspent amount of R7.62 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R7.62 million, it will be included in the 2014/15 Adjustments Budget.

Infrastructure Skills Development Grant – Only R9.78 million of the budgeted amount of R10.50 million was recognised as revenue, leaving an unspent amount of R0.72 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R0.72 million, it will be included in the 2014/15 Adjustments Budget.

EU Funding – Third Tranche – Only R5.39 million of the budgeted amount of R12.60 million was recognised as revenue, leaving an unspent amount of R7.22 million. This low level of spending raises serious concerns relating to the NMBM's ability to manage and implement the EU funded programme.

National Treasury – Accreditation - Only R12.13 million of the budgeted amount of R20.00 million was recognised as revenue, leaving an unspent amount of R7.87 million. The unspent funds will be spent during the 2014/15 financial year.

Integrated City Development Grant – Rnil million of the budgeted amount of R3.19 million was recognised as revenue, leaving an unspent amount of R3.19 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R3.19 million, it will be included in the 2014/15 Adjustments Budget. The spending on the grant was influenced by uncertainty as what NMBM may utilise the funds for. The uncertainty has now been clarified and processes are in place to spend the funds accordingly.

Post Disaster Reconstruction Grant – R35.00 million of the budgeted amount of R71.96 million was recognised as revenue, leaving an unspent amount of R36.96 million. Upon National Treasury's favourable consideration of the roll-over in the amount of R36.96 million, it will be included in the 2014/15 Adjustments Budget. The funds were only included in the Adjustment DORA and therefore maintenance projects will be completed during the 2014/15 financial year.

Interest earned – External investments were R19.68 million higher than anticipated. This is attributable to an increased investments portfolio.

Interest earned – Outstanding debtors amounted to R45.66 million more than the budgeted amount of R171.80 million. This increase is attributable to the escalation in outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

The Operating Expenditure was lower than anticipated in the 2013/14 Adjustments Budget, due to factors around the following areas:

Employee related costs:

Actual expenditure was R1.76 billion, compared to the budgeted amount of R1.99 billion, resulting in under spending of R227.89 million. The under spending is largely attributable to vacancies not being filled, and the Post Retirement Benefit Provision that have been decreased by R113. 48 million whilst a growth of R45.1 million by making a contribution towards the Provision was projected. The movement in respect of the Post Retirement

Benefit Provision therefore contributed to R158.58 of the under spending related to employee related costs.

Depreciation and asset impairment:

Actual expenditure relating to depreciation was R774.97 million, compared to the budgeted amount of R816.91 million, resulting in an under spending of R71.95 million. Expenditure was lower than anticipated, due to a review of the respective useful lives of the relevant assets.

However assets experienced an R640.83 million impairment as a result of the condition assessments of assets such as Telkom Park.

Bulk purchases:

Actual expenditure was R2.24 billion, compared to the budgeted amount of R2.25 billion, resulting in under spending of R12.3 million. The reduction in bulk water purchases contributed towards this saving.

Transfers and grants:

Actual expenditure was R19.6 million, compared to the budgeted amount of R335.5 million, resulting in an under spending of R315.9 million. Grants to indigent consumers (ATTP) had been restated as revenue foregone from transfers and grants and therefore resulted in the low expenditure against transfers and grants. The Grants to indigent consumers (ATTP) was R285.5 million only, compared to the budgeted amount of R310.3 million, due to a reduction in the total number of consumers qualifying for ATTP assistance, following a comprehensive verification exercise.

Other expenditure matters:

The under spending on General Expenditure is attributable to the lower than anticipated spending on various expenditure items. The following table reflects the items that were most under spent: -

Item description	2013/14 Adjustments Budget	Actual	Under spending
Top Structures for Houses	397,146,320	363,841,049	33,305,271
Chemicals	59,219,190	38,978,442	20,240,748
Consultants Fees	63,065,900	52,885,803	10,180,097
EU funded Projects	12,603,260	5,356,230	7,247,030
Transport	21825,,170	15,130,719	6,694,451
General Valuation Expensed	6,929,700	920,702	6,008,998
Training	10,102,610	4,376,637	5,725,973
Integrated City Development Grant	3,193,000	0	3,193,000

Conclusion:

Although the NMBM's financial position has improved, thanks *inter alia* to the institution's Operational Efficiency Plan, this improvement could be jeopardised if potential financial risks are not mitigated, hence the emphasis being placed on the strengthening of the functional capacity of the Risk Management Unit.

Statement of Financial Position

Net Assets:

Net Assets have increased from R10.06 billion (2012/13) to R11.18 billion (2013/14) due to the following:

Non-current Liabilities:

- Long term loans decreased from R1.72 billion to R1.58 billion due to the redemption of loans. No loans were taken up during the 2013/14 financial year. Due to affordability levels being inadequate no further loan funding was anticipated over the 2013/14 MTREF.

- Employee Benefit Obligation decreased during the 2013/14 financial year based on actuarial valuations. Therefore the Obligation decreased from R1.465 billion to R1.305 billion. The transfer of Health staff to Provincial Government assisted in the decreased liability. Despite the decrease, the Long Service Awards is now provided for as a provision in the amount of R109.3 million and is incorporated into the overall employee benefit obligation.
- Other Non-current Provisions however increased from by R59.6 million from R251.6 million to R311.2 million. It incorporates the following provisions:-
 - Gratuity Provision –R32.6 million
 - Rehabilitation of Swartkops river – R43.9 million
 - Rehabilitation of Landfill Sites – R267.3 million

The net result is that the decrease in the Non-current liabilities contributed R240.1 million towards the Net Assets or Equity of the Municipality.

Current liabilities:

Provisions:

Both the Employee Benefit Obligation provision and the other current provisions decreased in value from the 2012/13 to the 2013/14 financial year. The combined decrease of R42.2 million was mainly due to improved information resulting in more an accurate determination of the liabilities that requires funding provision.

Unspent conditional grants:

It is to be noted that unspent conditional grants decreased from R364.7 million in the 2012/13 financial year to R265.7 million in the 2013/14 financial year. The National Treasury approval of applied roll-overs has not been received at the date of this draft report. The approved amounts will be included in the 2014/15 Adjustments budget in accordance with the resolution / authority of National Treasury.

It must be noted that the following DORA Grants remained unspent:

- Off-Grid Electrification Grant – R22 million
- EPWP Incentive Grant – R6.6 million
- Public Transport Networks Operations Grant – R9.5 million
- Neighbourhood Partnership Development Grant – R7.1 million
- Integrated City Development Grant – R3.2 million
- Post Disaster Recovery Grant – R32.6 million

It must be noted that the PHB Subsidies have increased by R105.5 million from R24.5 million to R130.0 million.

It must also be stated that although the Public Transport Infrastructure Grant has been spent as full, it has in fact incurred unauthorised expenditure in the amount of R136.8 million towards by over spending the 2013/14 Adjustments Budget as approved by Council and has therefore seriously impacted on the cash position of the Municipality.

Creditors – Exchange Transactions

Creditors have increased by R88.7 million from R1.51 billion to R1.60 billion. The increase of 5.89% is in line with the CPI rate. It is however still observed that at financial year-end long outstanding payments are still being evidenced from certain directorates.

The net result is that the increase in the Current liabilities results in a decrease of R36.8 million from the Net Assets or Equity of the Municipality.

Non-current Assets:

- Property, Plant and Equipment has increased by R323.4 million from R12.55 billion to R 12.87 billion. This result was achieved despite an impairment of PPE in the amount of R640.8 million.
- Long Term receivables have decreased by R19.8 million from R31.9 million to R12.1 million. The decrease is the Loan due by UITESCO that has been dealt with in the amount of R17.9 million.

The net result is that the increase in the Non-current assets results in a contribution of R270.5 million towards the Net Assets or Equity of the Municipality.

Current Assets:

Consumer Debtors:

The increase in consumer debtors of R487.8 million, or 71.8% when compared to the previous financial year, is cause for concern. The debtors' collection rate of 93.72% achieved for the 2013/14 /financial year contributed towards this significant increase. Debt collection requires urgent attention in order to improve the financial sustainability of the Municipality. Although the net debtors total has increased it is important to note due to a scientific calculation, the impairment allowance for consumer debtors increased only by R12.76 million from R1.598 billion to R1.611 billion as indicated in the table below.

Year	Gross Balances	Impairment Allowance	Carrying Amount
2012/13	2,209,406,675	1,598,039,595	611,367,080
2013/14	2,661,051,369	1,610,798,114	1,050,253,255
Increase	451,644,694	12,758,519	438,886,175

- **VAT Refund and VAT Suspense**

SARS owed the Municipality R157.6 million as at 30 June 2014 which seriously impacted on the cash on hand at financial year-end.

- **Short-term Investments, Short-term Investment Deposits and Bank Balances and Cash**

This component of the current assets has grown by only R29.4 million from R1.583 billion in 2012/13 to R1.612 billion in 2013/14. Some of the contributing factors for the marginal growth reflected on the statement of financial position are the following:-

- Outstanding SARS payments in the amount of R157.6 million
- Included in the consumers debtors are amounts owed by the 14 top electricity consumers only paying approximately 76.5% of what is billed by the Municipality. The amount as at 30 June was R144.5 million.
- Over expenditure on the Public Transport Infrastructure Grant in the amount of R126.8 million.
- The non-realisation of the Electricity Sales revenue as projected in the 2013/14 Adjustments Budget
- The poor collection of Traffic Fines as well as Licences and Permits.
- The poor billing and or collection of Rentals of Facilities and Equipment.
- Please note that the impact of the above is that interest earned on Investment is lower than it could have been.

The net result is that the increase in the Current assets results in a contribution of R571.5 million towards the Net Assets or Equity of the Municipality. Notice should be taken at the alarming growth of net debtors and every effort should be implemented in reducing the outstanding monies owed to the Municipality.

Conclusion:

The statement of financial position reflects an improved financial position. It is considered important that the collection of outstanding debtors be prioritised to improve the financial sustainability of the Municipality. Furthermore, operational efficiencies must be further embedded in the operations of the Municipality. The efficient spending of all grant funding must be adequately managed by Executive Directors and should be included in the Performance Management System of the Municipality.

The financial ratios were discussed in paragraph 1.4.3. In general, the ratios indicate improvement from the previous financial years, except for the total outstanding debtors ratio:

Description	2010/11	2011/12	2012/13	2013/14
Liquidity ratio	0.2	0.5	0.7	0.7
Cost coverage	0.5	1.2	2.0	2.3
Total outstanding service debtors	13.7%	11.9%	13.5%	20.1%
Debt coverage	16.9 times	16.8 times	19.4 times	20.9 times
Creditors systems efficiency	84.0%	73.0%	73.0%	77.0%
Capital charges to operating expenditure	4.2%	4.0%	4.1%	4.0%
Employee costs	32.2%	27.3%	24.4%	23.6%
Repairs and maintenance	7.1%	6.5%	6.6%	6.6%

To further strengthen the financial sustainability of the institution, it is suggested that the targets for the aforementioned ratios be reviewed and incorporated into the IDP and Budget in the 2015/16 MTREF, subject to Council approval. The effectiveness and efficiency of the creditors' payment process are being prioritised to achieve a more efficient creditors system.

Based on the ratios reflected in the above tables, borrowing levels must be kept at a minimum level over the period 2015/16 to 2017/18, and be focused mainly on cash generating assets that will ensure revenue in excess of the cost of taking up such borrowing.

Achieving improved ratios should contribute positively towards the credit rating of the Municipality, which will in turn positively contribute towards investment into the City and lower borrowing, based on lower perceived financial risks.

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	1,119,572	1,438,836	1295150595
Taxes, Levies and tariffs	5,303,565	5,236,400	5017038662
Other	976,742	1,050,901	1161298783
Sub Total	7,399,879	7,726,136	7,473,488
Expenditure:	7,620,913	7,857,417	7382066888
Net Total*	(221,034)	(131,281)	91421152
* Note: surplus/(defecit)			T 1.4.2

COMMENT ON OPERATING RATIOS:

Liquidity Ratio:

The liquidity ratio reflects the monetary assets, divided by current liabilities. The ratio shows an improvement from 0.2:1 to 0.7:1 from the 2010/11 to the 2013/14 financial years. It indicates that the NMBM is slowly recovering from the cash challenges experienced in the 2010/11 financial year. The NMBM must, however, achieve a ratio of at least a 1:1 to be considered financially sustainable, which will contribute to ensuring a cost coverage ratio above the required three months period. The main factors influencing the ratio is the improvement in Cash and Cash equivalents, which increased by R1.12 billion from R486.0 million in 2010/11 to R1.61 billion in 2013/14. Current liabilities increased by R0.23 billion only from R2.06 billion in 2009/10 to R2.29 billion in 2012/13. The slow increase is supported by a decrease in unspent conditional grants over the same period.

Cost coverage:

The cost coverage ratio closely follows the trends observed in the liquidity ratio. The cash flow challenges experienced during 2010/11 to 2011/12 is clearly reflected in the low ratios of 0.5 months and 1.2 months, respectively. However, the ratio improved significantly to 2.0 months and 2.3 months respectively, for the 2012/13 and 2013/14 financial years. It is important to note that the unspent conditional grants (cash as at 30 June) decreased from

R625.8 million in 2012/13 to R478.9 million in 2013/14, which indicates that the cash flow position has improved over the 2012/13 to 2013/14 period.

Total outstanding Service Debtors:

The ratio increased from 13.7% in 2010/11 to 20.1% in 2013/14. This trend must be viewed with caution. The gross outstanding service debtors increased from R2.209 billion in 2012/13 to R2.661 billion in 2013/14, as a result of the lower debtors' collection rate of 93.72%, compared to budgeted debtors' collection rate of 94%. This increase occurred despite large amounts of outstanding debts being written off each year. The provision for doubtful debts had to be adjusted from R1.598 billion to R1.611 billion. The provisioning levels do not enhance a sustainable financial position, as 72.3% of gross debtors for 2012/13 and 60.5% for 2013/14 are considered to be doubtful. Debt collection must therefore be prioritised to improve the financial sustainability of the Municipality. The provision for doubtful debts decreased due to improved scientific calculation methodology and also the outstanding balance of the top 14 electricity business customers are still considered to be collectable.

Debt coverage:

The ratio improved positively over the last financial year from 19.4% in 2012/13 to 20.9% in 2013/14. This improvement is attributable to the fact that no external borrowing was raised as from the 2011/12 financial year. In order to ensure financial sustainability over the medium to long term, the NMBM should not take up any external borrowing for at least the period 2014/15 to 2016/17. Thereafter, external borrowing could possibly be considered for revenue generating assets so as to offset the costs of borrowing.

Creditors System Efficiency:

A ratio of 77% indicates that the NMBM is not performing at an acceptable level and is therefore not legislatively compliant. Management reports are prepared on a monthly basis, indicating the total days each directorate takes

to process payments from the date of receipt of the invoice. Most directorates are in excess of the legislative timeframes of processing payments within 30 days from the date of receipt of the invoice. This ratio does not reflect the efficiency of the Creditors Section *per se*, but measures the efficiency of the payment process from the date of receipt of the invoice by the each directorate until the processing of the payment through the creditors payment system. Scorecards of Executive Directors should incorporate the legislative timeframes for processing payments.

Capital Charges to Operating Expenditure:

The ratio has decreased from 4.2% in the 2010/11 to 4.0% in 2013/14, and will further decrease over the MTREF, as no external borrowing will be taken up.

Employee costs

Employee costs as a percentage of operating revenue decreased from 32.2% in the 2010/11 financial year to 23.6% in 2013/14. National Treasury has stated that there is no benchmark for employee costs for municipalities, as they operate under different circumstances. Considering the current financial position of the NMBM, the target for this ratio should be revisited. Financial pressures such as TASK implementation, the filling of vacancies and the finalisation of the new organisational structure will be significant factors to manage over the MTREF.

Repairs and Maintenance:

In the last four years, the ratio has stabilised between 6% and 7%. Considering the backlog in maintaining infrastructure, it is evident that this ratio should at least be at a 10% level. At this stage, the Municipality's cash position is unable to support a level in excess of 7%. Alternative strategies and/or funding mechanisms needs must be developed to address the eradication of infrastructure maintenance backlogs. The main risks associated with a low repairs and maintenance ratio is that assets' expected

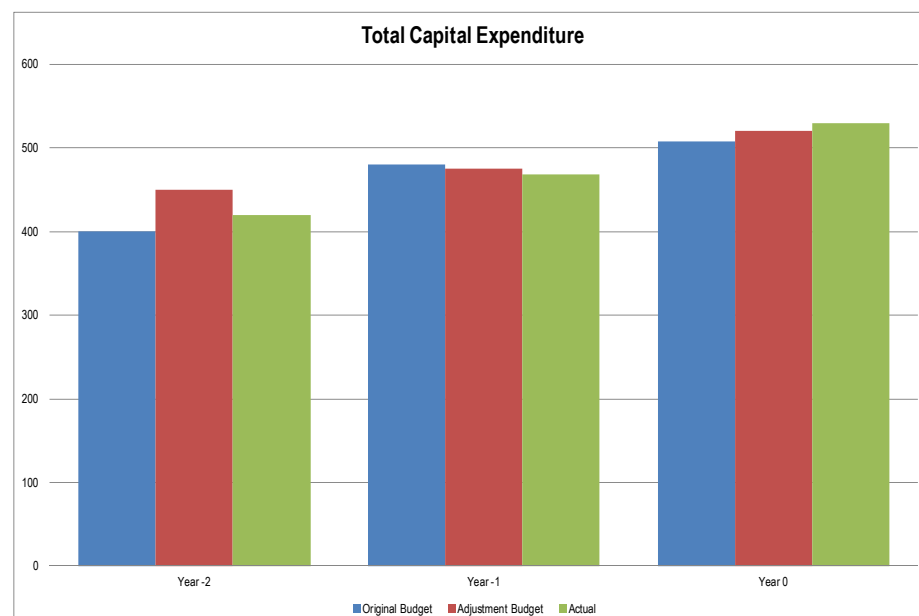
useful lives will decrease, resulting in the earlier replacement of assets, for which inadequate financial capacity exists within the NMBM's current revenue base.

Operating Ratios	
Detail	%
Employee Cost	23.6%
Repairs & Maintenance	6.5%
Finance Charges & Impairment	11.1%
<i>T 1.4.3</i>	

COMMENT ON CAPITAL EXPENDITURE

The increase of R374,5 million from the Original to the Adjustments Budget is attributed to accounting for the carry-over of unspent conditional grants (IPTS and European Union Funding) as well as Levies Replacement Reserve Funding and additional IPTS funding made available on the revised budget. NMBM achieved a 93.7% Total Capital Expenditure.

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	1,360,007	1,039,459	1,177,277
Adjustment Budget	1,234,602	1,413,976	1,676,127
Actual	1,096,993	1,193,483	1,571,015
		<i>T 1.4.4</i>	



1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipality has a workforce of approximately 6 171 permanent employees and 487 temporary employees. Most senior managerial positions in terms of Section 56 have been filled, except for the positions of Executive Directors: Public Health and Special Projects. The processes of filling the remaining positions are underway.

1.5.1 Staff development initiatives during financial year

The institution has a Workplace Skills Plan in place to develop and capacitate its staff. In terms of this Plan, a total of 1 197 employees participated in different learning programmes and interventions during the 2013/14 financial year. In addition, 25 employees participated in Nature Conservation and Electrical learnerships. Furthermore, 35 bursaries in scarce skills areas were awarded to unemployed persons and 300 employees are currently beneficiaries in terms of the Bursary Scheme.

The Municipality also has programmes in place for the training and empowerment of unemployed graduates and experiential learners. Over the review period, 75 unemployed graduates and experiential learners received training in various fields. A total of 500 unemployed persons participated in ABET. The Budget allocation for 2013-2014 was R9 890 290, while actual expenditure was R3 733 833.93.

1.5.2 Employees' pension and medical aid

Information with regard to employees' pension and medical aid is reflected below.

Names of Pension Fund	Number of members	Names of medical aid societies	Number of members
Cape Joint	2863	LA Health	1580
SALA	2941	Bonitas	1800
SAMWU Provident Fund	88	KeyHealth	288
		Hosmed	443
		SAMWU Medical Aid	956

1.6 AUDITOR-GENERAL'S REPORT

To be inserted upon the receipt of the Audit Report from the Auditor-General.

1.7 STATUTORY ANNUAL REPORT PROCESS

NO.	ACTIVITY	TIME-FRAME
1	Drafting and submission of the 2015/16 IDP and Budget Time Schedule to Council.	July 2014
2	Finalisation of the Fourth Quarter Report for the 2013/14 financial year.	July 2014
3	Submission of the Fourth Quarter Report for the 2013/14 financial year to Internal Audit.	August 2014
4	Drafting and submission of first Draft 2013/14 NMBM Annual Report to Internal Audit and Auditor-General.	October 2014
5	Auditor-General audits Annual Report, including Consolidated Financial Statements and Performance Data.	October 2014
6	Submission of unaudited Draft 2013/14 NMBM Annual Report to Council.	November/December 2014
7	Receipt of Auditor-General's Audit Report and commencing with addressing findings.	December 2014

NO.	ACTIVITY	TIME-FRAME
8	Executive Mayor tables NMBM 2013/14 Annual Report and audited Financial Statements to Council, complete with the Auditor-General's Report.	January 2015
9	Council refers audited tabled Annual Report to MPAC for vetting and verification.	January 2015
10	Audited NMBM 2013/14 Annual Report is made public and representation invited.	January/February 2015
11	Municipal Public Accounts Committee concludes assessment of NMBM 2013/14 Annual Report.	February/March 2015
12	Council adopts Oversight Report on 2013/14 Annual Report.	March 2015
13	Oversight Report is made public.	March 2015
14	Oversight Report is submitted to relevant Province and National.	March 2015

CHAPTER 2

GOVERNANCE

INTRODUCTION

The Nelson Mandela Bay Municipality is committed to transparent and accountable governance. The broad range of public participation programmes and processes, especially related to its IDP and Budget, bears testimony to the institution's commitment to involve its communities in its planning and decision-making processes.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Council of the Nelson Mandela Bay Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component.

2.1 POLITICAL GOVERNANCE

2.1.1 Council

The Council has 120 seats (60 Proportional Representative (PR) Councillors and 60 Ward Councillors). The Speaker, Cllr M Hermans, is the Chairperson of Council.

Speaker of Council

Cllr M Hermans



The party-political and demographic representation of Councillors is reflected in the table below:

POLITICAL PARTY	ALLOCATION OF SEATS	GENDER DISTRIBUTION	
		MALE	FEMALE
African National Congress	63	39	24
Democratic Alliance	46	32	14
COPE	6	4	2
African Christian Democratic Party	1	1	0
Pan Africanist Congress	1	1	0
United Democratic Movement	1	1	0
TOTAL	118	78	40

The Council currently has two Council vacancies, which are to be filled in the 2014/15 financial year.

The Council is functional, and sixteen (16) Council meetings were held in the 2013/14 financial year, as against the scheduled number of fifteen (15).

2.1.2 Executive Mayoral System

The Nelson Mandela Bay Municipality is governed in terms of an Executive Mayoral Committee System. The Executive Mayor, Cllr N B Fihla, governs together with the Deputy Executive Mayor, Cllr T Ngcolomba, and a team of eight (8) Chairpersons of Portfolio Committees within an Executive Mayoral Committee system.

Executive Mayor

Cllr N B Fihla



Deputy Executive Mayor

Cllr T Ngcolomba



The Standing Committees and relevant Chairpersons are reflected below:

(a) Budget and Treasury

Cllr B Naran



**(b) Human Resources and
Corporate Administration**

Cllr W Jikeka



**(c) Economic Development,
Tourism and Agriculture**

Cllr B Lobishe



(d) Human Settlements Cllr B Mkavu



(e) Infrastructure, Engineering, and Energy Cllr A Mfunda



(f) Public Health Cllr P Ndlovu



(g) Sport, Recreation, Arts and Cultural Services Cllr N Magopeni



(h) Safety and Security Cllr T Mafana



In addition, the Municipality also has a **Constituency Co-ordinator**:

Cllr F Desi



2.1.3 Whippery

The Municipality has a functional Whippery System in place. The Office of the Chief Whip operates in close collaboration with the Whips from the other political parties.

The Chief Whip of the Nelson Mandela Bay Municipality is:

Cllr J Seale



2.1.4 Municipal Public Accounts Committee (MPAC)

The Municipality has a functional Public Accounts Committee (MPAC) in place, which fulfils an oversight role in respect of the institution's performance, both at executive and administrative levels, specifically regarding the institution's annual report, in respect of which it produces an Oversight Report.

MPAC consists of members from the ANC, the DA and a minority party, comprised as follows:

- African National Congress – 7 members
- Democratic Alliance – 5 members
- Minority party (Congress of the People) – 1 member

2.1.5 Other key Council governance structures

- (a) *Audit Committee:* The Municipality has a functional Audit Committee in place, guided by an Audit Committee Charter.
- (b) *IGR Forum:* The Municipality has launched an IGR Forum, which focuses on improving intergovernmental relations between the various spheres of government.

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of the administration and Accounting Officer of the institution.

Municipal Manager

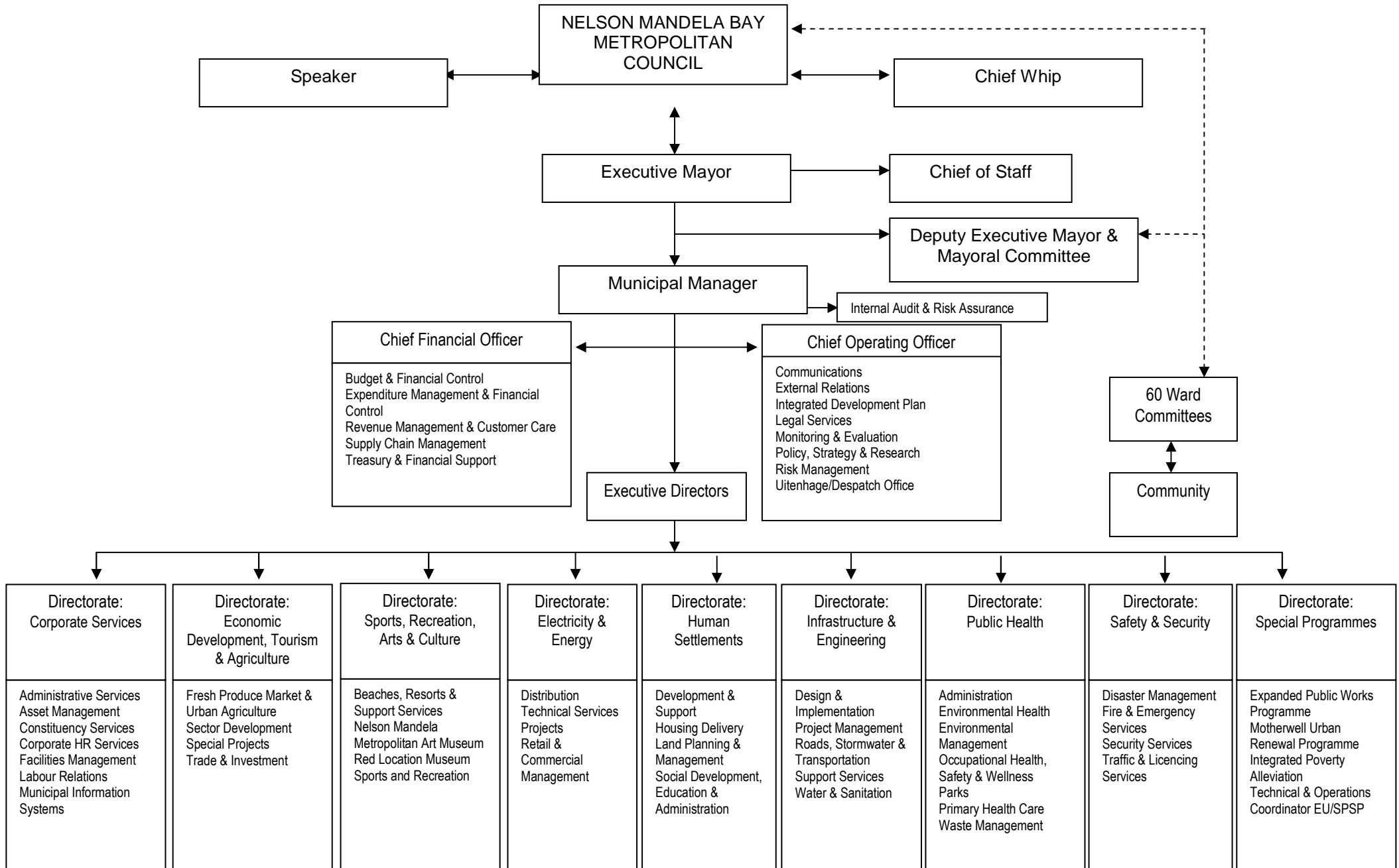
Mr M Mbambisa



The Municipal Manager is supported by the Chief Operating Officer, Mr M R Clay; the Chief Financial Officer, Mr T Harper; the Chief of Staff, Mr B Ntshona, and the Executive Directors heading the following directorates:

- (a) Corporate Services, Mr M Ndozana
- (b) Office of the COO, M Z Clay
- (c) Economic Development, Tourism and Agriculture, Mr A Qaba
- (d) Electricity and Energy, Mr S Mathew
- (e) Human Settlements, Mr L Petuna
- (f) Infrastructure and Engineering, Mr W Shaidi
- (g) Public Health, Mr A Tolom (Acting)
- (h) Safety and Security, Mr S Brown
- (i) Sports, Recreation, Arts and Culture, Ms N Nqwazi

ORGANISATIONAL STRUCTURE OF NELSON MANDELA BAY MUNICIPALITY



* It should be noted that the Micro Structure is currently under review and being refined.

The political leadership and the administration complement each other in implementing Council resolutions and key municipal programmes and plans, such as the IDP.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

As enshrined in the Constitution, the Nelson Mandela Bay Municipality has adopted a democratic model of cooperative governance, which provides the foundation for its intergovernmental relations. Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 National Intergovernmental Structures

The External Relations Unit participates in the Consultative Forum on International Relations (CFIR). The CFIR is an intergovernmental co-ordinating structure, comprising senior officials from all three spheres of government and other relevant stakeholders, which meets twice annually to ensure proper information sharing and coordination. As such, it provides measures and guidelines for the enhanced coordination of South Africa's international engagements.

The objective/purpose of this Consultative Forum is:

- Information sharing: Sharing of information regarding all stakeholders' international involvements, i.e. policy statements, visits abroad, conferences, summits and incoming visits.
- Foreign policy guidance on international issues.
- Planning and co-ordination of international visits (incoming and outgoing).
- Discussion of pressing issues to enable Government to convey information on key foreign policy issues to various levels of government, in a consistent and principled manner.
- Possible private sector/civil society engagement and national outreach programmes.

This Forum is not a policy-making mechanism (policy remains the mandate of the International Cooperation, Trade and Security (ICTS) Cluster). In fact, the CFIR has sprung from and provides feedback to the ICTS Cluster.

2.3.2 Provincial Intergovernmental Structures

The Municipality's External Relations Unit participates in the East Cape Consultative Forum on International Relations and Cooperation, coordinated and supported by the Office of the Premier. The Forum emulates the National CFIR Forum and shares information with local authorities on matters discussed at the CFIR. It seeks to mitigate against the risk in the management of international relations in the Province by creating a shared responsibility amongst stakeholders, thus creating a shared vision and information on international activity in the Province in order to promote the shared implementation of best practices. It also seeks to leverage on existing nodes of concentrated international relations capacity in the Province, as well as build a platform for international relations and official development assistance (ODA), capacity and competency in the Province.

2.3.3 NMBM IGR Forum

The Nelson Mandela Bay IGR Forum was launched on 5 July 2012 during the Premier's EXCO outreach 2012. Although the Forum initially struggled to come off the ground, it is now fully functional, and the first two IGR Technical Forum meetings took place on 20 March and 17 July 2014 respectively. The next IGR Forum meeting will take place on 12 August 2014.

2.3.4 Inter-municipal partnerships:

A key priority of the Municipality is to share experiences, knowledge and support with its surrounding municipalities. In this regard, the Municipality has concluded partnerships with Nxuba and Cacadu, as well as a co-operative arrangement with the Sunday's River Municipality.

The Municipality is currently engaging with the eThekweni Municipality on entering into a formal agreement to establish a relationship, focusing on areas of mutual interest. These kinds of partnerships provide an opportunity for sharing expertise, providing support and benchmarking, and sharing best practices.

2.3.5 Relationships with municipal entities

The MBDA is the sole municipal entity of the NMBM. It was conceptualised by the NMBM and Industrial Development Corporation in 2003 and became fully operational from 2004. The entity is wholly owned by the NMBM and is governed by the Municipal Finance Management Act 56 of 2003, the Municipal Systems Act 32 of 2000 and the Companies Act 71 of 2008. The NMBM also has a Service Delivery Agreement with the MBDA, which is reviewed every three years and which formalises and governs the relationship between the two entities.

The MBDA, represented by a Board of independent and non-executive directors, receives its mandate from the NMBM Council, via the Mayoral Committee and City Manager's Office. The Agency is contractually accountable to the NMBM to which it does compliance reporting on its key performance indicator (KPI) targets achieved. As the controlling shareholder, the NMBM provides corporate governance-related support, such as sustainability and compliance reporting, and review.

The MBDA Board is responsible for providing strategic direction and guidance to management, as well as ensuring oversight on corporate governance matters, while management is responsible for operational matters in line with the strategic planning and mandate documents of the MBDA, as well as the IDP of the NMBM. The MBDA regularly interacts with specific key NMBM directorates, namely Economic Development; Human Settlements; Budget and Treasury; Infrastructure and Engineering; and Safety and Security.

Over the years, the mandate to the MBDA has been expanded to include the rejuvenation of neglected township areas, from the initial focus on central business districts only and, going forward, this initiative is planned to gain more momentum as the challenges of inequalities in townships and other previously disadvantaged areas are addressed by the NMBM. To date, the MBDA has played a key role, particularly in addressing the urban decay and degeneration in the inner cities of Port Elizabeth and Uitenhage. The municipal infrastructure and environmental upgrading projects it has implemented to date have been widely welcomed and positively received by various key stakeholders. To date, the Agency has implemented and facilitated various projects and initiatives in excess of R500 million and the next few years look set for further exciting projects. The Singapi Street Environmental Upgrade project is the Agency's first major foray into the Black townships and promises to be a key catalytical project that will result in a cultural gateway being formed, linking the Red Location Museum and significantly upgrading the environment for this precinct's residents.

Another major project the MBDA has now embarked on is the Helenvale Safety and Protection through Urban Upgrading (SPUU) Project, which is being funded by the German Development Bank KfW to the amount of EUR 5 million over a 48-month period. This project forms part of a government-to-government funding agreement, and the NMBM has appointed the MBDA as the project implementing agent to ensure that a master plan for the project is developed and successfully rolled out to the benefit of the Helenvale township community.

All MBDA projects follow an in-depth public participation process, particularly in the master plan and design phases. The Agency collaborates with key stakeholders in order to meet project design and implementation goals, is in constant conversation with various communities within its mandate areas and maintains a people-centred approach to its development methodology. Perception surveys are performed periodically to gauge public sentiment and ensure that the MBDA has the public's interests at the centre of its initiatives.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In order to realise its aim of being a responsive, caring, transparent and accountable service delivery institution, the Municipality is committed to public engagement and participation in planning and decision-making processes.

In this regard, the Nelson Mandela Bay Municipality developed an institutional Policy and Procedure Manual to facilitate and coordinate public participation priorities through the Constituency Coordinator's office. The reviewed Public Participation Policy was adopted by Council on 25 February 2014 and the Public Participation Procedures Manual will be presented to Council in December 2014.

The Municipality annually presents a broad spectrum of meetings and programmes to solicit public opinions and inputs on its planning and budget

processes, especially through its integrated development planning and budget processes.

2.4 PUBLIC MEETINGS

The Municipality has a broad spectrum of consultative and participatory public programmes in place to ensure community participation in municipal planning, community development and decision-making processes. In addition, awareness campaigns are held throughout the year to provide vital information to local communities, for example, on how they can access municipal services and support programmes, such as the Assistance to the Poor (ATTP) Scheme, and how to conserve water and electricity. These meetings provide communities with the opportunity to interact and share their concerns and complaints with the leadership and administration of the Municipality. All 60 Ward Plans were reviewed during this financial year. Key to the Municipality's Public Participation Programme are IDP/Budget and Annual Report meetings, which are usually scheduled after hours (18h00) to allow the maximum number of members of the public to attend. Meetings are arranged on a ward cluster basis, each meeting serving four to six wards, depending on the size of the wards. Attendance varies greatly, from 45 to 400 persons per session. All public participation programmes, meetings, events and relevant key municipal documents (i.e. IDP, SDBIP, Annual Report, Municipal Policies and By-laws) and systems (i.e. GIS and IPTS) are published on the municipal website.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of participating municipal Councillors	Number of participating municipal administrators	Number of community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/ Budget Review and tabling of 2011/12 Annual Report	24 Feb-6 March 2014	90	311	2186	Yes	27 March 2014 (adoption of 2014/15 Draft IDP)

Public Meetings						
Nature and purpose of meeting	Date of events	Number of participating municipal Councillors	Number of participating municipal administrators	Number of community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP and Budget Review	3-10 April 2014	86	372	2412	Yes	29 May 2014 (adoption of final 2014/15 IDP) and commencement of its implementation on 1 July 2014

WARD COMMITTEES

The NMBM is compelled by legislation to establish functional ward committee structures to enhance participatory democracy in the context of public participation.

On 5 March 2014, Ward Committee elections were successfully held in the nine affected wards, namely: 10; 29; 34; 37; 40; 42; 49; 52 and 60, with the assistance of the IEC.

On 14 March 2014, the inauguration of all Ward Committees in the Metro (60 wards) took place at the Nangoza Jebe Hall in the presence of former MEC of LGTA, Hnr Mlibo Qoboshiyane.

Preparations for the induction of Ward Committees and Councillors started on 6 June 2014, together with SALGA and DLGTA. Induction took place from 18 – 21 August 2014. [On 18 -19 August 2014, Councillors were inducted at the Woolboard Exchange. Ward Committees were inducted on 20 – 21 August 2014 at four different venues, namely: Nangoza Jebe; Uitenhage Town Hall; Pieter Rademeyer Hall and Raymond Mhlaba Sport Centre.]

The office will embark on the process of filling vacancies in the affected wards by the end of September 2014. After completion of the said process, training needs will be identified for all Ward Committees (ongoing training).

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome, input and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they be calculated into a score?	Yes
Does the Budget align directly to the KPIs in the strategic plan?	No
Do the KPIs in the IDP align to Section 57 managers?	Yes
Do the KPIs in the IDP lead to functional area KPIs, as per the SDBIP?	Yes
Do the KPIs in the IDP align with the provincial KPIs on the Twelve Outcomes?	Yes
Were the indicators communicated to the public?	Yes (IDP, SDBIP and Annual Reports are open for inspection at municipal libraries and customer care centres and on the municipal website)
Were the four quarter aligned reports submitted within stipulated timeframes?	Three quarterly performance reports were submitted to Internal Audit during 2013/14. Of these the second quarter report was submitted in line with the IDP/Budget Time Schedule, however, there was a delay in the submission of the first and third quarter reports due to various operational reasons. The fourth quarter performance report were submitted in August 2014.
* Section 26 of Municipal Systems Act 2000	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Good governance underpins all the programmes and projects undertaken by the Nelson Mandela Bay Municipality. It dictates that the Municipality should conduct its business in an open, transparent and accountable manner. The Municipality has established various structures to ensure sound and ethical corporate governance. These include, inter alia, a Risk Management Unit and a Risk Management Policy; an Internal Audit and Risk Assurance Division; and an Anti-Fraud and Anti-Corruption Strategy; a tool-kit for the latter Policy is being rolled out.

2.6 RISK MANAGEMENT

Successes and failures in responding to risks are often the result of an organisation's rigor in applying risk management principles and its agility in adjusting to a changing environment. To effectively uncover such risks, resources need to be sensitised and focused on identifying the broad realm of potential and emerging risks. To this end, benefits to be obtained by employing Enterprise Risk Management within the Municipality include the following:

- Aligning the risk appetite and strategy
- Enhancing risk response decisions
- Reducing operational surprises and losses
- Identifying and managing multiple and cross-enterprise risks
- Seizing opportunities
- Improving deployment of capital

In order to implement and embed Enterprise Risk Management within the Nelson Mandela Bay Municipality, a comprehensive Risk Management Toolkit, aligned with the Public Sector Risk Management Framework, issued by National Treasury, and with the Municipality's own Risk Management

Strategy and Policy, has been devised. Roll-out of the toolkit across the organisation commenced in 2012.

The Nelson Mandela Metropolitan Municipality's Risk Management Unit is committed to the optimal management of risks in order to assist the organisation in achieving its vision, mission, objectives, strategies and plans to protect its core values. This commitment is supported by a process of risk management that is aligned to principles of good corporate governance and informed by documents, such as the Public Sector Risk Management Framework, the Municipal Finance Management Act No. 56 of 2003 and the King Reports on Corporate Governance (King II and King III).

Projects undertaken by the Risk Management Unit include quarterly operational risk assessments, fraud risk assessments and project risk assessments, as and when required (the Executive Mayor's 100 Days Programme, departmental strategic sessions and special task teams formed to strengthen internal control processes, leading to a reduction in audit findings and recurring findings).

In order to have an efficient, effective and transparent system of risk management, clear milestones and objectives are set out in the Unit's business plans. Amongst others, key milestones achieved by the Unit in the financial year are:

- Establishment of the Risk Management Committee
- Review of the Risk Management Policy
- Drawing up a Draft Business Continuity Strategy

2.7 ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

The Council's formal Anti-Fraud and Anti-Corruption Strategy, which was approved by the Council on 31 March 2011, was intended for presentation at various forums as part of an awareness campaign. This process was severely hampered by very poor attendance of the scheduled workshops, which had to be postponed. A suitable date could only be secured for 29 July 2014 for

attendance by the Municipal Public Accounts Committee, after which it is envisaged that further awareness workshops and initiatives will follow.

Forensic Investigative Audit reports by the Internal Audit and Risk Assurance Sub-Directorate included the same high-risk areas within the Nelson Mandela Bay Municipality as reported previously, with the focus on:

- Procurement processes, *inter alia*, non-compliance with legislative provisions governing Supply Chain Management processes and financial management. This often results in the reporting of alleged irregular, fruitless and wasteful expenditure for investigation;
- (Alleged) collusion between Nelson Mandela Bay municipal officials and external service providers;
- Involvement of officials in the procurement processes for services offered by businesses in which relatives of such officials have an interest;
- A further matter of concern is the number of contraventions of the provisions contained in the MFMA;
- The process of implementing delegations of authority, as referenced in Sections 79 and 106 of the MFMA, was not completed as at 30 June 2014.
- A poor corporate memory. This poses a risk to, *inter alia*, determining and ascribing accountability for alleged improprieties and criminal prosecution.

A number of forensic investigations were conducted, implicating senior municipal officials, which resulted in serious transgressions being identified and reported on.

The Forensic Audit report recommended appropriate steps to be implemented in terms of financial management and other transgressions of relevant legislation, which recommendations include the instituting of disciplinary action and/or recovery if irregular and/or fruitless and wasteful expenditure. Such recommendations are often implemented in a protracted manner.

The Municipality was exposed to a number of high profile and costly litigation cases against the Municipality.

Internal Audit staff members have been participating, as witnesses, in a number of criminal cases during the financial year.

In a preventative approach, a comprehensive fraud risk review had been undertaken, which should result in individual fraud prevention plans per directorate and sub-directorate.

Efforts to build and capacitate the limited forensic investigative functionality within the Sub-Directorate by means of filling permanent vacancies with suitably qualified candidates have not been successful, due to onerous and manpower intensive recruitment processes and other challenges. Efforts to recruit capacity on a temporary basis were only partly successful, due the same aforementioned challenges.

2.8 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Policy was developed and approved by Council in March 2009. In terms of the SCM Regulations, the SCM Policy has to be reviewed at least annually by the Accounting Officer. The current SCM Policy was reviewed, presented to the Budget and Treasury Standing Committee and the Mayoral Committee, and was presented to Council for adoption in September 2013. Reporting on the implementation of the SCM Policy is done on a quarterly basis. While the current SCM Policy caters for the provisions of Section 112 of the MFMA, the challenge is that SCM is not operating with a legally compliant structure; hence compliance with the SCM implementation checklist becomes a challenge. Bid Committees have been established in line with Regulations 27, 28 and 29 of the MFMA. Remedial action has been taken to address the shortfall, i.e. the SCM Structure was developed and approved by Council in principle, and all posts were graded. Critical vacancies were identified, awaiting confirmation of budget availability from Budget and Treasury.

2.9 BY-LAWS

The Municipality regulates those aspects of life and business in Nelson Mandela Bay through municipal by-laws. To obtain public input and to ensure buy-in following the adoption of by-laws, the Municipality hosts formal public participations programmes targeting stakeholders, civil society, government departments and parastatals.

By-laws Introduced during Year 0 (2013/14)					
Newly developed	Revised	Public participation conducted prior to adoption of by-laws (Yes/No)	Dates of public participation	By-Laws Gazetted* (Yes/No)	Date of publication
4	0	Two by-laws not subjected to public participation yet	29 July to 30 September 2013	No	Not yet publicised
<i>T 2.9.1</i>					

Prior to the adoption of municipal by-laws, all residents of Nelson Mandela Bay, including stakeholders, civil society, government departments and parastatals, are encouraged to actively participate in formal public participation programmes and make meaningful contributions in order to improve development and service delivery in the City. Public participation programmes around the adoption of newly developed by-laws include a formal schedule of public meetings, as well as opportunities for the public to inspect the draft by-laws at key municipal offices as well as on the municipal website, in order to give comment and input.

These programmes are developed in terms of Chapter 4 of the Municipal Systems Act of 2000, which states that a Municipality must develop a culture of municipal governance that complements formal representative governance with a system of participatory governance and must for this purpose encourage and create conditions for local communities to participate in its affairs.

2.10 WEBSITE

The municipal website: www.nelsonmandelabay.gov.za is a vital informational and promotional tool for the use of residents, visitors and key stakeholders, such as the business sector. Over the review period, good progress was made with the total redevelopment and restructuring of the NMBM website to make it more personalised, user-friendly and service delivery orientated (this two-year project is due to go live in November 2014). Key projects in the development of the web environment included:

- The total redevelopment website of the Nelson Mandela Bay Art Museum.
- Development of online tendering module for informal tenders (the main advantage being that prospective tenderers can view informal tenders online and need not visit the Municipality in person to view the tenders at the Harrower Road notice-board.
- Development and publishing of an online database of artists as a marketing and profiling tool to benefit local artists.
- Development and updating of portals for various internal applications (i.e. IVR, Supplementary Valuation Roll, property register).
- Development and roll-out of new 360° virtual tours.

Review period saw a market increase in visitors to the municipal website: From 1 530 672 visitors over the 2012/13 financial year to 2 161 778 visitors over the review period – an increase of 631 106. It is interesting to note that when the municipal website was launched in 2007, the number of visitors for 2007 totaled 119 230.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current Annual and Adjustments Budgets and all budget-related documents	Yes	2013/14 Adjustments Budget: 04 March 2014 2014/15 Draft Budget: 02 April 2014 2014/15 Final Budget: 02 June 2014
All current Budget-related policies	Yes	02/06/2014
The previous Annual Report (Year -1 = 2012/13)	Yes	24/01/2014
The Annual Report (Year 0 = 2013/14) published/to be published	Yes	31/08/2014
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (Year 0 = 2013/14) and resulting scorecards	Yes	09/07/2014
All service delivery agreements (Year 0 = 2013/14)	N/A	No agreements entered into during the review period
All long-term borrowing contracts (Year 0 = 2013/14)	N/A	No agreements entered into during the review period
All supply chain management contracts above a prescribed value (give value) for Year 0	No	Not as yet implemented
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during Year -1 (2012/13)	Yes	23/10/2013
Contracts agreed in Year 0 (2013/14) to which Subsection (1) of Section 33 apply, subject to Subsection (3) of that section	N/A	No related contracts were finalised in the review period
Public-private partnership agreements referred to in Section 120 made in Year 0 (2013/14)	Yes	12/06/2013
All quarterly reports tabled in the Council in terms of Section 52(d) during Year 0 (2013/14)	Yes	Qtr 1: 07/11/2013 Qtr 2: 14/02/2014 Qtr 3: 09/05/2014 Qtr 4: 11/08/2014
<i>T 2.10.1</i>		

2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

The Municipality has a broad spectrum of structures and programmes in place to engage with local communities about service delivery issues and municipal programmes and projects. The need for more intensive and ongoing consultation with local communities was driven home by the public unrest experienced over the review period. Positive developments in this regard over

the review period included the inauguration on 20 March 2014 of all Ward Committees in the Metro, which will ensure a constant flow of two-way communication between the institution and communities at grass-roots level. Another important development over the review period was the strengthening and revitalisation of the Rapid Response Task Team (RRTT) located in the Office of the Executive Mayor, which has seen a marked decline in the number of service delivery related protests in hotspot areas in Nelson Mandela Bay. The RRTT is a multidepartmental structure, ensuring a comprehensive and holistic approach to service delivery related protests and complaints.

Satisfaction surveys undertaken during Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	Number of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	-	-	-	-
(b) Municipal service delivery	-	-	-	-
(c) Mayor	-	-	-	-
Satisfaction with:	-	-	-	-
(a) Refuse collection	-	-	-	-
(b) Road maintenance	-	-	-	-
(c) Electricity supply	By calling Public meetings and by observing over the counter customers satisfaction	13 June 19 June 23 June 2 July 8 July 15 July 16 July	±400	60%
(d) Water supply	Telephonic interviews	Year 0 Year -1	2688 1650	98% 91%
(e) Information supplied by Municipality to the public	-	-	-	-
(f) Opportunities for consultation on municipal affairs	-	-	-	-
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT – PART I)

INTRODUCTION

The Nelson Mandela Bay Municipality is committed to quality service delivery to the residents of Nelson Mandela Bay and to the expansion of services to those who never previously had access to these.

Service delivery related focus areas of the Municipality, including performance highlights over the review period, are reflected below:

- **Provision of integrated, sustainable human settlements.**
 - 2 856 state subsidised housing units built.
 - 4 012 erven provided with permanent water and sanitation services.
 - 852 households relocated from stressed informal settlements and other servitudes to Greenfield development areas.
- **Provision of quality potable water and reliable water supply.**
 - 773 new state subsidised houses provided with water connections.
- **Provision of sanitation services.**
 - 773 new state subsidised houses provided with sewer connections.
- **Provision of energy and electricity.**
 - 2 459 new erven connected to electricity (state subsidised and informal houses).
 - 451 new erven connected to electricity (non-electrified households).
- **Provision of solid waste management services.**
 - 100% of households within the urban edge receiving a domestic waste collection service (excluding informal areas on privately

owned erven and erven not earmarked for human settlement development).

In addition to the above, the Municipality also focuses on economic growth and development, arts, culture and heritage, as well as sports development and promotion.

The Municipality prioritises urban renewal and township rejuvenation, through its developmental arm, the Mandela Bay Development Agency (MBDA). The MBDA, which is currently the institution's only entity, has achieved significant success in the renewal of degenerating local central business districts.

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

The key service delivery achievements and challenges of the Nelson Mandela Bay Municipality over the review period (2013/14) are detailed below. Despite the challenges experienced over the review period, it is evident that the Municipality has made good progress in service delivery to the communities of Nelson Mandela Bay.

The Municipality realises that proper housing is the number one priority in many of its communities. While progress in this regard was made over the review period, lack of sufficient funding has hampered housing provision in the institution. Level 3 accreditation as housing provider is still actively pursued.

While progress has been made with the elimination of the number of buckets used as a basic sanitation system in Nelson Mandela Bay, it is acknowledged that approximately 20 900 buckets are still in use. A permanent solution is the provision of flush toilets, in line with the housing delivery programme. A short-term solution, pursued as a pilot project, is the provision of communal ablution facilities, i.e. toilet blocks, with showers. Men and women will be provided with separate blocks, and full-time security will be provided.

The increase in the percentage of water losses is a big concern caused by amongst others the failure of the Churchill Pipeline and the increased demand for water during summer. The Municipality will continue to aggressively implement its water demand strategy. To reduce leakages, the Municipality appointed contractors to inspect and repair water connections and the network.

3.1 WATER PROVISION

The strategic approach to the provision of water services is contained in the Water Services Development Plan (WSDP), as approved for the IDP cycle. During the financial year, the WSDP has been updated for the next five years. The Bulk Water Supply Plan for the metropolitan area is contained in the Water Master Plan (WMP), which was approved in 2006. These documents underpinned the input given to the Department of Water Affairs for the Algoa Reconciliation Strategy, as well as the short-term intervention for the drought experienced in 2009 – 2011. Based on the information gathered, the WMP has now been revised, setting out the new water requirements up to 2030. Some of the priorities for service delivery priorities are as follows:

- ***Provision of Basic Water:*** The Municipality has met the deadline set for 2008 in terms of the Strategic Framework and has maintained 100% compliance in respect of new informal settlements and the relocation of communities. The challenge of water supply to communities located on private land in the peri-urban area remains.
- ***Nooitgedagt Low Level Scheme:*** Phase 1 of the project for the construction of ± 40 km of pipeline, a break pressure tank and transfer pump station is 95% complete. Tenders for Phase 2 have closed, with work commencing in the next financial year. Funding is the challenge to complete this phase, as well as the second phase. These two phases require ± R365 million.
- ***Non-Revenue Water:*** The implementation framework for the reduction of water losses is found in the approved Integrated Water Resources Management Strategy, which underpins all activities linked to non-

revenue water. Progress is reported to the Portfolio Committee and the historic performance is tabled below:

	2009/10	2010/11	2011/12	2012/13	2013/14
Treated volume (MI)	94 036	87 755	91 700	99 216	107 655
Billed volume (MI)	56 414	51 869	58 024	57 013	62 110
NRW %	37,8	40,2	36,0	41,9	42,3
Real Losses %	29,3	26,2	21,0	28,2	36,3

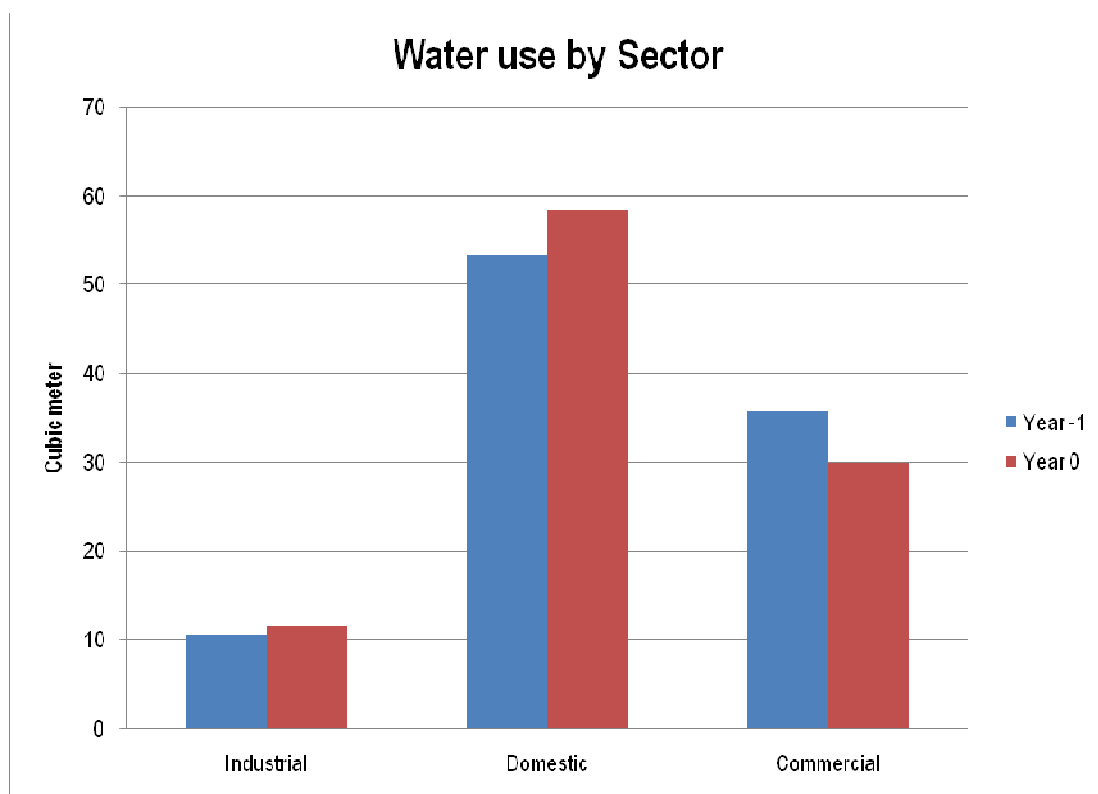
Of concern is the increase in real losses over the financial year, which occurred because the contracts were not renewed. Tenders have been called and one of the two has been awarded.

- **Return Effluent Scheme:** Preliminary designs have been completed and the EIA completed. The distribution reservoir is being constructed. This is in support of the development and job creation possibilities for the Coega IDZ.

All planning culminates in the Three-year Capital Budget Programme, which speaks to the delivery of water services to meet domestic water needs, especially of the poor, and commercial/industrial water demands. Consistently, 100% of the grant funding allocated to the Municipality to meet its service delivery targets, has been spent.

SERVICE STATISTICS FOR WATER SERVICES

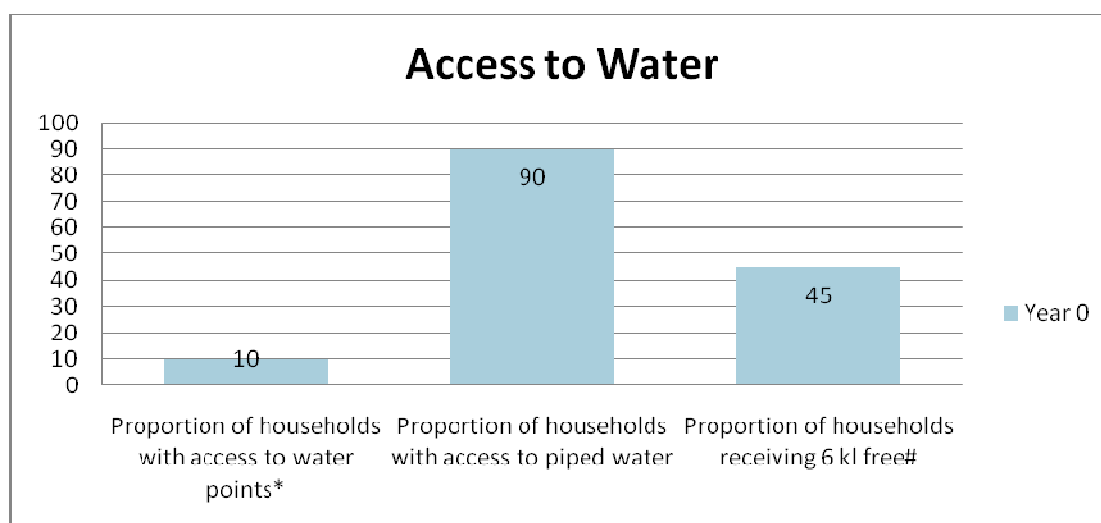
Total Use of Water by Sector (cubic meters Mega liters)			
	Industrial	Domestic	Commercial
Year -1			
Year 0	7 453	37 266	17 391
<i>T 3.1.2</i>			



Water Service Delivery Levels Households	
Description	Year 0
	Actual Number
<u>Water: (above min. level)</u>	
Piped water inside dwelling	276 850
Piped water inside yard (but not in dwelling)	15 752
Using public tap (within 200 m from dwelling)	30 202
Other water supply (within 200 m)	1 488
<i>Minimum Service Level and Above Sub-total</i>	324 292
<u>Water: (below min. level)</u>	
Using public tap (more than 200 m from dwelling)	nil
Other water supply (more than 200 m from dwelling)	nil
No water supply	
Total number of households*	324 292
* - To include informal settlements	T 3.1.3

Households - Water Service Delivery Levels below the minimum Households			
Description	Year 0		
	Original Budget Number	Adjustments Budget Number	Actual Number
Formal Settlements			
Total households	294 090	294 090	294 090
Households below minimum service level	Nil	Nil	Nil
Proportion of households below minimum service level	Nil	Nil	Nil
Informal Settlements			
Total households	30 202	30 202	30 202
Households below minimum service level	Nil	Nil	Nil
Proportion of households below minimum service level	Nil	Nil	Nil

T 3.1.4



Access To Water

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year 0	10	90	45

T 3.1.5

* Means access to 25 liters of potable water per day supplied within 200 m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Water	% households within the urban edge provided with access to a basic potable water supply within a 200 m radius	100%	100%	100%	100%	100%	100%	100%
	Number of new state subsidised houses provided with water connections	3600	6470	3000 (in line with Housing Programme)	3512 (in line with Housing Programme)	2078 (in line with housing Programme)	773	835(in line with Housing Programme)
	% compliance with the drinking water standards in line with South African National Standards 241 (SANS 241)	100%	100%	100%	100%	100%	100%	100%
	Number of new settlements provided with bulk water infrastructure as part of the informal settlements upgrading programme	N / A	N / A	1 new Greenfield area (Rosedale Extension) and 4 in situ development areas	1 new Greenfield area (Rosedale Extension) and 4 in situ completed	1 new Greenfield area developed 4 in situ development areas completed	1 new Greenfield area developed 4 in situ development areas completed	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Water (continued)	% reduction in water losses in line with the International Water Association (IWA) Audit Standards (variance between the total system input and authorised consumption)	2%	6.50%	1.00%	7.2% increase in water losses	1%	8.1% (increase in water losses)	0.50%

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	209	250	222	28	11%
4 – 6	119	160	113	47	29%
7 – 9	59	79	50	29	37%
10 – 12	21	54	25	29	54%
13 – 15	9	30	13	17	57%
16 – 18	1	2	1	1	50%
19 – 20	0	0	0	0	0%
Total	418	575	424	151	26%
T3.1.7					

Financial Performance Year 0: Water Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	563,590	612,284	613376840	638982510	4%
Expenditure:					
Employees	96,687	118,412	118175330	105402672	-12%
Repairs and Maintenance	126,349	135,172	134486740	106523480	-27%
Other	293,293	342,434	348725130	218097404	-57%
Total Operational Expenditure	516,328	596,018	601,387	430,024	-39%
Net Operational Expenditure	(47,262)	(16,266)	(11,990)	(208,959)	92%
T 3.1.8					

Capital Expenditure Year 0: Water Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	184,650	185,186	183,549	-1%	
Water Services Augmentation Backlog: Pipelines	10,000	9,000	307	-3162%	
Water Service Maintenance Backlog: Pump Stations	5,000	5,000	5,163	3%	
Rehabilitation of Pipe Bridges	2,000	7,500	3,080	35%	
Bulk Water Metering and Control	2,000	2,000	663	-202%	
Van Stadens Village Water Supply Upgrade	–	21	–	-	
Govan Mbeki Midblock Mains	1,000	1,000	–	-	
Helenvale Urban Renewal Programme - New Pipelines	1,000	1,000	627	-59%	
Water Service Maintenace Backlog: Dams	1,500	1,500	–	-	
Cathodic Protection	200	179	–	-	

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
of Steel Pipelines					
New Motherwell to Perserverence Pipeline	–	–	(6)	100%	
Churchill Pipeline Upgrade	–	307	319	100%	
Upgrading of Churchill Water Treatment Works	20,000	12,000	9,728	-106%	
Loerie Treatment Works: Rehabilitation	9,000	9,000	16,934	47%	
Elandsjagt - Upgrade to Restore Capacity	30,000	11,583	7,786	-285%	
Nooitgedagt/Coega Low Level System	30,000	31,000	37,546	20%	
Access Roads: Upgrade	2,000	2,000	–	-	
Seaview Pump Station: Upgrade	5,000	5,000	4,603	-9%	
Pipe Rehabilitation and Improvements to System - General	10,000	32,910	43,524	77%	
Reservoir Fencing	400	2,400	3,781	89%	
Rehabilitation of Reservoirs	5,000	2,000	196	-2453%	
Installation of Zone Water meters	5,000	2,000	478	-946%	
Seaview Bulk Water	4,000	4,000	366	-992%	
St Albans Bulk Water	500	500	–	-	

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Metro Water: Master Plan Replacement of Pipes	2,000	2,000	2,611	23%	
Rudimentary Service: Water	500	500	288	-73%	
Linton: Additional treatment facility	300	300	359	16%	
Purchase of Water Meters - Metro	10,000	16,800	24,675	59%	
Regionalisation: New Water Depot	3,000	3,000	1,921	-56%	
Telemetry System: Upgrade	250	250	–	-	
Purchase New Vehicles	2,000	2,536	2,481	19%	
Construction of a 1,0 ml reclaimed effluent reservoir: Uiten	5,000	200	620	-706%	
Kwanobuhle: Upgrading of Water Reticulation	1,000	1,000	–	-	
Groundwater Investigation	5,000	5,000	9,645	48%	
Upgrading of Springs Water Treatment Works	1,000	500	–	-!	
Upgrading Groendal Water Treatment Works	3,000	3,000	1,700	-76%	
Jagtvlakte: Bulk Water Supply	1,000	1,000	218	-358%	

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Pipeline					
Desalination Augmentation	5,000	4,000	12	-40221%	
Groendal Dam: Rock Stabilisation and Improved Outlet	2,000	3,200	3,923	49%	
					<i>T 3.1.9</i>

COMMENT ON WATER SERVICES PERFORMANCE:

Apart from the funding for the Nooitgedagt Low Level Scheme and additional funding dealing with non-revenue water, the five-year targets can be met within budget provisions. Budgets will consistently be reviewed to ensure that targets will be met.

The target to provide access to water to all is contained in two areas of the Capital Budget:

- *Upgrading of the seven water treatment facilities:* To meet the demand and legislative compliance (this upgrading includes the Nooitgedagt Low Level Scheme).
- *Bulk water infrastructure:* To support the Housing Programme that directly speaks to the upgrading of informal settlements and access to water for the poor.

3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The strategic approach to the provision of water services is contained in the Water Services Development Plan (WSDP), as approved for the IDP cycle. During the financial year, the WSDP has been updated for the next five years. The Bulk Sanitation Plan for the metropolitan area is contained in the Sanitation Master Plan, which was approved in 2012.

The three service delivery priorities for sanitation are as follows:

- **Bucket eradication:** This is the single biggest challenge that the NMBM faces in providing services to the poor. Although only 773 houses have been built, the combined efforts of the last number of years has resulted in the buckets reducing from 23 000 buckets to 20 900. With the reduction in the housing subsidies allocated to the NMBM, the two-prong approach previously reported was revised as follows and a business plan to this effect was submitted to NDHS:
 - Short-Term Plan - In Situ
 - Providing communal ablution facilities in informal settlements until the communities are relocated to permanent serviced sites.
 - Medium-Term Plan – Intermediate
 - The NMBM is servicing ± 4000 sites per year. As housing subsidies are not forthcoming, it is planned to place a house slab and a toilet on site and allow the communities from informal settlements to be allocated to these sites.
 - Long-Term Plan – Permanent
 - This is the eradication of buckets through the establishment of an integrated human settlement with metered water connections and waterborne sewer connections.

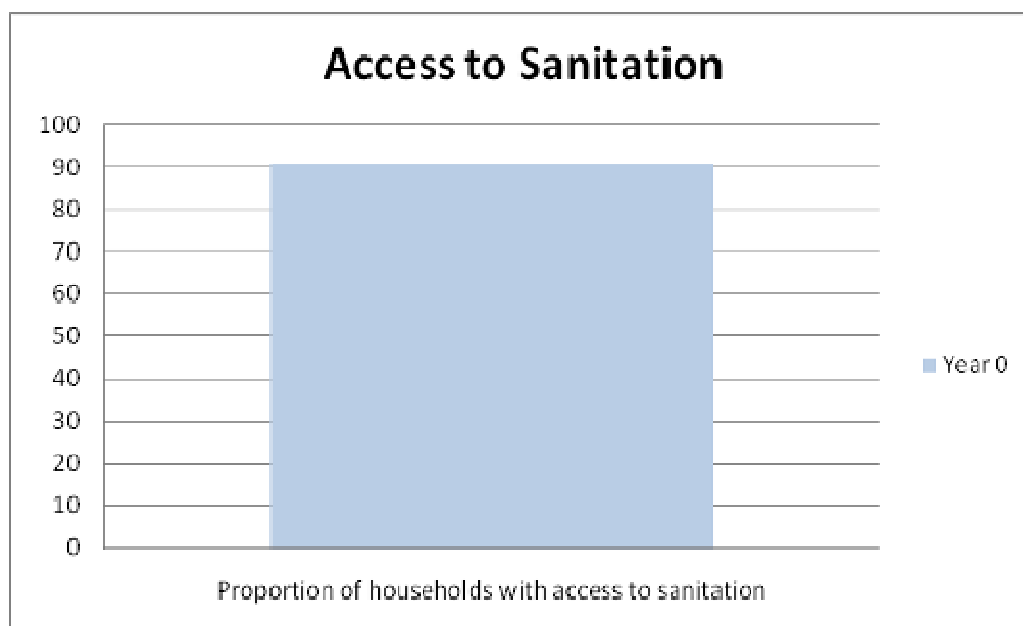
- **Bulk wastewater pipelines:** In order to meet the needs for the upgrading of informal settlements, bulk pipe networks are required to serve these areas.
- **Upgrading of wastewater treatment works:** Once again, the upgrading of informal settlements requires the treatment of wastewater for which a huge capital investment in the order of R1500 million is required. This is being implemented in a phased approach. To this effect, the upgrade of the Fishwater Flats Wastewater Treatment Works is critical to meet the developments planned in the Motherwell, Wells Estate and Chatty areas, where most of the upgrading of informal settlements is planned.

The Three-year Capital Budget Programme is used as the outcome of all planning that speaks to the delivery of wastewater services to meet domestic needs, in particularly the poor, and commercial/industrial demands. Water Services have consistently spent 100% of the grant funding allocated to it to meets its service delivery targets.

SERVICE STATISTICS FOR SANITATION SERVICES

Sanitation Service Delivery Levels *Households	
Description	Year 0
	Actual Number
<u>Sanitation/Sewerage: (above minimum level)</u>	
Flush toilet (connected to sewerage)	274 690
Flush toilet (with septic tank)	2 160
<i>Minimum Service Level and Above Sub-total</i>	276 850
<u>Sanitation/sewerage: (below minimum level)</u>	
Bucket toilet	30 202
No toilet provisions	17 240
Total households	324 292
*Total number of households, including informal settlements	<i>T 3.2.3</i>

Households - Sanitation Service Delivery Levels below the minimum Households			
Description	Year 0		
	Original Budget No.	Adjustments Budget No.	Actual No.
Formal Settlements			
Total households	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%
Informal Settlements			
Total households	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%
<i>T 3.2.4</i>			



Access to Sanitation

Access to Sanitation	
	Proportion of households with access to sanitation
Year 0	91

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Sanitation	% households with access to basic sanitation	92%	89%	91%	91%	91%	90.93%	91%
	Number of new state subsidised houses provided with sewer connections	3600	6470	3000	3512	2078 (in line with Housing Programme)	773	N/A
	Number of new settlements provided with bulk sanitation infrastructure as part of the Informal Settlements Upgrading Programme	N / A	N / A	1 new Greenfield area (Rosedale Extension) and 4 in situ development areas	1 new Greenfield area (Rosedale Extension) and 4 in situ completed	1 new Greenfield area developed 4 in situ development areas completed	1 new Greenfield area developed 4 in situ development areas completed	N/A

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	180	310	276	34	11%
4 – 6	68	188	153	35	19%
7 – 9	28	55	40	15	27%
10 – 12	14	41	23	18	44%
13 – 15	7	18	14	4	22%
16 – 18	1	2	2	0	0%
19 – 20	0	0	0	0	0%
Total	298	614	508	106	17%
<i>T 3.2.7</i>					

Financial Performance Year 0: Sanitation Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	417,967	522,097	530,387	423013216	-23%
Expenditure:					
Employees	93,691	112,953	116237700	93921719	-20%
Repairs and Maintenance	140,272	145,433	148402560	121347562	-20%
Other	106,738	184,386	193331730	106772979	-73%
Total Operational Expenditure	340,701	442,772	457,972	322,042	-37%
Net Operational Expenditure	(77,266)	(79,325)	(72,415)	(100,971)	21%
<i>T 3.2.8</i>					

Capital Expenditure Year 0: Sanitation Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	251,000	247,058	227,639	-10%	
Regionalisation : Sanitation	2,000	400	264	-657%	
Sewer Replacement and Relining	10,000	110	152	-6488%	
Improvements to Sewerage System	10,000	21,490	15,033	33%	
Chatty Valley Collector Sewer Stage 1 (nodes 20 - 24)	10,000	500	272	-3582%	
Paapenkuis Main Sewers Augmentation	12,400	12,400	16,514	25%	
Missionvale Bulk Sewerage Reticulation	1,000	100	196	-411%	
Lorraine - Bulk Sewerage Augmentation	4,000	3,000	2,155	-86%	
Markman - Replace 600mm Sewer	2,000	2,000	1,551	-29%	
Witteklip Bulk Sewerage	3,000	1,900	370	-711%	
Sewers: Maintenance Backlog Pipes Replacement	5,000	4,000	2,965	-69%	
Augment Collector Sewer for Walmer Heights and Mt Pleasant	2,000	500	1,058	-89%	
Rehabilitation of Kwazakhele Collector Sewer	2,500	500	239	-947%	
Driftsands Collector Sewer - Augmentation	9,000	4,000	472	-1807%	
Sewerage Pump Station : Maintenance Backlog	7,000	12,500	21,481	67%	
Motherwell Main Sewer Upgrade	-	2,000	295	100%	

Capital Projects	Year 0 Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Swartkops Low Level Collector Sewer Upgrade	1,000	7,000	6,581	85%	
Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	1,000	3,000	1,810	45%	
Industrial Site (Airport Valley) - Bulk Sewer	1,000	1,000	-	-	
Kwanobuhle Area 11 - Link sewer	1,000	5,000	739	-35%	
Bucket Eradication Programme	9,000	4,588	1,427	-531%	
TEI: Sampling Station	600	200	151	-297%	
Telemetry - Pump Stations	600	600	329	-82%	
Sewerage Master Plan System Updating	450	150	253	-78%	
Motherwell/Coega WWTW and outfall sewer	-	9,000	1,293	100%	
Replacement of Sewage Collection Vehicles	2,000	5,600	4,153	52%	
Rudimentary Services: Sanitation	1,000	1,000	1,193	16%	
WWTW - Sludge Treatment and disposal facilities	3,000	2,400	772	-288%	
WWTW: Building Repairs and Concrete Rehab.	5,000	6,500	9,433	47%	
Fishwater Flats WWTW Upgrade	82,000	79,570	81,799	0%	
Cape Receife WWTW : Upgrade	1,000	3,000	2,454	59%	
WWTW : SCADA / Telemetry links	1,000	500	-	-	
Improve access roads	2,000	11,000	5,877	66%	
Driftsands WWTW Phase 3 extension	5,600	6,400	7,153	22%	
Brickfields: Upgrade	3,000	3,000	3,850	22%	
Upgrade Despatch Reclamation Works	4,000	6,340	11,606	66%	
Elimination of Digester Tanks	7,000	6,000	-	-	
Kelvin Jones WWTW: Upgrade	9,000	9,000	12,176	26%	
Kwanobuhle WWTW : Upgrading	10,000	4,740	7,332	-36%	
Rocklands PHB Housing Project: Wastewater	-	1,400	1,152	100%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Treatment Works					
Upgrade and Rehabilitation of the Korsten Dry Lake Area	4,000	4,470	2,624	-52%	
Jagtlakke Bulk Sewerage	1,400	200	464	-202%	
Main Sewer Augmentation (Chatty Ext 3 & 4)(Nodes 31-32)	2,000	-	-	-	
Motherwell North Bulk Sewerage	1,000	-	-		
Ballmoral Collector Sewer	250	-	-		
Florida Collector	250	-	-		
Reclaimed Wastewater	250	-	-		
Kwanobuhle: Upgrading of sewer reticulation	600	-	-		
Uitenhage Allenridge West Phase 2 - Bulk Sewer	1,000	-	-		
Tynira / Endlovini - Sewerage	1,000	-	-		
Nkatha / Seyisi - Bulk Sewer	1,000	-	-		
Mavuso (Day Hospital Site - Rholihlahla) - Bulk Sewer	1,000	-	-		
Mandela Village (Kwazakhele) - Bulk Sewer	1,000	-	-		
Kwaontshinga / Meka - Bulk Sewer	1,000	-	-		
Kalipa - Bulk Sewer	1,000	-	-		
Hlalani (Qeqe) - Bulk Sewer	1,000	-	-		
Ekuphumleni - Bulk Sewer	1,000	-	-		
Ramaphosa West - Bulk Sewer	1,000	-	-		
Mandelaville - Bulk Sewer	1,000	-	-		
Colchester - sewer reticulation	100	-	-	-	
					T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE:

The inability to secure the required grant funding to eradicate buckets while also providing the required infrastructure for the Housing Programme will prevent the Municipality from meeting all the IDP targets, especially the target for basic sanitation and, by default, bucket eradication.

The overall target to provide basic sanitation to all is contained in two areas of the Capital Budget:

- Upgrading of the seven wastewater treatment facilities, to meet both the demand and legislative compliance requirements.
- Bulk wastewater infrastructure to support the Housing Programme that directly speaks to the upgrade of informal settlements and sanitation for the poor.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electrification

The Municipality's Electrification Plan, which also focuses on the eradication of backlogs in the provision of electricity in informal areas, is reliant on the Municipality's Housing Programme. Application is made by the Municipality to the Department of Energy, based on the above stated Housing Programme. During the 2013/14 financial year, R 18,385 million was received from the Department of Energy.

If the funds of the Department of Energy are insufficient to cover the Housing Delivery Programme, funding to cover the shortfall is provided from internal municipal resources (levies). This ensures that all formal households have access to electricity. A further R1,916 million was allocated from levies.

Maintenance

The Municipality secured a grant funding from the Department of Energy to assist with the maintenance of distribution assets and an allocation of R50 million obtained from NERSA through the tariff application process to address major maintenance backlogs was allocated in 2013/14 Capital Budget .

SERVICE STATISTICS FOR ELECTRICITY

Electricity Service Delivery Levels				
Households				
Description	Year -2: 2010/2011	Year -1: 2011/2012	Year -0: 2012/2013	Year -0: 2013/2014
	Actual Number	Actual Number	Actual Number	Actual Number
<u>Energy: As per the IDP there is no high or low standard of supply)</u>				
Credit	32	30	29	28
Pre-paid	262	272	279	286
<i>Service Level Sub-total</i>	294	302	308	314
<i>Level Percentage</i>	100.0%	100.0%	100.0%	100.0%
Total number of households	294	302	308	314
				<i>T 3.3.3</i>

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Electricity and Energy	Number of new erven connected to electricity (state subsidised and informal houses)	4000	3516	4000	2870	2050 (state subsidised and informal houses)	2459	2532
		300	301	300	308	300 (non-electrified households)	451	N/A
	% of all households on officially surveyed sites provided with access to electricity	97%	100%	97%	100%	97%	100%	95%
	% electricity losses (variance between electricity billed and electricity purchased) in line with NERSA standards	7%	9.01%	10%	10.76%	9%	11.15%	10%
	Purchasing of electricity from a 1.8 Megawatt wind turbine (renewable sources)	2 400 000 kwh	4 808 089.00 kwh	2 400 000 kwh	5 505 557.70 kwh	2 400 000 kwh	1 289 518.06 kwh	N/A
	Number of municipal buildings retrofitted (replacement of existing lighting with energy efficient lighting)	N/A	N/A	N/A	N/A	2 (Uitenhage City Hall and Uitenhage Electricity Department Building)	2 (Uitenhage City Hall and Uitenhage Electricity Department Building)	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Electricity and Energy	Number of sport fields retrofitted (replacement of existing flood lights with LED flood lights)	N/A	N/A	N/A	N/A	2 by December 2013 (Adcock Stadium and Wolfson Stadium)	1 (Adcock Stadium)	N/A
	Number of Post Top lights retrofitted in Walmer Township (Replacement of Post Top lights with LED lighting)	N/A	N/A	N/A	N/A	200	0	N/A
	Number of new streetlights installed	40	103	40	41	40	77	N/A
	Number of switchgears refurbished	N/A	N/A	N/A	N/A	50	66	N/A
	Km of overhead lines refurbished	N/A	N/A	N/A	N/A	5 km (Gamtoos, Helenvale, Loerie)	3.34km (Gamtoos)	N/A
	Km of underground cables replaced	N/A	N/A	N/A	N/A	40 (Motherwell, Zwide, Kwazakhele)	10 (Kwazakhele and Motherwell) due to rectification	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Electricity and Energy	Number of fault indicators installed	N/A	N/A	N/A	N/A	100	58	N/A
	Number of new area lights installed	300	208	280	351	400	345	N/A

Employees: Electricity Services				
Job Level Salary Grading	Year 0: 2013/2014			
	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
2	116	47	69	59%
3	72	26	46	64%
4	9	9	0	0%
5	427	221	206	48
6	99	1	98	99%
7	63	52	11	17%
8	5	5	0	0%
08-09	15	15	0	0%
9	17	11	6	35%
10	176	127	49	29%
11	59	51	8	14%
12	21	15	6	29%
14	9	8	1	11%
15	21	15	5	29%
16	5	3	2	40%
17	3	1	2	67%
20	3	1	2	67%
Total	1120	609	511	
T 3.3.6				

Note: The Electricity and Energy Directorate's vacancies could not be finalised based on job levels; instead, the current grading structure of the Directorate was used.

Financial Performance Year 0: Electricity Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2,920,789	3,228,278	3,135,394	3,002,994	-8%
Expenditure:					
Employees	211,224	230,423	233,478	198,458	-16%
Repairs and Maintenance	40,431	48,246	48,389	42,649	-13%
Other	2,402,651	2,633,583	2,580,678	2,431,117	-8%
Total Operational Expenditure	2,654,306	2,912,251	2,862,545	2,672,225	-9%
Net Operational Expenditure	(266,483)	(316,026)	(272,849)	(330,769)	4%
					T 3.3.7

Capital Expenditure Year 0: Electricity Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	216,957	232,049	200,350	-8%	
Electricity Buildings - Additional Furniture & Fittings	2,500	6,000	8,508	71%	
Integrated Electrification Programme	30,877	30,877	30,657	-1%	
Automation of Substations	1,000	500	17	-5928%	
Meters and Current Transformers	2,500	2,500	2,510	0%	
Relocation of Existing Electrical Service Connections	-	3,000	4,290	100%	
Radio and Test Equipment	25	1,225	1,206	98%	
Non Electrification Areas - Service Connections	2,000	2,000	2,549	22%	
Low Voltage Reticulation Improvement	700	700	650	-8%	
Miscellaneous Mains and Substations	14,000	27,000	19,066	27%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Peri-Urban Network	1,500	1,500	1,261	-19%	
Private Township Development	10,000	10,000	4,107	-144%	
Electrification of State Subsidised and Informal Houses	17,819	21,311	23,207	23%	
Motherwell Electrification - Bulk Supply	1,020	1,020	419	-143%	
Supervisory Control System Upgrading	1,500	35	35	-4223%	
Redhouse Reinforcement	200	200	856	77%	
Wells Estate Reinforcement	1,500	1,500	1,014	-48%	
Summerstrand Reinforcement	1,500	1,000	997	-50%	
Newton Park Reinforcement	2,500	550	34	-7238%	
Bethelsdorp 11 kV Reinforcement	1,736	2,136	1,658	-5%	
Cable Replacement 6.6kV	2,500	2,500	979	-155%	
Replacement of MV Switchgear	16,900	15,400	7,223	-134%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Relay Replacement	4,500	4,500	5,393	17%	
Distribution Kiosk Replacement	1,500	1,500	2,642	43%	
Malabar/ Helenvale Reinforcement	1,000	1,000	1,159	14%	
Coega Reinforcement	12,000	12,000	1,475	-714%	
Substation Security Alarm Upgrade	4,215	7,580	14,381	71%	
Korsten Reinforcement	1,975	1,225	105	-1773%	
Swartkops Reinforcement	10	10	970	99%	
Uitenhage / Despatch SCADA	6,100	5,600	5,674	-8%	
Ibhayi Reinforcement	2,500	2,500	772	-224%	
Uitenhage Reinforcement	1,730	1,730	1,828	5%	
New/Replacement of plant and motor vehicles	3,000	5,500	3,751	20%	
Mount Road Reinforcement	797	797	25	-3039%	
Computer Systems Upgrade	4,000	4,000	2,253	-78%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Despatch Reinforcement	1,063	1,613	1,457	27%	
Walmer Lorraine Reinforcement	3,000	3,000	1,934	-55%	
Hunters Reinforcement	2,090	2,090	1,392	-50%	
MV and HV Switchgear replacement	10,500	9,500	6,563	-60%	
Western Reinforcement	4,324	2,924	2,848	-52%	
HV Network Reinforcement - Overhead Cabling	5,400	5,400	4,772	-13%	
HV Line Refurbishment (66 & 132kV)	7,000	5,250	3,755	-86%	
Replace Switchgear in Mini susbs - KwaNobuhle	250	250	250	0%	
Control Room Upgrade	2,500	1,500	-	-	
Overhead Lines Refurbishment	6,000	5,000	3,655	-64%	
Substation Fibre Optic Backbone	2,150	1,900	1,643	-31%	
Fairview Refurbishment	1,500	1,500	1,690	11%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
HV Network Reinforcement - New Substations	6,240	6,240	7,187	13%	
Street Lighting - Residential Areas	2,500	3,000	8,327	70%	
Area Lighting	2,500	2,500	2,525	1%	
Lighting - New Main Road	-	-	44	100%	
Gas Turbine Refurbishment	2,000	-	-	-	
Supervisory Additional Substations	100	-	-	-	
Street Lighting into - Coega to Settler's way Interchange	-	-	5	100%	
Motherwell Depot	2,237	1,487	631	-255%	
					<i>T 3.3.8</i>

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The Miscellaneous Mains and Coega Capital Projects rely on applications by customers for new connections and reinforcement to ensure that the network is capable of handling the new customer requirements. The variances in budget expenditure for the above two projects can be attributed to fluctuating customer requests.

Electrification projects focused on the provision of electricity to state and informal housing, and the budget for these projects was adequately spent. The Electricity and Energy Directorate has managed to spend 100% of the Integrated National Electrification Grant and the Energy Efficiency and Demand side Management Grant.

HV Network Reinforcement projects provided for the construction and completion of new HV substations. The variance in budget expenditure can be attributed to the fluctuating exchange rate and CPI adjustments.

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

Although the NMBM renders a refuse collection service to 100% of its inhabitants, illegal dumping was on the increase. The NMBM took a decision in 2010 to appoint consultants to assist them in drafting a strategy for the elimination of illegal dumping. One of the issues identified that has the greatest influence on illegal dumping is the fact that waste collection services were rendered in low-income areas once a fortnight. This and the fact that the number of inhabitants per household was increasing, left residents with no other option but to dump their excess waste. In 2011, the NMBM approved an implementation plan to achieve its goals. A decision was taken to change the frequency of collection to once a week over a three-year period. Funding for the purchase of refuse collection trucks was provided for in the 2012/13 financial year and an order for nine trucks were placed. To date, all trucks have been received, but are awaiting the registration of the last two. Services are also rendered to informal households either via centralised collection point or door to door through the appointment of Community Based Contractors who have been procured via the normal supply chain management processes. The NMBM has two permitted landfill sites and the compliance of these two sites has increased to 85%, as indicated by our external auditors. Sufficient landfill space exists for at least another 15 years. This may, however, increase dramatically if the waste diversion and beneficiation project is implemented. The NMBM, in conjunction with ESKOM, is looking at a waste diversion project, which will ensure less waste to landfill and no informal recycling at the sites, as this will be formalised as part of such a waste diversion option. It is the intention to look at a material recovery facility to facilitate the recyclables that may arise from source separated waste from households.

Solid Waste Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	212,218	215,344	175,057	168,430
<i>Minimum Service Level and Above sub-total</i>	212,218	215,344	175,057	168,430
<i>Minimum Service Level and Above percentage</i>	56.9%	57.3%	52.4%	51.9%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	136,764	139,082	139,082	133,308
Using communal refuse dump	19,397	18,146	17,162	15,662
Using own refuse dump	0	0	0	0
Other rubbish disposal	2,516	2,516	2,516	6,852
No rubbish disposal	2,371	912	190	40
<i>Below Minimum Service Level sub-total</i>	161,048	160,656	158,950	155,862
<i>Below Minimum Service Level percentage</i>	43.1%	42.7%	47.6%	48.1%
Total number of households	373,266	376,000	334,007	324,292
	T 3.4.2			

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	289,000	289,000	254,007	280,744	280,744	280,744
Households below minimum service level	0	1,880	1,880	135,068	135,068	135,068
Proportion of households below minimum service level	0%	1%	1%	48%	48%	48%
Informal Settlements						
Total households	84,266	87,000	80,000	36,696	36,696	36,696
Households below minimum service level	22,404	18,076	17,696	14,154	14,154	14,154
Proportion of households below minimum service level	27%	21%	22%	39%	39%	39%
	T 3.4.3					

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Waste Management	% households within the urban edge receiving a domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development)	95%	100%	100%	99.93%	100%	100%	100%
	Number of households within the urban edge changed from a fortnightly to a weekly waste collection service	N / A	N / A	30000	0	30 000	5 774	30 000
	Number of waste management cooperatives maintained	N/A	N/A	N/A	N/A	21	4	30
	Number of new waste management cooperatives established	N / A	N / A	11	0	N / A	N/A	N/A

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	142	154	158	7	5%
4 – 6	53	62	67	6	10%
7 – 9	0	0	0	0	0%
10 – 12	13	15	13	0	0%
13 – 15	1	1	0	0	0%
16 – 18	1	2	1	0	0%
19 – 20	0	0	0	0	0%
Total	210	234	239	13	6%
T3.4.5					

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	360	408	346	37	9%
4 – 6	39	45	25	9	20%
7 – 9	8	11	4	0	0%
10 – 12	12	15	13	8	53%
13 – 15	0	1	1	2	200%
16 – 18	2	3	1	2	67%
19 – 20	0	0	0	0	0%
Total	421	483	390	58	12%
T3.4.6					

Financial Performance Year 0: Solid Waste Management Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	205249008	276210100	277198260	235344183	-17%
Expenditure:					
Employees	55779711	62643170	61548510	78167078	20%
Repairs and Maintenance	290510	935470	1068530	819683	-14%
Other	128618595	173612920	178927100	112750211	-54%
Total Operational Expenditure	184688816	237191560	241544140	191736972	-24%
Net Operational Expenditure	-20560192	-39018540	-35654120	-43607211	11%
					T 3.4.7

Financial Performance Year 0: Waste Disposal and Other Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
					<i>T 3.4.8</i>

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13,700	22,972	15,149	10%	
Replacement of Refuse Compactors	6,000	15,422	13,542	56%	
Waste Management Containers	2,000	1,850	263	-659%	
Urban Refuse Transfer/Recycling Station	2,500	2,500	387	-545%	
Development of Waste Disposal Facilities	3,200	3,200	956	-235%	
					<i>T 3.4.9</i>

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

A Capital Budget was allocated for the following Waste Management projects: Replacement of Refuse Compactors, Waste Management Containers, Urban Refuse Transfer/Recycling Station. A total of nine compactors have been ordered of which 6 have been handed over. Three are still awaiting registration to be finalized. Transfer/Recycling Station was earmarked for the upgrading of the Kragga Kamma Drop-off site, but due to lengthy Supply Chain Management processes, the tender for the construction started very late and a rollover of funds have been requested.

3.5 HUMAN SETTLEMENTS

Human Settlements in the NMBM is following the “Integrated Human Settlements” (Breaking New Ground) approach, as dictated by the Minister of Human Settlements. In doing so, a “Sector Plan” was approved on 6 December 2012. A strategy to address the Sector Plan (Vision 2030) was developed.

Part of the strategy is to identify pieces of land, be it private or public owned, that are within the 10, 20 and 30 km radii within the city centre of the CBD. The strategy is to build houses within radii to save on transport costs and to afford access to other amenities, including employment opportunities.

All pieces of land have been identified successfully, and an audit on bulk services is being carried out, including zoning. Currently, the Municipality has a housing backlog of 87 000, which includes backyard shackers, and in situ and other sections of the population. The Service Delivery Audit 2000 – 2014 is attached for ease of reference.

The NMBM approach to providing houses will include social housing, affordable houses, rent to buy, etc. The Municipality has planned various projects to improve the quality of life of its communities, i.e. Motherwell NU12, 30 & 31, Jagtvlakte, Khayamandi, KwaNobuhle Area 11, Greater Happy Valley, Airport relocation, Coega Ridge, Parsonsvei, Belmoral Heights and Project Mthombo.

Private developers are also assisting in delivering houses, i.e. Mzingisi Development Trust and HDA.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Integrated and Sustainable Human Settlements	Number of state subsidised housing units provided	3600	1682	1938	1798	2078	2856	835
	Number of erven provided with permanent water and sanitation services	3000	2743	4000	4094	4000	4012	4 000
	Number of settlements upgraded from informal to formal	1 new Greenfield area constructed and 4 in situ development areas completed	1 new Greenfield area constructed and 4 in situ development areas completed	1 new Greenfield area developed (Rosedale Extension) and 4 in situ development areas completed	90% Rosedale Extension and 5 in situ developments completed	1 new Greenfield area developed 4 in situ development areas completed	1 new Greenfield area developed 4 in situ development areas completed	1 new Greenfield area developed 4 in situ development areas completed
	Number of households relocated from stressed informal settlements and other servitudes to Greenfield development areas	1200	69	3000	656	1200	852	1200
	Number of parcels of land made available to Social Housing Institutions for Social Housing	N/A	N/A	N/A	N/A	4	0	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Integrated and Sustainable Human Settlements	Number of hectares of land procured for Greenfield development	N/A	N/A	N/A	N/A	43 hectares procured for Greenfield development	43.73 hectares procured by the Eastern Cape Department of Human Settlements (ECDoHS (target achieved in third quarter)	N/A
	Number of state subsidised defective houses rectified	6325	1133	1434	1318	237	989	112

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	3	3	3	0	0%
7 – 9	6	8	6	2	25%
10 – 12	7	15	7	8	53%
13 – 15	9	15	9	6	40%
16 – 18	11	21	11	10	48%
19 – 20	18	30	18	12	40%
Total	55	93	55	38	41%
<i>T 3.5.4</i>					

Financial Performance Year 0: Housing Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	335,685	216,702	229,569	349,673	38%
Expenditure:					
Employees	33,579	34,113	42,411	38,392	11%
Repairs and Maintenance	180	127	492	163	22%
Other	327,795	236,300	428,661	1,012,016	77%
Total Operational Expenditure	361,554	270,540	471,564	1,050,571	74%
Net Operational Expenditure	25,869	53,838	241,995	700,898	92%
					<i>T 3.5.5</i>

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	165,934	165,766	175,634	6%	
Land Release : Township Developments - Reticulation Services	–	–	1,386	100%	
Joe Modise Peace Village 432 Sites - Services	16,425	–	234	-6923%	
Kleinskool Area K - Services	–	83	26	100%	
Lilian Didericks (Brister House) Office Renovation	–	832	832	100%	
Joe Slovo - Uitenhage Phase 1	–	4,890	4,900	100%	
Wells Estate Phase 3 - Ext 4 & 5	–	7,850	7,948	100%	
Roos Str P1- P3	–	558	501	100%	
Khayamnandi Extension	58,158	66,906	66,281	12%	
Missionvale Garden Lots	22,082	16,876	14,685	-50%	
Motherwell NU 29 - Phase 2 stage 1	–	80	–		
Red Location - New Brighton	6,238	7,379	10,073	38%	
Rosedale	9,361	2,274	2,031	-361%	
Motherwell Higher Density	–	1,037	757	100%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Kwanobuhle Area 11	1,000	6,500	20,637	95%	
Kwazakhele: Ekhumphumleni	500	2,735	142	-253%	
Jacht Flakte	1,500	1,500	1,672	10%	
Kwanontshinga	–	50	29	100%	
Sisulu Village	–	–	153	100%	
Seaview Housing Project	–	150	111	100%	

COMMENT ON HUMAN SETTLEMENTS OVERALL PERFORMANCE:

From a land planning and management perspective, the City does have land available to accommodate its Housing Programme. The challenge is to align the land identification programme to target land in the inner-city area.

During the 2013/2014 financial year, altogether 2856 state subsidised housing units were provided in the following areas: Missionvale Garden Lots (1715); Arcadia North (34); Motherwell (983); Chris Hani (8); New Brighton (3); KwaNoxolo (2), Tiryville (13), Roos Street (20) and Walmer (78). The overperformance of 2856 against the annual target of 2078 is attributed to the disjuncture between annual planning in line with the gazetted amount of R206.9 million for the provision of state subsidised housing units and the actual funding agreement (approximately R488 million) concluded with the funder/service authority (Eastern Cape Provincial Department of Human Settlements).

During the 2013/2014 third quarter, altogether 816 state subsidised defective houses were rectified in the following areas: Bloemendal (447); Bethelsdorp (140); Motherwell (38); Kwazakhele (41); Silvertown (10); Solomon Mahlangu (123); and Tambo Village (17). Targets in respect of this KPI are set in line with a MINMEC resolution which

dictates that rectification projects may not exceed 10% of the Housing Subsidy Top Structure allocation to municipalities which provided only for the rectification of 200 units. The variance between the reported performance of 816 and the third quarter target of 177 is due to the fact that work was carried-over from projects with third party contractual obligations which was initiated in the 2012/13 financial year but only completed in the 2013/14 financial year.

During the 2013/2014 third quarter, altogether 2528 sites were provided with permanent water and sanitation services in the following areas: Motherwell NU29 (14); Wells Estate (779); Khayamnandi Extension (773); Walmer Area Q (194); Rosedale (84); Red Location (172); Joe Slovo - Uitenhage (92); and Motherwell NU 12 (420). The variance between the third quarter target and the actual performance reported is as a result of the fact that the contractor handed an additional 28 sites over as part of a bigger area that was completed for the quarter. This will however, not affect the budget for the annual target.

The Khayamnandi Extension Greenfield development project (Phases 1 and 2) is 98.5% complete, as are four in situ development areas (Walmer Areas O and Q, Joe Slovo and Motherwell NU 12). The overperformance is firstly attributed to the fact that the project has not experienced any delays or work stoppages and secondly, to the Walmer Area O project, in respect of which work already commenced in the 2012/2013 financial year.

During mid-term, the KPI and its targets were amended to measure the number of land parcels made available to social housing institutions for social housing development (Council resolution dated 23 January 2014). Three land parcels were identified in Korsten and Summerstrand for social housing development during the 2012/2013 financial year. These land parcels have since not been made available to social housing institutions due to the pending technical assessment (including environmental studies) to determine the viability of these land parcels for social housing purposes. It is envisaged that these land parcels will be made available to social housing institutions for social housing development once the technical assessment has been concluded. It is anticipated that the technical assessment will conclude during the end of the 2013/14 fourth quarter.

Altogether 791 households were relocated from stressed informal settlements and other servitudes to Greenfield development areas during the 2013/14 third quarter as per the following:

43 households were relocated from Kleinskool to Chatty; 92 from Bloemendal to Chatty; 23 from Moegesukkel to Chatty; 88 from MK Silvertown to Wells Estate; 9 from Mayibuye to Wells Estate; 86 from Wells Estate (Backyard) to Wells Estate; 77 from Chris Hani to Wells Estate;

1 special case to Chatty; 46 from Ramaphosa to Wells Estate; 3 from Mandela Village to Wells Estate; 19 from Tiepvalley to Joe Slovo; 34 from Afghanistan to Joe Slovo; 32 from Hlalani to Motherwell; 20 from Ndlovini to Motherwell; 24 from Powerline to Motherwell; 106 from Vaastrap to Chatty;

16 from Enkuthuzweni to Motherwell; 16 from Endongweni to Motherwell; 9 from Church Village to Motherwell; 13 from Ekuphumleni to Motherwell; 3 from Sharpville to Motherwell; 6 from Kwazakhele to Motherwell; 3 from Missionvale to Missionvale (repositioned); 17 from Veeplaas to Chatty; 1 from Bloemendal to Wells Estate; 3 from Endulini to Motherwell and 1 from Kleinskool to Wells Estate. The underperformance is as a result of the prolonged Supply Chain Management processes in appointing service providers to transport households to destination sites. In order to fast-track the Supply Chain Management processes, a deviation was sent to the Office of the City Manager for consideration. It is envisaged that the deviation will be approved by the City Manager during the fourth quarter after which the performance backlog will be addressed.

Over-performance in respect of this KPI is as a result of the joint efforts with Siyaya initiatives in the Housing Consumer Education Programme.

In conclusion, the City is doing well in improving the lives of its communities; following the Level 3 assignment of functions, it will do even better.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION

The Indigent Subsidy Scheme was introduced by the then Port Elizabeth Municipality in July 1997, with a staff complement of 13. In 2000, National Government announced a policy intended to provide basic services to poor households (water, sanitation and energy). In 2003, the Nelson Mandela Bay Municipality adopted its Assistance to the Poor (ATTP) Policy, in line with government's directive. The qualifying criteria are that the total household income may not exceed the equivalent of two welfare state pensions, currently being R2700; this excludes grants such as foster child grants, care development grants, and child support grants.

Currently, 39 staff members are employed, servicing a database of 85 792 indigent households.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Poverty Eradication	% households earning less than R2 700 per month (2 state pensions) with access to free basic services	100%	100%	100%	99.59%	100%	100%	100%

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2012/2013	2013/2014			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	56666236	61907040	61907040	68229978	9%
Waste Water (Sanitation)	78605722	91918400	91918400	59883571	-53%
Electricity	43600981	40138280	35492250	37115476	-8%
Waste Management (Solid Waste)	48043565	54527680	54527680	55149936	1%
Total	226916504	248491400	243845370	220378962	-13%
<i>T 3.6.4</i>					

COMMENTS OF PERFORMANCE

Indigent households are provided with the following benefits:

- i) Full credit for monthly property rates
- ii) Full credit for monthly refuse
- iii) Credit (to the maximum of 8 kl of water per month)
- iv) Credit (to the maximum of 11 kl of sewerage per month)
- v) Free monthly token of 75 kwh of electricity per month

In the event that the indigent households consume more than the limit provided for by the support, the debt is written off after three months.

Section 2.1.1 of the ATTP Policy states that all miscellaneous once-off charges incurred by an ATTP beneficiary, with the exception of tampering charges, after initial registration, will be written off. Furthermore, Section 2.1.2 states that no further legal costs and call fees will be charged to ATTP accounts, with the exception of tampering charges.

Provisional quarterly information on grants and subsidies over the review period (2013/14) and budget allocation of equitable share (2013/14) are reflected below:

<u>BUDGET ALLOCATION OF EQUITABLE SHARE (2013/14)</u>	
	REVISED
	2013/2014
WATER - 0622 2742	61,907,040
SEWERAGE - 0446 2742	91,918,400
REFUSE - 0466	54,527,680
ELECTRICITY - 0620 0358	35,492,250
RATES – 0552	61,241,220
CALL FEE LOSS ATTP POLICY CHANGE - 0025	5,200,000
	310,286,590
CAPITAL CONTRIBUTION - 0551 5338(E-SHARE)	15,000,000
LITTER PICKERS - 0470 3409/0470 4301	11,933,550
INDIGENT - 0616	17,445,400
WATER LOSS DETECTION - 0505 4371	10,398,900
SEWERAGE: MAINTENANCE NORTH - 1626	3,000,000
SEWERAGE: MAINTENANCE SOUTH - 0447	3,000,000
	45,777,850
RATES AND RELATED INCOME - 0552	356,286,050
MURP NODAL	
SPECIAL PROGRAMMES-1668	2,425,900
STRATEGIC PROGRAMMES – 1670	4,836,220
MOTHERWELL URBAN RENEWAL - 1474	8,712,390
	15,974,510
	743,325,000

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

The NMBM is required to provide safe, affordable, sustainable and accessible multi-modal transport services and infrastructure that promote integrated land use development and ensure optimal mobility for the residents and users of the transport system in the metropolitan area.

3.7 ROADS

INTRODUCTION TO ROADS

The Municipality has a Pavement Management System (PMS) in place, which is the master plan for all existing road infrastructure within Nelson Mandela Bay. The road centreline data, which is the backbone of the system, is currently loaded on the Corporate GIS and all the data components are linked through the Roads Management System Support Programme. Infrastructure is inspected every two (2) years and the management reports are updated.

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2			11	
Year -1			17.8	
Year 0			1.81	
				<i>T 3.7.2</i>

Tarred Road Infrastructure						Kilometers
	Total roads tarred	New tar roads	Existing roads re-tarred	Existing roads tar re-sheeted	Tar roads maintained	
Year -2		11				
Year -1		17.8				
Year 0		1.81				
						<i>T 3.7.3</i>

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year - 2		105,339		105,339			
Year - 1		122,440		122,440			
Year 0		72,000		72,000			
						T 3.7.4	

SERVICE STATISTICS

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Roads and Transportation	Km of gravel roads tarred	15 km	35.8km	12 km	17.81 km	11km	1.81km	7 km
	Number of gravel culs-de-sac tarred	50	116	30	45	35	5	35
	Km of roads resurfaced	N/A	N/A	N/A	N/A	7.2km	20.446km	6.8km
	Km of new sidewalks constructed	10 km	14.46km	3.5 km	4.956 km	3.5km	3.578 km	3.3km

Financial Performance Year 0: Road Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5896705	0	71033000	40186884	100%
Expenditure:					
Employees	59034996	64525050	65169080	66860032	3%
Repairs and Maintenance	35439687	60058370	131915370	85208504	30%
Other	49428772	72954590	54128260	164748402	56%
Total Operational Expenditure	143903455	197538010	251212710	316816938	38%
Net Operational Expenditure	138006750	197538010	180179710	276630054	29%
					<i>T 3.7.8</i>

Capital Expenditure Year 0: Road Services
--

R' 000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	125,498	157,791	146,225	14%	
Facilities for the Disabled	100	119	100	0%	
Glen Hurd drive Upgrading	5,500	2,417	–	-	
H45 Redhouse - Chelsea Arterial: Walker Drive to N2	31,000	32,085	32,085	3%	
Intersection Improvements	1,000	1,000	1,097	9%	
Intersection upgrading - Mel Brooks / Kwanobuhle Access Road	–	200	–	-	
Miscellaneous - Roads and Stormwater	–	500	830	100%	
New Traffic Signals	750	819	785	4%	
Njoli Square Redevelopment	9,583	17,938	10,189	6%	
Peri-Urban: Rehabilitation of gravel roads	1,000	1,043	1,043	4%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Planning and Design of Main Roads	1,000	900	1,043	4%	
Provision of Rudimentary Services - Roads and Stormwater	1,000	1,000	1,093	8%	
Provision of Sidewalks and Cycle Tracks	5,000	5,000	4,788	-4%	
Public Transport Facilities	–	–	973	100%	
Rehabilitation of Bridge Structures	1,000	1,000	997	0%	
Rehabilitation of Infrastructure Salt Pans	100	100	–	-	
Rehabilitation of roads	2,000	2,000	1,992	0%	
Rehabilitation of Verges and Sidewalks - Northern Areas	800	800	725	-10%	
Resurfacing of Subsidised Roads	2,000	2,000	3,468	42%	
Resurfacing Tar roads (non-subsidy)	4,500	4,500	8,544	47%	
Seyisi Square & Daku Square Development	500	500	497	-1%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Soweto Square Development	500	500	500	0%	
Tarring of Gravel Roads	50,000	71,600	63,331	21%	
Tarring of Gravel Roads - Kwazakhele	–	–	0	100%	
TM24 Guidance Signs	150	150	5	-3220%	
Computer Upgrade - I & E	–	11	10	100%	
Replacement Vehicles Fleet	2,000	2,000	1,922	-4%	
Development of Stormwater Management System	500	500	300	-67%	
Road Management System	1,580	1,580	1,468	-8%	
Upgrading Depots and Offices	–	1,784	1,838	100%	
Laboratory Equipment - Scientific Services	1,000	2,000	1,891	47%	
Traffic Control Equipment (Subsidy)	185	185	1,164	84%	
Traffic Calming Measures	2,750	3,561	3,548	22%	
					<i>T 3.7.9</i>

COMMENT ON PERFORMANCE OF ROADS OVERALL:

To upgrade the standard of roads within Nelson Mandela Bay, the Municipality has been engaged in a comprehensive road tarring programme for a number of years. As reflected above, the Municipality did not meet its targets (tarring of gravel roads and culs-de-sac) during the review period due to various challenges.

The following projects were implemented by the Municipality during the 2013/14 financial year:

- Tarring of Gravel Roads – R72 million
- Provision of Sidewalks and Cycle Tracks – R4.9 million
- Njoli Square Redevelopment – R17.9 million

Service Delivery Priorities include:

- Tarring of Gravel Roads
- Sidewalks
- Resurfacing
- Fixing of Potholes

3.8 TRANSPORT

INTRODUCTION TO TRANSPORT

The Municipality's revised Comprehensive Integrated Transport Plan (CITP), which is applicable from 2011 to 2015 and is updated annually, recommends new capital projects for its Capital Budget in addition to those already existing. It is envisaged that the implementation of these projects will ensure that CITP objectives are met, which are:

- Mobility, i.e. integrated planning of land use and transport systems should be undertaken in order to minimise the need for travel.
- Convenience, i.e. a frequent, safe and reliable public transport system should be provided, with conveniently located termini and stops.
- Reasonable cost, i.e. the total cost of provision, operation and maintenance of the metropolitan transport system should be minimised.
- Minimum side effects, i.e. transport safety should be improved and the accident rate reduced, and residents should feel safe while using the Municipality's transport facilities.

The development of the public transport system is based on a number of important principles, which include many of the long-term objectives set out in the National Land Transport Act (NLTA) for public transport:

- Customer orientated transport system
- Integrated transport system
- Densification of transport corridors
- Contracts for public transport services operation
- Phased introduction in co-operation with the transport industry
- Regulatory framework supporting public transport

Key strategic goals and benefits:

The strategic goal for the implementation of the Integrated Public Transport System is to transform the current diversified minibus taxi, bus operations, train services and other modes of transport into an integrated Metro-wide system, which will provide the citizens with the following benefits:

- An efficient and affordable service
- Integration of various modes into a multi-modal transport service
- Improved accessibility
- A sustainable service
- A safe and reliable service

Critical Challenges:

- (a) Finalisation of negotiated contract for first public transport contract area.
- (b) Finalisation of construction and implementation of a call centre and fully integrated public transport operations centre at the South End Fire Station.
- (c) Implementation of the Automated Public Transport Management System and Automated Fare Collection System.
- (d) Marketing of the service in order to improve ridership.
- (e) Critical vacancies in new IPTS Project Unit to be filled.

Strategies to address the aforementioned challenges:

- (a) Intensifying negotiation strategy and initiatives with the taxi industry and bus company.
- (b) Fast-tracking procurement and installation of specialised equipment and systems.
- (c) Finalising specifications for connectivity and implementation.
- (d) Expanding marketing campaign and intensifying public awareness.
- (e) Fast-tracking recruitment.

Pilot Bus Service:

A pilot bus service utilising 25 IPTS buses started operations on 21 January 2013 along seven designated routes. The pilot service provides the Municipality with an opportunity to assess the operational efficiency of the IPTS in accordance with the approved Business and Operations Plans. The pilot service is envisaged to operate for a period of twelve months.

Improved commuter demand and increased ridership are important contributors to the success of the system, as increased revenue will reduce the operating deficit, which has been highlighted by National Treasury as one of its key objectives for sustainable funding of the project in the short term.

During the pilot phase, ridership is expected to increase once the general public becomes more familiar with the new bus system. It is predicted that passenger occupancy will be higher during early morning and evening peak periods, but significantly lower during off-peak periods. The overall daily occupancy targets for the pilot service have been estimated as follows:

- 20% by September 2013
- 25% by December 2013
- 30% by February 2014

The pilot phase brought many challenges to the fore, chief among them being the buy-in and participation of local taxi operators. This challenge, along with others, such as information dissemination and financial resources has affected the implementation of the next phase. All identified challenges are being aggressively dealt with all respective partners, including the National Department of Transport, National Treasury, local taxi operators and the Algoa Bus Company.

The following projects were implemented by the Municipality during the 2013/14 financial year:

- IPTS – R379 million

Employees: Transport Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	5	3	2	40%
7 - 9	4	9	4	5	56%
10 - 12	6	16	6	10	63%
13 - 15	2	3	2	1	33%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	15	34	15	19	56%
T3.8.4					

Financial Performance Year 0: Transport Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	20602241	22996210	22996210	115675610	80%
Expenditure:					
Employees	12325890	14284300	13598530	15210976	6%
Repairs and Maintenance	542416	1008400	1008400	1120406	10%
Other	11659211	5313980	6023720	91501957	94%
Total Operational Expenditure	24527517	20606680	20630650	107833339	81%
Net Operational Expenditure	3925276	-2389530	-2365560	-7842271	70%
					T 3.8.5

Capital Expenditure Year 0: Transport Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	313,177	439,950	100%	/
IPTS - Work Package: Bus Rapid Transit	–	160,551	215,503	100%	
IPTS - Work Package: Modal Interchanges	–	15,177	6,437	100%	
IPTS - Work Package: Public Transport Facilities	–	51,812	81,203	100%	
IPTS - Work Package: Roads & Public Transportation System	–	55,333	94,945	100%	
IPTS - Work Package: TDM and ITS	–	30,018	41,575	100%	
IPTS - H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	–	287	287	100%	
					<i>T 3.8.6</i>

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The programme of the NMBM with regards to Road and Transport has been focused on the following projects during the 2013/14 financial year:

- Tarring of Gravel Roads
- Provision of Sidewalks and Cycle Tracks
- IPTS
- Njoli Square Redevelopment

3.9 WASTEWATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

A Stormwater Assets Register for Nelson Mandela Bay was completed, in terms of which an inventory of all stormwater infrastructure was undertaken. The project entailed the development of the basic computer interface for the logging of stormwater information and the logging of piped, lined and unlined stormwater reticulation.

Stormwater master planning has been undertaken and is in progress in various areas throughout Nelson Mandela Bay with a view to establishing, in particular, the bulk stormwater requirements for these areas. This is essential, as existing and proposed housing developments cause the existing stormwater systems to be overloaded, resulting in the flooding of properties.

The Municipality has furthermore conducted flood line studies for various catchment areas in Nelson Mandela Bay and has established a 1:100 year flood line, in terms of which development within those lines is prevented.

Challenges:

- (a) The inadequate funding for roads and stormwater maintenance has led to an increase in the backlog (approximately **R4.5 billion** for maintenance and **R1, 9 billion** for the tarring of roads). This increases annually, as new residential areas are established and developed.
- (b) Insufficient subsidies from the Provincial Departments of Transport and Roads, and Public Works.
- (c) Risk of flooding and community health and safety hazards due to poor stormwater infrastructure (estimated stormwater infrastructure backlog **is R480 million**; bridge and culvert structures **is R320 million**; and Stormwater Master Plan implementation **is R2.15 billion**).

Service delivery priorities include:

- Installation of bulk stormwater to eliminate flooding
- Improved standard of living for people living in informal settlements.

Stormwater Infrastructure				
Kilometers				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2		2	1	
Year -1		3	1	
Year 0		1	1	
				<i>T 3.9.2</i>

Cost of Construction/Maintenance			
R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
Year -2	17,700	13,000	
Year -1	63,950	7,500	
Year 0	9,820	11,846	
			<i>T 3.9.3</i>

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Stormwater	Km of stormwater drainage installed	10 km	8.92km	1 km	1.087 km	1km	1.1 km	1 km

Financial Performance Year 0: Stormwater Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	263296	100%
Expenditure:					
Employees	0	0	0	0	-
Repairs and Maintenance	29942028	35407570	34407570	31722689	-12%
Other	22262897	22213670	18722950	21523514	-3%
Total Operational Expenditure	52204925	57621240	53130520	53246203	-8%
Net Operational Expenditure	52204925	57621240	53130520	52982907	-9%
					T 3.9.7

Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25,200	26,016	22,225	-13%	
Lorraine Stormwater Control	1,500	1,500	280	-436%	13,010
Stormwater Improvements	4,000	4,000	3,995	0%	
New Brighton/Kwazakhele: Bulk Stormwater	1,000	1,000	593	-69%	
Groundwater Problem Elimination Northern Areas	1,000	1,000	953	-5%	
Zwide Bulk Stormwater	2,000	2,000	546	-266%	
Summerstrand Bulk Stormwater	200	100	185	-8%	
Blue Horizon Bay Bulk Stormwater	1,000	3,000	-	#DIV/0!	
Stormwater Improvements Ikamvelihle	5,000	5,000	5,557	10%	
Wells Estate: Stormwater Improvements	2,550	2,624	2,609	2%	

Capital Projects	Year 0 Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Cannonville/Colchester: Stormwater improvements	200	200	191	-5%	
Missionvale: Stormwater Improvements	2,000	22	8	-23441%	
Stormwater Drainage System:Ph2:Mondile Str.:KwaNobuhle	4,500	5,320	7,059	36%	
Flood Risk and Improvements (Swartkops & Baakens)	250	250	250	0%	
					T 3.9.8

COMMENT ON PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The following projects were implemented by the Municipality during the 2013/14 financial year:

- Stormwater Improvements: Ikamvelihle
- Wells Estate: Stormwater Improvements
- Stormwater Drainage System, Ph2: Mondile Street
- Stormwater Improvements

Variances can be attributed to changes in the allocation from the Ward-based budget and budget amendments. Targets will be attained for stormwater, as set out in the IDP.

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipality is committed to sound planning and development towards achieving restructuring, integration and sustainability in Nelson Mandela Bay. Key in this process is the Metropolitan Spatial Development Framework. Of vital importance will be the development and implementation of a city-wide development strategy.

PHYSICAL PLANNING

3.10 PLANNING

INTRODUCTION TO PLANNING

The main elements in respect of the institution's land planning strategies are reflected below:

The Municipality's main planning strategy is to ensure the physical, environmental, social and economic integration and sustainability of the City's development in order to overcome the inequality that currently characterises the different residential and commercial areas.

This is achieved through the creation of a conducive planning and development environment, with plans that cover these aspects.

This planning strategy is underpinned by the Sustainable Community Planning (SCP) methodology, which is contained in the IDP and which governs the preparation of the Spatial Development Framework (SDF) and Local Spatial Development Frameworks (LSDFs).

The institution has an approved SDF in place, with ongoing preparation and approval of comprehensive Local Spatial Development plans (three plans were approved in 2013/14 and tenders are about to be awarded for the preparation of LSDFs for Ibhayi, Bethelsdorp and Summerstrand).

The NMBM SDF is recognised as a benchmark for other local authorities in the Eastern Cape provincial IDP assessments.

The legislative environment hampers speedy development and the gazetting of the Spatial Planning and Land Use Management Act. Whilst this is indicative of planning legislation reform, the Act has not yet been enacted. Provincial legislation is required to effectively overhaul the current legislative system and address its unconstitutionality. Public participation processes in LSDF processes are hampered by the absence of Ward Committees in the institution.

From an enforcement and building control perspective, numerous illegal land uses are evident in Nelson Mandela Bay, both in more affluent and poorer areas. Such illegal usage generally becomes more prevalent in difficult economic times. The proliferation of illegal house shops, taverns and businesses, as well as unsafe backyard shacks in the poorer areas of Nelson Mandela Bay, needs to be addressed. It should be noted, however, that the backyard shacks do provide an accommodation option, so a strategy is needed to address this issue.

The top three service delivery priorities are: formalising informal settlements; ensuring access to basic services; and ensuring access to the full range of socio-economic facilities.

The City has eliminated five *in situ* informal settlements, where legal tenure now exists on serviced sites.

In addition, one Greenfield site has been developed for relocation from stressed areas. Sustainable Community Planning Methodology is used to plan these new areas.

A multi-sectoral development and project management approach is reflected in the institution's IDP. This is achieved in two ways: firstly, through the Integrated Development Matrix, which is an approach to achieve multi-sectoral involvement in projects, as well as the Multi-disciplinary Technical Task Team, which ensures that all directorates in the Municipality are involved at senior level in major development initiatives. This approach was formalised by the Municipal Manager in 2012/13, although it has been in operation since 2007.

*Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
	2012/13	2013/14	2012/ 2013	2013/ 2014	2012/13	2013/14
Planning applications received	4	4	134	161	4540	7407
Planning applications complete	0	6	20	73	4540	7407
Planning applications pending	4	2	114	88	0	0
Applications withdrawn	0	0	5	1	0	0
Applications outstanding at year end	4	2	109	90	0	0
<i>T 3.10.2</i>						

Notes:

- *Built Environment is assumed to be building plans.*
- *Township establishment is both LUPO and DFA.*
- *This does not include appeals.*

Town planning performance information is reflected below.

TYPES OF LAND PLANNING APPLICATIONS : 2013-2014			
	TOTAL	COMPLETE	PENDING
SALT applications	272	198	74
Special consents	56	28	28
Town planning amendments	84	37	47
Site development plans	166	99	67
Town planning departures	21	8	13
Removal of restrictions	55	27	28
Unauthorised uses	256	96	160

BUILDING PLANS INFORMATION FOR 2013/14

Applications outstanding at 1 July 2013	Category	Number of new applications received during 2013/14	Total value of applications received (Rand)	Applications outstanding 30 June 2014
None	All	7407	R2,705,569,000.00	None

INFORMATION ON LAND PLANNING APPLICATIONS FOR 2013/14

Time taken to approve	Number of applications outstanding as at 1 July 2013	Total number of all processed (left the section)	Outstanding as at 30 June 2014
30 weeks average	458 (Letter Register)	502 (Letter Register)	211 (Letter Register)

APPROVAL OF DATABASE for 2013-2014	
TOTAL REZONING, SPECIAL CONSENT APPLICATIONS RECEIVED	REZONING AND SPECIAL CONSENT APPLICATIONS APPROVED
185	153

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Spatial Development Planning	Number of Spatial Development Framework Plans approved by Council	N / A	N / A	6	4	N / A	N/A	N/A

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	196378477	139008870	361940240	59315974	-134%
Expenditure:					
Employees	146073008	153676010	158929000	155206672	1%
Repairs and Maintenance	7265712	5257950	5913950	3299292	-59%
Other	184591888	137958290	141239040	47602404	-190%
Total Operational Expenditure	337930608	296892250	306081990	206108368	-44%
Net Operational Expenditure	141552131	157883380	-55858250	146792394	-8%
					<i>T 3.10.5</i>

Capital Expenditure Year 0: Planning Services					
R' 000					
Capital Projects	Year 0 Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	52,634	32,907	12,249	-330%	
Fountain Road Redevelopment	9,583	2,428	216	-4328%	41,700
SMME Hive	22,351	7,779	630	-3447%	4,239
Motherwell Thusong Service Centre	5,200	6,200	3,050	-71%	3,050
IT Infrastructure - Murp	2,500	2,500	-	#DIV/0!	
Upgrading Helenvale Resource Centre - Multipurpose Centre	5,000	2,200	6,520	23%	
Nodal and Precinct Development (Helenvale)	-	4,100	833	100%	
Mendi Bottle Store Renovation	8,000	7,700	999	-701%	
					<i>T 3.10.6</i>

COMMENTS ON PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The year 2013/14 saw the consolidation of the Municipality's Spatial Development Framework, which was approved in 2009 by the approved Local Spatial Development Frameworks for Uitenhage and Despatch, Walmer and Newton Park/Cape Road.

Furthermore, the MSDF is undergoing a 5-yearly review, with approval by Council anticipated by the end of June 2015. Key to this is the City Wide Development Strategy, which will be completed in the 2014/15 financial year. The long-term strategy will inform all Integrated Development Planning that caters for the short and medium-term development of the Metro.

3.11 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO ECONOMIC DEVELOPMENT

In 2009, the Municipality hosted a Multi-stakeholder Economic Development Summit to re-imagine the Metro's economy and chart the way forward for local and regional growth and development. The Municipality is committed to poverty alleviation and job creation in Nelson Mandela Bay, through the creation of an environment conducive to investment and a number of municipal initiatives, mainly focused on tourism, urban agriculture and broad-based economic empowerment. The Municipality is also actively involved in providing training and support for SMMEs and co-operatives.

The Economic Development Strategy identified the following key economic enablers for Nelson Mandela Bay:

- Skills Development
- Infrastructure Development
- Visionary Governance
- Meaningful business, civil society and governmental partnerships

The primary goal is therefore to ensure that the jobless growth trend is reversed and that more emphasis is placed on job creation and youth development. The New Growth Path outlines the priority areas of intervention to ensure a job creation environment.

The regional economy is dominated by the manufacturing sector. The Municipality therefore needs to strengthen and build on its existing manufacturing base by increasing the local content of production through attracting both foreign and domestic investments, and improving logistics and skills supply.

Efforts have already been made to explore the other manufacturing sectors, to mitigate the risk of over-dependence on the automotive sector. Focus has now shifted to the renewable energy components manufacturing, metals and plastic sector, as well as the pharmaceuticals sector. Some companies have already decided to relocate to the NMB region and have employed people in these sectors.

The city, however, has the competitive advantage of being the only city with two ports, namely the Port of Port Elizabeth and the Port of Ngqura. An opportunity therefore exists for the city to establish a strong and vibrant ports and maritime sector. A maritime cluster has been established, with key stakeholders that include industry, provincial and local government, the two IDZs in the Province, namely the Coega IDZ and the East London IDZ, Department of Education and the tertiary education sector to explore new opportunities, including ship building and repairs.

The Industrial Policy Action Plan II (IPAP II) has identified industrial sectors that have a high labour absorption capacity targeted for support and growth, e.g. tourism, business process outsourcing, and ICT (BPO), manufacturing, renewable energy, creative industries, etc.

A pro-active destination marketing plan, focusing on BRICSA and the key trading partners of South Africa, that is aligned to the NMBM's growth sectors – manufacturing, tourism, renewable energy, etc. – will be rolled out over five years. The

trade and investment mission will be linked to DTI's programme, targeting R1 billion's investments by 2016.

Skills development linked to labour demand by industries was prioritised, e.g. the training of artisans to provide competent skills in support of the manufacturing and maritime industries. The implementation of the Human Resources Development Strategy will continue and the partnership with the Coega Development Corporation (CDC) regarding the Labour Management System has been renewed. Partnership with SETAs will continuously be explored to leverage training funds.

The Nelson Mandela Bay Metropolitan Municipality seeks to maximise benefits from tourism and property development in Nelson Mandela Bay. The objective of the Tourism Master Plan is to clearly identify and maximise the development and usage of all the possible tourism attractions in Nelson Mandela Bay.

In most successful tourism destinations around the world, the domestic market forms the backbone of the tourism industry. Domestic tourism development requires attention to broader marketing, product development, distribution, information provision and possible social tourism programmes. Marketing should be stepped up to improve awareness and access to information.

This should become a strategic choice that is informed by the extent of this market's potential and the budgeted return on investment. Nelson Mandela Bay's domestic tourism strategy should address the following:

- Limited tourism growth
- Affordability of travel
- Limited diversity of products and services
- Access to travel information

The Tourism Master Plan has identified the following key areas for intervention:

- Encouraging the development of tourism products that support the Nelson Mandela Bay brand name.
- Harnessing and maximising benefits from culture and heritage tourism. Making Nelson Mandela Bay a tourism friendly destination by introducing more tourism signage.
- Improving customer services through quality assurance.
- Empowering communities through skills development initiatives.
- Increasing tourism business and the participation of previously disadvantaged individuals (PDIs) through tourism enterprise development.
- Diversifying tourism offerings through product development, especially in township tourism.
- Effectively using events to draw visitors to Nelson Mandela Bay in order to improve the seasonal and geographic spread of tourism; promote Nelson Mandela Bay's unique identity and increase Nelson Mandela Bay's profile nationally and internationally.

The LED Strategic Plan identifies the following key interventions:

- Nelson Mandela Bay's infrastructure and municipal services meet the needs of target sectors and a growing population
- Nelson Mandela Bay's people are a skilled, adaptable and productive
Investment in strategic capital projects to accelerate economic development.
- Nelson Mandela Bay hosts a diversified local economy.
- Entrepreneurship and small business growth are significant drivers of the economy.
- Nelson Mandela Bay offers opportunities for enhanced livelihood.
- Nelson Mandela Bay is an appealing place to live in.
- A strong marketing campaign is necessary to promote Nelson Mandela Bay as a place to visit, and live and invest in.

The Municipality has identified key megaprojects, as reflected in the Spatial Development Framework and the LED Strategy of the Municipality. These include projects funded through Neighbourhood Development Partnership Grants, e.g. the Njoli Square development, Fountain Road redevelopment and Red Location Precinct development. The development of a major regional retail and commercial centre is under way and the momentum in the development of the waterfront as a catalytic project will be intensified.

The undertaking by Transnet to remove the oil tanks in 2019 paves the way for a Waterfront Development at the PE Harbour and the beneficiation of manganese in the Coega IDZ. The MBDA has been mandated to expedite the development of the Nelson Mandela Statue.

The development of cooperatives is a key municipal tool for job creation and poverty eradication. Whilst cooperatives currently focus on waste management, the intention of the Municipality is to extend their focus to other areas of activity.

The Municipality is aware that, despite progress made in job creation and the provision of basic services, high poverty levels are persisting.

Initiatives to fight poverty introduced by the Municipality included the following:

- Provision of free basic services to indigent households.
- Implementation of EPWP and job creation initiatives.
- Implementation of the Community Work Programme as part of the safety-net programme.
- Provision of human settlements.
- Development of cooperatives, SMMEs and informal traders.
- War on Hunger Programme.
- Repair of water leakages in indigent households.
- Skills development, learnerships and entrepreneurship support.
- Rural/Peri-urban development.
- Empowerment of youth, women and people with disabilities.

Economic Activity by Sector				R '000
Sector	Year -2 2015/2016	Year -1 2014/2015	Year 0 2013/2014	
BPO Sector			15,000,000.00	
Manufacturing		570,000,000.00	426,000,000.00	
Renewable Energy				
Creative Industries (Not valued in monetary terms)				
Exports (Not valued in monetary terms)				
Retail (Bay West Shopping Centre)			2,000,000,000.00	
Small Business Incubation	3,500,000.00	3,500,000.00	3,500,000.00	
Total	3,500,000.00	573,500,000.00	2,444,500,000.00	
				<i>T 3.11.2</i>

Please Note: The investment value for manufacturing includes the total from Lighting Innovations, FAW and Clover Industries.

The BPO sector is only Discovery Health and Bay West, which resorts under the retail sector.

The Creative Industries productions companies attracted cannot be valued in monetary terms.

Export assistance cannot be valued in monetary terms, as these are non-financial incentives.

COMMENT ON LOCAL JOB OPPORTUNITIES:

The following key interventions were implemented during the 2013/2014 financial year:

- Development of a Human Resource Development Strategy.
- Improvement of infrastructure.
- Facilitating the use of the Expanded Public Works Programme to increase employment and skills development.

- Provision of skills development and education programmes.
- Implementation of the Human Resource Development Strategy.
- Investment in strategic capital projects to accelerate economic development.
- Diversifying the local economy.
- Support and training of emerging entrepreneurs through mentorship and training Programmes.
- Support and development of sustainable cooperatives.
- Developing and supporting contractors.
- Developing and supporting informal traders.
- Integration of the provision of food security in spatial planning.
- The encouragement and development of food gardens and orchards on vacant or under-utilised land.
- Regeneration of derelict areas.
- City improvement.
- Creation and implementation of a marketing strategy.

Economic Employment by Sector			
Sector	Jobs		
	Year 1 2014/2015 No.	Year -1 2014/2015 No.	Year 0 2013/2014 No.
BPO Sector			500
Manufacturing			715
Renewable Energy			
Creative Industries			9
Exports			124
Total	0	0	1348
<i>T 3.11.3</i>			

In terms of the Protocol Agreement signed between the Nelson Mandela Bay Municipality and the National Department of Public Works, 10 211 jobs will be created during the 2014/15 financial year within the government, community and social services sector.

Job creation through EPWP* projects		
Details	EPWP Projects Number	Jobs created through EPWP projects Number
Year -2	65	3,164
Year -1	86	2,166 (FTEs)
Year 0		8,637 (WOs)
(2013/14)	67	2,746 (FTEs)
		11,886 (WOs)
* Expanded Public Works Programme		T 3.11.6

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Economic Growth and Development	Value of new investment/expansions attracted to the Nelson Mandela Bay	Minimum of R100 million combined	Minimum of R100 million combined	R100 million	R181.5 million	R100 million by June 2014	R297 050 000 invested	R100 million
	Number of SMMEs trained and registered in exporting	N/A	N/A	N/A	N/A	35 By June 2014	2	N/A
	Value of new export contracts facilitated for businesses within Nelson Mandela Bay	N/A	N/A	N/A	N/A	R1 500 000.00	R2 100 000.00	R1,5 million by June 2015

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Poverty Eradication	Number of emerging businesses trained on entrepreneurship: SMMEs	500	753	500	496	N/A	N/A	N/A
	Number of emerging businesses trained in entrepreneurship	N/A	N/A	N/A	N/A	500 Entrepreneurs	541	N/A
	Number of emerging businesses trained on entrepreneurship: Cooperatives	20	22	20	23	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Poverty Eradication	Number of entrepreneurial cooperatives formed	N/A	N/A	N/A	N/A	10 Cooperatives	0	N/A
	Number of emerging businesses trained in entrepreneurship: Auto SMMEs	N / A	N / A	4	2	N / A	N / A	N/A
	Number of emerging businesses trained on entrepreneurship: Informal Traders	200	293	200	282	150 informal traders	350	N/A
	Number of emerging businesses trained on entrepreneurship: Tourism SMMEs	20	262	200	84	100	74	N/A
	Number of SMMEs provided with startup equipment: SMMEs	10	13	10	11	5 SMMEs	8	5 General
	Number of SMMEs provided with start-up equipment: Auto SMMEs	N / A	N / A	4	0	3 Auto SMMEs	8	3 Auto SMMEs
	Number of SMMEs in business incubator programme	N / A	N / A	40 SMMEs	40 SMMEs	N/A	N/A	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Poverty Eradication	Number of SMMEs supported in terms of the NMBM-SEDA Information Communication and Technology (ICT) incubation programme	N/A	N/A	N/A	N/A	20 per quarter	27 per quarter	20
	Number of SMMEs supported in terms of the NMBM-SEDA Construction Independent Development Board (CIDB) incubation programme	N/A	N/A	N/A	N/A	20 per quarter	33 SMME's Supported	20
	Number of farmers supported with infrastructure, equipment and raw materials	N / A	N / A	25	19	15	22	15
	Number of food gardens supported with infrastructure, equipment and raw materials	N / A	N / A	25	26	15	59	15

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Broad-based Economic Empowerment (BEE)	% tenders awarded in adherence to the broad-based empowerment targets, both in terms of number and value: (a) Previously disadvantaged	50%	36.45%	50%	39.01%	50%	49.30%	N/A
	% tenders awarded in adherence to the broad-based empowerment targets, both in terms of number and value: (b) Women and youth	10%	8.65%	10%	16.46%	10%	16.23	N/A
	% tenders awarded in adherence to the broad-based empowerment targets, both in terms of number and value: (c) People with disabilities	2%	0.44%	2%	0.37%	2%	0.31%	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Job creation and Expanded Public Work Programme (EPWP)	Number of learners on Infrastructure Learnership Programme	20	0	20	0	N / A	N/A	N/A
	Number of Full Time Equivalent (FTE) jobs to be created	1498	1587	2067	2166	3022	2206	1756
	Number of Work Opportunities (WO) to be created	5137	13592	6700	8637	8406	6913	10 211

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	12	10	3	25%
4 - 6	13	17	13	4	25%
7 - 9	16	17	16	1	6%
10 - 12	6	6	5	1	17%
13 - 15	4	8	6	2	25%
16 - 18	2	7	4	3	43%
19 - 20	0	2	2	0	0%!
Total	54	69	56	14	20%
T 3.11.8					

Financial Performance Year 0: Local Economic Development Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	161080506	137087670	183399531	158276659	13%
Expenditure:					
Employees	21212792	32339960	33810623	20264736	-60%
Repairs and Maintenance	1341216	1336950	2534950	2221011	40%
Other	292801041	227660490	232454781	269856746	16%
Total Operational Expenditure	315355049	261337400	268800354	292342493	11%
Net Operational Expenditure	154274543	124249730	85400823	134065834	7%
					T 3.11.9

Capital Expenditure Year 0: Economic Development Services					
R000					
Capital Projects	Year 0				
	Budget	Adjustments Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	88,617	160,399	61,315	-45%	
Upgrading Helenvale Resource Centre - Multipurpose Centre	24,000	23,934	23,124	-4%	33,905
Fountain Road Redevelopment	-	28,572	17,445	100%	
Nodal and Precinct Development (Helenvale)	12,000	12,000	16,599	28%	23,125
Restoration of Despatch Brickfields Chimney	-	3,334	2,399	100%	
Pedestrian Walkways - HURP	-	66	55	100%	1,715
Motherwell Thusong Service Centre	-	1,830	826	100%	48,500
SMME Hive	10,000	900	307	-3159%	26,883
Rehabilitation of Market Building Infrastructure	-	285	253	100%	
Nelson Mandela Metropolitan Peace Park	-	50	-		4,828
Mendi Bottle Store Renovation	3,000	3,000	-		
MBDA – Capital	39,617	86,428	306	-12847%	86,428
					<i>T 3.11.10</i>

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Municipality has identified priority areas to ensure that the economic development goals of Nelson Mandela Bay are achieved.

These strategic priorities include the following:

- (a) Promoting investment and maximising the economic potential of Nelson Mandela Bay and the region by supporting priority economic sectors with job creation potential.
- (b) Providing basic services and poverty relief to the most needy.

- (c) Creating an enabling environment for economic growth and development by:
- providing the required infrastructure for growth and development;
 - streamlining administrative processes and procedures;
 - providing one point of entry and support for investors and business; and
 - providing a forum for business interaction and consultation.
- (d) Prioritising community empowerment and skills development, focusing on scarce skills.
- (e) Supporting the Second Economy through:
- supporting and increasing the business and entrepreneurial activities of emerging businesses and informal traders;
 - SMME development and co-operative support; and
 - procurement management.

Through its Local Economic Development Strategy (LEDS), which also focuses on investment promotion, the region has attracted a number of new investments, resulting in job creation.

The Directorate is currently administering a capital project, residing within Walmer Township (Fountain Road Redevelopment), which further contributed to job creation within the area. During the 2013/2014 financial year, the contract could not commence due to specific challenges relating within the supply chain process and therefore not real jobs were created. The tender process has been concluded and the relevant funding has been rolled over within the 2014/2015 financial year. Therefore, the contract will commence and be concluded within the 2014/2015 financial year.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

The Nelson Mandela Bay Municipality prioritises the provision of community and social services to all residents of Nelson Mandela Bay through, *inter alia*, 22 municipal libraries, 13 customer care centres, 31 community halls, and internationally recognized art and cultural museums, such as the Nelson Mandela Metropolitan Art Museum and the Red Location Museum of Struggle.

Nelson Mandela Bay possesses many buildings, monuments and structures of historic, architectural and cultural value. Unfortunately, a significant percentage of these is in need of repair and restoration. The Municipality is actively pursuing the preservation of this rich heritage through engagement with the relevant provincial and national authorities and local communities.

3.12 HERITAGE, LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES AND OTHERS

INTRODUCTION TO HERITAGE, LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES AND COMMUNITY FACILITIES

Nelson Mandela Bay is endowed with cultural and political history, artistic talent and potential that is the cradle of creativity relevant to all of South Africa's state of liberation. The Arts, Culture, Heritage and Libraries Sub-Directorates service the entire NMBM through two museums, 20 library facilities, with two modular libraries and outreach programmes, 16 municipal heritage sites and other resources, as well as support to the arts through events and activities.

Strategically arts, culture, heritage and libraries programmes are aligned to the strategic priorities of the NMBM, which endorse nation building, social cohesion, poverty eradication, stimulation of growth, job creation and capacity building.

Priorities for this Sub–directorate include:

- Conducting programmes that promote a culture of reading throughout the Metro, in addition to the provision of library services to the public.
- Creating opportunities for performing artists to benefit economically and promote economic tourism by encouraging the participation of local artists.
- Promoting and preserving heritage and maintaining heritage sites, whilst providing employment opportunities and ownership through the EPWP programme.
- Reconstruction of the Mendi Multipurpose Art Centre to provide space for arts development.
- Providing museum services through exhibitions to the public and informal education through tours, workshops, seminars and other presentations for school groups, students, researchers, and professional colleagues, as well as outreach programmes and collaboration with other institutions.

Museums

Nelson Mandela Bay municipal museums are valued and taken pride in by the citizens of Nelson Mandela Bay. The museums promote our city nationally and internationally through collections, preservation, conservation and exhibition of art, memories, history, culture and heritage of the Eastern Cape.

The Nelson Mandela Metropolitan Art Museum presents a total of fourteen new exhibitions: eight from the Museum’s permanent collection, two travelling group exhibitions and one travelling award winning exhibition. These significant exhibitions by the museums have attracted 25 736 visitors and high-profile partners, such as the Standard Bank Young Artist Award winner, International Library of African Music (ILAM), based at Rhodes University, award-winning fashion designer and NMMU Alumnus, Laduma Ngxokolo, to mention but a few. As significant contributions to the previously disadvantaged and as part of service delivery, the Art Museum has:

- Coordinated the local solo exhibition and group exhibition to promote local new and up-and-coming contemporary art. Artists in Nelson Mandela Bay were invited to submit works for this annual group exhibition. The exhibition gave exposure to 103 new, upcoming and already practicing visual artists and visual art groups. Four works were sold. The Art Museum assisted five artists without financial means to have their work framed (729 visitors).
- Arranged a fashion exhibition in celebration of the local fashion talent. Six exhibition openings and one walkabout lecture formed part of the exhibition programme.
- A display of contemporary fashion inspired by traditional beadwork, including designs by local upcoming young designers (841 visitors).
- Events hosted by the Museum attracted 1243 visitors.
- Fifteen guided tours were conducted for twelve schools, 638 learners and 88 adults from Wards 2, 17, 33, 37 and 34.
- Self-guided tours were undertaken by nine schools, 517 learners and 99 adults from Wards 1, 2, 3, 5, 7, 20, 51, and 53.
- Altogether 89 workshops were held, involving 21 schools, 2 370 learners and 133 adults from Wards 3, 5, 6, 7, 11, 12, 15, 17, 20, 22, 26, 32, 35, 40, 45, 47 and 57.
- Organisations were accommodated and given the opportunity to visit and experience the art-making process, involving six organisations, eleven workshops, 161 participants and 24 adults from Wards 2, 3, 32, 21, 37 and 59.
- Holiday workshops attracted 50 participants.
- A total of 58 special interest groups and 18 416 persons visited the Museum from July 2013 – June 2014.

The Nelson Mandela Metropolitan Art Museum has not been able to meet its objective of “building up a definitive collection of the art of the Eastern Cape” this financial year due to a lack of collections budget. The programmes held this past year, as indicated below, have, however, enabled it to:

- “Promote the appreciation of visual art in Nelson Mandela Bay and the Eastern Cape Province”; and
- “Encourage the production of visual art in the Eastern Cape and the promotion of this art nationally and internationally”.

The Red Location Museum of Struggle has in this financial year faced challenges to achieve its objectives as stated below, due to its closure since October 2013.... In the first quarter of the financial year 2013/14, the Red Location Museum managed to attract 16 000 visitors and 23 000 virtual visitors, amounting to 29 000 total visitor reach in terms of marketing. The struggle history is depicted in the first museum of note located in a township. As a space for engagement, critique and dialogue, it boasts significant arts and culture programmes, such as book launches, insightful local and national topical exhibitions, educational and outreach programmes through vibrant partnerships with the academic and associated institutions, and public programmes, such as its annual lectures that have seen presenters and attendees of note, like Professor Mbulelo Mzamane and Professor Colin Bundy at the book launch of “Oom Gov’s” biography, where Mr Stone Sizani formed part of the discussion panel. The 2013 lecture programme was delivered by the Former Minister in Presidency, Mr Trevor Manuel, who spoke on the lives and times of Govan Mbeki and also provided perspectives on the National Development Plan (NDP), which he pioneered.

Objectives of the Red Location Museum of Struggle include:

- The collection and preservation of cultural artefacts that are significant to Red Location, New Brighton and Nelson Mandela Bay, specifically within the context of the Eastern Cape struggle;
- The production of exhibits and public outreach programmes that are firmly rooted in the areas of endeavour in which the Museum is or has been engaged; and
- Providing a research and teaching resource for the New Brighton community and larger metropolitan community.

Libraries

The end of the financial year 2013/14 saw library facilities reduced to 20, due to the closure of two libraries, namely the KwaZakhele Library and the Allanridge Library. The status of these libraries was not conducive to the provision of library services due to civil unrest and the deterioration of facilities. Through its 20 libraries and 16 outreach programmes, library resources are provided in various formats to the population of Nelson Mandela Bay, in order to foster a culture of lifelong reading.

Services to the public are as follows:

Book issue at old age homes and depots: 24 295 (3094 +21201); items used in libraries: 18 504 (7792 + 9175 +755, 782); visitor numbers to branches; 120 6716; faxing facility: 13 025; information queries dealt with: 427 651; photocopies and printing by public: 371 130; withdrawals: 12 934.

Two modular libraries have been provided in Kuyga and Colchester, in partnership with the Eastern Cape Provincial Department of Sport Recreation Arts and Culture. However, these facilities are closed whilst the resourcing of the facilities and terms of operations are in progress.

The provision of library services remains an unfunded mandate.

The delivery of the National Book Week programme, in partnership with DAC, DSRAC, the Department of Correctional Services and the South African Book Development Council and SABC involvement, was interrupted due to industrial action, following which the Programme could not be implemented fully at the Red Location Museum.

Reading initiatives were delivered throughout the city in the form of the following programmes:

- National Library Week
- School book debates, attended by 201 participants
- Inter-school Challenge Spelling Bee
- Poetry reading

Holiday programmes (story-time and various workshops) were hosted at all library branches to reach out to communities including children educators and the caregivers, parents and guardians of the children of Nelson Mandela Bay. The aim of these programmes and activities presented by our libraries is to encourage children to develop an interest in visiting a library. Children should visit the library out of their own will. In this way they learn to visit the library for school assignments, research and any other information related needs regarding their surroundings, community, staff, location, and current events, and also experience the pleasure and fulfillment of visiting a library. These programmes are offered to children every school holiday in all the

library branches and are free of charge. These activities are advertised in the media and on printed programmes available from all branches prior to the school holidays. Children are encouraged to attend and have fun in the library – and perhaps learn something in a non-school environment. Some of these activities include story-time, handicrafts, talks, games, and presentations. Parents and caregivers are also encouraged to attend and participate together with their children. There were at least 489 individual programmes, with a combined attendance of 7 417 during the year 2012/2013. Story-time programme sessions are aimed at encouraging imaginative thinking and strengthening levels of concentration and comprehension. These were attended by altogether 4 653 children.

A total of 71 schools made contact with libraries in 2013/14 as part of a programme to encourage principals, teachers and learners to attend library orientation sessions to become familiar with the library. Attempts were made to encourage teachers to contact the libraries when they prepare their curriculum and assignments so as to encourage the children to use library resources. In an effort to support the teaching efforts at Amaze Farm School, the Uitenhage Library initiated education support activities. Uitenhage Library visited and orientated learners about reading, libraries and story-telling. In total, 77 children attended each programme, with at least four educators.

Arts, Culture and Heritage

The fundamental priorities of the Arts, Culture and Heritage Sector is its social role via programmes geared towards previously disadvantaged communities and developing the Sector's economic potential through providing opportunities for the practitioners within the sector to participate and develop. Secondary is the creation of an enabling environment conducive to the implementation of developmental programmes, as well as the expression of creativity, culture and heritage through the establishment of infrastructure to support the growth of this industry.

Maintenance of heritage sites through the EPWP programme engaged 67 participants from Wards 16, 14, 3, 5, 50, 60, 32, 11 and 51 to maintain eleven heritage sites within Nelson Mandela Bay. The programme participants comprised 14 females, 53 males, and 12 youths, who were exposed to accredited training. Caring for and ownership of our heritage was advocated through a debate programme entitled: "*What does heritage mean to you as a young person?*", which related to the national theme:

“Reclaiming our Culture”. Heritage Day culminated in a celebration programme, where eight groups of performers, inclusive of the local artists, were provided an opportunity to perform and benefit economically.

Arts and culture programmes included the sponsorship of R150 000 for performing artists who performed at the Grahamstown Arts Festival as part of a partnership with the Opera House. Artists were given the opportunity to perform at strategic city events, such as the Summer Season, Splash Festival and Iron Man.

An electronic database to enable the registration of artists on line onto a registry of the NMBM has been established as part of the promotion of and stakeholder management in the arts sector.

SERVICE STATISTICS FOR LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES AND COMMUNITY FACILITIES

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Built Heritage	Number of heritage sites assessed and included in heritage inventory	221	221	1763	0	N / A	N/A	N/A

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	9,893,712	14698550	18212220	14310066	-3%
Expenditure:					
Employees	59,934,050	65406410	65300160	66482683	2%
Repairs and Maintenance	7,894,915	11040120	12785100	8779800	-26%
Other	46,430,833	51689680	56149260	45811687	-13%
Total Operational Expenditure	114,259,798	128136210	134234520	121074170	-6%
Net Operational Expenditure	104,366,086	113437660	116022300	106764104	-6%
					<i>T 3.12.5</i>

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,000	1,436	2,176	54%	
Upgrade of Community Halls	1,000	1,436	2,176	54%	Project used as and when required
					<i>T 3.12.6</i>

COMMENT ON PERFORMANCE OF LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES AND OTHER

Community pressure around housing claims led to the 'temporary' closure of the Red Location Museum of Struggle. The Municipality is engaging with all role-players and stakeholders to ensure the re-opening of this valuable asset of the city. The Municipality's other internationally acclaimed and award-winning museum, the Nelson Mandela Metropolitan Art Museum, continues to provide a valuable service in collecting, preserving and exhibiting not only national works of art, but also the rich Eastern Cape heritage of artefacts and artworks.

As Nelson Mandela Bay continues to position itself as the Struggle Capital of South Africa, the focus will increasingly be on the development and maintenance of heritage sites and developmental programmes in previously disadvantaged communities.

While two of the Municipality's libraries were closed due to damage suffered during public protest, the remaining 20 libraries still provide a valuable service to the population of Nelson Mandela Bay, fostering a culture of life-long reading.

3.13 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES AND CREMATORIUMS

The Municipality is committed to creating and maintaining landscaped areas and cemeteries in a sustainable, aesthetic, eco-friendly and safe environment. The top three services delivery priorities are:

- Landscaping of operational cemeteries,
- Maintenance of operational cemeteries;
- Maintenance of closed cemeteries.

SERVICE STATISTICS FOR CEMETERIES AND CREMATORIUMS

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Parks and Cemeteries	Number of operational cemeteries landscaped	12	7	4	5	4 (Motherwell, Matanzima, Bloemendal, Gqebera)	4 (Motherwell, Matanzima, Bloemendal, Gqebera)	N/A

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	39	1	39	13	1300%
4 - 6	20	3	20	0	0%
7 - 9	13	8	8	0	0%
10 - 12	1	15	6	0	0%
13 - 15	1	15	1	0	0%
16 - 18	0	21	0	0	0%
19 - 20	0	30	0	0	0%
Total	74	93	74	13	14%
<i>T 3.13.4</i>					

Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6358544	5859810	10582130	10570463	45%
Expenditure:					
Employees	13577699	14814350	14756900	14272121	-4%
Repairs and Maintenance	262522	369180	1742180	1903958	81%
Other	9726637	9249770	10758030	9670872	4%
Total Operational Expenditure	23566858	24433300	27257110	25846951	5%
Net Operational Expenditure	17208314	18573490	16674980	15276488	-22%
					<i>T 3.13.5</i>

Capital Expenditure Year 0: Cemeteries and Crematoriums					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,500	5,500	5,980	41%	
Cemeteries	1,000	1,000	1,101	9%	Ongoing project
Water drainage and roads in cemeteries	2,500	4,500	4,879	49%	60,000
					<i>T 3.13.6</i>

COMMENT ON THE PERFORMANCE OF CEMETERIES AND CREMATORIUMS OVERALL

Priority areas for this function include the construction of berms at Bloemendal, Bethelsdorp, Matanzima and Gqebera Cemeteries, and water drainage and tarring of roads in Matanzima and Motherwell Cemeteries.

3.14 SPECIAL SECTORS PROGRAMME (YOUTH, AGED, CHILDREN, PEOPLE WITH DISABILITIES, WOMEN)

The Nelson Mandela Bay Municipality established a vehicle that is an institutional framework for the coordination and facilitation of mainstreaming the best interests of youth, women, children, people with disabilities and older persons within Council priorities reflected in various NMBM directorates' plans, projects and programmes.

The Special Sectors Development Unit has been tasked, amongst many, with the following:

- (a) Lobbying and advocating for sectors to be enabled to raise their issues, advise Council on the implementation of programmes and projects benefiting the designated and vulnerable groups, including children, people with disabilities and older persons.
- (b) Ensuring mainstreaming, particularly in the area of sports, arts, culture, entrepreneurship support, skills development, learnership and internship programmes.
- (c) Advancing advocacy programmes, especially against gender based violence, and children and substance abuse.

These have been achieved through:

- Established advisory platforms, such as the Children's Forum, Children's Advisory Council, Older Persons' Forum, People With Disabilities Forum, Youth Council and Young Women's Network, which convened on a regular basis at least four times a year.

- These platforms are attended by selected interest groups' representatives. They are often convened to include different constituencies at least twice a year, sometimes jointly or on a sectoral basis, depending on issues to be raised and communicated *vice versa* to constituencies and public representatives and officials.
- Broader represented platforms rotate in the six different clusters of wards, subdividing the Nelson Mandela Metropolitan Municipality into smaller regions, with representatives from other spheres of governments, such as the Departments of Social Development, Basic Education, Health, the Police Services, Correctional Service, Justice and Constitutional Development and others.

Other platforms included are the following:

- Marking iconic dates, which are combined with civic education and capacity building programmes for National Pride Dates, including:
 - i) Organising environmental services to conduct educational sessions on environmental awareness for a community, with direct participation by the youth and learners as trained messengers, conducting debates and discussions during Youth Month, National Children's Day, International Day of Older Persons, etc.
 - ii) Some of the programmes were conducted through panel discussions and debates on teenage pregnancy, sexually transmitted diseases, rights and responsibilities of the child, as well as building child friendly communities by involving various players, such as Love Life, social development, youth centres, Teenagers Against Drug Abuse, 16 Days of Activism, and many seminars that included child protection activities.
 - iii) In commemorating these dates, mass marches, community meetings, workshops and seminars, involving judicial services institutions, school governing bodies, Councillors and schools in flash-point areas were held to increase community participation in the promotion of national consciousness and pride.

- Community dialogues, which involved community leaders and various interest groups, including religious leaders, sporting groups, unemployed youth and women, as well as older persons, in an effort to create a mechanism for communities to converse in order to find ways to solve their challenges that are underpinned by high levels of poverty, inequality and unemployment. These platforms are convened with the support of institutions, such as SASSA, Social Development, Police Services, Education, Justice, and Civil Society Organisations, including CBOs and Community Policing Forums.
- Establishment of clustered wards and ward-based forums closer to communities to help monitor and evaluate the implementation of government objectives at community level.
- Organising training through partnerships with government departments and private institutions, e.g. training on the rights of older persons through the Department of Social Development, Basic Education, Justice, Police Services, and Council services: Human Settlements, Electricity and Energy, IDP, Budget and Treasury, Constituency Coordinator's Office, etc.
- Intervening in issues affecting these sectors, when brought forward for attention, e.g. mobilising assistance from other government departments for troubled households:
 - Requested the Department of Education and the nearby school to assist with the placement of a child from a child-headed home.
 - Facilitating provision of assistance to a family whose child was brutally raped and needed medical, educational and housing assistance.
 - Assisting identified older persons to have access to housing, have some of their houses renovated and have access to free basic services from relevant public institutions.
 - Provided a person with a disabilities with basic services to run private projects, including shelters in various centres in the Bay, with the full support of lobbied directorates, agencies, state owned enterprises and civil society organisations.
 - Bringing services closer to the vulnerable groups by organising services on wheels through integrated service delivery programmes that included exhibitions and service delivery response to specific situations.

- Providing support for economic empowerment, such as entrepreneurship training through partners, e.g. SEDA, DSD, NYDA, NMMU, East Cape Midlands College, etc.)
- Facilitated a number of learners receiving school uniforms, especially those from indigent families with the support of SASSA and other individual Council employees. Other learners and students received assistance through the payment of their tuition fees based on their household situations. This has happened at tertiary institutions and FET Colleges where more than 120 students got admitted for tuition through Youth Advisory Centres and bursaries being made available, as well as NSFAS services, and sometimes having their registration paid for through approached donors.

SERVICE DELIVERY STATISTICS

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development	Number of Ward Committees established	60 By June 2012	0	60 By June 2013	0	60 by September 2013	Ward Committees established in March 2014	N/A
	Development of Ward-Based plans	N/A	N/A	N/A	N/A	60 by June 2014	60 by June 2014	N/A
	Number of Ward Committee meetings held (per Ward per annum)	6	0	6 per ward	0 per ward	4 per Ward	1 Meeting held in 11 Wards	N/A
	Number of Cluster meetings held per Cluster per annum	N/A	N/A	N/A	N/A	4 per Cluster	1 (Socio-Economic and Safety Cluster Committee)	7 meetings per cluster
	Number of women and people with disabilities provided with entrepreneurship training: women	120	89	120	393	120 (women)	134	N/A
	Number of women and people with disabilities provided with entrepreneurship training: people with disabilities	30	1	30	15	30 (people with disabilities)	1	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development	Number of youth, women and people with disabilities benefiting from job creation projects through the provision of training and/or employment opportunities	N/A	N/A	N/A	N/A	120 (youth)	240	N/A
	Number of youth, women and people with disabilities benefiting from job creation projects through the provision of training and/or employment opportunities	N/A	N/A	N/A	N/A	120 (women)	164	N/A
	Number of youth, women and people with disabilities benefiting from job creation projects through the provision of training and/or employment opportunities	N/A	N/A	N/A	N/A	30 (people with disabilities)	1	N/A
	Number of National Pride celebrations hosted	10.00	7	10 (International Women's Day, Human Rights Day, Freedom Day, May Day, International Children's Day, Youth Day, Women's	9 (National Women's Day: 24 August 2012; Heritage Day: 19 September 2012;	12 (International Women's Day, Human Rights Day, Freedom Day, International Children's Day, Youth Day, Mandela Day,	12	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
<p>KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development</p>				<p>Day, Heritage Day, Aged Day, International Disability Day)</p>	<p>Children's Day: 28 November 2012; Aged Day: 3 December 2012; International Disability Day: 6 December 2012; International Women's Day: 8 March 2013; Human Rights Day: 21 March 2013; Freedom Day: 27 April 2013; Youth Day: 16 June 2013)</p>	<p>Women's Day, Heritage Day, Aged Day, National Children's Day, 16 Days of Activism, International Disability Day)</p>		

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Good Governance and Public Participation KPE: Public Participation and Special Sector Development	Number of youth provided with entrepreneurship training	120	291	120	412	120	143	N/A
	Number of peri-urban youth brigades focusing on one or more of the following: literacy, environmental protection, HIV/AIDS and education	10	0	10 (Wards 40 and 60)	10 (Wards 4, 10, 16, 20, 30, 40, 41, 43, 52, 56)	10 (Wards 40 and 53)	0	N/A
	Number of special sector co-operatives established in any of the following identified focus areas: film and video, gas distribution, building material, waste collection	N/A	N/A	N/A	N/A	5	0	N/A
	Number of youth co-operatives established in any of the following identified focus areas: film and video, gas distribution, building material, waste collection	N / A	N / A	3	0	5	0	N/A

Financial Performance Year 0: Child Care; Aged Care; Social Programmes					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	1130	1130	0	#DIV/0!
Expenditure:					
Employees	1462935	1243050	1784930	1665245	25%
Repairs and Maintenance	69163	52600	82600	65726	20%
Other	1053515	1649950	1654190	931632	-77%
Total Operational Expenditure	2585613	2945600	3521720	2662603	-11%
Net Operational Expenditure	2585613	2944470	3520590	2662603	-11%
					T 3.14.5

COMMENT ON PERFORMANCE OF SPECIAL SECTORS PROGRAMME

The service delivery statistics indicate that much more focus must be placed on the development and management of special sectors in the institution in order to promote good governance and public participation. While the inauguration of Ward Committees was a very encouraging development, more focus is needed on the mainstreaming and training of women and people with disabilities.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Municipality is committed to manage and protect the environment of the area within its jurisdiction through the South African Constitution, the NMBM Integrated Environmental Management Plan (adopted by Council in May 2012) and a number of Environmental and Occupational Health and Safety Frameworks. Climate change is a growing concern, and the Municipality is in the process of establishing a Climate Change Unit to manage air quality and climate change in Nelson Mandela Bay.

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Environmental Pollution Control

- Ensuring hygienic working, living and recreational environments.
- Identifying the polluting agents and sources of water, air and soil pollution.
- Conducting environmental health impact assessments of development projects and policies, including assessments of major hazard installations.
- Identifying environmental health hazards and conducting risk assessment and the mapping thereof.
- Ensuring clean and safe air externally (ambient and point sources) through emission inventory monitoring, modeling and toxicological reports, reviews and complaint investigations.
- Controlling and preventing vibration and noise pollution.
- Preventing and controlling soil pollution that is detrimental to human, animal or plant life.
- Ensuring compliance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), and its regulations, including anticipating, identifying, evaluating and controlling occupational hazards.

- Taking the required preventative measures to ensure that the general environment is free from health risks.
- Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal effects of pollution on the worker and the external effects of pollution on the community and the environment.
- Monitoring water quality and availability, including the mapping of water sources and enforcement of laws and regulations related to water quality management.
- Ensuring water safety and acceptability in respect of quality (microbiological, physical and chemical), and access to an adequate quantity for domestic use, as well as in respect of the quality of water for recreational, industrial, food production and any other human and animal use.
- Ensuring that water supplies are readily accessible to communities.
- Ensuring monitoring of and effective waste water treatment and water pollution control, including the collection, treatment and safe disposal of sewage and other water borne waste, and surveillance of the quality of surface water (including the sea) and ground water.
- Advocacy on proper and safe water usage and waste water disposal.
- Water sampling and testing in the field, and examination and analysis in a laboratory.

Environmental Noise Control

- Assessing the extent of noise pollution and its effects on human health.
- Facilitating noise control measures.
- Measuring ambient sound levels and noise levels.

SERVICE STATISTICS FOR AIR POLLUTION CONTROL

1. Air Pollution

One Hundred and Three (103) new complaints were received.

Categories of complaints received	Number of complaints
Excessive smoke	18
Grit, dust, soot and sawdust	16
Offensive odours/fumes	29
Burning of garden and other refuse	28
Other (spray painting)	12

One Hundred and Seventy Two (172) follow-up inspections were made during this period.

Complaints received	Number of complaints
Excessive smoke	39
Grit, dust, soot and sawdust	49
Offensive odours/fumes	56
Burning of garden and other refuse	15
Other (spray painting)	13

Eighty Three (83) compliance monitoring inspections were conducted.

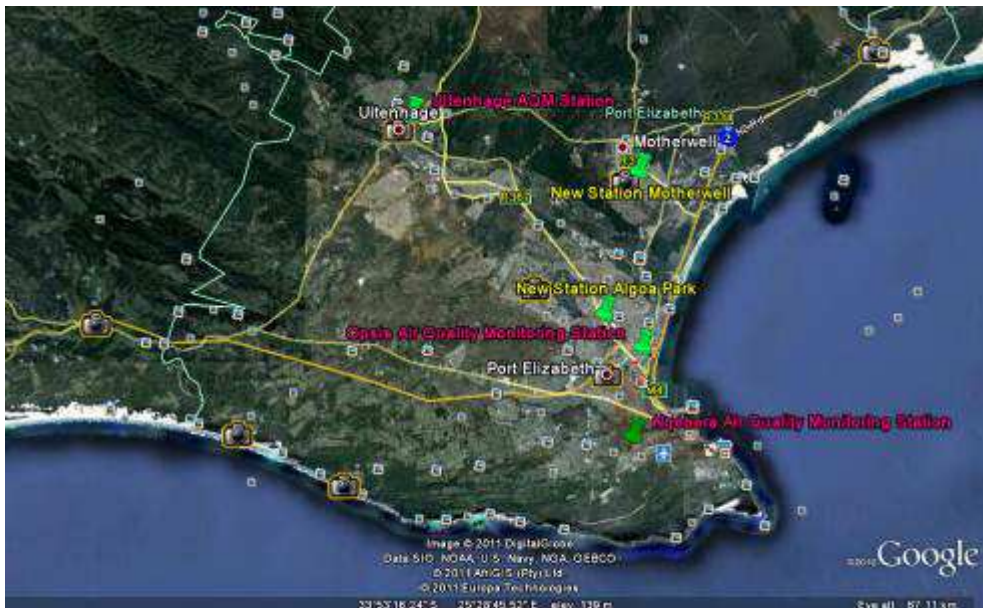
Routine visits to fuel burning installations	4
Applications for controlled burning	50
Applications to install new fuel burning equipment	29

Air Quality Monitoring

An ambient air quality monitoring network, consisting of five fixed-point monitoring stations, has been established to monitor compliance with the National Ambient Air Quality Standards for the following criteria of pollutants:

- Sulphur Dioxide (SO₂)
- Nitrogen Dioxide (NO₂)
- Carbon Monoxide (CO)
- Particulate Matter (PM10)
- Ozone (O₃)
- Benzene (C₆H₆)

These stations are located in the following geographical areas as per the map below, namely Gqebera, Motherwell, Algoa Park, Sydenham and Uitenhage.



Ambient air quality monitoring is conducted according to accepted norms and standards in order to ensure integrity, quality and representativeness of the resultant data. The data quality objective for the ambient air quality monitoring stations is set for a minimum data capture rate of 90 % for all pollutants, except for Ozone of 75% during winter, in line with the requirements of the National Framework for Air Quality Management in the Republic of South Africa.

Atmospheric Emission Licensing System

The Nelson Mandela Bay Municipality is a Licensing Authority for implementing the licensing system set out in Chapter 5 of the National Environmental Management: Air Quality Act, 2004. Statistics for the reporting period are as follows:

Atmospheric Emission License applications received	6
Atmospheric Emission Licenses issued	33
Atmospheric Emission Licenses being processed	13
Atmospheric Emission Licenses received to date	52

Diesel Vehicle Emission Testing Programme

Total number of vehicles tested	259
Total number of vehicles failed	6
Repair notices issued	6

2. Potable (Drinking) Water

Year 0		Year 1		
Target	Actual	Target		Actual
Previous		Previous Year	Current Year	
95%	99%	95%	95%	99%

Employees: Pollution Control					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	8	0	0%
<i>T 3.15.4</i>					

Financial Performance Year 0: Pollution Control					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1359629	979180	1439870	1645705	41%
Expenditure:					
Employees	9377417	10541340	10736230	10245761	-3%
Repairs and Maintenance	856211	1072190	1072190	811193	-32%
Other	4693439	6952640	7279170	7170301	3%
Total Operational Expenditure	14927067	18566170	19087590	18227255	-2%
Net Operational Expenditure	13567438	17586990	17647720	16581550	-6%
					<i>T 3.15.5</i>

3.16 BIO-DIVERSITY, LANDSCAPE AND OTHER

INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

The Municipality is committed to the implementation of the Protected Areas Act and the Biodiversity Act, and is also committed to creating and maintaining landscaped areas in a sustainable, aesthetic, eco-friendly, safe environment to improve the quality of life of all. The top three service delivery priorities are:

- Maintaining public open spaces;
- Maintaining existing trees;
- Managing and maintaining the nature reserves and ecological areas that form the Metropolitan Open Spaces Systems.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Environmental Management	Development of Biodiversity Stewardship Management Plans	N / A	N / A	Biodiversity Stewardship Management Plans developed	Target Not Met	N / A	N/A	N/A
	Number of work programmes implemented in line with the NMBM Green Procurement Strategy	N/A	N/A	N/A	N/A	4	3	N/A
	Number of people attending the NMBM Environmental Awareness events programme	N/A	N/A	N/A	N/A	25 000	34 407	25 000
KPA: Basic Service Delivery and Infrastructure Development KPE: Parks and Cemeteries	Number of existing play parks maintained	N / A	N / A	6	12	N / A	N/A	N/A
	Number of Public Open Spaces developed	N/A	N/A	N/A	N/A	8 (Motherwell-1, Ibhayi-1, and Bethelsdorp-6)	4	N/A
	% of the 1550 existing Public Open Spaces maintained	N/A	N/A	N/A	N/A	100%	89.44%	1550 (100%)
	Number of trees maintained	N/A	N/A	N/A	N/A	600	1138	N/A
	Number of trees planted	790	1483	1300	1600	N/A	N/A	N/A

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Employees: Bio-Diversity; Landscape and Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	216	220	202	18	8%
4 - 6	57	58	52	6	10%
7 - 9	39	39	35	4	10%
10 - 12	36	40	35	5	13%
13 - 15	6	8	7	1	13%
16 - 18	1+1	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	354	367	333	34	9%
T 3.16.4					

Financial Performance Year 0: Bio-Diversity; Landscape and Other					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2818016	3656500	3458890	7217885	49%
Expenditure:					
Employees	63434364	70494070	68789600	66003424	-7%
Repairs and Maintenance	2950269	3831780	4308870	3281989	-17%
Other	183712522	210266760	223128520	27463856	-666%
Total Operational Expenditure	250097155	284592610	296226990	96749269	-194%
Net Operational Expenditure	247279139	280936110	292768100	89531384	-214%
					T 3.16.5

Capital Expenditure Year 0: Bio-Diversity; Landscape and Other					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	19,350	20,591	21,224	9%	
Upgrade and Development of Public Open Spaces	2,000	1,840	8,203	76%	Ongoing project
Beachfront	1,000	1,000	1,066	6%	Ongoing project
Upgrade Entrances and Gateways	500	401	401	-25%	Ongoing project
Upgrade Major Parks	350	350	359	2%	Ongoing project
New Playground Equipment	2,000	2,000	696	-187%	Ongoing project
Upgrade Nursery Greenhouses	500	500	497	-1%	3,500
Brookshill Promenade Rehabilitation	3,000	7,500	7,495	60%	
Implementation - Van Der Kemp's Kloof	8,000	5,000	565	-1317%	
Re-instatement of Embankment - Tygerbay / Coastal Revetments	1,000	1,000	999	0%	
Develop Floodplains	1,000	1,000	945	-6%	
					T 3.16.6

COMMENT ON PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER

During the review period, the Municipality focused on the following projects:

- Upgrading and development of Public Open Spaces;
- Eradication of invasive alien plant species within the ecological areas;
- Beachfront: upgrade of picnic facilities between the Beacon and Flat Rocks;
- Construction of revetments between Shark Rock Pier and Humewood Beach;
- Promoting access to environmental education resources, facilities and expertise by various education institutions in the Metro.

COMPONENT F: HEALTH

INTRODUCTION TO HEALTH

The health and safety of local residents and visitors is of paramount importance to the Municipality and, in this regard, it has introduced and is implementing a number of by-laws and regulations, guided by national legislation.

3.17 CLINICS

The provision of primary health care is no longer a function of the Municipality; since the transfer of this function, together with all municipal clinics, to the Eastern Province Department of Health.

Financial Performance Year 0: Clinics					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6194256	0	0	2827237	100%
Expenditure:					
Employees	3246279	0	-1650	-23766	100%
Repairs and Maintenance	765085	0	0	12993	100%
Other	5405744	4427550	1700990	4005529	-11%
Total Operational Expenditure	9417108	4427550	1699340	3994756	-11%
Net Operational Expenditure	3222852	4427550	1699340	1167519	-279%
					<i>T 3.17.5</i>

Expenditure incurred in respect of Clinics for the account of the Provincial Department of Health was recovered via a transfer of funds from the Provincial Government.

Expenditure incurred was mainly related to transport costs amounting to approximately R3.5 million.

3.18 AMBULANCE SERVICES

The provision of ambulance services falls outside the role and responsibilities of the Nelson Mandela Bay Municipality. This function is performed by the Eastern Cape Department of Health.

Financial Performance Year 0: Ambulances					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	20	0	0	20	100%
Expenditure:					
Employees	0	0	0	0	-
Repairs and Maintenance	0	0	0	0	-
Other	35267311	1354270	1623140	26991750	95%
Total Operational Expenditure	35267311	1354270	1623140	26991750	95%
Net Operational Expenditure	35267291	1354270	1623140	26991730	95%
					<i>T 3.18.5</i>

Expenditure incurred related mainly to depreciation incurred on Municipal assets.

3.19 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

INTRODUCTION TO HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

The Municipality focuses on aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psychosocial factors in the environment. In this, it focuses on the theory and practising of assessing, correcting, controlling and preventing environmental factors that can adversely affect the health of present and future generations.

The top three service delivery priorities of the Municipality are as follows:

- Constant evaluation of all milking parlours to ensure that the milk produced for the community complies with the Foodstuffs, Cosmetics and Disinfectants Act.
- Monitoring formal and informal food handling premises evaluated and certified in terms of the Foodstuffs, Cosmetics and Disinfectants Act.
- Constant monitoring the fortification of flour and maize and iodations of salt at producers in accordance with the Foodstuffs, Cosmetics and Disinfectants Act.

SERVICE STATISTICS FOR HEALTH INSPECTIONS, ETC.**SERVICE STATISTICS**

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Environmental Health	Number of formal and informal food handling premises evaluated and certified in terms of the Foodstuffs, Cosmetics and Disinfectants Act	1200	1411	1200	2059	1231	1445	1200
	% of municipal construction sites compliant with construction regulations, as outlined in the Occupational Health and Safety Act	N/A	N/A	N/A	N/A	100%	100%	N/A
	% building plans evaluated in accordance with National Building Regulations	N/A	N/A	N/A	N/A	100%	100%	N/A
	Number of milking parlours evaluated and certified in terms of the Foodstuffs Cosmetics and Disinfectants Act	20	86	20	62	N / A	N/A	20

Employees: Health Inspection and Etc					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	3	3	0	0%
7 – 9	2	1	1	0	0%
10 – 12	26	33	33	0	0%
13 – 15	7	4	4	0	0%
16 – 18	5	5	5	0	0%
19 – 20	0	0	0	0	0%
Total	43	47	47	0	0%
T 3.19.4					

Financial Performance Year 0: Health Inspection and Etc					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	103218	213430	116620	347489	39%
Expenditure:					
Employees	97815830	106776910	106653820	106567841	0%
Repairs and Maintenance	839567	1191410	935720	960326	-24%
Other	123986128	43364820	43737120	40430945	-7%
Total Operational Expenditure	222641525	151333140	151326660	147959112	-2%
Net Operational Expenditure	222538307	151119710	151210040	147611623	-2%
					T 3.19.5

COMMENT ON PERFORMANCE OF HEALTH INSPECTIONS OVERALL:

Good performance was recorded by the Municipality in ensuring a safe and healthy environment. In this regard, 122 milking parlours were evaluated and certified against a target of 20; while 1 445 formal and informal food handling premises were evaluated against a target of 1 200.

COMPONENT G: SAFETY AND SECURITY

INTRODUCTION TO SAFETY AND SECURITY

The creation of a safe and secure environment in Nelson Mandela Bay is a key priority of the Municipality and is considered vital for the growth and development of the city and its economy. The Municipality has a broad range of programmes in place to secure this, focusing on, *inter alia*, our police force, fire and traffic services, disaster management and security services.

3.20 MUNICIPAL POLICE

The Nelson Mandela Bay Municipality did not have a Municipal Police Service in place during the review period. However, a Metro Police Chief has since been appointed in order to manage the establishment of a Municipal Police Service in the 2014/15 financial year.

3.20.1 SECURITY SERVICES

Nelson Mandela Bay Metropolitan Municipality is responsible “for promoting a safe and healthy environment” within its financial and administrative capacity. [Chapter 7 of the Constitution – Section 152]. The Security Strategy provides the overarching framework in respect of planning, implementing, and monitoring protection measures that will guide the Municipality’s security efforts, identify and address priorities to achieve and sustain a strengthened ability to prevent, detect, deter, mitigate against, prepare for, respond to and recover from any security incident. Through the implementation of the strategy, outcomes are sought in a synchronised and integrated fashion that will ensure a safe and secure Municipality through enhanced capabilities in information gathering, CCTV surveillance, rapid response, protection of infrastructure and people, by-law enforcement, strategic project management, contract security management, risk assessments and loss control investigations.

The service provides for, *inter alia*:

- A guard force to provide access control and patrols at strategic municipal localities;
- Investigation of Council losses/thefts/damage or misuse of assets;
- Monitoring localities and rapid response to intruder detection system activations;
- Supervision of all localities protected by contract security services;
- Armed escorts, special event protection and other relevant functions, such as VIP protection;
- Security risk analysis and recommendations to directorates to prevent loss or potential loss;
- Focus on the operationalisation and development of a sustainable integrated firearm management system;
- Discourage by-Law contraventions by providing pro-active and re-active law enforcement services;
- Continued implementation and utilisation of technology, such as CCTV;
- Continued oversight in respect of the implementation of the Security Master Plan;
- Developing and maintaining a well trained and resourced CCTV Central Control Room;
- Ensure through objective orientated security methods that the number of security risks in relation to urban renewal projects is restricted;
- Strategic deployment in order to curb criminal acts against non-ferrous metal infrastructure and the application of the Second Hand Goods Act.

The operational implementation of the Security Strategy is supported by the following guiding documents:

- Firearm Policy and Operational Implementation Strategies;
- Executive Protection Policy;
- Security Master Plan in respect of Integrated Security Systems;
- Operational Management Framework Plan;
- Surveillance Deployment Strategy;
- Non-Ferrous Metal Theft Strategy;
- CCTV Code of Practice.

SERVICE STATISTICS FOR SECURITY SERVICES

Security					
	Details	2012/13	2013/14		2014/15
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year				
2	Number of by-law infringements attended	626	360	338	360
3	Number of police officers in the field on an average day	25	20	35	30
4	Number of police officers on duty on an average day	71	64	64	60
T 3.20.2					

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Metro Police	Establishment of Metro Police	N/A	N/A	N/A	N/A	Metro Police structure approved by Council	Metro Police structure approved by Council	N/A
	Establishment of an Integrated Community Safety Forum	N/A	N/A	N/A	N/A	By September 2013	Community Safety Forum established in the third quarter	N/A

COMMENT ON PERFORMANCE REGARDING SECURITY SERVICES:

While encouraging progress was made towards the establishment of a Metro Police Force over the review period, it is clear that the policies and plans in place to safeguard residents need to be implemented with greater vigor and focus.

3.20.2 TRAFFIC AND LICENSING SERVICES

The Traffic and Licensing Service Sub-directorate is striving to achieve and maintain a better image by delivering outstanding quality service to the public by staff well trained, motivated to serve efficiently, courteously and with integrity, and complying with various legislative requirements, including but not limited to the National Road Safety Act 93 of 1996, as amended.

The institution's vision is the enhancement of the safe and free flow of traffic in the municipal area and its motto is to serve local communities and visitors with integrity, through law enforcement services, licensing services, legal process and municipal court, support services and training services.

Law Enforcement Services

Law enforcement services include traffic law enforcement, regular precinct patrols, speed enforcement, checking for overloading (in both passenger and goods vehicles), roadblocks, public transport, parking enforcement and criminal arrests.

Preventative Traffic Activities

Preventative traffic activities are aimed at prompting road safety, including:

- Road safety information campaigns
- Accident analysis
- Visible patrols (cars, foot, horse, etc.)
- Engineering (advisory status)
- Stray animal control

Traffic Flow

Free traffic flow reduces congestion and ensures safe and easy access to all roads. Methods by the Municipality to promote traffic flow include point duty, especially near schools and busy intersections; escort duties during protest marches; VIP escorts; traffic control during special events; and incident scene assistance.

Licensing Services

Licensing Services is tasked with the responsibility of providing effective and efficient licensing services to the residents of Nelson Mandela Bay through a Driving License Testing Centre and Roadworthy Centre.

Driving License Testing Centres

The two centres in Nelson Mandela Bay are located in Durban Road, Korsten and in Cuyler Street, Uitenhage. The functions of a driving license testing centre include the testing and issuing of learner's and driver's licenses, and the renewal of driver's license cards.

Roadworthy Centre

The institution's Roadworthy Centre is located at the Traffic and Licensing Services offices at the corner of Creswell Street and Sidwell Avenue. The Centre is responsible for testing the roadworthiness of vehicles; issuing roadworthy and vehicle fitness certificates; and managing the weighbridge facility.

Legal Process Municipal Court Services

These services entail legal process services; municipal court services; and warrant of arrest services.

Legal process services are rendered at offices in both Port Elizabeth and Uitenhage and entail the issuing of traffic fines for offences captured on camera; the acceptance of traffic representations from the public; the handling of queries in relation to traffic fines issued, etc.

Nelson Mandela Bay has two municipal courts, one in Port Elizabeth and the other in Uitenhage. The courts are tasked with dealing with traffic representations submitted by members of the public; the prosecution of traffic offences; arrangement of trial dates; and issuing of warrants of arrests for failure to appear in Court.

The Warrants of Arrest Section, with offices in Port Elizabeth and Uitenhage, is made up of Traffic Officers whose main function is to execute warrants of arrest against motorists declared to be in contempt of Court. The warrants of arrests are normally executed through house visits; regular patrols; and roadblocks.

Support Services

The Support Services Division, which also boasts offices in Port Elizabeth and Uitenhage, focuses on fines; records; accidents; planning and research; and parking meters.

Fines

Services are provided around the payment of fines and of auxiliary services, i.e. traffic assistance, parking discs for people with disabilities, water and lights, towing and storage of impounded vehicles, etc.

Accident Bureau

The Accident Bureau is tasked with processing motor vehicle accidents and providing accident reports to the general public.

Planning and Research Services

Planning and research services include conducting traffic surveys to determine the latest traffic trends and providing statistical feedback, which is then used to determine future plans and secure optimal utilisation of resources.

Parking Meter Services

Parking meter services include the installation and maintenance of parking meters.

Municipal Traffic College

The Traffic College is situated in Lakeside Road, Greenbushes, about 25 kilometers outside Port Elizabeth. It is regarded as one of the best Traffic Colleges in the country, boasting highly qualified instructors with a passion for their profession. The College offers both internal and external training courses, focusing on training in a broad spectrum of areas (municipal Police Officers, Traffic Officers, Traffic Wardens, Peace Officers and Examiners for Driving Licenses).

The Junior Commanders' Course is offered only to staff of the Nelson Mandela Bay Municipality, while the Peace Officers Course is also offered to private security companies.

External training courses focus on scholar patrol training offered to schools; a Child in Traffic Programme for pre-schools and primary schools; and traffic safety talks.

SERVICE STATISTICS FOR TRAFFIC AND LICENSING

Metropolitan Traffic Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1594	1500	17466	17000
2	Number of by-law infringements attended	1651	1651	1670	1670
3	Number of police officers in the field on an average day	94	94	120	120
4	Number of police officers on duty on an average day	75	75	85	85
<i>T 3.20.2</i>					

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Traffic and Licensing	Average traffic fines issued by a Traffic Officer per day	N / A	N / A	10	1	N / A	N/A	N/A
	Number of traffic fines issued	N/A	N/A	N/A	N/A	72 000	180 949	N/A
	Number of traffic safety initiatives implemented in line with the Nelson Mandela Bay Municipality's Traffic Control Enforcement and Management Programme	N/A	N/A	N/A	N/A	48 Roadblocks	39	48 Roadblocks
	Number of traffic safety initiatives implemented in line with the Nelson Mandela Bay Municipality's Traffic Control Enforcement and Management Programme	N/A	N/A	N/A	N/A	20 Community awareness programmes	42	50 community awareness programmes
	% reduction in road accidents	1%	-10.81%	1.00%	4.74%	N / A	N/A	N/A
	% revenue collection from traffic and licensing services (excluding fines) as per the set budget target	N/A	N/A	N/A	N/A	100%	76.39%	100%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Traffic and Licensing	% revenue collected from traffic fines	52%	101.55%	60.00%	22.40%	100%	31.71%	100%
	Turnaround time from booking Learner's License test to the actual test	N / A	N / A	4 weeks	1.83 weeks	1 week	1.47 weeks	1 week
	Turnaround time from booking Driver's License test to the actual test	N / A	N / A	16 weeks	6.03 weeks	8 weeks	4.43 weeks	6 weeks

Employees: Traffic Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as % of total posts)
Administrators	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	142	230	142	88	38%
13 - 15	23	34	23	11	32%
16 - 18	1	1	1	0	0%
19 - 20	1	1	1	0	0%
Total	167	266	167	99	37%
					T 3.20.4

Financial Performance Year 0: Traffic					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	27747563	34340380	34340380	11609767	-196%
Expenditure:					
Traffic Officers	90222770	92588500	93861340	95437160	3%
Other employees	67595768	73027110	79330640	82543783	12%
Repairs and Maintenance	1879460	2636590	2636590	1525608	-73%
Other	33730065	37680990	39095990	34322952	-10%
Total Operational Expenditure	193428063	205933190	214924560	213829503	4%
Net Operational Expenditure	165680500	171592810	180584180	202219736	15%
					T 3.20.5

Capital Expenditure Year 0: Police (Traffic Services)					
R' 000					
Capital Projects	Year 0 Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	370	5,370	862	57%	
Furniture and Computer Equipment - Traffic	-	-	511	100%	511
EFMS Additional Software and Hardware Applications	370	370	351	-5%	370
Traffic and Licencing Centre - Motherwell Thusong Centre	-	5,000	-		
					T 3.20.6

COMMENT ON PERFORMANCE OF TRAFFIC AND LICENSING:

No capital projects have been budgeted for the 2014/15 financial year, due to the non-availability of funds. It will be difficult to attain the targets set out in the IDP, as all are driven by the availability of manpower. The Municipality is currently severely affected by a shortage of Traffic and Licensing Law Enforcement staff. The filling of Law Enforcement vacancies has been suspended due to the eminent establishment of the Metro Police Services. The only measure that can be used to try and attain the targets set out in the IDP is to make use of overtime to try and cover for the staff shortages experienced. This will, however, be a temporary measure only, as the overtime budget is limited. Planning and strict adherence to operating plans will be enforced to try and assist in achieving the IDP targets. A variance of 1.76% is reflected on the capital project, due to the fluctuating exchange rate, as the supplier imports the equipment from the USA. The variance on the net operating expenditure is due to an increase in general expenses. The annual Operating Budget increase was insufficient to cover the escalating costs.

3.21 FIRE

The Nelson Mandela Bay Municipality Fire and Emergency Services is a community-based organisation dedicated to the saving of life and property of all persons in the protected area, striving to substantially reduce the loss of life and the destruction of property by fire, through the promotion of fire safety awareness to the community.

The three top service delivery priorities for the year were: By-law compliance, lowering of emergency response times, and Fire Safety educational programmes implemented in the communities. Measures taken to improve performance include:

1. A Fire Safety team concentrated on by-law offences in the Metro and targets were exceeded.
2. A new software system was acquired for the Control Centre to facilitate easier call-taking and thus reduce the time taken to process emergency calls. This has been partially successful and further upgrades are being installed. Any excessive

response times are queried by senior management at an operational level and remedies are constantly being sought and implemented. Targets are mostly being met.

3. A Community Safety team delivering educational programmes at schools and libraries, and in informal settlements and previously disadvantaged areas. This resulted in exceeding the targets set.

Support to communities living in poverty included the issuing of fire trolleys to informal settlements via Ward Councilors, with community members being trained to fight fires with these trolleys. Fire safety education has also predominantly been conducted in informal settlements and disadvantaged areas.

SERVICE STATISTICS FOR FIRE

Metropolitan Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended to in the year	4056	4000	3736	4000
2	Total of other incidents attended to in the year	1309	1500	1711	1700
3	Average turnout time - (combined average of all calls, urban & rural)	16,73	16,5	16,36	15
4	Average turnout time - rural areas	N/A	N/A	N/A	N/A
5	Fire fighters in post at year end	275	270	268	270
6	Total fire appliances at year end	47	47	46	48
7	Average number of appliances off the road during the year	5	5	6	5
T 3.21.2					

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Fire Safety	% reduction in fire incidents	1%	-5.04%	1.00%	-38.20%	N / A	N/A	N/A
	Number of fire safety educational programmes held in communities	N/A	N/A	N/A	N/A	300	1581	1000

Employees: Fire Services					
Job Level	Year 2011-12	Year 2012-13			
Fire Fighters	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer	1	1	1	0	0
Other Fire Officers:					
0 - 3	16	58	16	42	72%
4 - 6	10	11	10	1	9%
7 - 9	93	225	93	132	59%
10 - 12	175	161	175	4	2%
13 - 15	15	17	15	2	12%
16 - 18	2	5	2	3	60%
Total	312	478	312	184	38%
<i>T 3.21.4</i>					

Financial Performance Year 0: Fire Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	366151	166910	166910	1112665	85%
Expenditure:					
Fire fighters	72198767	76671287	77625151	76580770	0%
Other employees	40680524	43200573	43738029	43149571	0%
Repairs and Maintenance	5322456	5499690	5299690	3902045	-41%
Other	42783899	13797270	13664470	34427924	60%
Total Operational Expenditure	88786879	62497533	62702189	81479540	23%
Net Operational Expenditure	88420728	62330623	62535279	80366875	22%
<i>T 3.21.5</i>					

Capital Expenditure Year 0: Fire Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	8,350	3,350	1,168	-615%	
Replacement - Off Road Appliance	1,600	1,600	-		
Safety Equipment for Firefighters	96	96	91	-6%	91
Replacement of Engine Bay Doors	477	477	445	-7%	445
Replace a 1988 model Light 4x4 Bushfire Tender	477	477	-		
Replacement of Radios	500	500	432	-16%	8,500
Motherwell Fire Station	5,000	-	-		
Replacement of Standby Generators	200	200	200	0%	200
					T 3.21.6

COMMENT ON PERFORMANCE OF FIRE SERVICES:

Safety Equipment for firefighters: required in order to conform to the OHS Act.

Replacement of standby generators: fire stations must have power at all times, 24/7, and therefore generators are critical in times of power cuts or outages.

Replacement of engine bay doors: old and broken doors had to be replaced in order for fire engines to be able to respond to emergencies.

Replacement of radios: old radios had to be replaced to prepare for the new TETRA radio system.

Slight variations from budget are due to the final costs of projects being slightly less than the original anticipated costs.

Year 5 targets set out in the IDP schedule can be attained within the approved budget provision.

3.22 DISASTER MANAGEMENT

Disaster management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementing measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation (Disaster Management Act, 2002).

The Municipality's vision is to create a city that understands and embraces disaster management practises for a disaster resilient and safe environment.

Its mission is to establish and maintain an all-inclusive integrated and effective disaster management programme to the benefit of all communities in Nelson Mandela Bay.

The municipal Disaster Management Plan was adopted by Council in 2005 and revised in 2010. Similarly, the Policy Framework was adopted in 2005 and revised in 2010. A disaster risk assessment was conducted in 2005 and revised in 2010. Geographic Information System (GIS) information was shared with the Municipality's Corporate GIS Section and the Spatial Development Framework Section. The Flood Contingency Plan was drafted in 2010. The Disaster Management By-law was gazetted in 2009 and is currently being reviewed.

The Disaster Management Centre hosts a Joint Operations Centre (JOC), backed by an emergency generator and uninterrupted power supply. The Centre is equipped with GIS and early warning infrastructure, directly linked to the South African Weather Services (SAWS). The equipment in the JOC is integrated with the municipal Safety and Security Joint Control Centre.

SERVICE STATISTICS FOR DISASTER MANAGEMENT

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Basic Service Delivery and Infrastructure Development KPE: Disaster Management	Number of additional technical natural disaster early warning systems installed	6	6	2 by December 2012	2 by September 2012	5	3	N/A

Employees: Disaster Management					
Job Level	Year 2012-2013	Year 2013-2014			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	5	4	1	0.25
4 - 6	10	10	10	0	0
7 - 9	1	1	1	0	0
10 - 12	12	16	12	4	0.333333333
13 - 15	2	3	2	1	0.5
16 - 18	1	1	0	1	100
Total	30	36	29	7	
					<i>T 3.22.4</i>

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	150496	59240	1159240	1031396	94%
Expenditure:					
Employees	25120639	27248360	28426640	27228396	0%
Repairs and Maintenance	712771	1412630	1389730	1431258	1%
Other	11831531	8968580	9778120	13710901	35%
Total Operational Expenditure	37664941	37629570	39594490	42370555	11%
Net Operational Expenditure	37514445	37570330	38435250	41339159	9%
					<i>T 3.22.5</i>

Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4,840	4,881	4,256	-14%	
Upgrade of Uitenhage Dog Pound	500	500	499	0%	2,340
Supply trailers for dog control	60	101	77	22%	Project used as and when required
Early Warning System	2,000	1,725	1,237		9,760
Additional vehicles for Safety and Security	175	175	140		Project used as and when required
Repairs to facility for Mobile Surveillance Vehicles	400	650	635	37%	
CCTV Equipment & Infrastructure	1,705	1,455	1,384	-23%	
Disaster Management Centre	-	275	283	100%	13,306
					T 3.22.6

COMMENT ON PERFORMANCE OF DISASTER MANAGEMENT:

The situation regarding disaster relief has not changed. The Disaster Management budget makes provision for disaster relief during abnormal relief requirements. The same budget allocation is used on a daily basis for day-to-day relief requirements for incidents where smaller groups of people are in need of social assistance.

There is also no provision in individual departmental budgets for disaster management, neither for normal disaster management related projects, nor for disaster response. Any disaster related response is covered within the normal budgetary provisions. This situation puts pressure on the response to disasters and ultimately the success of other municipal projects for which funds were originally allocated.

Provision was made on the Capital Budget for the expansion of early warning systems. Additional CCTV cameras were installed at remote sites to monitor potential high-risk flooding areas. The CCTV surveillance and monitoring system is integrated with the current municipal Disaster Management CCTV system, as well as the Command and Control Centre. Surveillance is done in the Command and Control Centre located at the South End Fire Station. However, the Operational Budget is inadequate to sufficiently maintain these systems.

An executive decision was taken to appoint a focal point in each directorate for the integration of municipal organs of state with the Disaster Management Centre in order to fulfill disaster management responsibilities at directorate level. These officials will be responsible for carrying out the disaster management responsibilities of that municipal organ of state, as required in the Disaster Management Act.

Other challenges include:

- Some key positions to execute the institution's mandate in respect of disaster management are currently vacant on the organogram.
- Initiatives to reduce identified priority risks have not been developed.
- Projects and initiatives related to Risk reduction have not been included in IDPs.
- Guidelines for incorporating disaster management programmes and initiatives into the activities of other municipal organs of state and key institutional role-players have not been developed and implemented.

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Based on an audit of sport and recreation facilities, a database of approximately 310 formal and informal sport facilities in the Nelson Mandela Bay Municipality has been established. One of the strategic objectives in the National Sport and Recreation Plan assigned to Local Government is to ensure that South African Sport and Recreation are supported by adequate and well maintained facilities. Performance against this objective will be measured in terms of an accurate GIS based facilities network that is in place. The Directorate has established this system and is in the process of integrating the system with the institutional GIS to ensure that it is upgraded on a continuous basis. These facilities need to be developed and maintained in accordance with the National Norms and Standards for Sport and Recreation Infrastructure developed by the National Ministry for Sport and Recreation. The Sub-Directorate continues to expand the sport and recreation infrastructure base by upgrading and rehabilitating the existing sport facilities. The development of new facilities will be prioritised only in underdeveloped and newly developed human settlements, as well as the peri-urban areas over the next five years. The upgrade of the Wolfson Stadium pitch and fencing has been successfully completed, as well as the Khayamnandi Sports field. Due to unforeseen delays in the Architects Division, the completion of the boundary walls at KwaMagxaki and the Wallabies Sports Fields will only be completed in the 2014/15 financial year.

Sport and Recreation have the ability to generate employment, promote economic development, and build social cohesion and national pride. The Directorate for Sport and Recreation will continue to provide support to sport and recreation programmes that promote mass participation and excellence, and seeks to address the National and Provincial Government priorities of education, health, crime prevention, as well as decent work and sustainable livelihoods.

Nelson Mandela Bay Municipality has identified priority sporting codes, namely *football, rugby, netball, cricket, swimming, basketball, martial arts, athletics, hockey, tennis, boxing* and *board games*, for special attention and development. Support for a Super Rugby franchise in Nelson Mandela Bay, as well as Professional Football League status, is imperative to ensure the sustainability of the Nelson Mandela Bay Stadium and growing the local economy through sport tourism. Following the departure of Bay United, the intention is to relocate a PSL team to the Bay within three years, working in partnership with the Department of Sports, Recreation, Arts and Culture (DSRAC), SAFA and other relevant stakeholders. The year under review has seen the appointment of a permanent Director for Sport and Recreation.

Challenges Experienced during the 2013/14 Financial Year

- The high levels of vandalism and theft at our sports facilities remain our biggest threat against ensuring that our facilities are maintained at an acceptable standard.
- Insufficient budget to respond to the maintenance demands in relation to the needs of football and rugby in particular.
- Over-reliance on municipal resources by sporting codes to support their programmes.
- High levels of vacancies and insufficient skills of staff at the various sports facilities.
- High costs associated with the provision of security services at our sports facilities.
- High expenditure on overtime and acting allowances.

The Sport and Recreation Directorate has given financial support to the following sport federations in support of their respective programmes during the year under review:

• SAFA	R350 000
• Dance Sport	R98 680
• Boxing	R86 000
• NMBM Basketball	R34 000
• NMBM Karate	R35 000
• NMBM Judo	R135 000
• NMBM Hockey	R31 000
• NMBM Tennis	R30 000
• NMBM Bodybuilding	R27 000
• Learn To Swim	R30 000
• Netball	R30 000

In addition to the above, we have supported the following events financially:

The Motherwell Freedom Run was hosted successfully in April 2014 and supported with a sponsorship of R104 000.

The tenth anniversary of the Iron man Triathlon was sponsored to the value of R4,5 million and the NMBM IRB 7's to the value of R12,5million.

BEACHES, RESORTS AND EVENTS MANAGEMENT

The coastal zone of the Nelson Mandela Bay Municipality is of great value due to its diverse array of natural and heritage resources, which are key tourist and socio-economic assets. The city has pristine beaches providing a wide range of recreational opportunities, including safe swimming, sunbathing, walking, snorkeling, scuba diving, etc. The priorities and services offered by the Sub-Directorate form an integral part of

Sports, Recreation, Arts and Culture, guided by the Integrated Development Plan (IDP) of the Municipality and implemented through the Service Delivery and Budget Implementation Plan (SDBIP).

The core services for the 2013/2014 financial year included:

- Beach protection services
- Maintenance services
- Participation in the Blue Flag Programme
- Customer care
- Events support
- Resorts development and maintenance
- Research and planning

Beach protection and maintenance services

The Sub-Directorate has permanent and seasonal lifeguards responsible for providing beach protection services along the coast. Seniors Beach Patrol Officers, together with Beach Constables, are responsible for enforcing beach by-laws. The maintenance team is responsible for providing maintenance services along the coast and ensuring that high standards for coastal amenities are maintained.

Blue Flag Programme

Through a comprehensive plan to develop and maintain its beaches, NMBM annually participates in the National Blue Flag Programme, which is a voluntary eco-label for beaches, marina, whale-watching boats and boats in general. The Municipality has full Blue Flag status for both Humewood and King's Beach, while Hobie Beach is in a pilot phase. The objective of the Programme is to raise awareness and promote sound environmental management practices among people visiting NMBM's beaches and the local civic society. The Blue Flag Programme has become a symbol of quality around the world, and the Nelson Mandela Bay Municipality strives to reach and maintain that quality in its beaches so as to attract tourists and promote investment in the city.

Events Management

In addition, the Nelson Mandela Bay beaches play host to an array of regional, national and international events, including Ironman South Africa, and the annual Mandela Bay Splash Festival and Summer Season Festival. Events hosted in the Municipality form an integral part of delivering core elements of the Community Development Plan, the Events Management Plan, the Economic and Tourism Master Plan, the NMBM's Arts Strategy, as well as other cultural strategies and activities taking place within the NMB. The Events Management Office is responsible for providing guidance to event organisers so that they can comply with the conditions of the Safety at Sports and Recreational Events Act, Act 2 of 2010. This is guided by the Events Policy and Events By-laws.

Research and planning

NMBM entered into a three-year agreement from 2009/10 to 2011/12 with the Bayworld Centre for Research and Education (BCRE). The agreement has since been renewed until 2016. The primary aim of this agreement is to conduct research on Great White Sharks in Nelson Mandela Bay. The advantages of the Shark Research Programme include:

- Establishment of a white shark management, recreational safety and tourism plan for Nelson Mandela Bay
- Independent Beach Risk Assessment.
- Providing key data important to our understanding of Great White Shark biology and their long-term management and conservation in South Africa.
- A need to better understand possible contemporary changes in distribution (based on reliable anecdotal accounts) of Great White Sharks.
- A need to continue to monitor abundance trends along popular bathing beaches through acoustic tagging and reasons for the existence of "hotspot" areas.
- Improved collaboration between government institutions.

Challenges

Beach maintenance services include the maintenance of and development of Blue Flag beaches, which require compliance with strict criteria. This remains a major challenge, as it requires a large operating and capital budget allocation that the current Sport, Recreation, Arts and Culture Services Budget cannot sustain.

SERVICE STATISTICS FOR SPORT AND RECREATION

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Local Economic Development KPE: Sport development	Number of stadia upgraded	N / A	N / A	1(Wolfson Stadium)	0	1 (Wolfson Stadium)	1 (Wolfson Stadium)	N/A
KPA: Local Economic Development KPE: Recreation, Arts and Culture	Number of beaches with Blue Flag status	1(Humewood Beach)	1(Humewood Beach)	1(Humewood Beach)	1(Humewood Beach)	2 (Humewood Beach and Kings Beach)	2 (Humewood Beach and Kings Beach)	2 full status (Humewood Beach, King's Beach)
	Number of drowning incidents occurred at municipal bathing beaches and municipal swimming pools	N / A	N / A	10%	0%	0	0	0
	Completion of the Mendi Multi-purpose Cultural Centre	25% construction completed	0%	Site handover	Target not met (Fund raising business plan in place in Sept 2012)	5%	3.53%	75% by June 2015
	Number of performing artists benefitting economically	100	249	100	285	100	281	200 local artists benefitting from Summer Season, Splash Festival and Heritage Programme

Employees: Sport and Recreation					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		83	82	1	1,2%
4 - 6		42	34	8	19,04%
7 - 9		20	17	3	15%
10 - 12	1	4	4	0	0%
13 - 15	0	0	0	0	0%
16 - 18	2	3	2	1	33,3%
19 - 20					0%
Total	3	152	139	13	8,55%
					<i>T 3.23.3</i>

Financial Performance Year 0: Sport and Recreation					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	40212346	50511430	29191770	23273152	-117%
Expenditure:					
Employees	53137157	64210260	61809400	56379779	-14%
Repairs and Maintenance	11663303	14089570	12896120	10754780	-31%
Other	69764158	79548410	81784510	77708043	-2%
Total Operational Expenditure	134564618	157848240	156490030	144842602	-9%
Net Operational Expenditure	94352272	107336810	127298260	121569450	12%
					<i>T 3.23.4</i>

Capital Expenditure Year 0: Sport and Recreation					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Value Project
Total All	6,000	86,335	40,444	85%	
Upgrade Beaches, Tourism - 2	2,000	2,000	1,954	-2%	Multi year project
Upgrade Wolfson Stadium Phase 3	–	5,265	6,012	100%	7,963
Upgrade Existing Sports Facilities	3,000	3,000	256	-1072%	Multi year project
Maintain/Rehabilitate Sports Facility Infrastructure - PE	1,000	1,000	961	-4%	Multi year project
Upgrade Kwadesi Sports Fields - Mayoral Project	–	70	1,375	100%	
Upgrade of Zwide Stadium	–	–	443	100%	
NMBM Multi-Purpose Stadium	–	75,000	29,442	100%	
					<i>T 3.23.5</i>

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Statistics in connection with sport and recreation confirm overall good performance by the institution, particularly regarding the support and economic empowerment of performing artists. However, it is clear that the successful further roll-out of the Blue Flag Programme to more local beaches will be hampered by lack of funding.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY

The Nelson Mandela Bay Municipality has a broad range of policies in place, grounded in sound research, critical analysis and solid proposals, which seek to clearly express the ideals of the institution in respect of basic service delivery to its communities. The drafting of new policies and the revision of dated policies are underpinned by the Municipality's Policy Development Framework (PDF), adopted in 2009. The PDF is an instrument to promote policy coordination, alignment and rationalisation.

3.24 EXECUTIVE AND COUNCIL SERVICES

INTRODUCTION TO EXECUTIVE AND COUNCIL

The institution is governed in terms of an Executive Mayoral System. It has a functional Executive Mayoral Committee in place, headed by the Executive Mayor, supported by the Deputy Executive Mayor. The Committee, *inter alia*, comprises Councillors who serve as Chairpersons of the following Portfolio Committees:

- (a) Budget and Treasury
- (b) Economic Development, Tourism and Agriculture
- (c) Human Resources and Corporate Administration
- (d) Human Settlements
- (e) Infrastructure, Engineering and Energy
- (f) Public Health
- (g) Safety and Security
- (h) Sport, Recreation, Arts and Cultural Services

In addition to the above, the Municipality also has a Constituency Co-ordinator, whose responsibilities revolve around public participation in Council processes and programmes.

The NMBM Council is the highest decision-making authority in the institution and is chaired by the Speaker. The Municipality has a functional Whippery system in place.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (On-line Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Good Governance and Public Participation	Number of Council meetings held	16	17	10	17	15	16	10
KPE: Council Oversight and Support Services	Number of Councillors provided with training in line with the Skills Development Plan for Councillors	N / A	N / A	51	22	40	66	68

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as % of total posts)
	Number	Number	Number	Number	%
<p>The Municipality has 120 Councillors in office (60 are Portfolio Councillors and 60 are Ward Councillors). Council has an Executive Mayoral Committee System in place, which comprises 13 Councillors. Councillors are remunerated in accordance with Government Gazette No. 35962, dated 7 December 2012. The regulations in this Gazette determine the upper limits of the salaries, allowances and benefits of the different members of the municipal Council.</p>					
<i>T 3.24.4</i>					

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	809083	315810	268560	272139	-16%
Expenditure:					
Employees	44882751	68263850	61843450	52121260	-31%
Repairs and Maintenance	870699	1815740	1979950	367976	-393%
Other	97469206	117464400	124357140	105648681	-11%
Total Operational Expenditure	143222656	187543990	188180540	158137917	-19%
Net Operational Expenditure	142413573	187228180	187911980	157865778	-19%
					<i>T 3.24.5</i>

Capital Expenditure Year 0: The Executive and Council					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	28,900	35,155	31,926	9%	
CorpGIS Projects	5,000	5,000	2,236	-124%	
Upgrading of Walmer Training Centre	800	833	819	2%	Complete
Office Renovation	1,000	899	536	-87%	As and when required
Rehabilitation of Pleinhuis	4,000	6,500	6,801	41%	Project complete
KwaNobuhle Municipal Aerodome - Upgrade perimeter fencing	1,700	1,264	1,137	-50%	Project complete
Brister House - Upgrading and Rehabilitation	1,500	1,500	980	-53%	Project to be completed under SCM 481 - R 500 000
Air Conditioning of buildings	1,500	1,500	2,497	40%	2,000
Mfanasekhaya Gqobose (ETB) - Upgrade and Rehabilitation	1,000	970	888	-13%	3,000
Woolboard - Rehabilitation and Upgrade	3,000	4,000	4,093	27%	500
Building Electrical COC	1,500	1,500	1,698	12%	Completed
Office Accommodation - Ward Councillors		1,823	1,845	100%	Projects are implemented as and when identified by IDP
Algoa House - Upgrade of Lifts	1,000	1,000	269	-272%	Project in progress under CE 110/S/2013/14 to be completed in 14/15 fin year.
Rehabilitation of Campanile	5,000	3,597	2,532	-98%	
Secure High Sites - Various	-	1,500	1,454	100%	
Computer and Office Equipment	500	400	340	-47%	
Upgrade Infrastructure - Metro Integration	300	509	2,105		
Specialised Vehicle and Plant- Parks	600	1,760	1,102		
Secure Municipal Parks Facilities	500	600	596	16%	
					T 3.24.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The statistics in respect of the Executive and Council confirm that the targets in respect of the number of Council meetings held, as well as Councillor training, were exceeded. However, the Municipality has prioritised improvement in attendance at Council meetings.

3.25 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

Financial management supports the IDP of the Municipality by striving to provide a stable and sustainable financial environment from which Council can deliver services to all residents. This is done mainly through the following specific strategic priorities for the Budget and Treasury Directorate within an overall five-year development plan:

- (a) Ensuring a legally compliant IDP-based budget that enhances financial sustainability.
- (b) Ensuring sustainable and improved revenue generation and collection.
- (c) Expanding the revenue base by identifying additional sources of revenue and ensuring sustainable growth in the revenue base.
- (d) Providing efficient and effective Cash Management and Asset Risk Management systems.
- (e) Providing efficient and effective expenditure management and control processes.
- (f) Ensuring a sound and legally compliant system of financial management, advice, control, accounting and reporting.
- (g) Providing effective and efficient Supply Chain Management processes.
- (h) Providing effective and efficient customer service centres.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Financial Viability and Management KPE: Revenue Management and Customer Care	% billed revenue collection rate (before write-offs)	94%	94.46%	95.00%	92.60%	95%	93.72%	95%
KPA: Municipal Financial Viability and Management KPE: Cash and Risk Management	Credit rating achieved	Credit rating of Aa3.za achieved	Credit rating of Aa3.za achieved	Rating of Aa3.za achieved by June 2013	A1.za	Rating of A1.za maintained by June 2014	Rating of A1.za maintained by June 2014	Rating of A1.za maintained by June 2014
KPA: Municipal Financial Viability and Management KPE: Budgeting and Financial Accounting	Legislated compliant cash backed budget approved by Council	Legislated compliant cash backed budget approved by Council	Legislated compliant cash backed budget approved by Council by June 2012	By June 2013	By June 2013	By June 2014	Legislated compliant cash backed budget approved by Council by June 2014	By June 2015
	A debt servicing costs to annual operating income ratio (debt coverage ratio)		5%	15%	4.10%	15%	3.96%	10%
	% outstanding service debtors to revenue	20%	14.20%	20%	12.27%	20%	21.20%	20%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Financial Viability and Management KPE: Budgeting and Financial Accounting	Cost coverage ratio	1 month	1.33 months	1 month	2.45 months	Excluding unspent conditional grants - 1 month Including unspent conditional grants - 1.5 months	Excluding unspent conditional grants - 2.22 months Including unspent conditional grants - N/A	Excluding unspent conditional grants - 1.5 months
	Personnel costs as a % of total operating income	34%	27.25%	0	23.53%	30%	23.44%	30%
	% of the Municipality's Capital Budget spent on capital projects identified in the IDP	95%	88.85%	95% by June 2013	84.49%	95%	99%	95%
	% of the Municipality's approved Operating Budget spent	N/A	N/A	N/A	N/A	95% by June 2014	93.40%	95%
	% of the Municipality's approved Budget spent on implementing its institutional Workplace Skills Plan	0.01%	0.05%	0.02%	0.05%	0.02%	0.05%	0.11%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Financial Viability and Management KPE: Budgeting and Financial Accounting	% of the Municipality's institutional training budget spent on implementing its institutional Workplace Skills Plan	95%	1	1	51.60%	95% by June 2014	41.6%	N/A
	% of the Municipality's approved Budget spent on repairs and maintenance	7%	5.65%	0	6.39%	7%	6.16%	7%

Financial Performance Year 0: Financial Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2118243076	2123759220	2182115520	2361952796	10%
Expenditure:					
Employees	192108410	250007180	238981180	110889065	-125%
Repairs and Maintenance	413769	1639660	2008680	2043072	20%
Other	398914389	330048140	332222040	235173691	-40%
Total Operational Expenditure	591436568	581694980	573211900	348105828	-67%
Net Operational Expenditure	-1526806508	-1542064240	-	-2013846968	23%
					T 3.25.5

Capital Expenditure Year 0: Financial Services (Budget & Treasury)					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	10,300	27,940	23,542	56%	
Financial Accounting Control and Systems Development	6,000	1,998	-		No contract in place as at 30 June 2014
Institutional Contract Management and Supply Chain System		20,000	19,988	100%	
Relocation of B & T Staff to ETB Building	1,000	1,000	-		
Financial Asset Management Integration: Computer Hardware	1,000	-	-		Equipment procured as and when required
Replacement of Handheld Devices - Meter Reading	800	1,550	792	-1%	Equipment procured as and when required
Replacement of Revenue Sub Directorate Computer Equipment	-	801	274	100%	Equipment procured as and when required
Upgrading of ETB Customer Care Centre		54	889	100%	
Creditors Filing Equipment	1,000	1,000	229	-337%	

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Replacement of Vending POS Equipment	500	890	724	31%	Equipment procured as and when required
Upgrade of Accommodation at Harrower Road Depot	-	647	647	100%	
					T 3.25.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Capital

The significant project for the Directorate during the 2013/14 financial year, was the acquisition and development of an Integrated Supply Chain Management system. This system was implemented during the financial year, whilst further enhancements will be budgeted for accordingly.

Operating

Net operational expenditure improved to R2.0 billion compared to the adjustments budgeted amount of R1.61 billion. This is attributable to the following:

Revenue matters:

Property rates revenue raised, amounted to R1.206 billion, compared to the adjustments budgeted amount of R1.254 billion. This is attributable to actual property rates billed being higher than anticipated. It is, however, important to note that an amount of approximately R65.1 million in respect of ATTP subsidies has been deducted from the actual property rates revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Property Rates Revenue billed was, therefore, approximately R17.1 million more than anticipated.

Interest earned – External Investments was R20.3 million more than anticipated in the 2013/14 Adjustments Budget, due to an increase in the investments portfolio.

Interest earned - Outstanding debtors was R23.1 million more than anticipated in the 2013/14 Adjustments Budget. This is attributable to the escalation in outstanding debtors.

Government Grants and Subsidies was R37.3 million more than anticipated in the 2013/14 Adjustments Budget. The increase is mainly due to the equitable share that was not fully allocated to the other directorates in view of reduced ATTP subsidies in respect of free services provided. This does not imply additional revenue for the NMBM, but merely that those directorates will reflect a lower than budgeted ATTP allocation as a result of lower ATTP subsidies.

The Eastern Cape Provincial Government did not honour the Gazetted Institutional Support Grant in the amount of R1.5 million.

Other Income was R146.3 million more than anticipated in the 2013/14 Adjustments Budget.

The increase is mainly due to VAT on Capital Grants in the amount of R133.1 million being recognized as own revenue once claimed from SARS, whilst sundry income was R10.4 million more than anticipated in the 2013/14 Adjustments Budget.

Operating Expenditure matters:

Employee related costs were R118.5 million less than anticipated in the 2013/14 Adjustments Budget. This is mainly attributable to adjusting the level of the Provision for Post-Retirement Benefits by R104.5 million, following an actuarial valuation. The delay in the filling of vacancies also contributed to the under-spending.

Impairment – Receivables was R25.7 million less than anticipated in the 2013/14 Adjustments Budget. The decrease is mainly due to a revised calculation of the impairment provision, despite the growth in outstanding debtors. The debtors' collection rate for 2013/14 was 93.71%, compared to the budgeted debtors' collection rate of 94%.

Depreciation was R45.4 million more than anticipated in the 2013/14 Adjustments Budget. The verification of the Asset Register details resulted in moving assets and the associated depreciation to the relevant directorates. It therefore implies that the cost of depreciation budgeted elsewhere was moved to the Budget and Treasury Directorate.

Grants and Subsidies Paid was R66.4 million less than anticipated in the 2013/14 Adjustments Budget. . Grants to indigent consumers (ATTP subsidies) were accounted for as revenue foregone, instead of transfers and grants, resulting in the low expenditure on transfers and grants.

3.26 HUMAN RESOURCES SERVICES

INTRODUCTION TO HUMAN RESOURCES SERVICES

The Human Resources Management Services rendered by the Municipality aim to achieve the following:

- Attend to the human resources requirements of the various municipal directorates.
- Establish and maintain a working environment that encourages personal growth, development, enrichment and job satisfaction.
- Ensure that human resources policies and procedures are administered in such a way as to protect the interests of both the Municipality and its employees.

To accomplish this purpose, professional support services are rendered in respect of the following functional areas:

- Recruitment and selection
- Induction of newly appointed staff
- Personnel administration – administration of staff benefits and maintaining employee records
- Maintaining and monitoring Conditions of Service in terms of the applicable legislation, Bargaining Council agreements and Council policies
- Placement at the behest of the institution

- Staff movement
- General administration

Performance is measured against the time it takes to fill a vacancy (from when the recruitment notification was submitted to the actual filling of the vacancy). The target is to fill a vacancy within a period of three months.

SERVICE STATISTICS FOR HUMAN RESOURCES SERVICES

The total number of active vacancies administered as at 30 June 2014 amounts to 189 (this includes carry-overs from previous quarters). Details in respect of these are as follows:

- 3 are awaiting approval (1.59 %)
- 41 are awaiting interviews (21.69%)
- 75 are awaiting short-listing (39.68%)
- 70 are awaiting capturing (37.04%)
- 0 are awaiting advertisement (0%)

Due to shutdown of business and holidays during December, no advertisements are usually placed during this time, which usually results in some advertising backlog. In addition, the moratorium in the third quarter (1 January to 31 March 2014) created a further backlog, which is evident in the above figures. Seventy-four (74) positions were advertised and four (4) Section 56 and twenty-nine (29) other appointments were made in the fourth quarter of the 2013/14 financial year. One of these appointments was within the three-month turnaround time.

The above information indicates that one vacancy in this quarter has been filled in the three (3) months' turnaround time.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	Number of officials trained in National Treasury minimum competencies, in line with set regulations (Government Gazette number 29967)	67	64	52	89	52	24	N/A
	Number of Grades 9 – 12 students and unemployed individuals attending Career Day	150 (Grades 9 – 12) and 400 (Unemployed)	0	150 (Grades 9 – 12) and 400 (Unemployed)	951 Grade 9-12 and 4 Unemployed persons attended Career Day in July 2012	150 (Grades 9 – 12) and 400 (Unemployed) by September 2013	188 (Grade 9 – 12) and 65 Unemployed by September 2013	N/A
	Number of new bursaries awarded in critical and scarce skill areas in terms of the Nelson Mandela Bay Municipality's Scarce Skills Strategy	20	0	20	0	N / A	N/A	5 Bursaries awarded by September 2014

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	Number of learnership programmes implemented for employed and unemployed	8	6	8	4	6	1	N/A
	Number of people participating in the electricity Mentorship Programme	N / A	N / A	30	1	24 mentees and 6 mentors	43 mentees and 3 mentors	4 mentees and 1 mentor
	Number of unemployed graduates placed in scarce and critical skills areas in terms of the Nelson Mandela Bay Municipality's Scarce Skills Strategy	40	43	40	40	45 by December 2013	69	40 by December 2014

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	Number of unemployed persons completing the NMBM Skills profile process	N/A	N/A	N/A	N/A	600	4420	N/A
	% recruitment completed within a 3 months' turnaround period spanning from the date of receipt of recruitment notice to the actual appointment	100% of cases completed	0%	100% of cases completed	0%	100% of cases completed	0%	100%

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	Number of people from employment equity target groups employed in the three highest levels of management, in compliance with the Municipality's approved Employment Equity Plan: (a) Top Management (Municipal Manager, Executive Directors and Directors)	74 African Male: 32 African Female: 8 Coloured Male: 7 Coloured Female: 2 White Male: 17 White Female: 5 Indian Male: 3 Indian Female: 0	77	74 African Male: 32 African Female: 8 Coloured Male: 7 Coloured Female: 2 White Male: 17 White Female: 5 Indian Male: 3 Indian Female: 0	35	50 African Male: 19 African Female: 12 Coloured Male: 4 Coloured Female: 3 White Male: 6 White Female: 4 Indian Male: 2 Indian Female: 0	0	33 African Female - 12 African Male - 19 Coloured Male - 1 Coloured Female - 1 White Male - 0 White Female - 0 Indian Male - 0 Indian Female - 0

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	Number of people from employment equity target groups employed in the three highest levels of management, in compliance with the Municipality's approved Employment Equity Plan: b) Middle Management (Grade 13 up to the level below directors or Assistant directors)	579 African Female:136 African Male:183 Coloured Male:35 Coloured Female:140 White Male:40 White Female:30 Indian Male:11 Indian Female:4	85	579 African Female:136 African Male:183 Coloured Male:35 Coloured Female:140 White Male:40 White Female:30 Indian Male:11 Indian Female:4	534	392 African Male: 76 African Female: 93 Coloured Male: 52 Coloured Female: 17 White Male: 114 White Female: 31 Indian Male: 7 Indian Female: 2Female:4	Data couldn't be verified	171 African Female - 76 African Male - 93 Coloured Male - 0 Coloured Female - 1 White Male - 0 White Female - 0 Indian Male - 0 Indian Female - 1

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Human Resource Transformation	Number of people from employment equity target groups employed in the three highest levels of management, in compliance with the Municipality's approved Employment Equity Plan: c) Operational Level (Grade 1 - 12)	291 African Female:51 African Male:59 Coloured Male:39 Coloured Female:14 White Male:85 White Female:22 Indian Male:18 Indian Female:3	683	291 African Female:51 African Male:59 Coloured Male:39 Coloured Female:14 White Male:85 White Female:22 Indian Male:18 Indian Female:3	1690	6101 African Male: 1169 African Female: 2993 Coloured Male: 763 Coloured Female: 340 White Male: 437 White Female: 330 Indian Male: 32 Indian Female: 37	Data couldn't be verified	1239 African Female - 1169 African Male - 0 Coloured Male - 1 Coloured Female - 0 White Male - 0 White Female - 0 Indian Male - 32 Indian Female - 37

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development	% of people with disabilities in the total municipal workforce	N/A	N/A	2%	1%	2%	Data couldn't be verified	N/A
KPE: Human Resource Transformation	Number of managers trained to conduct disciplinary and grievance hearings	N/A	N/A	N/A	N/A	20	0	N/A

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Human Resources Management Services staff only	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-4	2650	13	25	0	0
5-8	1847	18	22	0	0
9-12	1531	13	13	2	15.38%
13-16	362	2	2	0	0
17-20	224	1	1	0	0
21-24	27	0	0	0	0
25-28	23	0	0	0	0
29-32	0	0	0	0	0
33-36	3	0	0	0	0
37-38	32	1	1	0	0
Total	6699	48	78	2	15.38%

Financial Performance Year 0: Human Resource Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7185445	30400	9122980	4940689	99%
Expenditure:					
Employees	28076069	32910090	33500850	31605234	-4%
Repairs and Maintenance	161258	248250	402590	189847	-31%
Other	16656286	6265800	14326750	14969253	58%
Total Operational Expenditure	44893613	39424140	48230190	46764334	16%
Net Operational Expenditure	37708168	39393740	39107210	41823645	6%
					<i>T 3.26.5</i>

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES SERVICES OVERALL:

Due to budgetary constraints, the last capital project undertaken was halted at the end of the 2010/11 financial year. The project related to the reconstruction of all employees' personal files in the institution, according to set criteria. It is envisaged that this project will be revived in the financial year 2014/15, subject to budget availability.

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT SERVICES)

The institution is committed to providing a reliable and sustainable ICT environment that supports its goals and objectives, as defined in the Integrated Development Plan.

SERVICE STATISTICS FOR ICT SERVICES

ICT services can be classified into three categories: Application Development; Technical Services; and Enterprise Programmes.

- (a) In terms of Application Development, application programmes are provided that not only match the user directorate's exact needs, but allow all such directorates to utilise these application programmes for achieving their specific objectives, as set out in the IDP, harmoniously, efficiently and timeously.
- (b) In terms of Technical Services, the hardware infrastructure that enables all directorates to electronically communicate both internally and externally, are provided and maintained.
- (c) In terms of Enterprise Programmes, all new requirements identified by the various directorates within the Municipality are researched and developed, in conjunction with the Application Development and Technical Services functions.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Municipal Transformation and Organisational Development KPE: Information Communications Technology	% network availability	N / A	N / A	99%	99%	N / A	N/A	N/A

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	5	5x	5	0	0%
7 – 9	4	8	5	3	37.5%
10 – 12	8	55	20	35	63.63%
13 – 15	5	6	5	1	16.66%
16 – 18	3	3	2	1	33%
19 – 20	1	1	1	0	0%
Total	37	78	38	40	51.28%

Financial Performance Year 0: ICT Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	34588	31200	31200	30141	-4%
Expenditure:					
Employees	18259067	20708410	21231960	19462111	-6%
Repairs and Maintenance	6440508	7833310	7832610	5901349	-33%
Other	3756704	153050560	106215470	5826800	-2527%
Total Operational Expenditure	28456279	181592280	135280040	31190260	-482%
Net Operational Expenditure	28421691	181561080	135248840	31160119	-483%
					<i>T 3.27.5</i>

Capital Expenditure Year 0: ICT Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	16,000	16,000	15,612	-2%	
Computer Enhancements - Corporate	10,000	10,000	9,456	-6%	Ongoing, as and when required
Application Software	6,000	6,000	6,156	3%	Ongoing, as and when required
					T 3.27.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Two key ICT Capital Projects in the institution relate to Application Software and Computer Enhancements.

Both these projects are under-funded and need to be considerably enlarged in order to meet new technological needs in an ever-changing environment. The relatively recent advent of Windows 7 has created a unique set of challenges in the specific municipal ICT environment that will necessitate substantial investment in order to maintain the current high standard of service.

3.28 LEGAL SERVICES AND RISK MANAGEMENT

INTRODUCTION TO LEGAL SERVICES AND RISK MANAGEMENT

Local government operates in a legislative environment, which highlights the importance of compliance. In this regard, the Municipality has a functional Legal Services Unit in place, which provides the institution with a full spectrum of legal advisory and litigation services, such as contract management and legal advice to the political and administrative leadership.

The Municipality is also committed to the optimal management of risks in order to achieve its vision, mission, objectives, and strategies and plans to protect its core values. This commitment is supported by a process of risk management, which is aligned to the principles associated with good corporate governance, informed by various documents, such as the Public Sector Risk Management Framework, the Municipal Finance Management Act, No. 56 of 2003, ISO 31000 and the King Reports on Corporate Governance (King II and King III). The Municipality's Risk Management Unit fulfills the role of institutional advocacy for Enterprise Risk Management by providing specialist expertise and assistance in integrating risk management throughout the Municipality.

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: Good Governance and Public Participation KPE: Risk Management	National Treasury risk management assessment maturity Level 3 achieved	N / A	N / A	Risk Management Maturity Level 3 achieved	Target not met (Risk Management Plan and Risk Registers completed end Sept 2012)	N/A	N/A	Maturity Level 3 achieved by March 2015
	National Treasury Risk Management Assessment Maturity Level 4 achieved	N/A	N/A	N/A	N/A	Maturity Level 4 achieved by June 2014	Target not met	N/A
KPA: Good Governance and Public Participation KPE: Legal Services	Developing a system of delegation of powers for political and administrative functionaries	N / A	N / A	System of delegation of powers approved by Council by March 2013	Draft system of delegation of powers for political and administrative functionaries in place	System of delegation of powers tabled in Council by June 2014	Target not met	N/A

Employees: Legal Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number.	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	1	1	1	0	0%
7 - 9	3	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	5	2	5	0	0%
16 - 18	5	2	4	1	50%
19 - 20	0	0	0	0	0%
Total	14	8	13	1	13%
<i>T 3.28.4 (a)</i>					

- Position of Director: Legal Services vacant. Position was advertised and it is expected that the position will be filled in the 2014/15 financial year.

Employees: Risk Management					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	1	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	1	0	1	100%
19 - 20	0	0	0	0	0%
Total	2	2	3	1	50%
<i>T 3.28.4(b)</i>					

- Position of Chief Risk Officer vacant. Position was advertised and it is expected that the position will be filled in the 2014/15 financial year.

Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7273819	10592530	10635620	8620906	-23%
Expenditure:					
Employees	113877104	131066530	136906610	128250194	-2%
Repairs and Maintenance	49668162	51920770	51582650	49576779	-5%
Other	-18741574	-1466970	2843940	-25513808	94%
Total Operational Expenditure	144803692	181520330	191333200	152313165	-19%
Net Operational Expenditure	137529873	170927800	180697580	143692259	-19%
					T 3.28.5

COMMENT ON THE PERFORMANCE OF LEGAL SERVICES AND RISK MANAGEMENT

Legal Services drafted a System of Delegation of Powers for Political and Administrative functionaries. The Councillors were workshopped on the document and a draft document was perused and approved by the Chief Operating Officer and the Municipal Manager and the Mayoral Committee.

With regard to risk management, the Municipality planned to achieve the National Treasury's Risk Management Assessment Maturity Level 4 by June 2014. However, this was not met inter alia due to the fact that the appointment of a Chief Risk Officer has not yet been finalised; the position was advertised and it is expected that the position will be filled within the 2014/15 financial year. The Risk Management Committee has been established, and members have been identified. A draft Terms of Reference is in place.

COMPONENT J: MISCELLANEOUS (MUNICIPAL COURT)

The Nelson Mandela Bay Municipality has a functional Municipal Court in place. This function resides under Safety and Security (refer to Component G – Security and Safety).

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

**Nelson Mandela Bay Municipality's
Annual Performance Scorecard Report
for the 2013/14 financial year**

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT – PART II)

INTRODUCTION

People focused organizational development is central to service delivery, hence the emphasis on the implementation of Batho Pele Principles in all municipal structures, systems, procedures, policies and strategies.

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 2013/14			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Budget & Treasury	619		626	146	23.32 %
COO	87		92	137	1.49 %
Corporate Services	547		606	93	15.34 %
Economic Development	520		511	154	30.01 %
Recreation Services					
Executive Mayor	32		42	7	0.16 %
Human Settlements	325		347	91	2.62 %
Infrastructure & Engineering	1,526		1471	360	24.47 %
Municipal Manager	74		211	11	0.05 %
Public Health	1,179		1149	265	0.23 %
Safety & Security	982		970	137	14.12 %
Electricity & Energy	630		633	549	0.86%
Totals	6521		6658	1950	-

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	505	292	0.578
Year -1	359	648	1.805
Year 0	1179	680	0.576
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

It is acknowledged that there has been a high level of acting positions in the institution and it is trusted that the current recruitment process involving key senior positions will culminate in quality appointments to take the institution forward.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Nelson Mandela Bay Municipality is an equal opportunities employer who subscribes to the promotion of equal opportunity and fair treatment in employment through the elimination of unfair discrimination. The Municipality has accordingly implemented various affirmative action measures in order to ensure equitable representation in all occupational categories and levels in the workforce.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
		%	%	
1	Adult Basic Education and Training (ABET)	100%		26 –March -2010
2	Cellular Telephone and Mobile Data Connectivity	100%		22-July-2010
3	Experiential and Internship Policy			22- Jun- 2010
4	Employee Assistance Programme Policy (EAP)	100%		
5	External Bursaries	100%		26 –March -2010
6	Asset Disposal Policy	100%		13- Sep- 2013
7	Grant- in-Aid	100%		19-Oct-2011 (under review)
8	Induction	100%		02-Sep-2010
9	Information Security Management Policy	100%		14-Feb-2008
10	Occupational Health and Safety	100%		
11	Organisational Establishment Policy	100%		10-Nov-2010
12	Recognition of Prior Learning	100%		26 –March-2010
13	Recruitment, Selection and Retention	100%		04 -Jun-2010
14	Sexual Harassment Policy	100%		11-Apr-2007
15	Employee Bursary Policy	100%		26 – March – 2010
16	Substance Abuse	100%		16-Feb-2011
17	Succession Planning	100%		26- M arch-2010
18	Smoking Control Policy	100%		
19	Travel and Accommodation	100%		2-Sep-2010
20	Education, Training and Development	100%		26- March – 2010
21	Workplace Policy on HIV/AIDS	100%		16 – Feb- 2011
22	Learnership Policy	100%		19 March 2010
24	Career Management Policy	100%		26 March 2010
25	Whistle Blowing Policy	100%		24 –Jun- 2004
26	Information Security Management Policy	100%		14 – Feb- 2008
27	Asset Management Policy	100%		19 September 2013
				T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

During the period under review, only two policies were reviewed, namely the Asset Management Policy and the Asset Disposal Policy.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Taken Days	Leave	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	1484		85		1	1 062 430
Temporary total disablement						
Permanent disablement						
Fatal			2			
Total	1484		87		1	1 062 430
<i>T 4.3.1</i>						

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post*	*Average sick leave per Employees Days	Estimated cost R
0	15	0%	1	3	5	R 4,088
1	260	35%	37	81	3	R 69,085
2	1095	34%	90	138	8	R 399,353
3	112	44%	17	60	2	R 41,703
4	223	33%	20	20	11	R 100,427
5	540	56%	42	42	13	R 280,566
6	246	38%	24	24	10	R 141,936
7	301	59%	14	50	6	R 178,812
8	215	61%	15	30	7	R 155,822
9	282	49%	18	18	16	R 229,266
10	136	45%	15	15	9	R 130,876
11	242	74%	28	28	9	R 246,042
12	243	65%	20	35	7	R 282,288
13	157	56%	14	18	9	R 215,384
14	207	70%	19	21	10	R 331,759
15	20	0%	1	4	5	R 34,649
16	122	27%	8	8	15	R 238,713
17	8	100%	1	2	4	R 17,684
18	6	100%	1	1	6	R 14,738

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R
33	10	50%	1	1	10	R 13,094
38	51	55%	5	5	10	R 127,655
Total	4486	48%	391	604	7	R 3,253,942
* - Number of employees in post at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						T 4.3.2

COMMENT ON INJURY AND SICK LEAVE:

The institution has a Sick Leave Monitoring Committee in place, which addresses matters relating to injury on duty and sick leave. A Work Attendance Policy was also developed to define the institution's standards of work attendance and regulate the management thereof. Other interventions include counseling services from the EAP Practitioners and the Labour Relations Sub-directorate.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Cemetery Supervisor	Failure to carry out a direct instruction regarding burial procedures.	04.03.2014	Charges are finalised and served on accused. Accused submitted sick certificate for the date of the hearing and first postponement is granted. Hearing now scheduled for 22 August 2014.	
Asst. Supervisor Cemeteries	Failure to carry out a direct instruction regarding burial procedures.	02.06.2014	Hearing scheduled for 24 July 2014.	
				T 4.3.5

FINANCIAL MISCONDUCT

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand Value of any loss to the Municipality	Disciplinary action taken	Date Finalised
None			
			T 4.3.6

There was no financial misconduct over said period.

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender							
Designations	Beneficiary profile						
	Gender	Period Reviewed	Expenditure on rewards (Year 1)	Total number of employees in group	Number of beneficiaries	Proportion of beneficiaries within group	Payment
			R000			%	Date
Chief Financial Officer	M	2008/09	R42 750,00	3	3	N / A	26-06-2014
Executive Director Electricity and Energy	M	2007/08	R39 005,00				26-06-2014
Executive Director World Cup	M	2008/09	R46 100,00				01-07-2014
			R127 855,00				
							T 4.4.1

COMMENT ON PERFORMANCE REWARDS:

The backlog in the 2006/07 – 2009/10 performance evaluations were addressed in the period under review. Three former senior managers qualified for performance bonuses which were awarded as outlined in the table above.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The institution has a Workplace Skills Plan in place to develop and capacitate its staff. In terms of this Plan, a total of 1 197 employees participated in different learning programmes and interventions during the 2013/14 financial year. In addition, 25 employees participated in Nature Conservation and Electrical learnerships. Furthermore, 35 bursaries in scarce skills areas were awarded to unemployed persons and 300 employees are currently beneficiaries in terms of the Bursary Scheme.

The Municipality also has programmes in place for the training and empowerment of unemployed graduates and experiential learners. Over the review period, 75 unemployed graduates and experiential learners received training in various fields. A total of 500 unemployed persons participated in ABET. The Budget allocation for 2013-2014 was R9 890 290, while actual expenditure was R3 733 833.93.

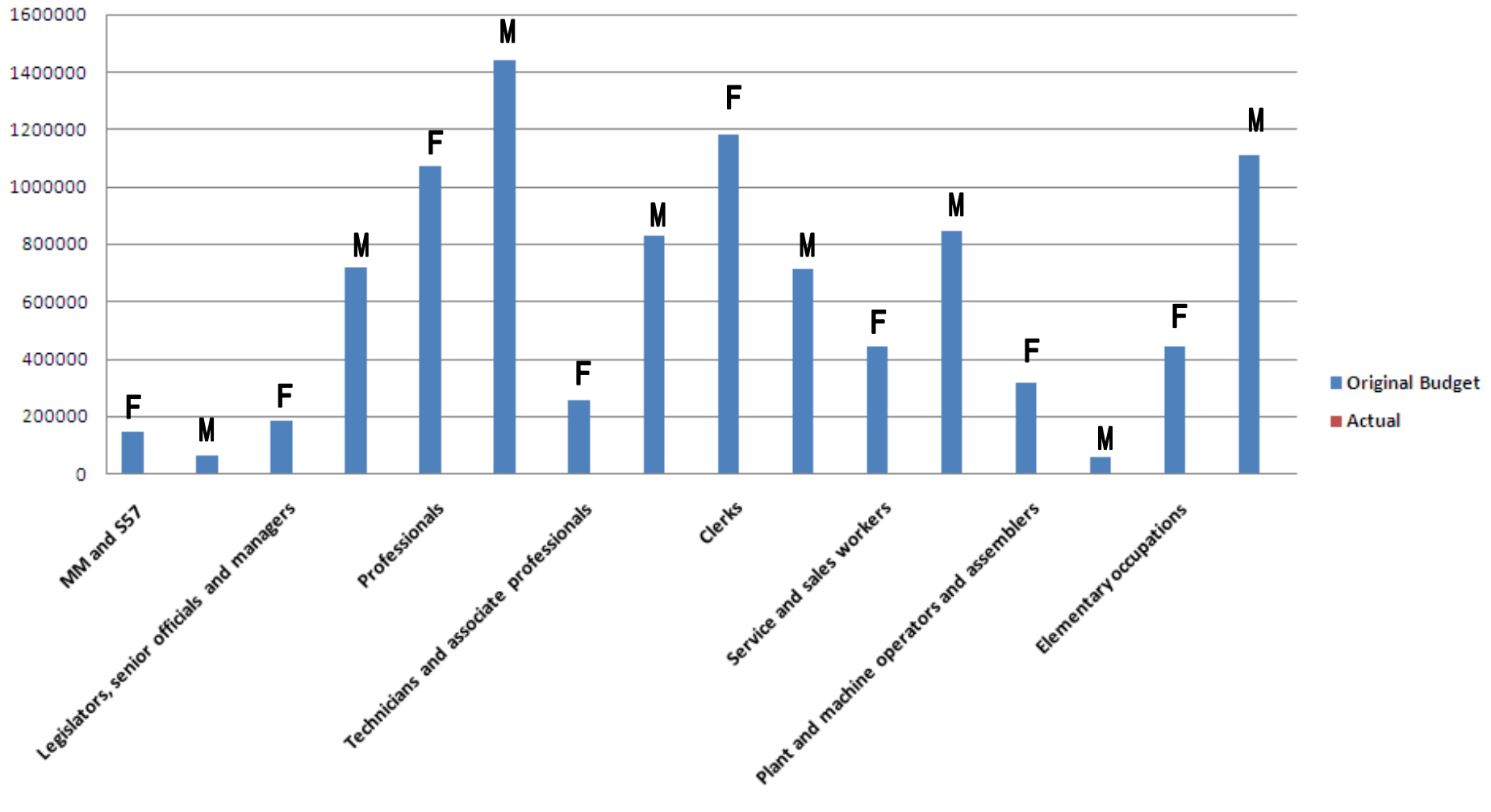
Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and S57	Female						0	0						
	Male						0	0						
Councillors, senior officials and managers	Female						52	65						
	Male						75	98						
Technicians and associate professionals*	Female			6	6		16	67						
	Male			19	19		112	394						
Professionals	Female						32	56						
	Male						29	110						
Sub-total	Female						100	188						
	Male						216	602						
Total				25	25		316	790						

*Registered with professional Associate Body e.g. CA (SA)

T 4.5.1

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Elementary occupations	Female									
	Male									
Sub-total	Female									
	Male									
Total			948 000	121 534.83	9 890 290.00	3 733 833.93	1 587 520.00	1 643 597.09	12 425 810.00	1 643 597.00
<i>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</i>									<i>%*</i>	<i>*R</i>
										T4.5.3

Skills Development Budget



F = Female
M = Male

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON FINANCIAL COMPETENCY REGULATIONS

The Municipality's training plans are mostly in line with its core business and partly with generic training/soft skills. Corporate Services determines strategic interventions, based on Integrated Development Plan (IDP) objectives, and develops the Municipal Workplace Skills Plan. Over the last two years, the Municipality also developed training procedures to coordinate training in an effective and efficient manner. There is an enormous need for training both employees and unemployed people within the municipal area, but the institution is restricted by its limited resources and therefore concentrates on critical and scarce skills areas. More funding is required, especially to offer training for unemployed people. At times, grants are received from government entities and agencies, specifically from the Local Government Sector Education and Training Authority. The training programmes implemented in the last financial year (2012/13) created employment opportunities for unemployed and secured the progression of internal staff.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

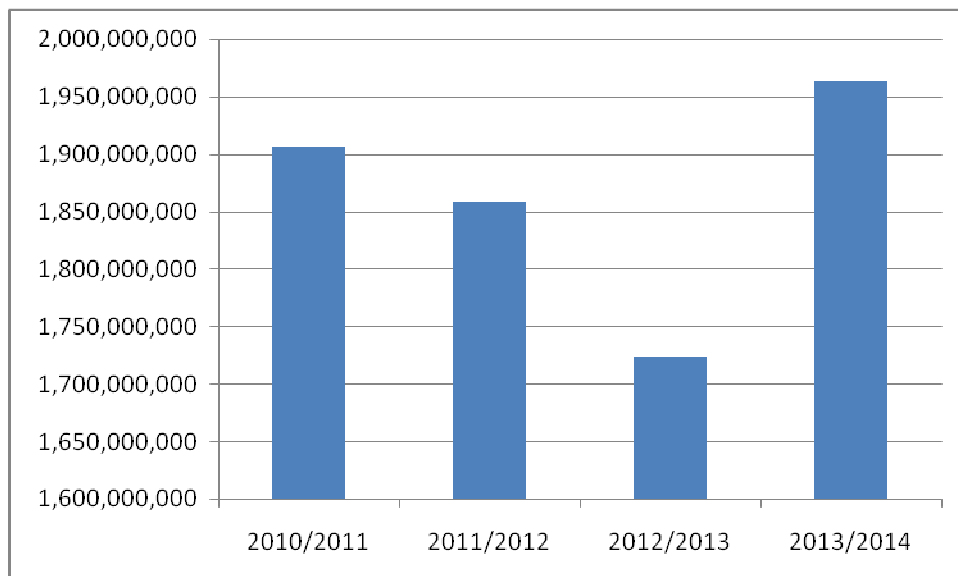
It is considered important that expenditure relating to manpower be managed optimally to ensure the efficient and effective delivery of services to the community.

Specific areas that require attention is the management of expenditure relating to overtime, acting allowances, stand-by allowances, night allowances and incentive bonuses.

Any costs incurred by the Municipality for the personal use of Councillors, such as security costs incurred by the Municipality relating to Councillors on an ongoing basis, are considered irregular by National Treasury and should therefore be discontinued.

4.6 EMPLOYEE EXPENDITURE

Employee costs	Years	Financial years
1,906,517,657	Year -3	2010/2011
1,858,808,371	Year -2	2011/2012
1,723,762,488	Year -1	2012/2013
1,963,367,120	Year 0	2013/2014



COMMENT ON WORKFORCE EXPENDITURE:

The employee costs ratio measures what portion of the revenue was spent on covering employee costs. It is calculated by dividing total employee costs by the operating revenue. The ratio is decreasing, which would appear to be positive from a cost management perspective. The ratios of 32.4% (2010/11), 27.8% (2011/12), 24.4% (2012/13) and 26.5%.2013/14 have also been influenced by high increases in electricity prices over the period. The Municipality should therefore review its targeted ratio in this regard, taking financial affordability considerations into account.

Furthermore, provisions such as post-retirement benefits and leave pay have a significant impact on the outcome of this ratio and are the main reasons for the trend reflected above.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THE UPGRADING OF THEIR POSITIONS

Since the implementation of TASK, the majority of the employees (5 106 or 84.12%) benefited financially. A total of 6 070 employees were evaluated on the TASK Grading System. The lowest NMBM salary was R6 172 per annum and the lowest TASK salary was R89 040 per annum. This is an increase of R27 648 per annum or R2 289 per month. Given the number of employees who will be receiving three 35% notch increments into the future, it can be stated that the majority of the employees will benefit financially.

Number of employees whose salaries were increased due to their positions being upgraded		
Skills Levels	Task Grades	Number of Employees
Basic Skills Level	1-3	1845
Discretionary Skills Levels	4-8	2453
Specialised Skills Level	9-13	1309
Tactical Skills Level	14-18	164
Strategic Skills Level	19-26	8
Total		
<p><i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column, as well as in the numbers at the right-hand side of the column (as illustrated above).</i></p> <p style="text-align: right;"><i>T 4.6.2</i></p>		

Employees whose salary levels exceed the grade determined by Job Evaluation (Contractual to holder)				
Directorate	Number of employees	Job evaluation level	Remuneration level p.a	Reason for deviation
Budget & Treasury	126	From TASK Grade 04 - 15	TK 04 R107 400 - R549 444	TASK final outcomes report
COO	18	From TASK Grade 04 - 15	TK 05 R120 900 - R549 444	TASK final outcomes report
Corporate Services	88	From TSK Grade 02 - 5	TK 02 R83 340 - R 549 444	TASK final outcomes report
EDRS	20	From TSK Grade 02 - 11	TK 02 R83 340 - R342 120	TASK final outcomes report
E & E	21	From TSK Grade 02 - 16	TK 02 R83 340 - R618 528	TASK final outcomes report
Executive Mayor's Office	14	From TASK Grade 05 - 12	TK 05-12 R120 900 - R385 152	TASK final outcomes report
Housing & Land	86	From TASK Grade 03 - 16	TK 03 - 16 R 95 412 - R618 528	TASK final outcomes report
I & E	57	From TASK Grade 02 - 14	TK 02 - 14 R 83 340 - R488 076	TASK final outcomes report
MM 's Office	1	TASK Grade 05	TK 05 - R120 900	TASK final outcomes report
Public Health	29	From TASK Grade 02- 11	TK 02 - 11 R 83 340 - R342 120	TASK final outcomes report
Safety & Security	211	From TASK Grade 03 - 14	TK 03- 15 R 95 412 - R488 076	TASK final outcomes report
TOTAL	671			
<i>T 4.6.3</i>				

DISCLOSURES OF FINANCIAL INTERESTS:

The Nelson Mandela Bay Municipality has a system in place, in terms of its Supply Chain Management Policy, that requires all employees, including Councillors, to disclose their business interests (where employees/Councillors, their spouses, their children or parents, supply goods and services to the Municipality, to ensure (in terms of Section 44 of the Supply Chain Management Policy) that no award is made to such person, irrespective of the procurement process followed.

CHAPTER 5

FINANCIAL PERFORMANCE

INTRODUCTION

It is quite challenging to contain inflationary pressures as a number of key cost drivers are influenced and determined by external organisations. Bulk electricity price increases are determined by the National Energy Regulator of South Africa, bulk water price increases are determined by the Department of Water Affairs, and salary increases are influenced by negotiations through the South African Local Government Bargaining Council.

In order to contain certain costs, the Municipality implemented an Operational Efficiency Work plan so as to embed efficiency into its operations. On 23 May 2014, the Council approved the cost containment measures as prescribed by National Treasury. An exercise has been undertaken to incorporate the cost containment measures into the Operational Efficiency Work plan and such report was considered by the Executive Committee, the Mayoral Committee and the Municipal Public Accounts Committee.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial performance highlights, based on the pre-audited results, are as follows:

Financial Performance by Source

Financial Performance:

Actual operating revenue amounted to R7.47 billion, whilst actual operating expenditure amounted to R7.38 billion, resulting in an operating surplus of R91.4

million. The 2013/14 Adjustments Budget for operating revenue amounted to R7.73 billion, whilst operating expenditure amounted to R7.86 billion, resulting in a budgeted deficit of R131.28 million. The operating surplus indicates that the Municipality has recorded an improved performance, compared to the position as anticipated in the 2013/14 Adjustments Budget.

However, the following needs to be noted:

The actual operating revenue was lower than anticipated in the 2013/14 Adjustments Budget, due to the following:

Property Rates Revenue:

Property rates revenue raised, amounted to R1.206 billion, compared to the adjustments budgeted amount of R1.254 billion. This is attributable to actual property rates billed being higher than anticipated. It is, however, important to note that an amount of approximately R65.1 million in respect of ATTP subsidies has been deducted from the actual property rates revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Property Rates Revenue billed was, therefore, approximately R17.1 million more than anticipated.

Electricity Revenue:

Electricity revenue raised, amounted to R2.87 billion, compared to the adjustments budgeted amount of R2.96 billion. This is attributable to actual electricity consumption patterns being lower than anticipated. It is however important to note that an amount of approximately R37.1 million in respect of ATTP subsidies has been deducted from the actual electricity revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Electricity Revenue billed was, therefore, approximately R53.7 million less than anticipated.

Water Revenue

Water revenue raised, amounted to R506.1 million, compared to the adjustments budgeted amount of R498.4 million. This is attributable to actual water consumption patterns being higher than anticipated. It is however important to note that an amount of approximately R68.2 million in respect of ATTP subsidies has been deducted from the actual water revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Water Revenue billed was, therefore, approximately R75.9 million more than anticipated.

Sewerage Revenue

Sewerage revenue raised, amounted to R308.4 million, compared to the adjustments budgeted amount of R343.4 million. This is attributable to actual water consumption patterns being higher than anticipated. It is however important to note that an amount of approximately R59.9 million in respect of ATTP subsidies has been deducted from the actual sewerage revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Sewerage Revenue billed was, therefore, approximately R24.9 million more than anticipated.

Refuse Revenue

Refuse revenue raised, amounted to R124.7 million, compared to the adjustments budgeted amount of R177.1 million. This is attributable to more households being serviced than anticipated. It is however important to note that an amount of approximately R55.1 million in respect of ATTP subsidies has been deducted from the actual refuse revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Refuse Revenue billed was, therefore, approximately R2.7 million more than anticipated.

Property Rates and Services Revenue:

As ATTP subsidies was treated as revenue foregone, it resulted in actual revenue being lower than anticipated. The revenue for property rates, electricity, sanitation and refuse was respectively R48.84 million, R90.86 million, R35.02 million and R52.32 million lower than the adjustments budgeted amounts, whilst water was R7.68 million more than the adjustments budgeted amount.

Property Rates and Services	2014/15 Adjustments Budget (Incl ATTP Subsidies)	Actuals 2013/14 (Excl ATTP Subsidies)	Total	ATTP Subsidies	(Under) / Over Performance
Property Rates	1,254,364,900	1,205,525,500	(48,839,400)	65,149,803	16,310,403
Electricity	2,963,172,710	2,872,308,231	(90,864,479)	37,115,476	(53,749,003)
Water	498,413,720	506,094,564	7,680,844	68,229,978	75,910,822
Sewerage	343,381,380	308,365,172	(35,016,208)	59,883,571	24,867,363
Refuse	177,066,890	124,745,195	(52,321,695)	55,149,936	2,828,241
TOTAL	5,236,399,600	5,017,038,662	(219,360,938)	285,528,764	66,167,826

Rental of facilities and equipment:

The actual revenue amounted to R17.91 million, compared to the adjustments budgeted amount of R21.32 million. This means that an amount of R3.41 million was not charged nor collected. It is evident that strategies to maximise this revenue source has not yielded the desired results.

Fines:

The actual revenue amounted to R12.81 million, compared to the adjustments budgeted amount of R34.50 million. This means that fines were under collected by R21.69 million, or only constituted 39.1% of the 2013/14 Adjustments Budget.

Transfer recognised – operational:

The actual revenue amounted to R1.295 billion, compared to the adjustments budgeted amount of R1.437 billion. This means that an amount of R142 million in respect of transfers could not be recognised as revenue.

The following accounts for this variance:

Housing Top Structures – Only R336.53 million of the adjustments budgeted amount of R397.15 million was received, leaving a balance of R60.62 million not claimed from and/or paid by the Provincial Government. The expenditure incurred, however, was R363.84 million of the adjustments budgeted amount of R397.15 million, leaving a balance of R33.31 million. This net effect indicates that the NMBM experienced a growth of approximately R27.31 million in the outstanding debtors relating to Housing Top Structures during the year. The Housing Revolving Fund's bridge-financing level was R139.1 million as at 30 June 2014, which was slightly lower than the temporary threshold level of R145 million, but still much higher than the determined R100 million threshold.

Public Transport Networks Operations Grant – Only R90.53 million of the adjustments budgeted amount of R100 million was recognised as revenue, leaving an unspent amount of R9.47 million. Upon National Treasury's favourable consideration of the roll-over application, the unspent amount will be included in the 2014/15 Adjustments Budget.

Expanded Public Works Programme – Only R20.93 million of the adjustments budgeted amount of R27.58 million was recognised as revenue, leaving an unspent amount of R6.65 million. Upon National Treasury's favourable consideration of the roll-over application, the unspent amount will be included in the 2014/15 Adjustments Budget.

Infrastructure Skills Development Grant – Only R9.94 million of the adjustments budgeted amount of R10.50 million was recognised as revenue, leaving an unspent amount of R0.56 million. Upon National Treasury's favourable consideration of the

roll-over application, the unspent amount will be included in the 2014/15 Adjustments Budget.

EU Funding – Third Tranche – Only R6.90 million of the adjustments budgeted amount of R12.60 million was recognised as revenue, leaving an unspent amount of R5.70 million. This low level of spending raises concerns about the capacity to manage and implement the EU funded programme.

Housing Accreditation - Only R12.13 million of the adjustments budgeted amount of R20 million was recognised as revenue, leaving an unspent amount of R7.87 million. The unspent amount will be utilised during the 2014/15 financial year.

Integrated City Development Grant – None of the adjustments budgeted amount of R3.19 million was recognised as revenue, leaving an unspent amount of R3.19 million. Upon National Treasury's favourable consideration of the roll-over application in the amount of R3.19 million, it will be included in the 2014/15 Adjustments Budget. The spending of the grant was influenced by uncertainty as to what it may be utilised for. The uncertainty has now been clarified and processes are in place to spend the funds accordingly.

Post Disaster Recovery Grant – R39.31 million of the budgeted amount of R71.96 million was recognised as revenue, leaving an unspent amount of R32.65 million. Upon National Treasury's favourable consideration of the roll-over application, the unspent amount will be included in the 2014/15 Adjustments Budget. The maintenance projects associated with the unspent amount will be completed during the 2014/15 financial year.

Interest earned – External investments was R19.68 million more than the adjustments budgeted amount of R62.9 million. This is attributable to an increased investments portfolio.

Interest earned – Outstanding debtors was R45.66 million more than the adjustments budgeted amount of R171.80 million. This increase is attributable to the escalation in outstanding debtors. The interest raised on outstanding debtors does not necessarily result in a cash inflow for the Municipality.

The actual Operating Expenditure was lower than anticipated in the 2013/14 Adjustments Budget, due to the following:

Employee related costs:

Actual expenditure was R1.76 billion, compared to the adjustments budgeted amount of R1.99 billion, resulting in under-spending of R227.89 million. The under spending is largely attributable to a delay in filling vacancies, whilst the overall level of the Post Retirement Benefits Provision decreased by R113.48 million following an actuarial valuation. The 2013/14 Adjustments Budget included a contribution of R45.1 million towards the Provision. The movement in respect of the Post Retirement Benefits Provision therefore accounted for R158.58 million of the under-spending relating to employee related costs.

Depreciation and asset impairment:

Actual expenditure relating to depreciation was R774.97 million, compared to the adjustments budgeted amount of R816.91 million, resulting in under spending of R71.95 million. Expenditure was lower than anticipated, due to a review of the respective useful lives of the relevant assets.

The impairment in the amount of R640.83 million was a non-cash variance due to the decrease in certain market values of Land and Buildings based on the March 2014 supplementary valuation roll.

Bulk purchases:

Electricity bulk purchases:

Actual expenditure was R2.162 billion, compared to the adjustments budgeted amount of R2.168 billion, resulting under-spending of R6.5 million.

Water bulk purchases:

Actual expenditure was R75.6 million, compared to the adjustments budgeted amount of R81.4 million, resulting under-spending of R5.8 million.

Transfers and grants:

Actual expenditure was R19.6 million, compared to the adjustments budgeted amount of R335.5 million, resulting in under spending of R315.9 million. Grants to indigent consumers (ATTP subsidies) were accounted for as revenue foregone, instead of transfers and grants, resulting in the low expenditure on transfers and grants. The grants to indigent consumers (ATTP subsidies) were R285.5 million only, compared to the adjustments budgeted amount of R310.3 million, due to a reduction in the total number of consumers qualifying for ATTP assistance, following a verification exercise.

Other expenditure matters:

The under spending on General Expenditure is attributable to the lower than anticipated spending on various expenditure items. The following table reflects the significant items that were under spent: -

Item description	2013/14 Adjustments Budget <u>R</u>	Actual <u>R</u>	Under spending <u>R</u>
Top Structures for Houses	397,146,320	363,841,049	33,305,271
Chemicals	59,219,190	38,978,442	20,240,748
Consultants Fees	63,065,900	52,885,803	10,180,097
EU funded Projects	12,603,260	5,356,230	7,247,030
Transport	21825,,170	15,130,719	6,694,451
General Valuation Expensed	6,929,700	920,702	6,008,998
Training	10,102,610	4,376,637	5,725,973
Integrated City Development Grant	3,193,000	0	3,193,000

Conclusion:

Although the NMBM's financial performance has improved, this improvement could be eroded if potential financial risks are not managed and mitigated.

Financial performance by Vote**Revenue as per Appendix K.1****Vote 1: Budget and Treasury**

Property rates revenue raised, amounted to R1.206 billion, compared to the adjustments budgeted amount of R1.254 billion. This is attributable to actual property rates billed being higher than anticipated. It is, however, important to note that an amount of approximately R65.1 million in respect of ATTP subsidies has been deducted from the actual property rates revenue in line with the directive from the Auditor-General. The ATTP subsidies were budgeted for as part of the adjustments budgeted amount. The Property Rates Revenue billed was, therefore, approximately R17.1 million more than anticipated.

Interest earned – External investments were R19.68 million more than the adjustments budgeted amount of R62.9 million. This is attributable to an increased investments portfolio.

Interest earned - Outstanding debtors were R23.1 million more than anticipated in the 2013/14 Adjustments Budget. This is attributable to the escalation in outstanding debtors.

Government Grants and Subsidies was R37.3 million more than anticipated in the 2013/14 Adjustments Budget. The increase is in respect of the equitable share allocation that was not allocated to the other directorates due to reduced ATTP subsidies in respect of free services provided. This does not imply additional revenue for the NMBM, but merely that those directorates will reflect a lower than budgeted revenue allocation as a result of lower ATTP subsidies.

Eastern Cape Provincial Government did not honour the Gazetted Institutional Support Grant in the amount of R1.5 million.

Other Income was R146.3 million more than anticipated in the 2013/14 Adjustments Budget. Fuel levy income in the amount of R3.8 million was not allocated to other directorates, due to lower actual costs incurred by the relevant directorates in respect of fuel levy funded expenditure. This does not imply additional revenue for the NMBM.

Furthermore VAT on Capital Grants required to be recognized as own revenue once claimed from SARS and amounted to R133.1 million, whilst Sundry Income was R10.4 million more than anticipated in the 2013/14 Adjustments Budget.

Operating Expenditure matters:

Employee related costs were R118.5 million less than anticipated in the 2013/14 Adjustments Budget. This is mainly attributable to adjusting the level of the Provision for Post-Retirement Benefits by R104.5 million. The Provision for vacancies in the amount of R16.0 million remained unspent.

Impairment – Receivables was R25.7 million less than anticipated in the 2013/14 Adjustments Budget. The decrease is due to the calculation of the impairment provision on a more scientific basis, despite the growth in outstanding debtors. The debtors' collection rate for 2013/14 was 93.71%, compared to the budgeted debtors' collection rate of 94%.

Depreciation was R45.4 million more than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates. It therefore implies that the cost of depreciation budgeted elsewhere was moved to the Budget and Treasury Directorate.

Grants and Subsidies Paid was R66.4 million less than anticipated in the 2013/14 Adjustments Budget. . It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R65.1 million raised for ATTP

consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. Due to the insistence of the Office of the Auditor-General not to acknowledge the free services that are only allowed for qualifying ATTP consumers that being verified on a continuous basis, the costs was not charged against Grants and subsidies paid, but was off-set against the Property Rates Revenue as revenue foregone.

Vote 2: Public Health

Revenue:

Refuse revenue raised, amounted to R124.7 million, compared to the adjustments budgeted amount of R177.1 million. This is attributable to actual refuse service delivery patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R55.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R55.1 million is provided for in the R177.1 million as per the 2013/14 Adjustments Budget. Therefore the Refuse Revenue billed was approximately R2.7 million more than anticipated.

Interest earned - Outstanding debtors was R8.4 million more than anticipated in the 2013/14 Adjustments Budget. This is attributable to the escalation in outstanding debtors.

Government Grants and Subsidies was R6.2 million more than anticipated in the 2013/14 Adjustments Budget. The increase is due to subsidies received from the Eastern Cape Provincial Health Department to off-set expenditure incurred by the Municipality on their behalf. This revenue was not provided for in the 2013/14 Adjustments Budget allocation.

Operating Expenditure matters:

Employee related costs were R12.0 million more than anticipated in the 2013/14 Adjustments Budget. This is mainly attributable to adjusting the level of the Provision for Post-Retirement Benefits by R15.1 million. The Provision for vacancies in the amount of R6.5 million remained unspent.

Impairment – Receivables was R5.5 million more than anticipated in the 2013/14 Adjustments Budget. The increase is due to the calculation of the impairment provision on a more scientific basis, as well as the growth in outstanding debtors. The debtors' collection rate for 2013/14 was 93.71%, compared to the budgeted debtors' collection rate of 94%.

Depreciation was R194.7 million less than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates. It therefore implies that the cost of depreciation budgeted elsewhere was moved to the Budget and Treasury Directorate. However the Health Assets particularly those related to the clinic functions that was taken over by the Eastern Cape Provincial Health department reduced the the Assets and therefore also the related depreciation applicable to those assets that was handed over.

Grants and Subsidies Paid was R56.8 million less than anticipated in the 2013/14 Adjustments Budget. . It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R54.5 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. Due to the insistence of the Office of the Auditor-General not to acknowledge the free services that are only allowed for qualifying ATTP consumers that being verified on a continuous basis, the costs was not charged against Grants and subsidies paid, but was off-set against the Property Rates Revenue as revenue foregone.

Vote 3: Human Settlements

Revenue:

The Housing Top Structures subsidy allocation was R60.6 million less than anticipated.

Expenditure:

Impairment of PPE was R630.4 million more than anticipated in the 2013/14 Adjustments Budget. The impairment is a non-cash variance due to the decrease in certain market values of Land and Buildings based on the March 2014 supplementary valuation roll.

General expenses: The expenditure on the Top Structures for Houses was R33.3 million less than anticipated in the 2013/14 Adjustments Budget.

Vote 4: Economic Development and Recreational Services

Revenue was R5.7 million less than anticipated, due to the following:

- The budgeted National Lotteries Grant in the amount of R4.7 million was not spent
- The actual expenditure incurred in respect of Fuel Levy funded projects was R3.8 million below budget
- The revenue in respect of the Fresh Produce Market was R2.4 million more than anticipated.

Expenditure:

Depreciation was R18.3 million less than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates.

Operating Levies projects expenditure was R3.6 million less than anticipated.

Vote 5: Corporate Services

Revenue:

Revenue was R3.2 million less than anticipated, mainly due to the LGWSETA funding relating to skills and training programmes in the amount of R4.2 million not being spent.

Expenditure:

Depreciation was R60.1 million less than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates.

Vote 6: Rate and General Engineers

Revenue was R38.1 million less than anticipated. This is mainly due to the underspending on the Post Disaster Reconstruction Grant in the amount of R35.6 million.

Expenditure:

Depreciation was R116.2 million more than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates

Vote 7: Water Services**Revenue:**

Water revenue raised, amounted to R506.1 million, compared to the adjustments budgeted amount of R498.4 million. This is attributable to actual water consumption patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R68.2 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R68.2 million is provided for in the R489.4 million as per the 2013/14 Adjustments Budget. Therefore the Water Revenue billed was approximately R75.9 million more than anticipated.

Expenditure:

- **Employees**

The under spending due to a negative adjustment to the Post Retirement Benefit Provision in the amount of R8.51 million, whilst a contribution in the amount of R8.46 million was provided for resulting in a saving against the original budget in the amount of R16.97 million.

- ***Repairs and Maintenance***

The under spending relates mainly to the Internal Leaks – Indigent in the amount of R6.9 million, Leaks detection in the amount of R14.4 million and repairs and maintenance in the Catchment Management Areas in the amount of R3.9 million. Repairs and Maintenance are in some instances performed on an ad hoc basis as the need arises.

- ***Other***

Grants and Subsidies Paid reflects a saving of R61.9 million. This ‘saving’ is the result of the Auditor-Generals’ instruction to regard the payments made on behalf of the ATTP customers as revenue foregone, in contradiction to what is instructed as per the MFMA Budget Circulars. It also results in that the budgeted revenue which provided for the billed ATTP customers for services used will be higher than the actual revenue presented in the financial statements for Water Services as the R61.9 million would have been deducted from the billed revenue as “revenue foregone”.

Under spending also resulted from lower than anticipated Bulk Water purchases in the amount of R6.7 million, Chemicals used in the amount of R16.9 million, Electricity charges paid in the amount of R6.7 million and Distributions costs recovered in the amount of R11.9 million.

Vote 8: Sanitation Services

Revenue:

Sanitation revenue raised, amounted to R308.4 million, compared to the original and adjustments budgeted amount of R343.4 million. This is attributable to actual sewerage service provided patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R59.9 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R59.9 million is provided for in the R343.4 million as per the 2013/14 Adjustments Budget. Therefore the Sewerage Revenue billed was approximately R24.9 million more than anticipated.

Expenditure:

- ***Employees***

The under spending due to a negative adjustment to the Post Retirement Benefit Provision in the amount of R8.69 million, whilst a contribution in the amount of R4.42 million was provided for resulting in a saving against the original budget in the amount of R13.11 million.

Under spending on expenditure in respect of Temporary Assistance and Provision for Vacancies have resulted in savings in the amounts of R6.2 million and R3.9 million respectively.

- ***Repairs and Maintenance***

The under spending relates mainly to the Plant and Machinery in the amount of R11.8 million and Sewers and Outfalls in the amount of R13.8 million. Repairs and Maintenance are in some instances performed on an ad hoc basis as the need arises.

- ***Other***

Grants and Subsidies Paid reflects a saving of R91.9 million. This 'saving' is the result of the Auditor-Generals' instruction to regard the payments made on behalf of the ATTP customers as revenue foregone, in contradiction to what is instructed as per the MFMA Budget Circulars

Vote 9: Electricity and Energy**Revenue:**

Electricity revenue raised, amounted to R2.87 billion, compared to the adjustments budgeted amount of R2.96 billion and the original budgeted amount of R3.07 billion. This is attributable to actual electricity consumption patterns being lower than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R37.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R37.1 million is provided for in the R2.96 billion as per the 2013/14

Adjustments Budget. Therefore the Electricity Revenue billed was approximately R53.61 million less than anticipated.

Expenditure:

- ***Employees***

The under spending due to a negative adjustment to the Post Retirement Benefit Provision in the amount of R15.63 million, whilst a contribution in the amount of R23.23 million was provided for resulting in a 'saving' against the original budget in the amount of R38.86 million.

- ***Repairs and Maintenance***

The under spending relates mainly to the Plant and Machinery in the amount of R0.78 million, Motor vehicles in the amount of R0.98 million, Control Equipment in the amount of R0.98 million, Underground in the amount of R0.90 million and Substations Equipment in the amount of R0.62 million. Repairs and Maintenance are in some instances performed on an ad hoc basis as the need arises.

- ***Other***

Grants and Subsidies Paid reflects a saving of R40.1 million. This 'saving' is the result of the Auditor-Generals' instruction to regard the payments made on behalf of the ATTP customers as revenue foregone, in contradiction to what is instructed as per the MFMA Budget Circulars.

Purchase of Power reflects a under spending of R41.1 million against the Original Budget. It was however adjusted in the Adjustments Budget to the level required.

Impairment receivables reflected a "saving" of R122.3 million due to a reassessment of the recoverability of outstanding debt from Electricity Debtors. As the probability of recovering most of the outstanding debt is reasonable this reassessment was required.

Vote 10: Executive and Council

Expenditure was R58.1 million less than anticipated, due to the depreciation being R60.7 million lower than anticipated in the 2013/14 Adjustments Budget.

Vote 11: Safety and Security

Revenue was R24.3 million less than anticipated, due to the following:

- Fines were R 22.3 million less than anticipated in the 2013/14 Adjustments Budget.
- Licences and Permits revenue was R1.7 million less than anticipated in the 2013/14 Adjustments Budget.

Expenditure:

Depreciation was R116.2 million more than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates.

Vote 12: Nelson Mandela Bay Stadium

Revenue was R13.5 million less than anticipated, due to the following:

- Events revenue was R13.5 million less than anticipated in the 2013/14 Adjustments Budget

Expenditure was R23.4 million more than anticipated, due to the following:

- Unauthorised expenditure in the amount of R24.9 million was incurred during the 2013/14 financial year, relating to over-expenditure in respect of variable expenses not anticipated in the 2013/14 Adjustments Budget.

Vote 13: Strategic Programmes Directorate

Revenue was R20.7 million less than anticipated in the 2013/14 Adjustments Budget, due to the following:

- The adjustments budgeted EPWP Grant in the amount of R7.6 million was not spent
- The actual expenditure incurred in respect of European Union funded projects was R6.5 million below the adjustments budget
- The actual expenditure incurred in respect of projects funded from the Equitable Share was R3.5 million below the adjustments budget
- In all the above instances revenue is recognized once the conditions have been met and/or expenditure has been incurred.

- Donations and public contributions in the amount of R5.2 million did not materialise as anticipated in the 2013/14 Adjustments Budget.
- VAT claimed back from SARS in respect of DORA grants realised additional revenue in the amount of R2.1 million

Expenditure was R22.8 million less than anticipated in the 2013/14 Adjustments Budget, due to the following:

The under expenditure relates mainly to projects funded by grants that have not been completed and/or commenced with as at 30 June 2014.

Conclusion:

Although the NMBM's financial performance has improved, this improvement could be eroded if potential financial risks are not managed and mitigated.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<u>Financial Performance</u>						
Property rates	1,058,523	1,214,337	1,254,365	1,205,526	-0.73%	-4.05%
Service charges	3,633,274	4,089,228	3,982,035	3,811,513	-7.29%	-4.47%
Investment revenue	68,058	45,740	62,860	83,183	45.01%	24.43%
Transfers recognised - operational	1,270,307	1,119,572	1,438,836	1,295,151	13.56%	-11.09%
Other own revenue	1,025,825	931,002	988,041	1,078,116	13.65%	8.35%
Total Revenue (excluding capital transfers and contributions)	7,055,988	7,399,879	7,726,136	7,473,488	0.98%	-3.38%
Employee costs	1,724,614	1,972,548	1,988,633	1,760,745	-12.03%	-12.94%
Remuneration of councilors	53,010	57,199	56,722	55,572	-2.93%	-2.07%
Depreciation & asset impairment	774,430	885,807	816,913	1,385,795	36.08%	41.05%
Finance charges	201,167	190,534	189,567	190,855	0.17%	0.67%
Materials and bulk purchases	2,652,816	2,829,759	2,865,478	2,724,221	-3.87%	-5.19%

Financial Summary						
R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Transfers and grants	18,783	340,520	335,512	19,631	-1634.57%	-1609.06%
Other expenditure	1,658,659	1,344,545	1,604,593	1,245,248	-7.97%	-28.86%
Total Expenditure	7,083,479	7,620,913	7,857,418	7,382,067	-3.24%	-6.44%
Surplus/(Deficit)	(27,490)	(221,034)	(131,281)	91,421	341.78%	243.60%
Transfers recognised - capital	895,330	709,812	1,194,108	1,027,014	30.89%	-16.27%
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	867,840	488,779	1,062,827	1,118,435	56.30%	4.97%
Share of surplus/ (deficit) of associate	(240)					
Surplus/(Deficit) for the year	867,600	488,779	1,062,827	1,118,435	56.30%	4.97%
<u>Capital expenditure & funds sources</u>						

Financial Summary						
R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Capital expenditure	1,195,870	1,177,277	1,676,127	1,571,112	25.07%	-6.68%
Transfers recognised - capital	895,330	717,512	1,050,217	1,026,453	30.10%	-2.32%
Public contributions & donations	4,410	41,201	49,069	31,988	-28.80%	-53.40%
Borrowing	–	–	–	–		
Internally generated funds	296,130	418,564	576,841	512,671	18.36%	-12.52%
Total sources of capital funds	1,195,870	1,177,277	1,676,127	1,571,112	25.07%	-6.68%
<u>Financial position</u>						
Total current assets	2,640,083	2,056,765	2,262,641	3,208,170	35.89%	29.47%
Total non current assets	13,186,843	13,164,958	13,612,755	13,455,254	2.16%	-1.17%
Total current liabilities	2,320,118	2,005,471	2,103,251	2,287,137	12.32%	8.04%
Total non current liabilities	3,326,729	3,052,419	3,126,983	3,194,945	4.46%	2.13%
Community wealth/Equity	10,180,079	10,163,833	10,645,163	11,181,341	9.10%	4.80%
<u>Cash flows</u>						
Net cash from (used) operating	1,731,434	1,307,169	1,377,222	1,783,931	26.73%	22.80%

Financial Summary						
R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Net cash from (used) investing	(1,268,937)	(1,218,292)	(1,692,956)	(1,656,659)	26.46%	-2.19%
Net cash from (used) financing	(96,595)	(105,159)	(102,224)	(98,535)	-6.72%	-3.74%
Cash/cash equivalents at the year end	1,580,882	998,222	1,162,924	1,609,619	37.98%	27.75%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	1,582,276	998,242	1,162,943	1,609,619	37.98%	27.75%
Application of cash and investments	1,078,634	859,459	811,000	–	#DIV/0!	-
Balance - surplus (shortfall)	503,641	138,783	351,943	1,609,619	91.38%	78.13%
<u>Asset management</u>						
Asset register summary (WDV)	13,155,421	13,113,252	13,580,825	–	#DIV/0!	-
Depreciation & asset impairment	774,430	885,807	816,913	1,385,795	36.08%	41.05%
Renewal of Existing Assets	608,788	726,273	908,060	–	#DIV/0!	-

Financial Summary						
R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Repairs and Maintenance	474,386	537,635	615,574	486,584	-10.49%	-26.51%
<u>Free services</u>						
Cost of Free Basic Services provided	199,474	427,060	351,879	-	-	-
Revenue cost of free services provided	255,300	334,567	334,567	-	-	-
<u>Households below minimum service level</u>						
Water:	-	-	-	-	-	-
Sanitation/sewerage:	29,296	30,202	30,202	-	-	-
Energy:	-	-	-	1	100.00%	100.00%
Refuse:	157,020	97,520	102,136	1	-9751900.00%	-10213500.00%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						<i>T 5.1.1</i>

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<u>Operating Cost</u>					Variance	
Water	(47,262)	(16,266)	(11,990)	(208,959)	92.22%	94.26%
Waste Water (Sanitation)	(77,266)	(79,325)	(72,415)	(100,971)	21.44%	28.28%
Electricity	(266,483)	(316,026)	(272,849)	(330,769)	4.46%	17.51%
Waste Management	(20,560)	(39,019)	(35,654)	(43,607)	10.52%	18.24%
Housing	25,869	53,838	241,995	700,898	92.32%	65.47%
Component A: sub-total	(385,702)	(396,798)	(150,912)	16,592	2491.49%	1009.54%
Waste Water (Stormwater Drainage)	52,205	57,621	53,131	52,983	-8.75%	-0.28%
Roads	138,007	197,538	180,180	276,630	28.59%	34.87%
Transport	3,925	(2,390)	(2,366)	(7,842)	69.53%	69.84%
Component B: sub-total	194,137	252,770	230,945	321,771	21.44%	28.23%
Planning	141,552	157,883	(55,858)	146,792	-7.56%	138.05%
Local Economic Development	154,275	124,250	85,401	134,066	7.32%	36.30%
Component B: sub-total	295,827	282,133	29,543	280,858	-0.45%	89.48%

COMMENT ON FINANCIAL PERFORMANCE:**Water****Revenue:**

Water revenue raised, amounted to R506.1 million, compared to the adjustments budgeted amount of R498.4 million. This is attributable to actual water consumption patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R68.2 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R68.2 million is provided for in the R489.4 million as per the 2013/14 Adjustments Budget. Therefore the Water Revenue billed was approximately R75.9 million more than anticipated.

Expenditure:

- ***Employees***

The under spending due to a negative adjustment to the Post Retirement Benefit Provision in the amount of R8.51 million, whilst a contribution in the amount of R8.46 million was provided for resulting in a saving against the original budget in the amount of R16.97 million.

- ***Repairs and Maintenance***

The under spending relates mainly to the Internal Leaks – Indigent in the amount of R6.9 million, Leaks detection in the amount of R14.4 million and repairs and maintenance in the Catchment Management Areas in the amount of R3.9 million. Repairs and Maintenance are in some instances performed on an ad hoc basis as the need arises.

- ***Other***

Grants and Subsidies Paid reflects a saving of R61.9 million. This 'saving' is the result of the Auditor-Generals' instruction to regard the payments made on behalf of the ATTP customers as revenue foregone, in contradiction to what is instructed as per the MFMA Budget Circulars. It also results in that the budgeted revenue which provided for the billed ATTP customers for services used will be higher than the actual revenue

presented in the financial statements for Water Services as the R61.9 million would have been deducted from the billed revenue as “revenue foregone”.

Under spending also resulted from lower than anticipated Bulk Water purchases in the amount of R6.7 million, Chemicals used in the amount of R16.9 million, Electricity charges paid in the amount of R6.7 million and Distributions costs recovered in the amount of R11.9 million.

Waste Water (Sanitation)

Revenue:

Sanitation revenue raised, amounted to R308.4 million, compared to the original and adjustments budgeted amount of R343.4 million. This is attributable to actual sewerage service provided patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R59.9 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R59.9 million is provided for in the R343.4 million as per the 2013/14 Adjustments Budget. Therefore the Sewerage Revenue billed was approximately R24.9 million more than anticipated.

Expenditure:

- ***Employees***

The under spending due to a negative adjustment to the Post Retirement Benefit Provision in the amount of R8.69 million, whilst a contribution in the amount of R4.42 million was provided for resulting in a saving against the original budget in the amount of R13.11 million.

Under spending on expenditure in respect of Temporary Assistance and Provision for Vacancies have resulted in savings in the amounts of R6.2 million and R3.9 million respectively.

- ***Repairs and Maintenance***

The under spending relates mainly to the Plant and Machinery in the amount of R11.8 million and Sewers and Outfalls in the amount of R13.8 million. Repairs and Maintenance are in some instances performed on an ad hoc basis as the need arises.

- ***Other***

Grants and Subsidies Paid reflects a saving of R91.9 million. This 'saving' is the result of the Auditor-Generals' instruction to regard the payments made on behalf of the ATTP customers as revenue foregone, in contradiction to what is instructed as per the MFMA Budget Circulars

Electricity

Revenue:

Electricity revenue raised, amounted to R2.87 billion, compared to the adjustments budgeted amount of R2.96 billion and the original budgeted amount of R3.07 billion. This is attributable to actual electricity consumption patterns being lower than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R37.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R37.1 million is provided for in the R2.96 billion as per the 2013/14 Adjustments Budget. Therefore the Electricity Revenue billed was approximately R53.61 million less than anticipated.

Expenditure:

- ***Employees***

The under spending due to a negative adjustment to the Post Retirement Benefit Provision in the amount of R15.63 million, whilst a contribution in the amount of R23.23 million was provided for resulting in a 'saving' against the original budget in the amount of R38.86 million.

- ***Repairs and Maintenance***

The under spending relates mainly to the Plant and Machinery in the amount of R0.78 million, Motor vehicles in the amount of R0.98 million, Control Equipment in the amount of R0.98 million, Underground in the amount of R0.90 million and Substations Equipment in the amount of R0.62 million. Repairs and Maintenance are in some instances performed on an ad hoc basis as the need arises.

- **Other**

Grants and Subsidies Paid reflects a saving of R40.1 million. This 'saving' is the result of the Auditor-Generals' instruction to regard the payments made on behalf of the ATTP customers as revenue foregone, in contradiction to what is instructed as per the MFMA Budget Circulars.

Purchase of Power reflects a under spending of R41.1 million against the Original Budget. It was however adjusted in the Adjustments Budget to the level required.

Impairment receivables reflected a "saving" of R122.3 million due to a reassessment of the recoverability of outstanding debt from Electricity Debtors. As the probability of recovering most of the outstanding debt is reasonable this reassessment was required.

Waste management (Refuse)

Revenue:

Refuse revenue raised, amounted to R124.7 million, compared to the adjustments budgeted amount of R177.1 million. This is attributable to actual refuse service delivery patterns being higher than anticipated. It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R55.1 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. The R55.1 million is provided for in the R177.1 million as per the 2013/14 Adjustments Budget. Therefore the Refuse Revenue billed was approximately R2.7 million more than anticipated.

Interest earned - Outstanding debtors was R8.4 million more than anticipated in the 2013/14 Adjustments Budget. This is attributable to the escalation in outstanding debtors.

Government Grants and Subsidies was R6.2 million more than anticipated in the 2013/14 Adjustments Budget. The increase is due to subsidies received from the Eastern Cape Provincial Health Department to off-set expenditure incurred by the Municipality on their behalf. This revenue was not provided for in the 2013/14 Adjustments Budget allocation.

Operating Expenditure matters:

Employee related costs were R12.0 million more than anticipated in the 2013/14 Adjustments Budget. This is mainly attributable to adjusting the level of the Provision for Post-Retirement Benefits by R15.1 million. The Provision for vacancies in the amount of R6.5 million remained unspent.

Impairment – Receivables was R5.5 million more than anticipated in the 2013/14 Adjustments Budget. The increase is due to the calculation of the impairment provision on a more scientific basis, as well as the growth in outstanding debtors. The debtors' collection rate for 2013/14 was 93.71%, compared to the budgeted debtors' collection rate of 94%.

Depreciation was R194.7 million less than anticipated in the 2013/14 Adjustments Budget. The cleansing of the Asset Register resulted in re-allocating Assets and the associated depreciation to the appropriate directorates. It therefore implies that the cost of depreciation budgeted elsewhere was moved to the Budget and Treasury Directorate. However the Health Assets particularly those related to the clinic functions that was taken over by the Eastern Cape Provincial Health department reduced the the Assets and therefore also the related depreciation applicable to those assets that was handed over.

Grants and Subsidies Paid was R56.8 million less than anticipated in the 2013/14 Adjustments Budget. . It is however important to note that the pre-audited annual financial statements has not acknowledge approximately R54.5 million raised for ATTP consumers that are being supported by using the Equitable Share to pay for the free services as allowed in terms of the NMBM ATTP Policy for the qualifying indigent consumers. Due to the insistence of the Office of the Auditor-General not to acknowledge the free services that are only allowed for qualifying ATTP consumers that being verified on a continuous basis, the costs was not charged against Grants and subsidies paid, but was off-set against the Property Rates Revenue as revenue foregone.

5.2 GRANTS

Grant Performance						
R' 000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	1,880,938	1,734,039	2,157,524	2,096,985	-20.93	2.81
Equitable share	729,226	743,325	743,325	742,909	0.06	0.06
Energy Efficiency and Demand Management		8,000	12,000	12,000	-50.00	0.00
EPWP Incentive	9,397	20,885	27,581	20,933	-0.23	24.10
Public Transport Network Operations	–	100,000	100,000	96,932	3.07	3.07
Finance Management	1,250	1,250	1,250	1,250	0.00	0.00
Infrastructure Skills Development Grant	3,800	8,200	10,500	9,940	-21.22	5.34
Intergrated City Development Grant		3,193	3,193	–	100.00	100.00
Municipal Disaster Recovery Grant	–	–	71,961	39,314		45.37
LGSETA	7,117	–	9,006	4,808		46.62
Urban Settlements Development Grant	598,092	727,986	727,986	727,986	0.00	0.00
Public Transport Infrastructure Grant	366,680	–	357,022	357,022		0.00
Neighbourhood Partnership Development Grant	64,062	70,000	39,267	24,483	65.02	37.65
Intergrated National Electrification Grant	15,000	51,200	53,585	53,585	-4.66	0.00
Afcon 2013				5,475		
Water Drought Relief Grant	15,923					
Water Demand Management Grant	58,662					
Disaster Relief Grant	4,999					
Other	6,730					
			848	349		58.84
Provincial Government:	347,930	221,564	429,613	359,589	-62.30	16.30
Housing Subsidy	325,771	206,900	397,146	336,534	-62.66	15.26
Housing Accreditation	9,676	9,352	19,997	12,127	-29.68	39.35
Libraries	3,752	3,752	3,752	3,752	0.00	0.00
Institutional Support		1,500	1,500		100.00	100.00
Vuna Awards		60	60	45	25.49	25.49
Swartkops Monitoring/ DWA			265	265		0.00
Elections			218	218		0.00
SMME - Textile Hub (DEAET)			1,675	1,648		1.60
DRPW (Maintenance Roads)			5,000	5,000		0.00
Health Subsidy	6,231					
Department of Education - Water Leaks	2,500					
District Municipality:	–	–	–	–		

Grant Performance						
R' 000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<i>[insert description]</i>						
Other grant providers:	860	10,345	40,086	21,281	-105.71	46.91
National Lotteries		3,141	5,605	1,132	63.96	79.80
European Funding Grant	413	5,214	31,403	18,436	-253.59	41.29
Marine & Coastal Management	267		766	267		65.21
SALA/ IDA	180	–	470	376		20.06
Groen Sebenza (SANBI)		–	842	71		91.57
Mendi Bottle Store				999		
Other		1,990	1,000		100.00	100.00
<i>[insert description]</i>						
Total Operating Transfers and Grants	2,229,728	1,965,948	2,627,223	2,477,855	-26.04	5.69
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						
						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share allocation was short-paid by National treasury by an amount of R0.42 million due to funds not approved for roll-over purposes.

The following grants were unspent as at 30 June 2014:

Description	Amount (R)
DORA Grants	
Neighbourhood Development Grant	7,134,880
EPWP Grant	6,647,743
Public Transport Networks Operations Grant	9,468,389
Off-Grid Electrification Grant	22,000,000
Post Disaster Recovery Grant	32,646,507
Intergrated City Development Grant	3,193,000

Description	Amount (R)
Infrastructure Skills Development Grant	560,286
	81,650,805
Other Grants	
PHB Subsidies	129,994,741
EU Grant	13,446,128
National Lotteries Grant	5,703,549
NT Accreditation of Municipalities	7,870,175
Vuna Awards	15,294
Other Grants	27,038,458
	184,068,345
Total Unspent Conditional Grants	265,719,150

Applications were submitted to National Treasury for roll-overs to the 2014/15 financial year in respect of all unspent conditional DORA grants. Once approval from National treasury has been obtained, the roll-overs will be incorporated into the 2014/15 Adjustments Budget.

Unauthorised expenditure in the amount of R126,772,961.32 has been incurred on IPTS by spending R439,950,121.36 compared to a budget allocation of R313,177,160. This unauthorized expenditure has impacted negatively on the municipality's cash position.

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Foreign Governments/Development Aid Agencies						
National Lotteries		1,000			n/a	This grant is used to fund Art and Culture programmes
European Funding Grant	32,010				n/a	This Grant is received from the European Union to fund various authorised developmental projects.
Marine & Coastal Management		630			n/a	This grant is used for marine and coastal management
Groen Sebenza (SANBI)		71			n/a	This Grant is used for developing priority skill within a cadre 800 young people
SALA/IDA	699				n/a	
IDC (MBDA)						
ECDC (MBDA)						
Private Sector / Organisations						
T 5.2.3						

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:

COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:

Revenue is recognised against the unspent grant only once the conditions in respect of the grant are met. Spending against the National Lotteries and the European Funding grant remains poor. No spending was incurred against the Off-grid electrification grant as the funding was only transferred to the Municipality during the second half of the 2013/2014 financial year.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset Management is responsible for the coordination of the Asset Management function throughout the Municipality to ensure compliance with S63 of the MFMA 56 of 2003.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Equipment			
Description	Trapped Person Locator			
Asset Type	Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			
Asset Value	Year -3	Year -2	Year -1	Year 0
	39200	58800	78400	98000
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Safety & Security staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
Asset 2				
Name	Spectrophotometer			
Description	Machine Spectrophotometer			
Asset Type	Scientific Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new asset purchases			

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
	Year -3	Year -2	Year -1	Year 0
Asset Value			88833	106600
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Scientific Services Staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
Asset 3				
Name	Machine			
Description	Machine Spectrophotometer			
Asset Type	Scientific Equipment			
Key Staff Involved	Xolisile Tshabangu			
Staff Responsibilities	Updating Asset Register System with new Asset Purchases			
	Year -3	Year -2	Year -1	Year 0
Asset Value		87750	108000	135000
Capital Implications	Capitalised			
Future Purpose of Asset	Use by Scientific Services Staff			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management, Asset Disposal and Asset Loss Control Policies			
T 5.3.2				

COMMENT ON ASSET MANAGEMENT:

Council adopted an Asset Management Policy to provide guidance on the roles and responsibilities of directorates in the management and safekeeping of assets under their control. The Policy also provides capitalization details, as well as depreciation methods of municipal assets. Council further adopted the Asset Disposal Policy to deal with the procedures to be followed on disposal of municipal assets. Asset Management maintains an asset audit system of movable assets to ensure the management and control of municipal assets by various directorates.

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	537,635	615,574	486,584	9%
T 5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

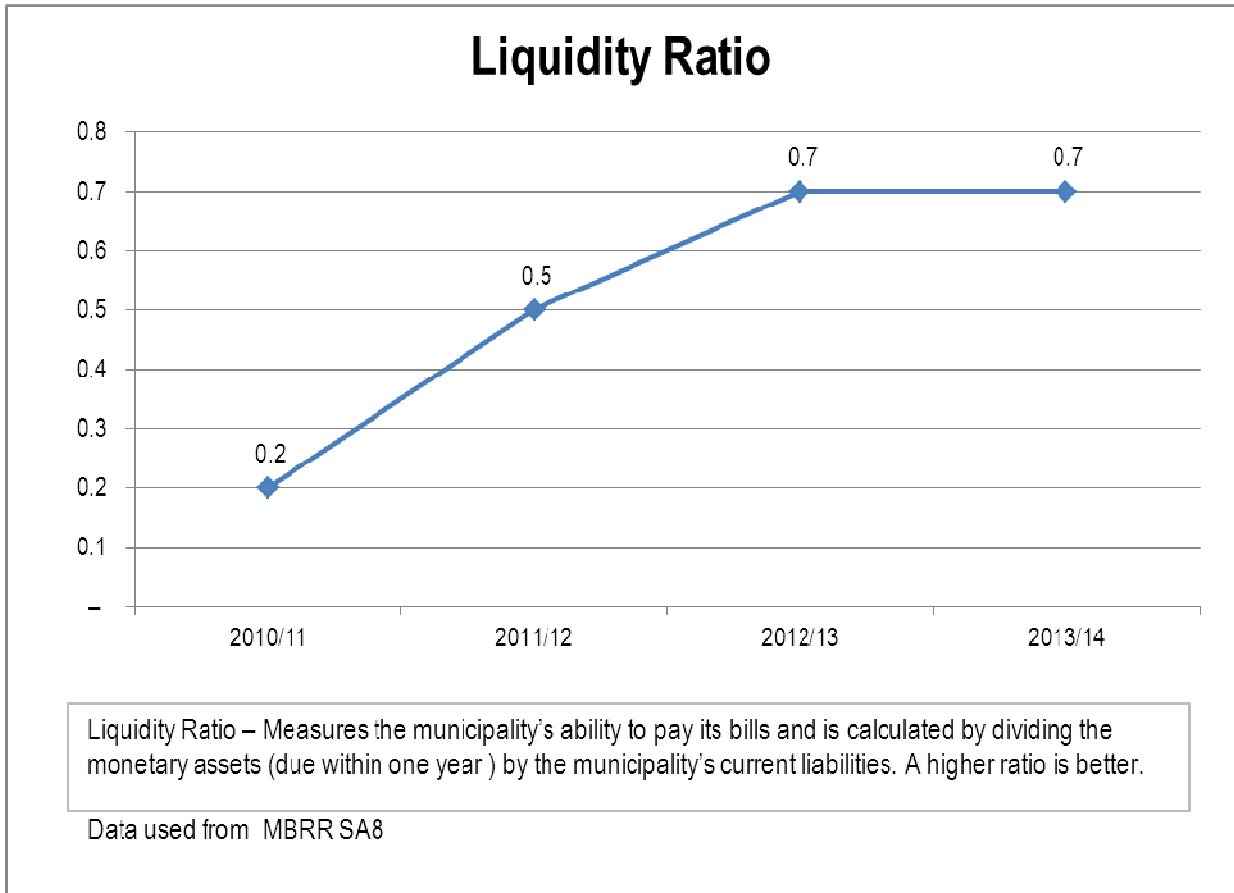
Repairs and maintenance has decreased as a proportion of total expenditure from 7.8% in 2009/10 to 6.7% in the 2013/14 financial year. The spending percentage is influenced by the growth in total expenditure, due to bulk electricity price increases.

The annual growth in the amount spent on repairs and maintenance is as follows:

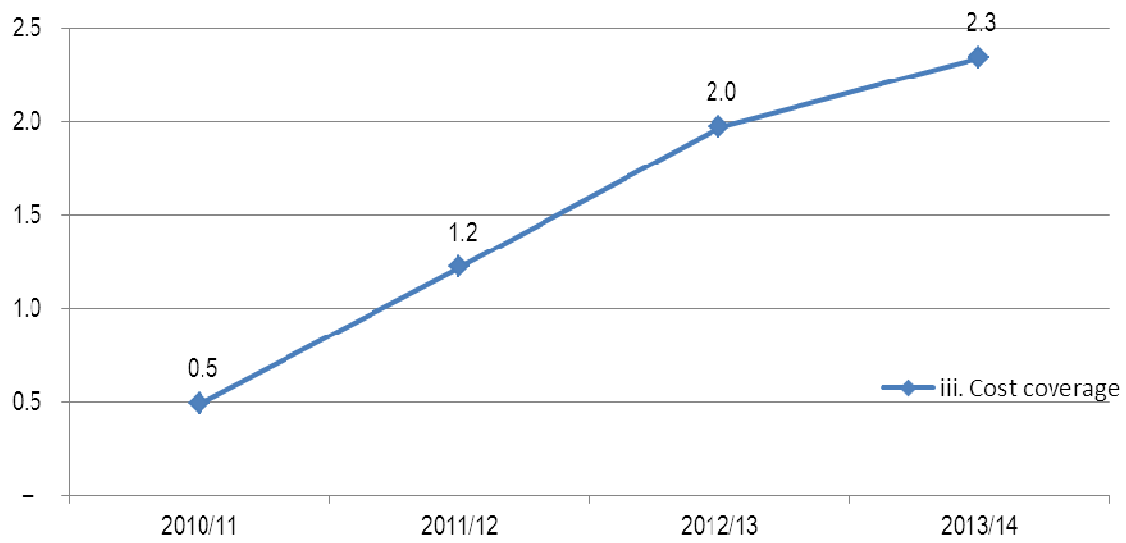
- 2011/12 – 4.37%
- 2012/13 – 8.15%
- 2013/14 – 2.06%

It is the Municipality's intention to increase its repairs and maintenance expenditure on its infrastructure, taking financial affordability considerations into account.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



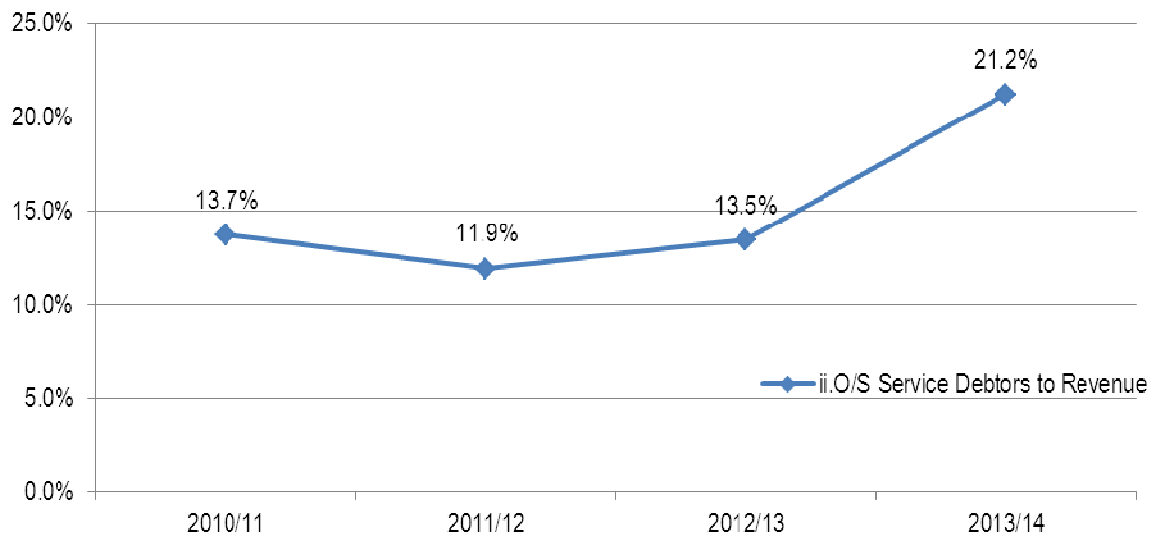
Cost Coverage



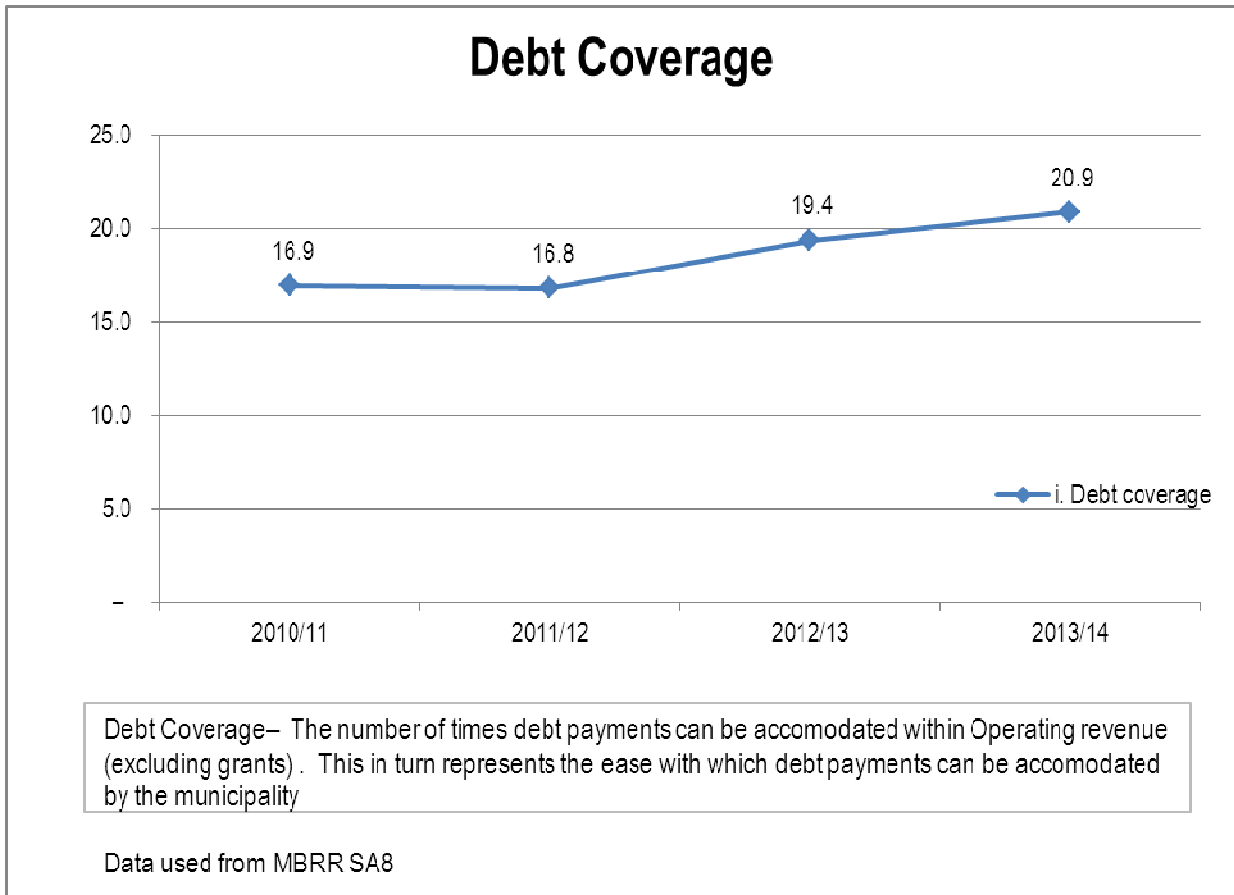
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

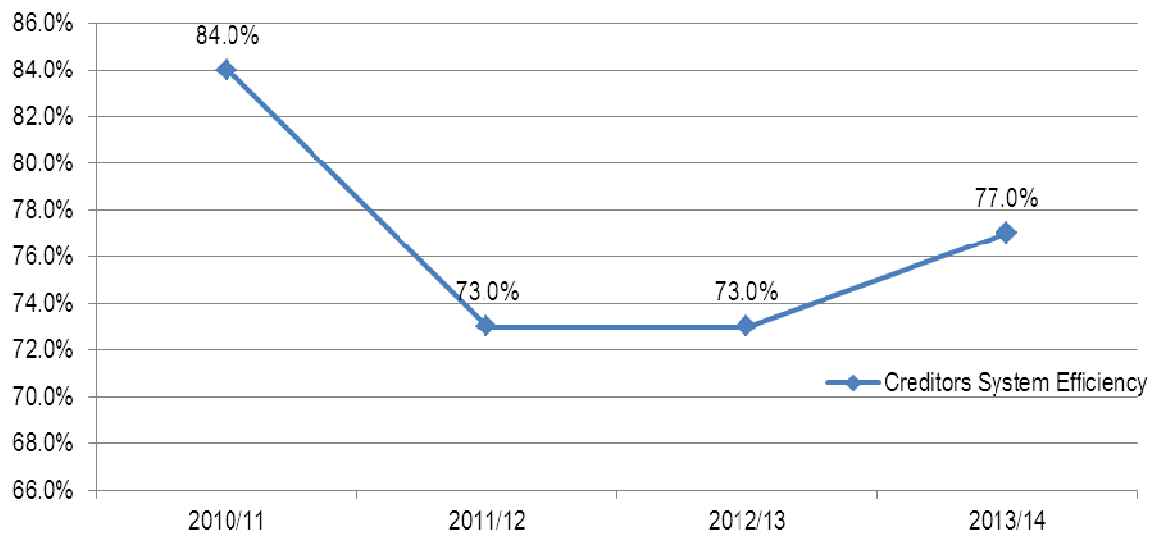
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.



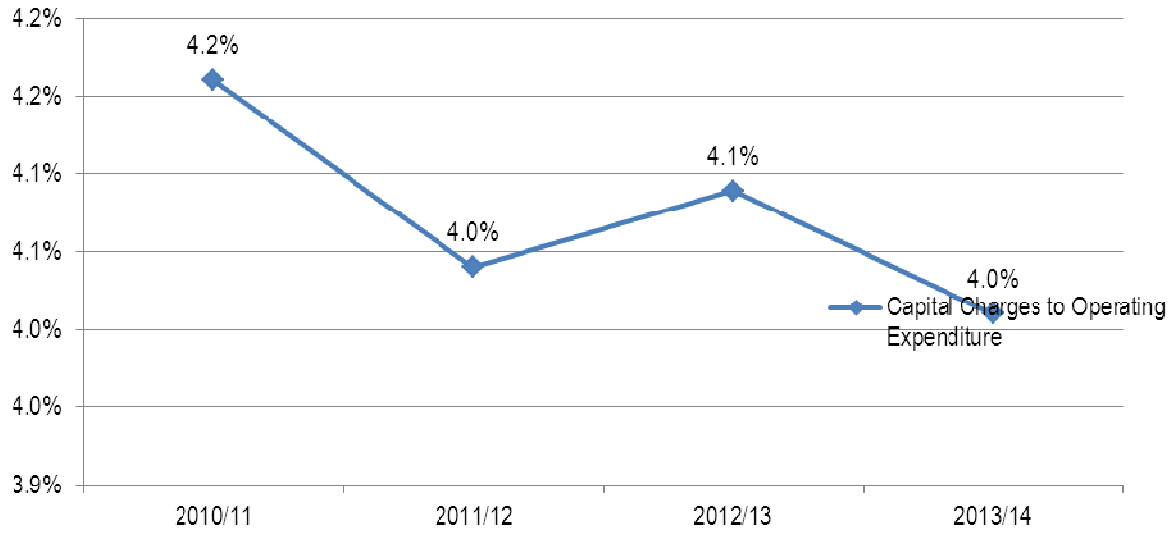
Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

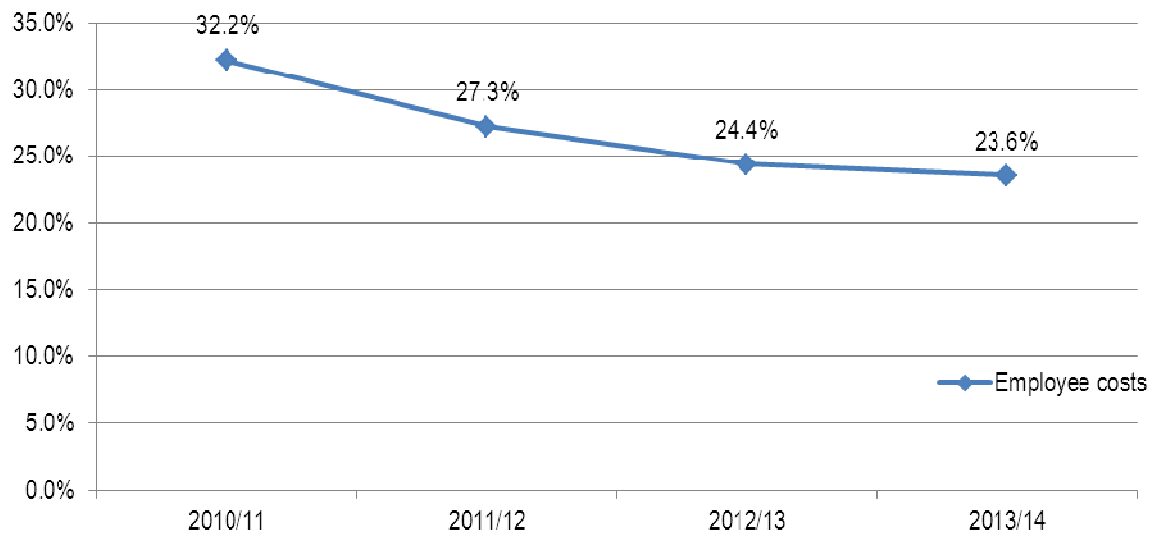
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

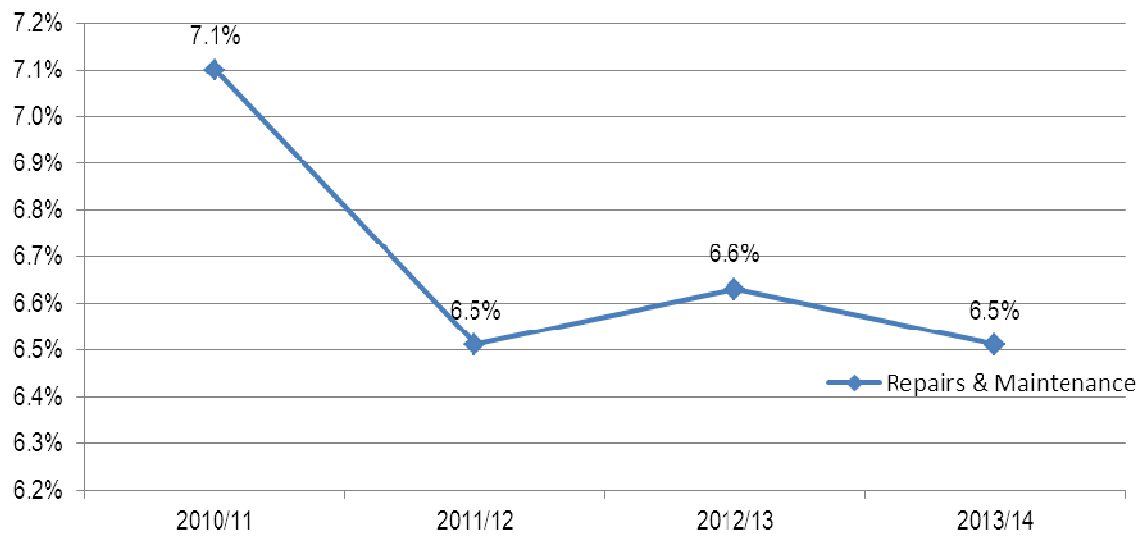
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

COMMENT ON FINANCIAL RATIOS

The comments will focus on the Ratio tables T 5.4.1 to T 5.4.8 as follows:

T5.4.1 Liquidity ratio:

The liquidity ratio reflects the monetary assets, divided by current liabilities. The ratio shows an improvement from 0.2:1 to 0.7:1 from the 2010/11 to the 2013/14 financial years. It indicates that the NMBM is gradually recovering from the cash challenges experienced in the 2010/11 financial year. The NMBM must, however, achieve a ratio of at least a 1:1 to be considered financially sustainable, which will assist in ensuring the required cost coverage ratio of three months.

The main factors influencing the ratio is the improvement in Cash and Cash equivalents, which increased by R1.12 billion from R486.0 million in 2010/11 to R1.61 billion in 2013/14.

T5.4.2 Cost coverage:

The cost coverage ratio closely follows the trends observed in the liquidity ratio. The cash flow challenges experienced during 2010/11 to 2011/12 is clearly reflected in the low ratios of 0.5 months and 1.2 months, respectively.

The ratio however, improved significantly to 2.0 months and 2.3 months respectively, for the 2012/13 and 2013/14 financial years. It is important to note that the unspent conditional grants (cash as at year-end) decreased from R625.8 million in 2012/13 to R478.9 million in 2013/14, which indicates that the cash flow position has improved over the 2012/13 to 2013/14 period.

T5.4.3 Total outstanding Service Debtors:

The ratio increased from 13.7% in 2010/11 to 20.1% in 2013/14. This trend must be viewed with caution. The gross outstanding service debtors increased from R2.209

billion in 2012/13 to R2.661 billion in 2013/14, as a result of the lower debtors' collection rate of 93.72%, compared to the budgeted debtors' collection rate of 94%. This increase occurred despite large amounts of outstanding debts being written off each year.

The provision for doubtful debts had to be adjusted from R1.598 billion in 2012/13 to R1.611 billion in 2013/14. The high provision levels impact on the sustainability of the municipality's financial position, as 72.3% of gross debtors in 2012/13 and 60.5% in 2013/14 are considered to be doubtful. Debt collection must therefore be prioritised to improve the financial sustainability of the Municipality.

T5.4.4 Debt coverage:

The ratio improved positively over the last financial year from 19.4% in 2012/13 to 20.9% in 2013/14. This improvement is attributable to the fact that no external borrowing was raised, since the 2011/12 financial year. In order to ensure financial sustainability over the medium term, the NMBM should not take up any external borrowing for at least the period 2014/15 to 2016/17. Thereafter, external borrowing could possibly be considered for revenue generating assets so as to offset the costs of borrowing.

T5.4.5 Creditors System Efficiency:

A ratio of 77% indicates that the NMBM is not performing at an acceptable level and is therefore not legally compliant. Management reports are prepared on a monthly basis, indicating the total days each directorate takes to process payments from the date of receipt of the invoice. Most directorates exceeded the legislative timeframes of processing payments within 30 days from the date of receipt of the invoice.

This ratio does not reflect the efficiency of the Creditors Section *per se*, but measures the efficiency of the payment process from the date of receipt of the invoice by the each directorate until the processing of the payment through the creditors payment system.

T5.4.6 Capital Charges to Operating Expenditure:

The ratio has decreased from 4.2% in the 2010/11 to 4.0% in 2013/14, and will further decrease over the 2014/15 MTREF, as no external borrowing will be taken up.

T5.4.7 Employee costs

Employee costs as a percentage of operating revenue decreased from 32.2% in the 2010/11 financial year to 23.6% in 2013/14. National Treasury has stated that there is no specific benchmark for employee costs for municipalities, as they operate under different conditions. Considering the current financial position of the NMBM, the target for this ratio should be revisited. Financial pressures such as TASK implementation, the filling of vacancies and the finalisation of the new organisational structure will be significant factors, which must be managed over the 2014/15 MTREF.

T5.4.8 Repairs and Maintenance:

In the last four financial years, the ratio has stabilised between 6% and 7%. Considering the backlog in maintaining infrastructure, it is evident that this ratio should at least be at a 10% level. At this stage, the Municipality's cash position is unable to support a level in excess of 7%. Alternative strategies and/or funding mechanisms must be developed to address the of infrastructure maintenance backlogs. The main risks associated with a low repairs and maintenance ratio is that assets' expected useful lives will decrease, resulting in the earlier replacement of assets, for which inadequate financial capacity exists within the NMBM's current revenue base.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The 2013/14 Capital Budget was funded as follows:

Funding Source	% of Original Budget	% of Adjustments Budget
Grant Funding	75%	77%
Internal Funding	23%	21%
Public Contributions	2%	2%
	100%	100%

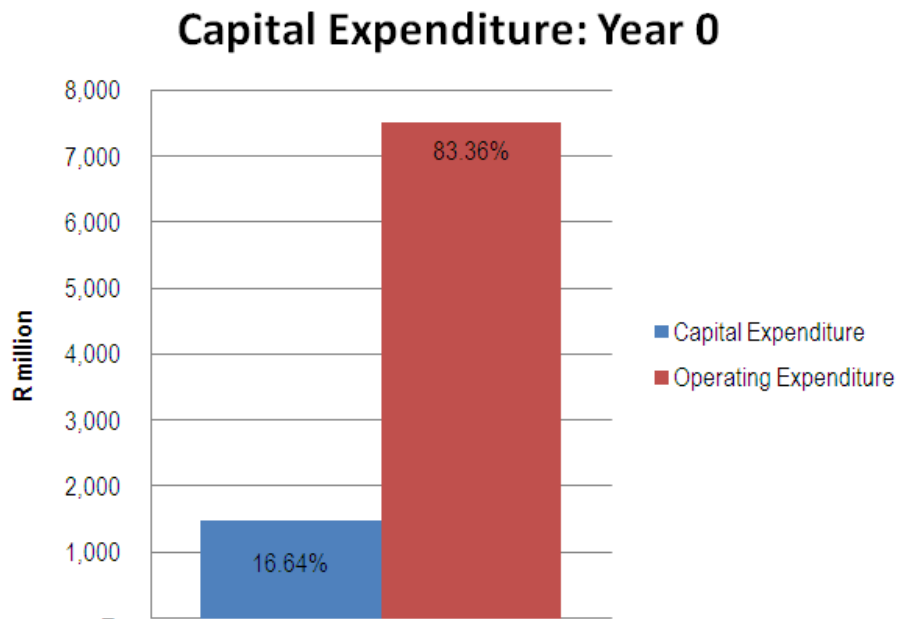
The Municipality fully spent its USDG, NDPG and DME allocations, as well as the Drought Relief Grant rolled over from the previous financial year. Only 61% of the IPTS grant was spent. The under-expenditure is as explained in T.1.4.5.1.

The European Union funds of R11 million brought onto the Adjustments Budget are exclusively for use in the Motherwell area, mainly for the construction of roads.

The five largest projects are as follows:

Project Title	Funding Source	% of Original Budget Allocated	% of Adjustments Budget Allocated
IPTS	Grant Funding – IPTS	9.6%	24%
Nooitgedagt/Coega Low Level System	Grant Funding – Drought Relief Grant	0%	2%
	Grant Funding – USDG	0%	4.2%
	Internal Funding	0%	3%
Tarring of Gravel Roads	Grant Funding – USDG	6%	7%
	Grant Funding – European Union	0%	0.7%
	Internal Funding	1.7%	1%
Pipe Rehabilitation and Improvements to System - General	Grant Funding – USDG	1%	1.3%
Fishwater Flats WWTW Upgrade	Grant Funding – USDG	6.7%	3.6%

5.5 CAPITAL EXPENDITURE



Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
	Public contributions and donations	0.4%	3.6%	3.1%	2.0%	19.6%	-39.0%
	Grants and subsidies	75.0%	62.5%	64.6%	64.4%	45.9%	74.4%
	Other	24.6%	33.8%	32.3%	33.5%	34.5%	64.6%
Capital expenditure							
	Water and sanitation	433,389	435,650	432,244	411,188	-0.78%	-5.62%
	Electricity	126,204	210,557	232,049	94,265	10.21%	-55.23%
	Housing	148,096	165,934	165,766	55,350	-0.10%	-66.64%
	Roads and storm water	356,162	157,099	496,984	318,091	216.35%	102.48%
	Other	129,632	166,044	263,605	692,121	58.76%	316.83%

COMMENT ON SOURCES OF FUNDING:

Public Contributions and Donations – Projects in this category are demand driven and therefore spending follows accordingly.

Grants and Subsidies – IPTS and European Union funding was not recognised in the Original Budget.

Other Finance Sources include Internal Funding

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - IPTS - Integrated Public Transport System	–	313,177	493,950	-	-
B - Fishwater Flats WWTW Upgrade	82,000	79,570	81,799	0%	3%
C - Khayamandi Extension - Installation of Services	58,158	66,906	66,280	-14%	-15%
D - Tarring of Gravel Roads	50,000	71,600	63,331	-27%	-43%
E - Pipe Rehabilitation and Improvements to System	10,000	32,910	43,524	-335%	-229%

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	IPTS - Integrated Public Transport System				
Objective of Project	<ul style="list-style-type: none"> • To provide adequate frequent services for passengers in terms of the national government policy. • To ensure a more reliable service through the operations of monitored services. • To eliminate the uncertainty inherent in non-contracted services and remove duplication and inefficiencies. 				
Delays	<ul style="list-style-type: none"> • Phase 1 Cleary Park infrastructure development. • Conclusion & signing of Memorandum of Agreement with bus & taxi operators. • Phase 1 Cleary Park affected operator compensation negotiations. • Phase 1 Cleary Park 12 years operational contract negotiations and implementations. 				

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Future Challenges	<ul style="list-style-type: none"> • Budget availability for further infrastructure development. • Transforming the informal taxi industry to a formal Vehicle Operating Companies (VOC's). • Compensation and operational contract negotiation. • Creation of employment opportunities for all those affected by the IPTS including the rank marshals, drivers, assistants etc... • Dealing with SMME's during infrastructure development. 				
Anticipated citizen benefits	Efficient, safe, affordable, sustainable and accessible multi-modal public transport system that supports social and economic development to ensure optimal mobility and improved quality of life for the residents and users of the transport system in the metropolitan area.				
Name of Project - B	Fishwater Flats WWTW Upgrade				
Objective of Project	To upgrade the capacity from 135 to 165MI/day and improve the treatment process to the latest technology.				
Delays	SMME challenges				
Future Challenges	Budget constraints				
Anticipated citizen benefits	Water borne Sanitation system including flushing toilet				
Name of Project - C	Khayamandi Extension - Installation of Services				
Objective of Project	Eradication of buckets and to reduce the housing backlog.				

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Delays	SMME project stoppages & community stoppages.				
Future Challenges	Insufficient budget to meet objectives.				
Anticipated citizen benefits	Upliftment of residential areas.				
Name of Project - D	Tarring of Gravel Roads				
Objective of Project	To eliminate the huge tarring backlog in the Metro with emphasis on previously disadvantaged areas.				
Delays	SMME project stoppages & community stoppages.				
Future Challenges	Insufficient budget to meet objectives.				
Anticipated citizen benefits	Upliftment of residential areas				
Name of Project - E	Pipe Rehabilitation and Improvements to System				
Objective of Project	Rehabilitation of bulk and network water pipelines through the use of tri annual tenders				
Delays	SMME challenges				
Future Challenges	Budget constraints				
Anticipated citizen benefits	Potable water being provided at each and every household				
<i>T 5.7.1</i>					

COMMENT ON CAPITAL PROJECTS

The increase in the IPTS Adjustments Budget is as a result of the roll-over of the IPTS Grant being approved by National Treasury. Future funding is dependent on the DORA allocation, as this project is grant funded.

The Adjustments Budget for Tarring of Gravel Roads was increased due to the European Union Grant that was received in respect of the construction of roads in Motherwell. Further budget amendments were also approved in the Adjustments Budget related to this project. Future budget requirements will be determined by ward priorities.

Fishwater Flats Waste Water Treatment Works – The budget for this project was decreased as it became evident that contracts would not be able to be awarded, due to challenges in the Supply Chain Management Committee System, in order for construction to commence before 30 June 2013.

Pipe Rehabilitation and Improvements to System – General – Hotspots for Pipe Rehabilitation were identified, based on condition assessments and pipe burst incidence reports. These rehabilitation projects, once identified and prioritized, required additional budget allocation to ensure continuous potable water supply.

Khayamnandi – This project entails the instlllation of services in Khayamnandi Ext for 7925 sites in 10 phases.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

GROWTH AND MAINTENANCE/HISTORICAL BACKLOGS

Maintenance comprises two components: operational maintenance and capital maintenance backlogs. The Municipality aims to eliminate backlogs over a ten-year period.

Comprehensive studies have been undertaken to quantify the institutional backlogs. Based on the findings, large portions of the Municipality's Capital Budget have been allocated to maintenance backlogs. The extent of the capital backlog is summarised below:

BACKLOGS AND ASSOCIATED BUDGET IMPLICATIONS

Operating Budget Requirements	Total Operational Maintenance Backlog	Annual Requirement to eliminate Backlog	Operating Budget 2013/14	Operating Budget 2014/15	Operating Budget 2015/16	Operating Budget 2016/17
Water	627,816,695	125,563,339	135,171,940	155,285,970	167,681,090	181,065,300
Water Pump Stations	23,372,730	4,674,546	19,684,550	22,185,260	23,959,990	25,875,830
Water Reticulation	510,270,769	102,054,154	84,261,580	93,264,130	100,745,080	108,823,290
Water Treatment Works	57,295,705	11,459,141	8,214,640	14,484,750	15,637,770	16,882,690
Reservoirs, Water Towers, Break Pressure Tanks	21,519,671	4,303,934	507,900	507,900	507,900	507,900
Dams	2,408,320	481,664	5,272,910	6,180,100	6,673,370	7,206,030
Bulk Water Supply Mains	12,949,500	2,589,900	17,230,360	18,663,830	20,156,980	21,769,560
Sanitation	561,579,562	112,315,912	144,663,610	157,607,930	172,064,880	185,644,310
Waste Water Treatment Works	142,752,104	28,550,421	24,586,030	27,395,390	29,270,030	31,169,000
Sewerage Pump Stations	29,725,320	5,945,064	29,142,130	32,469,140	37,234,050	40,471,970
Sewerage Network	389,102,138	77,820,428	90,935,450	97,743,400	105,560,800	114,003,340
Road & Stormwater	142,000,000	28,400,000	101,072,820	113,104,110	114,590,640	121,466,350
Subsidised Roads	17,000,000	3,400,000	6,092,780	11,458,360	6,845,880	7,256,660
Non-Subsidised Roads	74,000,000	14,800,000	44,549,450	47,105,860	49,932,240	52,928,210
Maintenance of Stormwater Facilities	51,000,000	10,200,000	50,430,590	54,539,890	57,812,520	61,281,480
Electricity and Energy	600,000,000	120,000,000	48,245,870	53,544,030	57,562,050	62,120,610
Distribution Network Assets	600,000,000	120,000,000	48,245,870	53,544,030	57,562,050	62,120,610
TOTAL	1,931,396,257	386,279,251	429,154,240	479,542,040	511,898,660	550,296,570

Capital Budget Requirements	Total Capital Refurbishment Backlog	Annual Requirement to eliminate Backlog	Capital Budget 2014/15	Capital Budget 2015/16	Capital Budget 2016/17
Water	627,816,695	125,563,339	75,900,000	73,400,000	71,500,000
Water Pump Stations	23,372,730	4,674,546	3,000,000	10,000,000	5,000,000
Water Reticulation	510,270,769	102,054,154	29,000,000	25,000,000	34,000,000
Water Treatment Works	57,295,705	11,459,141	25,000,000	18,000,000	13,000,000
Reservoirs, Water Towers, Break Pressure Tanks	21,519,671	4,303,934	7,400,000	9,400,000	8,500,000
Dams	2,408,320	481,664	2,500,000	2,000,000	2,000,000
Bulk Water Supply Mains	12,949,500	2,589,900	9,000,000	9,000,000	9,000,000
Sanitation	561,579,562	112,315,912	35,700,000	41,900,000	47,500,000
Waste Water Treatment Works	142,752,104	28,550,421	23,600,000	28,400,000	30,400,000
Sewerage Pump Stations	29,725,320	5,945,064	-	-	-
Sewerage Network	389,102,138	77,820,428	12,100,000	13,500,000	17,100,000
Roads and Stormwater	2,192,000,000	438,400,000	101,750,000	116,781,969	122,600,000
Rehabilitation of Tar Roads and Tarring of Gravel Roads	1,476,000,000	295,200,000	57,800,000	57,000,000	81,500,000
Resurfacing of Subsidised Tar Roads	69,000,000	13,800,000	2,500,000	2,500,000	2,500,000
Resurfacing of Non-Subsidised Tar Roads	158,000,000	31,600,000	4,000,000	4,000,000	4,000,000
Rehabilitation of Stormwater Facilities	133,000,000	26,600,000	34,950,000	51,281,969	31,600,000
Bridges and Culverts	356,000,000	71,200,000	2,500,000	2,000,000	3,000,000
Electricity and Energy	514,435,000	102,887,000	50,000,000	51,045,800	46,666,600
Major Substations	45,935,000	9,187,000	13,000,000	15,000,000	15,000,000
Distribution Substations	277,000,000	55,400,000	23,000,000	20,000,000	17,000,000
Line refurbishment	191,500,000	38,300,000	14,000,000	16,045,800	14,666,600
TOTAL	3,895,831,257	779,166,251	263,350,000	283,127,769	288,266,600

Urban Settlements Development Grant Expenditure Year 0 (2013/14) on Service Backlogs					
R000					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Infrastructure - Road transport				%	%
Roads, Stormwater & Transportation	50,000,000	64,227,488	64,227,469.83	22%	0%
Infrastructure – Water					
Water service	179,650,000	178,397,400	178,397,334.91	0,7%	0%
Infrastructure – Sanitation					
Sanitation Service	243,000,000	224,698,222	224,262,039.22	8,3%	0%
Other Specify:					
Human Settlements – Services	165,934,210	171,261,100	171,758,447.70	3,3%	0,1%
Conditional Grant Funding - VAT Portion (ito NT Circulars 58 and 59)	89,401,790	89,401,790	89,340,708.34		
Total	727,986,000	727,986,000	727,986,000.00	0%	0%
<i>T 5.8.3</i>					

COMMENT ON BACKLOGS:

Like all other South African municipalities, the Nelson Mandela Bay Municipality is challenged with the eradication of major service delivery backlogs inherited from the previous dispensation in the face of inadequate funding to complete this mammoth task.

While the institution has gradually increased its budgetary spending on the eradication of backlogs in the maintenance of critical infrastructure, it is clear that additional funding is required from external sources for this purpose.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT

NMBM had a major cash flow challenge during the period 2010/11 to 2011/12 and had introduced daily cash flow management. Cash flow is determined from historic trends and assumptions in respect of over flow of expenditure from one year to another are determined. Therefore payments to be accrued for example to the 2012/13 year budget, but are paid during the 2013/14 year are taken into account in determining the cash flow for the 2013/14 financial year. At the same time an estimation is made of what portion of the 2013/14 budget will only be paid in the 2014/15 year for services rendered and goods received in the 2013/14 financial year. This differs from the national Treasury approach to only take into account the budget year for determining cash flow. Especially in the case of capital expenditure where the budget may materially differ from one year to another the NMBM methodology is more secure especially in a cash challenge situation.

NMBM determine the actual cash flow for each expenditure and revenue category. Non-cash line items and categories are eliminated where appropriate. Further NMBM do not include the value budgeted for interest on outstanding debtors as this revenue source normally exists of long outstanding debts which are regarded as doubtful and therefore limited possibility of being converted into cash.

Cash flow in respect of the statement of financial position such as provisions (Post retirement benefits) and creditors (Provision for leave pay) are also taken into consideration when determining cash flow

NMBM plans its investment around the cash needs of the NMBM. Take into consideration when revenue is due in respect of all revenue categories. The same applies to capital expenditure and the operational categories.

The cost coverage are being managed and calculated monthly to determine whether risk indicators are present.

All cash available are invested in accordance with the Cash and investments policy of Council.

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	4,975,632	5,496,481	5,515,418	5,018,702
Government - operating	1,270,307	1,106,417	1,374,048	1,505,562
Government - capital	895,330	809,186	900,386	920,097
Interest	68,224	45,240	62,610	82,938
Dividends				
Payments				
Suppliers and employees	(5,268,787)	(5,934,034)	(6,257,635)	(5,528,281)
Finance charges	(205,274)	(190,534)	(191,198)	(192,715)
Transfers and Grants	(15,118)	(25,587)	(26,407)	(22,372)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,720,314	1,307,169	1,377,222	1,783,931

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	–			19,819
Decrease (increase) in non-current investments				
Payments				
Capital assets	(1,267,597)	(1,218,292)	(1,692,956)	(1,676,478)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,267,596)	(1,218,292)	(1,692,956)	(1,656,659)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits	9,779		2,935	6,624
Payments				
Repayment of borrowing	(96,595)	(105,159)	(105,159)	(105,159)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(86,815)	(105,159)	(102,224)	(98,535)
NET INCREASE/ (DECREASE) IN CASH HELD	365,903	(16,282)	(417,958)	28,737
Cash/cash equivalents at the year begin:	1,214,979	1,014,504	1,580,882	1,580,882
Cash/cash equivalents at the year end:	1,580,883	998,222	1,162,924	1,609,619
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

COMMENT ON CASH FLOW OUTCOMES:

Cash and cash equivalents at year-end increased from a relatively low level of R427.66 million in 2010/11 to R 1.61 billion in the 2013/14 financial year.

Components of the Cash Flow outcomes:

Cash flow from operating activities

Revenue from Services did not increase at the same rate as the tariff increases over the last three financial years due to a reduced consumption levels. Furthermore, the actual debtors' collection rate was 93.71%, compared to the budgeted collection rate of 94%.

Due to the investment port folio being boosted once again with Unspent Conditional Grants (IPTs) not being fully spent interest earned was approximately R19.7 million more than anticipated in the 2013/14 Adjustments Budget.

Finance charges was lower than anticipated.

Operating grants was higher than anticipated due to Housing Top Structure Grant Funding being received or claimed from the Eastern Cape Provincial Government.

Cash flows from Investing Activities

Consists mainly of the acquisition and the creation of assets. Capital payments were lower than anticipated, as all the DORA Grant funding was not spent as at 30 June 2014.

Cash flows from Financing Activities

Consists mainly of the repayment of external borrowing, which continues to decrease as no borrowing is anticipated over the 2014/15 MTREF.

Cash and cash equivalents increased from R1.58 billion in 2012/13 to R1,61 billion in 2013/14. The increase in 2013/14 only amounted to R28.7 million, compared to R365.9 million in the 2012/13 financial year. It is however important to note that unspent conditional grants decreased from R364.7 million in 2012/13 to R265.7 million in 2013/14.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowing:

The level of borrowing has reached above the optimum affordability level for the NMBM and therefore no borrowing was taken up since the 2009/10 financial year. No further borrowing will be taken up during the 2014/15 MTREF.

Investments:

Investments are made on a short term (3 months or less depending on cash flow level) basis and in terms of the Cash management and Investment Policy. The available cash are invested at various financial institutions and consist of only bankdeposits.

Actual Borrowings: Year -2 to Year 0			
R' 000			
Instrument	Year -2	Year -1	Year 0
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)	1,811,802	1,702,216	1,563,357
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			

Actual Borrowings: Year -2 to Year 0			
R' 000			
Instrument	Year -2	Year -1	Year 0
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	1,811,802	1,702,216	1,563,357
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			<i>T 5.10.2</i>

Municipal and Entity Investments
R' 000

Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	428,805	1,520,229	1,551,557
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other		1,882	2,527
Municipality sub-total	428,805	1,522,111	1,554,084
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank		60,652	58,061
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	60,652	58,061
Consolidated total:	428,805	1,582,763	1,612,145
			<i>T 5.10.4</i>

COMMENT ON BORROWING AND INVESTMENTS:

The NMBM Investments portfolio consists mainly of bank deposits at various financial institutions.

Since the 2009/10 financial year, no borrowing has been taken up, with no further borrowing planned over the 2014/15 MTREF in view of financial affordability considerations.

The municipality does not have any short borrowing and / or bank overdraft.

No borrowing has been made by the Municipality to other Municipalities, Municipal entities, other organizations or governmental institutions.

5.11 PUBLIC PRIVATE PARTNERSHIPS

The Nelson Mandela Bay Municipality had no Public Private Partnerships during the review period.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

Three officials (3) within Supply Chain Management have reached the Minimum Competency Requirements. However, Thirteen (13) officials are currently busy with the Unit Standards. Remarks were made by the Auditor-General in the previous Audit about the state of document management in SCM, which led to the qualified audit. However, an action plan was developed and the issue of staff shortage within the Contracts Management Division is being addressed. Funded and vacant positions are currently being filled as follows:

- Senior Director post, filled w.e.f. 01 September 2014
- Contracts Controller post filled w.e.f 1 October 2013
- Contracts Clerk post filled w.e.f 1 October 2013
- Buyer post filled w.e.f 01 August 2014
- Two Procurement Officers posts filled w.e.f 01 September 2014
- Two Contracts Clerks posts filled w.e.f 01 September 2014
- Two Senior Compliance Clerks posts filled w.e.f 01 August 2014
- Two Demand Clerks posts filed w.e.f. 01 July 2014
- Data Capturer post filled w.e.f 02 January 2014
- Two Stores Assistant posts filled w.e.f. 01 August 2013
- Store Keeper post filled w.e.f 01 September 2014
- Two Stores Assistants posts filled w.e.f 01 September 2014
- Data Capturer post filled w.e.f 01 September 2014

5.13 GRAP COMPLIANCE

The Municipality has implemented all GRAP requirements and has since the 2008/09 financial year not received any audit qualification based on GRAP non-compliance. The Accounting policies to the financial statement states that the Annual Financial Statements have been prepared in accordance with GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the MFMA. In addition, the financial statements include mandatory disclosures in accordance with the MFMA and related regulations.

CHAPTER 6

AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

The Nelson Mandela Bay Municipality produces an Annual Report and Financial Statements on an annual basis, which are then submitted to the Auditor-General for auditing purposes. Once the Auditor-General's Audit Report is received by the institution, an Action Plan is developed to address the audit findings raised by the Auditor-General.

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS (YEAR -1)

6.1 AUDITOR-GENERAL'S REPORT: YEAR -1 (2012/13)

Auditor-General Report on Financial Performance Year -1*	
Status of audit report:	Qualified audit opinion.
Non-Compliance Issues	Remedial Action Taken
The Municipality did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year as required by S125(2)(d)(i) of the MFMA. The irregular expenditure disclosed in Notes 44 and 44.2 to the consolidated and separate financial statements is understated in respect of amounts of R935,4 million (2012: R554 million) incurred during the year, which were identified by the audit process, while the opening balance for 2011/12 is also understated by R710 million in this regard. Due to the lack of systems and non-availability of sufficient appropriate audit evidence for all awards, the Auditor-General was unable to determine the full extent of the understatement of irregular expenditure included in the unauthorised, irregular, fruitless and wasteful expenditure balance of R869,7 million (2012: R716,5 million) in Note 44.	<p>INTERNAL AUDIT COMMENT: Internal Audit is aware that the City Manager has delegated the task of, <i>inter alia</i>, evaluating and monitoring the Section 32 reports to the Acting Chief Financial Officer, whose office is in the process of evaluating the Section 32 reports and analysing the process flow of such reporting.</p> <p>Internal Audit anticipates that the abovementioned process will be followed with proper responsibility allocation/clarification, to <i>inter alia</i>, centralise the reporting mechanisms. This will be necessary as various roleplayers, including the Office of the Auditor-General, contributes to the disclosed items and values.</p> <p>BUDGET & TREASURY COMMENT: The task of reviewing all Section 32 Reports as received by the City Manager's Office was delegated by the City Manager to the CFO with effect from 7 October 2013. The CFO's Office has commenced with the development of a database of all received Section 32 reports. This information is then provided to the B & T Section responsible for the Annual Financial</p>

Auditor-General Report on Financial Performance Year -1*	
Status of audit report:	Qualified audit opinion.
Non-Compliance Issues	Remedial Action Taken
	<p>Statements to ensure the disclosure thereof as well as <i>pro forma</i> reconciliation between the received Section 32 reports and the value as recorded in the Annual Financial Statements. Further meetings between the offices of the City Manager; Internal Audit; Budget & Treasury and Municipal Information Systems are planned with the purpose of designing a record keeping system that incorporates the various roles and responsibilities to identify and disclose all Irregular Expenditure.</p> <p>SCM COMMENT: The purchasing controller monitors irregular expenditure based on requisitions received at the SCM Unit. A monthly report is then submitted to the CFO.</p>
Auditor-General Report on Service Delivery Performance: Year -1*	
Audit Report Status:	There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Internal Audit has noted that the City Manager delegated the responsibility of ensuring compliance with MFMA Section 32 reporting to the Director: Expenditure and Financial Control, the processes of which were developed during the 2013/14 financial year.

COMPONENT B: AUDITOR-GENERAL OPINION: YEAR 0

6.2 AUDITOR-GENERAL'S REPORT: YEAR 0 (2013/14)

To be inserted upon receipt of the Audit Report from the Auditor-General.

6.2.1 AUDITOR-GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0 (2013/14)

To be inserted upon receipt of the Audit Report from the Auditor-General.

6.2.2 COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0 (2013/14):

RESPONSE TO THE AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

To be inserted upon receipt of the Audit Report from the Auditor-General.

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
NB Fihla	FT	Executive Mayor			
TH Ngcolomba	FT	Deputy Executive Mayor			
ME Hermans	FT	Speaker			
ZJ Seale	FT	Chief Whip			
F Desi	FT	Constituency Co-ordination		82%	70%
B Naran	FT	Budget & Treasury Committee	ANC		
XS Banga	PT	Budget & Treasury Committee	ANC		
AP Dashwood	PT	Budget & Treasury Committee	DA		
S Rwexwana	PT	Budget & Treasury Committee	DA		
LJ DeVilliers	PT	Budget & Treasury Committee	DA		
M Feni	PT	Budget & Treasury Committee	ANC		
DA Hayselden	PT	Budget & Treasury Committee	DA		
JS Lindoor	PT	Budget & Treasury Committee	DA		
JN Mapu	PT	Budget & Treasury Committee	ANC		
KG Ntshanyana	PT	Budget & Treasury Committee	COPE		

R Odendaal	PT	Budget & Treasury Committee	DA		
RN Tontsi	PT	Budget & Treasury Committee	ANC		
WM Vaaltyn	PT	Budget & Treasury Committee	ANC		
MF Vena	PT	Budget & Treasury Committee	ANC		
B Lobishe	FT	Economic Development, Tourism and Agriculture	ANC	80%	65%
BD Kivedo	PT	Economic Development, Tourism and Agriculture	DA		
LM Dano	PT	Economic Development, Tourism and Agriculture	ANC		
VG Dyantyi	PT	Economic Development, Tourism and Agriculture	ANC		
ME Jarvis	PT	Economic Development, Tourism and Agriculture	DA		
D Lennard	PT	Economic Development, Tourism and Agriculture	DA		
ZW Jodwana	PT	Economic Development, Tourism and Agriculture	ANC		
BN Mafaya	PT	Economic Development, Tourism and Agriculture	ANC		
NS Magwaca	PT	Economic Development, Tourism and Agriculture	COPE		
MCC Roberts	PT	Economic Development, Tourism and Agriculture	DA		
FT Sibeko	PT	Economic Development, Tourism and Agriculture	ANC		
RH Nylde	PT	Economic Development, Tourism and Agriculture	DA		
PM Ndlovu	FT	Public Health	ANC	81%	75%
MN Booi	PT	Public Health	ANC		
D Buintjies	PT	Public Health	ANC		
ML Bungane	PT	Public Health	ANC		
ME Bobani	PT	Public Health	UDM		
T Gana	PT	Public Health	ANC		
H Muller	PT	Public Health	DA		
K Kohl	PT	Public Health	DA		
BA Matthee	PT	Public Health	DA		

NJ Mhlobiso	PT	Public Health	ANC		
L Mlomo	PT	Public Health	COPE		
NJ Quluba	PT	Public Health	ANC		
SL Sauls	PT	Public Health	DA		
E Tshazibane	PT	Public Health	DA		
FA van de Linde	PT	Public Health	DA		
Vacancy	FT	Human Settlements	ANC	75%	51%
S Baartman	PT	Human Settlements	ANC		
NC Benya	PT	Human Settlements	ANC		
AB Gibbon	PT	Human Settlements	DA		
AP Gqabi	PT	Human Settlements	ANC		
TM Jacobs	PT	Human Settlements	ANC		
Ms Jodwana	PT	Human Settlements	ANC		
RC Kayser	PT	Human Settlements	COPE		
XT Klaas	PT	Human Settlements	DA		
SK Mali	PT	Human Settlements	DA		
TP Louw	PT	Human Settlements	DA		
MJ Madolo	PT	Human Settlements	ANC		
PP Naidoo	PT	Human Settlements	DA		
L Troon	PT	Human Settlements	ANC		
W Jikeka	FT	Human Resources & Corporate Administration	ANC	75%	55%
N du Plessis	PT	Human Resources & Corporate Administration	DA		
FV Frans	PT	Human Resources & Corporate Administration	ANC		
SL Hodi	PT	Human Resources & Corporate Administration	ANC		
U Menemene	PT	Human Resources & Corporate Administration	ANC		
MC Mtanga	PT	Human Resources & Corporate	COPE		

		Administration			
LC Mtwá	PT	Human Resources & Corporate Administration	ANC		
TS Noqoli	PT	Human Resources & Corporate Administration	DA		
GMA Ncamani	PT	Human Resources & Corporate Administration	DA		
ZB Ncwadi	PT	Human Resources & Corporate Administration	ANC		
W Senekal	PT	Human Resources & Corporate Administration	DA		
LB Stemele	PT	Human Resources & Corporate Administration	ANC		
PW Terblanche	PT	Human Resources & Corporate Administration	DA		
BF Wright	PT	Human Resources & Corporate Administration	DA		
ACG Mfunda	FT	Infrastructure, Engineering & Energy	ANC	88%	65%
I Adams	PT	Infrastructure, Engineering & Energy	DA		
RN Captein	PT	Infrastructure, Engineering & Energy	ANC		
B Cekisani	PT	Infrastructure, Engineering & Energy	DA		
NE Gana	PT	Infrastructure, Engineering & Energy	ANC		
MS Hote	PT	Infrastructure, Engineering & Energy	COPE		
J Lawack	PT	Infrastructure, Engineering & Energy	DA		
VB Ndidi	PT	Infrastructure, Engineering & Energy	ANC		
TP Nkosiyapantsi	PT	Infrastructure, Engineering & Energy	ANC		
BB Nombiba	PT	Infrastructure,	ANC		

		Engineering & Energy			
SP Smith	PT	Infrastructure, Engineering & Energy	DA		
A Terblanche	PT	Infrastructure, Engineering & Energy	DA		
MZ Tofile	PT	Infrastructure, Engineering & Energy	ANC		
VJ Tutu	PT	Infrastructure, Engineering & Energy	ANC		
MG Steyn	PT	Infrastructure, Engineering & Energy	DA		
Ns Magopeni	FT	Sports, Arts, Recreation and Cultural Services	ANC	82%	83%
M Booysen	PT	Sports, Arts, Recreation and Cultural Services	ACDP		
N Cobo	PT	Sports, Arts, Recreation and Cultural Services	DA		
F v N Greyling	PT	Sports, Arts, Recreation and Cultural Services	DA		
A du Plessis	PT	Sports, Arts, Recreation and Cultural Services	DA		
KE Frans	PT	Sports, Arts, Recreation and Cultural Services	ANC		
MEG Harning	PT	Sports, Arts, Recreation and Cultural Services	ANC		
MJ de Andrade	PT	Sports, Arts, Recreation and Cultural Services	DA		
SC Mtimkhulu	PT	Sports, Arts, Recreation and Cultural Services	ANC		
NB Mzilikazi	PT	Sports, Arts, Recreation and Cultural Services	ANC		
A Nyikilana	PT	Sports, Arts, Recreation and Cultural Services	ANC		
X Sabani	PT	Sports, Arts, Recreation and Cultural Services	ANC		
HC van Staaden	PT	Sports, Arts, Recreation and Cultural Services	DA		
DN Biddulph	PT	Sports, Arts, Recreation and Cultural Services	DA		
TB Mafana	FT	Safety & Security Services	ANC	75%	51%
TP Adams	PT	Safety & Security Services	DA		

JA Arends	PT	Safety & Security Services	DA		
N Belu	PT	Safety & Security Services	ANC		
XC Bisset	PT	Safety & Security Services	ANC		
SD Madlavu	PT	Safety & Security Services	ANC		
AW Mama	PT	Safety & Security Services	ANC		
MP Mantla	PT	Safety & Security Services	ANC		
LN Metlavainio	PT	Safety & Security Services	ANC		
B Ngqondela	PT	Safety & Security Services	DA		
G Rautenbach	PT	Safety & Security Services	DA		
GV Valayden	PT	Safety & Security Services	DA		
AB Yawa	PT	Safety & Security Services	PAC		
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					<i>T A</i>

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Public Health	Addresses all matters relating to Environmental Health Services in terms of legislation and by-laws. The Fresh Produce Market and its concerns are included in this Committee
Sport, Recreation, Arts and Cultural Services	Considers all matters concerning the natural environment, parks and recreation centres, libraries, sport, arts and culture within the institution
Infrastructure, Engineering & Energy	Addresses all matters concerning civil engineering, infrastructure, i.e. roads, stormwater, sewerage, water services, etc. and monitoring as well as controlling electricity in the institution.
Safety & Security	Addresses all matters concerning Security Services, Disaster Management, Traffic Control as well as Fire services. All Committee recommendations are submitted to the Executive Mayor.
Human Resources & Corporate Administration	Deals with all HR related matters as well as administrative matters on an institutional level, i.e. administrative matters - traveling of officials, cellphones, landlines, catering, etc.
Budget & Treasury	Financial planning, both short and long term. This Committee also monitors the functional performance of the institutional budget for NMBM.
Economic Development, Tourism & Agriculture	Deals with all areas of operation that has bearing on economic development, tourism and/or agriculture in the NMBM geographical area.
Human Settlements	Attends to all land related matters, e.g. purchase, hire, sale and lease of Council property for the intended purpose.
Municipal Public Accounts	Exercises an oversight role in terms of the activities of Council, examines the Financial Statements, Annual Reports and Auditor General reports.
Bid Specifications Committee	Develops specifications for each procurement process that Municipality engages upon
Bid Evaluation Committee	Evaluates bids received according to set criteria developed for the said committee.
	Considers the Bid Evaluation Committee's reports and recommendations after which it makes a final award or a recommendation to the accounting officer if the delegation for a particular item is outside the scope of the Committee.
Bid Adjudication Committee	To consider matters/proposals emanating from all Portfolio Committees and exercise his/her delegated authority thereon.
Executive Mayor	To consider matters/proposals emanating from all Portfolio Committees and exercise his/her delegated authority thereon.
Audit Committee	An independent advisory body that advises Council and the executive on matters related to internal control and risks.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Chief Operating Officer Chief Operating Officer: M Clay	Communications, Mr R Williams Monitoring and Evaluations, Mr S Ndabeni Acting Policy, Strategy & Research, Ms S Claasen IDP, Mr B Duda (Acting) Uitenhage & Despatch, Mr MJ Ralo
Budget and Treasury Chief Financial Officer: T Harper	Budget & Financial Accounting, Mr S Thys Expenditure Management & Financial Control, Mr B De Scande Revenue Management & Customer Care, Mr M Nogqala Supply Chain Management, Mr N Mantyontya Treasury & Financial Support, Mr A Ferreira
Electricity and Energy Executive Director: Mr S Mathew	Distribution, Mr C Hempel (Acting) Technical Services, Mr B Lamour (Acting) Projects, Mr T Ferndale (Acting) Retail & Commercial Management, Mr M Bukula
Economic Development, Tourism & Agriculture Executive Director: Mr A Qaba	Fresh Produce Market & Urban Agriculture, Mr I Nokele (Acting) Sector Development, Ms L Mxenge Strategic Projects, Ms A Buchner Trade & Investment, Mr A Qaba Tourism, (Vacant)
Human Settlements Executive Director: Mr L Petuna	Development & Support, Mr C Brummer Housing Delivery, Mr M Mapu Land Planning & Management, Ms D McCarthy Social Development, Education & Administration, Mr S Nogampula
Infrastructure and Engineering Executive Director: Mr W Shaidi	Design & Implementation, Mr K Mconi/Mr S Agerdien (Acting) Roads, Stormwater and Transportation, Mr Y Gaffore (Acting) Support Services, Mr B Hutton Water and Sanitation, Mr B Martin
Public Health Acting Executive Director: Mr J Mkosana	Environmental Health, Mr N Gumede Environmental Management, Mr J Mkosana Occupational Health, Safety & Wellness, Mr A Tolom Parks & Cemeteries, Mr T Mokonyane Waste Management, Mr R le Roux (Acting)
Safety and Security Executive Director: Mr S Brown	Disaster Management, Mr H Landsdown(Acting) Fire & Emergency Services, Mr A De Ridder Security Services, Mr S Sibiya (Acting)

	Traffic & Licencing Services, Mr H Totoyi
Special Programmes Executive Director: Mr W Shaidi	MURP, Mr N Dunjana Project Consolidate/War on Hunger Coordinator, Ms L Tetani EPWP Coordinator, Mr M Mcwabeni/Ms H Vantyu (Acting)
Sports, Arts and Culture Executive Director: Ms NL Nqwazi	Beaches, Resorts & Support Services, Ms K Ngezi Nelson Mandela Metropolitan Art Museum, Dr M Hillebrand Red Location Museum, Mr C du Preez (Acting) Sport & Recreation, Ms C Williams Libraries, Arts & Culture, Ms V Gwintsa
Corporate Services Executive Director : Mr M Ndoyana	Human Resources Management Services : Mr C Jamda Labour Relations : Mr H Viviers Corporate Human Resources : Mr L Douglas Municipal Information System: Mr Matokazi Transformation Services Ms K Makalima Assets Ms T Nompandana Corporate Admin Support Services : Mr M Javu Facilities Mr P Vassen Contituency Mr D Mbebe Officer of the Speaker Mr N Mqulwana
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	<i>TC</i>

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity/Agency (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	N/A	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	As well as through Agency: Nelson Mandela Bay Tourism
Municipal airports	N/A	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N/A	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes (Uitenhage) in conjunction with SPCA	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity/Agency (Yes / No)
Fencing and fences	Yes	
Licensing of dogs	N/A	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	N/A	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	The Municipality has one dog pound in Uitenhage	Function resides with SPCA
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
Inner-city renewal	No	Yes Entity: Mandela Bay Development Agency
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		

APPENDIX E – WARD REPORTING

The Nelson Mandela Bay Municipality did not have a functional Ward Committee System in place during the review period. Therefore, no Ward Committee Reports were issued during the 2013/14 financial year.

APPENDIX F

2013/2014 ADJUSTMENTS BUDGET CAPITAL AND OPERATING PROJECTS BUDGET BY WARD

WARD 1 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: The Camp, The Gums, Hillside, Stone Kraal, Lake Farm, Oshry, Walmer Heights, Sappershoek, Sardinia Bay, Biermans Bult, Schoenmakerskop (Madiba Bay), Lovemore Park, Apron Strings, Salisbury Park, Miramar, Providentia, Pari Park, Pine Village, Southmead, Lovemore Heights, Heatherbank, Theescombe, Farms Port Elizabeth, Summerstrand, Mount Pleasant, Alington Race-track, Schoenmakerskop

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20100088	Multipurpose Reefs	-				-
19980220	Traffic Calming Measures	50,000				50,000
20070234	Summerstrand Bulk Stormwater	100,000			- 100,000	-
20030030	Lorraine - Bulk Sewerage Augmentation	1,000,000				1,000,000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	1,600,000				1,600,000
20060177	Driftsands Collector Sewer - Augmentation	3,600,000				3,600,000

20050250	Driftsands WWTW Phase 3 extension	5,600,000			800,000	6,400,000
20060075	Cape Receife WWTW : Upgrade	1,000,000			200,000	1,200,000
19930256	Peri Urban Network	1,500,000				1,500,000
20042988	Overhead Line Re-furbishment	500,000				500,000
20060020	Provision of Sidewalks and Cycle Tracks	400,000				400,000
	Total Capital	15,350,000	-	-	900,000	16,250,000
	Projects on operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	MBDA: Kings Beach Southern Beachfront Upgrade - Phase 3	2,000,000				2,000,000
	Total Capital & Operating	17,450,000	-	-	883,333	18,333,333

WARD 2 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Summerstrand, Craig Bain, Forest Hill, Brookes Hill, Victoria Park, Stuart Township, Humerail, Lea Place, Central, South End, Forest Hill/Military Base, Humewood, Central, Summerstrand Ext. 10

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030421	Cemeteries	250,000				250,000
19980220	Traffic Calming Measures	50,000				50,000
20070234	Summerstrand Bulk Stormwater	100,000				100,000
19960195	Summerstrand Reinforcement	1,500,000			-500,000	1,000,000
19930283	Street Lighting	200,000				200,000
	Total Capital	2,100,000	-	-	-500,000	1,600,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Total Capital & Operating	2,200,000	-	-	-516,667	1,683,333

WARD 3 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Walmer, Athlone Park, Greenshields Park, King Edward Park, Walmer Heights, Walmer Downs, Robert Searle Park, Scotstown, St Georges Park, Hallack Road, Essexvale, Jutland, Mill Park, St Georges

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20100095	Upgrade of Major Parks	350,000				350,000
20060110	Greenhouse Upgrade-Peter Gibbs Nursery	500,000				500,000
19980266	Secure Municipal Parks Facilities	500,000			99,500	599,500
19980220	Traffic Calming Measures	50,000				50,000
19980255	Development Area Traffic Improvements - Walmer	-				-
20060020	Provision of Sidewalks and Cycle Tracks	-				-
20030471	Walmer Lorraine Reinforcement	2,900,000				2,900,000
19930283	Street Lighting	250,000				250,000
	Total Capital	4,550,000	-	-	99,500	4,649,500
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	1,640,630				1,640,630
	Total Capital & Operating	6,290,630	-	-	82,833	6,373,463

WARD 4 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Walmer, Beutler Way Complex, Walmer Industrial, Southdene, Airport, Area G South, "Area X, O and J", Gqebera (Walmer Township), Area C And E, Area G, Area N, Area N-East, Area P, Area Q (Phases 1 and 2), Forest Hill/Military Base						
Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030421	Cemeteries	100,000				100,000
20050286	Tarring of Gravel Roads	2,500,000		500,000		3,000,000
20120054	Walmer G West - Phase 1	500,000	1,075,180			1,575,180
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	400,000				400,000
20060177	Driftsands Collector Sewer - Augmentation	5,400,000				5,400,000
20110067	Industrial Site (Airport Valley) - Bulk Sewer	1,000,000				1,000,000
20080163	Fountain Road Redevelopment	9,582,895	-7,154,895			2,428,000
19980397	Area Lighting - High Mast	150,000				150,000
19930283	Street Lighting	200,000				200,000
19980285	Upgrade Existing Sports Facilities	1,000,000				1,000,000
20120047	Walmer Development	-			1,070,340	1,070,340
20120052	Walmer Q Phase 3	-	206,000			206,000
20070132	New Traffic Signals	-	68,908			68,908
	Total Capital	20,832,895	-5,804,807	500,000	1,070,340	16,598,428
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	3,197,520				3,197,520
	Litter picking	2,149,040				2,149,040
	RDP Housing: Walmer O (437)	6,000,000				6,000,000
	MBDA: Township Refurbishment and Upgrade - Walmer/Gqebera	4,000,000				4,000,000
	EDRS: Heritage Week	75,000				75,000
	Total Capital & Operating	36,354,455	-5,804,807	500,000	1,053,673	32,103,321

WARD 5 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: North End, Sydenham, Prince Alfred's Park, Parsons Hill, Millard Grange, Glendinningvale, Mount Croix, Richmond Hill

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20100072	Repair Structural Damage - Campanile	5,000,000			-403,000	4,597,000
20030074	Mount Road Reinforcement	797,000				797,000
20130068	Maintain and Rehabilitate Swimming Pools	-				-
	Total Capital	5,847,000	-	-	-403,000	5,444,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	MBDA: Bird Street / Belmont Terrace Upgrade - Phase 2	5,000,000				5,000,000
	MBDA: Vuyisile Mini Square Upgrade Masterplan	1,000,000				1,000,000
	MBDA: Western Road Environmental Upgrade Masterplan	1,000,000				1,000,000
	MBDA: Redevelopment of the Tramways Building - Phase 2	10,000,000				10,000,000
	Total Capital & Operating	22,947,000	-	-	-419,667	22,527,333

WARD 6 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Fairview, Walmer Downs, Glen Hurd, Greenacres, Willowdene, Broadwood, Charlo, Overbaakens, Springfield, Bog Farm, Mangold Park, Fernglen, Newton Park

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
19990144	Rehabilitation of William Moffett Expressway	-				-
20010023	Glen Hurd drive Upgrading	5,500,000				5,500,000
20020073	Fairview/Lorraine Arterial: Montmedy to Overbaakens	-				-
20060020	Provision of Sidewalks and Cycle Tracks	400,000				400,000
20030030	Lorraine - Bulk Sewerage Augmentation	1,000,000				1,000,000
20090039	Fairview Refurbishment	1,500,000				1,500,000
19930283	Street Lighting	200,000				200,000
20100122	HV Network Reinforcement - New Substations	2,000,000				2,000,000
	Total Capital	10,650,000	-	-	-	10,650,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Total Capital & Operating	10,750,000	-	-	-16,667	10,733,333

WARD 7 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Mill Park, Korsten, Korsten Dry Lake, Neave Industrial Township, Schauderville, Adcockvale Extension, Mount Road, Newton Park, Kensington, Macleanville, Holland Park, Steytler Township, Adcockvale, Perridgevale, Greenacres, Parsons Hill, Scotstown, Westview, Linkside

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20050286	Tarring of Gravel Roads	2,000,000	-2,000,000			-
20130045	Upgrade and Rehabilitation of the Korsten Dry Lake Area	4,000,000		470,000		4,470,000
19970061	Newton Park Reinforcement	2,500,000			-550,000	1,950,000
19980220	Traffic Calming Measures	50,000				50,000
	Total Capital	8,550,000	-2,000,000	470,000	-550,000	6,470,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	62,070				62,070
	Total Capital & Operating	8,712,070	-2,000,000	470,000	-566,667	6,615,403

WARD 8 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Lorraine, Kabega, Treehaven, Willowglen, Glenroy Park, Vikingvale, Ben Kamma, Beverley Grove, Pine Grove, Kamma Creek, Brymore, Hancorn, Kragga Kamma Park, Weybridge Park, Woodlands, Goldwater, Lorraine Manor, Kamma Park

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
19980323	Lorraine Stormwater Control	1,500,000				1,500,000
20060020	Provision of Sidewalks and Cycle Tracks	300,000				300,000
20030030	Lorraine - Bulk Sewerage Augmentation	1,000,000				1,000,000
20030471	Walmer Lorraine Reinforcement	100,000				100,000
	Total Capital	2,950,000	-	-	-	2,950,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Total Capital & Operating	3,050,000	-	-	-16,667	3,033,333

WARD 9 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Sunridge Park, Vergelegen, Linton Grange, Westering, Taybank, Moregrove, Westering, Framesby, Fernglen

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20042889	Linton: Additional treatment facility	300,000				300,000
20042992	Western Reinforcement	4,324,000			-1,400,000	2,924,000
19930283	Street Lighting	50,000				50,000
	Total Capital	4,724,000	-	-	-1,400,000	3,324,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Total Capital & Operating	4,824,000	-	-	-1,416,667	3,407,333

WARD 10 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Gelvan Park, Glenhaven, Jarman, Springdale Extension 5, Parkside Extension 10, Bridgehaven Extension 11, Helenvale Extension 6, New Brighton, Schauderville, Korsten, Helenvale Extension 6

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20060020	Provision of Sidewalks and Cycle Tracks	-				-
20050286	Tarring of Gravel Roads	2,500,000				2,500,000
20043125	Upgrade of Community Halls	-				-
19980402	Malabar/ Helenvale Reinforcement	1,000,000				1,000,000
19930283	Street Lighting	300,000				300,000
20110090	Roos Street P1 - P3	-	200,000		358,200	558,200
	Total Capital	3,850,000	200,000	-	358,200	4,408,200
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	70,310				70,310
	RDP Housing: Roos Street	1,882,000				1,882,000
	EDRS: Heritage Week	750,000				750,000
	Total Capital and Operating	6,652,310	200,000	-	341,533	7,193,843

WARD 11 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Cradock Place, Korsten, Young Park, Kendle St (Industrial), Lindsay Road Industrial Township, Sidwell, Neave Industrial Township, Ferguson Township, Schauderville, Ibhayi, Algoa Park

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19930264	Informal Housing Electrification	294,000			1,400,000	1,694,000
20000172	Korsten Reinforcement	1,975,000			-750,000	1,225,000
19980397	Area Lighting	60,000				60,000
	Total Capital	2,329,000	-	-	650,000	2,979,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	63,250				63,250
	Total Capital and Operating	2,492,250	-	-	633,333	3,125,583

WARD 12 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Parsons Vlei, Vergelegen, Hunters Retreat, Tulbagh, Glenhaven, Jarman, Bridgemeade, Francis Evatt Park, Wonderview, Morningside, Cotswold, Westering, Kabega Park, Malabar, Bethelsdorp

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	200,000				200,000
20120059	Malabar Ext 6 Phase 2	500,000	595,000			1,095,000
19980348	Paapenkuils Main Sewers Augmentation	12,400,000				12,400,000
19930264	Informal Housing Electrification	-				-
19930283	Street Lighting	100,000				100,000
	Total Capital	13,250,000	595,000	-	-	13,845,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	512,680				512,680
	EDRS: Heritage Week	75,000				75,000
	Total Capital & Operating	13,937,680	595,000	-	-16,667	14,516,013

WARD 13 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Helenvale Extension 6, Barcelona Helenvale, Bethelsdorp, Helenvale 5 Stage 2 and 3, Allan Heights Extension 12

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20090015	Upgrading of Helenvale Resource Centre	5,000,000	-2,800,000			2,200,000
20090055	Nodal and Precinct Development (Helenvale)	-	4,100,000			4,100,000
19980220	Traffic Calming Measures	50,000				50,000
20080091	Helenvale Urban Renewal Programme	1,000,000				1,000,000
19980397	Area Lighting	150,000				150,000
20050286	Tarring of Gravel Roads	200,000		400,000		600,000
	Total Capital	6,400,000	1,300,000	400,000	-	8,100,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	487,520				487,520
	Total Capital & Operating	6,987,520	1,300,000	400,000	-16,667	8,670,853

WARD 14 - Ward is completely within the Urban Edge. The suburb within this Ward are the following: New Brighton

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20100104	Mendi Bottle Store Renovation	8,000,000	-3,300,000	3,000,000	-	7,700,000
20060020	Provision of Sidewalks and Cycle Tracks	400,000				400,000
19980397	Area Lighting	100,000				100,000
20050286	Tarring of Gravel Roads	2,000,000		1,300,000		3,300,000
	Total Capital	10,550,000	-3,300,000	4,300,000	-	11,550,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	60,310				60,310
	Total Capital & Operating	10,710,310	-3,300,000	4,300,000	-16,667	11,693,643

WARD 15 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Boast Crescent, Mhlaba Silvertown, Red Location, Ibhayi, Masangwanaville Phase 2, Malakana Silvertown, Ibhayi, Silvertown New Brighton, Masangwanaville (Phase 3)

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20110095	Red Location - New Brighton 223 Sites	6,237,852	241,270			6,479,122
20130062	Singapi Street	50,000	-50,000			-
19980397	Area Lighting	100,000				100,000
20050286	Tarring of Gravel Roads	200,000		600,000		800,000
	Total Capital	6,587,852	191,270	600,000	-	7,379,122
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	327,540				327,540
	RDP Housing: New Brighton Silvertown	5,001,010				5,001,010
	RDP Housing: New Brighton Red Location 217	2,000,000				2,000,000
	MBDA: Red Location Upgrade - Singapi & Olaf Palmer Roads - Phase 2	10,000,000				10,000,000
	MBDA: Township Refurbishment and Upgrade - New Brighton	3,000,000				3,000,000
	EDRS: National Book Week	461,000				461,000
	Total Capital and Operating	27,477,402	191,270	600,000	-16,667	28,252,005

WARD 16 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Ibhayi, New Brighton

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20050050	John Tallent Road (Grahamstown to Seyisi)	-				-
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
19930283	Street Lighting	300,000				300,000
20120053	MK Silver 2 Qaqawuli	500,000				500,000
20050286	Tarring of Gravel Roads	200,000		482,000		682,000
	Total Capital	1,110,000	-	482,000	-	1,592,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	257,340				257,340
	RDP Housing: MK Silvertown	913,362				913,362
	Total Capital & Operating	2,380,702	-	482,000	-16,667	2,846,035

WARD 17 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: New Brighton, Silvertown Penda, Qaqawuli (Phase 1), Qaqawuli (Phase 2)

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20100100	Playground Equipment	400,000				400,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
20060020	Provision of Sidewalks and Cycle Tracks	500,000				500,000
20050286	Tarring of Gravel Roads	2,000,000		771,000		2,771,000
19930283	Street Lighting	100,000				100,000
19980220	Traffic Calming Measures	50,000				50,000
	Total Capital	3,160,000	-	771,000	-	3,931,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	39,310				39,310
	RDP Housing: Silver Phendla	47,200				47,200
	Total Capital and Operating	3,346,510	-	771,000	-16,667	4,100,843

WARD 18 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaZakhele, Railway Reserve W4, Madikana Informal Community, Kalipa Informal Community, Mandela Village, Ibhayi, Kwanoxolo New Brighton

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	250,000				250,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
20130039	Mandela Village Housing Project	1,661,613	-1,661,613			-
20110059	Mandela Village (Kwazakhele) - Bulk Sewer	1,000,000			-1,000,000	-
20110061	Kalipa - Bulk Sewer	1,000,000			-1,000,000	-
19930264	Informal Housing Electrification	3,202,500				3,202,500
20050286	Tarring of Gravel Roads	200,000		298,000		498,000
	Total Capital	7,424,113	-1,661,613	298,000	-2,000,000	4,060,500
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	60,230				60,230
	RDP Housing: Kwa Noxolo iNjoli Motors	1,475,860				1,475,860
	Total Capital and Operating	9,060,203	-1,661,613	298,000	-2,016,667	5,679,923

WARD 19 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaZakhele, Informal Community, Endulwini Nkatha Informal Community, Ekuphumleni Informal Community

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
20120031	Ekuphumleni - Kwazakhele	500,000	2,234,980			2,734,980
20110060	Kwaontshinga / Meka - Bulk Sewer	1,000,000			-1,000,000	-
19930283	Street Lighting	100,000				100,000
20050286	Tarring of Gravel Roads	200,000		400,000		600,000
19930264	Informal Housing Electrification	-				-
19970037	Upgrade Wolfson Stadium (Phase 3)	-		5,335,000	-70,000	5,265,000
	Total Capital	1,910,000	2,234,980	5,735,000	-1,070,000	8,809,980
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	1,473,830				1,473,830
	Litter picking	49,870				49,870
	Total Capital & Operating	3,533,700	2,234,980	5,735,000	-1,086,667	10,417,013

WARD 20 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Ibhayi Informal Community

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
20050286	Tarring of Gravel Roads	-	78,000			78,000
20060020	Provision of Sidewalks and Cycle Tracks	-				-
19980397	Area Lighting	100,000				100,000
20120034	Kwanontchinga	-			50,000	50,000
	Total Capital	260,000	78,000	-	50,000	388,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	51,860				51,860
	Total Capital & Operating	411,860	78,000	-	33,333	523,193

WARD 21 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaZakhele, Tambo Village, Madlingozi Informal Community

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030420	Develop Floodplains	1,000,000				1,000,000
19980220	Traffic Calming Measures	50,000				50,000
20100082	Seyisi Square & Daku Square	500,000				500,000
20130040	Inkatha Seyisi	-	250,000			250,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
20050286	Tarring of Gravel Roads	1,400,000		984,000		2,384,000
20130041	Raymond Mhlaba (Buyambo)	250,000				250,000
20110056	Swartkops Low Level Collector Sewer Upgrade	1,000,000			6,000,000	7,000,000
20110057	Nkatha / Seyisi - Bulk Sewer	1,000,000			-1,000,000	-
20110058	Mavuso (Day Hospital Site - Rholihlahla) - Bulk Sewer	1,000,000			-1,000,000	-
19980397	Area Lighting	150,000				150,000
19980285	Upgrade Existing Sports Facilities	-				-
	Total Capital	6,460,000	250,000	984,000	4,000,000	11,694,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	63,760				63,760
	RDP Housing: Mandela Rholihlahla	16,041,369				16,041,369
	Total Capital & Operating	22,665,129	250,000	984,000	3,983,333	27,882,462

WARD 22 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Kwazakhele, Railway Reserve W2, Zingisa Village, Thlaba Village

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
19990168	Njoli Square Redevelopment	9,582,894	8,354,993			17,937,887
19930283	Street Lighting	50,000				50,000
19980397	Area Lighting	150,000				150,000
20050286	Tarring of Gravel Roads	-	422,000	265,000		687,000
	Total Capital	9,942,894	8,776,993	265,000	-	18,984,887
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	509,190				509,190
	RDP Housing: Ngwendu Street	86,866				86,866
	Total Capital & Operating	10,638,950	8,776,993	265,000	-16,667	19,664,276

WARD 23 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 2, N.U. 3, Ramaphose Village N.U.2

Project ID	Project Description	2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
19980397	Area Lighting	50,000				50,000
20050286	Tarring of Gravel Roads	200,000		300,000		500,000
	Total Capital	300,000	-	300,000	-	600,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000				100,000
	Litter picking	302,260				302,260
	Total Capital & Operating	702,260	-	300,000	-	1,002,260

WARD 24 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Kwazakhele, Soweto-On-Sea Informal Settlement, Mhlaba Village Area Y - Zwide, Sisulu Village, Eluxolweni (Vuku), Sharpeville, Masakana Village, Eselileni Informal Community, Cebo Village, Mayibuye Village (Phase 1), Silvertown Village Swartkops

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	110,000				110,000
20120060	Masakhana Village	2,925,375				2,925,375
19980397	Area Lighting	100,000				100,000
19930283	Street Lighting	100,000				100,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	3,485,375	-	-	-	3,485,375
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	65,950				65,950
	RDH Housing: Eluxolweni (Kwazakhele - Vuku)	526,176				526,176
	RDP Housing: Sisulu Village	10,200				10,200
	Total Capital & Operating	4,187,701	-	-	-16,667	4,171,034

WARD 25 - Ward is completely within the Urban Edge. The suburb within this Ward are the following: Zwide, KwaZakhele, Barcelona Zwide, Struandale Industrial, New Brighton, Kwaford Industrial

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030475	New Brighton/Kwazakhele: Bulk Stormwater	120,000				120,000
20060020	Provision of Sidewalks and Cycle Tracks	-				-
19930283	Street Lighting	100,000				100,000
19980220	Traffic Calming Measures	250,000				250,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	670,000	-	-	-	670,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	41,540				41,540
	Total Capital & Operating	811,540	-	-	-16,667	794,873

WARD 26 - The suburbs within this Ward are the following: Zwide, Silvertown Sisonke Zwide, Railway Reserve W1

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20060237	Zwide Bulk Stormwater	1,000,000				1,000,000
20110062	Hlalani (Qeqe) - Bulk Sewer	1,000,000			-1,000,000	-
19930283	Street Lighting	50,000				50,000
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	2,300,000	-	-	-1,000,000	1,300,000
	Projects on Operating Budget					
	Other Operating Projects					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	62,080				62,080
	Total Capital and Operating	2,462,080	-	-	-1,016,667	1,445,413

WARD 27 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Soweto-On-Sea Informal Settlement, Silvertown Limba (Zwide)

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20060237	Zwide Bulk Stormwater	500,000				500,000
20120092	Soweto Square Development	500,000				500,000
20050286	Tarring of Gravel Roads	3,000,000				3,000,000
19980397	Area Lighting	150,000				150,000
	Total Capital	4,150,000	-	-	-	4,150,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	2,061,420				2,061,420
	Litter picking	62,500				62,500
	Total Capital & Operating	6,373,920	-	-	-16,667	6,357,253

WARD 28 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Veeplaas, Kuwait Zwide

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030420	Develop Floodplains	-				-
19980220	Traffic Calming Measures	50,000				50,000
20060237	Zwide Bulk Stormwater	500,000				500,000
20050286	Tarring of Gravel Roads	2,000,000				2,000,000
20010118	Ibhayi Reinforcement	2,500,000				2,500,000
19930264	Informal Housing Electrification	425,600				425,600
	Total Capital	5,475,600	-	-	-	5,475,600
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	687,140				687,140
	Litter picking	519,400				519,400
	Total Capital & Operating	6,782,140	-	-	-16,667	6,765,473

WARD 29 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Bloemendal, Bethelsdorp, Normanville Ext. 22, Timothy Valley, Block 23 South Frans Valley, Jacksonville, Kuscus Heights Ext. 26, Aspen Heights Ext. 26, Palmridge Ext. 23, Loonatville Ext. 23, Heath Park, Jegelsville Village, Extension 20, Extension 24, Kemp Park Ext. 30

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030421	Cemeteries	250,000				250,000
20100100	Playground Equipment	400,000				400,000
20140002	Upgrade Roads in Cemeteries	-				-
20120045	Fencing of Matanzima and Bloemendal Cemetery	-				-
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	900,000	-	-	-	900,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	78,620				78,620
	Total Capital & Operating	1,078,620	-	-	-16,667	1,061,953

WARD 30 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaMagxaki, Soweto On Sea Informal Settlement, Veeplaas, Bethelsdorp, Ibhayi, Ibhayi Cemetery

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030420	Develop Floodplains	-				-
20100100	Playground Equipment	400,000				400,000
19980220	Traffic Calming Measures	50,000				50,000
20043125	Upgrade of Community Halls	1,000,000			435,700	1,435,700
19980397	Area Lighting	40,000				40,000
19980285	Upgrade Existing Sports Facilities	1,500,000				1,500,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	3,190,000	-	-	435,700	3,625,700
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	500,690				500,690
	MBDA: Township Refurbishment and Upgrade - Veeplaas	3,000,000				3,000,000
	Total Capital & Operating	6,790,690	-	-	419,033	7,209,723

WARD 31 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Algoa Park, Windvogel, Erf 1542 Bethelsdorp, Balfour Heights (Smartie Town), Missionvale, Missionvale Garden Lots Phase 1, Missionvale Garden Lots Phase 2, Hillside Ext 9, Bethelsdorp

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20010362	Upgrade and Development of Public Open Spaces	500,000			-160,000	340,000
19980220	Traffic Calming Measures	50,000				50,000
20030670	Rehabilitation of Infrastructure Salt Pans	50,000				50,000
20110092	Missionvale Garden Lots	9,906,096				9,906,096
20080082	Missionvale: Stormwater Improvements	2,000,000			-1,975,000	25,000
19930264	Informal Housing Electrification	1,575,000				1,575,000
20050286	Tarring of Gravel Roads	200,000		400,000		600,000
	Total Capital	14,281,096	-	400,000	-2,135,000	12,546,096
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	1,855,380				1,855,380
	Litter picking	73,890				73,890
	RDP Housing: Missionvale Garden Lots 2401	34,373,993				34,373,993
	Total Capital & Operating	50,684,359	-	400,000	-2,151,667	48,932,692

WARD 32 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Salsoneville - Ext 16, Cleary Park - Ext 10, Hillside Ext 9, Missionvale, Erf 1542 Bethelsdorp, Salt Lake - Ext 8, Grootkloof Tip

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20000203	Implementation - Van Der Kemp's Kloof	8,000,000				8,000,000
19980220	Traffic Calming Measures	50,000				50,000
20030670	Rehabilitation of Infrastructure Salt Pans	50,000				50,000
20110092	Missionvale Garden Lots	12,176,265	5,784,240		-8,288,210	9,672,295
19980370	Missionvale Bulk Sewerage Reticulation	1,000,000			-900,000	100,000
20050286	Tarring of Gravel Roads	200,000		400,000		600,000
	Total Capital	21,476,265	5,784,240	400,000	-9,188,210	18,472,295
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	73,930				73,930
	EDRS: Heritage Week	750,000				750,000
	Total Capital & Operating	22,400,195	5,784,240	400,000	-9,204,877	19,379,558

WARD 33 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Govan Mbeki, Rocky Ridge - Ext 27, Kleinskool Area K, Bethelsdorp, KwaDwesi

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20080090	Govan Mbeki Midblock Mains	1,000,000				1,000,000
20130057	Kleinskool Kliprand	500,000	-400,000			100,000
19960525	Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	10,000,000			-5,280,000	4,720,000
19970063	Bethelsdorp 11 kV Reinforcement	1,736,000				1,736,000
19930264	Informal Housing Electrification	212,800				212,800
20050286	Tarring of Gravel Roads	2,000,000				2,000,000
20090006	Kleinskool Area K - Services	-			83,410	83,410
	Total Capital	15,448,800	-400,000	-	-5,196,590	9,852,210
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	618,460				618,460
	Litter picking	78,910				78,910
	Total Capital & Operating	16,246,170	-400,000	-	-5,213,257	10,632,913

WARD 34 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Rocky Ridge - Ext 27, Solomon Estates - Ext 28, Nickalisville, Fernwood Park - Ext 29, Arcadia North, Chatty Arcadia Ext 12, Extension 13

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20010362	Upgrade and Development of Public Open Spaces	500,000				500,000
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	1,300,000				1,300,000
20030030	Lorraine - Bulk Sewerage Augmentation	1,000,000				1,000,000
19930283	Street Lighting	100,000				100,000
	Total Capital	2,950,000	-	-	-	2,950,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	73,230				73,230
	RDP Housing: Arcadia North	8,998,891				8,998,891
	Total Capital & Operating	12,122,121	-	-	-16,667	12,105,454

WARD 35 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Sanctor Vars Vlei - Ext 14, Extensions 18 and 19, West End - Ext 11, Chatty Arcadia Ext 12, Bethelsdorp, Marock Road Informal Community

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030421	Cemeteries	250,000				250,000
19980220	Traffic Calming Measures	50,000				50,000
20060020	Provision of Sidewalks and Cycle Tracks	400,000				400,000
20110063	Ekuphumleni - Bulk Sewer	1,000,000			-1,000,000	-
19980397	Area Lighting	100,000				100,000
	Total Capital	1,800,000	-	-	-1,000,000	800,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	69,570				69,570
	Total Capital & Operating	1,969,570	-	-	-1,016,667	952,903

WARD 36 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaDwesi, KwaDwesi Informal, Kwadwesi Extension

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	2,000,000				2,000,000
19980397	Area Lighting	150,000				150,000
20080105	Upgrade Kwadesi Sports Fields - Mayoral Project				70,000	70,000
	Total Capital	2,200,000	-	-	70,000	2,270,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	2,435,540				2,435,540
	Litter picking	104,790				104,790
	Total Capital & Operating	4,840,330	-	-	53,333	4,893,663

WARD 37 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Kwanoxolo - Ext 37, Moeggesukkel, Bethelsdorp, Extension 36, Extension 35, Kleinskool Area K, Extension 34, Floral Park - Ext 33, Chatty Ext 31, Rocky Ridge - Ext 27

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	2,000,000				2,000,000
20130054	Bethelsdorp Ext 32, 34 & 36	250,000				250,000
19980397	Area Lighting	100,000				100,000
20060020	Provision of Sidewalks and Cycle Tracks	-				-
	Total Capital	2,400,000	-	-	-	2,400,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	677,520				677,520
	Total Capital & Operating	3,177,520	-	-	-16,667	3,160,853

WARD 38 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Timothy Valley, Block 23 South Frans Valley, Block 23 North Kwanoxolo, Willowdene - Ext 21

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	2,500,000				2,500,000
19980397	Area Lighting	50,000				50,000
20060020	Provision of Sidewalks and Cycle Tracks	400,000				400,000
	Total Capital	3,000,000	-	-	-	3,000,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	525,100				525,100
	Total Capital & Operating	3,625,100	-	-	-16,667	3,608,433

WARD 39 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Hunters Retreat, Kabega Park, Sherwood, Utopia, Kuene Park, Harmony, Van Der Stel, Rowallan Park

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19940201	H45 Redhouse - Chelsea Arterial: Walker Drive to N2	31,000,000		1,085,200		32,085,200
19980220	Traffic Calming Measures	50,000				50,000
20120048	Hunters Retreat - Grogro	750,000	1,673,870		1,586,000	4,009,870
19930283	Street Lighting	100,000				100,000
20030472	Hunters Reinforcement	2,090,000				2,090,000
20060020	Provision of Sidewalks and Cycle Tracks	400,000				400,000
	Total Capital	34,390,000	1,673,870	1,085,200	1,586,000	38,735,070
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Total Capital & Operating	34,490,000	1,673,870	1,085,200	1,569,333	38,818,403

WARD 40 - This wards urban areas are largely coastal and rural villages that have their own urban edges, but large parts of this ward is farming areas. The suburbs within this Ward are the following: Farmland, Woodridge, Witteklip Housing Development, Van Stadens River Mouth, Rocklands Housing Development, Hopewell, The Valleys, Poplar Grove, Masakane (Kuyga), Parkholme, Swinburne, Windomayne, The Flats, Verdun, Chinchilla Farm, Sea View Game Park, Hillside, Stone Kraal, Goedemoedsfontein East, Sea View West, Sea View Pump Station, Tembani, Fairview Racecourse, St Albans Prison, St Albans Housing Development, Blue Horizon Bay, Fitchholme, Rendalton, Beachview, Westlands, Crockart Hope, Murray Park, Denholme, Kini Bay, Seaview, Greenbushes, Theescombe, Hunters Retreat, Kwanobuhle, Clarendon Marine

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20000203	Implementation - Van Der Kemp's Kloof	-				-
20060241	Blue Horizon Bay Bulk Stormwater	1,000,000		2,000,000		3,000,000
20080081	Greenbushes: Stormwater Improvements	-				-
20060020	Provision of Sidewalks and Cycle Tracks	600,000				600,000
20050106	Seaview Pump Station: Upgrade	5,000,000				5,000,000
20120085	Kwanobuhle Reservoir Link Watermain	-				-
20030511	Seaview Bulk Water	4,000,000				4,000,000
20030512	St Albans Bulk Water	500,000				500,000
20080048	Jagtlakte: Bulk Water Supply Pipeline	500,000				500,000
20120058	Rocklands Phase 2	500,000	-500,000			-
20120062	Kuyga Phase 3	150,000	-150,000			-
20130065	Witteklip	5,991,168	-5,841,170			149,998
20060103	Jagtlakte Bulk Sewerage	875,000				875,000
20030167	Rockland PHB Housing Project: Wastewater Treatment Works	-			1,000,000	1,000,000
20030405	Witteklip Bulk Sewerage	3,000,000				3,000,000
19980397	Area Lighting	50,000				50,000
19930264	Informal Housing Electrification	-				-
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	200,000		1,600,000		1,800,000
20120043	Seaview Housing Project	-	-270,000		420,000	150,000
	Total Capital	22,416,168	-6,761,170	3,600,000	1,420,000	20,674,998
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	1,394,620				1,394,620
	Litter picking	128,890				128,890
	Total Capital & Operating	24,039,678	-6,761,170	3,600,000	1,403,333	22,281,841

WARD 41 - This built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Bethelsdorp, Bloemendal, Chatty 3 And 4, Chatty Phase 3, Chatty Phase 4, Chatty Extension 4, Chatty Extension 5, Booyens Park, Chatty Extension 1, Chatty Extension 3, Chatty Phase 1, Ncebu Faku Village, Chatty Extension 2, Despatch, Farms Uitenhage, Joe Slovo, Joe Slovo West, KwaDwesi Informal, Westville North Area C, Daleview Extension Area A

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20000203	Implementation - Van Der Kemp's Kloof	-				-
20100100	Playground Equipment	400,000				400,000
20080078	Chatty: Stormwater Improvement	-				-
20050286	Tarring of Gravel Roads	2,500,000		600,000		3,100,000
20120085	Kwanobuhle Reservoir Link Watermain	-				-
20110091	Khayamnandi Extension	46,337,814	10,417,590		-1,670,000	55,085,404
20120033	Jachtvlakte	1,500,000				1,500,000
19980353	Main Sewer Augmentation (Chatty Ext 3 & 4)(Nodes 31-32)	2,000,000				2,000,000
20060102	Colchester - Bulk Sewerage Infrastructure & WWTW	-				-
20060103	Jagtvlakte Bulk Sewerage	350,000				350,000
19980397	Area Lighting	100,000				100,000
19930264	Informal Housing Electrification	4,893,000				4,893,000
	Total Capital	58,080,814	10,417,590	600,000	-1,670,000	67,428,404
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	82,070				82,070
	RDP Housing: Joe Slovo Powerline (97)	486,553				486,553
	RDP Housing: Joe Slovo Extension (192)	1,720,862				1,720,862
	Total Capital & Operating	60,470,299	10,417,590	600,000	-1,686,667	69,801,222

WARD 42 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaNobuhle Area 6, KwaNobuhle Area 7, KwaNobuhle Area 8, KwaNobuhle Area 8 Phase 2

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20030603	Stormwater Drainage System:Ph2:Mondile Str.:KwaNobuhle	4,500,000			100,000	4,600,000
20050286	Tarring of Gravel Roads	3,000,000				3,000,000
20080144	Kwanobuhle: Upgrading of water reticulation	200,000				200,000
20130038	Kwanobuhle ERF 8228	1,126,350				1,126,350
20130056	Dikisa Street	561,672	2,759,330			3,321,002
20130058	Kwanobuhle Area 8 (First Avenue)	250,000	-250,000			-
20080138	Kwanobuhle: Upgrading of sewer reticulation	100,000			-100,000	-
20060020	Provision of Sidewalks and Cycle Tracks	-				-
		9,788,022	2,509,330	-	-	12,297,352
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	116,790				116,790
	Total Capital & Operating	10,004,812	2,509,330	-	-16,667	12,497,475

WARD 43 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: KwaNobuhle Area 4, KwaNobuhle, Sikhotina, KwaNobuhle Area 6, KwaNobuhle Area 7, KwaNobuhle Area 7 (Phase 1)

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20080138	Kwanobuhle: Upgrading of sewer reticulation	100,000			-100,000	-
19930283	Street Lighting	50,000				50,000
20060020	Provision of Sidewalks and Cycle Tracks	500,000				500,000
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	900,000	-	-	-100,000	800,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	101,220				101,220
	Total Capital & Operating	1,101,220	-	-	-116,667	984,553

WARD 44 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: UDDI (Jagvlakte), Kwanobuhle Area 8, Area 3, Kwanobuhle Area 7 Phase 2, Kwanobuhle Area 7, Kwanobuhle Area 7 Phase 1, Kwanobuhle Area 4, Solomon Mhlangu, Kwanobuhle Area 8A, Kwanobuhle, Kwanobuhle Area 1, Area 4

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20100095	Upgrade of Major Parks	-				-
19980220	Traffic Calming Measures	50,000				50,000
20060020	Provision of Sidewalks and Cycle Tracks	-				-
20050286	Tarring of Gravel Roads	2,000,000		500,000		2,500,000
20080144	Kwanobuhle: Upgrading of water reticulation	200,000				200,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	100,000			-100,000	-
19980397	Area Lighting	100,000				100,000
19980285	Upgrade Existing Sports Facilities	500,000				500,000
	Total Capital	2,950,000	-	500,000	-100,000	3,350,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	528,840				528,840
	RDP Housing: Uitenhage - Area 8 (350)	3,015,000				3,015,000
	Total Capital & Operating	6,593,840	-	500,000	-116,667	6,977,173

WARD 45 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Farms Uitenhage, Area 3, KwaNobuhle Area 11, KwaNobuhle Area 10, KwaNobuhle Area 9 Phase 2, KwaNobuhle Area 9 Gunguluza, KwaNobuhle Area 5, Kamesh Cell 3 (Phase 3), Lapland, Kamesh 2, Tiryville, Kamesh Cell 3 (Phase 2), KwaNobuhle (Garden Lots), Uitenhage

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20010362	Upgrade and Development of Public Open Spaces	500,000				500,000
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	2,200,000		500,000		2,700,000
20070140	Groendal Dam: Rock Stabilisation and Improved Outlet	2,000,000			1,200,000	3,200,000
20080144	Kwanobuhle: Upgrading of water reticulation	200,000				200,000
20043094	Joe Modise Peace Village 432 Sites - Services	16,425,000	-16,425,000			-
20130047	Joe Modise Peace Village Phase 2	-	8,577,000		-5,577,000	3,000,000
20120030	Kwanobuhle Area 11	1,000,000	5,500,190			6,500,190
20130064	Wells Estate Phase 3 - Ext 6	500,000	-400,000			100,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	100,000			-100,000	-
20110068	KwaNobuhle Area 11 - Link Sewer	1,000,000			4,000,000	5,000,000
	Total Capital	23,975,000	-2,747,810	500,000	-477,000	21,250,190
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	125,410				125,410
	RDP Housing: Uitenhage - Tiryville 188	1,500,000				1,500,000
	RDP Housing: Kwanobuhle Area 9 (649)	1,100,000				1,100,000
	RDP Housing: Kwanobuhle Area 10 (1296)	2,616,800				2,616,800
	Total Capital & Operating	29,417,210	-2,747,810	500,000	-493,667	26,675,733

WARD 46 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Kwanobuhle Area 01, Kwanobuhle Area 02, John Gomono, Area 3A, Chris Hani/Ramaphosa Area 5A, Chris Hani/Ramaphosa Phase 2, Eric Dodd, Alexander Park Industrial, De Mist, Dr Brawn, Despatch (Commonage), Uitenhage Commonage, Despatch (VW Test Track)

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20050286	Tarring of Gravel Roads	2,000,000		500,000		2,500,000
20080048	Jagtlakte: Bulk Water Supply Pipeline	500,000				500,000
20080144	Kwanobuhle: Upgrading of water reticulation	200,000				200,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	100,000			-100,000	-
20060103	Jagtlakte Bulk Sewerage	175,000				175,000
20070144	Kwanobuhle WWTW : Upgrading	10,000,000	-2,400,000		-2,860,000	4,740,000
20010119	Uitenhage Reinforcement	500,000				500,000
19980397	Area Lighting	50,000				50,000
	Total Capital	13,525,000	-2,400,000	500,000	-2,960,000	8,665,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	637,260				637,260
	RDP Housing: Chris Hani Ramaphosa (614)	22,918,164				22,918,164
	Total Capital & Operating	37,180,424	-2,400,000	500,000	-2,976,667	32,303,757

WARD 47 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Farms Uitenhage, Kwanobuhle Area 2, Area 3, Joe Modise Peace Village Phase 1, Joe Modise Peace Village Phase 2 Area 3, Joe Modise Peace Village Phase 2 Area 1, Kwanobuhle Area 01, Jolobe Area 02 Informal Area, Peace Village, Joe Modise Peace Village Phase 2 Area 2, Chris Hani/Ramaphosa Phase 2

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030421	Cemeteries	150,000				150,000
20140003	Water drainage and roads at Motherwell and Matanzima Cemetery	1,250,000				1,250,000
20120045	Fencing of Matanzima and Bloemendal Cemetery	-				-
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	1,250,000				1,250,000
20080144	Kwanobuhle: Upgrading of water reticulation	200,000				200,000
20080138	Kwanobuhle: Upgrading of sewer reticulation	100,000			-100,000	-
20043125	Upgrade of Community Halls	-				-
19980397	Area Lighting: High-mast	100,000				100,000
20050286	Tarring of Gravel Roads	200,000				200,000
	Total Capital	3,250,000	-	-	-100,000	3,150,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	484,770				484,770
	RDP Housing: Joe Modise Peace Village	12,000,000				12,000,000
	Total Capital & Operating	15,834,770	-	-	-116,667	15,718,103

WARD 48 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Central, Cape Road Industrial, Uitenhage Commonage, Riverside Industrial, Afghanistan Informal Community, Blikkiesdorp, Gerald Smith, Curry, Uitenhage Sport Fields, Mc Naughton, College Hill, Joe Slovo Uitenhage, Middle Street, Uitenhage, Uitenhage Railway, Jubilee Cemetery, Jubilee Park

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20090053	Upgrade of Uitenhage Dog Pound	500,000				500,000
20030658	Upgrade infrastructure: Metro Integration	100,000				100,000
19980220	Traffic Calming Measures	50,000				50,000
20010257	Magennis Street Reconstruction	-				-
20010260	Ring Road (between Baird and Cuyler Street)	-				-
20030195	Baird Street Reconstruction (Mitchell to Mel Brooks)	-				-
20050286	Tarring of Gravel Roads	2,000,000		500,000		2,500,000
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	1,250,000				1,250,000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge, West UIT	1,000,000			2,000,000	3,000,000
20070147	Kelvin Jones WWTW: Upgrade	9,000,000	2,400,000			11,400,000
20010119	Uitenhage Reinforcement	730,000				730,000
19980397	Area Lighting	100,000				100,000
19930264	Informal Housing Electrification	-				-
20060020	Provision of Sidewalks and Cycle Tracks	300,000				300,000
20110088	Joe Slovo - Uitenhage Phase 1 (Engineering Services)	-			4,150,000	4,150,000
	Total Capital	15,030,000	2,400,000	500,000	6,150,000	24,080,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	541,130				541,130
	Total Capital & Operating	15,671,130	2,400,000	500,000	6,133,333	24,704,463

WARD 49 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Rosedale, Uitenhage, Mountain View, Thomas Gamble, Allenridge West, Infill Area, Farms Uitenhage

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20140002	Upgrade Roads in Cemeteries	-				-
19980220	Traffic Calming Measures	50,000				50,000
20010307	Upgrade of Groendal Water Treatment Works	3,000,000				3,000,000
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	1,250,000				1,250,000
20110053	Uitenhage Allenridge West Phase 2 - Bulk Sewer	1,000,000			-1,000,000	-
19930283	Street Lighting	50,000				50,000
19980397	Area Lighting	100,000				100,000
19930264	Informal Housing Electrification	-				-
20060020	Provision of Sidewalks and Cycle Tracks	200,000				200,000
	Total Capital	5,650,000	-	-	-1,000,000	4,650,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	518,070				518,070
	Total Capital & Operating	6,268,070	-	-	-1,016,667	5,251,403

WARD 50 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Mandelaville, Rosedale, Uitenhage, Mc Naughton, Kabah Langa Phase 4, Kabah Langa Phase 5, Middle Street, Kabah Lange Greenfields, Limekaya Informal Community, Kabah 17th Ave (Mija), Kabah Langa (Phase 3), Kabah Langa (Phase 2), Uitenhage Commonage, Mandela 1 (Pola Park)

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20140001	Cemetery office for Kabah	-				-
20140002	Upgrade Roads in Cemeteries	-				-
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	1,500,000				1,500,000
20030601	Construction of a 1,0 MI reclaimed effluent reservoir: Uitenhage	1,250,000				1,250,000
20130059	Mandelaville	500,000	-500,000			-
20110065	Mandelaville - Bulk Sewer	1,000,000			-1,000,000	-
19930264	Informal Housing Electrification	212,800				212,800
19980397	Area Lighting	50,000				50,000
	Total Capital	4,562,800	-500,000	-	-1,000,000	3,062,800
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	533,810				533,810
	Total Capital and Operating	5,196,610	-500,000	-	-1,016,667	3,679,943

WARD 51 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Uitenhage Commonage, Janssendal, Leyvale, Vanes Estate, Central, College Hill, Penford, Mosel, Valleisig, Scheepershoogte, Van Riebeeck Hoogte, Strelizia Park, Fairbridge Heights, Uitenhage Golf Course, Strelizia Park Extension, Winterhoek Park Extension, Winterhoek Park, Farms Uitenhage

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20030658	Upgrade infrastructure: Metro Integration	100,000				100,000
20010257	Magennis Street Reconstruction	-				-
20060082	Upgrading of Springs Water Treatment Works	1,000,000			-500,000	500,000
20130060	PolaPark	3,861,495	-2,861,500			999,995
20010119	Uitenhage Reinforcement	500,000				500,000
	Total Capital	5,461,495	-2,861,500	-	-500,000	2,099,995
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Total Capital and Operating	5,561,495	-2,861,500	-	-516,667	2,183,328

WARD 52 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Manor Heights, Reservoir Hills, Khayamandi Area 1 And B, Daleview, Daleview Ext Area A, Sentraal, Heuwelkruin, Bothasrus, Campher Park, Despatch

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	2,000,000				2,000,000
20110091	Khayamnandi Extension	11,820,280				11,820,280
20030470	Despatch Reinforcement	1,063,000			550,000	1,613,000
20120084	San Souci	-				-
20000149	Maintain/Rehabilitate Sports Facility Infrastructure - PE	1,000,000				1,000,000
	Total Capital	15,933,280	-	-	550,000	16,483,280
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	336,930				336,930
	RDP Housing: Khayamnandi 185	5,169,940				5,169,940
	Total Capital & Operating	21,540,150	-	-	533,333	22,073,483

WARD 53 - The built-up area falls largely within the Urban Edge. Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Azalea Park, Windsor Park, Retief, Heuwelskruin, Sentraal, Farms Uitenhage, Rosedale, Rosedale Ext. 1, Rosedale Ext. 2, Kabah Langa (Phase 1), Kabah Langa (Phase 2), Riverside Park, Connonville, Colchester, Despatch, Uitenhage, Farmland, Coega

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20140004	Land Acquisition for Future Cemeteries	-				-
19980220	Traffic Calming Measures	50,000				50,000
20080080	Cannonville/Colchester: Stormwater improvements	200,000				200,000
20100034	Balmoral Reservoir and Bulk Pipeline	-				-
20030295	Construction of Amanzi Reservoir and Pipeline	-				-
20060101	Colchester - sewer reticulation	100,000			-100,000	-
20080133	Ballmoral Collector Sewer	250,000	-50,000		-200,000	-
20080134	Florida Collector	250,000	-250,000			-
20060106	Motherwell North Bulk Sewerage	500,000			-500,000	-
20030182	Upgrade Despatch Reclamation Works	4,000,000			2,340,000	6,340,000
20110096	Rosedale Extension - 804 Sites (Phase 2)	9,361,200	-560,100		-7,479,340	1,321,760
19980397	Area Lighting	50,000				50,000
20060020	Provision of Sidewalks and Cycle Tracks	200,000				200,000
	Total Capital	14,961,200	-860,100	-	-5,939,340	8,161,760
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	468,130				468,130
	Litter picking	357,890				357,890
	RDP Housing: Uitenhage - Rosedale 806	11,565,450				11,565,450
	Total Capital & Operating	27,452,670	-860,100	-	-5,956,007	20,636,563

WARD 54 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 12, Tjokville 400, N.U. 30, N.U. 29, N.U. 10, N.U. 11

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	-				-
20030295	Construction of Amanzi Reservoir and Pipeline	-				-
20120055	Motherwell NU 30	26,653,500	-10,976,750		-2,350,000	13,326,750
20130019	Motherwell NU 12	1,088,530	531,470		3,680,000	5,300,000
20120061	Motherwell NU 31	500,000	-350,000			150,000
20060106	Motherwell North Bulk Sewerage	100,000			-100,000	-
19930264	Informal Housing Electrification	6,700,000				6,700,000
20050286	Tarring of Gravel Roads	-	300,000	5,000,000		5,300,000
20110093	Motherwell NU 29 - Phase 2 Stage 1	-			80,000	80,000
20120095	Motherwell NU29 - Phase 2 Stage 2 - 890 sites	-			150,000	150,000
	Total Capital	35,092,030	-10,495,280	5,000,000	1,460,000	31,056,750
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	181,870				181,870
	RDP Housing:Motherwell NU 29 (1135)	12,063,300				12,063,300
	RDP Housing: Motherwell NU 29 Phase 2 (2101)	58,708,700				58,708,700
						-
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250

	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625
	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000
	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250
	Total Capital & Operating	106,793,900	-10,495,280	5,000,000	1,443,333	102,741,953

WARD 55 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Greater Tjoksville (Steve Tshwete Village), N.U. 1, N.U. 11, N.U. 10

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
19980220	Traffic Calming Measures	50,000				50,000
20050286	Tarring of Gravel Roads	-	300,000	2,650,000		2,950,000
19980397	Area Lighting	50,000				50,000
19930264	Informal Housing Electrification	302,800				302,800
	Total Capital	402,800	300,000	2,650,000	-	3,352,800
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Refuse Co-ops	1,632,350				1,632,350
	Litter picking	171,200				171,200
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250
	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625
	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000
	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250
	Total Capital & Operating	2,954,350	300,000	2,650,000	-16,667	5,887,683

WARD 56 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: N.U. 1, N.U. 2, N.U. 10, Ramaphose Village N.U.1, Ikamvelihle (North of Addo and Coega), Motherwell, N.U. 29

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20010362	Upgrade and Development of Public Open Spaces	500,000				500,000
20140003	Water drainage and roads at Motherwell and Matanzima Cemetery	1,250,000				1,250,000
19980220	Traffic Calming Measures	50,000				50,000
20090038	Stormwater Improvements Ikamvelihle	5,000,000				5,000,000
20030295	Construction of Amanzi Reservoir and Pipeline	-				-
20130061	Ramaphosa West	500,000	-350,000			150,000
20060106	Motherwell North Bulk Sewerage	400,000			-400,000	-
20110054	Tynira / Endlovini - Sewerage	500,000			500,000	1,000,000
20110064	Ramaphosa West - Bulk Sewer	1,000,000			-1,000,000	-
19980397	Area Lighting	50,000				50,000
20050286	Tarring of Gravel Roads	-	300,000	650,000		950,000
20110089	Wells Estate Phase 3 - Ext 4 and 5	-			7,850,000	7,850,000
	Total Capital	9,250,000	-50,000	650,000	6,950,000	16,800,000
	Projects on Operating Budget					

	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	189,380				189,380
						-
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250
	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625
	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000
	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250
	Total Capital & Operating	10,187,380	-50,000	650,000	6,933,333	17,720,713

WARD 57 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 9, Greater Tjoksville (Steve Tshwete Village), N.U. 7, N.U. 8

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20100100	Playground Equipment	400,000				400,000
19980220	Traffic Calming Measures	50,000				50,000
20130063	Tynira Ndlovini	500,000	-350,000			150,000
20110054	Tynira / Endlovini - Sewerage	500,000			500,000	1,000,000
20050286	Tarring of Gravel Roads	-	300,000			300,000
	Total Capital	1,450,000	-50,000	-	500,000	1,900,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	189,380				189,380
						-
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250
	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625
	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000

	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250
	Total Capital & Operating	2,387,380	-50,000	-	483,333	2,820,713

WARD 58 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: Umlambo N.U. 4, N.U. 4B, N.U. 5, N.U. 6, N.U. 8, N.U. 9

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20080126	SMME Hive	22,350,715	-14,571,865			7,778,850
20090018	Motherwell Thusong Service Centre	5,200,000		1,000,000		6,200,000
19980220	Traffic Calming Measures	50,000				50,000
19930329	Motherwell Electrification - Bulk Supply	1,020,000				1,020,000
19930283	Street Lighting	100,000				100,000
19930264	Informal Housing Electrification	-				-
20050286	Tarring of Gravel Roads	-	300,000	1,700,000		2,000,000
20110097	Motherwell Higher Density	-	600,000		436,600	1,036,600
	Total Capital	28,720,715	-13,671,865	2,700,000	436,600	18,185,450
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	189,380				189,380
						-
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250
	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625

	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000
	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250
	Total Capital & Operating	29,658,095	-13,671,865	2,700,000	419,933	19,106,163

WARD 59 - Ward is completely within the Urban Edge. The suburbs within this Ward are the following: N.U. 5, N.U. 6, N.U. 7

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20060020	Provision of Sidewalks and Cycle Tracks	-				-
20050286	Tarring of Gravel Roads	200,000		300,000		500,000
	Total Capital	200,000	-	300,000	-	500,000
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	189,380				189,380
						-
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250
	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625
	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000
	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250

	Total Capital & Operating	1,137,380	-	300,000	-16,667	1,420,713
--	--------------------------------------	------------------	----------	----------------	----------------	------------------

WARD 60 - The built-up area falls largely within the Urban Edge. The suburbs within this Ward are the following: Redhouse, Markman Industrial, Joorst Park, St Georges Strand, Phase 3 Ext 5, Phase 3 Ext 3, Phase 3 Ext 1, Phase 3 Ext 4, Phase 3 Ext 2, Phase 2 Stage 1 and 2, Coega Construction Village, Phase 1, Blue Water Bay, Bluewater Beach, Brickfields, Redhouse Village, Perseverance Industrial, Deal Party, Coega, Blue Water Bay Beach, Motherwell, Bethelsdorp, Amsterdamhoek, Wells Estate, Ibhayi, New Brighton, Swartkops

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
20010059	Reinstatement of embankment- Tiger Bay	1,000,000				1,000,000
20020028	Upgrade Entrances and Gateways	500,000			-99,500	400,500
19940233	Motherwell Canal Wetlands	-				-
19980319	Upgrade Main Road through Swartkops	-				-
20050050	John Tallent Road (Grahamstown to Seyisi)	-				-
20060020	Provision of Sidewalks and Cycle Tracks	-				-
20080079	Wells Estate: Stormwater Improvements	2,550,000			73,900	2,623,900
20050286	Tarring of Gravel Roads	2,000,000				2,000,000
20130055	Aloes	100,000	-100,000			-
20030034	Markman - Replace 600mm Sewer	2,000,000				2,000,000
20070143	Rehabilitation of Kwazakhele Collector Sewer	2,500,000			-2,000,000	500,000
20070153	Brickfields: Upgrade	3,000,000				3,000,000
20000175	Swartkops Reinforcement	10,000				10,000
19960193	Wells Estate Reinforcement	1,500,000				1,500,000
19960190	Redhouse Reinforcement	200,000				200,000
19930264	Informal Housing Electrification	-				-

	Total Capital	15,360,000	-100,000	-	-2,025,600	13,234,400
	Projects on Operating Budget					
	Ward Councillor's Discretionary Fund	100,000			-16,667	83,333
	Litter picking	286,320				286,320
	RDP Housing: Wells Estate Ext 3 & 4 - 1286	6,530,000				6,530,000
						-
	MURP EU: SMME Hive Operating	125,000				125,000
	MURP EU: Ward base Projects	200,000				200,000
	MURP EU: Women Development	40,000				40,000
	MURP EU: Thusong Operations	31,250				31,250
	MURP EU: MDBSC Operations	15,000				15,000
	MURP EU: Peace Park Operations	18,750				18,750
	MURP EU: Community Skills Training	26,250				26,250
	MURP EU: Crime Prevention	30,000				30,000
	MURP EU: Assisting Home Base Care Org	10,625				10,625
	MURP EU: NPO's Assistance	10,625				10,625
	MURP EU: SMME's Capacitate	10,625				10,625
	MURP EU: Investment Attraction Programme	30,000				30,000
	MURP EU: Youth Development Programme	20,000				20,000
	MURP EU: Newspaper Slots	20,000				20,000
	MURP EU: Public Participation Programmes	28,000				28,000
	MURP EU: Ward based Cleaning Programme	10,625				10,625
	MURP EU: Environmental Education	21,250				21,250
	Total Capital & Operating	22,924,320	-100,000	-	-2,042,267	20,782,053

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Electricity Network Expansion, Rehabilitation and Re-inforcement					
19940149	Meters and Current Transformers	2,500,000				2,500,000
19930234	Electricity Buildings - Additional Furniture and Fittings	2,500,000			2,500,000	5,000,000
19930254	Low Voltage Reticulation Improvement	700,000				700,000
19930255	Miscellaneous Mains and Substations	14,000,000	13,000,000			27,000,000
19970064	Cable Replacement 6.6kV	2,500,000				2,500,000
19970068	Replacement of MV Switchgear	16,900,000			-1,500,000	15,400,000
19980174	Distribution Kiosk Replacement	1,500,000				1,500,000
20010099	Uitenhage / Despatch SCADA	6,100,000			-500,000	5,600,000
20020093	New/Replacement of Plant and Motor Vehicles	3,000,000			2,500,000	5,500,000
20030467	Computer Systems Upgrade	4,000,000				4,000,000
20042989	MV and HV Switchgear Replacement	10,500,000				10,500,000
20042993	HV Network Reinforcement - Overhead Cabling	5,400,000				5,400,000
20050187	HV Line Refurbishment (66 & 132kV)	7,000,000			-2,000,000	5,000,000
20050189	Replace Switchgear in Mini-susbs: KwaNobuhle	250,000				250,000
20042988	Overhead Lines Refurbishment	5,500,000			-500,000	5,000,000
20070209	Substation Fibre Optic Backbone	2,150,000				2,150,000
20100122	HV Network Reinforcement - New Substations	4,240,000				4,240,000
20120083	Motherwell Depot	2,236,587			-750,000	1,486,587
19930259	Private Township Development	10,000,000				10,000,000
19990104	Coega Reinforcement	12,000,000				12,000,000
19930233	Non-electrification Areas - Service Connections	2,000,000				2,000,000
19930232	Radio & Test Equipment	25,000			1,200,000	1,225,000
19970070	Relay Replacement	4,500,000				4,500,000
19990109	Substation Security Alarm Upgrade	4,215,000				4,215,000
20042985	Supervisory Additional Substations	100,000			-100,000	-
19930256	Peri-Urban Network	-				-
20120082	Bridgemead Depot Improvement	-				-

19940414	Supervisory Control Systems Upgrade	1,500,000			-100,000	1,400,000
20060174	Control Room Upgrade	2,500,000				2,500,000
19930283	Street Lighting	-				-
19980397	Area Lighting	-				-
19930264	Informal Housing Electrification	-				-
20060217	Gas Turbine Refurbishment	2,000,000			-2,000,000	-
20130022	Relocation of existing Electrical Service Connections	-			3,000,000	3,000,000
20130072	Integrated Electrification Programme	30,877,194				30,877,194
20130071	Automation of Substations	1,000,000			-500,000	500,000
19930264	Informal Housing Electrification	-	2,092,105			2,092,105
		161,693,781	15,092,105	-	1,250,000	178,035,886

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Water Network Expansion and Rehabilitation					
20042881	Regionalisation: Water	3,000,000				3,000,000
20042885	Metro Water: Master Plan	2,000,000				2,000,000
20070157	Telemetry Systems: Upgrade	250,000				250,000
20070161	Groundwater Investigation	5,000,000				5,000,000
20080087	Rehabilitation of Pipe Bidges	2,000,000			5,500,000	7,500,000
20070152	Access Roads: Upgrade	2,000,000				2,000,000
20080094	Water Service Maintenance Backlog: Dams	1,500,000				1,500,000
19960156	Elandsjagt - Upgrade to Restore Capacity	30,000,000			-18,417,000	11,583,000
20000037	Loerie Treatment Works: Rehabilitation	9,000,000				9,000,000
20060080	Upgrading of Churchill Water Treatment Works	20,000,000			-8,000,000	12,000,000
20070162	Desalination Augmentation	5,000,000			-1,000,000	4,000,000
20080093	Water Service Maintenance Backlogs: Pump Stations	5,000,000				5,000,000
20030630	Water Services Maintenance Backlog: Pipelines	10,000,000			-1,000,000	9,000,000
20042883	Augment Older Dams Pipelines	-				-
20050093	Churchill Pipeline Upgrade	-			307,000	307,000

20080088	Bulk Water Metering and Control	2,000,000				2,000,000
19990184	Reservoir Fencing	400,000				400,000
19990185	Rehabilitation of Reservoirs	5,000,000			-1,000,000	4,000,000
19930320	Improvements to System - General	10,000,000			18,110,000	28,110,000
19950866	Cathodic Protection of Steel Pipelines	200,000			-21,410	178,590
20000051	Installation of Zone Water meters	5,000,000				5,000,000
20000052	Purchase of Water Meters - Metro	10,000,000			4,800,000	14,800,000
20080089	Van Stadens Village - Water Supply Upgrade	-			21,410	21,410
20060083	Rudimentary Service: Water	500,000				500,000
20050097	Nooitgedagt / Coega Low Level System	30,000,000				30,000,000
		157,850,000	-	-	-700,000	157,150,000

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Sanitation Network Expansion and Rehabilitation					
20042918	Regionalisation : Sanitation	2,000,000			-1,000,000	1,000,000
20042912	Sewerage Master Plan	450,000				450,000
20050247	Rudimentary Services: Sanitation	1,000,000				1,000,000
20050248	Bucket Eradication Programme	9,000,000	-4,412,000		-1,000,000	3,588,000
19930112	Sewer Replacement and Relining	10,000,000			-9,950,200	49,800
20030672	Sewers: Maintenance Backlog	5,000,000			-1,000,000	4,000,000
19940098	Improvements to Sewerage System	10,000,000			11,550,200	21,550,200
20080132	Elimination of Digester Tanks	7,000,000				7,000,000
20080136	TEI: Sampling Stations	600,000				600,000
20080137	Reclaimed Wastewater	250,000	-250,000			-
20050105	Sewer Protection works for collector sewers	-				-
20060178	Sewerage Pump Station : Maintenance Backlog	7,000,000			4,400,000	11,400,000
19990130	Telemetry - Pump Stations	600,000				600,000
20000072	WWTW: Building Repairs and Concrete Rehab.	5,000,000				5,000,000
20050088	WWTW : Improve access roads	2,000,000			2,000,000	4,000,000
20000066	WWTW - Sludge Treatment and disposal facilities	3,000,000	-2,400,000		-600,000	-

20050068	WWTW : SCADA / Telemetry links	1,000,000				1,000,000
20070156	Fishwater Flats WWTW Upgrade	82,000,000	2,950,000		-800,000	84,150,000
20060107	Motherwell / Coega WWTW and Outfall Sewer	-			1,000,000	1,000,000
		145,900,000	-4,112,000	-	4,600,000	146,388,000

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Equipment					
20060208	Safety equipment for fire fighters	96,000				96,000
20100059	Replacement of radios	500,000				500,000
20090017	Replacement of standby generator	200,000				200,000
20090019	Replacement of engine bay doors	477,000				477,000
20090062	EFMS & CCTV Equipment & Infrastructure	1,705,000				1,705,000
20120050	EFMS Additional Software & Hardware Applications	370,000				370,000
20000141	Specialized Equipment	500,000				500,000
20100099	Occupational Health Equipment	200,000			-50,000	150,000
20120040	Creditors Filing Equipment	1,000,000				1,000,000
20050130	Replacement of Revenue Sub Directorate Equipment	-	801,230			801,230
20120079	Replacement Handheld devices - Meter Reading	800,000		750,000		1,550,000
20120080	Replacement of Vending POS equipment	500,000		390,000		890,000
20080162	Financial Asset Management Integration: Computer Hardware	1,000,000	-1,000,000			-
19940376	Traffic Control Equipment (Subsidy)	185,000				185,000
20070132	New Traffic Signals	750,000				750,000
20070201	Laboratory equipment - Scientific Services	-			1,000,000	1,000,000
		8,283,000	-198,770	1,140,000	950,000	10,174,230

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Systems Enhancements					
20070187	Early Warning Systems	2,000,000			-165,000	1,835,000
20043111	Financial Accounting Control and Systems Development	6,000,000	-3,301,230		-646,640	2,052,130
20080063	Development of Corporate GIS / ILIS	5,000,000				5,000,000
20030386	Road Management System	1,580,000				1,580,000
20050041	Development of Stormwater Management System	500,000				500,000
20080061	Laboratory Information System	1,000,000			-1,000,000	-
19980182	Application Software	6,000,000				6,000,000
19930187	Computer Enhancements - Corporate	10,000,000				10,000,000
20130070	IT Infrastructure - MURP	2,500,000				2,500,000
20130073	Institutional Contract Management and Supply Chain System	-	20,000,000			20,000,000
		34,580,000	16,698,770	-	-1,811,640	49,467,130

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Vehicles Acquisition and Replacement for Provision of Service Delivery					
20043109	Replacement of a 1988 - model Light 4x4 Bushfire tender	477,000				477,000
20060221	Replacement of Off Road appliances	1,600,000				1,600,000
20080064	Replacement of Vehicles for Disaster Management	175,000				175,000

20140000	Supply trailers for dog control	60,000				60,000
19940138	Replacement of Refuse Compactors	6,000,000		9,421,720		15,421,720
20140005	Purchase of 1400cc Vehicle for Occupational Health	-				-
19940289	Replacement Vehicles Fleet	2,000,000				2,000,000
20070160	Purchase New Vehicles	2,000,000		535,690		2,535,690
19980344	Replacement of Sewage Collection Vehicles & Equipment	2,000,000			1,000,000	3,000,000
20010370	Specialised Vehicles and Plant	600,000			160,000	760,000
		14,912,000	-	9,957,410	1,160,000	26,029,410

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	Rehabilitation & Upgrade of Municipal Buildings					
20100057	Security upgrade - Kwanobuhle Fire station	-				-
20130052	New Fire Station - Despatch	-				-
20130053	Repairs to facility for Mobile Surveillance Vehicle	400,000				400,000
20100060	New Fire Station - Motherwell	5,000,000				5,000,000
20060149	Lilian Diedericks (Brister House) Building - Upgrading and Rehabilitation	1,500,000				1,500,000
20050222	Office Renovation	1,000,000			-101,220	898,780
20060065	Air Conditioning of buildings	1,500,000				1,500,000
20080041	Rehabilitation of Noninzi Luzhipo (Pleinhuis) Building	4,000,000	1,500,000			5,500,000
20070196	Mfanasekhaya Gqobose (Eric Tindale) Building - Upgrade and Rehabilitation	1,000,000				1,000,000
20120076	Woolboard (Conference Center)-Rehabilitation	3,000,000	1,000,000			4,000,000
20130067	Algoa House Upgrade (Lifts)	1,000,000				1,000,000
20030658	Upgrade infrastructure: Metro Integration	100,000				100,000
20070191	Improvements to the Occupational Health and Wellness Center	900,000	70,000		50,000	1,020,000
20060254	ETB 1st Floor Renovations for Staff Accommodation	1,000,000				1,000,000
20042767	Upgrading Depots and Offices	-			1,475,000	1,475,000

SUPPORT SERVICES

Project ID	Project Description	Approved 2013/2014 Financial Year	Adjustments	Carry-over	Virements	Adjusted 2013/2014 Financial Year
	General Improvements					
19930002	Resurfacing of Subsidised Roads	2,000,000				2,000,000
19930021	Construction/Surfacing of verges and parking areas	-				-
19930026	Resurfacing Tar roads (non-subsidy)	4,500,000				4,500,000
19930030	Rehabilitation of Verges and Sidewalks - Northern Areas	800,000				800,000
19940195	TM24 Guidance Signs	150,000				150,000
19980218	Rehabilitate Concrete Roads - Northern Areas	-				-
19980220	Traffic Calming Measures	-				-
19980253	Minor Intersection Improvements	1,000,000				1,000,000
20020149	Stormwater Improvements	4,000,000				4,000,000
20030017	Paapenkuils Canal Rehabilitation	-				-
20030084	Peri-Urban: Rehabilitation of gravel roads	1,000,000				1,000,000
20030453	Flood Risk Improvements: Chatty River	-				-
20030609	Flood Risk and Improvements (Swartkops & Chatty)	250,000				250,000
20043187	Provision of Rudimentary Services - Roads and Stormwater	1,000,000				1,000,000
20043188	Miscellaneous Investigations & Designs -Roads and Stormwater	-			500,000	500,000
20050042	Facilities for the Disabled	100,000				100,000
20060286	Groundwater Problem Elimination Northern Areas	1,000,000				1,000,000
20070137	Rehabilitation of roads	2,000,000				2,000,000
20070235	Planning and Design of Main Roads	1,000,000			-100,000	900,000
20070246	Rehabilitation of Bridge Structures	1,000,000				1,000,000
20010064	Beachfront	1,000,000				1,000,000

20030795	Upgrade Beaches, Tourism - 2	2,000,000				2,000,000
20090079	Construction of Footbridges	-				-
20120044	Brookshill Promenade Rehabilitation	3,000,000	2,000,000	2,500,000		7,500,000
20060020	Provision of Sidewalks and Cycle Tracks	-				-
20070244	IPTS - Work Package: Bus Rapid Transit	-	74,561,404	201,482,663		276,044,067
20060229	IPTS - Work Package: Public Transport Facilities	-		32,913,330		32,913,330
20070124	IPTS Work Package: Modal Interchanges	-		3,989,770		3,989,770
19940204	H103: Heugh Road (MR427) Widening (3rd Avenue to Wentworth)	-		230,000		230,000
20060019	Public Transport Facilities	-			26,100	26,100
20100077	Kwanobuhle Municipal Airdrome - Upgrade of Perimeter Fencing	1,700,000			-435,700	1,264,300
20080098	Upgrading of Walmer Training Centre (Phase 2)	800,000			3,000	803,000
20120075	Buildings Electrical COC	1,500,000				1,500,000
20030427	Secure Recreational Buildings / Facilities	-				-
20130069	Upgrade Computer Systems	-				-
20000149	Maintain/Rehabilitate Sports Facility Infrastructure - PE	-				-
20120093	Water & Sewer Connections - Various	-	350,000		5,450,000	5,800,000
2014xxxx	Secure High Sites - Various	-	1,500,000			1,500,000
20050177	NMBM Multi-Purpose Stadium	-	75,000,000			75,000,000
		29,800,000	153,411,404	241,115,763	5,443,400	429,770,567

Total Support Services	581,118,781	184,783,309	253,045,173	13,628,400	1,032,575,662
-------------------------------	--------------------	--------------------	--------------------	-------------------	----------------------

Total Capital Budget	1,135,282,995	167,830,437	287,535,373	-	1,590,648,804
-----------------------------	----------------------	--------------------	--------------------	----------	----------------------

Total Capital and Operating Budget	1,435,110,961	167,830,437	287,535,373	983,353	1,889,493,417
---	----------------------	--------------------	--------------------	----------------	----------------------

**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
(YEAR 0 – 2013/14)**

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
17-Nov-2013	6.1 (a) That the Director: Internal Audit and the Acting Executive Director: Economic Development Tourism and Agriculture in consultation with the Acting City Manager follow up on the forensic investigation with ABSA Bank to recover the misplaced bank statements in respect of the Fresh Produce Market.	Yes
17-Nov-2013	6.1 (b) That the Auditor General submits a report on the Fresh Produce Market and a review of the commissions paid to it.	Yes
17-Nov-2013	6.3 (a) That the Director: Internal Audit prepare a document with the top 5 to 10 risk factors within the Municipality and submit a report to the Audit Committee to oversee and implement corrective measures to mitigate such high risks.	Yes
17-Nov-2013	6.5.1 (a) That the Director: Internal Audit investigate internal control deficiencies to detect discrepancies furnished to Internal Audit in respect of accrued leave of Primary Healthcare staff and provide evidence of any corrections made in writing.	Yes
17-Nov-2013	6.5.5 (b) That a criminal investigation against the senior official and the alleged implicated relative be conducted by the Acting Executive Director: Corporate Services and Acting City Manager and the case be handed over to the South African Police Services for further charges and possible imprisonment.	Yes
17-Nov-2013	6.5.5 (d) That a report be submitted to the Audit Committee with findings and a way forward and follow up reports for each meeting until the investigation had been completed.	Yes
17-Nov-2013	7. That reports regarding the Fresh Produce Market collections be submitted for July, August, September, and October 2013 including financial statements as of the end of September 2013.	Yes
17-Apr-2014	6.3 That the City Manager submits an action plan on how to address the key risks identified within the NMBM directorates at the next meeting.	Yes

APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The Nelson Mandela Bay Municipality had no long-term contracts in place nor initiated any Public Private Partnerships during the review period.

APPENDIX I – MUNICIPAL ENTITY / SERVICE PROVIDER PERFORMANCE SCHEDULE

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: MANDELA BAY DEVELOPMENT AGENCY (MBDA) KPE: Cleansing services (Central Business Districts, Central and Uitenhage)	Percentage satisfaction with cleansing services in Port Elizabeth and Uitenhage Central Business District	80% satisfaction level achieved	83.40%	80% satisfaction by June 2013	Target not met (internal survey conducted in third quarter)	80% satisfaction by June 2014	97.3%	80%
	Percentage satisfaction with security services in Port Elizabeth Central Business District	N / A	N / A	60% satisfaction by June 2013	Target not met (internal survey conducted in third quarter)	80% satisfaction by June 2014	37.5%	60%
KPA: MANDELA BAY DEVELOPMENT AGENCY (MBDA) KPE: Facilitating public capital projects	Number of Special Rating Areas (SRA) operational	N/A	N/A	N/A	N/A	1 (Richmond Hill)	Target not met (Voting)	N/A
	Percentage completion of inner city renewal capital development projects (a. King's Beach Southern Beachfront Redevelopment Phase 2)	100% completed	100% completed (phase 1)	50%	83.93%	100% of Kings Beach Southern Beachfront Redevelopment	97%	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
KPA: MANDELA BAY DEVELOPMENT AGENCY (MBDA) KPE: Facilitating public capital projects						(Phase 3) completed		
	Percentage completion of inner city renewal capital development projects (b. Belmont Terrace and Bird Street Phase 2 Environmental Upgrade)	50% completed	0%	50%	60%	100% of Belmont Terrace and Bird Street (Phase 3) Environmental Upgrade completed	100%	N/A
	Percentage completion of inner city renewal capital development projects (c. Red Location Singapi and Olaf Palmer St Upgrade)	N / A	N / A	50%	0%	100% of Red Location Singapi Road Upgrade (Phase 2) completed	0%	N/A
	Percentage completion of inner city renewal capital development projects (d. Tramways Building Redevelopment)	N / A	N / A	75%	20%	50% of Tramways Building Redevelopment completed	84%	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
						(exterior shell of building and sub-station completed)		
	% completion of Township Rejuvenation Projects	N/A	N/A	N/A	N/A	100% of New Brighton Sports field upgrade completed (spectator stand completed; ablution facility completed and field upgraded)	100% achieved in March 2014	N/A
	% completion of Township Rejuvenation Projects	N/A	N/A	N/A	N/A	100% completion of Veeplaas Informal Trading Area Upgrade (structure and trade	0%	100% of Veeplaas Creative Industries Building completed

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
						facilities for 10 informal traders completed)		
	% completion of Township Rejuvenation Projects	N/A	N/A	N/A	N/A	100% completion of Walmer Gqebera Township Project (Phase 1) – Cemetery Upgrading (Perimeter fencing completed; removal of unwanted objects; upgrade of road completed; grass cutting and general maintenance completed)	100% achieved in March 2014	N/A

KEY PERFORMANCE AREA AND KEY PERFORMANCE ELEMENT	KEY PERFORMANCE INDICATOR (Online Service Targets)	Year -1 TARGET	Year -1 ACTUAL	Year 0 TARGET	Year 0 ACTUAL	Year 1 TARGET 2013/14	Year 1 ACTUAL 2013/14	Year 2 TARGET 2014/15
						by December 2013		

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Suppliers in which close family members of employees, councillors/ directors or Mayor has an interest

Name of Individual	Name of Company	Interest in Company	Economic Entity and Municipality	
			Payments made	
			2014	Restated 2013
J Sigonyela	Umziwoxolo Construction CC	Spouse is a member of the CC	144,921	161,708
B Naran (Councillor)	Protea Enterprises	Spouse is a member of the CC	0	36,363
S Brophy	To Dine for Trading	Child is a member of the CC	131,842	18,345
N Fibi	Mguda Retail Business Enterprises	Spouse is a member of the CC	0	14,440
JW Fitton	Andos Garden Services	Spouse is a member of the CC	83,748	170,200
LH Klerk	Nola Maintenance Builders	Spouse is a member of the CC	49,301	192,485
NC Dywili	Ezamangwevu Trading	Spouse is a member of the CC	43,663	371,962
A Vaaltyn	Sebenzizane Construction	Spouse is a member of the CC	0	3,000
T Maliti	Pily and Shakes Trading	Spouse is a member of the CC	41,772	545,289
LM Dano	Dixisign	Spouse is a member of the CC	0	9,000
ME Jarvis (Councillor)	Keypoint Consulting CC	Spouse is a member of the CC	56,544	0
				0
			551,791	1,522,792

APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I) – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote

R' 000

NAME	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Budget & Treasury - Vote 1	2,118,460	2,123,774	2,182,127	2,358,282	10%	7%
Public Health - Vote 2	219,044	283,496	290,744	254,860	-11%	-14%
Human Settlement - Vote 3	355,786	240,805	442,861	369,563	35%	-20%
Economic Development and Recreational Services - Vote 4	153,467	148,589	157,405	151,678	2%	-4%
Corporate Services- Vote 5	10,213	4,033	14,697	11,477	65%	-28%
Rate & General Engineers - Vote 6	162,065	103,485	181,260	143,208	28%	-27%
Water Services - Vote 7	563,591	612,284	613,377	638,983	4%	4%
Sanitation Services - Vote 8	417,967	522,097	530,391	423,016	-23%	-25%
Electricity and Energy - Vote 9	2,920,960	3,228,278	3,135,394	3,003,135	-7%	-4%
Executive and Council - Vote 10	1,610	620	619	541	-15%	-14%
Safety and Security- Vote 11	48,757	57,504	58,604	34,281	-68%	-71%
Nelson Mandela Bay Stadium - Vote 12	59,887	27,248	60,413	46,902	42%	-29%
Strategic Programmes Directorate- Vote 13	24,932	47,668	58,246	37,562	-27%	-55%
Total Revenue by Vote	7,056,739	7,399,881	7,726,137	7,473,488	0	(0)

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table

A3

T K.1

APPENDIX K (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	1,058,523	1,214,337	1,254,365	1,205,526	-1%	-4%
Property rates - penalties & collection charges				–	0%	0%
Service Charges - electricity revenue	2,819,711	3,070,366	2,963,173	2,872,308	-7%	-3%
Service Charges - water revenue	430,698	498,414	498,414	506,095	2%	2%
Service Charges - sanitation revenue	273,384	343,381	343,381	308,365	-11%	-11%
Service Charges - refuse revenue	109,483	177,067	177,067	124,745	-42%	-42%
Service Charges - other				–	0%	0%
Rentals of facilities and equipment	17,419	21,461	21,322	17,907	-20%	-19%
Interest earned - external investments	68,224	45,740	62,860	83,183	45%	24%
Interest earned - outstanding debtors	166,835	171,724	171,799	217,463	21%	21%
Dividends received				–	0%	0%
Fines	28,700	34,809	34,504	12,808	-172%	-169%
Licences and permits	10,263	10,394	10,630	9,328	-11%	-14%
Agency services	1,909	1,484	1,483	2,095	29%	29%
Transfers recognised - operational	1,270,307	1,119,572	1,438,836	1,295,151	14%	-11%
Other revenue	801,283	691,130	748,303	818,515	16%	9%
Gains on disposal of PPE				–	0%	0%
Total Revenue (excluding capital transfers and contributions)	7,056,739	7,399,879	7,726,137	7,473,488	0.98%	-3.38%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

TK.2

APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Local Government Equitable share	743,325	743,325	742,909	0.06	0.06	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.
Energy Efficiency and Demand Management	8,000	12,000	12,000	-50.00	0.00	This Grant is used to fund electricity connections and upon application also the upgrade of the Electricity infrastructure in order to install these electricity connections.
EPWP Incentive	20,885	27,581	20,933	-0.23	24.10	This grant is used to implement expanded public works programme.
Public Transport Network Operations	100,000	100,000	96,932	3.07	3.07	This Grant is received from National Treasury for upgrading of infrastructure support relating to public transport.
Infrastructure Skills Development Grant	8,200	10,500	9,940	-21.22	5.33	This grant is used for skills development
Municipal Disaster Recovery Grant		71,961	39,314		45.37	This grant is used for the past event disaster that was

						incurred in October 2012
Finance Management Grant	1,250	1,250	1,250	0.00	0.00	This grant is used in the financial reform project under the guidance of National Treasury.
Intergrated City Development Grant	3,193	3,193	-	100.00	100.00	This grant is used for intergrated city development
LGSETA		9,006	4,808		46.62	This grant is used for skills development of employees
Public Transport Infrastructure Grant		357,022	357,022		0.00	This Grant is received from National Treasury for upgrading of infrastructure support relating to public transport.
Neighbourhood Development Partnership Grant	70,000	39,267	24,483	65.02	37.65	This grant is used for the urban renewal of townships
Intergrated National Electrification	51,200	53,585	53,585	-4.66	0.00	This Grant is used to fund electricity connections and upon application also the upgrade of the Electricity infrastructure in order to install these electricity connections.
Housing Subsidy	206,900	397,146	336,534	-62.66	15.26	This Grant is received from Provincial Government and is used for the construction of low cost housing.
Housing Accreditation	9,352	19,997	12,127	-29.68	39.35	This Grant is used for capacity building of employees in the NMBM's Housing and Land Directorate.

Libraries	3,752	3,752	3,752	0.00	0.00	This grant is received from the Provincial Government and used to subsidise Libraries.
Institutional Support Grant	1,500	1,500		100.00	100.00	This grant is used to support the institution towards the clean audit
Vuna Awards Grant	60	60	45	25.49	25.49	This grant is used towards improving the rates collection
Swartkops Monitoring		265	265		0.00	This grant is used for assessment of Estarine Health of Swartkops Estuary
DRPW (Maintenance of Roads)		5,000	5,000		0.00	This Grant is used to fund the maintenance of Provincial Municipal Main Roads in the NMBM area
SMME- Textile Hub (DEAET)	1,675	1,675	1,648	1.60	1.60	This Subsidy is used for the development of Small businesses in the Metropolitan Area.
Elections Infrastructure		218	218		0.00	This grant is used during election for the election infrastructure
United Nations Development Partnership Grant			5,475			This grant is used for technical assistance relating to Infrastructure assets.
EU Tranche		12,603	5,387		57.26	This Grant is received from the European Union to fund various authorised developmental projects.
National Lotteries		5,605	1,132		79.80	This grant is used to fund Art and Culture programmes
Groen Sebenza (SANBI)		842	71		91.57	This Grant is used for developing priority skill within a cadre 800 young people

SALA/ IDA		470	376		20.00	concerning financial subsidies for the municipal partnership between the Municipality of Göteborg and the Municipality of Nelson Mandela Bay in South Africa
Marine and Coastal Development		766	266		65.27	This grant is used for marine and coastal management
Total						
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i></p>						TL

ANNEXURE M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	514,577	375,514	646,984	835,634	473,156	618,197	639,752
Infrastructure: Road transport - Total	122,457	111,168	393,338	556,094	176,174	314,828	328,162
<i>Roads, Pavements & Bridges</i>	122,457	111,168	393,338	555,815	146,174	291,146	317,162
<i>Storm water</i>	–	–	–	280	30,000	23,682	11,000
Infrastructure: Electricity - Total	40,468	54,412	28,311	36,657	31,010	30,561	26,000
<i>Generation</i>							
<i>Transmission & Reticulation</i>	33,607	47,912	23,311	25,756	23,010	27,561	23,000
<i>Street Lighting</i>	6,861	6,500	5,000	10,901	8,000	3,000	3,000
Infrastructure: Water - Total	203,869	30,000	54,800	63,339	77,000	51,000	61,000
<i>Dams & Reservoirs</i>	–	–	–	–			

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<i>Water purification</i>	–	–	–	12			
<i>Reticulation</i>	203,869	30,000	54,800	63,327	77,000	51,000	61,000
Infrastructure: Sanitation - Total	–	–	–	(12)	–	–	–
<i>Reticulation</i>	–	–	–	(12)			
<i>Sewerage purification</i>							
Infrastructure: Other - Total	147,782	179,934	170,535	179,556	188,973	221,808	224,589
<i>Waste Management</i>		5,700	3,200	956	3,200	3,200	–
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>	147,782	174,234	167,335	178,600	185,773	218,608	224,589
Community - Total	44,651	50,051	36,454	21,169	23,010	15,950	11,750
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
	35						
Libraries							
Recreational facilities	3,759	13,000	11,840	8,899	1,750	2,750	3,750
Fire, safety & emergency	–	2,000	1,835	1,237			
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries	1,023				7,250	13,200	8,000
Social rental housing							
Other	39,834	35,051	22,779	11,034	14,010	–	–
<i>Table continued next page</i>							
Capital expenditure by Asset Class							
<u>Heritage assets - Total</u>	–	–	–	–	–	–	–
Buildings							
Other							
<u>Investment properties - Total</u>							

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
	-	-	-	-	-	-	-
Housing development							
Other							
<u>Other assets</u>	9,147	18,565	43,990	46,595	71,373	61,422	60,152
General vehicles	6,936	205	5,771	12,524	16,300	19,125	21,080
Specialised vehicles	1,653	6,600	15,422	13,542	13,960	9,200	4,400
Plant & equipment	184	2,760	9,261	7,453	18,943	16,727	11,172
Computers - hardware/equipment		1,500	870	625	1,870	1,870	1,500
Furniture and other office equipment		2,500	6,165	9,442	2,000	1,500	-
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings		5,000	4,700	3,009	18,300	10,000	12,000
Other Land					-	3,000	-
Surplus Assets - (Investment or Inventory)							

APPENDIX M (II) – CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	558,060	601,071	659,950	527,803	658,087	684,375	746,128
Infrastructure: Road transport - Total	228,773	43,130	96,906	43,803	65,350	90,700	100,033
<i>Roads, Pavements & Bridges</i>	171,463	22,080	71,607	21,858	34,100	40,100	71,933
<i>Storm water</i>	57,309	21,050	25,299	21,945	31,250	50,600	28,100
<u>Infrastructure: Electricity - Total</u>	82,270	153,645	178,412	132,928	155,008	148,475	140,709
<i>Generation</i>	1,366				2,000	2,000	2,000
<i>Transmission & Reticulation</i>	80,904	153,645	178,412	132,928	153,008	146,475	138,709
<i>Street Lighting</i>							
<u>Infrastructure: Water - Total</u>	56,839	152,946	122,850	115,808	116,900	121,400	139,000
<i>Dams & Reservoirs</i>	1,747	10,400	14,100	8,520	12,400	16,400	23,500
<i>Water purification</i>	14,002	33,300	24,800			24,000	34,500

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
				14,785	27,000		
<i>Reticulation</i>	41,091	109,246	83,950	92,503	77,500	81,000	81,000
Infrastructure: Sanitation - Total	166,478	245,000	243,058	217,356	304,750	315,300	360,386
<i>Reticulation</i>	79,762	124,000	123,168	78,323	161,550	167,550	190,236
<i>Sewerage purification</i>	86,716	121,000	119,890	139,033	143,200	147,750	170,150
Infrastructure: Other - Total	23,701	6,350	18,724	17,908	16,079	8,500	6,000
<i>Waste Management</i>	1,789		2,500	387	3,500	4,000	
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>	21,911	6,350	16,224	17,520	12,579	4,500	6,000
Community	12,351	26,660	91,621	49,523	21,500	27,350	26,850
Parks & gardens			350	359	2,000	3,100	4,100
Sportsfields & stadia	4,691	6,000	84,335	38,490	5,000	10,000	12,000

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Swimming pools					500	1,500	-
Community halls	1,403	1,000	1,436	2,176	2,000	1,000	-
Libraries							
Recreational facilities	4,302	8,000	2,000	2,519	12,000	11,750	10,750
Fire, safety & emergency	53	2,077					
Security and policing							
Buses							
Clinics	9						
Museums & Art Galleries				0			
Cemeteries			3,500	5,980			
Social rental housing							
Other	1,893	9,583					
Heritage assets	-	-		-	-	-	-
Buildings							
Other							
Capital expenditure by Asset Class							

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Investment properties</u>	-	-	-	-	-	-	-
Housing development							
Other							
<u>Other assets</u>	30,985	44,578	67,171	57,855	57,252	31,257	25,388
General vehicles		6,178	7,500				
Specialised vehicles			2,077				
Plant & equipment	111	3,000	7,715	16,273	12,500	6,000	4,000
Computers - hardware/equipment		10,000		9,026	18,250	5,250	6,000
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	23,604	25,400	39,879	32,556	26,502	20,007	15,388
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	7,269		10,000				

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Agricultural assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Biological assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	5,312	12,000	19,480	10,211	11,772	9,649	9,486
Computers - software & programming	5,312	12,000	19,480	10,211	11,772	9,649	9,486
Total Capital Expenditure on renewal of existing assets	606,708	684,309	838,222	645,393	748,611	752,631	807,852
<u>Specialised vehicles</u>	-	-	10,758	-	-	-	-
Refuse			5,379				

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Fire			5,171				
Conservancy			208				
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT: YEAR 0 (2013/14)

Capital Programme by Project: Year 0					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water Services					
Water Services Augmentation Backlog: Pipelines	10,000	9,000	307	-2836%	-3162%
Water Service Maintenance Backlog: Pump Stations	5,000	5,000	5,163	3%	3%
Rehabilitation of Pipe Bridges	2,000	7,500	3,080	-144%	35%
Bulk Water Metering and Control	2,000	2,000	663	-202%	-202%
Van Stadens Village Water Supply Upgrade	–	21	–		
Govan Mbeki Midblock Mains	1,000	1,000	–		
Helenvale Urban Renewal Programme - New Pipelines	1,000	1,000	627	-59%	-59%
Water Service Maintenance Backlog: Dams	1,500	1,500	–		
Cathodic Protection of Steel Pipelines	200	179	–		
New Motherwell to Perseverance Pipeline	–	–	(6)	100%	100%
Churchill Pipeline Upgrade	–	307	319	4%	100%
Upgrading of Churchill Water Treatment Works	20,000	12,000	9,728	-23%	-106%
Loerie Treatment Works: Rehabilitation	9,000	9,000	16,934	47%	47%
Elandsjagt - Upgrade to Restore Capacity	30,000	11,583	7,786	-49%	-285%
Nooitgedagt/Coega Low Level System	30,000	31,000	37,546	17%	20%
Access Roads: Upgrade	2,000	2,000	–		
Seaview Pump Station: Upgrade	5,000	5,000	4,603	-9%	-9%
Pipe Rehabilitation and Improvements to System - General	10,000	32,910	43,524	24%	77%
Reservoir Fencing	400	2,400	3,781	37%	89%
Rehabilitation of Reservoirs	5,000	2,000	196	-921%	-2453%
Installation of Zone Water meters	5,000	2,000	478	-319%	-946%
Seaview Bulk Water	4,000	4,000	366	-992%	-992%
St Albans Bulk Water	500	500	–		
Metro Water: Master Plan Replacement of Pipes	2,000	2,000	2,611	23%	23%
Rudimentary Service: Water	500	500	288	-73%	-73%

Linton: Additional treatment facility	300	300	359	16%	16%
Purchase of Water Meters - Metro	10,000	16,800	24,675	32%	59%
Regionalisation: New Water Depot	3,000	3,000	1,921	-56%	-56%
Telemetry System: Upgrade	250	250	-		
Purchase New Vehicles	2,000	2,536	2,481	-2%	19%
Construction of a 1,0 ml reclaimed effluent reservoir: Uiten	5,000	200	620	68%	-706%
Kwanobuhle: Upgrading of Water Reticulation	1,000	1,000	-		
Groundwater Investigation	5,000	5,000	9,645	48%	48%
Upgrading of Springs Water Treatment Works	1,000	500	-		
Upgrading Groendal Water Treatment Works	3,000	3,000	1,700	-76%	-76%
Jagtlakte: Bulk Water Supply Pipeline	1,000	1,000	218	-358%	-358%
Desalination Augmentation	5,000	4,000	12	-32157%	-40221%
Groendal Dam: Rock Stabilisation and Improved Outlet	2,000	3,200	3,923	18%	49%
Sanitation Services					
Regionalisation : Sanitation	2,000	400	264	-51%	-657%
Sewer Replacement and Relining	10,000	110	152	28%	-6488%
Improvements to Sewerage System	10,000	21,490	15,033	-43%	33%
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	10,000	500	272	-84%	-3582%
Paapenkuis Main Sewers Augmentation	12,400	12,400	16,514	25%	25%
Missionvale Bulk Sewerage Reticulation	1,000	100	196	49%	-411%
Lorraine - Bulk Sewerage Augmentation	4,000	3,000	2,155	-39%	-86%
Markman - Replace 600mm Sewer	2,000	2,000	1,551	-29%	-29%
Witteklip Bulk Sewerage	3,000	1,900	370	-413%	-711%
Sewers: Maintenance Backlog Pipes Replacement	5,000	4,000	2,965	-35%	-69%
Augment Collector Sewer for Walmer Heights and Mt Pleasant	2,000	500	1,058	53%	-89%
Rehabilitation of Kwazakhele Collector Sewer	2,500	500	239	-109%	-947%
Driftsands Collector Sewer - Augmentation	9,000	4,000	472	-748%	-1807%
Sewerage Pump Station : Maintenance Backlog	7,000	12,500	21,481	42%	67%
Motherwell Main Sewer Upgrade	-	2,000	295	-578%	100%
Swartkops Low Level Collector Sewer Upgrade	1,000	7,000	6,581	-6%	85%
Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	1,000	3,000	1,810	-66%	45%
Industrial Site (Airport Valley) - Bulk Sewer	1,000	1,000	-		
Kwanobuhle Area 11 - Link sewer	1,000	5,000	739	-577%	-35%
Bucket Eradication Programme	9,000	4,588	1,427	-222%	-531%
TEI: Sampling Station	600	200	151	-32%	-297%

Telemetry - Pump Stations	600	600	329	-82%	-82%
Sewerage Master Plan System Updating	450	150	253	41%	-78%
Motherwell/Coega WWTW and outfall sewer	–	9,000	1,293	-596%	100%
Replacement of Sewage Collection Vehicles	2,000	5,600	4,153	-35%	52%
Rudimentary Services: Sanitation	1,000	1,000	1,193	16%	16%
WWTW - Sludge Treatment and disposal facilities	3,000	2,400	772	-211%	-288%
WWTW: Building Repairs and Concrete Rehab.	5,000	6,500	9,433	31%	47%
Fishwater Flats WWTW Upgrade	82,000	79,570	81,799	3%	0%
Cape Receife WWTW : Upgrade	1,000	3,000	2,454	-22%	59%
WWTW : SCADA / Telemetry links	1,000	500	–		
Improve access roads	2,000	11,000	5,877	-87%	66%
Driftsands WWTW Phase 3 extension	5,600	6,400	7,153	11%	22%
Brickfields: Upgrade	3,000	3,000	3,850	22%	22%
Upgrade Despatch Reclamation Works	4,000	6,340	11,606	45%	66%
Elimination of Digester Tanks	7,000	6,000	–		
Kelvin Jones WWTW: Upgrade	9,000	9,000	12,176	26%	26%
Kwanobuhle WWTW : Upgrading	10,000	4,740	7,332	35%	-36%
Rocklands PHB Housing Project: Wastewater Treatment Works	–	1,400	1,152	-21%	100%
Upgrade and Rehabilitation of the Korsten Dry Lake Area	4,000	4,470	2,624	-70%	-52%
Jagtlakte Bulk Sewerage	1,400	200	464	57%	-202%
Main Sewer Augmentation (Chatty Ext 3 & 4)(Nodes 31-32)	2,000	–	–		
Motherwell North Bulk Sewerage	1,000	–	–		
Ballmoral Collector Sewer	250	–	–		
Florida Collector	250	–	–		
Reclaimed Wastewater	250	–	–		
Kwanobuhle: Upgrading of sewer reticulation	600	–	–		
Uitenhage Allenridge West Phase 2 - Bulk Sewer	1,000	–	–		
Tynira / Endlovini – Sewerage	1,000	–	–		
Nkatha / Seyisi - Bulk Sewer	1,000	–	–		
Mavuso (Day Hospital Site - Rholihlahla) - Bulk Sewer	1,000	–	–		
Mandela Village (Kwazakhele) - Bulk Sewer	1,000	–	–		
Kwaontshinga / Meka - Bulk Sewer	1,000	–	–		
Kalipa - Bulk Sewer	1,000	–	–		
Hlalani (Qeqe) - Bulk Sewer	1,000	–	–		
Ekuphumleni - Bulk Sewer	1,000	–	–		
Ramaphosa West - Bulk Sewer	1,000	–	–		

Mandelaville - Bulk Sewer	1,000	-	-		
Colchester - sewer reticulation	100	-	-		
Electricity Services					
Electricity Buildings - Additional Furniture & Fittings	2,500	6,000	8,508	29%	71%
Integrated Electrification Programme	30,877	30,877	30,657	-1%	-1%
Automation of Substations	1,000	500	17	-2914%	-5928%
Meters and Current Transformers	2,500	2,500	2,510	0%	0%
Relocation of Existing Electrical Service Connections	-	3,000	4,290	30%	100%
Radio and Test Equipment	25	1,225	1,206	-2%	98%
Non Electrification Areas - Service Connections	2,000	2,000	2,549	22%	22%
Low Voltage Reticulation Improvement	700	700	650	-8%	-8%
Miscellaneous Mains and Substations	14,000	27,000	19,066	-42%	27%
Peri-Urban Network	1,500	1,500	1,261	-19%	-19%
Private Township Development	10,000	10,000	4,107	-144%	-144%
Electrification of State Subsidised and Informal Houses	17,819	21,311	23,207	8%	23%
Motherwell Electrification - Bulk Supply	1,020	1,020	419	-143%	-143%
Supervisory Control System Upgrading	1,500	35	35	-1%	-4223%
Redhouse Reinforcement	200	200	856	77%	77%
Wells Estate Reinforcement	1,500	1,500	1,014	-48%	-48%
Summerstrand Reinforcement	1,500	1,000	997	0%	-50%
Newton Park Reinforcement	2,500	550	34	-1514%	-7238%
Bethelsdorp 11 kV Reinforcement	1,736	2,136	1,658	-29%	-5%
Cable Replacement 6.6kV	2,500	2,500	979	-155%	-155%
Replacement of MV Switchgear	16,900	15,400	7,223	-113%	-134%
Relay Replacement	4,500	4,500	5,393	17%	17%
Distribution Kiosk Replacement	1,500	1,500	2,642	43%	43%
Malabar/ Helenvale Reinforcement	1,000	1,000	1,159	14%	14%
Coega Reinforcement	12,000	12,000	1,475	-714%	-714%
Substation Security Alarm Upgrade	4,215	7,580	14,381	47%	71%
Korsten Reinforcement	1,975	1,225	105	-1062%	-1773%
Swartkops Reinforcement	10	10	970	99%	99%
Uitenhage / Despatch SCADA	6,100	5,600	5,674	1%	-8%
Ibhayi Reinforcement	2,500	2,500	772	-224%	-224%
Uitenhage Reinforcement	1,730	1,730	1,828	5%	5%
New/Replacement of plant and motor vehicles	3,000	5,500	3,751	-47%	20%
Mount Road Reinforcement	797	797	25	-3039%	-3039%
Computer Systems Upgrade	4,000	4,000	2,253	-78%	-78%
Despatch Reinforcement	1,063	1,613	1,457	-11%	27%

Walmer Lorraine Reinforcement	3,000	3,000	1,934	-55%	-55%
Hunters Reinforcement	2,090	2,090	1,392	-50%	-50%
MV and HV Switchgear replacement	10,500	9,500	6,563	-45%	-60%
Western Reinforcement	4,324	2,924	2,848	-3%	-52%
HV Network Reinforcement - Overhead Cabling	5,400	5,400	4,772	-13%	-13%
HV Line Refurbishment (66 & 132kV)	7,000	5,250	3,755	-40%	-86%
Replace Switchgear in Mini susbs - KwaNobuhle	250	250	250	0%	0%
Control Room Upgrade	2,500	1,500	-		
Overhead Lines Refurbishment	6,000	5,000	3,655	-37%	-64%
Substation Fibre Optic Backbone	2,150	1,900	1,643	-16%	-31%
Fairview Refurbishment	1,500	1,500	1,690	11%	11%
HV Network Reinforcement - New Substations	6,240	6,240	7,187	13%	13%
Street Lighting - Residential Areas	2,500	3,000	8,327	64%	70%
Area Lighting	2,500	2,500	2,525	1%	1%
Lighting - New Main Road	-	-	44	100%	100%
Gas Turbine Refurbishment	2,000	-	-		
Supervisory Additional Substations	100	-	-		
Street Lighting into - Coega to Settler's way Interchange	-	-	5	100%	100%
Motherwell Depot	2,237	1,487	631	-136%	-255%
Waste Management Services					
Replacement of Refuse Compactors	6,000	15,422	13,542	-14%	56%
Waste Management Containers	2,000	1,850	263	-602%	-659%
Urban Refuse Transfer/Recycling Station	2,500	2,500	387	-545%	-545%
Development of Waste Disposal Facilities	3,200	3,200	956	-235%	-235%
Housing Services					
Land Release : Township Developments - Reticulation Services	-	-	1,386	100%	100%
Joe Modise Peace Village 432 Sites - Services	16,425	-	234	100%	-6923%
Kleinskool Area K - Services	-	83	26	-221%	100%
Lilian Didericks (Brister House) Office Renovation	-	832	832	0%	100%
Joe Slovo - Uitenhage Phase 1	-	4,890	4,900	0%	100%
Wells Estate Phase 3 - Ext 4 & 5	-	7,850	7,948	1%	100%
Roos Str P1- P3	-	558	501	-11%	100%
Khayamandi Extension	58,158	66,906	66,281	-1%	12%
Missionvale Garden Lots	22,082	16,876	14,685	-15%	-50%
Motherwell NU 29 - Phase 2 stage 1	-	80	-		
Red Location - New Brighton	6,238	7,379	10,073	27%	38%

Rosedale	9,361	2,274	2,031	-12%	-361%
Motherwell Higher Density	–	1,037	757	-37%	100%
Kwanobuhle Area 11	1,000	6,500	20,637	69%	95%
Kwazakhele: Ekhumphuleni	500	2,735	142	-1832%	-253%
Jacht Flakte	1,500	1,500	1,672	10%	10%
Kwanontshinga	–	50	29	-75%	100%
Sisulu Village	–	–	153	100%	100%
Seaview Housing Project	–	150	111	-36%	100%
Walmer Development	–	1,070	166	-544%	100%
Hunters Retreat - Grogro	750	4,010	4,208	5%	82%
Walmer Q Phase 3	–	206	190	-8%	100%
MK Silvertown 2 Qaqawuli	500	500	469	-7%	-7%
Walmer G - West	500	1,575	175	-801%	-186%
Motherwell NU30	26,654	13,327	29,725	55%	10%
Malabar Ext 6 Phase 2	500	1,095	596	-84%	16%
Rocklands Phase 2	500	–	–		
Masakhane Village	2,925	2,925	152	-1821%	-1821%
Motherwell NU31	500	150	–		
Water & Sewer Connections - Various	–	5,910	322	-1733%	100%
Motherwell NU 29 - Phase 2 Stage 2 - 890 Sites	–	150	109	-38%	100%
Motherwell NU 12	1,089	5,300	5,097	-4%	79%
Kwanobuhle ERF 8228	1,126	1,126	136	-726%	-726%
Inkatha Seyisi	–	250	–		
Raymond Mhlaba/ Buyambo	250	250	86	-192%	-192%
Joe Modise Peace Village Phase 2	–	3,000	1,134	-165%	100%
Dikisa Street	562	3,321	–		
Tynira Ndlovini	500	150	–		
Kleinskool Kliprand	500	100	–		
Ramaphosa West	500	150	–		
Pola Park	3,861	1,000	672	-49%	-474%
Wells Estate Phase 3 Ext 6	500	100	–		
Bethelsdorp Ext 32, 34 & 36	250	250	–		
Witteklip	5,991	150	–		
Singapi Street	50	–	–		
Kuyga Phase 3	150	–	–		
Mandela Village Housing Project	1,662	–	–		
Aloes	100	–	–		
Kwanobuhle Area 8 (First Avenue)	250	–	–		
Mandelaville	500	–	–		
Road Services					

Facilities for the Disabled	100	119	100	-19%	0%
Glen Hurd drive Upgrading	5,500	2,417	-		
H45 Redhouse - Chelsea Arterial: Walker Drive to N2	31,000	32,085	32,085	0%	3%
Intersection Improvements	1,000	1,000	1,097	9%	9%
Intersection upgrading - Mel Brooks / Kwanobuhle Access Road	-	200	-		
Miscellaneous - Roads and Stormwater	-	500	830	40%	100%
New Traffic Signals	750	819	785	-4%	4%
Njoli Square Redevelopment	9,583	17,938	10,189	-76%	6%
Peri-Urban: Rehabilitation of gravel roads	1,000	1,043	1,043	0%	4%
Planning and Design of Main Roads	1,000	900	1,043	14%	4%
Provision of Rudimentary Services - Roads and Stormwater	1,000	1,000	1,093	8%	8%
Provision of Sidewalks and Cycle Tracks	5,000	5,000	4,788	-4%	-4%
Public Transport Facilities	-	-	973	100%	100%
Rehabilitation of Bridge Structures	1,000	1,000	997	0%	0%
Rehabilitation of Infrastructure Salt Pans	100	100	-		
Rehabilitation of roads	2,000	2,000	1,992	0%	0%
Rehabilitation of Verges and Sidewalks - Northern Areas	800	800	725	-10%	-10%
Resurfacing of Subsidised Roads	2,000	2,000	3,468	42%	42%
Resurfacing Tar roads (non-subsidy)	4,500	4,500	8,544	47%	47%
Seyisi Square & Daku Square Development	500	500	497	-1%	-1%
Soweto Square Development	500	500	500	0%	0%
Tarring of Gravel Roads	50,000	71,600	63,331	-13%	21%
Tarring of Gravel Roads - Kwazakhele	-	-	0	100%	100%
TM24 Guidance Signs	150	150	5	-3220%	-3220%
Computer Upgrade - I & E	-	11	10	-5%	100%
Replacement Vehicles Fleet	2,000	2,000	1,922	-4%	-4%
Development of Stormwater Management System	500	500	300	-67%	-67%
Road Management System	1,580	1,580	1,468	-8%	-8%
Upgrading Depots and Offices	-	1,784	1,838	3%	100%
Laboratory Equipment - Scientific Services	1,000	2,000	1,891	-6%	47%
Traffic Control Equipment (Subsidy)	185	185	1,164	84%	84%
Traffic Calming Measures	2,750	3,561	3,548	0%	22%
Transport Services					
IPTS - Work Package: Bus Rapid Transit	-	160,551	215,503	25%	100%
IPTS - Work Package: Modal Interchanges	-	15,177	6,437	-136%	100%
IPTS - Work Package: Public Transport	-	51,812	81,203	36%	100%

Facilities					
IPTS - Work Package: Roads & Public Transportation System	-	55,333	94,945	42%	100%
IPTS - Work Package: TDM and ITS	-	30,018	41,575	28%	100%
IPTS - H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	-	287	287	0%	100%
Stormwater Services					
Lorraine Stormwater Control	1,500	1,500	280	-436%	-436%
Stormwater Improvements	4,000	4,000	3,995	0%	0%
New Brighton/Kwazakhele: Bulk Stormwater Groundwater Problem Elimination Northern Areas	1,000	1,000	593	-69%	-69%
Zwide Bulk Stormwater	2,000	2,000	546	-266%	-266%
Summerstrand Bulk Stormwater	200	100	185	46%	-8%
Blue Horizon Bay Bulk Stormwater	1,000	3,000	-		
Stormwater Improvements Ikamvelihle	5,000	5,000	5,557	10%	10%
Wells Estate: Stormwater Improvements	2,550	2,624	2,609	-1%	2%
Cannonville/Colchester: Stormwater improvements	200	200	191	-5%	-5%
Missionvale: Stormwater Improvements	2,000	22	8	-159%	-23441%
Stormwater Drainage System:Ph2:Mondile Str.:KwaNobuhle	4,500	5,320	7,059	25%	36%
Flood Risk and Improvements (Swartkops & Baakens)	250	250	250	0%	0%
Planning Services					
Fountain Road Redevelopment	9,583	2,428	216	-1022%	-4328%
SMME Hive	22,351	7,779	630	-1134%	-3447%
Motherwell Thusong Service Centre	5,200	6,200	3,050	-103%	-71%
IT Infrastructure - Murp	2,500	2,500	-		
Upgrading Helenvale Resource Centre - Multipurpose Centre	5,000	2,200	6,520	66%	23%
Nodal and Precinct Development (Helenvale)	-	4,100	833	-392%	100%
Mendi Bottle Store Renovation	8,000	7,700	999	-671%	-701%
Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Upgrade of Community Halls	1,000	1,436	2,176	34%	54%
Cemeteries and Crematoriums					
Cemeteries	1,000	1,000	1,101	9%	9%
Water drainage and roads in cemeteries	2,500	4,500	4,879	8%	49%

Bio-Diversity; Landscape and Other					
Upgrade and Development of Public Open Spaces	2,000	1,840	8,203	78%	76%
Beachfront	1,000	1,000	1,066	6%	6%
Upgrade Entrances and Gateways	500	401	401	0%	-25%
Upgrade Major Parks	350	350	359	2%	2%
New Playground Equipment	2,000	2,000	696	-187%	-187%
Upgrade Nursery Greenhouses	500	500	497	-1%	-1%
Brookshill Promenade Rehabilitation	3,000	7,500	7,495	0%	60%
Implementation - Van Der Kemp's Kloof	8,000	5,000	565	-785%	-1317%
Re-instatement of Embankment - Tygerbay / Coastal Revetments	1,000	1,000	999	0%	0%
Develop Floodplains	1,000	1,000	945	-6%	-6%
Clinics					
Medical Equipment	200	150	107	-40%	-86%
Occupational Health and Wellness Center at Walmer	900	1,020	749	-36%	-20%
Traffic Services					
Furniture and Computer Equipment - Traffic	-	-	511	100%	100%
EFMS Additional Software and Hardware Applications	370	370	351	-5%	-5%
Traffic and Licencing Centre - Motherwell Thusong Centre	-	5,000	-		
Fire Services					
Replacement - Off Road Appliance	1,600	1,600	-		
Safety Equipment for Firefighters	96	96	91	-6%	-6%
Replacement of Engine Bay Doors	477	477	445	-7%	-7%
Replace a 1988 model Light 4x4 Bushfire Tender	477	477	-		
Replacement of Radios	500	500	432	-16%	-16%
Motherwell Fire Station	5,000	-	-		
Replacement of Standby Generators	200	200	200	0%	0%
Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					

Upgrade of Uitenhage Dog Pound	500	500	499	0%	0%
Supply trailers for dog control	60	101	77	-31%	22%
Early Warning System	2,000	1,725	1,237	-39%	-62%
Additional vehicles for Safety and Security	175	175	140	-25%	-25%
CCTV Equipment & Infrastructure	1,705	1,455	1,384	-5%	-23%
Repairs to facility for Mobile Surveillance Vehicles	400	650	635	-2%	37%
Disaster Management Centre	-	275	283	3%	100%
Sport and Recreation					
Upgrade Beaches, Tourism - 2	2,000	2,000	1,954	-2%	-2%
Upgrade Wolfson Stadium Phase 3	-	5,265	6,012	12%	100%
Upgrade Existing Sports Facilities	3,000	3,000	256	-1072%	-1072%
Maintain/Rehabilitate Sports Facility Infrastructure - PE	1,000	1,000	961	-4%	-4%
Upgrade Kwadesi Sports Fields - Mayoral Project	-	70	1,375	95%	100%
Upgrade of Zwide Stadium	-	-	443	100%	100%
NMBM Multi-Purpose Stadium	-	75,000	29,442	-155%	100%
Executive and Council					
CorpGIS Projects	5,000	5,000	2,236	-124%	-124%
Upgrading of Walmer Training Centre	800	833	819	-2%	2%
Office Renovation	1,000	899	536	-68%	-87%
Rehabilitation of Pleinhuis	4,000	6,500	6,801	4%	41%
KwaNobuhle Municipal Aerodome - Upgrade perimeter fencing	1,700	1,264	1,137	-11%	-50%
Brister House - Upgrading and Rehabilitation	1,500	1,500	980	-53%	-53%
Air Conditioning of buildings	1,500	1,500	2,497	40%	40%
Mfanasekhaya Gqobose (ETB) - Upgrade and Rehabilitation	1,000	970	888	-9%	-13%
Woolboard - Rehabilitation and Upgrade	3,000	4,000	4,093	2%	27%
Building Electrical COC	1,500	1,500	1,698	12%	12%
Office Accommodation - Ward Councillors		1,823	1,845	1%	100%
Algoa House - Upgrade of Lifts	1,000	1,000	269	-272%	-272%
Rehabilitation of Campanile	5,000	3,597	2,532	-42%	-98%
Secure High Sites - Various	-	1,500	1,454	-3%	100%
Computer and Office Equipment	500	400	340	-18%	-47%
Upgrade Infrastructure - Metro Integration	300	509	2,105	76%	86%
Specialised Vehicle and Plant- Parks	600	1,760	1,102	-60%	46%
Secure Municipal Parks Facilities	500	600	596	-1%	16%

Budget and Treasury					
Financial Accounting Control and Systems Development	6,000	1,998	-		
Institutional Contract Management and Supply Chain System		20,000	19,988	0%	100%
Relocation of B & T Staff to ETB Building	1,000	1,000	-		
Financial Asset Management Integration: Computer Hardware	1,000	-	-		
Replacement of Handheld Devices - Meter Reading	800	1,550	792	-96%	-1%
Replacement of Revenue Sub Directorate Computer Equipment	-	801	274	-192%	100%
Upgrading of ETB Customer Care Centre		54	889	94%	100%
Creditors Filing Equipment	1,000	1,000	229	-337%	-337%
Replacement of Vending POS Equipment	500	890	724	-23%	31%
Upgrade of Accommodation at Harrower Road Depot	-	647	647	0%	100%
ICT Services					
Computer Enhancements - Corporate	10,000	10,000	9,456	-6%	-6%
Application Software	6,000	6,000	6,156	3%	3%
	1,135,283	1,590,649	1,571,015	-1%	28%
<i>T N</i>					

**APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD: YEAR 0
(2013/14)**

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Pipe Rehabilitation and Improvements to System - General	Support Services	SCM253/288: Completion Date: 29-11-2014 SCM253/331: Completion Date: 06-12-2013 SCM253/355: Completion Date: 30-04-2014 SCM253/359: Completion Date: 14-11-2013 SCM253/369: Completion Date: 27-06-2014 SCM253/370: Completion Date: 29-11-2014 SCM253/389: Completion Date: 01-09-2014 SCM253/390: 80% Complete SCM253/396: Completion Date: 30-09-2014 SCM253/405: 95% Complete
Cathodic Protection of Steel Pipelines	Support Services	On Going
Elandsjagt - Upgrade to Restore Capacity	Support Services	C/E46/C: 30% Complete C/E47/C: 25% Complete
Reservoir Fencing	Support Services	On Going
Rehabilitation of Reservoirs	Support Services	On Going
Loerie Treatment Works: Rehabilitation	Support Services	C/E04/S: 95% Complete
Installation of Zone Water meters	Support Services	On Going
Purchase of Water Meters - Metro	Support Services	On Going
Upgrading Groendal Water Treatment Works	Ward 49	CE2787: Completion Date: 10-10-2013
Construction of Amanzi Reservoir and Pipeline	Ward 53, 54, 56	Design Phase
Seaview Bulk Water	Ward 40	Design Phase
Construction of a 1,0 ml reclaimed effluent reservoir: Uiten	Ward 47, 48, 49, 50	Design Phase
Water Services Augmentation Backlog: Pipelines	Support Services	Design Phase
Regionalisation: New Water Depot	Support Services	90%
Older Dams Pipelines Augmentation	Support Services	Design Phase
Metro Water: Master Plan Replacement of Pipes	Support Services	On Going
Linton: Additional treatment facility	Ward 9	Design Phase

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Nooitgedagt/Coega Low Level System	Support Services	CE2728: Completion Date: 18-10-2013 CE2729: 95% Complete CE2731: 99% Complete CE2732: Completion Date: 23-08-2013 CE2733: 90% Complete CE2864: 85% Complete CE2865: 98% Complete
Seaview Pump Station: Upgrade	Ward 40	Design Phase
Upgrading of Churchill Water Treatment Works	Support Services	C/E45/C: 50% Complete
Coega Reclaimed Effluent Scheme	Ward 60	Design Phase
Upgrading of Springs Water Treatment Works	Ward 51	Design Phase
Rudimentary Service: Water	Support Services	On Going
Groendal Dam: Rock Stabilisation and Improved Outlet	Ward 45	C/E80/C: 90% Complete
Access Roads: Upgrade	Support Services	On Going
Telemetry System: Upgrade	Support Services	On Going
Purchase New Vehicles	Support Services	On Going
Groundwater Investigation	Support Services	SCM319: 55% Complete
Desalination Augmentation	Support Services	Design Phase
Jagtlakte: Bulk Water Supply Pipeline	Ward 40, 46	Design Phase
Rehabilitation of Pipe Bridges	Support Services	C/E63/C: 60% Complete
Bulk Water Metering and Control	Support Services	On Going
Water Service Maintenance Backlog: Pump Stations	Support Services	On Going
Water Service Maintenance Backlog: Dams	Support Services	On Going
Kwanobuhle: Upgrading of Water Reticulation	Ward 42, 44, 45, 46, 47	Design Phase
Balmoral Reservoir and Bulk Pipeline	Ward 53	Design Phase
Kwanobuhle Reservoir Link Watermain	Ward 40, 41	Design Phase
Sanitation/Sewerage		
Sewer Replacement and Relining	Support Services	
Improvements to Sewerage System	Support Services	
Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	Ward 33	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Replacement of Sewage Collection Vehicles	Support Services	
Paapenkuils Main Sewers Augmentation	Ward 12	
Telemetry - Pump Stations	Support Services	
WWTW - Sludge Treatment and disposal facilities	Support Services	
WWTW: Building Repairs and Concrete Rehab.	Support Services	
Lorraine - Bulk Sewerage Augmentation	Ward 1, 6, 8, 34	
Markman - Replace 600mm Sewer	Ward 60	
Upgrade Despatch Reclamation Works	Ward 53	
Witteklip Bulk Sewerage	Ward 40	
Sewers: Maintenance Backlog Pipes Replacement	Support Services	
Sewerage Master Plan System Updating	Support Services	
Regionalisation : Sanitation	Support Services	
Augment Collector Sewer for Walmer Heights and Mt Pleasant	Ward 1, 4	
WWTW : SCADA / Telemetry links	Support Services	
Improve access roads	Support Services	
Sewer Protection works for collector sewers	Support Services	
Rudimentary Services: Sanitation	Support Services	
Bucket Eradication Programme	Support Services	
Driftsands WWTW Phase 3 extension	Ward 1	
Cape Receife WWTW : Upgrade	Ward 1	
Colchester - sewer reticuation	Ward 53	
Colchester - Bulk Sewerage Infrastructure & WWTW	Ward 53	
Jagtvlakte Bulk Sewerage	Ward 40, 41, 46	
Motherwell North Bulk Sewerage	Ward 53, 54, 56	
Motherwell/Coega WWTW and outfall sewer	Ward 53, 56	
Driftsands Collector Sewer - Augmentation	Ward 1, 4	
Sewerage Pump Station : Maintenance Backlog	Ward 1, 60, Support Services	
Rehabilitation of Kwazakhele Collector Sewer	Ward 60	
Kwanobuhle WWTW : Upgrading	Ward 46	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Kelvin Jones WWTW: Upgrade	Ward 48	
Brickfields: Upgrade	Ward 60	
Fishwater Flats WWTW Upgrade	Support Services	
TEI: Sampling Station	Support Services	
Reclaimed Wastewater	Support Services	
Kwanobuhle: Upgrade of sewer reticulation	Ward 42, 43, 44, 45, 46, 47	
Motherwell Main Sewer Upgrade	Ward 56, 57	
Swartkops Low Level Collector Sewer Upgrade	Ward 21	
Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	Ward 48	
Industrial Site (Airport Valley) - Bulk Sewer	Ward 4	
Kwanobuhle Area 11 - Link sewer	Ward 45	
Upgrade and Rehabilitation of the Korsten Dry Lake Area	Ward 7	
Roads and Stormwater		
Resurfacing of Subsidised Roads	Support Services	
Resurfacing Tar roads (non-subsidy)	Support Services	
TM24 Guidance Signs	Support Services	
H45 Redhouse - Chelsea Arterial: Walker Drive to N2	Ward 39	
Motherwell Canal Wetlands	Ward 60	
Replacement Vehicles Fleet	Support Services	
Traffic Control Equipment (Subsidy)	Support Services	
Traffic Calming Measures	Ward 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 17, 18, 20, 21, 22, 23, 26, 28, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58	
Intersection Improvements	Support Services	
Lorraine Stormwater Control	Ward 8	
Njoli Square Redevelopment	Ward 22	
Glen Hurd drive Upgrading	Ward 6	
Magennis Street Reconstruction	Ward 48	
Ring Road (between Baird and Cuyler	Ward 48	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Street)		
Stormwater Improvements	Support Services	
Paapenkuis Canal Rehabilitation	Ward 12	
Peri-Urban: Rehabilitation of gravel roads	Support Services	
Baird Street Reconstruction (Mitchell to Mel Brooks)	Ward 48	
Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	Ward 54	
Road Management System	Support Services	
Flood Risk Improvements: Chatty River	Ward 37, 41	
New Brighton/Kwazakhele: Bulk Stormwater	Ward 16, 17, 18, 19, 20, 21, 22, 24, 25	
Stormwater Drainage System:Ph2:Mondile Str.:KwaNobuhle	Ward 42	
Flood Risk and Improvements (Swartkops & Baakens)	Support Services	
Rehabilitation of Infrastructure Salt Pans	Ward 31, 32	
Upgrading Depots and Offices	Support Services	
Provision of Rudimentary Services - Roads and Stormwater	Support Services	
Miscellaneous - Roads and Stormwater	Support Services	
Development of Stormwater Management System	Support Services	
Facilities for the Disabled	Support Services	
John Tallant Road (Grahamstown to Seyisi)	Ward 16, 60	
Tarring of Gravel Roads	Ward 4, 21, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 40, 41, 42, 43, 44, 45, 46, 47, 48, 50, 52, 54, 55, 56, 57, 58, 59, 60	
Provision of Sidewalks and Cycle Tracks	Ward 1, 3, 17, 20, 22, 34, 35, 38, 39, 40, 43, 44, 45, 50, 53,	
Zwide Bulk Stormwater	Ward 40	
Blue Horizan Bay Bulk Stormwater	Support Services	
Groundwater Problem Elimination Northern Areas	Support Services	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
New Traffic Signals	Support Services	
Rehabilitation of roads	Support Services	
Laboratory Equipment - Scientific Services	Support Services	
Summerstrand Bulk Stormwater	Support Services	
Planning and Design of Main Roads	Support Services	
Rehabilitation of Bridge Structures	Support Services	
Chatty: Stormwater Improvement	Ward 41	
Cannonville/Colchester: Stormwater improvements	Ward 53	
Greenbushes: Stormwater Improvements	Ward 40	
Stormwater Improvements Ikamvelihle	Ward 56	
Construction of Footbridges	Support Services	
Seyisi Square & Daku Square Development	Ward 21	
Fleet Management - Workshop Equipment	Support Services	
Soweto Square Development	Ward 27	
Rehabilitation of Workshop Buildings	Support Services	
Rehabilitation of Stormwater Ponds	Support Services	
Transport Services		
IPTS - Work Package: Bus Rapid Transit	Support Services	
IPTS - Work Package: Modal Interchanges	Support Services	
IPTS - Work Package: Public Transport Facilities	Support Services	
IPTS - Work Package: Roads & Public Transportation System	Support Services	
IPTS - Work Package: TDM and ITS	Support Services	
IPTS - H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	Support Services	
Electricity		
Radio and Test Equipment	Support Services	
Non Electrification Areas - Service Connections	Support Services	
Electricity Buildings - Additional Furniture & Fittings	Support Services	
Low Voltage Reticulation Improvement	Support Services	
Miscellaneous Mains and Substations	Support Services	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Peri-Urban Network	Ward 1	
Private Township Development	Support Services	
Electrification of State Subsidised and Informal Houses	Ward 16, 28, 31, 32, 33, 41, 48, 50, 53, 54, 55, 60	
Public (Area) Lighting	Ward 2, 4, 6, 9, 12, 14, 15, 16, 17, 19, 20, 22, 24, 26, 27, 30, 34, 35, 36, 37 38, 41, 43, 44, 46, 47, 48, 49, 50, 53, 55, 56, 58, 59	
Meters and Current Transformers	Support Services	
Supervisory Control System Upgrading	Support Services	
Redhouse Reinforcement	Ward 60	
Wells Estate Reinforcement	Ward 60	
Newton Park Reinforcement	Ward 7	
Bethelsdorp 11 kV Reinforcement	Ward 33	
Cable Replacement 6.6kV	Support Services	
Relay Replacement	Support Services	
Distribution Kiosk Replacement	Support Services	
Malabar/ Helenvale Reinforcement	Ward 10	
Coega Reinforcement	Support Services	
Substation Security Alarm Upgrade	Support Services	
Korsten Reinforcement	Ward 11	
Swartkops Reinforcement	Ward 60	
Uitenhage / Despatch SCADA	Support Services	
Ibhayi Reinforcement	Support Services	
Uitenhage Reinforcement	Ward 46, 48	
New/Replacement of plant and motor vehicles	Support Services	
Mount Road Reinforcement	Ward 5	
Computer Systems Upgrade	Support Services	
Despatch Reinforcement	Ward 52	
Walmer Lorraine Reinforcement	Ward 3, 8	
Supervisory Additional Substation	Support Services	
Overhead Lines Refurbishment	Ward 1, 40	
MV and HV Switchgear replacement	Support Services	
Western Reinforcement	Ward 9	
HV Network Reinforcement - Overhead Cabling	Support Services	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
HV Line Refurbishment (66 & 132kV)	Support Services	
Replace Switchgear in Mini susbs - KwaNobuhle	Support Services	
Control Room Upgrade	Support Services	
Gas Turbine Refurbishment	Ward 5	
Substation Fibre Optic Backbone	Support Services	
Fairview Refurbishment	Ward 6	
HV Network Reinforcement - New Substations	Ward 6, Support Services	
Bridgemead Depot Improvement	Support Services	
Bridgemead Depot Improvement	Ward 60, Support Services	
B&T		
Financial Accounting Control and Systems Development	Support Services	This project incurred no expenditure due to the contract not being awarded
Replacement of Revenue Sub Directorate Computer Equipment	Support Services	
Relocation of B & T Staff to ETB Building	Support Services	
Financial Asset Management Integration: Computer Hardware	Support Services	
Replacement of Handheld Devices - Meter Reading	Support Services	
Replacement of Vending POS Equipment	Support Services	
System Enhancements - Various	Support Services	
COO		
CorpGIS Projects	Support Services	CorpGIS Projects runs continuously in 3 year cycles.. During the 2013/2014 fin year only GIS Development and ILIS Support jobs were accomodated. The GIS development finished its contractual timespan and was completed. The ILIS support and final integration is an ongoing 12 month project and started only.
Corporate Services		

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Computer Enhancements - Corporate	Support Services	
Office Accommodation - Ward Councillors	Ward 10, 17, 19	No - Expected completion 30/6/2015
Upgrade of Community Halls	Ward 29	No - Expected completion 30/6/2015
Office Renovation	Support Services	No - Expected completion 30/6/2015
Air Conditioning of buildings	Support Services	No - Expected completion 30/6/2015
Brister House - Upgrading and Rehabilitation	Support Services	No - Expected completion 30/6/2015
Mfanasekhaya Gqobose (ETB) - Upgrade and Rehabilitation	Support Services	No - Expected completion 30/6/2015
Rehabilitation of Pleinhuis	Support Services	No - Expected completion 30/6/2015
Woolboard - Rehabilitation and Upgrade	Support Services	No - Expected completion 30/6/2015
Upgrade Of Municipal Depots	Support Services	No - Expected completion 30/6/2015
Algoa House - Upgrade of Lifts	Support Services	No - Expected completion 30/11/2014
Public Health		
Replacement of Refuse Compactors	Support Services	
Secure Municipal Parks Facilities	Ward 3	
Urban Refuse Transfer/Recycling Station	Ward 60	
Computer and Office Equipment	Support Services	
Implementation - Van Der Kemp's Kloof	Ward 32	No
Re-instatement of Embankment - Tygerbay / Coastal Revetments	Support Services	Yes (Wards 2, 40 & 53)
Beachfront	Ward 2	Yes (Wards 2, 40 & 53)
Upgrade and Development of Public Open Spaces	Ward 22, 40, 45, 60	
Specialised Vehicle and Plant- Parks	Support Services	
Waste Management Containers	Ward 60	
Gateways	Ward 60	
Development of Waste Disposal Facilities	Support Services	
Develop Floodplains	Ward 24	No
Cemeteries	Ward 2, 4, 29, 35, 47	
Upgrade Infrastructure - Metro Integration	Ward 60, Support Services	
Upgrade Pearson Conservatory	Ward 3	
Upgrade Nursery Greenhouses	Ward 3	
Occupational Health and Wellness Center at Walmer	Support Services	
Upgrade of Uitenhage Dog Pound	Ward 60	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Upgrade Major Parks	Ward 3	
Occupational Health Services - Medical Equipment	Support Services	
New Playground Equipment	Ward 22	
New Playground Equipment	Ward 34, 40, 60	
Fencing of Cemeteries	Ward 48	
Cemetery office for Kabah	Ward 50	
Upgrade Roads in Cemeteries	Ward 47, 56	
Safety and Security		
Fire Arms and Accessories	Support Services	
Replacement - Off Road Appliance	Support Services	
Disaster Management Centre/ South End Fire Station	Support Services	
Replacement of Standby Generators	Support Services	
Replacement of Engine Bay Doors	Support Services	
CCTV Equipment & Infrastructure	Support Services	
Safety & Security Control Centre Enhancement	Support Services	
Replacement of Radios	Support Services	
Safety Equipment for Security Officers	Support Services	
EFMS Additional Software and Hardware Applications	Support Services	
Repairs to facility for Mobile Surveillance Vehicles	Support Services	
Replacement of accident damaged water tanker	Support Services	
GIS equipment	Support Services	
High security canopy for firearm training officer vehicle	Support Services	
SPD		
SMME Hive	Ward 58	
Nodal and Precinct Development (Helenvale)	Ward 13	
Housing		
Motherwell Tjoks - 461 Top Structures	Ward 54	
Walmer Area G - 203 Top Structures	Ward 4	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Bloemendal Block 23 South - 1685 Top Structures	Ward 38	
Land Release : Township Developments - Reticulation Services	Ward 45	
New Brighton Silvertown - 122 Top Structures	Ward 15	Civil services Project Complete.
Joe Slovo - Uitenhage Phase 1	Ward 48	Civil services Project Complete.
Roos Str P1- P3	Ward10	Civil services Project Complete.
Khayamandi Extension	Ward 41	Phases 1A, 1B, 2 & 3 are fully serviced. Phases 4A & 4B to be fully serviced by Dec 201
Missionvale Garden Lots	Ward 32	Section 1 & 2 complete. Sction 3 - 60% complete. Section 4 & 5 construction to commence in November 2014.
Red Location - New Brighton	Ward 15	Civil Services Phase 1 complete, Phase 2 is at procurement stage
Rosedale	Ward 53	Civil services Project Complete.
Motherwell Higher Density	Ward 58	Civil services Project Complete.
Kwanobuhle Area 11	Ward 45	Phase 1 in progress, Phase 2 is at procurement stage
Kwazakhele: Ekhumphumleni	Ward 19	Contractor to be appointed by Nov 2014.
Jacht Flakte	Ward 41	At planning stages
Sisulu Village	Ward 24	Civil services Project Complete.
Seaview Housing Project	Ward 40	EIA process.
Walmer Development	Ward 4	EIA process.
Hunters Retreat - Grogro	Ward 39	EIA process.
Walmer Q Phase 3	Ward 4	Civil services Project Complete.
MK Silvertown 2 Qaqawuli	Ward 16	Project under Tender Adjudication Process Service's contractor to be awarded ASAP
Walmer G - West	Ward 4	EIA process.
Motherwell NU30	Ward 54	Phase 1 in progress (Completion date is Nov 2015), Phase 2 is at procurement stage
Malabar Ext 6 Phase 2	Ward 12	EIA process.
Masakhane Village	Ward 24	Awaiting WULA then tender can be advertised
Motherwell NU31	Ward 54	Planning Stages

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Kuyga Phase 3	Ward 40	Prepare Bid Spec Item to appoint Consultant.
Water & Sewer Connections - Various	Ward 48	
Motherwell NU 29 PH 2 (2101)	Ward 54	Civil services Project Complete.
Motherwell NU 12	Ward 54	Civil services Project Complete.
Tiryville (Uitenhage) 187 Units	Ward 45	
Kwanobuhle ERF 8228	Ward 42	The civil services project is at procurement stage for a civil contractor
Mandela Village 71 Sites	Ward 18	Relocation issues. Project partially completed.
Inkatha Seyisi	Ward 19	Tender advertised to appoint Consultant.
Raymond Mhlaba/ Buyambo	Ward 21	EIA process.
Bethelsdorp Ext 32, 34 & 36	Ward 37	Prepare Bid Spec Item to appoint Consultant.
Kleinskool Kliprand	Ward 33	Tender advertised to appoint Consultant.
Pola Park	Ward 50	The civil services project is at procurement stage for a civil contractor. Polar park Extension is undergoing EIA studies.
Ramaphosa West	Ward 56	Planning Stages
Tynira Ndlovini	Ward 57	Planning Stages
Wells Estate Phase 3 Ext 6	Ward 60	Planning Stages
Witteklip	Ward 40	Civil Services Construction could not commence due to unresolved EIA issues relating to Bulk services
WELLS ESTATE PHASE 2 - 677 ERVEN	Ward 60	Civil services Project Complete.
RECTIFICATION OF MOTHERWELL NU 8	Ward 56	
RECTIFICATION OF 1685 SUBSIDIES IN BLOEMENDAL BLOCK 23 SOUTH	Ward 41	
RECTIFICATION OF 165 SUBSIDIES UNITS IN SILVERTOWN SISONKE	Ward 29	
RECTIFICATION OF CHATTY EXTENSIONS 3 & 4: 766 SUBSIDIES	Ward 41	
EDTA		
Fountain Road Redevelopment	Ward 4	

Capital Programme by Project by Ward: Year 0		
		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
SRAC		
Upgrade Wolfson Stadium Phase 3	Ward 19	Yes
Upgrade Existing Sports Facilities	Support Services	No/Multi Year Projects
Rehabilitate and Upgrading of Swimming Pools Structures	Ward 3	No/Multi Year Projects
Springs Resort - Upgrade Infrastructure	Ward 51	No/Multi Year Projects
Secure Recreational Buildings / Facilities	Ward 15, 19, 23, 27, 28, 29, 30, 32, 36, 50	No/Multi Year Projects
Upgrade Beaches, Tourism - 2	Ward 60	No/Multi Year Projects
Mendi Bottle Store Renovation	Ward 14	No / Completion Date 1 June 2015
<i>TO</i>		

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The Municipality has no backlogs for schools or clinics. Connections are provided as and when required.

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Clinics and schools falls under the responsibility of the Eastern Cape Provincial Government. The Municipality has no backlogs for schools or clinics. Connections are provided as and when required.

The Municipality is responsible for the provision of services such as housing, sports fields and licensing and testing centres. Information with regard to the latter is reflected in Chapter 3 of this Annual Report.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
E P Rugby Union - Contribution to Parks Department			100,000.00	
A.C.V.V. - P E Branch			276,183.00	
Aurora Centre for Handicapped Children		The assistance should be used to offset the municipal environmental charges and to subsidise the sisonke mesani resident stimulation centre	90,800.00	
Community Chest		The assistance should be used to donate donate to registered welfare organisations	850,000.00	
M.T.R. Smit Kinderoord			30,000.00	
S A Blind Workers Organisation - E.C. Branch			15,000.00	
St Francis Hospice		The assistance should be used to provide transport, fuel, maintenance , communication,office rentals,support group, training & nutrition	100,000.00	
P E Afrikaanse Amateur Toneelvereniging			5,000.00	
National Sea Rescue institute of S A			300,000.00	
Rape Crisis Centre		The assistance should be used for preventative awareness programs and counselling of rape survivors	100,000.00	
African Scholars Fund		The assistance should be used to provide bursaries for students residing in NMBM area and provision of text books, transport, advice booklets & facilitating of workshops	130,000.00	
Wild Life and Environment Society			50,000.00	
Animal Welfare Society			100,000.00	
Animal Anti-Cruelty League			30,000.00	
Eastern Cape Philharmonic Society			100,000.00	
Feather Market Organ Society		The assistance to be used to present 9 concerts plus an open day concert for school	40,000.00	
Diana Davis Pre-School			17,000.00	
Oosterland Childrens Home			30,000.00	

Cape Receife School		The assistance would be used to provide accredited training for 15 students through ST Francis Hospice in HIV Aids & palliative care	40,000.00	
Zwartkops Trust			100,000.00	
PE Childline and Family Centre			80,000.00	
Various GIA : Arts and Culture			290,000.00	
Various GIA : Educational Institution			704,000.00	
Various GIA : Local Economic Development			60,000.00	
Various GIA : Other			65,000.00	
Various GIA : Sporting Bodies			230,000.00	
Various GIA : Welfare Organisations			1,372,500.00	
* Loans/Grants - whether in cash or in kind				TR

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government	
Outcome/Output	Progress to date
Output: Improving access to basic services	<p>Access to Basic Services: During the period under review, the Municipality recorded the following service delivery statistics:</p> <ul style="list-style-type: none"> • 100% of all households on officially surveyed sites provided with access to electricity • 100% households within the urban edge provided with access to basic potable water supply within 200 m radius • 90,93% households with access to basic sanitation • 100% of households within the urban edge receiving a domestic waste collection service (excluding informal areas on privately owned erven and erven not earmarked for human settlements development) • 2 856 state subsidised housing units provided <p>Access to Free Basic Services: The Municipality has an Assistance to the Poor (ATTP) Scheme in place. In terms thereof, the Municipality provided free basic services (water, electricity, sanitation, refuse) to approximately 85 022 indigent households in Nelson Mandela Bay.</p>
Output: Implementation of the Community Work Programme	<p>Community Development Workers and Youth Development Practitioners play a critical role in ensuring that the services of government and Council reach local communities.</p> <p>There are 36 Community Development Workers operating in Nelson Mandela Bay. Some challenges experienced include the need for closer cooperation and interaction with the Municipality in order to maximise service delivery to the community.</p> <p>Quarterly reports on the work of the Community Development Workers are submitted to the Eastern Cape Provincial Office and then forwarded to the Office of the President.</p>
Output: Deepen democracy through a refined Ward Committee model	Altogether 60 Ward Committees were established during the 2013/14 financial year.

National and Provincial Outcomes for Local Government	
Outcome/Output	Progress to date
Output: Administrative and financial capability	<p>The Municipality maintained its credit rating of A1.za (with negative outlook). The Municipality's credit strengths include; moderate debt levels, solid financial performance and relatively large, but concentrated economic base.</p> <p>The Municipality's credit challenge includes; lingering liquidity pressure stemming from the financing of its capital programme. The Municipality will ensure a further strengthening of its debt metrics in the context of an adequate liquidity position to obtain an upward change in its credit rating during the 2014/2015 financial year.</p>

VOLUME II

ANNUAL FINANCIAL STATEMENTS

VOLUME III

**AUDIT REPORT BY AUDITOR-GENERAL
OF NELSON MANDELA BAY MUNICIPALITY**

(SIGNED COPY)

VOLUME IV

AUDIT COMMITTEE REPORT

VOLUME V

**REPORT ON MUNICIPAL ENTITY:
MANDELA BAY DEVELOPMENT AGENCY**